



## **SPECIAL OPEN MEETING**

### **SPECIAL OPEN MEETING OF THE UNITED LAGUNA WOODS MUTUAL BOARD OF DIRECTORS**

#### **A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Friday, July 15, 2022, at 1:30 p.m.**  
24351 El Toro Road, Laguna Woods, California  
Board Room/Virtual Meeting

#### **NOTICE OF MEETING AND AGENDA**

The purpose of this meeting is to review the proposed 2023 Business Plan – Version 2

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1. Call to Order / Establish Quorum – President Anthony Liberatore
2. State Purpose of Meeting – President Liberatore
3. Acknowledgement Media
4. Approval of Agenda
5. Chair Remarks
6. Open Forum (Three Minutes per Speaker) - *At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can join the Zoom Meeting by clicking on the link <https://us06web.zoom.us/j/84048008864> or call (949) 268-2020 or email [meeting@vmsinc.org](mailto:meeting@vmsinc.org) to request to speak.*
7. Responses to Open Forum Speaker
8. Review of the proposed 2023 United Business Plan – Version 2
9. Director's Comments
10. Adjournment





## STAFF REPORT

**DATE:** July 15, 2022  
**FOR:** Board of Directors  
**SUBJECT:** 2023 Business Plan – Version 2

### RECOMMENDATION

Staff recommends the Board review the Proposed 2023 Business Plan and provide direction for change or revision at the meeting on July 15, 2022.

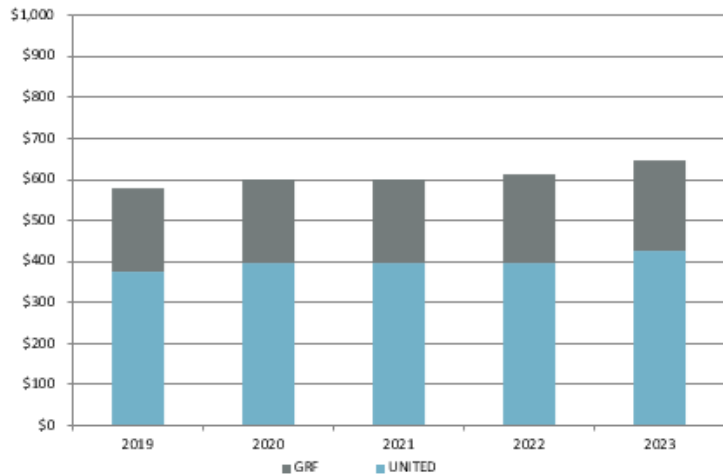
### DISCUSSION

#### BUSINESS PLAN SUMMARY

The proposed budget for 2023 plan year (Attachment 1) shows that the sum of \$48,496,850 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2023. In addition, the sum of \$16,792,033 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2023. Therefore, a total of \$65,288,883 is required to be collected from and paid by members of the Corporation as monthly assessments. The budget equates to a Total Basic Assessment of \$646.86 per manor per month (PMPM), reflecting a net increase of \$32.98 or 5.4% when compared to current year.

YEAR	Monthly Assessment
2019	\$578.52
2020	\$601.98
2021	\$601.98
2022	\$613.88
2023 (Proposed)	\$646.86

United Basic Assessment With GRF Portion  
Per Manor Per Month



Brief notations for line items with significant change from current year are noted below as increases or (decreases) in the assessment, and listed in order of appearance on the proposed Business Plan by Account – Version 2 (Attachment 1):

**Revenues:**

**Line 2: Fees and Charges to Residents** additional revenue of \$31,018 decreased the assessment by (\$0.41) PMPM due to more anticipated chargeable services.

**Line 4: Miscellaneous Revenue** additional revenue of \$64,330 decreased the assessment by (\$0.85) PMPM primarily due to a projected increase of lease processing fee revenue. In the first quarter of 2022 leasing volume was up 10% year over year and revenue was up 25% compared to 2021. The volume and revenue are projected to continue through into 2023. Additionally, collection administration fee budget has been adjusted to return to prior year actual. To a lesser extent, stock transfer fee increased due to an increase in price of each transfer and an additional fee for recording memorandums.

**Expenses:**

**Line 5: Employee Compensation** increased by \$173,626 or \$2.29 PMPM primarily due to allocation adjustments that were made in the Security Department to reflect where time was spent. Specifically, the Compliance Division allocation changed from 3% to 45% to account for the distribution work. The change in allocation produced an increase in United portion of salaries and wages. Increase in budget was furthered by planned wage adjustments.

**Line 6: Expenses Related to Compensation** increased by \$140,418 or \$1.85 PMPM due to higher medical insurance and increased taxes and benefits on wage adjustments. The increase in this category also results from contractual increases for medical and retirement contributions, as stipulated in the Union agreement.

**Line 7: Materials and Supplies** increased by \$64,317 or \$0.85 PMPM primarily due to rising material costs for plumbing services. The increase was partially offset by Landscape, where certain supplies were previously purchased and stored, reducing materials needed in 2023.

**Lines 9: Sewer** decreased by (\$356,400) or (\$4.70) PMPM based on recent years consumption and projected rate increases. El Toro Water District (ETWD) recently published proposed rates that will be ratified at a July 28, 2022 ETWD meeting. Proposed rates indicated a significant decrease in residential sewer rates.

**Line 10: Water** increased by \$87,376 or \$1.15 PMPM based on recent years consumption and projected rate increases provided by ETWD.

**Line 11: Trash** increased by \$285,949 or \$3.76 PMPM based on contracted increases of 47% plus 5% CPI with new vendor.

**Line 13: Legal Fees** decreased by (\$63,327) or (\$0.83) PMPM based on a decline in litigation trend.

**Line 16: Outside Services** increased by \$694,562 or \$9.16 PMPM primarily due to reclassification of \$400,000 for general plumbing service to the operating fund. An offset can be found in the reserves fund. Additionally, moisture intrusion event budgets were adjusted to reflect 2021 actuals. To a lesser extent, more buildings are anticipated to be fumigated in 2023.

**Line 21: Property Insurance** increased by \$339,517 due to an anticipated rate increase and inflationary adjustments to the statement of values. Expenses are billed directly to each manor and vary by manor.

**Line 22: Insurance** increased by \$113,846 or \$1.50 PMPM due to increased Hazard & Liability and D&O Liability Insurance to reflect anticipated premium increases at renewal.

**Line 26: Reserve Fund Contribution** increased by \$1,077,624. To adequately plan for future expenditures, the Mutual adopts a 30-Year Funding Plan that projects contributions and disbursements to the Reserve Fund over the next 30 years. A reserve study was conducted by Association Reserves, Inc. Based on the funding plans included in the reserves study, the contribution to reserve funds is proposed to increase from \$142.02 to \$156.23 per manor per month in 2023.

**Line 27: Contingency Fund Contribution** is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for unanticipated significant expenditures not otherwise identified in the business plan. The contribution to contingency funds is proposed to increase from \$0.00 to \$1.00 per manor per month in 2023 to help increase fund balance.

**Line 28: Property Tax Fund** increased by \$248,023 and is used for property taxes, which are generally based on the most recent purchase price of the individual manor. Taxes are assessed by the County of Orange, based on the County's calculation of assessed value for each manor. Expenses are billed directly to each manor and vary by manor.

**Line 29-31: GRF Operating, Reserve, and Contingency Contribution** for Version 2, GRF shows an increase of \$288,150 or \$3.81 PMPM primarily due to planned wage adjustments partially offset by the elimination of a contribution to the Contingency Fund. GRF will review all aspects of Version 2 of their Business Plan on July 13.

## **FINANCIAL ANALYSIS**

The financial impact of this proposed business plan would be a United assessment of \$425.55 PMPM, an increase of \$29.17 or 7.4% when compared to current year.

