



## STAFF REPORT

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**DATE:** April 6, 2020  
**FOR:** Board of Directors  
**SUBJECT:** Preliminary Financial Statements dated February 29, 2020

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### **RECOMMENDATION**

Receive and file.

### **DISCUSSION**

Attached for your records are United preliminary financial statements dated February 29, 2020. Please review and advise if you have any questions. The Treasurer will present these financial results at your upcoming Board meeting on Tuesday, April 14, 2020.

**Prepared By:** Betty Parker, Chief Financial Officer

### **ATTACHMENT(s):**

ATT 1 – Department Head Update  
ATT 2 – Financial Statements  
ATT 3 – Variance Report for Revenues & Expenses

**MEMORANDUM**

To: United Finance Committee  
 From: Betty Parker, CFO  
 Date: April 6, 2020  
 Re: Department Head Update

**Financial Highlights**

▪ **SUMMARY:** For the year-to-date period ending February 29, 2020, United Mutual was better than budget by \$1.2 million. \$607,000 was due to outside services as programs, such as: Waste Line Remediation, Roof Replacement, Landscape Modification, and Paving budgeted evenly throughout the year but schedule work varies. Additionally, unrealized gains further increased the favorable variance by \$316,000 as entries are made monthly to reflect investment conditions, which fluctuate and were not budgeted in 2020.

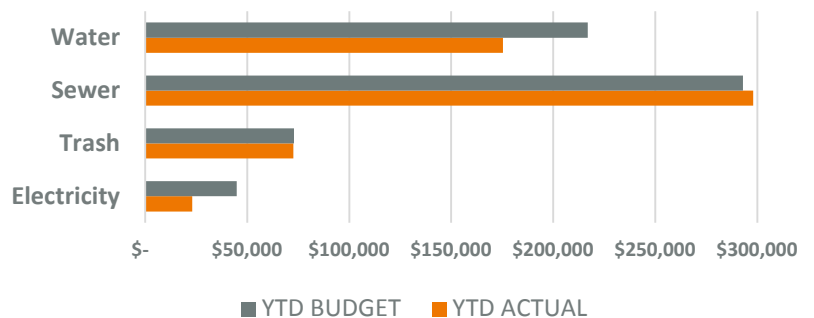
INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$7,119	\$7,027	\$92
Other Revenues	\$540	\$299	\$241
Expenses	\$6,620	\$7,508	\$888
<b>Revenue / (Expense)</b>	<b>\$1,039</b>	<b>(\$182)</b>	<b>\$1,221</b>

▪ **COMPENSATION:**

Actual compensation and related costs came in at \$2.25 million, with just under \$1.6 million in operations and \$0.6 million in reserves. Combined, this category is 4.8% favorable to budget.

	Budget			Variance	
	Compensation	Related	Total	Total \$	Total %
<b>All Units</b>					
Operating	\$1,213,653	\$487,699	\$1,701,352	\$84,210	4.9%
Reserves	\$458,085	\$205,836	\$663,921	\$29,857	4.5%
<b>TOTAL</b>	<b>\$1,671,738</b>	<b>\$693,535</b>	<b>\$2,365,273</b>	<b>\$114,067</b>	<b>4.8%</b>

▪ **UTILITIES:** In total, this category was favorable to budget close to \$60K. Water consumption was 12% lower than budget due to weather conditions, sewer is a fixed residential charge and came in slightly higher than budgeted, trash was on budget, and electricity was under budget as account will be reconciled by SCE in March.



## Discussions

**Section 5500 Update:** Due to COVID-19 stay at home orders, financial information required for Board review of monthly financials is being provided to all board members via email. Further, the programming change in AX that will segregate A/P and Cash reserve fund transactions and balances from operating funds on the balance sheet is underway. Development has proceeded on schedule and the vendor is currently awaiting configuration information from staff.

**2019 Audit Update:** The audit is progressing very well and has shifted into partner review. The audit committee (Select Audit Task Force) held two virtual update meetings with KPMG in March. All four audit committee members were online with audio and visual capabilities. The audit report will be placed on the regular board agenda on April 14, 2020 so it can be accepted into corporate records prior to mailing.

**Insurance Update:** During contract formation with CBIZ Inc. for the updated property valuation, the vendor made edits to our boilerplate terms and conditions that we found unacceptable. The contracts administrator reached out to CBIZ but they were unwilling to negotiate the redlines their attorney made on our contract. Staff is now reviewing the other two bids and contacting vendors for clarification of their proposals, one of which was significantly lower but did not appear qualified, and the other much higher.

**Investment Update:** All funds were transferred from Merrill Lynch to Fidelity in October 2019. Investment policy changes were adopted and the conversion from individual holdings to a proposed portfolio of index funds was approved by the board in November and transacted in December. The United portfolio balance has grown from \$14,828,043 on 12/31/19 to \$15,006,242 as of March 26, 2020, representing a gain of \$178,199 or 1.2%.

## Calendar

March 31, 2020 @ 1:30 p.m. United Finance Committee Meeting (Cancelled)

April 2, 2020 @ 2:00 p.m. United Board Agenda Prep Meeting

April 14, 2020 @ 9:30 a.m. United Board Meeting

May 26, 2020 @ 1:30 p.m. United Finance Committee Meeting

March 2020							April 2020							May 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
																			31	

**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**2/29/2020**  
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
<b>Revenues:</b>									
<b>Assessments:</b>									
1	Operating	\$2,535	\$2,489	\$46	\$5,070	\$4,978	\$92	\$4,674	\$29,869
2	Additions to restricted funds	1,024	1,024		2,049	2,049		2,061	12,294
3	<b>Total assessments</b>	<b>3,560</b>	<b>3,514</b>	<b>46</b>	<b>7,119</b>	<b>7,027</b>	<b>92</b>	<b>6,736</b>	<b>42,163</b>
<b>Non-assessment revenues:</b>									
4	Merchandise sales	(1)	2	(3)	2	3	(1)	6	20
5	Fees and charges for services to residents	(49)	45	(94)	50	90	(40)	106	540
6	Laundry	20	23	(3)	44	45	(1)	45	270
7	Investment income	30	32	(2)	43	64	(21)	70	385
8	Unrealized gain/(loss) on AFS investments	316		316	316		316		
9	Miscellaneous	47	48	(2)	85	96	(12)	81	579
10	<b>Total non-assessment revenue</b>	<b>363</b>	<b>149</b>	<b>214</b>	<b>540</b>	<b>299</b>	<b>241</b>	<b>308</b>	<b>1,794</b>
11	<b>Total revenue</b>	<b>3,922</b>	<b>3,663</b>	<b>260</b>	<b>7,659</b>	<b>7,326</b>	<b>334</b>	<b>7,044</b>	<b>43,957</b>
<b>Expenses:</b>									
12	Employee compensation and related	1,059	1,137	78	2,251	2,365	114	2,399	14,548
13	Materials and supplies	196	281	86	354	545	192	593	3,141
14	Utilities and telephone	306	311	5	569	628	59	552	4,326
15	Legal fees	37	29	(8)	55	58	3	20	350
16	Professional fees	4	6	2	4	12	8	8	122
17	Equipment rental	2	1	1	4	3	(1)	2	17
18	Outside services	653	717	64	827	1,435	607	604	8,638
19	Repairs and maintenance	2	4	2	5	8	3	7	47
20	Other Operating Expense	10	16	7	22	34	12	23	201
21	Income taxes		2	2		4		4	25
22	Property and sales tax	949	926	(23)	1,886	1,852	(34)	1,835	11,112
23	Insurance	176	125	(51)	352	251	(102)	214	1,504
24	Investment expense	2	3	1	2	6	4	9	37
25	Uncollectible Accounts	(6)	5	11	5	10	5	1	60
26	(Gain)/loss on sale or trade		(1)	(1)		(1)	(1)	1	(8)
27	Depreciation and amortization	17	17		33	33		35	198
28	Net allocation to mutuals	117	124	7	250	265	15	181	1,584
29	<b>Total expenses</b>	<b>3,525</b>	<b>3,705</b>	<b>181</b>	<b>6,620</b>	<b>7,508</b>	<b>888</b>	<b>6,485</b>	<b>45,902</b>
30	<b>Excess of revenues over expenses</b>	<b>\$398</b>	<b>(\$43)</b>	<b>\$440</b>	<b>\$1,040</b>	<b>(\$182)</b>	<b>\$1,222</b>	<b>\$559</b>	<b>(\$1,945)</b>

