



REGULAR OPEN MEETING OF THE FINANCE COMMITTEE

Tuesday, May 28, 2024 – 1:30 pm
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 OF MEETING 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 Reports for:
 - a) March 26, 2024
 - b) May 8, 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 April 30, 2024
 - b) 2025 Approval Collections and Lien Enforcement Policy
 - c) Temporary Borrowing-Property Insurance

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

United Laguna Woods Mutual
Finance Committee
Regular Open Session
May 28, 2024
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Concluding Business:

9. Committee Member Comments
10. Date of Next Meeting – Tuesday, July 30, 2024 at 1:30 p.m.
11. Recessed to closed session



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, March 26, 2024 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Mickie Choi Hoe – Chair, Thomas Tuning

DIRECTORS ABSENT: Alison Bok (excused)

ADVISORS PRESENT: Ken Benson, Eric Carlson

STAFF PRESENT: Steve Hormuth, Jose Campos, Pam Jensen, 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 January 30, 2024

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

Chair Remarks

Director Choi Hoe shared that the Finance Department has begun their busiest season starting with the 2023 Audit kick-off being performed by KPMG and 2025 Budget process preparations. Additionally, she briefly touched on the United cashflow status.

Member Comments (Items Not on the Agenda)

A member requested that staff begin to upload full agendas onto the website 4 days prior to the meeting. Steve Hormuth, Director of Financial Services, responded and shared civil code requires the agenda only be provided 4 days prior to the date of the meeting. Staff will continue to strive towards providing the full agenda packet along with the meeting notice in advance and will keep the Treasurer aware of obstacles. No further action or follow-up required.

Department Head Update

Steve Hormuth, Director of Financial Services, provided an update on the on-going 2023 Audit with KPMG, the 2025 Budget preparations and shared that staff is currently working with the Orange County Assessors Department exploring options of creating separate parcel numbers

for each manor.

Review Preliminary Financial Statements dated February 29, 2024

The committee reviewed financial statements for February 29, 2024 and questions were addressed and noted by staff.

Property Tax: Annual Tax Letter Versus Assessment

Pam Jensen, Controller, provided an informational presentation on the United Mutual Property taxes and common Property Tax facts and disclosures for the purpose to provide background on how property tax payments are made by United Mutual to the Orange County Assessor and how reimbursements are managed that are received by members (collected through assessments).

A member commented on the United reimbursements received by members and asked about the IRS code reduction Factor. Pam Jensen responded and said she will gather the information from the IRS and will email it over to the Director of Financial Services to be forwarded on via email. Secondly, the member elaborated on property tax payments and how they are calculated. The Controller and Director of Financial Services requested that the member provide staff with details pertaining to her manor to conduct research on their property tax payments collected from previous years.

A member asked if direct billing to members is being considered. Steve Hormuth responded and shared that staff is exploring options and weighing in on the pros and cons.

A member asked if there is a legal consideration as to why the HOA is paying on behalf of the member. Steve Hormuth responded stating that United pays the property tax bill since they are the owner and legalities will be discussed with the County Assessor before changes will be made (if any).

A member commented on the 2021 through 2024 property taxes noting a 6% increase from 2022 to 2023 and an 8% increase from 2023 to 2024 and asked about the calculations used by the county to determine the tax amount per unit. Pam Jensen responded stating she will delegate the question to the staff Account Specialist for clarification. Also, the member asked how property taxes are being paid for the delinquent units. Steve Hormuth responded and stated that United pays the property taxes in full with no exception.

A member asked why collected property tax payments aren't being kept in a trust account rather than keeping funds in the Operating account. Steve Hormuth responded stated that money is not required to be kept in a trust account.

A member asked if Property Taxes are divided equally among members and how manor alterations are being considered in the re-assessed value of the unit. Steve Hormuth responded and shared that when a manor is being altered and proper permits are being pulled from the city, the city will re-assess the unit based on the permits to calculate the new property value, thus the mutual will receive the information and calculate the re-assessment into the subsequent HOA payment for that particular manor.

A member asked if there are tax penalties for the manors that alternated their unit without pulling proper permits. Steve Hormuth shared that an answer will be provided in a future meeting.

Temporary Borrowing

Steve Hormuth presented a staff report requesting approval of a temporary borrowing in the amount 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 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. Director Choi Hoe moved to endorse and approve the staff's recommendation as presented. Director Thomas Tuning Seconded. Discussion ensued. The motion passed unanimously and will be presented at the upcoming board meeting.

Endorsements from Standing Committees

Landscape Committee – Approve a supplemental appropriation in the amount of \$83,385 for United Turf Reduction Projects, to be funded from the Reserve Fund. In the 2023 Business Plan, \$1,175,003 was budgeted from the Reserve Fund for turf removal, landscape modernization, and tree maintenance but due to unforeseen events and staff vacancies, \$83,385 remained unspent. The funds will be used for contracted turf reduction performed by in-house staff. Director Thomas Tuning moved to endorse and approve the staff's recommendation as presented. Director Choi Hoe Seconded. Discussion ensued. The motion passed unanimously and 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, May 28, 2024 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:36 p.m.



Mickie Choi Hoe (Apr 3, 2024 15:56 PDT)

Mickie Choi Hoe, Chair



FINANCE COMMITTEE MEETING REPORT OF THE SPECIAL OPEN SESSION

Wednesday, May 8, 2024 – 11:30 a.m.
Hybrid Meeting

DIRECTORS PRESENT: Mickie Choi Hoe – Chair, Alison Bok, Thomas Tuning

DIRECTORS ABSENT: None

ADVISORS PRESENT: Ken Benson

STAFF PRESENT: Siobhan Foster, Steve Hormuth, Jose Campos, Adam Feliz, Guy West
Karina Vargas

OTHERS PRESENT: United – Ellen Leonard, Sue Quam, Nancy Carlson, Cynthia
Rupert, Ken Benson

Call to Order

Director Mickie Choi Hoe, Treasurer, chaired the meeting and called it to order at 11:30 a.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 the Agenda

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

Chair Remarks

None

Member Comments (Items Not on the Agenda)

None

Endorsements from Standing Committees

Maintenance and Construction Committee- Adam Feliz, Maintenance and Construction Manager presented an overview of the Dry Rot Repair Program and reported that the 2024 budget has been exhausted and presented a recommendation for a Supplemental Appropriation for the Dry Rot Repair Program. Director Thomas Tuning made a motion to approve the recommended Supplemental Appropriation for Dry Rot Repair Program, President Alison Bok seconded the motion to approve, hearing no objections the motion passed unanimously.

Guy West, Projects Division Manager reported that Laguna Woods Village's unusually wet seasons in late 2023 and early 2024 have caused a surge in roof repairs, prompting a

Report of United Finance Committee Regular Open Meeting

May 8, 2024

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recommendation for additional emergency repair funds. Director Alison Bok made a motion to approve the recommended Supplemental Appropriation for Emergency Roof Repairs, Director Thomas Tuning seconded the motion to approve, hearing no objections the motion passed unanimously.

Committee Member Comments

Director Ellen Leonard asked questions of the committee about specific vendor contract details. Steve Hormuth, Director of Financial Services, requested this topic be brought up in a closed session due to the involvement of specific vendors. No further comments were addressed to the committee.

Date of Next Meeting

Tuesday, May 28, 2024 at 1:30 p.m.

Adjournment

Meeting Adjourned at 11:57a.m.

Mickie Choi Hoe

Mickie Choi Hoe (May 22, 2024 19:38 PDT)

Mickie Choi Hoe, Chair

MEMORANDUM

To: United Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: May 28, 2024
 Re: Department Head Update

Financial Highlights

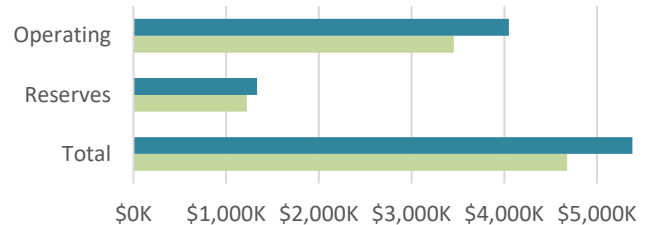
- SUMMARY:** For the year-to-date period ending April 30, 2024, United Laguna Woods Mutual was better than budget by \$1,310K primarily in compensation due to open positions. The favorable variance was furthered by the timing of outside services and materials purchases compared to the budget spread. The variance was partially offset by less damage restoration backlog revenue than anticipated at the time of budget preparation.

Assessment Revenues
 Other Revenues
 Expenses
Revenue / (Expense)

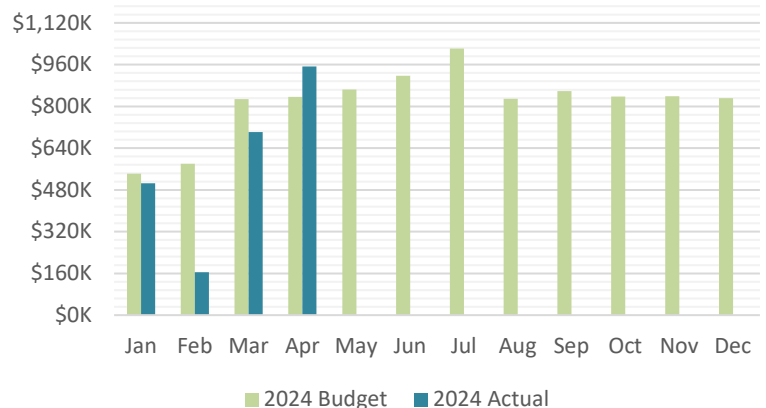
INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$17,618,818	\$17,072,044	\$546,774
Other Revenues	812,865	1,186,453	(373,588)
Expenses	17,119,825	18,256,918	1,137,122
Revenue / (Expense)	\$1,311,858	\$1,580	\$1,310,278

- COMPENSATION:** Compensation ended the period with a favorable variance of \$706K. Actual compensation and related costs came in at \$4.7 million, with \$3.5 million in operations and \$1.2 million in reserves. Combined, this category is 13.1% 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 favorable to budget by \$463K primarily in M&C and Landscape as a result of timing of expenditures compared to the annual budget spread.



Discussions

Budget: United kicked off the 2025 Business Plan development in April by holding a meeting to review current service levels. The United Board conducted a review of Version 1 of the Maintenance & Construction budget on May 23 and will review the Landscape budget on June 3. All budget meetings have been updated on the TeamUp calendar available on LagunaWoodsVillage.com.

Temporary Borrowing: On April 9, 2024 the United Board of Directors approved a temporary borrowing by transferring \$6,500,000 from the Reserve Fund to the Operating Fund for the purposes of paying the April 2024 property taxes. As of the date of this report, the balance owed from the Operating Fund to the Reserve Fund remains at \$6,500,000. Staff anticipates full repayment of the temporary borrowing by the end of October 2024 with the first planned repayment scheduled for July in the amount of \$2,000,000.

