



**REGULAR MEETING OF THE FINANCE COMMITTEE**

**Tuesday, February 28, 2023 – 1:30 p.m.  
Laguna Woods Village Board Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, CA 92637**

**AGENDA**

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for January 31, 2023
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

*At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can join the Zoom Meeting by clicking on the link <https://us06web.zoom.us/j/85040223813> or call the one tap number using your mobile phone [+16699006833](tel:+16699006833), [85040223813](tel:+185040223813) or email [meeting@vmsinc.org](mailto:meeting@vmsinc.org) to request to speak.*

7. Department Head Update

**Reports**

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

**Items for Discussion and Consideration**

9. Approve and Endorse the recommendation of the Proposed 2023 United Investment Policy
10. United Treasury Reinvestment
11. Temporary Borrowing
12. Property Tax Exemption
13. Endorsements from Standing Committees

**Future Agenda Items**

14. Appliance Summary
15. Annual Savings

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

United Laguna Woods Mutual  
Finance Committee  
Regular Open Session  
January 31, 2023  
Page 2 of 2

Concluding Business:

16. Committee Member Comments
17. Date of Next Meeting – Tuesday, March 28, 2023 at 1:30 p.m.
18. Recess to Closed Session



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

Tuesday, January 31, 2022 – 1:30 p.m.  
Hybrid Meeting

- DIRECTORS PRESENT:** Azar Asgari – Chair, Alison Bok (Substitute for Mary Simon), Thomas Tuning
- DIRECTORS ABSENT:** Mary Simon (excused)
- ADVISORS PRESENT:** Mike Daillak
- STAFF PRESENT:** Steve Hormuth, Jose Campos, Erika Hernandez
- OTHERS PRESENT:** United – Lenny Ross, Diane Casey, Maggie Blackwell  
GRF – Juanita Skillman

**Call to Order**

Director Azar Asgari, Treasurer, chaired the meeting and called it to order at 1:35 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 December 27, 2022**

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

**Chair Remarks**

Director Asgari thanked staff for the work performed.

**Member Comments (Items Not on the Agenda)**

President Lenny Ross commented on the property taxes and exemptions available. Director Asgari suggested educating new members on property taxes and exemptions during the new resident orientation. No action was taken.

**Department Head Update**

Steve Hormuth, Director of Financial Services, briefly commented on the 2023 Annual Budget changes and shared that the United Investment Policy is currently being reviewed.

### **Review Preliminary Financial Statements dated December 31, 2022**

The committee reviewed financial statements for December 31, 2022 and questions were addressed and noted by staff.

Multiple members commented on the discretionary investments. No further action. Comments and questions were noted by staff.

### **Compensation and Outside Services**

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

### **Website Updates: 2021 Operating Surplus/(Deficit) Analysis**

Steve Hormuth presented a detailed summary of the 2021 Operating Deficit to explain why there was a deficit and compared it to the 2021 Audited financials reports. The summary will be available to view on the website for members.

### **Discuss Private Loan Research Ad Hoc Committee**

On November 29, 2022 the Finance Committee passed a recommendation to establish a Private Loan Research Ad Hoc committee for the purpose of investigating various options and alternatives for members and potential members to obtain private loans. On January 13, 2023, a communication was sent out to residents to apply to become members of the Private Loan Research Ad Hoc Committee with an application deadline of January 20<sup>th</sup> 2023.

### **Endorsements from Standing Committees**

M&C Committee – Guy West, Projects Division Manager, presented a staff report requesting approval for a supplemental appropriation in the amount of \$40,000 to be funded from the Reserve Fund to install an additional 400 linear feet of Shepherd's Crook fencing. A motion was made by Director Asgari and seconded by Director Thomas Tuning to approve and endorse staff's recommendation and be presented at the next board meeting. Hearing no objections, the motion passed unanimously.

Landscape Committee – Kurt Wiemann, Director of Landscape Services, presented a staff report requesting approval for a supplemental appropriation in the amount of \$189,480 to fund a portion of the United Turf Reduction Projects. A motion was made by Director Asgari and seconded by Director Alison Bok to approve and endorse staff's recommendation and present at the next board meeting. Hearing no objections, the motion passed unanimously.

Governing Documents Review Committee - Director Asgari shared an endorsement approved by Governing Documents Review committee. Discussion ensued. No action was taken.

### **Future Agenda Items**

Appliance by Category Update

Savings Compared to Prior Year

Property Tax Exemptions – New Resident Orientation Update

### **Committee Member Comments**

None.

Report of United Finance Committee Regular Open Meeting

January 31, 2023

Page 2 of 2

**Date of Next Meeting**

Tuesday, February 28, 2023 at 1:30 p.m.

**Recess to Closed Session**

The meeting recessed to closed session at 3:00 p.m.

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Azar Asgari, Chair

**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**1/31/2023**  
(\$ IN THOUSANDS)

|                                 | CURRENT MONTH                              |              |              | YEAR TO DATE |              |              | PRIOR YEAR<br>ACTUAL | TOTAL<br>BUDGET |                  |
|---------------------------------|--------------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------|-----------------|------------------|
|                                 | ACTUAL                                     | BUDGET       | VARIANCE     | ACTUAL       | BUDGET       | VARIANCE     |                      |                 |                  |
| <b>Revenues:</b>                |                                            |              |              |              |              |              |                      |                 |                  |
| <b>Assessments:</b>             |                                            |              |              |              |              |              |                      |                 |                  |
| 1                               | Operating                                  | \$3,116      | \$3,031      | \$86         | \$3,116      | \$3,031      | \$86                 | \$2,926         | \$36,367         |
| 2                               | Additions to restricted funds              | 994          | 994          |              | 994          | 994          |                      | 898             | 11,930           |
| 3                               | Total assessments                          | <u>4,110</u> | <u>4,025</u> | <u>86</u>    | <u>4,110</u> | <u>4,025</u> | <u>86</u>            | <u>3,824</u>    | <u>48,297</u>    |
| <b>Non-assessment revenues:</b> |                                            |              |              |              |              |              |                      |                 |                  |
| 4                               | Merchandise sales                          | 1            |              | 1            | 1            |              | 1                    | 1               | 5                |
| 5                               | Fees and charges for services to residents | 64           | 65           | (1)          | 64           | 65           | (1)                  | 40              | 820              |
| 6                               | Laundry                                    | 23           | 23           |              | 23           | 23           |                      | 23              | 270              |
| 7                               | Investment income                          | 53           | 13           | 40           | 53           | 13           | 40                   | 5               | 150              |
| 8                               | Miscellaneous                              | 122          | 57           | 65           | 122          | 57           | 65                   | 55              | 687              |
| 9                               | Total non-assessment revenue               | <u>263</u>   | <u>158</u>   | <u>105</u>   | <u>263</u>   | <u>158</u>   | <u>105</u>           | <u>124</u>      | <u>1,931</u>     |
| 10                              | Total revenue                              | <u>4,373</u> | <u>4,183</u> | <u>191</u>   | <u>4,373</u> | <u>4,183</u> | <u>191</u>           | <u>3,948</u>    | <u>50,228</u>    |
| <b>Expenses:</b>                |                                            |              |              |              |              |              |                      |                 |                  |
| 11                              | Employee compensation and related          | 1,154        | 1,326        | 172          | 1,154        | 1,326        | 172                  | 1,090           | 15,538           |
| 12                              | Materials and supplies                     | 220          | 240          | 20           | 220          | 240          | 20                   | 169             | 3,134            |
| 13                              | Utilities and telephone                    | 343          | 336          | (7)          | 343          | 336          | (7)                  | 337             | 4,517            |
| 14                              | Legal fees                                 | 8            | 8            |              | 8            | 8            |                      | 10              | 183              |
| 15                              | Professional fees                          | 11           | 8            | (3)          | 11           | 8            | (3)                  | 7               | 102              |
| 16                              | Equipment rental                           | 1            | 4            | 3            | 1            | 4            | 3                    |                 | 43               |
| 17                              | Outside services                           | 275          | 569          | 294          | 275          | 569          | 294                  | 155             | 9,316            |
| 18                              | Repairs and maintenance                    | 1            | 4            | 3            | 1            | 4            | 3                    | 2               | 47               |
| 19                              | Other Operating Expense                    | 9            | 14           | 5            | 9            | 14           | 5                    | 6               | 191              |
| 20                              | Property and sales tax                     | 1,085        | 1,054        | (31)         | 1,085        | 1,054        | (31)                 | 1,011           | 12,649           |
| 21                              | Insurance                                  | 386          | 383          | (2)          | 386          | 383          | (2)                  | 324             | 4,601            |
| 22                              | Investment expense                         |              | 1            | 1            |              | 1            | 1                    | 3               | 11               |
| 23                              | Uncollectible Accounts                     | (8)          | 1            | 10           | (8)          | 1            | 10                   | 3               | 15               |
| 24                              | Depreciation and amortization              | 13           |              | (13)         | 13           |              | (13)                 | 16              |                  |
| 25                              | Net allocation to mutuals                  | 93           | 122          | 29           | 93           | 122          | 29                   | 114             | 1,463            |
| 26                              | Total expenses                             | <u>3,589</u> | <u>4,072</u> | <u>482</u>   | <u>3,589</u> | <u>4,072</u> | <u>482</u>           | <u>3,247</u>    | <u>51,811</u>    |
| 27                              | Excess of revenues over expenses           | <u>\$784</u> | <u>\$111</u> | <u>\$673</u> | <u>\$784</u> | <u>\$111</u> | <u>\$673</u>         | <u>\$701</u>    | <u>(\$1,582)</u> |
| <b>Other Changes</b>            |                                            |              |              |              |              |              |                      |                 |                  |
| 28                              | Unrealized gain/(loss) on AFS investments  | 141          |              | 141          | 141          |              | 141                  | (173)           |                  |
| 29                              | Total other changes                        | 141          |              | 141          | 141          |              | 141                  | (173)           |                  |
| 30                              | Excess of revenues over expenses           | <u>\$925</u> | <u>\$111</u> | <u>\$814</u> | <u>\$925</u> | <u>\$111</u> | <u>\$814</u>         | <u>\$528</u>    | <u>(\$1,582)</u> |

**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - By Fund Type - Preliminary**  
**1/31/2023**  
(\$ IN THOUSANDS)

|                                 | OPERATING YEAR TO DATE                     |         |          | RESERVE: YEAR TO DATE |        |          | RESTRICTED: YEAR TO DATE |         |          | COMBINED: YEAR TO DATE |         |          |       |
|---------------------------------|--------------------------------------------|---------|----------|-----------------------|--------|----------|--------------------------|---------|----------|------------------------|---------|----------|-------|
|                                 | ACTUAL                                     | BUDGET  | VARIANCE | ACTUAL                | BUDGET | VARIANCE | ACTUAL                   | BUDGET  | VARIANCE | ACTUAL                 | BUDGET  | VARIANCE |       |
| <b>Revenues:</b>                |                                            |         |          |                       |        |          |                          |         |          |                        |         |          |       |
| <b>Assessments:</b>             |                                            |         |          |                       |        |          |                          |         |          |                        |         |          |       |
| 1                               | Operating                                  | \$1,976 | \$1,976  |                       |        |          | \$1,140                  | \$1,054 | \$86     | \$3,116                | \$3,031 | \$86     |       |
| 2                               | Additions to restricted funds              |         |          | 988                   | 988    |          | 6                        | 6       |          | 994                    | 994     |          |       |
| 3                               | Total assessments                          | 1,976   | 1,976    | 988                   | 988    |          | 1,146                    | 1,060   | 86       | 4,110                  | 4,025   | 86       |       |
| <b>Non-assessment revenues:</b> |                                            |         |          |                       |        |          |                          |         |          |                        |         |          |       |
| 4                               | Merchandise sales                          | 1       |          | 1                     |        |          |                          |         |          | 1                      |         | 1        |       |
| 5                               | Fees and charges for services to residents | 64      | 65       | (1)                   |        |          |                          |         |          | 64                     | 65      | (1)      |       |
| 6                               | Laundry                                    | 23      | 23       |                       |        |          |                          |         |          | 23                     | 23      |          |       |
| 7                               | Investment income                          |         |          |                       | 53     | 13       | 40                       |         |          | 53                     | 13      | 40       |       |
| 8                               | Miscellaneous                              | 122     | 57       | 65                    |        |          |                          |         |          | 122                    | 57      | 65       |       |
| 9                               | Total non-assessment revenue               | 210     | 145      | 64                    | 53     | 13       | 40                       |         |          | 263                    | 158     | 105      |       |
| 10                              | Total revenue                              | 2,186   | 2,122    | 64                    | 1,041  | 1,000    | 40                       | 1,146   | 1,060    | 86                     | 4,373   | 4,183    | 191   |
| <b>Expenses:</b>                |                                            |         |          |                       |        |          |                          |         |          |                        |         |          |       |
| 11                              | Employee compensation and related          | 862     | 996      | 134                   | 293    | 330      | 37                       |         |          | 1,154                  | 1,326   | 172      |       |
| 12                              | Materials and supplies                     | 61      | 64       | 3                     | 158    | 176      | 18                       |         |          | 220                    | 240     | 20       |       |
| 13                              | Utilities and telephone                    | 343     | 335      | (8)                   |        | 1        | 1                        |         |          | 343                    | 336     | (7)      |       |
| 14                              | Legal fees                                 | 8       | 8        |                       |        |          |                          |         |          | 8                      | 8       |          |       |
| 15                              | Professional fees                          | 11      | 8        | (3)                   |        |          |                          |         |          | 11                     | 8       | (3)      |       |
| 16                              | Equipment rental                           | 1       | 1        |                       |        | 3        | 3                        |         |          | 1                      | 4       | 3        |       |
| 17                              | Outside services                           | 123     | 118      | (5)                   | 150    | 451      | 301                      | 2       |          | 275                    | 569     | 294      |       |
| 18                              | Repairs and maintenance                    |         | 3        | 3                     |        |          |                          |         |          | 1                      | 4       | 3        |       |
| 19                              | Other Operating Expense                    | 8       | 12       | 3                     |        | 3        | 2                        |         |          | 9                      | 14      | 5        |       |
| 20                              | Property and sales tax                     |         |          |                       |        |          |                          | 1,085   | 1,054    | (31)                   | 1,085   | 1,054    | (31)  |
| 21                              | Insurance                                  | 386     | 383      | (2)                   |        |          |                          |         |          | 386                    | 383     | (2)      |       |
| 22                              | Investment expense                         |         |          |                       |        | 1        | 1                        |         |          |                        | 1       | 1        |       |
| 23                              | Uncollectible Accounts                     | (8)     | 1        | 10                    |        |          |                          |         |          | (8)                    | 1       | 10       |       |
| 24                              | Depreciation and amortization              | 13      |          | (13)                  |        |          |                          |         |          | 13                     |         | (13)     |       |
| 25                              | Net allocation to mutuals                  | 77      | 98       | 21                    | 16     | 24       | 8                        |         |          | 93                     | 122     | 29       |       |
| 26                              | Total expenses                             | 1,885   | 2,029    | 144                   | 618    | 989      | 371                      | 1,087   | 1,054    | (33)                   | 3,589   | 4,072    | 482   |
| 27                              | Excess of revenues over expenses           | \$302   | \$93     | \$209                 | \$423  | \$12     | \$411                    | \$59    | \$6      | \$53                   | \$784   | \$111    | \$673 |
| <b>Other Changes</b>            |                                            |         |          |                       |        |          |                          |         |          |                        |         |          |       |
| 28                              | Unrealized gain/(loss) on AFS investments  |         |          |                       | 141    |          | 141                      |         |          |                        | 141     |          | 141   |
| 29                              | Total other changes                        |         |          |                       | 141    |          | 141                      |         |          |                        | 141     |          | 141   |
| 30                              | Excess of revenues over expenses           | \$302   | \$93     | \$209                 | \$564  | \$12     | \$552                    | \$59    | \$6      | \$53                   | \$925   | \$111    | \$814 |

