



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, September 26, 2023 – 1:30 p.m.
Laguna Woods Village Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for August 29, 2023
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](tel:+16699006833), [85040223813](tel:+185040223813) or email meeting@vmsinc.org to request to speak.
7. Department Head Update

Reports

8. Preliminary Financial Statements dated August 31, 2023
 - a) Items for Correction
 - b) Compensation and Outside Services
 - c) United Leasing Report
 - d) HR Staffing Report

Items for Discussion and Consideration

9. 2024 Collections and Lien Enforcement Policy
10. Approve and Endorse an Unbudgeted Operating Expenditure for Water Landscaping Projects
11. Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, October 31, 2023 at 1:30 p.m.
14. Recess to Closed Session

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



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, August 29, 2023 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Azar Asgari – Chair, Alison Bok, Lenny Ross

DIRECTORS ABSENT: None.

ADVISORS PRESENT: Mike Daillak

STAFF PRESENT: Steve Hormuth, Pam Jensen, Erika Hernandez

OTHERS PRESENT: United – Maggie Blackwell

Call to Order

Director Azar Asgari, Treasurer, chaired the meeting and called it to order at 1:30 p.m.

Acknowledgment of Media

The meeting was recorded 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 June 27, 2023

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

Chair Remarks

Director Asgari encouraged members of the community to participate in the upcoming election and mentioned the United Mutual's new developed Non-Institutional Lender packet that will be reviewed and discussed at the September 12, 2023 United Board meeting.

Member Comments (Items Not on the Agenda)

A member shared his perspective on the Board of Directors responsibility on directives and mentioned the ERP (Enterprise Resource Planning) user agreement service.

A member asked if personal loans are the responsibility of the United Board. Steve Hormuth, Director of Financials Services, responded and shared that loans are the responsibility of the individual.

A member commented on duplicate ticket requests being created in Stellar.

Department Head Update

Steve Hormuth provided a brief update on the proposed United 2024 Business Plan that will be presented at the next board meeting for approval, shared a progress update on the ERP implementation along with updates on the temporary borrowing of \$2.2M (borrowed in March and repaid in August) and the new investment advisor, JP Morgan Securities (Chase).

Review Preliminary Financial Statements dated July 31, 2023

The committee reviewed financial statements for July 31, 2023 and questions were addressed and noted by staff.

Compensation and Outside Services

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

Endorsements from Standing Committees

None.

Future Agenda Items

ERP Update from VMS Information and Resident Services Director
Investment Presentation JPMorgan

Committee Member Comments

None.

Date of Next Meeting

Tuesday, September 26, 2023 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:27 p.m.

Azar Asgari, Chair

MEMORANDUM

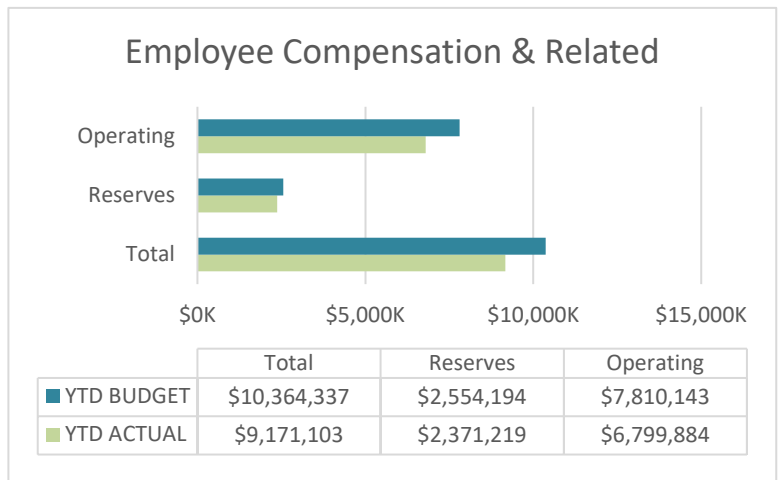
To: United Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: September 26, 2023
 Re: Department Head Update

Financial Highlights

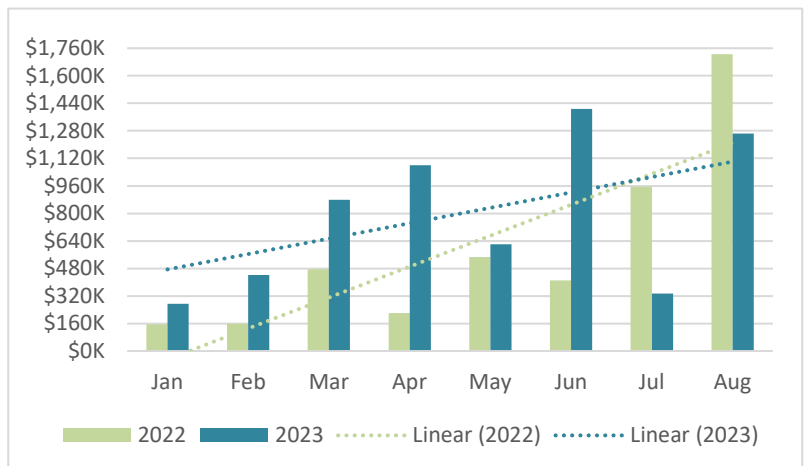
▪ **SUMMARY:** For the year-to-date period ending August 31, 2023, United Laguna Woods Mutual was better than budget by \$1,180K primarily from open positions and more investment income than planned, partially offset by more materials and supplies used within the mutual.

INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$32,883,588	\$32,197,904	\$685,684
Other Revenues	1,410,883	1,285,965	124,918
Expenses	34,179,179	34,548,753	369,574
Revenue / (Expense)	\$115,292	(\$1,064,884)	\$1,180,176

▪ **COMPENSATION:** Compensation ended the period with a favorable variance of \$1,193K. Actual compensation and related costs came in at \$9.2 million, with \$6.8 million in operations and \$2.4 million in reserves. Combined, this category is 12% favorable to budget. The most significant impacts were in Landscape and Maintenance & Construction due to open positions.



▪ **OUTSIDE SERVICES:** In total, this category was unfavorable to budget by (\$119K) as a result of more moisture intrusion events than anticipated caused by rain. Rainfall in 2023 has been significantly higher than prior years. Overall, when compared to the same period in the prior year, the timing of payments to outside services has improved.



Discussions

2024 Business Plan Adoption: The United Board approved and adopted the final version of the 2024 Business Plan at their September 12 meeting. Including the GRF portion, the final version of the 2024 Business Plan includes a total basic assessment of \$663.98 Per Manor Per Month (PMPM) which represents an increase of \$19.76 (or 3.1%) compared to the current year.

ERP: The Financial Services team is partnering with the IT team to review, configure, and test the first phase of the ERP implementation process, which is expected to be completed in February 2024. Although the ERP implementation process consists of three phases, finance staff will primarily be involved in the first phase of the implementation process and continues to have multiple meetings per week with the ERP consultant to ensure testing is going as planned. Currently, finance staff is in the design portion of the first phase, which entails a test environment with migrated data and system integrations to troubleshoot, develop, and configure processes in the new ERP environment.

Calendar

- September 26, 2023 @ 1:30 p.m. United Finance Committee (August Financials)
- September 28, 2023 @ 2:00 p.m. United Agenda Prep Meeting
- October 10, 2023 @ 9:30 a.m. United Annual/Organizational Meeting
- October 26, 2023 @ 2:00 p.m. United Agenda Prep Meeting
- October 31, 2023 @ 1:30 p.m. United Finance Committee (September Financials)
- November 14, 2023 @ 9:30 a.m. United Board Meeting
- November 23, 2023 @ 2:00 p.m. United Agenda Prep Meeting
- November 28, 2023 @ 1:30 p.m. United Finance Committee (October Financials)
- December 12, 2023 @ 9:30 a.m. United Board Meeting
- December 28, 2023 @ 2:00 p.m. United Agenda Prep Meeting

October 2023							November 2023							December 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
8/31/2023
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$3,116	\$3,031	\$86	\$24,930	\$24,245	\$686	\$23,406	\$36,367
2	Additions to restricted funds	994	994		7,953	7,953		7,184	11,930
3	Total assessments	4,110	4,025	86	32,884	32,198	686	30,590	48,297
Non-assessment revenues:									
4	Merchandise sales	2		2	11	3	8	3	5
5	Fees and charges for services to residents	51	70	(19)	403	545	(141)	540	820
6	Laundry	19	23	(4)	151	180	(29)	160	270
7	Investment income	55	13	43	449	100	349	143	150
8	Miscellaneous	55	57	(2)	397	458	(62)	450	687
9	Total non-assessment revenue	183	163	20	1,411	1,286	125	1,296	1,931
10	Total revenue	4,293	4,187	106	34,294	33,484	811	31,886	50,228
Expenses:									
11	Employee compensation and related	1,213	1,311	98	9,171	10,364	1,193	9,050	15,538
12	Materials and supplies	414	265	(149)	2,347	2,074	(274)	1,612	3,134
13	Utilities and telephone	158	430	272	3,002	2,962	(40)	3,112	4,517
14	Legal fees	8	17	9	74	121	47	107	183
15	Professional fees		8	8	71	68	(3)	94	102
16	Equipment rental	2	3	2	16	29	13	14	43
17	Outside services	1,264	984	(280)	6,301	6,182	(119)	4,645	9,316
18	Repairs and maintenance	2	4	1	24	32	7	22	47
19	Other Operating Expense	15	14	(1)	89	122	33	79	191
20	Property and sales tax	1,130	1,054	(76)	9,071	8,433	(638)	8,401	12,649
21	Insurance	375	383	9	3,014	3,068	54	2,580	4,601
22	Investment expense		1	1		7	7	8	11
23	Uncollectible Accounts	2	1		(17)	10	27	25	15
24	Depreciation and amortization	13	13		102	102		131	153
25	Net allocation to mutuals	193	124	(69)	916	976	60	978	1,463
26	Total expenses	4,787	4,613	(174)	34,180	34,549	369	30,857	51,964
27	Excess of revenues over expenses	(\$494)	(\$426)	(\$69)	\$115	(\$1,065)	\$1,179	\$1,029	(\$1,736)
Other Changes									
28	Unrealized gain/(loss) on AFS investments							(994)	
29	(Gain)/loss on sale or trade				(1)		1		
30	Total other changes				1		1	(994)	
31	Excess of revenues over expenses	(\$494)	(\$426)	(\$69)	\$115	(\$1,065)	\$1,180	\$36	(\$1,736)