Calendar

- May 28, 2024 @ 1:30 p.m. United Finance Committee
- June 3, 2024 @ 9:30 a.m. United Budget Landscape Review (Version 1)
- June 11, 2024 @ 9:30 a.m. United Board Meeting
- June 27, 2024 @ 9:00 a.m. United Agenda Prep
- July 9, 2024 @ 9:30 a.m. United Board Meeting
- July 17, 2024 @ 1:30 p.m. United Business Plan Review (Version 2)
- July 25, 2024 @ 9:00 a.m. United Agenda Prep
- July 30, 2024 @ 1:30 p.m. United Finance Committee (June Financials)
- August 12, 2024 @ 1:30 p.m. United Business Plan Review (Version 3)
- August 13, 2024 @ 9:30 a.m. United Board Meeting
- August 22, 2024 @ 9:00 a.m. United Agenda Prep

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

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
4/30/2024
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:								
Assessments:								
1 Operating	\$3,309	\$3,173	\$137	\$13,237	\$12,691	\$547	\$12,465	\$38,071
2 Additions to restricted funds	1,095	1,095		4,381	4,381		3,977	13,144
3 Total assessments	4,405	4,268	137	17,619	17,072	547	16,442	51,215
Non-assessment revenues:								
4 Merchandise sales	1		1	4	1	3	3	3
5 Fees and charges for services to residents	60	161	(101)	313	638	(325)	209	1,929
6 Laundry	21	21		79	83	(4)	79	249
7 Investment income	49	50	(1)	212	201	10	243	603
8 Miscellaneous	56	66	(10)	205	263	(58)	183	790
9 Total non-assessment revenue	187	298	(111)	813	1,186	(374)	716	3,574
10 Total revenue	4,592	4,566	25	18,432	18,258	173	17,158	54,789
Expenses:								
11 Employee compensation and related	1,176	1,334	158	4,677	5,383	706	4,414	16,236
12 Materials and supplies	252	299	46	964	1,182	218	992	3,546
13 Community Events					1	1		2
14 Utilities and telephone	354	390	36	1,535	1,516	(19)	1,344	5,126
15 Legal fees	15	16	1	40	56	16	34	183
16 Professional fees	30	12	(18)	31	48	17	50	147
17 Equipment rental	3	4	1	9	15	6	9	45
18 Outside services	953	837	(116)	2,325	2,788	463	2,674	9,787
19 Repairs and maintenance		4	4	17	16	(2)	12	48
20 Other Operating Expense	18	19		44	60	16	48	190
21 Property and sales tax	1,290	1,119	(171)	4,813	4,476	(337)	4,595	13,428
22 Insurance	517	535	18	2,090	2,138	48	1,512	6,415
23 Uncollectible Accounts	6	2	(5)	25	7	(18)	(10)	20
24 Depreciation and amortization	12	12		46	46		51	139
25 Cost Allocations	128	130	2	503	524	21	399	1,584
26 Total expenses	4,755	4,712	(43)	17,120	18,257	1,137	16,125	56,895
27 Excess of revenues over expenses	(\$163)	(\$145)	(\$18)	\$1,312	\$2	\$1,310	\$1,033	(\$2,106)
Other Changes								
28 Total other changes								
29 Excess of revenues over expenses	(\$163)	(\$145)	(\$18)	\$1,312	\$2	\$1,310	\$1,033	(\$2,106)

United Laguna Woods Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
4/30/2024
(\$ 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	\$8,390	\$8,390					\$4,847	\$4,301	\$547	\$13,237	\$12,691	\$547
2	Additions to restricted funds				4,331	4,331		51	51		4,381	4,381	
3	Total assessments	8,390	8,390		4,331	4,331		4,898	4,351	547	17,619	17,072	547
Non-assessment revenues:													
4	Merchandise sales	4	1	3							4	1	3
5	Fees and charges for services to residents	313	638	(325)							313	638	(325)
6	Laundry	79	83	(4)							79	83	(4)
7	Investment income				212	201	10				212	201	10
8	Miscellaneous	205	263	(58)							205	263	(58)
9	Total non-assessment revenue	601	985	(384)	212	201	10				813	1,186	(374)
10	Total revenue	8,991	9,375	(384)	4,542	4,532	10	4,898	4,351	547	18,432	18,258	173
Expenses:													
11	Employee compensation and related	3,455	4,049	594	1,222	1,334	112				4,677	5,383	706
12	Materials and supplies	268	295	27	697	888	191				964	1,182	218
13	Community Events		1	1								1	1
14	Utilities and telephone	1,534	1,513	(21)	1	4	2				1,535	1,516	(19)
15	Legal fees	40	56	16							40	56	16
16	Professional fees	31	48	17							31	48	17
17	Equipment rental	2	3	1	7	12	5				9	15	6
18	Outside services	1,043	655	(389)	1,282	2,134	852				2,325	2,788	463
19	Repairs and maintenance	17	14	(3)	1	2	1				17	16	(2)
20	Other Operating Expense	36	48	12	8	11	4				44	60	16
21	Property and sales tax							4,813	4,476	(337)	4,813	4,476	(337)
22	Insurance	2,090	2,138	48							2,090	2,138	48
23	Uncollectible Accounts	25	7	(18)							25	7	(18)
24	Depreciation and amortization	46	46								46	46	
25	Cost Allocations	407	429	21	96	95	(1)				503	524	21
26	Total expenses	8,995	9,302	307	3,312	4,479	1,167	4,813	4,476	(337)	17,120	18,257	1,137
27	Excess of revenues over expenses	(\$3)	\$74	(\$77)	\$1,230	\$53	\$1,177	\$85	(\$125)	\$210	\$1,312	\$2	\$1,310
Other Changes													
28	Total other changes												
29	Excess of revenues over expenses	(\$3)	\$74	(\$77)	\$1,230	\$53	\$1,177	\$85	(\$125)	\$210	\$1,312	\$2	\$1,310

United Laguna Woods Mutual
Operating Statement - Preliminary
4/30/2024
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$6,639,909	\$6,639,909	\$0	0.00%	\$19,919,072
41007000 - Monthly Assessments - Property Taxes	4,690,073	4,300,722	389,351	9.05%	12,902,167
41007500 - Monthly Assessments - Supplemental Property Taxes	157,417	0	157,417	0.00%	0
41008000 - Monthly Assessments - Property Insurance	1,750,086	1,750,080	6	0.00%	5,250,240
Total Operating	13,237,485	12,690,711	546,774	4.31%	38,071,479
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	50,584	50,584	0	0.00%	151,752
41003500 - Monthly Assessments - Replacement Fund	4,330,749	4,330,749	0	0.00%	12,992,247
Total Additions To Restricted Funds	4,381,333	4,381,333	0	0.00%	13,143,999
Total Assessments	17,618,818	17,072,044	546,774	3.20%	51,215,478
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	4,068	952	3,116	327.18%	2,858
Total Merchandise Sales	4,068	952	3,116	327.18%	2,858
Fees and Charges for Services to Residents					
46501000 - Permit Fee	54,132	78,631	(24,500)	(31.16%)	235,895
46501500 - Inspection Fee	15,261	30,023	(14,763)	(49.17%)	90,073
46502000 - Resident Maintenance Fee	168,768	154,568	14,200	9.19%	477,890
46502999 - Resident Maintenance Fee Backlog	74,805	375,000	(300,195)	(80.05%)	1,125,000
Total Fees and Charges for Services to Residents	312,965	638,223	(325,257)	(50.96%)	1,928,857
Laundry					
46005000 - Coin Op Laundry Machine	79,196	83,000	(3,804)	(4.58%)	249,000
Total Laundry	79,196	83,000	(3,804)	(4.58%)	249,000
Investment Income					
49001000 - Investment Income	211,587	201,106	10,481	5.21%	603,319
Total Investment Income	211,587	201,106	10,481	5.21%	603,319
Miscellaneous					
46004500 - Resident Violations	825	22,500	(21,675)	(96.33%)	67,508
44501000 - Additional Occupant Fee	15,400	13,333	2,067	15.50%	40,000
44501500 - Lease Processing Fee - United	50,680	56,748	(6,068)	(10.69%)	170,255
44502000 - Variance Processing Fee	900	500	400	80.00%	1,500
44503000 - Stock Transfer Fee	2,900	8,332	(5,432)	(65.19%)	25,000
44503510 - Resale Processing Fee - United	46,110	45,264	846	1.87%	135,800
44507000 - Golf Cart Electric Fee	18,076	18,667	(591)	(3.16%)	56,000
44507200 - Electric Vehicle Plug-In Fee	16,634	6,000	10,634	177.23%	18,000
44507500 - Cartport/Carport Space Rental Fee	750	667	83	12.50%	2,000
47001500 - Late Fee Revenue	17,080	17,667	(587)	(3.32%)	53,000
47002000 - Collection Administrative Fee	75	0	75	0.00%	0
47002010 - Collection Administrative Fee - United	33,750	71,161	(37,411)	(52.57%)	213,492
47002500 - Collection Interest Revenue	251	1,000	(749)	(74.89%)	3,000
47501000 - Recycling	1,611	1,333	278	20.82%	4,000
49009000 - Miscellaneous Revenue	7	0	7	0.00%	0
Total Miscellaneous	205,049	263,172	(58,123)	(22.09%)	789,555
Total Non-Assessment Revenue	812,865	1,186,453	(373,588)	(31.49%)	3,573,589
Total Revenue	18,431,683	18,258,498	173,186	0.95%	54,789,067
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,053,740	1,160,952	107,212	9.23%	3,558,108
51021000 - Union Wages - Regular	1,501,230	2,108,743	607,513	28.81%	6,412,963

United Laguna Woods Mutual
Operating Statement - Preliminary
4/30/2024
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
51041000 - Wages - Overtime	11,334	10,495	(839)	(8.00%)	31,493
51051000 - Union Wages - Overtime	33,176	31,423	(1,753)	(5.58%)	94,313
51061000 - Holiday & Vacation	336,503	276,249	(60,254)	(21.81%)	842,718
51071000 - Sick	87,383	112,680	25,297	22.45%	343,740
51081000 - Sick - Part Time	0	14	14	100.00%	43
51091000 - Missed Meal Penalty	1,425	1,641	216	13.17%	4,951
51101000 - Temporary Help	43,402	30,831	(12,571)	(40.77%)	92,495
51981000 - Compensation Accrual	258,731	0	(258,731)	0.00%	0
Total Employee Compensation	3,326,924	3,733,028	406,104	10.88%	11,380,825
Compensation Related					
52411000 - F.I.C.A.	227,584	279,885	52,300	18.69%	849,339
52421000 - F.U.I.	7,200	10,498	3,297	31.41%	10,498
52431000 - S.U.I.	25,263	53,313	28,050	52.61%	53,313
52441000 - Union Medical	578,568	684,701	106,134	15.50%	2,054,104
52451000 - Workers' Compensation Insurance	165,605	213,190	47,585	22.32%	649,264
52461000 - Non Union Medical & Life Insurance	125,947	140,829	14,881	10.57%	422,486
52471000 - Union Retirement Plan	155,224	216,848	61,624	28.42%	659,579
52481000 - Non-Union Retirement Plan	30,432	50,946	20,514	40.27%	156,255
52981000 - Compensation Related Accrual	34,661	0	(34,661)	0.00%	0
Total Compensation Related	1,350,484	1,650,209	299,725	18.16%	4,854,838
Materials and Supplies					
53001000 - Materials & Supplies	175,360	244,448	69,088	28.26%	731,062
53003000 - Materials Direct	787,979	936,724	148,745	15.88%	2,810,649
53004000 - Freight	1,132	1,256	124	9.86%	3,820
Total Materials and Supplies	964,471	1,182,428	217,957	18.43%	3,545,530
Community Events					
53201000 - Community Events	0	798	798	100.00%	2,400
Total Community Events	0	798	798	100.00%	2,400
Utilities and Telephone					
53301000 - Electricity	64,612	71,537	6,925	9.68%	161,117
53301500 - Sewer	590,482	528,800	(61,682)	(11.66%)	1,625,400
53302000 - Water	473,925	521,100	47,175	9.05%	2,154,860
53302500 - Trash	405,712	394,581	(11,131)	(2.82%)	1,183,743
53304000 - Telephone	551	260	(291)	(112.00%)	780
Total Utilities and Telephone	1,535,282	1,516,278	(19,005)	(1.25%)	5,125,900
Legal Fees					
53401500 - Legal Fees	35,732	56,058	20,326	36.26%	183,325
53401550 - Legal Fees Contra	4,608	0	(4,608)	0.00%	0
Total Legal Fees	40,340	56,058	15,718	28.04%	183,325
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	27,600	16,664	(10,936)	(65.63%)	50,000
53403500 - Consulting Fees	153	5,271	5,119	97.11%	18,548
53403510 - Consulting Fees - United	2,750	25,996	23,246	89.42%	78,000
Total Professional Fees	30,503	47,931	17,429	36.36%	146,548
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	8,946	15,438	6,492	42.05%	45,411
Total Equipment Rental	8,946	15,438	6,492	42.05%	45,411
Outside Services					
53601000 - Bank Fees	2	0	(2)	0.00%	0
53601500 - Credit Card Transaction Fees	4,109	3,333	(776)	(23.27%)	10,000
54603500 - Outside Services Cost Collection	2,250,799	2,733,188	482,389	17.65%	9,615,143
53704000 - Outside Services	70,031	51,545	(18,486)	(35.86%)	161,742
Total Outside Services	2,324,941	2,788,067	463,125	16.61%	9,786,885
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	601	3,848	3,247	84.37%	11,592
53703000 - Elevator /Lift Maintenance	16,815	12,022	(4,793)	(39.87%)	36,067

