



REGULAR MEETING OF THE FINANCE COMMITTEE*

**Tuesday, July 26, 2022 – 1:30 p.m.
Laguna Woods Village Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

NOTICE and AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for June 28, 2022
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

*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/85040223813> or call the one tap number using your mobile phone **+16699006833..85040223813#** or email meeting@vmsinc.org to request to speak.*

7. Department Head Update

Reports

8. Preliminary Financial Statements dated June 30, 2022
 - a) Items for Correction
 - b) Compensation and Outside Services
 - c) June Forecast
 - d) United Leasing Report
 - e) HR Staffing Report

Items for Discussion and Consideration

9. Collections and Lien Policy and Notice of Assessments and Foreclosure
10. 2021 Operating Surplus/Deficit
11. Discretionary Investments Update
12. Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, August 30, 2022 at 1:30 p.m.
15. Recess to Closed Session

*A quorum of the United Board or more may also be present at the meeting.

Azar Asgari, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201



**FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, June 28, 2022 – 1:30 p.m.
Hybrid Meeting

- DIRECTORS PRESENT:** Azar Asgari – Chair, Anthony Liberatore
DIRECTORS ABSENT: Lenny Ross, Pat English
ADVISORS PRESENT: Dick Rader
STAFF PRESENT: Steve Hormuth, Jose Campos, Manuel Gomez, Ian Barnette, Kurt Wiemann, Erika Hernandez
OTHERS PRESENT: United – Diane Casey, Maggie Blackwell, Cash Achrekar
GRF – Juanita Skillman, Elsie Addington

Call to Order

Director Azar Asgari, Treasurer, chaired the meeting and called it to order at 1:33 p.m.

Acknowledgment of Media

The meeting was recorded via Granicus and made available via Zoom for members of the community to participate virtually.

Approval of Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of the Regular Meeting Report of May 31, 2022

A motion was made and carried unanimously to approve the committee report as presented.

Chair Remarks

Director Asgari made the following statement: I have seen many practical comments on Next door and online Forum. I wish our educated and creative residents would be more active to send their ideas to the board of directors to be shared with VMS staff. Please pick the list of directors' e-mails from resident service from the community center and e-mail us. Also, United board had a strategic plan meeting on July 14th and one of the items was on communication that almost every director was agreed on it. United will have monthly town hall. I hope this kind of direct meeting of residents with directors can help to solve existing problems of residents and will bring more joy and peace to our beautiful Laguna Woods Village.

Member Comments (Items Not on the Agenda)

A member asked about the rules for employment with VMS, Inc. Director Maggie Blackwell referred her to the governing documents available on the website for residents. Questions were addressed

and no action taken.

Department Head Update

Steve Hormuth, Director of Financial Services, provided an update on the 2022 year-to-date budget status, summarized the 2023 Business Plan development and briefly mentioned the temporary borrowing in the amount of \$2,000,000 from previous months that will be paid back by end of June.

Review Preliminary Financial Statements dated May 31, 2022

The committee reviewed financial statements for May 31, 2022 and questions were addressed and noted by staff.

Compensation and Outside Services

The committee reviewed the report. No actions were requested or taken.

Endorsements from Standing Committees

None.

HR Staffing Report

Steve Hormuth presented the committee with a VMS, Inc staffing report displaying current job openings per department. Director Asgari recommended staff to advertise the part-time positions within the community via email and flyers in the laundry room. Director Maggie Blackwell stated she will carry on the suggestion to Media and Communications committee.

Future Agenda Items

June Forecast

Committee Member Comments

None.

Date of Next Meeting

Tuesday, July 26, 2022 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 2:48 p.m.


[azar asgari \(Jul 5, 2022 23:53 PDT\)](#)

Azar Asgari, Chair

MEMORANDUM

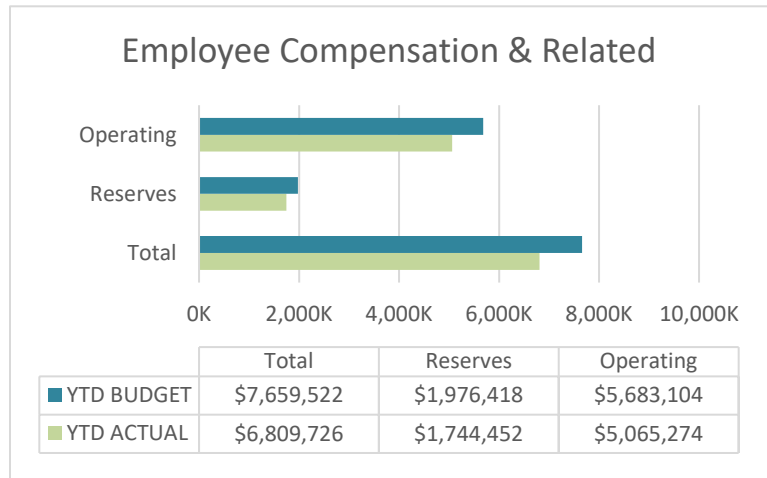
To: United Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: July 26, 2022
 Re: Department Head Update

Financial Highlights

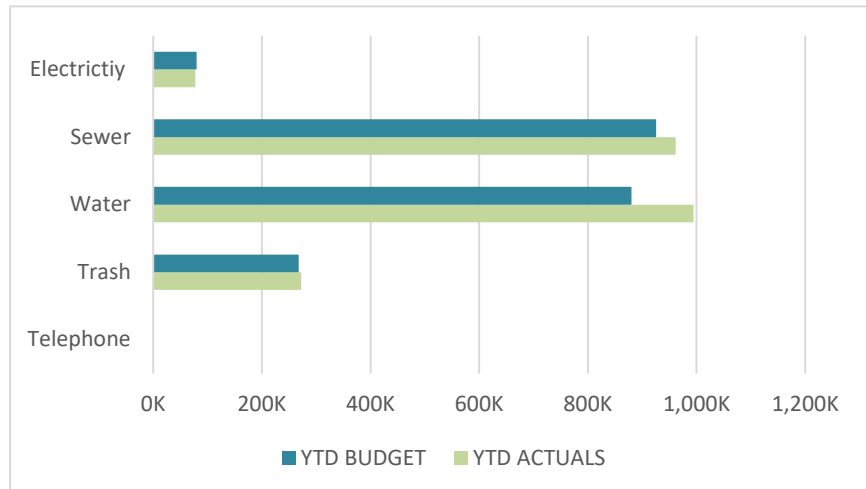
▪ **SUMMARY:** For the year-to-date period ending June 30, 2022, United Laguna Woods Mutual was better than budget by \$2,426K primarily resulting from timing of expenditures, affecting the areas of outside services \$2,012K, compensation \$850K, and materials \$366K. The variance was partially offset by YTD unrealized loss on investments of \$912K.

INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$22,942,687	\$22,848,090	\$94,597
Other Revenues	2,988	916,041	(\$913,053)
Expenses	21,496,395	24,741,270	3,244,875
Revenue / (Expense)	\$1,449,280	(\$977,139)	\$2,426,419

▪ **COMPENSATION:** Actual compensation and related costs came in at \$6.8 million, with \$5.1 million in operations and \$1.7 million in reserves. Combined, this category is 11% favorable to budget. The most significant impacts were in Maintenance and Landscape due to open positions and timing of programs.



▪ **UTILITIES:** In total, this category was unfavorable to budget by (\$152K) primarily due to water resulting from lower rainfall in 2022. Budget was based on a 5-year average that is 72% higher rainfall than current year experience. The unfavorable variance was furthered by sewer. Electricity, trash, and telephone expenditures remained within budget.



Discussions

2023 Business Plan: United kicked off the 2023 Business Plan development in March. The Board has met several times to review various iterations of the budget. Most recently, the United Board met on July 15, 2022 to review Version 2 of the 2023 Business Plan. Staff will incorporate suggestions from the meeting and any subsequent board direction into a business plan that will be reviewed on August 10.

Discretionary Investment Change: At the July 12, 2022 United Laguna Woods Mutual Board Meeting a motion was made and approved to liquidate the current discretionary investment portfolio of approximately \$14M with the intent to purchase laddered treasuries. The approved resolution is currently on 28-day review.

Calendar

- Jul 26, 2022 @ 1:30 p.m. United Finance Committee Meeting (June Financials)
- Jul 28, 2022 @ 2:00 p.m. United Agenda Prep Meeting
- Aug 9, 2022 @ 9:30 a.m. United Board Meeting
- Aug 10, 2022 @ 1:30 p.m. United Budget – Business Plan Review (Televised)
- Aug 25, 2022 @ 2:00 p.m. United Agenda Prep Meeting
- Aug 30, 2022 @ 1:30 p.m. United Finance Committee Meeting (July Financials)
- Sep 13, 2022 @ 9:30 a.m. United Board Meeting

July 2022							August 2022							September 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6					1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	
31																				

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
6/30/2022
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,926	\$2,910	\$16	\$17,555	\$17,460	\$95	\$16,868	\$34,920
2	Additions to restricted funds	898	898		5,388	5,388		5,767	10,776
3	Total assessments	<u>3,824</u>	<u>3,808</u>	<u>16</u>	<u>22,943</u>	<u>22,848</u>	<u>95</u>	<u>22,635</u>	<u>45,696</u>
Non-assessment revenues:									
4	Merchandise sales				3	2	1	7	3
5	Fees and charges for services to residents	76	66	10	355	394	(39)	303	789
6	Laundry	20	23	(2)	121	135	(14)	132	270
7	Investment income	22	12	9	86	74	12	76	148
8	Unrealized gain/(loss) on AFS investments	(175)		(175)	(912)		(912)	(286)	
9	Miscellaneous	76	52	24	350	311	39	277	623
10	Total non-assessment revenue	<u>19</u>	<u>153</u>	<u>(134)</u>	<u>3</u>	<u>916</u>	<u>(913)</u>	<u>508</u>	<u>1,833</u>
11	Total revenue	<u>3,842</u>	<u>3,961</u>	<u>(118)</u>	<u>22,946</u>	<u>23,764</u>	<u>(818)</u>	<u>23,143</u>	<u>47,529</u>
Expenses:									
12	Employee compensation and related	1,183	1,261	78	6,810	7,660	850	6,848	15,359
13	Materials and supplies	166	254	88	1,139	1,505	366	1,108	3,009
14	Utilities and telephone	500	405	(95)	2,306	2,154	(152)	2,197	4,692
15	Legal fees	31	21	(10)	55	111	56	85	247
16	Professional fees	2	5	3	69	60	(8)	40	96
17	Equipment rental		4	4	10	21	12	26	43
18	Outside services	410	829	419	1,966	3,978	2,012	1,145	9,199
19	Repairs and maintenance	2	4	1	16	22	6	17	44
20	Other Operating Expense	10	14	4	55	97	42	58	201
21	Property and sales tax	1,091	1,033	(57)	6,307	6,201	(106)	6,031	12,401
22	Insurance	323	346	23	1,919	2,074	155	1,997	4,148
23	Investment expense		1	1	5	5		5	10
24	Uncollectible Accounts		1	1	34	8	(26)	(20)	15
25	(Gain)/loss on sale or trade							(36)	
26	Depreciation and amortization	16	16		98	98		98	196
27	Net allocation to mutuals	131	124	(7)	709	749	40	691	1,500
28	Total expenses	<u>3,866</u>	<u>4,318</u>	<u>452</u>	<u>21,496</u>	<u>24,741</u>	<u>3,245</u>	<u>20,290</u>	<u>51,160</u>
29	Excess of revenues over expenses	<u>(\$23)</u>	<u>(\$357)</u>	<u>\$334</u>	<u>\$1,449</u>	<u>(\$977)</u>	<u>\$2,426</u>	<u>\$2,854</u>	<u>(\$3,631)</u>

