



## **SPECIAL OPEN SESSION**

### **SPECIAL OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Monday, August 19, 2024- 1:30 p.m.  
Laguna Woods Village Board Room/Virtual Meeting  
24351 El Toro Road, Laguna Woods, California**

Laguna Woods Village owners/residents are welcome to participate in all open meetings in-person and virtually. To submit comments or questions virtually for meetings, please use one of the following options:

1. Join the meeting via Zoom by clicking this link:  
<https://us06web.zoom.us/j/92081839160> or by calling 1-669-900-6833, Webinar ID: 92081839160.
2. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the meeting in the subject line of the email. Name and unit number must be included.

### **NOTICE OF MEETING AND AGENDA**

*This Meeting May Be Recorded*

The purpose of this meeting is to review the 2025 Third Business Plan – Version 3

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1. Call Meeting to Order / Establish Quorum – President Mark Laws
2. State Purpose of Meeting – President Laws
3. Acknowledgement of the Media
4. Approval of Agenda
5. Chair Remarks
6. Open Forum (Three Minutes per Speaker)
7. Responses to Open Forum Speakers
8. Review of the 2025 Third Business Plan – Version 3
9. Director's Comments
10. Adjournment





## STAFF REPORT

**DATE:** August 19, 2024  
**FOR:** Board of Directors  
**SUBJECT:** 2025 Business Plan – Version 3

### **RECOMMENDATION**

Staff recommends the Board review the proposed 2025 Business Plan and provide direction for change or revision at the meeting on August 19, 2024. The resolution to adopt the Business Plan will be presented for consideration at the regular Board meeting on September 17, 2024.

### **BACKGROUND**

The Board had meetings in May, June, and July to discuss components of the 2025 Business Plan. Based on input received at the meetings and subsequent discussions, Staff refined the Business Plan and Reserves Plan as included in this agenda.

### **DISCUSSION**

#### **BUSINESS PLAN SUMMARY**

The proposed budget for the 2025 plan year (Attachment 1) shows that the sum of \$45,177,250 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions along with the \$508,852 in surcharges to units with common elevators and/or Garden Villa Rec Rooms for the year 2025. In addition, the sum of \$17,440,389 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2025. Therefore, a total of \$63,126,491 is required to be collected from and paid by members of the Corporation as monthly assessments. The budget equates to a Total Basic Assessment of \$855.17 per manor per month (PMPM), reflecting a net increase of \$39.35 or 4.8% when compared to current year.

	2024	2025	\$ Increase	% Increase
<i>Third Portion</i>	\$587.60	\$616.98	\$29.38	5.0%
<i>GRF Portion</i>	\$228.22	\$238.19	\$9.97	4.4%
<i>Total Basic Assessment</i>	<b>\$815.82</b>	<b>\$855.17</b>	<b>\$39.35</b>	<b>4.8%</b>

Brief notations for line items with significant change from current year are noted below as increases or (decreases) in the assessment, and listed in order of appearance on the proposed Business Plan by Account – Version 3 (Attachment 1):

### Revenues:

**Line 1-1a: Fees and Charges to Residents** anticipates a decrease in revenue of (\$2,500,441), resulting in an increase to assessments of \$34.15 PMPM due to revenue recovery efforts for the backlog of open chargeable damage tickets from prior years being completed in 2024.

**Line 3: Miscellaneous** is budgeted for less revenue of (\$53,535) in 2025 resulting in an increase to assessments of \$0.74 PMPM primarily due to an adjustment to correct the budget for additional occupant fees. This item was inadvertently budgeted twice in the 2024 Business Plan.

### Expenses:

**Line 4: Employee Compensation** increased by \$12,825 or \$0.15 PMPM primarily due to planned wage adjustments offset by a decrease in temporary help as the recovery efforts for the backlog of open chargeable damage tickets from prior years being completed in 2024. The increase is further offset by a decrease in union wages in Landscape as a result of a planned reduction in the Irrigation budget and the reclassification of some Nursery operating expenses to reserves.

**Line 5: Expenses Related to Compensation** increased by \$52,575 or \$0.72 PMPM primarily due to the anticipation of higher worker's compensation premiums based on recent actuarial estimates in addition to an anticipated rate increase for non-union medical & life insurance. The increases in these items were partially offset by a decrease in union medical insurance expenses in Landscape as a result of a planned reduction in the Irrigation budget and the reclassification of some Nursery operating expenses to reserves.

**Line 8-9: Sewer & Water** increased by \$348,850 or \$4.76 PMPM based on current consumption and published rate increases in July 2024 and a projected rate increase in 2025.

**Line 10: Trash** increased by \$242,756 or \$3.32 PMPM due to the final year of a price correction which is budgeted to be a 17% increase.

**Line 11: Legal Fees** increased by \$91,660 or \$1.25 PMPM based on recent trends of resident related legal issues.

**Line 14: Outside Services** increased by \$955,459 or \$13.05 PMPM based on the addition of funds to programs in Landscape and Maintenance & Construction. Landscape increased funding for the addition of two more cycles of shrub bed maintenance in 2025. Maintenance & Construction increased funding for fumigation as a higher number of fumigations are scheduled for 2025.

**Line 18: Insurance** increased by \$165,298 or \$2.26 PMPM due to increased Hazard & Liability Insurance to reflect anticipated premium increases at renewal.

**Line 19: Property Insurance** decreased by (\$700,146) or (\$9.56) PMPM as a result of a new joint property insurance policy with United. This combination lowers Third's premium for property insurance by sharing coverages.

**Line 22-24: Reserve Fund Contributions** increased by \$1,014,519 to adequately plan for future expenditures. The Mutual adopts a 30-Year Funding Plan that projects contributions and

disbursements to Reserve Funds over the next 30 years. Based on the funding plans included in the current year reserve study, the contribution to reserve funds is proposed to increase from \$163.00 to \$176.86 PMPM in 2025, an increase of \$13.86 PMPM.

**Line 25: Restricted Fund Contribution – Disaster Fund** decreased by (\$828,163) or (\$11.31) PMPM to help mitigate the overall increase in the assessment as the balance of the fund is sufficient to cover budgeted expenses for 2025.

**Line 26: Restricted Fund Contribution – Unappropriated Expenditures Fund** was eliminated for 2025 to help mitigate the overall increase in the assessment and given the balance of the fund is sufficient to cover unbudgeted expenses. Furthermore, this fund will receive an additional \$531,282 inflow during the current year as a result of a 2023 fiscal year operating surplus.

**Line 27-29: GRF Operating, Reserve, and Contingency Contribution** for Version 3 shows an increase of \$729,207 or \$9.97 PMPM. GRF reviewed all aspects of their Version 3 Business Plan at their August 5 meeting.

## **FINANCIAL ANALYSIS**

The financial impact of this proposed Business Plan would be a Third Basic Assessment of \$616.98 PMPM, an increase of \$29.38 or 5.0%. Including the GRF contributions, the proposed Total Basic Assessment is \$855.17 PMPM, an increase of \$39.35 or 4.8%.

**Prepared By:** Jose Campos, Assistant Director of Financial Services

**Reviewed By:** Steve Hormuth, Director of Financial Services

## **ATTACHMENT(S)**

Attachment 1: 2025 Third Business Plan - By Account

Attachment 2: 2025 Third Business Plan - By Department

Attachment 3: 2025 Third Budget Comparison Report – Operating Fund Only

Attachment 4: 2025 Third Budget Comparison Report – By Fund

Attachment 5: Proposed 2025 Programs Report

Attachment 6: Definition of Funds

Attachment 7: Contracted Reserve Study Dated August 15, 2024 - Excerpts



## 2025 BUSINESS PLAN - BY ACCOUNT

						ASSESSMENT			
DESCRIPTION		2021 ACTUAL*	2022 ACTUAL	2023 ACTUAL	2024 PLAN	2025 PLAN	Per Manor Per Month		
							2024	2025	Change
OPERATING REVENUES									
Non-Assessment Revenues									
1	Fees and Charges to Residents	\$732,032	\$1,085,097	\$724,221	\$1,265,399	\$1,014,958	\$17.28	\$13.86	\$3.42
1a	Damage Restoration Reimbursement Backlog	0	0	881,537	2,250,000	0	30.73	0.00	30.73
2	Laundry Revenue	214,443	213,498	210,912	209,300	209,000	2.86	2.85	0.01
3	Miscellaneous	604,039	680,849	645,838	745,130	691,595	10.18	9.44	0.74
Total Revenue		\$1,550,514	\$1,979,444	\$2,462,508	\$4,469,829	\$1,915,553	\$61.05	\$26.15	\$34.90
OPERATING EXPENSES									
4	Employee Compensation	\$7,074,776	\$7,230,319	\$7,221,087	\$8,281,408	\$8,294,233	\$113.12	\$113.27	\$0.15
5	Expenses Related to Compensation	2,972,229	3,102,923	3,209,211	3,457,551	3,510,126	47.22	47.94	0.72
6	Material and Supplies	790,544	833,296	852,758	828,491	841,566	11.31	11.49	0.18
7	Electricity	348,719	602,032	444,557	454,730	466,784	6.21	6.37	0.16
8	Sewer	1,774,945	1,680,160	1,494,098	1,659,600	1,835,292	22.66	25.06	2.40
9	Water	3,093,848	2,895,128	2,752,049	3,219,638	3,392,796	43.97	46.33	2.36
10	Trash	583,345	678,406	1,079,914	1,428,914	1,671,670	19.51	22.83	3.32
11	Legal Fees	245,767	198,123	453,939	300,000	391,660	4.10	5.35	1.25
12	Professional Fees	62,024	116,969	75,309	167,827	182,297	2.29	2.49	0.20
13	Equipment Rental	9,043	6,437	6,830	8,714	8,778	0.12	0.12	0.00
14	Outside Services	1,638,025	2,111,894	2,464,731	1,342,248	2,297,707	18.33	31.38	13.05
15	Repairs and Maintenance	3,874	1,844	12,517	5,375	5,022	0.07	0.07	0.00
16	Other Operating Expense	112,266	115,229	107,124	154,338	162,989	2.11	2.23	0.12
17	Income Tax	3,128	(9,883)	197,886	0	0	0.00	0.00	0.00
18	Insurance	888,596	952,126	1,067,534	1,166,792	1,332,090	15.93	18.19	2.26
19	Property Insurance	2,658,682	7,359,685	7,516,977	8,000,000	7,299,854	109.25	99.69	(9.56)
20	Uncollectible Accounts	45,737	179,544	36,698	85,000	120,000	1.16	1.64	0.48
21	Cost Allocations	1,173,905	1,257,835	1,204,763	1,304,833	1,327,471	17.82	18.13	0.31
Total Expense		\$23,479,453	\$29,312,067	\$30,197,982	\$31,865,459	\$33,140,335	\$435.18	\$452.58	\$17.40
RESERVE CONTRIBUTIONS									
22	Replacement Fund	\$10,690,704	\$10,690,704	\$11,276,496	\$11,422,944	\$12,437,463	\$156.00	\$169.86	\$13.86
23	Elevator Replacement Fund	366,120	366,120	366,120	366,120	366,120	5.00	5.00	0.00
24	Laundry Replacement Fund	73,224	73,224	146,448	146,448	146,448	2.00	2.00	0.00
Total Reserve Contribution		\$11,130,048	\$11,130,048	\$11,789,064	\$11,935,512	\$12,950,031	\$163.00	\$176.86	\$13.86
RESTRICTED CONTRIBUTIONS									
25	Disaster Fund	\$1,830,600	\$1,591,890	\$897,726	\$1,830,600	\$1,002,437	\$25.00	\$13.69	(\$11.31)
26	Unappropriated Expenditures Fund	585,792	0	0	1,865,015	0	25.47	0.00	(25.47)
Total Restricted Contribution		\$2,416,392	\$1,591,890	\$897,726	\$3,695,615	\$1,002,437	\$50.47	\$13.69	(\$36.78)
Total Reserve/Restricted Contribution		\$13,546,440	\$12,721,938	\$12,686,790	\$15,631,127	\$13,952,468	\$213.47	\$190.55	(\$22.92)
TOTAL MUTUAL		\$35,475,379	\$40,054,561	\$40,422,264	\$43,026,757	\$45,177,250	\$587.60	\$616.98	\$29.38
GOLDEN RAIN FOUNDATION									
27	GRF Operating	\$13,663,283	\$14,316,115	\$14,960,469	\$15,466,374	\$16,195,581	\$211.22	\$221.19	\$9.97
28	GRF Reserve Contributions	1,391,256	1,244,808	1,244,808	1,244,808	1,244,808	17.00	17.00	0.00
29	GRF Contingency Contributions	0	366,120	0	0	0	0.00	0.00	0.00
Total GRF		\$15,054,539	\$15,927,043	\$16,205,277	\$16,711,182	\$17,440,389	\$228.22	\$238.19	\$9.97
TOTAL BASIC ASSESSMENT		\$50,529,918	\$55,981,604	\$56,627,541	\$59,737,939	\$62,617,639	\$815.82	\$855.17	\$39.35
SURCHARGES (unique to manors with common elevators and/or Garden Villa recreation rooms)									
30	Elevator Operating	\$315,135	\$352,283	\$366,252	\$350,852	\$404,524	15.83	18.25	2.42
31	Garden Villa Recreation Room Fund	89,424	89,424	93,150	96,876	104,328	6.50	7.00	0.50
		\$404,559	\$441,707	\$459,402	\$447,728	\$508,852	\$22.33	\$25.25	\$2.92
TOTAL BUSINESS PLAN		\$50,934,477	\$56,423,311	\$57,086,943	\$60,185,667	\$63,126,491			

\*2021 actuals were affected by COVID-19 Pandemic.



## 2025 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2021 ACTUAL*	2022 ACTUAL	2023 ACTUAL	2024 PLAN	2025 PLAN	ASSESSMENT		
						Per Manor Per Month		Change
	2024	2025						
<b>OPERATING</b>								
Office of the CEO	\$297,452	\$324,591	\$328,280	\$386,153	\$440,079	\$5.27	\$6.01	\$0.74
Information Services	545,841	594,847	430,688	482,106	505,205	6.58	6.90	0.32
General Services	1,625,810	1,584,324	1,591,808	1,573,952	1,438,651	21.50	19.65	(1.85)
Financial Services	720,873	767,126	967,041	770,970	882,620	10.53	12.05	1.52
Security Services	156,251	161,006	439,225	357,617	489,064	4.88	6.68	1.80
Landscape Services	5,306,281	5,602,317	5,591,427	6,007,865	6,756,599	82.05	92.27	10.22
Human Resource Services	77,648	56,051	65,034	91,816	88,901	1.25	1.21	(0.04)
Insurance	3,547,279	8,311,811	8,584,511	9,166,792	8,631,944	125.19	117.88	(7.31)
Maintenance & Construction	3,979,830	4,143,727	4,809,286	4,153,337	4,566,866	56.72	62.37	5.65
Damage Restoration Reimbursement Backlog	0	0	(881,537)	(2,250,000)	0	(30.73)	0.00	30.73
Non Work Center	5,671,674	5,786,823	5,809,711	6,655,022	7,424,853	90.89	101.41	10.52
<b>Net Operating</b>	<b>\$21,928,939</b>	<b>\$27,332,623</b>	<b>\$27,735,474</b>	<b>\$27,395,630</b>	<b>\$31,224,782</b>	<b>\$374.13</b>	<b>\$426.43</b>	<b>\$52.30</b>
<b>RESERVE CONTRIBUTIONS</b>								
Replacement Fund	\$10,690,704	\$10,690,704	\$11,276,496	\$11,422,944	\$12,437,463	\$156.00	\$169.86	\$13.86
Elevator Replacement Fund	366,120	366,120	366,120	366,120	366,120	5.00	5.00	0.00
Laundry Replacement Fund	73,224	73,224	146,448	146,448	146,448	2.00	2.00	0.00
<b>Total Reserve Contribution</b>	<b>\$11,130,048</b>	<b>\$11,130,048</b>	<b>\$11,789,064</b>	<b>\$11,935,512</b>	<b>\$12,950,031</b>	<b>\$163.00</b>	<b>\$176.86</b>	<b>\$13.86</b>
<b>RESTRICTED CONTRIBUTIONS</b>								
Disaster Fund	\$1,830,600	\$1,591,890	\$897,726	\$1,830,600	\$1,002,437	\$25.00	\$13.69	(\$11.31)
Unappropriated Expenditures Fund	585,792	0	0	1,865,015	0	25.47	0.00	(25.47)
<b>Total Restricted Contribution</b>	<b>\$2,416,392</b>	<b>\$1,591,890</b>	<b>\$897,726</b>	<b>\$3,695,615</b>	<b>\$1,002,437</b>	<b>\$50.47</b>	<b>\$13.69</b>	<b>(\$36.78)</b>
<b>Total Reserve/Restricted Contribution</b>	<b>\$13,546,440</b>	<b>\$12,721,938</b>	<b>\$12,686,790</b>	<b>\$15,631,127</b>	<b>\$13,952,468</b>	<b>\$213.47</b>	<b>\$190.55</b>	<b>(\$22.92)</b>
<b>TOTAL MUTUAL</b>	<b>\$35,475,379</b>	<b>\$40,054,561</b>	<b>\$40,422,264</b>	<b>\$43,026,757</b>	<b>\$45,177,250</b>	<b>\$587.60</b>	<b>\$616.98</b>	<b>\$29.38</b>
<b>GOLDEN RAIN FOUNDATION</b>								
GRF Operating	\$13,663,283	\$14,316,115	\$14,960,469	\$15,466,374	\$16,195,581	\$211.22	\$221.19	\$9.97
GRF Reserve Contributions	1,391,256	1,244,808	1,244,808	1,244,808	1,244,808	17.00	17.00	0.00
GRF Contingency Contributions	0	366,120	0	0	0	0.00	0.00	0.00
<b>Total GRF</b>	<b>\$15,054,539</b>	<b>\$15,927,043</b>	<b>\$16,205,277</b>	<b>\$16,711,182</b>	<b>\$17,440,389</b>	<b>\$228.22</b>	<b>\$238.19</b>	<b>\$9.97</b>
<b>TOTAL BASIC ASSESSMENT</b>	<b>\$50,529,918</b>	<b>\$55,981,604</b>	<b>\$56,627,541</b>	<b>\$59,737,939</b>	<b>\$62,617,639</b>	<b>\$815.82</b>	<b>\$855.17</b>	<b>\$39.35</b>
<b>SURCHARGES</b> (unique to manors with common elevators and/or Garden Villa recreation rooms)								
Elevator Operating	\$315,135	\$352,283	\$366,252	\$350,852	\$404,524	\$15.83	\$18.25	\$2.42
Garden Villa Recreation Room Fund	89,424	89,424	93,150	96,876	104,328	6.50	7.00	0.50
	<b>\$404,559</b>	<b>\$441,707</b>	<b>\$459,402</b>	<b>\$447,728</b>	<b>\$508,852</b>	<b>\$22.33</b>	<b>\$25.25</b>	<b>\$2.92</b>
<b>TOTAL BUSINESS PLAN</b>	<b>\$50,934,477</b>	<b>\$56,423,311</b>	<b>\$57,086,943</b>	<b>\$60,185,667</b>	<b>\$63,126,491</b>			

\*2021 actuals were affected by COVID-19 Pandemic.

