



SPECIAL OPEN MEETING

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

A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

Thursday, July 13, 2023 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 2024 Business Plan – Version 2

1. Call to Order / Establish Quorum – President Lenny Ross
2. State Purpose of Meeting – President Ross
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/9208183916> 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 2024 United Business Plan – Version 2
9. Director's Comments
10. Adjournment



STAFF REPORT

DATE: July 13, 2023
FOR: Board of Directors
SUBJECT: 2024 Business Plan – Version 2

RECOMMENDATION

Staff recommends the Board review the Proposed 2024 Business Plan and provide direction for change or revision at the meeting on July 13, 2023.

DISCUSSION

BUSINESS PLAN SUMMARY

The proposed budget for 2024 plan year (Attachment 1) shows that the sum of \$51,754,834 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2024. In addition, the sum of \$17,384,045 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2024. Therefore, a total of \$69,138,879 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 \$671.98 per manor per month (PMPM), reflecting a net increase of \$27.76 or 4.3% when compared to current year.

	2023	2024	Increase
<i>United Portion</i>	\$422.91	\$442.86	\$19.95
<i>GRF Portion</i>	\$221.31	\$229.12	\$7.81
<i>Total Basic Assessment</i>	\$644.22	\$671.98	\$27.76

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:

[Line 2: Fees and Charges to Residents](#) additional revenue of \$1,109,266 decreased the assessment by (\$14.62) PMPM due to planned efforts to recover anticipated revenue from a backlog of open chargeable damage tickets. In 2024, United expects to receive \$1,125,000 from the backlog of tickets.

Line 3: Laundry less revenue of (\$21,000) increased the assessment by \$0.28 PMPM due to downward in trend in coin operated laundry machine use within the community based on historical averages.

Line 4: Miscellaneous Revenue additional revenue of \$102,278 decreased the assessment by (\$1.35) PMPM primarily due to a projected increase in Collection Administrative Fees revenue. This fee revenue is related to United resales which are expected to increase in 2024.

Expenses:

Line 5: Employee Compensation increased by \$414,467 or \$5.47 PMPM primarily due to planned wage adjustments.

Line 6: Expenses Related to Compensation increased by \$88,235 or \$1.16 PMPM due to increased taxes and benefits on planned 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 \$60,284 or \$0.80 PMPM primarily due to rising material and parts costs, particularly in landscape services such as Small Equipment Repair and Grounds Maintenance.

Line 8: Electricity increased by \$23,357 or \$0.30 PMPM primarily due to an anticipated rate increase in 2024. Southern California Edison submitted a rate increase request to the California Public Utilities Commission (CPUC) to authorize additional revenue requirements on May 13, 2022 that would take effect January 1, 2024.

Lines 9: Sewer increased by \$83,400 or \$1.10 PMPM based on recent years consumption and projected rate decreases. El Toro Water District (ETWD) will publish proposed rates that will be ratified at the August 1st, 2023 ETWD meeting.

Lines 10: Water increased by \$140,196 or \$1.85 PMPM based on projected consumption and rate increase provided by ETWD with a partial offset from the implementation of the master irrigation control project. The project is expected to save \$280,000 community-wide; \$55,000 in GRF, \$83,000 in United, and \$142,000 in Third.

Line 11: Trash increased by \$362,266 or \$4.78 PMPM based on contracted increases of 50% plus 5% CPI adjustment with new vendor.

Line 14: Professional Fees increased by \$44,616 or \$0.59 PMPM due to a planned expense to utilize a structural engineer for dry rot repair programs.

Line 16: Outside Services increased by \$17,133 or \$0.22 PMPM primarily due to moisture intrusion event budgets being adjusted to reflect previous years actuals. To a lesser extent, the reclassification of moisture intrusion events budget to the operating fund from the reserve fund. The increase in the Outside Services account is partially offset by bank fees, which are expected to be no expense in 2024 due to current and projected money market conditions.

Line 21: Property Insurance increased by \$1,691,176 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 \$124,756 or \$1.64 PMPM due to increased Hazard & Liability insurance to reflect anticipated premium increases at renewal.

Line 23: Net Allocations increased by \$121,090 or \$1.60 PMPM due to overall increases to GRF department budgets that are allocated to United mutual; including, but not limited to: Landscape Administration, GRF Grounds Maintenance, and GRF Streets and Sidewalks.

Line 26: Reserve Fund Contribution increased by \$1,138,383. 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 \$156.23 to \$171.23 or \$15.00 PMPM in 2024.

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 \$1.00 to \$2.00 PMPM in 2024 to help increase fund balance.

Line 28: Property Tax Fund increased by \$252,984 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 \$591,852 or \$7.81 PMPM primarily due to less operating surplus available than in 2023, partially offset by planned wage adjustments. GRF will review all aspects of Version 2 of their Business Plan on July 10, 2023.

FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a United assessment of \$442.86 PMPM, an increase of \$19.95 or 4.7% when compared to current year. Including the GRF contributions, the proposed Total Basic Assessment for United would be \$671.98 PMPM, an increase of \$27.76 or 4.3%.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Siobhan Foster, Chief Executive Officer

ATTACHMENTS

- Attachment 1 – 2024 United Business Plan by Account
- Attachment 2 – 2024 United Business Plan by Department
- Attachment 3 – 2024 United Budget Comparison Report – Operating Only
- Attachment 4 – 2024 United Budget Comparison Report – by Fund
- Attachment 5 – Proposed 2024 Programs Report
- Attachment 6 – Definition of Funds
- Attachment 7 – Contracted Reserve Study Dated June 21, 2023 - Excerpts