**United Laguna Woods Mutual**  
**Operating Statement - Preliminary**  
**1/31/2023**  
UNITED LAGUNA WOODS MUTUAL

|                                                              | Actual           | YEAR TO DATE<br>Budget | VAR\$ B/(W)    | VAR% B/(W)     | TOTAL<br>BUDGET   |
|--------------------------------------------------------------|------------------|------------------------|----------------|----------------|-------------------|
| Revenues:                                                    |                  |                        |                |                |                   |
| Assessments:                                                 |                  |                        |                |                |                   |
| <b>Operating</b>                                             |                  |                        |                |                |                   |
| 41001000 - Monthly Assessments                               | \$1,679,895      | \$1,679,906            | (\$11)         | 0.00%          | \$20,158,869      |
| 41007000 - Monthly Assessments - Property Taxes              | 1,085,411        | 1,054,099              | 31,312         | 2.97%          | 12,649,183        |
| 41007500 - Monthly Assessments - Supplemental Property Taxes | 54,462           | 0                      | 54,462         | 0.00%          | 0                 |
| 41008000 - Monthly Assessments - Property Insurance          | 296,516          | 296,589                | (73)           | (0.02%)        | 3,559,064         |
| <b>Total Operating</b>                                       | <b>3,116,283</b> | <b>3,030,593</b>       | <b>85,690</b>  | <b>2.83%</b>   | <b>36,367,116</b> |
| <b>Additions To Restricted Funds</b>                         |                  |                        |                |                |                   |
| 41001500 - Monthly Assessments - Contingency Fund            | 6,323            | 6,323                  | 0              | 0.00%          | 75,876            |
| 41003500 - Monthly Assessments - Replacement Fund            | 987,842          | 987,822                | 20             | 0.00%          | 11,853,864        |
| <b>Total Additions To Restricted Funds</b>                   | <b>994,165</b>   | <b>994,145</b>         | <b>20</b>      | <b>0.00%</b>   | <b>11,929,740</b> |
| <b>Total Assessments</b>                                     | <b>4,110,448</b> | <b>4,024,738</b>       | <b>85,710</b>  | <b>2.13%</b>   | <b>48,296,856</b> |
| Non-Assessment Revenues:                                     |                  |                        |                |                |                   |
| <b>Merchandise Sales</b>                                     |                  |                        |                |                |                   |
| 41501500 - Merchandise Sales - Warehouse                     | 900              | 381                    | 519            | 136.24%        | 4,573             |
| <b>Total Merchandise Sales</b>                               | <b>900</b>       | <b>381</b>             | <b>519</b>     | <b>136.24%</b> | <b>4,573</b>      |
| <b>Fees and Charges for Services to Residents</b>            |                  |                        |                |                |                   |
| 46501000 - Permit Fee                                        | 16,019           | 21,445                 | (5,426)        | (25.30%)       | 257,340           |
| 46501500 - Inspection Fee                                    | 2,952            | 7,506                  | (4,554)        | (60.67%)       | 90,073            |
| 46502000 - Resident Maintenance Fee                          | 45,083           | 36,361                 | 8,722          | 23.99%         | 472,174           |
| <b>Total Fees and Charges for Services to Residents</b>      | <b>64,054</b>    | <b>65,312</b>          | <b>(1,258)</b> | <b>(1.93%)</b> | <b>819,587</b>    |
| <b>Laundry</b>                                               |                  |                        |                |                |                   |
| 46005000 - Coin Op Laundry Machine                           | 22,793           | 22,500                 | 293            | 1.30%          | 270,000           |
| <b>Total Laundry</b>                                         | <b>22,793</b>    | <b>22,500</b>          | <b>293</b>     | <b>1.30%</b>   | <b>270,000</b>    |
| <b>Investment Income</b>                                     |                  |                        |                |                |                   |
| 49002000 - Investment Income - Discretionary                 | 52,902           | 12,500                 | 40,402         | 323.22%        | 150,000           |
| <b>Investment Interest Income</b>                            | <b>52,902</b>    | <b>12,500</b>          | <b>40,402</b>  | <b>323.22%</b> | <b>150,000</b>    |
| <b>Miscellaneous</b>                                         |                  |                        |                |                |                   |
| 46004500 - Resident Violations                               | 2,000            | 4,361                  | (2,361)        | (54.14%)       | 52,332            |
| 44501000 - Additional Occupant Fee                           | 2,600            | 3,666                  | (1,066)        | (29.08%)       | 43,992            |
| 44501500 - Lease Processing Fee - United                     | 11,660           | 13,618                 | (1,958)        | (14.38%)       | 163,425           |
| 44502000 - Variance Processing Fee                           | 0                | 1,324                  | (1,324)        | (100.00%)      | 15,888            |
| 44503000 - Stock Transfer Fee                                | 700              | 2,083                  | (1,383)        | (66.39%)       | 25,000            |
| 44503510 - Resale Processing Fee - United                    | 6,524            | 11,316                 | (4,792)        | (42.35%)       | 135,800           |
| 44506000 - Photo Copy Fee                                    | 15               | 0                      | 15             | 0.00%          | 0                 |
| 44507000 - Golf Cart Electric Fee                            | 56,290           | 5,000                  | 51,290         | 1025.80%       | 60,000            |
| 44507200 - Electric Vehicle Plug-In Fee                      | 33,076           | 1,750                  | 31,326         | 1790.04%       | 21,000            |
| 44507500 - Cartport/Carport Space Rental Fee                 | 163              | 200                    | (38)           | (18.75%)       | 2,400             |
| 47001500 - Late Fee Revenue                                  | 4,035            | 4,333                  | (298)          | (6.88%)        | 52,000            |
| 47002010 - Collection Administrative Fee - United            | 4,760            | 9,119                  | (4,359)        | (47.80%)       | 109,440           |
| 47002500 - Collection Interest Revenue                       | 0                | 166                    | (166)          | (100.00%)      | 2,000             |
| 47501000 - Recycling                                         | 300              | 333                    | (33)           | (10.01%)       | 4,000             |
| 49009000 - Miscellaneous Revenue                             | (3)              | 0                      | (3)            | 0.00%          | 0                 |
| <b>Total Miscellaneous</b>                                   | <b>122,120</b>   | <b>57,269</b>          | <b>64,851</b>  | <b>113.24%</b> | <b>687,277</b>    |
| <b>Total Non-Assessment Revenue</b>                          | <b>262,769</b>   | <b>157,962</b>         | <b>104,807</b> | <b>66.35%</b>  | <b>1,931,436</b>  |
| <b>Total Revenue</b>                                         | <b>4,373,217</b> | <b>4,182,700</b>       | <b>190,518</b> | <b>4.55%</b>   | <b>50,228,292</b> |
| Expenses:                                                    |                  |                        |                |                |                   |
| <b>Employee Compensation</b>                                 |                  |                        |                |                |                   |
| 51011000 - Salaries & Wages - Regular                        | 205,352          | 276,102                | 70,750         | 25.62%         | 3,398,734         |
| 51021000 - Union Wages - Regular                             | 349,621          | 523,735                | 174,114        | 33.24%         | 6,166,553         |
| 51041000 - Wages - Overtime                                  | 1,486            | 2,138                  | 652            | 30.50%         | 25,663            |
| 51051000 - Union Wages - Overtime                            | 11,796           | 7,531                  | (4,266)        | (56.65%)       | 90,400            |



**United Laguna Woods Mutual**  
**Operating Statement - Preliminary**  
**1/31/2023**  
 UNITED LAGUNA WOODS MUTUAL

|                                                  | YEAR TO DATE   |                |                |                 | TOTAL<br>BUDGET   |
|--------------------------------------------------|----------------|----------------|----------------|-----------------|-------------------|
|                                                  | Actual         | Budget         | VAR\$ B/(W)    | VAR% B/(W)      |                   |
| 51061000 - Holiday & Vacation                    | 137,128        | 67,595         | (69,533)       | (102.87%)       | 808,209           |
| 51071000 - Sick                                  | 19,106         | 27,572         | 8,466          | 30.70%          | 329,664           |
| 51091000 - Missed Meal Penalty                   | 833            | 458            | (375)          | (81.88%)        | 5,520             |
| 51101000 - Temporary Help                        | 11,946         | 2,289          | (9,656)        | (421.83%)       | 27,473            |
| 51981000 - Compensation Accrual                  | 70,636         | 0              | (70,636)       | 0.00%           | 0                 |
| <b>Total Employee Compensation</b>               | <b>807,903</b> | <b>907,419</b> | <b>99,516</b>  | <b>10.97%</b>   | <b>10,852,216</b> |
| <b>Compensation Related</b>                      |                |                |                |                 |                   |
| 52411000 - F.I.C.A.                              | 54,660         | 68,468         | 13,808         | 20.17%          | 813,282           |
| 52421000 - F.U.I.                                | 4,158          | 5,212          | 1,054          | 20.22%          | 10,423            |
| 52431000 - S.U.I.                                | 18,712         | 26,496         | 7,784          | 29.38%          | 53,999            |
| 52441000 - Union Medical                         | 144,707        | 167,935        | 23,228         | 13.83%          | 2,015,225         |
| 52451000 - Workers' Compensation Insurance       | 33,931         | 49,115         | 15,184         | 30.92%          | 582,424           |
| 52461000 - Non Union Medical & Life Insurance    | 29,872         | 40,908         | 11,036         | 26.98%          | 490,892           |
| 52471000 - Union Retirement Plan                 | 38,373         | 48,410         | 10,038         | 20.73%          | 569,993           |
| 52481000 - Non-Union Retirement Plan             | 6,420          | 12,119         | 5,699          | 47.02%          | 149,180           |
| 52981000 - Compensation Related Accrual          | 15,661         | 0              | (15,661)       | 0.00%           | 0                 |
| <b>Total Compensation Related</b>                | <b>346,492</b> | <b>418,663</b> | <b>72,170</b>  | <b>17.24%</b>   | <b>4,685,418</b>  |
| <b>Materials and Supplies</b>                    |                |                |                |                 |                   |
| 53001000 - Materials & Supplies                  | 46,114         | 54,690         | 8,576          | 15.68%          | 659,410           |
| 53003000 - Materials Direct                      | 173,291        | 185,209        | 11,918         | 6.43%           | 2,470,556         |
| 53004000 - Freight                               | 419            | 352            | (67)           | (18.99%)        | 4,277             |
| <b>Total Materials and Supplies</b>              | <b>219,824</b> | <b>240,251</b> | <b>20,427</b>  | <b>8.50%</b>    | <b>3,134,242</b>  |
| <b>Utilities and Telephone</b>                   |                |                |                |                 |                   |
| 53301000 - Electricity                           | 28,363         | 19,314         | (9,049)        | (46.85%)        | 137,760           |
| 53301500 - Sewer                                 | 125,400        | 125,400        | 0              | 0.00%           | 1,542,000         |
| 53302000 - Water                                 | 122,597        | 122,597        | 0              | 0.00%           | 2,014,664         |
| 53302500 - Trash                                 | 66,297         | 68,456         | 2,159          | 3.15%           | 821,478           |
| 53304000 - Telephone                             | 52             | 52             | 0              | 0.00%           | 633               |
| <b>Total Utilities and Telephone</b>             | <b>342,709</b> | <b>335,819</b> | <b>(6,890)</b> | <b>(2.05%)</b>  | <b>4,516,535</b>  |
| <b>Legal Fees</b>                                |                |                |                |                 |                   |
| 53401500 - Legal Fees                            | 7,941          | 8,333          | 392            | 4.70%           | 183,325           |
| <b>Total Legal Fees</b>                          | <b>7,941</b>   | <b>8,333</b>   | <b>392</b>     | <b>4.70%</b>    | <b>183,325</b>    |
| <b>Professional Fees</b>                         |                |                |                |                 |                   |
| 53402010 - Audit & Tax Preparation Fees - United | 5,878          | 3,972          | (1,906)        | (47.99%)        | 47,670            |
| 53403500 - Consulting Fees                       | 375            | 1,007          | 632            | 62.77%          | 12,096            |
| 53403510 - Consulting Fees - United              | 5,031          | 3,512          | (1,519)        | (43.26%)        | 42,166            |
| <b>Total Professional Fees</b>                   | <b>11,284</b>  | <b>8,491</b>   | <b>(2,793)</b> | <b>(32.89%)</b> | <b>101,932</b>    |
| <b>Equipment Rental</b>                          |                |                |                |                 |                   |
| 53501500 - Equipment Rental/Lease Fees           | 603            | 3,903          | 3,300          | 84.56%          | 43,211            |
| <b>Total Equipment Rental</b>                    | <b>603</b>     | <b>3,903</b>   | <b>3,300</b>   | <b>84.56%</b>   | <b>43,211</b>     |
| <b>Outside Services</b>                          |                |                |                |                 |                   |
| 53601000 - Bank Fees                             | (2,662)        | 3,139          | 5,801          | 184.80%         | 37,678            |
| 53601500 - Credit Card Transaction Fees          | 713            | 833            | 120            | 14.40%          | 10,000            |
| 54603500 - Outside Services Cost Collection      | 272,767        | 551,792        | 279,025        | 50.57%          | 9,109,537         |
| 53704000 - Outside Services                      | 3,934          | 12,852         | 8,918          | 69.39%          | 159,046           |
| <b>Total Outside Services</b>                    | <b>274,751</b> | <b>568,616</b> | <b>293,865</b> | <b>51.68%</b>   | <b>9,316,261</b>  |
| <b>Repairs and Maintenance</b>                   |                |                |                |                 |                   |
| 53701000 - Equipment Repair & Maint              | 513            | 1,084          | 571            | 52.69%          | 13,046            |
| 53703000 - Elevator /Lift Maintenance            | 0              | 2,860          | 2,860          | 100.00%         | 34,320            |
| <b>Total Repairs and Maintenance</b>             | <b>513</b>     | <b>3,944</b>   | <b>3,431</b>   | <b>87.00%</b>   | <b>47,366</b>     |
| <b>Other Operating Expense</b>                   |                |                |                |                 |                   |
| 53801000 - Mileage & Meal Allowance              | 37             | 554            | 517            | 93.30%          | 6,533             |
| 53801500 - Travel & Lodging                      | 0              | 148            | 148            | 100.00%         | 1,781             |
| 53802000 - Uniforms                              | 2,186          | 7,472          | 5,287          | 70.75%          | 89,734            |
| 53802500 - Dues & Memberships                    | 128            | 148            | 20             | 13.58%          | 2,449             |
| 53803000 - Subscriptions & Books                 | 0              | 135            | 135            | 100.00%         | 1,629             |
| 53803500 - Training & Education                  | 314            | 1,754          | 1,440          | 82.11%          | 22,110            |

