

**Seal Beach Mutual Seventeen
Operating Budget
Year Ended December 31, 2021**

126 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2021	2020	Change	2021	2020	Change
Electricity	19.84	18.52	1.32	29,998	28,002	1,996
Telephone	1.46	1.46	0.00	2,208	2,208	0
Water	15.46	15.46	0.00	23,376	23,376	0
Trash	9.50	8.89	0.61	14,364	13,442	922
Gas	7.28	7.28	0.00	11,007	11,007	0
Total Utilities	53.54	51.61	1.93	80,953	78,035	2,918
Management Fee	0.56	0.56	0.00	847	847	0
Audit Fees	0.00	0.00	0.00	0	0	0
Legal Fees	1.32	1.98	(0.66)	1,996	2,994	(998)
Investment Fees	3.97	3.97	0.00	6,003	6,003	0
Total Professional Fees	5.85	6.51	(0.66)	8,846	9,844	(998)
Custodial Service	26.03	24.28	1.75	39,357	36,711	2,646
Landscape - Contract	40.41	39.68	0.73	61,100	59,996	1,104
Landscape - Extras	0.93	3.31	(2.38)	1,406	5,005	(3,599)
Landscape - Trees	2.11	0.00	0.00	3,190	0	3,190
Painting	3.31	3.01	0.30	5,005	4,551	454
Pest Control	2.59	1.25	1.34	3,916	1,890	2,026
Structural Repairs	4.63	4.63	0.00	7,001	7,001	0
Miscellaneous Services	7.08	6.81	0.27	10,705	10,297	408
Other Service Contracts	13.23	12.94	0.29	20,004	19,565	439
Standard Service	3.97	6.90	(2.93)	6,003	10,433	(4,430)
Total Services	104.29	102.81	(0.63)	157,687	155,449	2,238
State & Federal Taxes	0.00	0.00	0.00	0	0	0
Property & Liability Insurance	24.32	23.35	0.97	36,772	35,305	1,467
Total Taxes & Insurance	24.32	23.35	0.97	36,772	35,305	1,467
Operating Expenses	188.00	184.28	3.72	284,258	278,633	5,625
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	0.00	0.00	0.00	0	0	0
Total Services Income	0.00	0.00	0.00	0	0	0
Financial Income						
Interest Income	11.58	13.23	(1.65)	17,509	20,004	(2,495)
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain/Loss on Investments	0.00	0.00	0.00	0	0	0
Late Charges	0.57	0.13	0.44	862	197	665
Move - In Fees	0.26	0.33	(0.07)	393	499	(106)
Miscellaneous	0.36	0.36	0.00	544	544	0
Total Financial Income	12.77	14.05	(1.28)	19,308	21,244	(1,936)
Operating Income	12.77	14.05	(1.28)	19,308	21,244	(1,936)
Net Operating Cost	175.23	170.23	5.00	264,950	257,389	7,561
Reserve Funding	46.66	46.66	0.00	70,549	70,549	0
Total Mutual Costs	221.89	216.89	5.00	335,499	327,938	7,561
Allocated Trust Cost	165.05	163.11	1.94	249,556	246,622	2,933
Regular assessment	386.94	380.00	6.94	585,055	574,560	10,494

**Seal Beach Mutual Seventeen
Replacement Reserve Summary
Budget Year 2021**

While preparing the annual operating budget, the board reviews the conditions and assumptions regarding the common interest of the Mutual. This review consists of updating the replacement cost and remaining useful life of the Mutual's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). The board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the board does not plan any special assessments.