United Laguna Woods Mutual
Operating Statement - Preliminary
4/30/2024
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Total Repairs and Maintenance	17,416	15,870	(1,546)	(9.74%)	47,659
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,124	2,191	1,067	48.71%	6,564
53801500 - Travel & Lodging	0	258	258	100.00%	774
53802000 - Uniforms	23,251	28,501	5,250	18.42%	95,128
53802500 - Dues & Memberships	1,206	887	(318)	(35.89%)	2,297
53803000 - Subscriptions & Books	609	492	(118)	(23.90%)	1,479
53803500 - Training & Education	461	7,244	6,784	93.64%	24,092
53903000 - Safety	127	350	223	63.59%	1,054
54001000 - Board Relations	10	0	(10)	0.00%	0
54001010 - Board Relations - United	1,880	3,332	1,452	43.57%	10,000
54002000 - Postage	14,855	16,476	1,621	9.84%	48,577
54002500 - Filing Fees / Permits	305	110	(195)	(176.43%)	342
Total Other Operating Expense	43,827	59,841	16,013	26.76%	190,306
Income Taxes					
54301000 - State & Federal Income Taxes	69	0	(69)	0.00%	0
Total Income Taxes	69	0	(69)	0.00%	0
Property and Sales Tax					
54302000 - Property Taxes	4,812,621	4,475,963	(336,658)	(7.52%)	13,427,890
Total Property and Sales Tax	4,812,621	4,475,963	(336,658)	(7.52%)	13,427,890
Insurance					
54401000 - Hazard & Liability Insurance	337,744	362,553	24,809	6.84%	1,087,661
54401500 - D&O Liability	20,996	24,445	3,449	14.11%	73,337
54402000 - Property Insurance	1,730,809	1,749,992	19,183	1.10%	5,250,236
54403000 - General Liability Insurance	628	1,221	593	48.56%	3,664
Total Insurance	2,090,177	2,138,211	48,034	2.25%	6,414,899
Uncollectible Accounts					
54602000 - Bad Debt Expense	24,610	6,667	(17,943)	(269.15%)	20,000
Total Uncollectible Accounts	24,610	6,667	(17,943)	(269.15%)	20,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	46,333	46,333	0	0.00%	138,998
Total Depreciation and Amortization	46,333	46,333	0	0.00%	138,998
Cost Allocations					
54602500 - Allocated Expenses	502,880	523,827	20,947	4.00%	1,583,917
Total Cost Allocations	502,880	523,827	20,947	4.00%	1,583,917
Total Expenses	17,119,825	18,256,948	1,137,122	6.23%	56,895,331
Excess of Revenues Over Expenses Before Other Changes	\$1,311,858	\$1,550	\$1,310,308	84533.15%	(\$2,106,264)
Other Changes					
54101000 - (Gain)/Loss - Warehouse Sales	0	(30)	(30)	(100.00%)	(90)
Total Other Changes	0	30	(30)	(100.00%)	90
Excess of Revenues Over Expenses	\$1,311,858	\$1,580	\$1,310,278	82926.24%	(\$2,106,174)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
4/30/2024**

		<u>Current Month End</u>	<u>Prior Year Same Period</u>	<u>Prior Year December 31</u>
	Assets			
1	Cash and cash equivalents	\$1,517,960	\$1,241,947	\$739,165
2	Investments	12,257,039	16,298,897	14,529,786
3	Receivable/(Payable) from mutuals	214,992	(131,817)	(1,029,842)
4	Accounts receivable	834,054	546,371	1,092,125
5	Prepaid expenses and deposits	5,004,609	4,114,901	4,241,957
6	Property and equipment	91,989,605	91,989,605	91,989,605
7	Accumulated depreciation property and equipment	(83,769,461)	(83,766,398)	(83,768,440)
8	Beneficial interest in GRF of Laguna Hills Trust	5,079,420	5,210,557	5,124,732
9	Non-controlling interest in GRF	43,803,096	43,803,096	43,803,096
10	Total Assets	<u>\$76,931,314</u>	<u>\$79,307,159</u>	<u>\$76,722,184</u>
	Liabilities and Fund Balances			
	Liabilities:			
11	Accounts payable and accrued expenses	\$1,545,100	\$1,711,869	\$2,801,739
12	Accrued compensation and related costs	528,432	551,668	528,432
13	Deferred income	996,090	934,170	842,178
14	Asset retirement obligation	1,583,198	1,479,624	1,583,198
15	Total liabilities	<u>\$4,652,820</u>	<u>\$4,677,331</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	1,311,858	1,033,263	(2,629,928)
18	Total fund balances	<u>72,278,494</u>	<u>74,629,827</u>	<u>70,966,637</u>
19	Total Liabilities and Fund Balances	<u>\$76,931,314</u>	<u>\$79,307,159</u>	<u>\$76,722,184</u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
4/30/2024**

	Operating Fund	Replacement Fund	Contingency Fund	Property Taxes Fund	Total
Assets					
1 Cash and cash equivalents	\$1,342,760	\$175,200			\$1,517,960
2 Investments		12,257,039			12,257,039
3 Receivable/(Payable) from mutuals	214,992				214,992
4 Receivable/(Payable) from operating fund	(4,816,864)	6,990,631	1,240,231	(3,413,997)	
5 Accounts receivable	652,691	88,917		92,698	834,306
6 Prepaid expenses and deposits	2,664,295	2,520		2,337,794	5,004,609
7 Property and equipment	91,989,605				91,989,605
8 Accumulated depreciation property and equipment	(83,769,461)				(83,769,461)
9 Beneficial interest in GRF of Laguna Hills Trust	5,079,420				5,079,420
10 Non-controlling interest in GRF	43,803,096				43,803,096
11 Total Assets	<u>\$57,160,535</u>	<u>\$19,514,307</u>	<u>\$1,240,231</u>	<u>(\$983,506)</u>	<u>\$76,931,567</u>
Liabilities and Fund Balances					
Liabilities:					
12 Accounts payable and accrued expenses	\$111,166	\$1,433,934			\$1,545,100
13 Accrued compensation and related costs	528,432				528,432
14 Deferred income	996,343				996,343
15 Asset retirement obligation		1,583,198			1,583,198
16 Total liabilities	<u>\$1,635,940</u>	<u>\$3,017,133</u>			<u>\$4,653,073</u>
Fund balances:					
17 Fund balance prior years	55,528,068	15,267,296	1,189,647	(1,018,375)	70,966,637
18 Change in fund balance - current year	(3,474)	1,229,878	50,584	34,869	1,311,858
19 Total fund balances	<u>55,524,595</u>	<u>16,497,174</u>	<u>1,240,231</u>	<u>(983,506)</u>	<u>72,278,494</u>
20 Total Liabilities and Fund Balances	<u>\$57,160,535</u>	<u>\$19,514,307</u>	<u>\$1,240,231</u>	<u>(\$983,506)</u>	<u>\$76,931,567</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
4/30/2024

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Revenues:					
Assessments:					
1 Operating	\$8,389,994			\$4,847,491	\$13,237,485
2 Additions to restricted funds		4,330,749	50,584		4,381,333
3 Total assessments	<u>8,389,994</u>	<u>4,330,749</u>	<u>50,584</u>	<u>4,847,491</u>	<u>17,618,818</u>
Non-assessment revenues:					
4 Merchandise sales	4,068				4,068
5 Fees and charges for services to residents	312,965				312,965
6 Laundry	79,196				79,196
7 Investment income		211,587			211,587
8 Miscellaneous	205,049				205,049
9 Total non-assessment revenue	<u>601,278</u>	<u>211,587</u>			<u>812,865</u>
10 Total revenue	<u>8,991,272</u>	<u>4,542,336</u>	<u>50,584</u>	<u>4,847,491</u>	<u>18,431,683</u>
Expenses:					
11 Employee compensation and related	3,455,479	1,221,929			4,677,408
12 Materials and supplies	267,614	696,857			964,471
13 Utilities and telephone	1,534,091	1,192			1,535,282
14 Legal fees	40,340				40,340
15 Professional fees	30,503				30,503
16 Equipment rental	2,435	6,511			8,946
17 Outside services	1,043,117	1,281,825			2,324,941
18 Repairs and maintenance	16,902	514			17,416
19 Other Operating Expense	35,894	7,933			43,827
20 Income taxes	69				69
21 Property and sales tax				4,812,621	4,812,621
22 Insurance	2,090,177				2,090,177
23 Uncollectible Accounts	24,610				24,610
24 Depreciation and amortization	46,333				46,333
25 Cost Allocations	407,183	95,697			502,880
26 Total expenses	<u>8,994,746</u>	<u>3,312,458</u>		<u>4,812,621</u>	<u>17,119,825</u>
27 Excess of revenues over expenses before other changes	<u>(\$3,474)</u>	<u>\$1,229,878</u>	<u>\$50,584</u>	<u>\$34,869</u>	<u>\$1,311,858</u>
28 Excess of revenues over expenses excluding depreciation before other changes	<u>\$42,859</u>	<u>\$1,229,878</u>	<u>\$50,584</u>	<u>\$34,869</u>	<u>\$1,358,191</u>
Other Changes:					
29 Total other changes					
30 Excess of revenues over expenses after other changes	<u>(\$3,474)</u>	<u>\$1,229,878</u>	<u>\$50,584</u>	<u>\$34,869</u>	<u>\$1,311,858</u>
31 Excluding unrealized gains and depreciation	<u>\$42,859</u>	<u>\$1,229,878</u>	<u>\$50,584</u>	<u>\$34,869</u>	<u>\$1,358,191</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY INVESTMENTS
SCHEDULE OF INVESTMENTS
4/30/2024**