United Laguna Woods Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
8/31/2023
(\$ 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	\$15,812	\$15,812				\$9,118	\$8,433	\$686	\$24,930	\$24,245	\$686	
2	Additions to restricted funds			7,903	7,903		51	51		7,953	7,953		
3	Total assessments	15,812	15,812	7,903	7,903		9,169	8,483	686	32,884	32,198	686	
Non-assessment revenues:													
4	Merchandise sales	11	3	8						11	3	8	
5	Fees and charges for services to residents	403	545	(142)	1	1				403	545	(141)	
6	Laundry	151	180	(29)						151	180	(29)	
7	Investment income				449	100	349			449	100	349	
8	Miscellaneous	397	458	(62)						397	458	(62)	
9	Total non-assessment revenue	961	1,186	(225)	449	100	349			1,411	1,286	125	
10	Total revenue	16,773	16,998	(225)	8,352	8,003	350	9,169	8,483	686	34,294	33,484	811
Expenses:													
11	Employee compensation and related	6,800	7,810	1,010	2,371	2,554	183			9,171	10,364	1,193	
12	Materials and supplies	652	546	(106)	1,695	1,527	(168)			2,347	2,074	(274)	
13	Utilities and telephone	2,997	2,955	(42)	5	7	2			3,002	2,962	(40)	
14	Legal fees	74	121	47						74	121	47	
15	Professional fees	66	68	1	4		(4)			71	68	(3)	
16	Equipment rental	5	6	1	11	23	12			16	29	13	
17	Outside services	2,070	1,396	(674)	4,231	4,786	555			6,301	6,182	(119)	
18	Repairs and maintenance	23	28	4	1	4	3			24	32	7	
19	Other Operating Expense	73	101	28	16	21	6			89	122	33	
20	Property and sales tax							9,071	8,433	(638)	9,071	8,433	(638)
21	Insurance	3,014	3,068	54						3,014	3,068	54	
22	Investment expense					7	7				7	7	
23	Uncollectible Accounts	(17)	10	27						(17)	10	27	
24	Depreciation and amortization	102	102							102	102		
25	Net allocation to mutuals	752	786	35	164	190	25			916	976	60	
26	Total expenses	16,611	16,996	385	8,499	9,120	621	9,071	8,433	(638)	34,180	34,549	369
27	Excess of revenues over expenses	\$163	\$2	\$161	(\$147)	(\$1,117)	\$971	\$98	\$51	\$48	\$115	(\$1,065)	\$1,179
Other Changes													
28	Unrealized gain/(loss) on AFS investments												
29	(Gain)/loss on sale or trade	(1)		1						(1)		1	
30	Total other changes	1		1						1		1	
31	Excess of revenues over expenses	\$163	\$2	\$162	(\$147)	(\$1,117)	\$971	\$98	\$51	\$48	\$115	(\$1,065)	\$1,180

United Laguna Woods Mutual
Operating Statement - Preliminary
8/31/2023
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$13,439,157	\$13,439,246	(\$89)	0.00%	\$20,158,869
41007000 - Monthly Assessments - Property Taxes	8,682,703	8,432,789	249,914	2.96%	12,649,183
41007500 - Monthly Assessments - Supplemental Property Taxes	435,693	0	435,693	0.00%	0
41008000 - Monthly Assessments - Property Insurance	2,372,712	2,372,709	3	0.00%	3,559,064
Total Operating	24,930,265	24,244,744	685,521	2.83%	36,367,116
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	50,584	50,584	0	0.00%	75,876
41003500 - Monthly Assessments - Replacement Fund	7,902,738	7,902,576	162	0.00%	11,853,864
Total Additions To Restricted Funds	7,953,322	7,953,160	162	0.00%	11,929,740
Total Assessments	32,883,587	32,197,904	685,683	2.13%	48,296,856
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	11,100	3,048	8,052	264.20%	4,573
Total Merchandise Sales	11,100	3,048	8,052	264.20%	4,573
Fees and Charges for Services to Residents					
46501000 - Permit Fee	166,977	171,560	(4,583)	(2.67%)	257,340
46501500 - Inspection Fee	34,547	60,047	(25,500)	(42.47%)	90,073
46502000 - Resident Maintenance Fee	201,779	313,162	(111,383)	(35.57%)	472,174
Total Fees and Charges for Services to Residents	403,303	544,769	(141,466)	(25.97%)	819,587
Laundry					
46005000 - Coin Op Laundry Machine	150,923	180,000	(29,077)	(16.15%)	270,000
Total Laundry	150,923	180,000	(29,077)	(16.15%)	270,000
Investment Income					
49001000 - Investment Income	448,919	100,000	348,919	348.92%	150,000
Total Investment Income	448,919	100,000	348,919	348.92%	150,000
Miscellaneous					
46004500 - Resident Violations	4,602	34,888	(30,286)	(86.81%)	52,332
44501000 - Additional Occupant Fee	26,950	29,328	(2,378)	(8.11%)	43,992
44501500 - Lease Processing Fee - United	115,240	108,944	6,296	5.78%	163,425
44502000 - Variance Processing Fee	750	10,588	(9,838)	(92.92%)	15,888
44503000 - Stock Transfer Fee	7,150	16,664	(9,514)	(57.09%)	25,000
44503510 - Resale Processing Fee - United	83,132	90,528	(7,396)	(8.17%)	135,800
44506000 - Photo Copy Fee	15	0	15	0.00%	0
44507000 - Golf Cart Electric Fee	34,856	40,000	(5,144)	(12.86%)	60,000
44507200 - Electric Vehicle Plug-In Fee	24,129	14,000	10,129	72.35%	21,000
44507500 - Cartport/Carport Space Rental Fee	1,200	1,600	(400)	(25.00%)	2,400
47001500 - Late Fee Revenue	32,560	34,664	(2,104)	(6.07%)	52,000
47002000 - Collection Administrative Fee	200	0	200	0.00%	0
47002010 - Collection Administrative Fee - United	61,470	72,952	(11,482)	(15.74%)	109,440
47002500 - Collection Interest Revenue	(101)	1,328	(1,429)	(107.62%)	2,000
47501000 - Recycling	4,663	2,664	1,999	75.04%	4,000
49009000 - Miscellaneous Revenue	(178)	0	(178)	0.00%	0
Total Miscellaneous	396,638	458,148	(61,510)	(13.43%)	687,277
Total Non-Assessment Revenue	1,410,883	1,285,965	124,918	9.71%	1,931,436
Total Revenue	34,294,471	33,483,869	810,602	2.42%	50,228,292
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,993,147	2,258,132	264,986	11.73%	3,398,734
51021000 - Union Wages - Regular	3,404,098	4,105,404	701,306	17.08%	6,166,553
51041000 - Wages - Overtime	18,637	17,102	(1,534)	(8.97%)	25,663
51051000 - Union Wages - Overtime	97,186	60,244	(36,941)	(61.32%)	90,400

