

**ASSOCIATION OF APARTMENT OWNERS OF
909 KAPIOLANI
A G E N D A
DECEMBER 16, 2021 ANNUAL MEETING (ONLINE MEETING)**

ROLL CALL (Accomplished by checking in online)

PROOF OF NOTICE OF MEETING

CONDUCT OF MEETING

1. APPOINTMENT OF PROFESSIONAL PRESIDING OFFICER
2. ADOPTION OF STANDING AND SPECIAL MEETING RULES

READING OF MINUTES OF PRECEDING ANNUAL MEETING

REPORT OF OFFICERS

REPORT OF COMMITTEES

ELECTION OF DIRECTORS

UNFINISHED BUSINESS

NEW BUSINESS

1. IRS TAX RESOLUTION

ADJOURNMENT

NOTE: There will be a short Organizational Meeting of the new Board of Directors immediately following adjournment of the Annual Meeting. All Directors are asked to remain for this brief meeting.

Association Meeting Rules

1. Smoking is not permitted in the meeting area.
2. This is a private meeting and attendance is restricted to owners and proxy holders representing owners, staff, and other persons who have been specifically invited by the board. All others are required to leave.
3. Owners desiring to speak must stand and be recognized by the Chairman. Owners must state their **name and unit each time**. The owner must **use the microphone, if available**, so that everybody else can hear.
4. All remarks must be **directed to the Chairman**, not directly to other members. Personal attacks, vulgarity, or offensive language can result in loss of debate privileges.
5. Long and complicated motions must be in writing and delivered to the Chairman, signed by the maker and seconder. This will help avoid confusion and insure that everybody knows the exact wording of the motion.
6. Discussion is normally limited to the motion being considered. Therefore, please don't start a long discussion unless a motion is already pending for consideration.
7. In order to ensure that everybody has a chance to speak, each individual shall have a limit of 2 minutes per speech and a limit of 2 speeches per debatable motion.
8. Nomination and election debate for elected office shall be limited to one speech per nominee (or his/her delegate) for a maximum of 2 minutes per speech.
9. Any board member whose removal is proposed shall have a debate limit of 10 minutes for each of the two speeches. The board member may choose to speak last after all other debate has concluded.
10. Ballot voting on any motion (including the election) will remain open for 10 minutes, (or until the results are announced) unless extended by the owners.
11. No video-taping or other electronic recording is permitted (except for production of the minutes) during any of the proceedings unless first approved by the Association members at the meeting.
12. The board of directors is authorized to approve the minutes of the Association meetings.

The following rules supplement any Association Meeting Rules (“**Meeting Rules**”), with regard to the use of an internet-based conferencing service for the Association Annual and Special meetings. The Meeting Rules shall remain in full force and effect except as supplemented by these Supplemental Rules. In the event of a conflict, the Supplemental Rules shall prevail.

- 1. General.** The Meeting will be held using Zoom or an online platform selected by the Board. Owners may observe the meeting using an internet-based video conferencing service with a computer or other internet enabled device, or listen to the meeting by telephone using a telephone conference number.
- 2. Registration and Sign-in.** Owners who wish to attend the meeting must may have to pre-register prior to the meeting (or at check-in) and obtain a private link or passcodes in accordance with Registration Instructions provided by management. Owners shall not share the link, access keys, or passwords with any other person. Owners who listen to the meeting by telephone (without video) will not be able to view anything that may be presented by video. Owners must sign into the designated internet-based conferencing service at least 30 minutes prior to the scheduled start time unless an earlier time is established. Attendees must sign-in using English with their first and last names followed by their unit number or address in parenthesis. They must not sign in anonymously or with fictional names. Individuals who cannot be identified may not be permitted to enter the room.
- 3. Private Meeting.** This is a private meeting. Attendance and remote access is restricted to: (a) directors and officers, (b) Owners of record, (c) proxyholders, (d) staff, and (e) other individuals who have been specifically invited by the President or the Board.
- 4. Procedures for Voting or Participation.**
 - a. Only Owners of record and proxyholders who register (“**Voting Members**”) will be counted in the quorum, be able to make motions, debate, or vote.
 - b. Any Voting Member who desires to make a motion or speak in debate will raise their hand (or online equivalent utilizing the chat box or similar functions available in the web-conferencing platform), and after being recognized by the Chair, will unmute their microphone, speak clearly, and state their name. Any Voting Member who has technical difficulties requesting the floor shall use the chat box immediately with the prefix “REQUEST THE FLOOR” or contact management at the number below. (On a touchtone connection, “*6” is commonly used to toggle between mute and unmute; “*9” is commonly used to request recognition by the Chair.)
 - c. The Chair may require motions and amendments to be in writing.
 - d. Voting shall be done using an online vendor. Voting Members who wish to vote shall comply with the voting instructions provided in a separate document.
- 5. Decorum (Discussion, Debate, and Visual).** Decorum is prescribed in Robert’s Rules of Order Newly Revised (12th ed.); personal attacks, vulgarity, offensive language, or misuse of the chat box can result in loss of debate or chatting privileges. Visual decorum will also be enforced; any vulgar or offensive image or video may cause muting or an immediate disconnection by the Chair or Host from the meeting. Commercial advertisements are prohibited without prior consent. The Chair’s or Host’s disconnection of an attendee will be announced.
- 6. No Electronic Recording.** No video, audio or other electronic recording is permitted during any of the proceedings (except by the host or parliamentarian) unless first approved by the Voting Members.

