



SPECIAL OPEN MEETING

SPECIAL OPEN MEETING OF THE UNITED LAGUNA WOODS MUTUAL BOARD OF DIRECTORS

A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

Wednesday, August 10, 2022, at 1:30 p.m.
24351 El Toro Road, Laguna Woods, California
Board Room/Virtual Meeting

NOTICE OF MEETING AND AGENDA

The purpose of this meeting is to review the proposed 2023 Business Plan – Version 3

1. Call to Order / Establish Quorum – President Anthony Liberatore
2. State Purpose of Meeting – President Liberatore
3. Acknowledgement 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/84048008864> or call (949) 268-2020 or email meeting@vmsinc.org to request to speak.*
7. Responses to Open Forum Speaker
8. Review of the proposed 2023 United Business Plan – Version 3
9. Director's Comments
10. Adjournment



STAFF REPORT

DATE: August 10, 2022
FOR: Board of Directors
SUBJECT: 2023 Business Plan – Version 3

RECOMMENDATION

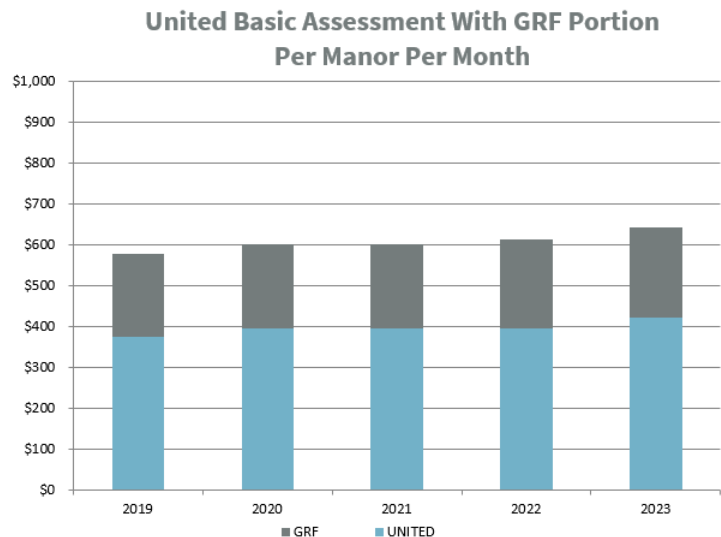
Staff recommends the Board review the Proposed 2023 Business Plan and provide direction for change or revision at the televised meeting on August 10, 2022. Resolution to adopt the budget will be presented at the regular Board meeting on September 13, 2022.

DISCUSSION

BUSINESS PLAN SUMMARY

The proposed budget for 2023 plan year (Attachment 1) shows that the sum of \$48,296,856 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2023. In addition, the sum of \$16,792,194 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2023. Therefore, a total of \$65,089,050 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 \$644.22 per manor per month (PMPM), reflecting a net increase of \$30.34 or 4.9% when compared to current year.

| YEAR | Monthly Assessment |
|--------------------|--------------------|
| 2019 | \$578.52 |
| 2020 | \$601.98 |
| 2021 | \$601.98 |
| 2022 | \$613.88 |
| 2023 (Proposed) | \$644.22 |



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

Revenues:

Line 2: Fees and Charges to Residents additional revenue of \$31,017 decreased the assessment by (\$0.41) PMPM due to more anticipated chargeable services.

Line 4: Miscellaneous Revenue additional revenue of \$64,321 decreased the assessment by (\$0.85) PMPM primarily due to a projected increase of lease processing fee revenue. Based on current trend, staff anticipate a 25% increase in lease processing revenue for 2023. Additionally, collection administration fee budget has been adjusted to return to prior year actual. To a lesser extent, stock transfer fee increased due to an increase in price of each transfer and an additional fee for recording memorandums.

Expenses:

Line 5: Employee Compensation increased by \$173,627 or \$2.29 PMPM primarily due to allocation adjustments that were made in the Security Department to reflect where time was spent. Specifically, the Compliance Division allocation changed from 3% to 45% to account for the distribution work. The change in allocation produced an increase in United portion of salaries and wages. Increase in budget was furthered by planned wage adjustments.

Line 6: Expenses Related to Compensation increased by \$140,418 or \$1.85 PMPM due to higher medical insurance and increased taxes and benefits on wage adjustments. The increase in this category also results from contractual increases for medical and retirement contributions, as stipulated in the Union agreement.

Line 7: Materials and Supplies increased by \$64,318 or \$0.85 PMPM primarily due to rising material costs for plumbing services. The increase was partially offset by Landscape, where certain supplies were previously purchased and stored, reducing materials needed in 2023.

Lines 9: Sewer decreased by (\$356,400) or (\$4.70) PMPM based on recent years consumption and projected rate increases. El Toro Water District (ETWD) recently published rates were ratified at a July 28, 2022 ETWD meeting. Rates indicated a significant decrease in residential sewer rates.

Line 10: Water decreased by (\$112,624) or (\$1.49) PMPM based on the adoption of more aggressive water conservation measures.

Line 11: Trash increased by \$285,949 or \$3.76 PMPM based on contracted rate increases with new vendor.

Line 13: Legal Fees decreased by (\$63,327) or (\$0.83) PMPM based on a decline in litigation trend.

Line 16: Outside Services increased by \$694,562 or \$9.16 PMPM primarily due to reclassification of \$300,000 for general plumbing service to the operating fund. An offset can be found in the reserves fund. Additionally, moisture intrusion event budgets were adjusted to reflect 2021 actuals. To a lesser extent, more buildings are anticipated to be fumigated in 2023.

Line 21: Property Insurance increased by \$339,517 due to an anticipated rate increase and inflationary adjustments to the statement of values. Expenses are billed directly to each manor and vary by manor.

Line 22: Insurance increased by \$113,846 or \$1.50 PMPM due to increased Hazard & Liability and D&O Liability Insurance to reflect anticipated premium increases at renewal.

Line 26: Reserve Fund Contribution increased by \$1,077,624. 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 \$142.02 to \$156.23 per manor per month in 2023.

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 increase from \$0.00 to \$1.00 per manor per month in 2023 to help increase fund balance.

Line 28: Property Tax Fund increased by \$248,023 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 3, GRF shows an increase of \$288,311 or \$3.81 PMPM primarily due to planned wage adjustments partially offset by the elimination of a contribution to the Contingency Fund. GRF will review all aspects of Version 3 of their Business Plan on August 8.

FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a United assessment of \$422.91 PMPM, an increase of \$26.53 or 6.7% when compared to current year.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Steve Hormuth, Director of Financial Services
Siobhan Foster, Chief Executive Officer

ATTACHMENTS

- Attachment 1 – 2023 United Business Plan by Account
- Attachment 2 – 2023 United Business Plan by Department
- Attachment 3 – 2023 United Budget Comparison Report by Account – Operating
- Attachment 4 – 2023 United Budget Comparison Report – by Fund Type
- Attachment 5 – Proposed 2023 Programs Report
- Attachment 6 – Definition of Funds
- Attachment 7 – Contracted Reserve Study Dated August 3, 2022 - Excerpts