**Prepared By:** Jose Campos, Assistant Director of Financial Services

**Reviewed By:** Steve Hormuth, Director of Financial Services  
Siobhan Foster, Chief Executive Officer

## **ATTACHMENTS**

- Attachment 1 – 2023 United Business Plan by Department
- Attachment 2 – 2023 United Business Plan by Account
- Attachment 3 – 2023 United Budget Comparison Report – Operating
- Attachment 4 – 2023 United Budget Comparison Report – by Fund
- Attachment 5 – Proposed 2023 Programs Report
- Attachment 6 – Definition of Funds
- Attachment 7 – Contracted Reserve Study Dated July 6, 2022 - Excerpts



## 2023 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 PLAN	2023 PLAN	ASSESSMENT		
						2022	2023	Change
<b>REVENUES</b>								
<b>Non-Assessment Revenues</b>								
1 Merchandise Sales	\$1,840	\$1,245	\$4,910	\$3,001	\$4,573	\$0.04	\$0.06	(\$0.02)
2 Fees and Charges to Residents	602,446	373,419	607,598	788,570	819,588	10.39	10.80	(0.41)
3 Laundry	253,604	243,779	244,083	270,000	270,000	3.56	3.56	0.00
4 Miscellaneous	554,172	480,928	617,321	622,955	687,285	8.21	9.06	(0.85)
<b>Total Revenue</b>	<b>\$1,412,062</b>	<b>\$1,099,371</b>	<b>\$1,473,912</b>	<b>\$1,684,526</b>	<b>\$1,781,446</b>	<b>\$22.20</b>	<b>\$23.48</b>	<b>(\$1.28)</b>
<b>EXPENSES</b>								
5 Employee Compensation	\$6,772,640	\$6,825,158	\$7,174,365	\$8,095,575	\$8,269,201	\$106.69	\$108.98	\$2.29
6 Expenses Related to Compensation	2,525,920	2,827,770	2,886,042	3,299,711	3,440,129	43.49	45.34	1.85
7 Material and Supplies	831,110	618,146	855,418	759,099	823,416	10.00	10.85	0.85
8 Electricity	161,483	68,478	91,483	130,789	137,759	1.72	1.82	0.10
9 Sewer	1,743,577	1,746,512	1,911,413	1,898,400	1,542,000	25.02	20.32	(4.70)
10 Water	1,790,236	1,940,632	2,119,249	2,127,288	2,214,664	28.04	29.19	1.15
11 Trash	422,299	431,734	448,509	524,703	810,652	6.92	10.68	3.76
12 Telephone	638	642	676	706	633	0.01	0.01	0.00
13 Legal Fees	238,961	267,853	170,799	246,652	183,325	3.25	2.42	(0.83)
14 Professional Fees	99,831	77,833	55,905	96,041	101,932	1.27	1.34	0.07
15 Equipment Rental	5,960	6,996	10,010	7,977	8,688	0.11	0.11	0.00
16 Outside Services	1,180,521	1,216,177	2,236,325	1,477,541	2,172,103	19.47	28.63	9.16
17 Repairs and Maintenance	35,538	26,861	34,842	37,648	41,438	0.50	0.55	0.05
18 Other Operating Income Taxes	135,553	107,017	114,556	167,044	158,656	2.20	2.09	(0.11)
19 Income Taxes	(13,931)	(265)	8,166	0	0	0.00	0.00	0.00
20 Property Tax*	11,375,124	11,899,352	235	0	0	**	**	**
21 Property Insurance**	952,802	1,817,403	3,178,761	3,219,547	3,559,064	**	**	**
22 Insurance	529,725	698,111	888,271	928,502	1,042,348	12.24	13.74	1.50
23 Net Allocation to Mutuals	1,004,578	1,303,774	1,109,819	1,171,082	1,178,365	15.43	15.53	0.10
24 Uncollectible Accounts	32,610	1,462	(16,942)	15,000	15,000	0.20	0.20	0.00
25 (Gain)/Loss on Sale	(57)	(6,325)	(87)	0	0	0.00	0.00	0.00
<b>Total Expenses</b>	<b>\$29,825,118</b>	<b>\$31,875,321</b>	<b>\$23,277,815</b>	<b>\$24,203,305</b>	<b>\$25,699,373</b>	<b>\$276.56</b>	<b>\$291.80</b>	<b>\$15.24</b>
(Surplus)/Deficit Recovery	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Total Operating</b>	<b>\$28,413,056</b>	<b>\$30,775,950</b>	<b>\$21,803,903</b>	<b>\$22,518,779</b>	<b>\$23,917,927</b>	<b>\$254.36</b>	<b>\$268.32</b>	<b>\$13.96</b>
<b>FUND CONTRIBUTIONS</b>								
26 Reserve Fund***	\$11,229,648	\$11,534,670	\$10,775,910	\$10,776,240	\$11,853,864	\$142.02	\$156.23	\$14.21
27 Contingency Fund***	1,138,140	758,760	758,760	0	75,876	0.00	1.00	1.00
28 Property Tax Fund	0	0	12,216,972	12,401,160	12,649,183	**	**	**
<b>Total Fund Contributions</b>	<b>\$12,367,788</b>	<b>\$12,293,430</b>	<b>\$23,751,642</b>	<b>\$23,177,400</b>	<b>\$24,578,923</b>	<b>\$142.02</b>	<b>\$157.23</b>	<b>\$15.21</b>
<b>TOTAL MUTUAL</b>	<b>\$40,780,844</b>	<b>\$43,069,380</b>	<b>\$45,555,545</b>	<b>\$45,696,179</b>	<b>\$48,496,850</b>	<b>\$396.38</b>	<b>\$425.55</b>	<b>\$29.17</b>
<b>GOLDEN RAIN FOUNDATION</b>								
29 GRF Operating	\$13,947,912	\$13,779,082	\$14,158,462	\$14,834,611	15,502,140	\$195.50	\$204.31	\$8.81
30 GRF Reserve Contributions***	1,289,892	1,441,644	1,441,644	1,289,892	1,289,892	17.00	17.00	0.00
31 GRF Contingency Contributions***	151,752	379,380	0	379,380	0	5.00	0.00	(5.00)
<b>Total GRF</b>	<b>\$15,389,556</b>	<b>\$15,600,106</b>	<b>\$15,600,106</b>	<b>\$16,503,883</b>	<b>\$16,792,032</b>	<b>\$217.50</b>	<b>\$221.31</b>	<b>\$3.81</b>
<b>TOTAL BASIC ASSESSMENTS</b>	<b>\$56,170,400</b>	<b>\$58,669,486</b>	<b>\$61,155,651</b>	<b>\$62,200,062</b>	<b>\$65,288,882</b>	<b>\$613.88</b>	<b>\$646.86</b>	<b>\$32.98</b>

\*Item was moved to "Property Tax Fund" in August 2021

\*\*Indicates an assessment that varies per manor.

Note: 2020 and 2021 Actuals were affected by Covid-19 Pandemic.



