



SPECIAL OPEN MEETING

SPECIAL OPEN MEETING OF THE UNITED LAGUNA WOODS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**Wednesday, July 17, 2024 at 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 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 United Business Plan – Version 2

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



STAFF REPORT

DATE: July 17, 2024
FOR: Board of Directors
SUBJECT: 2025 Business Plan – Version 2

RECOMMENDATION

Staff recommends the Board review the Proposed 2025 Business Plan – Version 2 and provide direction for change or revision, if needed, at the meeting on July 17, 2024.

BACKGROUND

The Board had meetings in May and June 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.

On August 12, 2024, the United Board is scheduled to meet and review Version 3 of the proposed budget, inclusive of any changes or revisions made to the attached Business Plan. The proposed final Business Plan will be presented to the Board at their meeting on September 10, 2024.

DISCUSSION

BUSINESS PLAN SUMMARY

The proposed budget for the 2025 plan year (Attachment 1) shows that the sum of \$58,900,261 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2025. In addition, the sum of \$18,139,722 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 \$77,039,983 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 \$762.02 per manor per month (PMPM), reflecting a net increase of \$98.04 or 14.8% when compared to current year.

	2024	2025	Increase \$	Increase %
<i>United Portion</i>	\$435.76	\$522.92	\$87.16	20%
<i>GRF Portion</i>	\$228.22	\$239.10	\$10.88	4.8%
<i>Total Basic Assessment</i>	\$663.98	\$762.02	\$98.04	14.8%

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 2 (Attachment 1):

Revenues:

Lines 2-2a: Fees and Charges to Residents less revenue of (\$1,197,647) increased the assessment by \$15.78 PMPM due to the majority of revenue recovery efforts for the backlog of open chargeable damage tickets from prior years being completed in 2023. The remaining tickets will be completed in 2024.

Line 4: Miscellaneous Revenue less revenue of (\$19,952) decreased the assessment by \$0.27 PMPM primarily due to a projected decrease in Collection Administrative Fees revenue. This fee revenue is related to United resales and trust transfers which are expected to be lower in 2025 than what was anticipated in 2024.

Expenses:

Line 5: Employee Compensation increased by \$191,061 or \$2.52 PMPM primarily due to planned wage adjustments partially 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 the reclassification of some Nursery operating expenses to reserves.

Line 6: Expenses Related to Compensation increased by \$86,802 or \$1.14 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 the reclassification of some Nursery operating expenses to reserves.

Line 7: Materials and Supplies increased by \$106,433 or \$1.40 PMPM primarily due to the higher cost of materials and supplies throughout the organization. The most affected areas are Carpentry and Electrical.

Line 8: Electricity increased by \$74,544 or \$0.99 PMPM based on current consumption and assumes no increase in rates as recently published by SCE.

Lines 9-10: Sewer & Water increased by \$430,386 or \$5.68 PMPM based on current consumption and published rate increases in July 2024 and projected rate increase in 2025.

Line 11: Trash increased by \$173,086 or \$2.28 PMPM due to final year of price correction which was budgeted to be 20% increase.

Line 14: Professional Fees increased by \$28,935 or \$0.38 PMPM due to the anticipation of an on-site visit that occurs every 3 years by Third's reserve specialist for the creation of the 2026 reserve study.

Line 16: Outside Services increased by \$1,582,680 or \$20.85 PMPM primarily in the Maintenance & Construction and Landscape departments. Funding increased in Maintenance & Construction to reflect recent year actual expenses relating to plumbing leaks and in

anticipation of more fumigation events that are scheduled for 2025. Funding increased in Landscape in an effort to achieve more mowing cycles of shrub beds in 2025.

Line 20: Property Insurance decreased by (\$750,240) as a result of a new joint property insurance policy with Third. This combination lowers United's premium for property insurance.

Line 21: Insurance increased by \$162,332 or \$2.14 PMPM due to increased Hazard & Liability insurance to reflect anticipated premium increases.

Line 22: Cost Allocations increased by \$73,690 or \$0.96 PMPM due to the net result of interdepartmental allocations in 2025 to reflect existing service levels throughout the departments.

Line 25: Operating (Surplus)/Deficit increased by \$1,431,132 or \$18.86 PMPM due to the replacement a projected 2023 surplus of (\$531,132). However, 2023 ended the year with a deficit of \$900,000 as a result of incurring higher than anticipated damage restoration costs during heavy rain periods.

Line 26: Reserve Fund Contribution increased by \$1,062,264. 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. A reserve study was conducted by Association Reserves, Inc. Based on the funding plans included in the reserves study, the contribution to reserve funds is proposed to increase from \$171.23 to \$185.23 or \$14.00 PMPM in 2025.

Line 27: Contingency Fund Contribution is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for unanticipated significant expenditures not otherwise identified in the business plan. The contribution to contingency funds is proposed to decrease from \$2.00 to \$1.50 PMPM in 2025.

Line 28: Property Tax Fund increased by \$1,821,242 and is used for property taxes, which are generally based on the most recent purchase price of the individual manor. Taxes are assessed by the County of Orange, based on the County's calculation of assessed value for each manor. Expenses are billed directly to each manor and vary by manor.

Line 29-31: GRF Operating, Reserve, and Contingency Contribution for Version 2, GRF shows an increase of \$794,525 or \$10.88 PMPM. GRF reviewed all aspects of Version 2 of their Business Plan at their meeting July 10.

FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a United assessment of \$435.76 PMPM, an increase of \$87.16 or 20.0% when compared to current year. Including the GRF contributions, the proposed Total Basic Assessment for United would be \$762.02 PMPM, an increase of \$98.04 or 14.8%.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Steve Hormuth, Director of Financial Services

ATTACHMENTS

- Attachment 1 – 2025 United Business Plan by Account
- Attachment 2 – 2025 United Business Plan by Department
- Attachment 3 – 2025 United Budget Comparison Report – Operating Only
- Attachment 4 – 2025 United Budget Comparison Report – by Fund
- Attachment 5 – Proposed 2025 Programs Report
- Attachment 6 – Definition of Funds



