



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, May 26, 2020 – 1:30 p.m.
Laguna Woods Village 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 Meeting Report for January 28, 2020
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

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

1. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name United Finance Committee in the subject line of the email. Name and unit number must be included.

2. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.

7. Department Head Update

Reports

8. Preliminary Financial Statements dated April 30, 2020
9. Section 5500 Update
10. Insurance Program Update
11. Investment Update
12. Investment Policy
13. 2021 Reserve Study Update

Items for Discussion and Consideration

14. Endorsements from Standing Committees

Future Agenda Items
Solar System Update

Concluding Business:

15. Committee Member Comments
16. Date of Next Meeting – Tuesday, June 30, 2020 at 1:30 p.m.
17. Recess to Closed Session

Brian Gilmore, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



OPEN MEETING

REPORT OF THE REGULAR MEETING OF THE
UNITED LAGUNA WOODS MUTUAL FINANCE COMMITTEE

Tuesday, January 28, 2020 – 1:30 p.m.

Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Brian Gilmore – Chair, Sue Margolis, Carl Randazzo, Anthony Liberatore, Elsie Addington

OTHERS PRESENT: Juanita Skillman, Manuel Armendariz, Andre Torng, Dick Rader – VMS

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Steve Hormuth, Christopher Swanson

Call to Order

Director Gilmore chaired the meeting and called it to order at 1:32 p.m.

Approval of Agenda

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

Approval of the Regular Meeting Report of November 26, 2019

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

Chair Remarks

Brian Gilmore, Chair, welcomed everyone and encouraged participants to be expeditious and direct with review of agenda items.

Member Comments (Items Not on the Agenda)

Reid (401-C) commented on the Breeze article regarding increases in insurance premiums.

Department Head Update

Betty Parker, Chief Financial Officer, provided a handout of the department head update and noted the upcoming investment review.

Review Preliminary Financial Statements dated December 31, 2019

The committee reviewed Financial Statements for December 31, 2019. Discussion ensued and questions were addressed.

Insurance Program Update

The committee reviewed the staff report on the 2020 insurance renewal timeline, which is starting with a property valuation process in Q1 as recommended by the broker and carriers.

Future Agenda Items

Insurance Program Update
Section 5500 Reporting Requirements
2021 Budget Calendar
2021 Reserve Study
ROI Calculations
Solar Project Update Data

Member Comments

None.

Date of Next Meeting

Tuesday, March 31, 2020 at 1:30 p.m. in the Sycamore Room.

Recess to Closed Session

The meeting recessed to closed session at 2:54 p.m.



Brian Gilmore, Chair



MEMORANDUM

To: United Finance Committee
 From: Betty Parker, CFO
 Date: May 26, 2020
 Re: Department Head Update

Financial Highlights

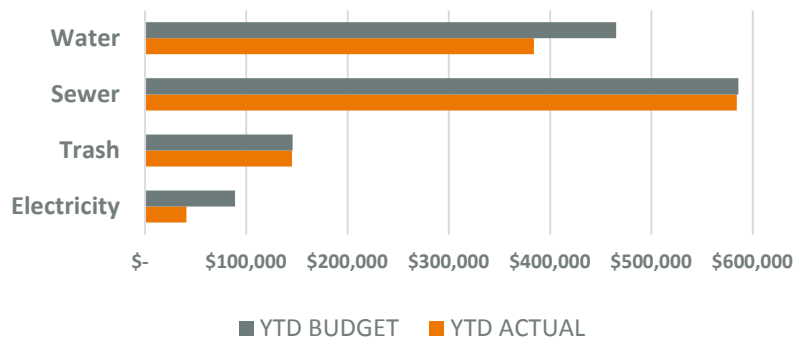
▪ **SUMMARY:** For the year-to-date period ending April 30, 2020, United Mutual was better than budget by \$2 million primarily due to timing of programs, especially in the areas of outside services \$814K, materials \$451K, and compensation \$448K. Various programs were put on hold in mid-March due to the COVID-19 pandemic.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$14,239	\$14,054	\$185
Other Revenues	872	598	274
Expenses	13,561	15,129	1,568
Revenue / (Expense)	\$1,550	(\$477)	\$2,027

▪ **COMPENSATION:** Actual compensation and related costs came in at \$4.4 million, with just under \$3.3 million in operations and \$1.0 million in reserves. Combined, this category is 9.3% favorable to budget. Staffing was reduced through employee furloughs beginning mid-March due to the Covid-19 pandemic. For United, the most significant impacts were in Maintenance and Landscape.

	Budget			Variance	
	Compensation	Related	Total	Total \$	Total %
All Units					
Operating	\$2,475,955	\$983,532	\$3,459,487	\$182,935	5.3%
Reserves	931,502	414,521	1,346,023	265,349	19.7%
TOTAL	\$3,407,457	\$1,398,053	\$4,805,510	\$448,285	9.3%

UTILITIES: In total, this category was favorable to budget by \$131K. On average water consumption was 21% lower than budget due to higher rainfall than prior years, sewer (a fixed residential charge) and trash came in on budget, and electricity was favorable while SCE performs true-up billing for solar systems.



Discussions

2019 Audit: KPMG completed the audit on schedule and issued a favorable opinion. The audit committee (Select Audit Task Force) held several virtual update meetings with KPMG in March. All four audit committee members were online with audio and visual capabilities. The audit report was accepted into corporate records by the Board on April 14, 2020, with minor edits. The full audit report is available on the Community website and a summary version was mailed to members by month end.