United Laguna Woods Mutual
Operating Statement - Preliminary
8/31/2023
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51061000 - Holiday & Vacation	597,996	537,685	(60,311)	(11.22%)	808,209
51071000 - Sick	197,340	219,319	21,979	10.02%	329,664
51091000 - Missed Meal Penalty	4,192	3,662	(530)	(14.47%)	5,520
51101000 - Temporary Help	71,755	18,313	(53,441)	(291.82%)	27,473
51981000 - Compensation Accrual	150,930	0	(150,930)	0.00%	0
Total Employee Compensation	6,535,280	7,219,863	684,583	9.48%	10,852,216
Compensation Related					
52411000 - F.I.C.A.	474,876	543,597	68,721	12.64%	813,282
52421000 - F.U.I.	7,659	10,423	2,764	26.52%	10,423
52431000 - S.U.I.	29,413	53,496	24,083	45.02%	53,999
52441000 - Union Medical	1,183,244	1,343,483	160,240	11.93%	2,015,225
52451000 - Workers' Compensation Insurance	294,462	387,622	93,160	24.03%	582,424
52461000 - Non Union Medical & Life Insurance	242,713	327,261	84,548	25.84%	490,892
52471000 - Union Retirement Plan	327,427	379,475	52,048	13.72%	569,993
52481000 - Non-Union Retirement Plan	58,031	99,116	41,085	41.45%	149,180
52981000 - Compensation Related Accrual	17,998	0	(17,998)	0.00%	0
Total Compensation Related	2,635,823	3,144,474	508,651	16.18%	4,685,418
Materials and Supplies					
53001000 - Materials & Supplies	335,626	440,467	104,840	23.80%	659,410
53002500 - Printed Membership Materials	67,348	0	(67,348)	0.00%	0
53003000 - Materials Direct	1,941,048	1,630,375	(310,673)	(19.06%)	2,470,556
53004000 - Freight	3,137	2,815	(321)	(11.42%)	4,277
Total Materials and Supplies	2,347,159	2,073,657	(273,503)	(13.19%)	3,134,242
Utilities and Telephone					
53301000 - Electricity	175,893	100,307	(75,586)	(75.35%)	137,760
53301500 - Sewer	1,034,256	1,015,600	(18,656)	(1.84%)	1,542,000
53302000 - Water	1,258,337	1,298,006	39,669	3.06%	2,014,664
53302500 - Trash	532,323	547,652	15,329	2.80%	821,478
53304000 - Telephone	1,041	416	(625)	(150.34%)	633
Total Utilities and Telephone	3,001,851	2,961,981	(39,870)	(1.35%)	4,516,535
Legal Fees					
53401500 - Legal Fees	73,675	120,825	47,150	39.02%	183,325
Total Legal Fees	73,675	120,825	47,150	39.02%	183,325
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	51,778	31,776	(20,002)	(62.95%)	47,670
53403500 - Consulting Fees	375	8,058	7,683	95.35%	12,096
53403510 - Consulting Fees - United	18,699	28,096	9,397	33.45%	42,166
Total Professional Fees	70,852	67,930	(2,922)	(4.30%)	101,932
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	16,078	28,955	12,877	44.47%	43,211
Total Equipment Rental	16,078	28,955	12,877	44.47%	43,211
Outside Services					
53601000 - Bank Fees	(10,574)	25,114	35,688	142.10%	37,678
53601500 - Credit Card Transaction Fees	7,024	6,664	(360)	(5.40%)	10,000
54603500 - Outside Services Cost Collection	6,241,110	6,042,398	(198,712)	(3.29%)	9,109,537
53704000 - Outside Services	63,126	107,590	44,464	41.33%	159,046
Total Outside Services	6,300,686	6,181,766	(118,920)	(1.92%)	9,316,261
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,753	8,670	6,917	79.78%	13,046
53703000 - Elevator /Lift Maintenance	22,394	22,880	486	2.12%	34,320
Total Repairs and Maintenance	24,147	31,550	7,403	23.46%	47,366
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,365	4,339	2,973	68.53%	6,533
53801500 - Travel & Lodging	0	1,185	1,185	100.00%	1,781
53802000 - Uniforms	46,618	59,778	13,160	22.01%	89,734
53802500 - Dues & Memberships	466	1,740	1,274	73.20%	2,449
53803000 - Subscriptions & Books	692	1,081	389	35.96%	1,629
53803500 - Training & Education	3,810	14,529	10,720	73.78%	22,110

United Laguna Woods Mutual
Operating Statement - Preliminary
8/31/2023
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE		VAR% B/(W)	TOTAL BUDGET
		Budget	VAR\$ B/(W)		
53903000 - Safety	130	490	360	73.39%	739
54001010 - Board Relations - United	3,777	6,664	2,887	43.33%	10,000
54002000 - Postage	31,676	31,984	308	0.96%	55,556
54002500 - Filing Fees / Permits	245	261	17	6.46%	405
Total Other Operating Expense	88,779	122,051	33,272	27.26%	190,937
Property and Sales Tax					
54302000 - Property Taxes	9,070,528	8,432,792	(637,736)	(7.56%)	12,649,183
Total Property and Sales Tax	9,070,528	8,432,792	(637,736)	(7.56%)	12,649,183
Insurance					
54401000 - Hazard & Liability Insurance	619,992	637,236	17,244	2.71%	955,855
54401500 - D&O Liability	41,992	52,777	10,785	20.44%	79,165
54402000 - Property Insurance	2,346,077	2,372,707	26,630	1.12%	3,559,064
54403000 - General Liability Insurance	5,547	4,885	(661)	(13.54%)	7,328
Total Insurance	3,013,608	3,067,605	53,997	1.76%	4,601,413
Investment Expense					
54201000 - Investment Expense	30	7,000	6,970	99.57%	10,500
Total Investment Expense	30	7,000	6,970	99.57%	10,500
Uncollectible Accounts					
54602000 - Bad Debt Expense	(16,758)	10,000	26,758	267.58%	15,000
Total Uncollectible Accounts	(16,758)	10,000	26,758	267.58%	15,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	102,266	102,266	0	0.00%	153,398
Total Depreciation and Amortization	102,266	102,266	0	0.00%	153,398
Net Allocation to Mutuals					
54602500 - Allocated Expenses	915,931	976,039	60,108	6.16%	1,463,024
Total Net Allocation to Mutuals	915,931	976,039	60,108	6.16%	1,463,024
Total Expenses	34,179,936	34,548,753	368,817	1.07%	51,963,961
Excess of Revenues Over Expenses Before Other Changes	\$114,534	(\$1,064,884)	\$1,179,419	110.76%	(\$1,735,669)
Other Changes					
54101000 - (Gain)/Loss - Warehouse Sales	(758)	0	758	0.00%	0
Total Other Changes	758	0	758	0.00%	0
Excess of Revenues Over Expenses	\$115,292	(\$1,064,884)	\$1,180,176	110.83%	(\$1,735,669)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
8/31/2023**

	<u>Current Month End</u>	<u>Prior Year Same Period</u>	<u>Prior Year December 31</u>	
Assets				
1	Cash and cash equivalents	\$6,009,297	\$5,758,305	\$608,243
2	Investments	16,374,957	19,323,967	19,133,813
3	Receivable/(Payable) from mutuals	(52,221)	(247,381)	(521,303)
4	Accounts receivable and interest receivable	407,442	542,916	560,749
5	Prepaid expenses and deposits	796,048	815,981	3,187,844
6	Property and equipment	91,989,605	91,989,605	91,989,605
7	Accumulated depreciation property and equipment	(83,767,419)	(83,764,357)	(83,765,378)
8	Beneficial interest in GRF of Laguna Hills Trust	5,160,445	5,282,540	5,260,669
9	Non-controlling interest in GRF	43,803,096	42,560,838	43,803,096
10	Total Assets	<u><u>\$80,721,251</u></u>	<u><u>\$82,262,415</u></u>	<u><u>\$80,257,337</u></u>
Liabilities and Fund Balances				
Liabilities:				
11	Accounts payable and accrued expenses	\$3,988,730	\$3,865,996	\$3,685,682
12	Accrued compensation and related costs	551,668	518,105	551,668
13	Deferred income	989,372	996,216	943,798
14	Asset retirement obligation	1,479,624	1,382,827	1,479,624
15	Total liabilities	<u>\$7,009,394</u>	<u>\$6,763,143</u>	<u>\$6,660,772</u>
Fund balances:				
16	Fund balance prior years	73,596,565	75,463,640	75,463,640
17	Change in fund balance - current year	115,292	35,632	(1,867,075)
18	Total fund balances	<u>73,711,857</u>	<u>75,499,272</u>	<u>73,596,565</u>
19	Total Liabilities and Fund Balances	<u><u>\$80,721,251</u></u>	<u><u>\$82,262,415</u></u>	<u><u>\$80,257,337</u></u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
8/31/2023**

	<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	\$1,233,187	\$2,034,770	\$1,164,355	\$1,576,986	\$6,009,297
2	Investments		16,374,957			16,374,957
3	Receivable/(Payable) from mutuals	(52,221)				(52,221)
4	Receivable/(Payable) from operating fund	63,212	(63,212)			
5	Accounts receivable and interest receivable	389,755	17,688			407,442
6	Prepaid expenses and deposits	793,528	2,520			796,048
7	Property and equipment	91,989,605				91,989,605
8	Accumulated depreciation property and equipment	(83,767,419)				(83,767,419)
9	Beneficial interest in GRF of Laguna Hills Trust	5,160,445				5,160,445
10	Non-controlling interest in GRF	43,803,096				43,803,096
11	Total Assets	<u>\$59,613,189</u>	<u>\$18,366,722</u>	<u>\$1,164,355</u>	<u>\$1,576,986</u>	<u>\$80,721,251</u>
Liabilities and Fund Balances						
Liabilities:						
12	Accounts payable and accrued expenses	\$1,499,275	\$323,350		\$2,166,104	\$3,988,729
13	Accrued compensation and related costs	551,668				551,668
14	Deferred income	989,372				989,372
15	Asset retirement obligation		1,479,624			1,479,624
16	Total liabilities	<u>\$3,040,315</u>	<u>\$1,802,975</u>		<u>\$2,166,104</u>	<u>\$7,009,394</u>
Fund balances:						
17	Fund balance prior years	56,409,509	16,710,271	1,113,771	(636,986)	73,596,565
18	Change in fund balance - current year	163,365	(146,525)	50,584	47,868	115,292
19	Total fund balances	<u>56,572,874</u>	<u>16,563,747</u>	<u>1,164,355</u>	<u>(589,119)</u>	<u>73,711,857</u>
20	Total Liabilities and Fund Balances	<u>\$59,613,189</u>	<u>\$18,366,722</u>	<u>\$1,164,355</u>	<u>\$1,576,986</u>	<u>\$80,721,251</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
8/31/2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Revenues:					
Assessments:					
1	Operating	\$15,811,869		\$9,118,396	\$24,930,265
2	Additions to restricted funds		7,902,738		7,953,322
3	Total assessments	<u>15,811,869</u>	<u>7,902,738</u>	<u>50,584</u>	<u>9,118,396</u>
Non-assessment revenues:					
4	Merchandise sales	11,100			11,100
5	Fees and charges for services to residents	402,751	552		403,303
6	Laundry	150,923			150,923
7	Investment income		448,919		448,919
8	Miscellaneous	396,638			396,638
9	Total non-assessment revenue	<u>961,413</u>	<u>449,471</u>		<u>1,410,883</u>
10	Total revenue	<u>16,773,282</u>	<u>8,352,209</u>	<u>50,584</u>	<u>34,294,471</u>
Expenses:					
11	Employee compensation and related	6,799,883	2,371,220		9,171,103
12	Materials and supplies	651,968	1,695,192		2,347,159
13	Utilities and telephone	2,996,648	5,202		3,001,851
14	Legal fees	73,675			73,675
15	Professional fees	66,455	4,398		70,852
16	Equipment rental	4,964	11,115		16,078
17	Outside services	2,069,889	4,230,796		6,300,686
18	Repairs and maintenance	23,400	747		24,147
19	Other Operating Expense	72,997	15,782		88,779
20	Property and sales tax			9,070,528	9,070,528
21	Insurance	3,013,608			3,013,608
22	Investment expense		30		30
23	Uncollectible Accounts	(16,758)			(16,758)
24	Depreciation and amortization	102,266			102,266
25	Net allocations to mutuals	751,679	164,252		915,931
26	Total expenses	<u>16,610,674</u>	<u>8,498,733</u>		<u>9,070,528</u>
27	Excess of revenues over expenses before other changes	<u>\$162,607</u>	<u>(\$146,525)</u>	<u>\$50,584</u>	<u>\$47,868</u>
28	Excess of revenues over expenses excluding depreciation before other changes	<u>\$264,873</u>	<u>(\$146,525)</u>	<u>\$50,584</u>	<u>\$216,800</u>
Other Changes:					
29	(Gain)/loss on sale or trade	<u>(758)</u>			<u>(758)</u>
30	Total other changes	<u>\$758</u>			<u>\$758</u>