## 2023 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 PLAN	2023 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2022	2023	Change
<b>OPERATING:</b>								
Office of the CEO	\$407,504	\$457,914	\$296,799	\$454,410	\$452,932	\$5.99	\$5.97	(\$0.02)
Information Services	692,763	827,452	871,999	990,901	795,730	13.06	10.49	(2.57)
General Services	892,168	1,070,576	1,051,619	988,458	1,090,978	13.03	14.38	1.35
Financial Services	628,139	704,561	721,529	804,625	778,832	10.60	10.26	(0.34)
Security Services	133,112	169,388	156,988	174,611	463,021	2.30	6.10	3.80
Landscape Services	3,591,107	4,127,897	4,156,995	4,492,775	4,579,397	59.21	60.35	1.14
Human Resource Services	7,296	143,579	74,048	146,652	83,325	1.93	1.10	(0.83)
Property Insurance**	952,802	1,817,403	3,178,761	3,219,548	3,559,064	**	**	**
All Other Insurance	529,725	698,111	888,271	938,678	1,056,294	12.37	13.92	1.55
Maintenance & Construction	5,209,544	4,914,630	6,109,500	5,947,019	6,656,391	78.38	87.73	9.35
Non Work Center	3,993,772	3,945,087	4,297,394	4,361,102	4,401,963	57.49	58.02	0.53
Property Tax*	11,375,124	11,899,352	0	0	0	**	**	**
<b>Net Operating</b>	<b>\$28,413,056</b>	<b>\$30,775,950</b>	<b>\$21,803,903</b>	<b>\$22,518,779</b>	<b>\$23,917,927</b>	<b>\$254.36</b>	<b>\$268.32</b>	<b>\$13.96</b>
<b>FUND CONTRIBUTIONS</b>								
Reserve Fund***	\$11,229,648	\$11,534,670	\$10,775,910	\$10,776,240	\$11,853,864	\$142.02	\$156.23	\$14.21
Contingency Fund***	1,138,140	758,760	758,760	0	75,876	0.00	1.00	1.00
Property Tax Fund	0	0	12,216,972	12,401,160	12,649,183	**	**	**
<b>Total Fund Contributions</b>	<b>\$12,367,788</b>	<b>\$12,293,430</b>	<b>\$23,751,642</b>	<b>\$23,177,400</b>	<b>\$24,578,923</b>	<b>\$142.02</b>	<b>\$157.23</b>	<b>\$15.21</b>
<b>TOTAL MUTUAL</b>	<b>\$40,780,844</b>	<b>\$43,069,380</b>	<b>\$45,555,545</b>	<b>\$45,696,179</b>	<b>\$48,496,850</b>	<b>\$396.38</b>	<b>\$425.55</b>	<b>\$29.17</b>
<b>GOLDEN RAIN FOUNDATION</b>								
GRF Operating	\$13,947,912	\$14,158,462	\$14,158,462	14,834,611	\$15,502,140	\$195.50	\$204.31	\$8.81
GRF Reserve Contributions***	1,289,892	1,441,644	1,441,644	1,289,892	1,289,892	17.00	17.00	0.00
GRF Contingency Contributions***	151,752	0	0	\$379,380	0	5.00	0.00	(5.00)
<b>Total GRF</b>	<b>\$15,389,556</b>	<b>\$15,600,106</b>	<b>\$15,600,106</b>	<b>\$16,503,883</b>	<b>\$16,792,032</b>	<b>\$217.50</b>	<b>\$221.31</b>	<b>\$3.81</b>
<b>TOTAL BASIC ASSESSMENTS</b>	<b>\$56,170,400</b>	<b>\$58,669,486</b>	<b>\$61,155,651</b>	<b>\$62,200,062</b>	<b>\$65,288,882</b>	<b>\$613.88</b>	<b>\$646.86</b>	<b>\$32.98</b>

\*Item was moved to "Property Tax Fund" in August 2021

\*\*Indicates an assessment that varies per manor.

Note: 2020 and 2021 Actuals were affected by Covid-19 Pandemic.



**United Laguna Woods Mutual  
Budget Comparison Report by Account  
12/31/2023**

**Attachment 3**

UNITED LAGUNA WOODS MUTUAL

	<u>2019 Actuals</u>	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
<b>Non-Assessment Revenues:</b>							
<b>Merchandise Sales</b>							
41501500 - Merchandise Sales - Warehouse	\$1,840	\$1,245	\$4,910	\$3,001	\$4,573	(\$1,572)	(52%)
<b>Total Merchandise Sales</b>	<b>1,840</b>	<b>1,245</b>	<b>4,910</b>	<b>3,001</b>	<b>4,573</b>	<b>(1,572)</b>	<b>(52%)</b>
<b>Fees and Charges for Services to Residents</b>							
46501000 - Permit Fee	165,201	154,692	277,451	245,478	257,340	(11,862)	(5%)
46501500 - Inspection Fee	56,566	43,104	74,557	77,993	90,073	(12,080)	(15%)
46502000 - Resident Maintenance Fee	380,679	175,624	255,590	465,100	472,175	(7,075)	(2%)
<b>Total Fees and Charges for Services to Residents</b>	<b>602,446</b>	<b>373,419</b>	<b>607,598</b>	<b>788,570</b>	<b>819,587</b>	<b>(31,017)</b>	<b>(4%)</b>
<b>Laundry</b>							
46005000 - Coin Op Laundry Machine	253,604	243,779	244,083	270,000	270,000	0	0%
<b>Total Laundry</b>	<b>253,604</b>	<b>243,779</b>	<b>244,083</b>	<b>270,000</b>	<b>270,000</b>	<b>0</b>	<b>0%</b>
<b>Miscellaneous</b>							
46004500 - Resident Violations	45,763	10,385	8,325	58,202	52,332	5,870	10%
44501000 - Additional Occupant Fee	40,090	48,430	42,700	44,000	44,000	0	0%
44501500 - Lease Processing Fee - United	124,540	121,090	130,740	124,540	163,425	(38,885)	(31%)
44502000 - Variance Processing Fee	3,450	1,650	0	15,888	15,888	0	0%
44503000 - Stock Transfer Fee	12,100	9,950	7,650	13,605	25,000	(11,395)	(84%)
44503510 - Resale Processing Fee - United	125,132	115,304	179,298	142,000	135,800	6,200	4%
44507000 - Golf Cart Electric Fee	59,113	59,546	53,800	65,000	60,000	5,000	8%
44507200 - Electric Vehicle Plug-In Fee	12,896	15,645	18,114	18,000	21,000	(3,000)	(17%)
44507500 - Cartport Space Rental Fee	2,538	2,400	2,325	2,400	2,400	0	0%
47001500 - Late Fee Revenue	42,496	31,697	56,355	50,000	52,000	(2,000)	(4%)
47002000 - Collection Administrative Fee	0	0	725	0	0	0	0%
47002010 - Collection Administrative Fee - United	74,020	62,090	111,080	80,320	109,440	(29,120)	(36%)
47002500 - Collection Interest Revenue	8,828	2,595	2,329	5,000	2,000	3,000	60%
47501000 - Recycling	4,229	1,952	4,715	4,001	4,000	1	0%
48001000 - Legal Fee	3,465	0	0	0	0	0	0%
49009000 - Miscellaneous Revenue	(4,487)	(1,805)	(835)	0	0	0	0%
<b>Total Miscellaneous</b>	<b>554,172</b>	<b>480,928</b>	<b>617,320</b>	<b>622,955</b>	<b>687,285</b>	<b>(64,329)</b>	<b>(10%)</b>
<b>Total Non-Assessment Revenue</b>	<b>1,412,062</b>	<b>1,099,371</b>	<b>1,473,911</b>	<b>1,684,526</b>	<b>1,781,445</b>	<b>(96,918)</b>	<b>(6%)</b>
<b>Expenses:</b>							
<b>Employee Compensation</b>							
51011000 - Salaries & Wages - Regular	2,426,628	2,562,291	2,735,811	3,227,871	3,398,734	170,864	5%
51021000 - Union Wages - Regular	3,258,109	3,362,783	3,263,627	3,815,619	3,894,534	78,915	2%
51041000 - Wages - Overtime	46,698	26,302	30,468	27,869	25,663	(2,207)	(8%)
51051000 - Union Wages - Overtime	103,040	119,148	135,636	67,882	52,736	(15,146)	(22%)
51061000 - Holiday & Vacation	615,509	694,166	695,152	593,194	614,845	21,652	4%
51071000 - Sick	194,733	226,113	201,332	241,960	250,792	8,832	4%
51081000 - Sick - Part Time	0	0	1	0	0	0	0%
51091000 - Missed Meal Penalty	3,765	4,885	5,851	4,533	4,424	(109)	(2%)
51101000 - Temporary Help	89,617	48,573	75,706	116,647	27,473	(89,174)	(76%)
51981000 - Compensation Accrual	34,539	(219,102)	30,781	0	0	0	0%
<b>Total Employee Compensation</b>	<b>6,772,640</b>	<b>6,825,158</b>	<b>7,174,365</b>	<b>8,095,575</b>	<b>8,269,202</b>	<b>173,627</b>	<b>2%</b>
<b>Compensation Related</b>							
52411000 - F.I.C.A.	496,280	515,726	522,247	596,015	618,647	22,631	4%
52421000 - F.U.I.	5,967	5,930	6,476	8,163	8,002	(161)	(2%)
52431000 - S.U.I.	45,806	40,488	43,540	41,732	41,894	162	0%
52441000 - Union Medical	1,128,990	1,239,556	1,154,759	1,314,492	1,347,598	33,106	3%
52451000 - Workers' Compensation Insurance	273,670	377,130	451,917	390,554	402,756	12,202	3%
52461000 - Non Union Medical & Life Insurance	323,717	344,574	352,403	457,591	490,892	33,300	7%
52471000 - Union Retirement Plan	231,775	272,003	285,979	349,843	381,160	31,317	9%
52481000 - Non-Union Retirement Plan	51,767	61,200	63,218	141,320	149,180	7,861	6%
52981000 - Compensation Related Accrual	(32,051)	(28,837)	5,503	0	0	0	0%
<b>Total Compensation Related</b>	<b>2,525,920</b>	<b>2,827,770</b>	<b>2,886,041</b>	<b>3,299,711</b>	<b>3,440,129</b>	<b>140,418</b>	<b>4%</b>
<b>Materials and Supplies</b>							
53001000 - Materials & Supplies	404,765	292,068	391,947	405,940	468,656	62,716	15%
53003000 - Materials Direct	426,345	325,507	461,185	349,636	352,110	2,474	1%
53004000 - Freight	0	571	2,286	3,524	2,650	(874)	(25%)
<b>Total Materials and Supplies</b>	<b>831,110</b>	<b>618,146</b>	<b>855,418</b>	<b>759,099</b>	<b>823,416</b>	<b>64,317</b>	<b>8%</b>
<b>Utilities and Telephone</b>							

