



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, October 31, 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 September 26, 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 September 30, 2023
 - a) United Leasing Report
 - b) HR Staffing Report

Items for Discussion and Consideration

9. Temporary Borrowing
10. Endorsements from Standing Committees

Future Agenda Items

11. Financial Statement and Budget Training

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, November 28, 2023 at 1:30 p.m.
14. Recess to Closed Session



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, September 26, 2023 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Azar Asgari – Chair, Alison Bok, Thomas Tuning

DIRECTORS ABSENT: None.

ADVISORS PRESENT: None.

STAFF PRESENT: Steve Hormuth, Jose Campos, Erika Hernandez

OTHERS PRESENT: United – Maggie Blackwell

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 and made available via Zoom and Granicus 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 August 29, 2023

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

Chair Remarks

Director Asgari reflected on the three-years she spent as the United Mutual Treasurer and shared all the Board achievements. Also, she thanked President Lenny Ross and the members who participated in the committees and VMS Finance Department staff for the hard work performed.

Member Comments (Items Not on the Agenda)

A member requested an update on her Records Request sent to compliance in March 2023. Director Asgari responded stated there will be a follow up to her request.

A member stated concern regarding the lodger policy. Director Asgari directed to the member to the Governing Documents Review Committee.

A member shared that she is finding cigarette butts being left everywhere by renters and there an excess of nuisance vehicles. She also shared that members are dumping

food in the laundry room trash cans leaving strong smells. Director Asgari suggested that these items should be brought to the board.

A member asked if there is an existing resolution pertaining to refunding residents for their increased electrical bill when fans are used to dry out large areas in their manor. Director Asgari responded stating that staff will look into previous bills and calculate the difference which will be refunded to the resident.

Department Head Update

Steve Hormuth shared that the United 2024 Business Plan was approved on September 12, 2023 and there will be a presentation by Chuck Holland on the ERP progress update in a future meeting.

Review Preliminary Financial Statements dated August 31, 2023

The committee reviewed financial statements for August 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.

2024 Collections and Lien Enforcement Policy

The 2023 Collection and Lien Enforcement Policy was provided to legal for review which resulted in no changes. A motion was made by Director Asgari to accept and approve the 2024 Collections and Lien Enforcement Policy as presented. Director Alison Bok seconded. The motion passed unanimously and will be presented at the next board meeting and be placed on the Consent Calendar and 28-day notice.

Endorsements from Standing Committees

Landscape Services Committee - Approve and Endorse an Unbudgeted Operating Expenditure for Water Landscaping Projects. Kurt Wiemann, Director of Landscape Services, presented a staff report requesting approval for an unbudgeted expenditure in the amount of \$212,000 for water saving landscaping projects within the United mutual. Director Asgari made a motion to accept staff's recommendation. No second motion was made; therefore, the motion failed and this item will not be endorsed by Finance.

A member requested that the Landscape staff review the landscape work completed at 130 Majorca, would like to know the cost savings for landscape projects, and shared that staff isn't notifying residents prior to work being started. The member was directed to the Landscape Committee.

Future Agenda Items

None.

Committee Member Comments

None.

Report of United Finance Committee Regular Open Meeting

September 26, 2023

Page 3 of 3

Date of Next Meeting

Tuesday, October 31, 2023 at 1:30 p.m.

Recess to Closed Session

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

DRAFT

Azar Asgari, Chair

MEMORANDUM

To: United Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: October 31, 2023
 Re: Department Head Update

Financial Highlights

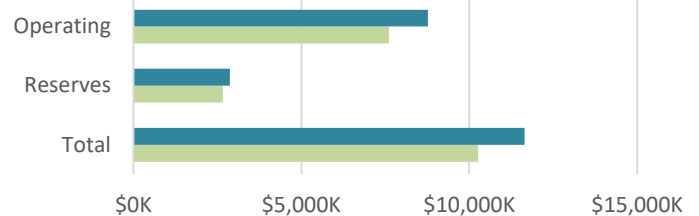
- **SUMMARY:** For the year-to-date period ending September 30, 2023, United Laguna Woods Mutual was better than budget by \$968K primarily from open positions and more investment income than planned, partially offset by outside services.

Assessment Revenues
 Other Revenues
 Expenses
Revenue / (Expense)

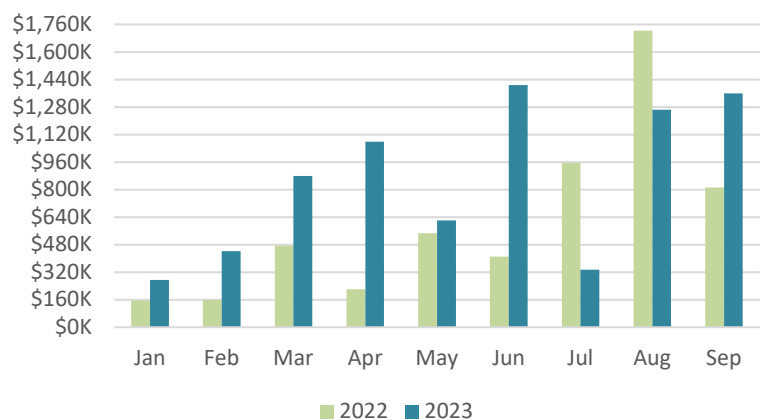
INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$36,994,036	\$36,222,642	\$771,394
Other Revenues	1,584,006	1,448,411	135,595
Expenses	38,901,128	38,962,570	61,442
Revenue / (Expense)	(\$323,086)	(\$1,291,517)	\$968,431

- **COMPENSATION:** Compensation ended the period with a favorable variance of \$1,373K. Actual compensation and related costs came in at \$10.3 million, with \$7.6 million in operations and \$2.7 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.

Employee Compensation & Related



- **OUTSIDE SERVICES:** In total, this category was unfavorable to budget by (\$663K) as a result of more moisture intrusion events than anticipated caused by rain and timing of the epoxy waste line remediation program compared to budget. Rainfall in 2023 has been significantly higher than prior years.



Discussions

Annual Mailing: The 2024 Business Plan for United was approved in September. In November, the Annual Budget Report and Annual Policy Statements will be distributed to each owner. The documents contain important policies and disclosures that are required to comply with California statutes.

Institutional / Non-Institutional Lending: In 2022, Fannie May ceased their purchasing of United shareholder loans due to changes in property insurance levels. This action by Fannie May resulted in institutional lenders (i.e. Banks) no longer offering shareholder loans to United residents. At their September 12, 2023 meeting, the United Board approved a Recognition Agreement for Non-Institutional lenders creating opportunities for future resales to include loans. Beginning in November 2023, staff anticipate the first of many new sales to include loans from non-institutional lenders. In future reports to the United Finance Committee, staff will include updates on the volume of resales involving these newly approved loans.

Calendar

- 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 2023 United Finance Committee Non-Meeting Month
- December 28, 2023 @ 2:00 p.m. United Agenda Prep Meeting
- January 9, 2024 @ 9:30 a.m. United Board Meeting
- January 25, 2024 @ 2:00 p.m. United Agenda Prep Meeting
- January 30, 2024 @ 1:30 p.m. United Finance Committee (December Financials)

November 2023							December 2023							January 2024						
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						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
							31													

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
9/30/2023
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:								
Assessments:								
1 Operating	\$3,116	\$3,031	\$86	\$28,047	\$27,275	\$771	\$26,332	\$36,367
2 Additions to restricted funds	994	994		8,947	8,947		8,082	11,930
3 Total assessments	4,110	4,025	86	36,994	36,223	771	34,414	48,297
Non-assessment revenues:								
4 Merchandise sales				11	3	8	4	5
5 Fees and charges for services to residents	57	70	(13)	460	615	(154)	602	820
6 Laundry	20	23	(2)	171	203	(32)	187	270
7 Investment income	52	13	39	501	113	388	175	150
8 Miscellaneous	44	57	(13)	441	515	(75)	499	687
9 Total non-assessment revenue	173	162	11	1,584	1,448	136	1,466	1,931
10 Total revenue	4,284	4,187	96	38,578	37,671	907	35,880	50,228
Expenses:								
11 Employee compensation and related	1,097	1,276	179	10,268	11,641	1,373	10,168	15,538
12 Materials and supplies	216	265	49	2,563	2,339	(224)	1,864	3,134
13 Utilities and telephone	423	438	15	3,425	3,400	(25)	3,585	4,517
14 Legal fees	9	17	8	83	137	55	118	183
15 Professional fees	3	8	5	74	76	3	110	102
16 Equipment rental	2	3	2	18	32	15	15	43
17 Outside services	1,358	814	(544)	7,659	6,996	(663)	5,458	9,316
18 Repairs and maintenance	2	4	2	27	35	9	25	47
19 Other Operating Expense	11	15	3	100	137	37	93	191
20 Property and sales tax	1,088	1,054	(34)	10,159	9,487	(672)	9,406	12,649
21 Insurance	375	383	9	3,388	3,451	63	2,906	4,601
22 Investment expense		1	1		8	8	8	11
23 Uncollectible Accounts	1	1		(15)	11	27	30	15
24 Depreciation and amortization	13	13		115	115		147	153
25 Net allocation to mutuals	124	121	(3)	1,040	1,097	57	1,107	1,463
26 Total expenses	4,722	4,414	(308)	38,902	38,963	61	35,040	51,964
27 Excess of revenues over expenses	(\$438)	(\$227)	(\$212)	(\$324)	(\$1,292)	\$968	\$840	(\$1,736)
Other Changes								
28 Unrealized gain/(loss) on AFS investments							(1,374)	
29 (Gain)/loss on sale or trade				(1)		1		
30 Total other changes				1		1	(1,374)	
31 Excess of revenues over expenses	(\$438)	(\$227)	(\$212)	(\$323)	(\$1,292)	\$968	(\$534)	(\$1,736)