2025 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2021 ACTUAL**	2022 ACTUAL	2023 ACTUAL	2024 PLAN	2025 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2024	2025	Change
OPERATING REVENUES								
Non-Assessment Revenues								
1 Merchandise Sales	\$4,910	\$4,300	\$15,078	\$2,858	\$1,715	\$0.04	\$0.02	\$0.02
2 Fees and Charges to Residents	607,598	752,596	467,597	803,858	731,211	10.59	9.64	0.95
2a Damage Restoration Reimbursement Backlog	0	0	576,467	1,125,000	0	14.83	0.00	14.83
3 Laundry	244,083	233,760	227,041	249,000	237,000	3.28	3.12	0.16
4 Miscellaneous	617,321	636,379	611,344	789,555	769,603	10.41	10.14	0.27
Total Revenue	\$1,473,912	\$1,627,035	\$1,897,527	\$2,970,271	\$1,739,529	\$39.15	\$22.92	\$16.23
OPERATING EXPENSES								
5 Employee Compensation	\$7,174,365	\$7,196,317	\$7,371,602	\$8,686,509	\$8,877,570	\$114.48	\$117.00	\$2.52
6 Expenses Related to Compensation	2,886,042	2,930,141	3,149,460	3,531,672	3,618,474	46.55	47.69	1.14
7 Material and Supplies	855,418	831,175	830,519	882,415	988,848	11.63	13.03	1.40
8 Electricity	91,483	198,886	224,439	161,117	235,661	2.12	3.11	0.99
9 Sewer	1,911,413	1,611,769	1,569,662	1,625,400	1,899,000	21.42	25.03	3.61
10 Water	2,119,249	1,960,741	1,876,020	2,154,860	2,311,646	28.40	30.47	2.07
11 Trash	448,509	501,908	797,319	1,172,918	1,346,004	15.46	17.74	2.28
12 Telephone	676	592	1,524	780	1,512	0.01	0.02	0.01
13 Legal Fees	170,799	184,179	122,596	183,325	166,660	2.42	2.20	(0.22)
14 Professional Fees	55,905	126,900	86,929	146,548	175,483	1.93	2.31	0.38
15 Equipment Rental	10,010	7,144	7,491	9,540	10,970	0.13	0.14	0.01
16 Outside Services	2,236,325	3,210,571	4,069,539	2,185,613	3,768,293	28.81	49.66	20.85
17 Repairs and Maintenance	34,842	29,964	53,471	41,671	47,307	0.55	0.62	0.07
18 Other Operating	114,556	111,086	104,692	157,045	167,368	2.07	2.21	0.14
19 Income Taxes	8,166	1,116	0	0	6,000	0.00	0.08	0.08
20 Property Insurance*	3,178,761	3,159,482	3,925,185	5,250,240	4,500,000	*	*	*
21 Insurance	888,271	880,348	1,038,231	1,164,662	1,326,994	15.35	17.49	2.14
22 Cost Allocations	1,109,819	1,160,621	1,128,047	1,296,490	1,370,180	17.09	18.05	0.96
23 Uncollectible Accounts	(16,942)	34,714	1,804	20,000	30,000	0.26	0.40	0.14
24 (Gain)/Loss on Sale	(87)	(86)	(758)	(90)	(100)	0.00	0.00	0.00
Total Expense	\$23,277,580	\$24,117,568	\$26,357,772	\$28,670,715	\$30,847,870	\$308.68	\$347.25	\$38.57
25 Operating (Surplus)/Deficit Recovery	\$0	\$0	\$0	(\$531,132)	\$900,000	(\$7.00)	\$11.86	\$18.86
Net Operating Expense	\$21,803,668	\$22,490,533	\$24,460,245	\$25,169,312	\$30,008,341	\$262.53	\$336.19	\$73.66
FUND CONTRIBUTIONS								
26 Reserve Fund	\$10,775,910	\$10,775,910	\$11,853,864	\$12,992,247	\$14,054,511	\$171.23	\$185.23	\$14.00
27 Contingency Fund	758,760	0	75,876	151,752	114,000	2.00	1.50	(0.50)
28 Property Tax Fund*	12,217,207	12,634,138	12,649,183	12,902,167	14,723,409	*	*	*
Total Fund Contribution	\$23,751,877	\$23,410,048	\$24,578,933	\$26,046,166	\$28,891,920	\$173.23	\$186.73	\$13.50
TOTAL MUTUAL	\$45,555,545	\$45,900,581	\$49,039,168	\$51,215,478	\$58,900,261	\$435.76	\$522.92	\$87.16
GOLDEN RAIN FOUNDATION								
29 GRF Operating	\$14,158,462	\$14,833,758	\$15,502,302	\$16,026,530	16,849,830	\$211.22	\$222.10	\$10.88
30 GRF Reserve Contributions	1,441,644	1,289,892	1,289,892	1,289,892	1,289,892	17.00	17.00	0.00
31 GRF Contingency Contributions	0	379,380	0	0	0	0.00	0.00	0.00
Total GRF	\$15,600,106	\$16,503,030	\$16,792,194	\$17,316,422	\$18,139,722	\$228.22	\$239.10	\$10.88
TOTAL BASIC ASSESSMENT	\$61,155,651	\$62,403,611	\$65,831,362	\$68,531,900	\$77,039,983	\$663.98	\$762.02	\$98.04

*Indicates an assessment that varies per manor.

**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		
						2024	2025	Change
OPERATING								
Office of the CEO	\$296,799	\$263,803	\$405,929	\$337,045	\$384,278	\$4.44	\$5.06	\$0.62
Information Services	871,999	884,461	656,642	744,370	798,898	9.81	10.53	0.72
General Services	1,051,619	951,403	1,110,728	1,257,827	1,304,775	16.58	17.20	0.62
Financial Services	721,529	776,480	752,281	931,377	998,398	12.27	13.16	0.89
Security Services	156,988	183,594	479,562	477,249	530,228	6.29	6.99	0.70
Landscape Services	4,156,995	4,306,366	4,307,859	4,932,400	5,596,453	65.01	73.76	8.75
Human Resource Services	74,048	56,841	57,493	92,121	89,704	1.21	1.18	(0.03)
Property Insurance**	3,178,761	3,150,019	3,925,185	5,250,240	4,500,000	**	**	**
All Other Insurance	888,271	860,348	1,036,193	1,164,662	1,326,994	15.35	17.49	2.14
Maintenance & Construction	6,109,500	6,920,663	8,110,252	6,826,605	8,029,607	89.97	105.83	15.86
Damage Restoration Reimbursement Backlog	0	0	(576,467)	(1,125,000)	0	(14.83)	0.00	14.83
Non Work Center	4,297,159	4,136,555	4,194,588	4,811,548	5,549,006	63.43	73.13	9.70
Operating Expense	\$21,803,668	\$22,490,533	\$24,460,245	\$25,700,444	\$29,108,341	\$269.53	\$324.33	\$54.80
Operating (Surplus)/Deficit Recovery	\$0	\$0	\$0	(\$531,132)	\$900,000	(\$7.00)	\$11.86	\$18.86
Net Operating Expense	\$21,803,668	\$22,490,533	\$24,460,245	\$25,169,312	\$30,008,341	\$262.53	\$336.19	\$73.66
FUND CONTRIBUTIONS								
Reserve Fund	\$10,775,910	\$10,775,910	\$11,853,864	\$12,992,247	\$14,054,511	\$171.23	\$185.23	\$14.00
Contingency Fund	758,760	0	75,876	151,752	114,000	2.00	1.50	(0.50)
Property Tax Fund	12,217,207	12,634,138	12,649,183	12,902,167	14,723,409	**	*	*
Total Fund Contribution	\$23,751,877	\$23,410,048	\$24,578,923	\$26,046,166	\$28,891,920	\$173.23	\$186.73	\$13.50
TOTAL MUTUAL	\$45,555,545	\$45,900,581	\$49,039,168	\$51,215,478	\$58,900,261	\$435.76	\$522.92	\$87.16
GOLDEN RAIN FOUNDATION								
GRF Operating	\$14,158,462	\$14,833,758	\$15,502,302	16,026,530	\$16,849,830	\$211.22	\$222.10	\$10.88
GRF Reserve Contributions	1,441,644	1,289,892	1,289,892	1,289,892	1,289,892	17.00	17.00	0.00
GRF Contingency Contributions	0	379,380	0	0	0	0.00	0.00	0.00
Total GRF	\$15,600,106	\$16,503,030	\$16,792,194	\$17,316,422	\$18,139,722	\$228.22	\$239.10	\$10.88
TOTAL BASIC ASSESSMENT	\$61,155,651	\$62,403,611	\$65,831,362	\$68,531,900	\$77,039,983	\$663.98	\$762.02	\$98.04

*Indicates an assessment that varies per manor.