**United Laguna Woods Mutual  
Operating Statement - Preliminary  
1/31/2023**

UNITED LAGUNA WOODS MUTUAL

|                                                                     | YEAR TO DATE     |                  |                  |                | TOTAL<br>BUDGET      |
|---------------------------------------------------------------------|------------------|------------------|------------------|----------------|----------------------|
|                                                                     | Actual           | Budget           | VAR\$ B/(W)      | VAR% B/(W)     |                      |
| 53903000 - Safety                                                   | 0                | 61               | 61               | 100.00%        | 739                  |
| 54001010 - Board Relations - United                                 | 762              | 833              | 71               | 8.58%          | 10,000               |
| 54002000 - Postage                                                  | 5,318            | 3,187            | (2,132)          | (66.89%)       | 55,556               |
| 54002500 - Filing Fees / Permits                                    | 101              | 33               | (68)             | (207.53%)      | 405                  |
| <b>Total Other Operating Expense</b>                                | <b>8,845</b>     | <b>14,325</b>    | <b>5,480</b>     | <b>38.25%</b>  | <b>190,937</b>       |
| <b>Property and Sales Tax</b>                                       |                  |                  |                  |                |                      |
| 54302000 - Property Taxes                                           | 1,085,112        | 1,054,099        | (31,013)         | (2.94%)        | 12,649,183           |
| <b>Total Property and Sales Tax</b>                                 | <b>1,085,112</b> | <b>1,054,099</b> | <b>(31,013)</b>  | <b>(2.94%)</b> | <b>12,649,183</b>    |
| <b>Insurance</b>                                                    |                  |                  |                  |                |                      |
| 54401000 - Hazard & Liability Insurance                             | 64,146           | 79,654           | 15,508           | 19.47%         | 955,855              |
| 54401500 - D&O Liability                                            | 7,317            | 6,597            | (720)            | (10.91%)       | 79,165               |
| 54402000 - Property Insurance                                       | 311,824          | 296,588          | (15,235)         | (5.14%)        | 3,559,064            |
| 54403000 - General Liability Insurance                              | 2,527            | 611              | (1,917)          | (313.87%)      | 7,328                |
| <b>Total Insurance</b>                                              | <b>385,814</b>   | <b>383,451</b>   | <b>(2,364)</b>   | <b>(0.62%)</b> | <b>4,601,413</b>     |
| <b>Investment Expense</b>                                           |                  |                  |                  |                |                      |
| 54201000 - Investment Expense                                       | 0                | 875              | 875              | 100.00%        | 10,500               |
| <b>Total Investment Expense</b>                                     | <b>0</b>         | <b>875</b>       | <b>875</b>       | <b>100.00%</b> | <b>10,500</b>        |
| <b>Uncollectible Accounts</b>                                       |                  |                  |                  |                |                      |
| 54602000 - Bad Debt Expense                                         | (8,415)          | 1,250            | 9,665            | 773.20%        | 15,000               |
| <b>Total Uncollectible Accounts</b>                                 | <b>(8,415)</b>   | <b>1,250</b>     | <b>9,665</b>     | <b>773.20%</b> | <b>15,000</b>        |
| <b>Depreciation and Amortization</b>                                |                  |                  |                  |                |                      |
| 55001000 - Depreciation And Amortization                            | 12,783           | 0                | (12,783)         | 0.00%          | 0                    |
| <b>Total Depreciation and Amortization</b>                          | <b>12,783</b>    | <b>0</b>         | <b>(12,783)</b>  | <b>0.00%</b>   | <b>0</b>             |
| <b>Net Allocation to Mutuals</b>                                    |                  |                  |                  |                |                      |
| 54602500 - Allocated Expenses                                       | 93,154           | 122,201          | 29,047           | 23.77%         | 1,463,024            |
| <b>Total Net Allocation to Mutuals</b>                              | <b>93,154</b>    | <b>122,201</b>   | <b>29,047</b>    | <b>23.77%</b>  | <b>1,463,024</b>     |
| <b>Total Expenses</b>                                               | <b>3,589,315</b> | <b>4,071,638</b> | <b>482,324</b>   | <b>11.85%</b>  | <b>51,810,563</b>    |
| <b>Excess of Revenues Over Expenses Before Other Changes</b>        | <b>\$783,902</b> | <b>\$111,061</b> | <b>\$672,841</b> | <b>605.83%</b> | <b>(\$1,582,270)</b> |
| <b>Other Changes</b>                                                |                  |                  |                  |                |                      |
| 49008100 - Unrealized Gain/(Loss) On Available For Sale Investments | 141,242          | 0                | 141,242          | 0.00%          | 0                    |
| <b>Total Other Changes</b>                                          | <b>141,242</b>   | <b>0</b>         | <b>141,242</b>   | <b>0.00%</b>   | <b>0</b>             |
| <b>Excess of Revenues Over Expenses</b>                             | <b>\$925,144</b> | <b>\$111,061</b> | <b>\$814,083</b> | <b>733.00%</b> | <b>(\$1,582,270)</b> |

**United Laguna Woods Mutual  
Balance Sheet - Preliminary  
1/31/2023**

|                                      |                                                  | <u>Current<br/>Month End</u>      | <u>Prior Year<br/>December 31</u> |
|--------------------------------------|--------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Assets</b>                        |                                                  |                                   |                                   |
| 1                                    | Cash and cash equivalents                        | \$761,588                         | \$608,243                         |
| 2                                    | Discretionary investments                        | 19,169,395                        | 19,028,105                        |
| 3                                    | Receivable/(Payable) from mutuals                | 50,852                            | (348,535)                         |
| 4                                    | Accounts receivable and interest receivable      | 722,716                           | 622,417                           |
| 5                                    | Prepaid expenses and deposits                    | 2,857,222                         | 3,180,462                         |
| 6                                    | Property and equipment                           | 91,989,605                        | 91,989,605                        |
| 7                                    | Accumulated depreciation property and equipment  | (83,765,633)                      | (83,765,378)                      |
| 8                                    | Beneficial interest in GRF of Laguna Hills Trust | 5,248,141                         | 5,260,669                         |
| 9                                    | Non-controlling interest in GRF                  | 42,560,838                        | 42,560,838                        |
| <b>10</b>                            | <b>Total Assets</b>                              | <b><u><u>\$79,594,724</u></u></b> | <b><u><u>\$79,136,427</u></u></b> |
| <b>Liabilities and Fund Balances</b> |                                                  |                                   |                                   |
| Liabilities:                         |                                                  |                                   |                                   |
| 11                                   | Accounts payable and accrued expenses            | \$2,870,958                       | \$3,340,816                       |
| 12                                   | Accrued compensation and related costs           | 551,668                           | 551,668                           |
| 13                                   | Deferred income                                  | 946,809                           | 943,798                           |
| 14                                   | Asset retirement obligation                      | 1,479,624                         | 1,479,624                         |
| 15                                   | Total liabilities                                | <u>\$5,849,059</u>                | <u>\$6,315,906</u>                |
| Fund balances:                       |                                                  |                                   |                                   |
| 16                                   | Fund balance prior years                         | 72,820,521                        | 75,463,640                        |
| 17                                   | Change in fund balance - current year            | 925,144                           | (2,643,119)                       |
| 18                                   | Total fund balances                              | <u>73,745,665</u>                 | <u>72,820,521</u>                 |
| <b>19</b>                            | <b>Total Liabilities and Fund Balances</b>       | <b><u><u>\$79,594,724</u></u></b> | <b><u><u>\$79,136,427</u></u></b> |

**United Laguna Woods Mutual  
Fund Balance Sheet - Preliminary  
1/31/2023**

|                                      | <u>Operating<br/>Fund</u>                        | <u>Replacement<br/>Fund</u> | <u>Contingency<br/>Fund</u> | <u>Property Taxes<br/>Fund</u> | <u>Total</u>               |
|--------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------|--------------------------------|----------------------------|
| <b>Assets</b>                        |                                                  |                             |                             |                                |                            |
| 1                                    | Cash and cash equivalents                        | \$403,272                   | \$358,316                   |                                | \$761,588                  |
| 2                                    | Discretionary investments                        |                             | 19,169,395                  |                                | 19,169,395                 |
| 3                                    | Receivable/(Payable) from mutuals                | 50,852                      |                             |                                | 50,852                     |
| 4                                    | Receivable/(Payable) from operating fund         | (2,132,286)                 | 557,127                     | 1,118,445                      | 456,714                    |
| 5                                    | Accounts receivable and interest receivable      | 710,540                     | 12,175                      |                                | 722,716                    |
| 6                                    | Prepaid expenses and deposits                    | 2,854,702                   | 2,520                       |                                | 2,857,222                  |
| 7                                    | Property and equipment                           | 91,989,605                  |                             |                                | 91,989,605                 |
| 8                                    | Accumulated depreciation property and equipment  | (83,765,633)                |                             |                                | (83,765,633)               |
| 9                                    | Beneficial interest in GRF of Laguna Hills Trust | 5,248,141                   |                             |                                | 5,248,141                  |
| 10                                   | Non-controlling interest in GRF                  | 42,560,838                  |                             |                                | 42,560,838                 |
| <b>11</b>                            | <b>Total Assets</b>                              | <b><u>\$57,920,032</u></b>  | <b><u>\$20,099,534</u></b>  | <b><u>\$1,118,445</u></b>      | <b><u>\$79,594,724</u></b> |
| <b>Liabilities and Fund Balances</b> |                                                  |                             |                             |                                |                            |
| Liabilities:                         |                                                  |                             |                             |                                |                            |
| 12                                   | Accounts payable and accrued expenses            | \$549,378                   | \$1,238,528                 | \$1,083,052                    | \$2,870,958                |
| 13                                   | Accrued compensation and related costs           | 551,668                     |                             |                                | 551,668                    |
| 14                                   | Deferred income                                  | 946,809                     |                             |                                | 946,809                    |
| 15                                   | Asset retirement obligation                      |                             | 1,479,624                   |                                | 1,479,624                  |
| 16                                   | Total liabilities                                | <u>\$2,047,855</u>          | <u>\$2,718,152</u>          | <u>\$1,083,052</u>             | <u>\$5,849,059</u>         |
| Fund balances:                       |                                                  |                             |                             |                                |                            |
| 17                                   | Fund balance prior years                         | 55,570,384                  | 16,817,391                  | 1,113,771                      | 72,820,521                 |
| 18                                   | Change in fund balance - current year            | 301,793                     | 563,990                     | 4,674                          | 925,144                    |
| 19                                   | Total fund balances                              | <u>55,872,177</u>           | <u>17,381,382</u>           | <u>1,118,445</u>               | <u>73,745,665</u>          |
| <b>20</b>                            | <b>Total Liabilities and Fund Balances</b>       | <b><u>\$57,920,032</u></b>  | <b><u>\$20,099,534</u></b>  | <b><u>\$1,118,445</u></b>      | <b><u>\$79,594,724</u></b> |

**United Laguna Woods Mutual  
Changes in Fund Balances - Preliminary  
1/31/2023**

|                          | <u>Operating<br/>Fund</u> | <u>Replacement<br/>Fund</u> | <u>Contingency<br/>Fund</u> | <u>Property Taxes<br/>Fund</u> | <u>Total</u>     |
|--------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------|------------------|
| Revenues:                |                           |                             |                             |                                |                  |
| Assessments:             |                           |                             |                             |                                |                  |
| 1                        | \$1,976,484               |                             |                             | \$1,139,799                    | \$3,116,283      |
| 2                        |                           | 987,842                     | 6,323                       |                                | 994,165          |
| 3                        | <u>1,976,484</u>          | <u>987,842</u>              | <u>6,323</u>                | <u>1,139,799</u>               | <u>4,110,448</u> |
| Non-assessment revenues: |                           |                             |                             |                                |                  |
| 4                        | 900                       |                             |                             |                                | 900              |
| 5                        | 64,054                    |                             |                             |                                | 64,054           |
| 6                        | 22,793                    |                             |                             |                                | 22,793           |
| 7                        |                           | 52,902                      |                             |                                | 52,902           |
| 8                        | 122,120                   |                             |                             |                                | 122,120          |
| 9                        | <u>209,867</u>            | <u>52,902</u>               |                             |                                | <u>262,769</u>   |
| 10                       | <u>2,186,350</u>          | <u>1,040,745</u>            | <u>6,323</u>                | <u>1,139,799</u>               | <u>4,373,217</u> |
| Expenses:                |                           |                             |                             |                                |                  |
| 11                       | 861,584                   | 292,812                     |                             |                                | 1,154,395        |
| 12                       | 61,389                    | 158,318                     | 117                         |                                | 219,824          |
| 13                       | 342,709                   |                             |                             |                                | 342,709          |
| 14                       | 7,941                     |                             |                             |                                | 7,941            |
| 15                       | 11,284                    |                             |                             |                                | 11,284           |
| 16                       | 502                       | 101                         |                             |                                | 603              |
| 17                       | 123,076                   | 150,142                     | 1,533                       |                                | 274,751          |
| 18                       | 211                       | 301                         |                             |                                | 513              |
| 19                       | 8,412                     | 433                         |                             |                                | 8,845            |
| 20                       |                           |                             |                             | 1,085,112                      | 1,085,112        |
| 21                       | 385,814                   |                             |                             |                                | 385,814          |
| 22                       | (8,415)                   |                             |                             |                                | (8,415)          |
| 23                       | 12,783                    |                             |                             |                                | 12,783           |
| 24                       | 77,266                    | 15,888                      |                             |                                | 93,154           |
| 25                       | <u>1,884,557</u>          | <u>617,996</u>              | <u>1,649</u>                | <u>1,085,112</u>               | <u>3,589,315</u> |
| 26                       | <u>\$301,793</u>          | <u>\$422,749</u>            | <u>\$4,674</u>              | <u>\$54,687</u>                | <u>\$783,902</u> |
| Other Changes:           |                           |                             |                             |                                |                  |
| 27                       |                           | 141,242                     |                             |                                | 141,242          |
| 28                       |                           | <u>\$141,242</u>            |                             |                                | <u>\$141,242</u> |