United Laguna Woods Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
9/30/2023
(\$ 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	\$17,788	\$17,788					\$10,258	\$9,487	\$771	\$28,047	\$27,275	\$771
2 Additions to restricted funds				8,891	8,890		57	57		8,947	8,947	
3 Total assessments	17,788	17,788		8,891	8,890		10,315	9,544	771	36,994	36,223	771
Non-assessment revenues:												
4 Merchandise sales	11	3	8							11	3	8
5 Fees and charges for services to residents	460	615	(155)	1		1				460	615	(154)
6 Laundry	171	203	(32)							171	203	(32)
7 Investment income				501	113	388				501	113	388
8 Miscellaneous	441	515	(75)							441	515	(75)
9 Total non-assessment revenue	1,083	1,336	(253)	501	113	389				1,584	1,448	136
10 Total revenue	18,871	19,124	(253)	9,392	9,003	389	10,315	9,544	771	38,578	37,671	907
Expenses:												
11 Employee compensation and related	7,609	8,772	1,164	2,659	2,868	209				10,268	11,641	1,373
12 Materials and supplies	710	615	(94)	1,853	1,723	(130)				2,563	2,339	(224)
13 Utilities and telephone	3,419	3,392	(26)	6	8	2				3,425	3,400	(25)
14 Legal fees	83	137	55							83	137	55
15 Professional fees	69	76	7	4		(4)				74	76	3
16 Equipment rental	5	7	1	12	26	14				18	32	15
17 Outside services	2,162	1,586	(577)	5,497	5,410	(86)				7,659	6,996	(663)
18 Repairs and maintenance	26	31	5	1	4	4				27	35	9
19 Other Operating Expense	83	112	30	17	24	7				100	137	37
20 Property and sales tax							10,159	9,487	(672)	10,159	9,487	(672)
21 Insurance	3,388	3,451	63							3,388	3,451	63
22 Investment expense					8	8					8	8
23 Uncollectible Accounts	(15)	11	27							(15)	11	27
24 Depreciation and amortization	115	115								115	115	
25 Net allocation to mutuals	851	883	32	188	213	25				1,040	1,097	57
26 Total expenses	18,505	19,190	686	10,239	10,286	47	10,159	9,487	(672)	38,902	38,963	61
27 Excess of revenues over expenses	\$367	(\$66)	\$432	(\$847)	(\$1,283)	\$436	\$156	\$57	\$100	(\$324)	(\$1,292)	\$968
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	\$367	(\$66)	\$433	(\$847)	(\$1,283)	\$436	\$156	\$57	\$100	(\$323)	(\$1,292)	\$968

United Laguna Woods Mutual
Operating Statement - Preliminary
9/30/2023
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$15,119,052	\$15,119,152	(\$100)	0.00%	\$20,158,869
41007000 - Monthly Assessments - Property Taxes	9,768,041	9,486,887	281,153	2.96%	12,649,183
41007500 - Monthly Assessments - Supplemental Property Taxes	490,155	0	490,155	0.00%	0
41008000 - Monthly Assessments - Property Insurance	2,669,301	2,669,298	3	0.00%	3,559,064
Total Operating	28,046,548	27,275,337	771,211	2.83%	36,367,116
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	56,907	56,907	0	0.00%	75,876
41003500 - Monthly Assessments - Replacement Fund	8,890,581	8,890,398	183	0.00%	11,853,864
Total Additions To Restricted Funds	8,947,488	8,947,305	183	0.00%	11,929,740
Total Assessments	36,994,036	36,222,642	771,394	2.13%	48,296,856
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	11,422	3,429	7,993	233.12%	4,573
Total Merchandise Sales	11,422	3,429	7,993	233.12%	4,573
Fees and Charges for Services to Residents					
46501000 - Permit Fee	186,804	193,005	(6,201)	(3.21%)	257,340
46501500 - Inspection Fee	38,129	67,553	(29,424)	(43.56%)	90,073
46502000 - Resident Maintenance Fee	214,940	354,008	(139,068)	(39.28%)	472,174
46502999 - Resident Maintenance Fee Backlog	20,544	0	20,544	0.00%	0
Total Fees and Charges for Services to Residents	460,417	614,566	(154,149)	(25.08%)	819,587
Laundry					
46005000 - Coin Op Laundry Machine	170,932	202,500	(31,568)	(15.59%)	270,000
Total Laundry	170,932	202,500	(31,568)	(15.59%)	270,000
Investment Income					
49001000 - Investment Income	500,565	112,500	388,065	344.95%	150,000
Total Investment Income	500,565	112,500	388,065	344.95%	150,000
Miscellaneous					
46004500 - Resident Violations	4,602	39,249	(34,647)	(88.27%)	52,332
44501000 - Additional Occupant Fee	30,850	32,994	(2,144)	(6.50%)	43,992
44501500 - Lease Processing Fee - United	129,100	122,562	6,538	5.33%	163,425
44502000 - Variance Processing Fee	750	11,912	(11,162)	(93.70%)	15,888
44503000 - Stock Transfer Fee	8,200	18,747	(10,547)	(56.26%)	25,000
44503510 - Resale Processing Fee - United	91,294	101,844	(10,550)	(10.36%)	135,800
44506000 - Photo Copy Fee	15	0	15	0.00%	0
44507000 - Golf Cart Electric Fee	39,353	45,000	(5,647)	(12.55%)	60,000
44507200 - Electric Vehicle Plug-In Fee	26,876	15,750	11,126	70.64%	21,000
44507500 - Cartport/Carport Space Rental Fee	1,350	1,800	(450)	(25.00%)	2,400
47001500 - Late Fee Revenue	35,406	38,997	(3,591)	(9.21%)	52,000
47002000 - Collection Administrative Fee	200	0	200	0.00%	0
47002010 - Collection Administrative Fee - United	67,910	82,071	(14,161)	(17.25%)	109,440
47002500 - Collection Interest Revenue	(101)	1,494	(1,595)	(106.77%)	2,000
47501000 - Recycling	5,044	2,997	2,047	68.31%	4,000
49009000 - Miscellaneous Revenue	(179)	0	(179)	0.00%	0
Total Miscellaneous	440,670	515,417	(74,746)	(14.50%)	687,277
Total Non-Assessment Revenue	1,584,006	1,448,411	135,595	9.36%	1,931,436
Total Revenue	38,578,041	37,671,053	906,988	2.41%	50,228,292
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	2,229,252	2,538,608	309,357	12.19%	3,398,734
51021000 - Union Wages - Regular	3,787,285	4,612,244	824,959	17.89%	6,166,553
51041000 - Wages - Overtime	21,625	19,240	(2,384)	(12.39%)	25,663