**2021 Actuals were affected by Covid-19 Pandemic.

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2025**

UNITED LAGUNA WOODS 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>
Non-Assessment Revenues:							
Merchandise Sales							
41501500 - Merchandise Sales - Warehouse	\$4,910	\$4,300	\$15,078	\$2,858	\$1,715	\$1,143	40%
Total Merchandise Sales	4,910	4,300	15,078	2,858	1,715	1,143	40%
Fees and Charges for Services to Residents							
46501000 - Permit Fee	277,451	220,310	241,608	235,895	214,450	21,445	9%
46501500 - Inspection Fee	74,557	58,169	50,245	90,073	163,880	(73,808)	(82%)
46502000 - Resident Maintenance Fee	255,590	474,117	175,744	477,890	352,881	125,009	26%
46502999 - Resident Maintenance Fee Backlog	0	0	576,467	1,125,000	0	1,125,000	100%
Total Fees and Charges for Services to Residents	607,598	752,596	1,044,064	1,928,857	731,212	1,197,646	62%
Laundry							
46005000 - Coin Op Laundry Machine	244,083	233,760	227,041	249,000	237,000	12,000	5%
Total Laundry	244,083	233,760	227,041	249,000	237,000	12,000	5%
Miscellaneous							
46004500 - Resident Violations	8,325	20,100	5,399	67,508	33,857	33,651	50%
44501000 - Additional Occupant Fee	42,700	32,275	41,000	40,000	43,394	(3,394)	(8%)
44501500 - Lease Processing Fee - United	130,740	162,180	168,920	170,255	220,255	(50,000)	(29%)
44502000 - Variance Processing Fee	0	1,650	750	1,500	2,550	(1,050)	(70%)
44503000 - Stock Transfer Fee	7,650	9,950	11,400	25,000	9,667	15,333	61%
44503510 - Resale Processing Fee - United	179,298	152,790	122,640	135,800	135,800	0	0%
44506000 - Photo Copy Fee	0	0	15	0	0	0	0%
44507000 - Golf Cart Electric Fee	53,800	49,117	52,549	56,000	55,000	1,000	2%
44507200 - Electric Vehicle Plug-In Fee	18,114	24,218	35,166	18,000	30,000	(12,000)	(67%)
44507500 - Cartport Space Rental Fee	2,325	1,894	1,800	2,000	2,000	0	0%
47001000 - Cash Discounts - Accounts Payable	0	0	22	0	0	0	0%
47001500 - Late Fee Revenue	56,355	59,680	53,163	53,000	45,000	8,000	15%
47002000 - Collection Administrative Fee	725	0	200	0	0	0	0%
47002010 - Collection Administrative Fee - United	111,080	116,669	90,920	213,492	179,080	34,412	16%
47002500 - Collection Interest Revenue	2,329	207	(74)	3,000	3,000	0	0%
47501000 - Recycling	4,715	4,580	5,792	4,000	10,000	(6,000)	(150%)
49009000 - Miscellaneous Revenue	(835)	1,069	21,683	0	0	0	0%
Total Miscellaneous	617,320	636,379	611,345	789,555	769,602	19,952	3%
Total Non-Assessment Revenue	1,473,911	1,627,035	1,897,527	2,970,270	1,739,529	1,230,741	41%
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,735,811	2,898,680	3,038,569	3,558,108	3,725,060	166,952	5%
51021000 - Union Wages - Regular	3,263,627	3,162,734	3,134,145	4,043,865	4,104,769	60,904	2%
51041000 - Wages - Overtime	30,468	36,909	33,389	31,493	18,733	(12,760)	(41%)
51051000 - Union Wages - Overtime	135,636	104,755	91,741	54,057	62,490	8,433	16%
51061000 - Holiday & Vacation	695,152	707,790	652,104	641,092	660,282	19,190	3%
51071000 - Sick	201,332	193,565	225,801	261,498	269,326	7,828	3%
51081000 - Sick - Part Time	1	0	0	0	0	0	0%
51091000 - Missed Meal Penalty	5,851	5,838	4,511	3,901	2,163	(1,738)	(45%)
51101000 - Temporary Help	75,706	91,959	173,942	92,495	34,747	(57,748)	(62%)
51981000 - Compensation Accrual	30,781	(5,913)	17,400	0	0	0	0%
Total Employee Compensation	7,174,365	7,196,318	7,371,602	8,686,509	8,877,570	191,061	2%
Compensation Related							
52411000 - F.I.C.A.	522,247	526,988	532,802	646,387	664,494	18,107	3%
52421000 - F.U.I.	6,476	6,357	6,181	8,059	7,898	(161)	(2%)
52431000 - S.U.I.	43,540	31,761	29,570	41,119	40,305	(813)	(2%)
52441000 - Union Medical	1,154,759	1,133,263	1,134,840	1,371,427	1,320,012	(51,415)	(4%)
52451000 - Workers' Compensation Insurance	451,917	502,176	674,839	445,569	542,908	97,339	22%
52461000 - Non Union Medical & Life Insurance	352,403	361,942	362,975	422,486	448,313	25,827	6%
52471000 - Union Retirement Plan	285,979	299,425	316,090	440,370	430,866	(9,504)	(2%)
52481000 - Non-Union Retirement Plan	63,218	69,203	89,914	156,255	163,678	7,422	5%
52981000 - Compensation Related Accrual	5,503	(973)	2,249	0	0	0	0%
Total Compensation Related	2,886,041	2,930,142	3,149,460	3,531,672	3,618,475	86,802	2%
Materials and Supplies							
53001000 - Materials & Supplies	391,947	334,679	415,248	523,443	565,854	42,410	8%
53003000 - Materials Direct	461,185	494,623	412,958	356,568	417,906	61,338	17%
53004000 - Freight	2,286	1,873	2,313	2,404	5,088	2,684	112%
Total Materials and Supplies	855,418	831,175	830,519	882,416	988,848	106,432	12%

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2025**

UNITED LAGUNA WOODS 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>
Community Events							
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	91,483	198,886	224,439	161,117	235,661	74,544	46%
53301500 - Sewer	1,911,413	1,611,769	1,569,662	1,625,400	1,899,000	273,600	17%
53302000 - Water	2,119,249	1,960,741	1,876,020	2,154,860	2,311,646	156,786	7%
53302500 - Trash	448,509	501,908	797,319	1,172,918	1,346,004	173,086	15%
53304000 - Telephone	676	592	1,524	780	1,512	732	94%
Total Utilities and Telephone	4,571,330	4,273,895	4,468,963	5,115,075	5,793,823	678,748	13%
Legal Fees							
53401500 - Legal Fees	170,799	184,179	133,485	183,325	166,660	(16,665)	(9%)
53401550 - Legal Fees Contra	0	0	(10,889)	0	0	0	0%
Total Legal Fees	170,799	184,179	122,596	183,325	166,660	(16,665)	(9%)
Professional Fees							
53402000 - Audit & Tax Preparation Fees	0	47	3,943	0	0	0	0%
53402010 - Audit & Tax Preparation Fees - United	46,466	42,500	56,778	50,000	54,500	4,500	9%
53403500 - Consulting Fees	627	33,673	3,758	18,548	13,483	(5,065)	(27%)
53403510 - Consulting Fees - United	8,812	50,680	22,450	78,000	107,500	29,500	38%
Total Professional Fees	55,905	126,900	86,929	146,548	175,483	28,935	20%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	10,010	7,144	7,491	9,540	10,970	1,430	15%
Total Equipment Rental	10,010	7,144	7,491	9,540	10,970	1,430	15%
Outside Services							
53601000 - Bank Fees	32,981	33,237	12,278	0	14,249	14,249	0%
53601500 - Credit Card Transaction Fees	9,888	9,624	10,815	10,000	11,000	1,000	10%
54603500 - Outside Services CC	2,071,426	2,927,446	3,723,399	2,025,139	3,469,166	1,444,028	71%
53704000 - Outside Services	122,030	240,264	323,047	150,474	273,878	123,404	82%
Total Outside Services	2,236,325	3,210,570	4,069,539	2,185,612	3,768,292	1,582,680	72%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	2,741	1,596	1,438	5,604	5,723	120	2%
53703000 - Elevator /Lift Maintenance	32,101	28,368	52,033	36,067	41,584	5,517	15%
Total Repairs and Maintenance	34,842	29,964	53,471	41,670	47,307	5,637	14%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	2,265	2,476	2,002	6,277	4,960	(1,317)	(21%)
53801500 - Travel & Lodging	26	7	0	774	774	0	0%
53802000 - Uniforms	45,533	45,178	42,973	62,385	67,855	5,470	9%
53802500 - Dues & Memberships	1,650	1,092	788	2,145	2,279	134	6%
53803000 - Subscriptions & Books	2,209	209	692	1,479	1,497	18	1%
53803500 - Training & Education	3,615	2,668	4,575	21,631	27,977	6,346	29%
53903000 - Safety	746	453	168	1,035	1,046	11	1%
54001010 - Board Relations - United	1,717	6,165	7,247	10,000	10,500	500	5%
54001500 - Public Relations	0	(8)	0	0	0	0	0%
54002000 - Postage	56,409	52,598	45,866	48,577	48,670	93	0%
54002500 - Filing Fees / Permits	386	248	382	342	410	68	20%
Total Other Operating Expense	114,554	111,085	104,692	154,645	165,968	11,323	7%
Income, Property, and Sales Tax							
54301000 - State & Federal Income Taxes	8,166	1,116	0	0	6,000	6,000	0%
54301500 - State & Local Taxes	235	(3,498)	0	0	0	0	0%
Total Income, Property, and Sales Tax	8,401	(2,382)	0	0	6,000	6,000	0%
Insurance							
54401000 - Hazard & Liability Insurance	812,730	773,613	963,145	1,087,661	1,239,408	151,747	14%
54401500 - D&O Liability	70,113	69,055	62,988	73,337	73,337	0	0%
54402000 - Property Insurance	3,178,761	3,159,483	3,925,185	5,250,236	4,500,000	(750,236)	(14%)
54403000 - General Liability Insurance	5,428	17,680	12,098	3,664	14,249	10,585	289%
Total Insurance	4,067,032	4,019,831	4,963,416	6,414,899	5,826,994	(587,905)	(9%)
Cost Allocations							
54602500 - Allocated Expenses	1,109,819	1,160,621	1,128,048	1,296,490	1,370,180	73,690	6%
Total Cost Allocations	1,109,819	1,160,621	1,128,048	1,296,490	1,370,180	73,690	6%

