



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, April 27, 2021 – 1:30 p.m.
Laguna Woods Village Virtual Meeting
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for March 30, 2021
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 (949) 268-2020 or email meeting@vmsinc.org to request to speak.

7. Department Head Update

Reports

8. Preliminary Financial Statements dated March 31, 2021
 - a. Compensation and Outside Services

Items for Discussion and Consideration

9. 2020 Audit Bridge Report
10. Temporary Borrowing from Operating and Reserves
11. Mutual Owned Appliance Records
12. Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, May 25, 2021 at 1:30 p.m.
15. Recess to Closed Session

Azar Asgari, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



OPEN MEETING

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

Tuesday, March 30, 2021 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Azar Asgari – Chair, Sue Margolis, Carl Randazzo, Andre Torng, Diane Casey Advisor: Dick Rader

OTHERS PRESENT: Manuel Armendariz, Elsie Addington

VMS – Juanita Skillman

Dan Quirk – SageView Advisory Group

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Jeff Parker, Steve Hormuth, Jose Campos, Christopher Swanson

Call to Order

Director Asgari chaired the meeting and called it to order at 1:30 p.m.

Acknowledgment of Media

The meeting was streamed live on the Laguna Woods Village website.

Approval of Agenda

By consensus, the agenda was approved with the following addition:

- Investment Policy

Approval of the Regular Meeting Report of February 23, 2021

By consensus, the committee meeting report was approved with the following revision:

- Remove Director Gilmore from “Members Absent” section of report.

Chair Remarks

The chair commented on the value of transparency and open dialog between residents and VMS.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on the 2022 budget process, 2020 audit and insurance broker services.

Review Preliminary Financial Statements dated February 28, 2021

The Committee reviewed financial statements for February 28, 2021 and questions were addressed.

Compensation and Outside Services

The Committee reviewed the report.

Investment Update/Investment Policy

Dan Quirk, account executive from SageView, responded to committee interest in adding a small equity position to the United Mutual investment portfolio. Discussion ensued.

A motion was made and carried unanimously to recommend an update to the Investment Policy to allow for equities.

Delayed Payment of Invoices

Ernesto Munoz, Maintenance and Construction Director, discussed reasons for delayed submission of moisture intrusion invoices at year-end. No action was needed or taken as an accrual of all delayed invoices was submitted to Accounting in time to be correctly captured as a 2020 expense. Measures will be put in place for year-end 2020 to avoid a similar issue.

Temporary Borrowing from Operating and Reserves

The committee discussed the recommendation from staff on the practice of temporary borrowing from Operating and Reserve Funds, especially during the months of large payments such as property taxes where timing of payment differs from timing of assessments.

A motion was made and passed unanimously to adopt a policy of temporarily borrowing monies from the reserve fund to pay for operating expenditures consistent with the Davis Stirling Act and Civil Code Section 5515. Payback of the borrowed monies to the advancing fund is not to exceed three months, as opposed to the 12-month payback period allowed under Civil Code 5515.

Bank Fees

Staff provided a verbal update and the item is on the next GRF finance committee meeting for discussion.

Budget Task Force

Director Margolis requested that additional meetings be scheduled for the upcoming 2021 budget process; to be coordinated with the CEO.

Future Agenda Items

None.

Committee Member Comments

None.

Date of Next Meeting

Tuesday, April 27, 2021 at 1:30 p.m. and will be held virtually.

Recess to Closed Session

The meeting recessed to closed session at 4:30 p.m.