								4/30/2024	
I.D. NO.	DESCRIPTION	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
I1: HELD FOR SHORT TERM: BANK OF AMERICA									
I2: HELD FOR LONG TERM: JP MORGAN									
91282CCT6	U.S. TREASURY NOTE	11-25-22	08-15-24	1,855,000.00	4.570%	1,720,056.76	1,832,091.96	1,828,406.83	(3,685.13)
9128283P3	U.S. TREASURY NOTE	03-27-23	12-31-24	2,050,000.00	3.800%	1,996,187.50	2,027,985.76	2,008,939.94	(19,045.82)
91282CGN5	U.S. TREASURY NOTE	05-18-23	02-28-25	2,528,000.00	4.625%	2,545,380.00	2,535,900.00	2,514,323.12	(21,576.88)
16514QBG1	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.400%	250,005.00	250,004.28	250,166.69	162.41
108622NX5	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.400%	250,005.00	250,004.28	250,166.69	162.41
064180BA9	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	5.400%	250,005.00	250,004.28	250,199.04	194.76
697759AW8	CERTIFICATE OF DEPOSIT	08-25-23	09-07-28	250,000.00	5.400%	250,005.00	250,004.28	250,199.04	194.76
46656MLM1	CERTIFICATE OF DEPOSIT	08-25-23	08-30-28	250,000.00	5.700%	250,005.00	250,004.28	250,799.05	794.77
565402AN4	CERTIFICATE OF DEPOSIT	08-25-23	09-01-28	250,000.00	5.450%	250,005.00	250,004.28	250,177.42	173.14
32056VAN7	CERTIFICATE OF DEPOSIT	08-25-23	08-31-28	250,000.00	5.400%	250,005.00	250,004.28	250,646.85	642.57
912797HP5	U.S. TREASURY BILL	02-28-24	11-29-24	35,000.00	5.031%	33,766.87	34,040.93	33,948.83	(92.10)
32022WCU8	CERTIFICATE OF DEPOSIT	11-01-23	11-02-28	250,000.00	5.718%	250,000.00	250,000.00	251,335.33	1,335.33
87164Y3S1	CERTIFICATE OF DEPOSIT	11-01-23	11-03-27	250,000.00	5.050%	250,000.00	250,000.00	252,618.71	2,618.71
06051XAU6	CERTIFICATE OF DEPOSIT	02-23-24	02-28-25	250,000.00	5.100%	250,000.00	250,000.00	249,670.10	(329.90)
45332WBV4	CERTIFICATE OF DEPOSIT	02-23-24	05-29-25	250,000.00	5.000%	250,000.00	250,000.00	249,609.42	(390.58)
91282CHN4	U.S. TREASURY NOTE	11-03-23	07-31-25	12,000.00	4.834%	11,982.66	11,987.88	11,935.78	(52.10)
58958PMY7	CERTIFICATE OF DEPOSIT	02-26-24	08-29-25	250,000.00	5.000%	250,000.00	250,000.00	249,700.43	(299.57)
00833JAU5	CERTIFICATE OF DEPOSIT	02-23-24	12-08-25	250,000.00	4.670%	250,000.00	250,000.00	248,475.88	(1,524.12)
05610LGM0	CERTIFICATE OF DEPOSIT	02-23-24	03-02-26	250,000.00	4.740%	250,000.00	250,000.00	248,892.67	(1,107.33)
20349NAA5	CERTIFICATE OF DEPOSIT	02-26-24	03-06-26	250,000.00	4.750%	250,000.00	250,000.00	248,736.23	(1,263.77)
60425SLK3	CERTIFICATE OF DEPOSIT	02-26-24	06-05-26	250,000.00	4.700%	250,000.00	250,000.00	248,715.56	(1,284.44)
15721UGD5	CERTIFICATE OF DEPOSIT	02-26-24	03-05-27	250,000.00	4.430%	250,000.00	250,000.00	247,661.85	(2,338.15)
61690DGU6	CERTIFICATE OF DEPOSIT	11-01-23	11-08-27	250,000.00	5.050%	250,000.00	250,000.00	252,638.77	2,638.77
254676BQ1	CERTIFICATE OF DEPOSIT	11-03-23	11-08-27	250,000.00	5.050%	250,000.00	250,000.00	252,638.77	2,638.77
31810PCB3	CERTIFICATE OF DEPOSIT	11-01-23	11-10-28	250,000.00	5.800%	250,000.00	250,000.00	250,330.99	330.99
33610RUX9	CERTIFICATE OF DEPOSIT	11-01-23	11-10-27	250,000.00	5.000%	250,000.00	250,000.00	252,245.64	2,245.64
671082CK9	CERTIFICATE OF DEPOSIT	11-01-23	11-10-28	250,000.00	5.700%	250,000.00	250,000.00	250,303.35	303.35
307811HX0	CERTIFICATE OF DEPOSIT	11-03-23	11-15-27	250,000.00	5.500%	250,000.00	250,000.00	252,925.58	2,925.58
938828CZ1	CERTIFICATE OF DEPOSIT	12-15-23	12-15-28	23,000.00	5.400%	23,000.00	23,000.00	23,114.42	114.42
549104D87	CERTIFICATE OF DEPOSIT	01-03-24	01-19-29	40,000.00	4.500%	40,000.00	40,000.00	39,852.74	(147.26)
200AV4004	MONEY MARKET	08-25-23		2,002.55	0.010%	2,002.55	2,002.55	2,002.55	(0.00)
				12,295,002.55		12,122,411.34	12,257,039.04	12,221,378.27	(35,660.77)
TOTAL FOR BANK OF AMERICA INVESTMENTS				\$12,295,002.55		\$12,122,411.34	\$12,257,039.04	\$12,221,378.27	(\$35,660.77)

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION								
PLUMBING SERVICE	\$202,540	\$134,677	\$734,746	\$542,279	\$1,631,374	45%	(\$192,467)	(35%)
DAMAGE RESTORATION	91,166	75,415	368,423	301,660	905,000	41%	(66,763)	(22%)
CARPENTRY SERVICE	50,993	54,163	203,443	218,479	657,845	31%	15,036	7%
ELECTRICAL SERVICE	22,366	28,139	87,395	113,549	341,905	26%	26,155	23%
APPLIANCE REPAIRS	22,898	26,523	88,274	106,949	321,990	27%	18,675	17%
INTERIOR PREVENTIVE MAINTENANCE	16,993	28,086	68,522	113,376	341,440	20%	44,854	40%
PEST CONTROL	0	6,435	(7,842)	23,115	270,541	(3%)	30,957	134%
COUNTERTOP/FLOOR/TILE REPAIRS	10,160	12,714	37,675	51,247	154,355	24%	13,572	26%
ENERGY PROGRAM	4,975	3,000	8,992	12,000	36,000	25%	3,008	25%
MISC. REPAIRS BY OUTSIDE SERVICE	725	1,666	1,625	6,664	20,000	8%	5,039	76%
FIRE PROTECTION	2,883	3,099	13,553	12,433	37,348	36%	(1,120)	(9%)
TOTAL	\$425,699	\$373,917	\$1,604,806	\$1,501,752	\$4,717,797	34%	(\$103,055)	(7%)
OPERATING EXPENDITURES - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$30,541	\$34,709	\$110,949	\$140,105	\$421,763	26%	\$29,156	21%
JANITORIAL SERVICE	35,835	43,139	153,288	174,946	524,467	29%	21,658	12%
GUTTER CLEANING	3,366	14,084	13,095	56,499	169,679	8%	43,404	77%
WELDING	7,733	10,376	30,457	41,872	126,053	24%	11,415	27%
TRAFFIC CONTROL	1,179	1,304	4,549	5,268	15,863	29%	719	14%
TOTAL	\$78,653	\$103,611	\$312,338	\$418,689	\$1,257,826	25%	\$106,352	25%
OPERATING EXPENDITURES - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$28,700	\$29,020	\$114,330	\$116,237	352,686	32%	\$1,907	2%
NURSERY & COMPOSTING	14,498	14,458	59,432	58,266	176,055	34%	(1,166)	(2%)
GROUND MAINTENANCE	196,320	251,046	879,443	1,017,101	3,064,085	29%	137,658	14%
IRRIGATION	55,496	66,430	178,050	267,864	808,269	22%	89,815	34%
SMALL EQUIPMENT REPAIR	14,418	17,471	66,221	70,481	212,462	31%	4,261	6%
PEST CONTROL	22,924	26,196	101,503	105,672	318,843	32%	4,169	4%
TOTAL	\$332,356	\$404,620	\$1,398,978	\$1,635,620	\$4,932,400	28%	\$236,642	14%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$84,622	\$132,668	\$463,263	\$520,994	\$1,634,468	28%	\$57,731	11%
ELECTRICAL SYSTEMS	0	43,702	80,316	174,808	524,435	15%	94,492	54%
EXTERIOR WALKWAY LIGHTING	3,360	5,387	7,467	21,573	64,760	12%	14,106	65%
FOUNDATIONS	0	8,687	0	8,687	43,436	0%	8,687	100%
GUTTER REPLACEMENT	4,626	9,641	19,373	38,745	116,486	17%	19,373	50%
PAINT - EXTERIOR	121,734	144,091	469,000	581,441	1,749,510	27%	112,441	19%
PRIOR TO PAINT	76,715	85,199	298,435	343,362	1,033,447	29%	44,927	13%
PLUMBING	17,142	28,549	72,509	114,876	345,510	21%	42,367	37%
PAVING	0	0	0	0	394,207	0%	0	100%
ROOF REPLACEMENTS	37,579	131,636	176,256	473,405	1,318,468	13%	297,149	63%
WALL REPLACEMENT	0	2,916	0	11,664	35,000	0%	11,664	100%
WASTE LINE REMEDIATION	173,964	230,000	506,961	460,000	2,300,000	22%	(46,961)	(10%)
WATER LINE - COPPER PIPE REMEDIATION	7,808	16,667	8,808	66,668	100,000	9%	57,860	87%
WINDOW/SLIDING SCREEN DOOR	4,636	12,593	24,860	50,556	151,910	16%	25,696	51%
SUPPLEMENTAL APPROPRIATION	0	0	0	0	0	0%	0	0%
SUB-TOTAL	\$532,188	\$851,736	\$2,127,248	\$2,866,778	\$9,811,637	22%	\$739,531	26%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$10,184	\$5,817	\$45,287	\$23,311	\$69,996	65%	(\$21,977)	(94%)
DISHWASHERS	11,151	8,088	38,172	32,452	97,499	39%	(5,720)	(18%)
BASINS/SINKS/TOILETS	14,927	19,823	55,403	79,491	238,752	23%	24,088	30%
GARBAGE DISPOSALS	10,224	10,362	41,677	41,628	125,123	33%	(49)	(0%)
HOODS	2,533	3,285	7,304	13,182	39,610	18%	5,879	45%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	108,064	129,549	278,467	519,649	1,561,145	18%	241,181	46%
OVENS	21,914	11,404	72,797	45,659	137,036	53%	(27,139)	(59%)
RANGES	1,680	1,024	5,432	4,117	12,389	44%	(1,315)	(32%)
REFRIGERATORS	10,793	18,473	52,315	74,043	222,337	24%	21,728	29%
WATER HEATERS & PERMITS	85,321	62,996	303,563	252,925	759,990	40%	(50,639)	(20%)
DRYERS	25,738	3,176	31,145	12,716	38,163	82%	(18,429)	(145%)
WASHING MACHINES	29,983	7,582	72,346	30,356	91,112	79%	(41,990)	(138%)
SUB-TOTAL	\$332,513	\$281,579	\$1,003,910	\$1,129,528	\$3,393,149	30%	\$125,618	11%
TOTAL	\$864,701	\$1,133,315	\$3,131,157	\$3,996,306	\$13,204,786	24%	\$865,149	22%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2024**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2024	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$720	\$899	\$2,803	\$3,631	\$10,933	26%	\$829	23%
PAVING	3,614	4,571	14,060	18,458	55,591	25%	4,399	24%
WALL REPLACEMENT	0	1,282	0	5,128	15,400	0%	5,128	100%
TOTAL	\$4,334	\$6,752	\$16,862	\$27,218	\$81,925	21%	\$10,355	38%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
SLOPE RENOVATION	\$9,030	\$9,118	\$33,734	\$36,543	\$109,792	31%	\$2,809	8%
IMPROVEMENTS & RESTORATION	69	16,040	53,498	64,997	195,857	27%	11,499	18%
TREE MAINTENANCE	82,762	88,254	228,087	354,233	1,065,281	21%	126,146	36%
SUPPLEMENTAL APPROPRIATION	13,696	13,696	49,119	49,119	49,119	100%	0	0%
TOTAL	\$105,558	\$127,108	\$364,439	\$504,892	\$1,420,049	26%	\$140,453	28%
PROPERTY TAXES FUND - NON WORK CENTER								
PROPERTY TAXES	1,168,457	1,118,991	4,812,621	4,475,963	13,427,890	36%	(336,658)	(8%)
TOTAL	\$1,168,457	\$1,118,991	\$4,812,621	\$4,475,963	\$13,427,890	36%	(\$336,658)	(8%)