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 was implemented in early May and development of a procedure for board approval of reserve expenditures prior to payment is underway.

Insurance Update: Property valuation is underway and expected by June 30, in time for Q3 insurance renewals. State Farm has declined to make a proposal on the Laguna Woods Village insurance program due to market conditions and will re-visit the option of working with our broker in the future. Beecher Carlson is reaching out to carriers obtain early indicators of the upcoming renewal strategy.

Investment Update: Based on current market conditions, the portfolio target allocations were adjusted modestly by SageView in early April to shift from corporate bonds to intermediary Treasury bonds. The United portfolio balance has grown from \$14,828,044 on 12/31/19 to \$15,246,161 as of April 30, 2020, representing a gain of \$418,117 or 2.8%.

2021 Budget: Budgetary guidelines related to assessments, reserves and contingency funds were submitted by the Board in April. The CEO is currently reviewing the targets and will provide direction for department heads during budget preparations. The proposed budget will be issued on July 15, 2020 in advance of scheduled review meetings.

Calendar

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

May 28, 2020 @ 2:00 p.m. United Board Agenda Prep Meeting

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

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

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

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
4/30/2020
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,535	\$2,489	\$46	\$10,141	\$9,956	\$185	\$9,349	\$29,869
2	Additions to restricted funds	1,024	1,024		4,098	4,098		4,123	12,294
3	Total assessments	3,560	3,514	46	14,239	14,054	184	13,471	42,163
Non-assessment revenues:									
4	Merchandise sales		2	(2)	2	7	(4)	12	20
5	Fees and charges for services to residents	29	45	(16)	138	180	(41)	228	540
6	Laundry	23	23	1	88	90	(2)	84	270
7	Investment income	32	32		103	128	(25)	151	385
8	Unrealized gain/(loss) on AFS investments	153		153	389		389		
9	Miscellaneous	36	48	(13)	152	193	(41)	176	579
10	Total non-assessment revenue	273	149	123	872	598	274	652	1,794
11	Total revenue	3,832	3,663	169	15,111	14,652	459	14,123	43,957
Expenses:									
12	Employee compensation and related	994	1,204	210	4,357	4,806	448	4,766	14,548
13	Materials and supplies	101	259	158	612	1,064	451	1,279	3,141
14	Utilities and telephone	231	338	107	1,155	1,286	131	1,161	4,326
15	Legal fees	35	29	(6)	79	117	38	26	350
16	Professional fees	6	14	8	42	61	19	51	122
17	Equipment rental	2	1	(1)	7	6	(1)	11	17
18	Outside services	508	717	210	2,056	2,870	814	2,093	8,638
19	Repairs and maintenance	2	4	1	10	16	6	12	47
20	Other Operating Expense	12	16	4	46	67	21	65	201
21	Income taxes		2	2		8	8	1	25
22	Property and sales tax	983	926	(57)	3,859	3,704	(155)	3,724	11,112
23	Insurance	169	125	(44)	676	501	(175)	412	1,504
24	Investment expense		3	3	2	12	10	9	37
25	Uncollectible Accounts	(2)	5	7	10	20	9	16	60
26	(Gain)/loss on sale or trade	74	(1)	(74)	61	(3)	(64)	1	(8)
27	Depreciation and amortization	17	17		66	66		69	198
28	Net allocation to mutuals	149	131	(18)	521	529	8	382	1,584
29	Total expenses	3,281	3,791	510	13,561	15,129	1,568	14,078	45,902
30	Excess of revenues over expenses	\$551	(\$128)	\$679	\$1,550	(\$477)	\$2,027	\$45	(\$1,945)