DRAFT

Azar Asgari, Chair

MEMORANDUM

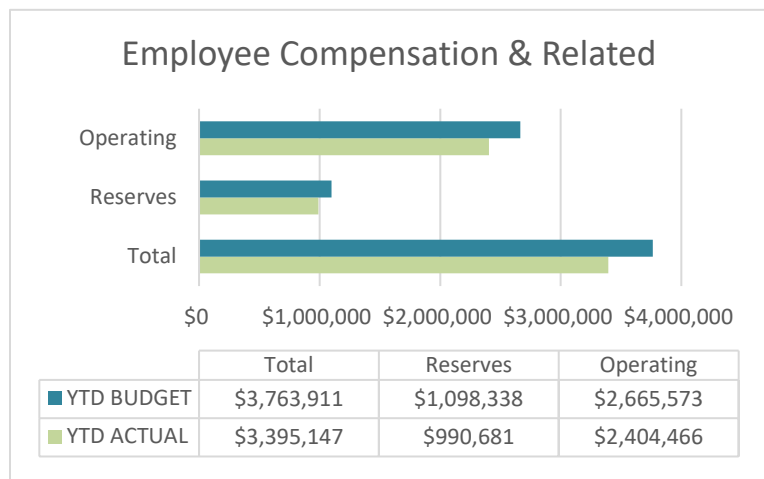
To: United Finance Committee
From: Betty Parker, CFO
Date: April 27, 2021
Re: Department Head Update

Financial Highlights

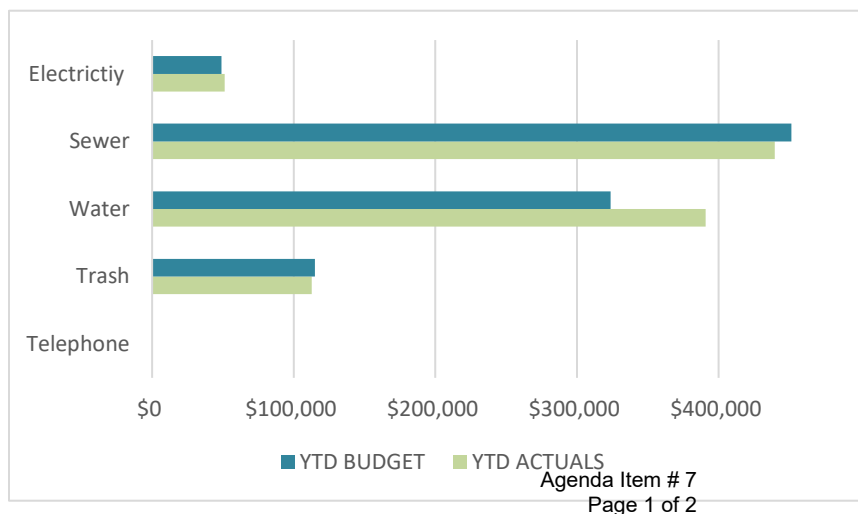
- SUMMARY:** For the year-to-date period ending March 31, 2021, United Mutual was better than budget by \$1,799K primarily due to timing of expenditures, affecting the areas of outside services \$1,473K, compensation \$369K, and materials \$217K.

INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$11,317,566	\$11,314,072	\$3,494
Other Revenues	39,252	447,756	(408,504)
Expenses	9,838,055	12,042,149	2,204,094
Revenue / (Expense)	\$1,518,763	(\$280,321)	\$1,799,084

- COMPENSATION:** Actual compensation and related costs came in at \$3.4 million, with \$2.4 million in operations and \$1 million in reserves. Combined, this category is 10% favorable to budget. For United, the most significant variances were in Maintenance and Landscape due to outsourcing, open positions, and a change from a 10 year paint cycle to a 15 year paint cycle.



- UTILITIES:** In total, this category was unfavorable to budget by (\$53K) primarily due to water expenses coming in higher than budget; consumption was higher due to less rainfall than prior years. Sewer (a fixed residential charge), trash and telephone expenditures remained within budget, while electricity was slightly over.



Discussions

2022 Business Plan: Workshops were held in February and March to educate the Boards on existing budget numbers and service levels, preparing for the upcoming 2022 budget process. The budget calendar has been issued and the first round of budget reviews will be held in May at special Landscape and M&C Committee meetings. For M&C, the format will be organized by general services, maintenance, projects, and manor alterations.

Banking Services: Bank of America rate reductions were implemented in March 2021 as planned yet savings were offset in the March by a higher volume of lockbox transactions. A follow up meeting was held with BofA on Friday, April 23rd to discuss March transactions and next steps.

Collection Services: The contract with the board approved collection agency, Witkin & Neal, was signed on March 24, 2020. Of the six United manors approved by the board for lien filing, three have been transferred to the new agency, one delinquent balance has been paid in full and two are on hold due to contact made with the resident.