2024 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2020 ACTUAL***	2021 ACTUAL***	2022 ACTUAL	2023 PLAN	2024 PLAN	ASSESSMENT			
						2023	2024	Change	
REVENUES									
Non-Assessment Revenues									
1	Merchandise Sales	\$1,245	\$4,910	\$4,300	\$4,573	\$2,858	\$0.06	\$0.04	\$0.02
2	Fees and Charges to Residents	373,419	607,598	752,596	819,587	1,928,853	10.80	25.42	(14.62)
3	Laundry	243,779	244,083	233,760	270,000	249,000	3.56	3.28	0.28
4	Miscellaneous	480,928	617,321	636,379	687,276	789,554	9.06	10.41	(1.35)
	Total Revenue	\$1,099,371	\$1,473,912	\$1,627,035	\$1,781,436	\$2,970,265	\$23.48	\$39.15	(\$15.67)
EXPENSES									
5	Employee Compensation	\$6,825,158	\$7,174,365	\$7,196,317	\$8,269,202	\$8,683,669	\$108.98	\$114.45	\$5.47
6	Expenses Related to Compensation	2,827,770	2,886,042	2,930,141	3,440,129	3,528,364	45.34	46.50	1.16
7	Material and Supplies	618,146	855,418	831,175	823,417	883,701	10.85	11.65	0.80
8	Electricity	68,478	91,483	198,886	137,760	161,117	1.82	2.12	0.30
9	Sewer	1,746,512	1,911,413	1,611,769	1,542,000	1,625,400	20.32	21.42	1.10
10	Water	1,940,632	2,119,249	1,960,741	2,014,664	2,154,860	26.55	28.40	1.85
11	Trash	431,734	448,509	501,908	810,652	1,172,918	10.68	15.46	4.78
12	Telephone	642	676	592	633	780	0.01	0.01	0.00
13	Legal Fees	267,853	170,799	184,179	183,325	183,325	2.42	2.42	0.00
14	Professional Fees	77,833	55,905	126,900	101,932	146,548	1.34	1.93	0.59
15	Equipment Rental	6,996	10,010	7,144	8,688	9,539	0.11	0.13	0.02
16	Outside Services	1,216,177	2,236,325	3,210,571	2,172,103	2,189,236	28.63	28.85	0.22
17	Repairs and Maintenance	26,861	34,842	29,964	41,433	41,708	0.55	0.55	0.00
18	Other Operating	107,017	114,556	111,086	158,654	161,057	2.09	2.12	0.03
19	Income Taxes	(265)	8,166	1,116	0	0	0.00	0.00	0.00
20	Property Tax*	11,899,352	0	0	0	0	**	**	**
21	Property Insurance**	1,817,403	3,178,761	3,159,482	3,559,064	5,250,240	**	**	**
22	Insurance	698,111	888,271	860,348	1,042,349	1,167,105	13.74	15.38	1.64
23	Cost Allocations	1,303,774	1,109,819	1,160,621	1,178,364	1,299,454	15.53	17.13	1.60
24	Uncollectible Accounts	1,462	(16,942)	34,714	15,000	20,000	0.20	0.26	0.06
25	(Gain)/Loss on Sale	(6,325)	(87)	(86)	0	(88)	0.00	0.00	0.00
	Total Expenses	\$31,875,321	\$23,277,580	\$24,117,568	\$25,499,369	\$28,678,933	\$289.16	\$308.78	\$19.62
	(Surplus)/Deficit Recovery	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
	Total Operating	\$30,775,950	\$21,803,668	\$22,490,533	\$23,717,933	\$25,708,668	\$265.68	\$269.63	\$3.95
FUND CONTRIBUTIONS									
26	Reserve Fund	\$11,534,670	\$10,775,910	\$10,775,910	\$11,853,864	\$12,992,247	\$156.23	\$171.23	\$15.00
27	Contingency Fund	758,760	758,760	0	75,876	151,752	1.00	2.00	1.00
28	Property Tax Fund	0	12,217,207	12,634,138	12,649,183	12,902,167	**	**	**
	Total Fund Contributions	\$12,293,430	\$23,751,877	\$23,410,048	\$24,578,923	\$26,046,166	\$157.23	\$173.23	\$16.00
	TOTAL MUTUAL	\$43,069,380	\$45,555,545	\$45,900,581	\$48,296,856	\$51,754,834	\$422.91	\$442.86	\$19.95
GOLDEN RAIN FOUNDATION									
29	GRF Operating	\$13,779,082	\$14,158,462	\$14,833,758	\$15,502,302	16,094,153	\$204.31	\$ 212.12	\$7.81
30	GRF Reserve Contributions	1,441,644	1,441,644	1,289,892	1,289,892	1,289,892	17.00	17.00	0.00
31	GRF Contingency Contributions	379,380	0	379,380	0	0	0.00	0.00	0.00
	Total GRF	\$15,600,106	\$15,600,106	\$16,503,030	\$16,792,194	\$17,384,045	\$221.31	\$229.12	\$7.81
	TOTAL BASIC ASSESSMENTS	\$58,669,486	\$61,155,651	\$62,403,611	\$65,089,050	\$69,138,879	\$644.22	\$671.98	\$27.76

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

**Indicates an assessment that varies per manor.

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



2024 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2020 ACTUAL***	2021 ACTUAL***	2022 ACTUAL	2023 PLAN	2024 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2023	2024	Change
OPERATING:								
Office of the CEO	\$457,914	\$296,799	\$263,803	\$452,931	\$337,048	\$5.97	\$4.44	(\$1.53)
Information Services	827,452	871,999	884,461	795,730	744,370	10.49	9.81	(0.68)
General Services	1,070,576	1,051,619	951,403	1,090,978	1,258,466	14.38	16.59	2.21
Financial Services	704,561	721,529	776,480	778,832	939,843	10.26	12.39	2.13
Security Services	169,388	156,988	183,594	463,021	477,169	6.10	6.29	0.19
Landscape Services	4,127,897	4,156,995	4,306,366	4,579,396	4,930,939	60.35	64.99	4.64
Human Resource Services	143,579	74,048	56,841	83,325	92,120	1.10	1.21	0.11
Property Insurance**	1,817,403	3,178,761	3,150,019	3,559,064	5,250,240	**	**	**
All Other Insurance	698,111	888,271	860,348	1,056,296	1,164,663	13.92	15.35	1.43
Maintenance & Construction	4,914,630	6,109,500	6,920,663	6,656,391	6,788,757	87.73	89.47	1.74
Damage Restoration Reimbursement Backlog	0	0	0	0	(1,125,000)	0.00	(14.83)	(14.83)
Non Work Center	3,945,087	4,297,159	4,136,555	4,201,969	4,850,053	55.38	63.92	8.54
Property Tax*	11,899,352	0	0	0	0	**	**	**
Net Operating	\$30,775,950	\$21,803,668	\$22,490,533	\$23,717,933	\$25,708,668	\$265.68	\$269.63	\$3.95
FUND CONTRIBUTIONS								
Reserve Fund	\$11,534,670	\$10,775,910	\$10,775,910	\$11,853,864	\$12,992,247	\$156.23	\$171.23	\$15.00
Contingency Fund	758,760	758,760	0	75,876	151,752	1.00	2.00	1.00
Property Tax Fund	0	12,217,207	12,634,138	12,649,183	12,902,167	**	**	**
Total Fund Contributions	\$12,293,430	\$23,751,877	\$23,410,048	\$24,578,923	\$26,046,166	\$157.23	\$173.23	\$16.00
TOTAL MUTUAL	\$43,069,380	\$45,555,545	\$45,900,581	\$48,296,856	\$51,754,834	\$422.91	\$442.86	\$19.95
GOLDEN RAIN FOUNDATION								
GRF Operating	\$14,158,462	\$14,158,462	\$14,833,758	15,502,302	\$16,094,153	\$204.31	\$212.12	\$7.81
GRF Reserve Contributions	1,441,644	1,441,644	1,289,892	1,289,892	1,289,892	17.00	17.00	0.00
GRF Contingency Contributions	0	0	379,380	\$0	0	0.00	0.00	0.00
Total GRF	\$15,600,106	\$15,600,106	\$16,503,030	\$16,792,194	\$17,384,045	\$221.31	\$229.12	\$7.81
TOTAL BASIC ASSESSMENTS	\$58,669,486	\$61,155,651	\$62,403,611	\$65,089,050	\$69,138,879	\$644.22	\$671.98	\$27.76