**United Laguna Woods Mutual  
Budget Comparison Report by Account  
12/31/2023**

**Attachment 3**

UNITED LAGUNA WOODS MUTUAL

	<u>2019 Actuals</u>	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
53301000 - Electricity	161,483	68,478	91,483	130,789	137,759	6,970	5%
53301500 - Sewer	1,743,577	1,746,512	1,911,413	1,898,400	1,542,000	(356,400)	(19%)
53302000 - Water	1,790,236	1,940,632	2,119,249	2,127,288	2,214,664	87,376	4%
53302500 - Trash	422,299	431,734	448,509	524,703	810,652	285,949	54%
53304000 - Telephone	638	642	676	706	633	(73)	(10%)
Total Utilities and Telephone	4,118,233	4,187,998	4,571,330	4,681,886	4,705,708	23,822	1%
Legal Fees							
53401500 - Legal Fees	238,961	267,853	170,799	246,652	183,325	(63,327)	(26%)
Total Legal Fees	238,961	267,853	170,799	246,652	183,325	(63,327)	(26%)
Professional Fees							
53402010 - Audit & Tax Preparation Fees - United	43,377	44,628	46,466	47,670	47,670	0	0%
53403500 - Consulting Fees	(7,470)	556	627	13,371	12,096	(1,275)	(10%)
53403510 - Consulting Fees - United	63,924	32,649	8,812	35,000	42,166	7,166	20%
Total Professional Fees	99,831	77,833	55,905	96,041	101,932	5,891	6%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	5,960	6,996	10,010	7,977	8,688	711	9%
Total Equipment Rental	5,960	6,996	10,010	7,977	8,688	711	9%
Outside Services							
53601000 - Bank Fees	6,843	39,978	32,981	42,678	37,678	(5,000)	(12%)
53601500 - Credit Card Transaction Fees	999	4,078	9,888	0	10,000	10,000	0%
54603500 - Outside Services CC	1,086,861	1,096,641	2,071,426	1,296,251	1,975,485	679,234	52%
53704000 - Outside Services	85,819	75,480	122,030	138,612	148,940	10,328	7%
Total Outside Services	1,180,521	1,216,177	2,236,325	1,477,541	2,172,103	694,562	47%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	5,405	2,148	2,741	7,482	7,113	(369)	(5%)
53703000 - Elevator /Lift Maintenance	30,133	24,714	32,101	30,166	34,325	4,159	14%
Total Repairs and Maintenance	35,538	26,861	34,842	37,648	41,438	3,790	10%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	8,348	2,223	2,265	10,732	6,418	(4,314)	(40%)
53801500 - Travel & Lodging	961	245	26	2,580	1,781	(799)	(31%)
53802000 - Uniforms	49,433	47,750	45,533	62,132	59,712	(2,420)	(4%)
53802500 - Dues & Memberships	1,123	660	1,650	2,217	2,297	79	4%
53803000 - Subscriptions & Books	1,640	1,317	2,209	1,788	1,629	(159)	(9%)
53803500 - Training & Education	4,939	4,284	3,615	22,341	20,134	(2,207)	(10%)
53804000 - Staff Support	0	133	0	0	0	0	0%
53903000 - Safety	0	0	746	1,063	723	(340)	(32%)
54001000 - Board Relations	7,355	447	0	0	0	0	0%
54001010 - Board Relations - United	8,658	1,345	1,717	7,525	10,000	2,475	33%
54001500 - Public Relations	394	0	0	0	0	0	0%
54002000 - Postage	48,177	48,480	56,409	56,312	55,557	(756)	(1%)
54002500 - Filing Fees / Permits	4,525	134	386	354	405	51	14%
Total Other Operating Expense	135,553	107,017	114,554	167,044	158,654	(8,390)	(5%)
Income, Property, and Sales Tax							
54301000 - State & Federal Income Taxes	(13,931)	(265)	8,166	0	0	0	0%
54301500 - State & Local Taxes	0	0	235	0	0	0	0%
54302000 - Property Taxes	11,375,124	11,899,352	0	0	0	0	0%
Total Income, Property, and Sales Tax	11,361,194	11,899,087	8,401	0	0	0	0%
Insurance							
54401000 - Hazard & Liability Insurance	460,237	630,322	812,730	844,276	955,855	111,579	13%
54401500 - D&O Liability	64,083	65,510	70,113	76,776	79,165	2,389	3%
54402000 - Property Insurance	952,802	1,817,403	3,178,761	3,219,547	3,559,064	339,518	11%
54403000 - General Liability Insurance	5,406	2,280	5,428	7,450	7,328	(122)	(2%)
Total Insurance	1,482,527	2,515,514	4,067,032	4,148,049	4,601,413	453,364	11%
Net Allocation to Mutuals							
48502500 - Mutual General Operating	(15,223)	0	0	0	0	0	0%
54602500 - Allocated Expenses	1,019,801	1,303,774	1,109,819	1,171,082	1,178,365	7,283	1%
Total Net Allocation To Mutuals	1,004,578	1,303,774	1,109,819	1,171,082	1,178,365	7,283	1%
Uncollectible Accounts							
54602000 - Bad Debt Expense	32,610	1,462	(16,942)	15,000	15,000	0	0%
Total Uncollectible Accounts	32,610	1,462	(16,942)	15,000	15,000	0	0%