United Laguna Woods Mutual
Operating Statement - Preliminary
9/30/2023
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51051000 - Union Wages - Overtime	108,006	67,775	(40,231)	(59.36%)	90,400
51061000 - Holiday & Vacation	675,283	604,208	(71,075)	(11.76%)	808,209
51071000 - Sick	218,332	246,453	28,121	11.41%	329,664
51091000 - Missed Meal Penalty	4,435	4,120	(315)	(7.65%)	5,520
51101000 - Temporary Help	90,453	20,602	(69,851)	(339.04%)	27,473
51981000 - Compensation Accrual	185,407	0	(185,407)	0.00%	0
Total Employee Compensation	7,320,077	8,113,250	793,173	9.78%	10,852,216
Compensation Related					
52411000 - F.I.C.A.	529,492	610,464	80,972	13.26%	813,282
52421000 - F.U.I.	7,724	10,423	2,699	25.89%	10,423
52431000 - S.U.I.	29,662	53,622	23,960	44.68%	53,999
52441000 - Union Medical	1,328,004	1,511,418	183,414	12.14%	2,015,225
52451000 - Workers' Compensation Insurance	328,647	435,524	106,877	24.54%	582,424
52461000 - Non Union Medical & Life Insurance	272,909	368,169	95,260	25.87%	490,892
52471000 - Union Retirement Plan	364,369	426,324	61,955	14.53%	569,993
52481000 - Non-Union Retirement Plan	65,212	111,427	46,215	41.48%	149,180
52981000 - Compensation Related Accrual	21,816	0	(21,816)	0.00%	0
Total Compensation Related	2,947,835	3,527,371	579,536	16.43%	4,685,418
Materials and Supplies					
53001000 - Materials & Supplies	357,871	495,156	137,286	27.73%	659,410
53002500 - Printed Membership Materials	67,348	0	(67,348)	0.00%	0
53003000 - Materials Direct	2,134,128	1,840,471	(293,657)	(15.96%)	2,470,556
53004000 - Freight	3,459	3,167	(292)	(9.22%)	4,277
Total Materials and Supplies	2,562,807	2,338,794	(224,012)	(9.58%)	3,134,242
Utilities and Telephone					
53301000 - Electricity	179,818	109,269	(70,549)	(64.56%)	137,760
53301500 - Sewer	1,174,917	1,147,200	(27,717)	(2.42%)	1,542,000
53302000 - Water	1,466,458	1,527,338	60,880	3.99%	2,014,664
53302500 - Trash	602,532	616,108	13,576	2.20%	821,478
53304000 - Telephone	1,160	468	(692)	(147.92%)	633
Total Utilities and Telephone	3,424,886	3,400,383	(24,503)	(0.72%)	4,516,535
Legal Fees					
53401500 - Legal Fees	82,730	137,491	54,760	39.83%	183,325
Total Legal Fees	82,730	137,491	54,760	39.83%	183,325
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	54,778	35,748	(19,030)	(53.23%)	47,670
53403500 - Consulting Fees	375	9,065	8,690	95.86%	12,096
53403510 - Consulting Fees - United	18,699	31,608	12,909	40.84%	42,166
Total Professional Fees	73,852	76,421	2,569	3.36%	101,932
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	17,625	32,404	14,779	45.61%	43,211
Total Equipment Rental	17,625	32,404	14,779	45.61%	43,211
Outside Services					
53601000 - Bank Fees	(10,572)	28,253	38,825	137.42%	37,678
53601500 - Credit Card Transaction Fees	7,910	7,497	(413)	(5.51%)	10,000
54603500 - Outside Services Cost Collection	7,550,659	6,839,421	(711,238)	(10.40%)	9,109,537
53704000 - Outside Services	110,967	120,442	9,474	7.87%	159,046
Total Outside Services	7,658,965	6,995,613	(663,352)	(9.48%)	9,316,261
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,781	9,754	7,973	81.74%	13,046
53703000 - Elevator /Lift Maintenance	24,758	25,740	982	3.82%	34,320
Total Repairs and Maintenance	26,539	35,494	8,955	25.23%	47,366
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,478	4,892	3,414	69.78%	6,533
53801500 - Travel & Lodging	0	1,333	1,333	100.00%	1,781
53802000 - Uniforms	51,443	67,250	15,807	23.51%	89,734
53802500 - Dues & Memberships	466	1,888	1,422	75.31%	2,449
53803000 - Subscriptions & Books	692	1,216	524	43.07%	1,629

United Laguna Woods Mutual
Operating Statement - Preliminary
9/30/2023
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
53803500 - Training & Education	3,834	16,533	12,699	76.81%	22,110
53903000 - Safety	168	552	384	69.59%	739
54001010 - Board Relations - United	6,251	7,497	1,246	16.63%	10,000
54002000 - Postage	35,456	35,170	(286)	(0.81%)	55,556
54002500 - Filing Fees / Permits	245	294	50	16.86%	405
Total Other Operating Expense	100,032	136,625	36,593	26.78%	190,937
Property and Sales Tax					
54302000 - Property Taxes	10,158,662	9,486,891	(671,771)	(7.08%)	12,649,183
Total Property and Sales Tax	10,158,662	9,486,891	(671,771)	(7.08%)	12,649,183
Insurance					
54401000 - Hazard & Liability Insurance	696,229	716,890	20,661	2.88%	955,855
54401500 - D&O Liability	47,241	59,374	12,133	20.44%	79,165
54402000 - Property Insurance	2,638,712	2,669,296	30,584	1.15%	3,559,064
54403000 - General Liability Insurance	6,239	5,496	(743)	(13.52%)	7,328
Total Insurance	3,388,421	3,451,055	62,635	1.81%	4,601,413
Investment Expense					
54201000 - Investment Expense	30	7,875	7,845	99.62%	10,500
Total Investment Expense	30	7,875	7,845	99.62%	10,500
Uncollectible Accounts					
54602000 - Bad Debt Expense	(15,456)	11,250	26,706	237.39%	15,000
Total Uncollectible Accounts	(15,456)	11,250	26,706	237.39%	15,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	115,049	115,049	0	0.00%	153,398
Total Depreciation and Amortization	115,049	115,049	0	0.00%	153,398
Net Allocation to Mutuals					
54602500 - Allocated Expenses	1,039,831	1,096,602	56,771	5.18%	1,463,024
Total Net Allocation to Mutuals	1,039,831	1,096,602	56,771	5.18%	1,463,024
Total Expenses	38,901,885	38,962,570	60,685	0.16%	51,963,961
Excess of Revenues Over Expenses Before Other Changes	(\$323,844)	(\$1,291,517)	\$967,673	74.93%	(\$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	(\$323,086)	(\$1,291,517)	\$968,431	74.98%	(\$1,735,669)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
9/30/2023**

		<u>Current Month End</u>	<u>Prior Year Same Period</u>	<u>Prior Year December 31</u>
	Assets			
1	Cash and cash equivalents	\$2,421,668	\$9,307,475	\$608,243
2	Investments	20,897,937	16,475,444	19,133,813
3	Receivable/(Payable) from mutuals	(25,541)	(312,925)	(521,303)
4	Accounts receivable and interest receivable	515,029	551,987	560,749
5	Prepaid expenses and deposits	468,650	549,179	3,187,844
6	Property and equipment	91,989,605	91,989,605	91,989,605
7	Accumulated depreciation property and equipment	(83,767,674)	(83,764,612)	(83,765,378)
8	Beneficial interest in GRF of Laguna Hills Trust	5,147,917	5,266,482	5,260,669
9	Non-controlling interest in GRF	43,803,096	42,560,838	43,803,096
10	Total Assets	<u>\$81,450,687</u>	<u>\$82,623,473</u>	<u>\$80,257,338</u>
	Liabilities and Fund Balances			
	Liabilities:			
11	Accounts payable and accrued expenses	\$5,140,573	\$4,835,408	\$3,685,683
12	Accrued compensation and related costs	551,668	518,105	551,668
13	Deferred income	1,005,343	957,214	943,798
14	Asset retirement obligation	1,479,624	1,382,827	1,479,624
15	Total liabilities	<u>\$8,177,208</u>	<u>\$7,693,554</u>	<u>\$6,660,773</u>
	Fund balances:			
16	Fund balance prior years	73,596,565	75,463,640	75,463,640
17	Change in fund balance - current year	(323,086)	(533,721)	(1,867,075)
18	Total fund balances	<u>73,273,479</u>	<u>74,929,919</u>	<u>73,596,565</u>
19	Total Liabilities and Fund Balances	<u>\$81,450,687</u>	<u>\$82,623,473</u>	<u>\$80,257,338</u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
9/30/2023**

	<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	\$1,444,585	\$977,083			\$2,421,668
2 Investments		20,897,937			20,897,937
3 Receivable/(Payable) from mutuals	(25,541)				(25,541)
4 Receivable/(Payable) from operating fund	(60,515)	(3,821,867)	1,170,678	2,711,704	
5 Accounts receivable and interest receivable	476,255	38,775			515,029
6 Prepaid expenses and deposits	466,130	2,520			468,650
7 Property and equipment	91,989,605				91,989,605
8 Accumulated depreciation property and equipment	(83,767,674)				(83,767,674)
9 Beneficial interest in GRF of Laguna Hills Trust	5,147,917				5,147,917
10 Non-controlling interest in GRF	43,803,096				43,803,096
11 Total Assets	<u>\$59,473,856</u>	<u>\$18,094,448</u>	<u>\$1,170,678</u>	<u>\$2,711,704</u>	<u>\$81,450,686</u>
Liabilities and Fund Balances					
Liabilities:					
12 Accounts payable and accrued expenses	\$1,139,928	\$751,488		\$3,249,157	\$5,140,573
13 Accrued compensation and related costs	551,668				551,668
14 Deferred income	1,005,343				1,005,343
15 Asset retirement obligation		1,479,624			1,479,624
16 Total liabilities	<u>\$2,696,938</u>	<u>\$2,231,112</u>		<u>\$3,249,157</u>	<u>\$8,177,207</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	367,409	(846,936)	56,907	99,534	(323,086)
19 Total fund balances	<u>56,776,918</u>	<u>15,863,336</u>	<u>1,170,678</u>	<u>(537,453)</u>	<u>73,273,479</u>
20 Total Liabilities and Fund Balances	<u>\$59,473,856</u>	<u>\$18,094,448</u>	<u>\$1,170,678</u>	<u>\$2,711,704</u>	<u>\$81,450,686</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
9/30/2023