## ATTACHMENT 3

**Third Laguna Hills Mutual  
Budget Comparison Report by Account  
12/31/2025  
THIRD LAGUNA HILLS MUTUAL**

	<u>2021 Actuals</u>	<u>2022 Actuals</u>	<u>2023 Actuals</u>	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
<b>Non-Assessment Revenues:</b>							
Fees and Charges for Services to Residents							
46501000 - Permit Fee	\$272,885	\$281,100	\$240,937	\$314,105	\$285,550	\$28,555	9%
46501500 - Inspection Fee	105,969	80,346	70,355	84,928	154,520	(69,592)	(82%)
46502000 - Resident Maintenance Fee	353,178	723,651	412,929	866,366	574,888	291,477	34%
46502999 - Resident Maintenance Fee Backlog	0	0	881,537	2,250,000	0	2,250,000	100%
Total Fees and Charges for Services to Residents	732,032	1,085,098	1,605,758	3,515,398	1,014,958	2,500,440	71%
<b>Laundry</b>							
46005000 - Coin Op Laundry Machine	214,443	213,498	210,912	209,300	209,000	300	0%
Total Laundry	214,443	213,498	210,912	209,300	209,000	300	0%
<b>Investment Income</b>							
49001000 - Investment Income	(29)	0	(19)	0	0	0	0%
Total Investment Income	(29)	0	(19)	0	0	0	0%
<b>Miscellaneous</b>							
46004500 - Resident Violations	10,675	23,750	6,226	62,022	27,565	34,456	56%
44501000 - Additional Occupant Fee	(1,200)	29,230	43,405	100,305	51,780	48,524	48%
44501510 - Lease Processing Fee - Third	242,720	267,410	267,450	249,803	250,000	(197)	0%
44502000 - Variance Processing Fee	0	4,050	2,700	1,500	2,550	(1,050)	(70%)
44502500 - Non-Sale Transfer Fee - Third	1,300	1,950	2,000	3,000	3,000	0	0%
44503520 - Resale Processing Fee - Third	201,568	172,704	148,288	163,200	163,200	0	0%
44505500 - Hoa Certification Fee	14,810	10,860	3,915	13,500	5,500	8,000	59%
44507000 - Golf Cart Electric Fee	62,436	60,883	65,324	66,000	66,000	0	0%
44507200 - Electric Vehicle Plug-In Fee	12,095	13,687	23,215	12,200	23,000	(10,800)	(89%)
44507500 - Cartport Space Rental Fee	4,320	3,360	3,753	4,200	4,000	200	5%
47001500 - Late Fee Revenue	49,965	89,452	73,510	59,200	78,000	(18,800)	(32%)
47002020 - Collection Administrative Fee - Third	375	0	25	1,300	1,000	300	23%
47002500 - Collection Interest Revenue	273	(446)	39	4,900	12,000	(7,100)	(145%)
47501000 - Recycling	4,861	4,722	5,972	4,000	4,000	0	0%
49009000 - Miscellaneous Revenue	(129)	(762)	35	0	0	0	0%
Total Miscellaneous	604,068	680,849	645,857	745,129	691,596	53,534	7%
Total Non-Assessment Revenue	1,550,514	1,979,445	2,462,508	4,469,827	1,915,554	2,554,274	57%
<b>Expenses:</b>							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,632,722	2,874,297	2,893,425	3,201,282	3,430,280	228,998	7%
51021000 - Union Wages - Regular	3,312,937	3,301,302	3,231,883	3,950,301	3,900,698	(49,603)	(1%)
51041000 - Wages - Overtime	29,057	35,049	25,815	52,310	16,616	(35,694)	(68%)
51051000 - Union Wages - Overtime	95,384	53,512	57,699	29,294	38,752	9,458	32%
51061000 - Holiday & Vacation	690,287	695,033	645,421	602,676	618,345	15,670	3%
51071000 - Sick	202,850	195,882	225,145	245,828	252,220	6,392	3%
51091000 - Missed Meal Penalty	4,201	4,286	3,455	2,886	1,947	(938)	(33%)
51101000 - Temporary Help	73,750	76,392	133,694	196,829	35,374	(161,454)	(82%)
51981000 - Compensation Accrual	33,589	(5,434)	4,549	0	0	0	0%
Total Employee Compensation	7,074,776	7,230,320	7,221,087	8,281,406	8,294,234	12,828	0%
Compensation Related							
52411000 - F.I.C.A.	515,150	532,289	527,264	607,337	621,914	14,577	2%
52421000 - F.U.I.	6,480	6,473	6,199	7,814	7,645	(169)	(2%)
52431000 - S.U.I.	43,611	32,380	30,072	39,833	38,979	(854)	(2%)
52441000 - Union Medical	1,249,956	1,265,109	1,239,715	1,407,741	1,336,472	(71,269)	(5%)
52451000 - Workers' Compensation Insurance	444,644	505,552	632,658	430,601	513,999	83,398	19%
52461000 - Non Union Medical & Life Insurance	331,603	353,760	337,007	371,869	404,133	32,264	9%
52471000 - Union Retirement Plan	307,830	333,571	346,365	452,030	436,239	(15,791)	(3%)
52481000 - Non-Union Retirement Plan	66,057	74,794	88,840	140,326	150,745	10,418	7%
52981000 - Compensation Related Accrual	6,897	(1,005)	1,092	0	0	0	0%
Total Compensation Related	2,972,229	3,102,923	3,209,211	3,457,551	3,510,125	52,574	2%
Materials and Supplies							
53001000 - Materials & Supplies	371,892	330,558	423,794	505,792	499,066	(6,725)	(1%)
53003000 - Materials Direct	416,701	501,134	427,044	320,602	338,791	18,189	6%
53004000 - Freight	1,950	1,604	1,921	2,097	3,709	1,612	77%
Total Materials and Supplies	790,544	833,296	852,758	828,491	841,566	13,076	2%

Community Events

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**Third Laguna Hills Mutual  
Budget Comparison Report by Account  
12/31/2025**

THIRD LAGUNA HILLS MUTUAL

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget	2025 Budget	Assessment Increase/ (Decrease)	VAR %
53201000 - Community Events	0	0	0	2,400	1,400	(1,000)	(42%)
Total Community Events	0	0	0	2,400	1,400	(1,000)	(42%)
Utilities and Telephone							
53301000 - Electricity	358,322	618,611	444,557	454,730	466,784	12,054	3%
53301500 - Sewer	1,774,945	1,680,160	1,494,098	1,659,600	1,835,292	175,692	11%
53302000 - Water	3,093,848	2,895,128	2,752,049	3,219,638	3,392,796	173,158	5%
53302500 - Trash	583,345	678,406	1,079,914	1,428,914	1,671,670	242,756	17%
53304000 - Telephone	0	4,244	0	0	0	0	0%
Total Utilities and Telephone	5,810,461	5,876,549	5,770,618	6,762,882	7,366,542	603,660	9%
Legal Fees							
53401500 - Legal Fees	382,074	268,778	475,459	300,000	391,660	91,660	31%
53401550 - Legal Fees Contra	(136,307)	(70,655)	(21,520)	0	0	0	0%
Total Legal Fees	245,767	198,124	453,939	300,000	391,660	91,660	31%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	0	5,878	3,943	0	0	0	0%
53402020 - Audit & Tax Preparation Fees - Third	46,466	42,500	50,900	50,000	54,500	4,500	9%
53403500 - Consulting Fees	4,725	26,991	11,866	17,327	12,797	(4,530)	(26%)
53403520 - Consulting Fees - Third	10,833	41,600	8,600	100,500	115,000	14,500	14%
Total Professional Fees	62,024	116,969	75,309	167,827	182,297	14,470	9%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	9,043	6,437	6,830	8,714	8,778	64	1%
Total Equipment Rental	9,043	6,437	6,830	8,714	8,778	64	1%
Outside Services							
53601000 - Bank Fees	32,969	32,792	11,850	0	13,752	13,752	0%
53601500 - Credit Card Transaction Fees	10,787	14,163	15,497	10,000	16,000	6,000	60%
53603000 - Permit Fees	1,215	0	0	0	0	0	0%
53604500 - Marketing Expense	5,840	0	0	5,000	0	(5,000)	(100%)
54603500 - Outside Services CC	1,451,651	1,914,552	2,299,534	1,195,506	2,094,373	898,867	75%
53704000 - Outside Services	135,563	150,387	137,851	106,742	173,582	66,840	63%
Total Outside Services	1,638,025	2,111,894	2,464,731	1,317,248	2,297,707	980,459	74%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	3,874	1,844	1,194	5,375	5,022	(354)	(7%)
53702500 - Building Repair & Maint	0	0	11,323	0	0	0	0%
53703000 - Elevator /Lift Maintenance	305,532	335,704	390,036	350,852	404,524	53,672	15%
Total Repairs and Maintenance	309,406	337,547	402,553	356,227	409,546	53,319	15%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	2,222	2,289	1,795	5,786	4,510	(1,277)	(22%)
53801500 - Travel & Lodging	36	9	0	749	749	0	0%
53802000 - Uniforms	51,419	49,074	47,643	63,754	66,535	2,781	4%
53802500 - Dues & Memberships	1,843	1,288	785	2,125	2,250	125	6%
53803000 - Subscriptions & Books	2,184	238	692	1,478	1,490	12	1%
53803500 - Training & Education	3,877	3,123	5,113	18,724	26,000	7,276	39%
53903000 - Safety	965	599	237	1,128	1,116	(12)	(1%)
54001020 - Board Relations - Third	5,024	4,644	6,172	10,000	10,500	500	5%
54001500 - Public Relations	0	(8)	0	0	0	0	0%
54002000 - Postage	57,709	48,392	44,229	47,786	47,966	180	0%
54002500 - Filing Fees / Permits	527	337	458	408	473	65	16%
Total Other Operating Expense	125,806	109,984	107,124	151,940	161,590	9,650	6%
Income, Property, and Sales Tax							
54301000 - State & Federal Income Taxes	0	(9,264)	197,886	0	0	0	0%
54302000 - Property Taxes	3,128	381	0	0	0	0	0%
Total Income, Property, and Sales Tax	3,128	(8,883)	197,886	0	0	0	0%
Insurance							
54401000 - Hazard & Liability Insurance	808,222	855,827	997,079	1,094,820	1,249,902	155,081	14%
54401500 - D&O Liability	75,135	79,236	58,780	68,436	68,436	0	0%
54402000 - Property Insurance	2,658,682	7,359,685	7,516,977	8,000,000	7,299,854	(700,146)	(9%)
54403000 - General Liability Insurance	5,239	17,063	11,676	3,536	13,752	10,215	289%
Total Insurance	3,547,279	8,311,811	8,584,511	9,166,792	8,631,943	(534,849)	(6%)
Cost Allocations							
54602500 - Allocated Expenses	1,173,905	1,257,835	1,204,763	1,304,833	1,327,473	22,641	2%

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## Third Laguna Hills Mutual Budget Comparison Report by Account 12/31/2025

THIRD LAGUNA HILLS MUTUAL

	2021 Actuals	2022 Actuals	2023 Actuals	2024 Budget	2025 Budget	Assessment Increase/ (Decrease)	VAR %
Total Cost Allocations	1,173,905	1,257,835	1,204,763	1,304,833	1,327,473	22,641	2%
Uncollectible Accounts							
54602000 - Bad Debt Expense	45,737	179,544	36,698	85,000	120,000	35,000	41%
Total Uncollectible Accounts	45,737	179,544	36,698	85,000	120,000	35,000	41%
(Gain)/Loss on Sale or Trade							
54101500 - (Gain)/Loss On Investments	(13,540)	0	0	0	0	0	0%
Total (Gain)/Loss on Sale or Trade	(13,540)	0	0	0	0	0	0%
Total Expenses	23,794,588	29,664,350	30,588,018	32,191,309	33,544,860	1,353,551	4%
Excess of Revenues Over Expenses	(\$22,244,074)	(\$27,684,905)	(\$28,125,510)	(\$27,721,482)	(\$31,629,306)	\$3,907,824	14%

**Third Laguna Hills Mutual  
Budget Comparison Report by Fund Type  
12/31/2025  
THIRD LAGUNA HILLS MUTUAL**

	2025 Budget Operating	2025 Budget Reserves	2025 Budget Restricted	Total
Non-Assessment Revenues:				
Fees and Charges for Services to Residents				
46501000 - Permit Fee	\$285,550	\$0	\$0	\$285,550
46501500 - Inspection Fee	154,520	0	0	154,520
46502000 - Resident Maintenance Fee	574,888	0	0	574,888
Total Fees and Charges for Services to Residents	1,014,958	0	0	1,014,958
Laundry				
46005000 - Coin Op Laundry Machine	209,000	0	0	209,000
Total Laundry	209,000	0	0	209,000
Investment Income				
49001000 - Investment Income	0	1,100,000	0	1,100,000
Total Investment Income	0	1,100,000	0	1,100,000
Miscellaneous				
46004500 - Resident Violations	27,565	0	0	27,565
44501000 - Additional Occupant Fee	51,780	0	0	51,780
44501510 - Lease Processing Fee - Third	250,000	0	0	250,000
44502000 - Variance Processing Fee	2,550	0	0	2,550
44502500 - Non-Sale Transfer Fee - Third	3,000	0	0	3,000
44503520 - Resale Processing Fee - Third	163,200	0	0	163,200
44505500 - Hoa Certification Fee	5,500	0	0	5,500
44507000 - Golf Cart Electric Fee	66,000	0	0	66,000
44507200 - Electric Vehicle Plug-In Fee	23,000	0	0	23,000
44507500 - Cartport Space Rental Fee	4,000	0	0	4,000
47001500 - Late Fee Revenue	78,000	0	0	78,000
47002020 - Collection Administrative Fee - Third	1,000	0	0	1,000
47002500 - Collection Interest Revenue	12,000	0	0	12,000
47501000 - Recycling	4,000	0	0	4,000
Total Miscellaneous	691,596	0	0	691,596
Total Non-Assessment Revenue	1,915,554	1,100,000	0	3,015,554
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,430,280	11,436	0	3,441,716
51021000 - Union Wages - Regular	3,900,698	2,022,337	27,572	5,950,607
51041000 - Wages - Overtime	16,616	0	0	16,616
51051000 - Union Wages - Overtime	38,752	13,968	449	53,169
51061000 - Holiday & Vacation	618,345	173,087	2,347	793,779
51071000 - Sick	252,220	70,601	957	323,778
51091000 - Missed Meal Penalty	1,947	50	0	1,998
51101000 - Temporary Help	35,374	0	0	35,374
Total Employee Compensation	8,294,234	2,291,479	31,325	10,617,037
Compensation Related				
52411000 - F.I.C.A.	621,914	174,226	2,362	798,501
52421000 - F.U.I.	7,645	2,025	26	9,697
52431000 - S.U.I.	38,979	10,126	132	49,237
52441000 - Union Medical	1,336,472	564,078	7,387	1,907,938
52451000 - Workers' Compensation Insurance	513,999	209,845	2,845	726,689
52461000 - Non Union Medical & Life Insurance	404,133	1,467	0	405,600
52471000 - Union Retirement Plan	436,239	184,121	2,411	622,771
52481000 - Non-Union Retirement Plan	150,745	512	0	151,257
Total Compensation Related	3,510,125	1,146,401	15,164	4,671,690
Materials and Supplies				
53001000 - Materials & Supplies	499,066	162,520	2,871	664,457
53003000 - Materials Direct	338,791	697,145	34,278	1,070,214
53004000 - Freight	3,709	2,079	67	5,855