**United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
8/31/2023**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
31 Excess of revenues over expenses after other changes	\$163,365	(\$146,525)	\$50,584	\$47,868	\$115,292
32 Excluding unrealized gains and depreciation	\$265,631	(\$146,525)	\$50,584	\$47,868	\$217,558

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY INVESTMENTS HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
8/31/2023**

I.D. NO.	DESCRIPTION	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	ORIGINAL COST	BOOK VALUE	8/31/2023	
							MARKET VALUE	UNREALIZED GAIN/(LOSS)
I1: AVAILABLE-FOR-SALE								
912797HM2	U.S. TREASURY BILL	08-31-23	11-28-23	2,000,000.00	1,975,311.11	1,975,311.11	1,975,311.11	-
				2,000,000.00	1,975,311.11	1,975,311.11	1,975,311.11	-
I2: HELD-TO-MATURITY								
912796YT0	U.S. TREASURY BILL	11-23-22	11-02-23	2,000,000.00	1,915,911.11	1,980,594.91	1,981,821.94	1,227.03
912828W48	U.S. TREASURY NOTE	11-25-22	02-29-24	2,000,000.00	1,937,812.50	1,976,679.70	1,967,656.24	(9,023.46)
912828XT2	U.S. TREASURY NOTE	11-25-22	05-31-24	2,000,000.00	1,923,437.50	1,963,733.60	1,949,843.76	(13,889.84)
91282CCT6	U.S. TREASURY NOTE	11-25-22	08-15-24	2,000,000.00	1,862,500.00	1,925,000.00	1,907,265.62	(17,734.38)
9128283P3	U.S. TREASURY NOTE	03-27-23	12-31-24	2,050,000.00	1,996,187.50	2,008,417.60	1,972,644.52	(35,773.08)
91282CGN5	U.S. TREASURY NOTE	05-18-23	02-28-25	2,528,000.00	2,545,380.00	2,542,220.00	2,510,126.26	(32,093.74)
16514QBG1	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.92	249,868.81	(136.11)
108622NX5	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.92	249,869.26	(135.66)
064180BA9	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	250,005.00	250,004.92	249,734.55	(270.37)
52475DAB4	CERTIFICATE OF DEPOSIT	08-25-23	09-05-28	250,000.00	250,005.00	250,004.92	249,817.33	(187.59)
697759AW8	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	250,005.00	250,004.92	249,716.90	(288.02)
46656MLM1	CERTIFICATE OF DEPOSIT	08-25-23	08-30-28	250,000.00	250,005.00	250,004.92	250,712.73	707.81
565402AN4	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.92	249,989.54	(15.38)
32056VAN7	CERTIFICATE OF DEPOSIT	08-25-23	08-31-28	250,000.00	250,005.00	250,004.92	249,962.25	(42.67)
912796ZZ8	CERTIFICATE OF DEPOSIT	08-25-23	12-07-23	3,000.00	2,926.27	2,944.70	2,923.31	(21.39)
200AV4004	MONEY MARKET	08-25-23		33.73	33.73	33.73	33.73	-
				14,581,033.73	14,184,228.61	14,399,663.60	14,291,986.75	(107,676.85)
TOTAL FOR BANK OF AMERICA INVESTMENTS				\$16,581,033.73	\$16,159,539.72	\$16,374,974.71	\$16,267,297.86	(\$107,676.85)

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 31, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023	%	VARIANCE		YEAR-END
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%	PROJECTIONS
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION									
PLUMBING SERVICE	\$134,263	\$132,338	\$1,166,340	\$1,051,142	\$1,576,071	74%	(\$115,198)	(11%)	\$1,740,702
DAMAGE RESTORATION	126,970	79,372	997,760	545,809	885,805	113%	(451,951)	(83%)	1,435,000
CARPENTRY SERVICE	55,028	54,615	447,154	422,778	638,911	70%	(24,376)	(6%)	653,178
ELECTRICAL SERVICE	27,455	31,566	251,045	248,922	373,787	67%	(2,124)	(1%)	397,041
APPLIANCE REPAIRS	24,279	26,880	185,411	213,158	319,633	58%	27,747	13%	325,387
INTERIOR PREVENTIVE MAINTENANCE	25,257	31,537	224,132	249,811	374,517	60%	25,679	10%	374,517
PEST CONTROL	15,233	22,137	104,904	169,096	257,655	41%	64,192	38%	252,112
COUNTERTOP/FLOOR/TILE REPAIRS	9,708	12,722	72,322	99,049	149,440	48%	26,728	27%	130,740
ENERGY PROGRAM	1,879	3,500	14,574	21,000	35,000	42%	6,426	31%	35,000
MISC. REPAIRS BY OUTSIDE SERVICE	0	2,000	10,757	12,000	20,000	54%	1,243	10%	18,032
FIRE PROTECTION	2,522	2,871	27,862	22,926	34,394	81%	(4,936)	(22%)	39,394
TOTAL	\$422,594	\$399,537	\$3,502,260	\$3,055,691	\$4,665,212	75%	(\$446,569)	(15%)	\$5,401,103

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$41,735	\$34,187	\$249,032	\$271,195	\$406,549	61%	\$22,162	8%	\$373,548
JANITORIAL SERVICE	31,706	33,509	250,504	265,432	397,860	63%	14,928	6%	375,755
GUTTER CLEANING	3,978	13,215	26,845	105,452	158,152	17%	78,607	75%	155,267
WELDING	9,342	9,487	63,860	75,265	112,840	57%	11,405	15%	97,790
TRAFFIC CONTROL	1,768	1,310	11,931	10,386	15,576	77%	(1,545)	(15%)	17,897
TOTAL	\$88,530	\$91,709	\$602,172	\$727,729	\$1,090,977	55%	\$125,558	17%	\$1,020,258

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$23,163	\$21,438	\$163,695	\$168,611	\$253,034	65%	\$4,916	3%	\$253,034
NURSERY & COMPOSTING	15,173	16,163	118,955	128,045	192,001	62%	9,090	7%	192,001
GROUNDS MAINTENANCE	238,452	237,002	1,757,206	1,880,242	2,816,945	62%	123,036	7%	2,816,945
IRRIGATION	125,214	68,197	481,802	540,187	809,937	59%	58,385	11%	764,127
SMALL EQUIPMENT REPAIR	11,629	16,169	109,797	128,201	192,214	57%	18,404	14%	192,214
PEST CONTROL	21,919	26,541	168,538	210,277	315,267	53%	41,739	20%	315,267
TOTAL	\$435,551	\$385,510	\$2,799,993	\$3,055,561	\$4,579,396	61%	\$255,568	8%	\$4,533,587