**United Laguna Woods Mutual**  
**Operating Statement**  
**2/29/2020**  
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
<b>Operating</b>					
41001000 - Monthly Assessments	\$2,963,717	\$2,963,828	(\$111)	0.00%	\$17,782,968
41007000 - Monthly Assessments - Property Taxes	1,893,873	1,851,999	41,874	2.26%	11,111,994
41007500 - Monthly Assessments - Supplemental Property Taxes	50,522	0	50,522	0.00%	0
41008000 - Monthly Assessments - Property Insurance	162,357	162,356	1	0.00%	974,142
<b>Total Operating</b>	<b>5,070,469</b>	<b>4,978,183</b>	<b>92,286</b>	<b>1.85%</b>	<b>29,869,104</b>
<b>Additions To Restricted Funds</b>					
41001500 - Monthly Assessments - Contingency Fund	126,460	126,460	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	1,922,445	1,922,500	(55)	0.00%	11,535,000
<b>Total Additions To Restricted Funds</b>	<b>2,048,905</b>	<b>2,048,960</b>	<b>(55)</b>	<b>0.00%</b>	<b>12,293,760</b>
<b>Total Assessments</b>	<b>7,119,374</b>	<b>7,027,143</b>	<b>92,230</b>	<b>1.31%</b>	<b>42,162,864</b>
Non-Assessment Revenues:					
<b>Merchandise Sales</b>					
41501500 - Merchandise Sales - Warehouse	2,093	3,332	(1,239)	(37.19%)	20,000
<b>Total Merchandise Sales</b>	<b>2,093</b>	<b>3,332</b>	<b>(1,239)</b>	<b>(37.19%)</b>	<b>20,000</b>
<b>Fees and Charges for Services to Residents</b>					
46501000 - Permit Fee	28,756	24,785	3,971	16.02%	148,715
46501500 - Inspection Fee	8,341	13,215	(4,874)	(36.88%)	79,294
46502000 - Resident Maintenance Fee	12,411	51,712	(39,301)	(76.00%)	311,513
<b>Total Fees and Charges for Services to Residents</b>	<b>49,508</b>	<b>89,713</b>	<b>(40,205)</b>	<b>(44.81%)</b>	<b>539,522</b>
<b>Laundry</b>					
46005000 - Coin Op Laundry Machine	44,499	45,000	(501)	(1.11%)	270,000
<b>Total Laundry</b>	<b>44,499</b>	<b>45,000</b>	<b>(501)</b>	<b>(1.11%)</b>	<b>270,000</b>
<b>Investment Income</b>					
49001000 - Investment Income - Nondiscretionary	4,794	14,715	(9,920)	(67.42%)	88,289
49002000 - Investment Income - Discretionary	38,237	49,534	(11,298)	(22.81%)	297,205
<b>Investment Interest Income</b>	<b>43,031</b>	<b>64,249</b>	<b>(21,218)</b>	<b>(33.02%)</b>	<b>385,494</b>
<b>Unrealized Gain/(Loss) On AFS Investments</b>					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	316,374	0	316,374	0.00%	0
<b>Total Unrealized Gain/(Loss) On AFS Investments</b>	<b>316,374</b>	<b>0</b>	<b>316,374</b>	<b>0.00%</b>	<b>0</b>
<b>Miscellaneous</b>					
46004500 - Resident Violations	3,100	8,333	(5,233)	(62.80%)	50,001
44501000 - Additional Occupant Fee	6,500	7,000	(500)	(7.14%)	42,000
44501500 - Lease Processing Fee - United	18,840	21,332	(2,492)	(11.68%)	128,000
44502000 - Variance Processing Fee	1,500	666	834	125.23%	4,000
44503000 - Stock Transfer Fee	2,050	2,166	(116)	(5.36%)	13,000
44503510 - Resale Processing Fee - United	20,286	20,832	(546)	(2.62%)	125,000
44507000 - Golf Cart Electric Fee	10,127	10,333	(207)	(2.00%)	62,000
44507200 - Electric Vehicle Plug-In Fee	2,663	2,500	163	6.54%	15,000
44507500 - Cartport/Carport Space Rental Fee	350	417	(67)	(16.01%)	2,500
47001500 - Late Fee Revenue	7,860	8,333	(473)	(5.68%)	50,000
47002010 - Collection Administrative Fee - United	9,920	12,000	(2,080)	(17.33%)	72,000
47002500 - Collection Interest Revenue	2,853	800	2,053	256.67%	4,800
47501000 - Recycling	289	1,000	(711)	(71.08%)	6,000
48001000 - Legal Fee	0	733	(733)	(100.00%)	4,400
49009000 - Miscellaneous Revenue	(1,780)	0	(1,780)	0.00%	0
<b>Total Miscellaneous</b>	<b>84,559</b>	<b>96,446</b>	<b>(11,887)</b>	<b>(12.32%)</b>	<b>578,701</b>
<b>Total Non-Assessment Revenue</b>	<b>540,064</b>	<b>298,739</b>	<b>241,325</b>	<b>80.78%</b>	<b>1,793,717</b>
<b>Total Revenue</b>	<b>7,659,438</b>	<b>7,325,882</b>	<b>333,555</b>	<b>4.55%</b>	<b>43,956,581</b>
Expenses:					
<b>Employee Compensation</b>					
51011000 - Salaries & Wages - Regular	453,362	460,336	6,974	1.52%	2,883,900