Financial Statement 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 and April. The audit report was accepted into corporate records by the Board on April 5, 2021. A summary version of the audited financials will be mailed to members by month-end and the full audit report is available now on the Community website.

Insurance: The Board is waiting for a proposal from Labarre/Oxnee, who states they are expecting information from several wholesalers by Monday 4/22. Capacity limitations are proving to be a challenge.

Property Tax Refunds: Initial review of the property tax refund package was completed on Monday April 19th by a designated member of the board. Staff reviewed member comments and a written response is scheduled to be provided prior to the April 27th Finance Committee meeting. Total residents affected by property tax refund are less than 50 with an average refund payment of \$600 (less than \$30K total). Payment to residents for property tax refunds are anticipated to be made on May 5th.

Reserve Payment Approvals: Review of checks issued by Accounts Payable are being approved by two board members. The procedure has been developed into a routine process although some approval delays still exist due to requests for clarification or additional information. A procedure for Payroll reserve payments will be proposed in Q2 2021.

Calendar

The following scheduled meetings will be held remotely:

- Apr 27, 2021 @ 1:30 p.m. United Finance Committee Meeting (March Financials)
- Apr 29, 2021 @ 2:00 p.m. United Board Agenda Prep Meeting
- May 11, 2021 @ 9:30 a.m. United Board Meeting
- May 25, 2021 @ 1:30 p.m. United Finance Committee Meeting (April Financials)
- May 27, 2021 @ 2:00 p.m. United Board Agenda Prep Meeting
- June 3, 2021 @ 10:00 a.m. 2022 Business Plan Review – United Landscape Portion
- June 4, 2021 @ 9:30 a.m. 2022 Business Plan Review – United M&C Portion
- June 7, 2021 @ 9:30 a.m. 2022 Business Plan Review – United M&C Portion

April 2021							May 2021							June 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
3/31/2021
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:								
Assessments:								
1 Operating	\$2,811	\$2,810	\$1	\$8,434	\$8,430	\$4	\$7,606	\$33,721
2 Additions to restricted funds	961	961		2,884	2,884		3,073	11,535
3 Total assessments	3,773	3,771	1	11,318	11,314	3	10,679	45,256
Non-assessment revenues:								
4 Merchandise sales				1		1	2	
5 Fees and charges for services to residents	46	52	(6)	168	155	13	110	629
6 Laundry		23	(22)	42	68	(25)	64	270
7 Investment income	14	20	(6)	35	59	(24)	71	234
8 Unrealized gain/(loss) on AFS investments	(130)	10	(140)	(334)	31	(365)	236	125
9 Miscellaneous	41	45	(4)	127	135	(8)	116	541
10 Total non-assessment revenue	(28)	149	(178)	39	448	(409)	599	1,799
11 Total revenue	3,744	3,921	(177)	11,357	11,762	(405)	11,278	47,055
Expenses:								
12 Employee compensation and related	1,177	1,286	109	3,395	3,764	369	3,364	15,045
13 Materials and supplies	197	255	58	558	775	217	511	3,087
14 Utilities and telephone	352	318	(35)	995	941	(53)	924	4,359
15 Legal fees	10	29	19	37	87	50	44	350
16 Professional fees	37	38	1	37	49	13	36	116
17 Equipment rental	6	2	(4)	16	5	(11)	4	20
18 Outside services	119	619	500	445	1,919	1,473	1,548	9,229
19 Repairs and maintenance	3	5	2	9	12	3	8	49
20 Other Operating Expense	8	16	8	22	56	34	34	206
21 Property and sales tax	977	1,013	37	2,937	3,040	102	2,876	12,158
22 Insurance	333	320	(13)	1,000	959	(40)	507	3,838
23 Investment expense		3	3	3	3		2	11
24 Uncollectible Accounts	(2)	8	10	(8)	8	16	13	30
25 (Gain)/loss on sale or trade							(12)	
26 Depreciation and amortization	16	16		49	49		50	196
27 Net allocation to mutuals	112	126	14	344	375	31	371	1,484
28 Total expenses	3,345	4,053	708	9,838	12,042	2,204	10,279	50,177
29 Excess of revenues over expenses	\$399	(\$132)	\$531	\$1,519	(\$280)	\$1,799	\$999	(\$3,122)