	Operating Fund	Replacement Fund	Contingency Fund	Property Taxes Fund	Total
Revenues:					
Assessments:					
1 Operating	\$17,788,353			\$10,258,195	\$28,046,548
2 Additions to restricted funds		8,890,581	56,907		8,947,488
3 Total assessments	<u>17,788,353</u>	<u>8,890,581</u>	<u>56,907</u>	<u>10,258,195</u>	<u>36,994,036</u>
Non-assessment revenues:					
4 Merchandise sales	11,422				11,422
5 Fees and charges for services to residents	459,865	552			460,417
6 Laundry	170,932				170,932
7 Investment income		500,565			500,565
8 Miscellaneous	440,670				440,670
9 Total non-assessment revenue	<u>1,082,889</u>	<u>501,117</u>			<u>1,584,006</u>
10 Total revenue	<u>18,871,241</u>	<u>9,391,698</u>	<u>56,907</u>	<u>10,258,195</u>	<u>38,578,041</u>
Expenses:					
11 Employee compensation and related	7,608,548	2,659,364			10,267,912
12 Materials and supplies	709,554	1,853,253			2,562,807
13 Utilities and telephone	3,418,611	6,275			3,424,886
14 Legal fees	82,730				82,730
15 Professional fees	69,455	4,398			73,852
16 Equipment rental	5,239	12,387			17,625
17 Outside services	2,162,411	5,496,554			7,658,965
18 Repairs and maintenance	25,789	750			26,539
19 Other Operating Expense	82,814	17,219			100,032
20 Property and sales tax				10,158,662	10,158,662
21 Insurance	3,388,421				3,388,421
22 Investment expense		30			30
23 Uncollectible Accounts	(15,456)				(15,456)
24 Depreciation and amortization	115,049				115,049
25 Net allocations to mutuals	851,425	188,406			1,039,831
26 Total expenses	<u>18,504,590</u>	<u>10,238,634</u>		<u>10,158,662</u>	<u>38,901,885</u>
27 Excess of revenues over expenses before other changes	<u>\$366,652</u>	<u>(\$846,936)</u>	<u>\$56,907</u>	<u>\$99,534</u>	<u>(\$323,844)</u>
28 Excess of revenues over expenses excluding depreciation before other changes	<u>\$481,700</u>	<u>(\$846,936)</u>	<u>\$56,907</u>	<u>\$99,534</u>	<u>(\$208,795)</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
9/30/2023

		Operating Fund	Replacement Fund	Contingency Fund	Property Taxes Fund	Total
31	Excess of revenues over expenses after other changes	<u>\$367,409</u>	<u>(\$846,936)</u>	<u>\$56,907</u>	<u>\$99,534</u>	<u>(\$323,086)</u>
32	Excluding unrealized gains and depreciation	<u>\$482,458</u>	<u>(\$846,936)</u>	<u>\$56,907</u>	<u>\$99,534</u>	<u>(\$208,037)</u>

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION								
PLUMBING SERVICE	(\$57,760)	\$130,108	\$1,108,580	\$1,181,250	\$1,576,071	70%	\$72,670	6%
DAMAGE RESTORATION	112,240	79,372	1,110,000	625,181	885,805	125%	(484,819)	(78%)
CARPENTRY SERVICE	55,459	53,433	502,613	476,212	638,911	79%	(26,402)	(6%)
ELECTRICAL SERVICE	30,202	30,856	281,247	279,778	373,787	75%	(1,469)	(1%)
APPLIANCE REPAIRS	15,137	26,327	200,548	239,485	319,633	63%	38,937	16%
INTERIOR PREVENTIVE MAINTENANCE	26,901	30,803	251,033	280,614	374,517	67%	29,581	11%
PEST CONTROL	20,845	22,137	125,749	191,233	257,655	49%	65,484	34%
COUNTERTOP/FLOOR/TILE REPAIRS	9,169	12,459	81,491	111,509	149,440	55%	30,018	27%
ENERGY PROGRAM	258	3,500	14,832	24,500	35,000	42%	9,668	39%
MISC. REPAIRS BY OUTSIDE SERVICE	3,425	2,000	14,182	14,000	20,000	71%	(182)	(1%)
FIRE PROTECTION	3,158	2,859	31,020	25,785	34,394	90%	(5,235)	(20%)
TOTAL	\$219,034	\$393,854	\$3,721,294	\$3,449,546	\$4,665,212	80%	(\$271,749)	(8%)
OPERATING EXPENDITURES - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$28,474	\$33,485	\$277,506	\$304,680	\$406,549	68%	\$27,174	9%
JANITORIAL SERVICE	29,576	32,710	280,080	298,141	397,860	70%	18,062	6%
GUTTER CLEANING	3,247	13,133	30,092	118,585	158,152	19%	88,492	75%
WELDING	7,751	9,294	71,611	84,559	112,840	63%	12,948	15%
TRAFFIC CONTROL	1,443	1,281	13,374	11,667	15,576	86%	(1,707)	(15%)
TOTAL	\$70,492	\$89,902	\$672,663	\$817,632	\$1,090,977	62%	\$144,968	18%
OPERATING EXPENDITURES - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$20,504	\$20,834	\$184,199	\$189,445	\$253,034	73%	\$5,246	3%
NURSERY & COMPOSTING	14,775	15,797	133,730	143,841	192,001	70%	10,111	7%
GROUNDS MAINTENANCE	181,472	231,337	1,938,678	2,111,579	2,816,945	69%	172,900	8%
IRRIGATION	62,926	66,666	544,728	606,853	809,937	67%	62,125	10%
SMALL EQUIPMENT REPAIR	13,920	15,820	123,717	144,020	192,214	64%	20,303	14%
PEST CONTROL	21,813	25,940	190,351	236,216	315,267	60%	45,865	19%
TOTAL	\$315,410	\$376,391	\$3,115,403	\$3,431,954	\$4,579,396	68%	\$316,550	9%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$209,875	\$109,093	\$941,164	\$979,707	\$1,314,877	72%	\$38,543	4%
ELECTRICAL SYSTEMS	69,464	42,457	355,032	382,113	509,495	70%	27,081	7%
EXTERIOR WALKWAY LIGHTING	635	6,902	25,761	54,797	75,550	34%	29,036	53%
FOUNDATIONS	0	3,619	18,010	32,571	43,436	41%	14,561	45%
GUTTER REPLACEMENT	19,869	9,363	61,458	84,798	113,127	54%	23,340	28%
PAINT - EXTERIOR	118,316	143,016	1,139,256	1,299,657	1,734,242	66%	160,401	12%
PRIOR TO PAINT	76,867	82,126	741,293	746,750	996,471	74%	5,457	1%
PLUMBING	98,227	29,250	232,871	249,210	337,826	69%	16,339	7%
PAVING	39,740	41,504	389,696	398,371	398,371	98%	8,675	2%
ROOF REPLACEMENTS	266,042	102,451	456,395	755,840	1,041,301	44%	299,445	40%
WALL REPLACEMENT	0	2,916	34,257	26,244	35,000	98%	(8,013)	(31%)
WASTE LINE REMEDIATION	431,509	191,666	2,245,835	1,724,994	2,300,000	98%	(520,841)	(30%)
WATER LINE - COPPER PIPE REMEDIATION	2,355	8,333	(163,361)	74,997	100,000	(163%)	238,358	318%
WINDOW/SLIDING SCREEN DOOR	5,661	11,613	87,554	105,071	140,157	62%	17,516	17%
SUPPLEMENTAL APPROPRIATION	7,951	7,951	82,426	82,426	82,426	100%	0	0%
SUB-TOTAL	\$1,346,510	\$792,259	\$6,647,649	\$6,997,547	\$9,222,280	72%	\$349,898	5%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$12,256	\$6,483	\$112,699	\$50,457	\$69,963	161%	(\$62,242)	(123%)
DISHWASHERS	7,088	7,994	120,235	72,241	96,362	125%	(47,994)	(66%)
BASINS/SINKS/TOILETS	15,488	18,647	141,654	168,389	224,611	63%	26,735	16%
GARBAGE DISPOSALS	11,760	9,791	97,743	88,631	118,247	83%	(9,112)	(10%)
HOODS	1,474	3,280	15,021	29,639	39,542	38%	14,618	49%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	100,813	127,691	849,125	1,082,804	1,467,906	58%	233,679	22%
OVENS	20,249	11,121	201,428	100,219	133,646	151%	(101,209)	(101%)
RANGES	1,742	1,020	12,250	9,245	12,345	99%	(3,005)	(33%)
REFRIGERATORS	13,059	18,456	166,463	166,559	222,137	75%	95	0%
WATER HEATERS & PERMITS	60,740	62,120	688,598	561,795	749,363	92%	(126,803)	(23%)
DRYERS	1,213	3,172	6,696	28,582	38,113	18%	21,886	77%
WASHING MACHINES	2,317	7,580	55,825	68,297	91,144	61%	12,472	18%
SUB-TOTAL	\$248,199	\$277,354	\$2,467,738	\$2,426,859	\$3,263,377	76%	(\$40,879)	(2%)
TOTAL	\$1,594,710	\$1,069,614	\$9,115,386	\$9,424,406	\$12,485,657	73%	\$309,019	3%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2023	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$697	\$787	\$6,457	\$7,163	\$9,558	68%	\$706	10%
PAVING	3,471	3,980	34,012	36,242	48,378	70%	2,230	6%
WALL REPLACEMENT	0	1,282	0	11,538	15,400	0%	11,538	100%
TOTAL	\$4,168	\$6,049	\$40,468	\$54,943	\$73,337	55%	\$14,474	26%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	\$1,612	\$8,216	\$63,208	\$74,151	\$98,898	64%	\$10,943	15%
IMPROVEMENTS & RESTORATION	15,678	14,587	112,154	133,216	177,744	63%	21,062	16%
TREE MAINTENANCE	118,988	74,407	697,074	673,425	898,360	78%	(23,649)	(4%)
SUPPLEMENTAL APPROPRIATION	4,744	4,744	210,343	210,343	210,343	100%	0	0%
TOTAL	\$141,022	\$101,954	\$1,082,779	\$1,091,135	\$1,385,346	78%	\$8,356	1%
PROPERTY TAXES FUND - NON WORK CENTER								
PROPERTY TAXES	1,088,133	1,054,099	10,158,662	9,486,891	12,649,183	80%	(671,771)	(7%)
TOTAL	\$1,088,133	\$1,054,099	\$10,158,662	\$9,486,891	\$12,649,183	80%	(\$671,771)	(7%)