**United Laguna Woods Mutual**  
**Operating Statement**  
**2/29/2020**  
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51021000 - Union Wages - Regular	990,389	1,015,058	24,668	2.43%	6,279,593
51041000 - Wages - Overtime	9,234	4,699	(4,535)	(96.51%)	28,203
51051000 - Union Wages - Overtime	27,031	15,815	(11,216)	(70.92%)	94,908
51061000 - Holiday & Vacation	262,153	124,518	(137,635)	(110.53%)	773,301
51071000 - Sick	58,932	50,790	(8,142)	(16.03%)	315,425
51081000 - Sick - Part Time	0	4	4	100.00%	24
51091000 - Missed Meal Penalty	843	209	(634)	(304.07%)	1,268
51101000 - Temporary Help	2,272	311	(1,961)	(630.65%)	1,870
51981000 - Compensation Accrual	(255,885)	0	255,885	0.00%	0
<b>Total Employee Compensation</b>	<b>1,548,329</b>	<b>1,671,738</b>	<b>123,409</b>	<b>7.38%</b>	<b>10,378,493</b>
<b>Compensation Related</b>					
52411000 - F.I.C.A.	136,136	126,279	(9,858)	(7.81%)	776,727
52421000 - F.U.I.	7,324	5,417	(1,907)	(35.20%)	10,834
52431000 - S.U.I.	50,017	27,560	(22,457)	(81.48%)	55,120
52441000 - Union Medical	297,742	314,881	17,138	5.44%	1,889,284
52451000 - Workers' Compensation Insurance	97,426	88,987	(8,439)	(9.48%)	639,961
52461000 - Non Union Medical & Life Insurance	58,003	56,268	(1,735)	(3.08%)	337,605
52471000 - Union Retirement Plan	77,603	54,067	(23,536)	(43.53%)	334,482
52481000 - Non-Union Retirement Plan	10,238	20,077	9,839	49.00%	125,775
52981000 - Compensation Related Accrual	(31,612)	0	31,612	0.00%	0
<b>Total Compensation Related</b>	<b>702,877</b>	<b>693,535</b>	<b>(9,342)</b>	<b>(1.35%)</b>	<b>4,169,789</b>
<b>Materials and Supplies</b>					
53001000 - Materials & Supplies	85,299	121,130	35,830	29.58%	594,628
53003000 - Materials Direct	268,543	424,242	155,699	36.70%	2,545,928
53004000 - Freight	20	0	(20)	0.00%	0
<b>Total Materials and Supplies</b>	<b>353,862</b>	<b>545,372</b>	<b>191,510</b>	<b>35.12%</b>	<b>3,140,556</b>
<b>Utilities and Telephone</b>					
53301000 - Electricity	23,064	44,800	21,736	48.52%	189,000
53301500 - Sewer	297,960	293,000	(4,960)	(1.69%)	1,779,600
53302000 - Water	175,320	216,939	41,618	19.18%	1,919,116
53302500 - Trash	72,642	72,953	310	0.43%	437,719
53304000 - Telephone	112	114	2	2.15%	685
<b>Total Utilities and Telephone</b>	<b>569,098</b>	<b>627,806</b>	<b>58,708</b>	<b>9.35%</b>	<b>4,326,120</b>
<b>Legal Fees</b>					
53401500 - Legal Fees	55,113	58,331	3,218	5.52%	349,985
<b>Total Legal Fees</b>	<b>55,113</b>	<b>58,331</b>	<b>3,218</b>	<b>5.52%</b>	<b>349,985</b>
<b>Professional Fees</b>					
53402010 - Audit & Tax Preparation Fees - United	4,000	0	(4,000)	0.00%	44,500
53403500 - Consulting Fees	19	1,476	1,456	98.69%	12,479
53403510 - Consulting Fees - United	0	10,830	10,830	100.00%	65,000
<b>Total Professional Fees</b>	<b>4,019</b>	<b>12,306</b>	<b>8,286</b>	<b>67.34%</b>	<b>121,979</b>
<b>Equipment Rental</b>					
53501500 - Equipment Rental/Lease Fees	3,622	2,532	(1,090)	(43.06%)	17,038
<b>Total Equipment Rental</b>	<b>3,622</b>	<b>2,532</b>	<b>(1,090)</b>	<b>(43.06%)</b>	<b>17,038</b>
<b>Outside Services</b>					
53601000 - Bank Fees	6,445	4,220	(2,225)	(52.73%)	25,321
53601500 - Credit Card Transaction Fees	399	0	(399)	0.00%	0
54603500 - Outside Services Cost Collection	810,829	1,407,924	597,095	42.41%	8,447,910
53704000 - Outside Services	9,815	22,791	12,977	56.94%	164,394
<b>Total Outside Services</b>	<b>827,487</b>	<b>1,434,935</b>	<b>607,448</b>	<b>42.33%</b>	<b>8,637,624</b>
<b>Repairs and Maintenance</b>					
53701000 - Equipment Repair & Maint	157	2,797	2,640	94.38%	16,823
53703000 - Elevator /Lift Maintenance	4,570	5,026	456	9.07%	30,157
<b>Total Repairs and Maintenance</b>	<b>4,728</b>	<b>7,823</b>	<b>3,095</b>	<b>39.57%</b>	<b>46,979</b>
<b>Other Operating Expense</b>					
53801000 - Mileage & Meal Allowance	449	2,501	2,052	82.06%	15,153
53801500 - Travel & Lodging	245	484	240	49.49%	3,027
53802000 - Uniforms	11,895	14,791	2,896	19.58%	88,787
53802500 - Dues & Memberships	65	268	203	75.84%	1,687