United Laguna Woods Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
6/30/2022
(\$ IN THOUSANDS)

	OPERATING YEAR TO DATE			RESERVE YEAR TO DATE			RESTRICTED YEAR TO DATE			COMBINED YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
Revenues:												
Assessments:												
1 Operating	\$11,260	\$11,259					\$6,295	\$6,201	\$94	\$17,555	\$17,460	\$95
2 Additions to restricted funds				5,388	5,388					5,388	5,388	
3 Total assessments	<u>11,260</u>	<u>11,259</u>		<u>5,388</u>	<u>5,388</u>		<u>6,295</u>	<u>6,201</u>	<u>94</u>	<u>22,943</u>	<u>22,848</u>	<u>95</u>
Non-assessment revenues:												
4 Merchandise sales	3	2	1							3	2	1
5 Fees and charges for services to residents	354	394	(40)	1		1				355	394	(39)
6 Laundry	121	135	(14)							121	135	(14)
7 Investment income				86	70	16		4	(4)	86	74	12
8 Unrealized gain/(loss) on AFS investments	(12)		(12)	(900)		(900)				(912)		(912)
9 Miscellaneous	350	311	39							350	311	39
10 Total non-assessment revenue	<u>816</u>	<u>842</u>	<u>(26)</u>	<u>(813)</u>	<u>70</u>	<u>(883)</u>		<u>4</u>	<u>(4)</u>	<u>3</u>	<u>916</u>	<u>(913)</u>
11 Total revenue	<u>12,076</u>	<u>12,101</u>	<u>(26)</u>	<u>4,575</u>	<u>5,458</u>	<u>(884)</u>	<u>6,295</u>	<u>6,204</u>	<u>91</u>	<u>22,946</u>	<u>23,764</u>	<u>(818)</u>
Expenses:												
12 Employee compensation and related	5,065	5,683	618	1,744	1,976	232				6,810	7,660	850
13 Materials and supplies	395	380	(15)	744	1,125	381				1,139	1,505	366
14 Utilities and telephone	2,304	2,149	(155)	3	5	3				2,306	2,154	(152)
15 Legal fees	55	111	56							55	111	56
16 Professional fees	69	60	(8)							69	60	(8)
17 Equipment rental	3	4	1	7	17	10				10	21	12
18 Outside services	825	635	(189)	1,141	3,343	2,201				1,966	3,978	2,012
19 Repairs and maintenance	15	19	4	1	3	2				16	22	6
20 Other Operating Expense	45	80	35	10	17	7				55	97	42
21 Property and sales tax							6,307	6,201	(106)	6,307	6,201	(106)
22 Insurance	1,919	2,074	155							1,919	2,074	155
23 Investment expense				5	5					5	5	
24 Uncollectible Accounts	34	8	(26)							34	8	(26)
25 (Gain)/loss on sale or trade												
26 Depreciation and amortization	98	98								98	98	
27 Net allocation to mutuals	560	585	25	150	164	14				709	749	40
28 Total expenses	<u>11,385</u>	<u>11,885</u>	<u>500</u>	<u>3,805</u>	<u>6,655</u>	<u>2,851</u>	<u>6,307</u>	<u>6,201</u>	<u>(106)</u>	<u>21,496</u>	<u>24,741</u>	<u>3,245</u>
29 Excess of revenues over expenses	<u>\$691</u>	<u>\$216</u>	<u>\$475</u>	<u>\$770</u>	<u>(\$1,197)</u>	<u>\$1,967</u>	<u>(\$12)</u>	<u>\$4</u>	<u>(\$15)</u>	<u>\$1,449</u>	<u>(\$977)</u>	<u>\$2,426</u>

United Laguna Woods Mutual
Operating Statement - Preliminary
6/30/2022
 UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$9,649,910	\$9,649,614	\$296	0.00%	\$19,299,232
41007000 - Monthly Assessments - Property Taxes	6,127,292	6,200,580	(73,288)	(1.18%)	12,401,160
41007500 - Monthly Assessments - Supplemental Property Taxes	167,757	0	167,757	0.00%	0
41008000 - Monthly Assessments - Property Insurance	1,609,774	1,609,776	(2)	0.00%	3,219,547
Total Operating	17,554,732	17,459,970	94,762	0.54%	34,919,939
Additions To Restricted Funds					
41003500 - Monthly Assessments - Replacement Fund	5,387,955	5,388,120	(165)	0.00%	10,776,240
Total Additions To Restricted Funds	5,387,955	5,388,120	(165)	0.00%	10,776,240
Total Assessments	22,942,687	22,848,090	94,597	0.41%	45,696,179
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	2,700	1,500	1,200	79.94%	3,001
Total Merchandise Sales	2,700	1,500	1,200	79.94%	3,001
Fees and Charges for Services to Residents					
46501000 - Permit Fee	106,503	122,738	(16,235)	(13.23%)	245,478
46501500 - Inspection Fee	34,318	38,995	(4,677)	(11.99%)	77,993
46502000 - Resident Maintenance Fee	214,373	232,343	(17,970)	(7.73%)	465,100
Total Fees and Charges for Services to Residents	355,194	394,076	(38,882)	(9.87%)	788,570
Laundry					
46005000 - Coin Op Laundry Machine	120,897	135,000	(14,103)	(10.45%)	270,000
Total Laundry	120,897	135,000	(14,103)	(10.45%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	1,142	2,004	(862)	(43.03%)	4,000
49002000 - Investment Income - Discretionary	84,731	72,000	12,731	17.68%	144,000
Investment Interest Income	85,873	74,004	11,869	16.04%	148,000
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(911,940)	0	(911,940)	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	(911,940)	0	(911,940)	0.00%	0
Miscellaneous					
46004500 - Resident Violations	8,300	29,099	(20,799)	(71.48%)	58,202
44501000 - Additional Occupant Fee	15,500	21,996	(6,496)	(29.53%)	44,000
44501500 - Lease Processing Fee - United	87,360	62,268	25,092	40.30%	124,540
44502000 - Variance Processing Fee	0	7,941	(7,941)	(100.00%)	15,888
44503000 - Stock Transfer Fee	5,050	6,798	(1,748)	(25.71%)	13,605
44503510 - Resale Processing Fee - United	95,284	70,998	24,286	34.21%	142,000
44507000 - Golf Cart Electric Fee	24,041	32,502	(8,461)	(26.03%)	65,000
44507200 - Electric Vehicle Plug-In Fee	14,137	9,000	5,137	57.08%	18,000
44507500 - Cartport/Carport Space Rental Fee	919	1,200	(281)	(23.44%)	2,400
47001500 - Late Fee Revenue	24,260	25,002	(742)	(2.97%)	50,000
47002010 - Collection Administrative Fee - United	72,167	40,158	32,009	79.71%	80,320
47002500 - Collection Interest Revenue	207	2,502	(2,295)	(91.73%)	5,000
47501000 - Recycling	3,031	1,998	1,033	51.72%	4,001
49009000 - Miscellaneous Revenue	9	0	9	0.00%	0
Total Miscellaneous	350,265	311,462	38,803	12.46%	622,955
Total Non-Assessment Revenue	2,988	916,042	(913,053)	(99.67%)	1,832,526
Total Revenue	22,945,675	23,764,132	(818,456)	(3.44%)	47,528,705
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,367,855	1,597,302	229,448	14.36%	3,227,871
51021000 - Union Wages - Regular	2,444,380	3,065,820	621,441	20.27%	6,182,456
51041000 - Wages - Overtime	22,528	13,928	(8,600)	(61.75%)	27,869