2023 BUSINESS PLAN - BY ACCOUNT

| DESCRIPTION | 2019 ACTUAL | 2020 ACTUAL | 2021 ACTUAL | 2022 PLAN | 2023 PLAN | ASSESSMENT | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|-----------------|
| | | | | | | Per Manor Per Month | | |
| | | | | | | 2022 | 2023 | Change |
| REVENUES | | | | | | | | |
| Non-Assessment Revenues | | | | | | | | |
| 1 Merchandise Sales | \$1,840 | \$1,245 | \$4,910 | \$3,001 | \$4,573 | \$0.04 | \$0.06 | (\$0.02) |
| 2 Fees and Charges to Residents | 602,446 | 373,419 | 607,598 | 788,570 | 819,587 | 10.39 | 10.80 | (0.41) |
| 3 Laundry | 253,604 | 243,779 | 244,083 | 270,000 | 270,000 | 3.56 | 3.56 | 0.00 |
| 4 Miscellaneous | 554,172 | 480,928 | 617,321 | 622,955 | 687,276 | 8.21 | 9.06 | (0.85) |
| Total Revenue | \$1,412,062 | \$1,099,371 | \$1,473,912 | \$1,684,526 | \$1,781,436 | \$22.20 | \$23.48 | (\$1.28) |
| EXPENSES | | | | | | | | |
| 5 Employee Compensation | \$6,772,640 | \$6,825,158 | \$7,174,365 | \$8,095,575 | \$8,269,202 | \$106.69 | \$108.98 | \$2.29 |
| 6 Expenses Related to Compensation | 2,525,920 | 2,827,770 | 2,886,042 | 3,299,711 | 3,440,129 | 43.49 | 45.34 | 1.85 |
| 7 Material and Supplies | 831,110 | 618,146 | 855,418 | 759,099 | 823,417 | 10.00 | 10.85 | 0.85 |
| 8 Electricity | 161,483 | 68,478 | 91,483 | 130,789 | 137,760 | 1.72 | 1.82 | 0.10 |
| 9 Sewer | 1,743,577 | 1,746,512 | 1,911,413 | 1,898,400 | 1,542,000 | 25.02 | 20.32 | (4.70) |
| 10 Water | 1,790,236 | 1,940,632 | 2,119,249 | 2,127,288 | 2,014,664 | 28.04 | 26.55 | (1.49) |
| 11 Trash | 422,299 | 431,734 | 448,509 | 524,703 | 810,652 | 6.92 | 10.68 | 3.76 |
| 12 Telephone | 638 | 642 | 676 | 706 | 633 | 0.01 | 0.01 | 0.00 |
| 13 Legal Fees | 238,961 | 267,853 | 170,799 | 246,652 | 183,325 | 3.25 | 2.42 | (0.83) |
| 14 Professional Fees | 99,831 | 77,833 | 55,905 | 96,041 | 101,932 | 1.27 | 1.34 | 0.07 |
| 15 Equipment Rental | 5,960 | 6,996 | 10,010 | 7,977 | 8,688 | 0.11 | 0.11 | 0.00 |
| 16 Outside Services | 1,180,521 | 1,216,177 | 2,236,325 | 1,477,541 | 2,172,103 | 19.47 | 28.63 | 9.16 |
| 17 Repairs and Maintenance | 35,538 | 26,861 | 34,842 | 37,648 | 41,433 | 0.50 | 0.55 | 0.05 |
| 18 Other Operating Income Taxes | 135,553 | 107,017 | 114,556 | 167,044 | 158,654 | 2.20 | 2.09 | (0.11) |
| 19 Income Taxes | (13,931) | (265) | 8,166 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| 20 Property Tax* | 11,375,124 | 11,899,352 | 235 | 0 | 0 | ** | ** | ** |
| 21 Property Insurance** | 952,802 | 1,817,403 | 3,178,761 | 3,219,547 | 3,559,064 | ** | ** | ** |
| 22 Insurance | 529,725 | 698,111 | 888,271 | 928,502 | 1,042,349 | 12.24 | 13.74 | 1.50 |
| 23 Net Allocation to Mutuals | 1,004,578 | 1,303,774 | 1,109,819 | 1,171,082 | 1,178,364 | 15.43 | 15.53 | 0.10 |
| 24 Uncollectible Accounts | 32,610 | 1,462 | (16,942) | 15,000 | 15,000 | 0.20 | 0.20 | 0.00 |
| 25 (Gain)/Loss on Sale | (57) | (6,325) | (87) | 0 | 0 | 0.00 | 0.00 | 0.00 |
| Total Expenses | \$29,825,118 | \$31,875,321 | \$23,277,815 | \$24,203,305 | \$25,499,369 | \$276.56 | \$289.16 | \$12.60 |
| (Surplus)/Deficit Recovery | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 | \$0.00 |
| Total Operating | \$28,413,056 | \$30,775,950 | \$21,803,903 | \$22,518,779 | \$23,717,933 | \$254.36 | \$265.68 | \$11.32 |
| FUND CONTRIBUTIONS | | | | | | | | |
| 26 Reserve Fund*** | \$11,229,648 | \$11,534,670 | \$10,775,910 | \$10,776,240 | \$11,853,864 | \$142.02 | \$156.23 | \$14.21 |
| 27 Contingency Fund*** | 1,138,140 | 758,760 | 758,760 | 0 | 75,876 | 0.00 | 1.00 | 1.00 |
| 28 Property Tax Fund | 0 | 0 | 12,216,972 | 12,401,160 | 12,649,183 | ** | ** | ** |
| Total Fund Contributions | \$12,367,788 | \$12,293,430 | \$23,751,642 | \$23,177,400 | \$24,578,923 | \$142.02 | \$157.23 | \$15.21 |
| TOTAL MUTUAL | \$40,780,844 | \$43,069,380 | \$45,555,545 | \$45,696,179 | \$48,296,856 | \$396.38 | \$422.91 | \$26.53 |
| GOLDEN RAIN FOUNDATION | | | | | | | | |
| 29 GRF Operating | \$13,947,912 | \$13,779,082 | \$14,158,462 | \$14,834,611 | 15,502,302 | \$195.50 | \$204.31 | \$8.81 |
| 30 GRF Reserve Contributions*** | 1,289,892 | 1,441,644 | 1,441,644 | 1,289,892 | 1,289,892 | 17.00 | 17.00 | 0.00 |
| 31 GRF Contingency Contributions*** | 151,752 | 379,380 | 0 | 379,380 | 0 | 5.00 | 0.00 | (5.00) |
| Total GRF | \$15,389,556 | \$15,600,106 | \$15,600,106 | \$16,503,883 | \$16,792,194 | \$217.50 | \$221.31 | \$3.81 |
| TOTAL BASIC ASSESSMENTS | \$56,170,400 | \$58,669,486 | \$61,155,651 | \$62,200,062 | \$65,089,050 | \$613.88 | \$644.22 | \$30.34 |

*Item was moved to "Property Tax Fund" in August 2021

**Indicates an assessment that varies per manor.

Note: 2020 and 2021 Actuals were affected by Covid-19 Pandemic.



2023 BUSINESS PLAN - BY DEPARTMENT

| DESCRIPTION | 2019 ACTUAL | 2020 ACTUAL | 2021 ACTUAL | 2022 PLAN | 2023 PLAN | ASSESSMENT | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|----------------|
| | | | | | | Per Manor Per Month | | |
| | | | | | | 2022 | 2023 | Change |
| OPERATING: | | | | | | | | |
| Office of the CEO | \$407,504 | \$457,914 | \$296,799 | \$454,410 | \$452,931 | \$5.99 | \$5.97 | (\$0.02) |
| Information Services | 692,763 | 827,452 | 871,999 | 990,901 | 795,730 | 13.06 | 10.49 | (2.57) |
| General Services | 892,168 | 1,070,576 | 1,051,619 | 988,458 | 1,090,978 | 13.03 | 14.38 | 1.35 |
| Financial Services | 628,139 | 704,561 | 721,529 | 804,625 | 778,832 | 10.60 | 10.26 | (0.34) |
| Security Services | 133,112 | 169,388 | 156,988 | 174,611 | 463,021 | 2.30 | 6.10 | 3.80 |
| Landscape Services | 3,591,107 | 4,127,897 | 4,156,995 | 4,492,775 | 4,579,396 | 59.21 | 60.35 | 1.14 |
| Human Resource Services | 7,296 | 143,579 | 74,048 | 146,652 | 83,325 | 1.93 | 1.10 | (0.83) |
| Property Insurance** | 952,802 | 1,817,403 | 3,178,761 | 3,219,548 | 3,559,064 | ** | ** | ** |
| All Other Insurance | 529,725 | 698,111 | 888,271 | 938,678 | 1,056,296 | 12.37 | 13.92 | 1.55 |
| Maintenance & Construction | 5,209,544 | 4,914,630 | 6,109,500 | 5,947,019 | 6,656,391 | 78.38 | 87.73 | 9.35 |
| Non Work Center | 3,993,772 | 3,945,087 | 4,297,394 | 4,361,102 | 4,201,969 | 57.49 | 55.38 | (2.11) |
| Property Tax* | 11,375,124 | 11,899,352 | 0 | 0 | 0 | ** | ** | ** |
| Net Operating | \$28,413,056 | \$30,775,950 | \$21,803,903 | \$22,518,779 | \$23,717,933 | \$254.36 | \$265.68 | \$11.32 |
| FUND CONTRIBUTIONS | | | | | | | | |
| Reserve Fund*** | \$11,229,648 | \$11,534,670 | \$10,775,910 | \$10,776,240 | \$11,853,864 | \$142.02 | \$156.23 | \$14.21 |
| Contingency Fund*** | 1,138,140 | 758,760 | 758,760 | 0 | 75,876 | 0.00 | 1.00 | 1.00 |
| Property Tax Fund | 0 | 0 | 12,216,972 | 12,401,160 | 12,649,183 | ** | ** | ** |
| Total Fund Contributions | \$12,367,788 | \$12,293,430 | \$23,751,642 | \$23,177,400 | \$24,578,923 | \$142.02 | \$157.23 | \$15.21 |
| TOTAL MUTUAL | \$40,780,844 | \$43,069,380 | \$45,555,545 | \$45,696,179 | \$48,296,856 | \$396.38 | \$422.91 | \$26.53 |
| GOLDEN RAIN FOUNDATION | | | | | | | | |
| GRF Operating | \$13,947,912 | \$14,158,462 | \$14,158,462 | 14,834,611 | \$15,502,302 | \$195.50 | \$204.31 | \$8.81 |
| GRF Reserve Contributions*** | 1,289,892 | 1,441,644 | 1,441,644 | 1,289,892 | 1,289,892 | 17.00 | 17.00 | 0.00 |
| GRF Contingency Contributions*** | 151,752 | 0 | 0 | \$379,380 | 0 | 5.00 | 0.00 | (5.00) |
| Total GRF | \$15,389,556 | \$15,600,106 | \$15,600,106 | \$16,503,883 | \$16,792,194 | \$217.50 | \$221.31 | \$3.81 |
| TOTAL BASIC ASSESSMENTS | \$56,170,400 | \$58,669,486 | \$61,155,651 | \$62,200,062 | \$65,089,050 | \$613.88 | \$644.22 | \$30.34 |

*Item was moved to "Property Tax Fund" in August 2021

**Indicates an assessment that varies per manor.

Note: 2020 and 2021 Actuals were affected by Covid-19 Pandemic.