- 7. Internet Connectivity.** Each attendee is responsible for their own internet connection to the meeting; no action will be invalidated on the grounds that the loss of, or poor quality of, any attendee’s internet connection prevented them from observing or listening to the meeting.
- 8. Interference and Noise (remote attendees).** The host will mute all microphones, except that microphones will be unmuted for individuals are assigned the floor. Attendees must mute their microphone when not speaking to avoid interference and unintended background noise. The Chair, after one warning, may order the muting or disconnecting of any attendee causing undue interference. The Chair’s decision will be announced.
- 9. Chat Box.** The chat box will be restricted. It may not be monitored. Subject to control by the Chair or Host, the chat box is restricted to voting members and permitted guests. It may only be used to:
- (a) present motions for consideration either prior to or upon recognition;
 - (b) make nominations from the floor;
 - (c) display remaining time if applicable or necessary;
 - (d) provide information necessary for inclusion in the minutes;
 - (e) provide a link or a document that cannot be displayed on the screen;
 - (f) provide specific comments or participation if requested by the Chair or Voting Members.

If an Owner is unable to hear a speaker, they will need to call _____ at _____.

- 10. Chair Pro Tem.** The president may appoint a *Chair Pro Tem* for the meeting.

Supplemental Meeting Rules Permanently Adopted on: _____



APPROVED

MINUTES
909 KAPIOLANI
ASSOCIATION OF APARTMENT OWNERS
2020 ANNUAL MEETING

DATE: Thursday, February 20, 2020

PLACE: Studio 909, Musicians Hall

ROLL CALL AND CALL TO ORDER:

The 2020 annual meeting was called to order at 6:30 p.m. by President Fukuda.

Hearing no objections, Property Manager Billings was appointed Chair pro-tem.

MINUTES OF PRECEDING MEETING:

The minutes of the February 27, 2019 annual meeting were approved as submitted.

REPORTS OF OFFICERS:

A. Auditor's Report. The auditors report for the year ended 2019 was available upon check in.

APPOINTMENT OF TELLERS:

Sandra Lau and Mark Freuden were appointed as Tellers.

ELECTION OF DIRECTORS:

Nominations and elections were conducted pursuant to Article I, section 6 and Article II, section 3 of the Bylaws. The results of the election are:

Gilbert Doles	3 Year Term
Kay Fukuda	3 Year Term
Benton Pang	1 Year Term
Charles Johnson	3 Year Term

NEW BUSINESS:

- A. Tax Resolution.** The following tax resolution was adopted by unanimous consent: Resolved, that any excess of membership income over membership expenses for the year ending 2020 tax year shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.
- B. 2020 Annual Meeting Minutes.** Hearing no objections, the Board of Directors was authorized to approve the 2020 Annual Association Meeting Minutes at the next regular Board of Directors Meeting.

ADJOURNMENT:

Hearing no objections, the meeting adjourned at 7:21 p.m.