United Laguna Woods Mutual
Operating Statement
4/30/2020
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$5,927,433	\$5,927,656	(\$223)	0.00%	\$17,782,968
41007000 - Monthly Assessments - Property Taxes	3,787,746	3,703,998	83,748	2.26%	11,111,994
41007500 - Monthly Assessments - Supplemental Property Taxes	101,045	0	101,045	0.00%	0
41008000 - Monthly Assessments - Property Insurance	324,714	324,713	1	0.00%	974,142
Total Operating	10,140,938	9,956,367	184,571	1.85%	29,869,104
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	252,920	252,920	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	3,844,890	3,845,000	(110)	0.00%	11,535,000
Total Additions To Restricted Funds	4,097,810	4,097,920	(110)	0.00%	12,293,760
Total Assessments	14,238,748	14,054,287	184,461	1.31%	42,162,864
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	2,273	6,664	(4,391)	(65.89%)	20,000
Total Merchandise Sales	2,273	6,664	(4,391)	(65.89%)	20,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	65,634	49,571	16,063	32.40%	148,715
46501500 - Inspection Fee	15,565	26,430	(10,866)	(41.11%)	79,294
46502000 - Resident Maintenance Fee	57,156	103,743	(46,587)	(44.91%)	311,513
Total Fees and Charges for Services to Residents	138,355	179,744	(41,389)	(23.03%)	539,522
Laundry					
46005000 - Coin Op Laundry Machine	87,552	90,000	(2,448)	(2.72%)	270,000
Total Laundry	87,552	90,000	(2,448)	(2.72%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	7,192	29,430	(22,238)	(75.56%)	88,289
49002000 - Investment Income - Discretionary	96,239	99,068	(2,829)	(2.86%)	297,205
Investment Interest Income	103,431	128,498	(25,067)	(19.51%)	385,494
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	388,520	0	388,520	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	388,520	0	388,520	0.00%	0
Miscellaneous					
46004500 - Resident Violations	3,850	16,666	(12,816)	(76.90%)	50,001
44501000 - Additional Occupant Fee	12,640	14,000	(1,360)	(9.71%)	42,000
44501500 - Lease Processing Fee - United	38,270	42,664	(4,394)	(10.30%)	128,000
44502000 - Variance Processing Fee	1,650	1,332	318	23.87%	4,000
44503000 - Stock Transfer Fee	2,900	4,332	(1,432)	(33.06%)	13,000
44503510 - Resale Processing Fee - United	41,272	41,664	(392)	(0.94%)	125,000
44507000 - Golf Cart Electric Fee	19,627	20,667	(1,040)	(5.03%)	62,000
44507200 - Electric Vehicle Plug-In Fee	5,228	5,000	228	4.57%	15,000
44507500 - Cartport/Carport Space Rental Fee	700	833	(133)	(16.00%)	2,500
47001500 - Late Fee Revenue	5,360	16,667	(11,307)	(67.84%)	50,000
47002010 - Collection Administrative Fee - United	21,960	24,000	(2,040)	(8.50%)	72,000
47002500 - Collection Interest Revenue	(336)	1,600	(1,936)	(121.02%)	4,800
47501000 - Recycling	513	2,000	(1,487)	(74.36%)	6,000
48001000 - Legal Fee	0	1,467	(1,467)	(100.00%)	4,400
49009000 - Miscellaneous Revenue	(1,769)	0	(1,769)	0.00%	0
Total Miscellaneous	151,864	192,891	(41,027)	(21.27%)	578,701
Total Non-Assessment Revenue	871,996	597,797	274,199	45.87%	1,793,717
Total Revenue	15,110,743	14,652,084	458,660	3.13%	43,956,581
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	843,238	943,465	100,227	10.62%	2,883,900

United Laguna Woods Mutual
Operating Statement
4/30/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51021000 - Union Wages - Regular	1,686,166	2,064,524	378,358	18.33%	6,279,593
51041000 - Wages - Overtime	13,446	9,398	(4,048)	(43.07%)	28,203
51051000 - Union Wages - Overtime	44,256	31,630	(12,626)	(39.92%)	94,908
51061000 - Holiday & Vacation	482,450	253,850	(228,600)	(90.05%)	773,301
51071000 - Sick	161,313	103,544	(57,769)	(55.79%)	315,425
51081000 - Sick - Part Time	0	8	8	100.00%	24
51091000 - Missed Meal Penalty	1,848	417	(1,430)	(342.77%)	1,268
51101000 - Temporary Help	4,657	622	(4,035)	(648.91%)	1,870
51981000 - Compensation Accrual	(205,777)	0	205,777	0.00%	0
Total Employee Compensation	3,031,597	3,407,457	375,860	11.03%	10,378,493
Compensation Related					
52411000 - F.I.C.A.	245,473	257,452	11,979	4.65%	776,727
52421000 - F.U.I.	7,559	10,834	3,274	30.22%	10,834
52431000 - S.U.I.	51,619	55,120	3,501	6.35%	55,120
52441000 - Union Medical	595,174	629,761	34,587	5.49%	1,889,284
52451000 - Workers' Compensation Insurance	176,483	181,236	4,754	2.62%	639,961
52461000 - Non Union Medical & Life Insurance	117,878	112,535	(5,343)	(4.75%)	337,605
52471000 - Union Retirement Plan	140,231	109,967	(30,264)	(27.52%)	334,482
52481000 - Non-Union Retirement Plan	19,295	41,148	21,853	53.11%	125,775
52981000 - Compensation Related Accrual	(28,083)	0	28,083	0.00%	0
Total Compensation Related	1,325,628	1,398,053	72,425	5.18%	4,169,789
Materials and Supplies					
53001000 - Materials & Supplies	149,587	215,086	65,498	30.45%	594,628
53003000 - Materials Direct	462,532	848,484	385,952	45.49%	2,545,928
53004000 - Freight	20	0	(20)	0.00%	0
Total Materials and Supplies	612,139	1,063,570	451,430	42.44%	3,140,556
Utilities and Telephone					
53301000 - Electricity	40,955	89,000	48,045	53.98%	189,000
53301500 - Sewer	584,293	586,000	1,707	0.29%	1,779,600
53302000 - Water	384,121	465,078	80,956	17.41%	1,919,116
53302500 - Trash	145,248	145,906	657	0.45%	437,719
53304000 - Telephone	223	228	5	2.22%	685
Total Utilities and Telephone	1,154,841	1,286,211	131,371	10.21%	4,326,120
Legal Fees					
53401500 - Legal Fees	78,882	116,662	37,780	32.38%	349,985
Total Legal Fees	78,882	116,662	37,780	32.38%	349,985
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	38,000	36,000	(2,000)	(5.56%)	44,500
53403500 - Consulting Fees	19	3,439	3,420	99.44%	12,479
53403510 - Consulting Fees - United	4,480	21,660	17,180	79.32%	65,000
Total Professional Fees	42,499	61,099	18,600	30.44%	121,979
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	6,856	5,524	(1,332)	(24.11%)	17,038
Total Equipment Rental	6,856	5,524	(1,332)	(24.11%)	17,038
Outside Services					
53601000 - Bank Fees	11,423	8,439	(2,983)	(35.35%)	25,321
53601500 - Credit Card Transaction Fees	570	0	(570)	0.00%	0
54603500 - Outside Services Cost Collection	2,022,910	2,815,848	792,938	28.16%	8,447,910
53704000 - Outside Services	21,127	45,582	24,455	53.65%	164,394
Total Outside Services	2,056,029	2,869,870	813,840	28.36%	8,637,624
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,319	5,594	4,274	76.41%	16,823
53703000 - Elevator /Lift Maintenance	8,717	10,052	1,336	13.29%	30,157
Total Repairs and Maintenance	10,036	15,646	5,610	35.86%	46,979
Other Operating Expense					
53801000 - Mileage & Meal Allowance	720	5,042	4,322	85.73%	15,153
53801500 - Travel & Lodging	245	1,008	764	75.74%	3,027
53802000 - Uniforms	22,914	29,582	6,668	22.54%	88,787
53802500 - Dues & Memberships	131	484	353	72.98%	1,687