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2025**

Attachment 3

UNITED LAGUNA WOODS 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>
Uncollectible Accounts							
54602000 - Bad Debt Expense	(16,942)	34,714	1,804	20,000	30,000	10,000	50%
Total Uncollectible Accounts	<u>(16,942)</u>	<u>34,714</u>	<u>1,804</u>	<u>20,000</u>	<u>30,000</u>	<u>10,000</u>	<u>50%</u>
(Gain)/Loss on Sale or Trade							
54101000 - (Gain)/Loss - Warehouse Sales	(87)	(86)	(758)	(90)	(100)	(10)	(11%)
Total (Gain)/Loss on Sale or Trade	<u>(87)</u>	<u>(86)</u>	<u>(758)</u>	<u>(90)</u>	<u>(100)</u>	<u>(10)</u>	<u>(11%)</u>
Total Expenses	<u>23,277,812</u>	<u>24,114,070</u>	<u>26,357,772</u>	<u>28,670,710</u>	<u>30,847,869</u>	<u>2,177,159</u>	<u>8%</u>
Excess of Revenues Over Expenses	<u>(\$21,803,901)</u>	<u>(\$22,487,035)</u>	<u>(\$24,460,245)</u>	<u>(\$25,700,440)</u>	<u>(\$29,108,340)</u>	<u>\$3,407,900</u>	<u>13%</u>

United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2025
 UNITED LAGUNA WOODS MUTUAL

	2025 Budget Operating	2025 Budget Reserves	2025 Budget Restricted	Total
Non-Assessment Revenues:				
Merchandise Sales				
41501500 - Merchandise Sales - Warehouse	\$1,715	\$0	\$0	\$1,715
Total Merchandise Sales	1,715	0	0	1,715
Fees and Charges for Services to Residents				
46501000 - Permit Fee	214,450	0	0	214,450
46501500 - Inspection Fee	163,880	0	0	163,880
46502000 - Resident Maintenance Fee	352,881	0	0	352,881
Total Fees and Charges for Services to Residents	731,212	0	0	731,212
Laundry				
46005000 - Coin Op Laundry Machine	237,000	0	0	237,000
Total Laundry	237,000	0	0	237,000
Investment Income				
49001000 - Investment Income	0	600,000	0	600,000
Total Investment Income	0	600,000	0	600,000
Miscellaneous				
46004500 - Resident Violations	33,857	0	0	33,857
44501000 - Additional Occupant Fee	43,394	0	0	43,394
44501500 - Lease Processing Fee - United	220,255	0	0	220,255
44502000 - Variance Processing Fee	2,550	0	0	2,550
44503000 - Stock Transfer Fee	9,667	0	0	9,667
44503510 - Resale Processing Fee - United	135,800	0	0	135,800
44507000 - Golf Cart Electric Fee	55,000	0	0	55,000
44507200 - Electric Vehicle Plug-In Fee	30,000	0	0	30,000
44507500 - Cartport Space Rental Fee	2,000	0	0	2,000
47001500 - Late Fee Revenue	45,000	0	0	45,000
47002010 - Collection Administrative Fee - United	179,080	0	0	179,080
47002500 - Collection Interest Revenue	3,000	0	0	3,000
47501000 - Recycling	10,000	0	0	10,000
Total Miscellaneous	769,602	0	0	769,602
Total Non-Assessment Revenue	1,739,529	600,000	0	2,339,529
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,725,060	11,812	0	3,736,871
51021000 - Union Wages - Regular	4,104,769	2,541,499	0	6,646,268
51041000 - Wages - Overtime	18,733	0	0	18,733
51051000 - Union Wages - Overtime	62,490	44,293	0	106,783
51061000 - Holiday & Vacation	660,282	217,303	0	877,585
51071000 - Sick	269,326	88,637	0	357,962
51091000 - Missed Meal Penalty	2,163	51	0	2,214
51101000 - Temporary Help	34,747	0	0	34,747
Total Employee Compensation	8,877,570	2,903,594	0	11,781,164
Compensation Related				
52411000 - F.I.C.A.	664,494	218,733	0	883,227
52421000 - F.U.I.	7,898	2,515	0	10,413
52431000 - S.U.I.	40,305	12,576	0	52,882
52441000 - Union Medical	1,320,012	701,165	0	2,021,176
52451000 - Workers' Compensation Insurance	542,908	263,451	0	806,360
52461000 - Non Union Medical & Life Insurance	448,313	1,515	0	449,829
52471000 - Union Retirement Plan	430,866	228,868	0	659,734
52481000 - Non-Union Retirement Plan	163,678	529	0	164,207
Total Compensation Related	3,618,475	1,429,352	0	5,047,827
Materials and Supplies				

**United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2025**

UNITED LAGUNA WOODS MUTUAL

	2025 Budget Operating	2025 Budget Reserves	2025 Budget Restricted	Total
53001000 - Materials & Supplies	565,854	221,899	0	787,753
53003000 - Materials Direct	417,906	2,731,317	0	3,149,223
53004000 - Freight	5,088	3,454	0	8,543
Total Materials and Supplies	988,848	2,956,671	0	3,945,519
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	235,661	0	0	235,661
53301500 - Sewer	1,899,000	0	0	1,899,000
53302000 - Water	2,311,646	0	0	2,311,646
53302500 - Trash	1,346,004	11,221	0	1,357,225
53304000 - Telephone	1,512	0	0	1,512
Total Utilities and Telephone	5,793,823	11,221	0	5,805,044
Legal Fees				
53401500 - Legal Fees	166,660	0	0	166,660
Total Legal Fees	166,660	0	0	166,660
Professional Fees				
53402010 - Audit & Tax Preparation Fees - United	54,500	0	0	54,500
53403500 - Consulting Fees	13,483	0	0	13,483
53403510 - Consulting Fees - United	107,500	0	0	107,500
Total Professional Fees	175,483	0	0	175,483
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	10,970	37,480	0	48,450
Total Equipment Rental	10,970	37,480	0	48,450
Outside Services				
53601000 - Bank Fees	14,249	0	0	14,249
53601500 - Credit Card Transaction Fees	11,000	0	0	11,000
54603500 - Outside Services CC	3,469,166	9,530,835	0	13,000,001
53704000 - Outside Services	273,878	20,159	0	294,036
Total Outside Services	3,768,292	9,550,994	0	13,319,286
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	5,723	5,986	0	11,709
53703000 - Elevator /Lift Maintenance	41,584	0	0	41,584
Total Repairs and Maintenance	47,307	5,986	0	53,293
Other Operating Expense				
53801000 - Mileage & Meal Allowance	4,960	242	0	5,202
53801500 - Travel & Lodging	774	0	0	774
53802000 - Uniforms	67,855	37,339	0	105,194
53802500 - Dues & Memberships	2,279	82	0	2,361
53803000 - Subscriptions & Books	1,497	0	0	1,497
53803500 - Training & Education	27,977	2,430	0	30,407
53903000 - Safety	1,046	19	0	1,066
54001010 - Board Relations - United	10,500	0	0	10,500
54002000 - Postage	48,670	0	0	48,670
54002500 - Filing Fees / Permits	410	51	0	461
Total Other Operating Expense	165,968	40,163	0	206,131
Income, Property, and Sales Tax				
54301000 - State & Federal Income Taxes	6,000	0	0	6,000
54302000 - Property Taxes	0	0	14,723,409	14,723,409
Total Income, Property, and Sales Tax	6,000	0	14,723,409	14,729,409
Insurance				
54401000 - Hazard & Liability Insurance	1,239,408	0	0	1,239,408

United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2025
 UNITED LAGUNA WOODS MUTUAL