**United Laguna Woods Mutual**  
**Operating Statement**  
**2/29/2020**  
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
53803000 - Subscriptions & Books	198	336	138	40.98%	2,026
53803500 - Training & Education	3,607	3,874	267	6.88%	19,682
53804000 - Staff Support	133	235	102	43.52%	1,409
53901500 - Volunteer Support	0	278	278	100.00%	1,668
53903000 - Safety	0	84	84	100.00%	508
54001010 - Board Relations - United	521	1,250	729	58.30%	7,500
54002000 - Postage	5,081	9,786	4,704	48.07%	58,717
54002500 - Filing Fees / Permits	0	215	215	100.00%	847
<b>Total Other Operating Expense</b>	<b>22,194</b>	<b>34,101</b>	<b>11,907</b>	<b>34.92%</b>	<b>201,011</b>
<b>Income Taxes</b>					
54301000 - State & Federal Income Taxes	0	4,170	4,170	100.00%	25,000
<b>Total Income Taxes</b>	<b>0</b>	<b>4,170</b>	<b>4,170</b>	<b>100.00%</b>	<b>25,000</b>
<b>Property and Sales Tax</b>					
54302000 - Property Taxes	1,885,590	1,851,999	(33,591)	(1.81%)	11,111,994
<b>Total Property and Sales Tax</b>	<b>1,885,590</b>	<b>1,851,999</b>	<b>(33,591)</b>	<b>(1.81%)</b>	<b>11,111,994</b>
<b>Insurance</b>					
54401000 - Hazard & Liability Insurance	98,652	75,963	(22,689)	(29.87%)	455,779
54401500 - D&O Liability	14,320	11,068	(3,252)	(29.38%)	66,412
54402000 - Property Insurance	239,070	162,356	(76,714)	(47.25%)	974,142
54403000 - General Liability Insurance	265	1,221	957	78.33%	7,328
<b>Total Insurance</b>	<b>352,306</b>	<b>250,609</b>	<b>(101,697)</b>	<b>(40.58%)</b>	<b>1,503,660</b>
<b>Investment Expense</b>					
54201000 - Investment Expense	2,395	6,122	3,727	60.88%	36,732
<b>Total Investment Expense</b>	<b>2,395</b>	<b>6,122</b>	<b>3,727</b>	<b>60.88%</b>	<b>36,732</b>
<b>Uncollectible Accounts</b>					
54602000 - Bad Debt Expense	4,874	9,933	5,060	50.93%	59,600
<b>Total Uncollectible Accounts</b>	<b>4,874</b>	<b>9,933</b>	<b>5,060</b>	<b>50.93%</b>	<b>59,600</b>
<b>(Gain)/Loss on Sale or Trade</b>					
54101000 - (Gain)/Loss - Warehouse Sales	0	(1,250)	(1,250)	(100.00%)	(7,500)
<b>Total (Gain)/Loss on Sale or Trade</b>	<b>0</b>	<b>(1,250)</b>	<b>(1,250)</b>	<b>(100.00%)</b>	<b>(7,500)</b>
<b>Depreciation and Amortization</b>					
55001000 - Depreciation And Amortization	33,040	33,040	0	0.00%	198,242
<b>Total Depreciation and Amortization</b>	<b>33,040</b>	<b>33,040</b>	<b>0</b>	<b>0.00%</b>	<b>198,242</b>
<b>Net Allocation to Mutuals</b>					
54602500 - Allocated Expenses	250,246	264,922	14,676	5.54%	1,584,319
<b>Total Net Allocation to Mutuals</b>	<b>250,246</b>	<b>264,922</b>	<b>14,676</b>	<b>5.54%</b>	<b>1,584,319</b>
<b>Total Expenses</b>	<b>6,619,781</b>	<b>7,508,023</b>	<b>888,243</b>	<b>11.83%</b>	<b>45,901,622</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$1,039,657</b>	<b>(\$182,141)</b>	<b>\$1,221,798</b>	<b>670.80%</b>	<b>(\$1,945,042)</b>

**United Laguna Woods Mutual  
Balance Sheet - Preliminary  
2/29/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
<b>Assets</b>			
1	Cash and cash equivalents	\$4,658,434	\$2,159,882
2	Non-discretionary investments	1,992,808	1,992,808
3	Discretionary investments	14,851,767	14,815,925
4	Receivable/(Payable) from mutuals	1,225,472	1,518,100
5	Accounts receivable and interest receivable	955,506	688,039
6	Prepaid expenses and deposits	1,125,798	1,104,404
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,756,701)	(83,756,191)
9	Beneficial interest in GRF of Laguna Hills Trust	5,764,419	5,796,949
10	Non-controlling interest in GRF	39,131,773	39,131,773
<b>11</b>	<b>Total Assets</b>	<u><b>\$77,938,881</b></u>	<u><b>\$75,441,295</b></u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
12	Accounts payable and accrued expenses	\$2,878,645	\$1,453,947
13	Accrued compensation and related costs	596,765	596,765
14	Deferred income	969,782	936,551
15	Income tax payable	558	558
16	Asset retirement obligation	1,207,814	1,207,814
17	Total liabilities	<u>\$5,653,565</u>	<u>\$4,195,636</u>
Fund balances:			
18	Fund balance prior years	71,245,659	74,614,944
19	Change in fund balance - current year	1,039,657	(3,369,285)
20	Total fund balances	<u>72,285,316</u>	<u>71,245,659</u>
<b>21</b>	<b>Total Liabilities and Fund Balances</b>	<u><b>\$77,938,881</b></u>	<u><b>\$75,441,295</b></u>



**United Laguna Woods Mutual  
Fund Balance Sheet - Preliminary  
2/29/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>Assets</b>				
1	Cash and cash equivalents	\$4,658,434		\$4,658,434
2	Non-discretionary investments	1,992,808		1,992,808
3	Discretionary investments	14,851,767		14,851,767
4	Receivable/(Payable) from mutuals	1,225,472		1,225,472
5	Receivable/(Payable) from operating fund	(18,943,711)	1,004,675	17,939,036
6	Accounts receivable and interest receivable	955,506		955,506
7	Prepaid expenses and deposits	1,125,798		1,125,798
8	Property and equipment	91,989,605		91,989,605
9	Accumulated depreciation property and equipment	(83,756,701)		(83,756,701)
10	Beneficial interest in GRF of Laguna Hills Trust	5,764,419		5,764,419
11	Non-controlling interest in GRF	39,131,773		39,131,773
<b>12</b>	<b>Total Assets</b>	<b><u>\$58,995,170</u></b>	<b><u>\$1,004,675</u></b>	<b><u>\$17,939,036</u></b>
				<b><u>\$77,938,881</u></b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
13	Accounts payable and accrued expenses	\$2,750,451	\$5,585	\$123,109
14	Accrued compensation and related costs	596,765		596,765
15	Deferred income	969,782		969,782
16	Income tax payable	558		558
17	Asset retirement obligation	1,207,814		1,207,814
18	Total liabilities	<u>\$5,525,370</u>	<u>\$5,585</u>	<u>\$123,109</u>
				<u>\$5,654,064</u>
Fund balances:				
19	Fund balance prior years	52,882,190	1,106,755	17,256,214
20	Change in fund balance - current year	587,610	(107,665)	559,713
21	Total fund balances	<u>53,469,800</u>	<u>999,090</u>	<u>17,815,927</u>
				<u>72,284,816</u>
<b>22</b>	<b>Total Liabilities and Fund Balances</b>	<b><u>\$58,995,170</u></b>	<b><u>\$1,004,675</u></b>	<b><u>\$17,939,036</u></b>
				<b><u>\$77,938,881</u></b>