United Laguna Woods Mutual
Operating Statement - Preliminary
6/30/2022
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51051000 - Union Wages - Overtime	91,878	53,990	(37,889)	(70.18%)	108,022
51061000 - Holiday & Vacation	380,189	393,768	13,578	3.45%	794,626
51071000 - Sick	145,301	160,616	15,314	9.53%	324,124
51091000 - Missed Meal Penalty	4,035	2,806	(1,229)	(43.81%)	5,639
51101000 - Temporary Help	45,178	58,319	13,140	22.53%	116,647
51981000 - Compensation Accrual	336,706	0	(336,706)	0.00%	0
Total Employee Compensation	4,838,051	5,346,547	508,496	9.51%	10,787,254
Compensation Related					
52411000 - F.I.C.A.	335,819	399,034	63,215	15.84%	798,773
52421000 - F.U.I.	7,629	10,758	3,129	29.08%	10,758
52431000 - S.U.I.	34,330	54,705	20,375	37.24%	54,705
52441000 - Union Medical	888,851	1,001,241	112,390	11.23%	2,002,482
52451000 - Workers' Compensation Insurance	229,614	284,146	54,531	19.19%	573,203
52461000 - Non Union Medical & Life Insurance	183,982	228,877	44,895	19.62%	457,591
52471000 - Union Retirement Plan	216,137	264,283	48,146	18.22%	532,946
52481000 - Non-Union Retirement Plan	31,628	69,932	38,304	54.77%	141,320
52981000 - Compensation Related Accrual	43,685	0	(43,685)	0.00%	0
Total Compensation Related	1,971,675	2,312,975	341,300	14.76%	4,571,778
Materials and Supplies					
53001000 - Materials & Supplies	234,399	298,941	64,542	21.59%	596,779
53003000 - Materials Direct	902,375	1,202,802	300,427	24.98%	2,406,139
53003500 - Materials Direct - Grf	60	0	(60)	0.00%	0
53004000 - Freight	1,866	2,856	991	34.69%	5,756
Total Materials and Supplies	1,138,700	1,504,599	365,900	24.32%	3,008,674
Utilities and Telephone					
53301000 - Electricity	77,646	79,994	2,348	2.94%	130,789
53301500 - Sewer	961,372	925,800	(35,572)	(3.84%)	1,898,400
53302000 - Water	994,331	880,058	(114,273)	(12.98%)	2,127,288
53302500 - Trash	272,532	267,697	(4,835)	(1.81%)	535,299
53304000 - Telephone	322	354	32	9.17%	706
Total Utilities and Telephone	2,306,203	2,153,903	(152,300)	(7.07%)	4,692,482
Legal Fees					
53401500 - Legal Fees	55,332	111,102	55,770	50.20%	246,652
Total Legal Fees	55,332	111,102	55,770	50.20%	246,652
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	38,500	36,260	(2,240)	(6.18%)	47,670
53403500 - Consulting Fees	10,336	8,064	(2,273)	(28.18%)	13,371
53403510 - Consulting Fees - United	19,833	15,996	(3,837)	(23.98%)	35,000
Total Professional Fees	68,669	60,320	(8,349)	(13.84%)	96,041
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	9,773	21,437	11,664	54.41%	42,879
Total Equipment Rental	9,773	21,437	11,664	54.41%	42,879
Outside Services					
53601000 - Bank Fees	19,152	21,336	2,184	10.23%	42,678
53601500 - Credit Card Transaction Fees	4,815	0	(4,815)	0.00%	0
54603500 - Outside Services Cost Collection	1,837,081	3,894,607	2,057,526	52.83%	9,007,726
53704000 - Outside Services	104,850	61,795	(43,055)	(69.67%)	148,769
Total Outside Services	1,965,898	3,977,738	2,011,840	50.58%	9,199,173
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,669	6,753	5,084	75.29%	13,553
53703000 - Elevator /Lift Maintenance	14,184	15,084	900	5.97%	30,166
Total Repairs and Maintenance	15,853	21,837	5,984	27.40%	43,719
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,289	5,464	4,175	76.40%	10,963
53801500 - Travel & Lodging	7	1,289	1,282	99.49%	2,581
53802000 - Uniforms	25,290	47,199	21,909	46.42%	93,604
53802500 - Dues & Memberships	369	1,169	800	68.42%	2,375
53803000 - Subscriptions & Books	91	890	799	89.82%	1,788
53803500 - Training & Education	1,044	11,241	10,197	90.71%	24,459

United Laguna Woods Mutual
Operating Statement - Preliminary
6/30/2022
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
53903000 - Safety	295	540	245	45.30%	1,084
54001010 - Board Relations - United	1,783	3,762	1,979	52.62%	7,525
54001500 - Public Relations	(3)	0	3	0.00%	0
54002000 - Postage	24,530	24,907	377	1.51%	56,312
54002500 - Filing Fees / Permits	130	172	42	24.53%	354
Total Other Operating Expense	54,825	96,633	41,808	43.26%	201,043
Property and Sales Tax					
54302000 - Property Taxes	6,306,919	6,200,580	(106,339)	(1.71%)	12,401,160
Total Property and Sales Tax	6,306,919	6,200,580	(106,339)	(1.71%)	12,401,160
Insurance					
54401000 - Hazard & Liability Insurance	377,160	422,137	44,977	10.65%	844,276
54401500 - D&O Liability	35,538	38,387	2,848	7.42%	76,776
54402000 - Property Insurance	1,501,329	1,609,773	108,443	6.74%	3,219,547
54403000 - General Liability Insurance	4,511	3,725	(786)	(21.10%)	7,450
Total Insurance	1,918,539	2,074,021	155,482	7.50%	4,148,049
Investment Expense					
54201000 - Investment Expense	5,224	5,220	(4)	(0.09%)	10,440
Total Investment Expense	5,224	5,220	(4)	(0.09%)	10,440
Uncollectible Accounts					
54602000 - Bad Debt Expense	33,871	7,500	(26,371)	(351.61%)	15,000
Total Uncollectible Accounts	33,871	7,500	(26,371)	(351.61%)	15,000
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(86)	0	86	0.00%	0
Total (Gain)/Loss on Sale or Trade	(86)	0	86	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	97,879	97,879	0	0.00%	195,758
Total Depreciation and Amortization	97,879	97,879	0	0.00%	195,758
Net Allocation to Mutuals					
54602500 - Allocated Expenses	709,072	748,979	39,907	5.33%	1,499,949
Total Net Allocation to Mutuals	709,072	748,979	39,907	5.33%	1,499,949
Total Expenses	21,496,395	24,741,271	3,244,875	13.12%	51,160,052
Excess of Revenues Over Expenses	\$1,449,280	(\$977,139)	\$2,426,419	248.32%	(\$3,631,346)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
6/30/2022**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$2,817,106	\$6,230,045
2	Non-discretionary investments	6,477,964	999,883
3	Discretionary investments	14,372,440	15,204,873
4	Receivable/(Payable) from mutuals	(189,213)	(350,215)
5	Accounts receivable and interest receivable	658,261	784,588
6	Prepaid expenses and deposits	1,272,804	2,587,073
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,763,846)	(83,762,315)
9	Beneficial interest in GRF of Laguna Hills Trust	5,314,656	5,411,004
10	Non-controlling interest in GRF	42,560,838	42,560,838
11	Total Assets	<u><u>\$81,510,615</u></u>	<u><u>\$81,655,380</u></u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$1,707,637	\$3,393,537
13	Accrued compensation and related costs	518,105	518,105
14	Deferred income	989,126	897,272
15	Asset retirement obligation	1,382,827	1,382,827
16	Total liabilities	<u><u>\$4,597,694</u></u>	<u><u>\$6,191,740</u></u>
Fund balances:			
17	Fund balance prior years	75,463,640	74,758,941
18	Change in fund balance - current year	1,449,280	704,699
19	Total fund balances	<u><u>76,912,920</u></u>	<u><u>75,463,640</u></u>
20	Total Liabilities and Fund Balances	<u><u>\$81,510,615</u></u>	<u><u>\$81,655,380</u></u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
6/30/2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Assets					
1	Cash and cash equivalents	\$183,874	\$2,633,231		\$2,817,106
2	Non-discretionary investments		6,477,964		6,477,964
3	Discretionary investments		14,372,440		14,372,440
4	Receivable/(Payable) from mutuals	(189,213)			(189,213)
5	Receivable/(Payable) from operating fund	738,770	(1,734,146)	1,113,771	(118,396)
6	Accounts receivable and interest receivable	658,261			658,261
7	Prepaid expenses and deposits	1,270,284	2,520		1,272,804
8	Property and equipment	91,989,605			91,989,605
9	Accumulated depreciation property and equipment	(83,763,846)			(83,763,846)
10	Beneficial interest in GRF of Laguna Hills Trust	5,314,656			5,314,656
11	Non-controlling interest in GRF	42,560,838			42,560,838
12	Total Assets	<u>\$58,763,230</u>	<u>\$21,752,010</u>	<u>\$1,113,771</u>	<u>(\$118,396)</u>
					<u>\$81,510,615</u>
Liabilities and Fund Balances					
Liabilities:					
13	Accounts payable and accrued expenses	\$1,276,526	\$431,111		\$1,707,637
14	Accrued compensation and related costs	518,105			518,105
15	Deferred income	989,126			989,126
16	Asset retirement obligation		1,382,827		1,382,827
17	Total liabilities	<u>\$2,783,757</u>	<u>\$1,813,937</u>		<u>\$4,597,694</u>
Fund balances:					
18	Fund balance prior years	55,288,317	19,168,078	1,113,771	(106,526)
19	Change in fund balance - current year	691,155	769,995		(11,870)
20	Total fund balances	<u>55,979,473</u>	<u>19,938,072</u>	<u>1,113,771</u>	<u>(118,396)</u>
21	Total Liabilities and Fund Balances	<u>\$58,763,230</u>	<u>\$21,752,010</u>	<u>\$1,113,771</u>	<u>(\$118,396)</u>
					<u>\$81,510,615</u>

**United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
6/30/2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Revenues:					
Assessments:					
1	Operating	\$11,259,683		\$6,295,049	\$17,554,732
2	Additions to restricted funds		5,387,955		5,387,955
3	Total assessments	<u>11,259,683</u>	<u>5,387,955</u>	<u>6,295,049</u>	<u>22,942,687</u>
Non-assessment revenues:					
4	Merchandise sales	2,700			2,700
5	Fees and charges for services to residents	354,434	760		355,194
6	Laundry	120,897			120,897
7	Interest income		85,873		85,873
8	Unrealized gain/(loss) on AFS investments	(12,118)	(899,822)		(911,940)
9	Miscellaneous	350,265			350,265
10	Total non-assessment revenue	<u>816,177</u>	<u>(813,189)</u>		<u>2,988</u>
11	Total revenue	<u>12,075,860</u>	<u>4,574,766</u>	<u>6,295,049</u>	<u>22,945,675</u>
Expenses:					
12	Employee compensation and related	5,065,273	1,744,453		6,809,726
13	Materials and supplies	394,892	743,807		1,138,700
14	Utilities and telephone	2,303,511	2,692		2,306,203
15	Legal fees	55,332			55,332
16	Professional fees	68,669			68,669
17	Equipment rental	2,570	7,203		9,773
18	Outside services	824,536	1,141,362		1,965,898
19	Repairs and maintenance	15,012	841		15,853
20	Other Operating Expense	45,144	9,681		54,825
21	Property and sales tax			6,306,919	6,306,919
22	Insurance	1,918,539			1,918,539
23	Investment expense		5,224		5,224
24	Uncollectible Accounts	33,871			33,871
25	(Gain)/loss on sale or trade	(86)			(86)
26	Depreciation and amortization	97,879			97,879
27	Net allocations to mutuals	559,563	149,508		709,072
28	Total expenses	<u>11,384,705</u>	<u>3,804,771</u>	<u>6,306,919</u>	<u>21,496,395</u>
29	Excess of revenues over expenses	<u>\$691,155</u>	<u>\$769,995</u>	<u>(\$11,870)</u>	<u>\$1,449,280</u>
30	Excluding unrealized gain/(loss) and depreciation	<u>\$801,153</u>	<u>\$1,669,816</u>	<u>(\$11,870)</u>	<u>\$2,459,099</u>

INVESTMENT REPORT
June 1, 2022 - June 30, 2022



Envelope # BMPHSTBBBCMxB

UNITED LAGUNA WOODS MUTUAL
PO BOX 2220
LAGUNA HILLS CA 92654-2220

BROKERAGE UNITED LAGUNA WOODS MUTUAL

Your Account Value: **\$14,372,440.12**

Change from Last Period: ▼ **\$154,386.58**

	<u>This Period</u>	<u>Year-to-Date</u>
Beginning Account Value	\$14,526,826.70	\$15,204,873.33
Subtractions	-	-5,224.46
Change in Investment Value *	-154,386.58	-827,208.75
Ending Account Value **	\$14,372,440.12	\$14,372,440.12
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$14,372,440.12	

Your Advisor/Agent

SAGEVIEW ADVISORY GROUP, LLC
RANDALL LONG
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

Phone: (949) 955-1395

- * Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.
- ** Excludes unpriced securities.

