



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, March 26, 2024 – 1:30 p.m.
Laguna Woods Village Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:

1. Join the Committee meeting via a Zoom link at: <https://us06web.zoom.us/j/85040223813> or by calling 669-900-6833 Access Code: 85040223813
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin. Please use the name of the committee in the subject line of the email. Name and unit number must be included.

NOTICE AND AGENDA

This Meeting May Be Recorded

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for January 30, 2024
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 amount of time allotted for the Open Forum.
7. Department Head Update
8. Items for Discussion and Consideration:
 - a) Preliminary Financial Statements dated February 29, 2024
 - b) United Leasing Report
 - c) HR Staffing Report
 - d) Property Tax: Annual Tax Letter Versus Assessment
 - e) Temporary Borrowing
9. Endorsements from Standing Committees
 - a) Landscape Committee – Supplemental Appropriation for Turf Reduction Projects

Mickie Choi Hoe, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201

Future Agenda Items

10. United Annual Policy Review
 - a) Finance Committee Charter
 - b) Investment
 - c) Collections and Lien Enforcement

Concluding Business:

11. Committee Member Comments
12. Date of Next Meeting – Tuesday, May 28, 2024 at 1:30 p.m.
13. Recess to Closed Session



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

Tuesday, January 30, 2024 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Mickie Choi Hoe – Chair, Alison Bok

DIRECTORS ABSENT: Thomas Tuning

ADVISORS PRESENT: Ken Benson, Eric Carlson

STAFF PRESENT: Steve Hormuth, Dan Hoxie, Kurt Wiemann, Bart Mejia, Erika Hernandez

OTHERS PRESENT: United – Ellen Leonard, Georgiana Willis

Call to Order

Director Mickie Choi Hoe, Treasurer, chaired the meeting and called it to order at 1:30 p.m.

Acknowledgment of Media

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

Approval of Agenda

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

Approval of the Regular Meeting Report of November 28, 2023

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

Chair Remarks

Director Choi Hoe extended a New Year greeting and welcomed the initial 2024 United Finance Committee meeting, briefly highlighting the outcomes of the 2023 preliminary financials. Additionally, she mentioned the approaching budget season.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Steve Hormuth, Director of Financial Services, reported that the 2024 Annual Budget and Annual Policy Statement, containing the assessment breakdown, were mailed to members in November. He also noted that the 2023 Financial Audit will commence with a meeting on February 14, 2024, inviting all boards to participate.

Review Preliminary Financial Statements dated December 31, 2023

The committee reviewed financial statements for December 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.

United Fees

Steve Hormuth briefly shared an overview of United Fees development planning worksheet displaying the 2024 budget along with the frequency that they plan to review them moving forward. No action was taken at this time.

Purchasing Policy

The committee reviewed a modified Purchasing Policy, incorporating revisions requested by the Third Board of Directors. Staff recommended approving the policy as presented. The United Finance Committee proposed further minor changes, instructing staff to reroute it to the Purchasing Task Force. Director Alison Bok moved to redirect the policy back to the Purchasing Task Force for evaluation. Director Choi Hoe seconded the motion, which passed, returning the item to the Purchasing Task Force for further discussion and review.

Endorsements from Standing Committees

Landscape Committee – Approve a Supplemental Appropriation to Replace Benches on Friendship Walk. Kurt Wiemann, Field Operations Director, proposed a staff report seeking approval for a \$8,661 supplemental appropriation from the United Reserve Fund. This funding is designated for replacing seven benches along the Friendship Walk. Director Choi Hoe moved to endorse and approve the staff's recommendation. The motion passed unanimously and will be presented at the upcoming board meeting.

Architectural Control and Standards Committee - Revision to Resale Inspection. Bart Mejia, Maintenance and Construction Assistant Director, submitted a staff report seeking approval for the revised Resale Inspection Fees set to take effect on March 14, 2024. Director Choi Hoe moved to endorse and approve the staff's recommendation, resulting in a unanimous decision. The approved proposal will be presented at the upcoming board meeting.

Future Agenda Items

United Annual Policy Review

- a) Finance Committee Charter
- b) Investments
- c) Collections and Lien Enforcement

Committee Member Comments

None.

Date of Next Meeting

Tuesday, March 26, 2024 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 2:36 p.m.



Mickie Choi Hoe (Feb 28, 2024 06:39 PST)

Mickie Choi Hoe, Chair

MEMORANDUM

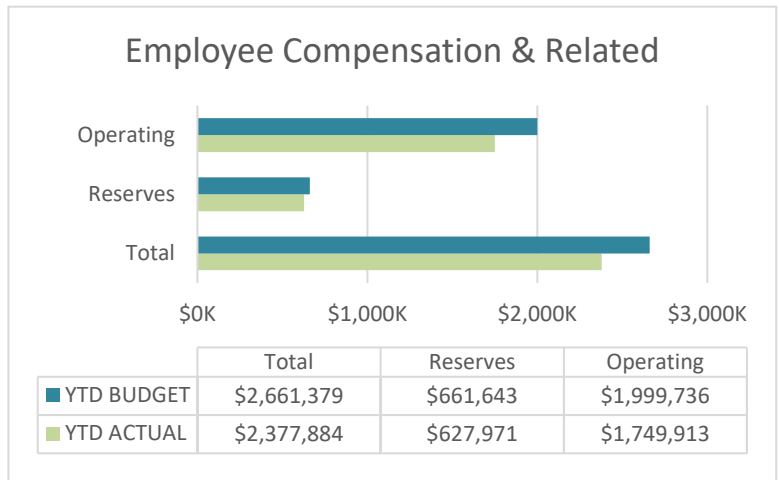
To: United Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: March 26, 2024
 Re: Department Head Update

Financial Highlights

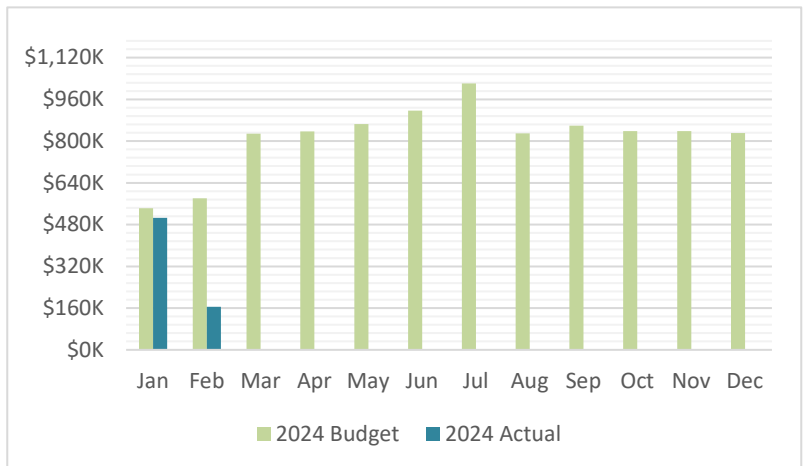
▪ **SUMMARY:** For the year-to-date period ending February 29, 2024, United Laguna Woods Mutual was better than budget by \$864K primarily due to the timing of outside services expenses and materials purchases in addition to open positions. The favorable variance was partially offset by less damage restoration backlog revenue than anticipated at the time of budget preparation.

INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$8,809,409	\$8,536,022	\$273,387
Other Revenues	342,821	589,676	(246,855)
Expenses	7,957,393	8,795,191	837,798
Revenue / (Expense)	\$1,194,837	\$330,507	\$864,330

▪ **COMPENSATION:** Compensation ended the period with a favorable variance of \$283K. Actual compensation and related costs came in at \$2.3 million, with \$1.7 million in operations and \$0.6 million in reserves. Combined, this category is 10.6% favorable to budget. The most significant impacts were in Maintenance & Construction and Landscape due to open positions.



▪ **OUTSIDE SERVICES:** In total, this category was favorable to budget by \$452K primarily in M&C and Landscape as a result of timing. Landscape contracted out shrub-bed maintenance to outside vendors for the pruning/weeding cycle as recruiting continues.



Discussions

Financial Statement Audit: United’s external auditor, KMPG, are progressing through their financial audit and have met with the Select Audit Task Force (made up of representatives from United, Third and GRF) to provide status updates and answer questions. While fieldwork is ongoing, the results are scheduled to be shared at the All Boards All Directors meeting to be held on April 4, 2024.

Budget: Staff representatives from Maintenance and Construction (M&C), Landscape and General Services will present to the Board on Monday, April 8, 2024 at 9:30 a.m. The purpose of the meeting is to share details of the service levels provided by the departments in preparation of upcoming meetings for the 2025 Business Plan. All budget meetings have been updated on the TeamUp calendar available on LagunaWoodsVillage.com.

Property Tax: Staff has been in contact with representatives from the Orange County Assessor Department exploring the option of creating separate parcel numbers for each of the exiting 947 parcels.