**RESERVES EXPENDITURES COMPARED TO RESERVE STUDY
AS PRESENTED IN THE 2024 BUSINESS PLAN
AS OF APRIL 30, 2024**

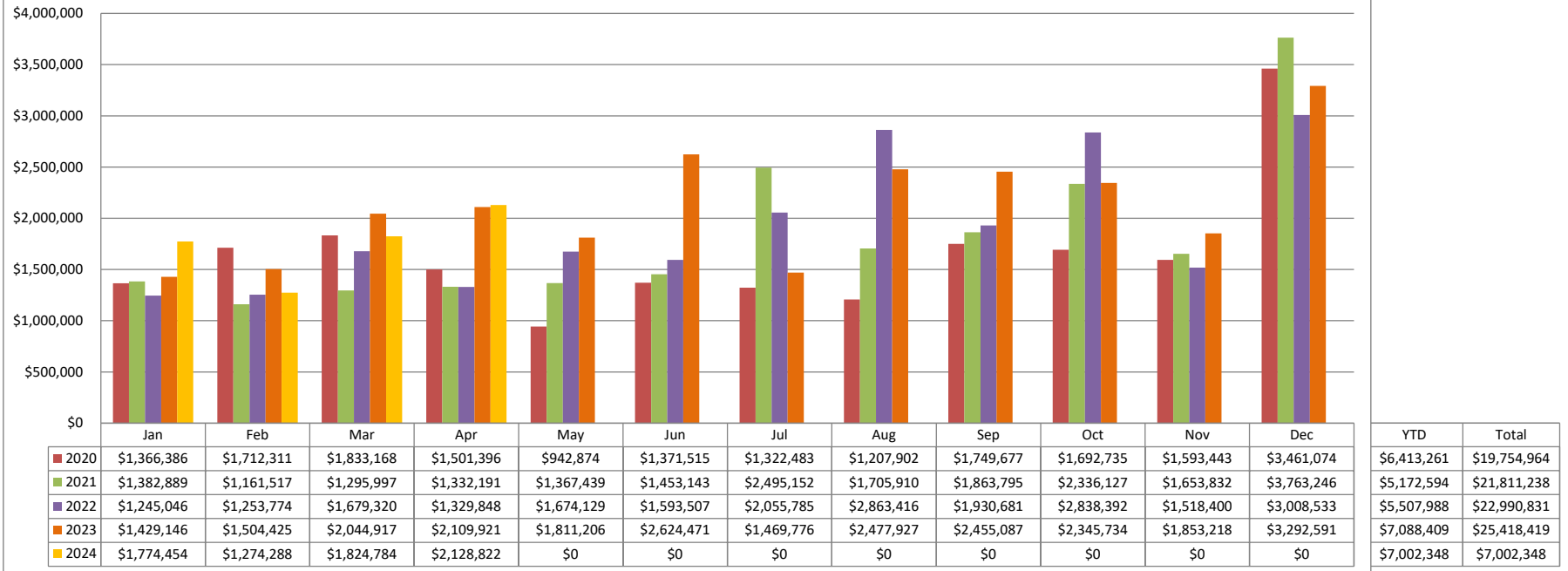
	2024	2024	2024	2024	2024
	YTD Actual	YTD Budget	YTD Variance	Annual Budget	% Expended
Paving	\$0	\$0	\$0	\$244,207	0%
Asphalt & Concrete Repair/Replace	14,060	18,458	4,399	205,591	7%
Roofs - Built-Up	176,256	390,073	213,817	1,068,468	16%
Roofs - Comp Shingle	0	83,332	83,332	250,000	0%
Roofs - Tile	0	0	0	0	0%
Infrastructure/Buildings	308,097	327,647	19,550	1,004,286	31%
Carport Siding Renovation	0	0	0	0	0%
Manor Components	893,147	1,074,909	181,763	3,239,957	28%
Lighting & Electrical	87,783	193,237	105,454	579,760	15%
Laundry Rooms	110,763	54,168	(56,595)	162,630	68%
Off Cycle Decking	42,019	47,846	5,827	144,053	29%
Prior To Painting	259,219	299,147	39,929	900,327	29%
Interior & Exterior Painting	469,000	581,441	112,441	1,749,510	27%
Walls, Fencing, Railings & Gates	0	16,792	16,792	50,400	0%
Grounds & Miscellaneous	315,319	455,773	140,453	1,370,930	23%
Building Structures	199,399	291,335	91,936	942,014	21%
Plumbing	588,278	641,544	53,266	2,745,510	21%
Total	\$3,463,339	\$4,475,702	\$1,012,363	\$14,657,642	24%

United Laguna Woods Mutual
Fund Expenditures Schedule
Period Ending: 4/30/2024

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	\$5,139	\$97,490	\$102,629	\$58,051
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
Turf Reduction (2024)	01-24-35	\$83,385	\$0	\$0	\$0	\$83,385
Dry Rot Repairs	01-24-48	\$500,000	\$0	\$0	\$0	\$500,000
Emergency Roof Repairs	01-24-49	\$121,445	\$0	\$0	\$0	\$121,445
Common Area Patio Furniture	01-21-78b	\$3,821	\$0	\$0	\$0	\$3,821
Turf Reduction (2023)	01-23-08	\$189,480	\$49,119	\$158,246	\$207,365	\$0
Shepherd's Crook Installation	01-23-09	\$40,000	\$0	\$35,351	\$35,351	\$4,649
Total		\$1,190,227	\$54,258	\$291,088	\$345,346	\$862,766

*Incurred To Date

United Mutual Employee Compensation, Related, and Outside Services

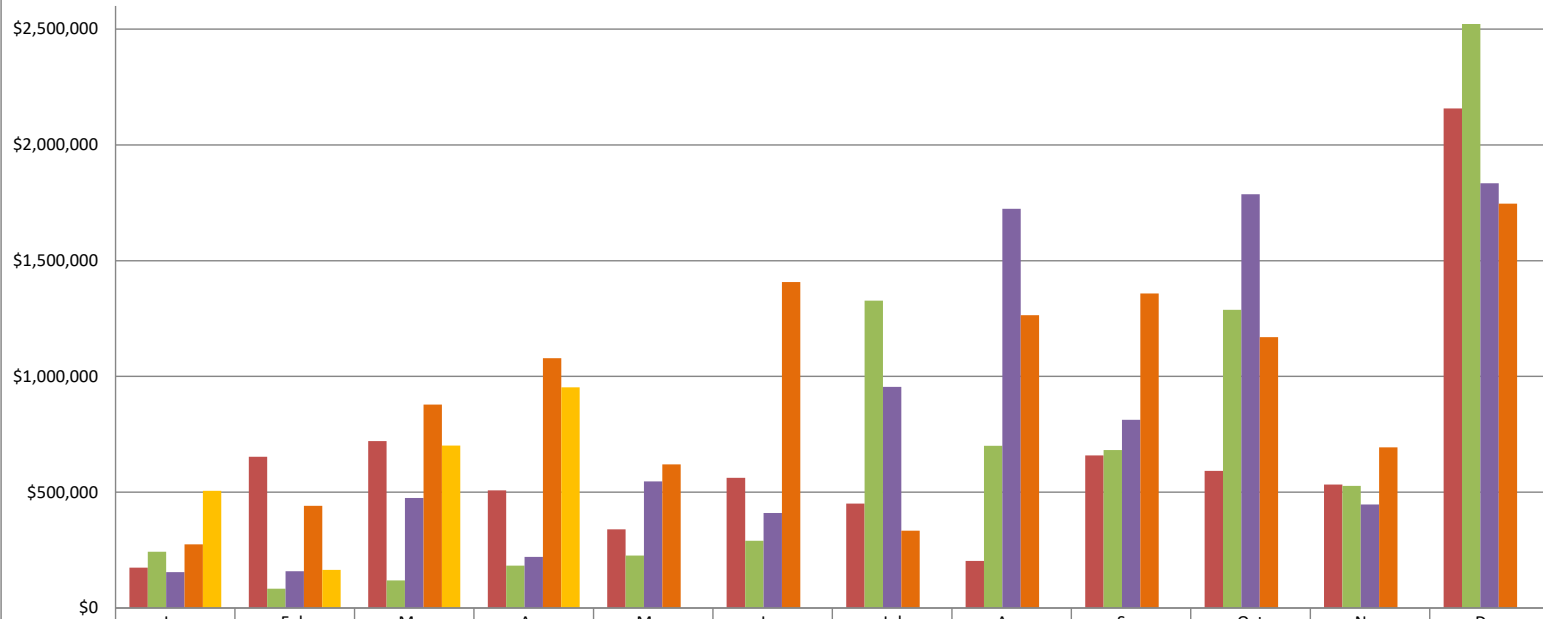


United Mutual Employee Compensation & Related



YTD	Total
\$4,357,232	\$12,200,870
\$4,544,291	\$13,618,918
\$4,499,050	\$13,464,686
\$4,414,050	\$14,150,863
\$4,677,407	\$4,677,407

United Mutual Outside Services



YTD	Total
\$2,056,029	\$7,554,094
\$628,303	\$8,192,320
\$1,008,938	\$9,526,145
\$2,674,359	\$11,267,556
\$2,324,941	\$2,324,941



STAFF REPORT

DATE: May 28, 2024
FOR: Finance Committee
SUBJECT: 2025 Collection and Lien Enforcement Policy

RECOMMENDATION

Staff recommends approval of the proposed 2025 Collection and Lien Enforcement Policy (ATT1).

BACKGROUND

United residents receive a copy of the upcoming year's Collection and Lien Enforcement Policy in accordance with Civil Code 5310(a)(6):

Within 30 – 90 day before the end of its fiscal year, the board shall distribute an annual policy statement that provides the members with information about association policies. The annual policy statement shall include all of the following information:

(6) The statement of assessment collections policies required by Section 5730.

As part of the review of the Collection and Lien Enforcement Policy, it should be noted that Civil Code Section 5650(b)(1) regulates the amount an association may set for delinquent assessments. Specifically, late fees may not exceed 10% of the delinquent assessment.

DISCUSSION

Per staff research and confirmation from United's legal counsel, there have been no law changes affecting assessment collection policies. Therefore, the content of the policy remains consistent with the 2024 Collection and Lien Enforcement Policy with three exceptions. The three changes highlighted in the redline version of the policy (ATT2) are:

- 1) An update of the title from 2024 to 2025
- 2) A recommended increase in the administrative collection fee from \$200 to \$500
- 3) A recommended increase in the assessment late charge from \$50.00 to 10% of the monthly total basic assessment

FINANCIAL ANALYSIS

On average, United submits 4 delinquent accounts for collections per month and has approximately 120 late charges. An adoption of the increased administrative collection fee of \$300 (\$500 - \$200) would equal an estimated \$14,400 of additional revenue annually to offset

the costs associated with collection activities. As the 2025 Business Plan will not be approved until September 2024, staff estimates an adoption of the 10% late fee would contribute additional annual revenue of between \$23,000 to \$38,500, assuming a monthly assessment of between \$663.98 and \$768.00.