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2023**

Attachment 3

UNITED LAGUNA WOODS MUTUAL

| | <u>2019 Actuals</u> | <u>2020 Actuals</u> | <u>2021 Actuals</u> | <u>2022 Budget</u> | <u>2023 Budget</u> | <u>Assessment Increase/ (Decrease)</u> | <u>VAR %</u> |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|--|--------------|
| Non-Assessment Revenues: | | | | | | | |
| Merchandise Sales | | | | | | | |
| 41501500 - Merchandise Sales - Warehouse | \$1,840 | \$1,245 | \$4,910 | \$3,001 | \$4,573 | (\$1,572) | (52%) |
| Total Merchandise Sales | 1,840 | 1,245 | 4,910 | 3,001 | 4,573 | (1,572) | (52%) |
| Fees and Charges for Services to Residents | | | | | | | |
| 46501000 - Permit Fee | 165,201 | 154,692 | 277,451 | 245,478 | 257,340 | (11,862) | (5%) |
| 46501500 - Inspection Fee | 56,566 | 43,104 | 74,557 | 77,993 | 90,073 | (12,080) | (15%) |
| 46502000 - Resident Maintenance Fee | 380,679 | 175,624 | 255,590 | 465,100 | 472,174 | (7,075) | (2%) |
| Total Fees and Charges for Services to Residents | 602,446 | 373,419 | 607,598 | 788,570 | 819,587 | (31,017) | (4%) |
| Laundry | | | | | | | |
| 46005000 - Coin Op Laundry Machine | 253,604 | 243,779 | 244,083 | 270,000 | 270,000 | 0 | 0% |
| Total Laundry | 253,604 | 243,779 | 244,083 | 270,000 | 270,000 | 0 | 0% |
| Miscellaneous | | | | | | | |
| 46004500 - Resident Violations | 45,763 | 10,385 | 8,325 | 58,202 | 52,332 | 5,870 | 10% |
| 44501000 - Additional Occupant Fee | 40,090 | 48,430 | 42,700 | 44,000 | 43,992 | 8 | 0% |
| 44501500 - Lease Processing Fee - United | 124,540 | 121,090 | 130,740 | 124,540 | 163,425 | (38,885) | (31%) |
| 44502000 - Variance Processing Fee | 3,450 | 1,650 | 0 | 15,888 | 15,888 | 0 | 0% |
| 44503000 - Stock Transfer Fee | 12,100 | 9,950 | 7,650 | 13,605 | 25,000 | (11,395) | (84%) |
| 44503510 - Resale Processing Fee - United | 125,132 | 115,304 | 179,298 | 142,000 | 135,800 | 6,200 | 4% |
| 44507000 - Golf Cart Electric Fee | 59,113 | 59,546 | 53,800 | 65,000 | 60,000 | 5,000 | 8% |
| 44507200 - Electric Vehicle Plug-In Fee | 12,896 | 15,645 | 18,114 | 18,000 | 21,000 | (3,000) | (17%) |
| 44507500 - Cartport Space Rental Fee | 2,538 | 2,400 | 2,325 | 2,400 | 2,400 | 0 | 0% |
| 47001500 - Late Fee Revenue | 42,496 | 31,697 | 56,355 | 50,000 | 52,000 | (2,000) | (4%) |
| 47002000 - Collection Administrative Fee | 0 | 0 | 725 | 0 | 0 | 0 | 0% |
| 47002010 - Collection Administrative Fee - United | 74,020 | 62,090 | 111,080 | 80,320 | 109,440 | (29,120) | (36%) |
| 47002500 - Collection Interest Revenue | 8,828 | 2,595 | 2,329 | 5,000 | 2,000 | 3,000 | 60% |
| 47501000 - Recycling | 4,229 | 1,952 | 4,715 | 4,001 | 4,000 | 1 | 0% |
| 48001000 - Legal Fee | 3,465 | 0 | 0 | 0 | 0 | 0 | 0% |
| 49009000 - Miscellaneous Revenue | (4,487) | (1,805) | (835) | 0 | 0 | 0 | 0% |
| Total Miscellaneous | 554,172 | 480,928 | 617,320 | 622,955 | 687,277 | (64,321) | (10%) |
| Total Non-Assessment Revenue | 1,412,062 | 1,099,371 | 1,473,911 | 1,684,526 | 1,781,436 | (96,910) | (6%) |
| Expenses: | | | | | | | |
| Employee Compensation | | | | | | | |
| 51011000 - Salaries & Wages - Regular | 2,426,628 | 2,562,291 | 2,735,811 | 3,227,871 | 3,398,734 | 170,864 | 5% |
| 51021000 - Union Wages - Regular | 3,258,109 | 3,362,783 | 3,263,627 | 3,815,619 | 3,894,534 | 78,915 | 2% |
| 51041000 - Wages - Overtime | 46,698 | 26,302 | 30,468 | 27,869 | 25,663 | (2,207) | (8%) |
| 51051000 - Union Wages - Overtime | 103,040 | 119,148 | 135,636 | 67,882 | 52,736 | (15,146) | (22%) |
| 51061000 - Holiday & Vacation | 615,509 | 694,166 | 695,152 | 593,194 | 614,845 | 21,652 | 4% |
| 51071000 - Sick | 194,733 | 226,113 | 201,332 | 241,960 | 250,792 | 8,832 | 4% |
| 51081000 - Sick - Part Time | 0 | 0 | 1 | 0 | 0 | 0 | 0% |
| 51091000 - Missed Meal Penalty | 3,765 | 4,885 | 5,851 | 4,533 | 4,424 | (109) | (2%) |
| 51101000 - Temporary Help | 89,617 | 48,573 | 75,706 | 116,647 | 27,473 | (89,174) | (76%) |
| 51981000 - Compensation Accrual | 34,539 | (219,102) | 30,781 | 0 | 0 | 0 | 0% |
| Total Employee Compensation | 6,772,640 | 6,825,158 | 7,174,365 | 8,095,575 | 8,269,202 | 173,627 | 2% |
| Compensation Related | | | | | | | |
| 52411000 - F.I.C.A. | 496,280 | 515,726 | 522,247 | 596,015 | 618,646 | 22,631 | 4% |
| 52421000 - F.U.I. | 5,967 | 5,930 | 6,476 | 8,163 | 8,002 | (161) | (2%) |
| 52431000 - S.U.I. | 45,806 | 40,488 | 43,540 | 41,732 | 41,895 | 163 | 0% |
| 52441000 - Union Medical | 1,128,990 | 1,239,556 | 1,154,759 | 1,314,492 | 1,347,598 | 33,106 | 3% |
| 52451000 - Workers' Compensation Insurance | 273,670 | 377,130 | 451,917 | 390,554 | 402,756 | 12,202 | 3% |
| 52461000 - Non Union Medical & Life Insurance | 323,717 | 344,574 | 352,403 | 457,591 | 490,892 | 33,301 | 7% |
| 52471000 - Union Retirement Plan | 231,775 | 272,003 | 285,979 | 349,843 | 381,159 | 31,316 | 9% |
| 52481000 - Non-Union Retirement Plan | 51,767 | 61,200 | 63,218 | 141,320 | 149,180 | 7,860 | 6% |
| 52981000 - Compensation Related Accrual | (32,051) | (28,837) | 5,503 | 0 | 0 | 0 | 0% |
| Total Compensation Related | 2,525,920 | 2,827,770 | 2,886,041 | 3,299,711 | 3,440,129 | 140,418 | 4% |
| Materials and Supplies | | | | | | | |
| 53001000 - Materials & Supplies | 404,765 | 292,068 | 391,947 | 405,940 | 468,656 | 62,717 | 15% |
| 53003000 - Materials Direct | 426,345 | 325,507 | 461,185 | 349,636 | 352,110 | 2,474 | 1% |
| 53004000 - Freight | 0 | 571 | 2,286 | 3,524 | 2,650 | (874) | (25%) |
| Total Materials and Supplies | 831,110 | 618,146 | 855,418 | 759,099 | 823,417 | 64,317 | 8% |
| Utilities and Telephone | | | | | | | |