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

**Indicates an assessment that varies per manor.

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

Attachment 3
United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2024

UNITED LAGUNA WOODS MUTUAL

	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Actuals</u>	<u>2023 Budget</u>	<u>2024 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
Non-Assessment Revenues:							
Merchandise Sales							
41501500 - Merchandise Sales - Warehouse	\$1,245	\$4,910	\$4,300	\$4,573	\$2,858	\$1,715	37%
Total Merchandise Sales	1,245	4,910	4,300	4,573	2,858	1,715	37%
Fees and Charges for Services to Residents							
46501000 - Permit Fee	154,692	277,451	220,310	257,340	235,895	21,445	8%
46501500 - Inspection Fee	43,104	74,557	58,169	90,073	90,073	0	0%
46502000 - Resident Maintenance Fee	175,624	255,590	474,117	472,174	1,602,885	(1,130,710)	(239%)
Total Fees and Charges for Services to Residents	373,419	607,598	752,596	819,587	1,928,852	(1,109,265)	(135%)
Laundry							
46005000 - Coin Op Laundry Machine	243,779	244,083	233,760	270,000	249,000	21,000	8%
Total Laundry	243,779	244,083	233,760	270,000	249,000	21,000	8%
Miscellaneous							
46004500 - Resident Violations	10,385	8,325	20,100	52,332	67,507	(15,175)	(29%)
44501000 - Additional Occupant Fee	48,430	42,700	32,275	43,992	40,000	3,992	9%
44501500 - Lease Processing Fee - United	121,090	130,740	162,180	163,425	170,255	(6,830)	(4%)
44502000 - Variance Processing Fee	1,650	0	1,650	15,888	1,500	14,388	91%
44503000 - Stock Transfer Fee	9,950	7,650	9,950	25,000	25,000	0	0%
44503510 - Resale Processing Fee - United	115,304	179,298	152,790	135,800	135,800	0	0%
44507000 - Golf Cart Electric Fee	59,546	53,800	49,117	60,000	56,000	4,000	7%
44507200 - Electric Vehicle Plug-In Fee	15,645	18,114	24,218	21,000	18,000	3,000	14%
44507500 - Cartport Space Rental Fee	2,400	2,325	1,894	2,400	2,000	400	17%
47001500 - Late Fee Revenue	31,697	56,355	59,680	52,000	53,000	(1,000)	(2%)
47002000 - Collection Administrative Fee	0	725	0	0	0	0	0%
47002010 - Collection Administrative Fee - United	62,090	111,080	116,669	109,440	213,492	(104,052)	(95%)
47002500 - Collection Interest Revenue	2,595	2,329	207	2,000	3,000	(1,000)	(50%)
47501000 - Recycling	1,952	4,715	4,580	4,000	4,000	0	0%
49009000 - Miscellaneous Revenue	(1,805)	(835)	1,069	0	0	0	0%
Total Miscellaneous	480,928	617,320	636,379	687,277	789,554	(102,278)	(15%)
Total Non-Assessment Revenue	1,099,371	1,473,911	1,627,035	1,781,436	2,970,264	(1,188,828)	(67%)
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,562,291	2,735,811	2,898,680	3,398,734	3,560,342	161,608	5%
51021000 - Union Wages - Regular	3,362,783	3,263,627	3,162,734	3,894,534	4,039,430	144,896	4%
51041000 - Wages - Overtime	26,302	30,468	36,909	25,663	31,493	5,830	23%
51051000 - Union Wages - Overtime	119,148	135,636	104,755	52,736	54,132	1,396	3%
51061000 - Holiday & Vacation	694,166	695,152	707,790	614,845	640,585	25,740	4%
51071000 - Sick	226,113	201,332	193,565	250,792	261,291	10,499	4%
51081000 - Sick - Part Time	0	1	0	0	0	0	0%
51091000 - Missed Meal Penalty	4,885	5,851	5,838	4,424	3,901	(523)	(12%)
51101000 - Temporary Help	48,573	75,706	91,959	27,473	92,495	65,022	237%
51981000 - Compensation Accrual	(219,102)	30,781	(5,913)	0	0	0	0%
Total Employee Compensation	6,825,158	7,174,365	7,196,318	8,269,202	8,683,669	414,467	5%
Compensation Related							
52411000 - F.I.C.A.	515,726	522,247	526,988	618,646	645,877	27,231	4%
52421000 - F.U.I.	5,930	6,476	6,357	8,002	8,052	50	1%
52431000 - S.U.I.	40,488	43,540	31,761	41,895	42,556	662	2%
52441000 - Union Medical	1,239,556	1,154,759	1,133,263	1,347,598	1,368,601	21,003	2%
52451000 - Workers' Compensation Insurance	377,130	451,917	502,176	402,756	444,596	41,839	10%
52461000 - Non Union Medical & Life Insurance	344,574	352,403	361,942	490,892	422,983	(67,909)	(14%)
52471000 - Union Retirement Plan	272,003	285,979	299,425	381,159	439,462	58,303	15%
52481000 - Non-Union Retirement Plan	61,200	63,218	69,203	149,180	156,237	7,057	5%
52981000 - Compensation Related Accrual	(28,837)	5,503	(973)	0	0	0	0%
Total Compensation Related	2,827,770	2,886,041	2,930,142	3,440,129	3,528,365	88,236	3%
Materials and Supplies							
53001000 - Materials & Supplies	292,068	391,947	334,679	468,656	524,725	56,068	12%
53003000 - Materials Direct	325,507	461,185	494,623	352,110	356,568	4,458	1%
53004000 - Freight	571	2,286	1,873	2,650	2,408	(243)	(9%)
Total Materials and Supplies	618,146	855,418	831,175	823,417	883,700	60,284	7%
Community Events							
53201000 - Community Events	0	0	0	0	2,400	2,400	0%

