

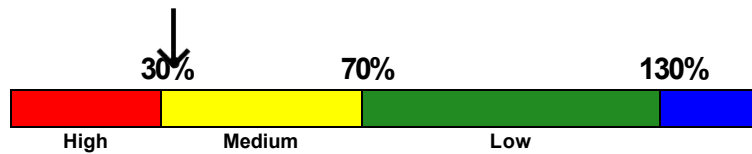
Executive Summary

Association:	Leisure World Seal Beach Mutual 5	Assoc. #: 21575-8
Location:	Seal Beach, CA	# of Units: 492
Report Period:	January 1, 2020 through December 31, 2020	

Findings/Recommendations as-of: January 1, 2020

Projected Starting Reserve Balance	\$1,282,834
Current Full Funding Reserve Balance	\$3,958,148
Average Reserve Deficit (Surplus) Per Unit	\$5,438
Percent Funded	32.4 %
Recommended 2020 "Monthly Full Funding Contributions"	\$49,500
Alternate minimum contributions to keep Reserve above \$0	\$42,500
Most Recent Reserve Contribution Rate	\$42,000

Reserves % Funded: 32.4%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.00 %
Annual Inflation Rate	3.00 %

This is an Update "With-Site-Visit" Reserve Study, and is based on a prior Report prepared by Association Reserves for your 2019 Fiscal Year. We performed the site inspection on 7/26/2019. This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is above the 30% funded level at 32.4 % funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of this multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$49,500.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$42,500.

To receive a copy of the full Reserve Study, contact the Association.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Mutual 5			
103 Concrete - Carport Pavement (2020)	50	0	\$110,000
103 Concrete - Carport Pavement (2021)	50	1	\$115,500
103 Concrete - Carport Pavement (2022)	50	2	\$20,000
103 Concrete - Carport Pavement (2023)	50	3	\$106,000
103 Concrete Walkways/Drains - (2020)	50	0	\$100,000
103 Concrete Walkways/Drains - (2021)	50	1	\$100,000
103 Concrete Walkways/Drains - (2022)	50	2	\$100,000
103 Concrete Walkways/Drains - Repair	1	3	\$15,000
320 Pole Lights - Repaint	4	0	\$10,000
320 Pole Lights - Replace	20	5	\$114,500
702 Laundry Doors - Replace	20	3	\$4,550
702 Meter Cabinet Doors - Replace	20	3	\$10,500
1003 Irrigation Controllers - Replace	12	6	\$16,000
1100 Environmental Remediation	1	0	\$40,000
1101 Plumbing Repair - Ongoing	1	0	\$20,500
1102 Sewer Project - Re-line	1	0	\$60,000
1110 Laundry Rooms - Repaint	10	3	\$5,950
1115 Stucco - Repaint	10	4	\$300,000
1116 Wood Surfaces - Repaint	5	0	\$84,500
1120 Wood Surfaces - Repair	5	0	\$52,000
1303 High Pitch Roofs (2024) - Replace	25	4	\$435,000
1303 High Pitch Roofs (2025) - Replace	25	5	\$435,000
1306 Low Slope Roofs (2020) - Replace	30	0	\$415,000
1306 Low Slope Roofs (2021) - Replace	30	1	\$415,000
1306 Low Slope Roofs (2022) - Replace	30	2	\$515,000
1306 Low Slope Roofs (2023) - Replace	30	3	\$415,000
1306 Low Slope Roofs (2047) - Replace	30	27	\$660,000
1306 Low Slope Roofs (2048) - Replace	30	28	\$310,000
1306 Low Slope Roofs (2049) - Replace	30	29	\$305,000
1308 Carport Roofs (2026) - Replace	25	6	\$280,000
1310 Gutters/Downspouts - Repair	5	3	\$4,150
1315 Attic Entry Screens - Replace	45	8	\$7,450
1402 Signage - Replace	20	8	\$18,000
1901 Solar Energy System - Replace	15	10	\$145,000
1902 Solar Panel Cabinets - Replace	15	10	\$12,000
35 Total Funded Components			

Note 1: **Yellow highlighted** line items are expected to require attention in this initial year.