Your Advisor is an independent organization and is not affiliated with Fidelity Investments. Brokerage services provided by **Fidelity Brokerage Services LLC (FBS)**, Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried with National Financial Services LLC (NFS), Member NYSE, SIPC.





Account Summary

Account Value: **\$14,372,440.12**

Change in Account Value ▼ **\$154,386.58**

	This Period	Year-to-Date
Beginning Account Value	\$14,526,826.70	\$15,204,873.33
Subtractions	-	-5,224.46
Transaction Costs, Fees & Charges	-	-5,224.46
Change in Investment Value *	-154,386.58	-827,208.75
Ending Account Value	\$14,372,440.12	\$14,372,440.12
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$14,372,440.12	

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

Income Summary

	This Period	Year-to-Date
Taxable	\$20,530.14	\$84,731.19
Dividends	20,530.14	84,731.19
Total	\$20,530.14	\$84,731.19

Top Holdings

Description	Value	Percent of Account
Vanguard Short Term Treasury Admiral	\$4,222,465.90	29%
Vanguard Short Term Corp Bd Index Admrl	3,959,977.47	28
Vanguard Backed Securities Indx Adm	3,149,452.16	22
Fidelity Short Term Treasury Bond Index	2,883,852.25	20
Fidelity Government Cash Reserves	156,692.34	1
Total	\$14,372,440.12	100%

Core Account and Credit Balance Cash Flow

Core Account: FIDELITY GOVERNMENT CASH RESERVES

	This Period	Year-to-Date
Beginning Balance	\$136,162.20	\$77,185.61
Investment Activity		
Dividends, Interest & Other Income ^D	20,530.14	84,731.19
Total Investment Activity	\$20,530.14	\$84,731.19
Cash Management Activity		
Fees & Charges	-	-5,224.46
Total Cash Management Activity	-	-\$5,224.46
Ending Balance	\$156,692.34	\$156,692.34

^D Includes dividend reinvestments.

► Effective August 2022, UBS will be added to the network Bank Deposit Sweep Program bank list and bank may start accepting deposits at this time. You are not required to take action. If you have any questions or would like to opt out of the bank, please contact your financial professional.1008950.3.0



Account Summary

Estimated Cash Flow

(Rolling as of June 30, 2022)

Month	Bond & CD Income	Bond & CD Principal	Stock Income	ETP Income	Mutual Fund Income	Other Income	Total Est. Cash Flow
July 2022	--	--	--	--	\$13,648	--	\$13,648
August	--	--	--	--	13,648	--	13,648
September	--	--	--	--	13,648	--	13,648
October	--	--	--	--	13,648	--	13,648
November	--	--	--	--	13,648	--	13,648
December	--	--	--	--	13,648	--	13,648
January 2023	--	--	--	--	13,648	--	13,648
February	--	--	--	--	13,648	--	13,648
March	--	--	--	--	13,648	--	13,648
April	--	--	--	--	13,648	--	13,648
May	--	--	--	--	13,648	--	13,648
June	--	--	--	--	13,648	--	13,648
Total	--	--	--	--	\$163,776	--	\$163,776

This table presents the estimated monthly interest and dividend income and return of principal that your current holdings may generate over the next rolling 12 months. The cash flows displayed are estimates provided for informational purposes only and there is no guarantee that you will actually receive any of the amounts displayed. These estimates should not be relied upon for making investment, trading or tax decisions. The estimates for fixed income are calculated using the security's coupon rate. The estimates for all other securities are calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. IADs are sourced from third party vendors believed to be reliable, but no assurance can be made as to accuracy. There are circumstances in which these estimates will not be presented for a specific security you hold.

Bond & CD Income includes interest payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Bond & CD Principal includes maturing principal payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Stock Income includes estimated dividend payments for common stocks, preferred stocks, ADRs, closed-end mutual funds, and MLPs.

ETP Income includes estimated dividend payments for Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

Mutual Fund Income includes estimated dividend payments for Fidelity and non-Fidelity mutual funds.

Other Income includes, but is not limited to estimated dividend payments for Unit Investment Trusts (UITs), REITs, and LPs.

This table does not include cash flow from foreign denominated fixed income.

-- not available





Holdings

Core Account

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
FIDELITY GOVERNMENT CASH RESERVES (FDRXX) -- 7-day yield: 1.05%	156,692.340	\$1.0000	\$156,692.34	not applicable	not applicable	\$64.35	0.040%
Total Core Account (1% of account holdings)			\$156,692.34			\$64.35	

Mutual Funds

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Bond Funds							
FIDELITY SHORT TERM TREASURY BOND INDEX (FUMBX) -- 30-day yield: 3.03%	286,665.234	\$10.0600	\$2,883,852.25	\$3,014,574.92	-\$130,722.67	\$22,421.06	0.780%
VANGUARD SHORT TERM TREASURY ADMIRAL (VFIRX)	413,157.134	10.2200	4,222,465.90	4,416,602.06	-194,136.16	29,878.73	0.710
VANGUARD SHORT TERM CORP BD INDEX ADMRL (VSCSX)	191,118.604	20.7200	3,959,977.47	4,275,083.45	-315,105.98	64,043.84	1.620
VANGUARD BACKED SECURITIES INDX ADM (VMBSX)	165,065.627	19.0800	3,149,452.16	3,508,104.81	-358,652.65	47,373.83	1.500
Total Bond Funds (99% of account holdings)			\$14,215,747.78	\$15,214,365.24	-\$998,617.46	\$163,717.46	
Total Mutual Funds (99% of account holdings)			\$14,215,747.78	\$15,214,365.24	-\$998,617.46	\$163,717.46	

Total Holdings			\$14,372,440.12	\$15,214,365.24	-\$998,617.46	\$163,781.81	
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Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. See last page of statement for details. Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

EAI **Estimated Annual Income (EAI) & Estimated Yield (EY)**- EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EAI may be negative on short & EY positions. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. Actual income and yield might be lower or higher than the estimated amounts. **For calculation details, refer to the "Additional Information and Endnotes" section.**



Holdings

All positions held in cash account unless indicated otherwise.

Activity

Dividends, Interest & Other Income

(Includes dividend reinvestment)

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Amount
05/31	VANGUARD BACKED SECURITIES INDX ADM	92206C755	Dividend Received	-	-	\$5,232.58
05/31	VANGUARD SHORT TERM TREASURY ADMIRAL	922031851	Dividend Received	-	-	7,060.79
05/31	VANGUARD SHORT TERM CORP BD INDEX ADMRL	92206C607	Dividend Received	-	-	5,924.68
06/30	FIDELITY GOVERNMENT CASH RESERVES	316067107	Dividend Received	-	-	97.25
06/30	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	2,214.84
Total Dividends, Interest & Other Income						\$20,530.14

Core Fund Activity

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Date	Account Type	Transaction	Description	Quantity	Price	Amount	Balance
06/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	7,060.790	\$1.0000	\$7,060.79	\$143,222.99
06/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	11,157.260	1.0000	11,157.26	154,380.25
06/30	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	2,312.090	1.0000	2,312.09	156,692.34
Total Core Fund Activity						\$20,530.14	



**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF JUNE 30, 2022**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2022	%	VARIANCE		YEAR-END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%	
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION									
PLUMBING SERVICE	\$158,216	\$100,046	\$714,853	\$606,529	\$1,216,188	59%	(\$108,325)	(18%)	\$1,335,843
DAMAGE RESTORATION	51,407	62,501	241,429	375,006	750,051	32%	133,577	36%	750,658
CARPENTRY SERVICE	53,934	46,713	268,844	283,082	567,600	47%	14,238	5%	567,600
ELECTRICAL SERVICE	35,214	30,629	194,987	185,688	372,361	52%	(9,299)	(5%)	383,454
APPLIANCE REPAIRS	25,171	27,101	141,300	164,115	329,042	43%	22,815	14%	278,635
INTERIOR PREVENTIVE MAINTENANCE	29,052	31,064	165,498	188,370	377,755	44%	22,873	12%	325,242
PEST CONTROL	435	28,666	1,846	40,746	186,500	1%	38,900	95%	186,500
COUNTERTOP/FLOOR/TILE REPAIRS	8,805	10,484	52,879	63,517	127,371	42%	10,638	17%	128,270
ENERGY PROGRAM	2,137	2,083	8,433	12,498	25,000	34%	4,065	33%	25,000
MISC. REPAIRS BY OUTSIDE SERVICE	2,410	2,083	3,018	12,498	25,000	12%	9,480	76%	25,000
FIRE PROTECTION	1,029	4,613	6,108	7,707	32,430	19%	1,599	21%	38,096
TOTAL	\$367,810	\$345,983	\$1,799,195	\$1,939,756	\$4,009,298	45%	\$140,561	7%	\$4,044,298
OPERATING EXPENDITURES - GENERAL SERVICES									
CONCRETE REPAIR/REPLACEMENT	\$30,403	\$33,073	\$172,372	\$200,373	\$401,522	43%	\$28,001	14%	\$341,127
JANITORIAL SERVICE	30,443	30,389	183,683	184,632	369,653	50%	949	1%	367,876
GUTTER CLEANING	1,603	2,090	12,451	12,650	85,351	15%	199	2%	83,344
WELDING	8,325	9,587	49,670	58,063	116,345	43%	8,393	14%	106,374
TRAFFIC CONTROL	1,512	1,611	8,720	9,768	19,592	45%	1,048	11%	17,500
TOTAL	\$72,286	\$76,751	\$426,897	\$465,487	\$992,463	43%	\$38,590	8%	\$916,220
OPERATING EXPENDITURES - LANDSCAPE SERVICES									
LANDSCAPE ADMINISTRATION	\$17,756	\$20,047	\$97,860	\$120,202	\$241,403	41%	\$22,342	19%	\$241,403
NURSERY & COMPOSTING	27,393	15,418	92,254	93,579	187,602	49%	1,325	1%	187,602
GROUNDS MAINTENANCE	216,876	226,778	1,298,276	1,378,790	2,760,602	47%	80,514	6%	2,726,119
IRRIGATION	70,096	67,333	399,463	408,445	819,029	49%	8,982	2%	819,029
SMALL EQUIPMENT REPAIR	10,573	17,282	60,381	104,600	209,626	29%	44,218	42%	209,626
PEST CONTROL	27,184	22,605	149,109	136,900	274,513	54%	(12,209)	(9%)	308,996
TOTAL	\$369,878	\$369,462	\$2,097,344	\$2,242,515	\$4,492,774	47%	\$145,171	6%	\$4,492,775

