



SPECIAL OPEN SESSION

BUDGET MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**Friday, July 16, 2021 - 9:30 a.m.
Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

NOTICE OF MEETING AND AGENDA

The purpose of this meeting is to review the proposed 2022 Business Plan – Version 2

- 1. Call meeting to order / Establish Quorum – President Parsons**
- 2. State Purpose of Meeting – President Parsons**
- 3. Acknowledgement of the Media**
- 4. Approval of Agenda**
- 5. Chair Remarks**
- 6. Open Forum (Three Minutes per Speaker) - *At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can join the Zoom Meeting by clicking on the link <https://us06web.zoom.us/j/81644096078> or call (669) 900-6833 or email meeting@vmsinc.org to request to speak***
- 7. Responses to Open Forum**
- 8. Unfinished Business - None**
- 9. New Business**
 - a. Review Third 2022 Business Plan, Version 2**
- 10. Director's Comments**
- 11. Adjournment**



STAFF REPORT

DATE: July 16, 2021
FOR: Board of Directors
SUBJECT: 2022 Business Plan – Version 2

RECOMMENDATION

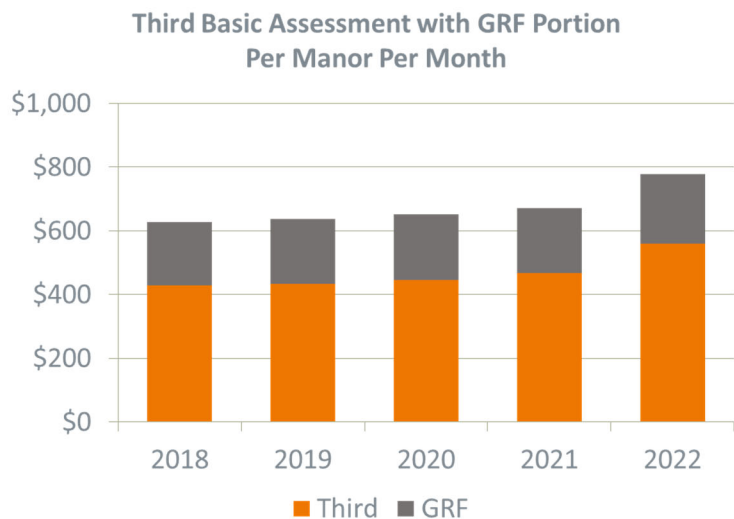
Staff recommends the Board review the Proposed 2022 Business Plan and provide direction for change or revision at the meeting on July 16, 2021.

DISCUSSION

BUSINESS PLAN SUMMARY

The proposed budget for 2022 plan year (ATT 1) shows that the sum of \$41,412,440, of which \$40,976,440 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions along with the \$436,000 in surcharges to units with common elevators and/or Garden Villa Rec Rooms for the year 2022. In addition, the sum of \$15,970,788 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2022. Therefore, a total of \$57,383,228 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 \$777.72 per manor per month, reflecting a net increase of \$105.50 or 15.7% when compared to current year.

Year	Assessment
2018	\$628.42
2019	\$637.22
2020	\$652.22
2021	\$672.22
2022 (Proposed)	\$777.72



BUSINESS PLAN BY DEPARTMENT

The Business Plan is presented by Department with a brief synopsis of each area of operation and significant change from current year, listed in order of appearance (ATT 1):

Office of the CEO

Scope: Provides liaison with each of the corporation board of directors; directs services, programs, and operations, ensuring that all activities are within policy guidelines set by the boards, the management agreement, the governing documents, and the business plans of each corporation; provides support to all boards of directors in matters pertaining to membership and occupancy; recommends changes in governing rules, policies, and membership qualifications to the corporations, as needed. Functions include executive management, corporate secretary, and community services.

Staffing:

2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
16.00	20.00	20.00	17.06	18.50

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$363,740 for the Third portion, all of which is included in the operating assessment. The budget increased the assessment by \$57,137 primarily due to the addition of 1.44 Full Time Equivalent (FTE) staff, partially offset by higher revenues anticipated for resale processing fee based on current year trend.

Department of Information Services

Scope: Coordinates and manages the development, implementation, and maintenance of all automated and operational systems related to fiscal and management information activities, and maintenance of all automated and operational data network systems; oversees all call center operations pertaining to resident maintenance service as well as receives, organizes and processes resident service requests.

Staffing:

2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
34.00	35.50	35.50	34.80	36.00

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$690,283 for the Third portion, all of which is included in the operating assessment. The budget increased the assessment by \$48,496 due to an increase in non-union medical and the addition of a Customer Service Manager to provide increased supervision.

Department of General Services

Scope: Responsible for operating, maintaining, repairing, and replacing the community physical assets or resources, with the following major areas of operation: community center facility, janitorial, streets and sidewalks, service center facility, fleet maintenance and transportation.

Staffing:	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
	94.57	93.07	91.57	86.00	88.00

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$1,747,044 for the Third portion, of which \$1,644,170 is included in the operating assessment. The operating budget decreased the assessment by (\$15,365) mainly due to outside service gutter cleaning program planned to be done by in-house staff in 2022.

Department of Financial Services

Scope: Provides accounting, budget and financial planning, purchasing, mail and copy services, and warehouse functions for all entities. Coordinates and manages banking relationships, investments, audits, tax preparation, and collection services. Also provides compensation research and guidelines for VMS.

Staffing:	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
	29.50	30.00	31.00	31.00	31.00

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$792,431 for the Third portion, all of which is included in the Financial Services line of the operating assessment. The budget decreased the basic assessment by (\$2,674) primarily due to an update in allocations to reflect decreased time spent on administrative tasks for contracts, partially offset by increase in bank fees and audit and tax preparation fees, and an anticipated non-union medical and life insurance rate increase.

Department of Security Services

Scope: Provides oversight of all security operations, including: monitoring of gates, field supervision, routine motor patrol, maintaining a traffic control program and security dispatch center; assisting local law enforcement agencies and maintaining relations with OC Sheriff, OC Fire Authority and other outside agencies as necessary to achieve compliance within the community; and social services including individual and family counseling, facilitation of caregivers, bereavement and support groups, and referrals to community programs, agencies and services.

Staffing:	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
	115.61	118.19	119.68	118.68	117.55

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$160,882 for the Third portion, all of which is included in the operating assessment. The budget increased the assessment by \$13,019 due to state minimum wage increase, offsetting savings from a staff reduction of 1.13 FTEs.

Department of Landscape Services

Scope: Provides the following major functions: nursery, composting, grounds maintenance, irrigation, small equipment repair, pest control, and tree maintenance.

Staffing:

2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
133.87	142.27	149.00	145.50	146.50

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$7,272,332 for the Third portion, of which \$5,495,819 is included in the operating assessment. The budget increased the assessment by \$104,137 due to added Spray Tech position for pest control, increased contracted union medical and union retirement costs, and union wage increases of 2%. The increase was partially offset by a reduction in materials costs due to a lower planned use of fertilizers application.

Department of Human Resource Services

Scope: Responsible for the development, administration and implementation of all human resources and safety/environmental functions, ensuring that programs and policies are designed to meet organizational goals and protect the company, the community and staff in accordance with best practices and governmental laws and regulations. Provides risk management and insurance functions for all entities.

Staffing:

2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
9.40	8.40	8.40	8.40	9.40

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$9,048,940 for the Third portion, of which \$156,474 is included in the Human Resource Services line of the operating assessment and \$8,892,466 is included in the Insurance line of the operating assessment. The budget increased the basic assessment by \$7,085,944 primarily due to higher insurance premiums anticipated for property insurance, hazard and liability and D&O liability renewals, resulting from higher rates and increased coverages.

Department of Maintenance & Construction

Scope: Responsible for operating, maintaining, repairing, and replacing the community's physical assets or resources, including maintenance operations, building maintenance, manor alterations and permits, damage restoration, facilities management, and construction and project management.

Staffing:

2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan
185.50	185.50	186.50	179.10	179.10

Full-Time Equivalents for all Corporations

Budget: The net cost of this Department is \$13,768,097 for the Third portion. A total of \$3,921,985 is included in the operating assessment, of which \$98,669 is in surcharges. The operating budget decreased the assessment by (\$123,187) due to a decrease in outside services for fumigation program, partially offset by planned wage adjustments and related benefits expense.

Non Work Center

Scope: This category exists to account for items not directly attributable to departments. It is primarily comprised of property tax, utilities, legal fees, interest earnings, and miscellaneous fee revenue.

Budget: The net cost of Non Work Center budgets is \$6,152,308 for the Third portion, of which \$6,375,188 is included in the Non Work Center operating assessment, and (\$222,880) is credited to reserves for net investment income.

This budget increased the basic assessment by \$358,115 due to an increase in utilities, particularly water, trash, and sewer to reflect projected rate increases.

Reserve Fund Contribution

To adequately plan for future expenditures, the Mutual adopts a 30-Year Funding Plan that projects contributions and disbursements to the Reserve Fund over the next 30 years. An update to the reserve study and recommended funding plans were provided by Association Reserves, Inc.

To ensure that funds will be sufficient to meet planned replacement, the contribution remained at \$152.00 per manor per month.

Disaster Fund Contribution

The purpose of the Disaster Fund is to provide for emergency expenditures or catastrophic damages not covered by insurance, including insurance policy deductible amounts. The contribution to Disaster Fund decreased by (\$1.79) from \$25.00 to \$23.21 per manor per month.

Unappropriated Expenditures Fund Contribution

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 therefore excluded from reserve plan calculations. The contribution to Unappropriated Expenditures Fund decreased by (\$8.00) from \$8.00 to \$0.00 per manor per month.

GRF

Added to the Mutual portion is the GRF Assessment of \$218.10 per manor per month. This reflects an increase of \$12.50 or about 6.1% compared to current year.

The contribution to reserve funds is proposed to decrease from \$19.00 to \$15.00 per manor per month based on a 30-year funding plan. Reserves provide the funding necessary to maintain, repair, replace, or restore major common-area components. GRF anticipates these costs and prepares for future expenditures based on a 30-year reserves plan. Contributions to the Reserve Funds will be supplemented by an increase of the Transfer fee from \$5,000 to \$7,500 per eligible transfer.

The contribution to Contingency Fund is proposed to increase from \$0.00 to \$5.00 per manor per month to replenish available funds for unexpected costs not included in the budget.