Fund	Estimated			Reserve Funding			
	Useful Life	Remaining Life	Replacement Cost	Required Funding	Estimated Beg. Bal.	Planned 2021 Funding	Estimated % Funded
Paint	15-30	4 - 20	459,330	319,003	291,729	25,147	99.3%
Roof	18-25	0 - 6	385,323	323,671	297,078	25,164	99.6%
Infrastructure	1-35	0 - 30	473,018	251,922	169,630	20,238	75.4%
Total			1,317,671	894,597	758,437	70,549	92.7%

**Seal Beach Mutual Seventeen
Project Listing for Budget Year
2021**

Painting Reserve Projects

Description	Unit		Base Line		Year	Repl	Yrs. In	Useful	Years	Fnding	Required	Est.	(Surplus)	%
	#	Cost	Year	Cost	Acqurd	Year	Serv.	Life	Left	Ratio	Balance	Beg Bal	Deficit	Funded
Outside	3	34,620	2021	103,859	2000	2025	21	25	4	84.0%	87,242	79,783	7,459	91.5%
Inside	1	49,371	2021	49,371	2010	2025	11	15	4	73.3%	36,205	33,110	3,095	91.5%
Inside	2	49,371	2021	98,742	2011	2026	10	15	5	66.7%	65,828	60,200	5,628	91.5%
Lighting	1	12,695	2021	12,695	2010	2040	11	30	19	36.7%	4,655	4,257	398	91.5%
Lighting	2	12,695	2021	25,391	2011	2041	10	30	20	33.3%	8,464	7,740	724	91.4%
Carpeting	1	56,424	2021	56,424	2010	2025	11	15	4	73.3%	41,378	37,840	3,538	91.5%
Carpeting	2	56,424	2021	112,848	2011	2026	10	15	5	66.7%	75,232	68,800	6,432	91.5%
Totals		271,600		459,330							319,003	291,729	27,273	91.5%

Roofing Reserve Projects

Description	Unit		Base Line		Year	Repl	Yrs. In	Useful	Years	Fnding	Required	Est.	(Surplus)	%
	#	Cost	Year	Cost	Acqurd	Year	Serv.	Life	Left	Ratio	Balance	Beg Bal	Deficit	Funded
Roof Bldg 1&2	2	128,441	2021	256,882	2002	2027	19	25	6	76.0%	195,230	179,190	16,040	91.8%
Bldg. 3 (Foam)	1	128,441	2021	128,441	2003	2021	18	18	0	100.0%	128,441	117,888	10,553	91.8%
Totals		256,882		385,323							323,671	297,078	26,593	91.8%

Infrastructure Reserve Projects

Description	Unit		Base Line		Year	Repl	Yrs. In	Useful	Years	Fnding	Required	Est.	(Surplus)	%
	#	Cost	Year	Cost	Acqurd	Year	Serv.	Life	Left	Ratio	Balance	Beg Bal	Deficit	Funded
Paving (Parking Areas)	1	95,261	2021	95,261	2005	2025			4	80.0%	76,209	51,315	24,894	67.3%
Boilers (2 + 1 tank)	1	34,155	2021	34,155		2033			12	14.3%	4,879	3,285	1,594	67.3%
Boilers (2 + 1 tank)	1	34,155	2021	34,155		2033			12	14.3%	4,879	3,285	1,594	67.3%
Boilers (2 + 1 tank)	1	34,155	2021	34,155		2033			12	14.3%	4,879	3,285	1,594	67.3%
HVAC Allowance	9	6,160	2021	55,436		2021			0	100.0%	55,436	37,327	18,109	67.3%
Street Light Replace	6	1,721	2021	10,328		2051			30	14.3%	1,475	993	482	67.3%
Street Light Replace	6	1,721	2021	10,328		2050			29	17.1%	1,771	1,192	578	67.3%
Street Light Replace	7	1,721	2021	12,049		2049			28	20.0%	2,410	1,623	787	67.3%
Street Light Replace	7	1,721	2021	12,049		2048			27	22.9%	2,754	1,854	900	67.3%
Generator	3	8,658	2021	25,975		2023			2	88.9%	23,089	15,547	7,542	67.3%
Elevator Repairs/Replacemen	1	107,123	2021	107,123		2028			7	30.0%	32,137	21,639	10,498	67.3%
Elevator Load Test	1	2,500	2021	2,500	2016	2021	5	5	0	100.0%	2,500	1,683	817	67.3%
Pipes & Sewers Allowance	1	39,504	2021	39,504		2021			0	100.0%	39,504	26,600	12,904	67.3%
Totals		368,556		473,018							251,922	169,630	82,292	67.3%