United Laguna Woods Mutual
Operating Statement
4/30/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
53803000 - Subscriptions & Books	231	672	441	65.58%	2,026
53803500 - Training & Education	3,768	6,760	2,992	44.26%	19,682
53804000 - Staff Support	133	470	337	71.76%	1,409
53901500 - Volunteer Support	0	556	556	100.00%	1,668
53903000 - Safety	0	168	168	100.00%	508
54001000 - Board Relations	397	0	(397)	0.00%	0
54001010 - Board Relations - United	1,028	2,500	1,472	58.87%	7,500
54002000 - Postage	16,277	19,571	3,294	16.83%	58,717
54002500 - Filing Fees / Permits	95	308	213	69.09%	847
Total Other Operating Expense	45,939	67,121	21,182	31.56%	201,011
Income Taxes					
54301000 - State & Federal Income Taxes	0	8,336	8,336	100.00%	25,000
Total Income Taxes	0	8,336	8,336	100.00%	25,000
Property and Sales Tax					
54302000 - Property Taxes	3,858,945	3,703,998	(154,947)	(4.18%)	11,111,994
Total Property and Sales Tax	3,858,945	3,703,998	(154,947)	(4.18%)	11,111,994
Insurance					
54401000 - Hazard & Liability Insurance	197,166	151,926	(45,240)	(29.78%)	455,779
54401500 - D&O Liability	21,361	22,137	776	3.50%	66,412
54402000 - Property Insurance	456,700	324,713	(131,988)	(40.65%)	974,142
54403000 - General Liability Insurance	1,101	2,443	1,341	54.91%	7,328
Total Insurance	676,329	501,218	(175,110)	(34.94%)	1,503,660
Investment Expense					
54201000 - Investment Expense	2,395	12,244	9,849	80.44%	36,732
Total Investment Expense	2,395	12,244	9,849	80.44%	36,732
Uncollectible Accounts					
54602000 - Bad Debt Expense	10,487	19,867	9,380	47.22%	59,600
Total Uncollectible Accounts	10,487	19,867	9,380	47.22%	59,600
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(2,934)	(2,500)	434	17.35%	(7,500)
54101500 - (Gain)/Loss On Investments	64,247	0	(64,247)	0.00%	0
Total (Gain)/Loss on Sale or Trade	61,313	(2,500)	(63,813)	(2552.52%)	(7,500)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	66,081	66,081	0	0.00%	198,242
Total Depreciation and Amortization	66,081	66,081	0	0.00%	198,242
Net Allocation to Mutuals					
54602500 - Allocated Expenses	520,520	528,521	8,000	1.51%	1,584,319
Total Net Allocation to Mutuals	520,520	528,521	8,000	1.51%	1,584,319
Total Expenses	13,560,516	15,128,976	1,568,461	10.37%	45,901,622
Excess of Revenues Over Expenses	\$1,550,228	(\$476,893)	\$2,027,120	425.07%	(\$1,945,042)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
4/30/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$3,168,351	\$2,159,882
2	Non-discretionary investments		1,992,808
3	Discretionary investments	15,246,161	14,828,044
4	Receivable/(Payable) from mutuals	1,339,804	1,518,100
5	Accounts receivable and interest receivable	583,782	675,921
6	Prepaid expenses and deposits	2,866,353	1,118,128
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,757,211)	(83,756,191)
9	Beneficial interest in GRF of Laguna Hills Trust	5,731,889	5,796,949
10	Non-controlling interest in GRF	39,116,237	39,116,237
11	Total Assets	<u><u>\$76,284,970</u></u>	<u><u>\$75,439,483</u></u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$738,398	\$1,453,947
13	Accrued compensation and related costs	576,584	596,765
14	Deferred income	967,542	936,551
15	Asset retirement obligation	1,207,814	1,207,814
16	Total liabilities	<u>\$3,490,337</u>	<u>\$4,195,078</u>
Fund balances:			
17	Fund balance prior years	71,244,405	74,614,944
18	Change in fund balance - current year	1,550,228	(3,370,539)
19	Total fund balances	<u>72,794,632</u>	<u>71,244,405</u>
20	Total Liabilities and Fund Balances	<u><u>\$76,284,970</u></u>	<u><u>\$75,439,483</u></u>