	<u>2025 Budget Operating</u>	<u>2025 Budget Reserves</u>	<u>2025 Budget Restricted</u>	<u>Total</u>
54401500 - D&O Liability	73,337	0	0	73,337
54402000 - Property Insurance	4,500,000	0	0	4,500,000
54403000 - General Liability Insurance	14,249	0	0	14,249
Total Insurance	<u>5,826,994</u>	<u>0</u>	<u>0</u>	<u>5,826,994</u>
Cost Allocations				
54602500 - Allocated Expenses	1,370,180	306,213	0	1,676,393
Total Cost Allocations	<u>1,370,180</u>	<u>306,213</u>	<u>0</u>	<u>1,676,393</u>
Uncollectible Accounts				
54602000 - Bad Debt Expense	30,000	0	0	30,000
Total Uncollectible Accounts	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
(Gain)/Loss on Sale or Trade				
54101000 - (Gain)/Loss - Warehouse Sales	(100)	0	0	(100)
Total (Gain)/Loss on Sale or Trade	<u>(100)</u>	<u>0</u>	<u>0</u>	<u>(100)</u>
Total Expenses	<u>30,847,869</u>	<u>17,241,673</u>	<u>14,723,409</u>	<u>62,812,951</u>
Excess of Revenues Over Expenses	<u>(\$29,108,340)</u>	<u>(\$16,641,673)</u>	<u>(\$14,723,409)</u>	<u>(\$60,473,423)</u>

**UNITED LAGUNA WOODS MUTUAL
2025 PLAN
Programs Report**

DESCRIPTION	2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	ASSESSMENT	
										INCREASE/(DECREASE) \$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION											
1 PLUMBING SERVICE	\$1,421,163	\$1,691,127	\$1,738,586	\$1,631,373	\$1,942,302	\$1,251,602	\$120,500	\$570,200	16,025	310,929	19%
2 DAMAGE RESTORATION	1,193,726	1,390,025	2,152,490	905,000	1,445,000	0	0	1,445,000	0	540,000	60%
3 CARPENTRY SERVICE	511,314	570,476	656,224	657,845	796,501	698,651	93,750	4,100	8,578	138,656	21%
4 INTERIOR PREVENTIVE MAINTENANCE	258,391	332,939	316,207	341,440	237,692	237,692	0	0	0	(103,748)	(30%)
5 ELECTRICAL SERVICE	380,555	393,672	355,639	341,905	284,577	231,464	47,113	6,000	8,111	(57,328)	(17%)
6 APPLIANCE REPAIRS	243,776	278,782	297,746	321,990	361,722	284,910	76,812	0	4,235	39,732	4%
7 PEST CONTROL	196,579	159,053	259,173	270,541	491,804	0	0	491,804	0	221,263	82%
8 COUNTERTOP/FLOOR/TILE REPAIRS	100,534	112,909	109,830	154,355	166,261	142,161	9,100	15,000	1,640	11,906	8%
9 FIRE PROTECTION	26,652	10,110	25,389	37,348	49,931	8,706	15,225	26,000	150	12,583	34%
10 ENERGY PROGRAM	19,060	27,242	23,381	36,000	37,000	0	0	37,000	0	1,000	3%
11 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	21,031	13,222	17,194	20,000	25,000	(1,050)	0	26,050	0	5,000	25%
12 GUTTER CLEANING	(30,596)	0	0	0	0	0	0	0	0	0	0%
TOTAL	\$4,342,183	\$4,979,556	\$5,951,857	\$4,717,797	\$5,837,790	\$2,854,136	\$362,500	\$2,621,154	38,739	\$1,119,993	24%

Line 2 includes damage restoration cleanup costs moved from contingency in 2021.

Line 5 includes Manor Preventive Maintenance (moved from line 4 in 2025).

Line 6 includes Laundry Program Maintenance (moved from line 4 in 2025).

Line 12 was moved to General Services in 2020.

OPERATING FUND - GENERAL SERVICES

13 CONCRETE SERVICE	\$396,868	\$341,500	\$389,970	\$421,764	\$447,780	\$415,780	\$32,000	\$0	5,505	\$26,016	6%
14 JANITORIAL SERVICE	369,411	369,344	381,532	524,467	519,855	519,555	300	0	11,503	(4,612)	(1%)
15 GUTTER CLEANING	152,886	129,493	138,233	169,679	178,911	52,911	0	126,000	700	9,232	5%
16 WELDING	105,816	94,606	99,843	126,053	141,290	120,840	2,750	17,700	1,600	15,237	12%
17 TRAFFIC CONTROL	14,467	13,484	15,018	15,863	16,939	16,739	200	0	245	1,076	7%
TOTAL	\$1,039,449	\$948,426	\$1,024,596	\$1,257,826	\$1,304,775	\$1,125,825	\$35,250	\$143,700	19,553	\$46,949	4%

OPERATING FUND - LANDSCAPE SERVICES

18 LANDSCAPE ADMINISTRATION	224,189	240,721	\$255,873	352,686	371,291	\$371,291	\$0	\$0	0	18,605	5%
19 NURSERY & COMPOSTING	179,886	168,001	\$181,423	176,054	118,370	\$118,369	\$0	\$0	1,766	(57,684)	(33%)
Nursery	141,671	111,937	116,063	109,461	74,304	74,303	0	0	1,109	(35,157)	(32%)
Composting	38,215	56,150	65,360	66,593	44,066	44,066	0	0	657	(22,527)	(34%)
20 GROUNDS MAINTENANCE	\$2,533,632	\$2,586,468	\$2,684,640	\$3,064,085	\$3,560,841	\$3,066,285	\$9,556	\$485,000	53,180	496,756	16%
Shrub-Bed Maintenance	1,692,520	1,808,828	1,867,493	2,156,202	2,127,499	2,124,784	2,714	0	36,844	(28,703)	(1%)
Turf Maintenance	510,587	405,810	456,311	609,759	1,041,916	550,075	6,842	485,000	9,540	432,157	71%
Miscellaneous Tasks	318,462	343,196	336,868	289,240	378,956	378,956	0	0	6,576	89,716	31%
Slope Maintenance	12,063	28,634	23,968	8,885	12,470	12,470	0	0	220	3,585	40%
21 IRRIGATION	728,291	798,217	\$737,370	808,269	969,378	969,178	200	0	9,477	161,109	20%
22 SMALL EQUIPMENT REPAIR	215,076	215,897	\$169,025	212,462	217,594	217,594	0	0	2,196	5,132	2%
23 PEST CONTROL	275,162	282,425	\$283,478	318,843	358,980	358,980	0	0	3,788	40,137	13%
24 IMPROVEMENT & RESTORATION	(5,312)	13,101	\$7,045	0	0	0	0	0	0	0	0%
25 TREE MAINTENANCE	5,974	2,095	\$11,592	0	0	0	0	0	0	0	0%
TOTAL	\$4,156,996	\$4,306,366	\$4,330,446	\$4,932,399	\$5,596,454	\$5,101,697	\$9,756	\$485,000	70,407	\$664,055	13%