OPERATING FUND ONLY

Version 2

Attachment 3
United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2024

UNITED LAGUNA WOODS MUTUAL

	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Actuals</u>	<u>2023 Budget</u>	<u>2024 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
Total Community Events	0	0	0	0	2,400	2,400	0%
Utilities and Telephone							
53301000 - Electricity	68,478	91,483	198,886	137,760	161,117	23,357	17%
53301500 - Sewer	1,746,512	1,911,413	1,611,769	1,542,000	1,625,400	83,400	5%
53302000 - Water	1,940,632	2,119,249	1,960,741	2,014,664	2,154,860	140,196	7%
53302500 - Trash	431,734	448,509	501,908	810,652	1,172,918	362,266	45%
53304000 - Telephone	642	676	592	633	780	147	23%
Total Utilities and Telephone	4,187,998	4,571,330	4,273,895	4,505,709	5,115,075	609,366	14%
Legal Fees							
53401500 - Legal Fees	267,853	170,799	184,179	183,325	183,325	0	0%
Total Legal Fees	267,853	170,799	184,179	183,325	183,325	0	0%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	0	0	47	0	0	0	0%
53402010 - Audit & Tax Preparation Fees - United	44,628	46,466	42,500	47,670	50,000	2,330	5%
53403500 - Consulting Fees	556	627	33,673	12,096	18,548	6,452	53%
53403510 - Consulting Fees - United	32,649	8,812	50,680	42,166	78,000	35,834	85%
Total Professional Fees	77,833	55,905	126,900	101,932	146,548	44,616	44%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	6,996	10,010	7,144	8,688	9,539	851	10%
Total Equipment Rental	6,996	10,010	7,144	8,688	9,539	851	10%
Outside Services							
53601000 - Bank Fees	39,978	32,981	33,237	37,678	0	(37,678)	(100%)
53601500 - Credit Card Transaction Fees	4,078	9,888	9,624	10,000	10,000	0	0%
54603500 - Outside Services CC	1,096,641	2,071,426	2,927,446	1,975,485	2,025,139	49,654	3%
53704000 - Outside Services	75,480	122,030	240,264	148,940	154,097	5,156	3%
Total Outside Services	1,216,177	2,236,325	3,210,570	2,172,103	2,189,235	17,132	1%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	2,148	2,741	1,596	7,113	5,647	(1,466)	(21%)
53703000 - Elevator /Lift Maintenance	24,714	32,101	28,368	34,320	36,061	1,741	5%
Total Repairs and Maintenance	26,861	34,842	29,964	41,433	41,708	275	1%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	2,223	2,265	2,476	6,418	6,255	(164)	(3%)
53801500 - Travel & Lodging	245	26	7	1,781	774	(1,007)	(57%)
53802000 - Uniforms	47,750	45,533	45,178	59,712	63,045	3,332	6%
53802500 - Dues & Memberships	660	1,650	1,092	2,296	2,145	(151)	(7%)
53803000 - Subscriptions & Books	1,317	2,209	209	1,629	1,479	(150)	(9%)
53803500 - Training & Education	4,284	3,615	2,668	20,134	21,630	1,497	7%
53804000 - Staff Support	133	0	0	0	0	0	0%
53903000 - Safety	0	746	453	723	1,036	313	43%
54001000 - Board Relations	447	0	0	0	0	0	0%
54001010 - Board Relations - United	1,345	1,717	6,165	10,000	10,000	0	0%
54001500 - Public Relations	0	0	(8)	0	0	0	0%
54002000 - Postage	48,480	56,409	52,598	55,556	51,951	(3,605)	(6%)
54002500 - Filing Fees / Permits	134	386	248	405	342	(63)	(16%)
Total Other Operating Expense	107,017	114,554	111,085	158,654	158,656	2	0%
Income, Property, and Sales Tax							
54301000 - State & Federal Income Taxes	(265)	8,166	1,116	0	0	0	0%
54301500 - State & Local Taxes	0	235	(3,498)	0	0	0	0%
54302000 - Property Taxes	11,899,352	0	0	0	0	0	0%
Total Income, Property, and Sales Tax	11,899,087	8,401	(2,382)	0	0	0	0%
Insurance							
54401000 - Hazard & Liability Insurance	630,322	812,730	773,613	955,855	1,087,661	131,806	14%
54401500 - D&O Liability	65,510	70,113	69,055	79,165	73,337	(5,828)	(7%)
54402000 - Property Insurance	1,817,403	3,178,761	3,159,483	3,559,064	5,250,240	1,691,176	48%
54403000 - General Liability Insurance	2,280	5,428	17,680	7,328	6,107	(1,221)	(17%)
Total Insurance	2,515,514	4,067,032	4,019,831	4,601,413	6,417,345	1,815,933	39%
Net Allocation to Mutuals							
54602500 - Allocated Expenses	1,303,774	1,109,819	1,160,621	1,178,364	1,299,456	121,091	10%
Total Net Allocation To Mutuals	1,303,774	1,109,819	1,160,621	1,178,364	1,299,456	121,091	10%
Uncollectible Accounts							

Attachment 3
United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2024
UNITED LAGUNA WOODS MUTUAL

	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Actuals</u>	<u>2023 Budget</u>	<u>2024 Budget</u>	Assessment Increase/ (Decrease)	VAR %
54602000 - Bad Debt Expense	<u>1,462</u>	<u>(16,942)</u>	<u>34,714</u>	<u>15,000</u>	<u>20,000</u>	<u>5,000</u>	<u>33%</u>
Total Uncollectible Accounts	1,462	(16,942)	34,714	15,000	20,000	5,000	33%
(Gain)/Loss on Sale or Trade							
54101000 - (Gain)/Loss - Warehouse Sales	<u>(6,325)</u>	<u>(87)</u>	<u>(86)</u>	<u>0</u>	<u>(90)</u>	<u>(90)</u>	<u>0%</u>
Total (Gain)/Loss on Sale or Trade	(6,325)	(87)	(86)	0	(90)	(90)	0%
Total Expenses	<u>31,875,321</u>	<u>23,277,812</u>	<u>24,114,070</u>	<u>25,499,370</u>	<u>28,678,933</u>	<u>3,179,563</u>	<u>12%</u>
Excess of Revenues Over Expenses	<u>(\$30,775,950)</u>	<u>(\$21,803,901)</u>	<u>(\$22,487,035)</u>	<u>(\$23,717,933)</u>	<u>(\$25,708,668)</u>	<u>\$1,990,735</u>	<u>8%</u>