Prepared By: Jose Campos, Financial Services Manager

Reviewed By: Jeff Parker, Chief Executive Officer
Steve Hormuth, Interim Financial Services Director

ATTACHMENT(S)

ATT1 – 2022 Third Business Plan by Department

ATT2 – 2022 Third Business Plan by Account

ATT3 – 2022 Third Budget Comparison Report – Operating

ATT4 – 2022 Third Budget Comparison Report – by Fund

ATT5 – Proposed 2022 Programs Report

ATT6 – Definition of Funds

ATT7 – Contracted Reserve Study Dated July 6, 2021 - Excerpts

THIRD LAGUNA HILLS MUTUAL 2022 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 PLAN	2022 PLAN	ASSESSMENT Per Manor Per Month		
						2021	2022	Change
OPERATING:								
Office of the CEO	\$280,554	\$300,423	\$504,373	\$306,603	\$363,740	\$4.19	\$4.97	\$0.78
Information Services	446,920	385,215	528,637	641,787	690,283	8.76	9.43	0.67
General Services	1,398,168	1,423,231	1,573,194	1,659,535	1,644,170	22.66	22.45	(0.21)
Financial Services	627,134	740,926	734,565	795,105	792,431	10.86	10.82	(0.04)
Security Services	147,684	189,761	204,477	147,863	160,882	2.02	2.20	0.18
Landscape Services	4,520,658	4,850,661	4,990,251	5,391,682	5,495,819	73.63	75.05	1.42
Human Resource Services	5,186	7,057	143,303	157,877	156,474	2.16	2.14	(0.02)
Insurance	1,267,140	1,512,536	1,910,975	1,805,119	8,892,466	24.65	121.44	96.79
Maintenance & Construction	4,214,295	3,209,809	3,437,051	3,949,241	3,823,316	53.93	52.22	(1.71)
Non Work Center	5,717,930	5,730,986	5,763,754	5,766,634	6,127,282	78.76	83.69	4.93
Net Operating	\$18,625,669	\$18,350,605	\$19,790,580	\$20,621,446	\$28,146,863	\$281.62	\$384.41	\$102.79
RESERVE CONTRIBUTIONS								
Replacement Fund	\$9,885,240	\$10,251,360	\$10,690,704	\$10,690,704	\$10,690,704	\$146.00	\$146.00	\$0.00
Elevator Replacement Fund	366,120	439,344	366,120	366,120	366,120	5.00	5.00	0.00
Laundry Replacement Fund	0	0	73,224	73,224	73,224	1.00	1.00	0.00
Total Reserve Contribution	\$10,251,360	\$10,690,704	\$11,130,048	\$11,130,048	\$11,130,048	\$152.00	\$152.00	\$0.00
RESTRICTED CONTRIBUTIONS								
Disaster Fund	\$2,028,305	\$2,028,305	\$1,133,508	\$1,830,600	\$1,699,529	\$25.00	\$23.21	(\$1.79)
Unappropriated Exp. Fund	732,240	585,792	585,792	585,792	0	8.00	0.00	(8.00)
Total Restricted Contribution	\$2,760,545	\$2,614,097	\$1,719,300	\$2,416,392	\$1,699,529	\$33.00	\$23.21	(\$9.79)
Total Reserve/Restricted Contribution	\$13,011,905	\$13,304,801	\$12,849,348	\$13,546,440	\$12,829,577	\$185.00	\$175.21	(\$9.79)
TOTAL MUTUAL	\$31,637,574	\$31,655,406	\$32,639,928	\$34,167,886	\$40,976,440	\$466.62	\$559.62	\$93.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,075,237	\$13,460,408	\$13,297,478	\$13,663,283	\$14,506,308	\$186.60	\$198.10	\$11.50
GRF Reserve Contributions	1,391,256	1,244,808	1,391,256	1,391,256	1,098,360	19.00	15.00	(4.00)
GRF Contingency Contributions	73,224	146,448	366,120	0	366,120	0.00	5.00	5.00
Total GRF	\$14,539,717	\$14,851,664	\$15,054,854	\$15,054,539	\$15,970,788	\$205.60	\$218.10	\$12.50
TOTAL BASIC ASSESSMENTS	\$46,177,291	\$46,507,070	\$47,694,782	\$49,222,425	\$56,947,228	\$672.22	\$777.72	\$105.50
SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms)								
Laundry Revenue	(\$132,633)	(\$210,085)	(\$198,525)	(\$240,000)	(\$210,000)	(\$5.79)	(\$5.07)	\$0.72
Laundry Operating	154,818	210,085	\$198,525	240,000	210,000	5.79	5.07	(0.72)
Elevator Operating	332,359	363,183	\$303,146	346,374	346,576	15.63	15.64	0.01
Laundry Replacement Fund	82,896	73,224	\$73,224	0	0	0.00	0.00	0.00
Garden Villa Rec Room Fund	59,616	81,972	\$85,698	85,698	89,424	5.75	6.00	0.25
	\$497,056	\$518,379	\$462,068	\$432,072	\$436,000	\$21.38	\$21.64	\$0.26
TOTAL BUSINESS PLAN	\$46,674,347	\$47,025,449	\$48,156,850	\$49,654,497	\$57,383,228			

THIRD LAGUNA HILLS MUTUAL 2022 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 PLAN	2022 PLAN	ASSESSMENT		
						Per ManOr Per Month 2021	2022	Change
REVENUES								
Non-Assessment Revenues								
Fees and Charges to Residents	\$977,604	\$1,087,533	\$401,033	\$674,156	\$785,801	\$9.21	\$10.73	(\$1.52)
Miscellaneous	850,369	995,189	543,648	640,447	683,067	8.75	9.33	(0.58)
Total Revenue	\$1,827,973	\$2,082,722	\$944,681	\$1,314,603	\$1,468,868	\$17.96	\$20.06	(\$2.10)
EXPENSES								
Employee Compensation	\$6,734,884	\$6,492,437	\$6,496,995	\$7,211,121	\$7,668,877	\$98.48	\$104.73	\$6.25
Expenses Related to Compensation	2,937,749	2,570,068	2,776,079	3,046,212	3,306,777	41.60	45.16	3.56
Material and Supplies	774,841	742,572	618,392	850,344	797,359	11.61	10.89	(0.72)
Electricity	455,577	357,458	276,892	211,441	251,506	2.89	3.43	0.54
Sewer	1,695,720	1,685,382	1,698,515	1,773,600	1,829,400	24.22	24.98	0.76
Water	2,809,708	2,610,093	2,817,315	2,971,182	3,095,794	40.58	42.28	1.70
Trash	514,757	531,455	546,524	564,007	655,275	7.70	8.95	1.25
Legal Fees	427,069	726,416	627,448	499,985	526,652	6.83	7.19	0.36
Professional Fees	100,652	149,906	216,776	149,616	155,920	2.04	2.13	0.09
Equipment Rental	7,624	5,128	4,688	4,652	7,368	0.06	0.10	0.04
Outside Services	1,388,020	1,293,726	1,255,418	1,383,401	945,798	18.89	12.92	(5.97)
Repairs and Maintenance	19,607	5,990	2,554	11,109	12,864	0.15	0.18	0.03
Other Operating Expense	126,687	226,843	123,011	165,022	172,566	2.25	2.36	0.11
Insurance	444,898	495,924	542,735	783,504	893,826	10.70	12.21	1.51
Property Insurance	822,241	1,016,612	1,368,240	1,021,615	7,998,640	13.95	109.24	95.29
Uncollectible Accounts	134,208	361,190	71,798	75,000	65,000	1.02	0.89	(0.13)
Net Allocation to Mutuals	1,059,401	1,162,127	1,291,881	1,214,238	1,232,109	16.61	16.83	0.22
Total Expenses	\$20,453,642	\$20,433,327	\$20,735,261	\$21,936,049	\$29,615,731	\$299.58	\$404.47	\$104.89
RESERVE CONTRIBUTIONS								
Replacement Fund	\$9,885,240	\$10,251,360	\$10,690,704	\$10,690,704	\$10,690,704	\$146.00	\$146.00	\$0.00
Elevator Replacement Fund	366,120	439,344	366,120	366,120	366,120	5.00	5.00	0.00
Laundry Replacement Fund	0	0	73,224	73,224	73,224	1.00	1.00	0.00
Total Reserve Contribution	\$10,251,360	\$10,690,704	\$11,130,048	\$11,130,048	\$11,130,048	\$152.00	\$152.00	\$0.00
RESTRICTED CONTRIBUTIONS								
Disaster Fund	\$2,028,305	\$2,028,305	\$1,133,508	\$1,830,600	\$1,699,529	\$25.00	\$23.21	(\$1.79)
Unappropriated Exp. Fund	732,240	585,792	585,792	585,792	0	8.00	0.00	(8.00)
Total Restricted Contribution	\$2,760,545	\$2,614,097	\$1,719,300	\$2,416,392	\$1,699,529	\$33.00	\$23.21	(\$9.79)
Total Reserve/Restricted Contribution	\$13,011,905	\$13,304,801	\$12,849,348	\$13,546,440	\$12,829,577	\$185.00	\$175.21	(\$9.79)
TOTAL MUTUAL	\$31,637,574	\$31,655,406	\$32,639,928	\$34,167,886	\$40,976,440	\$466.62	\$559.62	\$93.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,075,237	\$13,460,408	\$13,297,478	\$13,663,283	\$14,506,308	\$186.60	\$198.10	\$11.50
GRF Reserve Contributions	1,391,256	1,244,808	1,391,256	1,391,256	1,098,360	19.00	15.00	(4.00)
GRF Contingency Contributions	73,224	146,448	366,120	0	366,120	0.00	5.00	5.00
Total GRF	\$14,539,717	\$14,851,664	\$15,054,854	\$15,054,539	\$15,970,788	\$205.60	\$218.10	\$12.50
TOTAL BASIC ASSESSMENTS	\$46,177,291	\$46,507,070	\$47,694,782	\$49,222,425	\$56,947,228	\$672.22	\$777.72	\$105.50
SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms,								
Laundry Revenue	(\$132,633)	(\$210,085)	(\$198,525)	(\$240,000)	(\$210,000)	(\$5.79)	(\$5.07)	\$0.72
Laundry Operating	154,818	210,085	198,525	240,000	210,000	5.79	5.07	(0.72)
Elevator Operating	332,359	363,183	303,146	346,374	346,576	15.63	15.64	0.01
Laundry Replacement Fund	82,896	73,224	73,224	0	0	0.00	0.00	0.00
Garden Villa Rec Room Fund	59,616	81,972	85,698	85,698	89,424	5.75	6.00	0.25
	\$497,056	\$518,379	\$462,068	\$432,072	\$436,000	\$21.38	\$21.64	\$0.26
TOTAL BUSINESS PLAN	\$46,674,347	\$47,025,449	\$48,156,850	\$49,654,497	\$57,383,228			