Calendar

- March 26, 2024 @ 1:30 p.m. United Finance Committee (February Financials)
- March 28, 2024 @ 9:00 a.m. United Agenda Prep
- April 4, 2024 @ 1:00 p.m. Select Audit Task Force Audit Closing Meeting (Invite to all Boards)
- April 8, 2024 @ 9:30 a.m. United Budget Landscape, Maintenance, and General Services Review
- April 9, 2024 @ 9:30 a.m. United Board Meeting
- April 25, 2024 @ 9:00 a.m. United Agenda Prep
- May 14, 2024 @ 9:30 a.m. United Board Meeting
- May 23, 2024 @ 9:00 a.m. United Agenda Prep
- May 23, 2024 @ 1:30 p.m. United Budget Maintenance & General Services Review
- May 28, 2024 @ 1:30 p.m. United Finance Committee
- June 3, 2024 @ 9:30 a.m. United Budget Landscape Review
- June 11, 2024 @ 9:30 a.m. United Board Meeting
- June 27, 2024 @ 9:00 a.m. United Agenda Prep

March 2024							April 2024						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6	
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

May 2024							June 2024						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28	29
							30						

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
2/29/2024
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$3,309	\$3,173	\$137	\$6,619	\$6,345	\$273	\$6,233	\$38,071
2	Additions to restricted funds	1,095	1,095		2,191	2,191		1,988	13,144
3	Total assessments	<u>4,405</u>	<u>4,268</u>	<u>137</u>	<u>8,809</u>	<u>8,536</u>	<u>273</u>	<u>8,221</u>	<u>51,215</u>
Non-assessment revenues:									
4	Merchandise sales				1		1	1	3
5	Fees and charges for services to residents	34	157	(123)	93	316	(223)	107	1,929
6	Laundry	22	21	1	41	42		40	249
7	Investment income	53	50	3	111	101	11	125	603
8	Miscellaneous	39	66	(27)	96	132	(36)	162	790
9	Total non-assessment revenue	<u>148</u>	<u>295</u>	<u>(146)</u>	<u>343</u>	<u>590</u>	<u>(247)</u>	<u>436</u>	<u>3,574</u>
10	Total revenue	<u>4,553</u>	<u>4,563</u>	<u>(9)</u>	<u>9,152</u>	<u>9,126</u>	<u>27</u>	<u>8,657</u>	<u>54,789</u>
Expenses:									
11	Employee compensation and related	1,109	1,276	167	2,378	2,661	283	2,217	16,236
12	Materials and supplies	166	295	128	399	589	190	455	3,546
13	Community Events								2
14	Utilities and telephone	386	380	(6)	797	740	(57)	704	5,126
15	Legal fees	9	16	7	15	24	10	19	183
16	Professional fees		12	12		24	24	11	147
17	Equipment rental	1	4	3	1	8	7	2	45
18	Outside services	165	580	416	671	1,123	452	716	9,787
19	Repairs and maintenance	10	4	(6)	10	8	(2)	7	48
20	Other Operating Expense	4	14	9	14	27	13	20	190
21	Property and sales tax	1,198	1,119	(80)	2,355	2,238	(117)	2,225	13,428
22	Insurance	536	535	(1)	1,049	1,069	20	764	6,415
23	Uncollectible Accounts	3	2	(1)	14	3	(11)	4	20
24	Depreciation and amortization	12	12		23	23		26	139
25	Cost Allocations	110	125	15	232	256	25	192	1,584
26	Total expenses	<u>3,710</u>	<u>4,373</u>	<u>663</u>	<u>7,957</u>	<u>8,795</u>	<u>838</u>	<u>7,364</u>	<u>56,895</u>
27	Excess of revenues over expenses	<u>\$844</u>	<u>\$190</u>	<u>\$654</u>	<u>\$1,195</u>	<u>\$330</u>	<u>\$864</u>	<u>\$1,293</u>	<u>(\$2,106)</u>
Other Changes									
28	Total other changes								
29	Excess of revenues over expenses	<u>\$844</u>	<u>\$190</u>	<u>\$654</u>	<u>\$1,195</u>	<u>\$331</u>	<u>\$864</u>	<u>\$1,293</u>	<u>(\$2,106)</u>

United Laguna Woods Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
2/29/2024
(\$ 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	\$4,195	\$4,195				\$2,424	\$2,150	\$273	\$6,619	\$6,345	\$273	
	Additions to restricted funds			2,165	2,165		25	25		2,191	2,191		
3	Total assessments	4,195	4,195	2,165	2,165		2,449	2,176	273	8,809	8,536	273	
Non-assessment revenues:													
4	Merchandise sales	1		1						1		1	
5	Fees and charges for services to residents	93	316	(223)						93	316	(223)	
6	Laundry	41	42							41	42		
7	Investment income				111	101	11			111	101	11	
8	Miscellaneous	96	132	(36)						96	132	(36)	
9	Total non-assessment revenue	231	489	(258)	111	101	11			343	590	(247)	
10	Total revenue	4,426	4,684	(258)	2,277	2,266	11	2,449	2,176	273	9,152	9,126	27
Expenses:													
11	Employee compensation and related	1,750	2,000	250	628	662	34			2,378	2,661	283	
12	Materials and supplies	110	145	35	289	444	154			399	589	190	
13	Community Events												
14	Utilities and telephone	795	738	(57)	2	2				797	740	(57)	
15	Legal fees	15	24	10						15	24	10	
16	Professional fees		24	24							24	24	
17	Equipment rental		2	2	1	6	5			1	8	7	
18	Outside services	466	323	(144)	204	801	596			671	1,123	452	
19	Repairs and maintenance	11	7	(4)	(1)	1	2			10	8	(2)	
20	Other Operating Expense	11	22	11	4	6	2			14	27	13	
21	Property and sales tax							2,355	2,238	(117)	2,355	2,238	(117)
22	Insurance	1,049	1,069	20						1,049	1,069	20	
23	Uncollectible Accounts	14	3	(11)						14	3	(11)	
24	Depreciation and amortization	23	23							23	23		
25	Cost Allocations	189	209	20	43	47	4			232	256	25	
26	Total expenses	4,433	4,590	157	1,170	1,968	798	2,355	2,238	(117)	7,957	8,795	838
27	Excess of revenues over expenses	(\$6)	\$95	(\$101)	\$1,107	\$298	\$808	\$94	(\$62)	\$157	\$1,195	\$330	\$864
Other Changes													
28	Total other changes												
29	Excess of revenues over expenses	(\$6)	\$95	(\$101)	\$1,107	\$298	\$808	\$94	(\$62)	\$157	\$1,195	\$331	\$864

United Laguna Woods Mutual
Operating Statement - Preliminary
2/29/2024
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR% B/(W) VAR% B/(W)	TOTAL BUDGET
Revenues:				
Assessments:				
Operating				
41001000 - Monthly Assessments	\$3,319,954	\$3,319,954	\$0	\$19,919,072
41007000 - Monthly Assessments - Property Taxes	2,345,037	2,150,361	194,676	12,902,167
41007500 - Monthly Assessments - Supplemental Property Taxes	78,709	0	78,709	0
41008000 - Monthly Assessments - Property Insurance	875,043	875,040	3	5,250,240
Total Operating	6,618,742	6,345,356	273,387	38,071,479
Additions To Restricted Funds				
41001500 - Monthly Assessments - Contingency Fund	25,292	25,292	0	151,752
41003500 - Monthly Assessments - Replacement Fund	2,165,375	2,165,375	0	12,992,247
Total Additions To Restricted Funds	2,190,667	2,190,667	0	13,143,999
Total Assessments	8,809,409	8,536,022	273,387	51,215,478
Non-Assessment Revenues:				
Merchandise Sales				
41501500 - Merchandise Sales - Warehouse	1,287	476	811	2,858
Total Merchandise Sales	1,287	476	811	2,858
Fees and Charges for Services to Residents				
46501000 - Permit Fee	30,310	39,316	(9,005)	235,895
46501500 - Inspection Fee	8,462	15,012	(6,550)	90,073
46502000 - Resident Maintenance Fee	15,806	73,733	(57,927)	477,890
46502999 - Resident Maintenance Fee Backlog	38,421	187,500	(149,079)	1,125,000
Total Fees and Charges for Services to Residents	93,000	315,560	(222,561)	1,928,857
Laundry				
46005000 - Coin Op Laundry Machine	41,405	41,500	(95)	249,000
Total Laundry	41,405	41,500	(95)	249,000
Investment Income				
49001000 - Investment Income	111,426	100,553	10,873	603,319
Total Investment Income	111,426	100,553	10,873	603,319
Miscellaneous				
46004500 - Resident Violations	325	11,250	(10,925)	67,508
44501000 - Additional Occupant Fee	8,050	6,667	1,383	40,000
44501500 - Lease Processing Fee - United	23,660	28,374	(4,714)	170,255
44502000 - Variance Processing Fee	300	250	50	1,500
44503000 - Stock Transfer Fee	650	4,166	(3,516)	25,000
44503510 - Resale Processing Fee - United	22,660	22,632	28	135,800
44507000 - Golf Cart Electric Fee	8,495	9,333	(839)	56,000
44507200 - Electric Vehicle Plug-In Fee	7,337	3,000	4,337	18,000
44507500 - Cartport/Carport Space Rental Fee	375	333	42	2,000
47001500 - Late Fee Revenue	6,895	8,833	(1,938)	53,000
47002000 - Collection Administrative Fee	25	0	25	0
47002010 - Collection Administrative Fee - United	16,340	35,581	(19,241)	213,492
47002500 - Collection Interest Revenue	70	500	(430)	3,000
47501000 - Recycling	521	667	(146)	4,000
49009000 - Miscellaneous Revenue	2	0	2	0
Total Miscellaneous	95,704	131,586	(35,882)	789,555
Total Non-Assessment Revenue	342,821	589,676	(246,855)	3,573,589
Total Revenue	9,152,230	9,125,698	26,532	54,789,067
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	497,744	563,454	65,710	3,558,108
51021000 - Union Wages - Regular	723,045	1,036,798	313,753	6,412,963