**United Laguna Woods Mutual  
Changes in Fund Balances - Preliminary  
1/31/2023**

|                                                         | <u>Operating<br/>Fund</u> | <u>Replacement<br/>Fund</u> | <u>Contingency<br/>Fund</u> | <u>Property Taxes<br/>Fund</u> | <u>Total</u> |
|---------------------------------------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------|--------------|
| 29 Excess of revenues over expenses after other changes | \$301,793                 | \$563,990                   | \$4,674                     | \$54,687                       | \$925,144    |
| 30 Excluding unrealized gains and depreciation          | \$314,576                 | \$422,749                   | \$4,674                     | \$54,687                       | \$796,686    |

**UNITED LAGUNA WOODS MUTUAL  
DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA  
SCHEDULE OF INVESTMENTS  
1/31/23**

| I.D. NO.                                            | DESCRIPTION        | STATED RATE | SETTLEMENT DATE | MATURITY DATE   | PAR VALUE              | EFFECT. YIELD | ORIGINAL COST          | BOOK VALUE             | 1/31/2023              |                        |
|-----------------------------------------------------|--------------------|-------------|-----------------|-----------------|------------------------|---------------|------------------------|------------------------|------------------------|------------------------|
|                                                     |                    |             |                 |                 |                        |               |                        |                        | MARKET VALUE           | UNREALIZED GAIN/(LOSS) |
| <b>I1: Cash available for short-term investment</b> |                    |             |                 |                 |                        |               |                        |                        |                        |                        |
| 912796ZT9                                           | U.S. TREASURY BILL | 0.00%       | 10-31-22        | <b>02-07-23</b> | 2,000,000.00           | 0.391%        | 1,978,990.00           | 1,978,990.00           | 1,998,612.00           | 19,622.00              |
| 912796YK9                                           | U.S. TREASURY BILL | 0.00%       | 10-31-22        | 03-09-23        | 3,000,000.00           | 0.238%        | 2,957,860.00           | 2,957,860.00           | 2,986,608.00           | 28,748.00              |
|                                                     |                    |             |                 |                 | 5,000,000.00           |               | 4,936,850.00           | 4,936,850.00           | 4,985,220.00           | 48,370.00              |
| <b>I2: Invested with intent to hold long term</b>   |                    |             |                 |                 |                        |               |                        |                        |                        |                        |
| 912796Y60                                           | U.S. TREASURY BILL | 0.00%       | 11-23-22        | 02-21-23        | 2,000,000.00           | 0.401%        | 1,980,400.00           | 1,980,400.00           | 1,995,108.00           | 14,708.00              |
| 912796W47                                           | U.S. TREASURY BILL | 0.00%       | 11-25-22        | 05-18-23        | 570,000.00             | 0.446%        | 558,125.95             | 558,125.95             | 562,420.14             | 4,294.19               |
| 912796W47                                           | U.S. TREASURY BILL | 0.00%       | 11-23-22        | 05-18-23        | 2,000,000.00           | 0.446%        | 1,957,857.78           | 1,957,857.78           | 1,973,404.00           | 15,546.22              |
| 912796XY0                                           | U.S. TREASURY BILL | 0.00%       | 11-23-22        | 08-10-23        | 2,000,000.00           | 0.425%        | 1,940,777.78           | 1,940,777.78           | 1,951,410.00           | 10,632.22              |
| 912796YT0                                           | U.S. TREASURY BILL | 0.00%       | 11-23-22        | 11-02-23        | 2,000,000.00           | 0.460%        | 1,915,911.11           | 1,915,911.11           | 1,931,648.00           | 15,736.89              |
| 912828W48                                           | U.S. TREASURY NOTE | 0.21%       | 11-25-22        | 02-29-24        | 2,000,000.00           | 0.468%        | 1,937,812.50           | 1,937,812.50           | 1,944,922.00           | 7,109.50               |
| 912828XT2                                           | U.S. TREASURY NOTE | 0.20%       | 11-25-22        | 05-31-24        | 2,000,000.00           | 0.464%        | 1,923,437.50           | 1,923,437.50           | 1,932,188.00           | 8,750.50               |
| 91282CCT6                                           | U.S. TREASURY NOTE | 0.04%       | 11-25-22        | 08-15-24        | 2,000,000.00           | 0.457%        | 1,862,500.00           | 1,862,500.00           | 1,878,594.00           | 16,094.00              |
|                                                     |                    |             |                 |                 | 14,570,000.00          |               | 14,076,822.62          | 14,076,822.62          | 14,169,694.14          | 92,871.52              |
| <b>TOTAL FOR BANK OF AMERICA INVESTMENTS</b>        |                    |             |                 |                 | <b>\$19,570,000.00</b> |               | <b>\$19,013,672.62</b> | <b>\$19,013,672.62</b> | <b>\$19,154,914.14</b> | <b>\$141,241.52</b>    |

\*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL  
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY  
SCHEDULE OF INVESTMENTS  
1/31/23**

| I.D. NO.                                        | DESCRIPTION                                 | STATED RATE | SETTLEMENT DATE | MATURITY DATE | PAR VALUE               | EFFECT. YIELD | ORIGINAL COST           | BOOK VALUE              | 1/31/2023               |                        |
|-------------------------------------------------|---------------------------------------------|-------------|-----------------|---------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|------------------------|
|                                                 |                                             |             |                 |               |                         |               |                         |                         | MARKET VALUE            | UNREALIZED GAIN/(LOSS) |
|                                                 | FIDELITY GOVT CASH RESERVES                 |             |                 |               | \$ 14,480.87            |               | \$ 14,480.87            | \$ 14,480.87            | \$ 14,480.87            | \$0.00                 |
| 31635V216                                       | FUMBX-Fidelity Short Term Trsry Bond Index  | 0.00%       | 12-13-19        | -             | -                       | 0.00%         | -                       | -                       | \$0.00                  | \$0.00                 |
| 922031851                                       | VFIRX-Vanguard Short Term Trsry Admiral     | 0.00%       | 12-13-19        | -             | -                       | 0.00%         | -                       | -                       | \$0.00                  | \$0.00                 |
| 92206C607                                       | VSCSX-Vanguard Short Term Corp Bd Index Adm | 0.00%       | 12-13-19        | -             | -                       | 0.00%         | -                       | -                       | \$0.00                  | \$0.00                 |
| 92206C755                                       | VMBSX-Vanguard Backed Securities Indx Adm   | 0.00%       | 12-13-19        | -             | -                       | 0.00%         | -                       | -                       | \$0.00                  | \$0.00                 |
| <b>TOTALS FOR SAGEVIEW/FIDELITY INVESTMENTS</b> |                                             |             |                 |               | <b>14,480.87</b>        |               | <b>14,480.87</b>        | <b>\$14,480.87</b>      | <b>\$14,480.87</b>      | <b>\$0.00</b>          |
| <b>TOTAL DISCRETIONARY INVESTMENTS</b>          |                                             |             |                 |               | <b>\$ 19,584,480.87</b> |               | <b>\$ 19,028,153.49</b> | <b>\$ 19,028,153.49</b> | <b>\$ 19,169,395.01</b> | <b>Total change</b>    |

\*Yield is based on all investments held during the year

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

| DESCRIPTION                                                    | CURRENT MONTH    |                  | YEAR-TO-DATE     |                  | 2023               | %         | VARIANCE       |           |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|--------------------|-----------|----------------|-----------|
|                                                                | ACTUAL           | BUDGET           | ACTUAL           | BUDGET           | BUDGET             | EXPENDED  | \$             | %         |
| <b>OPERATING EXPENDITURES - MAINTENANCE &amp; CONSTRUCTION</b> |                  |                  |                  |                  |                    |           |                |           |
| PLUMBING SERVICE                                               | \$120,337        | \$134,082        | \$120,337        | \$134,082        | \$1,576,071        | 8%        | \$13,745       | 10%       |
| DAMAGE RESTORATION                                             | 61,130           | 23,541           | 61,130           | 23,541           | 885,805            | 7%        | (37,589)       | (160%)    |
| CARPENTRY SERVICE                                              | 51,020           | 50,481           | 51,020           | 50,481           | 638,911            | 8%        | (538)          | (1%)      |
| ELECTRICAL SERVICE                                             | 32,538           | 31,521           | 32,538           | 31,521           | 373,787            | 9%        | (1,018)        | (3%)      |
| APPLIANCE REPAIRS                                              | 27,686           | 27,301           | 27,686           | 27,301           | 319,633            | 9%        | (385)          | (1%)      |
| INTERIOR PREVENTIVE MAINTENANCE                                | 29,642           | 32,111           | 29,642           | 32,111           | 374,517            | 8%        | 2,469          | 8%        |
| PEST CONTROL                                                   | 0                | 18,137           | 0                | 18,137           | 257,655            | 0%        | 18,137         | 100%      |
| COUNTERTOP/FLOOR/TILE REPAIRS                                  | 7,571            | 11,998           | 7,571            | 11,998           | 149,440            | 5%        | 4,428          | 37%       |
| ENERGY PROGRAM                                                 | 0                | 0                | 0                | 0                | 35,000             | 0%        | 0              | 0%        |
| MISC. REPAIRS BY OUTSIDE SERVICE                               | 0                | 0                | 0                | 0                | 20,000             | 0%        | 0              | 0%        |
| FIRE PROTECTION                                                | 961              | 2,880            | 961              | 2,880            | 34,394             | 3%        | 1,919          | 67%       |
| <b>TOTAL</b>                                                   | <b>\$330,886</b> | <b>\$332,053</b> | <b>\$330,886</b> | <b>\$332,053</b> | <b>\$4,665,213</b> | <b>7%</b> | <b>\$1,167</b> | <b>0%</b> |

**OPERATING EXPENDITURES - GENERAL SERVICES**

|                             |                 |                 |                 |                 |                    |           |                 |            |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------|-----------------|------------|
| CONCRETE REPAIR/REPLACEMENT | \$23,554        | \$34,186        | \$23,554        | \$34,186        | \$400,432          | 6%        | \$10,632        | 31%        |
| JANITORIAL SERVICE          | 31,041          | 34,236          | 31,041          | 34,236          | 397,860            | 8%        | 3,195           | 9%         |
| GUTTER CLEANING             | 2,818           | 13,277          | 2,818           | 13,277          | 158,152            | 2%        | 10,459          | 79%        |
| WELDING                     | 6,543           | 9,631           | 6,543           | 9,631           | 112,840            | 6%        | 3,088           | 32%        |
| TRAFFIC CONTROL             | 1,252           | 1,674           | 1,252           | 1,674           | 19,579             | 6%        | 422             | 25%        |
| <b>TOTAL</b>                | <b>\$65,208</b> | <b>\$93,005</b> | <b>\$65,208</b> | <b>\$93,005</b> | <b>\$1,088,863</b> | <b>6%</b> | <b>\$27,797</b> | <b>30%</b> |

**OPERATING EXPENDITURES - LANDSCAPE SERVICES**

|                          |                  |                  |                  |                  |                    |           |                 |            |
|--------------------------|------------------|------------------|------------------|------------------|--------------------|-----------|-----------------|------------|
| LANDSCAPE ADMINISTRATION | \$19,788         | \$20,962         | \$19,788         | \$20,962         | \$253,034          | 8%        | \$1,173         | 6%         |
| NURSERY & COMPOSTING     | 14,639           | 16,365           | 14,639           | 16,365           | 192,001            | 8%        | 1,726           | 11%        |
| GROUNDS MAINTENANCE      | 211,187          | 243,008          | 211,187          | 243,008          | 2,816,945          | 7%        | 31,821          | 13%        |
| IRRIGATION               | 52,798           | 69,462           | 52,798           | 69,462           | 812,835            | 6%        | 16,664          | 24%        |
| SMALL EQUIPMENT REPAIR   | 0                | 0                | 0                | 0                | 0                  | 0%        | 0               | 0%         |
| PEST CONTROL             | 19,147           | 27,000           | 19,147           | 27,000           | 315,267            | 6%        | 7,853           | 29%        |
| <b>TOTAL</b>             | <b>\$317,559</b> | <b>\$376,796</b> | <b>\$317,559</b> | <b>\$376,796</b> | <b>\$4,390,081</b> | <b>7%</b> | <b>\$59,237</b> | <b>16%</b> |