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022
THIRD LAGUNA HILLS MUTUAL**

Attachment 3

	2018 Actuals	2019 Actuals	2020 Actuals	2021 Budget	2022 Budget	Assessment Increase/ (Decrease)	VAR %
Non-Assessment Revenues:							
Fees and Charges for Services to Residents							
46501000 - Permit Fee	\$107,788	\$160,232	\$149,933	\$159,607	\$213,597	(\$53,990)	(34%)
46501500 - Inspection Fee	71,304	81,310	60,676	76,520	73,538	2,983	4%
46502000 - Resident Maintenance Fee	798,512	845,991	190,424	438,029	498,666	(60,637)	(14%)
Total Fees and Charges for Services to Residents	977,603	1,087,533	401,033	674,157	785,801	(111,644)	(17%)
Laundry							
46005000 - Coin Op Laundry Machine	132,633	210,085	198,525	240,000	210,000	30,000	13%
Total Laundry	132,633	210,085	198,525	240,000	210,000	30,000	13%
Unrealized Gain/(Loss) On AFS Investments							
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(166,633)	0	0	0	0	0	0%
Total Unrealized Gain/(Loss) on AFS Investments	(166,633)	0	0	0	0	0	0%
Miscellaneous							
46002000 - Traffic Violation	(25)	(25)	0	0	0	0	0%
46004500 - Resident Violations	75,975	18,580	12,336	30,000	54,198	(24,198)	(81%)
44501510 - Lease Processing Fee - Third	247,699	259,475	236,435	259,475	259,475	0	0%
44502000 - Variance Processing Fee	(150)	(150)	0	0	15,888	(15,888)	0%
44502500 - Non-Sale Transfer Fee - Third	2,050	1,500	1,450	1,500	1,666	(166)	(11%)
44503520 - Resale Processing Fee - Third	153,086	163,072	133,408	163,072	191,740	(28,668)	(18%)
44505500 - Hoa Certification Fee	7,290	8,015	13,040	7,800	12,000	(4,200)	(54%)
44507000 - Golf Cart Electric Fee	69,077	70,609	68,930	70,000	70,000	0	0%
44507200 - Electric Vehicle Plug-In Fee	6,824	10,657	11,910	11,000	11,000	0	0%
44507500 - Cartport Space Rental Fee	5,536	4,006	4,800	4,600	4,400	200	4%
47001000 - Cash Discounts - Accounts Payable	0	701	0	0	0	0	0%
47001500 - Late Fee Revenue	56,148	49,541	46,004	60,000	51,000	9,000	15%
47002020 - Collection Administrative Fee - Third	3,500	1,800	1,275	6,000	2,700	3,300	55%
47002500 - Collection Interest Revenue	7,586	13,658	12,089	25,000	5,000	20,000	80%
47501000 - Recycling	6,070	4,360	2,013	2,000	4,000	(2,000)	(100%)
48001000 - Legal Fee	178,203	390,534	0	0	0	0	0%
49009000 - Miscellaneous Revenue	31,500	(1,143)	(42)	0	0	0	0%
Total Miscellaneous	850,369	995,190	543,647	640,447	683,067	(42,620)	(7%)
Total Non-Assessment Revenue	1,793,972	2,292,808	1,143,205	1,554,604	1,678,868	(124,264)	(8%)
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,237,720	2,291,242	2,419,055	2,854,473	3,112,718	258,245	9%
51021000 - Union Wages - Regular	3,614,889	3,262,675	3,384,949	3,612,110	3,727,794	115,684	3%
51041000 - Wages - Overtime	33,060	38,477	23,109	20,749	25,225	4,476	22%
51051000 - Union Wages - Overtime	61,965	73,656	82,693	20,949	39,115	18,166	87%
51061000 - Holiday & Vacation	619,467	615,424	647,290	543,570	576,194	32,624	6%
51071000 - Sick	186,095	202,487	216,340	221,719	235,026	13,307	6%
51081000 - Sick - Part Time	0	0	0	175	427	252	144%
51091000 - Missed Meal Penalty	2,362	2,856	3,820	1,201	3,442	2,240	187%
51101000 - Temporary Help	107,647	78,125	46,844	19,400	34,606	15,206	78%
51981000 - Compensation Accrual	(35,467)	39,659	(229,148)	0	0	0	0%
Total Employee Compensation	6,827,738	6,604,601	6,594,953	7,294,346	7,754,547	460,201	6%
Compensation Related							
52411000 - F.I.C.A.	504,345	488,684	502,347	546,649	578,231	31,582	6%
52421000 - F.U.I.	6,444	5,985	5,951	7,843	8,152	309	4%
52431000 - S.U.I.	56,925	45,954	40,656	40,062	41,604	1,542	4%
52441000 - Union Medical	1,315,419	1,232,634	1,282,935	1,288,520	1,371,988	83,468	6%
52451000 - Workers' Compensation Insurance	466,823	299,979	378,392	372,737	387,174	14,438	4%
52461000 - Non Union Medical & Life Insurance	281,784	299,952	315,125	351,459	425,976	74,517	21%
52461500 - VUL Premium	18,337	0	0	0	0	0	0%
52461550 - VUL Interest	(579)	0	0	0	0	0	0%
52471000 - Union Retirement Plan	232,249	251,473	285,388	322,232	365,145	42,913	13%
52481000 - Non-Union Retirement Plan	52,718	52,322	62,389	124,243	136,333	12,090	10%
52981000 - Compensation Related Accrual	42,778	(29,025)	(30,287)	0	0	0	0%
Total Compensation Related	2,977,244	2,647,957	2,842,894	3,053,745	3,314,604	260,858	9%
Materials and Supplies							
53001000 - Materials & Supplies	324,124	327,122	292,343	389,603	394,516	4,913	1%
53003000 - Materials Direct	462,901	432,752	340,393	463,528	404,601	(58,927)	(13%)
53004000 - Freight	15	74	540	2,386	3,415	1,029	43%
Total Materials and Supplies	787,039	759,948	633,276	855,517	802,532	(52,985)	(6%)
Cost of Goods Sold							
53101000 - Cost Of Sales - Warehouse	0	12,569	0	0	0	0	0%
Total Cost of Goods Sold	0	12,569	0	0	0	0	0%
Utilities and Telephone							
53301000 - Electricity	478,675	370,031	303,146	365,300	372,829	7,529	2%
53301500 - Sewer	1,695,720	1,685,382	1,698,515	1,773,600	1,829,400	55,800	3%
53302000 - Water	2,809,708	2,610,093	2,817,315	2,971,182	3,095,794	124,612	4%
Version 2							

OPERATING FUND ONLY

Agenda Item 9a

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**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022
THIRD LAGUNA HILLS MUTUAL**

Attachment 3

	2018 Actuals	2019 Actuals	2020 Actuals	2021 Budget	2022 Budget	Assessment Increase/ (Decrease)	VAR %
53302500 - Trash	514,757	531,455	546,524	564,007	655,275	91,268	16%
Total Utilities and Telephone	5,498,861	5,196,961	5,365,499	5,674,089	5,953,298	279,209	5%
Legal Fees							
53401500 - Legal Fees	427,069	726,416	627,448	499,985	526,652	26,667	5%
Total Legal Fees	427,069	726,416	627,448	499,985	526,652	26,667	5%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	42,056	0	0	0	0	0	0%
53402020 - Audit & Tax Preparation Fees - Third	0	43,377	44,628	45,400	47,670	2,270	5%
53403500 - Consulting Fees	5,313	2,756	2,533	15,780	14,750	(1,030)	(7%)
53403520 - Consulting Fees - Third	53,283	103,772	169,615	88,436	93,500	5,064	6%
Total Professional Fees	100,651	149,906	216,775	149,616	155,920	6,304	4%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	7,624	5,128	4,688	4,652	7,368	2,716	58%
Total Equipment Rental	7,624	5,128	4,688	4,652	7,368	2,716	58%
Outside Services							
53601000 - Bank Fees	20,026	6,604	39,669	31,679	42,323	10,643	34%
53601500 - Credit Card Transaction Fees	0	2,343	6,147	0	0	0	0%
53604500 - Marketing Expense	5,940	5,960	4,420	5,000	5,000	0	0%
54603500 - Outside Services CC	1,281,164	1,176,756	1,097,156	1,255,470	799,047	(456,423)	(36%)
53704000 - Outside Services	80,890	102,063	108,026	91,252	99,428	8,176	9%
Total Outside Services	1,388,021	1,293,726	1,255,418	1,383,401	945,797	(437,604)	(32%)
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	5,099	5,990	2,554	11,109	12,864	1,755	16%
53702500 - Building Repair & Maint	14,508	0	0	0	0	0	0%
53703000 - Elevator /Lift Maintenance	319,531	353,266	295,759	336,584	336,584	0	0%
Total Repairs and Maintenance	339,137	359,256	298,313	347,693	349,447	1,755	1%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	5,787	8,214	2,146	14,379	16,144	1,765	12%
53801500 - Travel & Lodging	404	1,005	246	2,763	2,511	(252)	(9%)
53802000 - Uniforms	54,892	53,999	49,348	61,483	65,199	3,717	6%
53802500 - Dues & Memberships	822	1,314	701	2,713	2,526	(186)	(7%)
53803000 - Subscriptions & Books	1,160	1,641	1,317	2,322	1,930	(391)	(17%)
53803500 - Training & Education	3,967	6,231	4,237	19,373	20,278	904	5%
53804000 - Staff Support	0	0	104	0	0	0	0%
53903000 - Safety	0	0	0	981	1,455	474	48%
54001000 - Board Relations	3,980	6,931	158	0	0	0	0%
54001020 - Board Relations - Third	3,883	8,556	2,522	7,525	7,525	0	0%
54001500 - Public Relations	(29)	(1)	(17)	0	0	0	0%
54002000 - Postage	51,402	43,798	45,274	52,980	54,488	1,508	3%
54002500 - Filing Fees / Permits	409	1,866	183	503	510	7	1%
Total Other Operating Expense	126,676	133,554	106,218	165,021	172,567	7,546	5%
Income Taxes							
54301000 - State & Federal Income Taxes	10	80,720	16,295	0	0	0	0%
Total Income Taxes	10	80,720	16,295	0	0	0	0%
Property and Sales Tax							
54302000 - Property Taxes	0	0	497	0	0	0	0%
Total Property and Sales Tax	0	0	497	0	0	0	0%
Insurance							
54401000 - Hazard & Liability Insurance	391,239	444,073	501,005	716,432	800,971	84,539	12%
54401500 - D&O Liability	46,761	46,634	38,931	60,000	85,783	25,783	43%
54402000 - Property Insurance	822,241	1,016,612	1,368,240	1,021,615	7,998,640	6,977,025	683%
54403000 - General Liability Insurance	6,898	5,217	2,799	7,072	7,072	0	0%
Total Insurance	1,267,140	1,512,536	1,910,975	1,805,119	8,892,466	7,087,347	393%
Net Allocation to Mutuals							
48502500 - Mutual General Operating	0	(20,513)	0	0	0	0	0%
54602500 - Allocated Expenses	1,059,401	1,182,640	1,291,881	1,214,238	1,232,109	17,871	1%
Total Net Allocation To Mutuals	1,059,401	1,162,127	1,291,881	1,214,238	1,232,109	17,871	1%
Uncollectible Accounts							
54602000 - Bad Debt Expense	134,208	361,190	71,798	75,000	65,000	(10,000)	(13%)
Total Uncollectible Accounts	134,208	361,190	71,798	75,000	65,000	(10,000)	(13%)
Total Expenses	20,940,819	21,006,595	21,236,928	22,522,421	30,172,307	7,649,886	34%
Excess of Revenues Over Expenses	<u>(\$19,146,848)</u>	<u>(\$18,713,787)</u>	<u>(\$20,093,722)</u>	<u>(\$20,967,817)</u>	<u>(\$28,493,439)</u>	<u>\$7,525,622</u>	<u>36%</u>