Demetrio Tolentino, Secretary

by direction;

Jonathan Billings (RA), RS®, PCAM®
Property Manager/Recording Secretary
for TOUCHSTONE PROPERTIES LTD.,
Agent for 909 Kapiolani AOA



Felice Valmas, CPA

& Company LLC
401 Kamee Street, Suite 402
Honolulu, HI 96814
Phone: 808-596-8000
Fax: 808-593-1022
Website: www.FeliceCPA.com
Email: felice@FeliceCPA.com

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

Board of Directors of
ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI

Opinion:

We have audited the accompanying financial statement of cash receipts and disbursements and changes in cash and reserves of the **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI**, for the year ended **December 31, 2020**, and the related notes to the financial statement. In our opinion, the financial statement referred to above present fairly, in all material respects, the cash receipts and disbursements and the changes in cash and reserves of the **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI** for the year ended **December 31, 2020**, in accordance with the cash basis of accounting described in Note 2.

Basis of Opinion:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities:

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities:

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with Generally Accepted Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Disclaimer of Opinion on the Required Supplemental Information on Future Major Repairs and Replacements:

Accounting principles generally accepted in the United States of America require that information on Future Major Repairs and Replacements which accompany this financial statement be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Financial Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Felice Valmas, CPA & CO, LLC

Felice Valmas, CPA & Company, LLC
Honolulu, Hawaii
July 1, 2021

ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI

Statement of Cash Receipts and Disbursements

and Changes in Cash and Reserves

For the Year Ended December 31, 2020

Cash Receipts:

Maintenance Fees	\$	1,863,502	
Utilities Reimbursements		395,576	
Interest		9,670	
Late Fees and Other		6,094	
Holiday Funds		4,505	
Total Cash Receipts			\$ 2,279,347

Cash Disbursements:

Capital Improvement and Major Repairs:

Electrical and Lighting	41,271	
Lobby Renovation and Furnishings	27,036	
Major Repairs	19,725	
Plumbing	16,561	
Fire Systems	7,028	111,621

Repairs and Maintenance:

Fire Safety Equipment	39,285	
Refuse	37,126	
Repairs, Purchases and Other	34,359	
Elevator	30,802	
Air Conditioning	22,786	
Security	17,660	
Pool	13,122	
Plumbing	10,094	
Window Washing	7,700	
Concrete	7,644	
Grounds	5,252	225,830

Utilities:

Electricity	661,265	
Water and Sewer	255,551	
Communications	8,167	
Gas	437	925,420

Personnel:

Site Management	166,870	
Security Contract	123,180	
Wages	107,508	
Janitorial Contract	98,163	
Payroll Taxes, Benefits and Other	33,420	529,141

Administration:

Management Fee	57,393	
Office and Administrative	11,127	68,520

Other:

Insurance	130,112	
Insurance Claims	97,019	
Professional Fees	24,834	
Hawaii General Excise Tax	692	252,657
Total Cash Disbursements		2,113,189

Increase (Decrease) in Total Cash and Reserves \$ 166,158

Cash and Reserves: December 31, 2019 1,150,920Cash and Reserves: December 31, 2020 \$ 1,317,078

See the accompanying notes to this financial statement

ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI

Notes to the Financial Statements

December 31, 2020

NOTE 1. Nature of Organization:

The **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI** (The Association) was formed in 2007 and is subject to Chapter 514B of the Hawaii Revised Statutes. The purpose of the Association is to provide for the operation, management and maintenance of the common property of the condominium. The condominium consists of 232 residential units located in Honolulu on the island of Oahu.

NOTE 2. Summary of Significant Accounting Policies:

Member Assessments: Association members are assessed monthly to provide for operating expenses, improvements, replacements and major repairs. The annual budget and assessments of owners are determined by the board of directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Basis of Accounting: In accordance with industry practice, the accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and bank deposit accounts and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statement. The cash basis differs from generally accounting principles primarily because the effects of accounts receivable and accounts payable are not reflected in the accompanying financial statement.

NOTE 3. Cash and Reserves:

Cash and Reserves represents cash on hand and deposits held at financial institutions. Cash equivalents include highly liquid investments that have original maturities of three months or less. For the purpose of clarity in cash basis presentation, short term certificates of deposit, held in reserves, that mature within one year of the financial statement date, are included in a combined balance on the face of the statement of Cash Receipts and Disbursements and Changes in Cash and Reserves.