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF JUNE 30, 2022**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2022	%	VARIANCE		YEAR-END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%	
RESERVE FUND - MAINTENANCE & CONSTRUCTION									
REPLACEMENTS									
BUILDING STRUCTURES	\$31,296	\$138,806	\$188,382	\$658,099	\$1,492,903	13%	\$469,718	71%	\$1,345,353
ELECTRICAL SYSTEMS	100,610	55,466	243,070	327,796	660,595	37%	84,726	26%	660,595
EXTERIOR WALKWAY LIGHTING	13,158	6,709	18,909	35,300	75,635	25%	16,391	46%	17,302
FOUNDATIONS	0	3,619	21,983	21,714	43,436	51%	(269)	(1%)	40,000
GUTTER REPLACEMENT	4,816	10,516	26,109	63,373	126,889	21%	37,264	59%	127,389
PAINT - EXTERIOR	126,242	143,205	747,859	867,849	1,739,285	43%	119,989	14%	1,736,135
PRIOR TO PAINT	67,767	73,671	344,490	434,831	882,584	39%	90,341	21%	863,881
PLUMBING	30,971	53,648	127,676	323,078	646,769	20%	195,402	60%	414,800
PAVING	0	0	0	0	389,319	0%	0	100%	388,973
ROOF REPLACEMENTS	149	119,045	120,496	472,795	1,020,439	12%	352,299	75%	1,012,666
WALL REPLACEMENT	30,944	10,000	30,944	10,000	35,000	88%	(20,944)	(209%)	30,000
WASTE LINE REMEDIATION	28,807	230,000	505,471	920,000	2,300,000	22%	414,529	45%	2,300,000
WATER LINE - COPPER PIPE REMEDIATION	0	0	0	100,000	100,000	0%	100,000	100%	97,000
WINDOW/SLIDING SCREEN DOOR	9,108	11,098	46,268	66,874	133,896	35%	20,605	31%	118,000
SUB-TOTAL	\$443,868	\$855,783	\$2,421,658	\$4,301,708	\$9,646,750	25%	\$1,880,051	44%	\$9,152,094
APPLIANCE AND FIXTURE REPLACEMENTS									
COOKTOPS	\$10,051	\$5,853	\$34,853	\$35,198	\$70,442	49%	\$344	1%	\$62,353
DISHWASHERS	7,140	8,089	46,662	48,714	97,526	48%	2,052	4%	100,571
BASINS/SINKS/TOILETS	15,283	19,289	96,176	116,058	232,333	41%	19,883	17%	231,392
GARBAGE DISPOSALS	9,874	9,738	55,763	58,740	117,647	47%	2,977	5%	111,058
HOODS	1,757	3,318	9,963	19,979	40,005	25%	10,016	50%	19,693
COUNTER TOPS/FLOORS/SHOWER ENCLOSURE	64,923	113,185	337,226	681,343	1,363,868	25%	344,117	51%	1,323,422
OVENS	5,302	11,160	70,892	67,040	134,125	53%	(3,853)	(6%)	159,658
RANGES	577	1,042	4,861	6,291	12,613	39%	1,430	23%	10,280
REFRIGERATORS	12,763	18,596	80,158	111,847	223,841	36%	31,690	28%	169,571
WATER HEATERS & PERMITS	31,079	63,157	307,329	380,592	762,029	40%	73,263	19%	761,424
DRYERS	286	3,183	1,615	19,118	38,247	4%	17,504	92%	19,747
WASHING MACHINES	4,389	7,604	19,747	45,673	91,380	22%	25,926	57%	91,380
SUB-TOTAL	\$163,425	\$264,215	\$1,065,244	\$1,590,592	\$3,184,055	33%	\$525,347	33%	\$3,060,549
TOTAL	\$607,292	\$1,119,998	\$3,486,902	\$5,892,300	\$12,830,805	27%	\$2,405,398	41%	\$12,212,643

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF JUNE 30, 2022**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2022	%	VARIANCE		YEAR-END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%	
RESERVE FUND - GENERAL SERVICES									
PRIOR TO PAINT	\$730	\$787	\$4,210	\$4,773	\$9,565	44%	\$563	12%	\$8,452
PAVING	4,613	5,004	26,979	30,339	60,820	44%	3,359	11%	55,302
WALL REPLACEMENT	0	1,282	0	7,692	15,400	0%	7,692	100%	0
TOTAL	\$5,343	\$7,073	\$31,189	\$42,803	\$85,785	36%	\$11,614	27%	\$63,754
RESERVE FUND - LANDSCAPE									
REPLACEMENTS									
LANDSCAPE MODIFICATION	\$908	\$9,312	\$11,848	\$55,941	\$111,925	11%	\$44,093	79%	111,925
IMPROVEMENTS & RESTORATION	19,067	30,687	84,210	186,234	373,213	23%	102,024	55%	373,213
TREE MAINTENANCE	26,332	78,428	185,399	473,113	947,657	20%	287,714	61%	947,657
TOTAL	\$46,307	\$118,427	\$281,456	\$715,287	\$1,432,795	20%	\$433,831	61%	\$1,432,795
PROPERTY TAXES FUND - NON WORK CENTER									
PROPERTY TAXES	\$1,090,870	\$1,033,430	\$6,306,919	\$6,200,580	\$12,401,160	51%	(\$106,339)	(2%)	\$0
TOTAL	\$1,090,870	\$1,033,430	\$6,306,919	\$6,200,580	\$12,401,160	51%	(\$106,339)	(2%)	\$0

**RESERVES EXPENDITURES COMPARED TO RESERVE STUDY
AS PRESENTED IN THE 2022 BUSINESS PLAN
AS OF JUNE 30, 2022**

	2022	2022	2022	2022	2022
Job Code	YTD Actual	YTD Budget	YTD Variance	Annual Budget	% Expended
Paving	\$0	\$0	\$0	\$239,319	0%
Asphalt & Concrete Repair/Replace	26,979	30,339	3,359	210,820	13%
Roofs - Built-Up	120,496	472,795	352,299	1,020,439	12%
Roofs - Comp Shingle	0	0	0	0	0%
Roofs - Tile	0	0	0	0	0%
Infrastructure/Buildings	140,653	547,710	407,057	1,105,876	13%
Carport Siding Renovation	0	0	0	0	0%
Manor Components	1,037,274	1,519,559	482,285	3,041,917	34%
Lighting & Electrical	261,979	358,350	96,371	726,735	36%
Laundry Rooms	27,970	75,780	47,810	151,636	18%
Off Cycle Decking	53,962	62,927	8,965	126,159	43%
Prior To Painting	294,738	376,676	81,939	765,990	38%
Interior & Exterior Painting	747,859	867,849	119,989	1,739,285	43%
Walls, Fencing, Railings & Gates	30,944	17,692	(13,252)	50,400	61%
Grounds & Miscellaneous	281,179	715,287	434,108	1,432,795	20%
Building Structures	142,088	262,350	120,262	691,248	21%
Plumbing	633,425	1,343,078	709,653	3,046,769	21%
Total	\$3,799,547	\$6,650,392	\$2,850,845	\$14,349,388	26%

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF JUNE 30, 2022**

DESCRIPTION	YTD ACTUAL			
	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION				
PLUMBING SERVICE	\$714,853	\$524,507	\$52,465	\$137,882
DAMAGE RESTORATION	241,429	0	0	241,429
CARPENTRY SERVICE	268,844	233,546	35,298	0
ELECTRICAL SERVICE	194,987	158,255	17,300	19,432
APPLIANCE REPAIRS	141,300	127,252	14,047	0
INTERIOR PREVENTIVE MAINTENANCE	165,498	164,065	1,432	0
PEST CONTROL	1,846	0	0	1,846
COUNTERTOP/FLOOR/TILE REPAIRS	52,879	49,165	1,879	1,835
ENERGY PROGRAM	8,433	0	0	8,433
MISC. REPAIRS BY OUTSIDE SERVICE	3,018	0	0	3,018
FIRE PROTECTION	6,108	2,279	3,591	238
TOTAL	\$1,799,195	\$1,259,070	\$126,012	\$414,113

OPERATING EXPENDITURES - GENERAL SERVICES				
CONCRETE REPAIR/REPLACEMENT	\$172,372	\$166,878	\$5,494	\$0
JANITORIAL SERVICE	183,683	183,683	0	0
GUTTER CLEANING	12,451	9,246	0	3,205
WELDING	49,670	45,704	934	3,032
TRAFFIC CONTROL	8,720	8,720	0	0
TOTAL	\$426,897	\$414,232	\$6,428	\$6,237

OPERATING EXPENDITURES - LANDSCAPE SERVICES				
LANDSCAPE ADMINISTRATION	\$97,860	\$97,860	\$0	\$0
NURSERY & COMPOSTING	92,254	92,254	0	0
GROUNDS MAINTENANCE	1,298,276	1,097,075	689	200,513
IRRIGATION	399,463	347,558	51,905	0
SMALL EQUIPMENT REPAIR	60,381	60,381	0	0
PEST CONTROL	149,109	149,109	0	0
TOTAL	\$2,097,344	\$1,844,238	\$52,594	\$200,513

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF JUNE 30, 2022**

DESCRIPTION	YTD ACTUAL			
	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
RESERVE FUND - MAINTENANCE & CONSTRUCTION				
BUILDING STRUCTURES	\$188,382	\$105,512	\$28,055	\$54,815
ELECTRICAL SYSTEMS	243,070	0	0	243,070
EXTERIOR WALKWAY LIGHTING	18,909	3,799	0	15,110
FOUNDATIONS	21,983	0	0	21,983
GUTTER REPLACEMENT	26,109	23,018	3,091	0
PAINT - EXTERIOR	747,859	676,603	71,257	0
PRIOR TO PAINT	344,490	317,040	27,450	0
PLUMBING	127,676	99,975	0	27,701
PAVING	0	0	0	0
ROOF REPLACEMENTS	120,496	0	0	120,496
WALL REPLACEMENT	30,944	0	0	30,944
WASTE LINE REMEDIATION	505,471	0	0	505,471
WATER LINE - COPPER PIPE REMEDIATION	0	0	0	0
WINDOW/SLIDING SCREEN DOOR	46,268	23,858	21,660	750
COOKTOPS	34,853	6,482	23,583	4,788
DISHWASHERS	46,662	14,922	28,781	2,959
BASINS/SINKS/TOILETS	96,176	27,008	69,168	0
GARBAGE DISPOSALS	55,763	26,149	29,614	0
HOODS	9,963	6,164	3,064	735
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	337,226	178,993	85,726	72,508
OVENS	70,892	6,482	50,184	14,226
RANGES	4,861	3,254	1,218	389
REFRIGERATORS	80,158	22,701	44,797	12,660
WATER HEATERS & PERMITS	307,329	138,410	168,919	0
DRYERS	1,615	1,615	0	0
WASHING MACHINES	19,747	3,890	15,857	0
TOTAL	\$3,486,902	\$1,685,874	\$672,423	\$1,128,605