Attachment 4
United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2024
 UNITED LAGUNA WOODS MUTUAL

	2024 Budget Operating	2024 Budget Reserves	2024 Budget Restricted	Total
Non-Assessment Revenues:				
Merchandise Sales				
41501500 - Merchandise Sales - Warehouse	\$2,858	\$0	\$0	\$2,858
Total Merchandise Sales	2,858	0	0	2,858
Fees and Charges for Services to Residents				
46501000 - Permit Fee	235,895	0	0	235,895
46501500 - Inspection Fee	90,073	0	0	90,073
46502000 - Resident Maintenance Fee	1,602,885	0	0	1,602,885
Total Fees and Charges for Services to Residents	1,928,852	0	0	1,928,852
Laundry				
46005000 - Coin Op Laundry Machine	249,000	0	0	249,000
Total Laundry	249,000	0	0	249,000
Investment Income				
49001000 - Investment Income - Nondiscretionary	0	375,000	0	375,000
Total Investment Income	0	375,000	0	375,000
Miscellaneous				
46004500 - Resident Violations	67,507	0	0	67,507
44501000 - Additional Occupant Fee	40,000	0	0	40,000
44501500 - Lease Processing Fee - United	170,255	0	0	170,255
44502000 - Variance Processing Fee	1,500	0	0	1,500
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	56,000	0	0	56,000
44507200 - Electric Vehicle Plug-In Fee	18,000	0	0	18,000
44507500 - Cartport Space Rental Fee	2,000	0	0	2,000
47001500 - Late Fee Revenue	53,000	0	0	53,000
47002010 - Collection Administrative Fee - United	213,492	0	0	213,492
47002500 - Collection Interest Revenue	3,000	0	0	3,000
47501000 - Recycling	4,000	0	0	4,000
Total Miscellaneous	789,554	0	0	789,554
Total Non-Assessment Revenue	2,970,264	375,000	0	3,345,264
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,560,342	0	0	3,560,342
51021000 - Union Wages - Regular	4,039,430	2,369,099	0	6,408,529
51041000 - Wages - Overtime	31,493	0	0	31,493
51051000 - Union Wages - Overtime	54,132	40,256	0	94,388
51061000 - Holiday & Vacation	640,585	201,625	0	842,210
51071000 - Sick	261,291	82,242	0	343,533
51081000 - Sick - Part Time	0	43	0	43
51091000 - Missed Meal Penalty	3,901	1,050	0	4,951
51101000 - Temporary Help	92,495	0	0	92,495
Total Employee Compensation	8,683,669	2,694,315	0	11,377,985
Compensation Related				
52411000 - F.I.C.A.	645,877	202,952	0	848,829
52421000 - F.U.I.	8,052	2,439	0	10,491
52431000 - S.U.I.	42,556	12,194	0	54,750
52441000 - Union Medical	1,368,601	682,677	0	2,051,278
52451000 - Workers' Compensation Insurance	444,596	203,695	0	648,290
52461000 - Non Union Medical & Life Insurance	422,983	0	0	422,983
52471000 - Union Retirement Plan	439,462	219,210	0	658,672
52481000 - Non-Union Retirement Plan	156,237	0	0	156,237
Total Compensation Related	3,528,365	1,323,166	0	4,851,531

Attachment 4
United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2024
 UNITED LAGUNA WOODS MUTUAL

	2024 Budget Operating	2024 Budget Reserves	2024 Budget Restricted	Total
Materials and Supplies				
53001000 - Materials & Supplies	524,725	207,619	0	732,344
53003000 - Materials Direct	356,568	2,454,081	0	2,810,649
53004000 - Freight	2,408	1,415	0	3,822
Total Materials and Supplies	<u>883,700</u>	<u>2,663,115</u>	<u>0</u>	<u>3,546,815</u>
Community Events				
53201000 - Community Events	2,400	0	0	2,400
Total Community Events	<u>2,400</u>	<u>0</u>	<u>0</u>	<u>2,400</u>
Utilities and Telephone				
53301000 - Electricity	161,117	0	0	161,117
53301500 - Sewer	1,625,400	0	0	1,625,400
53302000 - Water	2,154,860	0	0	2,154,860
53302500 - Trash	1,172,918	10,826	0	1,183,743
53304000 - Telephone	780	0	0	780
Total Utilities and Telephone	<u>5,115,075</u>	<u>10,826</u>	<u>0</u>	<u>5,125,900</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	50,000	0	0	50,000
53403500 - Consulting Fees	18,548	0	0	18,548
53403510 - Consulting Fees - United	78,000	0	0	78,000
Total Professional Fees	<u>146,548</u>	<u>0</u>	<u>0</u>	<u>146,548</u>
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	9,539	35,872	0	45,411
Total Equipment Rental	<u>9,539</u>	<u>35,872</u>	<u>0</u>	<u>45,411</u>
Outside Services				
53601500 - Credit Card Transaction Fees	10,000	0	0	10,000
54603500 - Outside Services CC	2,025,139	7,590,005	0	9,615,143
53704000 - Outside Services	154,097	11,268	0	165,365
Total Outside Services	<u>2,189,235</u>	<u>7,601,273</u>	<u>0</u>	<u>9,790,508</u>
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	5,647	5,989	0	11,636
53703000 - Elevator /Lift Maintenance	36,061	0	0	36,061
Total Repairs and Maintenance	<u>41,708</u>	<u>5,989</u>	<u>0</u>	<u>47,697</u>
Other Operating Expense				
53801000 - Mileage & Meal Allowance	6,255	287	0	6,542
53801500 - Travel & Lodging	774	0	0	774
53802000 - Uniforms	63,045	32,743	0	95,788
53802500 - Dues & Memberships	2,145	151	0	2,297
53803000 - Subscriptions & Books	1,479	0	0	1,479
53803500 - Training & Education	21,630	2,461	0	24,091
53903000 - Safety	1,036	18	0	1,054
54001010 - Board Relations - United	10,000	0	0	10,000
54002000 - Postage	51,951	0	0	51,951
54002500 - Filing Fees / Permits	342	0	0	342
Total Other Operating Expense	<u>158,656</u>	<u>35,661</u>	<u>0</u>	<u>194,317</u>
Income, Property, and Sales Tax				
54302000 - Property Taxes	0	0	13,427,890	13,427,890
Total Income, Property, and Sales Tax	<u>0</u>	<u>0</u>	<u>13,427,890</u>	<u>13,427,890</u>
Insurance				
54401000 - Hazard & Liability Insurance	1,087,661	0	0	1,087,661
54401500 - D&O Liability	73,337	0	0	73,337