United Laguna Woods Mutual
Operating Statement - Preliminary
2/29/2024
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR% B/(W)	VAR% B/(W)	
51041000 - Wages - Overtime	5,786	5,247	(539)	(10.26%)	31,493
51051000 - Union Wages - Overtime	18,709	15,712	(2,998)	(19.08%)	94,313
51061000 - Holiday & Vacation	225,367	135,210	(90,157)	(66.68%)	842,718
51071000 - Sick	46,909	55,151	8,242	14.94%	343,740
51081000 - Sick - Part Time	0	7	7	100.00%	43
51091000 - Missed Meal Penalty	664	821	157	19.13%	4,951
51101000 - Temporary Help	14,252	15,416	1,163	7.55%	92,495
51981000 - Compensation Accrual	141,389	0	(141,389)	0.00%	0
Total Employee Compensation	1,673,865	1,827,815	153,950	8.42%	11,380,825
Compensation Related					
52411000 - F.I.C.A.	114,202	136,982	22,779	16.63%	849,339
52421000 - F.U.I.	6,706	7,873	1,168	14.83%	10,498
52431000 - S.U.I.	25,704	39,985	14,280	35.71%	53,313
52441000 - Union Medical	293,238	342,351	49,113	14.35%	2,054,104
52451000 - Workers' Compensation Insurance	84,271	104,617	20,346	19.45%	649,264
52461000 - Non Union Medical & Life Insurance	63,372	70,414	7,042	10.00%	422,486
52471000 - Union Retirement Plan	79,317	106,617	27,300	25.61%	659,579
52481000 - Non-Union Retirement Plan	15,034	24,726	9,692	39.20%	156,255
52981000 - Compensation Related Accrual	22,175	0	(22,175)	0.00%	0
Total Compensation Related	704,019	833,564	129,546	15.54%	4,854,838
Materials and Supplies					
53001000 - Materials & Supplies	55,242	120,165	64,923	54.03%	731,062
53003000 - Materials Direct	343,617	468,362	124,745	26.63%	2,810,649
53004000 - Freight	442	628	186	29.60%	3,820
Total Materials and Supplies	399,302	589,155	189,854	32.22%	3,545,530
Community Events					
53201000 - Community Events	0	399	399	100.00%	2,400
Total Community Events	0	399	399	100.00%	2,400
Utilities and Telephone					
53301000 - Electricity	63,665	45,919	(17,746)	(38.65%)	161,117
53301500 - Sewer	300,700	264,400	(36,300)	(13.73%)	1,625,400
53302000 - Water	233,628	232,240	(1,388)	(0.60%)	2,154,860
53302500 - Trash	198,225	197,290	(935)	(0.47%)	1,183,743
53304000 - Telephone	350	130	(220)	(169.41%)	780
Total Utilities and Telephone	796,568	739,979	(56,588)	(7.65%)	5,125,900
Legal Fees					
53401500 - Legal Fees	9,923	24,242	14,319	59.07%	183,325
53401550 - Legal Fees Contra	4,608	0	(4,608)	0.00%	0
Total Legal Fees	14,531	24,242	9,710	40.06%	183,325
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	0	8,332	8,332	100.00%	50,000
53403500 - Consulting Fees	153	2,636	2,483	94.21%	18,548
53403510 - Consulting Fees - United	0	12,998	12,998	100.00%	78,000
Total Professional Fees	153	23,966	23,813	99.36%	146,548
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	918	7,719	6,801	88.10%	45,411
Total Equipment Rental	918	7,719	6,801	88.10%	45,411
Outside Services					
53601000 - Bank Fees	3	0	(3)	0.00%	0
53601500 - Credit Card Transaction Fees	2,187	1,667	(521)	(31.24%)	10,000
54603500 - Outside Services Cost Collection	685,305	1,095,787	410,482	37.46%	9,615,143
53704000 - Outside Services	(16,636)	25,773	42,409	164.55%	161,742
Total Outside Services	670,860	1,123,226	452,367	40.27%	9,786,885
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	(573)	1,924	2,497	129.79%	11,592
53703000 - Elevator /Lift Maintenance	10,925	6,011	(4,914)	(81.74%)	36,067

United Laguna Woods Mutual
Operating Statement - Preliminary
2/29/2024
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR% B/(W) VAR% B/(W)	TOTAL BUDGET
Total Repairs and Maintenance	10,351	7,935	(2,416)	(30.45%)
Other Operating Expense				
53801000 - Mileage & Meal Allowance	216	1,108	892	80.53%
53801500 - Travel & Lodging	0	129	129	100.00%
53802000 - Uniforms	9,508	13,777	4,270	30.99%
53802500 - Dues & Memberships	826	398	(429)	(107.81%)
53803000 - Subscriptions & Books	609	246	(363)	(147.80%)
53803500 - Training & Education	0	3,512	3,512	100.00%
53903000 - Safety	0	175	175	100.00%
54001000 - Board Relations	10	0	(10)	0.00%
54001010 - Board Relations - United	819	1,666	847	50.85%
54002000 - Postage	2,135	6,205	4,070	65.59%
54002500 - Filing Fees / Permits	219	55	(163)	(296.39%)
Total Other Operating Expense	14,341	27,270	12,929	47.41%
Property and Sales Tax				
54302000 - Property Taxes	2,354,570	2,237,982	(116,589)	(5.21%)
Total Property and Sales Tax	2,354,570	2,237,982	(116,589)	(5.21%)
Insurance				
54401000 - Hazard & Liability Insurance	172,511	181,277	8,766	4.84%
54401500 - D&O Liability	10,498	12,222	1,724	14.11%
54402000 - Property Insurance	865,405	874,996	9,591	1.10%
54403000 - General Liability Insurance	216	611	394	64.59%
Total Insurance	1,048,630	1,069,105	20,475	1.92%
Uncollectible Accounts				
54602000 - Bad Debt Expense	14,312	3,333	(10,978)	(329.35%)
Total Uncollectible Accounts	14,312	3,333	(10,978)	(329.35%)
Depreciation and Amortization				
55001000 - Depreciation And Amortization	23,166	23,166	0	0.00%
Total Depreciation and Amortization	23,166	23,166	0	0.00%
Cost Allocations				
54602500 - Allocated Expenses	231,808	256,348	24,540	9.57%
Total Cost Allocations	231,808	256,348	24,540	9.57%
Total Expenses	7,957,393	8,795,206	837,813	9.53%
Excess of Revenues Over Expenses Before Other Changes	\$1,194,837	\$330,492	\$864,345	261.53%
Other Changes				
54101000 - (Gain)/Loss - Warehouse Sales	0	(15)	(15)	(100.00%)
Total Other Changes	0	15	(15)	(100.00%)
Excess of Revenues Over Expenses	\$1,194,837	\$330,507	\$864,330	261.52%

**United Laguna Woods Mutual
Balance Sheet - Preliminary
2/29/2024**

	<u>Current Month End</u>	<u>Prior Year Same Period</u>	<u>Prior Year December 31</u>	
Assets				
1	Cash and cash equivalents	\$2,729,077	\$4,153,812	\$739,165
2	Investments	14,698,547	17,225,376	14,529,786
3	Receivable/(Payable) from mutuals	284,030	88,311	(1,029,842)
4	Accounts receivable	861,925	529,442	1,092,125
5	Prepaid expenses and deposits	3,545,073	2,545,772	4,241,957
6	Property and equipment	91,989,605	91,989,605	91,989,605
7	Accumulated depreciation property and equipment	(83,768,950)	(83,765,888)	(83,768,440)
8	Beneficial interest in GRF of Laguna Hills Trust	5,102,076	5,235,613	5,124,732
9	Non-controlling interest in GRF	43,803,096	43,803,096	43,803,096
10	Total Assets	<u>\$79,244,479</u>	<u>\$81,805,139</u>	<u>\$76,722,184</u>
Liabilities and Fund Balances				
Liabilities:				
11	Accounts payable and accrued expenses	\$3,977,760	\$4,015,598	\$2,801,739
12	Accrued compensation and related costs	528,432	551,668	528,432
13	Deferred income	993,616	868,345	842,178
14	Asset retirement obligation	1,583,198	1,479,624	1,583,198
15	Total liabilities	<u>\$7,083,006</u>	<u>\$6,915,235</u>	<u>\$5,755,547</u>
Fund balances:				
16	Fund balance prior years	70,966,637	73,596,565	73,596,565
17	Change in fund balance - current year	1,194,837	1,293,339	(2,629,928)
18	Total fund balances	<u>72,161,473</u>	<u>74,889,904</u>	<u>70,966,637</u>
19	Total Liabilities and Fund Balances	<u>\$79,244,479</u>	<u>\$81,805,139</u>	<u>\$76,722,184</u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
2/29/2024**

	<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	\$1,753,839	\$975,238		\$2,729,077
2	Investments		14,698,547		14,698,547
3	Receivable/(Payable) from mutuals	284,030			284,030
4	Receivable/(Payable) from operating fund	(3,457,564)	3,284,523	1,214,939	(1,041,898)
5	Accounts receivable	722,814	47,248	92,698	862,760
6	Prepaid expenses and deposits	3,542,553	2,520		3,545,073
7	Property and equipment	91,989,605			91,989,605
8	Accumulated depreciation property and equipment	(83,768,950)			(83,768,950)
9	Beneficial interest in GRF of Laguna Hills Trust	5,102,076			5,102,076
10	Non-controlling interest in GRF	43,803,096			43,803,096
11	Total Assets	<u>\$59,971,499</u>	<u>\$19,008,076</u>	<u>\$1,214,939</u>	<u>(\$949,200)</u>
Liabilities and Fund Balances					
Liabilities:					
12	Accounts payable and accrued expenses	\$2,926,836	\$1,050,925		\$3,977,761
13	Accrued compensation and related costs	528,432			528,432
14	Deferred income	994,450			994,450
15	Asset retirement obligation		1,583,198		1,583,198
16	Total liabilities	<u>\$4,449,718</u>	<u>\$2,634,123</u>		<u>\$7,083,841</u>
Fund balances:					
17	Fund balance prior years	55,528,068	15,267,296	1,189,647	(1,018,375)
18	Change in fund balance - current year	(6,288)	1,106,657	25,292	69,175
19	Total fund balances	<u>55,521,781</u>	<u>16,373,953</u>	<u>1,214,939</u>	<u>(949,200)</u>
20	Total Liabilities and Fund Balances	<u>\$59,971,499</u>	<u>\$19,008,076</u>	<u>\$1,214,939</u>	<u>(\$949,200)</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
2/29/2024