**RESERVES EXPENDITURES COMPARED TO RESERVE STUDY
AS PRESENTED IN THE 2023 BUSINESS PLAN
AS OF SEPTEMBER 30, 2023**

	2023	2023	2023	2023	2023
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	% Expended
Paving	\$239,783	\$248,371	\$8,588	\$248,371	97%
Asphalt & Concrete Repair/Replace	183,924	186,242	2,317	198,378	93%
Roofs - Built-Up	456,395	755,840	299,445	1,041,301	44%
Roofs - Comp Shingle	0	0	0	0	0%
Roofs - Tile	0	0	0	0	0%
Infrastructure/Buildings	842,566	813,439	(29,127)	1,091,591	77%
Carport Siding Renovation	0	0	0	0	0%
Manor Components	2,386,745	2,306,515	(80,231)	3,112,570	77%
Lighting & Electrical	380,793	429,791	48,998	575,550	66%
Laundry Rooms	80,930	119,547	38,616	160,243	51%
Off Cycle Decking	99,140	104,231	5,091	139,100	71%
Prior To Painting	648,610	649,682	1,072	866,930	75%
Interior & Exterior Painting	1,139,256	1,299,657	160,401	1,734,242	66%
Walls, Fencing, Railings & Gates	34,257	37,782	3,525	50,400	68%
Grounds & Miscellaneous	872,379	880,792	8,413	1,175,003	74%
Building Structures	265,620	388,708	123,088	520,006	51%
Plumbing	2,315,465	2,049,201	(266,264)	2,737,826	85%
Total	\$9,945,864	\$10,269,798	\$323,933	\$13,651,511	73%

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
-------------	-----------------------	-------	-----------	---------------------

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$1,108,580	\$788,589	\$91,880	\$228,111
DAMAGE RESTORATION	1,110,000	0	0	1,110,000
CARPENTRY SERVICE	502,613	430,872	71,742	0
ELECTRICAL SERVICE	281,247	242,751	35,742	2,755
APPLIANCE REPAIRS	200,548	181,363	19,185	0
INTERIOR PREVENTIVE MAINTENANCE	251,033	250,606	427	0
PEST CONTROL	125,749	0	0	125,749
COUNTERTOP/FLOOR/TILE REPAIRS	81,491	76,512	4,979	0
ENERGY PROGRAM	14,832	0	0	14,832
MISC. REPAIRS BY OUTSIDE SERVICE	14,182	0	0	14,182
FIRE PROTECTION	31,020	4,028	9,873	17,119
TOTAL	\$3,721,294	\$1,974,719	\$233,828	\$1,512,747

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$277,506	\$255,958	\$12,901	\$8,647
JANITORIAL SERVICE	280,080	280,080	0	0
GUTTER CLEANING	30,092	30,092	0	0
WELDING	71,611	69,869	1,742	0
TRAFFIC CONTROL	13,374	13,374	0	0
TOTAL	\$672,663	\$649,374	\$14,643	\$8,647

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$184,199	\$184,199	\$0	\$0
NURSERY & COMPOSTING	133,730	133,730	0	0
GROUPS MAINTENANCE	1,938,678	1,503,925	2,566	432,188
IRRIGATION	544,728	462,935	81,793	0
SMALL EQUIPMENT REPAIR	123,717	123,717	0	0
PEST CONTROL	190,351	190,351	0	0
TOTAL	\$3,115,403	\$2,598,857	\$84,359	\$432,188

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023
YTD ACTUAL**

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
RESERVE FUND - MAINTENANCE & CONSTRUCTION				
BUILDING STRUCTURES	\$941,164	\$65,822	\$44,869	\$830,473
ELECTRICAL SYSTEMS	355,032	0	0	355,032
EXTERIOR WALKWAY LIGHTING	25,761	5,811	0	19,950
FOUNDATIONS	18,010	0	0	18,010
GUTTER REPLACEMENT	61,458	42,439	4,429	14,590
PAINT - EXTERIOR	1,139,256	1,038,906	90,365	9,985
PRIOR TO PAINT	741,293	605,312	88,817	47,164
PLUMBING	232,871	150,340	0	82,531
PAVING	389,696	0	0	389,696
ROOF REPLACEMENTS	456,395	0	0	456,395
WALL REPLACEMENT	34,257	0	0	34,257
WASTE LINE REMEDIATION	2,245,835	0	169	2,245,666
WATER LINE - COPPER PIPE REMEDIATION	(163,361)	0	0	(163,361)
WINDOW/SLIDING SCREEN DOOR	87,554	43,835	39,294	4,425
COOKTOPS	112,699	9,243	90,366	13,090
DISHWASHERS	120,235	21,237	90,474	8,524
BASINS/SINKS/TOILETS	141,654	42,892	98,761	0
GARBAGE DISPOSALS	97,743	39,325	58,418	0
HOODS	15,021	8,784	5,399	839
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	849,125	285,587	312,685	250,853
OVENS	201,428	9,243	163,099	29,086
RANGES	12,250	4,621	3,965	3,664
REFRIGERATORS	166,463	32,350	103,440	30,674
WATER HEATERS & PERMITS	688,598	207,936	480,662	0
DRYERS	6,696	2,293	4,403	0
WASHING MACHINES	55,795	5,539	50,224	32
SUPPLEMENTAL APPROPRIATION	82,426	0	0	82,426
TOTAL	\$9,115,356	\$2,621,516	\$1,729,840	\$4,764,001

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2023**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
-------------	-----------------------	-------	-----------	---------------------

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$6,457	\$6,457	\$0	\$0
PAVING	34,012	32,167	1,844	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$40,468	\$38,624	\$1,844	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$63,208	\$14,281	\$57	\$48,870
IMPROVEMENTS & RESTORATION	112,154	112,154	0	0
TREE MAINTENANCE	697,074	231,660	0	465,414
SUPPLEMENTAL APPROPRIATION	210,343	0	0	210,343
TOTAL	\$1,082,779	\$358,094	\$57	\$724,627

PROPERTY TAXES FUND - NON WORK CENTER

PROPERTY TAXES	\$10,158,662	\$10,158,662	\$0	\$0
TOTAL	\$10,158,662	\$10,158,662	\$0	\$0

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF SEPTEMBER 30, 2023**

	YTD ACTUAL	YTD BUDGET	YTD Variance
DESCRIPTION	TOTAL OS EXPENDITURES	OUTSIDE SERVICES	OUTSIDE SERVICES
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION			
PLUMBING SERVICE	\$228,111	\$258,750	\$30,639
DAMAGE RESTORATION	\$1,110,000	\$625,181	(\$484,819)
CARPENTRY SERVICE	0	3,366	3,366
ELECTRICAL SERVICE	2,755	4,200	1,445
APPLIANCE REPAIRS	0	0	0
INTERIOR PREVENTIVE MAINTENANCE	0	0	0
PEST CONTROL	125,749	191,233	65,484
COUNTERTOP/FLOOR/TILE REPAIRS	0	10,800	10,800
ENERGY PROGRAM	14,832	24,500	9,668
MISC. REPAIRS BY OUTSIDE SERVICE	14,182	14,000	(182)
FIRE PROTECTION	17,119	19,647	2,528
TOTAL	\$1,512,747	\$1,151,677	(\$361,070)
OPERATING EXPENDITURES - GENERAL SERVICES			
CONCRETE REPAIR/REPLACEMENT	\$8,647	\$0	(\$8,647)
JANITORIAL SERVICE	0	0	0
GUTTER CLEANING	0	86,247	86,247
WELDING	0	7,497	7,497
TRAFFIC CONTROL	0	0	0
TOTAL	\$8,647	\$93,744	\$85,097
OPERATING EXPENDITURES - M&C CHARGEABLE SERVICES			
CHARGEABLES	\$108,450	\$191,475	\$83,025
TOTAL	\$108,450	\$191,475	\$83,025
OPERATING EXPENDITURES - LANDSCAPE SERVICES			
LANDSCAPE SHRUB-BED MAINTENANCE	\$432,188	\$0	(\$432,188)
TOTAL	\$432,188	\$0	(\$432,188)