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022**

Attachment 4

	<u>2022 Budget Operating</u>	<u>2022 Budget Reserves</u>	<u>2022 Budget Restricted</u>	<u>Total</u>
Non-Assessment Revenues:				
Fees and Charges for Services to Residents				
46501000 - Permit Fee	\$213,597	\$0	\$0	\$213,597
46501500 - Inspection Fee	73,538	0	0	73,538
46502000 - Resident Maintenance Fee	498,666	0	0	498,666
Total Fees and Charges for Services to Residents	785,801	0	0	785,801
Laundry				
46005000 - Coin Op Laundry Machine	210,000	0	0	210,000
Total Laundry	210,000	0	0	210,000
Investment Income				
49001000 - Investment Income - Nondiscretionary	0	2,249	1,751	4,000
49002000 - Investment Income - Discretionary	0	136,032	103,968	240,000
Total Investment Income	0	138,281	105,719	244,000
Miscellaneous				
46004500 - Resident Violations	54,198	0	0	54,198
44501510 - Lease Processing Fee - Third	259,475	0	0	259,475
44502000 - Variance Processing Fee	15,888	0	0	15,888
44502500 - Non-Sale Transfer Fee - Third	1,666	0	0	1,666
44503520 - Resale Processing Fee - Third	191,740	0	0	191,740
44505500 - Hoa Certification Fee	12,000	0	0	12,000
44507000 - Golf Cart Electric Fee	70,000	0	0	70,000
44507200 - Electric Vehicle Plug-In Fee	11,000	0	0	11,000
44507500 - Cartport Space Rental Fee	4,400	0	0	4,400
47001500 - Late Fee Revenue	51,000	0	0	51,000
47002020 - Collection Administrative Fee - Third	2,700	0	0	2,700
47002500 - Collection Interest Revenue	5,000	0	0	5,000
47501000 - Recycling	4,000	0	0	4,000
Total Miscellaneous	683,067	0	0	683,067
Total Non-Assessment Revenue	1,678,868	138,281	105,719	1,922,868
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,112,718	0	0	3,112,718
51021000 - Union Wages - Regular	3,727,794	1,816,774	32,861	5,577,429
51041000 - Wages - Overtime	25,225	0	0	25,225
51051000 - Union Wages - Overtime	39,115	10,506	439	50,059
51061000 - Holiday & Vacation	576,194	154,619	2,797	733,609
51071000 - Sick	235,026	63,068	1,141	299,235
51081000 - Sick - Part Time	427	895	0	1,322
51091000 - Missed Meal Penalty	3,442	100	6	3,548
51101000 - Temporary Help	34,606	0	0	34,606
Total Employee Compensation	7,754,547	2,045,962	37,243	9,837,752
Compensation Related				
52411000 - F.I.C.A.	578,231	155,636	2,815	736,682
52421000 - F.U.I.	8,152	1,980	35	10,166
52431000 - S.U.I.	41,604	9,898	173	51,675
52441000 - Union Medical	1,371,988	524,905	9,158	1,906,051
52451000 - Workers' Compensation Insurance	387,174	140,201	2,536	529,911
52461000 - Non Union Medical & Life Insurance	425,976	0	0	425,976
52471000 - Union Retirement Plan	365,145	139,700	2,437	507,282
52481000 - Non-Union Retirement Plan	136,333	0	0	136,333
Total Compensation Related	3,314,604	972,319	17,153	4,304,076
Materials and Supplies				
53001000 - Materials & Supplies	394,516	135,256	3,239	533,011
53003000 - Materials Direct	404,601	482,048	15,768	902,417

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022**

Attachment 4

	2022 Budget Operating	2022 Budget Reserves	2022 Budget Restricted	Total
53004000 - Freight	3,415	1,278	38	4,732
Total Materials and Supplies	802,532	618,582	19,045	1,440,159
Utilities and Telephone				
53301000 - Electricity	372,829	0	0	372,829
53301500 - Sewer	1,829,400	0	0	1,829,400
53302000 - Water	3,095,794	0	0	3,095,794
53302500 - Trash	655,275	14,293	425	669,993
Total Utilities and Telephone	5,953,298	14,293	425	5,968,016
Legal Fees				
53401500 - Legal Fees	526,652	0	0	526,652
Total Legal Fees	526,652	0	0	526,652
Professional Fees				
53402020 - Audit & Tax Preparation Fees - Third	47,670	0	0	47,670
53403500 - Consulting Fees	14,750	0	0	14,750
53403520 - Consulting Fees - Third	93,500	0	0	93,500
Total Professional Fees	155,920	0	0	155,920
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	7,368	37,136	573	45,077
Total Equipment Rental	7,368	37,136	573	45,077
Outside Services				
53601000 - Bank Fees	42,323	0	0	42,323
53604500 - Marketing Expense	5,000	0	0	5,000
54603500 - Outside Services CC	799,047	6,595,055	1,101,156	8,495,258
53704000 - Outside Services	99,428	6,918	84	106,430
Total Outside Services	945,797	6,601,972	1,101,240	8,649,010
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	12,864	5,159	70	18,093
53703000 - Elevator /Lift Maintenance	336,584	0	0	336,584
Total Repairs and Maintenance	349,447	5,159	70	354,676
Other Operating Expense				
53801000 - Mileage & Meal Allowance	16,144	107	1	16,252
53801500 - Travel & Lodging	2,511	0	0	2,511
53802000 - Uniforms	65,199	24,161	369	89,729
53802500 - Dues & Memberships	2,526	157	0	2,683
53803000 - Subscriptions & Books	1,930	0	0	1,930
53803500 - Training & Education	20,278	854	7	21,139
53903000 - Safety	1,455	22	0	1,477
54001020 - Board Relations - Third	7,525	0	0	7,525
54002000 - Postage	54,488	0	0	54,488
54002500 - Filing Fees / Permits	510	0	0	510
Total Other Operating Expense	172,567	25,302	377	198,245
Insurance				
54401000 - Hazard & Liability Insurance	800,971	0	0	800,971
54401500 - D&O Liability	85,783	0	0	85,783
54402000 - Property Insurance	7,998,640	0	0	7,998,640
54403000 - General Liability Insurance	7,072	0	0	7,072
Total Insurance	8,892,466	0	0	8,892,466
Investment Expense				
54201000 - Investment Expense	0	11,640	9,480	21,120
Total Investment Expense	0	11,640	9,480	21,120
Net Allocation to Mutuals				
54602500 - Allocated Expenses	1,232,109	226,313	2,335	1,460,756
Total Net Allocation To Mutuals	1,232,109	226,313	2,335	1,460,756

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022**

Attachment 4

	<u>2022 Budget Operating</u>	<u>2022 Budget Reserves</u>	<u>2022 Budget Restricted</u>	<u>Total</u>
Uncollectible Accounts				
54602000 - Bad Debt Expense	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>65,000</u>
Total Uncollectible Accounts	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>65,000</u>
 Total Expenses	 <u>30,172,307</u>	 <u>10,558,679</u>	 <u>1,187,940</u>	 <u>41,918,926</u>
 Excess of Revenues Over Expenses	 <u><u>(\$28,493,439)</u></u>	 <u><u>(\$10,420,399)</u></u>	 <u><u>(\$1,082,221)</u></u>	 <u><u>(\$39,996,058)</u></u>

**THIRD LAGUNA HILLS MUTUAL
PROPOSED 2022
Programs Report**

DESCRIPTION		2018	2019	2020	2021	2022	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
1	PLUMBING SERVICE	\$740,507	\$827,584	\$828,543	\$676,492	\$704,682	\$28,190	4%
2	PEST CONTROL	281,908	194,008	87,989	645,800	174,633	(471,167)	(73%)
3	CARPENTRY SERVICE	427,819	149,952	515,640	455,942	510,027	54,085	12%
4	ELECTRICAL SERVICE	93,736	99,796	107,651	135,290	116,003	(19,287)	(14%)
5	FIRE PROTECTION	87,961	86,599	101,400	133,931	144,382	10,451	8%
6	APPLIANCE REPAIRS	106,484	130,996	115,550	90,825	93,342	2,517	3%
7	MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	34,075	58,234	11,191	58,664	58,664	0	0%
8	SOLAR MAINTENANCE	15,911	28,149	23,981	25,000	25,000	0	0%
9	GUTTER CLEANING	132,890	132,957	29,988	0	0	0	0%
10	CURB CUTS	0	10,000	0	0	0	0	0%
11	BALCONY/BREEZEWAY RESURFACING	478,073	0	0	0	0	0	0%
12	BUILDING REHAB/DRY ROT	198,433	0	0	0	0	0	0%
13	ROOF REPAIRS	274,541	0	0	0	0	0	0%
14	PAINT- TOUCHUP	244,896	0	0	0	0	0	0%
TOTAL		\$3,117,234	\$1,718,276	\$1,821,933	\$2,221,944	\$1,826,734	(\$395,211)	(18%)

Lines 9 moved to General Services in 2020.