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 31, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023 BUDGET	%	VARIANCE		YEAR-END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%	
RESERVE FUND - MAINTENANCE & CONSTRUCTION									
REPLACEMENTS									
BUILDING STRUCTURES	\$106,226	\$109,261	\$731,289	\$870,615	\$1,314,877	56%	\$139,325	16%	\$1,212,731
ELECTRICAL SYSTEMS	10,515	42,457	285,568	339,656	509,495	56%	54,088	16%	509,495
EXTERIOR WALKWAY LIGHTING	577	6,919	25,126	47,895	75,550	33%	22,769	48%	95,500
FOUNDATIONS	0	3,619	18,010	28,952	43,436	41%	10,942	38%	43,436
GUTTER REPLACEMENT	5,381	9,479	41,589	75,436	113,127	37%	33,847	45%	111,000
PAINT - EXTERIOR	134,969	146,051	1,020,940	1,156,641	1,734,242	59%	135,701	12%	1,730,868
PRIOR TO PAINT	88,073	83,782	664,426	664,624	996,471	67%	198	0%	995,769
PLUMBING	16,611	29,675	134,644	219,960	337,826	40%	85,316	39%	337,826
PAVING	200,043	206,867	349,956	356,867	398,371	88%	6,911	2%	398,371
ROOF REPLACEMENTS	(18,275)	102,451	190,353	653,389	1,041,301	18%	463,036	71%	1,041,301
WALL REPLACEMENT	34,257	2,916	34,257	23,328	35,000	98%	(10,929)	(47%)	35,000
WASTE LINE REMEDIATION	425,762	191,666	1,814,326	1,533,328	2,300,000	79%	(280,998)	(18%)	2,300,000
WATER LINE - COPPER PIPE REMEDIATION	0	8,333	(165,716)	66,664	100,000	(166%)	232,380	349%	100,000
WINDOW/SLIDING SCREEN DOOR	8,573	11,733	81,894	93,457	140,157	58%	11,564	12%	135,000
SUPPLEMENTAL APPROPRIATION	52,532	52,532	74,476	74,476	74,476	100%	0	0%	84,257
SUB-TOTAL	\$1,065,244	\$1,007,742	\$5,301,138	\$6,205,288	\$9,214,329	58%	\$904,149	15%	\$9,130,555
APPLIANCE AND FIXTURE REPLACEMENTS									
COOKTOPS	\$33,839	\$6,511	\$100,443	\$43,974	\$69,963	144%	(\$56,469)	(128%)	\$152,404
DISHWASHERS	33,689	8,058	113,147	64,248	96,362	117%	(48,900)	(76%)	174,104
BASINS/SINKS/TOILETS	16,996	18,771	126,166	149,743	224,611	56%	23,577	16%	236,638
GARBAGE DISPOSALS	12,495	9,902	85,983	78,840	118,247	73%	(7,143)	(9%)	138,771
HOODS	1,868	3,306	13,547	26,360	39,542	34%	12,813	49%	39,542
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	172,628	128,670	748,312	955,114	1,467,906	51%	206,802	22%	1,409,759
OVENS	43,668	11,149	181,179	89,098	133,646	136%	(92,081)	(103%)	258,937
RANGES	1,667	1,034	10,507	8,225	12,345	85%	(2,283)	(28%)	16,631
REFRIGERATORS	39,049	18,555	153,405	148,103	222,137	69%	(5,302)	(4%)	222,137
WATER HEATERS & PERMITS	76,378	62,709	627,858	499,675	749,363	84%	(128,183)	(26%)	748,332
DRYERS	292	3,179	5,483	25,410	38,113	14%	19,927	78%	38,113
WASHING MACHINES	2,644	7,597	53,478	60,717	91,144	59%	7,239	12%	91,082
SUB-TOTAL	\$435,212	\$279,441	\$2,219,508	\$2,149,504	\$3,263,377	68%	(\$70,004)	(3%)	\$3,526,451
TOTAL	\$1,500,457	\$1,287,183	\$7,520,647	\$8,354,792	\$12,477,706	60%	\$834,145	10%	\$12,657,005

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 31, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023 BUDGET	%	VARIANCE		YEAR-END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%	
RESERVE FUND - GENERAL SERVICES									
PRIOR TO PAINT	\$854	\$804	\$5,760	\$6,377	\$9,558	60%	\$617	10%	\$8,640
PAVING	4,253	4,069	30,541	32,261	48,378	63%	1,721	5%	45,811
WALL REPLACEMENT	0	1,282	0	10,256	15,400	0%	10,256	100%	4,000
TOTAL	\$5,106	\$6,155	\$36,300	\$48,894	\$73,337	49%	\$12,593	26%	\$58,451

RESERVE FUND - LANDSCAPE

REPLACEMENTS									
LANDSCAPE MODIFICATION	\$75,221	\$8,263	\$61,596	\$65,936	\$98,898	62%	\$4,340	7%	98,898
IMPROVEMENTS & RESTORATION	0	14,951	96,476	118,629	177,744	54%	22,152	19%	177,744
TREE MAINTENANCE	58,675	75,241	578,085	599,018	898,360	64%	20,933	3%	898,360
SUPPLEMENTAL APPROPRIATION	29,977	29,977	205,599	205,599	205,599	100%	0	0%	205,599
TOTAL	\$163,873	\$128,432	\$941,756	\$989,181	\$1,380,601	68%	\$47,425	5%	\$1,380,601

PROPERTY TAXES FUND - NON WORK CENTER

PROPERTY TAXES	1,129,639	1,054,099	9,070,528	8,432,792	12,649,183	72%	(637,736)	(8%)	12,649,183
TOTAL	\$1,129,639	\$1,054,099	\$9,070,528	\$8,432,792	\$12,649,183	72%	(\$637,736)	(8%)	\$12,649,183

**RESERVES EXPENDITURES COMPARED TO RESERVE STUDY
AS PRESENTED IN THE 2023 BUSINESS PLAN
AS OF AUGUST 31, 2023**

	2023	2023	2023	2023	2023	2023
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	% Expended	Year End Projection
Paving	\$200,043	\$206,867	\$6,824	\$248,371	81%	\$248,371
Asphalt & Concrete Repair/Replace	180,453	182,261	1,808	198,378	91%	195,065
Roofs - Built-Up	190,353	653,389	463,036	1,041,301	18%	1,041,301
Roofs - Comp Shingle	0	0	0	0	0%	0
Roofs - Tile	0	0	0	0	0%	0
Infrastructure/Buildings	678,226	723,464	45,238	1,091,591	62%	977,763
Carport Siding Renovation	0	0	0	0	0%	0
Manor Components	2,144,340	2,042,762	(101,578)	3,112,570	69%	3,613,854
Lighting & Electrical	310,694	381,223	70,529	575,550	54%	595,500
Laundry Rooms	75,136	106,023	30,886	160,243	47%	163,540
Off Cycle Decking	88,680	92,777	4,097	139,100	64%	138,397
Prior To Painting	581,507	578,224	(3,283)	866,930	67%	865,783
Interior & Exterior Painting	1,020,940	1,156,641	135,701	1,734,242	59%	1,712,995
Walls, Fencing, Railings & Gates	34,257	33,584	(673)	50,400	68%	39,000
Grounds & Miscellaneous	736,146	783,582	47,437	1,175,003	63%	1,176,727
Building Structures	194,556	344,996	150,439	520,006	37%	520,006
Plumbing	1,783,298	1,819,952	36,654	2,737,826	65%	2,737,826
Total	\$8,218,629	\$9,105,745	\$887,116	\$13,651,511	60%	\$14,026,128

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF AUGUST 31, 2023**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION				
PLUMBING SERVICE	\$1,166,340	\$696,186	\$83,450	\$386,703
DAMAGE RESTORATION	997,760	0	0	997,760
CARPENTRY SERVICE	447,154	383,598	63,557	0
ELECTRICAL SERVICE	251,045	216,234	32,056	2,755
APPLIANCE REPAIRS	185,411	167,748	17,663	0
INTERIOR PREVENTIVE MAINTENANCE	224,132	223,705	427	0
PEST CONTROL	104,904	0	0	104,904
COUNTERTOP/FLOOR/TILE REPAIRS	72,322	68,042	4,279	0
ENERGY PROGRAM	14,574	0	0	14,574
MISC. REPAIRS BY OUTSIDE SERVICE	10,757	0	0	10,757
FIRE PROTECTION	27,862	3,588	7,294	16,980
TOTAL	\$3,502,260	\$1,759,101	\$208,727	\$1,534,432

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$249,032	\$228,486	\$12,679	\$7,867
JANITORIAL SERVICE	250,504	250,504	0	0
GUTTER CLEANING	26,845	26,845	0	0
WELDING	63,860	62,329	1,531	0
TRAFFIC CONTROL	11,931	11,931	0	0
TOTAL	\$602,172	\$580,095	\$14,210	\$7,867

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$163,695	\$163,695	\$0	\$0
NURSERY & COMPOSTING	118,955	118,955	0	0
GROUNDS MAINTENANCE	1,757,206	1,365,953	2,566	388,688
IRRIGATION	481,802	412,149	69,653	0
SMALL EQUIPMENT REPAIR	109,797	109,797	0	0
PEST CONTROL	168,538	168,538	0	0
TOTAL	\$2,799,993	\$2,339,087	\$72,219	\$388,688

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF AUGUST 31, 2023**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
RESERVE FUND - MAINTENANCE & CONSTRUCTION				
BUILDING STRUCTURES	\$731,289	\$59,083	\$41,002	\$631,204
ELECTRICAL SYSTEMS	285,568	0	0	285,568
EXTERIOR WALKWAY LIGHTING	25,126	5,176	0	19,950
FOUNDATIONS	18,010	0	0	18,010
GUTTER REPLACEMENT	41,589	37,783	3,806	0
PAINT - EXTERIOR	1,020,940	930,109	80,846	9,985
PRIOR TO PAINT	664,426	538,904	78,358	47,164
PLUMBING	134,644	132,724	0	1,920
PAVING	349,956	0	0	349,956
ROOF REPLACEMENTS	190,353	0	0	190,353
WALL REPLACEMENT	34,257	0	0	34,257
WASTE LINE REMEDIATION	1,814,326	0	169	1,814,157
WATER LINE - COPPER PIPE REMEDIATION	(165,716)	0	0	(165,716)
WINDOW/SLIDING SCREEN DOOR	81,894	39,026	38,443	4,425
COOKTOPS	100,443	8,549	79,757	12,137
DISHWASHERS	113,147	19,643	85,828	7,676
BASINS/SINKS/TOILETS	126,166	37,895	88,270	0
GARBAGE DISPOSALS	85,983	34,717	51,266	0
HOODS	13,547	8,125	4,630	792
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	748,312	253,975	285,669	208,668
OVENS	181,179	8,549	146,249	26,380
RANGES	10,507	4,274	3,385	2,848
REFRIGERATORS	153,405	29,921	96,663	26,820
WATER HEATERS & PERMITS	627,858	183,571	444,287	0
DRYERS	5,483	2,121	3,362	0
WASHING MACHINES	53,478	5,123	48,323	32
SUPPLEMENTAL APPROPRIATION	74,476	0	0	74,476
TOTAL	\$7,520,647	\$2,339,269	\$1,580,314	\$3,601,064