**Third Laguna Hills Mutual  
Budget Comparison Report by Fund Type  
12/31/2025  
THIRD LAGUNA HILLS MUTUAL**

	2025 Budget Operating	2025 Budget Reserves	2025 Budget Restricted	Total
Total Materials and Supplies	841,566	861,744	37,217	1,740,527
Community Events				
53201000 - Community Events	1,400	0	0	1,400
Total Community Events	1,400	0	0	1,400
Utilities and Telephone				
53301000 - Electricity	466,784	0	0	466,784
53301500 - Sewer	1,835,292	0	0	1,835,292
53302000 - Water	3,392,796	0	0	3,392,796
53302500 - Trash	1,671,670	14,794	257	1,686,722
Total Utilities and Telephone	7,366,542	14,794	257	7,381,594
Legal Fees				
53401500 - Legal Fees	391,660	0	0	391,660
Total Legal Fees	391,660	0	0	391,660
Professional Fees				
53402020 - Audit & Tax Preparation Fees - Third	54,500	0	0	54,500
53403500 - Consulting Fees	12,797	0	0	12,797
53403520 - Consulting Fees - Third	115,000	0	0	115,000
Total Professional Fees	182,297	0	0	182,297
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	8,778	41,080	480	50,338
Total Equipment Rental	8,778	41,080	480	50,338
Outside Services				
53601000 - Bank Fees	13,752	0	0	13,752
53601500 - Credit Card Transaction Fees	16,000	0	0	16,000
54603500 - Outside Services CC	2,094,373	10,383,024	1,464,000	13,941,397
53704000 - Outside Services	173,582	11,112	63	184,758
Total Outside Services	2,297,707	10,394,136	1,464,063	14,155,906
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	5,022	5,559	61	10,642
53703000 - Elevator /Lift Maintenance	404,524	0	0	404,524
Total Repairs and Maintenance	409,546	5,559	61	415,166
Other Operating Expense				
53801000 - Mileage & Meal Allowance	4,510	240	0	4,750
53801500 - Travel & Lodging	749	0	0	749
53802000 - Uniforms	66,535	30,614	402	97,551
53802500 - Dues & Memberships	2,250	82	0	2,332
53803000 - Subscriptions & Books	1,490	0	0	1,490
53803500 - Training & Education	26,000	1,224	7	27,230
53903000 - Safety	1,116	28	0	1,144
54001020 - Board Relations - Third	10,500	0	0	10,500
54002000 - Postage	47,966	0	0	47,966
54002500 - Filing Fees / Permits	473	50	0	523
Total Other Operating Expense	161,590	32,237	408	194,235
Income, Property, and Sales Tax				
54301000 - State & Federal Income Taxes	0	150,000	0	150,000
Total Income, Property, and Sales Tax	0	150,000	0	150,000
Insurance				
54401000 - Hazard & Liability Insurance	1,249,902	0	0	1,249,902
54401500 - D&O Liability	68,436	0	0	68,436
54402000 - Property Insurance	7,299,854	0	0	7,299,854
54403000 - General Liability Insurance	13,752	0	0	13,752
Total Insurance	8,631,943	0	0	8,631,943

**Third Laguna Hills Mutual  
Budget Comparison Report by Fund Type  
12/31/2025**

THIRD LAGUNA HILLS MUTUAL

	<u>2025 Budget Operating</u>	<u>2025 Budget Reserves</u>	<u>2025 Budget Restricted</u>	<u>Total</u>
Cost Allocations				
54602500 - Allocated Expenses	1,327,473	205,960	3,013	1,536,446
Total Cost Allocations	1,327,473	205,960	3,013	1,536,446
Uncollectible Accounts				
54602000 - Bad Debt Expense	120,000	0	0	120,000
Total Uncollectible Accounts	120,000	0	0	120,000
Total Expenses	33,544,860	15,143,391	1,551,988	50,240,239
Excess of Revenues Over Expenses	<u>(\$31,629,306)</u>	<u>(\$14,043,391)</u>	<u>(\$1,551,988)</u>	<u>(\$47,224,685)</u>

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

		2021	2022	2023	2024	2025			OUTSIDE	HOURS	Assessment	
DESCRIPTION		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	LABOR	MATERIALS	SERVICES		Increase/(Decrease)	%
											\$	%
<b>OPERATING FUND - MAINTENANCE &amp; CONSTRUCTION</b>												
<b>1</b>	<b>PLUMBING SERVICE</b>	<b>\$716,714</b>	<b>\$691,819</b>	<b>\$782,057</b>	<b>\$786,186</b>	<b>\$844,762</b>	<b>\$662,762</b>	<b>\$62,000</b>	<b>\$120,000</b>	<b>8,500</b>	<b>\$58,576</b>	<b>7%</b>
914	A791000000 General Plumbing Service	598,524	583,457	615,852	605,852	649,897	467,897	62,000	120,000	6,000	44,045	7%
904	A791000000 General Plumbing Service	194	2,897	1,260	0	0	0	0	0	0	0	0%
914	A791007919 Leak Investigation	117,996	105,465	164,945	180,334	194,865	194,865	0	0	2,500	14,531	8%
<b>2</b>	<b>CARPENTRY SERVICE</b>	<b>\$424,622</b>	<b>\$535,988</b>	<b>\$625,276</b>	<b>\$586,661</b>	<b>\$592,461</b>	<b>\$498,961</b>	<b>\$75,750</b>	<b>\$17,750</b>	<b>7,050</b>	<b>\$5,800</b>	<b>1%</b>
912	A320010000 Carpentry Service DMO Only	415,221	456,551	536,038	558,237	572,305	502,305	70,000	0	6,175	14,068	3%
910	A320010000 Carpentry Service DMO Only	0	0	0	15,750	15,750	0	0	15,750	0	0	0%
912	A965900000 Chargeable Service-OPERATING FUND	0	19,540	23,285	0	0	(500)	500	0	100	0	0%
912	A320900000 Carpentry Service-Chargeable-OPERATING FUND	0	50,391	57,532	0	0	(5,000)	5,000	0	750	0	0%
910	A310120000 Lead Abatement - Carpentry Services	0	0	0	2,625	2,000	0	0	2,000	0	(625)	(24%)
932	A964050000 Support Scaffolding	6,008	5,698	4,680	4,988	0	0	0	0	0	(4,988)	(100%)
917	A917229910 Repair Elevator and Mailroom Tile Floors	513	0	0	0	0	0	0	0	0	0	0%
917	A917169916 Vinyl Floor Repairs	2,880	3,808	3,742	5,061	2,406	2,156	250	0	25	(2,655)	(52%)
<b>3</b>	<b>PEST CONTROL</b>	<b>\$366,892</b>	<b>\$180,881</b>	<b>\$335,580</b>	<b>\$377,116</b>	<b>\$655,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$655,000</b>	<b>0</b>	<b>\$277,884</b>	<b>74%</b>
910	A310080000 Fumigation- Motel Bills	45,528	7,758	49,676	51,616	90,000	0	0	90,000	0	38,384	74%
910	A320050000 Fumigation- Pest Control	32,500	60,538	50,760	47,250	70,000	0	0	70,000	0	22,750	48%
910	A320060000 Fumigation- Inspections	0	0	0	46,800	50,000	0	0	50,000	0	3,200	7%
910	A320080000 Fumigation- Tenting	253,368	104,017	214,540	194,700	400,000	0	0	400,000	0	205,300	105%
910	A310080S01 Fumigation - Landscaping	35,496	8,568	20,604	36,750	45,000	0	0	45,000	0	8,250	22%
<b>4</b>	<b>FIRE PROTECTION</b>	<b>\$88,415</b>	<b>\$142,282</b>	<b>\$78,254</b>	<b>\$151,185</b>	<b>\$154,868</b>	<b>\$3,521</b>	<b>\$2,197</b>	<b>\$149,150</b>	<b>60</b>	<b>\$3,683</b>	<b>2%</b>
400	A400090000 Fire Alarm Inspections for all multi-story buildings	(240)	0	0	0	0	0	0	0	0	0	0%
904	A400090000 Fire Alarm Inspections for all multi-story buildings	45,192	43,759	29,072	58,500	58,500	0	0	58,500	0	0	0%
904	A330000000 Fire Extinguisher Service	30,178	28,338	20,034	30,650	30,650	0	0	30,650	0	0	0%
904	A330030000 Sprinkler System Service	2,349	2,835	0	20,000	20,000	0	0	20,000	0	0	0%
904	A330040000 Standpipe Testing	0	41,080	0	8,000	8,000	0	0	8,000	0	0	0%
910	A310010S78 Dryer Vent Cleaning	5,418	19,773	21,403	26,250	30,000	0	0	30,000	0	3,750	14%
910	A330110000 Chimney Cleaning	1,161	784	1,390	2,100	2,000	0	0	2,000	0	(100)	(5%)
913	A380091000 Smoke Detector Repair/Replace	4,356	5,713	6,356	5,685	5,718	3,521	2,197	0	60	33	1%
<b>5</b>	<b>ELECTRICAL SERVICE</b>	<b>\$126,478</b>	<b>\$16,030</b>	<b>\$31,511</b>	<b>\$104,443</b>	<b>\$99,030</b>	<b>\$67,795</b>	<b>\$23,000</b>	<b>\$8,235</b>	<b>1,687</b>	<b>(\$5,414)</b>	<b>(5%)</b>
913	A300060000 Electrical Service DMO	126,478	117,107	120,162	104,443	99,030	77,095	13,700	8,235	1,325	(5,414)	(5%)
913	A340900000 Resident Maintenance Fees	0	16,030	31,511	0	0	(9,300)	9,300	0	362	0	0%
<b>6</b>	<b>APPLIANCE REPAIRS</b>	<b>\$84,181</b>	<b>\$87,868</b>	<b>\$73,374</b>	<b>\$115,384</b>	<b>\$118,869</b>	<b>\$104,569</b>	<b>\$14,300</b>	<b>\$0</b>	<b>1,383</b>	<b>\$3,486</b>	<b>3%</b>
911	A300050000 Miscellaneous Appliance Repairs	0	57	0	0	0	0	0	0	0	0	0%
911	A300100000 Emergency Service Access	1,840	2,168	1,846	2,404	2,517	2,517	0	0	33	113	5%
911	A350001401 Washing Machine Repairs	71,128	75,349	64,716	88,057	90,701	79,401	11,300	0	1,050	2,644	3%
911	A350001501 Dryer Repairs	11,212	10,294	6,811	24,922	25,652	22,652	3,000	0	300	729	3%
<b>7</b>	<b>MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES</b>	<b>\$39,560</b>	<b>\$11,079</b>	<b>\$9,067</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
910	A310010000 Misc. Repairs by Outside Services	27,531	10,608	9,067	30,000	30,000	0	0	30,000	0	0	0%
909	B121327000 Caport 338	3,128	0	0	0	0	0	0	0	0	0	0%
909	Miscellaneous	8,901	472	0	0	0	0	0	0	0	0	0%
<b>8</b>	<b>SOLAR MAINTENANCE</b>	<b>\$14,348</b>	<b>\$23,539</b>	<b>\$50,516</b>	<b>\$36,000</b>	<b>\$37,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,000</b>	<b>0</b>	<b>\$1,000</b>	<b>3%</b>
900	A920201707 Third Solar O&M	14,348	23,539	50,516	36,000	37,000	0	0	37,000	0	1,000	3%
<b>9</b>	<b>STREET LIGHT MAINTENANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,946</b>	<b>\$17,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>0</b>	<b>\$3,000</b>	<b>18%</b>
900	A900220000 Street Light O&M	0	0	12,946	17,000	20,000	0	0	20,000	0	3,000	18%
<b>TOTAL</b>		<b>\$1,891,197</b>	<b>\$1,689,487</b>	<b>\$1,998,581</b>	<b>\$2,203,975</b>	<b>\$2,551,990</b>	<b>\$1,337,608</b>	<b>\$177,247</b>	<b>\$1,037,135</b>	<b>18,680</b>	<b>\$348,015</b>	<b>16%</b>

Line 9 was moved from Reserves to Operating in 2023.

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

DESCRIPTION	2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease)	
										\$	%
OPERATING FUND - GENERAL SERVICES											
JANITORIAL SERVICE	\$979,609	\$969,445	\$899,490	\$904,120	\$892,778	\$866,778	\$26,000	\$0	19,204	(\$11,342)	(1%)
A961001014 Bulky Item Pickup	67,290	66,983	26,509	0	0	0	0	0	0	0	0%
A961011001 Janitorial Svcs - Three-Story Buildings	783,007	771,456	712,542	777,929	769,010	757,010	12,000	0	16,770	(8,919)	(1%)
A961011002 Janitorial Svcs - Free Standing Laundries	62,023	66,510	56,790	73,457	72,765	58,765	14,000	0	1,303	(693)	(1%)
A961011004 Janitorial Svcs - Miscellaneous	21,638	19,101	48,495	14,724	14,553	14,553	0	0	323	(171)	(1%)
A961011005 Janitorial Svcs - Breezeways/Common Areas	19,263	19,101	30,906	24,828	23,423	23,423	0	0	520	(1,405)	(6%)
A961011006 Janitorial Svcs - Car Port Cleaning	26,388	26,296	24,248	13,181	13,028	13,028	0	0	288	(153)	(1%)
CONCRETE SERVICE	\$403,056	\$317,129	\$386,373	\$336,286	\$354,491	\$313,491	\$41,000	\$0	4,169	\$18,204	5%
A962050000 Concrete Repair/Replacement	363,393	277,998	342,934	323,259	340,798	300,798	40,000	0	4,000	17,539	5%
A962070000 Sweeping	0	0	0	0	0	0	0	0	0	0	0%
A962140000 Masonry	10,994	10,870	12,111	0	0	0	0	0	0	0	0%
A962150000 Chain Link Fence Repair/Replacement	557	580	646	0	0	0	0	0	0	0	0%
A962160000 Graffiti Removal	557	580	646	349	348	348	0	0	5	(1)	(0%)
A962190000 Sweeping/Scrubbing Garages	27,555	27,102	30,036	12,679	13,345	12,345	1,000	0	164	666	5%
GUTTER CLEANING	\$73,777	\$144,267	\$135,528	\$207,597	\$58,421	\$58,421	\$0	\$0	779	(\$149,176)	(72%)
A962100000 Gutter Cleaning	73,777	144,267	135,528	207,597	58,421	58,421	0	0	779	(149,176)	(72%)
WELDING	\$118,439	\$106,756	\$98,365	\$107,821	\$113,837	\$102,237	\$1,600	\$10,000	1,360	\$6,016	6%
A962350000 Dry Rot Balcony Welding Repairs	0	0	646	797	795	695	100	0	10	(2)	(0%)
A962330000 Stair Tread Replacements	16,778	16,232	18,086	3,486	3,825	3,825	0	0	50	339	10%
A962120000 Welding	93,226	82,753	79,632	93,537	99,216	97,716	1,500	0	1,300	5,679	6%
A310180000 Lead Abatement - Welding	8,435	7,770	0	10,000	10,000	0	0	10,000	0	0	0%
TRAFFIC CONTROL	\$20,648	\$18,999	\$21,334	\$18,129	\$19,126	\$19,126	\$0	\$0	255	\$997	5%
A962020000 Traffic Control	4,532	4,348	5,024	5,752	6,086	6,086	0	0	80	333	6%
A962360000 Traffic Paint Program	8,507	8,116	9,043	7,147	7,476	7,476	0	0	100	330	5%
A962500000 Sign Replacement	7,608	6,535	7,267	5,229	5,564	5,564	0	0	75	335	6%
TOTAL	\$1,595,528	\$1,556,596	\$1,541,090	\$1,573,953	\$1,438,651	\$1,360,051	\$68,600	\$10,000	25,767	(\$135,301)	(9%)