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Pam Jensen, Controller

Attachments:

ATT1: 2025 Collection and Lien Enforcement Policy (Clean)
ATT2: 2025 Collection and Lien Enforcement Policy (Redline)



YEAR 2025 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

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

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

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

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER A LIEN IS RECORDED AGAINST YOUR LEASEHOLD INTEREST DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL SHAREHOLDERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United’s managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The

policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

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

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Five Hundred Dollars (\$500) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the

books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in an amount equal to ten percent (10%) of the delinquent assessment, consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing

and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

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

7. Inspection of Books and Records. A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

8. Application of Payments. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

11. Right to Dispute the Debt. A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Internal Dispute Resolution ("IDR"). Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders, and if so requested by a Shareholder, participation in internal dispute resolution ("IDR") pursuant to United's "meet and confer" program.

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

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

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

16. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the

Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

17. Release of Lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.

18. No Right of Offset. There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.

19. Returned Checks. United may charge the Shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

20. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

21. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual

delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

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

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

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

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**



NOTICE ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a Unit as evidenced by a stock certificate), the Association (United) must provide the shareholder with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the shareholder. A shareholder has a right to review the Association's (United's) records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil

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

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

MEETINGS AND PAYMENT PLANS

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

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



**YEAR ~~2024~~ 2025 COLLECTION AND LIEN ENFORCEMENT
POLICY AND PROCEDURES FOR ASSESSMENT
DELINQUENCIES**

PURPOSE STATEMENT

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

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

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

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER A LIEN IS RECORDED AGAINST YOUR LEASEHOLD INTEREST DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL SHAREHOLDERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United’s managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly

assessments United employs the following collection and lien enforcement procedures. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

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

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of ~~Two~~ Five Hundred Dollars (~~\$200~~500) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-

class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in ~~the an~~ amount equal to ten percent (10%) of the delinquent assessment of Fifty Dollars (\$50.00), ~~which amount is~~ consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If

United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

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

7. Inspection of Books and Records. A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

8. Application of Payments. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

11. Right to Dispute the Debt. A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Internal Dispute Resolution ("IDR"). Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders, and if so requested by a Shareholder, participation in internal dispute resolution ("IDR") pursuant to United's "meet and confer" program.

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

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

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

16. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), or to pursue any other discipline set forth in United's governing documents,

including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

17. Release of Lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.

18. No Right of Offset. There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.

19. Returned Checks. United may charge the Shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

20. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

21. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the

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

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

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

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

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**



NOTICE ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a Unit as evidenced by a stock certificate), the Association (United) must provide the shareholder with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the shareholder. A shareholder has a right to review the Association's (United's) records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil

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

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

MEETINGS AND PAYMENT PLANS

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

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



STAFF REPORT

DATE: May 28, 2024
FOR: Finance Committee
SUBJECT: Temporary Borrowing – Property Insurance

RECOMMENDATION

Staff recommends the Finance Committee endorse and the Board approve an additional temporary borrowing of \$1,000,000 by the Operating Fund from the Reserve. This temporary borrowing is required to meet cashflow needs resulting from the prepayment of property insurance due in June 2024. Payback of the borrowed monies to the advancing fund is planned for October 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

On April 9, 2024 the United Board of Directors approved a temporary borrowing of \$6.5M from the Reserve Fund to the Operating Fund. These monies were used to pay property taxes of \$7.2M due on April 10th. While members contributed two-thirds (four of six months) of property taxes towards the bill from the County Assessor, approximately \$2.4M (May and June 2024) had not yet been collected through assessments. The remaining balance of the \$4.1M (\$6.5M less \$2.4M) was necessary as part of the borrowing due to a prepayment of property insurance of approximately \$5.2M in October 2023.

In March 2024, the United Board of Directors approved changing the property insurance broker and coverage period of October – September to June – May. This change prompts a prepayment of approximately \$5.0M in June for the 12-month coverage period. United is scheduled to receive a \$1.5M refund of premiums for the four-month period of June – September in September 2024.

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.

Staff prepared a cash activity forecast (ATT1) from April 2024 through December 2025 illustrating estimated inflows and outflows inclusive of borrowing and repayment activities. Per ATT1, the temporary borrowing of both the \$6.5M approved in April 2024 and the additional requested borrowing of \$1.0M herein is scheduled to be fully repaid by the end of October 2024.

FINANCIAL ANALYSIS

The impact of approving the requested \$1,000,000 additional temporary borrowing will be a total outstanding balance of \$7,500,000. Repayment of the borrowing is scheduled as follows:

	Repayment	Rolling Balance
Balance Due		\$7,500,000
July 2024	(\$2,000,000)	\$5,500,000
August 2024	(\$1,000,000)	\$4,500,000
September 2024	(\$3,500,000)	\$1,000,000
October 2024	(\$1,000,000)	\$0

Included in the April 2024 temporary borrowing of \$6,500,000 was a withdrawal of \$2,500,000 from United's investment account held by JP Morgan. As noted in ATT1, the \$2,500,000 is scheduled to be returned to the investment account in September 2024.

Prepared By: Steve Hormuth, Director of Financial Services
Reviewed By: Pam Jensen, Controller
Attachment(s): ATT1 – United Temporary Borrowing: Cash Forecast

Operating Account				Reserve Account				Borrowing
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance	Rolling Balance
4/30/2024		Month End Balance	1,342,760	4/30/2024		Month End Balance	175,200	6,500,000
5/1/2024	(183,357)	Weekly AP Checkrun	1,159,403	5/1/2024	(193,357)	Weekly AP Checkrun	(18,157)	6,500,000
5/8/2024	(39,828)	Weekly AP Checkrun	1,119,575	5/8/2024	(39,828)	Weekly AP Checkrun	(57,985)	6,500,000
5/15/2024	(98,854)	Weekly AP Checkrun	1,020,721	5/15/2024	(98,954)	Weekly AP Checkrun	(156,939)	6,500,000
5/22/2024	(150,000)	Weekly AP Checkrun	870,721	5/22/2024	(100,000)	Weekly AP Checkrun	(256,939)	6,500,000
5/25/2024	1,800,000	Monthly GRF Interco Transfer	2,670,721	5/25/2024	1,082,687	Monthly GRF Interco Transfer	825,748	6,500,000
5/25/2024	400,000	Monthly Transfer from Reserve	3,070,721	5/25/2024	(400,000)	Monthly Transfer to Operating	425,748	6,500,000
5/29/2024	(150,000)	Weekly AP Checkrun	2,920,721	5/29/2024	(100,000)	Weekly AP Checkrun	325,748	6,500,000
5/30/2024	-	Transfer to Pay Borrowing	2,920,721	5/30/2024	-	Transfer to Pay Borrowing	325,748	6,500,000
5/31/2024		Month End Balance	2,920,721	5/31/2024		Month End Balance	325,748	6,500,000
6/5/2024	(150,000)	Weekly AP Checkrun	2,770,721	6/5/2024	(100,000)	Weekly AP Checkrun	225,748	6,500,000
6/12/2024	(150,000)	Weekly AP Checkrun	2,620,721	6/12/2024	(100,000)	Weekly AP Checkrun	125,748	6,500,000
6/19/2024	(150,000)	Weekly AP Checkrun	2,470,721	6/19/2024	(100,000)	Weekly AP Checkrun	25,748	6,500,000
6/25/2024	1,800,000	Monthly GRF Interco Transfer	4,270,721	6/25/2024	1,082,687	Monthly GRF Interco Transfer	1,108,435	6,500,000
6/25/2024	400,000	Monthly Transfer from Reserve	4,670,721	6/25/2024	(400,000)	Monthly Transfer to Operating	708,435	6,500,000
6/26/2024	(150,000)	Weekly AP Checkrun	4,520,721	6/26/2024	(100,000)	Weekly AP Checkrun	608,435	6,500,000
6/30/2024	-	Transfer to Pay Borrowing	4,520,721	6/30/2024	-	Transfer to Pay Borrowing	608,435	6,500,000
6/30/2024	1,000,000	Additional Temporary Borrowing	5,520,721	6/30/2024	(1,000,000)	Additional Temporary Borrowing	(391,565)	7,500,000
6/30/2024	(5,000,000)	Property Insurance Pre-Payment	520,721	6/30/2024			(391,565)	7,500,000
6/30/2024		Month End Balance	520,721	6/30/2024		Month End Balance	(391,565)	7,500,000
7/3/2024	(150,000)	Weekly AP Checkrun	370,721	7/3/2024	(100,000)	Weekly AP Checkrun	(491,565)	7,500,000
7/10/2024	(150,000)	Weekly AP Checkrun	220,721	7/3/2024	1,082,687	Monthly GRF Interco Transfer	591,123	7,500,000
7/17/2024	(150,000)	Weekly AP Checkrun	70,721	7/10/2024	(100,000)	Weekly AP Checkrun	491,123	7,500,000
7/24/2024	(150,000)	Weekly AP Checkrun	(79,279)	7/17/2024	(100,000)	Weekly AP Checkrun	391,123	7,500,000
7/25/2024	1,800,000	Monthly GRF Interco Transfer	1,720,721	7/24/2024	(100,000)	Weekly AP Checkrun	291,123	7,500,000
7/25/2024	(2,000,000)	Transfer to Pay Borrowing	(279,279)	7/25/2024	2,000,000	Transfer to Pay Borrowing	2,291,123	5,500,000
7/25/2024	400,000	Monthly Transfer from Reserve	120,721	7/25/2024	(400,000)	Monthly Transfer to Operating	1,891,123	5,500,000
7/31/2024	(150,000)	Weekly AP Checkrun	(29,279)	7/31/2024	(100,000)	Weekly AP Checkrun	1,791,123	5,500,000
7/31/2024		Month End Balance	(29,279)	7/31/2024		Month End Balance	1,791,123	5,500,000
8/7/2024	(150,000)	Weekly AP Checkrun	(179,279)	8/7/2024	(100,000)	Weekly AP Checkrun	1,691,123	5,500,000
8/14/2024	(150,000)	Weekly AP Checkrun	(329,279)	8/14/2024	(100,000)	Weekly AP Checkrun	1,591,123	5,500,000
8/21/2024	(150,000)	Weekly AP Checkrun	(479,279)	8/21/2024	(100,000)	Weekly AP Checkrun	1,491,123	5,500,000
8/25/2024	1,800,000	Monthly GRF Interco Transfer	1,320,721	8/25/2024	1,082,687	Monthly GRF Interco Transfer	2,573,810	5,500,000
8/25/2024	400,000	Monthly Transfer from Reserve	1,720,721	8/25/2024	(400,000)	Monthly Transfer to Operating	2,173,810	5,500,000
8/28/2024	(150,000)	Weekly AP Checkrun	1,570,721	8/28/2024	(100,000)	Weekly AP Checkrun	2,073,810	5,500,000
8/31/2024	(1,000,000)	Transfer to Pay Borrowing	570,721	8/31/2024	1,000,000	Transfer to Pay Borrowing	3,073,810	4,500,000
8/31/2024		Month End Balance	570,721	8/31/2024		Month End Balance	3,073,810	4,500,000
9/4/2024	(150,000)	Weekly AP Checkrun	420,721	9/4/2024	(100,000)	Weekly AP Checkrun	2,973,810	4,500,000
9/11/2024	(150,000)	Weekly AP Checkrun	270,721	9/11/2024	(100,000)	Weekly AP Checkrun	2,873,810	4,500,000
9/18/2024	(150,000)	Weekly AP Checkrun	120,721	9/18/2024	(100,000)	Weekly AP Checkrun	2,773,810	4,500,000
9/20/2024	1,500,000	Receipt of Property Ins Refund	1,620,721	9/20/2024	(2,500,000)	Return funds to Investments	273,810	4,500,000