**UNITED LAGUNA WOODS MUTUAL
 MAINTENANCE PROGRAMS EXPENDITURES REPORT
 AS OF AUGUST 31, 2023**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$5,760	\$5,760	\$0	\$0
PAVING	30,541	28,696	1,844	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$36,300	\$34,456	\$1,844	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$61,584	\$12,714	\$0	\$48,870
IMPROVEMENTS & RESTORATION	96,476	96,476	0	0
TREE MAINTENANCE	578,085	205,522	0	372,563
SUPPLEMENTAL APPROPRIATION	205,599	0	0	205,599
TOTAL	\$941,744	\$314,713	\$0	\$627,032

PROPERTY TAXES FUND - NON WORK CENTER

PROPERTY TAXES	\$9,070,528	\$9,070,528	\$0	\$0
TOTAL	\$9,070,528	\$9,070,528	\$0	\$0

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF AUGUST 31, 2023**

DESCRIPTION	YTD ACTUAL TOTAL OS EXPENDITURES	YTD BUDGET OUTSIDE SERVICES	YTD Variance OUTSIDE SERVICES
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION			
PLUMBING SERVICE	\$386,703	\$230,000	(\$156,703)
DAMAGE RESTORATION	\$997,760	\$545,809	(\$451,951)
CARPENTRY SERVICE	0	2,992	2,992
ELECTRICAL SERVICE	2,755	3,600	845
APPLIANCE REPAIRS	0	0	0
INTERIOR PREVENTIVE MAINTENANCE	0	0	0
PEST CONTROL	104,904	169,096	64,192
COUNTERTOP/FLOOR/TILE REPAIRS	0	9,400	9,400
ENERGY PROGRAM	14,574	21,000	6,426
MISC. REPAIRS BY OUTSIDE SERVICE	10,757	12,000	1,243
FIRE PROTECTION	16,980	17,464	484
TOTAL	\$1,534,432	\$1,011,361	(\$523,071)

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$7,867	\$0	(\$7,867)
JANITORIAL SERVICE	0	0	0
GUTTER CLEANING	0	76,664	76,664
WELDING	0	6,664	6,664
TRAFFIC CONTROL	0	0	0
TOTAL	\$7,867	\$83,328	\$75,461

OPERATING EXPENDITURES - M&C CHARGEABLE SERVICES

CHARGEABLES	\$82,028	\$168,585	\$86,557
TOTAL	\$82,028	\$168,585	\$86,557

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE SHRUB-BED MAINTENANCE	\$388,688	\$0	(\$388,688)
TOTAL	\$388,688	\$0	(\$388,688)

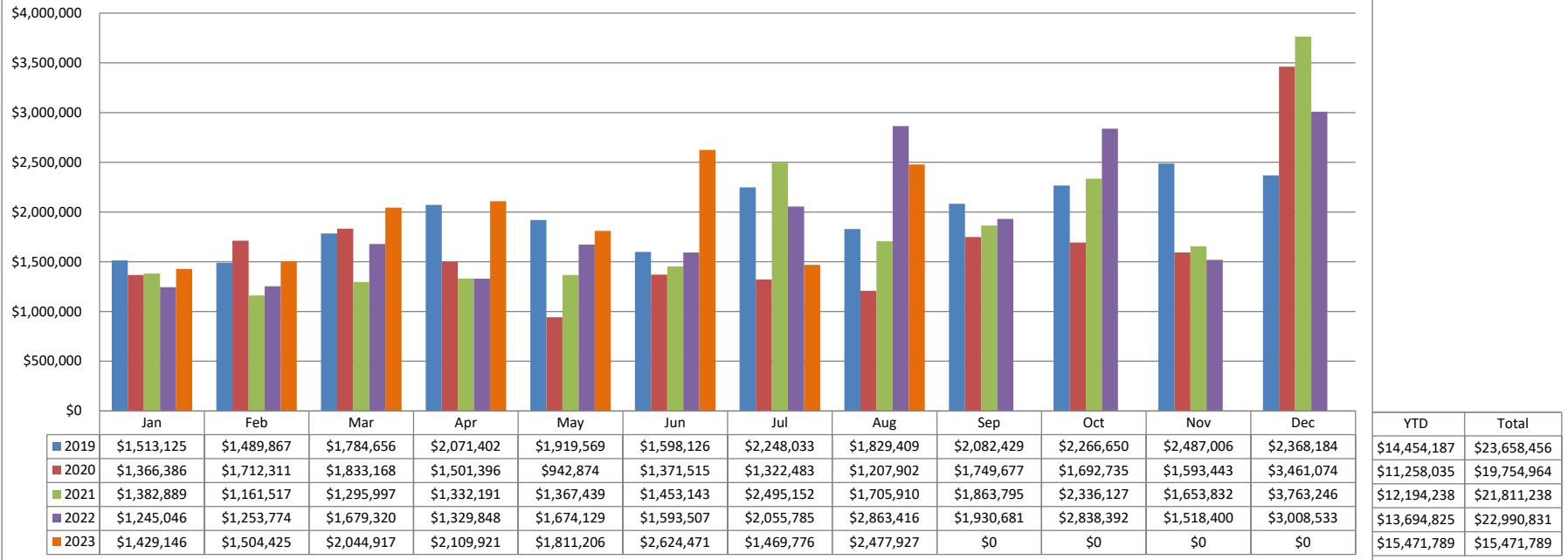
**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF AUGUST 31, 2023**

DESCRIPTION	YTD ACTUAL	YTD BUDGET	YTD Variance
	TOTAL OS EXPENDITURES	OUTSIDE SERVICES	OUTSIDE SERVICES
RESERVE FUND - MAINTENANCE & CONSTRUCTION			
BUILDING STRUCTURES	\$631,236	\$794,260	\$163,024
CDS SIGNAGE	0	0	0
ELECTRICAL SYSTEMS	285,568	339,656	54,088
EXTERIOR WALKWAY LIGHTING	19,950	38,864	18,914
FOUNDATIONS	18,010	28,952	10,942
GUTTER REPLACEMENT	0	33,328	33,328
PAINT - EXTERIOR	9,985	5,648	(4,337)
PRIOR TO PAINT	47,164	36,664	(10,500)
PLUMBING	1,920	48,000	46,080
PAVING	349,956	356,867	6,911
ROOF REPLACEMENTS	190,353	653,389	463,036
WALL REPLACEMENT	34,257	23,328	(10,929)
WASTE LINE REMEDIATION	1,814,157	1,533,328	(280,829)
WATER LINE - COPPER PIPE REMEDIATION	(165,716)	66,664	232,380
WINDOW/SLIDING SCREEN DOOR	4,425	20,000	15,575
COOKTOPS	12,137	10,200	(1,937)
DISHWASHERS	7,676	7,928	252
BASINS/SINKS/TOILETS	0	0	0
GARBAGE DISPOSALS	0	0	0
HOODS	792	2,864	2,072
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	208,668	300,384	91,716
OVENS	26,380	14,424	(11,956)
RANGES	2,848	1,728	(1,120)
REFRIGERATORS	26,820	28,928	2,108
WATER HEATERS & PERMITS	0	38,784	38,784
DRYERS	0	0	0
WASHING MACHINES	0	0	0
SUPPLEMENTAL APPROPRIATION	74,476	74,476	0
TOTAL	\$3,601,064	\$4,458,664	\$857,600

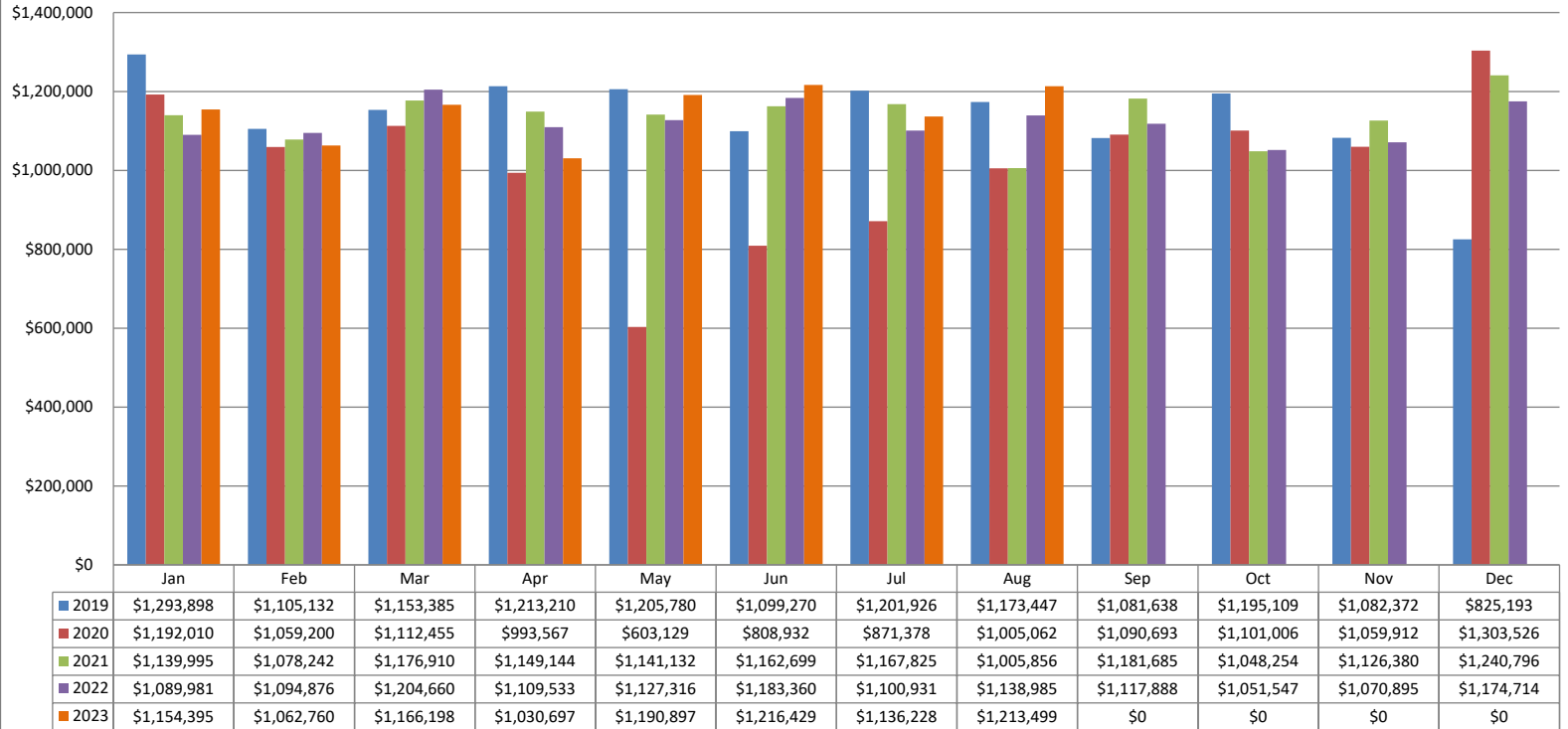
**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF AUGUST 31, 2023**