**OPERATING FUND - LANDSCAPE**

<b>15 LANDSCAPE ADMINISTRATION</b>	<b>\$316,948</b>	<b>\$340,320</b>	<b>\$362,103</b>	<b>\$393,940</b>	<b>\$414,563</b>	<b>\$414,563</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$20,623</b>	<b>5%</b>
500 Landscape Administration	316,948	340,320	362,103	393,940	414,563	414,563	0	0	0	20,623	5%
<b>16 NURSERY &amp; COMPOSTING</b>	<b>\$276,053</b>	<b>\$260,595</b>	<b>\$234,999</b>	<b>\$229,670</b>	<b>\$114,164</b>	<b>\$107,817</b>	<b>\$6,347</b>	<b>\$0</b>	<b>1,709</b>	<b>(\$115,506)</b>	<b>(50%)</b>
<b>Nursery</b>	<b>216,873</b>	<b>173,564</b>	<b>150,570</b>	<b>143,270</b>	<b>\$57,010</b>	<b>53,841</b>	<b>3,170</b>	<b>0</b>	<b>853</b>	<b>(\$86,259)</b>	<b>(60%)</b>
511 A558001003 - Shrub-Bed Maintenance - Nursery	211,756	740	4,844	10,031	2,198	2,076	122	0	33	(7,834)	(78%)
511 A558001004 - Slope Maintenance - Nursery	3,038	0	0	0	0	0	0	0	0	0	0%
511 A558001006 - Miscellaneous Employee Training	2,078	3,070	1,722	1,647	1,217	1,150	68	0	18	(430)	(26%)
511 A558001007 - Production Work - Nursery	0	84,877	60,230	69,169	27,263	25,747	1,516	0	408	(41,906)	(61%)
511 A558001008 - Maintenance Work - Nursery	0	84,877	83,774	62,423	26,333	24,869	1,464	0	394	(36,090)	(58%)
<b>Composting</b>	<b>59,180</b>	<b>87,032</b>	<b>84,429</b>	<b>86,401</b>	<b>\$57,154</b>	<b>53,976</b>	<b>3,178</b>	<b>0</b>	<b>856</b>	<b>(\$29,247)</b>	<b>(34%)</b>
511 A559000000 - Composting Services	58,661	61,162	54,669	62,160	43,155	40,756	2,399	0	646	(19,005)	(31%)
511 A559001010 - Recycling Work	0	23,346	29,151	23,743	13,695	12,933	761	0	205	(10,048)	(42%)
511 A559001011 - Yard Maintenance	0	1,757	179	87	0	0	0	0	0	(87)	(100%)
511 A558001006 - Miscellaneous Employee Training	519	767	431	412	304	287	17	0	5	(107)	(26%)
<b>17 GROUNDS MAINTENANCE</b>	<b>\$3,652,369</b>	<b>\$4,098,923</b>	<b>\$4,514,692</b>	<b>\$3,685,393</b>	<b>\$4,547,752</b>	<b>\$3,785,339</b>	<b>\$762,413</b>	<b>\$3,022,926</b>	<b>66,675</b>	<b>\$862,358</b>	<b>23%</b>
<b>Shrub-Bed Maintenance</b>	<b>2,425,477</b>	<b>2,526,792</b>	<b>2,278,082</b>	<b>2,415,157</b>	<b>2,674,380</b>	<b>\$2,635,950</b>	<b>\$38,430</b>	<b>\$0</b>	<b>46,438</b>	<b>259,223</b>	<b>11%</b>
530 A551001003 - Shrub-Bed Maintenance - Deadheading (P&W)	378	0	41	11,488	2,767	2,730	36	0	53	(8,722)	(76%)
530 A551001007 - Shrub-Bed Maintenance - Fertilizer Application	176,522	335,056	759	2,927	1,742	683	1,059	0	13	(1,185)	(40%)
530 A551001008 - Slope Maintenance - Fertilizer Application	1,618,441	1,596,372	0	1,076	0	0	0	0	0	(1,076)	(100%)
530 A551001011 - Shrub-Bed Maintenance - Herbicide Application	2,021	2,558	156,624	241,934	211,640	208,856	2,785	0	3,676	(30,294)	(13%)
530 A551001012 - Slope Maintenance - Herbicide Application	6,776	959	1,338	5,406	4,841	4,778	64	0	90	(565)	(10%)
530 A551001016 - Shrub-Bed Maintenance - Mulch Distribution	6,433	731	96,988	199,359	190,200	187,697	2,503	0	3,300	(9,159)	(5%)
530 A551001020 - Shrub-Bed Maintenance - Pruning/Weeding Cycle	418,231	479,279	1,855,882	1,854,300	2,187,802	2,156,810	30,991	0	38,000	333,502	18%
530 A551001021 - Slope Maintenance - Pruning/Weeding Cycle	1,844	5,196	22,490	20,949	24,899	24,571	328	0	430	3,949	19%
530 A551001023 - Shrub-Bed Maintenance - Re-planting	72,157	58,532	17,141	65,552	24,207	23,889	319	0	420	(41,345)	(63%)
530 A551001024 - Slope Maintenance - Re-Planting	24,281	4,131	558	3,379	2,075	2,048	27	0	36	(1,304)	(39%)
530 A551001030 - Shrub-Bed Maintenance - Ticket Response (NC W)	82,390	33,189	126,262	8,785	24,207	23,889	319	0	420	15,422	17%
530 A551901033 - Chargeables	9,947	10,019	0	0	0	0	0	0	0	0	0%
530 A551990000 - Grounds Prepaid Resale Work	6,055	769	0	0	0	0	0	0	0	(0)	(100%)

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
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		2021	2022	2023	2024	2025					Assessment	
DESCRIPTION		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Increase/(Decrease)	
											\$	%
<b>Turf Maintenance</b>		<b>187,205</b>	<b>213,904</b>	<b>660,322</b>	<b>729,102</b>	<b>1,364,520</b>	<b>\$647,726</b>	<b>\$16,794</b>	<b>\$700,000</b>	<b>11,406</b>	<b>635,419</b>	<b>87%</b>
530	A551001005 - Lawn Maintenance - Fertilizer Application	2,612	736	0	11,449	4,103	1,365	2,738	0	27	(7,346)	(64%)
530	A551001014 - Lawn Maintenance - Lawn Repair	3,308	0	10,423	14,152	11,664	6,143	5,521	0	109	(2,488)	(18%)
530	A551001015 - Lawn Maintenance - Mowing Cycle	35	0	561,721	523,740	1,224,951	518,044	6,907	700,000	9,123	701,211	134%
530	A551001029 - Lawn MaintenTicket Crew - Clippings Pick Up--MS	111,586	137,977	596	0	0	0	0	0	0	0	0%
530	A551001036 - Landscape Maintenance - Blowing	5,298	0	59,991	115,561	77,463	76,444	1,019	0	1,342	(38,098)	(33%)
530	A551001037 - Lawn Maintenance - Edging	64,367	75,190	27,593	64,200	46,340	45,730	610	0	805	(17,861)	(28%)
<b>Miscellaneous</b>		<b>311,868</b>	<b>469,255</b>	<b>389,465</b>	<b>459,540</b>	<b>421,897</b>	<b>\$416,346</b>	<b>\$5,551</b>	<b>\$0</b>	<b>7,331</b>	<b>(37,642)</b>	<b>(8%)</b>
530	A551001004 - Miscellaneous - Employee Training	155,484	352,113	17,107	24,329	62,939	62,111	828	0	1,095	38,610	159%
530	A551001010 - Miscellaneous - General Cleanup	37,856	7,587	91,966	224,364	88,529	87,364	1,165	0	1,533	(135,834)	(61%)
530	A551001019 - Shrub-Bed Maintenance - Ticket Crew - Tree Neec	24,773	0	0	0	0	0	0	0	0	0	0%
530	A551001025 - Lawn Maintenance - Root/Stump Removal	74,320	96,785	4,882	14,867	15,908	15,698	209	0	275	1,040	7%
530	A551001026 - Tree Maintenance - Root/Stump Removal	0	43	127,973	141,241	149,393	147,428	1,966	0	2,600	8,153	6%
530	A551001028 - Miscellaneous - Storm Cleanup	19,435	12,728	147,537	38,520	94,754	93,507	1,247	0	1,643	56,234	146%
530	A551001032 - Wood Splitting (Misc)	0	0	0	7,434	8,991	8,873	118	0	158	1,557	21%
530	A551003018 - Other Dept Assist	0	0	0	8,785	1,383	1,365	18	0	27	(7,402)	(84%)
<b>Garden Villa</b>		<b>114,373</b>	<b>102,907</b>	<b>68,518</b>	<b>81,595</b>	<b>86,954</b>	<b>\$85,317</b>	<b>\$1,638</b>	<b>\$0</b>	<b>1,500</b>	<b>5,359</b>	<b>7%</b>
530	A551001009 - Garden Villa Maintenance - Garden Villa Maintena	24,312	7,895	61,029	81,595	86,954	85,317	1,638	0	1,500	5,359	7%
530	A551001022 - Miscellaneous - Special Projects--MSO GROUND	89,847	94,567	7,197	0	0	0	0	0	0	0	0%
530	A553001018 - Other Dept Assist	214	445	292	0	0	0	0	0	0	0	0%
<b>18</b>	<b>IRRIGATION</b>	<b>\$1,009,848</b>	<b>\$1,024,963</b>	<b>\$948,494</b>	<b>\$1,092,124</b>	<b>\$997,739</b>	<b>\$847,967</b>	<b>\$149,772</b>	<b>\$0</b>	<b>9,736</b>	<b>(\$94,384)</b>	<b>(9%)</b>
540	A553000000 - Irrigation / Drainage Repair	121,781	136,723	16,554	0	0	0	0	0	0	0	0%
540	A553900000 - Irrigation / Drainage Charge	7,349	8,282	9,266	0	(0)	(1,127)	1,127	0	40	(0)	(200%)
540	A553001002 - Lawn Maintenance - Irrigation (Drainage)	148,693	109,951	100,945	83,214	158,191	134,623	23,568	0	1,537	74,977	90%
540	A553001003 - Shrub-Bed Maintenance - Irrigation (Drainage)	28,763	25,871	28,868	22,387	114,226	97,208	17,018	0	1,111	91,838	410%
540	A553001004 - Slope Maintenance - Irrigation (Drainage)	1,514	2,797	4,470	4,858	17,039	14,501	2,539	0	166	12,182	251%
540	A553001005 - Lawn Renovation - Irrigation (Retrofit)	16,820	10,838	6,891	422	841	716	125	0	8	419	99%
540	A553001006 - Relandscaping - Irrigation (Retrofit)	13,793	13,984	9,312	22,387	2,735	2,327	407	0	26	(19,653)	(88%)
540	A553001007 - Shrub-Bed Maintenance - Irrigation (Retrofit)	2,860	2,797	8,487	20,275	30,082	25,600	4,482	0	292	9,806	48%
540	A553001009 - Lawn Maintenance - Irrigation (Routine)	379,301	356,948	344,739	449,226	263,792	224,492	39,300	0	2,564	(185,434)	(41%)
540	A553001010 - Shrub-Bed Maintenance - Irrigation (Routine)	64,086	84,080	100,386	130,311	110,018	93,628	16,391	0	1,070	(20,293)	(16%)
540	A553001011 - Slope Maintenance - Irrigation (Routine)	3,532	4,195	4,008	9,082	6,732	5,729	1,003	0	66	(2,350)	(26%)
540	A553001012 - Miscellaneous - Employee Training	14,802	11,187	9,312	9,082	19,774	16,828	2,946	0	193	10,692	118%
540	A553001016 - Slope Renovation - Irrigation (Retrofit)	5,046	9,439	8,381	10,349	4,207	3,580	627	0	40	(6,142)	(59%)
540	A553001017 - System Check - Irrigation (Routine)	184,857	233,012	283,651	314,691	197,108	167,742	29,366	0	1,916	(117,583)	(37%)
540	A553001021 - Repair Project - Irrigation	0	0	0	6,758	64,581	54,959	9,621	0	627	57,822	856%
540	A554001009 - Miscellaneous - Other Department Assistance	16,652	14,858	13,223	9,082	4,207	3,580	627	0	40	(4,874)	(54%)
540	A553001022 - Special Project - Irrigation	0	0	0	0	4,207	3,580	627	0	40	4,207	100%
<b>19</b>	<b>SMALL EQUIPMENT REPAIR</b>	<b>\$233,039</b>	<b>\$233,928</b>	<b>\$183,142</b>	<b>\$235,451</b>	<b>\$241,494</b>	<b>\$192,644</b>	<b>\$48,850</b>	<b>\$0</b>	<b>2,438</b>	<b>\$6,043</b>	<b>3%</b>
550	Small Equipment Repair	233,039	233,928	183,142	235,451	241,494	192,644	48,850	0	2,438	6,043	3%
<b>20</b>	<b>PEST CONTROL</b>	<b>\$377,679</b>	<b>\$391,191</b>	<b>\$362,143</b>	<b>\$371,285</b>	<b>\$440,886</b>	<b>\$380,909</b>	<b>\$59,977</b>	<b>\$0</b>	<b>4,656</b>	<b>\$69,601</b>	<b>19%</b>
560	A555001001 - Pest Control - Ant Control	42,559	24,942	24,568	26,920	38,475	33,241	5,234	0	406	11,556	43%
560	A555001002 - Pest Control - Bee/Wasp Control	9,512	5,375	8,235	7,723	9,487	8,196	1,291	0	100	1,764	23%
560	A555001003 - Lawn Renovation - Herbicide Application (Turf PC)	0	47,734	0	20,226	4,919	4,250	669	0	52	(15,307)	(76%)
560	A555001004 - Pest Control - Other Vertebrate Control	3,100	1,792	824	736	3,426	2,960	466	0	36	2,690	366%
560	A555001007 - Shrub-Bed Maintenance - Pest Control (Gen LS PC)	66,305	52,321	147,479	92,674	118,501	102,380	16,121	0	1,252	25,827	28%
560	A555001008 - Slope Maintenance - Pest Control (Gen LS PC)	0	0	0	2,648	2,547	2,201	347	0	27	(100)	(4%)
560	A555001010 - Tree Maintenance - Pest Control (Tree PC)	564	358	480	441	1,933	1,670	263	0	20	1,491	338%
560	A555001011 - Laen Maintenance - Pest Control (Tree PC)	45,942	26,877	28,960	20,226	4,919	4,250	669	0	52	(15,307)	(76%)
560	A555001012 - Pest Control - RIFA Control	1,480	143	206	221	0	0	0	0	0	(221)	(100%)
560	A555001013 - Pest Control - Rodent Control	196,027	220,968	143,155	164,459	205,905	177,894	28,011	0	2,175	41,446	25%
560	A555001014 - Miscellaneous - Employee Training	12,190	10,679	8,235	6,105	8,082	6,982	1,099	0	85	1,977	32%
560	A555001016 - Miscellaneous - Other Department Assistance	0	0	0	736	5,271	4,554	717	0	56	4,535	616%
560	A555001017 - Turf Maintenance - Weed Control	0	0	0	26,258	34,962	30,206	4,756	0	369	8,704	33%
560	A555001019 - Shrub-Bed Maintenance - Growth Regulator	0	0	0	1,912	2,459	2,125	335	0	26	547	29%
<b>21</b>	<b>TREE MAINTENANCE</b>	<b>\$2,947</b>	<b>\$1,193</b>	<b>\$13,101</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
<b>TOTAL</b>		<b>\$5,306,282</b>	<b>\$5,602,317</b>	<b>\$6,618,673</b>	<b>\$6,007,865</b>	<b>\$6,756,599</b>	<b>\$5,729,240</b>	<b>\$1,027,360</b>	<b>\$3,022,926</b>	<b>85,214</b>	<b>\$748,735</b>	<b>12%</b>



**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

											Assessment	
DESCRIPTION		2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Increase/(Decrease) \$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION												
22	BUILDING NUMBERS	\$14,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
910	A310100000 Illuminated Building Numbers	14,088	0	0	0	0	0	0	0	0	0	0%
23	BUILDING STRUCTURES	\$2,091,312	\$1,809,120	\$2,403,923	\$2,300,426	\$2,486,143	\$261,518	\$103,500	\$2,121,125	3,210	\$185,717	8%
910	A959100000 Building Structures (Maintenance Ops)	243,317	156,823	322,379	500,000	700,000	0	0	700,000	0	200,000	40%
912	A950210000 Carport Panel Replacements	11,410	4,456	6,283	10,233	4,273	1,773	2,500	0	20	(5,960)	(58%)
912	A959120000 Building Structures (Carpentry)	220,953	198,906	55,808	86,169	102,757	52,757	50,000	0	650	16,588	19%
920	A959200000 Building Structure Dry Rot	578,350	272,172	181,860	210,000	210,000	0	0	210,000	0	0	0%
920	A950050000 Building Structure Replacement (Third)	198,017	329,963	455,062	350,000	150,000	0	0	150,000	0	(200,000)	(57%)
920	A950011000 Balcony Inspection	0	0	74,328	92,495	0	0	0	0	0	(92,495)	(100%)
910	A959120000 Building Structures (Carpentry)	26,527	22,349	34,809	30,000	0	0	0	0	0	(30,000)	(100%)
917	A959120000 Building Structures (Carpentry)	4,716	6,455	3,389	5,710	4,494	3,494	1,000	0	40	(1,216)	(21%)
932	A959120000 Building Structures (Carpentry)	1,202	10,240	0	0	0	0	0	0	0	0	0%
920	A920201705 PARAPET WALL REMOVAL - THIRD	253,820	0	0	150,000	168,000	0	0	168,000	0	18,000	12%
920	A950220000 Foundations	19,142	23,575	35,872	25,000	25,000	0	0	25,000	0	0	0%
910	A310130000 Lead Abatement – Dry Rot	1,450	540	0	5,250	5,500	0	0	5,500	0	250	5%
912	A320100000 Dry Rot Repair- Tickets	132,533	157,813	170,867	167,944	253,493	203,493	50,000	0	2,500	85,550	51%
910	A320100000 Dry Rot Repair- Tickets	0	0	0	2,625	2,625	0	0	2,625	0	0	0%
909	A991020000 Moisture Intrusion - Rain Leaks Reserves	45,284	224,620	522,891	200,000	200,000	0	0	200,000	0	0	0%
909	A992020000 Moisture Intrusion - Plumbing Leaks Reserves	242,588	338,410	416,954	350,000	330,000	0	0	330,000	0	(20,000)	(6%)
909	A993020000 Moisture Intrusion - Plumbing Stoppages Reserves	40,199	82,189	71,075	65,000	65,000	0	0	65,000	0	0	0%
909	A994020000 Moisture Intrusion - Other Reserves	71,804	(19,392)	52,346	50,000	65,000	0	0	65,000	0	15,000	30%
920	A962102000 Dry Rot Roof Repair PTP	0	0	0	0	200,000	0	0	200,000	0	200,000	100%
24	ELECTRICAL SYSTEMS	\$16,588	\$0	\$0	\$30,000	\$62,000	\$0	\$0	\$62,000	0	\$32,000	107%
913	A950240000 Electrical Panel Maintenance	16,588	0	0	30,000	30,000	0	0	30,000	0	0	0%
904	A950020000 Electrical System Replacement	0	0	0	0	32,000	0	0	32,000	0	32,000	100%
25	EXTERIOR LIGHTING	\$24,840	\$14,473	\$12,062	\$12,500	\$12,925	\$75	\$0	\$12,850	1	\$425	3%
920	A910800000 Exterior Lighting	7,853	0	0	0	0	0	0	0	0	0	0%
913	A910800000 Exterior Lighting	0	1,850	12,850	12,500	12,925	75	0	12,850	1	425	3%
900	A910800000 Exterior Lighting	16,987	12,623	(788)	0	0	0	0	0	0	0	0%
26	FENCING	\$73,009	\$62,837	\$75,237	\$79,602	\$70,757	\$52,757	\$18,000	\$0	650	(\$8,844)	(11%)
912	A950200000 Split Rail Fence Replacements	73,009	62,837	75,237	79,602	70,757	52,757	18,000	0	650	(8,844)	(11%)
27	GARDEN VILLA LOBBY	\$111,882	\$1,418	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
910	A950260000 Garden Villa Lobby Flooring	111,882	1,418	0	0	0	0	0	0	0	0	0%
28	GARDEN VILLA MAILROOM	\$300	\$285	\$293	\$562	\$577	\$327	\$250	\$0	5	\$15	3%
932	A950280000 Garden Villa Mailroom - Paint	300	285	293	562	577	327	250	0	5	15	3%
29	GARDEN VILLA REC ROOM	\$7,859	\$2,759	\$8,472	\$65,393	\$68,109	\$1,109	\$2,000	\$65,000	15	\$2,716	4%
914	A790127941 Rec Room Water Heater Replacement	5,788	907	2,136	3,004	3,109	1,109	2,000	0	15	105	3%
913	A790007941 Manor Water Heater Replacement	0	17	47	0	0	0	0	0	0	0	0%
910	A310010S32 Rec Room Window Replacement	0	0	0	60,000	60,000	0	0	60,000	0	0	0%
914	A790007941 Manor Water Heater Replacement	1,182	1,835	319	0	0	0	0	0	0	0	0%
910	A310090S91 Rec Room Heat Pump Replacement	888	0	5,971	2,389	5,000	0	0	5,000	0	2,611	109%
30	GUTTERS	(\$15,844)	\$29,973	\$67,264	\$126,486	\$203,575	\$81,575	\$12,000	\$110,000	1,000	\$77,089	61%
910	A950000000 Gutter Replacement	(44,280)	0	5,177	60,000	60,000	0	0	60,000	0	0	0%
912	A950000000 Gutter Replacement	28,436	29,973	62,087	66,486	93,575	81,575	12,000	0	1,000	27,089	41%
920	A962103000 Gutter Screen Installation	0	0	0	0	50,000	0	0	50,000	0	50,000	100%
31	MAILBOXES	\$37,175	\$2,743	\$11,811	\$27,582	\$27,640	\$12,390	\$15,250	\$0	160	\$58	0%
912	A950180000 LH 21 Mailbox Replacements	37,160	2,743	10,349	25,774	26,084	11,084	15,000	0	136	310	1%
932	A950180000 LH 21 Mailbox Replacements	15	0	1,463	1,809	1,556	1,306	250	0	24	(252)	(14%)
32	PAINT PROGRAM	\$1,527,920	\$1,413,218	\$1,445,812	\$1,613,075	\$1,757,800	\$1,506,050	\$224,000	\$27,750	25,900	\$144,725	9%
932	A971000000 Exterior Paint Program	1,233,999	1,094,433	1,146,112	1,260,747	1,352,771	1,162,771	190,000	0	20,000	92,025	7%
932	A971010000 Deck Topcoat Paint Follow-Up	51,735	32,630	43,087	42,297	85,897	69,897	16,000	0	1,200	43,600	103%
932	A971020000 Building Signs	0	11,827	9,126	52,500	20,000	0	0	20,000	0	(32,500)	(62%)
932	A963006502 Exterior Touch-up	167,784	201,509	172,388	173,353	218,485	203,485	15,000	0	3,500	45,132	26%
910	A310170000 Lead Abatement Touch-up	0	0	0	2,625	2,500	0	0	2,500	0	(125)	(5%)
932	A963010000 Interior Touch-up Mutual	74,402	70,419	70,643	76,304	72,897	69,897	3,000	0	1,200	(3,407)	(4%)
910	A971030000 Lead Testing and Abatement - Paint Program	0	2,400	4,455	5,250	5,250	0	0	5,250	0	0	0%