**UNITED LAGUNA WOODS MUTUAL
2025 PLAN
Programs Report**

DESCRIPTION	2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	ASSESSMENT	
										INCREASE/(DECREASE) \$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION											
26 BUILDING STRUCTURES	\$979,064	\$1,051,258	\$1,538,475	\$1,634,468	\$2,193,907	\$198,157	\$349,000	\$1,646,750	2,880	\$559,439	34%
27 CDS SIGNAGE	0	0	0	0	0	0	0	0	0	0	0%
28 ELECTRICAL SYSTEMS	418,938	628,037	471,797	524,435	524,435	0	0	524,435	0	0	0%
29 EXTERIOR WALKWAY LIGHTING	30,711	46,046	38,574	64,760	63,190	5,854	5,336	52,000	100	(1,570)	(2%)
30 FOUNDATIONS	18,910	49,387	31,407	43,436	43,436	0	0	43,436	0	0	0%
31 GUTTER REPLACEMENT	68,558	52,874	100,248	116,486	125,238	65,238	10,000	50,000	800	8,752	8%
32 PAINT - EXTERIOR	1,635,609	1,466,877	1,512,411	1,749,510	1,823,077	1,565,827	229,500	27,750	26,900	73,567	4%
33 PLUMBING REPLACEMENT	276,882	344,352	384,056	345,510	410,660	243,660	47,000	120,000	3,120	65,150	19%
34 PRIOR TO PAINT	701,954	731,374	967,571	1,033,447	1,184,807	968,807	151,000	65,000	11,900	151,360	15%
35 PAVING	510,630	379,026	389,696	394,207	700,506	0	0	700,506	0	306,299	78%
36 ROOFS	841,632	1,013,167	1,041,550	1,318,468	1,687,619	0	0	1,687,619	0	369,151	28%
37 WALLS	27,928	30,944	34,257	35,000	56,786	0	0	56,786	0	21,786	62%
38 WASTE LINE REMEDIATION	2,502,222	2,153,854	2,587,567	2,300,000	2,300,000	0	0	2,300,000	0	0	0%
39 WATER LINE - COPPER PIPE REMEDIATION	62,049	71,652	101,807	100,000	100,000	0	0	100,000	0	0	0%
40 WINDOW/SLIDING SCREEN DOOR	108,699	94,609	109,548	151,910	146,244	61,244	60,000	25,000	750	(5,666)	(4%)
APPLIANCE AND FIXTURES:											
41 COOKTOPS	58,719	89,574	142,437	69,996	70,639	15,105	40,100	15,434	200	643	1%
42 DISHWASHERS	66,351	93,120	151,180	97,499	99,944	35,967	52,077	11,900	480	2,445	3%
43 FIXTURES - BASINS/FAUCETS/SINKS/TOILETS	155,000	185,741	183,148	238,752	250,921	78,751	172,170	0	998	12,169	5%
44 GARBAGE DISPOSALS	115,475	113,801	127,313	125,123	127,441	62,441	65,000	0	800	2,318	2%
45 HOODS	18,470	20,790	20,032	39,610	40,087	14,386	21,401	4,300	190	477	1%
46 KITCHEN/BATH COUNTERS, FLOORS, MISC.	878,164	1,039,632	1,060,396	1,561,145	1,389,678	492,578	513,100	384,000	5,685	(171,467)	(11%)
47 OVENS	116,546	135,988	266,742	137,036	251,510	16,664	198,000	36,846	220	114,474	84%
48 RANGES	8,907	8,896	14,990	12,389	13,316	7,553	2,463	3,300	100	927	7%
49 REFRIGERATORS	158,863	171,606	219,490	222,337	224,094	52,929	127,765	43,400	700	1,757	1%
50 WATER HEATERS & PERMITS	479,830	526,556	855,895	759,990	959,468	329,968	567,500	62,000	4,226	199,478	26%
51 DRYERS - LAUNDRY	9,151	8,831	7,194	38,163	38,276	3,776	34,500	0	50	113	0%
52 WASHING MACHINES - LAUNDRY	42,691	44,215	74,610	91,112	91,406	9,051	82,355	0	120	294	0%
TOTAL APPLIANCE AND FIXTURES	\$2,108,168	\$2,438,752	\$3,123,426	\$3,393,152	\$3,556,780	\$1,119,169	\$1,876,431	\$561,180	13,769	\$163,628	5%
TOTAL	\$10,291,951	\$10,552,208	\$12,432,390	\$13,204,789	\$14,916,685	\$4,227,956	\$2,728,267	\$7,960,462	60,219	\$1,711,896	13%

Line 26 includes major damage restoration construction costs moved from contingency in 2021.

Line 33 was moved from operations in 2021.

**UNITED LAGUNA WOODS MUTUAL
2025 PLAN
Programs Report**

DESCRIPTION	2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	ASSESSMENT INCREASE/(DECREASE)	
										\$	%
RESERVE FUND - GENERAL SERVICES											
53 PRIOR TO PAINT - WELDING	\$8,350	\$8,119	\$9,043	\$10,933	\$11,651	\$11,351	\$300	\$0	150	\$718	7%
54 PAVING	61,713	52,252	52,874	55,590	58,828	56,578	2,250	0	750	3,238	6%
55 WALLS	0	0	0	15,400	7,700	0	0	7,700	0	(7,700)	(50%)
TOTAL	\$70,063	\$60,371	\$61,917	\$81,923	\$78,179	\$67,929	\$2,550	\$7,700	900	(\$3,744)	(5%)
RESERVE FUND - LANDSCAPE SERVICES											
56 SLOPE RENOVATION	\$160,582	\$100,652	\$93,113	\$109,792	\$99,847	\$14,665	\$0	\$85,182	143	(\$9,945)	(9%)
57 IMPROVEMENT & RESTORATION	273,458	167,701	132,560	195,857	1,036,509	286,009	500	750,000	4,502	840,652	381%
58 TREE MAINTENANCE	764,125	857,213	839,698	1,065,281	1,110,452	382,961	0	727,491	3,788	45,171	4%
TOTAL	\$1,198,165	\$1,125,565	\$1,065,371	\$1,370,930	\$2,246,808	\$683,635	\$500	\$1,562,673	8,433	\$875,878	57%
PROPERTY TAXES FUND - NON WORK CENTER											
59 PROPERTY TAXES	\$12,323,498	\$13,164,598	\$14,151,681	\$13,427,890	\$14,723,409	\$0	\$0	\$0	0	\$1,295,519	10%
TOTAL	\$12,323,498	\$13,164,598	\$14,151,681	\$13,427,890	\$14,723,409	\$0	\$0	\$0	0	\$1,295,519	10%

Line 59 was moved from operations in 2022. Expenses are billed directly to each manor and vary by manor. 2021 Actuals are included above to provide history.



DEFINITION OF FUNDS

RESERVE FUND

This fund was established at the original construction of the mutuals. 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, replacement of designated appliances, roofs, paving, laundry equipment, walls, vertical lifts and windows.

Year	Beginning Balance	Investment Income	Contributions	Assessment PMPM	Planned Expenditures*	ENDING BALANCE
2024	\$ 15,267,296	\$ 622,930	\$ 12,992,247	\$ 171.23	\$ (14,476,835)	\$ 14,405,638
2025	\$ 14,405,638	\$ 331,539	\$ 14,054,511	\$ 185.23	\$ (17,241,672)	\$ 11,550,016
2026	\$ 11,550,016	\$ 271,857	\$ 15,178,872	\$ 200.05	\$ (17,971,398)	\$ 9,029,347
2027	\$ 9,029,347	\$ 219,611	\$ 16,393,182	\$ 216.05	\$ (18,276,433)	\$ 7,365,707
2028	\$ 7,365,707	\$ 189,113	\$ 17,704,636	\$ 233.34	\$ (18,672,565)	\$ 6,586,891
2029	\$ 6,586,891	\$ 206,415	\$ 18,058,729	\$ 238.00	\$ (16,100,656)	\$ 8,751,379

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

RESTRICTED FUNDS

Contingency Fund

This fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for unanticipated significant expenditures not otherwise identified in the business plan. 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.

Year	Beginning Balance	Investment Income	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
2024	\$ 1,189,647	\$ 0	\$ 151,752	\$ 2.00	\$ (743,199)	\$ 598,200
2025	\$ 598,200	\$ 0	\$ 114,000	\$ 1.50	\$900,000*	\$ 1,612,200
2026	\$ 1,612,200	\$ 0	\$ 227,628	\$ 3.00	\$ 0	\$ 1,839,828
2027	\$ 1,839,828	\$ 0	\$ 303,504	\$ 4.00	\$ 0	\$ 2,143,332
2028	\$ 2,143,332	\$ 0	\$ 379,380	\$ 5.00	\$ 0	\$ 2,522,712
2029	\$ 2,522,712	\$ 0	\$ 455,256	\$ 6.00	\$ 0	\$ 2,977,968

* Planned deficit recovery as included in the 2025 Business Plan



Property Taxes Fund

This fund is used for property taxes, which are generally based on the most recent purchase price of the individual manor, and includes the annual increase set by the County of Orange. Taxes are assessed by the County of Orange, based on the county's calculation of assessed value for each manor. Expenses are billed directly to each manor and vary by manor. The fund was established in 2021 and is not required by civil code and is not included in the reserve plan calculations.

<i>Year</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>
2024	\$ 12,902,167	Varies	\$ (12,902,167)
2025	\$ 14,723,409	Varies	\$ (14,723,409)
2026	\$ 15,017,877	Varies	\$ (15,017,877)
2027	\$ 15,318,235	Varies	\$ (15,318,235)
2028	\$ 15,624,599	Varies	\$ (15,624,599)
2029	\$ 15,937,091	Varies	\$ (15,937,091)

PRELIMINARY 2025 BUSINESS PLAN

United Laguna Woods Mutual - Version 2
July 17, 2024



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.