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$4,210	\$4,210	\$0	\$0
PAVING	26,979	26,611	369	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$31,189	\$30,820	\$369	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$11,848	\$5,346	\$277	\$6,225
IMPROVEMENTS & RESTORATION	84,210	83,223	987	0
TREE MAINTENANCE	185,399	179,936	0	5,463
SUPPLEMENTAL APPROPRIATION	0	0	0	0
TOTAL	\$281,456	\$268,504	\$1,264	\$11,688

PROPERTY TAXES FUND - NON WORK CENTER

PROPERTY TAXES	\$6,306,919	\$6,306,919	\$0	\$0
TOTAL	\$6,306,919	\$6,306,919	\$0	\$0

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF JUNE 30, 2022**

YTD ACTUAL

DESCRIPTION	TOTAL OS EXPENDITURES
-------------	--------------------------

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$137,882
DAMAGE RESTORATION	\$241,429
CARPENTRY SERVICE	0
ELECTRICAL SERVICE	19,432
APPLIANCE REPAIRS	0
INTERIOR PREVENTIVE MAINTENANCE	0
PEST CONTROL	1,846
COUNTERTOP/FLOOR/TILE REPAIRS	1,835
ENERGY PROGRAM	8,433
MISC. REPAIRS BY OUTSIDE SERVICE	3,018
FIRE PROTECTION	238
TOTAL	\$414,113

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$0
JANITORIAL SERVICE	0
GUTTER CLEANING	3,205
WELDING	3,032
TRAFFIC CONTROL	0
TOTAL	\$6,237

OPERATING EXPENDITURES - M&C CHARGEABLE SERVICES

CHARGEABLES	\$75,926
TOTAL	\$75,926

OPERATING EXPENDITURES - LANDSCAPE

LANDSCAPE SHRUB-BED MAINTENANCE	\$200,513
TOTAL	\$200,513

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF JUNE 30, 2022**

YTD ACTUAL

DESCRIPTION	TOTAL OS EXPENDITURES
-------------	--------------------------

RESERVE FUND - MAINTENANCE & CONSTRUCTION

BUILDING STRUCTURES	\$54,815
CDS SIGNAGE	0
ELECTRICAL SYSTEMS	243,070
EXTERIOR WALKWAY LIGHTING	15,110
FOUNDATIONS	21,983
GUTTER REPLACEMENT	0
PAINT - EXTERIOR	0
PRIOR TO PAINT	0
PLUMBING	27,701
PAVING	0
ROOF REPLACEMENTS	120,496
WALL REPLACEMENT	30,944
WASTE LINE REMEDIATION	505,471
WATER LINE - COPPER PIPE REMEDIATION	0
WINDOW/SLIDING SCREEN DOOR	750
SUPPL. APPROPRIATIONS	0
COOKTOPS	4,788
DISHWASHERS	2,959
BASINS/SINKS/TOILETS	0
GARBAGE DISPOSALS	0
HOODS	735
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	72,508
OVENS	14,226
RANGES	389
REFRIGERATORS	12,660
WATER HEATERS & PERMITS	0
DRYERS	0
WASHING MACHINES	0
TOTAL	\$1,128,605

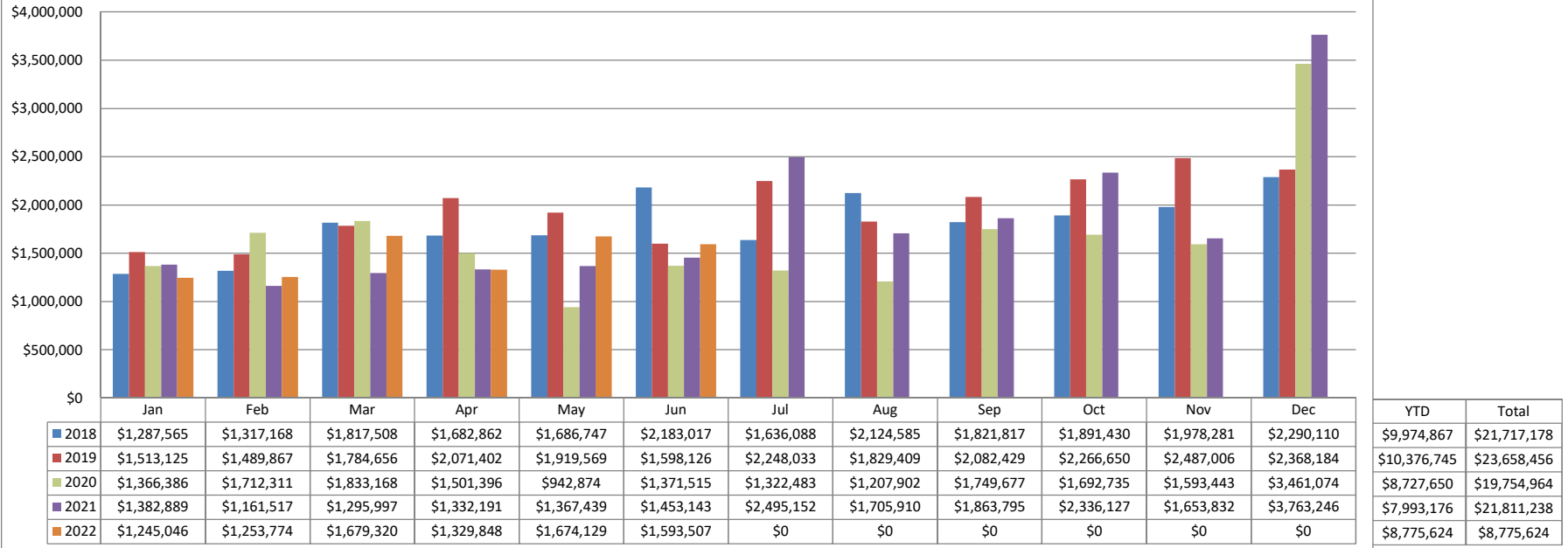
RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$0
WALL REPLACEMENT	0
TOTAL	\$0

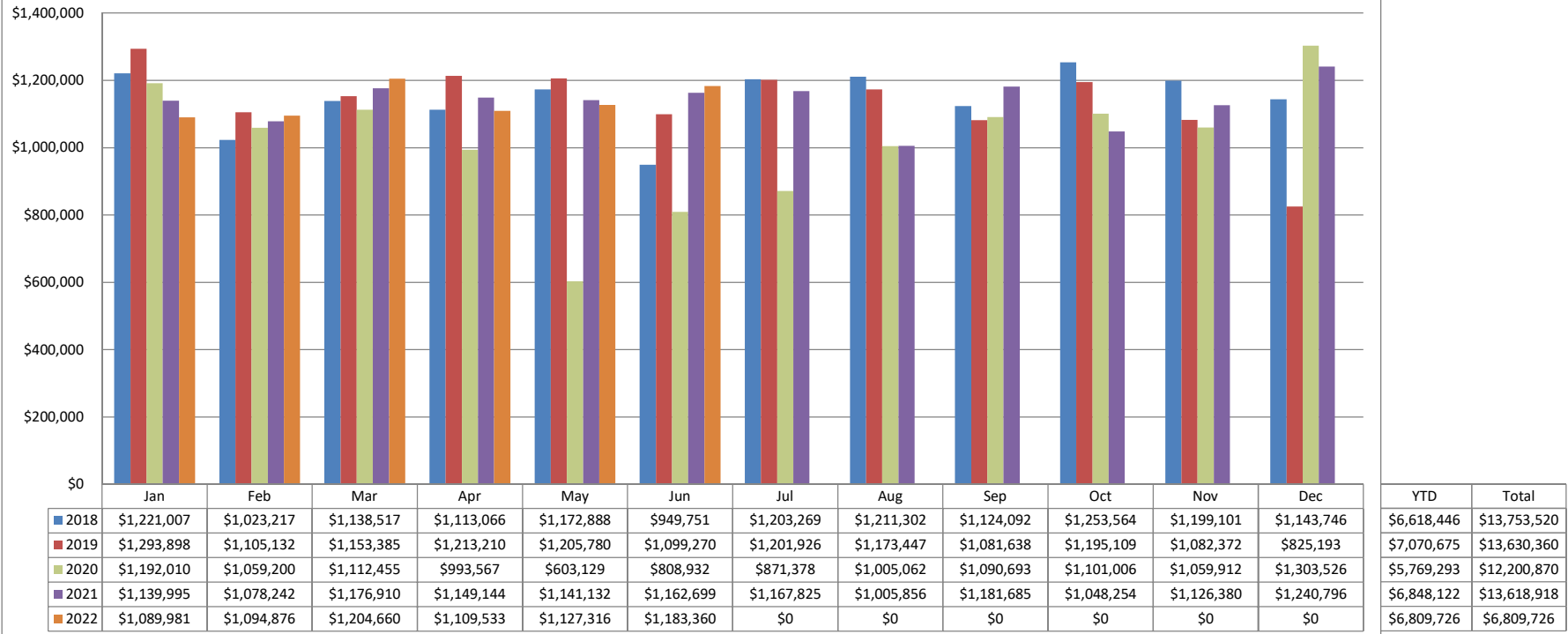
RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$6,225
IMPROVEMENTS & RESTORATION	\$0
TREE MAINTENANCE	5,463
SUPPLEMENTAL APPROPRIATION	0
TOTAL	\$11,688

