

Makaha Surfside  
RA Cover Page w/Photo

# Capital Reserve Study

MAKAHA SURFSIDE AOA

Waianae, Hawaii

January 1, 2022



**HAWAIIAN PROPERTIES**

Building Relationships that Last

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**Makaha Surfside**  
 Waianae, Hawaii  
**RA Current Assessment Funding Model Summary**

Report Date	January 1, 2022
Account Number	877
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	454

<i>Report Parameters</i>	
Inflation	2.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.70%
Tax Rate on Interest	1.00%
2022 Beginning Balance	\$3,565,808

**Project Summary**

A Reserve Study was prepared using the cash flow method of analysis for the fiscal year ending December 31, 2022 .

This funding plan provides for fully funded reserve fund balances and complies with HRS 514B-148, approved by the association's Board of Directors as part of the new Budget.

It is important to recognize that a reserve study is a financial forecast of future funds required to maintain the capital components of the project. Hawaii law requires directors of the association to use reasonable efforts to project inflation, interest income, component inventory, component life & remaining life, and replacement costs of the project's components for a 20 year period. From this information, reserve contributions are calculated to fund the statutory replacement reserves. By its nature, a Reserve Study is an estimate to be used for annual budgeting purposes. The Reserve Study is a requirement of HRS 514A-83.6 and HRS 514B-148. The reserve study is not an audit or quality inspection of the project.

This Reserve Study has adopted a funding plan based on the cash flow method that provides full funding. The Reserve Study reflects that the Association is fully funded and has complied with the reserve requirements of Hawaii State Law; provided however, the association implements the funding plan and the criteria used reflects the project's actual operating experience during the life of the funding plan.

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Month Contribution	\$47,656.00
Average Net Month Interest Earned	<u>\$1,160.16</u>
Total Month Allocation to Reserves	\$48,816.16

**Makaha Surfside  
RA Current Assessment Funding Model Projection**

Beginning Balance: \$3,565,808

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2022	571,872	13,922	1,872,679	2,278,923
2023	589,028	17,818	34,674	2,851,095
2024	606,699	20,991	159,973	3,318,812
2025	624,900	25,423		3,969,135
2026	643,647	29,856	22,827	4,619,811
2027	662,956	34,358	36,456	5,280,669
2028	682,845	39,280		6,002,795
2029	703,330	43,833	78,309	6,671,649
2030	724,430	48,366	106,587	7,337,858
2031	746,163	53,540	40,287	8,097,275
2032	768,548	58,551	91,003	8,833,371
2033	791,605	38,456	3,730,123	5,933,309
2034	815,353	44,316		6,792,977
2035	839,813	50,384		7,683,175
2036	865,008	55,781	127,608	8,476,355
2037	890,958	61,971	44,439	9,384,844
2038	917,687	68,212	69,641	10,301,101
2039	945,217	74,557	88,050	11,232,826
2040	973,574	81,754		12,288,153
2041	1,002,781	78,417	1,551,004	11,818,348

**Makaha Surfside  
RA Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2022</b>	
Asphalt Seal Coat Garage Phase 2	11,487
Asphalt Seal Coat Main Entrance Phase 1	11,486
Asphalt Seal Coat Phase 3	11,487
Dumpster Replacement	26,938
Guard Shack Awning	2,827
Paint Pool Deck Pool C	38,808
Painting Makai Bldg C Exterior/Minor Spall Repair	452,680
Painting Mauka Bldg B Exterior/Minor Spall Repair	461,459
Pool C Re-Tile	50,730
Pool Pumps, Filters	6,081
Roof Building A (Built-Up)	212,810
Roof Building B (Built-Up)	131,952
Roof Building C (Built-Up)	187,015
Roof Pool Baths (Built Up)	14,802
Shake Roof Entry	39,779
Tile Common Area	158,937
Trash Chute Re-Lining	53,401
<b>Total for 2022</b>	<b>\$1,872,679</b>
<b>Replacement Year 2023</b>	
Garage Fence Barriers	34,674
<b>Total for 2023</b>	<b>\$34,674</b>
<b>Replacement Year 2024</b>	
Chain Link Fence Replacement	68,948
Main Building Shut Off Valves	53,636
Pool A Re-Tile	37,389
<b>Total for 2024</b>	<b>\$159,973</b>
<i>No Replacement in 2025</i>	
<b>Replacement Year 2026</b>	
Exhaust Fans Roof 600 to 1k Cfm	18,869
Saunas - Refurbished	3,958
<b>Total for 2026</b>	<b>\$22,827</b>
<b>Replacement Year 2027</b>	
Dumpster Replacement	29,742

**Makaha Surfside  
RA Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2027 continued...</i>	
Pool Pumps, Filters	6,714
<b>Total for 2027</b>	<u><b>\$36,456</b></u>
<i>No Replacement in 2028</i>	
<b>Replacement Year 2029</b>	
Asphalt Seal Coat Garage Phase 2	13,195
Asphalt Seal Coat Main Entrance Phase 1	13,194
Asphalt Seal Coat Phase 3	13,195
Exhaust Fans - Roof 1.4k to 2.0	38,726
<b>Total for 2029</b>	<u><b>\$78,309</b></u>
<b>Replacement Year 2030</b>	
Exhaust Fans - Roof 1.6k to 2.7	47,149
Pool C Re-Tile	59,438
<b>Total for 2030</b>	<u><b>\$106,587</b></u>
<b>Replacement Year 2031</b>	
Lighting- Garage Parking Lot	40,287
<b>Total for 2031</b>	<u><b>\$40,287</b></u>
<b>Replacement Year 2032</b>	
Dumpster Replacement	32,837
Guard Shack Awning	3,446
Paint Pool Deck Pool C	47,307
Pool Pumps, Filters	7,413
<b>Total for 2032</b>	<u><b>\$91,003</b></u>
<b>Replacement Year 2033</b>	
Vertical Waste Pipes	3,730,123
<b>Total for 2033</b>	<u><b>\$3,730,123</b></u>
<i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
<b>Replacement Year 2036</b>	
Asphalt Repair Phase 2	19,350

**Makaha Surfside  
RA Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2036 continued...</i></b>	
Asphalt Seal Coat Garage Phase 2	15,157
Asphalt Seal Coat Main Entrance Phase 1	15,156
Asphalt Seal Coat Phase 3	15,157
Building Plumbing Repair & Maintenance	62,789
<b>Total for 2036</b>	<b><u>\$127,608</u></b>
<b>Replacement Year 2037</b>	
Dumpster Replacement	36,255
Pool Pumps, Filters	8,184
<b>Total for 2037</b>	<b><u>\$44,439</u></b>
<b>Replacement Year 2038</b>	
Pool C Re-Tile	69,641
<b>Total for 2038</b>	<b><u>\$69,641</u></b>
<b>Replacement Year 2039</b>	
Gutters & Downspouts	37,730
Pool A Re-Tile	50,320
<b>Total for 2039</b>	<b><u>\$88,050</u></b>
<i>No Replacement in 2040</i>	
<b>Replacement Year 2041</b>	
Elevator Modernization Phase 1	598,749
Painting Bldg A, Exterior/Minor Spall Repair	946,927
Saunas - Refurbished	5,328
<b>Total for 2041</b>	<b><u>\$1,551,004</u></b>