External Forces Affecting Budgets



- Inflation
- Utilities
- Insurance
- Workers Compensation Insurance
- Union/Nonunion wage adjustments

3

United Business Plan



	2024	2025 (Version 2)	Assessment Increase/ (Decrease)
Total Basic Assessment (PMPM)	\$435.76	\$522.92	\$87.16
Major Changes:			
Elimination of 2024 Budgeted Operating Surplus and addition of 2024 Estimated Deficit		\$1,431,132	\$18.86
Removal of Damage Restoration Backlog Revenue		\$1,125,000	\$14.83
Addition of RPF contributions		\$1,062,264	\$14.00
Increase in Damage Restoration expenses		\$540,000	\$7.12
Turf Removal in compliance with		\$485,000	\$6.39
		Total	\$61.20

These 5 items account for 70% of the total increase

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Budget Development Process

- **February to April: Department heads 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

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 2 vs. Version 1 reflects a reduced proposed Operating budget by (\$1,213,945)**

Version 1 Vs Version 2 Changes - Operating



SUMMARY	Assessment Increase/ (Decrease)	PMPM Change
Property Insurance	(\$1,160,000)	Varies by Manor
Reclassification of Nursery expenses to RPF*	(\$79,000)	(\$1.04)
Others	\$12,000	\$0.16
Utilities	\$13,000	\$0.17
Total	(\$1,214,000)	(\$0.71)

*Item reduced operating assessments but remain planned expenses for 2025

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Version 1 Vs Version 2 Changes - Reserves



SUMMARY	Assessment Increase/ (Decrease)
Contributions:	
Reserve Contribution (\$15 to \$14)	(\$76,000)
Expenses:	
Landscape Turf Removal	\$750,000
Reclassification of Nursery expenses to RPF*	\$79,000
Parkway Concrete Rate Increase	\$20,000
Others	\$6,000
Total	\$855,000

*Item reduced operating assessments but remain planned expenses for 2025

8

Five-Year Funded Staffing Trend



Funded Staffing (FTE)

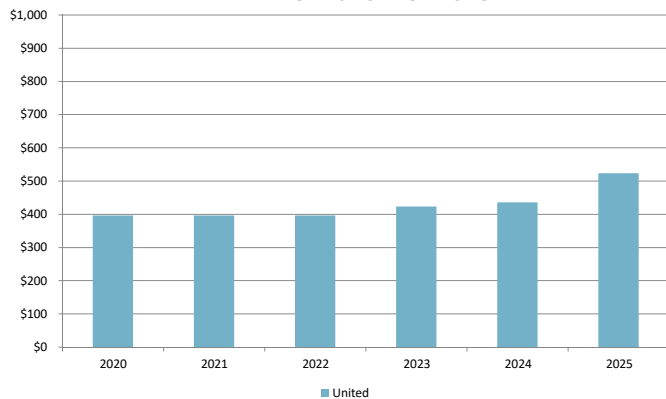


United Basic Assessment History



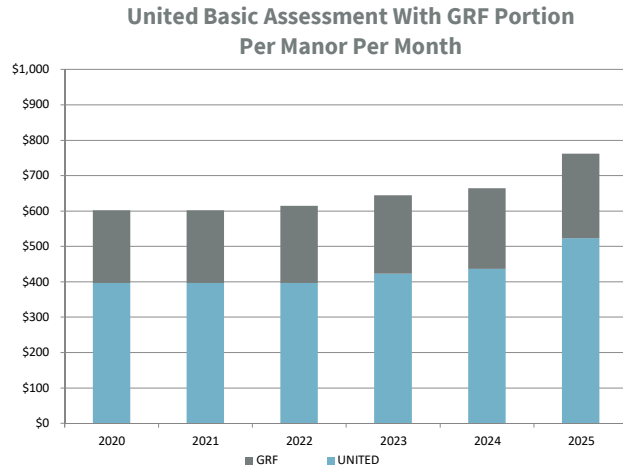
United Basic Assessment Per Manor Per Month

YEAR	Assessment
2021	\$396.38
2022	\$396.38
2023	\$422.91
2024	\$435.76
2025 (Version 2)	\$522.92



United Total Basic Assessment History

YEAR	Monthly Assessment
2021	\$601.98
2022	\$613.88
2023	\$644.22
2024	\$663.98
2025 (Version 2)	\$762.02



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United Business Plan

Per Manor per Month

	2024 Plan	2025 Plan	Increase/ (Decrease)
Total Non-Assessment Revenue	\$39.15	\$22.92	\$16.23
Total Expense	308.68	347.25	38.57
Operating (Surplus)/Recovery	(7.00)	11.86	18.86
Net Operating	269.63	324.33	73.66
Reserve Contributions	171.23	184.73	13.50
Contingency Contributions	2.00	2.00	0.00
United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

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United Business Plan

Per Manor per Month

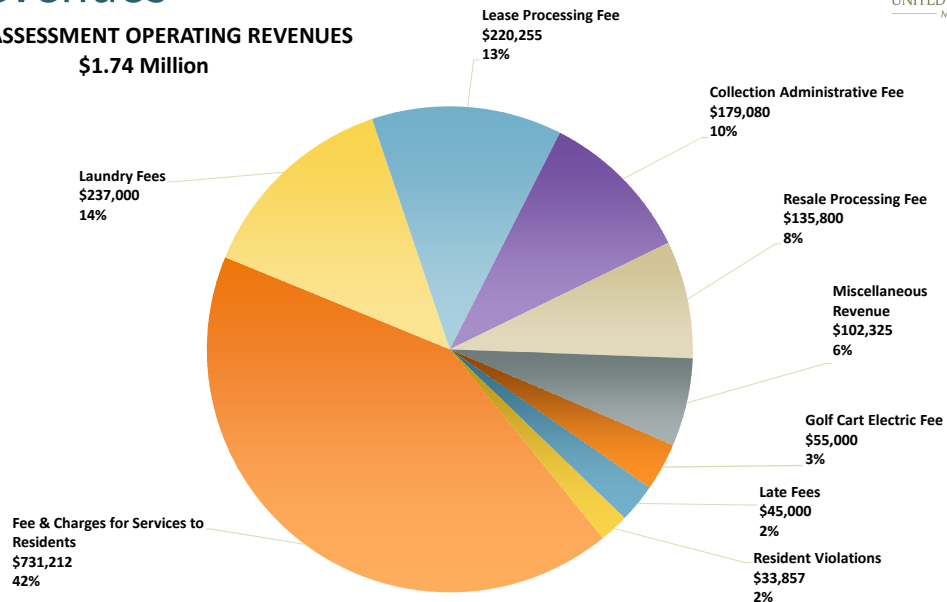


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United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

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Revenues

NON ASSESSMENT OPERATING REVENUES
\$1.74 Million



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Revenues by Category

\$ in thousands



Revenues	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Merchandise Sales	\$5	\$4	\$15	\$3	\$2	\$1
Fees & Charges	608	753	1,044	1,929	731	1,198
Laundry	244	234	227	249	237	12
Miscellaneous	617	636	611	790	770	20
Total Revenues	\$1,474	\$1,627	\$1,897	\$2,971	\$1,740	\$1,231

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United Business Plan

Per Manor per Month



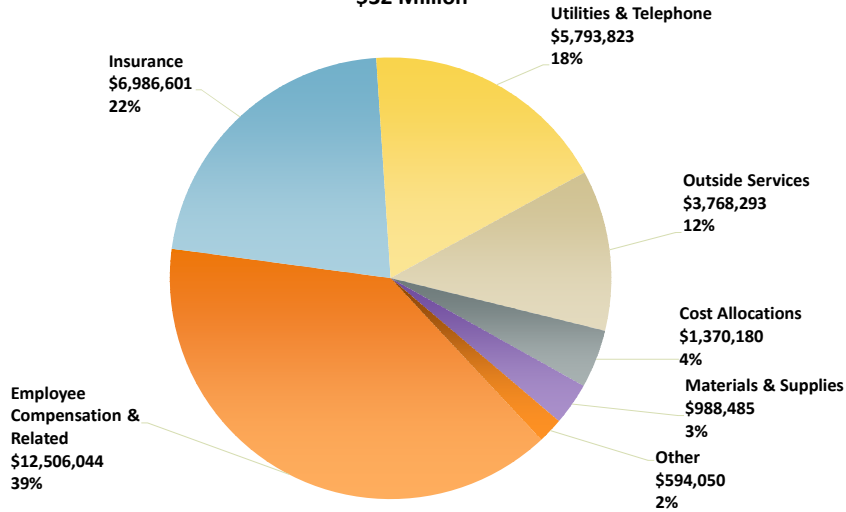
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GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

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Expenditures



TOTAL OPERATING EXPENSES \$32 Million



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Expenditures by Category

\$ in thousands



Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Employee Compensation	\$7,174	\$7,196	\$7,372	\$8,687	\$8,878	\$191
Expenses Related to Compensation	2,886	2,930	3,149	3,532	3,618	86