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Revenues:					
Assessments:					
1	\$4,194,997			\$2,423,745	\$6,618,742
2		2,165,375	25,292		2,190,667
3	<u>4,194,997</u>	<u>2,165,375</u>	<u>25,292</u>	<u>2,423,745</u>	<u>8,809,409</u>
Non-assessment revenues:					
4	1,287				1,287
5	93,000				93,000
6	41,405				41,405
7		111,426			111,426
8	95,704				95,704
9	<u>231,395</u>	<u>111,426</u>			<u>342,821</u>
10	<u>4,426,392</u>	<u>2,276,801</u>	<u>25,292</u>	<u>2,423,745</u>	<u>9,152,230</u>
Expenses:					
11	1,749,913	627,970			2,377,884
12	109,992	289,310			399,302
13	794,798	1,769			796,568
14	14,531				14,531
15	153				153
16	66	852			918
17	466,477	204,383			670,860
18	10,924	(573)			10,351
19	10,828	3,514			14,341
20				2,354,570	2,354,570
21	1,048,630				1,048,630
22	14,312				14,312
23	23,166				23,166
24	188,890	42,918			231,808
25	<u>4,432,680</u>	<u>1,170,144</u>		<u>2,354,570</u>	<u>7,957,393</u>
26	(\$6,288)	\$1,106,657	\$25,292	\$69,175	\$1,194,837
27	<u>\$16,879</u>	<u>\$1,106,657</u>	<u>\$25,292</u>	<u>\$69,175</u>	<u>\$1,218,003</u>
Other Changes:					
28					
29	(\$6,288)	\$1,106,657	\$25,292	\$69,175	\$1,194,837
30	<u>\$16,879</u>	<u>\$1,106,657</u>	<u>\$25,292</u>	<u>\$69,175</u>	<u>\$1,218,003</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY INVESTMENTS
SCHEDULE OF INVESTMENTS
2/29/2024**

I.D. NO.	DESCRIPTION	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	2/29/2024		
								MARKET VALUE	UNREALIZED GAIN/(LOSS)	
I1: HELD FOR SHORT TERM: BANK OF AMERICA										
I2: HELD FOR LONG TERM: JP MORGAN										
912828XT2	U.S. TREASURY NOTE	11-25-22	05-31-24	2,000,000.00	4.640%	1,923,437.50	1,987,911.26	1,983,515.62	(4,395.64)	
91282CCT6	U.S. TREASURY NOTE	11-25-22	08-15-24	2,000,000.00	4.570%	1,862,500.00	1,962,500.00	1,955,937.50	(6,562.50)	
9128283P3	U.S. TREASURY NOTE	03-27-23	12-31-24	2,050,000.00	3.800%	1,996,187.50	2,023,093.72	2,002,513.68	(20,580.04)	
91282CGN5	U.S. TREASURY NOTE	05-18-23	02-28-25	2,528,000.00	4.625%	2,545,380.00	2,537,480.00	2,517,433.74	(20,046.26)	
16514QBG1	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.400%	250,005.00	250,004.44	250,321.80	317.36	
108622NX5	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.400%	250,005.00	250,004.44	250,321.80	317.36	
064180BA9	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	5.400%	250,005.00	250,004.44	250,376.66	372.22	
52475DAB4	CERTIFICATE OF DEPOSIT	08-25-23	09-05-28	250,000.00	5.400%	250,005.00	250,004.44	250,083.19	78.75	
697759AW8	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	5.400%	250,005.00	250,004.44	250,376.66	372.22	
46656MLM1	CERTIFICATE OF DEPOSIT	08-25-23	08-30-28	250,000.00	5.700%	250,005.00	250,004.44	252,002.73	1,998.29	
565402AN4	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.450%	250,005.00	250,004.44	250,332.88	328.44	
32056VAN7	CERTIFICATE OF DEPOSIT	08-25-23	08-31-28	250,000.00	5.400%	250,005.00	250,004.44	251,683.61	1,679.17	
912797HP5	U.S. TREASURY BILL	02-28-24	11-29-24	26,000.00	5.031%	25,041.23	25,041.23	25,033.69	(7.54)	
32022WCU8	CERTIFICATE OF DEPOSIT	11-01-23	11-02-28	250,000.00	5.718%	250,000.00	250,000.00	250,630.46	630.46	
87164Y3S1	CERTIFICATE OF DEPOSIT	11-01-23	11-03-27	250,000.00	5.050%	250,000.00	250,000.00	257,637.99	7,637.99	
06051XAU6	CERTIFICATE OF DEPOSIT	02-23-24	02-28-25	250,000.00	5.100%	250,000.00	250,000.00	250,183.30	183.30	
45332WBV4	CERTIFICATE OF DEPOSIT	02-23-24	05-29-25	250,000.00	5.000%	250,000.00	250,000.00	250,223.17	223.17	
91282CHN4	U.S. TREASURY NOTE	11-03-23	07-31-25	12,000.00	4.834%	11,982.66	11,986.14	11,984.53	(1.61)	
58958PMY7	CERTIFICATE OF DEPOSIT	02-26-24	08-29-25	250,000.00	5.000%	250,000.00	250,000.00	250,510.92	510.92	
00833JAU5	CERTIFICATE OF DEPOSIT	02-23-24	12-08-25	250,000.00	4.670%	250,000.00	250,000.00	249,111.29	(888.71)	
05610LGM0	CERTIFICATE OF DEPOSIT	02-23-24	03-02-26	250,000.00	4.740%	250,000.00	250,000.00	250,377.07	377.07	
20349NAA5	CERTIFICATE OF DEPOSIT	02-26-24	03-06-26	250,000.00	4.750%	250,000.00	250,000.00	250,000.00	-	
60425SLK3	CERTIFICATE OF DEPOSIT	02-26-24	06-05-26	250,000.00	4.700%	250,000.00	250,000.00	250,002.90	2.90	
15721UGD5	CERTIFICATE OF DEPOSIT	02-26-24	03-05-27	250,000.00	4.430%	250,000.00	250,000.00	251,185.12	1,185.12	
61690DGU6	CERTIFICATE OF DEPOSIT	11-01-23	11-08-27	250,000.00	5.050%	250,000.00	250,000.00	257,677.80	7,677.80	
254676BQ1	CERTIFICATE OF DEPOSIT	11-03-23	11-08-27	250,000.00	5.050%	250,000.00	250,000.00	257,677.80	7,677.80	
31810PCB3	CERTIFICATE OF DEPOSIT	11-01-23	11-10-28	250,000.00	5.800%	250,000.00	250,000.00	250,878.52	878.52	
33610RUX9	CERTIFICATE OF DEPOSIT	11-01-23	11-10-27	250,000.00	5.000%	250,000.00	250,000.00	257,270.09	7,270.09	
671082CK9	CERTIFICATE OF DEPOSIT	11-01-23	11-10-28	250,000.00	5.700%	250,000.00	250,000.00	250,829.50	829.50	
307811HX0	CERTIFICATE OF DEPOSIT	11-03-23	11-15-27	250,000.00	5.500%	250,000.00	250,000.00	255,659.66	5,659.66	
938828CZ1	CERTIFICATE OF DEPOSIT	12-15-23	12-15-28	23,000.00	5.400%	23,000.00	23,000.00	23,243.10	243.10	
549104D87	CERTIFICATE OF DEPOSIT	01-03-24	01-19-29	40,000.00	4.500%	40,000.00	40,000.00	40,142.70	142.70	
200AV4004	MONEY MARKET	08-25-23		87,443.63	0.010%	87,443.63	87,443.63	87,443.63	(0.00)	
						14,766,443.63	14,515,012.52	14,698,491.50	14,692,603.11	(5,888.39)
TOTAL FOR BANK OF AMERICA INVESTMENTS						\$14,766,443.63	\$14,515,012.52	\$14,698,491.50	\$14,692,603.11	(\$5,888.39)