DESCRIPTION	YTD ACTUAL TOTAL OS EXPENDITURES	YTD BUDGET OUTSIDE SERVICES	YTD Variance OUTSIDE SERVICES
<i>RESERVE FUND - GENERAL SERVICES</i>			
PRIOR TO PAINT	\$0	\$0	\$0
WALL REPLACEMENT	0	10,256	10,256
TOTAL	\$0	\$10,256	\$10,256
<i>RESERVE FUND - LANDSCAPE</i>			
LANDSCAPE MODIFICATION	\$48,870	\$49,272	\$402
IMPROVEMENTS & RESTORATION	\$0	\$0	\$0
TREE MAINTENANCE	372,563	335,408	(37,155)
SUPPLEMENTAL APPROPRIATION	205,599	205,599	0
TOTAL	\$627,032	\$590,279	(\$36,753)

United Mutual Employee Compensation, Related, and Outside Services

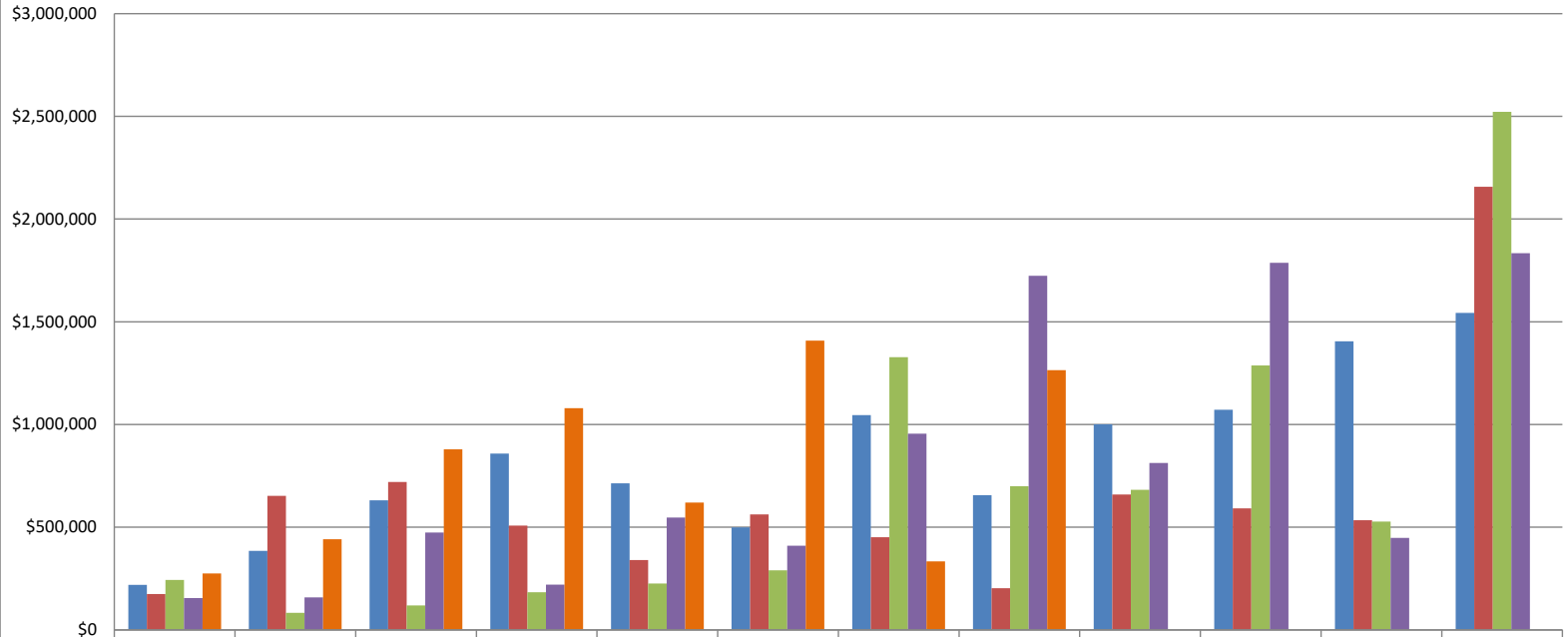


United Mutual Employee Compensation & Related



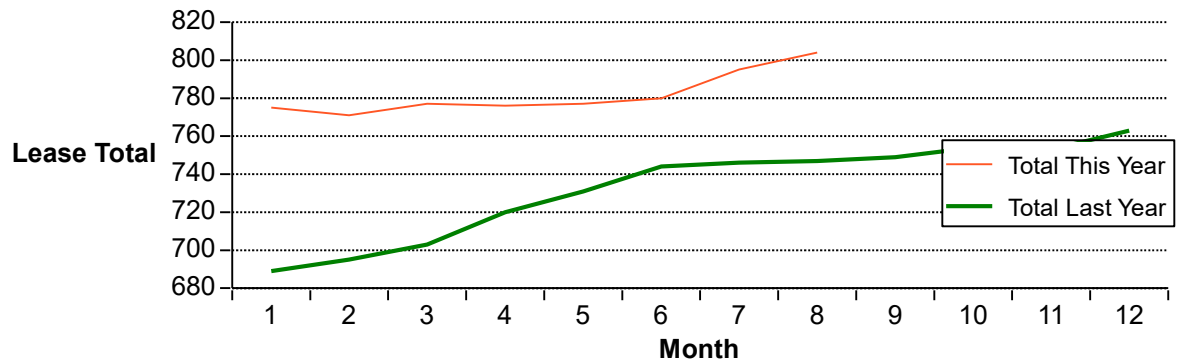
YTD	Total
\$9,446,048	\$13,630,360
\$7,645,733	\$12,200,870
\$9,021,803	\$13,618,918
\$9,049,642	\$13,464,686
\$9,171,103	\$9,171,103

United Mutual Outside Services



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
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	\$5,008,139	\$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	\$3,612,302	\$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	\$3,172,435	\$8,192,320
2022	\$155,065	\$158,898	\$474,660	\$220,315	\$546,813	\$410,147	\$954,854	\$1,724,431	\$812,793	\$1,786,845	\$447,505	\$1,833,819	\$4,645,183	\$9,526,145
2023	\$274,751	\$441,665	\$878,719	\$1,079,224	\$620,309	\$1,408,042	\$333,548	\$1,264,428	\$0	\$0	\$0	\$0	\$6,300,686	\$6,300,686

Monthly Active Leasing Report 2023 Period 8 (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
2023	January	22	38	119	596	775	689	12.3	10.9	1.4	58	17
2023	February	22	37	123	589	771	695	12.2	11.0	1.2	44	21
2023	March	23	37	137	580	777	703	12.3	11.1	1.2	57	27
2023	April	20	37	150	569	776	720	12.3	11.4	0.9	45	43
2023	May	18	30	173	556	777	731	12.3	11.6	0.7	47	22
2023	June	25	30	182	543	780	744	12.3	11.8	0.5	42	22
2023	July	32	29	204	530	795	746	12.6	11.8	0.8	66	20
2023	August	32	26	222	524	804	747	12.7	11.8	0.9	50	29
2023	September						749					
2023	October						754					
2023	November						753					
2023	December						763					



Laguna Woods Village®

DATE: September, 2023
TO: VMS Board of Directors
RE: Monthly Staffing Report

New Hires YTD:
August

124 (71 Full-time, 53 Part-time)
7 (5 Full-time, 2 Part-Time)

Active Recruiting Vacancies as of August 31, 2023

Total: **69**

Full-time: **47**

Part-time: **22**

Vacancies by Divisions	Full-Time	Part-Time	Total Vacancies	Total Budgeted
General Services	10	2	12	
Bus Driver (WC 970)	1	2	3	10.00
Custodian (WCs 935,945)	4		4	14.00
Lead Custodian (WC 945)	1		1	2.00
Mechanic Helper (WC 960)	1		1	2.00
Auto Mechanic (WC 960)	1		1	4.00
Transportation Coordinator (WC 970)	1		1	2.00
General Paving Worker (WC 936)	1		1	7.00
Maintenance and Construction	7	0	7	
Project Manager (WC 920)	1		1	5.00
Building Permits & Inspections Manager (WC 925)	1		1	0.00
Senior General Maintenance Worker (WC 911)	1		1	6.00
Maintenance Plumber (WC 914)	1		1	3.00
Maintenance Painter (WC 932)	1		1	28.00
Inspector I (WC 925)	1		1	3.00
Inspector II (WC 925)	1		1	3.00
Landscape Services	20	0	20	
Landscape Manager (WC 500)	1		1	2.00
Gardener (WC 520 & WC 530)	16		16	69.00
Lead Land Grounds (WC 530)	1		1	3.00
Equipment Operator (WC 511)	1		1	2.00
Tree Trimmer Tech (WC 570)	1		1	6.00