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2023**

Attachment 3

UNITED LAGUNA WOODS MUTUAL

| | <u>2019 Actuals</u> | <u>2020 Actuals</u> | <u>2021 Actuals</u> | <u>2022 Budget</u> | <u>2023 Budget</u> | <u>Assessment Increase/ (Decrease)</u> | <u>VAR %</u> |
|--|---------------------|---------------------|---------------------|--------------------|--------------------|--|--------------|
| 53301000 - Electricity | 161,483 | 68,478 | 91,483 | 130,789 | 137,760 | 6,971 | 5% |
| 53301500 - Sewer | 1,743,577 | 1,746,512 | 1,911,413 | 1,898,400 | 1,542,000 | (356,400) | (19%) |
| 53302000 - Water | 1,790,236 | 1,940,632 | 2,119,249 | 2,127,288 | 2,014,664 | (112,624) | (5%) |
| 53302500 - Trash | 422,299 | 431,734 | 448,509 | 524,703 | 810,652 | 285,949 | 54% |
| 53304000 - Telephone | 638 | 642 | 676 | 706 | 633 | (73) | (10%) |
| Total Utilities and Telephone | 4,118,233 | 4,187,998 | 4,571,330 | 4,681,886 | 4,505,709 | (176,177) | (4%) |
| Legal Fees | | | | | | | |
| 53401500 - Legal Fees | 238,961 | 267,853 | 170,799 | 246,652 | 183,325 | (63,327) | (26%) |
| Total Legal Fees | 238,961 | 267,853 | 170,799 | 246,652 | 183,325 | (63,327) | (26%) |
| Professional Fees | | | | | | | |
| 53402010 - Audit & Tax Preparation Fees - United | 43,377 | 44,628 | 46,466 | 47,670 | 47,670 | 0 | 0% |
| 53403500 - Consulting Fees | (7,470) | 556 | 627 | 13,371 | 12,096 | (1,275) | (10%) |
| 53403510 - Consulting Fees - United | 63,924 | 32,649 | 8,812 | 35,000 | 42,166 | 7,166 | 20% |
| Total Professional Fees | 99,831 | 77,833 | 55,905 | 96,041 | 101,932 | 5,891 | 6% |
| Equipment Rental | | | | | | | |
| 53501500 - Equipment Rental/Lease Fees | 5,960 | 6,996 | 10,010 | 7,977 | 8,688 | 711 | 9% |
| Total Equipment Rental | 5,960 | 6,996 | 10,010 | 7,977 | 8,688 | 711 | 9% |
| Outside Services | | | | | | | |
| 53601000 - Bank Fees | 6,843 | 39,978 | 32,981 | 42,678 | 37,678 | (5,000) | (12%) |
| 53601500 - Credit Card Transaction Fees | 999 | 4,078 | 9,888 | 0 | 10,000 | 10,000 | 0% |
| 54603500 - Outside Services CC | 1,086,861 | 1,096,641 | 2,071,426 | 1,296,251 | 1,975,485 | 679,234 | 52% |
| 53704000 - Outside Services | 85,819 | 75,480 | 122,030 | 138,612 | 148,940 | 10,328 | 7% |
| Total Outside Services | 1,180,521 | 1,216,177 | 2,236,325 | 1,477,541 | 2,172,103 | 694,562 | 47% |
| Repairs and Maintenance | | | | | | | |
| 53701000 - Equipment Repair & Maint | 5,405 | 2,148 | 2,741 | 7,482 | 7,113 | (369) | (5%) |
| 53703000 - Elevator /Lift Maintenance | 30,133 | 24,714 | 32,101 | 30,166 | 34,320 | 4,154 | 14% |
| Total Repairs and Maintenance | 35,538 | 26,861 | 34,842 | 37,648 | 41,433 | 3,785 | 10% |
| Other Operating Expense | | | | | | | |
| 53801000 - Mileage & Meal Allowance | 8,348 | 2,223 | 2,265 | 10,732 | 6,418 | (4,313) | (40%) |
| 53801500 - Travel & Lodging | 961 | 245 | 26 | 2,580 | 1,781 | (799) | (31%) |
| 53802000 - Uniforms | 49,433 | 47,750 | 45,533 | 62,132 | 59,712 | (2,420) | (4%) |
| 53802500 - Dues & Memberships | 1,123 | 660 | 1,650 | 2,217 | 2,296 | 79 | 4% |
| 53803000 - Subscriptions & Books | 1,640 | 1,317 | 2,209 | 1,788 | 1,629 | (159) | (9%) |
| 53803500 - Training & Education | 4,939 | 4,284 | 3,615 | 22,341 | 20,134 | (2,207) | (10%) |
| 53804000 - Staff Support | 0 | 133 | 0 | 0 | 0 | 0 | 0% |
| 53903000 - Safety | 0 | 0 | 746 | 1,063 | 723 | (340) | (32%) |
| 54001000 - Board Relations | 7,355 | 447 | 0 | 0 | 0 | 0 | 0% |
| 54001010 - Board Relations - United | 8,658 | 1,345 | 1,717 | 7,525 | 10,000 | 2,475 | 33% |
| 54001500 - Public Relations | 394 | 0 | 0 | 0 | 0 | 0 | 0% |
| 54002000 - Postage | 48,177 | 48,480 | 56,409 | 56,312 | 55,556 | (756) | (1%) |
| 54002500 - Filing Fees / Permits | 4,525 | 134 | 386 | 354 | 405 | 51 | 14% |
| Total Other Operating Expense | 135,553 | 107,017 | 114,554 | 167,044 | 158,654 | (8,390) | (5%) |
| Income, Property, and Sales Tax | | | | | | | |
| 54301000 - State & Federal Income Taxes | (13,931) | (265) | 8,166 | 0 | 0 | 0 | 0% |
| 54301500 - State & Local Taxes | 0 | 0 | 235 | 0 | 0 | 0 | 0% |
| 54302000 - Property Taxes | 11,375,124 | 11,899,352 | 0 | 0 | 0 | 0 | 0% |
| Total Income, Property, and Sales Tax | 11,361,194 | 11,899,087 | 8,401 | 0 | 0 | 0 | 0% |
| Insurance | | | | | | | |
| 54401000 - Hazard & Liability Insurance | 460,237 | 630,322 | 812,730 | 844,276 | 955,855 | 111,579 | 13% |
| 54401500 - D&O Liability | 64,083 | 65,510 | 70,113 | 76,776 | 79,165 | 2,389 | 3% |
| 54402000 - Property Insurance | 952,802 | 1,817,403 | 3,178,761 | 3,219,547 | 3,559,064 | 339,518 | 11% |
| 54403000 - General Liability Insurance | 5,406 | 2,280 | 5,428 | 7,450 | 7,328 | (122) | (2%) |
| Total Insurance | 1,482,527 | 2,515,514 | 4,067,032 | 4,148,049 | 4,601,413 | 453,364 | 11% |
| Net Allocation to Mutuals | | | | | | | |
| 48502500 - Mutual General Operating | (15,223) | 0 | 0 | 0 | 0 | 0 | 0% |
| 54602500 - Allocated Expenses | 1,019,801 | 1,303,774 | 1,109,819 | 1,171,082 | 1,178,364 | 7,283 | 1% |
| Total Net Allocation To Mutuals | 1,004,578 | 1,303,774 | 1,109,819 | 1,171,082 | 1,178,364 | 7,283 | 1% |
| Uncollectible Accounts | | | | | | | |
| 54602000 - Bad Debt Expense | 32,610 | 1,462 | (16,942) | 15,000 | 15,000 | 0 | 0% |
| Total Uncollectible Accounts | 32,610 | 1,462 | (16,942) | 15,000 | 15,000 | 0 | 0% |

OPERATING FUND ONLY

Agenda Item #8
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Version 3

**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2023**

Attachment 3

UNITED LAGUNA WOODS MUTUAL

| | <u>2019 Actuals</u> | <u>2020 Actuals</u> | <u>2021 Actuals</u> | <u>2022 Budget</u> | <u>2023 Budget</u> | <u>Assessment Increase/ (Decrease)</u> | <u>VAR %</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|--------------|
| (Gain)/Loss on Sale or Trade | | | | | | | |
| 54101000 - (Gain)/Loss - Warehouse Sales | (57) | (6,325) | (87) | 0 | 0 | 0 | 0% |
| Total (Gain)/Loss on Sale or Trade | (57) | (6,325) | (87) | 0 | 0 | 0 | 0% |
| | | | | | | | |
| Total Expenses | <u>29,825,119</u> | <u>31,875,321</u> | <u>23,277,812</u> | <u>24,203,306</u> | <u>25,499,370</u> | <u>1,296,063</u> | <u>5%</u> |
| | | | | | | | |
| Excess of Revenues Over Expenses | <u>(\$28,413,056)</u> | <u>(\$30,775,950)</u> | <u>(\$21,803,901)</u> | <u>(\$22,518,780)</u> | <u>(\$23,717,933)</u> | <u>\$1,199,153</u> | <u>5%</u> |