Grand Totals	897,038	1,317,671				894,597	758,437	136,159	84.8%
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The Mutual decided to provide repair allowance for the pipes, sewers and elevators. The repair allowance will be increased every year. For 2021, the repair allowance was increased to \$39,504 total for all three building, a 3.5% increase over the 2020 allowance.

**Seal Beach Mutual Seventeen
Reserve Contributions Work Sheet
Budget Year 2021**

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Est Beg. Bal.	Annual Contribution
Painting	4 - 20	459,330	319,003	291,729	25,147 (Note 1)
Roofing	0 - 6	385,323	323,671	297,078	25,164 (Note 2)
Infrastructure	0 - 30	473,018	<u>251,922</u>	<u>169,630</u>	20,238 (Note 3)
Contribution to Replacement Reserves			894,597	758,437	<u>70,549</u>
Emergency				725,356	0 (Note 4)
Total For Budget				1,483,793	<u>\$ 70,549</u>
Per Unit Per Month					<u>\$ 46.66</u>

Project Reserve Contribution Comparison				
Project	2021	2020	Change	Chg PAPM
Painting	25,147	25,147	-	-
Roofing	25,164	25,164	-	-
Infrastruct	20,238	20,238	-	-
Emergency	-	-	-	-
Total	70,549	70,549	-	-

Notes:

- 1) The board determined funding of \$25,147 for 2021.
- 2) The board determined funding of \$25,164 for 2021.
- 3) The board determined funding of \$24,834 for 2021
- 4) The board determined no funding was necessary for 2021.

SEAL BEACH MUTUAL SEVENTEEN
FLOW OF RESERVE FUNDS

Year	Beginning Fund	Annual Funding**	Interest* 0.00%	Loans or Assessments	Expenses	Ending Fund
2020						758,437
2021	758,437	70,549	0		225,881	603,105
2022	603,105	72,665	0		0	675,770
2023	675,770	74,845	0		27,825	722,790
2024	722,790	77,090	0		0	799,880
2025	799,880	79,403	0		349,897	529,386
2026	529,386	81,785	0		254,272	356,899
2027	356,899	84,239	0		315,774	125,364
2028	125,364	87,187	0		136,290	76,261
2029	76,261	90,239	0		0	166,500
2030	166,500	93,397	0		0	259,897
2031	259,897	96,666	0		3,526	353,037
2032	353,037	100,049	0		0	453,086
2033	453,086	103,551	0		154,833	401,804
2034	401,804	107,175	0		0	508,979
2035	508,979	110,926	0		0	619,905
2036	619,905	114,808	0		4,188	730,525
2037	730,525	118,826	0		0	849,351
2038	849,351	122,985	0		192,251	780,085
2039	780,085	127,289	0		238,578	668,796
2040	668,796	131,744	0		227,797	572,743
2041	572,743	136,355	0		528,202	180,896
2042	180,896	141,127	0		0	322,023
2043	322,023	146,066	0		0	468,089
2044	468,089	151,178	0		0	619,267
2045	619,267	156,469	0		217,512	558,224
2046	558,224	161,945	0		5,908	714,261
2047	714,261	167,613	0		250,626	631,248
2048	631,248	173,479	0		301,692	503,035
2049	503,035	179,551	0		31,570	651,016
2050	651,016	185,835	0		309,661	527,190
Totals		3,545,036	0	0	3,776,283	

* Interest rate imputed at 0% which reflects actual practice.

**Annual funding assumes a 3% increase each year through 2027 and then a 3.5% increase thereafter.