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF SEPTEMBER 30, 2023**

	YTD ACTUAL	YTD BUDGET	YTD Variance
DESCRIPTION	TOTAL OS EXPENDITURES	OUTSIDE SERVICES	OUTSIDE SERVICES
RESERVE FUND - MAINTENANCE & CONSTRUCTION			
BUILDING STRUCTURES	\$830,505	\$893,855	\$63,350
CDS SIGNAGE	0	0	0
ELECTRICAL SYSTEMS	355,032	382,113	27,081
EXTERIOR WALKWAY LIGHTING	19,950	44,647	24,697
FOUNDATIONS	18,010	32,571	14,561
GUTTER REPLACEMENT	14,590	37,494	22,904
PAINT - EXTERIOR	9,985	6,354	(3,631)
PRIOR TO PAINT	47,164	41,247	(5,917)
PLUMBING	82,531	56,000	(26,531)
PAVING	389,696	398,371	8,675
ROOF REPLACEMENTS	456,395	755,840	299,445
WALL REPLACEMENT	34,257	26,244	(8,013)
WASTE LINE REMEDIATION	2,245,666	1,724,994	(520,672)
WATER LINE - COPPER PIPE REMEDIATION	(163,361)	74,997	238,358
WINDOW/SLIDING SCREEN DOOR	4,425	22,500	18,075
COOKTOPS	13,090	11,475	(1,615)
DISHWASHERS	8,524	8,919	395
BASINS/SINKS/TOILETS	0	0	0
GARBAGE DISPOSALS	0	0	0
HOODS	839	3,222	2,383
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	250,853	343,032	92,179
OVENS	29,086	16,227	(12,859)
RANGES	3,664	1,944	(1,720)
REFRIGERATORS	30,674	32,544	1,870
WATER HEATERS & PERMITS	0	43,632	43,632
DRYERS	0	0	0
WASHING MACHINES	0	0	0
SUPPLEMENTAL APPROPRIATION	82,426	82,426	0
TOTAL	\$4,764,001	\$5,040,648	\$276,648

**UNITED LAGUNA WOODS MUTUAL
OUTSIDE SERVICES - COST COLLECTION
AS OF SEPTEMBER 30, 2023**

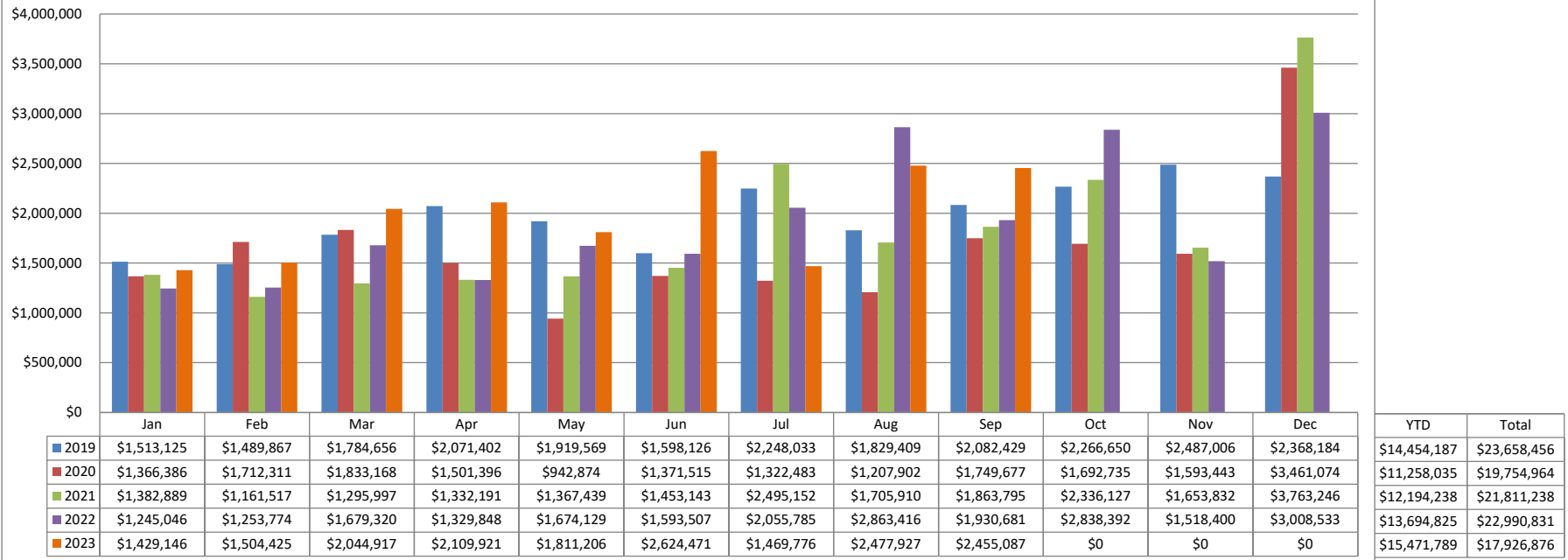
		YTD ACTUAL	YTD BUDGET	YTD Variance
DESCRIPTION		TOTAL OS EXPENDITURES	OUTSIDE SERVICES	OUTSIDE SERVICES
RESERVE FUND - GENERAL SERVICES				
PRIOR TO PAINT		\$0	\$0	\$0
WALL REPLACEMENT		0	11,538	11,538
TOTAL		\$0	\$11,538	\$11,538
RESERVE FUND - LANDSCAPE				
LANDSCAPE MODIFICATION		\$48,870	\$55,431	\$6,561
IMPROVEMENTS & RESTORATION		\$0	\$0	\$0
TREE MAINTENANCE		465,414	377,334	(88,080)
SUPPLEMENTAL APPROPRIATION		210,343	210,343	0
TOTAL		\$724,627	\$643,108	(\$81,519)

UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY INVESTMENTS HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
9/30/2023