Lines 11 - 14 moved to reserves in 2019.

OPERATING FUND - GENERAL SERVICES

15	JANITORIAL SERVICE	\$874,334	\$882,450	\$963,848	\$962,945	\$978,056	\$15,111	2%
16	CONCRETE SERVICE	376,281	393,686	348,028	379,831	362,440	(17,391)	(5%)
17	GUTTER CLEANING	9,759	41,466	123,469	179,758	158,079	(21,679)	(12%)
18	WELDING	71,402	99,041	111,697	115,027	124,040	9,013	8%
19	TRAFFIC CONTROL	28,168	14,238	14,118	21,974	21,554	(420)	(2%)
20	PAVING MAINTENANCE & REPAIRS	48,602	0	0	0	0	0	0%
TOTAL		\$1,408,547	\$1,430,881	\$1,561,161	\$1,659,535	\$1,644,170	(\$15,365)	(1%)

OPERATING FUND - LANDSCAPE

21	LANDSCAPE ADMINISTRATION	\$94,424	\$148,803	\$145,024	\$332,008	\$341,724	\$9,716	3%
22	NURSERY & COMPOSTING	257,078	257,239	237,480	290,341	291,001	660	0%
23	GROUPS MAINTENANCE	2,808,720	2,910,763	3,035,110	3,173,855	3,211,501	37,646	1%
	Shrub-Bed Maintenance				2,035,420	2,139,106	103,686	5%
	Turf Maintenance				777,044	736,353	(40,691)	(5%)
	Miscellaneous Tasks				288,636	261,584	(27,051)	(9%)
	Garden Villa Maintenance				72,756	74,459	1,702	2%
24	IRRIGATION	937,145	1,043,777	1,051,492	1,053,027	1,040,999	(12,028)	(1%)
25	SMALL EQUIPMENT REPAIR	204,148	204,044	206,371	226,338	227,160	822	0%
26	PEST CONTROL	227,888	291,533	313,692	316,113	383,434	67,321	21%
27	TREE MAINTENANCE	(8,745)	(5,498)	1,082	0	0	0	0%
TOTAL		\$4,520,658	\$4,850,661	\$4,990,251	\$5,391,682	\$5,495,819	\$104,137	2%

Line 27 moved to reserves in 2020.

**THIRD LAGUNA HILLS MUTUAL
PROPOSED 2022
Programs Report**

DESCRIPTION	2018	2019	2020	2021	2022	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease) \$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
28 BUILDING NUMBERS	\$32,797	\$33,961	\$0	\$30,000	\$0	(\$30,000)	(100%)
29 BUILDING STRUCTURES	2,084,453	2,534,260	1,404,870	3,599,789	2,502,060	(1,097,728)	(30%)
30 ELECTRICAL SYSTEMS	50,907	50,400	16,690	59,495	30,000	(29,495)	(50%)
31 ENERGY PROJECTS	7,997	27,491	923	0	0	0	0%
32 EXTERIOR LIGHTING	302,074	59,319	760,369	75,000	50,000	(25,000)	(33%)
33 FENCING	21,576	123,758	57,416	58,920	63,999	5,078	9%
34 GARDEN VILLA LOBBY	114,664	111,162	109,636	112,500	12,000	(100,500)	(89%)
35 GARDEN VILLA MAILROOM	54,023	75,477	32,510	439	412	(26)	(6%)
36 GARDEN VILLA RECESSED AREAS	71,111	40,436	65,016	65,000	0	(65,000)	(100%)
37 GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER	15,546	23,584	12,473	6,017	2,984	(3,034)	(50%)
38 GUTTERS	136,466	39,017	134,135	76,206	78,927	2,721	4%
39 MAILBOXES	6,701	29,282	63,844	51,899	9,143	(42,756)	(82%)
40 PAINT PROGRAM	1,482,768	2,031,797	1,619,789	1,506,039	1,586,145	80,106	5%
41 PRIOR TO PAINT	1,538,859	1,228,861	915,496	1,071,350	1,166,482	95,131	9%
42 PAVING/CONCRETE	518,479	693,336	695,094	694,149	433,960	(260,189)	(37%)
43 ROOFS	1,576,174	1,550,899	1,429,531	1,439,294	1,461,792	22,498	2%
44 EXTERIOR WALLS	0	148,913	137,928	35,000	35,000	0	0%
45 WASTE LINE REMEDIATION	723,670	741,873	417,586	1,000,000	700,000	(300,000)	(30%)
46 WATER LINES - COPPER PIPE REMEDIATION	104,547	199,817	154,939	500,000	500,000	(0)	(0%)
47 ELEVATORS	309,899	332,267	115,890	255,000	105,000	(150,000)	(59%)
48 LAUNDRY COUNTERTOP/FLOOR	50,380	51,423	62,093	58,888	16,029	(42,859)	(73%)
49 LAUNDRY APPLIANCES	46,293	20,935	46,932	92,955	93,720	766	1%
TOTAL	\$9,249,385	\$10,148,267	\$8,253,160	\$10,787,940	\$8,847,653	(\$1,940,289)	(18%)

Lines 29, 40 - 43 include major repairs moved from operations in 2019.

Line 29 includes the funds moved from Disaster fund in 2021.

Line 35 moved from operations to reserves in 2018.

RESERVE FUNDS - GENERAL SERVICES

50 PRIOR TO PAINT	\$1,184	\$3,735	\$1,842	\$11,856	\$12,339	\$483	4%
51 PAVING/CONCRETE	0	32,375	65,491	79,002	66,386	(12,616)	(16%)
52 EXTERIOR WALLS	50,000	0	0	49,147	24,150	(24,997)	(51%)
TOTAL	\$51,184	\$36,111	\$67,333	\$140,005	\$102,875	(\$37,130)	(27%)

Line 51 moved into Reserves Fund - General Services in 2019.

**THIRD LAGUNA HILLS MUTUAL
PROPOSED 2022
Programs Report**

DESCRIPTION	2018	2019	2020	2021	2022	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - LANDSCAPE							
LANDSCAPE MODERNIZATION	\$49,813	\$797,341	\$837,542	\$487,823	\$523,703	\$35,880	7%
IMPROVEMENT & RESTORATION	0	0	0	126,524	129,245	2,721	2%
TREE MAINTENANCE	828,245	228,647	830,447	920,872	943,565	22,693	2%
TOTAL	\$878,058	\$1,025,988	\$1,667,989	\$1,535,219	\$1,596,513	\$61,294	4%

DISASTER FUND - MAINTENANCE & CONSTRUCTION

56 MOISTURE INTRUSION - RAIN LEAKS	\$208,073	\$873,957	\$707,469	\$237,513	\$237,513	\$0	0%
57 MOISTURE INTRUSION - PLUMBING LEAKS	796,702	882,146	1,254,082	400,000	400,000	0	0%
58 MOISTURE INTRUSION - PLUMBING STOPPAGES	153,986	208,893	151,227	50,000	50,000	0	0%
59 MOISTURE INTRUSION - MISCELLANEOUS	161,029	148,226	146,221	46,548	46,548	0	0%
60 DAMAGE RESTORATION SERVICES	337,753	108,912	217,829	220,370	190,937	(29,433)	(13%)
TOTAL	\$1,657,543	\$2,222,135	\$2,476,828	\$954,431	\$924,998	(\$29,433)	(3%)

Lines 56 – 60 funding for the construction portion of damage restoration was moved to Reserve Funds under the Building Structures line.

DISASTER FUND - LANDSCAPE

61 FIRE RISK MANAGEMENT	\$0	\$31,335	\$106,597	\$180,000	\$180,000	\$0	0%
TOTAL	\$0	\$31,335	\$106,597	\$180,000	\$180,000	\$0	0%

DISASTER FUND - FINANCIAL SERVICES

62 INSURANCE PREMIUMS	\$0	\$0	\$918,432	\$2,131,029	\$0	(\$2,131,029)	(100%)
TOTAL	\$0	\$0	\$918,432	\$2,131,029	\$0	(\$2,131,029)	(100%)

Lines 62 - 2021 expenditures assumes insurance premium of \$2.1M to be paid from the Disaster Fund.

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

63 GARDEN VILLA RECREATION ROOMS	\$63,429	\$71,036	\$71,247	\$71,831	\$73,462	\$1,632	2%
TOTAL	\$63,429	\$71,036	\$71,247	\$71,831	\$73,462	\$1,632	2%



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>
REPLACEMENT RESERVE FUND	2021	\$ 15,220,959	\$ 103,718	\$ 10,690,704	\$ 146.00	\$ (11,305,667)	\$ 14,709,714
	2022	\$ 14,709,714	\$ 246,140	\$ 10,690,704	\$ 146.00	\$ (10,358,513)	\$ 15,288,045
	2023	\$ 15,288,045	\$ 310,306	\$ 11,276,496	\$ 154.00	\$ (11,890,516)	\$ 14,984,331
	2024	\$ 14,984,331	\$ 306,730	\$ 11,862,288	\$ 162.00	\$ (12,154,920)	\$ 14,998,429
	2025	\$ 14,998,429	\$ 310,822	\$ 12,448,080	\$ 170.00	\$ (12,441,565)	\$ 15,315,766
	2026	\$ 15,315,766	\$ 333,002	\$ 13,033,872	\$ 178.00	\$ (11,887,611)	\$ 16,795,029

ELEVATOR REPLACEMENT RESERVE FUND

This Elevator Replacement 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, hoistway 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>
ELEVATOR REPLACEMENT RESERVE FUND	2021	\$ 2,117,684	\$ 1,886	\$ 366,120	\$ 5.00	\$ (229,500)	\$ 2,256,190
	2022	\$ 2,256,190	\$ 49,840	\$ 366,120	\$ 5.00	\$ (105,000)	\$ 2,567,150
	2023	\$ 2,567,150	\$ 68,120	\$ 366,120	\$ 5.00	\$ (261,375)	\$ 2,740,015
	2024	\$ 2,740,015	\$ 72,360	\$ 366,120	\$ 5.00	\$ (267,909)	\$ 2,910,586
	2025	\$ 2,910,586	\$ 76,540	\$ 366,120	\$ 5.00	\$ (274,607)	\$ 3,078,639
	2026	\$ 3,078,639	\$ 80,656	\$ 366,120	\$ 5.00	\$ (281,472)	\$ 3,243,943