Operating Account				Reserve Account				Borrowing	
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance	Rolling Balance	
9/25/2024	1,800,000	Monthly GRF Interco Transfer	3,420,721	9/25/2024	1,082,687	Monthly GRF Interco Transfer	1,356,497	4,500,000	
9/25/2024	400,000	Monthly Transfer from Reserve	3,820,721	9/25/2024	(400,000)	Monthly Transfer to Operating	956,497	4,500,000	
9/25/2024	(150,000)	Weekly AP Checkrun	3,670,721	9/25/2024	(100,000)	Weekly AP Checkrun	856,497	4,500,000	
9/30/2024	(3,500,000)	Transfer to Pay Borrowing	170,721	9/30/2024	3,500,000	Transfer to Pay Borrowing	4,356,497	1,000,000	
9/30/2024		Month End Balance	170,721	9/30/2024		Month End Balance	4,356,497	1,000,000	
10/2/2024	(150,000)	Weekly AP Checkrun	20,721	10/2/2024	(100,000)	Weekly AP Checkrun	4,256,497	1,000,000	
10/9/2024	(150,000)	Weekly AP Checkrun	(129,279)	10/9/2024	(100,000)	Weekly AP Checkrun	4,156,497	1,000,000	
10/16/2024	(150,000)	Weekly AP Checkrun	(279,279)	10/16/2024	(100,000)	Weekly AP Checkrun	4,056,497	1,000,000	
10/23/2024	(150,000)	Weekly AP Checkrun	(429,279)	10/23/2024	(100,000)	Weekly AP Checkrun	3,956,497	1,000,000	
10/25/2024	1,800,000	Monthly GRF Interco Transfer	1,370,721	10/25/2024	1,082,687	Monthly GRF Interco Transfer	5,039,185	1,000,000	
10/25/2024	400,000	Monthly Transfer from Reserve	1,770,721	10/25/2024	(400,000)	Monthly Transfer to Operating	4,639,185	1,000,000	
10/30/2024	(150,000)	Weekly AP Checkrun	1,620,721	10/30/2024	(100,000)	Weekly AP Checkrun	4,539,185	1,000,000	
10/31/2024	(1,000,000)	Transfer to Pay Borrowing	620,721	10/31/2024	1,000,000	Transfer to Pay Borrowing	5,539,185	-	
10/31/2024		Month End Balance	620,721	10/31/2024		Month End Balance	5,539,185	-	
11/6/2024	(150,000)	Weekly AP Checkrun	470,721	11/6/2024	(100,000)	Weekly AP Checkrun	5,439,185	-	
11/13/2024	(150,000)	Weekly AP Checkrun	320,721	11/13/2024	(100,000)	Weekly AP Checkrun	5,339,185	-	
11/20/2024	(150,000)	Weekly AP Checkrun	170,721	11/20/2024	(100,000)	Weekly AP Checkrun	5,239,185	-	
11/25/2024	1,800,000	Monthly GRF Interco Transfer	1,970,721	11/25/2024	1,082,687	Monthly GRF Interco Transfer	6,321,872	-	
11/25/2024	400,000	Monthly Transfer from Reserve	2,370,721	11/25/2024	(400,000)	Monthly Transfer to Operating	5,921,872	-	
11/27/2024	(150,000)	Weekly AP Checkrun	2,220,721	11/27/2024	(100,000)	Weekly AP Checkrun	5,821,872	-	
11/30/2024	-	Transfer to Pay Borrowing	2,220,721	11/30/2024	-	Transfer to Pay Borrowing	5,821,872	-	
11/30/2024		Month End Balance	2,220,721	11/30/2024		Month End Balance	5,821,872	-	
12/1/2024	5,000,000	Additional Temporary Borrowing	7,220,721	12/1/2024	(5,000,000)	Additional Temporary Borrowing	821,872	5,000,000	
12/1/2024	1,800,000	Monthly GRF Interco Transfer	9,020,721	12/1/2024	1,082,687	Monthly GRF Interco Transfer	1,904,559	5,000,000	
12/4/2024	(150,000)	Weekly AP Checkrun	8,870,721	12/4/2024	(100,000)	Weekly AP Checkrun	1,804,559	5,000,000	
12/4/2024	(7,512,000)	December Property Tax Payment	1,358,721	12/4/2024			1,804,559	5,000,000	
12/11/2024	(150,000)	Weekly AP Checkrun	1,208,721	12/11/2024	(100,000)	Weekly AP Checkrun	1,704,559	5,000,000	
12/18/2024	(150,000)	Weekly AP Checkrun	1,058,721	12/18/2024	(100,000)	Weekly AP Checkrun	1,604,559	5,000,000	
12/25/2024	400,000	Monthly Transfer from Reserve	1,458,721	12/25/2024	(400,000)	Monthly Transfer to Operating	1,204,559	5,000,000	
12/25/2024	(150,000)	Weekly AP Checkrun	1,308,721	12/25/2024	(100,000)	Weekly AP Checkrun	1,104,559	5,000,000	
12/31/2024	(1,000,000)	Transfer to Pay Borrowing	308,721	12/31/2024	1,000,000	Transfer to Pay Borrowing	2,104,559	4,000,000	
12/31/2024		Month End Balance	308,721	12/31/2024		Month End Balance	2,104,559	4,000,000	
1/1/2025	(183,357)	Weekly AP Checkrun	125,364	1/1/2025	(193,357)	Weekly AP Checkrun	1,911,202	4,000,000	
1/8/2025	(39,828)	Weekly AP Checkrun	85,536	1/8/2025	(39,828)	Weekly AP Checkrun	1,871,374	4,000,000	
1/15/2025	(98,854)	Weekly AP Checkrun	(13,318)	1/15/2025	(98,954)	Weekly AP Checkrun	1,772,420	4,000,000	
1/22/2025	(150,000)	Weekly AP Checkrun	(163,318)	1/22/2025	(100,000)	Weekly AP Checkrun	1,672,420	4,000,000	
1/25/2025	400,000	Monthly Transfer from Reserve	236,682	1/25/2025	(400,000)	Monthly Transfer to Operating	1,272,420	4,000,000	
1/25/2025	1,875,000	Monthly GRF Interco Transfer	2,111,682	1/25/2025	1,177,532	Monthly GRF Interco Transfer	2,449,952	4,000,000	
1/29/2025	(150,000)	Weekly AP Checkrun	1,961,682	1/29/2025	(100,000)	Weekly AP Checkrun	2,349,952	4,000,000	
1/31/2025	(1,000,000)	Transfer to Pay Borrowing	961,682	1/31/2025	1,000,000	Transfer to Pay Borrowing	3,349,952	3,000,000	
1/31/2025		Month End Balance	961,682	1/31/2025		Month End Balance	3,349,952	3,000,000	
2/5/2025	(150,000)	Weekly AP Checkrun	811,682	2/5/2025	(100,000)	Weekly AP Checkrun	3,249,952	3,000,000	

Operating Account				Reserve Account				Borrowing	
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance	Rolling Balance	
2/12/2025	(150,000)	Weekly AP Checkrun	661,682	2/12/2025	(100,000)	Weekly AP Checkrun	3,149,952	3,000,000	
2/19/2025	(150,000)	Weekly AP Checkrun	511,682	2/19/2025	(100,000)	Weekly AP Checkrun	3,049,952	3,000,000	
2/25/2025	400,000	Monthly Transfer from Reserve	911,682	2/25/2025	(400,000)	Monthly Transfer to Operating	2,649,952	3,000,000	
2/25/2025	1,875,000	Monthly GRF Interco Transfer	2,786,682	2/25/2025	1,177,532	Monthly GRF Interco Transfer	3,827,484	3,000,000	
2/26/2025	(150,000)	Weekly AP Checkrun	2,636,682	2/26/2025	(100,000)	Weekly AP Checkrun	3,727,484	3,000,000	
2/28/2025	(2,000,000)	Transfer to Pay Borrowing	636,682	2/28/2025	2,000,000	Transfer to Pay Borrowing	5,727,484	1,000,000	
2/28/2025		Month End Balance	636,682	2/28/2025		Month End Balance	5,727,484	1,000,000	
3/5/2025	(150,000)	Weekly AP Checkrun	486,682	3/5/2025	(100,000)	Weekly AP Checkrun	5,627,484	1,000,000	
3/12/2025	(150,000)	Weekly AP Checkrun	336,682	3/12/2025	(100,000)	Weekly AP Checkrun	5,527,484	1,000,000	
3/19/2025	(150,000)	Weekly AP Checkrun	186,682	3/19/2025	(100,000)	Weekly AP Checkrun	5,427,484	1,000,000	
3/26/2025	(150,000)	Weekly AP Checkrun	36,682	3/26/2025	(100,000)	Weekly AP Checkrun	5,327,484	1,000,000	
3/26/2025	400,000	Monthly Transfer from Reserve	436,682	3/26/2025	(400,000)	Monthly Transfer to Operating	4,927,484	1,000,000	
3/26/2025	1,875,000	Monthly GRF Interco Transfer	2,311,682	3/26/2025	1,177,532	Monthly GRF Interco Transfer	6,105,017	1,000,000	
3/31/2025	(1,000,000)	Transfer to Pay Borrowing	1,311,682	3/31/2025	1,000,000	Transfer to Pay Borrowing	7,105,017	-	
3/31/2025		Month End Balance	1,311,682	3/31/2025		Month End Balance	7,105,017	-	
4/2/2025	(150,000)	Weekly AP Checkrun	1,161,682	4/2/2025	(100,000)	Weekly AP Checkrun	7,005,017	-	
4/3/2025	400,000	Monthly Transfer from Reserve	1,561,682	4/3/2025	(400,000)	Monthly Transfer to Operating	6,605,017	-	
4/3/2025	1,875,000	Monthly GRF Interco Transfer	3,436,682	4/3/2025	1,177,532	Monthly GRF Interco Transfer	7,782,549	-	
4/4/2025	5,000,000	Additional Temporary Borrowing	8,436,682	4/4/2025	(5,000,000)	Additional Temporary Borrowing	2,782,549	5,000,000	
4/5/2025	(7,512,000)	April Property Tax Payment	924,682	4/5/2025			2,782,549	5,000,000	
4/9/2025	(150,000)	Weekly AP Checkrun	774,682	4/9/2025	(100,000)	Weekly AP Checkrun	2,682,549	5,000,000	
4/16/2025	(150,000)	Weekly AP Checkrun	624,682	4/16/2025	(100,000)	Weekly AP Checkrun	2,582,549	5,000,000	
4/23/2025	(150,000)	Weekly AP Checkrun	474,682	4/23/2025	(100,000)	Weekly AP Checkrun	2,482,549	5,000,000	
4/30/2025	(150,000)	Weekly AP Checkrun	324,682	4/30/2025	(100,000)	Weekly AP Checkrun	2,382,549	5,000,000	
4/30/2025	-	Transfer to Pay Borrowing	324,682	4/30/2025	-	Transfer to Pay Borrowing	2,382,549	5,000,000	
4/30/2025		Month End Balance	324,682	4/30/2025		Month End Balance	2,382,549	5,000,000	
5/7/2025	(150,000)	Weekly AP Checkrun	174,682	5/7/2025	(100,000)	Weekly AP Checkrun	2,282,549	5,000,000	
5/14/2025	(150,000)	Weekly AP Checkrun	24,682	5/14/2025	(100,000)	Weekly AP Checkrun	2,182,549	5,000,000	
5/21/2025	(150,000)	Weekly AP Checkrun	(125,318)	5/21/2025	(100,000)	Weekly AP Checkrun	2,082,549	5,000,000	
5/25/2025	400,000	Monthly Transfer from Reserve	274,682	5/25/2025	(400,000)	Monthly Transfer to Operating	1,682,549	5,000,000	
5/25/2025	1,875,000	Monthly GRF Interco Transfer	2,149,682	5/25/2025	1,177,532	Monthly GRF Interco Transfer	2,860,081	5,000,000	
5/28/2025	(150,000)	Weekly AP Checkrun	1,999,682	5/28/2025	(100,000)	Weekly AP Checkrun	2,760,081	5,000,000	
5/31/2025	(1,000,000)	Transfer to Pay Borrowing	999,682	5/31/2025	1,000,000	Transfer to Pay Borrowing	3,760,081	4,000,000	
5/31/2025		Month End Balance	999,682	5/31/2025		Month End Balance	3,760,081	4,000,000	
6/4/2025	(150,000)	Weekly AP Checkrun	849,682	6/4/2025	(100,000)	Weekly AP Checkrun	3,660,081	4,000,000	
6/11/2025	(150,000)	Weekly AP Checkrun	699,682	6/11/2025	(100,000)	Weekly AP Checkrun	3,560,081	4,000,000	
6/18/2025	(150,000)	Weekly AP Checkrun	549,682	6/18/2025	(100,000)	Weekly AP Checkrun	3,460,081	4,000,000	
6/25/2025	(150,000)	Weekly AP Checkrun	399,682	6/25/2025	(100,000)	Weekly AP Checkrun	3,360,081	4,000,000	
6/25/2025	400,000	Monthly Transfer from Reserve	799,682	6/25/2025	(400,000)	Monthly Transfer to Operating	2,960,081	4,000,000	
6/25/2025	1,875,000	Monthly GRF Interco Transfer	2,674,682	6/25/2025	1,177,532	Monthly GRF Interco Transfer	4,137,614	4,000,000	
6/28/2025	3,000,000	Additional Temporary Borrowing	5,674,682	6/28/2025	(3,000,000)	Additional Temporary Borrowing	1,137,614	7,000,000	
6/30/2025	(5,000,000)	Property Insurance Pre-Payment	674,682	6/30/2025			1,137,614	7,000,000	