The balance of Cash and Reserves at December 31, 2020 is comprised of:

	Operations	Reserves	Total
Cash and Cash Equivalents	\$ 62,434	\$ 528,585	\$ 591,019
Certificates of Deposit	<u>-</u>	<u>726,059</u>	<u>726,059</u>
Cash and Reserves	\$ <u>62,434</u>	\$ <u>1,254,644</u>	\$ <u>1,317,078</u>

ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI

Notes to the Financial Statements (Continued)

December 31, 2020

NOTE 4. Federal and State Income Taxes:

The Association has the option to file its tax returns either as a homeowners' association or as a regular corporation. For the year ended December 31, 2020, they intend to file the tax form that proves to be most beneficial in minimizing tax payments.

NOTE 5. Surprise Cash Confirmation:

In conformity with Hawaii State law, a surprise cash verification was conducted during the fiscal year. No material discrepancies were encountered.

NOTE 6. Future Major Repairs and Replacements:

Hawaii State law requires associations to prepare a study of Future Major Repairs and Replacements, and also requires funding towards the indicated reserve balances, based upon either straight line or cash flow assumptions. The straight-line method requires that reserves for each component be collected in equal annual installments over the life of the component. The cash flow analysis requires that the Association have sufficient cash flow over a twenty-year period to fund the replacement of building components without special assessments or loans except in an emergency. The intent is to accumulate the anticipated monies necessary in advance of their being needed, in order to reduce the probability of special assessments, borrowing, or deferring needed major repairs and replacements.

The **ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI's** Board of Directors updated their study in 2020 to estimate the remaining useful lives and replacement costs of the components of common property.

Funds are presently being accumulated for replacements based on estimated future costs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board of Directors of the Association has the right to increase regular assessments, or pass special assessments, until enough funds are available.

ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI
 Supplementary Information on Future Major Repairs and Replacements
 (Unaudited)
 December 31, 2020

The board of directors updated the reserve study in 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The following table is based upon the study, and presents significant information about the components of the common property.

	Estimated Remaining Useful <u>Lives</u>	Estimated Future <u>Costs</u>
Penthouse Roof	-	\$ 110,000
Parking Garage Coating System	-	170,000
Plumbing	-	51,000
Recreation Deck Upgrades	-	150,000
6th Floor Deck Synlawn	-	61,500
Elevator Cab Refurbishment	1	61,200
Penthouse Roof Air Cooled Condensing	1	204,000
Parking Garage Tension Cables	1	76,500
Pool Deck Coating	2	156,060
Elastomeric Garage Coating	3	195,262
Paint Exterior Penthouse and Garage	3	366,400
6th Floor Plaza Deck Repair	6	171,296
Carpet Hallways	6	259,017
Common Area Hallways Painting	6	92,345
Common Hallway Lighting	6	54,022
Fitness Room	6	73,201
35th Floor Roof Coating	6	69,947
Water Delivery VFD Pump System	6	118,247
Emergency Generator	10	231,609
Parking Garage Coating System	10	207,229
Elevator Modernization	11	1,720,519
Fire Pump and Controls	11	124,337
Paint Exterior Penthouse and Garage	11	429,296
Parking Garage Crack Repairs	12	123,853
Recreation Deck and Pool Deck Coating	12	190,236
Penthouse Roof	13	142,297
Parking Garage	13	331,487
1st and 2nd Floor Lobby Refurbishment	14	91,210
6th Floor Deck Synlawn	15	82,771
Awning	16	54,911
Carpet Hallways	16	315,741
Common Area Hallways Painting	16	112,568
Elevator Cab Refurbishment	16	82,367
Fitness Room	16	89,231
Penthouse Energy Labs	16	98,497
Penthouse Roof Air Cooled Condensing	16	274,557
Parking Garage Tension Cables	16	102,959
Plumbing	16	70,012
Roll-up Security Gates	16	56,284
Penthouse Flat Roof	16	137,279
Common Area Hallways Wall Covering	17	53,209
Elastomeric Garage Coating	19	268,053
Paint Exterior Penthouse and Garage	19	502,989
Spall Repairs	19	52,190
Others (Under \$50,000)	Various	<u>1,697,022</u>
	Unaudited	<u>\$ 10,082,710</u>