OPERATING FUND ONLY

Version 2

**United Laguna Woods Mutual  
Budget Comparison Report by Account  
12/31/2023**

**Attachment 3**

UNITED LAGUNA WOODS MUTUAL

	<u>2019 Actuals</u>	<u>2020 Actuals</u>	<u>2021 Actuals</u>	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
(Gain)/Loss on Sale or Trade							
54101000 - (Gain)/Loss - Warehouse Sales	(57)	(6,325)	(87)	0	0	0	0%
Total (Gain)/Loss on Sale or Trade	(57)	(6,325)	(87)	0	0	0	0%
Total Expenses	<u>29,825,119</u>	<u>31,875,321</u>	<u>23,277,812</u>	<u>24,203,306</u>	<u>25,699,373</u>	<u>1,496,067</u>	<u>6%</u>
Excess of Revenues Over Expenses	<u>(\$28,413,056)</u>	<u>(\$30,775,950)</u>	<u>(\$21,803,901)</u>	<u>(\$22,518,780)</u>	<u>(\$23,917,929)</u>	<u>\$1,399,149</u>	<u>6%</u>

**United Laguna Woods Mutual**  
**Budget Comparison Report by Fund Type**  
**12/31/2023**  
 UNITED LAGUNA WOODS MUTUAL

	2023 Budget Operating	2023 Budget Reserves	2023 Budget Restricted	Total
Non-Assessment Revenues:				
Merchandise Sales				
41501500 - Merchandise Sales - Warehouse	\$4,573	\$0	\$0	\$4,573
Total Merchandise Sales	4,573	0	0	4,573
Fees and Charges for Services to Residents				
46501000 - Permit Fee	257,340	0	0	257,340
46501500 - Inspection Fee	90,073	0	0	90,073
46502000 - Resident Maintenance Fee	472,175	0	0	472,175
Total Fees and Charges for Services to Residents	819,587	0	0	819,587
Laundry				
46005000 - Coin Op Laundry Machine	270,000	0	0	270,000
Total Laundry	270,000	0	0	270,000
Investment Income				
49002000 - Investment Income - Discretionary	0	150,000	0	150,000
Total Investment Income	0	150,000	0	150,000
Miscellaneous				
46004500 - Resident Violations	52,332	0	0	52,332
44501000 - Additional Occupant Fee	44,000	0	0	44,000
44501500 - Lease Processing Fee - United	163,425	0	0	163,425
44502000 - Variance Processing Fee	15,888	0	0	15,888
44503000 - Stock Transfer Fee	25,000	0	0	25,000
44503510 - Resale Processing Fee - United	135,800	0	0	135,800
44507000 - Golf Cart Electric Fee	60,000	0	0	60,000
44507200 - Electric Vehicle Plug-In Fee	21,000	0	0	21,000
44507500 - Cartport Space Rental Fee	2,400	0	0	2,400
47001500 - Late Fee Revenue	52,000	0	0	52,000
47002010 - Collection Administrative Fee - United	109,440	0	0	109,440
47002500 - Collection Interest Revenue	2,000	0	0	2,000
47501000 - Recycling	4,000	0	0	4,000
Total Miscellaneous	687,285	0	0	687,285
Total Non-Assessment Revenue	1,781,445	150,000	0	1,931,445
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,398,734	0	0	3,398,734
51021000 - Union Wages - Regular	3,894,534	2,272,019	0	6,166,553
51041000 - Wages - Overtime	25,663	0	0	25,663
51051000 - Union Wages - Overtime	52,736	37,664	0	90,400
51061000 - Holiday & Vacation	614,845	193,363	0	808,209
51071000 - Sick	250,792	78,872	0	329,664
51091000 - Missed Meal Penalty	4,424	1,096	0	5,520
51101000 - Temporary Help	27,473	0	0	27,473
Total Employee Compensation	8,269,202	2,583,014	0	10,852,216
Compensation Related				
52411000 - F.I.C.A.	618,647	194,635	0	813,282
52421000 - F.U.I.	8,002	2,421	0	10,423
52431000 - S.U.I.	41,894	12,105	0	53,999
52441000 - Union Medical	1,347,598	667,626	0	2,015,225
52451000 - Workers' Compensation Insurance	402,756	179,668	0	582,424
52461000 - Non Union Medical & Life Insurance	490,892	0	0	490,892
52471000 - Union Retirement Plan	381,160	188,834	0	569,993
52481000 - Non-Union Retirement Plan	149,180	0	0	149,180
Total Compensation Related	3,440,129	1,245,289	0	4,685,418
Materials and Supplies				

**United Laguna Woods Mutual**  
**Budget Comparison Report by Fund Type**  
**12/31/2023**  
 UNITED LAGUNA WOODS MUTUAL

	2023 Budget Operating	2023 Budget Reserves	2023 Budget Restricted	Total
53001000 - Materials & Supplies	468,656	190,754	0	659,410
53003000 - Materials Direct	352,110	2,118,446	0	2,470,556
53004000 - Freight	2,650	1,627	0	4,278
Total Materials and Supplies	<u>823,416</u>	<u>2,310,828</u>	<u>0</u>	<u>3,134,244</u>
Utilities and Telephone				
53301000 - Electricity	137,759	0	0	137,759
53301500 - Sewer	1,542,000	0	0	1,542,000
53302000 - Water	2,214,664	0	0	2,214,664
53302500 - Trash	810,652	10,826	0	821,478
53304000 - Telephone	633	0	0	633
Total Utilities and Telephone	<u>4,705,708</u>	<u>10,826</u>	<u>0</u>	<u>4,716,534</u>
Legal Fees				
53401500 - Legal Fees	183,325	0	0	183,325
Total Legal Fees	<u>183,325</u>	<u>0</u>	<u>0</u>	<u>183,325</u>
Professional Fees				
53402010 - Audit & Tax Preparation Fees - United	47,670	0	0	47,670
53403500 - Consulting Fees	12,096	0	0	12,096
53403510 - Consulting Fees - United	42,166	0	0	42,166
Total Professional Fees	<u>101,932</u>	<u>0</u>	<u>0</u>	<u>101,932</u>
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	8,688	34,523	0	43,211
Total Equipment Rental	<u>8,688</u>	<u>34,523</u>	<u>0</u>	<u>43,211</u>
Outside Services				
53601000 - Bank Fees	37,678	0	0	37,678
53601500 - Credit Card Transaction Fees	10,000	0	0	10,000
54603500 - Outside Services CC	1,975,485	7,134,052	0	9,109,537
53704000 - Outside Services	148,940	10,106	0	159,047
Total Outside Services	<u>2,172,103</u>	<u>7,144,159</u>	<u>0</u>	<u>9,316,261</u>
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	7,113	5,933	0	13,046
53703000 - Elevator /Lift Maintenance	34,325	0	0	34,325
Total Repairs and Maintenance	<u>41,438</u>	<u>5,933</u>	<u>0</u>	<u>47,371</u>
Other Operating Expense				
53801000 - Mileage & Meal Allowance	6,418	115	0	6,533
53801500 - Travel & Lodging	1,781	0	0	1,781
53802000 - Uniforms	59,712	30,022	0	89,734
53802500 - Dues & Memberships	2,297	152	0	2,449
53803000 - Subscriptions & Books	1,629	0	0	1,629
53803500 - Training & Education	20,134	1,976	0	22,110
53903000 - Safety	723	17	0	739
54001010 - Board Relations - United	10,000	0	0	10,000
54002000 - Postage	55,557	0	0	55,557
54002500 - Filing Fees / Permits	405	0	0	405
Total Other Operating Expense	<u>158,654</u>	<u>32,282</u>	<u>0</u>	<u>190,937</u>
Income, Property, and Sales Tax				
54302000 - Property Taxes	0	0	12,649,183	12,649,183
Total Income, Property, and Sales Tax	<u>0</u>	<u>0</u>	<u>12,649,183</u>	<u>12,649,183</u>
Insurance				
54401000 - Hazard & Liability Insurance	955,855	0	0	955,855
54401500 - D&O Liability	79,165	0	0	79,165
54402000 - Property Insurance	3,559,064	0	0	3,559,064
54403000 - General Liability Insurance	7,328	0	0	7,328
Total Insurance	<u>4,601,413</u>	<u>0</u>	<u>0</u>	<u>4,601,413</u>