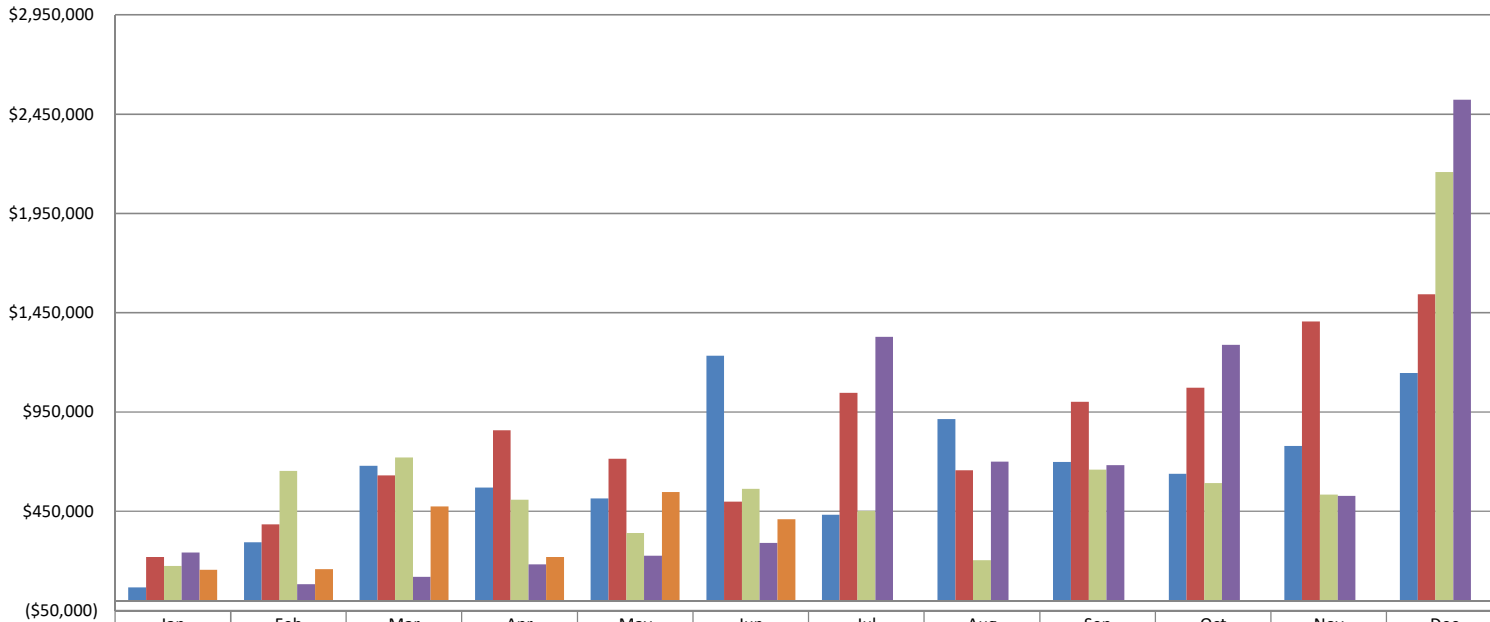
**United Mutual
Employee Compensation, Related, and Outside Services**



United Mutual Employee Compensation & Related



United Mutual Outside Services

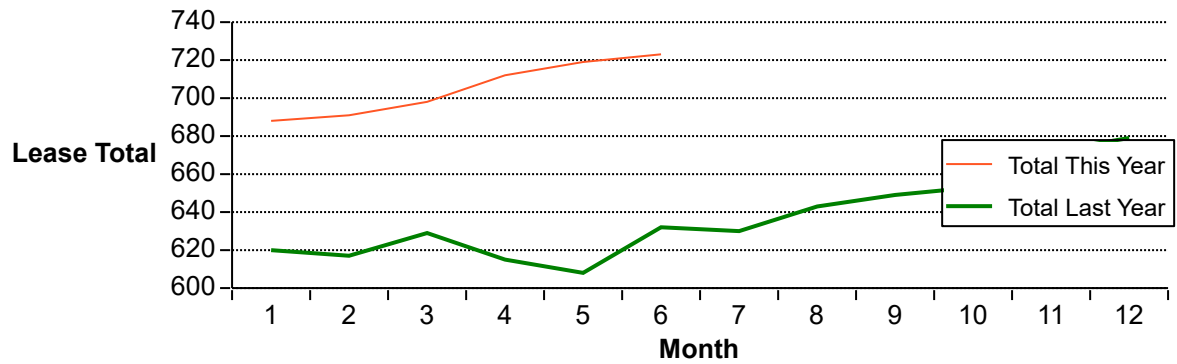


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
■ 2018	\$66,558	\$293,951	\$678,991	\$569,796	\$513,859	\$1,233,266	\$432,819	\$913,283	\$697,725	\$637,866	\$779,180	\$1,146,364	\$3,356,421	\$7,963,658
■ 2019	\$219,227	\$384,735	\$631,271	\$858,192	\$713,789	\$498,856	\$1,046,107	\$655,962	\$1,000,791	\$1,071,541	\$1,404,634	\$1,542,991	\$3,306,070	\$10,028,096
■ 2020	\$174,376	\$653,111	\$720,713	\$507,829	\$339,745	\$562,583	\$451,105	\$202,840	\$658,984	\$591,729	\$533,531	\$2,157,548	\$2,958,357	\$7,554,094
■ 2021	\$242,894	\$83,275	\$119,087	\$183,047	\$226,307	\$290,444	\$1,327,327	\$700,054	\$682,110	\$1,287,873	\$527,452	\$2,522,450	\$1,145,054	\$8,192,320
■ 2022	\$155,065	\$158,898	\$474,660	\$220,315	\$546,813	\$410,147	\$0	\$0	\$0	\$0	\$0	\$0	\$1,965,898	\$1,965,898

United Laguna Woods Mutual
Statement of Revenue & Expenses - Preliminary
5/31/2022
UNITED LAGUNA WOODS MUTUAL

		YEAR TO DATE - OPERATING FUND ONLY			TOTAL	YEAR-END	EXPLANATION
		ACTUAL	BUDGET	VARIANCE	BUDGET	PROJECTION	
Revenues:							
Assessments:							
1	Operating	\$9,383	\$9,383		\$22,519	\$22,519	Annualized
2	Total assessments	9,383	9,383	0	22,519	22,519	
Non-assessment revenues:							
3	Merchandise sales	2	1	(1)	3	6	Annualized
4	Fees and charges for services to residents	279	329	50	789	668	Annualized
5	Laundry	101	113	12	270	242	Annualized
6	Unrealized gain/(loss) on AFS investments	(12)		12		(29)	Annualized
7	Miscellaneous	275	260	(15)	623	637	Annualized
8	Total non-assessment revenue	645	703	58	1,685	1,524	
9	Total revenue	10,028	10,086	58	24,204	24,043	
Expenses:							
10	Employee compensation and related	4,188	4,747	559	11,395	10,432	Annualized plus assumed some filled positions by YE
11	Materials and supplies	319	313	(6)	759	806	Projections provided by the departments
12	Utilities and telephone	1,804	1,745	(60)	4,682	4,858	YTD actuals plus remaining budget
13	Legal fees	24	91	66	247	181	YTD actuals plus remaining budget
14	Professional fees	67	56	(12)	96	108	YTD actuals plus remaining budget
15	Equipment rental	2	3	1	8	6	Annualized
16	Outside services	645	505	(140)	1,478	1,914	Projections provided by the departments
17	Repairs and maintenance	13	16	3	38	34	Annualized
18	Other Operating Expense	36	68	32	167	124	YTD actuals plus remaining budget
19	Property and sales tax						
20	Insurance	1,596	1,728	133	4,148	3,994	Projections provided by the insurance manager
21	Uncollectible Accounts	34	6	(28)	15	43	YTD actuals plus remaining budget
22	Depreciation and amortization	82	82	0	196	196	Annualized
23	Net allocation to mutuals	458	488	30	1,171	1,100	Annualized
24	Total expenses	9,268	9,848	578	24,400	23,796	
25	Excess of revenues over expenses	\$760	\$238	(\$520)	(\$196)	\$247	
26	Excluding Depreciation and amortization	\$842	\$320	(\$520)	\$0	\$443	

Monthly Active Leasing Report 2022 Period 6 (Mutual 1)



Year	Month	1 to 3 Month	4 to 6 Month	7 to 12 Month	12+ Month	Total This Year	Total Last Year	% Leased	% Leased Last Year	% Change	Total Renewals	Total Expirations
2022	January	17	29	154	488	688	620	10.9	9.8	1.1	40	19
2022	February	17	25	169	480	691	617	10.9	9.8	1.1	50	19
2022	March	17	23	185	473	698	629	11.0	9.9	1.1	39	27
2022	April	13	27	211	461	712	615	11.3	9.7	1.6	66	29
2022	May	15	25	228	451	719	608	11.4	9.6	1.8	32	33
2022	June	16	30	236	441	723	632	11.4	10.0	1.4	67	29
2022	July						630					
2022	August						643					
2022	September						649					
2022	October						653					
2022	November						672					
2022	December						679					



Laguna Woods Village®

DATE: July 2022
 TO: VMS Board of Directors
 RE: Monthly Staffing Report

New Hires YTD:

June

84 (41 Full-time, 43 Part-time)

23 (10 Full-time, 13 Part-Time)

Active Recruiting Vacancies as of June 30th, 2022

Total: **85**

Full-time: **50**

Part-time: **35**

Vacancies by Divisions	Full-Time	Part-Time	Total Vacancies
Transportation and Maintenance	7	4	11
Bus Driver	3	4	7
Custodian	4		4
Maintenance and Construction	12		12
Maintenance Plumber	1		1
Senior Facilities Services Technician	1		1
Senior Maintenance Plumber	1		1
Maintenance Electrician	1		1
General Paving Worker	2		2
Manor Alterations Coordinator	1		1
Maintenance Painter	1		1
Maintenance Programs Coordinator	1		1
Maintenance Carpenter	2		2
Maintenance Operations Manager	1		1
Landscape Services	14		14
Gardener	14		14
Security Services	8		8
Gate Ambassador		-	-
Dispatcher	2		2
Security Patrol Officer	4		4
Administrative Coordinator (Security)	1		1
Administrative Coordinator (Compliance)	1		1
Recreation	3	31	34
Recreation Leader		25	25
Fitness Assistant II		4	4



Laguna Woods Village®

Clubhouse Tech I		1	1
Stables Assistant I		1	1
PAC Recreation Coordinator	1		1
Recreation Coordinator I	1		1
Fitness Assistant	1		1
Resident Services	1		1
Customer Services Representative I	1		1
Finance	3		3
Internal Auditor	1		1
Cashier/Senior Office Assistant	1		1
Central Services Assistant	1		1
Community Services	1		1
Community Services Supervisor	1		1
Media and Communications	1		1
Broadband Technician	1		1
Total	50	35	85

Terminations YTD:

64 (50 Full-time, 14 Part-time)

June

16 (14 Full-time, 2 Part-time)

Resignations and Terminations for June 2022 by Length of Service

	Less than 1 year		Less than 2 years		Leave after 2-5 years		Leave after 5+ years		Grand Total
	FT	PT	FT	PT	FT	PT	FT	PT	
Resigned	4	2					4		10
Terminated	1				3		2		6
Grand Total	5	2			3		6		16

The stated reasons for resignations in May are as follows:

1. **Voluntary Resignation** – 1 in Recreation Services, 1 Financial Services, 1 Landscape Services, 1 Office of the CEO, and 2 Security Services
2. **Moving** – 1 Human Resources
3. **Other Employment** – 1 in Maintenance and Construction Services, 1 Security Services, and 1 in General Services
4. **Retirement** – 2 in Landscape Services
5. **Termination** – 3 in Maintenance and Construction Services
6. **Death** – 1 in Transportation



YEAR 2022 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement (the “Policy Statement”) of the specific procedures, policies and practices employed by United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (“United”) in enforcing lien rights or other legal remedies for default in payment of assessments against its Members (“Shareholders”). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7) and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 5730.