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF FEBRUARY 29, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION								
PLUMBING SERVICE	\$209,267	\$130,942	\$344,398	\$269,673	\$1,631,374	21%	(\$74,725)	(28%)
DAMAGE RESTORATION	161,026	75,415	201,668	150,830	905,000	22%	(50,838)	(34%)
CARPENTRY SERVICE	49,206	52,219	103,065	108,477	657,845	16%	5,412	5%
ELECTRICAL SERVICE	23,048	27,107	43,597	56,370	341,905	13%	12,772	23%
APPLIANCE REPAIRS	22,623	25,625	41,373	53,117	321,990	13%	11,745	22%
INTERIOR PREVENTIVE MAINTENANCE	17,220	27,011	33,947	56,266	341,440	10%	22,319	40%
PEST CONTROL	(35,445)	6,435	(7,842)	10,245	270,541	(3%)	18,087	177%
COUNTERTOP/FLOOR/TILE REPAIRS	9,035	12,280	19,032	25,443	154,355	12%	6,412	25%
ENERGY PROGRAM	1,879	3,000	3,759	6,000	36,000	10%	2,242	37%
MISC. REPAIRS BY OUTSIDE SERVICE	900	1,666	900	3,332	20,000	5%	2,432	73%
FIRE PROTECTION	4,228	3,062	6,479	6,202	37,348	17%	(277)	(4%)
TOTAL	\$462,989	\$364,762	\$790,375	\$745,956	\$4,717,797	17%	(\$44,420)	(6%)
OPERATING EXPENDITURES - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$15,639	\$33,526	\$49,199	\$69,495	\$421,763	12%	\$20,296	29%
JANITORIAL SERVICE	36,556	41,622	78,480	86,867	524,467	15%	8,387	10%
GUTTER CLEANING	2,096	13,933	6,122	28,178	169,679	4%	22,056	78%
WELDING	4,837	10,032	14,450	20,774	126,053	11%	6,324	30%
TRAFFIC CONTROL	728	1,256	2,127	2,611	15,863	13%	485	19%
TOTAL	\$59,855	\$100,369	\$150,378	\$207,925	\$1,257,826	12%	\$57,547	28%
OPERATING EXPENDITURES - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$27,118	\$27,466	\$56,476	\$56,477	352,686	16%	\$0	0%
NURSERY & COMPOSTING	13,328	13,932	28,881	28,843	176,055	16%	(38)	(0%)
GROUNDS MAINTENANCE	186,124	241,905	430,782	505,154	3,064,085	14%	74,372	15%
IRRIGATION	52,651	63,948	112,452	132,791	808,269	14%	20,340	15%
SMALL EQUIPMENT REPAIR	8,099	16,896	21,638	34,999	212,462	10%	13,361	38%
PEST CONTROL	21,896	25,237	47,707	52,438	318,843	15%	4,731	9%
TOTAL	\$309,215	\$389,383	\$697,936	\$810,701	\$4,932,400	14%	\$112,765	14%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF FEBRUARY 29, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$147,459	\$126,845	\$181,651	\$255,080	\$1,634,468	11%	\$73,428	29%
ELECTRICAL SYSTEMS	0	43,702	0	87,404	524,435	0%	87,404	100%
EXTERIOR WALKWAY LIGHTING	3,334	5,362	3,715	10,777	64,760	6%	7,061	66%
FOUNDATIONS	0	0	0	0	43,436	0%	0	100%
GUTTER REPLACEMENT	4,887	9,450	9,846	19,298	116,486	8%	9,452	49%
PAINT - EXTERIOR	99,959	139,277	228,053	288,911	1,749,510	13%	60,858	21%
PRIOR TO PAINT	68,478	82,473	148,119	170,612	1,033,447	14%	22,493	13%
PLUMBING	16,357	27,837	35,604	57,159	345,510	10%	21,555	38%
PAVING	0	0	0	0	394,207	0%	0	100%
ROOF REPLACEMENTS	25,713	122,635	25,713	210,134	1,318,468	2%	184,421	88%
WALL REPLACEMENT	0	2,916	0	5,832	35,000	0%	5,832	100%
WASTE LINE REMEDIATION	(81,990)	0	159,996	0	2,300,000	7%	(159,996)	100%
WATER LINE - COPPER PIPE REMEDIATION	0	16,667	0	33,334	100,000	0%	33,334	100%
WINDOW/SLIDING SCREEN DOOR	5,192	12,395	15,650	25,201	151,910	10%	9,551	38%
SUPPLEMENTAL APPROPRIATION	0	0	0	0	0	0%	0	0%
SUB-TOTAL	\$289,390	\$589,560	\$808,348	\$1,163,740	\$9,811,637	8%	\$355,393	31%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$16,241	\$5,771	\$21,510	\$11,637	\$69,996	31%	(\$9,873)	(85%)
DISHWASHERS	9,568	7,983	17,488	16,184	97,499	18%	(1,303)	(8%)
BASINS/SINKS/TOILETS	11,327	19,616	25,598	39,663	238,752	11%	14,065	35%
GARBAGE DISPOSALS	10,906	10,176	21,772	20,741	125,123	17%	(1,031)	(5%)
HOODS	2,271	3,242	3,294	6,574	39,610	8%	3,280	50%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	20,206	127,926	100,362	259,152	1,561,145	6%	158,790	61%
OVENS	18,833	11,358	29,275	22,811	137,036	21%	(6,464)	(28%)
RANGES	997	1,001	2,384	2,049	12,389	19%	(335)	(16%)
REFRIGERATORS	18,339	18,313	30,801	36,958	222,337	14%	6,158	17%
WATER HEATERS & PERMITS	65,308	62,011	125,459	126,076	759,990	17%	617	0%
DRYERS	3,435	3,165	3,646	6,354	38,163	10%	2,708	43%
WASHING MACHINES	20,288	7,555	30,494	15,167	91,112	33%	(15,327)	(101%)
SUB-TOTAL	\$197,720	\$278,117	\$412,082	\$563,367	\$3,393,149	12%	\$151,285	27%
TOTAL	\$487,110	\$867,677	\$1,220,429	\$1,727,107	\$13,204,786	9%	\$506,677	29%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF FEBRUARY 29, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$449	\$867	\$1,310	\$1,800	\$10,933	12%	\$490	27%
PAVING	2,250	4,409	6,573	9,153	55,591	12%	2,579	28%
WALL REPLACEMENT	0	1,282	0	2,564	15,400	0%	2,564	100%
TOTAL	\$2,698	\$6,558	\$7,884	\$13,517	\$81,925	10%	\$5,633	42%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
SLOPE RENOVATION	\$16,201	\$9,035	\$17,826	\$18,233	\$109,792	16%	\$407	2%
IMPROVEMENTS & RESTORATION	205	15,452	31,145	32,307	195,857	16%	1,162	4%
TREE MAINTENANCE	35,050	86,847	64,196	176,553	1,065,281	6%	112,357	64%
SUPPLEMENTAL APPROPRIATION	17,982	17,982	28,664	28,664	28,664	100%	0	0%
TOTAL	\$69,438	\$129,315	\$141,830	\$255,757	\$1,399,594	10%	\$113,927	45%
PROPERTY TAXES FUND - NON WORK CENTER								
PROPERTY TAXES	1,198,496	1,118,991	2,354,570	2,237,982	13,427,890	18%	(116,589)	(5%)
TOTAL	\$1,198,496	\$1,118,991	\$2,354,570	\$2,237,982	\$13,427,890	18%	(\$116,589)	(5%)

**RESERVES EXPENDITURES COMPARED TO RESERVE STUDY
AS PRESENTED IN THE 2023 BUSINESS PLAN
AS OF FEBRUARY 29, 2024**

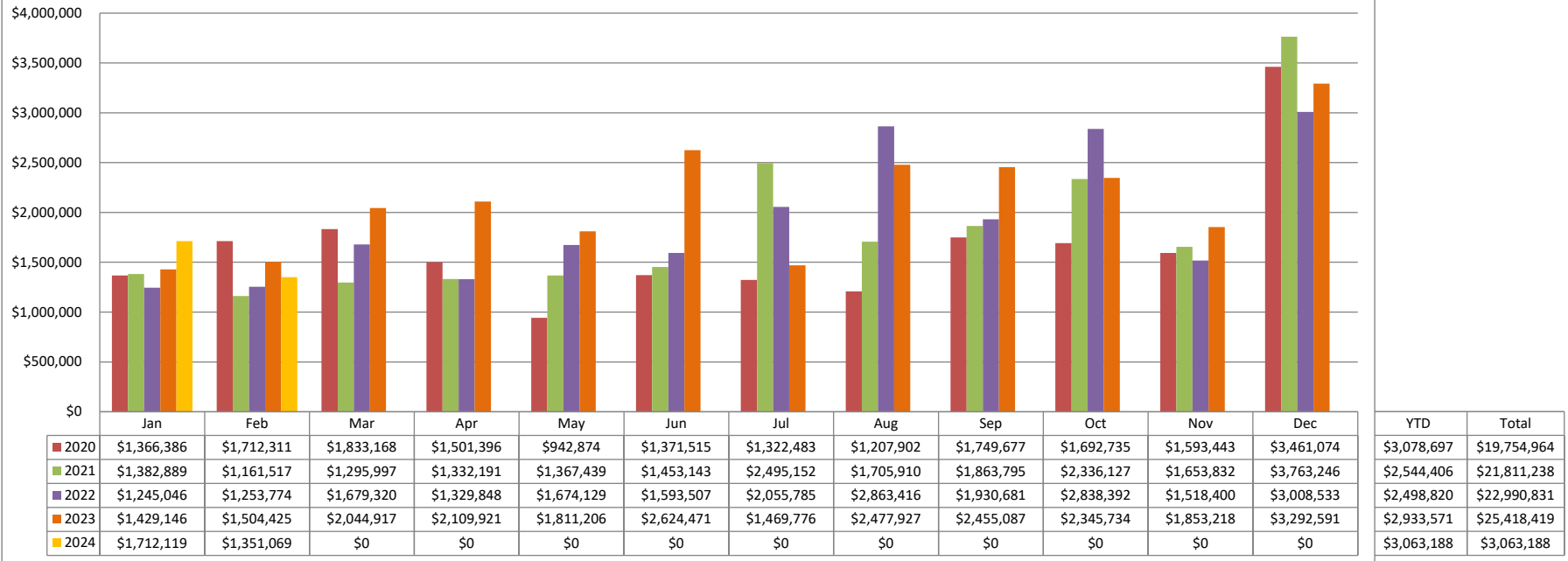
	2024	2024	2024	2024	2024
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	% Expended
Paving	\$0	\$0	\$0	\$244,207	0%
Asphalt & Concrete Repair/Replace	6,573	9,153	2,579	205,591	3%
Roofs - Built-Up	25,713	168,468	142,755	1,068,468	2%
Roofs - Comp Shingle	0	41,666	41,666	250,000	0%
Roofs - Tile	0	0	0	0	0%
Infrastructure/Buildings	153,433	158,448	5,015	1,004,286	15%
Carport Siding Renovation	0	0	0	0	0%
Manor Components	374,244	536,106	161,862	3,239,957	12%
Lighting & Electrical	3,715	96,609	92,893	579,760	1%
Laundry Rooms	37,838	27,050	(10,788)	162,630	23%
Off Cycle Decking	21,450	23,763	2,313	144,053	15%
Prior To Painting	127,980	148,650	20,670	900,327	14%
Interior & Exterior Painting	228,053	288,911	60,858	1,749,510	13%
Walls, Fencing, Railings & Gates	0	8,396	8,396	50,400	0%
Grounds & Miscellaneous	113,166	227,093	113,927	1,370,930	8%
Building Structures	53,714	141,130	87,416	942,014	6%
Plumbing	195,600	90,493	(105,107)	2,745,510	7%
Total	\$1,341,480	\$1,965,935	\$624,455	\$14,657,642	9%