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

| DESCRIPTION                                          | CURRENT MONTH    |                  | YEAR-TO-DATE     |                  | 2023                | %         | VARIANCE         |            |
|------------------------------------------------------|------------------|------------------|------------------|------------------|---------------------|-----------|------------------|------------|
|                                                      | ACTUAL           | BUDGET           | ACTUAL           | BUDGET           | BUDGET              | EXPENDED  | \$               | %          |
| <b>RESERVE FUND - MAINTENANCE &amp; CONSTRUCTION</b> |                  |                  |                  |                  |                     |           |                  |            |
| <b>REPLACEMENTS</b>                                  |                  |                  |                  |                  |                     |           |                  |            |
| BUILDING STRUCTURES                                  | \$30,212         | \$104,193        | \$30,212         | \$104,193        | \$1,314,877         | 2%        | \$73,981         | 71%        |
| ELECTRICAL SYSTEMS                                   | 0                | 42,457           | 0                | 42,457           | 509,495             | 0%        | 42,457           | 100%       |
| EXTERIOR WALKWAY LIGHTING                            | 683              | 3,232            | 683              | 3,232            | 75,550              | 1%        | 2,550            | 79%        |
| FOUNDATIONS                                          | 0                | 3,619            | 0                | 3,619            | 43,436              | 0%        | 3,619            | 100%       |
| GUTTER REPLACEMENT                                   | 5,681            | 9,570            | 5,681            | 9,570            | 113,127             | 5%        | 3,889            | 41%        |
| PAINT - EXTERIOR                                     | 137,997          | 148,015          | 137,997          | 148,015          | 1,734,242           | 8%        | 10,018           | 7%         |
| PRIOR TO PAINT                                       | 75,819           | 85,083           | 75,819           | 85,083           | 996,471             | 8%        | 9,264            | 11%        |
| PLUMBING                                             | 17,089           | 22,008           | 17,089           | 22,008           | 337,826             | 5%        | 4,919            | 22%        |
| PAVING                                               | 0                | 0                | 0                | 0                | 398,371             | 0%        | 0                | 100%       |
| ROOF REPLACEMENTS                                    | 83,139           | 7,500            | 83,139           | 7,500            | 1,041,301           | 8%        | (75,639)         | (1009%)    |
| WALL REPLACEMENT                                     | 0                | 2,916            | 0                | 2,916            | 35,000              | 0%        | 2,916            | 100%       |
| WASTE LINE REMEDIATION                               | 0                | 191,666          | 0                | 191,666          | 2,300,000           | 0%        | 191,666          | 100%       |
| WATER LINE - COPPER PIPE REMEDIATION                 | 2,600            | 8,333            | 2,600            | 8,333            | 100,000             | 3%        | 5,733            | 69%        |
| WINDOW/SLIDING SCREEN DOOR                           | 7,348            | 11,827           | 7,348            | 11,827           | 140,157             | 5%        | 4,479            | 38%        |
| <b>SUB-TOTAL</b>                                     | <b>\$360,568</b> | <b>\$640,419</b> | <b>\$360,568</b> | <b>\$640,419</b> | <b>\$9,139,854</b>  | <b>4%</b> | <b>\$279,851</b> | <b>44%</b> |
| <b>APPLIANCE AND FIXTURE REPLACEMENTS</b>            |                  |                  |                  |                  |                     |           |                  |            |
| COOKTOPS                                             | \$9,722          | \$2,523          | \$9,722          | \$2,523          | \$69,963            | 14%       | (\$7,199)        | (285%)     |
| DISHWASHERS                                          | 8,298            | 8,108            | 8,298            | 8,108            | 96,362              | 9%        | (191)            | (2%)       |
| BASINS/SINKS/TOILETS                                 | 16,465           | 18,866           | 16,465           | 18,866           | 224,611             | 7%        | 2,401            | 13%        |
| GARBAGE DISPOSALS                                    | 9,372            | 9,989            | 9,372            | 9,989            | 118,247             | 8%        | 617              | 6%         |
| HOODS                                                | 2,314            | 3,327            | 2,314            | 3,327            | 39,542              | 6%        | 1,013            | 30%        |
| COUNTER TOPS/FLOORS/SHOWER ENCLOSURES                | 71,616           | 93,929           | 71,616           | 93,929           | 1,467,906           | 5%        | 22,314           | 24%        |
| OVENS                                                | 14,911           | 11,171           | 14,911           | 11,171           | 133,646             | 11%       | (3,741)          | (33%)      |
| RANGES                                               | 607              | 1,045            | 607              | 1,045            | 12,345              | 5%        | 438              | 42%        |
| REFRIGERATORS                                        | 13,203           | 18,630           | 13,203           | 18,630           | 222,137             | 6%        | 5,426            | 29%        |
| WATER HEATERS & PERMITS                              | 67,667           | 63,169           | 67,667           | 63,169           | 749,363             | 9%        | (4,499)          | (7%)       |
| DRYERS                                               | 301              | 3,185            | 301              | 3,185            | 38,113              | 1%        | 2,883            | 91%        |
| WASHING MACHINES                                     | 2,354            | 7,610            | 2,354            | 7,610            | 91,082              | 3%        | 5,256            | 69%        |
| <b>SUB-TOTAL</b>                                     | <b>\$216,831</b> | <b>\$241,549</b> | <b>\$216,831</b> | <b>\$241,549</b> | <b>\$3,263,315</b>  | <b>7%</b> | <b>\$24,717</b>  | <b>10%</b> |
| <b>TOTAL</b>                                         | <b>\$577,400</b> | <b>\$881,968</b> | <b>\$577,400</b> | <b>\$881,968</b> | <b>\$12,403,168</b> | <b>5%</b> | <b>\$304,568</b> | <b>35%</b> |

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

| DESCRIPTION                            | CURRENT MONTH  |                | YEAR-TO-DATE   |                | 2023            | %         | VARIANCE       |            |
|----------------------------------------|----------------|----------------|----------------|----------------|-----------------|-----------|----------------|------------|
|                                        | ACTUAL         | BUDGET         | ACTUAL         | BUDGET         | BUDGET          | EXPENDED  | \$             | %          |
| <b>RESERVE FUND - GENERAL SERVICES</b> |                |                |                |                |                 |           |                |            |
| PRIOR TO PAINT                         | \$605          | \$818          | \$605          | \$818          | \$9,558         | 6%        | \$213          | 26%        |
| PAVING                                 | 3,412          | 4,659          | 3,412          | 4,659          | 54,496          | 6%        | 1,247          | 27%        |
| WALL REPLACEMENT                       | 0              | 1,282          | 0              | 1,282          | 15,400          | 0%        | 1,282          | 100%       |
| <b>TOTAL</b>                           | <b>\$4,016</b> | <b>\$6,758</b> | <b>\$4,016</b> | <b>\$6,758</b> | <b>\$79,454</b> | <b>5%</b> | <b>\$2,742</b> | <b>41%</b> |

**RESERVE FUND - LANDSCAPE**

**REPLACEMENTS**

|                            |                 |                 |                 |                 |                    |           |                 |            |
|----------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------|-----------------|------------|
| LANDSCAPE MODIFICATION     | \$1,546         | \$8,294         | \$1,546         | \$8,294         | \$98,898           | 2%        | \$6,748         | 81%        |
| IMPROVEMENTS & RESTORATION | 8,285           | 15,371          | 8,285           | 15,371          | 177,744            | 5%        | 7,086           | 46%        |
| TREE MAINTENANCE           | 26,749          | 75,863          | 26,749          | 75,863          | 898,360            | 3%        | 49,113          | 65%        |
| SUPPLEMENTAL APPROPRIATION | 0               | 0               | 0               | 0               | 0                  | 0%        | 0               | 0%         |
| <b>TOTAL</b>               | <b>\$36,580</b> | <b>\$99,528</b> | <b>\$36,580</b> | <b>\$99,528</b> | <b>\$1,175,003</b> | <b>3%</b> | <b>\$62,948</b> | <b>63%</b> |

**PROPERTY TAXES FUND - NON WORK CENTER**

|                |                    |                    |                    |                    |                     |           |                   |             |
|----------------|--------------------|--------------------|--------------------|--------------------|---------------------|-----------|-------------------|-------------|
| PROPERTY TAXES | 1,085,112          | 1,054,099          | 1,085,112          | 1,054,099          | 12,649,183          | 9%        | (31,013)          | (3%)        |
| <b>TOTAL</b>   | <b>\$1,085,112</b> | <b>\$1,054,099</b> | <b>\$1,085,112</b> | <b>\$1,054,099</b> | <b>\$12,649,183</b> | <b>9%</b> | <b>(\$31,013)</b> | <b>(3%)</b> |

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

|                                   | 2023             | 2023             | 2023             | 2023                | 2023       |
|-----------------------------------|------------------|------------------|------------------|---------------------|------------|
|                                   | YTD Actual       | YTD Budget       | YTD Variance     | Annual Budget       | % Expended |
| Paving                            | \$0              | \$0              | \$0              | \$248,371           | 0%         |
| Asphalt & Concrete Repair/Replace | 3,412            | 4,659            | 1,247            | 204,496             | 2%         |
| Roofs - Built-Up                  | 83,139           | 7,500            | (75,639)         | 1,041,301           | 8%         |
| Roofs - Comp Shingle              | 0                | 0                | 0                | 0                   | 0%         |
| Roofs - Tile                      | 0                | 0                | 0                | 0                   | 0%         |
| Infrastructure/Buildings          | 23,728           | 83,716           | 59,988           | 1,041,591           | 2%         |
| Carport Siding Renovation         | 0                | 0                | 0                | 0                   | 0%         |
| Manor Components                  | 213,304          | 229,024          | 15,720           | 3,102,004           | 7%         |
| Lighting & Electrical             | 683              | 44,898           | 44,216           | 575,550             | 0%         |
| Laundry Rooms                     | 3,514            | 12,411           | 8,898            | 160,243             | 2%         |
| Off Cycle Decking                 | 10,011           | 11,898           | 1,886            | 139,100             | 7%         |
| Prior To Painting                 | 66,412           | 74,003           | 7,590            | 866,930             | 8%         |
| Interior & Exterior Painting      | 137,997          | 148,015          | 10,018           | 1,734,242           | 8%         |
| Walls, Fencing, Railings & Gates  | 0                | 4,198            | 4,198            | 50,400              | 0%         |
| Grounds & Miscellaneous           | 36,580           | 99,528           | 62,948           | 1,175,003           | 3%         |
| Building Structures               | 8,919            | 41,327           | 32,408           | 520,006             | 2%         |
| Plumbing                          | 19,689           | 222,007          | 202,318          | 2,737,826           | 1%         |
| <b>Total</b>                      | <b>\$607,389</b> | <b>\$983,184</b> | <b>\$375,795</b> | <b>\$13,597,062</b> | <b>4%</b>  |

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

YTD ACTUAL

| DESCRIPTION | TOTAL<br>EXPENDITURES | LABOR | MATERIALS | OUTSIDE<br>SERVICES |
|-------------|-----------------------|-------|-----------|---------------------|
|-------------|-----------------------|-------|-----------|---------------------|

***OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION***

|                                  |                  |                  |                 |                 |
|----------------------------------|------------------|------------------|-----------------|-----------------|
| PLUMBING SERVICE                 | \$120,337        | \$89,637         | \$11,252        | \$19,448        |
| DAMAGE RESTORATION               | 61,130           | 0                | 0               | 61,130          |
| CARPENTRY SERVICE                | 51,020           | 47,355           | 3,665           | 0               |
| ELECTRICAL SERVICE               | 32,538           | 28,527           | 4,012           | 0               |
| APPLIANCE REPAIRS                | 27,686           | 23,833           | 3,853           | 0               |
| INTERIOR PREVENTIVE MAINTENANCE  | 29,642           | 29,642           | 0               | 0               |
| PEST CONTROL                     | 0                | 0                | 0               | 0               |
| COUNTERTOP/FLOOR/TILE REPAIRS    | 7,571            | 7,356            | 214             | 0               |
| ENERGY PROGRAM                   | 0                | 0                | 0               | 0               |
| MISC. REPAIRS BY OUTSIDE SERVICE | 0                | 0                | 0               | 0               |
| FIRE PROTECTION                  | 961              | 473              | 488             | 0               |
| <b>TOTAL</b>                     | <b>\$330,886</b> | <b>\$226,824</b> | <b>\$23,483</b> | <b>\$80,579</b> |

***OPERATING EXPENDITURES - GENERAL SERVICES***

|                             |                 |                 |              |            |
|-----------------------------|-----------------|-----------------|--------------|------------|
| CONCRETE REPAIR/REPLACEMENT | \$23,554        | \$23,439        | \$116        | \$0        |
| JANITORIAL SERVICE          | 31,041          | 31,041          | 0            | 0          |
| GUTTER CLEANING             | 2,818           | 2,818           | 0            | 0          |
| WELDING                     | 6,543           | 6,543           | 0            | 0          |
| TRAFFIC CONTROL             | 1,252           | 1,252           | 0            | 0          |
| <b>TOTAL</b>                | <b>\$65,208</b> | <b>\$65,092</b> | <b>\$116</b> | <b>\$0</b> |

***OPERATING EXPENDITURES - LANDSCAPE SERVICES***

|                          |                  |                  |                |                 |
|--------------------------|------------------|------------------|----------------|-----------------|
| LANDSCAPE ADMINISTRATION | \$19,788         | \$19,788         | \$0            | \$0             |
| NURSERY & COMPOSTING     | 14,639           | 14,639           | 0              | 0               |
| GROUNDS MAINTENANCE      | 211,187          | 175,562          | 0              | 35,625          |
| IRRIGATION               | 52,798           | 50,267           | 2,531          | 0               |
| SMALL EQUIPMENT REPAIR   | 0                | 0                | 0              | 0               |
| PEST CONTROL             | 19,147           | 19,147           | 0              | 0               |
| <b>TOTAL</b>             | <b>\$317,559</b> | <b>\$279,403</b> | <b>\$2,531</b> | <b>\$35,625</b> |

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

YTD ACTUAL

| DESCRIPTION                                          | TOTAL<br>EXPENDITURES | LABOR            | MATERIALS        | OUTSIDE<br>SERVICES |
|------------------------------------------------------|-----------------------|------------------|------------------|---------------------|
| <i>RESERVE FUND - MAINTENANCE &amp; CONSTRUCTION</i> |                       |                  |                  |                     |
| BUILDING STRUCTURES                                  | \$30,212              | \$6,759          | \$6,024          | \$17,430            |
| ELECTRICAL SYSTEMS                                   | 0                     | 0                | 0                | 0                   |
| EXTERIOR WALKWAY LIGHTING                            | 683                   | 683              | 0                | 0                   |
| FOUNDATIONS                                          | 0                     | 0                | 0                | 0                   |
| GUTTER REPLACEMENT                                   | 5,681                 | 4,670            | 1,012            | 0                   |
| PAINT - EXTERIOR                                     | 137,997               | 113,789          | 8,942            | 15,266              |
| PRIOR TO PAINT                                       | 75,819                | 66,605           | 9,214            | 0                   |
| PLUMBING                                             | 17,089                | 17,089           | 0                | 0                   |
| PAVING                                               | 0                     | 0                | 0                | 0                   |
| ROOF REPLACEMENTS                                    | 83,139                | 0                | 0                | 83,139              |
| WALL REPLACEMENT                                     | 0                     | 0                | 0                | 0                   |
| WASTE LINE REMEDIATION                               | 0                     | 0                | 0                | 0                   |
| WATER LINE - COPPER PIPE REMEDIATION                 | 2,600                 | 0                | 0                | 2,600               |
| WINDOW/SLIDING SCREEN DOOR                           | 7,348                 | 4,823            | 0                | 2,525               |
| COOKTOPS                                             | 9,722                 | 1,215            | 7,536            | 971                 |
| DISHWASHERS                                          | 8,298                 | 2,791            | 5,173            | 335                 |
| BASINS/SINKS/TOILETS                                 | 16,465                | 4,798            | 11,667           | 0                   |
| GARBAGE DISPOSALS                                    | 9,372                 | 4,470            | 4,902            | 0                   |
| HOODS                                                | 2,314                 | 1,154            | 1,160            | 0                   |
| COUNTER TOPS/FLOORS/SHOWER ENCLOSURES                | 71,616                | 27,458           | 19,107           | 25,050              |
| OVENS                                                | 14,911                | 1,215            | 12,286           | 1,410               |
| RANGES                                               | 607                   | 607              | 0                | 0                   |
| REFRIGERATORS                                        | 13,203                | 4,251            | 7,778            | 1,174               |
| WATER HEATERS & PERMITS                              | 67,667                | 23,636           | 44,032           | 0                   |
| DRYERS                                               | 301                   | 301              | 0                | 0                   |
| WASHING MACHINES                                     | 2,354                 | 728              | 1,626            | 0                   |
| <b>TOTAL</b>                                         | <b>\$577,400</b>      | <b>\$287,041</b> | <b>\$140,458</b> | <b>\$149,900</b>    |