**United Laguna Woods Mutual  
Changes in Fund Balances - Preliminary  
2/29/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	Operating	\$5,070,469		\$5,070,469
2	Additions to restricted funds		1,922,445	2,048,905
3	Total assessments	<u>5,070,469</u>	<u>1,922,445</u>	<u>7,119,374</u>
Non-assessment revenues:				
4	Merchandise sales	240	1,853	2,093
5	Fees and charges for services to residents	49,508		49,508
6	Laundry	44,499		44,499
7	Interest income		40,547	43,031
8	Unrealized gain/(loss) on AFS investments	316,374	2,484	316,374
9	Miscellaneous	84,559		84,559
10	Total non-assessment revenue	<u>495,180</u>	<u>42,399</u>	<u>540,064</u>
11	Total revenue	<u>5,565,649</u>	<u>128,944</u>	<u>7,659,438</u>
Expenses:				
12	Employee compensation and related	1,617,142		2,251,206
13	Materials and supplies	139,047		353,862
14	Utilities and telephone	568,195		569,098
15	Legal fees	55,113		55,113
16	Professional fees	4,019		4,019
17	Equipment rental	730		3,622
18	Outside services	80,983	236,473	827,487
19	Repairs and maintenance	4,605		4,728
20	Other Operating Expense	17,783		22,194
21	Property and sales tax	1,885,590		1,885,590
22	Insurance	352,306		352,306
23	Investment expense		136	2,395
24	Uncollectible Accounts	4,874		4,874
25	Depreciation and amortization	33,040		33,040
26	Net allocations to mutuals	214,612		250,246
27	Total expenses	<u>4,978,039</u>	<u>236,609</u>	<u>6,619,781</u>
28	Excess of revenues over expenses	<u>\$587,610</u>	<u>(\$107,665)</u>	<u>\$1,039,657</u>
29	Excluding unrealized gain/(loss) and depreciation	<u>\$304,276</u>	<u>(\$107,665)</u>	<u>\$756,323</u>

UNITED LAGUNA WOODS MUTUAL  
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA  
SCHEDULE OF INVESTMENTS  
2/29/20

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	2/29/2020	
										MARKET VALUE	UNREALIZED GAIN/(LOSS)
912796TM1	U.S. TREASURY BILL	0.00%	01-02-20	04-02-20	2,000,000.00	1.45%	1,992,808.47		1,992,808.47	1,997,598.00	4,789.53
<b>TOTAL FOR NON-DISCRETIONARY INVESTMENTS</b>					<b>\$ 2,000,000.00</b>		<b>\$ 1,992,808.47</b>	<b>1.44%</b>	<b>1,992,808.47</b>	<b>\$1,997,598.00</b>	<b>\$4,789.53</b>

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

UNITED LAGUNA WOODS MUTUAL  
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY  
SCHEDULE OF INVESTMENTS  
2/29/20

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	2/29/2020	
										MARKET VALUE	UNREALIZED GAIN/(LOSS)
92206C870	FIDELITY GOVT CASH RESERVES				\$ 168,228.05		\$ 168,228.05				
	VCIT-Vanguard Corp Bond Index	0.00%	12-17-19	-	2,043,928.19	0.00%	2,043,928.19		2,043,928.19	\$2,104,594.42	\$60,666.23
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-18-19	-	95,080.05	0.00%	95,080.05		95,080.05	\$97,902.14	\$2,822.09
31635V216	FUMBX-Fidelity Short Term Trsry Bond Index	0.00%	12-13-19	-	4,427,433.72	0.00%	4,427,433.72		4,427,433.72	\$4,515,898.14	\$88,464.42
31635V257	FUAMX-Fidelity Inter Trsry Bond Index	0.00%	12-13-19	-	1,770,973.49	0.00%	1,770,973.49		1,770,973.49	\$1,862,079.53	\$91,106.04
922031851	VFIRX-Vanguard Short Term Trsry Admiral	0.00%	12-13-19	-	664,160.06	0.00%	664,160.06		664,160.06	\$674,796.18	\$10,636.12
92206C607	VSCSX-Vanguard Short Term Corp Bd Index Adm	0.00%	12-13-19	-	2,139,971.30	0.00%	2,139,971.30		2,139,971.30	\$2,168,121.60	\$28,150.30
92206C755	VMBSX-Vanguard Backed Securities Indx Adm	0.00%	12-13-19	-	3,541,991.97	0.00%	3,541,991.97		3,541,991.97	\$3,588,639.30	\$46,647.33
<b>TOTALS FOR DISCRETIONARY INVESTMENTS</b>					<b>14,851,766.83</b>		<b>14,851,766.83</b>	<b>1.45%</b>	<b>\$14,683,538.78</b>	<b>\$15,012,031.31</b>	<b>\$328,492.53</b>
<b>TOTAL INVESTMENTS</b>					<b>\$ 16,851,766.83</b>		<b>\$ 16,844,575.30</b>	<b>1.45%</b>			

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

**United Laguna Woods Mutual  
Supplemental Appropriation Schedule  
Period Ending: 02/29/2020**

Fund / Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Encumbrance
		Total Appropriations	2020	Prior Years	Total	
<b>Reserve Fund</b>						
Emergency Panel Replacements	01-18-99	48,000	0	0	28,961	19,039
Reserve Study	01-18-120	40,000	0	40,000	40,000	0
Reserve Study Additional Fund	01-19-24	10,000	0	10,000	10,000	0
Water Heater Replacement	01-19-66	940,000	697	865,598	865,804	74,196
Laundry Room Coin Box Guards	01-19-64	20,000	0	0	0	20,000
2021 Reserve Study	01-20-XX	5,000	0	0	0	5,000
	<b>Total</b>	<b>\$1,063,000</b>	<b>\$697</b>	<b>\$915,598</b>	<b>\$944,765</b>	<b>\$118,235</b>
<b>Contingency Fund</b>						
Energy Consultant Services	01-18-67	50,000	0	16,528	26,114	23,886
2019 Fumigation Program	01-19-33	104,762	0	68,819	68,819	35,943
Slope Repair Avenida Castilla	01-19-51	13,246	0	12,042	12,042	1,204
	<b>Total</b>	<b>\$168,008</b>	<b>\$0</b>	<b>\$97,388</b>	<b>\$106,974</b>	<b>\$61,034</b>