**THIRD LAGUNA HILLS MUTUAL  
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	DESCRIPTION	2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease) \$	%
33	PRIOR TO PAINT	\$1,024,160	\$1,042,713	\$1,161,592	\$1,222,353	\$1,437,585	\$1,192,585	\$180,000	\$65,000	14,650	\$215,232	18%
912	A981000000 Dry Rot Repairs - Prior-to-Paint	524,688	573,036	658,886	684,099	669,692	569,692	100,000	0	7,000	(14,407)	(2%)
912	A981010000 Decking Repairs (Prior to Paint)	77,504	85,958	126,879	104,882	274,280	244,280	30,000	0	3,000	169,398	162%
910	A981020000 Lead Testing and Abatement - Prior-to-Paint	52,546	8,312	54,942	57,750	65,000	0	0	65,000	0	7,250	13%
912	A965170000 Decking - Breezeway Common Area	114,089	116,992	126,041	142,983	180,706	162,706	18,000	0	2,000	37,723	26%
912	A965186702 Decking - Garden Villa Breezeway Program	146,352	153,235	182,951	220,465	233,493	203,493	30,000	0	2,500	13,029	6%
912	A965326703 Decking - Balcony Repairs	8,637	10,306	11,893	12,174	14,414	12,414	2,000	0	150	2,240	18%
912	A965330000 Decking- Balconies 5 Yr Topcoat Prgm	99,436	94,874	0	0	0	0	0	0	0	0	0%
914	A981000000 - Dry Rot Repairs - Prior-to-Paint	908	0	0	0	0	0	0	0	0	0	0%
34	PAVING/CONCRETE	\$618,985	\$423,955	\$429,521	\$431,851	\$220,915	\$0	\$0	\$220,915	0	(\$210,936)	(49%)
920	A920201703 Parkway Concrete Replacements	106,831	0	0	60,000	140,000	0	0	140,000	0	80,000	133%
920	A920180000 Golf Cart Parking and Striping	7,925	0	0	0	0	0	0	0	0	0	0%
920	A910940000 Major Asphalt Repairs	458,273	377,898	384,882	317,975	0	0	0	0	0	(317,975)	(100%)
920	A962010000 Seal Coat	45,956	46,057	44,639	53,876	80,915	0	0	80,915	0	27,039	50%
35	ROOFS	\$1,341,440	\$1,403,246	\$1,477,360	\$1,684,823	\$1,940,618	\$0	\$0	\$1,940,618	0	\$255,795	15%
920	A910860000 BUR Replacement - PVC Cool Roof	1,066,482	1,087,948	1,093,528	1,200,000	1,388,375	0	0	1,388,375	0	188,375	16%
920	A910040000 Preventive Roof Maintenance	66,585	76,182	74,077	46,845	34,470	0	0	34,470	0	(12,375)	(26%)
920	A910010000 Roof Repairs- Emergency	99,239	122,969	133,992	130,000	202,445	0	0	202,445	0	72,445	56%
920	A910865000 OS Roof Replacement - Lightweight Roofs	109,133	116,148	117,816	250,000	257,350	0	0	257,350	0	7,350	3%
920	A962101000 Flat Roof Debris Cleanup	0	0	57,947	57,978	57,978	0	0	57,978	0	0	0%
36	EXTERIOR WALLS	\$29,280	\$29,994	\$0	\$32,400	\$0	\$0	\$0	\$0	0	(\$32,400)	(100%)
920	A910855000 Perimeter Wall Shepherds Crook	29,280	29,994	0	32,400	0	0	0	0	0	(32,400)	(100%)
37	WASTE LINE REMEDIATION	\$530,595	\$617,558	\$935,789	\$1,500,000	\$500,000	\$0	\$0	\$500,000	0	(\$1,000,000)	(67%)
38	WATER LINES - COPPER PIPE REMEDIATION	\$367,397	\$196,116	\$196,116	\$1,000,000	\$500,000	\$0	\$0	\$500,000	0	(\$500,000)	(50%)
39	PLUMBING REPLACEMENT	\$0	\$0	\$0	\$200,000	\$700,000	\$0	\$0	\$700,000	0	\$500,000	250%
914	A794000000 General Plumbing Replacement	0	0	0	200,000	200,000	0	0	200,000	0	0	0%
904	A370160000 Manor/Building Pipe Replacements	0	0	0	0	500,000	0	0	500,000	0	500,000	100%
40	ELEVATORS	\$151,170	\$89,872	\$98,680	\$125,000	\$205,800	\$0	\$0	\$205,800	0	\$80,800	65%
920	A910930000 Elevator Replacement	151,170	89,872	98,680	125,000	205,800	0	0	205,800	0	80,800	65%
41	LAUNDRY COUNTERTOP/FLOOR	\$40,498	\$14,977	\$13,411	\$59,173	\$42,414	\$6,914	\$5,500	\$30,000	80	(\$16,758)	(28%)
917	A917239923 Laundry Room Floors - 3 Story Buildings	9,511	8,137	10,682	17,710	4,812	4,312	500	0	50	(12,898)	(73%)
910	A310090S92 Abatement for Flooring Replacement	25,750	0	0	31,563	30,000	0	0	30,000	0	(1,563)	(5%)
917	A917409940 Countertops - Laundry - Third	5,237	6,840	2,730	9,900	7,602	2,602	5,000	0	30	(2,298)	(23%)
42	LAUNDRY APPLIANCES	\$60,836	\$92,085	\$170,745	\$109,593	\$164,499	\$29,904	\$131,595	\$3,000	389	\$54,907	50%
914	A790017941 Laundry Water Heater Replacement	14,909	16,178	20,576	30,389	30,305	13,305	17,000	0	170	(84)	(0%)
914	A790107941 Water Heater Permits	0	0	0	2,806	3,000	0	0	3,000	0	194	7%
911	A944101506 Laundry Dryer Replacement	0	15,047	40,606	14,407	14,554	4,554	10,000	0	60	147	1%
911	A944111406 Laundry Washing Machine Replacement	45,926	60,860	109,563	61,990	116,640	12,045	104,595	0	159	54,650	88%
911	J318060000 Coin-Operated Dryers and Laundry Pedestals -OS	0	0	1,817	0	0	0	0	0	0	0	0%
43	RENEWABLE ENERGY PROJECT	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000	0	\$50,000	100%
900	A950250000 Renewable Energy Plan Consultant	0	0	0	0	50,000	0	0	50,000	0	50,000	100%
<b>TOTAL</b>		<b>\$8,053,489</b>	<b>\$7,247,341</b>	<b>\$8,508,089</b>	<b>\$10,620,819</b>	<b>\$10,451,357</b>	<b>\$3,145,204</b>	<b>\$692,095</b>	<b>\$6,614,058</b>	<b>46,060</b>	<b>(\$169,461)</b>	<b>(2%)</b>

**RESERVE FUNDS - GENERAL SERVICES**

44	PRIOR TO PAINT	\$10,437	\$10,869	\$12,112	\$14,418	\$15,253	\$14,953	\$300	\$0	200	\$835	6%
936	A981030000 PRIOR TO PAINT/DRY ROT BALCONY REP	10,437	10,869	12,112	14,418	15,253	14,953	300	0	200	835	6%
45	PAVING/CONCRETE	\$68,284	\$69,114	\$64,678	\$82,343	\$86,839	\$82,589	\$4,250	\$0	1,100	\$4,496	5%
936	A962000000 Gen. Maintenance & Street Repairs	8,350	8,136	9,043	10,783	11,452	11,302	150	0	150	668	6%
936	A962040000 Asphalt Repairs	29,478	39,384	31,574	46,532	49,033	45,033	4,000	0	600	2,500	5%
936	A962090000 Main Line Repair	5,567	5,362	5,975	7,247	7,576	7,476	100	0	100	330	5%
936	A962070000 Sweeping	11,112	2,754	3,068	0	0	0	0	0	0	0	0%
936	A962700000 Crack Filling	13,778	13,479	15,018	17,780	18,778	18,778	0	0	250	998	6%
46	EXTERIOR WALLS	\$5,600	\$0	\$0	\$24,150	\$24,150	\$0	\$0	\$24,150	0	\$0	0%
936	A910840000 Common Wall Replacement	0	0	0	10,000	10,000	0	0	10,000	0	0	0%
936	A910850000 Perimeter Wall Replacement	5,600	0	0	14,150	14,150	0	0	14,150	0	0	0%
<b>TOTAL</b>		<b>\$84,321</b>	<b>\$79,983</b>	<b>\$76,791</b>	<b>\$120,911</b>	<b>\$126,242</b>	<b>\$97,542</b>	<b>\$4,550</b>	<b>\$24,150</b>	<b>1,300</b>	<b>\$5,331</b>	<b>4%</b>

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DESCRIPTION	2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE	HOURS	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease)	
										\$	%
RESERVE FUNDS - LANDSCAPE											
LANDSCAPE MODERNIZATION	\$422,111	\$614,885	\$455,935	\$2,322,587	\$2,949,437	\$5,013	\$878	\$2,943,547	57	\$626,850	27%
A551001027 - Slope Maintenance Outsourced	10,363	9,632	7,403	25,423	0	0	0	0	0	(25,423)	(100%)
A553001014 - Turf Reduction Irrigation	13,625	8,216	16,017	4,435	5,890	5,013	878	0	57	1,455	33%
A390000000 Landscape – Prior to Paint – OS	0	0	0	1,750,000	2,322,228	0	0	2,322,228	0	572,228	33%
A553704000 Landscape Renovation	0	391,504	(59,134)	0	0	0	0	0	0	0	0%
A553704000 Landscape Revitalization	(65,506)	0	0	0	0	0	0	0	0	0	0%
A553705000 Landscape Renovation Slopes	463,630	205,534	491,650	542,730	621,319	0	0	621,319	0	78,589	14%
IMPROVEMENT & RESTORATION	\$120,344	\$253,565	\$266,553	\$195,858	\$283,518	\$274,034	\$9,485	\$0	4,465	\$87,660	45%
A553701100 Relandscape - Site Preparation	0	2,923	9,874	13,205	28,508	27,365	1,143	0	450	15,303	116%
A553701102 Turf Reduction - Hardscape	0	1,620	0	3,562	3,103	3,032	71	0	50	(459)	(13%)
A553702102 Relandscape - Planting	32,782	9,477	11,816	30,475	24,905	24,333	572	0	400	(5,570)	(18%)
A553702103 Relandscape - Irrigation	16,034	8,172	3,741	22,876	31,111	30,396	714	0	500	8,235	36%
A553702203 Turf Reduction - Planting	24,955	25,016	5,789	30,475	15,555	15,198	357	0	250	(14,920)	(49%)
A553702200 Turf Reduction - Site Preparation	0	18,713	10,894	25,409	12,453	12,167	286	0	200	(12,957)	(51%)
A553702204 Turf Reduction - Irrigation	9,013	20,356	2,883	24,143	15,555	15,198	357	0	250	(8,587)	(36%)
A557001004 Mulch Distribution	7,711	16,538	3,015	34,314	34,213	33,428	786	0	550	(101)	(0%)
A557001007 Other Department Assist (Misc)	7,285	0	0	0	1,572	1,536	36	0	25	1,572	100%
A557001008 Replanting – Ticket Response	19,535	6,622	75,038	5,066	37,275	36,419	856	0	600	32,209	636%
A557001016 Miscellaneous - Employee Training	605	361	868	1,268	3,103	3,031	71	0	50	1,835	145%
A558001009 Plant Material for Land Improvements	0	0	0	0	76,166	71,931	4,235	0	1,140	76,166	100%
TREE MAINTENANCE	\$843,160	\$965,034	\$888,273	\$980,188	\$1,182,835	\$377,895	\$3,671	\$801,269	3,788	\$202,647	21%
A553703005 Ticket Response (Off Sched)	0	137,264	1,235	0	0	0	0	0	0	0	0%
A553703007 Miscellaneous - Employee Training	914	3,855	0	0	0	0	0	0	0	0	0%
A553703003 Tree Maintenance - Off Schedule	3,502	5,000	310,088	0	0	0	0	0	0	0	0%
A553703004 Tree Maintenance - Scheduled Tree Work	455,536	687,285	497,717	503,120	801,269	0	0	801,269	0	298,149	59%
A553703001 Relandscaping - Brush Grinding (Off Sched)	321	0	0	0	0	0	0	0	0	0	0%
A554001001 Relandscaping - Brush Grinding	1,676	0	5,368	6,360	7,577	7,504	73	0	75	1,217	19%
A554001003 Tree Maintenance - Off Schedule Tree Work	2,371	0	0	262,494	265,384	262,831	2,553	0	2,635	2,890	1%
A554001004 Tree Maintenance - Scheduled Tree Work	352,997	0	0	0	0	0	0	0	0	0	0%
A554001005 Tree Maintenance - Ticket Response	5,606	0	0	87,498	10,103	10,006	97	0	100	(77,395)	(88%)
A557001019 Miscellaneous - Other Department Assistance Total	0	8,957	32,730	7,814	30,215	29,924	291	0	300	22,401	287%
A554001006 Tree Maintenance - Stump Grinding	0	0	32,156	26,713	60,710	60,126	584	0	603	33,997	127%
A554001007 Miscellaneous - Employee Training	7,523	800	8,979	5,815	7,577	7,504	73	0	75	1,762	30%
TOTAL	\$1,385,616	\$1,833,485	\$1,610,761	\$3,498,633	\$4,415,790	\$656,942	\$14,034	\$3,744,816	8,310	\$917,157	26%