LAUNDRY REPLACEMENT RESERVE FUND

The Laundry Replacement 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	2021	\$ 387,389	\$ 427	\$ 73,224	\$ 1.00	\$ (151,842)	\$ 309,198
	2022	\$ 309,198	\$ 7,075	\$ 73,224	\$ 1.00	\$ (109,749)	\$ 279,749
	2023	\$ 279,749	\$ 8,614	\$ 146,448	\$ 2.00	\$ (142,396)	\$ 292,415
	2024	\$ 292,415	\$ 9,143	\$ 146,448	\$ 2.00	\$ (125,453)	\$ 322,553
	2025	\$ 322,553	\$ 9,748	\$ 146,448	\$ 2.00	\$ (137,299)	\$ 341,450
	2026	\$ 341,450	\$ 10,676	\$ 183,060	\$ 2.50	\$ (137,461)	\$ 397,725

RESTRICTED FUNDS

DISASTER FUND

The Disaster 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	2021	\$ 6,985,570	\$ 276,685	\$ 1,133,508	\$ 15.48	\$ (3,788,431)	\$ 4,607,332
	2022	\$ 4,607,332	\$ 82,039	\$ 1,830,600	\$ 25.00	\$ (2,841,401)	\$ 3,678,570
	2023	\$ 3,678,570	\$ 80,547	\$ 1,830,600	\$ 25.00	\$ (1,133,000)	\$ 4,456,717
	2024	\$ 4,456,717	\$ 95,830	\$ 1,830,600	\$ 25.00	\$ (1,161,000)	\$ 5,222,147
	2025	\$ 5,222,147	\$ 110,849	\$ 1,830,600	\$ 25.00	\$ (1,190,000)	\$ 5,973,596
	2026	\$ 5,973,596	\$ 125,578	\$ 1,830,600	\$ 25.00	\$ (1,220,000)	\$ 6,709,774

Includes Supplemental Appropriation of Insurance premium of \$914K in 2021
2021 expenditures assumes insurance premium of \$1,736K to be paid from the Disaster Fund.



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>
UNAPPROPRIATED EXPENDITURES FUND	2021	\$ 4,325,546	\$ 110,705	\$ 585,792	\$ 8.00	\$ (1,736,403)	\$ 3,285,640
	2022	\$ 3,285,640	\$ 67,571	\$ 585,792	\$ 8.00	\$ (400,000)	\$ 3,539,003
	2023	\$ 3,539,003	\$ 72,538	\$ 585,792	\$ 8.00	\$ (410,000)	\$ 3,787,333
	2024	\$ 3,787,333	\$ 77,405	\$ 585,792	\$ 8.00	\$ (420,000)	\$ 4,030,530
	2025	\$ 4,030,530	\$ 82,159	\$ 585,792	\$ 8.00	\$ (431,000)	\$ 4,267,481
	2026	\$ 4,267,481	\$ 86,788	\$ 585,792	\$ 8.00	\$ (442,000)	\$ 4,498,061

2021 expenditures assumes insurance premium of \$1,736K to be paid from the Unappropriated Expenditures Fund.

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 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>
<u>SURCHARGE:</u> GARDEN VILLA REC ROOM FUND	2021	\$ 89,700	\$ 2,229	\$ 85,698	\$ 5.75	\$ (71,831)	\$ 105,796
	2022	\$ 105,796	\$ 2,276	\$ 89,424	\$ 6.00	\$ (73,462)	\$ 124,034
	2023	\$ 124,034	\$ 2,659	\$ 93,150	\$ 6.25	\$ (75,300)	\$ 144,543
	2024	\$ 144,543	\$ 3,088	\$ 96,876	\$ 6.50	\$ (77,200)	\$ 167,307
	2025	\$ 167,307	\$ 3,561	\$ 100,602	\$ 6.75	\$ (79,100)	\$ 192,370
	2026	\$ 192,370	\$ 4,080	\$ 104,328	\$ 7.00	\$ (81,100)	\$ 219,678



Reserve Study Executive Summary

No-Site-Visit

Third Mutual - Laguna Woods Village

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**Report #: **31071-2**

of Units: 6,102

January 1, 2022 through December 31, 2022**Findings & Recommendations****as of January 1, 2022**

Projected Starting Reserve Balance	\$17,275,103
Current Full Funding Reserve Balance	\$46,724,065
Average Reserve Deficit (Surplus) Per Unit	\$4,826
Percent Funded	37.0 %
Recommended 2022 "Annual Full Funding Contributions"	\$13,260,000
Alternate minimum contributions to keep Reserve above \$8,290,000	\$11,130,048
Most Recent Reserve Contribution Rate	\$11,130,048

Reserve Fund Strength: 37.0%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.00 %**Annual Inflation Rate **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2021 Fiscal Year. No site inspection was performed as part of this Reserve Study.

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

The Reserve Fund is between the 30% Funded level and the 70% Funded level at 37.0 % Funded, which is a fair position for the fund to be in. This means that the Mutual's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to continue to Fully Fund Reserves and maintain a position of strength in the fund, where the Mutual enjoy a low risk of Reserve cash flow problems. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$13,260,000.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$8,290,000. This figure for the Mutual is \$11,130,048.

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

Executive Summary Table

Report # 31071-2
No-Site-Visit

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Paved Surfaces			
103 Parkway Concrete - Repair/Replace	1	1	\$150,000
201 2022 Asphalt Paving Replacement	25	0	\$388,000
201 2023 Asphalt Paving Replacement	25	1	\$381,000
201 2024 Asphalt Paving Replacement	25	2	\$438,000
201 2025 Asphalt Paving Replacement	25	3	\$453,000
201 2026 Asphalt Paving Replacement	25	4	\$360,000
201 2027 Asphalt Paving Replacement	25	5	\$363,000
201 2028 Asphalt Paving Replacement	25	6	\$355,000
201 2029 Asphalt Paving Replacement	25	7	\$389,000
201 2030 Asphalt Paving Replacement	25	8	\$379,000
201 2031 Asphalt Paving Replacement	25	9	\$365,000
201 2032 Asphalt Paving Replacement	25	10	\$360,000
201 2033 Asphalt Paving Replacement	25	11	\$358,000
201 2034 Asphalt Paving Replacement	25	12	\$355,000
201 2035 Asphalt Paving Replacement	25	13	\$336,000
201 2036 Asphalt Paving Replacement	25	14	\$344,000
201 2037 Asphalt Paving Replacement	25	15	\$318,000
201 2038 Asphalt Paving Replacement	25	16	\$235,000
201 2039 Asphalt Paving Replacement	25	17	\$145,000
201 2041 Asphalt Paving Replacement	25	19	\$160,000
201 2042 Asphalt Paving Replacement	25	20	\$299,000
201 2043 Asphalt Paving Replacement	25	21	\$245,000
201 2044 Asphalt Paving Replacement	25	22	\$399,000
201 2045 Asphalt Paving Replacement	25	23	\$571,000
201 2046 Asphalt Paving Replacement	25	24	\$398,000
202 Paving Seal Coat - Annually	1	0	\$47,200
205 (2022) Concrete & Paving Maint	10	0	\$69,300
205 (2023) Concrete & Paving Maint	10	1	\$50,400
205 (2024) Concrete & Paving Maint	10	2	\$111,500
205 (2025) Concrete & Paving Maint	10	3	\$94,900
205 (2026) Concrete & Paving Maint	10	4	\$50,700
205 (2027) Concrete & Paving Maint	10	5	\$33,100
205 (2028) Concrete & Paving Maint	10	6	\$17,000
205 (2029) Concrete & Paving Maint	10	7	\$32,000
205 (2030) Concrete & Paving Maint	10	8	\$63,000
205 (2031) Concrete & Paving Maint	10	9	\$65,700
Roofing & Gutters			