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

YTD ACTUAL

| DESCRIPTION | TOTAL<br>EXPENDITURES | LABOR | MATERIALS | OUTSIDE<br>SERVICES |
|-------------|-----------------------|-------|-----------|---------------------|
|-------------|-----------------------|-------|-----------|---------------------|

*RESERVE FUND - GENERAL SERVICES*

|                  |                |                |            |            |
|------------------|----------------|----------------|------------|------------|
| PRIOR TO PAINT   | \$605          | \$605          | \$0        | \$0        |
| PAVING           | 3,412          | 3,412          | 0          | 0          |
| WALL REPLACEMENT | 0              | 0              | 0          | 0          |
| <b>TOTAL</b>     | <b>\$4,016</b> | <b>\$4,016</b> | <b>\$0</b> | <b>\$0</b> |

*RESERVE FUND - LANDSCAPE*

|                            |                 |                 |            |            |
|----------------------------|-----------------|-----------------|------------|------------|
| LANDSCAPE MODIFICATION     | \$1,546         | \$1,546         | \$0        | \$0        |
| IMPROVEMENTS & RESTORATION | 8,285           | 8,285           | 0          | 0          |
| TREE MAINTENANCE           | 26,749          | 26,749          | 0          | 0          |
| SUPPLEMENTAL APPROPRIATION | 0               | 0               | 0          | 0          |
| <b>TOTAL</b>               | <b>\$36,580</b> | <b>\$36,580</b> | <b>\$0</b> | <b>\$0</b> |

*PROPERTY TAXES FUND - NON WORK CENTER*

|                |                    |                    |            |            |
|----------------|--------------------|--------------------|------------|------------|
| PROPERTY TAXES | \$1,085,112        | \$1,085,112        | \$0        | \$0        |
| <b>TOTAL</b>   | <b>\$1,085,112</b> | <b>\$1,085,112</b> | <b>\$0</b> | <b>\$0</b> |

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

| DESCRIPTION                                                    | YTD ACTUAL<br>TOTAL OS<br>EXPENDITURES | YTD BUDGET<br>OUTSIDE<br>SERVICES | YTD Variance<br>OUTSIDE<br>SERVICES |
|----------------------------------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------|
| <b>OPERATING EXPENDITURES - MAINTENANCE &amp; CONSTRUCTION</b> |                                        |                                   |                                     |
| PLUMBING SERVICE                                               | \$19,448                               | \$28,750                          | \$9,302                             |
| DAMAGE RESTORATION                                             | \$61,130                               | \$23,541                          | (\$37,589)                          |
| CARPENTRY SERVICE                                              | 0                                      | 374                               | 374                                 |
| ELECTRICAL SERVICE                                             | 0                                      | 0                                 | 0                                   |
| APPLIANCE REPAIRS                                              | 0                                      | 0                                 | 0                                   |
| INTERIOR PREVENTIVE MAINTENANCE                                | 0                                      | 0                                 | 0                                   |
| PEST CONTROL                                                   | 0                                      | 18,137                            | 18,137                              |
| COUNTERTOP/FLOOR/TILE REPAIRS                                  | 0                                      | 500                               | 500                                 |
| ENERGY PROGRAM                                                 | 0                                      | 0                                 | 0                                   |
| MISC. REPAIRS BY OUTSIDE SERVICE                               | 0                                      | 0                                 | 0                                   |
| FIRE PROTECTION                                                | 0                                      | 2,183                             | 2,183                               |
| <b>TOTAL</b>                                                   | <b>\$80,579</b>                        | <b>\$73,485</b>                   | <b>(\$7,094)</b>                    |

**OPERATING EXPENDITURES - GENERAL SERVICES**

|                             |            |                 |                 |
|-----------------------------|------------|-----------------|-----------------|
| CONCRETE REPAIR/REPLACEMENT | \$0        | \$0             | \$0             |
| JANITORIAL SERVICE          | 0          | 0               | 0               |
| GUTTER CLEANING             | 0          | 9,583           | 9,583           |
| WELDING                     | 0          | 833             | 833             |
| TRAFFIC CONTROL             | 0          | 0               | 0               |
| <b>TOTAL</b>                | <b>\$0</b> | <b>\$10,416</b> | <b>\$10,416</b> |

**OPERATING EXPENDITURES - M&C CHARGEABLE SERVICES**

|              |                |                 |                 |
|--------------|----------------|-----------------|-----------------|
| CHARGEABLES  | \$5,130        | \$18,045        | \$12,915        |
| <b>TOTAL</b> | <b>\$5,130</b> | <b>\$18,045</b> | <b>\$12,915</b> |

**OPERATING EXPENDITURES - LANDSCAPE SERVICES**

|                                 |                 |            |                   |
|---------------------------------|-----------------|------------|-------------------|
| LANDSCAPE SHRUB-BED MAINTENANCE | \$35,625        | \$0        | (\$35,625)        |
| <b>TOTAL</b>                    | <b>\$35,625</b> | <b>\$0</b> | <b>(\$35,625)</b> |

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

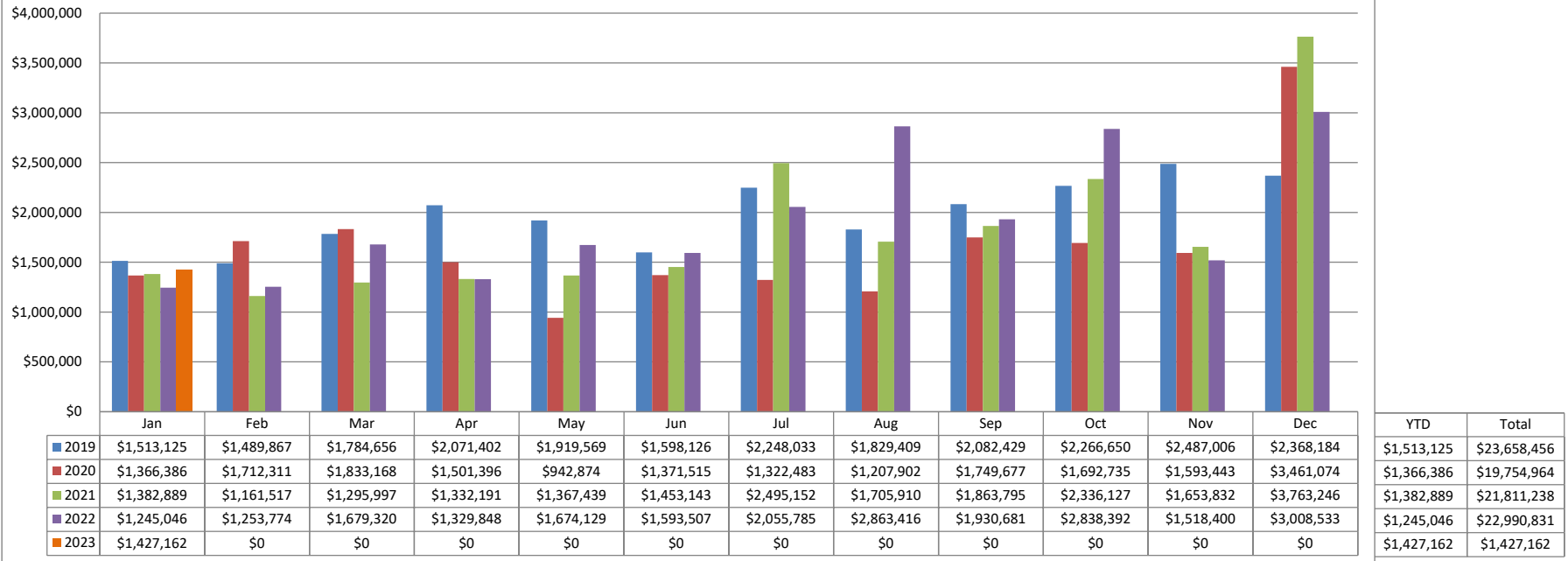
| DESCRIPTION                                          | YTD ACTUAL<br>TOTAL OS<br>EXPENDITURES | YTD BUDGET<br>OUTSIDE<br>SERVICES | YTD Variance<br>OUTSIDE<br>SERVICES |
|------------------------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------|
| <b>RESERVE FUND - MAINTENANCE &amp; CONSTRUCTION</b> |                                        |                                   |                                     |
| BUILDING STRUCTURES                                  | \$17,430                               | \$94,595                          | \$77,165                            |
| CDS SIGNAGE                                          | 0                                      | 0                                 | 0                                   |
| ELECTRICAL SYSTEMS                                   | 0                                      | 42,457                            | 42,457                              |
| EXTERIOR WALKWAY LIGHTING                            | 0                                      | 2,083                             | 2,083                               |
| FOUNDATIONS                                          | 0                                      | 3,619                             | 3,619                               |
| GUTTER REPLACEMENT                                   | 0                                      | 4,166                             | 4,166                               |
| PAINT - EXTERIOR                                     | 15,266                                 | 706                               | (14,560)                            |
| PRIOR TO PAINT                                       | 0                                      | 4,583                             | 4,583                               |
| PLUMBING                                             | 0                                      | 0                                 | 0                                   |
| PAVING                                               | 0                                      | 0                                 | 0                                   |
| ROOF REPLACEMENTS                                    | 83,139                                 | 7,500                             | (75,639)                            |
| WALL REPLACEMENT                                     | 0                                      | 2,916                             | 2,916                               |
| WASTE LINE REMEDIATION                               | 0                                      | 191,666                           | 191,666                             |
| WATER LINE - COPPER PIPE REMEDIATION                 | 2,600                                  | 8,333                             | 5,733                               |
| WINDOW/SLIDING SCREEN DOOR                           | 2,525                                  | 2,500                             | (25)                                |
| SUPL. APPROPRIATIONS                                 | 0                                      | 0                                 | 0                                   |
| COOKTOPS                                             | 971                                    | 1,275                             | 304                                 |
| DISHWASHERS                                          | 335                                    | 991                               | 656                                 |
| BASINS/SINKS/TOILETS                                 | 0                                      | 0                                 | 0                                   |
| GARBAGE DISPOSALS                                    | 0                                      | 0                                 | 0                                   |
| HOODS                                                | 0                                      | 358                               | 358                                 |
| COUNTER TOPS/FLOORS/SHOWER ENCLOSURES                | 25,050                                 | 22,248                            | (2,802)                             |
| OVENS                                                | 1,410                                  | 1,803                             | 393                                 |
| RANGES                                               | 0                                      | 216                               | 216                                 |
| REFRIGERATORS                                        | 1,174                                  | 3,616                             | 2,442                               |
| WATER HEATERS & PERMITS                              | 0                                      | 4,848                             | 4,848                               |
| DRYERS                                               | 0                                      | 0                                 | 0                                   |
| WASHING MACHINES                                     | 0                                      | 0                                 | 0                                   |
| <b>TOTAL</b>                                         | <b>\$149,900</b>                       | <b>\$400,479</b>                  | <b>\$250,579</b>                    |



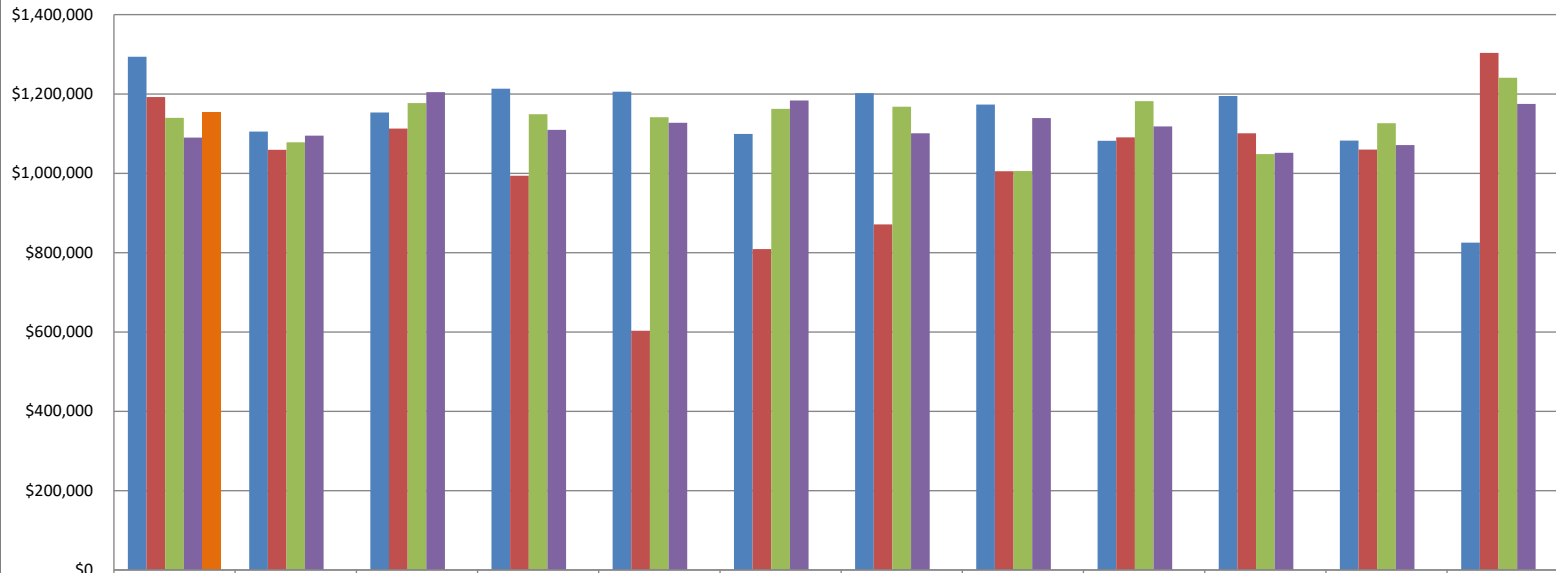
**UNITED LAGUNA WOODS MUTUAL  
OUTSIDE SERVICES - COST COLLECTION  
AS OF JANUARY 31, 2023**

| DESCRIPTION                            | YTD ACTUAL<br>TOTAL OS<br>EXPENDITURES | YTD BUDGET<br>OUTSIDE<br>SERVICES | YTD Variance<br>OUTSIDE<br>SERVICES |
|----------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------|
| <i>RESERVE FUND - GENERAL SERVICES</i> |                                        |                                   |                                     |
| PRIOR TO PAINT                         | \$0                                    | \$0                               | \$0                                 |
| WALL REPLACEMENT                       | 0                                      | 1,282                             | 1,282                               |
| <b>TOTAL</b>                           | <b>\$0</b>                             | <b>\$1,282</b>                    | <b>\$1,282</b>                      |
| <i>RESERVE FUND - LANDSCAPE</i>        |                                        |                                   |                                     |
| LANDSCAPE MODIFICATION                 | \$0                                    | \$6,159                           | \$6,159                             |
| IMPROVEMENTS & RESTORATION             | \$0                                    | \$0                               | \$0                                 |
| TREE MAINTENANCE                       | 0                                      | 41,926                            | 41,926                              |
| SUPPLEMENTAL APPROPRIATION             | 0                                      | 0                                 | 0                                   |
| <b>TOTAL</b>                           | <b>\$0</b>                             | <b>\$48,085</b>                   | <b>\$48,085</b>                     |