**United Laguna Woods Mutual
Fund Expenditures Schedule
Period Ending: 2/29/2024**

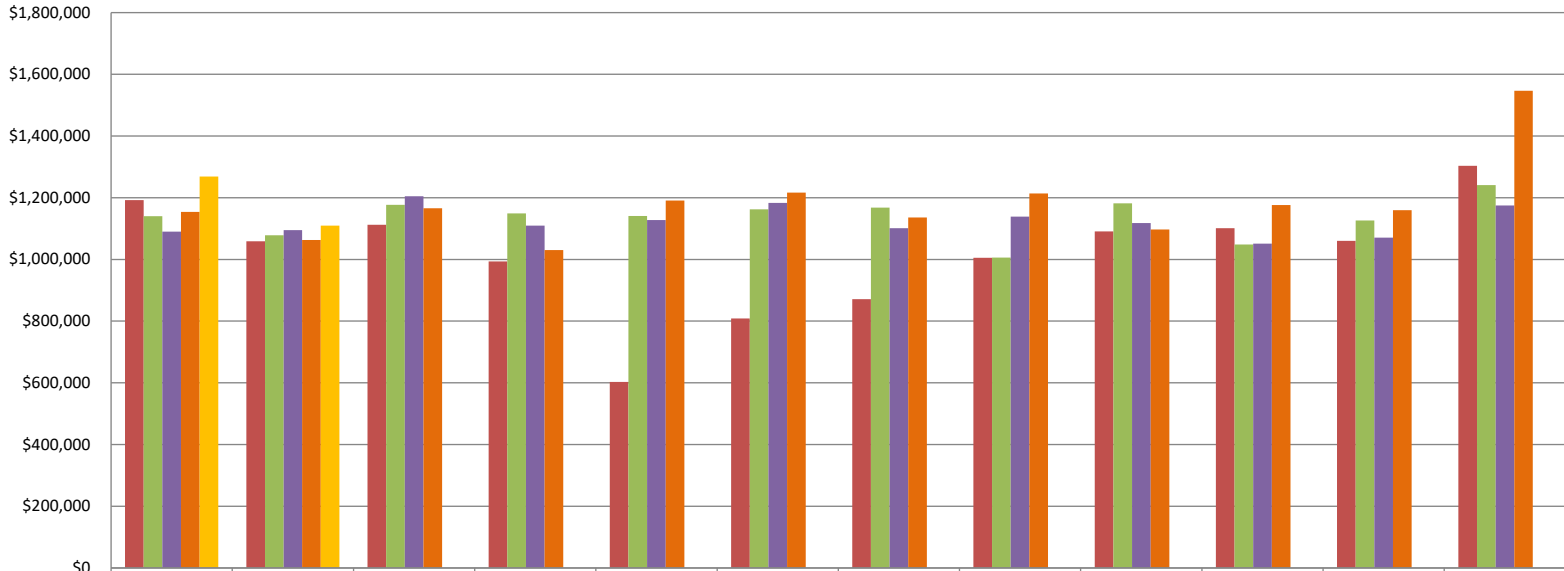
Fund/Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Ecumbrance
			2024	Prior Years	Total	
Operating Fund (Approved Unbudgeted Expenses)						
Damage Restoration Reimbursement Backlog Case Load	01-23-27	\$160,680	\$6,994	\$97,490	\$104,485	\$56,195
Reserve Fund (Supplemental Appropriations)						
Friendship Walk Bench Replacements	01-24-15	\$8,661	\$0	\$0	\$0	\$8,661
Pushmatic Electrical Panel Replacements	01-24-16	\$82,755	\$0	\$0	\$0	\$82,755
Common Area Patio Furniture	01-21-78b	\$3,821	\$0	\$0	\$0	\$3,821
Turf Reduction	01-23-08	\$189,480	\$28,664	\$158,246	\$186,910	\$2,570
Shepherd's Crook Installation	01-23-09	\$40,000	\$0	\$35,351	\$35,351	\$4,649
	Total	\$485,397	\$35,658	\$291,088	\$326,746	\$158,651

*Incurred To Date

United Mutual Employee Compensation, Related, and Outside Services

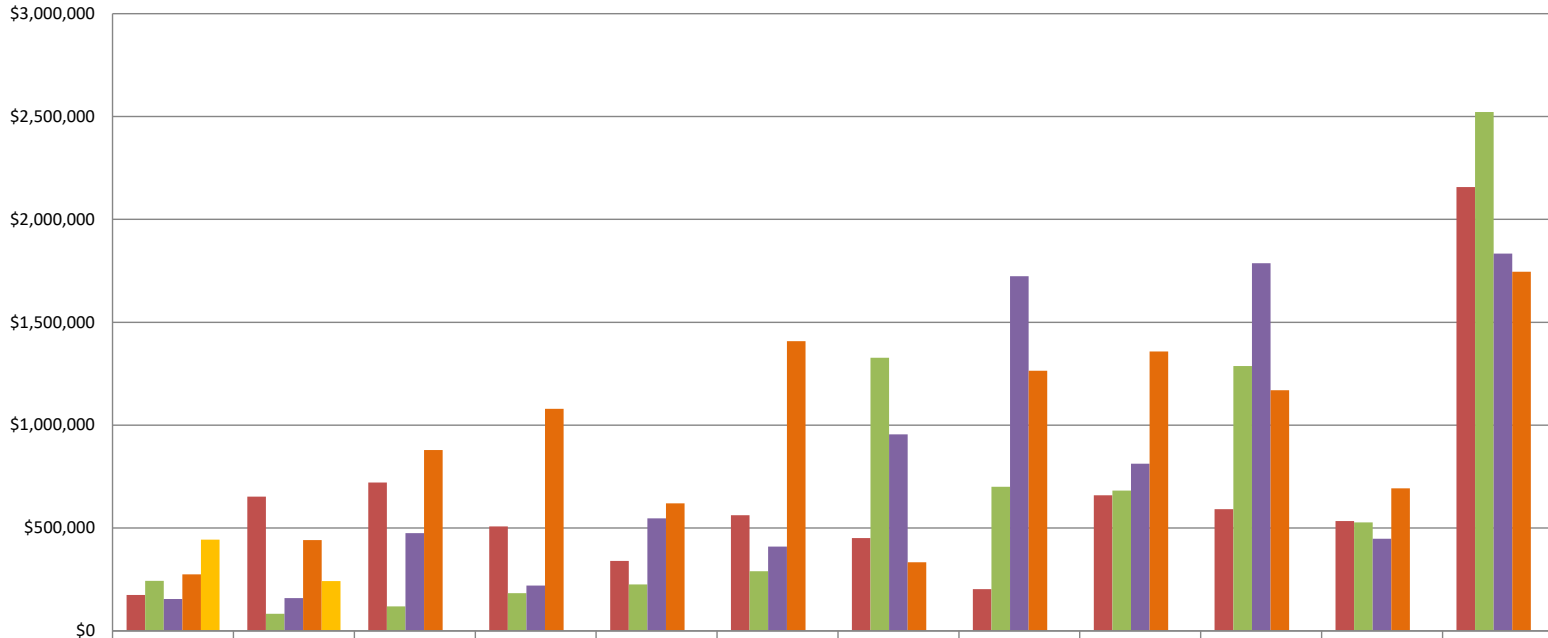


United Mutual Employee Compensation & Related



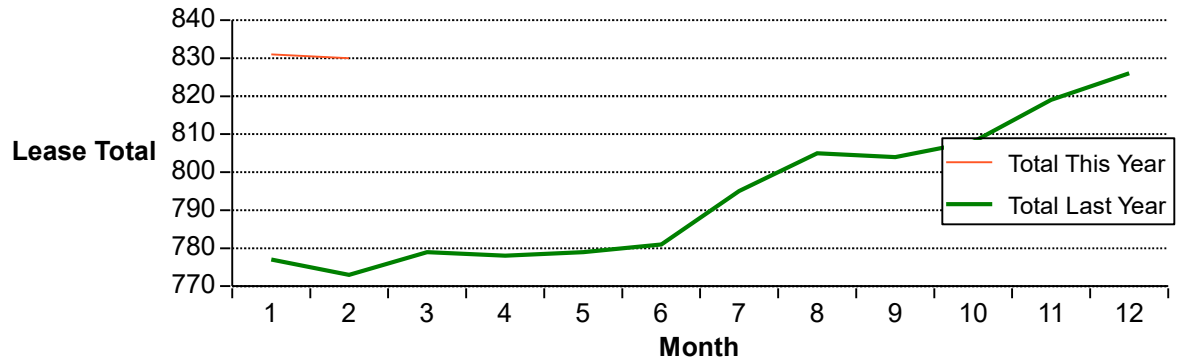
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2020	\$1,192,010	\$1,059,200	\$1,112,455	\$993,567	\$603,129	\$808,932	\$871,378	\$1,005,062	\$1,090,693	\$1,101,006	\$1,059,912	\$1,303,526	\$2,251,210	\$12,200,870
2021	\$1,139,995	\$1,078,242	\$1,176,910	\$1,149,144	\$1,141,132	\$1,162,699	\$1,167,825	\$1,005,856	\$1,181,685	\$1,048,254	\$1,126,380	\$1,240,796	\$2,218,237	\$13,618,918
2022	\$1,089,981	\$1,094,876	\$1,204,660	\$1,109,533	\$1,127,316	\$1,183,360	\$1,100,931	\$1,138,985	\$1,117,888	\$1,051,547	\$1,070,895	\$1,174,714	\$2,184,857	\$13,464,686
2023	\$1,154,395	\$1,062,760	\$1,166,198	\$1,030,697	\$1,190,897	\$1,216,429	\$1,136,228	\$1,213,499	\$1,096,808	\$1,176,428	\$1,159,864	\$1,546,660	\$2,217,155	\$14,150,863
2024	\$1,268,559	\$1,109,324	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,377,883	\$2,377,883