United Laguna Woods Mutual
Operating Statement
3/31/2021
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$4,635,265	\$4,635,424	(\$159)	0.00%	\$18,541,694
41007000 - Monthly Assessments - Property Taxes	2,970,874	3,039,500	(68,626)	(2.26%)	12,158,000
41007500 - Monthly Assessments - Supplemental Property Taxes	72,359	0	72,359	0.00%	0
41008000 - Monthly Assessments - Property Insurance	755,401	755,399	2	0.00%	3,021,594
Total Operating	8,433,899	8,430,322	3,577	0.04%	33,721,288
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	189,690	189,690	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	2,693,977	2,694,060	(83)	0.00%	10,776,240
Total Additions To Restricted Funds	2,883,667	2,883,750	(83)	0.00%	11,535,000
Total Assessments	11,317,566	11,314,072	3,494	0.03%	45,256,288
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	1,000	0	1,000	0.00%	0
Total Merchandise Sales	1,000	0	1,000	0.00%	0
Fees and Charges for Services to Residents					
46501000 - Permit Fee	94,106	41,348	52,759	127.60%	165,393
46501500 - Inspection Fee	15,998	19,823	(3,825)	(19.30%)	79,294
46502000 - Resident Maintenance Fee	58,147	94,174	(36,027)	(38.26%)	384,271
Total Fees and Charges for Services to Residents	168,251	155,344	12,907	8.31%	628,957
Laundry					
46005000 - Coin Op Laundry Machine	42,459	67,500	(25,041)	(37.10%)	270,000
Total Laundry	42,459	67,500	(25,041)	(37.10%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	0	4,500	(4,500)	(100.00%)	18,000
49002000 - Investment Income - Discretionary	34,977	54,000	(19,023)	(35.23%)	216,000
Investment Interest Income	34,977	58,500	(23,523)	(40.21%)	234,000
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(334,120)	31,250	(365,370)	(1169.18%)	125,000
Total Unrealized Gain/(Loss) On AFS Investments	(334,120)	31,250	(365,370)	(1169.18%)	125,000
Miscellaneous					
46004500 - Resident Violations	(1,250)	7,500	(8,750)	(116.67%)	30,000
44501000 - Additional Occupant Fee	10,300	9,999	301	3.01%	40,000
44501500 - Lease Processing Fee - United	27,460	30,879	(3,419)	(11.07%)	123,526
44502000 - Variance Processing Fee	0	999	(999)	(100.00%)	4,000
44503000 - Stock Transfer Fee	1,350	3,849	(2,499)	(64.93%)	15,405
44503510 - Resale Processing Fee - United	35,700	32,058	3,642	11.36%	128,233
44506500 - Auto Decal Fee	(25)	0	(25)	0.00%	0
44507000 - Golf Cart Electric Fee	14,340	15,000	(660)	(4.40%)	60,000
44507200 - Electric Vehicle Plug-In Fee	4,020	3,501	519	14.82%	14,000
44507500 - Cartport/Carport Space Rental Fee	581	501	80	16.02%	2,000
47001500 - Late Fee Revenue	13,562	12,501	1,061	8.48%	50,000
47002010 - Collection Administrative Fee - United	19,880	15,375	4,505	29.30%	61,500
47002500 - Collection Interest Revenue	0	2,499	(2,499)	(100.00%)	10,000
47501000 - Recycling	758	501	257	51.32%	2,000
49009000 - Miscellaneous Revenue	9	0	9	0.00%	0
Total Miscellaneous	126,685	135,162	(8,477)	(6.27%)	540,664
Total Non-Assessment Revenue	39,253	447,756	(408,504)	(91.23%)	1,798,621
Total Revenue	11,356,819	11,761,828	(405,010)	(3.44%)	47,054,909
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	625,322	726,767	101,445	13.96%	2,966,423