Attachment 4
United Laguna Woods Mutual
Budget Comparison Report by Fund Type
12/31/2024
 UNITED LAGUNA WOODS MUTUAL

	<u>2024 Budget Operating</u>	<u>2024 Budget Reserves</u>	<u>2024 Budget Restricted</u>	<u>Total</u>
54402000 - Property Insurance	5,250,240	0	0	5,250,240
54403000 - General Liability Insurance	6,107	0	0	6,107
Total Insurance	<u>6,417,345</u>	<u>0</u>	<u>0</u>	<u>6,417,345</u>
Investment Expense				
54201000 - Investment Expense	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Total Investment Expense	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Net Allocation to Mutuals				
54602500 - Allocated Expenses	<u>1,299,456</u>	<u>287,235</u>	<u>0</u>	<u>1,586,691</u>
Total Net Allocation To Mutuals	<u>1,299,456</u>	<u>287,235</u>	<u>0</u>	<u>1,586,691</u>
Uncollectible Accounts				
54602000 - Bad Debt Expense	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
Total Uncollectible Accounts	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
(Gain)/Loss on Sale or Trade				
54101000 - (Gain)/Loss - Warehouse Sales	<u>(90)</u>	<u>0</u>	<u>0</u>	<u>(90)</u>
Total (Gain)/Loss on Sale or Trade	<u>(90)</u>	<u>0</u>	<u>0</u>	<u>(90)</u>
Total Expenses	<u>28,678,933</u>	<u>14,692,451</u>	<u>13,427,890</u>	<u>56,799,274</u>
Excess of Revenues Over Expenses	<u>(\$25,708,668)</u>	<u>(\$14,317,451)</u>	<u>(\$13,427,890)</u>	<u>(\$53,454,009)</u>

**UNITED LAGUNA WOODS MUTUAL
2024 PLAN
Programs Report**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	ASSESSMENT	
						INCREASE/(DECREASE) \$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
1 PLUMBING SERVICE	\$1,678,492	\$1,421,163	\$1,691,127	\$1,576,070	\$1,631,373	\$55,303	4%
2 DAMAGE RESTORATION	0	1,193,726	1,390,025	885,805	905,000	19,195	2%
3 CARPENTRY SERVICE	472,259	511,314	570,476	638,911	657,845	18,934	3%
4 INTERIOR PREVENTIVE MAINTENANCE	264,354	258,391	332,939	374,517	341,440	(33,077)	(9%)
5 ELECTRICAL SERVICE	314,055	380,555	393,672	373,787	341,905	(31,882)	(9%)
6 APPLIANCE REPAIRS	263,734	243,776	278,782	319,633	321,990	2,357	1%
7 PEST CONTROL	79,544	196,579	159,053	257,655	270,541	12,886	5%
8 COUNTERTOP/FLOOR/TILE REPAIRS	104,693	100,534	112,909	149,440	154,355	4,915	3%
9 FIRE PROTECTION	11,603	26,652	10,110	34,394	37,348	2,954	9%
10 ENERGY PROGRAM	18,020	19,060	27,242	35,000	36,000	1,000	3%
11 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	21,389	21,031	13,222	20,000	20,000	0	0%
12 GUTTER CLEANING	30,596	(30,596)	0	0	0	0	0%
TOTAL	\$3,258,738	\$4,342,183	\$4,979,556	\$4,665,212	\$4,717,797	\$52,585	1%

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	\$372,289	\$396,868	\$341,500	\$406,550	\$420,624	\$14,074	3%
14 JANITORIAL SERVICE	437,293	369,411	369,344	397,860	526,769	128,909	32%
15 GUTTER CLEANING	146,092	152,886	129,493	158,152	169,534	11,382	7%
16 WELDING	63,817	105,816	94,606	112,840	125,722	12,882	11%
17 TRAFFIC CONTROL	8,778	14,467	13,484	15,576	15,816	240	2%
TOTAL	\$1,028,269	\$1,039,449	\$948,426	\$1,090,978	\$1,258,465	\$167,487	15%

OPERATING FUND - LANDSCAPE SERVICES

18 GROUNDS MAINTENANCE	\$2,585,229	\$2,533,730	\$2,585,909	\$2,816,943	\$3,063,701	\$246,757	9%
Shrub-Bed Maintenance	1,785,822	1,449,424	1,449,424	1,919,307	2,155,929	236,622	12%
Turf Maintenance	563,101	735,829	735,829	642,660	609,683	(32,977)	(5%)
Miscellaneous Tasks	216,386	322,457	322,457	248,037	289,203	41,166	17%
Slope Maintenance	19,920	26,020	26,020	6,939	8,884	1,945	28%
19 IRRIGATION	784,777	728,291	798,217	809,937	808,121	(1,816)	(0%)
20 PEST CONTROL	229,312	275,162	282,425	315,267	318,816	3,549	1%
21 LANDSCAPE ADMINISTRATION	121,344	224,189	240,721	253,034	351,838	98,804	39%
22 SMALL EQUIPMENT REPAIR	190,463	215,076	215,897	192,214	212,434	20,220	11%
23 NURSERY & COMPOSTING	211,268	179,886	168,001	192,001	176,029	(15,972)	(8%)
24 TREE MAINTENANCE	5,504	5,974	2,095	0	0	0	0%
TOTAL	\$4,127,897	\$4,156,996	\$4,306,366	\$4,579,396	\$4,930,939	\$351,542	8%