## United Mutual Employee Compensation, Related, and Outside Services

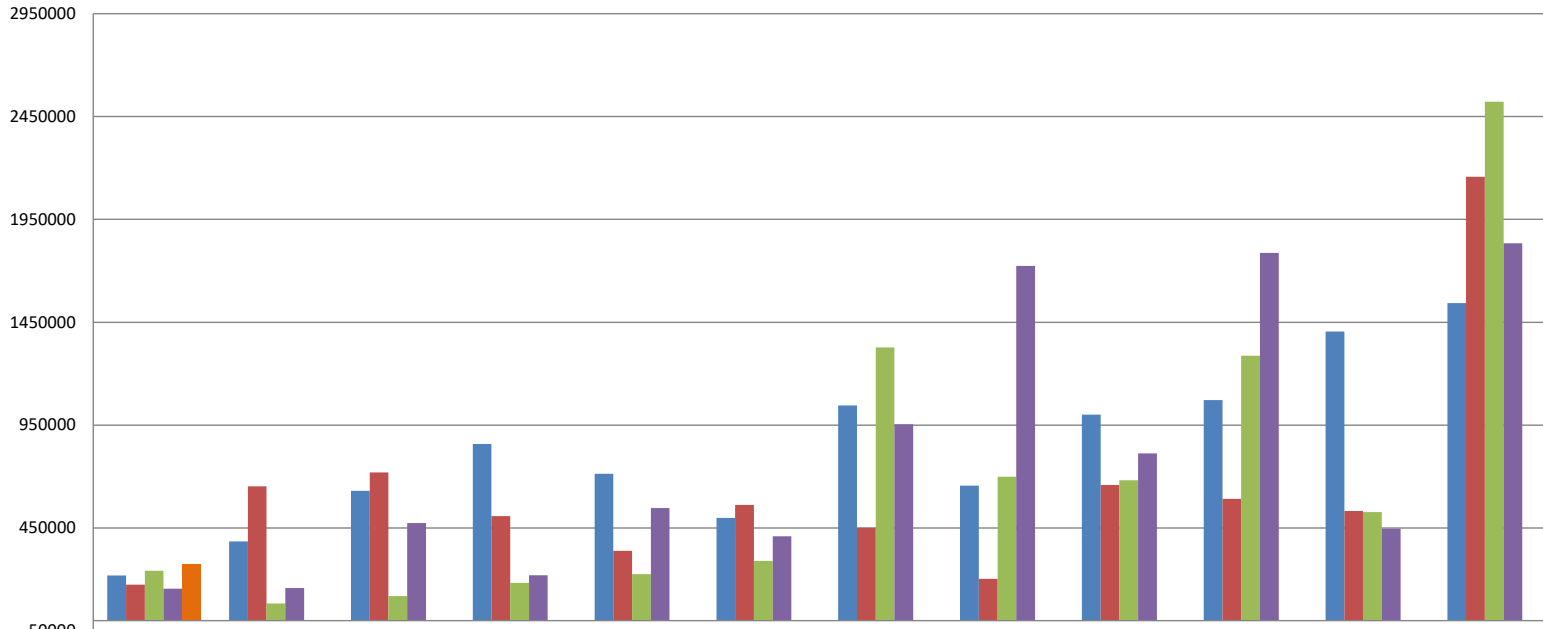


## United Mutual Employee Compensation & Related



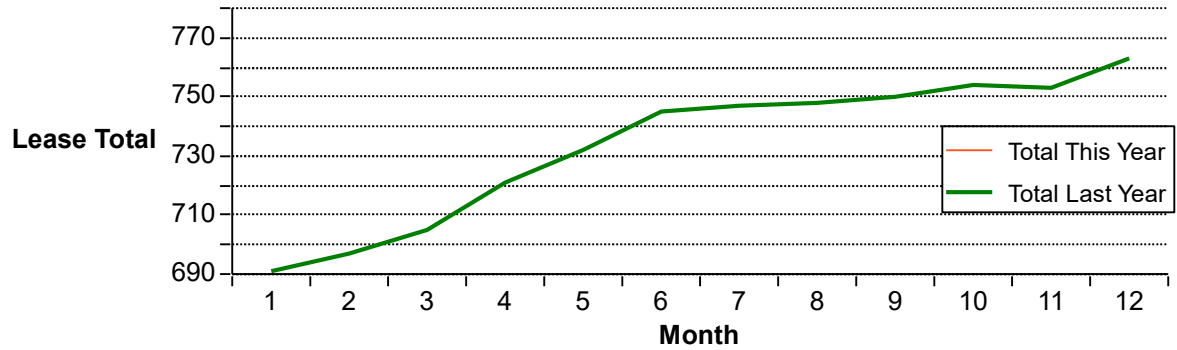
|        | Jan         | Feb         | Mar         | Apr         | May         | Jun         | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         | YTD         | Total        |
|--------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| ■ 2019 | \$1,293,898 | \$1,105,132 | \$1,153,385 | \$1,213,210 | \$1,205,780 | \$1,099,270 | \$1,201,926 | \$1,173,447 | \$1,081,638 | \$1,195,109 | \$1,082,372 | \$825,193   | \$1,293,898 | \$13,630,360 |
| ■ 2020 | \$1,192,010 | \$1,059,200 | \$1,112,455 | \$993,567   | \$603,129   | \$808,932   | \$871,378   | \$1,005,062 | \$1,090,693 | \$1,101,006 | \$1,059,912 | \$1,303,526 | \$1,192,010 | \$12,200,870 |
| ■ 2021 | \$1,139,995 | \$1,078,242 | \$1,176,910 | \$1,149,144 | \$1,141,132 | \$1,162,699 | \$1,167,825 | \$1,005,856 | \$1,181,685 | \$1,048,254 | \$1,126,380 | \$1,240,796 | \$1,139,995 | \$13,618,918 |
| ■ 2022 | \$1,089,981 | \$1,094,876 | \$1,204,660 | \$1,109,533 | \$1,127,316 | \$1,183,360 | \$1,100,931 | \$1,138,985 | \$1,117,888 | \$1,051,547 | \$1,070,895 | \$1,174,714 | \$1,089,981 | \$13,464,686 |
| ■ 2023 | \$1,154,395 | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$1,154,395 | \$1,154,395  |

## United Mutual Outside Services



|        | Jan       | Feb       | Mar       | Apr       | May       | Jun       | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         | YTD       | Total        |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|--------------|
| ■ 2019 | \$219,227 | \$384,735 | \$631,271 | \$858,192 | \$713,789 | \$498,856 | \$1,046,107 | \$655,962   | \$1,000,791 | \$1,071,541 | \$1,404,634 | \$1,542,991 | \$219,227 | \$10,028,096 |
| ■ 2020 | \$174,376 | \$653,111 | \$720,713 | \$507,829 | \$339,745 | \$562,583 | \$451,105   | \$202,840   | \$658,984   | \$591,729   | \$533,531   | \$2,157,548 | \$174,376 | \$7,554,094  |
| ■ 2021 | \$242,894 | \$83,275  | \$119,087 | \$183,047 | \$226,307 | \$290,444 | \$1,327,327 | \$700,054   | \$682,110   | \$1,287,873 | \$527,452   | \$2,522,450 | \$242,894 | \$8,192,320  |
| ■ 2022 | \$155,065 | \$158,898 | \$474,660 | \$220,315 | \$546,813 | \$410,147 | \$954,854   | \$1,724,431 | \$812,793   | \$1,786,845 | \$447,505   | \$1,833,819 | \$155,065 | \$9,526,145  |
| ■ 2023 | \$272,767 | \$0       | \$0       | \$0       | \$0       | \$0       | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$272,767 | \$272,767    |

## Monthly Active Leasing Report 2023 Period 1 (Mutual 1)



| Year | Month     | 1 to 3 Month | 4 to 6 Month | 7 to 12 Month | 12+ Month | Total This Year | Total Last Year | % Leased | % Leased Last Year | % Change | Total Renewals | Total Expirations |
|------|-----------|--------------|--------------|---------------|-----------|-----------------|-----------------|----------|--------------------|----------|----------------|-------------------|
| 2023 | January   | 25           | 40           | 211           | 498       | 774             | 691             | 12.2     | 10.9               | 1.3      | 58             | 21                |
| 2023 | February  |              |              |               |           |                 | 697             |          |                    |          |                |                   |
| 2023 | March     |              |              |               |           |                 | 705             |          |                    |          |                |                   |
| 2023 | April     |              |              |               |           |                 | 721             |          |                    |          |                |                   |
| 2023 | May       |              |              |               |           |                 | 732             |          |                    |          |                |                   |
| 2023 | June      |              |              |               |           |                 | 745             |          |                    |          |                |                   |
| 2023 | July      |              |              |               |           |                 | 747             |          |                    |          |                |                   |
| 2023 | August    |              |              |               |           |                 | 748             |          |                    |          |                |                   |
| 2023 | September |              |              |               |           |                 | 750             |          |                    |          |                |                   |
| 2023 | October   |              |              |               |           |                 | 754             |          |                    |          |                |                   |
| 2023 | November  |              |              |               |           |                 | 753             |          |                    |          |                |                   |
| 2023 | December  |              |              |               |           |                 | 763             |          |                    |          |                |                   |



Laguna Woods Village®

DATE: February 1, 2023  
 TO: Board of Directors  
 RE: Monthly Staffing Report

**New Hires YTD:**

January

**22 (17 Full-time, 5 Part-time)**

22 (17 Full-time, 5 Part-Time)

**Active Recruiting Vacancies as of January 31, 2023**

Total: **75**

Full-time: **56**

Part-time: **19**

| Vacancies by Divisions                 | Full-Time | Part-Time | Total Vacancies | Total Budgeted |
|----------------------------------------|-----------|-----------|-----------------|----------------|
| <b>General Services</b>                | <b>9</b>  | <b>1</b>  | <b>10</b>       |                |
| Bus Driver                             | 1         | 1         | 2               | <b>10.00</b>   |
| Custodian (WC 945)                     | 4         |           | 4               | <b>14.00</b>   |
| General Paving Worker                  | 2         |           | 2               | <b>7.00</b>    |
| Auto/Truck/Bus Technician              | 1         |           | 1               | <b>2.00</b>    |
| Mechanic Helper                        | 1         |           | 1               | <b>2.00</b>    |
| <b>Maintenance and Construction</b>    | <b>10</b> |           | <b>10</b>       |                |
| Senior Maintenance Plumber             | 1         |           | 1               | <b>11.00</b>   |
| Maintenance Carpenter                  | 1         |           | 1               | <b>22.80</b>   |
| Operations Specialist (WC 909)         | 2         |           | 2               | <b>2.00</b>    |
| Building Permits & Inspections Manager | 1         |           | 1               | -              |
| Senior Facilities Services Technician  | 1         |           | 1               | <b>4.00</b>    |
| Inspector II                           | 1         |           | 1               | <b>3.00</b>    |
| Senior General Maintenance Worker      | 1         |           | 1               | <b>6.00</b>    |
| Maintenance Operations Manager         | 1         |           | 1               | <b>1.00</b>    |
| Operations Supervisor (WC 904)         | 1         |           | 1               | <b>1.00</b>    |
| <b>Landscape Services</b>              | <b>23</b> |           | <b>23</b>       |                |
| Gardener (WC 520, WC 530 & WC 510)     | 23        |           | 23              | <b>69.00</b>   |
| <b>Security Services</b>               | <b>7</b>  | <b>1</b>  | <b>8</b>        |                |
| Gate Ambassador                        |           | -         | -               | <b>43.00</b>   |
| Security Patrol Officer                | 3         | 1         | 4               | <b>14.00</b>   |
| Dispatcher                             | 3         |           | 3               | <b>5.00</b>    |
| Security Supervisor I                  | 1         |           | 1               | <b>9.00</b>    |



Laguna Woods Village®

|                                           |           |           |           |              |
|-------------------------------------------|-----------|-----------|-----------|--------------|
| <b>Recreation Services</b>                | <b>2</b>  | <b>17</b> | <b>19</b> |              |
| Recreation Leader                         |           | 10        | 10        | <b>9.58</b>  |
| P/T Stables Hand                          |           | 1         | 1         | -            |
| Fitness Assistant II                      |           | 4         | 4         | <b>1.25</b>  |
| Golf Course Sprayer                       | 1         |           | 1         | -            |
| P/T Clubhouse Tech I                      |           | 1         | 1         | <b>.50</b>   |
| PAC Supervisor                            | 1         |           | 1         | <b>1.00</b>  |
| Fitness Assistant I                       |           | 1         | 1         | <b>1.75</b>  |
| <b>Resident Services</b>                  | <b>3</b>  |           | <b>3</b>  |              |
| Customer Services Representative I        | 2         |           | 2         | <b>17.00</b> |
| Customer Services Representative II       | 1         |           | 1         | <b>2.00</b>  |
| <b>Financial Services</b>                 | <b>2</b>  |           | <b>2</b>  |              |
| Sr. Buyer                                 | 1         |           | 1         | <b>1.00</b>  |
| Office Assistant I (Mail & Copy Services) | 1         |           | 1         | <b>1.00</b>  |
| <b>Total</b>                              | <b>56</b> | <b>19</b> | <b>75</b> |              |

**Terminations YTD:**

January

**11 (6 Full-time, 5 Part-time)**

11 (6 Full-time, 5 Part-time)

Resignations and Terminations for January 2023 by Length of Service

|                    | Less than 1 year |           | Less than 2 years |           | Leave after 2-5 years |           | Leave after 5+ years |           | <b>Grand Total</b> |
|--------------------|------------------|-----------|-------------------|-----------|-----------------------|-----------|----------------------|-----------|--------------------|
|                    | <b>FT</b>        | <b>PT</b> | <b>FT</b>         | <b>PT</b> | <b>FT</b>             | <b>PT</b> | <b>FT</b>            | <b>PT</b> |                    |
| <b>Resigned</b>    | 4                | 5         |                   |           | 1                     |           | 1                    |           | <b>11</b>          |
| <b>Terminated</b>  |                  |           |                   |           |                       |           |                      |           |                    |
| <b>Grand Total</b> | <b>4</b>         | <b>5</b>  |                   |           | <b>1</b>              |           | <b>1</b>             |           | <b>11</b>          |

The stated reasons for resignations in January are as follows:

1. **Other Employment** – 1 in Broadband Services, 1 in Recreation Services, 1 in Security Services
2. **Retirement** – 1 in Financial Services
3. **Voluntary Resignation** – 1 in Financial Services, 1 in Recreation Services, 1 in Security Services
4. **Family Reasons** – 1 in Resident Services, 1 in Recreation Services
5. **Moving** – 1 in Recreation Services
6. **Return to School** – 1 in Security Services



## STAFF REPORT

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**DATE:** February 28, 2023  
**FOR:** Finance Committee  
**SUBJECT:** Investment Policy

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### **RECOMMENDATION**

Staff recommends approval of the 2023 Investment Policy

### **BACKGROUND**

The United Laguna Woods Mutual Investment Policy provides guidelines and limitations for the responsible management of the corporation's investments.