Laguna Woods Village®

Security Services	5	7	12	
Admin Specialist (WC 400)	1		1	1.00
Gate Ambassador (WC 400)		5	5	43.00
Security Supervisor I (WC 400)	1		1	9.00
Security Patrol Officer (WC 400)	1	2	3	14.00
Dispatcher (WC 400)	1		1	5.00
Social Services Manager (WC 220)	1		1	1.00
Recreation Services	2	12	14	
P/T Recreation Leader (WC 600)		5	5	9.58
Fitness Assistant II (WC 691)		6	6	1.25
Equipment Operator (WC 580)	1		1	1.00
Golf Course Sprayer (WC 580)	1		1	0.50
P/T Clubhouse Tech I (WC 613)		1	1	0.50
Information Services	2	0	2	
Customer Srv Rep I (WC 950)	2		2	17.00
Financial Services	0	1	1	
Account Clerk (WC 300)		1	1	0.00
Human Resources	1	0	1	
HR Coordinator (WC 700)	1		1	0.00
Total	47	22	69	

Terminations YTD:

August

100 (59 Full-time, 41 Part-time)

12 (7 Full-time, 5 Part-time)

Resignations and Terminations for August 2023 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	1	2	1	2	0	0	2	0	8
Terminated		1	1	0	0	0	2	0	4
Grand Total	1	3	2	2	0	0	4	0	12



Laguna Woods Village®

The stated reasons for resignations in June are as follows:

- 1. Lay Off** – *1 in Financial Services, 1 in Human Resources, and 1 in Marketing & Communications*
- 2. Voluntary Resignation** – *1 in Financial Services, 1 in Maintenance & Construction Services, 2 in General Services, 2 in Recreation & Special Events, and 2 in Landscape Services*
- 3. Unable to Provide Work Documents** – *1 in Recreation & Special Events*



**YEAR ~~2023~~-2024 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 (\$50.00), 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 (\$1,800.00) 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 (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) 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 (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) 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: September 26, 2023
FOR: United Finance Committee
SUBJECT: Unbudgeted Operating Expenditure for Water Saving Landscaping

RECOMMENDATION

Approve an unbudgeted operating expenditure in the amount of \$212,000 for water saving landscaping projects within United Mutual.

BACKGROUND

On August 11, 2022, the Board of Directors approved Resolution 01-22-55, directing staff to reduce irrigation water use by 15 percent (Attachment 1); staff continues to follow this protocol, producing significant water savings.

The Landscape Committee reviewed this staff report, along with the supporting attachments, at their regular open session meeting on August 28, 2023. A motion was made to approve the recommendation, and the motion passed unanimously.

DISCUSSION

In response to the ongoing drought conditions, the California Governor's mandate to reduce water usage and direction from the Landscape Committee, staff began reducing irrigation water usage in early July by decreasing run times on shrub beds and reducing watering days for turf from three days to two. Additionally, during the process of preparing for the new Irrigation Master Control System project, staff was able to identify additional measures to further increase water savings.

These reductions, along with the extended rainy season, have lowered the forecasted 2023 expenditures for water by \$212,000 (Attachment 2).

Turf is estimated to use about 40% to 60% of landscape irrigation in California. The Landscape Committee has committed to reducing the cost of irrigation water usage in United by reducing non-functional turf areas. Reducing these areas also reduces labor costs by eliminating difficult to maintain and irrigate turf areas. Approving this unbudgeted expenditure will enable staff to remove approximately 50,000 square feet of turf and replace it with low maintenance waterwise plantings and irrigation.

FINANCIAL ANALYSIS

An unbudgeted operating expenditure of \$212,000 will accomplish the design and installation of water saving landscaping.

Prepared By: Kurt Wiemann, Director of Field Operations
Reviewed By: Jayanna Abolmoloki, Landscape Administrative Assistant
Jose Campos, Assistant Director of Financial Services

ATTACHMENT(S)

Attachment 1: Resolution 01-22-55
Attachment 2: Water Saving Comparison 2023
Attachment 3: Resolution 01-23-XX



RESOLUTION 01-22-55

Irrigation Water Mandate

WHEREAS, July 14, 2022, the Landscape Committee recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use; and

WHEREAS, the current water restriction mandates request a voluntary reduction in potable water use of 15 percent and irrigation water sources in United Mutual are mostly potable water; and

WHEREAS, the Landscape Committee determined that a 15 percent reduction of landscape irrigation is a prudent and proactive approach to the ongoing drought conditions in the region;

NOW THEREFORE BE IT RESOLVED, on August 9, 2022, that a 15 percent reduction in irrigation water use shall be applied to all irrigation within United Mutual; and

RESOLVED FURTHER, this resolution shall become in full force and effect on August 9, 2022; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

UNITED IRRIGATION & MIXED CONSUMPTION (Based on Consumption Month)

	2018	2019	2020	2021	2022	2023 (Projected Jul-Dec)	5 Year Average	Variance	% Savings
January	\$77,122	\$44,529	\$48,698	\$73,252	\$75,049	\$49,147	\$63,730	(\$14,583)	29.7%
February	\$79,700	\$40,373	\$65,862	\$97,026	\$106,578	\$53,306	\$77,908	(\$24,602)	46.2%
March	\$66,841	\$58,562	\$54,300	\$99,484	\$136,184	\$48,635	\$83,074	(\$34,440)	70.8%
April	\$127,607	\$131,329	\$88,731	\$149,156	\$106,578	\$90,319	\$120,680	(\$30,361)	33.6%
May	\$134,839	\$103,185	\$141,400	\$163,517	\$169,804	\$108,844	\$142,549	(\$33,705)	31.0%
June	\$179,506	\$157,715	\$188,311	\$171,530	\$161,632	\$130,886	\$171,739	(\$40,852)	31.2%
July	\$178,609	\$188,639	\$188,500	\$160,331	\$137,370	\$140,819	\$170,690	(\$29,871)	21.2%
August	\$189,809	\$183,733	\$192,625	\$190,401	\$147,213	\$149,124	\$180,756	(\$31,632)	21.2%
September	\$114,484	\$133,150	\$162,158	\$142,146	\$113,379	\$109,777	\$133,063	(\$23,286)	21.2%
October	\$100,938	\$161,069	\$120,471	\$80,533	\$107,020	\$94,055	\$114,006	(\$19,951)	21.2%
November	\$73,807	\$73,165	\$93,658	\$124,433	\$71,704	\$72,067	\$87,353	(\$15,287)	21.2%
December	\$51,890	\$47,937	\$81,403	\$43,119	\$51,628	\$45,536	\$55,196	(\$9,659)	21.2%

2023 Estimated Irrigation & Mixed Savings: (\$308,230)

UNITED ESTIMATED IRRIGATION CONSUMPTION (Based on Consumption Month)

	2018	2019	2020	2021	2022	2023 (Projected Jul-Dec)	5 Year Average	Variance	% Savings
January	\$30,375	\$3,463	\$7,558	\$24,649	\$21,098	\$814	\$17,429	(\$16,615)	95.3%
February	\$38,867	\$1,680	\$19,462	\$45,638	\$54,074	\$14,660	\$31,944	(\$17,284)	54.1%
March	\$23,326	\$13,432	\$4,917	\$40,557	\$67,783	\$213	\$30,003	(\$29,789)	99.3%
April	\$81,988	\$70,949	\$29,861	\$84,036	\$76,705	\$48,400	\$68,708	(\$20,308)	29.6%
May	\$74,390	\$51,519	\$81,351	\$86,681	\$93,418	\$38,866	\$77,472	(\$38,606)	49.8%
June	\$102,775	\$83,471	\$104,861	\$109,927	\$102,696	\$84,775	\$100,746	(\$15,971)	15.9%
July	\$129,966	\$137,028	\$117,140	\$96,677	\$78,745	\$92,327	\$111,911	(\$19,584)	17.5%
August	\$134,194	\$129,966	\$108,092	\$112,584	\$82,726	\$93,648	\$113,512	(\$19,865)	17.5%
September	\$82,508	\$89,913	\$99,237	\$94,337	\$62,385	\$70,683	\$85,676	(\$14,993)	17.5%
October	\$53,310	\$99,946	\$66,953	\$35,369	\$50,694	\$50,535	\$61,254	(\$10,719)	17.5%
November	\$31,842	\$38,265	\$42,223	\$62,271	\$24,116	\$32,788	\$39,743	(\$6,955)	17.5%
December	\$6,616	\$3,613	\$28,110	\$3,327	\$3,189	\$7,401	\$8,971	(\$1,570)	17.5%

2023 Estimated Irrigation Savings: (\$212,260)



Resolution 01-23-XX

**Unbudgeted Operating Expenditure for
Turf Reduction Projects**

WHEREAS, August 11, 2022, the United Board of Directors recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use and directed staff to reduce irrigation by 15 percent; and

WHEREAS, the United Mutual Landscape Committee determined that funding for turf reduction projects should be appropriated from savings to the Water Expense account based on savings from these reductions; and

WHEREAS, August 28, 2023, the United Mutual Landscape Committee endorsed the recommendation; and

WHEREAS, September 26, 2023, the United Mutual Finance Committee endorsed the recommendation; and

NOW THEREFORE BE IT RESOLVED, on November 14, 2023, that an Unbudgeted Operating Expenditure of \$212,000 to be funded from the 2022 Water Expense Account has been approved to be used for water saving landscaping projects within United Mutual; and

RESOLVED FURTHER, this resolution shall become in full force and effect on November 14, 2023; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written