**United Laguna Woods Mutual**  
**Budget Comparison Report by Fund Type**  
**12/31/2023**  
 UNITED LAGUNA WOODS MUTUAL

**Attachment 4**

	<u>2023 Budget Operating</u>	<u>2023 Budget Reserves</u>	<u>2023 Budget Restricted</u>	<u>Total</u>
Investment Expense				
54201000 - Investment Expense	0	10,500	0	10,500
Total Investment Expense	0	10,500	0	10,500
Net Allocation to Mutuals				
54602500 - Allocated Expenses	1,178,365	284,659	0	1,463,024
Total Net Allocation To Mutuals	1,178,365	284,659	0	1,463,024
Uncollectible Accounts				
54602000 - Bad Debt Expense	15,000	0	0	15,000
Total Uncollectible Accounts	15,000	0	0	15,000
Total Expenses	<u>25,699,373</u>	<u>13,662,013</u>	<u>12,649,183</u>	<u>52,010,569</u>
Excess of Revenues Over Expenses	<u>(\$23,917,929)</u>	<u>(\$13,512,013)</u>	<u>(\$12,649,183)</u>	<u>(\$50,079,124)</u>

**UNITED LAGUNA WOODS MUTUAL  
2023 PLAN  
Programs Report**

DESCRIPTION	2019 ACTUALS	2020 ACTUALS	2021 ACTUALS	2022 PROJECTION	2022 BUDGET	2023 BUDGET	ASSESSMENT	
							INCREASE/(DECREASE) \$	%
<b>OPERATING FUND - MAINTENANCE &amp; CONSTRUCTION</b>								
1 PLUMBING SERVICE	\$1,674,053	\$1,678,492	\$1,421,163	\$1,335,843	\$1,216,188	\$1,576,070	\$359,882	30%
2 DAMAGE RESTORATION	0	0	1,193,726	750,658	750,051	890,805	140,754	19%
3 CARPENTRY SERVICE	188,134	472,259	511,314	567,600	567,600	638,910	71,310	13%
4 INTERIOR PREVENTIVE MAINTENANCE	345,817	264,354	258,391	325,242	377,755	374,516	(3,239)	(1%)
5 ELECTRICAL SERVICE	315,789	314,055	380,555	383,454	372,361	373,788	1,427	0%
6 APPLIANCE REPAIRS	316,893	263,734	243,776	278,635	329,042	319,633	(9,409)	(3%)
7 PEST CONTROL	176,611	79,544	196,579	186,500	186,500	257,655	71,155	38%
8 COUNTERTOP/FLOOR/TILE REPAIRS	164,092	104,693	100,534	128,270	127,371	149,440	22,069	17%
9 FIRE PROTECTION	11,819	11,603	26,652	38,096	32,430	34,394	1,964	6%
10 ENERGY PROGRAM	28,285	18,020	19,060	25,000	25,000	25,000	0	0%
11 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	27,017	21,389	21,031	25,000	25,000	25,000	0	0%
12 GUTTER CLEANING	140,566	30,596	(30,596)	0	0	0	0	0%
<b>TOTAL</b>	<b>\$3,389,076</b>	<b>\$3,258,737</b>	<b>\$4,342,183</b>	<b>\$4,044,298</b>	<b>\$4,009,298</b>	<b>\$4,665,211</b>	<b>\$655,913</b>	<b>16%</b>

Line 2 includes damage restoration cleanup costs moved from contingency in 2021.

Line 12 was moved to General Services in 2020.

**OPERATING FUND - GENERAL SERVICES**

13 CONCRETE SERVICE	\$437,408	\$372,289	\$396,868	\$341,127	\$401,523	\$406,550	\$5,027	1%
14 JANITORIAL SERVICE	318,622	437,293	369,411	367,876	369,653	397,860	28,207	8%
15 GUTTER CLEANING	66,425	146,092	152,886	83,344	85,351	158,151	72,800	85%
16 WELDING	71,405	63,817	105,816	106,374	116,345	112,841	(3,504)	(3%)
17 TRAFFIC CONTROL	8,821	8,778	14,467	17,500	15,587	15,576	(11)	(0%)
<b>TOTAL</b>	<b>\$902,681</b>	<b>\$1,028,269</b>	<b>\$1,039,449</b>	<b>\$916,220</b>	<b>\$988,458</b>	<b>\$1,090,978</b>	<b>\$102,520</b>	<b>10%</b>

**OPERATING FUND - LANDSCAPE SERVICES**

18 GROUNDS MAINTENANCE	\$2,282,873	\$2,585,229	\$2,533,730	\$2,726,119	\$2,760,602	\$2,816,945	\$56,343	2%
19 IRRIGATION	612,789	784,777	728,291	819,029	819,029	809,936	(9,093)	(1%)
20 PEST CONTROL	219,894	229,312	275,162	308,996	274,513	315,267	40,754	15%
21 LANDSCAPE ADMINISTRATION	\$126,159	\$121,344	\$224,189	\$241,403	241,403	253,034	11,631	5%
22 SMALL EQUIPMENT REPAIR IMPROVEMENT/RESTORATION	188,316	190,463	215,076	209,626	209,626	192,214	(17,412)	(8%)
	0	0	(5,312)	0	0	0		
23 NURSERY & COMPOSTING	185,790	211,268	179,886	187,602	187,602	192,000	4,398	2%
24 TREE MAINTENANCE	(24,714)	5,504	5,974	0	0	0	0	0%
<b>TOTAL</b>	<b>\$3,591,107</b>	<b>\$4,127,897</b>	<b>\$4,156,995</b>	<b>\$4,492,775</b>	<b>\$4,492,775</b>	<b>\$4,579,396</b>	<b>\$86,621</b>	<b>2%</b>