\*Incurred To Date

**UNITED LAGUNA WOODS MUTUAL  
FUND EXPENDITURES REPORT  
AS OF FEBRUARY 29, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
<b>RESERVE FUND - MAINTENANCE &amp; CONSTRUCTION</b>								
<b>REPLACEMENTS</b>								
BUILDING STRUCTURES	\$55,953	\$55,140	\$69,815	\$111,259	\$670,009	10%	\$41,444	37%
CDS SIGNAGE	0	4,166	0	8,332	50,000	0%	8,332	100%
ELECTRICAL SYSTEMS	78,422	38,290	82,315	76,580	459,495	18%	(5,735)	(7%)
EXTERIOR WALKWAY LIGHTING	0	6,159	1,301	12,459	75,121	2%	11,159	90%
FOUNDATIONS	0	3,653	0	7,306	43,836	0%	7,306	100%
GUTTER REPLACEMENT	7,142	8,004	14,256	16,271	98,289	15%	2,016	12%
PAINT - EXTERIOR	151,306	149,232	307,545	308,662	1,876,061	16%	1,118	0%
PRIOR TO PAINT	86,455	80,047	171,882	165,155	1,003,518	17%	(6,727)	(4%)
PAVING	0	33,052	0	66,104	396,628	0%	66,104	100%
ROOF REPLACEMENTS	65,664	77,565	67,629	155,130	930,804	7%	87,501	56%
WALL REPLACEMENT	0	13,750	0	27,500	165,000	0%	27,500	100%
WASTE LINE REMEDIATION	139,891	191,666	149,041	383,332	2,300,000	6%	234,291	61%
WATER LINE - COPPER PIPE REMEDIATION	47,891	16,666	47,891	33,332	200,000	24%	(14,559)	(44%)
WINDOW/SLIDING SCREEN DOOR	11,094	9,768	11,094	19,806	119,518	9%	8,712	44%
SUPPL. APPROPRIATIONS	172	172	664	664	664	100%	0	0%
<b>SUB-TOTAL</b>	<b>\$643,989</b>	<b>\$687,331</b>	<b>\$923,430</b>	<b>\$1,391,893</b>	<b>\$8,388,943</b>	<b>11%</b>	<b>\$468,463</b>	<b>34%</b>
<b>APPLIANCE AND FIXTURE REPLACEMENTS</b>								
COOKTOPS	\$9,632	\$5,868	\$16,100	\$11,816	\$71,112	23%	(\$4,285)	(36%)
DISHWASHERS	8,783	7,001	15,405	14,175	85,523	18%	(1,230)	(9%)
BASINS/SINKS/TOILETS	18,999	19,617	39,247	39,610	238,679	16%	364	1%
GARBAGE DISPOSALS	8,427	9,376	16,256	19,093	115,440	14%	2,837	15%
HOODS	834	2,918	2,064	5,912	35,681	6%	3,847	65%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	75,347	114,233	162,269	230,991	1,392,191	12%	68,721	30%
OVENS	18,095	9,201	30,922	18,482	111,112	28%	(12,440)	(67%)
RANGES	2,298	1,010	2,797	2,060	12,469	22%	(737)	(36%)
REFRIGERATORS	11,641	18,776	16,558	37,834	227,754	7%	21,276	56%
WATER HEATERS & PERMITS	6,339	61,336	8,794	124,479	751,503	1%	115,685	93%
DRYERS	0	2,963	123	5,947	35,735	0%	5,824	98%
WASHING MACHINES	10,650	7,529	10,650	15,106	90,773	12%	4,455	29%
<b>SUB-TOTAL</b>	<b>\$171,044</b>	<b>\$259,826</b>	<b>\$321,185</b>	<b>\$525,502</b>	<b>\$3,167,971</b>	<b>10%</b>	<b>\$204,317</b>	<b>39%</b>
<b>TOTAL RESERVE FUND</b>	<b>\$815,034</b>	<b>\$947,157</b>	<b>\$1,244,615</b>	<b>\$1,917,395</b>	<b>\$11,556,914</b>	<b>11%</b>	<b>\$672,779</b>	<b>35%</b>

**RESERVE FUND - GENERAL SERVICES**

PRIOR TO PAINT	0	729	0	1,510	9,186	0%	1,510	100%
PAVING	2,073	5,441	2,845	11,260	68,481	4%	8,416	75%
WALL REPLACEMENT	0	2,529	0	5,058	30,365	0%	5,058	100%
<b>TOTAL</b>	<b>\$2,073</b>	<b>\$8,699</b>	<b>\$2,845</b>	<b>\$17,829</b>	<b>\$108,032</b>	<b>3%</b>	<b>\$14,984</b>	<b>84%</b>

**UNITED LAGUNA WOODS MUTUAL  
FUND EXPENDITURES REPORT  
AS OF FEBRUARY 29, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
<b>RESERVE FUND - LANDSCAPE</b>								
<b>REPLACEMENTS</b>								
LANDSCAPE MODIFICATION	0	37,573	609	75,226	451,543	0%	74,617	99%
TREE MAINTENANCE	72,565	68,823	154,804	142,323	864,752	18%	(12,481)	(9%)
<b>TOTAL RESERVE FUND</b>	<b>\$72,565</b>	<b>\$106,396</b>	<b>\$155,413</b>	<b>\$217,549</b>	<b>\$1,316,295</b>	<b>12%</b>	<b>\$62,136</b>	<b>29%</b>

**OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION**

PLUMBING SERVICE	\$117,736	\$109,749	\$258,563	\$227,128	\$1,382,295	19%	(\$31,435)	(14%)
CARPENTRY SERVICE	52,636	39,235	93,232	81,210	494,100	19%	(12,022)	(15%)
ELECTRICAL SERVICE	26,437	32,437	56,070	67,253	409,634	14%	11,183	17%
APPLIANCE REPAIRS	25,910	24,566	51,445	50,712	308,507	17%	(733)	(1%)
INTERIOR PREVENTIVE MAINTENANCE	26,872	27,420	59,812	56,871	346,454	17%	(2,941)	(5%)
PEST CONTROL	995	18,830	1,480	37,660	225,980	1%	36,180	96%
COUNTERTOP/FLOOR/TILE REPAIRS	9,357	10,218	17,204	21,127	128,480	13%	3,923	19%
ENERGY PROGRAM	0	2,083	491	4,166	25,000	2%	3,675	88%
MISC. REPAIRS BY OUTSIDE SERVICE	4,130	2,083	4,130	4,166	25,000	17%	36	1%
FIRE PROTECTION	90	1,058	209	2,116	12,700	2%	1,907	90%
<b>TOTAL</b>	<b>\$264,163</b>	<b>\$267,679</b>	<b>\$542,636</b>	<b>\$552,409</b>	<b>\$3,358,151</b>	<b>16%</b>	<b>\$9,773</b>	<b>2%</b>

**OPERATING EXPENDITURES - GENERAL SERVICES**

CONCRETE REPAIR/REPLACEMENT	26,033	29,674	70,063	61,378	373,111	19%	(8,685)	(14%)
JANITORIAL SERVICE	23,663	27,391	61,223	56,824	345,015	18%	(4,399)	(8%)
GUTTER CLEANING	3,291	15,853	4,702	32,020	192,872	2%	27,318	85%
WELDING	11,748	8,043	17,987	16,652	101,275	18%	(1,335)	(8%)
TRAFFIC CONTROL	649	1,189	1,048	2,466	15,010	7%	1,417	57%
<b>TOTAL</b>	<b>\$65,384</b>	<b>\$82,149</b>	<b>\$155,023</b>	<b>\$169,339</b>	<b>\$1,027,283</b>	<b>15%</b>	<b>\$14,316</b>	<b>8%</b>

**CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION**

MOISTURE INTRUSION - RAIN LEAKS	\$42,351	\$12,666	\$47,343	\$25,332	\$152,000	31%	(\$22,011)	(87%)
MOISTURE INTRUSION - PLUMBING LEAKS	80,811	62,949	121,335	125,898	755,390	16%	4,563	4%
MOISTURE INTRUSION - PLUMBING STOPPAGES	22,645	23,243	43,124	46,486	278,926	15%	3,362	7%
MOISTURE INTRUSION - MISCELLANEOUS	9,033	6,565	32,447	13,130	78,786	41%	(19,317)	(147%)
DAMAGE RESTORATION SERVICES	(9,326)	11,725	(7,776)	23,796	143,640	(5%)	31,571	133%
SUPPL. APPROPRIATIONS	0	0	0	0	0	0%	0	0%
<b>TOTAL CONTINGENCY FUND</b>	<b>\$145,515</b>	<b>\$117,148</b>	<b>\$236,473</b>	<b>\$234,642</b>	<b>\$1,408,742</b>	<b>17%</b>	<b>(\$1,832)</b>	<b>(1%)</b>

**UNITED LAGUNA WOODS MUTUAL  
MAINTENANCE PROGRAMS EXPENDITURES REPORT  
AS OF FEBRUARY 29, 2020**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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**RESERVE FUND - MAINTENANCE & CONSTRUCTION**

BUILDING STRUCTURES	\$69,815	\$9,529	\$541	\$59,746
CDS SIGNAGE	0	0	0	0
ELECTRICAL SYSTEMS	82,315	0	0	82,315
EXTERIOR WALKWAY LIGHTING	1,301	0	0	1,301
FOUNDATIONS	0	0	0	0
GUTTER REPLACEMENT	14,256	12,674	1,582	0
PAINT - EXTERIOR	307,545	269,118	38,426	0
PAVING	0	0	0	0
PRIOR TO PAINT	171,882	142,200	29,682	0
ROOF REPLACEMENTS	67,629	0	0	67,629
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	149,041	1,230	0	147,811
WATER LINE - COPPER PIPE REMEDIATION	47,891	0	0	47,891
WINDOW/SLIDING SCREEN DOOR	11,094	4,427	5,446	1,221
BASINS/SINKS/TOILETS	39,247	11,960	27,287	0
COOKTOPS	16,100	2,322	8,472	5,306
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	162,269	68,585	27,315	66,369
DISHWASHERS	15,405	4,609	8,093	2,702
DRYERS	123	123	0	0
GARBAGE DISPOSALS	16,256	5,575	10,681	0
HOODS	2,064	491	537	1,036
OVENS	30,922	1,895	15,074	13,953
RANGES	2,797	998	1,345	454
REFRIGERATORS	16,558	2,202	6,558	7,798
WASHING MACHINES	10,650	1,421	9,230	0
WATER HEATERS & PERMITS	8,794	2,874	5,920	0
SUPPL. APPROPRIATIONS	664	631	33	0
<b>TOTAL</b>	<b>\$1,244,615</b>	<b>\$542,862</b>	<b>\$196,221</b>	<b>\$505,532</b>

**RESERVE FUND - GENERAL SERVICES**

PRIOR TO PAINT	0	0	0	0
PAVING	2,845	2,845	0	0
WALL REPLACEMENT	0	0	0	0
<b>TOTAL</b>	<b>\$2,845</b>	<b>\$2,845</b>	<b>\$0</b>	<b>\$0</b>

**RESERVE FUND - LANDSCAPE**

LANDSCAPE MODIFICATION	609	0	609	0
TREE MAINTENANCE	154,804	154,804	0	0
<b>TOTAL</b>	<b>\$155,413</b>	<b>\$154,804</b>	<b>\$609</b>	<b>\$0</b>

**UNITED LAGUNA WOODS MUTUAL  
MAINTENANCE PROGRAMS EXPENDITURES REPORT  
AS OF FEBRUARY 29, 2020**

YTD ACTUAL

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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**OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION**

CARPENTRY SERVICE	93,232	80,664	12,568	0
COUNTERTOP/FLOOR/TILE REPAIRS	17,204	13,826	863	2,515
ELECTRICAL SERVICE	56,070	46,010	10,060	0
ENERGY PROGRAM	491	0	0	491
FIRE PROTECTION	209	0	209	0
INTERIOR PREVENTIVE MAINTENANCE	59,812	59,513	299	0
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	4,130	0	0	4,130
PEST CONTROL	1,480	0	0	1,480
PLUMBING SERVICE	258,563	217,781	11,792	28,990
APPLIANCE REPAIRS	51,445	45,673	5,772	0
<b>TOTAL</b>	<b>\$542,636</b>	<b>\$463,468</b>	<b>\$41,562</b>	<b>\$37,606</b>

**OPERATING EXPENDITURES - GENERAL SERVICES**

CONCRETE REPAIR/REPLACEMENT	70,063	67,628	2,435	0
GUTTER CLEANING	4,702	4,702	0	0
JANITORIAL SERVICE	61,223	61,223	0	0
TRAFFIC CONTROL	1,048	1,048	0	0
WELDING	17,987	17,482	505	0
<b>TOTAL</b>	<b>\$155,023</b>	<b>\$152,083</b>	<b>\$2,940</b>	<b>\$0</b>