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

DESCRIPTION	2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease)	\$
DISASTER FUND - MAINTENANCE & CONSTRUCTION											
MOISTURE INTRUSION - RAIN LEAKS	\$253,951	\$242,184	\$545,258	\$220,000	\$220,000	\$0	\$0	\$220,000	0	\$0	0%
A991000000 - OS	253,951	242,184	545,258	220,000	220,000	0	0	220,000	0	0	0%
MOISTURE INTRUSION - PLUMBING LEAKS	\$614,090	\$183,156	\$844,881	\$650,000	\$800,000	\$0	\$0	\$800,000	0	\$150,000	23%
A992000000 - OS	1,237,850	180,544	844,881	650,000	800,000	0	0	800,000	0	150,000	23%
Miscellaneous	(623,760)	2,612	0	0	0	0	0	0	0		
MOISTURE INTRUSION - PLUMBING STOPPAGES	\$118,104	\$141,150	\$197,739	\$80,000	\$152,000	\$0	\$0	\$152,000	0	\$72,000	90%
A993000000 - OS	118,104	141,150	197,739	80,000	152,000	0	0	152,000	0	72,000	90%
MOISTURE INTRUSION - MISCELLANEOUS	\$14,507	\$49,599	\$62,836	\$50,000	\$42,000	\$0	\$0	\$42,000	0	(\$8,000)	(16%)
A994000000 - OS	14,507	49,599	62,836	50,000	42,000	0	0	42,000	0	(8,000)	(16%)
DAMAGE RESTORATION SERVICES	\$162,802	\$165,336	\$41,956	\$50,280	\$29,384	\$24,384	\$5,000	\$0	300	(\$20,896)	(42%)
A380080000	43,514	36,043	41,956	50,280	29,384	24,384	5,000	0	300	(20,896)	(42%)
A31006OS61	(21,185)	0	0	0	0	0	0	0	0	0	
Various Historical Jobs	140,642	126,759	0	0	0	0	0	0	0	0	0%
Miscellaneous	54,858	0	0	0	0	0	0	0	0		
TOTAL	\$1,163,454	\$781,424	\$1,692,671	\$1,050,280	\$1,243,384	\$24,384	\$5,000	\$1,214,000	300	\$193,104	18%
DISASTER FUND - LANDSCAPE											
FIRE RISK MANAGEMENT	\$83,108	\$86,577	\$150,309	\$180,000	\$180,000	\$0	\$0	\$180,000	0	\$0	0%
A551001052 - Landscape Risk Fire Management	83,367	83,108	150,309	180,000	180,000	0	0	180,000	0	0	0%
A551001052 - Landscape Risk Fire Management	23,230	0	0	0	0	0	0	0	0	0	0%
TOTAL	\$83,108	\$86,577	\$150,309	\$180,000	\$180,000	\$0	\$0	\$180,000	0	\$0	0%
DISASTER FUND - FINANCIAL SERVICES											
INSURANCE PREMIUMS	\$1,931,334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
54401000 - Hazard & Liability Insurance	107,315	16,313	0	0	0	0	0	0	0	0	0%
54401500 - D&O Liability	16,218	6,897	0	0	0	0	0	0	0	0	0%
54402000 - Property Insurance	794,899	1,908,124	0	0	0	0	0	0	0	0	0%
TOTAL	\$1,931,334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION											
GARDEN VILLA RECREATION ROOMS	\$70,118	\$82,796	\$94,246	\$97,502	\$128,605	\$29,327	\$29,278	\$70,000	411	\$31,103	32%
A310050000 - GV Rec Room Misc. Services	38,852	55,386	51,434	57,750	70,000	0	0	70,000	0	12,250	21%
A320090000 Carpentry Service Garden Villa Interior	965	8	3,721	5,498	5,640	3,990	1,650	0	50	142	3%
A350110000 Appliance PM Garden Villa Rec Rooms	81	0	301	566	583	360	223	0	5	16	3%
A350120000 Appliance Replc. Garden Villa Rec Rooms	0	0	301	343	360	360	0	0	5	16	5%
A340090000 Electrical Service Garden Villa Interior	726	0	584	734	754	599	155	0	10	21	3%
A370090000 Repair/Replace Garden Villa Rec Rooms	0	0	466	837	904	554	350	0	6	67	8%
A792000000 Plumbing Service Garden Villa Interior	1,378	0	2,798	3,828	3,849	3,049	800	0	40	21	1%
A917259925 Replace Vinyl Floors in GV Rec Rooms	0	0	1,687	0	0	0	0	0	0	0	0%
A917270000 Recreation Room Refurbishment	4,128	4,157	10,463	11,131	11,468	6,468	5,000	0	75	338	3%
A917290000 Garden Villa Replacements	1,102	0	1,646	987	1,892	892	1,000	0	10	906	92%
A917510000 Refrigerator Install/Replacement	1,693	0	0	800	800	0	800	0	0	0	0%
A917520000 Range Install/Replacement	2,030	2,759	6,487	1,798	7,000	0	7,000	0	0	5,202	289%
A917530000 Microwave Install/Replacement	2,248	1,122	2,326	1,023	2,500	0	2,500	0	0	1,477	144%
A917550000 Sink Install/Replacement	3,404	5,378	3,905	964	7,102	2,602	4,500	0	30	6,138	637%
A917560000 Faucet Install/Replacement	445	0	0	300	300	0	300	0	0	0	0%
A963076501 Garden Villa Interior Touch-up	14,194	1,308	8,129	10,944	15,452	10,452	5,000	0	180	4,508	41%
TOTAL	\$70,118	\$82,796	\$94,246	\$97,502	\$128,605	\$29,327	\$29,278	\$70,000	411	\$31,103	32%
GRAND TOTAL	\$21,564,447	\$18,960,006	\$22,291,210	\$25,353,938	\$27,292,618	\$12,380,298	\$2,018,164	\$15,917,085	186,042	\$1,938,682	



## DEFINITION OF FUNDS

### RESERVE FUNDS

#### REPLACEMENT RESERVE FUND

This fund was established at the original construction of the mutual. The purpose of the reserve fund is to provide for repair, restoration, replacement or maintenance of structural elements and mechanical equipment within the mutual, including, but not limited to, building structures, plumbing, roofs, paving and walls.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures*</i>	<i>ENDING BALANCE</i>
<b>REPLACEMENT RESERVE FUND</b>	2024	\$ 20,393,302	\$ 1,101,012	\$ 11,422,944	\$ 156.00	\$ (13,568,200)	\$ 19,349,058
	<b>2025</b>	<b>\$ 19,349,058</b>	<b>\$ 464,527</b>	<b>\$ 12,437,463</b>	<b>\$ 169.86</b>	<b>\$ (14,574,187)</b>	<b>\$ 17,676,861</b>
	2026	\$ 17,676,861	\$ 387,269	\$ 14,379,968	\$ 196.38	\$ (19,511,493)	\$ 12,932,605
	2027	\$ 12,932,605	\$ 307,419	\$ 16,613,848	\$ 226.89	\$ (18,574,678)	\$ 11,279,195
	2028	\$ 11,279,195	\$ 324,860	\$ 19,109,586	\$ 260.97	\$ (16,446,286)	\$ 14,267,355
	2029	\$ 14,267,355	\$ 387,693	\$ 22,063,893	\$ 301.32	\$ (20,402,159)	\$ 16,316,782

*\*Planned expenditures may differ from the contracted reserve study based on budget submitted and projections*

#### ELEVATOR REPLACEMENT RESERVE FUND

This fund was established in the 1978 Business Plan and only manors located within buildings containing common elevators contributed to this fund. The board adopted Resolution M3-97-10, which changed this from a surcharge to a shared cost for all members of the mutual effective January 1, 1998. The purpose of this fund is to provide for repair, restoration, replacement or maintenance of elevator components, including, but not limited to, cab doors, buttons and refurbishment, controllers, hoist way doors, hydraulic cylinders and pit water proofing.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
<b>ELEVATOR REPLACEMENT RESERVE FUND</b>	2024	\$ 3,000,300	\$ 113,431	\$ 366,120	\$ 5.00	\$ (125,000)	\$ 3,354,851
	<b>2025</b>	<b>\$ 3,354,851</b>	<b>\$ 83,871</b>	<b>\$ 366,120</b>	<b>\$ 5.00</b>	<b>\$ (205,800)</b>	<b>\$ 3,599,042</b>
	2026	\$ 3,599,042	\$ 89,976	\$ 366,120	\$ 5.00	\$ (111,158)	\$ 3,943,980
	2027	\$ 3,943,980	\$ 98,600	\$ 366,120	\$ 5.00	\$ (114,493)	\$ 4,294,207
	2028	\$ 4,294,207	\$ 107,355	\$ 366,120	\$ 5.00	\$ (117,928)	\$ 4,649,754
	2029	\$ 4,649,754	\$ 116,244	\$ 366,120	\$ 5.00	\$ (121,465)	\$ 5,010,653



## LAUNDRY REPLACEMENT RESERVE FUND

This fund was one of the first funds established by the mutual. Only manors originally built to be served by mutual-owned laundry facilities contribute to this fund. As part of the 2019 business plan approval, this fund was changed from a surcharge to a shared cost for all members of the mutual effective January 1, 2019. The purpose of this fund is to provide for repair, restoration, replacement or maintenance of equipment in common laundry facilities, including, but not limited to, washers, dryers, water heaters and plumbing fixtures.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
LAUNDRY REPLACEMENT RESERVE FUND	2024	\$ 309,143	\$ 16,438	\$ 146,448	\$ 2.00	\$ (166,569)	\$ 305,460
	<b>2025</b>	<b>\$ 305,460</b>	<b>\$ 7,636</b>	<b>\$ 146,448</b>	<b>\$ 2.00</b>	<b>\$ (213,402)</b>	<b>\$ 246,142</b>
	2026	\$ 246,142	\$ 6,154	\$ 146,448	\$ 2.00	\$ (83,170)	\$ 315,574
	2027	\$ 315,574	\$ 7,889	\$ 146,448	\$ 2.00	\$ (86,653)	\$ 383,258
	2028	\$ 383,258	\$ 9,581	\$ 219,672	\$ 3.00	\$ (103,848)	\$ 508,663
	2029	\$ 508,663	\$ 12,717	\$ 219,672	\$ 3.00	\$ (116,855)	\$ 624,197

## RESTRICTED FUNDS

### DISASTER FUND

This fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for certain insurance premiums as directed by the board. This fund may also be used for write-offs of uncollectible accounts according to original definition of the general operating fund. This fund is not required by civil code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
DISASTER FUND	2024	\$ 5,439,495	\$ 206,796	\$ 1,830,600	\$ 25.00	\$ (1,901,596)	\$ 5,575,295
	<b>2025</b>	<b>\$ 5,575,295</b>	<b>\$ 223,012</b>	<b>\$ 1,002,437</b>	<b>\$ 13.69</b>	<b>\$ (1,423,384)</b>	<b>\$ 5,377,360</b>
	2026	\$ 5,377,360	\$ 188,208	\$ 1,830,600	\$ 25.00	\$ (1,466,000)	\$ 5,930,168
	2027	\$ 5,930,168	\$ 148,254	\$ 1,830,600	\$ 25.00	\$ (1,510,000)	\$ 6,399,022
	2028	\$ 6,399,022	\$ 159,976	\$ 1,830,600	\$ 25.00	\$ (1,555,000)	\$ 6,834,598
	2029	\$ 6,834,598	\$ 170,865	\$ 1,830,600	\$ 25.00	\$ (1,602,000)	\$ 7,234,063





## UNAPPROPRIATED EXPENDITURES FUND

In 1977, Resolution No. 696 established the supplemental appropriations fund. The fund name was changed to the unappropriated expenditures fund in 1991. This contingency fund is used for significant expenditures not otherwise identified in the business plan. This fund is not required by civil code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions*</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures**</i>	<i>ENDING BALANCE</i>
<b>UNAPPROPRIATED EXPENDITURES FUND</b>	2024	\$ 3,649,618	\$ 50,664	\$ 2,396,297	\$ 25.47	\$ (165,315)	\$ 5,931,264
	<b>2025</b>	<b>\$ 5,931,264</b>	<b>\$ 148,282</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (250,000)</b>	<b>\$ 5,829,546</b>
	2026	\$ 5,829,546	\$ 145,739	\$ 585,792	\$ 8.00	\$ (258,000)	\$ 6,303,077
	2027	\$ 6,303,077	\$ 157,577	\$ 585,792	\$ 8.00	\$ (266,000)	\$ 6,780,446
	2028	\$ 6,780,446	\$ 169,511	\$ 585,792	\$ 8.00	\$ (274,000)	\$ 7,261,749
	2029	\$ 7,261,749	\$ 181,544	\$ 585,792	\$ 8.00	\$ (282,000)	\$ 7,747,085

*\*Contributions for 2024 include a 2023 operating surplus transfer of \$531,282.*

*\*\*The UEF fund has no planned expenditures. This amount is included as a contingency.*

## GARDEN VILLA RECREATION ROOM FUND

*Surcharge fund: Only manors located within the 53 Garden Villa buildings contribute to this fund.* The replacement reserve-villa furnishings fund was established in 1975 for the replacement of furnishings in the Garden Villa buildings. Several policy changes were made through the years regarding the fund name and usage. On September 19, 1995, the board of directors adopted Resolution M3-95-82 approving a fund name of Garden Villa recreation room fund. The purpose of this fund is to provide for all expenditures in the recreation rooms of Garden Villa buildings (repairs, replacements and preventive maintenance), other than janitorial services. On June 16, 2009 the board directed that water heater and heat pump components previously paid from this fund will be paid from the replacement fund. This fund is not required by civil code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
<b>SURCHARGE: GARDEN VILLA REC ROOM FUND</b>	2024	\$ 113,559	\$ 4,202	\$ 96,876	\$ 6.50	\$ (97,502)	\$ 117,135
	<b>2025</b>	<b>\$ 117,135</b>	<b>\$ 2,928</b>	<b>\$ 104,328</b>	<b>\$ 7.00</b>	<b>\$ (128,605)</b>	<b>\$ 95,787</b>
	2026	\$ 95,787	\$ 2,395	\$ 111,780	\$ 7.50	\$ (132,500)	\$ 77,462
	2027	\$ 77,462	\$ 1,937	\$ 119,232	\$ 8.00	\$ (136,500)	\$ 62,131
	2028	\$ 62,131	\$ 1,553	\$ 126,684	\$ 8.50	\$ (140,600)	\$ 49,768
	2029	\$ 49,768	\$ 1,244	\$ 134,136	\$ 9.00	\$ (144,800)	\$ 40,348



## Reserve Study Executive Summary

No-Site-Visit

**Third Mutual - Laguna Woods Village**

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**Report #: **31071-5**

# of Units: 6,102

**January 1, 2025 through December 31, 2025****Findings & Recommendations****as of January 1, 2025**

Projected Starting Reserve Balance .....	\$23,009,369
Current Full Funding Reserve Balance .....	\$86,386,439
Average Reserve Deficit (Surplus) Per Unit .....	\$10,386
Percent Funded .....	26.6 %
Recommended 2025 "Annual Full Funding Allocation" .....	\$14,510,000
Alternate minimum allocations to keep Reserve above \$8,290,000 .....	\$12,950,031
Most Recent Reserve Allocation Rate .....	\$11,789,064
Annual Deterioration Rate .....	\$35,631,216

**Reserve Fund Strength: 26.6%****Weak****Fair****Strong**

&lt; 30%

&lt; 70%

&gt; 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves ..... **2.50 %**Annual Inflation Rate ..... **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen, PRA, RS #68.

The Reserve Fund is below the 30% funded level at **26.6 % funded**, which is a weak position for the fund to be in. This means that the mutual's special assessment & deferred maintenance risk is currently high. The objective of this multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where mutual would enjoy a low risk of Reserve cash flow problems.

The Deterioration rate for your Reserve Components is **\$2,969,268**.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to **increase** your Reserve allocations to **\$14,510,000**.

\*The Alternative allocation rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$12,950,031.

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



## Third Mutual - Laguna Woods Village - 31071-5a

## 30 - yr Summary

					Interest: 2.5%		Inflation: 3.0%			
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmt	Interest Income	Reserve Expenses	
2025	\$23,009,369	\$86,386,439	26.6%	High	9.85%	\$12,950,031	\$0	\$556,035	\$14,993,392	
2026	\$21,522,043	\$93,380,266	23.0%		High	15.00%	\$14,892,536	\$0	\$483,399	\$19,705,821
2027	\$17,192,156	\$94,266,883	18.2%		High	15.00%	\$17,126,416	\$0	\$413,908	\$18,775,824
2028	\$15,956,656	\$96,503,306	16.5%		High	15.00%	\$19,695,378	\$0	\$441,797	\$16,668,062
2029	\$19,425,769	\$101,336,419	19.2%		High	15.00%	\$22,649,685	\$0	\$516,653	\$20,640,480
2030	\$21,951,627	\$101,407,811	21.6%		High	1.00%	\$22,876,182	\$0	\$582,568	\$20,705,617
2031	\$24,704,760	\$101,394,339	24.4%		High	1.00%	\$23,104,944	\$0	\$642,117	\$21,731,026
2032	\$26,720,796	\$102,052,092	26.2%		High	1.00%	\$23,335,993	\$0	\$686,378	\$22,493,667
2033	\$28,249,500	\$102,289,041	27.6%		High	1.00%	\$23,569,353	\$0	\$732,702	\$22,120,840
2034	\$30,430,715	\$102,428,989	29.7%		High	1.00%	\$23,805,047	\$0	\$766,753	\$24,025,906
2035	\$30,976,610	\$100,773,785	30.7%	Medium	1.00%	\$24,043,097	\$0	\$801,460	\$22,610,881	
2036	\$33,210,286	\$100,837,123	32.9%		Medium	1.00%	\$24,283,528	\$0	\$821,699	\$25,718,001
2037	\$32,597,512	\$97,906,640	33.3%		Medium	1.00%	\$24,526,363	\$0	\$821,325	\$24,764,882
2038	\$33,180,319	\$96,321,748	34.4%		Medium	1.00%	\$24,771,627	\$0	\$834,842	\$25,106,706
2039	\$33,680,082	\$95,063,167	35.4%		Medium	1.00%	\$25,019,343	\$0	\$866,803	\$23,826,286
2040	\$35,739,942	\$92,330,504	38.7%		Medium	1.00%	\$25,269,537	\$0	\$992,343	\$18,267,550
2041	\$43,734,272	\$95,773,817	45.7%		Medium	1.00%	\$25,522,232	\$0	\$1,145,080	\$22,429,324
2042	\$47,972,260	\$94,736,061	50.6%		Medium	1.00%	\$25,777,454	\$0	\$1,298,193	\$19,051,142
2043	\$55,996,766	\$97,634,489	57.4%		Medium	1.00%	\$26,035,229	\$0	\$1,515,024	\$18,209,387
2044	\$65,337,631	\$102,077,247	64.0%		Medium	1.00%	\$26,295,581	\$0	\$1,731,026	\$20,068,368
2045	\$73,295,870	\$105,209,919	69.7%	Medium	1.00%	\$26,558,537	\$0	\$1,942,298	\$19,538,851	
2046	\$82,257,855	\$109,540,203	75.1%		Low	1.00%	\$26,824,123	\$0	\$2,162,977	\$20,275,458
2047	\$90,969,496	\$113,880,659	79.9%		Low	1.00%	\$27,092,364	\$0	\$2,358,132	\$22,532,663
2048	\$97,887,328	\$116,631,261	83.9%		Low	1.00%	\$27,363,287	\$0	\$2,537,475	\$22,455,493
2049	\$105,332,597	\$120,274,904	87.6%		Low	1.00%	\$27,636,920	\$0	\$2,677,011	\$26,584,107
2050	\$109,062,422	\$120,473,600	90.5%		Low	1.00%	\$27,913,289	\$0	\$2,778,627	\$26,283,559
2051	\$113,470,780	\$123,384,208	92.0%		Low	1.00%	\$28,192,422	\$0	\$2,825,102	\$31,703,841
2052	\$112,784,462	\$122,485,448	92.1%		Low	1.00%	\$28,474,347	\$0	\$2,789,420	\$33,435,120
2053	\$110,613,109	\$120,375,740	91.9%		Low	1.00%	\$28,759,090	\$0	\$2,761,527	\$31,583,107
2054	\$110,550,619	\$120,667,816	91.6%		Low	1.00%	\$29,046,681	\$0	\$2,814,062	\$27,590,846