**UNITED LAGUNA WOODS MUTUAL  
2023 PLAN  
Programs Report**

DESCRIPTION	2019 ACTUALS	2020 ACTUALS	2021 ACTUALS	2022 PROJECTION	2022 BUDGET	2023 BUDGET	ASSESSMENT	
							INCREASE/(DECREASE) \$	%
<b>RESERVE FUND - MAINTENANCE &amp; CONSTRUCTION</b>								
25 BUILDING STRUCTURES	\$600,963	\$1,235,622	\$979,064	\$1,345,353	\$1,492,903	\$1,314,879	(\$178,024)	(12%)
26 CDS SIGNAGE	0	29,078	0	0	0	0	0	0%
27 ELECTRICAL SYSTEMS	447,860	319,500	418,938	660,595	660,595	509,495	(151,100)	(23%)
28 EXTERIOR WALKWAY LIGHTING	36,202	7,671	30,711	17,302	75,635	75,550	(85)	(0%)
29 FOUNDATIONS	41,608	0	18,910	40,000	43,436	43,436	0	0%
30 GUTTER REPLACEMENT	67,711	83,051	68,558	127,389	126,889	113,127	(13,762)	(11%)
31 PAINT - EXTERIOR	1,920,691	1,224,288	1,635,609	1,736,135	1,739,285	1,734,242	(5,043)	(0%)
32 PLUMBING REPLACEMENT	0	0	276,882	414,800	646,769	337,826	(308,943)	(48%)
33 PRIOR TO PAINT	938,463	776,863	701,954	863,881	882,584	996,471	113,887	13%
34 PAVING	392,760	368,865	510,630	388,973	389,319	398,371	9,052	2%
35 ROOFS	814,112	927,506	841,632	1,012,666	1,020,439	1,041,301	20,862	2%
36 WALLS	151,736	24,600	27,928	30,000	35,000	35,000	0	0%
37 WASTE LINE REMEDIATION	2,126,216	1,349,975	2,502,222	2,300,000	2,300,000	2,300,000	0	0%
38 WATER LINE - COPPER PIPE REMEDIATION	245,552	169,746	62,049	97,000	100,000	100,000	0	0%
39 WINDOW/SLIDING SCREEN DOOR	60,896	71,372	108,699	118,000	133,896	140,157	6,261	5%
OTHER SUPPL. APPROPRIATIONS	915,107	6,389	0	0	0	0	0	0%
APPLIANCE AND FIXTURES:								
40 COOKTOPS	106,637	55,479	58,719	62,353	70,442	69,963	(479)	(1%)
41 DISHWASHERS	93,094	52,993	66,351	100,571	97,526	96,363	(1,163)	(1%)
42 FIXTURES - BASINS/FAUCETS/SINKS/TOILETS	255,597	133,986	155,000	231,392	232,333	224,611	(7,722)	(3%)
43 GARBAGE DISPOSALS	110,654	74,176	115,475	111,058	117,647	118,247	600	1%
44 HOODS	21,474	10,264	18,470	19,693	40,005	39,542	(463)	(1%)
45 KITCHEN/BATH COUNTERS, FLOORS, MISC.	992,888	550,095	878,164	1,323,422	1,363,867	1,467,907	104,040	8%
46 OVENS	130,533	98,684	116,546	159,658	134,125	133,646	(479)	(0%)
47 RANGES	10,628	4,474	8,907	10,280	12,613	12,345	(268)	(2%)
48 REFRIGERATORS	185,323	97,109	158,863	169,571	223,841	222,137	(1,704)	(1%)
49 WATER HEATERS & PERMITS	1,205,084	282,448	479,830	761,424	762,029	749,363	(12,666)	(2%)
50 DRYERS - LAUNDRY	3,551	1,152	9,151	19,747	38,247	38,113	(134)	(0%)
51 WASHING MACHINES - LAUNDRY	2,717	64,094	42,691	91,380	91,380	91,082	(298)	(0%)
RESALE INSPECTION REPLACEMENTS	0	0	0	0	0	0	0	0%
TOTAL APPLIANCE AND FIXTURES	\$3,118,181	\$1,424,955	\$2,108,168	\$3,060,550	\$3,184,055	\$3,263,319	\$79,264	2%
<b>TOTAL</b>	<b>\$11,878,056</b>	<b>\$8,019,480</b>	<b>\$10,291,951</b>	<b>\$12,212,643</b>	<b>\$12,830,805</b>	<b>\$12,403,174</b>	<b>(\$427,631)</b>	<b>(3%)</b>

Line 25 includes major damage restoration construction costs moved from contingency in 2021.

Line 32 was moved from operations in 2021.



**UNITED LAGUNA WOODS MUTUAL  
2023 PLAN  
Programs Report**

DESCRIPTION	2019 ACTUALS	2020 ACTUALS	2021 ACTUALS	2022 PROJECTION	2022 BUDGET	2023 BUDGET	ASSESSMENT	
							INCREASE/(DECREASE) \$	%
<b>RESERVE FUND - GENERAL SERVICES</b>								
52 PRIOR TO PAINT - WELDING	\$0	\$0	\$8,350	\$8,452	\$9,565	\$9,559	(\$6)	(0%)
53 PAVING	33,890	21,379	61,713	55,302	60,820	48,377	(12,443)	(20%)
54 WALLS	0	0	0	0	15,400	15,400	0	0%
<b>TOTAL</b>	<b>\$33,890</b>	<b>\$21,379</b>	<b>\$70,063</b>	<b>\$63,754</b>	<b>\$85,785</b>	<b>\$73,336</b>	<b>(\$12,449)</b>	<b>(15%)</b>

**RESERVE FUND - LANDSCAPE SERVICES**

55 LANDSCAPE RENOVATION	\$104,142	\$257,365	\$160,582	\$111,925	\$111,925	\$98,898	(\$13,027)	(12%)
56 IMPROVEMENT & RESTORATION	0	0	273,458	373,213	373,213	177,744	(195,469)	(52%)
57 TREE MAINTENANCE	1,118,879	877,273	764,125	947,657	947,657	898,361	(49,296)	(5%)
<b>TOTAL</b>	<b>\$1,223,021</b>	<b>\$1,134,638</b>	<b>\$1,198,165</b>	<b>\$1,432,795</b>	<b>\$1,432,795</b>	<b>\$1,175,003</b>	<b>(\$257,792)</b>	<b>(18%)</b>

**CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION**

58 MOISTURE INTRUSION - RAIN LEAKS	\$464,866	\$264,914	\$0	\$0	\$0	\$0	\$0	0%
59 MOISTURE INTRUSION - PLUMBING LEAKS	1,381,962	797,699	0	0	0	0	0	0%
60 MOISTURE INTRUSION - PLUMBING STOPPAGES	409,223	257,338	0	0	0	0	0	0%
61 MOISTURE INTRUSION - MISCELLANEOUS	250,780	185,784	0	0	0	0	0	0%
62 DAMAGE RESTORATION SERVICES	207,406	25,645	0	0	0	0	0	0%
OTHER SUPPL. APPROPRIATIONS	100,369	(58,843)	0	0	0	0	0	0%
<b>TOTAL</b>	<b>\$2,814,606</b>	<b>\$1,472,538</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

Lines 58-62: funding for damage restoration cleanup was moved to operations and damage restoration construction was moved to reserves in 2021.

**PROPERTY TAXES FUND - NON WORK CENTER**

63 PROPERTY TAXES	\$11,375,124	\$11,899,352	\$12,323,498	\$0	\$12,401,160	\$12,649,183	\$248,023	2%
<b>TOTAL</b>	<b>\$11,375,124</b>	<b>\$11,899,352</b>	<b>\$12,323,498</b>	<b>\$0</b>	<b>\$12,401,160</b>	<b>\$12,649,183</b>	<b>\$248,023</b>	<b>2%</b>

Line 63 - Expenditures were moved from operations beginning 2022. Expenses are billed directly to each manor and vary by manor. 2019 - 2021 Actuals are added above to provide history.



## DEFINITION OF FUNDS

### RESERVE FUND

This fund was established at the original construction of the Mutuals. The purpose of the Reserve Fund is to provide for repair, restoration, replacement, or maintenance of structural elements and mechanical equipment within the Mutual including, but not limited to, replacement of designated appliances, roofs, paving, laundry equipment, walls, vertical lifts, and windows.

<i>Year</i>	<i>Beginning Balance</i>	<i>Investment Income</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures*</i>	<i>ENDING BALANCE</i>
2022	\$ 19,168,076	\$ 154,082	\$ 10,776,240	\$ 142.02	\$ (13,709,191)	\$ 16,389,207
<b>2023</b>	<b>\$ 16,389,207</b>	<b>\$ 280,586</b>	<b>\$ 11,853,864</b>	<b>\$ 156.23</b>	<b>\$ (16,830,000)</b>	<b>\$ 11,693,657</b>
2024	\$ 11,693,657	\$ 208,843	\$ 12,505,827	\$ 164.82	\$ (15,199,607)	\$ 9,208,720
2025	\$ 9,208,720	\$ 161,773	\$ 13,193,647	\$ 173.88	\$ (15,581,544)	\$ 6,982,596
2026	\$ 6,982,596	\$ 122,357	\$ 13,919,298	\$ 183.45	\$ (15,760,511)	\$ 5,263,740
2027	\$ 5,263,740	\$ 96,047	\$ 14,684,859	\$ 193.54	\$ (15,695,333)	\$ 4,349,313

\*Planned expenditures may differ from the contracted reserve study based on budget submitted and projections.

### RESTRICTED FUNDS

#### Contingency Fund

The Contingency Fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for unanticipated significant expenditures not otherwise identified in the business plan. This fund may also be used for write-offs of uncollectible accounts according to original definition of the General Operating Fund. This fund is not required by Civil Code and is not included in the reserve plan calculations.