**United Laguna Woods Mutual
Fund Balance Sheet - Final
4/30/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets				
1	Cash and cash equivalents	\$3,168,351		\$3,168,351
2	Discretionary investments	15,246,161		15,246,161
3	Receivable/(Payable) from mutuals	1,339,804		1,339,804
4	Receivable/(Payable) from operating fund	(19,676,296)	813,579	18,862,717
5	Accounts receivable and interest receivable	583,782		583,782
6	Prepaid expenses and deposits	2,866,353		2,866,353
7	Property and equipment	91,989,605		91,989,605
8	Accumulated depreciation property and equipment	(83,757,211)		(83,757,211)
9	Beneficial interest in GRF of Laguna Hills Trust	5,731,889		5,731,889
10	Non-controlling interest in GRF	39,116,237		39,116,237
11	Total Assets	<u>\$56,608,674</u>	<u>\$813,579</u>	<u>\$18,862,717</u>
				<u>\$76,284,970</u>
Liabilities and Fund Balances				
Liabilities:				
12	Accounts payable and accrued expenses	\$624,687	\$16,890	\$96,820
13	Accrued compensation and related costs	576,584		576,584
14	Deferred income	967,542		967,542
15	Asset retirement obligation	1,207,814		1,207,814
16	Total liabilities	<u>\$3,376,627</u>	<u>\$16,890</u>	<u>\$96,820</u>
				<u>\$3,490,337</u>
Fund balances:				
17	Fund balance prior years	52,881,436	1,106,755	17,256,214
18	Change in fund balance - current year	350,611	(310,066)	1,509,683
19	Total fund balances	<u>53,232,047</u>	<u>796,689</u>	<u>18,765,897</u>
20	Total Liabilities and Fund Balances	<u>\$56,608,674</u>	<u>\$813,579</u>	<u>\$18,862,717</u>
				<u>\$76,284,970</u>

**United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
4/30/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	Operating	\$10,140,938		\$10,140,938
2	Additions to restricted funds	162	252,910	3,844,738
3	Total assessments	<u>10,141,100</u>	<u>252,910</u>	<u>3,844,738</u>
Non-assessment revenues:				
4	Merchandise sales	420		1,853
5	Fees and charges for services to residents	138,355		138,355
6	Laundry	87,552		87,552
7	Interest income		5,470	97,960
8	Unrealized gain/(loss) on AFS investments		18,159	370,361
9	Miscellaneous	151,864		151,864
10	Total non-assessment revenue	<u>378,192</u>	<u>23,629</u>	<u>470,175</u>
11	Total revenue	<u>10,519,292</u>	<u>276,539</u>	<u>4,314,912</u>
Expenses:				
12	Employee compensation and related	3,276,552		1,080,673
13	Materials and supplies	237,486		374,653
14	Utilities and telephone	1,153,332		1,509
15	Legal fees	78,882		78,882
16	Professional fees	39,999		2,500
17	Equipment rental	1,309		5,547
18	Outside services	263,012	583,533	1,209,485
19	Repairs and maintenance	9,701		335
20	Other Operating Expense	38,267		7,672
21	Property and sales tax	3,858,945		3,858,945
22	Insurance	676,329		676,329
23	Investment expense		136	2,259
24	Uncollectible Accounts	10,487		10,487
25	(Gain)/loss on sale or trade	(2,934)	2,937	61,310
26	Depreciation and amortization	66,081		66,081
27	Net allocations to mutuals	461,234		59,287
28	Total expenses	<u>10,168,681</u>	<u>586,605</u>	<u>2,805,230</u>
29	Excess of revenues over expenses	<u>\$350,611</u>	<u>(\$310,066)</u>	<u>\$1,509,683</u>
30	Excluding unrealized gain/(loss) and depreciation	<u>\$416,692</u>	<u>(\$328,225)</u>	<u>\$1,139,321</u>

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
4/30/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
	FIDELITY GOVT CASH RESERVES				\$ 36,743.07		\$ 36,743.07	\$ 36,743.07	\$ 36,743.07	\$0.00
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-17-19	-	927,846.95	0.00%	\$927,846.95	927,846.95	\$926,204.81	(\$1,642.14)
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-18-19	-	95,080.05	0.00%	95,080.05	95,080.05	\$94,911.77	(\$168.28)
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	03-30-20	-	180,089.25	0.00%	180,089.25	180,089.25	\$179,770.52	(\$318.73)
31635V216	FUMBX-Fidelity Short Term Trsry Bond Index	0.00%	12-13-19	-	4,377,533.57	0.00%	4,377,533.57	4,377,533.57	\$4,535,368.20	\$157,834.63
31635V257	FUAMX-Fidelity Inter Trsry Bond Index	0.00%	12-13-19	-	3,787,417.15	0.00%	3,787,417.15	3,787,417.15	\$3,924,117.30	\$136,700.15
922031851	VFIRX-Vanguard Short Term Trsry Admiral	0.00%	12-13-19	-	739,693.06	0.00%	739,693.06	739,693.06	\$757,287.92	\$17,594.86
92206C607	VSCSX-Vanguard Short Term Corp Bd Index Adm	0.00%	12-13-19	-	1,170,310.22	0.00%	1,170,310.22	1,170,310.22	\$1,165,141.62	(\$5,168.60)
92206C755	VMBSX-Vanguard Backed Securities Indx Adm	0.00%	12-13-19	-	3,530,809.47	0.00%	3,530,809.47	3,530,809.47	\$3,626,616.14	\$95,806.67
TOTALS FOR DISCRETIONARY INVESTMENTS					14,845,522.79		14,845,522.79	\$14,845,522.79	\$15,246,161.35	\$400,638.56
TOTAL INVESTMENTS					\$ 14,845,522.79		\$ 14,845,522.79			