United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2023
 UNITED LAGUNA WOODS MUTUAL

| | <u>2023 Budget Operating</u> | <u>2023 Budget Reserves</u> | <u>2023 Budget Restricted</u> | <u>Total</u> |
|---|----------------------------------|---------------------------------|-----------------------------------|-------------------|
| Non-Assessment Revenues: | | | | |
| Merchandise Sales | | | | |
| 41501500 - Merchandise Sales - Warehouse | \$4,573 | \$0 | \$0 | \$4,573 |
| Total Merchandise Sales | 4,573 | 0 | 0 | 4,573 |
| Fees and Charges for Services to Residents | | | | |
| 46501000 - Permit Fee | 257,340 | 0 | 0 | 257,340 |
| 46501500 - Inspection Fee | 90,073 | 0 | 0 | 90,073 |
| 46502000 - Resident Maintenance Fee | 472,174 | 0 | 0 | 472,174 |
| Total Fees and Charges for Services to Residents | 819,587 | 0 | 0 | 819,587 |
| Laundry | | | | |
| 46005000 - Coin Op Laundry Machine | 270,000 | 0 | 0 | 270,000 |
| Total Laundry | 270,000 | 0 | 0 | 270,000 |
| Investment Income | | | | |
| 49002000 - Investment Income - Discretionary | 0 | 150,000 | 0 | 150,000 |
| Total Investment Income | 0 | 150,000 | 0 | 150,000 |
| Miscellaneous | | | | |
| 46004500 - Resident Violations | 52,332 | 0 | 0 | 52,332 |
| 44501000 - Additional Occupant Fee | 43,992 | 0 | 0 | 43,992 |
| 44501500 - Lease Processing Fee - United | 163,425 | 0 | 0 | 163,425 |
| 44502000 - Variance Processing Fee | 15,888 | 0 | 0 | 15,888 |
| 44503000 - Stock Transfer Fee | 25,000 | 0 | 0 | 25,000 |
| 44503510 - Resale Processing Fee - United | 135,800 | 0 | 0 | 135,800 |
| 44507000 - Golf Cart Electric Fee | 60,000 | 0 | 0 | 60,000 |
| 44507200 - Electric Vehicle Plug-In Fee | 21,000 | 0 | 0 | 21,000 |
| 44507500 - Cartport Space Rental Fee | 2,400 | 0 | 0 | 2,400 |
| 47001500 - Late Fee Revenue | 52,000 | 0 | 0 | 52,000 |
| 47002010 - Collection Administrative Fee - United | 109,440 | 0 | 0 | 109,440 |
| 47002500 - Collection Interest Revenue | 2,000 | 0 | 0 | 2,000 |
| 47501000 - Recycling | 4,000 | 0 | 0 | 4,000 |
| Total Miscellaneous | 687,277 | 0 | 0 | 687,277 |
| Total Non-Assessment Revenue | 1,781,436 | 150,000 | 0 | 1,931,436 |
| Expenses: | | | | |
| Employee Compensation | | | | |
| 51011000 - Salaries & Wages - Regular | 3,398,734 | 0 | 0 | 3,398,734 |
| 51021000 - Union Wages - Regular | 3,894,534 | 2,272,019 | 0 | 6,166,553 |
| 51041000 - Wages - Overtime | 25,663 | 0 | 0 | 25,663 |
| 51051000 - Union Wages - Overtime | 52,736 | 37,663 | 0 | 90,400 |
| 51061000 - Holiday & Vacation | 614,845 | 193,363 | 0 | 808,209 |
| 51071000 - Sick | 250,792 | 78,872 | 0 | 329,664 |
| 51091000 - Missed Meal Penalty | 4,424 | 1,096 | 0 | 5,520 |
| 51101000 - Temporary Help | 27,473 | 0 | 0 | 27,473 |
| Total Employee Compensation | 8,269,202 | 2,583,014 | 0 | 10,852,216 |
| Compensation Related | | | | |
| 52411000 - F.I.C.A. | 618,646 | 194,636 | 0 | 813,282 |
| 52421000 - F.U.I. | 8,002 | 2,421 | 0 | 10,423 |
| 52431000 - S.U.I. | 41,895 | 12,105 | 0 | 53,999 |
| 52441000 - Union Medical | 1,347,598 | 667,627 | 0 | 2,015,225 |
| 52451000 - Workers' Compensation Insurance | 402,756 | 179,667 | 0 | 582,424 |
| 52461000 - Non Union Medical & Life Insurance | 490,892 | 0 | 0 | 490,892 |
| 52471000 - Union Retirement Plan | 381,159 | 188,834 | 0 | 569,993 |
| 52481000 - Non-Union Retirement Plan | 149,180 | 0 | 0 | 149,180 |
| Total Compensation Related | 3,440,129 | 1,245,289 | 0 | 4,685,418 |
| Materials and Supplies | | | | |

United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2023
 UNITED LAGUNA WOODS MUTUAL

Attachment 4

| | 2023 Budget Operating | 2023 Budget Reserves | 2023 Budget Restricted | Total |
|--|--------------------------|-------------------------|---------------------------|-------------------|
| 53001000 - Materials & Supplies | 468,656 | 190,753 | 0 | 659,410 |
| 53003000 - Materials Direct | 352,110 | 2,118,446 | 0 | 2,470,556 |
| 53004000 - Freight | 2,650 | 1,626 | 0 | 4,277 |
| Total Materials and Supplies | <u>823,417</u> | <u>2,310,826</u> | <u>0</u> | <u>3,134,242</u> |
| Utilities and Telephone | | | | |
| 53301000 - Electricity | 137,760 | 0 | 0 | 137,760 |
| 53301500 - Sewer | 1,542,000 | 0 | 0 | 1,542,000 |
| 53302000 - Water | 2,014,664 | 0 | 0 | 2,014,664 |
| 53302500 - Trash | 810,652 | 10,826 | 0 | 821,478 |
| 53304000 - Telephone | 633 | 0 | 0 | 633 |
| Total Utilities and Telephone | <u>4,505,709</u> | <u>10,826</u> | <u>0</u> | <u>4,516,535</u> |
| Legal Fees | | | | |
| 53401500 - Legal Fees | 183,325 | 0 | 0 | 183,325 |
| Total Legal Fees | <u>183,325</u> | <u>0</u> | <u>0</u> | <u>183,325</u> |
| Professional Fees | | | | |
| 53402010 - Audit & Tax Preparation Fees - United | 47,670 | 0 | 0 | 47,670 |
| 53403500 - Consulting Fees | 12,096 | 0 | 0 | 12,096 |
| 53403510 - Consulting Fees - United | 42,166 | 0 | 0 | 42,166 |
| Total Professional Fees | <u>101,932</u> | <u>0</u> | <u>0</u> | <u>101,932</u> |
| Equipment Rental | | | | |
| 53501500 - Equipment Rental/Lease Fees | 8,688 | 34,523 | 0 | 43,211 |
| Total Equipment Rental | <u>8,688</u> | <u>34,523</u> | <u>0</u> | <u>43,211</u> |
| Outside Services | | | | |
| 53601000 - Bank Fees | 37,678 | 0 | 0 | 37,678 |
| 53601500 - Credit Card Transaction Fees | 10,000 | 0 | 0 | 10,000 |
| 54603500 - Outside Services CC | 1,975,485 | 7,134,052 | 0 | 9,109,537 |
| 53704000 - Outside Services | 148,940 | 10,106 | 0 | 159,046 |
| Total Outside Services | <u>2,172,103</u> | <u>7,144,159</u> | <u>0</u> | <u>9,316,261</u> |
| Repairs and Maintenance | | | | |
| 53701000 - Equipment Repair & Maint | 7,113 | 5,932 | 0 | 13,046 |
| 53703000 - Elevator /Lift Maintenance | 34,320 | 0 | 0 | 34,320 |
| Total Repairs and Maintenance | <u>41,433</u> | <u>5,932</u> | <u>0</u> | <u>47,366</u> |
| Other Operating Expense | | | | |
| 53801000 - Mileage & Meal Allowance | 6,418 | 115 | 0 | 6,533 |
| 53801500 - Travel & Lodging | 1,781 | 0 | 0 | 1,781 |
| 53802000 - Uniforms | 59,712 | 30,022 | 0 | 89,734 |
| 53802500 - Dues & Memberships | 2,296 | 152 | 0 | 2,449 |
| 53803000 - Subscriptions & Books | 1,629 | 0 | 0 | 1,629 |
| 53803500 - Training & Education | 20,134 | 1,976 | 0 | 22,110 |
| 53903000 - Safety | 723 | 17 | 0 | 739 |
| 54001010 - Board Relations - United | 10,000 | 0 | 0 | 10,000 |
| 54002000 - Postage | 55,556 | 0 | 0 | 55,556 |
| 54002500 - Filing Fees / Permits | 405 | 0 | 0 | 405 |
| Total Other Operating Expense | <u>158,654</u> | <u>32,282</u> | <u>0</u> | <u>190,937</u> |
| Income, Property, and Sales Tax | | | | |
| 54302000 - Property Taxes | 0 | 0 | 12,649,183 | 12,649,183 |
| Total Income, Property, and Sales Tax | <u>0</u> | <u>0</u> | <u>12,649,183</u> | <u>12,649,183</u> |
| Insurance | | | | |
| 54401000 - Hazard & Liability Insurance | 955,855 | 0 | 0 | 955,855 |
| 54401500 - D&O Liability | 79,165 | 0 | 0 | 79,165 |
| 54402000 - Property Insurance | 3,559,064 | 0 | 0 | 3,559,064 |
| 54403000 - General Liability Insurance | 7,328 | 0 | 0 | 7,328 |
| Total Insurance | <u>4,601,413</u> | <u>0</u> | <u>0</u> | <u>4,601,413</u> |