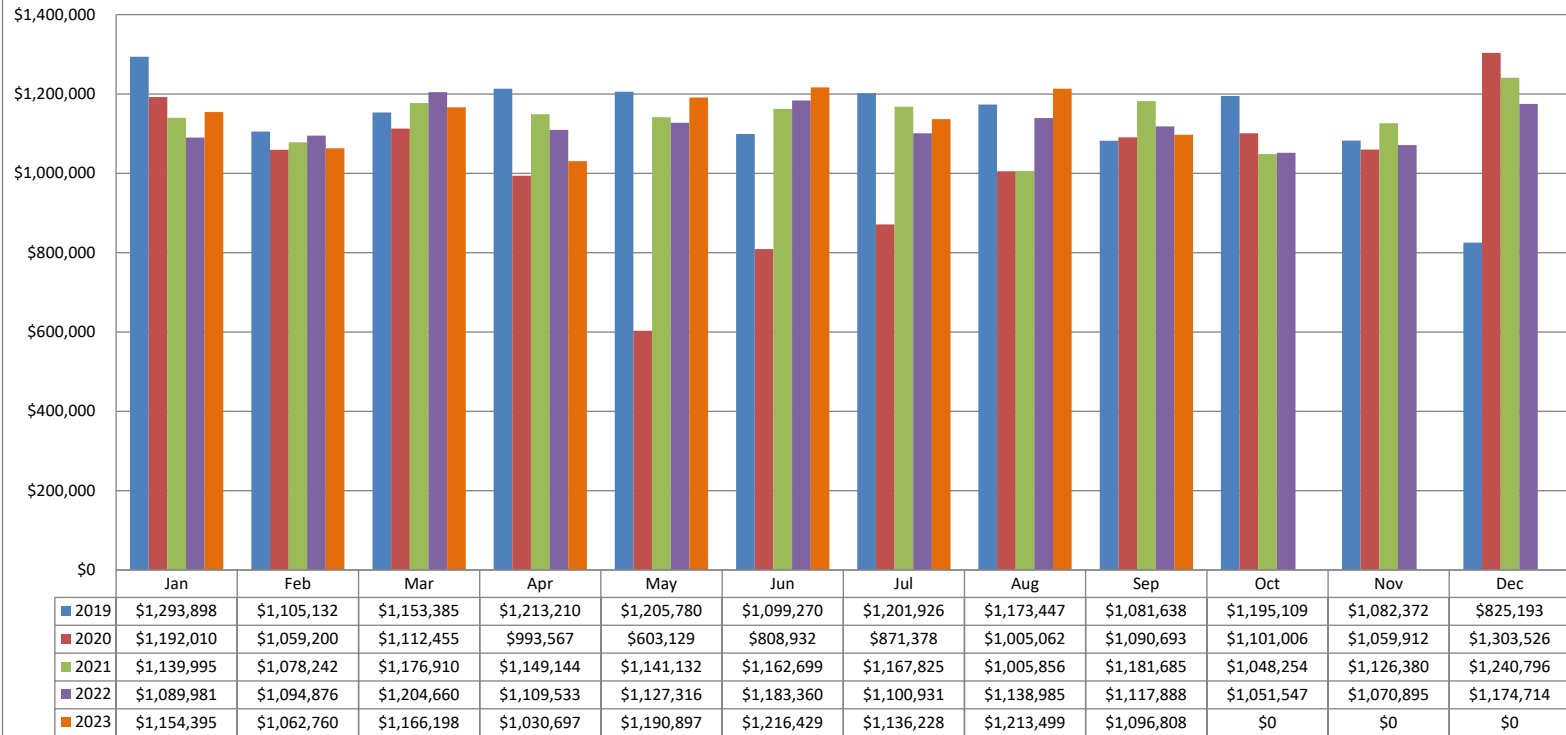
I.D. NO.	DESCRIPTION	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	ORIGINAL COST	BOOK VALUE	9/30/2023	
							MARKET VALUE	UNREALIZED GAIN/(LOSS)
I1: AVAILABLE-FOR-SALE								
912797HM2	U.S. TREASURY BILL	08-31-23	11-28-23	2,000,000.00	1,975,311.11	1,983,540.74	1,983,161.24	(379.50)
				2,000,000.00	1,975,311.11	1,983,540.74	1,983,161.24	(379.50)
I2: HELD-TO-MATURITY								
912797HA8	U.S. TREASURY BILL	09-29-23	10-10-23	2,000,000.00	1,997,733.33	1,997,733.33	1,997,733.33	-
912797HB6	U.S. TREASURY BILL	09-29-23	10-17-23	2,500,000.00	2,494,687.50	2,494,687.50	2,494,687.50	-
912796YT0	U.S. TREASURY BILL	11-23-22	11-02-23	2,000,000.00	1,915,911.11	1,987,063.29	1,990,889.44	3,826.15
912828W48	U.S. TREASURY NOTE	11-25-22	02-29-24	2,000,000.00	1,937,812.50	1,980,566.42	1,973,203.12	(7,363.30)
912828XT2	U.S. TREASURY NOTE	11-25-22	05-31-24	2,000,000.00	1,923,437.50	1,967,763.21	1,955,078.12	(12,685.09)
91282CCT6	U.S. TREASURY NOTE	11-25-22	08-15-24	2,000,000.00	1,862,500.00	1,931,250.00	1,913,437.50	(17,812.50)
9128283P3	U.S. TREASURY NOTE	03-27-23	12-31-24	2,050,000.00	1,996,187.50	2,010,863.62	1,974,085.94	(36,777.68)
91282CGN5	U.S. TREASURY NOTE	05-18-23	02-28-25	2,528,000.00	2,545,380.00	2,541,430.00	2,505,090.00	(36,340.00)
16514QBG1	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.84	249,369.11	(635.73)
108622NX5	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.84	249,369.11	(635.73)
064180BA9	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	250,005.00	250,004.84	249,387.26	(617.58)
52475DAB4	CERTIFICATE OF DEPOSIT	08-25-23	09-05-28	250,000.00	250,005.00	250,004.84	249,385.49	(619.35)
697759AW8	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	250,005.00	250,004.84	249,386.23	(618.61)
46656MLM1	CERTIFICATE OF DEPOSIT	08-25-23	08-30-28	250,000.00	250,005.00	250,004.84	250,397.78	392.94
565402AN4	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	250,005.00	250,004.84	249,549.49	(455.35)
32056VAN7	CERTIFICATE OF DEPOSIT	08-25-23	08-31-28	250,000.00	250,005.00	250,004.84	249,364.96	(639.88)
912796Z28	CERTIFICATE OF DEPOSIT	08-25-23	12-07-23	3,000.00	2,926.27	2,963.13	2,936.75	(26.38)
200AV4004	MONEY MARKET	08-25-23		33.73	37.31	37.31	37.31	-
				19,081,033.73	18,676,653.02	18,914,396.53	18,803,388.44	(111,008.09)
TOTAL FOR BANK OF AMERICA INVESTMENTS				\$21,081,033.73	\$20,651,964.13	\$20,897,937.27	\$20,786,549.68	(\$111,387.59)

*Yield is based on all investments held during the year

United Mutual Employee Compensation, Related, and Outside Services

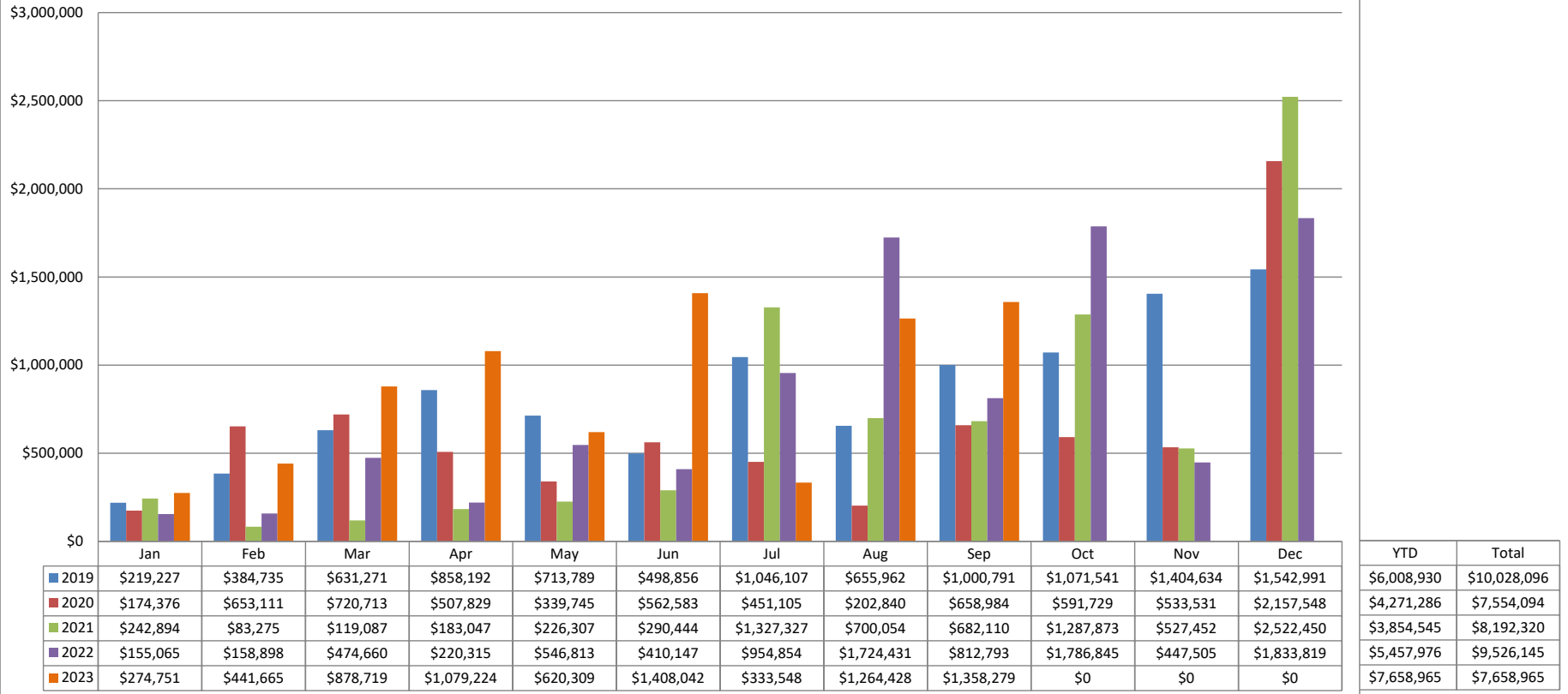


United Mutual Employee Compensation & Related

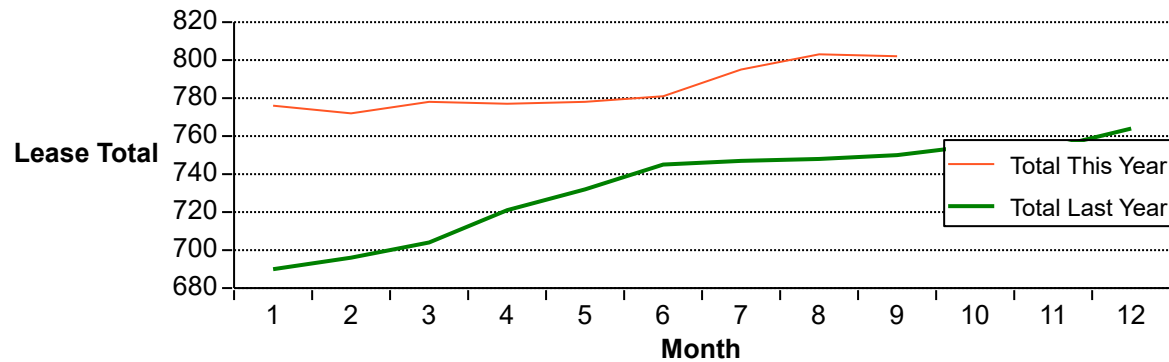


YTD	Total
\$9,446,048	\$13,630,360
\$7,645,733	\$12,200,870
\$9,021,803	\$13,618,918
\$9,049,642	\$13,464,686
\$9,171,103	\$10,267,911