**UNITED LAGUNA WOODS MUTUAL
2024 PLAN
Programs Report**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	ASSESSMENT		
						INCREASE/(DECREASE) \$	%	
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
25 BUILDING STRUCTURES	\$1,235,622	\$979,064	\$1,051,258	\$1,314,877	\$1,634,468	\$319,591	24%	
26 CDS SIGNAGE	29,078	0	0	0	0	0	0%	
27 ELECTRICAL SYSTEMS	319,500	418,938	628,037	509,495	524,435	14,940	3%	
28 EXTERIOR WALKWAY LIGHTING	7,671	30,711	46,046	75,550	64,760	(10,790)	(14%)	
29 FOUNDATIONS	0	18,910	49,387	43,436	43,436	0	0%	
30 GUTTER REPLACEMENT	83,051	68,558	52,874	113,127	116,486	3,359	3%	
31 PAINT - EXTERIOR	1,224,288	1,635,609	1,466,877	1,734,242	1,749,510	15,268	1%	
32 PLUMBING REPLACEMENT	0	276,882	344,352	337,826	345,510	7,684	2%	
33 PRIOR TO PAINT	776,863	701,954	731,374	996,471	1,033,446	36,975	4%	
34 PAVING	368,865	510,630	379,026	398,371	394,207	(4,164)	(1%)	
35 ROOFS	927,506	841,632	1,013,167	1,041,301	1,318,468	277,167	27%	
36 WALLS	24,600	27,928	30,944	35,000	35,000	0	0%	
37 WASTE LINE REMEDIATION	1,349,975	2,502,222	2,153,854	2,300,000	2,300,000	0	0%	
38 WATER LINE - COPPER PIPE REMEDIATION	169,746	62,049	71,652	100,000	100,000	0	0%	
39 WINDOW/SLIDING SCREEN DOOR	71,372	108,699	94,609	140,157	151,910	11,753	8%	
OTHER SUPPL. APPROPRIATIONS	6,389	0	0	0	0	0	0%	
APPLIANCE AND FIXTURES:								
40 COOKTOPS	55,479	58,719	89,574	69,963	69,996	33	0%	
41 DISHWASHERS	52,993	66,351	93,120	96,362	97,499	1,137	1%	
42 FIXTURES - BASINS/FAUCETS/SINKS/TOILETS	133,986	155,000	185,741	224,611	238,752	14,141	6%	
43 GARBAGE DISPOSALS	74,176	115,475	113,801	118,247	125,123	6,876	6%	
44 HOODS	10,264	18,470	20,790	39,542	39,610	68	0%	
45 KITCHEN/BATH COUNTERS, FLOORS, MISC.	550,095	878,164	1,039,632	1,467,906	1,561,146	93,240	6%	
46 OVENS	98,684	116,546	135,988	133,646	137,036	3,390	3%	
47 RANGES	4,474	8,907	8,896	12,345	12,390	45	0%	
48 REFRIGERATORS	97,109	158,863	171,606	222,137	222,336	199	0%	
49 WATER HEATERS & PERMITS	282,448	479,830	526,556	749,363	759,990	10,627	1%	
50 DRYERS - LAUNDRY	1,152	9,151	8,831	38,113	38,163	50	0%	
51 WASHING MACHINES - LAUNDRY	64,094	42,691	44,215	91,082	91,113	31	0%	
TOTAL APPLIANCE AND FIXTURES	\$1,424,955	\$2,108,168	\$2,438,752	\$3,263,317	\$3,393,154	\$129,837	4%	
TOTAL	\$8,019,480	\$10,291,951	\$10,552,208	\$12,403,170	\$13,204,790	\$801,620	6%	

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
2024 PLAN
Programs Report**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	ASSESSMENT	
						INCREASE/(DECREASE) \$	%
RESERVE FUND - GENERAL SERVICES							
52 PRIOR TO PAINT - WELDING	\$0	\$8,350	\$8,119	\$9,558	\$10,902	\$1,344	14%
53 PAVING	21,379	61,713	52,252	48,377	55,434	7,057	15%
54 WALLS	0	0	0	15,400	15,400	0	0%
TOTAL	\$21,379	\$70,063	\$60,371	\$73,335	\$81,736	\$8,401	11%

RESERVE FUND - LANDSCAPE SERVICES							
55 SLOPE RENOVATION	\$257,365	\$160,582	\$100,652	\$98,898	\$109,788	\$10,890	11%
56 IMPROVEMENT & RESTORATION	0	273,458	167,701	177,744	195,857	18,113	3%
57 TREE MAINTENANCE	877,273	764,125	857,213	898,360	1,065,281	166,921	19%
TOTAL	\$1,134,638	\$1,198,165	\$1,125,565	\$1,175,002	\$1,370,926	\$195,924	16%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION							
58 MOISTURE INTRUSION - RAIN LEAKS	\$264,914	\$0	\$1,853	\$0	\$0	\$0	0%
59 MOISTURE INTRUSION - PLUMBING LEAKS	797,699	0	0	0	0	0	0%
60 MOISTURE INTRUSION - PLUMBING STOPPAGES	257,338	0	0	0	0	0	0%
61 MOISTURE INTRUSION - MISCELLANEOUS	185,784	0	0	0	0	0	0%
62 DAMAGE RESTORATION SERVICES	25,645	0	0	0	0	0	0%
TOTAL	\$1,531,381	\$0	\$1,853	\$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	\$11,899,352	\$12,323,498	\$12,323,498	\$12,649,183	\$13,427,890	\$778,707	6%
TOTAL	\$11,899,352	\$12,323,498	\$12,323,498	\$12,649,183	\$13,427,890	\$778,707	6%

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
2023	\$ 16,710,271	\$ 728,421	\$ 11,853,864	\$ 156.23	\$ (13,651,507)	\$ 15,641,049
2024	\$ 15,641,049	\$ 469,231	\$ 12,992,247	\$ 171.23	\$ (14,657,452)	\$ 14,445,075
2025	\$ 14,445,075	\$ 433,352	\$ 14,228,001	\$ 187.52	\$ (14,661,353)	\$ 14,445,076
2026	\$ 14,445,076	\$ 433,352	\$ 15,151,234	\$ 199.68	\$ (15,584,586)	\$ 14,445,076
2027	\$ 14,445,076	\$ 433,352	\$ 13,944,211	\$ 183.78	\$ (14,377,563)	\$ 14,445,075
2028	\$ 14,445,075	\$ 433,352	\$ 14,301,603	\$ 188.49	\$ (14,734,955)	\$ 14,445,075

*Planned expenditures may differ from the contracted reserve study based on budget submitted and projections.
 **2024 Reserve Fund Contributions exceed alternate minimum contributions recommended by the contracted reserve specialist.