United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2023
 UNITED LAGUNA WOODS MUTUAL

| | <u>2023 Budget Operating</u> | <u>2023 Budget Reserves</u> | <u>2023 Budget Restricted</u> | <u>Total</u> |
|----------------------------------|----------------------------------|---------------------------------|-----------------------------------|-----------------------|
| Investment Expense | | | | |
| 54201000 - Investment Expense | 0 | 10,500 | 0 | 10,500 |
| Total Investment Expense | 0 | 10,500 | 0 | 10,500 |
| Net Allocation to Mutuals | | | | |
| 54602500 - Allocated Expenses | 1,178,364 | 284,659 | 0 | 1,463,024 |
| Total Net Allocation To Mutuals | 1,178,364 | 284,659 | 0 | 1,463,024 |
| Uncollectible Accounts | | | | |
| 54602000 - Bad Debt Expense | 15,000 | 0 | 0 | 15,000 |
| Total Uncollectible Accounts | 15,000 | 0 | 0 | 15,000 |
| Total Expenses | <u>25,499,370</u> | <u>13,662,010</u> | <u>12,649,183</u> | <u>51,810,563</u> |
| Excess of Revenues Over Expenses | <u>(\$23,717,933)</u> | <u>(\$13,512,010)</u> | <u>(\$12,649,183)</u> | <u>(\$49,879,126)</u> |

**UNITED LAGUNA WOODS MUTUAL
2023 PLAN
Programs Report**

Attachment 5

| DESCRIPTION | ASSESSMENT | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|------------|
| | 2019 ACTUALS | 2020 ACTUALS | 2021 ACTUALS | 2022 PROJECTION | 2022 BUDGET | 2023 BUDGET | INCREASE/(DECREASE) \$ | % |
| OPERATING FUND - MAINTENANCE & CONSTRUCTION | | | | | | | | |
| 1 PLUMBING SERVICE | \$1,674,053 | \$1,678,492 | \$1,421,163 | \$1,335,843 | \$1,216,188 | \$1,576,070 | \$359,882 | 30% |
| 2 DAMAGE RESTORATION | 0 | 0 | 1,193,726 | 750,658 | 750,051 | 885,805 | 135,754 | 18% |
| 3 CARPENTRY SERVICE | 188,134 | 472,259 | 511,314 | 567,600 | 567,600 | 638,911 | 71,311 | 13% |
| 4 INTERIOR PREVENTIVE MAINTENANCE | 345,817 | 264,354 | 258,391 | 325,242 | 377,755 | 374,517 | (3,238) | (1%) |
| 5 ELECTRICAL SERVICE | 315,789 | 314,055 | 380,555 | 383,454 | 372,361 | 373,787 | 1,426 | 0% |
| 6 APPLIANCE REPAIRS | 316,893 | 263,734 | 243,776 | 278,635 | 329,042 | 319,633 | (9,409) | (3%) |
| 7 PEST CONTROL | 176,611 | 79,544 | 196,579 | 186,500 | 186,500 | 257,655 | 71,155 | 38% |
| 8 COUNTERTOP/FLOOR/TILE REPAIRS | 164,092 | 104,693 | 100,534 | 128,270 | 127,371 | 149,440 | 22,069 | 17% |
| 9 FIRE PROTECTION | 11,819 | 11,603 | 26,652 | 38,096 | 32,430 | 34,394 | 1,964 | 6% |
| 10 ENERGY PROGRAM | 28,285 | 18,020 | 19,060 | 25,000 | 25,000 | 35,000 | 10,000 | 40% |
| 11 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES | 27,017 | 21,389 | 21,031 | 25,000 | 25,000 | 20,000 | (5,000) | (20%) |
| 12 GUTTER CLEANING | 140,566 | 30,596 | (30,596) | 0 | 0 | 0 | 0 | 0% |
| TOTAL | \$3,389,076 | \$3,258,737 | \$4,342,183 | \$4,044,298 | \$4,009,298 | \$4,665,212 | \$655,914 | 16% |

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

Line 12 was moved to General Services in 2020.

OPERATING FUND - GENERAL SERVICES

| | | | | | | | | |
|-----------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|------------------|------------|
| 13 CONCRETE SERVICE | \$437,408 | \$372,289 | \$396,868 | \$341,127 | \$401,523 | \$406,550 | \$5,027 | 1% |
| 14 JANITORIAL SERVICE | 318,622 | 437,293 | 369,411 | 367,876 | 369,653 | 397,860 | 28,207 | 8% |
| 15 GUTTER CLEANING | 66,425 | 146,092 | 152,886 | 83,344 | 85,351 | 158,152 | 72,801 | 85% |
| 16 WELDING | 71,405 | 63,817 | 105,816 | 106,374 | 116,345 | 112,840 | (3,505) | (3%) |
| 17 TRAFFIC CONTROL | 8,821 | 8,778 | 14,467 | 17,500 | 15,587 | 15,576 | (11) | (0%) |
| TOTAL | \$902,681 | \$1,028,269 | \$1,039,449 | \$916,220 | \$988,458 | \$1,090,978 | \$102,520 | 10% |

OPERATING FUND - LANDSCAPE SERVICES

| | | | | | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|-----------|
| 18 GROUNDS MAINTENANCE | \$2,282,873 | \$2,585,229 | \$2,533,730 | \$2,726,119 | \$2,760,602 | \$2,816,943 | \$56,341 | 2% |
| 19 IRRIGATION | 612,789 | 784,777 | 728,291 | 819,029 | 819,029 | 809,937 | (9,092) | (1%) |
| 20 PEST CONTROL | 219,894 | 229,312 | 275,162 | 308,996 | 274,513 | 315,267 | 40,754 | 15% |
| 21 LANDSCAPE ADMINISTRATION | \$126,159 | \$121,344 | \$224,189 | \$241,403 | 241,403 | 253,034 | 11,631 | 5% |
| 22 SMALL EQUIPMENT REPAIR | 188,316 | 190,463 | 215,076 | 209,626 | 209,626 | 192,214 | (17,412) | (8%) |
| 23 NURSERY & COMPOSTING | 185,790 | 211,268 | 179,886 | 187,602 | 187,602 | 192,001 | 4,399 | 2% |
| 24 TREE MAINTENANCE | (24,714) | 5,504 | 5,974 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | \$3,591,107 | \$4,127,897 | \$4,156,995 | \$4,492,775 | \$4,492,775 | \$4,579,396 | \$86,621 | 2% |