United Mutual Outside Services



Monthly Active Leasing Report 2023 Period 9 (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	102	614	776	690	12.3	10.9	1.4	58	17
2023	February	22	37	106	607	772	696	12.2	11.0	1.2	44	21
2023	March	23	37	120	598	778	704	12.3	11.1	1.2	57	27
2023	April	20	36	134	587	777	721	12.3	11.4	0.9	45	43
2023	May	18	29	157	574	778	732	12.3	11.6	0.7	47	22
2023	June	25	29	166	561	781	745	12.4	11.8	0.6	42	23
2023	July	32	28	188	547	795	747	12.6	11.8	0.8	66	20
2023	August	32	25	205	541	803	748	12.7	11.8	0.9	50	24
2023	September	21	29	220	532	802	750	12.7	11.9	0.8	59	30
2023	October						755					
2023	November						754					
2023	December						764					



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

New Hires YTD:

September

129 (75 Full-time, 54 Part-time)

5 (4 Full-time, 1 Part-Time)

Active Recruiting Vacancies as of September 30, 2023

Total: **68**

Full-time: **48**

Part-time: **20**

Vacancies by Divisions	Full-Time	Part-Time	Total Vacancies	Total Budgeted	Req Date
General Services	9	2	11		
Bus Driver (WC 970)	2	2	4	10.00	Continuously Open
Custodian (WCs 935,945)	1		1	14.00	Continuously Open
Lead Custodian (WC 945)	1		1	2.00	6/27/2023
Mechanic Helper (WC 960)	1		1	2.00	11/29/2022
Auto Mechanic (WC 960)	1		1	4.00	8/24/2023
Transportation Coordinator (WC 970)	1		1	2.00	7/12/2023
General Paving Worker (WC 936)	1		1	7.00	8/16/2023
Paving Trade Aid (WC 936)	1		1	1.00	9/1/2023
Maintenance and Construction	9	0	9		
Project Manager (WC 920)	1		1	5.00	5/8/2023
Building Permits & Inspections Manager (WC 925)	1		1	0.00	8/15/2023
Senior General Maintenance Worker (WC 911)	1		1	1.00	8/10/2023
Senior General Maintenance Worker (WC 917)	1		1	6.00	12/2/2022
Maintenance Electrician (WC 913)	1		1	2.00	7/21/2023
Maintenance Plumber (WC 914)	1		1	3.00	8/1/2023
Maintenance Painter (WC 932)	1		1	28.00	8/22/2023
Inspector I (WC 925)	1		1	3.00	6/21/2023
Inspector II (WC 925)	1		1	3.00	6/15/2023



Landscape Services	21	0	21		
Landscape Manager (WC 500)	1		1	2.00	4/19/2023
Gardener (WC 520 & WC 530)	17		17	69.00	Continuously Open
Lead Land Grounds (WC 530)	1		1	3.00	2/28/2023
Equipment Operator (WC 511)	1		1	2.00	3/14/2023
Tree Trimmer Tech (WC 570)	1		1	6.00	8/2/2023
Security Services	5	6	11		
Gate Ambassador (WC 400)		6	6	43.00	Continuously Open
Security Patrol Officer (WC 400)	3		3	14.00	Continuously Open
Dispatcher (WC 400)	1		1	5.00	Continuously Open
Social Services Manager (WC 220)	1		1	1.00	3/30/2023
Recreation Services	2	11	13		
P/T Recreation Leader (WC 600)		5	5	9.58	Continuously Open
Fitness Assistant II (WC 691)		6	6	1.25	10/27/2022
Equipment Operator (WC 580)	1		1	1.00	7/25/2023
Golf Course Sprayer (WC 580)	1		1	0.50	11/1/2022
Information Services	2	0	2		
Customer Srv Rep I (WC 950)	2		2	17.00	6/14/22
Financial Services	0	1	1		
Account Clerk (WC 300)		1	1	0.00	8/14/2023
Total	48	20	68		

Terminations YTD:
September

105 (62 Full-time, 43 Part-time)
6 (3 Full-time, 3 Part-time)

Resignations and Terminations for September 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	1	0	1	1	1	1	0	6
Terminated	0	0	0	0	0	0	0	0	0
Grand Total	1	1	0	1	1	1	1	0	6



The stated reasons for resignations in September are as follows:

- 1. Voluntary Resignation** – *2 in Security Services, 1 in Maintenance & Construction Services, 1 in General Services, 1 in Recreation & Special Events, 1 in Information Services, and 1 in Landscape Services. Reasons listed: family reasons, retirement, health reasons, better compensation.*



STAFF REPORT

DATE: October 31, 2023
FOR: United Finance Committee
SUBJECT: Temporary Borrowing

RECOMMENDATION

Staff recommends the Finance Committee endorse and the Board approve the temporary borrowing of \$3,000,000 by the Operating Fund from the Reserve Fund to meet cashflow needs resulting from the required prepayment of property insurance premiums due in October 2023. Payback of the borrowed monies to the advancing fund is planned for nine months but is not to exceed one year from the date of approval.

GOVERNING AUTHORITY

California Civil Code § 5510 Expenditure of Reserve Accounts

- (b) The board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

California Civil Code § 5515 Borrowing from Reserve Accounts

- (a) Notwithstanding Section 5510, the board may authorize the temporary transfer of moneys from a reserve fund to the association's general operating fund to meet short-term cashflow requirements or other expenses, if the board has provided notice of the intent to consider the transfer in a board meeting notice provided pursuant to Section 4920 (Notice of Board Meeting).
- (b) The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a special assessment may be considered.
- (c) If the board authorizes the transfer, the board shall issue a written finding, recorded in the board's minutes, explaining the reasons that the transfer is needed, and describing when and how the moneys will be repaid to the reserve fund.
- (d) The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a temporary delay would be in the best interest of the common interest development, temporarily delay the restoration.

BACKGROUND

Annually, United pays 12 months of property insurance up front at the time of renewal for the period of October through September of the following year. In October 2023, the prepayment amounted to approximately \$5,020,000. As property insurance has not yet been collected from residents through monthly assessments, United funds this prepayment from available cashflow.

Past property insurance companies have offered programs to pay premiums over time through short term loans including interest (i.e. finance charge). Rather than paying interest charges associated with paying over time, the ~\$5M used for property insurance was paid with monies earmarked for property taxes due in December 2023.

DISCUSSION

As a result of the \$5M insurance payment made in October 2023, United's non-reserve cashflow is forecasted to be approximately \$5.6M in early December. With property taxes of \$7.4M being due mid-December and regularly occurring disbursement of \$0.7M being made throughout the month, a temporary borrowing of \$3.0M from the Reserve Fund is being requested.

Cash Flow without Transfer

	Cash Inflow	Cash Outflow	Balance
October 2023 (est.)			\$1,800,000
November Assessments (net)	2,240,000		4,040,000
November Check Disbursements (est.)		(700,000)	3,340,000
December Assessments (net)	2,240,000		5,580,000
December Property Tax		(7,400,000)	(1,820,000)
December Check Disbursements (est.)		(700,000)	\$(2,520,000)

Cash Flow with Transfer

	Cash Inflow	Cash Outflow	Balance
October 2023 (est.)			\$1,800,000
November Assessments (net)	2,240,000		4,040,000
November Check Disbursements (est.)		(700,000)	3,340,000
December Assessments (net)	2,240,000		5,580,000
Proposed Transfer from Reserves	3,000,000		8,580,000
December Property Tax		(7,400,000)	1,180,000
December Check Disbursements (est.)		(700,000)	\$480,000

FINANCIAL ANALYSIS

The decision to pay property insurance premiums up front allows United to avoid interest expenses of approximately \$50,000 (net of potential investment returns of 5%). To maintain transparency and meet California Civil Code requirements, staff is requesting approval from the board of directors for a temporary borrowing of \$3.0M from Reserves. This recommended transfer in December 2023 will allow United to meet its upcoming cash flow requirements in the coming months.

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Pam Jensen, Controller
Ada Montesinos, Senior Financial Analyst