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
2023	\$ 1,113,771	\$ 0	\$ 75,876	\$ 1.00	\$ 0	\$ 1,189,647
2024	\$ 1,189,647	\$ 0	\$ 151,752	\$ 2.00	\$ 0	\$ 1,341,399
2025	\$ 1,341,399	\$ 0	\$ 227,628	\$ 3.00	\$ 0	\$ 1,569,027
2026	\$ 1,569,027	\$ 0	\$ 303,504	\$ 4.00	\$ 0	\$ 1,872,531
2027	\$ 1,872,531	\$ 0	\$ 379,380	\$ 5.00	\$ 0	\$ 2,251,911
2028	\$ 2,251,911	\$ 0	\$ 455,256	\$ 6.00	\$ 0	\$ 2,707,167



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.

Year	Beginning Balance	Investment Income	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
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	\$ 13,691,882	Varies	\$ (13,691,882)	\$ 0
2028	\$ 0	\$ 0	\$ 13,965,720	Varies	\$ (13,965,720)	\$ 0



Reserve Study Executive Summary

No-Site-Visit

United Laguna Woods Mutual

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**

Report #: **36560-4**

of Units: 6,323

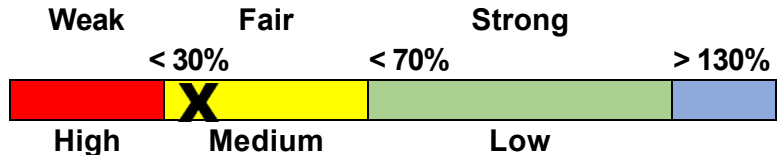
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance	\$15,641,049
Current Full Funding Reserve Balance	\$43,424,648
Average Reserve Deficit (Surplus) Per Unit	\$.4,394
Percent Funded	36.0 %
Recommended 2024 "Annual Full Funding Contributions"	\$14,200,000
Alternate minimum contributions to keep Reserve above \$0	\$12,600,000
Most Recent Reserve Contribution Rate	\$11,853,864
Annual Deterioration Rate	\$15,456,573

Reserve Fund Strength: 36.0%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves **1.00 %**

Annual Inflation Rate **3.00 %**

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

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

The Association is a Mutual.

The Reserve Fund is between the 30% funded level and the 70% funded level at 36.0 % Funded, which is a fair position for the fund to be in. This means that the Mutual's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where the Mutual will enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$15,456,573.

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 \$14,200,000.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$12,600,000.

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

30-Year Reserve Plan Summary (Alternate Funding Plan) **Report # 36560-4**
No-Site-Visit

Fiscal Year Start: 2024

Interest:	1.00 %	Inflation:	3.00 %
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Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes							
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$15,641,049	\$43,424,648	36.0 %	Medium	\$12,600,000	\$0	\$152,031	\$13,615,015
2025	\$14,778,065	\$45,997,233	32.1 %	Medium	\$13,261,500	\$0	\$141,428	\$14,661,353
2026	\$13,519,641	\$48,012,067	28.2 %	High	\$13,957,729	\$0	\$127,646	\$15,584,586
2027	\$12,020,430	\$49,578,042	24.2 %	High	\$14,690,510	\$0	\$122,329	\$14,377,563
2028	\$12,455,705	\$52,815,874	23.6 %	High	\$15,461,761	\$0	\$128,780	\$14,734,955
2029	\$13,311,291	\$55,895,107	23.8 %	High	\$15,848,305	\$0	\$140,411	\$14,517,072
2030	\$14,782,935	\$59,439,476	24.9 %	High	\$16,244,513	\$0	\$156,625	\$14,628,671
2031	\$16,555,402	\$63,479,831	26.1 %	High	\$16,650,626	\$0	\$176,237	\$14,675,208
2032	\$18,707,057	\$68,126,066	27.5 %	High	\$17,066,891	\$0	\$195,307	\$15,598,318
2033	\$20,370,938	\$72,493,330	28.1 %	High	\$17,493,564	\$0	\$212,319	\$15,965,854
2034	\$22,110,966	\$77,164,740	28.7 %	High	\$17,930,903	\$0	\$221,354	\$18,084,598
2035	\$22,178,626	\$80,342,222	27.6 %	High	\$18,379,175	\$0	\$219,658	\$19,005,834
2036	\$21,771,625	\$80,042,883	27.2 %	High	\$18,838,655	\$0	\$228,891	\$16,813,134
2037	\$24,026,036	\$82,520,264	29.1 %	High	\$19,309,621	\$0	\$248,701	\$17,849,076
2038	\$25,735,283	\$84,526,756	30.4 %	Medium	\$19,792,362	\$0	\$259,605	\$19,579,412
2039	\$26,207,837	\$85,348,658	30.7 %	Medium	\$20,287,171	\$0	\$267,489	\$19,449,871
2040	\$27,312,626	\$86,882,232	31.4 %	Medium	\$20,794,350	\$0	\$283,556	\$18,967,815
2041	\$29,422,717	\$89,528,526	32.9 %	Medium	\$21,314,209	\$0	\$294,987	\$21,432,184
2042	\$29,599,728	\$90,303,208	32.8 %	Medium	\$21,847,064	\$0	\$297,795	\$21,760,016
2043	\$29,984,571	\$91,368,384	32.8 %	Medium	\$22,393,240	\$0	\$304,079	\$21,824,890
2044	\$30,857,000	\$93,021,760	33.2 %	Medium	\$22,953,071	\$0	\$309,626	\$23,025,247
2045	\$31,094,450	\$94,103,239	33.0 %	Medium	\$23,526,898	\$0	\$320,600	\$21,889,110
2046	\$33,052,839	\$97,047,589	34.1 %	Medium	\$24,115,071	\$0	\$288,565	\$32,771,868
2047	\$24,684,607	\$89,551,040	27.6 %	High	\$24,717,948	\$0	\$237,225	\$26,859,206
2048	\$22,780,574	\$89,233,859	25.5 %	High	\$25,335,896	\$0	\$203,940	\$30,295,660
2049	\$18,024,750	\$86,107,454	20.9 %	High	\$25,335,896	\$0	\$162,422	\$29,049,709
2050	\$14,473,358	\$84,932,619	17.0 %	High	\$25,335,896	\$0	\$125,271	\$29,342,975
2051	\$10,591,550	\$84,205,369	12.6 %	High	\$25,335,896	\$0	\$78,350	\$30,920,623
2052	\$5,085,174	\$82,639,765	6.2 %	High	\$25,335,896	\$0	\$28,524	\$29,827,569
2053	\$622,025	\$82,985,734	0.7 %	High	\$25,335,896	\$0	\$0	\$28,744,615