**UNITED LAGUNA WOODS MUTUAL
2023 PLAN
Programs Report**

Attachment 5

| DESCRIPTION | 2019 | 2020 | 2021 | 2022 | 2022 | 2023 | ASSESSMENT INCREASE/(DECREASE) \$ | % |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---|-------------|
| | ACTUALS | ACTUALS | ACTUALS | PROJECTION | BUDGET | BUDGET | | |
| RESERVE FUND - MAINTENANCE & CONSTRUCTION | | | | | | | | |
| 25 BUILDING STRUCTURES | \$600,963 | \$1,235,622 | \$979,064 | \$1,345,353 | \$1,492,903 | \$1,314,877 | (\$178,026) | (12%) |
| 26 CDS SIGNAGE | 0 | 29,078 | 0 | 0 | 0 | 0 | 0 | 0% |
| 27 ELECTRICAL SYSTEMS | 447,860 | 319,500 | 418,938 | 660,595 | 660,595 | 509,495 | (151,100) | (23%) |
| 28 EXTERIOR WALKWAY LIGHTING | 36,202 | 7,671 | 30,711 | 17,302 | 75,635 | 75,550 | (85) | (0%) |
| 29 FOUNDATIONS | 41,608 | 0 | 18,910 | 40,000 | 43,436 | 43,436 | 0 | 0% |
| 30 GUTTER REPLACEMENT | 67,711 | 83,051 | 68,558 | 127,389 | 126,889 | 113,127 | (13,762) | (11%) |
| 31 PAINT - EXTERIOR | 1,920,691 | 1,224,288 | 1,635,609 | 1,736,135 | 1,739,285 | 1,734,242 | (5,043) | (0%) |
| 32 PLUMBING REPLACEMENT | 0 | 0 | 276,882 | 414,800 | 646,769 | 337,826 | (308,943) | (48%) |
| 33 PRIOR TO PAINT | 938,463 | 776,863 | 701,954 | 863,881 | 882,584 | 996,471 | 113,887 | 13% |
| 34 PAVING | 392,760 | 368,865 | 510,630 | 388,973 | 389,319 | 398,371 | 9,052 | 2% |
| 35 ROOFS | 814,112 | 927,506 | 841,632 | 1,012,666 | 1,020,439 | 1,041,301 | 20,862 | 2% |
| 36 WALLS | 151,736 | 24,600 | 27,928 | 30,000 | 35,000 | 35,000 | 0 | 0% |
| 37 WASTE LINE REMEDIATION | 2,126,216 | 1,349,975 | 2,502,222 | 2,300,000 | 2,300,000 | 2,300,000 | 0 | 0% |
| 38 WATER LINE - COPPER PIPE REMEDIATION | 245,552 | 169,746 | 62,049 | 97,000 | 100,000 | 100,000 | 0 | 0% |
| 39 WINDOW/SLIDING SCREEN DOOR | 60,896 | 71,372 | 108,699 | 118,000 | 133,896 | 140,157 | 6,261 | 5% |
| APPLIANCE AND FIXTURES: | | | | | | | | |
| 40 COOKTOPS | 106,637 | 55,479 | 58,719 | 62,353 | 70,442 | 69,963 | (479) | (1%) |
| 41 DISHWASHERS | 93,094 | 52,993 | 66,351 | 100,571 | 97,526 | 96,362 | (1,164) | (1%) |
| 42 FIXTURES - BASINS/FAUCETS/SINKS/TOILETS | 255,597 | 133,986 | 155,000 | 231,392 | 232,333 | 224,611 | (7,722) | (3%) |
| 43 GARBAGE DISPOSALS | 110,654 | 74,176 | 115,475 | 111,058 | 117,647 | 118,247 | 600 | 1% |
| 44 HOODS | 21,474 | 10,264 | 18,470 | 19,693 | 40,005 | 39,542 | (463) | (1%) |
| 45 KITCHEN/BATH COUNTERS, FLOORS, MISC. | 992,888 | 550,095 | 878,164 | 1,323,422 | 1,363,867 | 1,467,906 | 104,039 | 8% |
| 46 OVENS | 130,533 | 98,684 | 116,546 | 159,658 | 134,125 | 133,646 | (479) | (0%) |
| 47 RANGES | 10,628 | 4,474 | 8,907 | 10,280 | 12,613 | 12,345 | (268) | (2%) |
| 48 REFRIGERATORS | 185,323 | 97,109 | 158,863 | 169,571 | 223,841 | 222,137 | (1,704) | (1%) |
| 49 WATER HEATERS & PERMITS | 1,205,084 | 282,448 | 479,830 | 761,424 | 762,029 | 749,363 | (12,666) | (2%) |
| 50 DRYERS - LAUNDRY | 3,551 | 1,152 | 9,151 | 19,747 | 38,247 | 38,113 | (134) | (0%) |
| 51 WASHING MACHINES - LAUNDRY | 2,717 | 64,094 | 42,691 | 91,380 | 91,380 | 91,082 | (298) | (0%) |
| TOTAL APPLIANCE AND FIXTURES | \$3,118,181 | \$1,424,955 | \$2,108,168 | \$3,060,550 | \$3,184,055 | \$3,263,317 | \$79,262 | 2% |
| TOTAL | \$11,878,056 | \$8,019,480 | \$10,291,951 | \$12,212,643 | \$12,830,805 | \$12,403,170 | (\$427,635) | (3%) |

Line 25 includes major damage restoration construction costs moved from contingency in 2021.
Line 32 was moved from operations in 2021.

**UNITED LAGUNA WOODS MUTUAL
2023 PLAN
Programs Report**

Attachment 5

| DESCRIPTION | ASSESSMENT | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|--------------|
| | 2019 ACTUALS | 2020 ACTUALS | 2021 ACTUALS | 2022 PROJECTION | 2023 BUDGET | INCREASE/(DECREASE) \$ | % |
| RESERVE FUND - GENERAL SERVICES | | | | | | | |
| 52 PRIOR TO PAINT - WELDING | \$0 | \$0 | \$8,350 | \$8,452 | \$9,565 | (\$7) | (0%) |
| 53 PAVING | 33,890 | 21,379 | 61,713 | 55,302 | 48,377 | (12,443) | (20%) |
| 54 WALLS | 0 | 0 | 0 | 0 | 15,400 | 0 | 0% |
| TOTAL | \$33,890 | \$21,379 | \$70,063 | \$63,754 | \$73,335 | (\$12,450) | (15%) |
| RESERVE FUND - LANDSCAPE SERVICES | | | | | | | |
| 55 LANDSCAPE RENOVATION | \$104,142 | \$257,365 | \$160,582 | \$111,925 | \$98,898 | (\$13,027) | (12%) |
| 56 IMPROVEMENT & RESTORATION | 0 | 0 | 273,458 | 373,213 | 177,744 | (195,469) | (52%) |
| 57 TREE MAINTENANCE | 1,118,879 | 877,273 | 764,125 | 947,657 | 898,360 | (49,297) | (5%) |
| TOTAL | \$1,223,021 | \$1,134,638 | \$1,198,165 | \$1,432,795 | \$1,175,002 | (\$257,793) | (18%) |
| CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION | | | | | | | |
| 58 MOISTURE INTRUSION - RAIN LEAKS | \$464,866 | \$264,914 | \$0 | \$0 | \$0 | \$0 | 0% |
| 59 MOISTURE INTRUSION - PLUMBING LEAKS | 1,381,962 | 797,699 | 0 | 0 | 0 | 0 | 0% |
| 60 MOISTURE INTRUSION - PLUMBING STOPPAGES | 409,223 | 257,338 | 0 | 0 | 0 | 0 | 0% |
| 61 MOISTURE INTRUSION - MISCELLANEOUS | 250,780 | 185,784 | 0 | 0 | 0 | 0 | 0% |
| 62 DAMAGE RESTORATION SERVICES | 207,406 | 25,645 | 0 | 0 | 0 | 0 | 0% |
| OTHER SUPPL. APPROPRIATIONS | 100,369 | (58,843) | 0 | 0 | 0 | 0 | 0% |
| TOTAL | \$2,814,606 | \$1,472,538 | \$0 | \$0 | \$0 | \$0 | 0% |
| Lines 58-62: funding for damage restoration cleanup was moved to operations and damage restoration construction was moved to reserves in 2021. | | | | | | | |
| PROPERTY TAXES FUND - NON WORK CENTER | | | | | | | |
| 63 PROPERTY TAXES | \$11,375,124 | \$11,899,352 | \$12,323,498 | \$12,401,160 | \$12,649,183 | \$248,023 | 2% |
| TOTAL | \$11,375,124 | \$11,899,352 | \$12,323,498 | \$12,401,160 | \$12,649,183 | \$248,023 | 2% |
| Line 63 - Expenditures were moved from operations beginning 2022. Expenses are billed directly to each manor and vary by manor. 2019 - 2021 Actuals are added 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 |
|-------------|----------------------|-------------------|----------------------|------------------|------------------------|----------------------|
| 2022 | \$ 19,168,076 | \$ 154,082 | \$ 10,776,240 | \$ 142.02 | \$ (13,709,191) | \$ 16,389,207 |
| 2023 | \$ 16,389,207 | \$ 280,586 | \$ 11,853,864 | \$ 156.23 | \$ (13,651,507) | \$ 14,872,150 |
| 2024 | \$ 14,872,150 | \$ 208,843 | \$ 12,505,827 | \$ 164.82 | \$ (15,209,294) | \$ 12,377,526 |
| 2025 | \$ 12,377,526 | \$ 161,773 | \$ 13,193,647 | \$ 173.88 | \$ (14,950,367) | \$ 10,782,579 |
| 2026 | \$ 10,782,579 | \$ 122,357 | \$ 13,919,298 | \$ 183.45 | \$ (15,110,398) | \$ 9,713,836 |
| 2027 | \$ 9,713,836 | \$ 96,047 | \$ 14,684,859 | \$ 193.54 | \$ (15,016,606) | \$ 9,478,136 |