Operating Account				Reserve Account				Borrowing	
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance	Rolling Balance	
6/30/2025	-	Transfer to Pay Borrowing	674,682	6/30/2025	-	Transfer to Pay Borrowing	1,137,614	7,000,000	
6/30/2025		Month End Balance	674,682	6/30/2025		Month End Balance	1,137,614	7,000,000	
7/2/2025	(150,000)	Weekly AP Checkrun	524,682	7/2/2025	(100,000)	Weekly AP Checkrun	1,037,614	7,000,000	
7/9/2025	(150,000)	Weekly AP Checkrun	374,682	7/9/2025	(100,000)	Weekly AP Checkrun	937,614	7,000,000	
7/16/2025	(150,000)	Weekly AP Checkrun	224,682	7/16/2025	(100,000)	Weekly AP Checkrun	837,614	7,000,000	
7/23/2025	(150,000)	Weekly AP Checkrun	74,682	7/23/2025	(100,000)	Weekly AP Checkrun	737,614	7,000,000	
7/25/2025	400,000	Monthly Transfer from Reserve	474,682	7/25/2025	(400,000)	Monthly Transfer to Operating	337,614	7,000,000	
7/25/2025	1,875,000	Monthly GRF Interco Transfer	2,349,682	7/25/2025	1,177,532	Monthly GRF Interco Transfer	1,515,146	7,000,000	
7/30/2025	(150,000)	Weekly AP Checkrun	2,199,682	7/30/2025	(100,000)	Weekly AP Checkrun	1,415,146	7,000,000	
7/31/2025	(2,000,000)	Transfer to Pay Borrowing	199,682	7/31/2025	2,000,000	Transfer to Pay Borrowing	3,415,146	5,000,000	
7/31/2025		Month End Balance	199,682	7/31/2025		Month End Balance	3,415,146	5,000,000	
8/6/2025	(150,000)	Weekly AP Checkrun	49,682	8/6/2025	(100,000)	Weekly AP Checkrun	3,315,146	5,000,000	
8/13/2025	(150,000)	Weekly AP Checkrun	(100,318)	8/13/2025	(100,000)	Weekly AP Checkrun	3,215,146	5,000,000	
8/20/2025	(150,000)	Weekly AP Checkrun	(250,318)	8/20/2025	(100,000)	Weekly AP Checkrun	3,115,146	5,000,000	
8/25/2025	400,000	Monthly Transfer from Reserve	149,682	8/25/2025	(400,000)	Monthly Transfer to Operating	2,715,146	5,000,000	
8/25/2025	1,875,000	Monthly GRF Interco Transfer	2,024,682	8/25/2025	1,177,532	Monthly GRF Interco Transfer	3,892,678	5,000,000	
8/27/2025	(150,000)	Weekly AP Checkrun	1,874,682	8/27/2025	(100,000)	Weekly AP Checkrun	3,792,678	5,000,000	
8/31/2025	(1,500,000)	Transfer to Pay Borrowing	374,682	8/31/2025	1,500,000	Transfer to Pay Borrowing	5,292,678	3,500,000	
8/31/2025		Month End Balance	374,682	8/31/2025		Month End Balance	5,292,678	3,500,000	
9/3/2025	(150,000)	Weekly AP Checkrun	224,682	9/3/2025	(100,000)	Weekly AP Checkrun	5,192,678	3,500,000	
9/10/2025	(150,000)	Weekly AP Checkrun	74,682	9/10/2025	(100,000)	Weekly AP Checkrun	5,092,678	3,500,000	
9/17/2025	(150,000)	Weekly AP Checkrun	(75,318)	9/17/2025	(100,000)	Weekly AP Checkrun	4,992,678	3,500,000	
9/24/2025	(150,000)	Weekly AP Checkrun	(225,318)	9/24/2025	(100,000)	Weekly AP Checkrun	4,892,678	3,500,000	
9/25/2025	400,000	Monthly Transfer from Reserve	174,682	9/25/2025	(400,000)	Monthly Transfer to Operating	4,492,678	3,500,000	
9/25/2025	1,875,000	Monthly GRF Interco Transfer	2,049,682	9/25/2025	1,177,532	Monthly GRF Interco Transfer	5,670,210	3,500,000	
9/30/2025	(1,500,000)	Transfer to Pay Borrowing	549,682	9/30/2025	1,500,000	Transfer to Pay Borrowing	7,170,210	2,000,000	
9/30/2025		Month End Balance	549,682	9/30/2025		Month End Balance	7,170,210	2,000,000	
10/1/2025	(150,000)	Weekly AP Checkrun	399,682	10/1/2025	(100,000)	Weekly AP Checkrun	7,070,210	2,000,000	
10/8/2025	(150,000)	Weekly AP Checkrun	249,682	10/8/2025	(100,000)	Weekly AP Checkrun	6,970,210	2,000,000	
10/15/2025	(150,000)	Weekly AP Checkrun	99,682	10/15/2025	(100,000)	Weekly AP Checkrun	6,870,210	2,000,000	
10/22/2025	(150,000)	Weekly AP Checkrun	(50,318)	10/22/2025	(100,000)	Weekly AP Checkrun	6,770,210	2,000,000	
10/25/2025	400,000	Monthly Transfer from Reserve	349,682	10/25/2025	(400,000)	Monthly Transfer to Operating	6,370,210	2,000,000	
10/25/2025	1,875,000	Monthly GRF Interco Transfer	2,224,682	10/25/2025	1,177,532	Monthly GRF Interco Transfer	7,547,743	2,000,000	
10/29/2025	(150,000)	Weekly AP Checkrun	2,074,682	10/29/2025	(100,000)	Weekly AP Checkrun	7,447,743	2,000,000	
10/31/2025	(1,000,000)	Transfer to Pay Borrowing	1,074,682	10/31/2025	1,000,000	Transfer to Pay Borrowing	8,447,743	1,000,000	
10/31/2025		Month End Balance	1,074,682	10/31/2025		Month End Balance	8,447,743	1,000,000	
11/5/2025	(150,000)	Weekly AP Checkrun	924,682	11/5/2025	(100,000)	Weekly AP Checkrun	8,347,743	1,000,000	
11/12/2025	(150,000)	Weekly AP Checkrun	774,682	11/12/2025	(100,000)	Weekly AP Checkrun	8,247,743	1,000,000	
11/19/2025	(150,000)	Weekly AP Checkrun	624,682	11/19/2025	(100,000)	Weekly AP Checkrun	8,147,743	1,000,000	
11/25/2025	400,000	Monthly Transfer from Reserve	1,024,682	11/25/2025	(400,000)	Monthly Transfer to Operating	7,747,743	1,000,000	
11/25/2025	1,875,000	Monthly GRF Interco Transfer	2,899,682	11/25/2025	1,177,532	Monthly GRF Interco Transfer	8,925,275	1,000,000	
11/26/2025	(150,000)	Weekly AP Checkrun	2,749,682	11/26/2025	(100,000)	Weekly AP Checkrun	8,825,275	1,000,000	

Operating Account				Reserve Account				Borrowing
Date	Amount	Description	Rolling Balance	Date	Amount	Description	Rolling Balance	Rolling Balance
11/30/2025	(1,000,000)	Transfer to Pay Borrowing	1,749,682	11/30/2025	1,000,000	Transfer to Pay Borrowing	9,825,275	-
11/30/2025		Month End Balance	1,749,682	11/30/2025		Month End Balance	9,825,275	-
12/3/2025	(150,000)	Weekly AP Checkrun	1,599,682	12/3/2025	(100,000)	Weekly AP Checkrun	9,725,275	-
12/3/2025	1,875,000	Monthly GRF Interco Transfer	3,474,682	12/3/2025	1,177,532	Monthly GRF Interco Transfer	10,902,807	-
12/3/2025	5,000,000	Additional Temporary Borrowing	8,474,682	12/3/2025	(5,000,000)	Additional Temporary Borrowing	5,902,807	-
12/4/2025	(7,888,000)	December Property Tax Payment	586,682	12/4/2025			5,902,807	-
12/10/2025	(150,000)	Weekly AP Checkrun	436,682	12/10/2025	(100,000)	Weekly AP Checkrun	5,802,807	-
12/17/2025	(150,000)	Weekly AP Checkrun	286,682	12/17/2025	(100,000)	Weekly AP Checkrun	5,702,807	-
12/24/2025	(150,000)	Weekly AP Checkrun	136,682	12/24/2025	(100,000)	Weekly AP Checkrun	5,602,807	-
12/25/2025	400,000	Monthly Transfer from Reserve	536,682	12/25/2025	(400,000)	Monthly Transfer to Operating	5,202,807	-
12/31/2025	(150,000)	Weekly AP Checkrun	386,682	12/31/2025	(100,000)	Weekly AP Checkrun	5,102,807	-
12/31/2025	-	Transfer to Pay Borrowing	386,682	12/31/2025	-	Transfer to Pay Borrowing	5,102,807	-
12/31/2025		Month End Balance	386,682	12/31/2025		Month End Balance	5,102,807	-