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1308 (2022) LWT to Comp Shingle	40	0	\$119,000
1308 (2023) LWT to Comp Shingle	40	1	\$116,000
1308 (2024) LWT to Comp Shingle	40	2	\$118,000
1308 (2025) LWT to Comp Shingle	40	3	\$117,000
1308 (2026) LWT to Comp Shingle	40	4	\$114,000
1308 (2027) LWT to Comp Shingle	40	5	\$112,000
1308 (2028) LWT to Comp Shingle	40	6	\$117,000
1308 (2029) LWT to Comp Shingle	40	7	\$118,000
1308 (2030) LWT to Comp Shingle	40	8	\$442,000
1308 (2031) LWT to Comp Shingle	40	9	\$446,000
1308 (2032) LWT to Comp Shingle	40	10	\$446,000
1308 (2033) LWT to Comp Shingle	40	11	\$446,000
1308 (2034) LWT to Comp Shingle	40	12	\$443,000
1308 (2035) LWT to Comp Shingle	40	13	\$443,000
1308 (2036) LWT to Comp Shingle	40	14	\$445,000
1308 (2037) LWT to Comp Shingle	40	15	\$442,000
1308 (2038) LWT to Comp Shingle	40	16	\$444,000
1308 (2039) LWT to Comp Shingle	40	17	\$447,000
1308 (2040) LWT to Comp Shingle	40	18	\$443,000
1308 (2041) LWT to Comp Shingle	40	19	\$444,000
1308 (2042) LWT to Comp Shingle	40	20	\$441,000
1308 (2043) LWT to Comp Shingle	40	21	\$446,000
1308 (2044) LWT to Comp Shingle	40	22	\$447,000
1308 (2045) LWT to Comp Shingle	40	23	\$447,000
1308 (2046) LWT to Comp Shingle	40	24	\$440,000
1308 (2047) LWT to Comp Shingle	40	25	\$446,000
1308 (2048) LWT to Comp Shingle	40	26	\$442,000
1308 (2049) LWT to Comp Shingle	40	27	\$441,000
1308 (2050) LWT to Comp Shingle	40	28	\$452,000
1308 (2051) LWT to Comp Shingle	40	29	\$476,000
1310 (2039) Malibu/Capistrano Tile Roofs	40	17	\$603,000
1310 (2040) Malibu/Capistrano Tile Roofs	40	18	\$607,000
1310 (2041) Malibu/Capistrano Tile Roofs	40	19	\$606,000
1310 (2042) Malibu/Capistrano Tile Roofs	40	20	\$603,000
1310 (2043) Malibu/Capistrano Tile Roofs	40	21	\$605,000
1310 (2044) Malibu/Capistrano Tile Roofs	40	22	\$607,000
1310 (2045) Malibu/Capistrano Tile Roofs	40	23	\$606,000
1310 (2046) Malibu/Capistrano Tile Roofs	40	24	\$290,000
1310 (2047) Malibu/Capistrano Tile Roofs	40	25	\$409,000
1310 (2048) Malibu/Capistrano Tile Roofs	40	26	\$589,000
1310 (2049) Malibu/Capistrano Tile Roofs	40	27	\$577,000
1310 (2050) Malibu/Capistrano Tile Roofs	40	28	\$601,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1310 (2051) Malibu/Capistrano Tile Roofs	40	29	\$597,000
1310 (2052) Malibu/Capistrano Tile Roofs	40	30	\$604,000
1310 (2053) Malibu/Capistrano Tile Roofs	40	31	\$606,000
1310 (2054) Malibu/Capistrano Tile Roofs	40	32	\$605,000
1311 (2030) Metal Tile Roof - Replace	40	8	\$265,000
1311 (2031) Metal Tile Roof - Replace	40	9	\$257,000
1311 (2032) Metal Tile Roof - Replace	40	10	\$264,000
1311 (2033) Metal Tile Roof - Replace	40	11	\$274,000
1311 (2034) Metal Tile Roof - Replace	40	12	\$275,000
1311 (2035) Metal Tile Roof - Replace	40	13	\$261,000
1311 (2036) Metal Tile Roof - Replace	40	14	\$272,000
1311 (2037) Metal Tile Roof - Replace	40	15	\$269,000
1311 (2038) Metal Tile Roof - Replace	40	16	\$276,000
1311 (2039) Metal Tile Roof - Replace	40	17	\$269,000
1311 (2040) Metal Tile Roof - Replace	40	18	\$272,000
1311 (2041) Metal Tile Roof - Replace	40	19	\$277,000
1311 (2042) Metal Tile Roof - Replace	40	20	\$275,000
1311 (2043) Metal Tile Roof - Replace	40	21	\$271,000
1311 (2044) Metal Tile Roof - Replace	40	22	\$273,000
1311 (2045) Metal Tile Roof - Replace	40	23	\$269,000
1311 (2046) Metal Tile Roof - Replace	40	24	\$275,000
1311 (2047) Metal Tile Roof - Replace	40	25	\$274,000
1311 (2048) Metal Tile Roof - Replace	40	26	\$268,000
1311 (2049) Metal Tile Roof - Replace	40	27	\$264,000
1314 (2022) PVC Cool Roof System - Repl	25	0	\$1,100,000
1314 (2023) PVC Cool Roof System - Repl	25	1	\$1,112,000
1314 (2024) PVC Cool Roof System - Repl	25	2	\$1,114,000
1314 (2025) PVC Cool Roof System - Repl	25	3	\$1,111,000
1314 (2026) PVC Cool Roof System - Repl	25	4	\$1,115,000
1314 (2027) PVC Cool Roof System - Repl	25	5	\$1,105,000
1314 (2028) PVC Cool Roof System - Repl	25	6	\$1,157,000
1314 (2028) PVC Cool Roof System - Repl	25	6	\$1,157,000
1314 (2029) PVC Cool Roof System - Repl	25	7	\$1,221,000
1314 (2030) PVC Cool Roof System - Repl	25	8	\$1,244,000
1314 (2031) PVC Cool Roof System - Repl	25	9	\$1,250,000
1314 (2032) PVC Cool Roof System - Repl	25	10	\$1,242,000
1314 (2033) PVC Cool Roof System - Repl	25	11	\$1,251,000
1314 (2034) PVC Cool Roof System - Repl	25	12	\$1,282,000
1314 (2035) PVC Cool Roof System - Repl	25	13	\$1,253,000
1314 (2036) PVC Cool Roof System - Repl	25	14	\$1,294,000
1314 (2037) PVC Cool Roof System - Repl	25	15	\$1,431,000
1314 (2038) PVC Cool Roof System - Repl	25	16	\$1,360,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1314 (2039) PVC Cool Roof System - Repl	25	17	\$1,147,000
1314 (2040) PVC Cool Roof System - Repl	25	18	\$1,400,000
1314 (2041) PVC Cool Roof System - Repl	25	19	\$1,163,000
1314 (2042) PVC Cool Roof System - Repl	25	20	\$1,052,000
1314 (2043) PVC Cool Roof System - Repl	25	21	\$786,000
1314 (2044) PVC Cool Roof System - Repl	25	22	\$636,000
1314 (2045) PVC Cool Roof System - Repl	25	23	\$607,000
1314 (2046) PVC Cool Roof System - Repl	25	24	\$569,000
1314 (2047) PVC Cool Roof System - Repl	25	24	\$619,000
1314 (2048) PVC Cool Roof System - Repl	25	24	\$659,000
1314 (2049) PVC Cool Roof System - Repl	25	25	\$659,000
1316 Roof Preventative Maintenance	1	0	\$114,000
1317 Emergency Roof Repairs	1	0	\$150,000
1330 (2040) 3- Story Gutters R/R	30	18	\$125,000
1330 (2041) 3- Story Gutters R/R	30	19	\$125,000
1330 (2042) 3- Story Gutters R/R	30	20	\$125,000
1330 (2043) 3- Story Gutters R/R	30	21	\$125,000
1330 (2044) 3- Story Gutters R/R	30	22	\$125,000
1330 (2045) 3- Story Gutters R/R	30	23	\$125,000
1330 (2046) 3- Story Gutters R/R	30	24	\$125,000
1330 (2047) 3- Story Gutters R/R	30	25	\$125,000
1330 (2048) 3- Story Gutters R/R	30	26	\$12,500
1331 (2022) 1 & 2-Story Gutters R/R	1	0	\$28,900
1331 (2023-2029) 1 & 2-Story Gutters R/R	1	1	\$100,000
1331 (2030-2051) 1 & 2-Story Gutters R/R	1	8	\$50,000
Building Structures			
1860 (2023-2028) Fire Alarm System	1	1	\$210,000
3210 (2022) MO/Carpentry/CP Panels	1	0	\$666,000
3210 (2023-2025) MO/Carpentry/CP Panels	1	1	\$625,300
3210 (2026-2039) MO/Carpentry/CP Panels	1	4	\$359,000
3210 (2040-2051) MO/Carpentry/CP Panels	1	18	\$291,000
3213 (2023-2027) Bldg Structure Dry Rot	1	1	\$512,500
3213 (2028-2037) Bldg Structure Dry Rot	1	6	\$256,300
3213 (2038-2050) Bldg Structure Dry Rot	1	16	\$128,100
3216 (2022) Bldg Struct Replacement	1	0	\$200,000
3216 (2023-2027) Bldg Struct Replacement	1	1	\$350,000
3216 (2028-2037) Bldg Struct Replacement	1	6	\$175,000
3216 (2038-2051) Bldg Struct Replacement	1	16	\$87,500
3219 (2023-2025) Parapet Wall Removal	1	1	\$275,000
3220 Bldg Struct Foundation Repairs	1	0	\$75,000
3223 (2023-2027) Storage Cabinets	1	1	\$91,000
3225 (2022) Glulam/Beam - Repair	10	0	\$299,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
3225 (2024) Glulam/Beam - Repair	10	2	\$149,500
3225 (2026) Glulam/Beam - Repair	10	4	\$149,500
3225 (2027) Glulam/Beam - Repair	10	5	\$399,000
3225 (2028) Glulam/Beam - Repair	10	6	\$199,000
3225 (2029) Glulam/Beam - Repair	10	7	\$149,500
3225 (2030) Glulam/Beam - Repair	10	8	\$49,800
3225 (2031) Glulam/Beam - Repair	10	9	\$1,246,000
3230 Annual Bldg Dry Rot - Repairs	1	0	\$141,500
3231 (2022) Bldg Lead Abatement	1	0	\$5,000
3231 Bldg Lead Abatement	1	1	\$1,200
3235 Annual Damage Restoration	1	0	\$889,000
Decking Projects			
151 Balcony Inspections	1	0	\$50,000
153 (2022) Mid-Cycle Decks Seal	1	0	\$435,800
153 (2023-2025) Mid-Cycle Decks Seal	1	1	\$412,100
153 Annual Mid-Cycle Decks Seal	1	6	\$412,100
Prior To Painting & Painting Projects			
153 Deck Top Coat With Painting	1	0	\$63,000
1115 (2022) Full Cycle Exterior Painting	1	0	\$1,235,000
1115 Annual Full Cycle Exterior Painting	1	1	\$1,126,000
1116 Annual Exterior Paint Touch-Up	1	0	\$156,000
1116 Annual Interior Paint Touch-Up	1	0	\$75,500
1400 Annual HIP Reflective Address Signs	1	0	\$38,000
1401 Building # Signage - Replace	1	1	\$39,300
2901 Annual Lead Testing & Abatement	1	0	\$7,500
2902 PTP Annual Asbestos Abatement	1	0	\$36,000
2910 (2022) PTP Repair Work	1	0	\$741,300
2910 (2023-2034) PTP Repair Work	1	1	\$668,700
2910 Annual PTP Repair Work	1	13	\$632,200
Elevators			
2800 Miscellaneous Elevator Components	1	1	\$14,000
2802 (2023-2026) Cab Door Operators	1	1	\$55,000
2802 (2051) Cab Door Operators Replace	40	29	\$110,000
2804 (2023) Cab Remodel & Flooring	40	1	\$53,500
2804 (2024) Cab Remodel & Flooring	40	2	\$53,500
2804 (2025) Cab Remodel & Flooring	40	3	\$53,500
2804 (2026) Cab Remodel & Flooring	40	4	\$53,500
2806 (2032) Controllers & Call Buttons	30	10	\$590,000
2806 (2033) Controllers & Call Buttons	30	11	\$590,000
2806 (2034) Controllers & Call Buttons	30	12	\$590,000
2806 (2035) Controllers & Call Buttons	30	13	\$590,000
2806 (2036) Controllers & Call Buttons	30	14	\$590,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2806 (2037) Controllers & Call Buttons	30	15	\$590,000
2806 (2038) Controllers & Call Buttons	30	16	\$590,000
2806 (2039) Controllers & Call Buttons	30	17	\$708,000
2808 (2023) Hoistway Doors Replace	40	1	\$49,100
2808 (2024) Hoistway Doors Replace	40	2	\$49,100
2808 (2025) Hoistway Doors Replace	40	3	\$49,100
2808 (2026) Hoistway Doors Replace	40	4	\$49,100
2850 (2023-2026) Machine Room Power Unit	1	1	\$67,500
2850 (2051) Machine Room Power Units	1	29	\$135,000
2852 (2023) Solid State Soft Starters	20	1	\$16,000
2852 (2024) Solid State Soft Starters	20	2	\$16,000
2852 (2025) Solid State Soft Starters	20	3	\$16,000
2852 (2026) Solid State Soft Starters	20	4	\$16,000
Garden Villas			
332 (2023) GV Water Heaters	10	1	\$1,000
332 (2024) GV Water Heaters	10	2	\$1,000
332 (2026) GV Water Heaters	10	4	\$1,000
332 (2027) GV Water Heaters	10	5	\$1,500
332 (2028) GV Water Heaters	10	6	\$7,400
332 (2029) GV Water Heaters	10	7	\$4,400
332 (2030) GV Water Heaters	10	8	\$4,400
332 (2031) GV Water Heaters	10	9	\$6,200
336 GV Rec Room Heat Pump	1	0	\$2,000
912 (2023) GV Lobby Renovations	1	1	\$11,300
912 (2031-2041) GV Lobby Renovations	10	9	\$56,500
912 (2051-2061) GV Lobby Renovations	10	29	\$56,500
915 (2026) Mail Room Renvoations	10	4	\$80,000
915 (2027) Mail Room Renvoations	10	5	\$80,000
915 (2028) Mail Room Renvoations	10	6	\$80,000
915 (2029) Mail Room Renvoations	10	7	\$80,000
915 (2030) Mail Room Renvoations	10	8	\$80,000
915 (2031) Mail Room Renvoations	10	9	\$24,000
1950 (2023-2035) GV Concrete Filler	1	0	\$225,000
1951 GV Recessed Area Carpet	1	0	\$64,400
Lighting Replacement Projects			
360 Street Light Replacement	1	0	\$29,000
370 Exterior Lighting Replacement	1	1	\$50,000
Walls, Fencing & Railings			
501 Common Interior Walls- Repair	1	0	\$25,000
501 Perimeter Block Wall - Repair	1	0	\$24,100
504 (2022) Perim Shepherds Crooks - R/R	1	0	\$35,000
504 Shepherds Crooks - Replace/Repair	1	1	\$145,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
516 Split Rail Fencing Replacement	1	0	\$66,700
Laundry Facilities			
603 (2023-2029) Epoxy Floors - Replace	1	0	\$50,300
603 (2041) Epoxy Floors - Replace	25	19	\$50,300
990 (2022) Countertops - Replace	20	0	\$6,400
990 (2023) Countertops - Replace	20	1	\$14,500
990 (2034-2043) Countertops - Replace	1	12	\$15,000
992 Commercial Washers - Replace	1	0	\$62,000
993 (2026-2027) Commercial Dryers	1	4	\$7,700
993 Annual Commercial Dryers - Replace	1	4	\$37,900
994 (2022) Laundry Water Heaters	10	0	\$33,200
994 (2023) Laundry Water Heaters	10	1	\$13,200
994 (2024) Laundry Water Heaters	10	2	\$8,100
994 (2025) Laundry Water Heaters	10	3	\$16,200
994 (2026) Laundry Water Heaters	10	4	\$8,100
994 (2027) Laundry Water Heaters	10	5	\$6,100
994 (2028) Laundry Water Heaters	10	6	\$17,200
994 (2029) Laundry Water Heaters	10	7	\$6,100
994 (2030) Laundry Water Heaters	10	8	\$5,100
Sewer Lines, Water Lines & Elect			
318 (2023-2041) Waste Line Liners	1	1	\$1,000,000
319 (2022-2028) Copper Water Lines	1	0	\$287,000
319 (2029-2045) Copper Water Lines	1	7	\$137,600
319 (2046-2051) Copper Water Lines	1	24	\$103,200
340 (2022) Elect System & Panel Replace	1	0	\$30,000
340 Elect System & Panel Replacement	1	1	\$50,000
341 Heat Pumps/Wall Heaters, Replace	1	1	\$9,500
2810 (2023-2028) Energy Consultant	1	1	\$10,000
Grounds & Miscellaneous			
450 Pedestal Mailboxes - Replace	1	0	\$27,000
Landscape Projects			
1020 Annual Tree Trimming	1	0	\$859,000
1022 (2022) Landscape Modernization	1	0	\$300,000
1022 (2023) Landscape Modernization	1	1	\$200,000
1022 Annual Landscape Modernization	1	2	\$50,000
1022 Landscape Improvement & Restoration	1	0	\$173,000
1024 Slope Renovations	1	0	\$817,000
272 Total Funded Components			