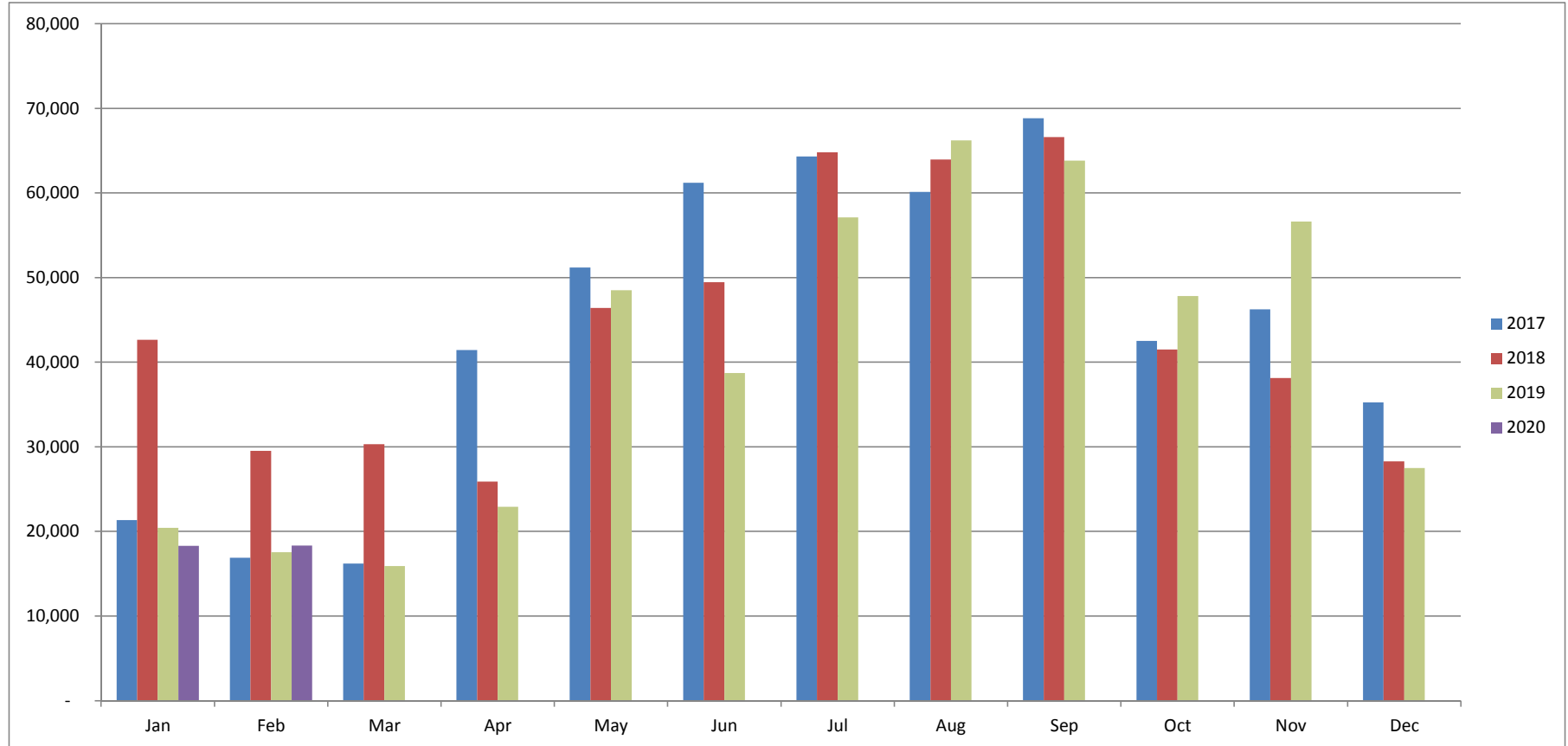
**CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION**

MOISTURE INTRUSION - RAIN LEAKS	\$47,343	\$0	\$0	\$47,343
MOISTURE INTRUSION - PLUMBING LEAKS	121,335	0	0	121,335
MOISTURE INTRUSION - PLUMBING STOPPAGES	43,124	0	0	43,124
MOISTURE INTRUSION - MISCELLANEOUS	32,447	0	0	32,447
DAMAGE RESTORATION SERVICES	(7,776)	0	0	(7,776)
SUPPL. APPROPRIATIONS	0	0	0	0
<b>TOTAL</b>	<b>\$236,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$236,473</b>



### United Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017	21,326	16,898	16,207	41,450	51,184	61,199	64,301	60,140	68,826	42,530	46,232	35,259	38,224	525,552
2018	42,632	29,513	30,299	25,881	46,405	49,466	64,821	63,964	66,621	41,517	38,135	28,295	72,145	527,549
2019	20,437	17,551	15,895	22,897	48,490	38,729	57,098	66,201	63,823	47,827	56,613	27,488	37,988	483,049
2020	18,294	18,329	-	-	-	-	-	-	-	-	-	-	36,623	36,623





## Statement of Revenues & Expenses - Preliminary Variance Explanations as of February 29, 2020

### SUMMARY

United financial results were better than budget by \$1,222K as of February 29, 2020. Explanations for categories with significant variances are found below.

### REVENUE

- ▶ **Operating Assessments Line 1** – \$92K  
Favorable variance resulted from an increase in revenue for property taxes and supplemental property taxes.
- ▶ **Fees and Charges for Services to Residents Line 5** – (\$40K)  
Unfavorable variance resulted from revenue not yet recorded from prior years moisture intrusion events, pending determination hearings. Additionally, less revenue than budgeted for chargeable appliance replacements; fewer members requested early replacement and some members requested a one-time disbursement instead of appliance replacement.
- ▶ **Unrealized gain(loss) on AFS Investments – Line 8** \$316K  
Favorable variance due to reporting of Unrealized Gain on Available for Sale Investments. A monthly entry is made to reflect investment market conditions, which fluctuate.

### EXPENSE

- ▶ **Employee Compensation and Related Line 12** – \$114K  
United used less hours than anticipated for M&C programs such as Plumbing in February. The budget included hours to replace 632 manor water heaters; however, only 19 water heaters were replaced through the reporting period. Variance for water heater replacement is anticipated to level off by October, when the work is expected to be completed. Favorable variance was furthered by open positions in Landscape and Maintenance and Construction. The variance was furthered by unemployment insurance taxes. Budgeted in the first four months of the year, FUI and SUI taxes are applied only to the first \$7,000 in wages and the expense for this line will taper as employees reach the limit.
- ▶ **Materials and Supplies Line 13** – \$192K  
Favorable variance resulted in several areas of operations such as plumbing, appliances, and interior components due to timing of expenditures. Although budgeted throughout the year, expenditures will occur later. Planned expenditures for manor water heater replacements are based on 632 water heaters requiring replacement in 2020. To date, 19 water heaters have been replaced. Expenditures will catch up with the budget and level off by October. Interior components such as replacement of kitchen and bathroom countertops are made upon residents request and during resale



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of February 29, 2020

inspection. As of the reporting period, 36 kitchen and 72 bathroom countertops were replaced.

► **Utilities and Telephone Line 14** – \$59K

For the reporting period, water consumption is 12% lower than budget due to favorable weather conditions. Staff uses evapotranspiration (ET) weather data to measure water usage for irrigation. Lower water consumption accounts for approximately \$10K favorable variance. The remainder of the variance in this line item was caused by an over accrual in prior year.

► **Outside Services Line 18** – \$607K

**Waste Line Remediation** – \$236K

Favorable variance due to timing of scheduled work compared to budget spread. Work is in progress and to date, 18 buildings are completed and an additional 67 are scheduled for 2020. If additional buildings become problematic, they will be added to the schedule.

**Roof Replacement** – \$88K

Favorable variance due to timing of scheduled work compared to budget spread. Roofing programs are scheduled to begin in March; however, due to unfavorable weather conditions, work has not begun.

**Landscape Modification** – \$73K

Favorable variance due to timing of scheduled work compared to budget spread; aeration process for landscape revitalization began in February.

**Paving** – \$66K

Although budget is spread evenly throughout the year, paving programs such as asphalt overlay, parkway concrete, and seal coat are scheduled from July through October. This program will have a favorable variance until the program begins.

► **Insurance Line 23** – (\$102K)

Unfavorable variance due to higher premiums at 10/1/19 renewal for property and casualty insurance. Insurance premium increases were implemented after 2020 budget was finalized. Significant changes in market conditions, catastrophic losses including wildfires in California, and a non-renewal situation required a new layered program structure to achieve the existing limits in a tight market.