*Yield is based on all investments held during the year

**United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 04/30/2020**

Fund / Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Encumbrance
		Total Appropriations	2020	Prior Years	Total	
Reserve Fund						
Emergency Panel Replacements	01-18-99	48,000	0	0	28,961	19,039
Water Heater Replacement	01-19-66	940,000	1,389	865,598	866,495	73,505
Laundry Room Coin Box Guards	01-19-64	20,000	0	0	0	20,000
2021 Reserve Study	01-20-XX	5,000	2,500	0	2,500	2,500
	Total	\$1,013,000	\$3,889	\$865,598	\$897,956	\$115,044
Contingency Fund						
Energy Consultant Services	01-18-67	50,000	1,410	16,528	27,524	22,476
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
	Total	\$168,008	\$1,410	\$97,388	\$108,384	\$59,624

*Incurred To Date

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$7,060	\$55,793	\$181,610	\$223,172	\$670,009	27%	\$41,562	19%
CDS SIGNAGE	0	4,166	0	16,664	50,000	0%	16,664	100%
ELECTRICAL SYSTEMS	0	38,290	118,507	153,160	459,495	26%	34,653	23%
EXTERIOR WALKWAY LIGHTING	715	6,254	3,571	25,015	75,121	5%	21,443	86%
FOUNDATIONS	0	3,653	150	14,612	43,836	0%	14,462	99%
GUTTER REPLACEMENT	2,547	8,180	22,271	32,718	98,289	23%	10,448	32%
PAINT - EXTERIOR	115,764	156,036	562,984	624,136	1,876,061	30%	61,152	10%
PRIOR TO PAINT	0	83,425	263,265	333,695	1,003,518	26%	70,430	21%
PAVING	23,912	33,052	23,912	132,208	396,628	6%	108,296	82%
ROOF REPLACEMENTS	12,418	77,565	88,189	310,260	930,804	9%	222,071	72%
WALL REPLACEMENT	0	13,750	0	55,000	165,000	0%	55,000	100%
WASTE LINE REMEDIATION	176,214	191,666	545,147	766,664	2,300,000	24%	221,517	29%
WATER LINE - COPPER PIPE REMEDIATION	0	16,666	123,209	66,664	200,000	62%	(56,545)	(85%)
WINDOW/SLIDING SCREEN DOOR	0	9,948	11,811	39,793	119,518	10%	27,982	70%
SUPPL. APPROPRIATIONS	0	0	3,889	3,889	3,889	100%	0	0%
SUB-TOTAL	\$338,629	\$698,444	\$1,948,514	\$2,797,650	\$8,392,168	23%	\$849,135	30%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$0	\$5,923	\$23,077	\$23,688	\$71,112	32%	\$611	3%
DISHWASHERS	0	7,119	22,392	28,472	85,523	26%	6,080	21%
BASINS/SINKS/TOILETS	1,578	19,871	49,155	79,479	238,679	21%	30,323	38%
GARBAGE DISPOSALS	3,448	9,606	25,885	38,419	115,440	22%	12,534	33%
HOODS	0	2,970	3,579	11,877	35,681	10%	8,298	70%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	43,312	115,917	254,231	463,668	1,392,191	18%	209,437	45%
OVENS	1,278	9,256	44,985	37,020	111,112	40%	(7,965)	(22%)
RANGES	0	1,037	2,968	4,148	12,469	24%	1,180	28%
REFRIGERATORS	2,378	18,969	37,153	75,868	227,754	16%	38,715	51%
WATER HEATERS & PERMITS	42,737	62,554	57,903	250,195	751,503	8%	192,291	77%
DRYERS	0	2,977	123	11,908	35,735	0%	11,785	99%
WASHING MACHINES	0	7,562	13,194	30,245	90,773	15%	17,051	56%
SUB-TOTAL	\$94,731	\$263,760	\$534,647	\$1,054,988	\$3,167,971	17%	\$520,341	49%
TOTAL RESERVE FUND	\$433,360	\$962,204	\$2,483,161	\$3,852,637	\$11,560,139	21%	\$1,369,476	36%

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	764	0	3,056	9,186	0%	3,056	100%
PAVING	67	5,696	2,912	22,777	68,481	4%	19,865	87%
WALL REPLACEMENT	0	2,529	0	10,116	30,365	0%	10,116	100%
TOTAL	\$67	\$8,989	\$2,912	\$35,949	\$108,032	3%	\$33,037	92%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	0	37,623	9,131	150,497	451,543	2%	141,366	94%
TREE MAINTENANCE	39,131	71,878	246,457	287,599	864,752	29%	41,142	14%
TOTAL RESERVE FUND	\$39,131	\$109,501	\$255,588	\$438,096	\$1,316,295	19%	\$182,508	42%