# PRELIMINARY 2025 BUSINESS PLAN

Third Laguna Hills Mutual – Version 3  
August 19, 2024

1

DESCRIPTION	GRF Board	United Board	Third Board
Review of Existing (2024) Service Levels			
Department Workshops	Wed Mar 13 9:30 A.M.		
Landscape, Maintenance, and General Services Review		Mon Apr 8 9:30 A.M.	Wed Mar 27 1:30 P.M.
Internal Review			
Reserves / Capital	April / May		
Version 1			
Capital Review	Wed May 15 1:30 P.M.		
Operating Department Review	Wed May 29 1:30 P.M.		
Maintenance & General Services Review		Thu May 23 1:30 P.M.	Thu May 23 9:30 A.M.
Landscape Review		Mon Jun 3 9:30 A.M.	Mon Jun 3 1:30 P.M.
Capital Or Operating Review (if necessary)	Mon Jun 17 1:30 P.M.		
Version 2			
Business Plan Preparation	Deadline for Changes June 24, 2024 Issue Agendas Wednesday July 3, 2024		
Business Plan Review	Wed Jul 10 1:30 P.M.	Wed Jul 17 1:30 P.M.	Mon Jul 15 9:30 am
Version 3			
Business Plan Preparation	Deadline for Changes July 24, 2024 Issue Agendas Thursday August 1, 2024		
Business Plan Review (Televised)	Mon Aug 5 9:30 A.M.	Mon Aug 12 1:30 P.M.	Mon Aug 19 1:30 P.M.
Proposed Final			
Business Plan Adoption	Tue Sept 3 9:30 A.M.	Tue Sept 10 9:30 A.M.	Tue Sept 17 9:30 A.M.

2

## Examples of External Forces Affecting Budgets



- Inflation
- Utilities
- Workers Compensation Insurance
- Union / Non-union wage adjustments

3

## Third Business Plan



	2024	2025 (Version 3)	Assessment Increase/ (Decrease)
Total Basic Assessment (PMPM)	\$587.60	\$616.98	\$29.38
<b>Major Changes:</b>			
Removal of Damage Restoration Backlog Revenue		\$2,250,000	\$30.73
Reserve Funds Contributions		\$1,014,519	\$13.86
Addition of 2 Cycles of Shrub Bed Maintenance		\$700,000	\$9.56
Utilities		\$603,661	\$8.24
Reduction to Disaster Fund Contribution		(\$828,163)	(\$11.31)
Elimination of Unappropriated Expenditures Fund Contribution		(\$1,865,015)	(\$25.47)
		<b>Total</b>	<b>\$25.61</b>

***These 6 items account for 87% of total increase.***

4

## Budget Development Process



- **February to April: Department directors reviewed actual and budgeted staffing levels for 2018-2024, with executive management determining:**
  - Vacant positions that can be eliminated
  - Reasonable 2025 staffing levels based on:
    - Efficiencies and process adjustments
    - Inherent turnover in current job market

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## Budget Development Process



- **April: Department directors input line item budgets**
- **May: Executive management reviewed budgets, recommended changes**
- **May: Executive management conducted departmental budget reviews**
- **June: Version 1 budget is starting point**
- **July: Version 1 vs. Version 2 reflected a reduced proposed Operating budget by (\$523,000) and (\$316,000) in Non-operating budgets**
- **August: Version 2 vs. Version 3 reflects a reduced proposed Operating budget by (\$169,000) and (\$740,000) in Non-operating budgets**

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## Version 2 Vs Version 3 Changes - Operating



SUMMARY	Assessment Increase/ (Decrease)	PMPM Change
1. Reclassification of Income Taxes out of Operating Fund*	(\$150,000)	(\$2.05)
2. Increase to Additional Occupant Fee Revenue	(\$10,801)	(\$0.14)
3. Others	(\$8,472)	(\$0.12)
4. Increase in contribution to Disaster Fund	\$169,273	\$2.31
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

*\*Item reduced operating assessments but remain non-operating expenses for 2025*

7

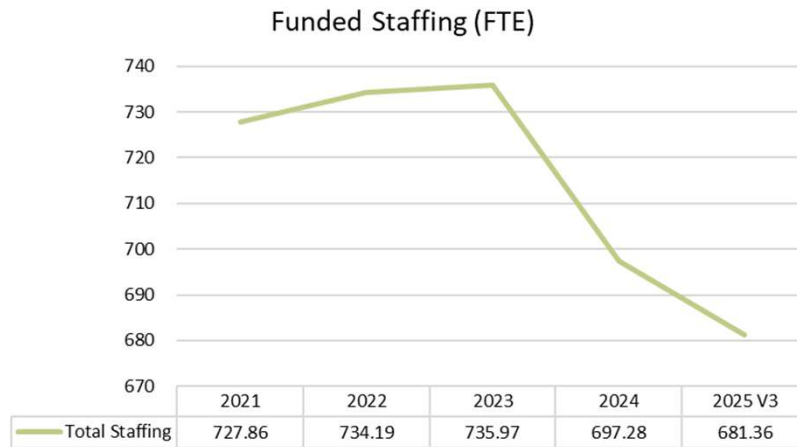
## Version 2 Vs Version 3 Changes – Non-operating



SUMMARY	Increase/ (Decrease)
1. Deferment of Turf Removal at Gates 11 and 14	(\$1,500,000)
2. Reduction in Seal Coat Program	(\$35,000)
3. Others	(\$5,000)
4. Reclassification of Income Taxes out of Operating Fund	\$150,000
5. Additional Funding for Pipe Replacements	\$500,000
<b>Total</b>	<b>(\$740,000)</b>

8

## Five-Year Funded Staffing Trend

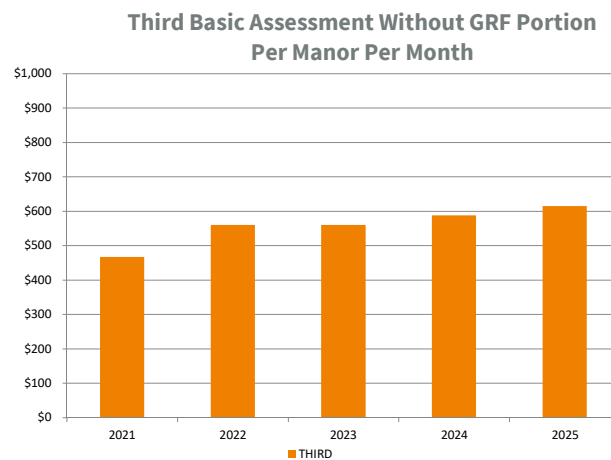


9

## Third Basic Assessment History



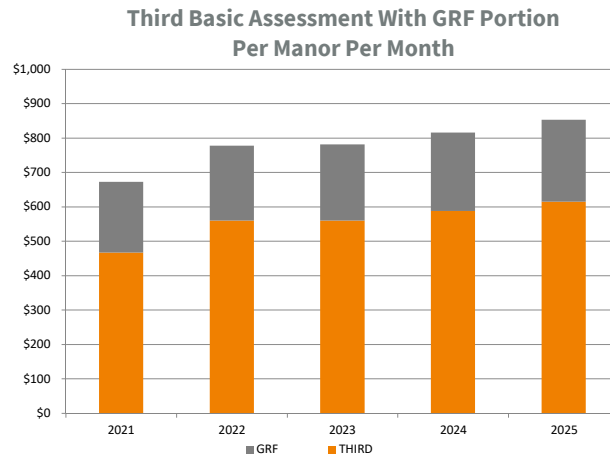
YEAR	Assessment	%
2021	\$466.62	4.5%
2022	\$559.62	20.0%
2023	\$559.62	0.0%
2024	\$587.60	5.0%
2025 (Proposed)	\$616.98	5.0%



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## Third Total Basic Assessment History

YEAR	Assessment	%
2021	\$672.22	3.0%
2022	\$777.12	15.6%
2023	\$780.93	4.9%
2024	\$815.82	4.5%
2025 (Proposed)	\$855.17	4.8%



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## Third Business Plan

Per Manor Per Month

	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
Reserve Contributions	163.00	<b>176.86</b>	13.86
Restricted Contributions	50.47	<b>13.69</b>	(36.78)
Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

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## Third Business Plan

*Surcharges (unique to units with elevators and/or Garden Villa Rec Rooms) Per Manor Per Month*



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Elevator Operating	15.83	<b>18.25</b>	2.42
Garden Villa Rec Room Fund	6.50	<b>7.00</b>	0.50

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## Third Business Plan

*Per Manor Per Month*



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
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Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

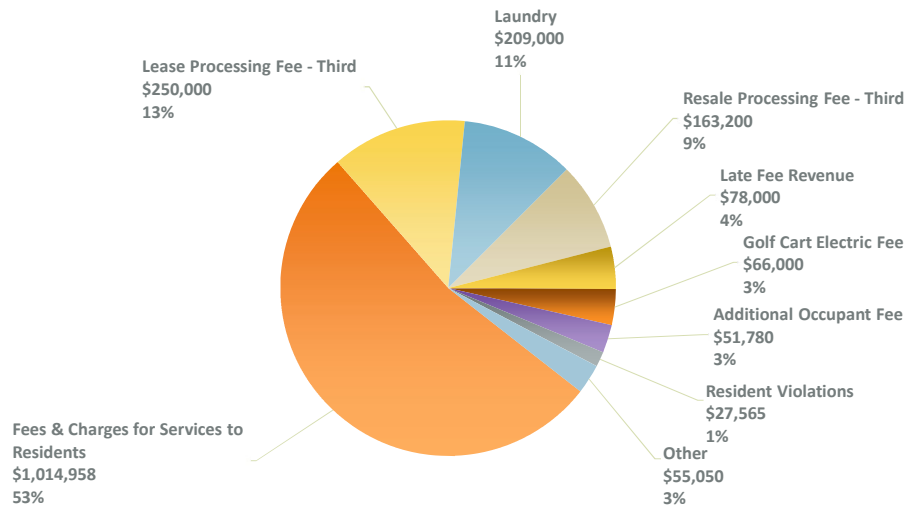
14



## Revenues



### Non-Assessment Operating Revenues \$1.9 Million



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## Revenues by Category

*\$ in thousands*



Revenues	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Fees & Charges	\$732	\$1,085	\$1,606	\$3,515	<b>\$1,015</b>	\$2,500
Laundry	\$214	\$213	\$211	\$209	<b>\$209</b>	\$0
Miscellaneous	\$604	\$681	\$646	\$745	<b>\$692</b>	\$53
<b>Total</b>	<b>\$1,550</b>	<b>\$1,979</b>	<b>\$2,463</b>	<b>\$4,469</b>	<b>\$1,916</b>	<b>\$2,553</b>

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## Third Business Plan

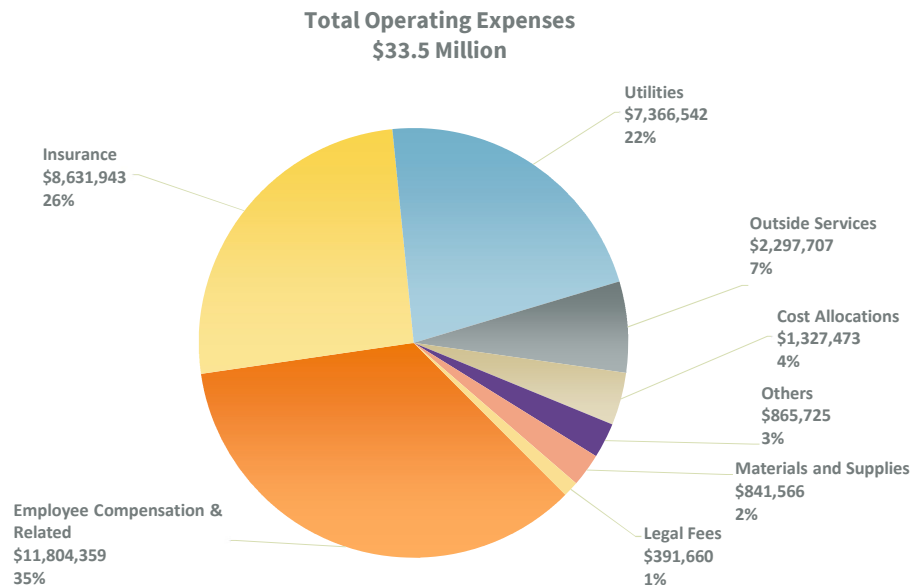
Per Manor Per Month



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
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Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

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## Expenditures



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## Expenditures by Category

*\$ in thousands*



Expense	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Employee Compensation	\$7,075	\$7,230	\$7,221	\$8,281	<b>\$8,294</b>	\$13
Expenses Related to Compensation	\$2,972	\$3,103	\$3,209	\$3,457	<b>\$3,510</b>	\$53

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## Expenditures by Category

*\$ in thousands*



Expense	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Materials & Supplies	\$791	\$833	\$853	\$828	<b>\$842</b>	\$14
Electricity	\$349	\$602	\$445	\$455	<b>\$467</b>	\$12
Sewer	\$1,774	\$1,680	\$1,494	\$1,660	<b>\$1,835</b>	\$175
Water	\$3,094	\$2,895	\$2,752	\$3,220	<b>\$3,393</b>	\$173
Trash	\$583	\$678	\$1,080	\$1,429	<b>\$1,672</b>	\$243

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## Expenditures by Category

*\$ in thousands*



Expense	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Legal Fees	\$246	\$198	\$454	\$300	<b>\$392</b>	\$92
Professional Fees	\$62	\$117	\$75	\$168	<b>\$182</b>	\$14
Equipment Rental	\$9	\$6	\$7	\$9	<b>\$9</b>	\$0
Outside Services	\$1,638	\$2,112	\$2,465	\$1,342	<b>\$2,298</b>	\$956
Repairs & Maintenance	\$319	\$354	\$379	\$356	<b>\$410</b>	\$54

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## Expenditures by Category

*\$ in thousands*



Expense	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Other Operating Expense	\$112	\$115	\$107	\$154	<b>\$163</b>	\$9
Income Tax	\$3	(\$10)	\$198	\$0	<b>\$0</b>	\$0
Insurance	\$3,547	\$8,311	\$8,584	\$9,167	<b>\$8,632</b>	(\$535)
Uncollectible Accounts	\$46	\$180	\$37	\$85	<b>\$120</b>	\$35
Cost Allocations	\$1,174	\$1,258	\$1,205	\$1,305	<b>\$1,327</b>	\$22
Total	\$23,795	\$29,662	\$30,565	\$32,216	<b>\$33,545</b>	\$1,354

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## Third Business Plan

*Per Manor per Month*



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
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Restricted Contributions	50.47	<b>13.69</b>	(36.78)
Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

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## Third Business Plan – Reserve Fund Contributions

*\$ in thousands*



Expense	2021 Actual	2022 Actual	2023 Actual	2024 Plan	2025 Plan	Increase/ (Decrease)
Replacement Fund	\$10,691	\$10,691	\$11,276	\$11,423	<b>\$12,437</b>	\$1,014
Elevator Replacement Fund	\$366	\$366	\$366	\$366	<b>\$366</b>	\$0
Laundry Replacement Fund	\$73	\$73	\$146	\$146	<b>\$146</b>	\$0
Total	\$11,130	\$11,130	\$11,789	\$11,936	<b>\$12,950</b>	\$1,014

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# Reserve Funding Plan

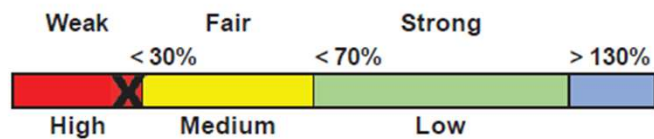


## Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance	\$23,009,369
Current Full Funding Reserve Balance	\$86,386,439
Average Reserve Deficit (Surplus) Per Unit	\$10,386
Percent Funded	26.6 %
Recommended 2025 "Annual Full Funding Allocation"	\$14,510,000
Alternate minimum allocations to keep Reserve above \$8,290,000	\$12,950,031
Most Recent Reserve Allocation Rate	\$11,789,064
Annual Deterioration Rate	\$35,631,216

Reserve Fund Strength: 26.6%



Risk of Special Assessment:

25

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Projected Reserve Balance Changes				
					Interest: 2.5%		Inflation: 3.0%		
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmt	Interest Income	Reserve Expenses
2025	\$23,009,369	\$86,386,439	26.6%	High	9.85%	\$12,950,031	\$0	\$556,035	\$14,993,392
2026	\$21,522,043	\$93,380,266	23.0%	High	15.00%	\$14,892,536	\$0	\$483,399	\$19,705,821
2027	\$17,192,156	\$94,266,883	18.2%	High	15.00%	\$17,126,416	\$0	\$413,908	\$18,775,824
2028	\$15,956,656	\$96,503,306	16.5%	High	15.00%	\$19,695,378	\$0	\$441,797	\$16,668,062
2029	\$19,425,769	\$101,336,419	19.2%	High	15.00%	\$22,649,685	\$0	\$516,653	\$20,640,480
2030	\$21,951,627	\$101,407,811	21.6%	High	1.00%	\$22,876,182	\$0	\$582,568	\$20,705,617
2031	\$24,704,760	\$101,394,339	24.4%	High	1.00%	\$23,104,944	\$0	\$642,117	\$21,731,026
2032	\$26,720,796	\$102,052,092	26.2%	High	1.00%	\$23,335,993	\$0	\$686,378	\$22,493,667
2033	\$28,249,500	\$102,289,041	27.6%	High	1.00%	\$23,569,353	\$0	\$732,702	\$22,120,840
2034	\$30,430,715	\$102,428,989	29.7%	High	1.00%	\$23,805,047	\$0	\$766,753	\$24,025,906
2035	\$30,976,610	\$100,773,785	30.7%	Medium	1.00%	\$24,043,097	\$0	\$801,460	\$22,610,881
2036	\$33,210,286	\$100,837,123	32.9%	Medium	1.00%	\$24,283,528	\$0	\$821,699	\$25,718,001
2037	\$32,597,512	\$97,906,640	33.3%	Medium	1.00%	\$24,526,363	\$0	\$821,325	\$24,764,882
2038	\$33,180,319	\$96,321,748	34.4%	Medium	1.00%	\$24,771,627	\$0	\$834,842	\$25,106,706
2039	\$33,680,082	\$95,063,167	35.4%	Medium	1.00%	\$25,019,343	\$0	\$866,803	\$23,826,286
2040	\$35,739,942	\$92,330,504	38.7%	Medium	1.00%	\$25,269,537	\$0	\$992,343	\$18,267,550
2041	\$43,734,272	\$95,773,817	45.7%	Medium	1.00%	\$25,522,232	\$0	\$1,145,080	\$22,429,324
2042	\$47,972,260	\$94,736,061	50.6%	Medium	1.00%	\$25,777,454	\$0	\$1,298,193	\$19,051,142
2043	\$55,996,766	\$97,634,489	57.4%	Medium	1.00%	\$26,035,229	\$0	\$1,515,024	\$18,209,387
2044	\$65,337,631	\$102,077,247	64.0%	Medium	1.00%	\$26,295,581	\$0	\$1,731,026	\$20,068,368
2045	\$73,295,870	\$105,209,919	69.7%	Medium	1.00%	\$26,558,537	\$0	\$1,942,298	\$19,538,851
2046	\$82,257,855	\$109,540,203	75.1%	Low	1.00%	\$26,824,123	\$0	\$2,162,977	\$20,275,458
2047	\$90,969,496	\$113,880,659	79.9%	Low	1.00%	\$27,092,364	\$0	\$2,358,132	\$22,532,663
2048	\$97,887,328	\$116,631,261	83.9%	Low	1.00%	\$27,363,287	\$0	\$2,537,475	\$22,455,493
2049	\$105,332,597	\$120,274,904	87.6%	Low	1.00%	\$27,636,920	\$0	\$2,677,011	\$26,584,107
2050	\$109,062,422	\$120,473,600	90.5%	Low	1.00%	\$27,913,289	\$0	\$2,778,627	\$26,283,559
2051	\$113,470,780	\$123,384,208	92.0%	Low	1.00%	\$28,192,422	\$0	\$2,825,102	\$31,703,841
2052	\$112,784,462	\$122,485,448	92.1%	Low	1.00%	\$28,474,347	\$0	\$2,789,420	\$33,435,120
2053	\$110,613,109	\$120,375,740	91.9%	Low	1.00%	\$28,759,090	\$0	\$2,761,527	\$31,583,107
2054	\$110,550,619	\$120,667,816	91.6%	Low	1.00%	\$29,046,681	\$0	\$2,814,062	\$27,590,846

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## Replacement Reserve Fund



YEAR	ASSESSMENT		OPERATING FUND TRANSFER	INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
	PMPM TOTAL					
2018	\$135.00	\$9,885,240	\$ -	\$243,484	(\$9,878,734)	\$14,347,017
2019	140.00	10,251,360	-	378,930	(11,152,847)	13,824,460
2020	146.00	10,690,704	-	456,432	(9,750,637)	15,220,959
2021	146.00	10,690,704	-	55,833	(9,329,840)	16,637,656
2022	146.00	10,690,704	-	133,127	(8,953,179)	18,219,267
2023	154.00	11,276,496	917,230	829,421	(10,849,112)	20,393,302
2024	156.00	11,422,944	-	1,101,012	(13,568,200)	19,349,058
2025*	169.86	12,437,463	-	464,527	(14,574,187)	17,676,861
2026*	196.38	14,379,968	-	387,269	(19,511,493)	12,932,605
2027*	226.89	16,613,848	-	307,419	(18,574,678)	11,279,195
2028*	260.97	19,109,586	-	324,860	(16,446,286)	14,267,355
2029*	301.32	22,063,893	-	387,693	(20,402,159)	16,316,782

\*Projected based on 30-year reserve study

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## Elevator Replacement Reserve Fund



YEAR	ASSESSMENT		INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
	PMPM TOTAL				
2018	\$5.00	\$366,120	\$27,614	(\$313,014)	\$1,708,610
2019	6.00	439,344	39,938	(350,336)	1,837,556
2020	5.00	366,120	28,233	(114,224)	2,117,684
2021	5.00	366,120	786	(128,608)	2,355,983
2022	5.00	366,120	15,597	(90,156)	2,647,544
2023	5.00	366,103	87,133	(100,480)	3,000,300
2024	5.00	366,120	113,431	(125,000)	3,354,851
2025*	5.00	366,120	83,871	(205,800)	3,599,042
2026*	5.00	366,120	89,976	(111,158)	3,943,980
2027*	5.00	366,120	98,600	(114,493)	4,294,207
2028*	5.00	366,120	107,355	(117,928)	4,649,754
2029*	5.00	366,120	116,244	(121,465)	5,010,653

\*Projected based on 30-year reserve study

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## Laundry Replacement Reserve Fund



YEAR	ASSESSMENT PMPM TOTAL		INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
2020	\$1.00	\$73,224	\$6,391	(\$108,647)	\$387,389
2021	1.00	73,224	178	(96,221)	364,571
2022	1.00	73,224	2,946	(107,116)	333,625
2023	2.00	146,448	13,226	(184,156)	309,143
2024	2.00	146,448	16,438	(166,569)	305,460
2025*	2.00	146,448	7,636	(213,402)	246,142
2026*	2.00	146,448	6,154	(83,170)	315,574
2027*	2.00	146,448	7,889	(86,653)	383,258
2028*	3.00	219,672	9,581	(103,848)	508,663
2029*	3.00	219,672	12,717	(116,855)	624,197

\*Projected based on 30-year reserve study

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## Expenditures by Program - Maintenance & Construction Reserve Fund



SUMMARY	2024	2025 V2	2025 V3
34. Paving/Concrete	\$431,851	\$255,915	\$220,915
39. Plumbing Replacement	\$200,000	\$200,000	\$700,000
<b>Total</b>	<b>\$631,851</b>	<b>\$455,915</b>	<b>\$920,915</b>

Note: Item numbers displayed above correspond with line item numbers in the proposed 2025 Programs Report

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## Expenditures by Program - Landscape Reserve Fund



SUMMARY	2024	2025 V2	2025 V3
48. Improvement & Restoration	\$195,858	\$1,783,965	\$283,518
<b>Total</b>	<b>\$195,858</b>	<b>1,783,965</b>	<b>\$283,518</b>

Note: Item numbers displayed above correspond with line item numbers in the proposed 2025 Programs Report

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## Third Business Plan

*Per Manor per Month*



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
Reserve Contributions	163.00	<b>176.86</b>	13.86
Restricted Contributions	50.47	<b>13.69</b>	(36.78)
Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

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## Third Business Plan – Restricted Fund Contributions

*\$ in thousands*



Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Disaster Fund	\$1,831	\$1,592	\$898	\$1,831	<b>\$1,002</b>	(\$829)
Unappropriated Exp. Fund	\$586	\$0	\$0	\$1,865	<b>\$0</b>	(\$1,865)
Total	\$2,417	\$1,592	\$898	\$3,696	<b>\$1,002</b>	(\$2,694)

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## Disaster Fund – Projected Balance



YEAR	ASSESSMENT PMPM TOTAL		INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
2018	\$27.70	\$2,028,305	\$151,221	(\$1,690,951)	\$9,216,805
2019	27.70	2,028,305	210,688	(2,386,309)	9,069,489
2020	15.48	1,133,508	276,685	(3,494,112)	6,985,570
2021	25.00	1,830,600	27,134	(3,259,521)	5,583,783
2022	21.74	1,591,890	40,036	(936,744)	6,278,965
2023	12.26	897,726	166,440	(1,903,636)	5,439,495
2024	25.00	1,830,600	206,796	(1,901,596)	5,575,295
<b>2025</b>	<b>13.69</b>	<b>1,002,437</b>	<b>223,012</b>	<b>(1,423,384)</b>	<b>5,377,360</b>
2026	25.00	1,830,600	188,208	(1,466,000)	5,930,168
2027	25.00	1,830,600	148,254	(1,510,000)	6,399,022
2028	25.00	1,830,600	159,976	(1,555,000)	6,834,598
2029	25.00	1,830,600	170,865	(1,602,000)	7,234,063

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## Unappropriated Expenditures Fund – Projected Balance



YEAR	ASSESSMENT PMPM TOTAL		OPERATING FUND TRANSFER	INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
2018	\$10.00	\$732,240	\$ -	\$49,523	(\$331,670)	\$3,212,981
2019	8.00	585,792	-	73,256	(246,258)	3,625,772
2020	8.00	585,792	-	110,707	3,278	4,325,548
2021	8.00	585,792	-	11,408	(1,021,066)	3,901,682
2022	-	-	-	15,287	(62,472)	3,854,497
2023	-	-	-	45,574	(250,452)	3,649,618
2024	25.47	1,865,015	531,282	50,664	(165,315)	5,931,264
<b>2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,282</b>	<b>(250,000)</b>	<b>5,829,546</b>
2026	8.00	585,792	-	145,739	(258,000)	6,303,077
2027	8.00	585,792	-	157,577	(266,000)	6,780,446
2028	8.00	585,792	-	169,511	(274,000)	7,261,749
2029	8.00	585,792	-	181,544	(282,000)	7,747,085

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## Surcharge Garden Villa Rec Room Fund – Projected Balance



YEAR	Contribution PMPM TOTAL		INTEREST	EXPENDITURES	ENDING BALANCE
2024	\$6.50	\$96,876	\$4,202	(\$97,502)	\$117,135
<b>2025</b>	<b>\$7.00</b>	<b>\$104,328</b>	<b>\$2,928</b>	<b>(\$128,605)</b>	<b>\$95,787</b>
2026	\$7.50	\$111,780	\$2,395	(\$132,500)	\$77,462
2027	\$8.00	\$119,232	\$1,937	(\$136,500)	\$62,131
2028	\$8.50	\$126,684	\$1,553	(\$140,600)	\$49,768
2029	\$9.00	\$134,136	\$1,244	(\$144,800)	\$40,348

Note: Garden Villa Rec Room Fund surcharge applies only to manors within Garden Villa buildings.

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## Third Business Plan

Per Manor Per Month



	2024 Plan	2025 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$61.05	<b>\$26.15</b>	\$34.09
Total Expense	435.18	<b>452.58</b>	17.40
Net Operating	374.13	<b>426.43</b>	52.30
Reserve Contributions	163.00	<b>176.86</b>	13.86
Restricted Contributions	50.47	<b>13.69</b>	(36.78)
Third Basic Assessment	587.60	<b>616.98</b>	29.38
GRF	228.22	<b>238.19</b>	9.97
Total Basic Assessment	\$815.82	<b>\$855.17</b>	\$39.35

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## Third Business Plan



	2024	2025 (Version 3)	Assessment Increase/ (Decrease)
Total Basic Assessment (PMPM)	\$587.60	\$616.98	\$29.38
<b>Major Changes:</b>			
Removal of Damage Restoration Backlog Revenue		\$2,250,000	\$30.73
Reserve Funds Contributions		\$1,014,519	\$13.86
Addition of 2 Cycles of Shrub Bed Maintenance in 2025		\$700,000	\$9.56
Utilities		\$603,661	\$8.24
Reduction to Disaster Fund Contribution		(\$828,163)	(\$11.31)
Elimination of Unappropriated Expenditures Fund Contribution		(\$1,865,015)	(\$25.47)
		<b>Total</b>	<b>\$25.61</b>

**These 6 items account for 87% of total increase.**

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## Budget Considerations

Increase funding to the operating budget by \$158,000 for part-time, licensed quality control inspectors with expertise in plumbing, electrical, and roofing

Net Effect on Assessments	Proposed Funding	Assessment Increase/ (Decrease)
Increase operating expense for inspectors	\$158,000	\$2.16
Decrease Disaster Fund contributions	(\$158,000)	(\$2.16)
<b>Total change</b>	<b>\$0</b>	<b>\$0</b>

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## Questions?

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# Wasteline and Copper Epoxy Programs

July 24, 2024



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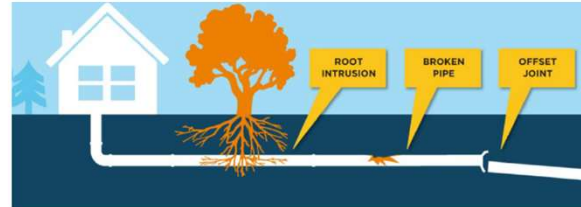
## Wasteline Treatment Options

- Preventive Line Cleaning
- Traditional Replacement
- Epoxy Lining (with traditional replacement as needed)
- Respond only to reported stoppages

2

## Preventive Cleaning

- Basic cleaning:
  - Removes debris only
- Advanced cleaning:
  - Will descale but may compromise pipe walls
- Frequent cleaning promotes pipe collapse



3

## Wasteline Replacement

- Replacement costs are generally 65% greater than epoxy lining
- Cost to replace underground pipes in a four unit building is \$90,000
- Cost to epoxy line a four unit building is \$31,000
- Cast iron pipe life span is 50-60 years
- Life span of epoxy lining is estimated at 75 years



4

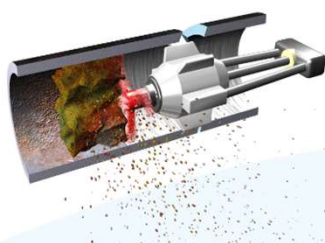
## Wasteline Epoxy History



- Original epoxy lining scope was for exterior mainlines only 2011-2016
- Any interior pipe work needed for in-wall and below-slab lines was done as spot replacement
- Replacement requires excavation and remediation of drywall, flooring, and concrete
- Excavations are a major disruption to residents and costly to the mutual
- In 2017 epoxy lining scope expanded to include exterior and interior mainlines
- In 2019 epoxy lining scope expanded to include manor lateral lines

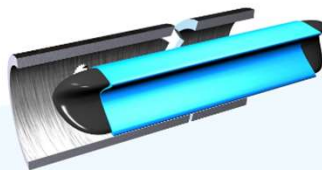
5

## Wasteline Epoxy Process



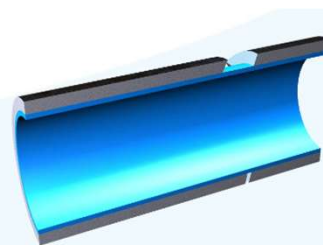
### Cleaning

Blocked, damaged, or root-intruded pipes are cleaned with our hydrojetter or mechanical cleaning tools to get the pipe back to its original shape and diameter.



### Installation

An epoxy-saturated liner is pulled into place through existing access points such as a toilet or a roof vent and an internal rubber bladder is inflated, pressing the epoxy saturated liner against the existing pipe wall.



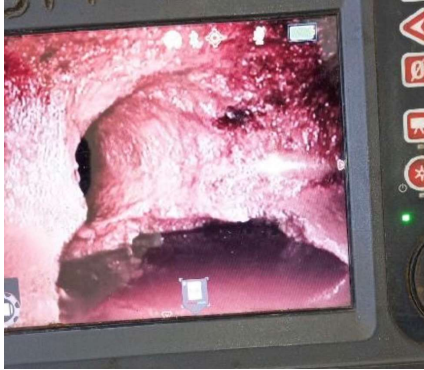
### Restored Pipe

The epoxy cures in a few short hours, then the bladder is deflated and removed, leaving behind a new, clean, and seamless "pipe within a pipe."

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## Epoxy Program - Wasteline Replacement



- Fittings and pipes found with advanced deterioration do not receive epoxy lining
- These cases require excavation and replacement
- Fittings are replaced with ABS material
- Pipes are replaced with pre-lined cast iron

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## Copper Waterline Epoxy Process



- Coats inside of the pipe
- Sealing pinholes
- Blocks corrosive elements in water
- Creating a new pipe within the existing pipe



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## Patented ePIPE Process



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## Traditional Replacement

- The average cost to replace copper pipes in a home is \$9,000
- The average cost to add epoxy lining to copper is \$4,000



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Thank You