The collection of delinquent assessments is of vital concern to **all** Shareholders of United. Such efforts ensure that all Shareholders pay their fair share of the costs of services and facilities provided and maintained by United. Shareholders’ failure to pay assessments when due creates a cash-flow problem for United and causes those Shareholders who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations.

Assessments are the separate debt of Shareholders. United may employ single collection recourses or combinations thereof as allowed by law. In addition to any other rights provided for by law or described in the Governing Documents, including, but not limited to the Articles of Incorporation, Bylaws and each Shareholder’s Occupancy Agreement (“Governing Documents”), the board has the right to collect delinquent assessments as stated herein.

We sincerely trust that all Shareholders, in the spirit of cooperation and in recognition of their legal obligations, will make timely payments and avoid the imposition of late charges and possible resultant legal action, and reimbursement for the costs of such legal action. It is in your best interest and the best interest of the community as a whole to make your monthly payments on time.

Regardless of whether a lien is recorded against your leasehold interest during the collection of past-due assessments, all Shareholders have a personal and ongoing obligation to pay assessments and charges.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United's managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies. Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

- 1. Assessments; Assessments Due Date.** "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.
- 2. Reminder Notice; Administrative Collection Fee.** If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth [15th] day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT

SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of two hundred dollars (\$200) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

- 3. Late Charges; Interest.** Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of fifty dollars (\$50), which amount is consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed twelve percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.
- 4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder.** If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to

request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

- 5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest.** If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).
- 6. Enforcement of a Lien.** United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals one thousand eight hundred dollars (\$1,800) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session

meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

United may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's separate interest for the delinquent assessment. In any action to collect delinquent assessments, late charges, or interest, the prevailing party will be entitled to costs and reasonable attorney's fees.

- 7. Inspection of Books and Records.** A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*
- 8. Application of Payments.** Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.
- 9. Account Sent to United's Collection Agent in Error.** In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.
- 10. Payment Under Protest.** A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.
- 11. Right to Dispute the Debt.** A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.
- 12. Right to Request Internal Dispute Resolution ("IDR").** Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders,

and if so requested by a Shareholder, participation in internal dispute resolution (“IDR”) pursuant to United’s “meet and confer” program.

13. Right to Request Alternative Dispute Resolution (“ADR”). A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before United may initiate foreclosure against the Shareholder’s leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

14. Right to Request Debt Validation. Under the Fair Debt Collection Practices Act (“FDCPA”), a Shareholder may request that United and/or its collection agent send the Shareholder proof that the debt sought to be recovered is valid, that the Shareholder lawfully owes the debt, and that United and/or its collection agent has the right to collect the debt.

15. Payment Plan Requests. Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United’s collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United’s ability to record a lien on a Shareholder’s separate interest to secure payment for the Shareholder’s delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period in addition to a \$50 one-time setup fee. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

16. Termination of Shareholder’s Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United’s right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), or to pursue any other discipline set forth in United’s governing documents, including but not limited to a termination of the Shareholder’s rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

- 17. Release of Lien.** Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.
- 18. No Right of Offset.** There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.
- 19. Returned Checks.** United may charge the Shareholder a twenty-five dollar (\$25 fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and thirty-five dollars (\$35) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also seek to recover damages of at least one hundred dollars (\$100), or, if higher, three (3) times the amount of the check up to one thousand, five hundred dollars (\$1,500) pursuant to Civil Code Section 1719.
- 20. Additional Mailing Addresses.** Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.
- 21. Charges Subject to Change.** All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.
- 22. Notice and Hearing Prior to Suspension of Shareholder Privileges.** Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor). When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs

incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

23. Overnight Payments. The mailing address for overnight payment of assessments is: United Laguna Woods Mutual, Attn: Assessments, 24351 El Toro Road, Laguna Woods, CA 92637.

24. Annual Notice to Members. United shall distribute its collection policy to each member during the 60-day period immediately preceding the beginning of United's fiscal year.

25. No limitations. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United.

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**



NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of the shareholders (as holders of leasehold interests in a unit located within United Laguna Woods Mutual, a stock cooperative), as shareholders with an entitlement to the exclusive right to occupy a unit, which is property in a common interest development (as defined by California Civil Code), and the corporation that manages them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

For purposes of this notice, “association” shall refer to “United Laguna Woods Mutual,” also referred to as “United” or the “Association.”

Any and all references to “shareholders” in this notice refer to holders of membership certificates issued by United, who are also holders of leasehold interests in a unit, (or “members,” as such term is defined in the bylaws of United Laguna Woods Mutual).

Any and all references to a “unit” in this notice shall refer to a dwelling unit owned by United.

Any and all references to “property” and “shareholder’s separate interest” in this notice refer to a leasehold interest and the right to exclusively occupy a unit pursuant to an occupancy agreement and a membership certificate.

Any and all references to a “membership certificate” or “stock certificate” refer to a certificate for membership issued by United, which conveys to the holder a leasehold interest in and the right to exclusively occupy a unit and membership in United.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association (United) assessments may result in the loss of a shareholder's property (leasehold interest in a unit as evidenced by a stock certificate) through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. If a shareholder defaults under his or her occupancy agreement by failing to pay assessments when due, United also has the right, but not the

obligation, to terminate the shareholder's stock certificate, which may result in the eviction of the occupants of the unit.

For liens recorded on and after January 1, 2006, the association (United) may not use judicial or nonjudicial foreclosure to enforce the lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or carrying charges in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, the association (United) may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association (United) records a lien against the shareholder's separate interest. The shareholder's separate interest (a leasehold interest in a unit as evidenced by a stock certificate) may be sold to satisfy the lien if the amounts secured by the lien are not paid (Sections 5700 through 5720 of the Civil Code, inclusive). If a shareholder defaults under his or her occupancy agreement by failing to pay assessments when due, United also has the right but not the obligation to terminate the shareholder's stock certificate pursuant to the procedures set forth in the governing documents, including without limitation, the bylaws and occupancy agreement, which may result in the eviction of the occupants of the unit by an unlawful detainer action or other proceedings which may apply to the eviction of tenants.

In a judicial or nonjudicial foreclosure, the association (United) may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges and interest. The association (United) may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a shareholder or a shareholder's guests, if the governing documents provide for this (Section 5725 of the Civil Code).

The association (United) must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association (United) fails to follow these requirements, it may not record a lien against the shareholder's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (United) (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a unit as evidenced by a stock certificate), the association (United) must provide the shareholder with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the shareholder. A shareholder has a right to review the

association's (United's) records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against a shareholder's separate interest (the leasehold interest in a unit as evidenced by a stock certificate) in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide a shareholder with certain documents in this regard (Section 5685 of the Civil Code) .

The collection practices of the association (United) may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When a shareholder makes a payment, he or she may request a receipt, and the association (United) is required to provide it. On the receipt, the association (United) must indicate the date of payment and the person who received it. The association (United) must inform shareholders of a mailing address for overnight payments (Section 5655 of the Civil Code).

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the association (United), including, but not limited to, a monthly carrying charge, assessment, fine, penalty, late fee, collection cost or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association (United) may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the shareholder. Binding arbitration shall not be available if the association (United) intends to initiate a judicial foreclosure.

A shareholder is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time (Section 5685 of the Civil Code).

MEETINGS AND PAYMENT PLANS

A shareholder of a separate interest (the leasehold interest in a unit as evidenced by a stock certificate) that is not a timeshare may request the association (United) to consider a payment plan to satisfy a delinquent assessment. The association (United) must inform shareholders of the standards for payment plans, if any exist (Section 5665 of the Civil Code).

The board of directors must meet with a shareholder who makes a proper written request for a meeting to discuss a payment plan when the shareholder has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association (United), if they exist (Section 5665 of the Civil Code).



STAFF REPORT

DATE: July 26, 2022
FOR: Finance Committee
SUBJECT: Operating Deficit Transfer

RECOMMENDATION

Staff recommends approval of a \$241,238 transfer from the Contingency Fund to the Operating Fund due to the Operating Fund deficit in 2021.

BACKGROUND

United's annual business plan is approved each year with zero anticipated Operating Fund (OPR) surplus or deficit. If actual OPR revenues exceed OPR expenses at the close of the fiscal year, IRS Revenue Ruling 70-604 requires the surplus to either be returned to the membership or be applied to next year's assessment. Historically, surpluses have been transferred to the Contingency Fund (CNF). Deficits however have not been addressed in prior years and have led to a downward trend in available cash.

DISCUSSION

United ended the 2021 fiscal year with \$23,036,575 in OPR Revenues and \$23,277,813 in OPR Expenses (less depreciation), a net OPR loss of \$241,238. The primary drivers of the loss were unforeseen increases in Water and Property Insurance premiums. To avoid further depletion of OPR cash, staff recommends applying a consistent approach to operating deficits as it does with operating surpluses:

Operating Fund Surplus: Transfer OPR → CNF
Operating Fund Deficit: Transfer CNF → OPR

FINANCIAL ANALYSIS

The balance in the Contingency Fund as of June 30, 2022 was \$1,113,771 allowing sufficient funds available for the \$241,238 transfer.

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Jose Campos, Assistant Director of Financial Services
Pam Jensen, Controller

**UNITED LAGUNA WOODS MUTUAL
INVESTMENT CHANGE PROS AND CONS**

Maintaining Current Portfolio

No Vote: August 9, 2022 Board Meeting

Pros:

- * Consistent with advisor recommendation
- * Paper loss of ~\$1M remains unrealized
- * Advisor forecasts return to par in 18 to 24 months

Cons:

- * Volatility of investment returns
- * Possible further losses in second half of 2022

Changing to Treasury Bills

Yes Vote: August 9, 2022 Board Meeting

Pros:

- * Stability of investment returns
- * 2.5 year recoverability of realized loss
- * Avoidance of further losses in second half of 2022

Cons:

- * Realization of ~\$1M loss
- * Timing of market is not recommended strategy
- * Advisor forecasts bond market to recover in 2023