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$148,911	\$114,892	\$551,342	\$459,484	\$1,382,295	40%	(\$91,858)	(20%)
CARPENTRY SERVICE	78,827	41,064	218,282	164,253	494,100	44%	(54,029)	(33%)
ELECTRICAL SERVICE	38,778	34,045	118,489	136,146	409,634	29%	17,657	13%
APPLIANCE REPAIRS	22,515	25,646	95,401	102,544	308,507	31%	7,143	7%
INTERIOR PREVENTIVE MAINTENANCE	0	28,794	88,592	115,145	346,454	26%	26,552	23%
PEST CONTROL	1,395	18,830	6,785	75,320	225,980	3%	68,535	91%
COUNTERTOP/FLOOR/TILE REPAIRS	12,593	10,679	45,696	42,716	128,480	36%	(2,981)	(7%)
ENERGY PROGRAM	0	2,083	491	8,332	25,000	2%	7,841	94%
MISC. REPAIRS BY OUTSIDE SERVICE	129	2,083	12,035	8,332	25,000	48%	(3,703)	(44%)
FIRE PROTECTION	0	1,058	373	4,232	12,700	3%	3,859	91%
TOTAL	\$303,148	\$279,174	\$1,137,487	\$1,116,504	\$3,358,151	34%	(\$20,983)	(2%)

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	22,480	31,041	127,365	124,130	373,111	34%	(3,235)	(3%)
JANITORIAL SERVICE	33,684	28,772	129,903	115,033	345,015	38%	(14,869)	(13%)
GUTTER CLEANING	19,355	16,064	32,971	64,252	192,872	17%	31,280	49%
WELDING	5,283	8,424	30,157	33,688	101,275	30%	3,531	10%
TRAFFIC CONTROL	179	1,248	2,475	4,990	15,010	16%	2,515	50%
TOTAL	\$80,980	\$85,549	\$322,872	\$342,093	\$1,027,283	31%	\$19,222	6%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$23,961	\$12,666	\$104,024	\$50,664	\$152,000	68%	(\$53,360)	(105%)
MOISTURE INTRUSION - PLUMBING LEAKS	53,456	62,949	264,909	251,796	755,390	35%	(13,113)	(5%)
MOISTURE INTRUSION - PLUMBING STOPPAGES	62,551	23,243	128,946	92,972	278,926	46%	(35,974)	(39%)
MOISTURE INTRUSION - MISCELLANEOUS	19,959	6,565	74,925	26,260	78,786	95%	(48,665)	(185%)
DAMAGE RESTORATION SERVICES	0	11,956	9,319	47,822	143,640	6%	38,504	81%
SUPPL. APPROPRIATIONS	0	0	1,410	1,410	1,410	100%	0	0%
TOTAL CONTINGENCY FUND	\$159,928	\$117,379	\$583,533	\$470,924	\$1,410,152	41%	(\$112,608)	(24%)

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF APRIL 30, 2020**

YTD ACTUAL

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

BUILDING STRUCTURES	\$181,610	\$11,478	\$588	\$169,544
CDS SIGNAGE	0	0	0	0
ELECTRICAL SYSTEMS	118,507	0	0	118,507
EXTERIOR WALKWAY LIGHTING	3,571	0	0	3,571
FOUNDATIONS	150	0	0	150
GUTTER REPLACEMENT	22,271	20,410	1,861	0
PAINT - EXTERIOR	562,984	510,971	52,013	0
PAVING	23,912	0	0	23,912
PRIOR TO PAINT	263,265	223,559	39,706	0
ROOF REPLACEMENTS	88,189	0	0	88,189
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	545,147	5,608	76	539,463
WATER LINE - COPPER PIPE REMEDIATION	123,209	0	0	123,209
WINDOW/SLIDING SCREEN DOOR	11,811	4,427	5,446	1,938
BASINS/SINKS/TOILETS	49,155	16,467	32,688	0
COOKTOPS	23,077	3,437	13,293	6,347
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	254,231	109,300	70,042	74,889
DISHWASHERS	22,392	6,221	12,901	3,270
DRYERS	123	123	0	0
GARBAGE DISPOSALS	25,885	9,311	16,574	0
HOODS	3,579	904	1,243	1,432
OVENS	44,985	3,050	25,467	16,469
RANGES	2,968	998	1,516	454
REFRIGERATORS	37,153	6,379	21,317	9,457
WASHING MACHINES	13,194	1,421	11,774	0
WATER HEATERS & PERMITS	57,903	18,195	39,709	0
SUPPL. APPROPRIATIONS	3,889	900	489	2,500
TOTAL	\$2,483,161	\$953,158	\$346,701	\$1,183,302

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	0	0	0
PAVING	2,912	2,912	0	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$2,912	\$2,912	\$0	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	9,131	0	609	8,522
TREE MAINTENANCE	246,457	231,002	0	15,455
TOTAL	\$255,588	\$231,002	\$609	\$23,977

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF APRIL 30, 2020**

YTD ACTUAL

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

CARPENTRY SERVICE	218,282	202,627	15,656	0
COUNTERTOP/FLOOR/TILE REPAIRS	45,696	41,341	1,306	3,050
ELECTRICAL SERVICE	118,489	103,638	14,852	0
ENERGY PROGRAM	491	0	0	491
FIRE PROTECTION	373	0	373	0
INTERIOR PREVENTIVE MAINTENANCE	88,592	88,004	589	0
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	12,035	0	0	12,035
PEST CONTROL	6,785	0	0	6,785
PLUMBING SERVICE	551,342	420,039	19,640	111,663
APPLIANCE REPAIRS	95,401	85,736	9,666	0
TOTAL	\$1,137,487	\$941,383	\$62,080	\$134,024