United Mutual Outside Services



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
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	\$827,487	\$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	\$326,169	\$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	\$313,963	\$9,526,145
2023	\$274,751	\$441,665	\$878,719	\$1,079,224	\$620,309	\$1,408,042	\$333,548	\$1,264,428	\$1,358,279	\$1,169,306	\$693,354	\$1,745,931	\$716,416	\$11,267,556
2024	\$443,560	\$241,745											\$685,305	\$685,305

Monthly Active Leasing Report 2024 Period 2 (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
2024	January	25	25	215	566	831	777	13.1	12.3	0.8	53	21
2024	February	24	27	224	555	830	773	13.1	12.2	0.9	29	39
2024	March						779					
2024	April						778					
2024	May						779					
2024	June						781					
2024	July						795					
2024	August						805					
2024	September						804					
2024	October						808					
2024	November						819					
2024	December						826					



Laguna Woods Village®

DATE: March, 2024
 TO: VMS Board of Directors
 RE: Monthly Staffing Report

New Hires YTD: 15 (13 Full-time, 2 Part-time)
 February 11 (9 Full-time, 2 Part-time)

Active Recruiting Vacancies as of February 29, 2024

Total: **62** Full-time: **48** Part-time: **14**

Vacancies by Divisions	Full-Time	Part-Time	Total Vacancies	Total Budgeted	Req Date
General Services	6	2	8		
Bus Driver(WC 970)	1	2	3	10.00	Continuously Open
Custodian(WC 935)	1		1	16.00	11/3/2023
Auto Mechanic (WC 960)	1		1	4.00	8/24/2023
Paving Trade Aid (WC 936)	1		1	1.00	9/1/2023
Paving Trade Helper (WC 936)	1			2.00	2/8/2024
Concrete Finisher (WC 936)	1		1	2.00	11/20/202
Maint. & Const.	6	0	6		
Sr. Gen Maint Wkr (WC 917)	1		1	6.00	8/10/2023
Maint Electrician (WC 913)	1		1	2.00	7/21/2023
Ops. Coordinator (WC 910)	1		1	4.00	1/10/2024
Inspector I (WC 925)	1		1	2.00	6/21/2023
Inspector II (WC 925)	1		1	3.00	6/15/2023
Inspections Supervisor (WC 925)	1		1	2.00	2/23/2024
Landscape Services	25	0	25		
Assistant Landscape Manager (WC 500)	1		1	0.00	1/20/2024
Landscape Supervisor (WC 500)	1		1	4.00	1/30/2024
Irrigation/Drainage Specialist (WC 540)	1		1	1.00	2/9/2024
Irrigation Tech (WC 540)	1		1	12.00	2/16/2024

Gardener (WC 520)	3		3	7.00	Continuously Open
Gardener (WC 530)	18		18	69.00	Continuously Open
Security Services	6	4	10		
Gate Ambassador (WC 400)		4	4	43.00	Continuously Open
Security Patrol Officer (WC 400)	3		3	12.00	Continuously Open
Dispatcher (WC 400)	1		1	5.00	Continuously Open
Compliance Coord (WC 210)	1		1	3.00	12/1/2023
Social Worker (WC 220)	1		1	3.00	1/26/2024
Recreation Services	1	8	9		
Recreation Leader (WC 612, 613, 615, 617)		4	4	9.58	Continuously Open
Clubhouse Tech (WC 613)		2	2	0.50	1/30/2024
Fitness Assistant II (WC 691)		2	2	1.25	10/27/2022
Equipment Operator (WC 580)	1		1	1.00	7/25/2023
Information Services	3	0	3		
CSR I (WC 950)	3		3	16.00	6/14/2022
Financial Services	1	0	1		
AP Clerk (WC 300)	1		1	4.00	11/15/2023
Total	48	14	62		

Terminations YTD:

20 (13 Full-time, 7 Part-time)

February

10 (7 Full-time, 3 Part-time)

Resignations and Terminations for February 2024 by Length of Service

	Less than 1 yr		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	3	0	0	1	3	1	10
Terminated	0	0	0	0	0	0	0	0	0
Grand Total	1	1	3	0	0	1	3	1	10

The stated reasons for resignations in January are as follows:

- 1 Voluntary Resignations - 2 in Security Services**
- 2 Retirement – 1 in Landscape Services**
- 3 Health Reasons – 1 in Information Services and 1 in Financial Services**
- 4 Family Reasons – 1 in Maintenance & Construction Services**
- 5 Moving – 1 in General Services, 1 in Recreation and Special Events, and 1 Information Services**
- 6 Dissatisfied with Supervisor - 1 in Security Services**

Property Taxes Disclosure Letter

Steve Hormuth, Director of Financial Services
Pam Jensen, Controller



Basics of United Property Taxes

- United Laguna Woods Mutual
 - HOA fees include property taxes
 - United receives property tax bills from county
 - United makes property tax payments as required by county
 - Financial Services allocates an amount to each unit based on assessed value in a property unit billed by county to mutual
 - Change in assessed value does change HOA fee in following year

Common Property Tax Facts for Owners

- California real estate is valued each year as of January 1, xxx1, and is assessed to owner of real estate (United) on January 1, xxx1
- County is on a fiscal year (July 1 xxx1 to June 30 xxx2) with taxes based on January 1, xxx1 values
- Real estate purchase occurring between January 1, xxx1 and June 30, xxx1 are issued a supplemental property tax bill, due either April 10, xxx1 or one month after the bill was issued but before June 30, xxx1
- Subsequent taxes billed to United in two parts:
 - July 1, xxx1 to December 31, xxx1 due no later than December 10, xxx1
 - January 1, xxx2, to June 30, xxx2, due no later than April 10, xxx2

Common Property Tax Facts for Owners

- Members reimburse United for the property taxes through consistent monthly assessments over the course of a 12 month calendar year
- Member's reimbursements represent an estimate of United's payments to the County for the same 12 month calendar year
- Property tax letters are mailed September xxx1 in name of property owner as of January 1, xxx2, to property address
- Individual who bought in current year will get property tax bill with prior owner's name, but new owner is responsible for paying tax as of date of ownership change

New Owner Property Tax Bill

- Name of new owner may take up to one year to appear on a property tax bill:
 - New owners will receive notice of supplemental assessment and a supplemental property tax bill several months after ownership change (could be up to 6 to 8+ months)
- Taxes on supplemental property tax bill are not paid through escrow:
 - Taxes paid through escrow were for remaining months of county's fiscal payment plan based on prior assessment; supplemental property tax bill is a tax adjustment based on supplemental assessment (that is purchase price)
- Supplemental property tax is a one-time adjustment until January 1 assessment is done considering purchase price

United Property Taxes

- New member will pay same property tax amount in HOA fees until end of calendar year of purchase; assessments are budgeted revenues so HOA fees/assessments do not change during calendar year
- If sale occurs before next year's HOA fee/annual assessment letters are prepared, next year's assessment letter will include supplemental tax in HOA fees
- When property is assessed for new member, new property tax amount is included in HOA fees for following year
- Financial Services may give refunds if taxes are overpaid because exemptions were requested but member had been paying HOA fees based on a prior member
- May take up to 18 months before HOA fees include property taxes based on current member's purchase by current member
- Members may not pay in one lump sum for annual or supplemental taxes; all United property taxes are paid through HOA fee collection

Property Tax Disclosure Letter

- As a co-op community, United is owner of all real property and responsible for paying the taxes on time.
- Purpose of sending the letter: To provide residents with the property tax paid by United Mutual (less IRS reduction factor) for the unit in a tax (calendar) year.
- Reason this information is needed: Form 1040 series, Sch A is for itemized deductions. A resident can use this letter to fill in the real estate taxes in the Sch A. This is the only purpose of the letter. If a resident does not itemize deductions, the letter will not be necessary.

IRS Regulations for Owners in Co-ops

- A stockholder of a cooperative housing corporation may take a proportionate share of the real estate taxes of the corporation as a part of the state and local tax deduction section of the Itemized Deductions in the Individual Income Tax Return.
- The proportionate share is calculated as the taxes paid in the year times a factor based on a ratio of nonmember revenues to total revenues.

Tax payments in April and December

- United pays property tax in a calendar year for the second installment of the prior county fiscal year in April and the first installment of the current county fiscal in November.
- The April payment is from the assessment of the prior calendar year
- The December payment is from the assessment of the current year.