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Expenditures by Category

\$ in thousands

Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Materials and Supplies	855	831	831	882	989	107
Electricity	91	199	224	161	236	75
Sewer	1,911	1,612	1,570	1,625	1,899	274
Water	2,119	1,961	1,876	2,155	2,312	157
Trash	449	502	797	1,173	1,346	173
Telephone	1	1	1	1	2	1

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Expenditures by Category

\$ in thousands

Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Legal Fees	171	184	123	183	167	(16)
Professional Fees	56	127	87	147	175	28
Equipment Rental	10	7	7	10	11	1
Outside Services	2,236	3,211	4,070	2,186	3,768	1,582
Repairs and Maintenance	35	30	53	42	47	5

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Expenditures by Category

\$ in thousands



Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Other Operating	115	111	105	157	167	10
Income Taxes	8	\$1	0	0	6	6
Property and Sales Tax	0	(3)	0	0	0	0
Property Insurance	3,179	3,159	3,925	5,250	4,500	(750)
Insurance	888	860	1,038	1,165	1,327	162

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Expenditures by Category

\$ in thousands



Expense	2021 Actuals	2022 Actuals	2023 Actuals	2024 Plan	2025 Plan	Increase/ (Decrease)
Cost Allocations	1,110	\$1,161	1,128	1,296	1,370	74
Uncollectible Accounts	(17)	35	15	\$20	\$30	10
(Gain)/Loss on Sales	0	0	1	0	0	0
Total Expense	\$23,278	\$24,114	\$26,358	\$28,672	\$30,848	\$2,176

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United Business Plan

Per Manor per Month



	2024 Plan	2025 Plan	Increase/ (Decrease)
Total Non-Assessment Revenue	\$39.15	\$22.92	\$16.23
Total Expense	308.68	347.25	38.57
Operating (Surplus)/Recovery	(7.00)	11.86	18.86
Net Operating	269.63	324.33	73.66
Reserve Contributions	171.23	184.73	13.50
Contingency Contributions	2.00	2.00	0.00
United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

23

United Business Plan

Per Manor per Month



	2024 Plan	2025 Plan	Increase/ (Decrease)
Total Non-Assessment Revenue	\$39.15	\$22.92	\$16.23
Total Expense	308.68	347.25	38.57
Operating (Surplus)/Recovery	(7.00)	11.86	18.86
Net Operating	269.63	324.33	73.66
Reserve Contributions	171.23	184.73	13.50
Contingency Contributions	2.00	2.00	0.00
United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

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Reserve Fund – Projected Balances

YEAR	ASSESSMENT PMPM TOTAL		INVESTMENT GAIN/(LOSS)	EXPENDITURES	ENDING BALANCE
2018	\$143.00	\$ 10,850,268	\$ 347,010	\$ (11,430,624)	\$ 19,052,344
2019	\$148.00	\$ 11,229,648	\$ 393,039	\$ (13,418,818)	\$ 17,256,213
2020	\$152.02	\$ 11,534,670	\$ 562,231	\$ (9,157,423)	\$ 20,195,691
2021	\$142.02	\$ 10,775,910	\$ (228,523)	\$ (11,575,002)	\$ 19,168,076
2022	\$142.02	\$ 10,775,910	\$ (1,033,077)	\$ (12,200,638)	\$ 16,710,271
2023	\$156.23	\$ 11,854,107	\$ 698,774	\$ (13,995,856)	\$ 15,267,296
2024*	\$171.23	\$ 12,992,247	\$ 622,930	\$ (14,476,835)	\$ 14,405,638
2025*	\$185.23	\$14,054,511	\$ 331,539	\$ (17,241,672)	\$ 11,550,016
2026*	\$200.05	\$ 15,178,872	\$ 271,857	\$ (17,971,398)	\$ 9,029,347
2027*	\$216.05	\$ 16,393,182	\$ 219,611	\$ (18,276,433)	\$ 7,365,707
2028*	\$233.34	\$ 17,704,636	\$ 189,113	\$ (18,672,565)	\$ 6,586,891
2029*	\$238.00	\$ 18,058,729	\$ 206,415	\$ (16,100,656)	\$ 8,751,379

*Projected fund activity

25

Expenditures by Program – Reserve Fund

SUMMARY	2024	2025 V1	2025 V2
Maintenance & Construction			
35. Paving	\$394,207	\$680,935	\$700,506
Landscape			
57. Improvement & Restoration	\$195,857	\$207,352	\$1,036,509
Total	\$590,064	\$888,287	\$1,737,015

26

United Business Plan

Per Manor per Month



	2024 Plan	2025 Plan	Increase/ (Decrease)
Total Non-Assessment Revenue	\$39.15	\$22.92	\$16.23
Total Expense	308.68	347.25	38.57
Operating (Surplus)/Recovery	(7.00)	11.86	18.86
Net Operating	269.63	324.33	73.66
Reserve Contributions	171.23	184.73	13.50
Contingency Contributions	2.00	2.00	0.00
United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

27

Contingency Fund – Projected Balances



YEAR	ASSESSMENT PMPM TOTAL		INVESTMENT	EXPENDITURES	ENDING BALANCE
2018	\$14.00	\$1,062,264	\$ 48,051	\$ (1,596,145)	\$ 2,661,010
2019	\$15.00	\$1,138,140	\$ 21,257	\$ (2,724,913)	\$ 1,095,494
2020	\$10.00	\$ 758,760	\$ 36,507	\$ (1,531,380)	\$ 359,381
2021	\$10.00	\$ 758,760	\$ (15,630)	\$ -	\$ 1,113,771
2022	\$0.00	\$ -	\$ -	\$ -	\$ 1,113,771
2023	\$1.00	\$ 75,876	\$ -	\$ -	\$ 1,189,647
2024*	\$2.00	\$ 151,752	\$ -	\$ (743,199)	\$ 598,200
2025*	\$1.50	\$ 114,000	\$ -	\$900,000**	\$ 1,612,200
2026*	\$3.00	\$ 227,628	\$ -	\$ -	\$ 1,839,828
2027*	\$4.00	\$ 303,504	\$ -	\$ -	\$ 2,143,332
2028*	\$5.00	\$ 379,380	\$ -	\$ -	\$ 2,522,712
2029*	\$6.00	\$ 455,256	\$ -	\$ -	\$ 2,977,968

*Projected fund activity

**Planned deficit recovery as included in the 2025 Business Plan

28

Property Taxes Fund – Projected Balances



YEAR	ASSESSMENT PMPM TOTAL	INVESTMENT	EXPENDITURES	
2021	Varies	\$12,216,972	\$0	(\$12,323,498)
2022	Varies	\$12,634,138	\$0	(\$13,164,598)
2023	Varies	\$12,649,183	\$0	(\$14,151,681)
2024*	Varies	\$12,902,167	\$0	(\$12,902,167)
2025*	Varies	\$14,723,409	\$0	(\$14,723,409)
2026*	Varies	\$15,017,877	\$0	(\$15,017,877)
2027*	Varies	\$15,318,235	\$0	(\$15,318,235)
2028*	Varies	\$15,624,599	\$0	(\$15,624,599)
2029*	Varies	\$15,937,091	\$0	(\$15,937,091)

*Projected fund activity

29

United Business Plan

Per Manor per Month



	2024 Plan	2025 Plan	Increase/ (Decrease)
Total Non-Assessment Revenue	\$39.15	\$22.92	\$16.23
Total Expense	308.68	347.25	38.57
Operating (Surplus)/Recovery	(7.00)	11.86	18.86
Net Operating	269.63	324.33	73.66
Reserve Contributions	171.23	184.73	13.50
Contingency Contributions	2.00	2.00	0.00
United Basic Assessment	435.76	522.92	87.16
GRF	228.22	239.10	10.88
Total Basic Assessment	\$663.98	\$762.02	\$98.04

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United Business Plan



	2024	2025 (Version 2)	Assessment Increase/ (Decrease)
Total Basic Assessment (PMPM)	\$435.76	\$522.92	\$87.16
Major Changes:			
Elimination of 2024 Budgeted Operating Surplus and addition of 2024 Estimated Deficit		\$1,431,132	\$18.86
Removal of Damage Restoration Backlog Revenue		\$1,125,000	\$14.83
Addition of RPF contributions		\$1,062,264	\$14.00
Increase in Damage Restoration expenses		\$540,000	\$7.12
Turf Removal in compliance with		\$485,000	\$6.39
		Total	\$61.20

These 5 items account for 70% of the total increase

Questions?