OPERATING EXPENDITURES - GENERAL SERVICES

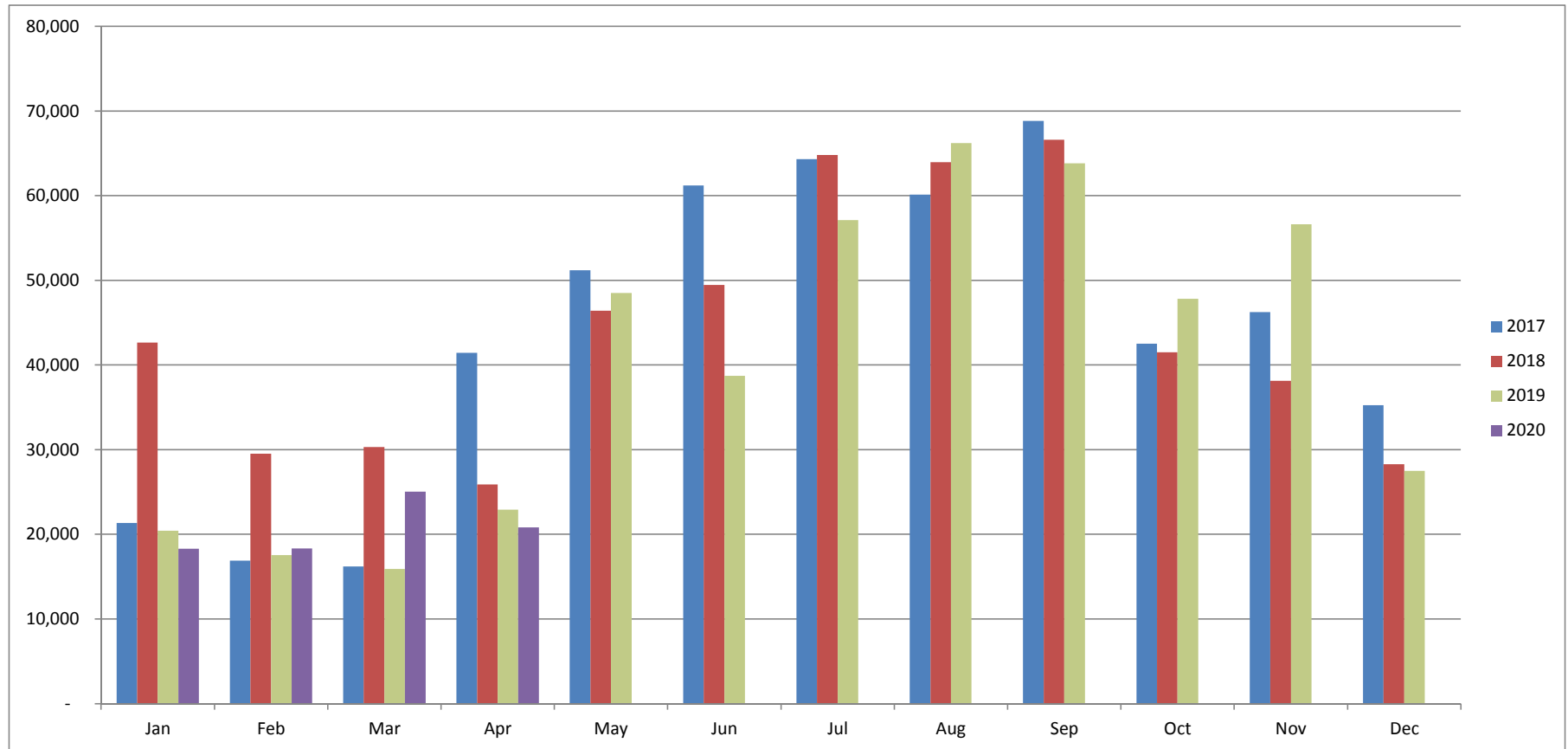
CONCRETE REPAIR/REPLACEMENT	127,365	122,348	5,017	0
GUTTER CLEANING	32,971	32,971	0	0
JANITORIAL SERVICE	129,903	129,666	237	0
TRAFFIC CONTROL	2,475	2,475	0	0
WELDING	30,157	29,491	666	0
TOTAL	\$322,872	\$316,951	\$5,920	\$0

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$104,024	\$0	\$0	\$104,024
MOISTURE INTRUSION - PLUMBING LEAKS	264,909	0	0	264,909
MOISTURE INTRUSION - PLUMBING STOPPAGES	128,946	0	0	128,946
MOISTURE INTRUSION - MISCELLANEOUS	74,925	0	0	74,925
DAMAGE RESTORATION SERVICES	9,319	0	0	9,319
SUPPL. APPROPRIATIONS	1,410	0	0	1,410
TOTAL	\$583,533	\$0	\$0	\$583,533

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	95,881	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	128,325	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	76,780	483,049
2020	18,294	18,329	25,035	20,833	-	-	-	-	-	-	-	-	82,491	82,491





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.