An Example from our Community

2nd installment for 2022-2023	\$1,762.56
1st installment for 2023-2024	<u>\$1,795.14</u>
Property taxes paid in 2023 by United	\$3,557.70
IRS reduces the deduction by a factor based on total revenues to nonmember revenues. The amount for United members in 2023 is 98.6%	x 98.6%
Real estate tax deduction a member may report on Schedule <u>A</u> Itemized Deductions for this manor. This was reported on the Property Tax Letter that the Financial Services Department sent to owners in February 2024	\$3,507.89

An Example from our Community

- The 2023 assessment had a monthly property tax amount of \$293.76 x 6 months is \$1,762.56
- The 2024 assessment had a monthly property tax amount of \$299.19 x 6 months is \$1795.14.
- The factor is only used in reporting tax payments by United. The factor has not impact on assessment amounts.

2nd installment for 2022-2023 this is the 2023 assessment amount for 6 months	\$1,762.56
1st installment for 2023-2024 this is the 2024 assessment amount for 6 months	<u>\$1,795.14</u>
Property taxes paid in 2023 by United	\$3,557.70
IRS reduces the deduction by a factor based on total revenues to nonmember revenues. The amount for United members in 2023 is 98.6%	x 98.6%
Real estate tax deduction a member may report on Schedule <u>A</u> Itemized Deductions for this manor. This was reported on the Property Tax Letter that the Financial Services Department sent to owners in February 2024	\$3,507.89

Property Tax Letter and 12 months of current year assessment

2023 assessment is 293.76 x 12 months =	3,525.12
Amount in the letter is	3,507.89
Difference	17.23

Part of the difference is the impact of the factor per the IRS regulations and the monthly difference between 2023 and 2024.

Please note: The property tax disclosure letter is only for Sch A purposes. It does not have any impact on revenues to the Mutual.

Questions

Thank You



STAFF REPORT

DATE: March 26, 2024
FOR: Finance Committee
SUBJECT: Temporary Borrowing – Reserve Cash & Investment

RECOMMENDATION

Staff recommends the Finance Committee endorse and the Board approve the temporary borrowing of \$6,500,000 by the Operating Fund from the Reserve Fund with \$4,000,000 moving from Cash and \$2,500,000 moving from Investments held by JP Morgan. This temporary borrowing is required to meet cashflow needs resulting from the property tax payment scheduled for April 2024 and the residual effects of prepaying 12 months of insurance in October 2023. Payback of the borrowed monies to the advancing fund is planned for September 2024 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. As funds had not yet been collected from residents for this \$5,200,000 up-front property insurance payment in October 2023, the Board authorized a temporary borrowing from Reserve Funds (Resolution 01-23-24) of \$3,000,000 to fund the payment. Through monthly expensing of the property insurance, the prepaid insurance balance has been reduced from \$5,200,000 to approximately \$3,200,000 as of March 2024. While the balance in the prepaid insurance account remains a constraint on available cash, repayment of the \$3,000,000 authorized above is scheduled for the end of March 2024 and is anticipated to decrease the cash available in the Operating Account down to approximately \$262,000 (ATT1).

Consistent with prior years, the Orange County Tax Collector requires the equivalent of six months of property taxes to be paid no later than April 10th. By April 2024, only four months of resident property tax contributions will have been collected resulting in an operating fund cash shortage of \$2,400,000 (\$1,200,000 x 2 months: May and June) specific to property taxes.

The table below illustrates an example of the inflow of property tax contributions from residents and outflow of payments to the Orange County Tax Collector:

	Contributions	Payment	Rolling Balance
January 2024	1,200,000	-	1,200,000
February	1,200,000	-	2,400,000
March	1,200,000	-	3,600,000
April	1,200,000	(7,200,000)	(2,400,000)
May	1,200,000	-	(1,200,000)
June	1,200,000	-	0

DISCUSSION

As provided for under the header of Governing Authority above, Civil Code §5515(b) requires a statement whether a special assessment will be considered. A special assessment is not being considered / requested as the borrowed funds will be paid back to the reserve through regular assessments from members.

FINANCIAL ANALYSIS

The impact of prepaying both property insurance and property taxes is a reduction of operating cash of (\$5,600,000).

	Affect on Cash
Property Insurance Prepayment (Mar 2024 Bal)	(\$3,200,000)
Property Tax Prepayment	(\$2,400,000)
Subtotal - Prepayments	(\$5,600,000)

To ensure sufficient funds are available in United’s operating cash account to pay the \$7,200,000 property tax and ongoing business expenses, staff requests a temporary borrowing of \$6,500,000 from the reserve cash account. It is estimated that only \$4,495,000 will be available in the reserve cash account (see ATT1) by April 10 when the transfer is needed, therefore a \$2,500,000 withdrawal from United’s investment account will be necessary. Once the property insurance and property taxes are recovered from residents through regular monthly assessments, the temporarily borrowed reserve funds will be returned to both the cash and investment accounts.

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Pam Jensen, Controller

Attachment(s): ATT1 – United Temporary Borrowing: Cash Forecast

Temporary Borrowing: Cash Forecast

Operating (OPR) Account

Reserve (RPF) Account

Operating (OPR) Account				Reserve (RPF) Account			
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance
3/15/2024	1,662,000	Mid Month Balance	1,662,000	3/15/2024	815,000	Mid Month Balance	815,000
3/20/2024	(300,000)	Weekly AP Check run	1,362,000	3/20/2024	(120,000)	Weekly AP Check run	695,000
3/27/2024	(300,000)	Weekly AP Check run	1,062,000	3/27/2024	(120,000)	Weekly AP Check run	575,000
3/25/2024	500,000	Estimated Mnthly Transfer from RPF	1,562,000	3/25/2024	(500,000)	Estimated Mnthly Transfer to OPR	75,000
3/25/2024	1,700,000	GRF Estimated Mnthly Interco Trnsfr	3,262,000	3/25/2024	1,080,000	GRF Estimated Mnthly Interco Trnsfr	1,155,000
3/29/2024	(3,000,000)	Transfer to RPF - Temp Borrowing	262,000	3/29/2024	3,000,000	Transfer from OPR - Temp Borrowing	4,155,000
3/31/2024		<i>Month End Estimated Balance</i>	262,000	3/31/2024		<i>Month End Estimated Balance</i>	4,155,000
4/1/2024	500,000	Estimated Mnthly Transfer from RPF	762,000	4/1/2024	(500,000)	Estimated Mnthly Transfer to OPR	3,655,000
4/1/2024	1,700,000	GRF Estimated Mnthly Interco Trnsfr	2,462,000	4/1/2024	1,080,000	GRF Estimated Mnthly Interco Trnsfr	4,735,000
4/3/2024	(300,000)	Weekly AP Check run	2,162,000	4/3/2024	(120,000)	Weekly AP Check run	4,615,000
4/10/2024	(300,000)	Weekly AP Check run	1,862,000	4/10/2024	(120,000)	Weekly AP Check run	4,495,000
4/10/2024	(7,200,000)	April Property Tax Payment	(5,338,000)	4/10/2024	2,500,000	Withdrawal from Investment	6,995,000
4/10/2024	6,500,000	Temp Borrowing - from RPF Cash	1,162,000	4/10/2024	(6,500,000)	Temp Borrowing – to OPR Cash	495,000



STAFF REPORT

DATE: March 26, 2024
FOR: Finance Committee
SUBJECT: Supplemental Appropriation for Turf Reduction Projects

RECOMMENDATION

Approve a supplemental appropriation in the amount of \$83,385 for United Turf Reduction Projects, to be funded from the Reserve Fund.

BACKGROUND

In the 2023 Business Plan, \$1,175,003 was budgeted from the Reserve Fund for turf removal, landscape modernization, and tree maintenance. Due to the extended rain events and staff vacancies, \$83,385 of the 2023 budget went unspent.

On February 26, 2024, the United Landscape Committee voted unanimously to recommend to the Finance Committee and Board approve a supplemental appropriation in the amount of \$83,385 for United Turf Reduction Projects, to be funded from the Reserve Fund.

DISCUSSION

The State of California passed AB1572 calling for restrictions on irrigating non-functional turf with potable water; 88% of the 138 acres of turf in United Mutual is irrigated with potable water. AB1572 requires all HOAs to remove all non-functional turf by January 1, 2029.

This bill was passed after the 2024 budget was passed. The 2024 Business Plan contains \$195,857 in Reserve Funds for turf reduction work performed by in house crews. These supplemental funds would be used for contracted turf reduction work and could fund between 8,000 and 10,000 square feet of turf removal.

FINANCIAL ANALYSIS

A supplemental appropriation of \$83,385 from the Reserve Fund for United Turf Reduction Projects. The amount represents the funds not expended from the 2023 Business Plan.

Prepared By: Kurt Wiemann, Director of Landscape Services

Reviewed By: Megan Feliz, Landscape Administrative Assistant

Jose Campos, Assistant Director of Finance

ATTACHMENT(S)

Attachment 1: Resolution 01-24-XX Supplemental Appropriation



ATTACHMENT 1

RESOLUTION 01-24-XX Supplemental Appropriation for Turf Reduction

WHEREAS, as a result of extended rain events and staff vacancies, the budgeted reserve funds for Landscape Services for Fiscal Year 2023 were not expended, with a balance of \$83,385; and

WHEREAS, the United Landscape Committee directed staff to develop turf removal locations and strategies;

NOW THEREFORE BE IT RESOLVED, [Date], that the Board of Directors of this Corporation hereby approves a supplemental appropriation to continue turf reduction work in Fiscal Year 2024; and

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