### **DISCUSSION**

In December 2022, the United board authorized a financial advisor to draft an investment policy on behalf of the board. The draft was received in early January 2023 and since that time, the United Investment Ad Hoc Committee has met multiple times to review and edit the draft policy. On February 17, 2023 the Investment Ad Hoc Committee approved the draft (ATT1). A copy of the current Investment Policy as been attached for comparative purposes (ATT2).

If approved by the Finance Committee, the policy will be presented to the board for approval and a 28 day notice to comply with Civil Code §4360.

**Prepared By:** Erika Hernadnez, Finance Department Administrative Assistant

**Reviewed By:** Steve Hormuth, Director of Financial Services

### **ATTACHMENT(S)**

**Attachment 1 (ATT1):** Proposed 2023 Investment Policy

**Attachment 2 (ATT2):** Current Investment Policy



# **United Laguna Woods Mutual**

## **Investment Policy Statement**

### **I. Purpose**

The purpose of the United Laguna Woods Mutual (United) Investment Policy Statement is to provide guidelines and limitations for the responsible management of United's cash available for investment.

### **II. Definitions**

Investment Advisor / Portfolio Manager – An individual or company employed as a fiduciary by United to provide financial guidance and / or fee-based investment management.

Discretionary Investment - A form of investment management in which buy and sell decisions are made by a portfolio manager for the client's account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's discretion.

Non-Discretionary Investment – A form of investment management in which buy decisions are made by United's Board of Directors and administered by United's managing agent. Non-Discretionary investments consist exclusively of Treasury Bills and Treasury Notes. No non-discretionary investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without (1) a demonstrated immediate need for the monies and (2) written consent of at minimum three current United officers of the Board.

Managing Agent - a corporation or person who, for compensation or in expectation of compensation, exercises control over the assets of a common interest development.

Treasury Bill (T-Bill) - a short-term U.S. government debt obligation backed by the Treasury Department with a fixed interest rate and maturity of one year or less.

Treasury Notes – a U.S. government debt obligation backed by the Treasury Department with a fixed interest rate and maturity greater than one year with maximum of 10 years

Treasury Inflation Protected Securities (TIPS) – a United States treasury whereby the principal (called par value or face value) goes up with inflation and down with deflation. When a TIPS matures, you get either the increased (inflation-adjusted) price or the original principal, whichever is greater. You never get less than the original principal.

### III. **Scope**

This Policy applies to all financial assets of United, including all Cash in Investment Accounts accounted for in two possible strategies: Discretionary and non-Discretionary.

### IV. **Policy**

It is the Policy of United to invest member's monies in a manner which will provide the maximum security of principal, while meeting the cash flow needs of United. In addition, these investments must conform to all State of California statutes governing the Investment of Homeowners monies. Every effort must be made to match maturities to known cash flow needs.

### V. **Objectives**

It is the Policy of this body to diversify its investment portfolio to minimize risk. Therefore, restraint must be made to minimize potential losses from over concentration of assets in a specific issuer, specific financial institution, specific maturity, or specific class of securities unless said security is 100% backed by the US Treasury.

To minimize market risk and reduce reliance on interest rate forecasting, it is United's Policy to structure its investment portfolio as a maturity ladder. Further, United must be the owner of the maturity.

The primary objectives, in priority order of United investment activities shall be:

- A. Safety:** Safety of Principal is the first and foremost objective for these investments. Preservation of Capital is of primary importance and should include a focus on both the current and future economic environment regarding inflation.
- B. Liquidity:** The Investment Portfolio will remain sufficiently liquid to enable United to meet all current and future operating requirements which might be reasonably anticipated.
- C. Yield:** The Investment portfolio shall have an aim to attain a market rate of return consistent with the higher priority constraints of Return of Capital and Liquidity to meet all anticipated Cash Flow needs.

#### VI. **Prudence**

The money management standard to be used in the investment function of these assets, shall be governed by the “prudent investor” rule. Any person acting in an investment capacity will take aims to safeguard the principal and maintain the liquidity needs and make the utmost effort to make investment decisions in the best interest of United.

#### VII. **Delegation of Authority**

The Managing Agent is designated as the Investment Officer of United’s monies and is responsible for investment management decisions and activities for the non – discretionary investments. They are also responsible for reviewing transactions of any Discretionary managers that United hires and reporting to the United Board to assist with the management of these investments.

United shall employ the services of a third-party professional money manager(s) to manage a Discretionary portfolio and the Advisor(s) shall act in accordance with this Investment Policy only and act as a fiduciary with a primary broker for all transactions. These managers must have an established professional reputation for asset management, knowledge of

this Policy, familiarity of all State laws governing Common Interest Development (CID or Home Owner Association) asset management, and carry sufficient liability (errors and omissions) insurance for the size of this account.

The Board will interview and select the qualified financial advisor through use of an interview process. A minimum of two candidates should be reviewed before the selection is finalized. These managers can have their authority revoked at any time and their performance or a competitive review process should occur at least once every two or three years.

## **VIII. Authorized Investments and Limitations**

Investments are limited to the following authorized investments and instruments:

### **A. United States Treasury Bills, Treasury Notes, and Treasury Inflation Protected Securities (TIPS)**

Maximum Amount: No Limit

Maximum Maturity: 5 Years from the date of Purchase – However no more than 20% of the total assets can be invested for a four-year duration, with no more than another 20% of the total assets can be invested for a five-year duration.

### **B. Money Markets and Money Market Mutual Funds**

Insured Bank Money Markets and US Government Security as well as US Treasury Security Money Market Mutual Funds are acceptable for use up to their Insured limit.

### **C. Insured Certificates of Deposit**

United may invest money in FDIC insured Certificates of Deposits that are only issued directly by banks chartered by the Federal or California Government. United may, at the Board's direction, purchase Certificates of Deposit through the Certificate of Deposit

Account Registry Service (CDARS) program available through financial institutions who offer IntraFi Network Deposits.

Maximum Amount: 40%

Maximum Maturity Value per Institution is \$250,000 or the lessor of the current FDIC Insured limit.

Maximum Maturity: 5 Years from the date of purchase – However no more than 20% of the total assets can be invested for a four-year duration, with no more than another 20% of the total assets invested for a five-year duration.

#### **IX. Prohibited Investments**

The following investments are prohibited by United and its Agents:

- A.** Any form of Equities – Individually or as part of a Mutual Fund, ETF or Unit Investment Trust
- B.** Bond Mutual Funds that are not considered Money Market Mutual Funds or any Individual Corporate Bonds
- C.** Any leveraged or derivative instruments
- D.** Any investment issued by the Government National Mortgage Association
- E.** Any mortgage pass through security or collateralized mortgage obligation bond
- F.** Any Inverse floaters

#### **X. Custody of Assets**

All investment securities including both Discretionary and non-Discretionary holdings must be held in safekeeping by a third party custodial financial institution. The custodian of these assets must present

United with receipts and statements listing all holdings and securities transactions.

**XI. Internal Controls and Reporting**

United's managing agent, with approval from the Board, should have an established system of written internal controls which should occasionally be reviewed by the Board. The controls should be designed to prevent loss of United's monies due to fraud, errors, misrepresentation, or imprudent actions. The Board retains the right to review the written internal controls.

United's managing agent shall submit monthly investment reports to the Board consistent with the frequency required by California Civil Code 5500. The report should include a summary of any new investment transactions including: investment type, percent of portfolio, purchase date, maturity date, issuer, and purchase price. In addition, all existing positions should be updated to show: current market value, purchase price, anticipated maturity value and maturity date.

If United decides to employ the services of third-party professional money manager(s) to manage a Discretionary portfolio, then the Advisor(s) shall present to the Board a semi-annual presentation of their firms view on current and future economic conditions, including changes in inflation and interest rates. Additionally, the professional money manager's presentation shall include the annualized average rate of return for the current year and inception to date.

This Investment policy document should be reviewed annually by the Board.



## **RESOLUTION 01-19-87**

### **UNITED INVESTMENT POLICY REVISIONS**

**RESOLVED**, November 12, 2019 that the Managing Agent of this corporation, and an outside Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

**RESOLVED FURTHER**, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this corporation, to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for the United Laguna Woods Mutual account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

**RESOLVED FURTHER**, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by the Managing Agent in a non-discretionary account, no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the following: the Treasurer, the President or the 1st or 2nd Vice President of this corporation. Furthermore, if there is a request that an investment be sold, withdrawn or otherwise converted to cash prior to maturity where there has been no demonstrated immediate need, approval must be received from the Board of Directors of this corporation;
3. Funds shall be invested only in authorized investments as provided herein. Authorized investments are limited to:
  - a. obligations of, or fully guaranteed as to principal by, the United States of America;
  - b. Up to 30 percent of the portfolio may be invested in Corporate Bonds rated BBB through AAA; specifically Baa3/BBB-/BBB- or better by



Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet these minimum credit quality criteria in at least one of the above-mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days. This removal criteria will not apply to bond mutual funds that have a stated objective of investing in investment grade rated bonds. Removal of downgraded bonds that fall below the investment grade rating will be determined by the fund manager.

- c. No more than 3% of portfolio is to be invested in any one corporate bond issuer; and
  - d. Up to 25% of the portfolio may be invested in Government Sponsored Federal Agencies, namely FNMA (Federal National Mortgage Association – Fannie Mae), FHLMC (Federal Home Loan Mortgage Corporation – Freddie Mac, and FHLB (Federal Home Loan Bank).
4. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
5. Any authorized investments, as defined in Item 3 above, previously made by said Managing Agent or Investment Manager, are hereby ratified; and

**RESOLVED FURTHER**, that Resolution 01-17-38 adopted on March 14, 2017, is hereby superseded and cancelled.

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





## STAFF REPORT

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**DATE:** February 28, 2023  
**FOR:** Finance Committee  
**SUBJECT:** United Treasury Reinvestment

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### **RECOMMENDATION**

The Finance Committee shall develop and approve a recommendation to the United Laguna Woods Mutual Board for reinvesting the treasury investments upon the portfolio's various maturities based on guidance from a financial advisor.

### **BACKGROUND**

In November of 2022, the United board authorized the sale of its discretionary investment funds of \$14.1M and directed the purchase of \$14,507,000 of federally backed treasuries with maturities ranging between 3 and 21 months. The first \$2M matured on Feb 21, 2023 and the board directed staff to reinvest the monies into additional treasuries. The \$2M of funds will mature on March 21, 2023 and a second ladder of \$2.5M matures on May 18, 2023.

### **DISCUSSION**

The intent of this staff report is to educate the members of the United Finance Committee in advance of the upcoming treasury bill maturities. If the Committee approves a recommendation on February 28, 2023, the United board may approve the Committee's recommendation at their next regularly scheduled meeting on March 14, 2023.

Per direction from the board, staff has included below the current annualized rates of return for treasuries with maturities of 3 – 24 months:

- Federally backed treasuries
  - Treasury Bill (T-Bill) = Maturity less than 12 months

| <b>Maturity</b>   | <b>Interest Rate</b> |
|-------------------|----------------------|
| Treasury 3 month  | 4.521%               |
| Treasury 6 month  | 4.564%               |
| Treasury 9 month  | 4.699%               |
| Treasury 12 month | 5.131%               |

- Treasury Note (T-Bill) = Maturity 12 months or greater

| <b>Maturity</b>   | <b>Interest Rate</b> |
|-------------------|----------------------|
| Treasury 15 month | 5.0%                 |
| Treasury 18 month | 4.9%                 |
| Treasury 21 month | 4.8%                 |
| Treasury 24 month | 4.7%                 |

### **FINANCIAL ANALYSIS**

The rates and maturities have been provided by staff based on current available published data and are subject to change. The board is responsible for making decision on the reinvestment of funds in consultation with a financial advisor.

**Prepared By:** Steve Hormuth, Director of Financial Services

**Reviewed By:** Pam Jensen, Controller



## STAFF REPORT

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**DATE:** February 28, 2023  
**FOR:** Finance Committee  
**SUBJECT:** Temporary Borrowing

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### **RECOMMENDATION**

Staff recommends the Finance Committee endorse and the Board approve the temporary borrowing of \$3,000,000 by the Operating Fund from the Reserve Fund to meet cashflow needs resulting from the property tax payment scheduled for April 2023. Payback of the borrowed monies to the advancing fund is planned for four months but is not to exceed one year from the date of approval.

### **GOVERNING AUTHORITY**

California Civil Code § 5510 Expenditure of Reserve Accounts

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

California Civil Code § 5515 Borrowing from Reserve Accounts

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

**BACKGROUND**

The Orange County Tax Collector requires the equivalent of six months of property taxes to be paid no later than April 10<sup>th</sup>. By April 2023, only four months of resident property tax contributions will have been collected resulting in an operating fund cash deficit of \$2,181,746 (\$1,090,873 x 2 months: May and June) specific to property taxes.

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

|              | Contributions | Payment     | Rolling Balance |
|--------------|---------------|-------------|-----------------|
| January 2022 | 1,090,873     | -           | 1,090,873       |
| February     | 1,090,873     | -           | 2,181,746       |
| March        | 1,090,873     | -           | 3,272,619       |
| April        | 1,090,873     | (6,545,238) | (2,181,746)     |
| May          | 1,090,873     | -           | (1,090,873)     |
| June         | 1,090,873     | -           | 0               |

**DISCUSSION**

As of the period ending January 31, 2023 United held a total cash balance of \$761,588 with an additional \$5M of short-term treasuries maturing in February and March.

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 as the borrowed funds will be paid back to the reserve through regular assessments from members.

**FINANCIAL ANALYSIS**

Due to the timing of receiving property tax monies from monthly assessments, the deficit of \$2,181,746 will be needed from the Reserve Fund in early April 2023. To provide sufficient funding for the April 2023 property tax payment and ensure adequate cash remains for ongoing operating expenses, a temporary borrowing of \$3,000,000 will be needed from United’s Reserve Fund.

**Prepared By:** Steve Hormuth, Director of Financial Services

**Reviewed By:** Jose Campos, Assistant Director of Financial Services  
 Pam Jensen, Controller



UNITED LAGUNA WOODS  
— M U T U A L —

**AGENDA ITEM # 12 - PROPERTY TAX EXEMPTION  
WILL BE DISTRIBUTED UNDER SEPARATE COVER**