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

RESTRICTED FUNDS

Contingency Fund

The Contingency 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 |
|-------------|---------------------|-------------------|------------------|-----------------|----------------------|---------------------|
| 2022 | \$ 1,113,771 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,113,771 |
| 2023 | \$ 1,113,771 | \$ 23,034 | \$ 75,876 | \$ 1.00 | \$ 0 | \$ 1,212,681 |
| 2024 | \$ 1,212,681 | \$ 28,993 | \$ 151,752 | \$ 2.00 | \$ 0 | \$ 1,393,426 |
| 2025 | \$ 1,393,426 | \$ 33,913 | \$ 227,628 | \$ 3.00 | \$ 0 | \$ 1,654,967 |
| 2026 | \$ 1,654,967 | \$ 40,651 | \$ 303,504 | \$ 4.00 | \$ 0 | \$ 1,999,122 |
| 2027 | \$ 1,999,122 | \$ 49,248 | \$ 379,380 | \$ 5.00 | \$ 0 | \$ 2,427,750 |



Property Taxes Fund

The Property Taxes Fund 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. 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>Beginning Balance</i> | <i>Investment Income</i> | <i>Contributions</i> | <i>Assessment PMPM</i> | <i>Planned Expenditures</i> | <i>ENDING BALANCE</i> |
|-------------|--------------------------|--------------------------|----------------------|------------------------|-----------------------------|-----------------------|
| 2022 | \$ 0 | \$ 0 | \$ 12,401,160 | Varies | \$ (12,401,160) | \$ 0 |
| 2023 | \$ 0 | \$ 0 | \$ 12,649,183 | Varies | \$ (12,649,183) | \$ 0 |
| 2024 | \$ 0 | \$ 0 | \$ 12,902,167 | Varies | \$ (12,902,167) | \$ 0 |
| 2025 | \$ 0 | \$ 0 | \$ 13,160,210 | Varies | \$ (13,160,210) | \$ 0 |
| 2026 | \$ 0 | \$ 0 | \$ 13,423,414 | Varies | \$ (13,423,414) | \$ 0 |
| 2027 | \$ 0 | \$ 0 | \$ 13,691,883 | Varies | \$ (13,691,883) | \$ 0 |



Reserve Study Executive Summary

With-Site-Visit

United Laguna Woods Mutual

Laguna Woods, CA

Level of Service: Update "With-Site-Visit"

Report #: 36560-3

of Units: 6,323

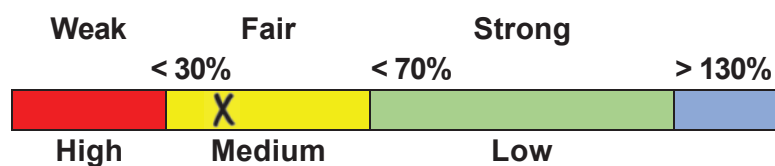
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

| | |
|---|--------------|
| Projected Starting Reserve Balance | \$16,389,207 |
| Current Full Funding Reserve Balance | \$39,171,347 |
| Average Reserve Deficit (Surplus) Per Unit | \$3,603 |
| Percent Funded | 41.8 % |
| Recommended 2023 "Annual Full Funding Contributions" | \$14,168,800 |
| Alternate minimum contributions to keep Reserve above \$0 | \$11,853,864 |
| Most Recent Reserve Contribution Rate | \$10,776,240 |
| Annual Deterioration Rate | \$19,586,035 |

Reserve Fund Strength: 41.8%



Risk of Special Assessment:

Economic Assumptions:

| | |
|---|--------|
| Net Annual "After Tax" Interest Earnings Accruing to Reserves | 2.00 % |
| Annual Inflation Rate | 3.00 % |

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. We performed the site inspection on 5/18/2022.

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 41.8 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$19,586,035.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$14,168,800.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$11,853,864.

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



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 36560-3
With-Site-Visit

Fiscal Year Start: 2023

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 Funding | Loan or Special Assmts | Interest Income | Reserve Expenses |
| 2023 | \$16,389,207 | \$39,171,347 | 41.8 % | Medium | \$11,853,864 | \$0 | \$312,663 | \$13,651,511 |
| 2024 | \$14,904,223 | \$41,810,849 | 35.6 % | Medium | \$12,476,192 | \$0 | \$273,249 | \$15,209,294 |
| 2025 | \$12,444,370 | \$43,039,363 | 28.9 % | High | \$13,131,192 | \$0 | \$232,822 | \$14,950,367 |
| 2026 | \$10,858,017 | \$45,081,006 | 24.1 % | High | \$13,820,580 | \$0 | \$206,145 | \$15,110,398 |
| 2027 | \$9,774,343 | \$46,823,262 | 20.9 % | High | \$14,546,160 | \$0 | \$192,541 | \$15,016,606 |
| 2028 | \$9,496,438 | \$49,244,263 | 19.3 % | High | \$15,309,833 | \$0 | \$190,649 | \$15,411,923 |
| 2029 | \$9,584,998 | \$51,825,221 | 18.5 % | High | \$15,692,579 | \$0 | \$200,261 | \$15,019,339 |
| 2030 | \$10,458,499 | \$55,265,372 | 18.9 % | High | \$16,084,894 | \$0 | \$219,890 | \$15,213,768 |
| 2031 | \$11,549,514 | \$58,903,964 | 19.6 % | High | \$16,487,016 | \$0 | \$244,364 | \$15,372,815 |
| 2032 | \$12,908,080 | \$63,014,169 | 20.5 % | High | \$16,899,191 | \$0 | \$269,187 | \$16,042,499 |
| 2033 | \$14,033,959 | \$67,030,646 | 20.9 % | High | \$17,321,671 | \$0 | \$296,499 | \$16,010,515 |
| 2034 | \$15,641,613 | \$71,760,056 | 21.8 % | High | \$17,754,713 | \$0 | \$304,267 | \$18,889,186 |
| 2035 | \$14,811,407 | \$74,221,988 | 20.0 % | High | \$18,198,581 | \$0 | \$284,780 | \$19,603,492 |
| 2036 | \$13,691,275 | \$73,237,364 | 18.7 % | High | \$18,653,545 | \$0 | \$299,124 | \$16,396,906 |
| 2037 | \$16,247,039 | \$76,057,260 | 21.4 % | High | \$19,119,884 | \$0 | \$341,851 | \$17,741,089 |
| 2038 | \$17,967,685 | \$78,102,591 | 23.0 % | High | \$19,597,881 | \$0 | \$367,166 | \$19,152,016 |
| 2039 | \$18,780,716 | \$79,297,136 | 23.7 % | High | \$20,087,828 | \$0 | \$417,072 | \$16,322,994 |
| 2040 | \$22,962,622 | \$83,998,751 | 27.3 % | High | \$20,590,024 | \$0 | \$480,356 | \$18,918,411 |
| 2041 | \$25,114,591 | \$86,742,197 | 29.0 % | High | \$21,104,774 | \$0 | \$507,057 | \$21,091,358 |
| 2042 | \$25,635,064 | \$87,921,093 | 29.2 % | High | \$21,632,394 | \$0 | \$520,854 | \$21,292,894 |
| 2043 | \$26,495,417 | \$89,536,797 | 29.6 % | High | \$22,173,204 | \$0 | \$542,442 | \$21,415,290 |
| 2044 | \$27,795,772 | \$91,702,195 | 30.3 % | Medium | \$22,727,534 | \$0 | \$548,666 | \$23,953,618 |
| 2045 | \$27,118,354 | \$91,936,493 | 29.5 % | High | \$23,295,722 | \$0 | \$561,081 | \$21,936,788 |
| 2046 | \$29,038,369 | \$94,919,818 | 30.6 % | Medium | \$23,878,115 | \$0 | \$514,600 | \$30,964,872 |
| 2047 | \$22,466,213 | \$89,992,133 | 25.0 % | High | \$24,475,068 | \$0 | \$418,938 | \$27,896,355 |
| 2048 | \$19,463,864 | \$88,800,745 | 21.9 % | High | \$25,086,945 | \$0 | \$335,186 | \$30,802,231 |
| 2049 | \$14,083,763 | \$85,325,826 | 16.5 % | High | \$25,714,118 | \$0 | \$247,948 | \$29,313,359 |
| 2050 | \$10,732,470 | \$84,047,819 | 12.8 % | High | \$26,356,971 | \$0 | \$172,828 | \$30,696,992 |
| 2051 | \$6,565,277 | \$82,096,978 | 8.0 % | High | \$27,015,895 | \$0 | \$69,585 | \$33,251,482 |
| 2052 | \$399,275 | \$78,270,856 | 0.5 % | High | \$27,691,293 | \$0 | \$0 | \$32,518,973 |