Year	Beginning Balance	Investment Income	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
2022	\$ 1,113,771	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,113,771
<b>2023</b>	<b>\$ 1,113,771</b>	<b>\$ 23,034</b>	<b>\$ 75,876</b>	<b>\$ 1.00</b>	<b>\$ 0</b>	<b>\$ 1,212,681</b>
2024	\$ 1,212,681	\$ 28,993	\$ 151,752	\$ 2.00	\$ 0	\$ 1,393,426
2025	\$ 1,393,426	\$ 33,913	\$ 227,628	\$ 3.00	\$ 0	\$ 1,654,967
2026	\$ 1,654,967	\$ 40,651	\$ 303,504	\$ 4.00	\$ 0	\$ 1,999,122
2027	\$ 1,999,122	\$ 49,248	\$ 379,380	\$ 5.00	\$ 0	\$ 2,427,750

**Property Taxes Fund**

The Property Taxes Fund is used for property taxes, which are generally based on the most recent purchase price of the individual manor. Taxes are assessed by the County of Orange, based on the County’s calculation of assessed value for each manor. Expenses are billed directly to each manor and vary by manor. The fund was established in 2021 and is not required by Civil Code and is not included in the reserve plan calculations.

Year	Beginning Balance	Investment Income	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
2022	\$ 0	\$ 0	\$ 12,401,160	Varies	\$ (12,401,160)	\$ 0
<b>2023</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,649,183</b>	<b>Varies</b>	<b>\$ (12,649,183)</b>	<b>\$ 0</b>
2024	\$ 0	\$ 0	\$ 12,902,167	Varies	\$ (12,902,167)	\$ 0
2025	\$ 0	\$ 0	\$ 13,160,210	Varies	\$ (13,160,210)	\$ 0
2026	\$ 0	\$ 0	\$ 13,423,414	Varies	\$ (13,423,414)	\$ 0
2027	\$ 0	\$ 0	\$ 13,691,883	Varies	\$ (13,691,883)	\$ 0

**Reserve Study Executive Summary** **With-Site-Visit**

**United Laguna Woods Mutual**

Report #: **36560-3**

Laguna Woods, CA

# of Units: 6,323

Level of Service: **Update "With-Site-Visit"**

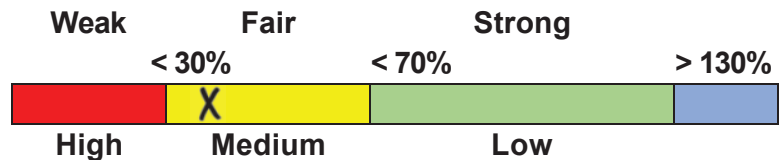
**January 1, 2023 through December 31, 2023**

**Findings & Recommendations**

as of **January 1, 2023**

Projected Starting Reserve Balance .....	\$16,389,207
Current Full Funding Reserve Balance .....	\$41,774,680
Average Reserve Deficit (Surplus) Per Unit .....	\$.4,015
Percent Funded .....	39.2 %
Recommended 2023 "Annual Full Funding Contributions" .....	\$14,168,800
Alternate minimum contributions to keep Reserve above \$0 .....	\$11,853,864
Most Recent Reserve Contribution Rate .....	\$10,776,240
Annual Deterioration Rate .....	\$20,149,294

**Reserve Fund Strength: 39.2%**



**Risk of Special Assessment:**

**Economic Assumptions:**

Net Annual "After Tax" Interest Earnings Accruing to Reserves .....	<b>2.00 %</b>
Annual Inflation Rate .....	<b>3.00 %</b>

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. We performed the site inspection on 5/18/2022.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% funded level and the 70% funded level at 39.2 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$20,149,294.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$14,168,800.

\*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$11,853,864.

To receive a copy of the full Reserve Study, contact the Association.



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 36560-3  
With-Site-Visit

Fiscal Year Start: 2023

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date				Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$16,389,207	\$41,774,680	39.2 %	Medium	\$11,853,864	\$0	\$280,586	\$16,830,000
2024	\$11,693,657	\$41,884,243	27.9 %	High	\$12,505,827	\$0	\$208,843	\$15,199,607
2025	\$9,208,719	\$43,796,379	21.0 %	High	\$13,193,647	\$0	\$161,773	\$15,581,544
2026	\$6,982,594	\$45,902,207	15.2 %	High	\$13,919,298	\$0	\$122,357	\$15,760,511
2027	\$5,263,739	\$47,700,769	11.0 %	High	\$14,684,859	\$0	\$96,047	\$15,695,333
2028	\$4,349,312	\$50,155,772	8.7 %	High	\$15,492,526	\$0	\$81,656	\$16,100,114
2029	\$3,823,380	\$52,783,205	7.2 %	High	\$15,957,302	\$0	\$79,485	\$15,728,176
2030	\$4,131,990	\$56,280,746	7.3 %	High	\$16,436,021	\$0	\$88,278	\$15,952,817
2031	\$4,703,473	\$59,983,705	7.8 %	High	\$16,929,102	\$0	\$102,823	\$16,147,645
2032	\$5,587,753	\$64,147,066	8.7 %	High	\$17,436,975	\$0	\$119,468	\$16,774,816
2033	\$6,369,379	\$68,286,647	9.3 %	High	\$17,960,084	\$0	\$137,443	\$17,080,102
2034	\$7,386,803	\$72,820,768	10.1 %	High	\$18,498,886	\$0	\$136,616	\$19,735,714
2035	\$6,286,591	\$75,336,586	8.3 %	High	\$19,053,853	\$0	\$112,552	\$20,474,639
2036	\$4,978,357	\$74,262,076	6.7 %	High	\$19,625,469	\$0	\$125,495	\$17,147,334
2037	\$7,581,986	\$77,137,771	9.8 %	High	\$20,214,233	\$0	\$170,188	\$18,514,855
2038	\$9,451,552	\$79,240,478	11.9 %	High	\$20,820,660	\$0	\$199,570	\$19,948,994
2039	\$10,522,789	\$80,494,869	13.1 %	High	\$21,445,279	\$0	\$255,806	\$17,143,881
2040	\$15,079,993	\$85,258,898	17.7 %	High	\$22,088,638	\$0	\$327,841	\$19,763,926
2041	\$17,732,547	\$88,067,422	20.1 %	High	\$22,751,297	\$0	\$365,883	\$21,962,238
2042	\$18,887,489	\$89,314,169	21.1 %	High	\$23,433,836	\$0	\$394,676	\$22,101,716
2043	\$20,614,285	\$91,091,431	22.6 %	High	\$24,136,851	\$0	\$430,868	\$22,672,114
2044	\$22,509,890	\$92,990,378	24.2 %	High	\$24,860,957	\$0	\$453,850	\$24,910,274
2045	\$22,914,422	\$93,287,802	24.6 %	High	\$25,606,785	\$0	\$489,634	\$22,919,471
2046	\$26,091,370	\$96,339,635	27.1 %	High	\$26,374,989	\$0	\$464,942	\$32,488,194
2047	\$20,443,106	\$90,983,376	22.5 %	High	\$27,166,238	\$0	\$394,187	\$28,993,742
2048	\$19,009,789	\$89,822,206	21.2 %	High	\$27,981,226	\$0	\$336,562	\$32,652,048
2049	\$14,675,529	\$85,637,333	17.1 %	High	\$28,820,662	\$0	\$279,516	\$30,475,438
2050	\$13,300,268	\$84,371,384	15.8 %	High	\$29,685,282	\$0	\$246,499	\$31,861,059
2051	\$11,370,991	\$82,466,906	13.8 %	High	\$30,575,841	\$0	\$196,393	\$33,857,898
2052	\$8,285,327	\$79,299,987	10.4 %	High	\$31,493,116	\$0	\$153,594	\$32,844,632