Budget Summary

Report # 31071-2
No-Site-Visit

	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022 Fully Funded Balance	2022 Contributions
	Min	Max	Min	Max				
Paved Surfaces	1	25	0	24	\$9,178,800	\$504,500	\$5,008,190	\$390,396
Roofing & Gutters	1	40	0	32	\$57,806,400	\$1,511,900	\$29,450,165	\$1,551,678
Building Structures	1	10	0	18	\$7,979,700	\$2,275,500	\$2,943,310	\$3,696,353
Decking Projects	1	1	0	6	\$1,310,000	\$485,800	\$485,800	\$864,292
Prior To Painting & Painting Projects	1	1	0	13	\$4,818,500	\$2,352,300	\$2,352,300	\$3,179,077
Elevators	1	40	1	29	\$5,693,900	\$0	\$3,118,133	\$296,219
Garden Villas	1	10	0	29	\$866,600	\$291,400	\$468,280	\$236,915
Lighting Replacement Projects	1	1	0	1	\$79,000	\$29,000	\$29,000	\$52,121
Walls, Fencing & Railings	1	1	0	1	\$295,800	\$150,800	\$150,800	\$195,158
Laundry Facilities	1	25	0	19	\$357,400	\$151,900	\$225,087	\$123,565
Sewer Lines, Water Lines & Elect	1	1	0	24	\$1,627,300	\$317,000	\$317,000	\$1,073,635
Grounds & Miscellaneous	1	1	0	0	\$27,000	\$27,000	\$27,000	\$17,814
Landscape Projects	1	1	0	2	\$2,399,000	\$2,149,000	\$2,149,000	\$1,582,776
					\$92,439,400	\$10,246,100	\$46,724,065	\$13,260,000
Percent Funded:								37.0%



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 31071-2
No-Site-Visit

Fiscal Year Start: 2022

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	\$17,275,103	\$46,724,065	37.0 %		Medium	\$11,130,048	\$0	\$357,608	\$10,246,100
2023	\$18,516,659	\$51,514,692	35.9 %		Medium	\$12,142,882	\$0	\$366,014	\$12,909,093
2024	\$18,116,462	\$53,952,534	33.6 %		Medium	\$12,385,740	\$0	\$355,508	\$13,392,589
2025	\$17,465,121	\$56,391,173	31.0 %		Medium	\$12,633,455	\$0	\$342,438	\$13,632,644
2026	\$16,808,370	\$58,072,411	28.9 %		High	\$12,886,124	\$0	\$336,937	\$13,116,905
2027	\$16,914,526	\$60,614,220	27.9 %		High	\$13,143,846	\$0	\$337,940	\$13,487,574
2028	\$16,908,738	\$62,647,067	27.0 %		High	\$13,406,723	\$0	\$330,644	\$14,461,764
2029	\$16,184,342	\$63,706,367	25.4 %		High	\$13,674,858	\$0	\$332,671	\$13,080,323
2030	\$17,111,547	\$57,230,145	29.9 %		High	\$13,948,355	\$0	\$350,313	\$13,460,065
2031	\$17,950,149	\$59,483,407	30.2 %		Medium	\$14,227,322	\$0	\$350,958	\$15,352,353
2032	\$17,176,077	\$60,287,218	28.5 %		High	\$14,511,868	\$0	\$339,158	\$15,258,020
2033	\$16,769,083	\$61,657,273	27.2 %		High	\$14,802,106	\$0	\$333,721	\$15,272,944
2034	\$16,631,966	\$63,532,760	26.2 %		High	\$15,098,148	\$0	\$325,727	\$16,086,860
2035	\$15,968,981	\$65,045,284	24.6 %		High	\$15,400,111	\$0	\$314,339	\$16,191,318
2036	\$15,492,112	\$66,586,085	23.3 %		High	\$15,708,113	\$0	\$303,268	\$16,642,571
2037	\$14,860,922	\$68,196,316	21.8 %		High	\$16,022,275	\$0	\$283,338	\$17,669,064
2038	\$13,497,471	\$68,954,066	19.6 %		High	\$16,342,721	\$0	\$262,801	\$17,297,612
2039	\$12,805,381	\$70,384,810	18.2 %		High	\$16,669,575	\$0	\$243,267	\$18,175,870
2040	\$11,542,353	\$71,353,466	16.2 %		High	\$17,002,967	\$0	\$226,041	\$17,689,982
2041	\$11,081,380	\$73,378,994	15.1 %		High	\$17,343,026	\$0	\$194,048	\$20,278,245
2042	\$8,340,208	\$71,536,433	11.7 %		High	\$17,689,887	\$0	\$172,976	\$17,230,662
2043	\$8,972,409	\$73,282,886	12.2 %		High	\$18,043,684	\$0	\$196,161	\$16,551,599
2044	\$10,660,655	\$76,272,864	14.0 %		High	\$18,404,558	\$0	\$225,029	\$17,428,493
2045	\$11,861,749	\$78,984,530	15.0 %		High	\$18,772,649	\$0	\$248,129	\$17,909,903
2046	\$12,972,624	\$81,553,226	15.9 %		High	\$19,148,102	\$0	\$252,555	\$20,068,557
2047	\$12,304,724	\$82,534,961	14.9 %		High	\$19,531,064	\$0	\$231,909	\$21,161,395
2048	\$10,906,303	\$82,996,697	13.1 %		High	\$19,921,686	\$0	\$218,447	\$20,089,079
2049	\$10,957,357	\$85,170,228	12.9 %		High	\$20,320,119	\$0	\$217,822	\$20,651,546
2050	\$10,843,753	\$84,209,244	12.9 %		High	\$20,726,522	\$0	\$220,252	\$20,589,976
2051	\$11,200,551	\$87,144,088	12.9 %		High	\$21,141,052	\$0	\$193,342	\$24,384,562