United Laguna Woods Mutual
Operating Statement
3/31/2021
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
51021000 - Union Wages - Regular	1,263,255	1,573,208	309,953	19.70%	6,380,230
51041000 - Wages - Overtime	6,530	5,895	(635)	(10.78%)	23,590
51051000 - Union Wages - Overtime	41,005	22,231	(18,774)	(84.45%)	88,955
51061000 - Holiday & Vacation	233,953	194,008	(39,945)	(20.59%)	788,381
51071000 - Sick	86,969	79,135	(7,834)	(9.90%)	321,577
51081000 - Sick - Part Time	15	62	47	75.32%	255
51091000 - Missed Meal Penalty	1,341	352	(989)	(281.18%)	1,426
51101000 - Temporary Help	21,491	5,973	(15,517)	(259.77%)	23,900
51981000 - Compensation Accrual	145,328	0	(145,328)	0.00%	0
Total Employee Compensation	2,425,208	2,607,631	182,423	7.00%	10,594,736
Compensation Related					
52411000 - F.I.C.A.	167,353	196,889	29,537	15.00%	793,354
52421000 - F.U.I.	7,509	10,882	3,374	31.00%	10,882
52431000 - S.U.I.	51,270	55,304	4,035	7.30%	55,304
52441000 - Union Medical	461,004	500,251	39,246	7.85%	2,001,002
52451000 - Workers' Compensation Insurance	67,676	142,883	75,207	52.64%	580,059
52461000 - Non Union Medical & Life Insurance	90,912	95,055	4,144	4.36%	380,221
52471000 - Union Retirement Plan	104,092	123,389	19,297	15.64%	500,411
52481000 - Non-Union Retirement Plan	14,919	31,628	16,709	52.83%	129,095
52981000 - Compensation Related Accrual	5,206	0	(5,206)	0.00%	0
Total Compensation Related	969,939	1,156,281	186,343	16.12%	4,450,327
Materials and Supplies					
53001000 - Materials & Supplies	140,383	165,452	25,069	15.15%	650,728
53003000 - Materials Direct	416,912	608,394	191,482	31.47%	2,431,902
53004000 - Freight	683	1,028	345	33.58%	4,141
Total Materials and Supplies	557,977	774,874	216,897	27.99%	3,086,771
Utilities and Telephone					
53301000 - Electricity	51,148	48,900	(2,248)	(4.60%)	120,000
53301500 - Sewer	439,613	453,600	13,987	3.08%	1,840,200
53302000 - Water	390,938	323,638	(67,300)	(20.79%)	1,937,476
53302500 - Trash	112,798	115,062	2,265	1.97%	460,254
53304000 - Telephone	162	177	15	8.41%	706
Total Utilities and Telephone	994,658	941,377	(53,281)	(5.66%)	4,358,636
Legal Fees					
53401500 - Legal Fees	37,389	87,497	50,108	57.27%	349,985
Total Legal Fees	37,389	87,497	50,108	57.27%	349,985
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	34,000	32,400	(1,600)	(4.94%)	45,400
53403500 - Consulting Fees	(119)	3,190	3,310	103.74%	15,920
53403510 - Consulting Fees - United	2,750	13,749	10,999	80.00%	55,000
Total Professional Fees	36,631	49,339	12,709	25.76%	116,320
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	16,340	4,997	(11,343)	(227.01%)	19,993
Total Equipment Rental	16,340	4,997	(11,343)	(227.01%)	19,993
Outside Services					
53601000 - Bank Fees	8,455	7,978	(477)	(5.98%)	31,921
53601500 - Credit Card Transaction Fees	2,737	0	(2,737)	0.00%	0
54603500 - Outside Services Cost Collection	403,186	1,876,750	1,473,564	78.52%	9,059,495
53704000 - Outside Services	30,878	34,018	3,140	9.23%	137,221
Total Outside Services	445,256	1,918,747	1,473,491	76.79%	9,228,637
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,695	4,638	2,943	63.45%	18,394
53703000 - Elevator /Lift Maintenance	7,084	7,541	457	6.06%	30,166
Total Repairs and Maintenance	8,780	12,180	3,400	27.92%	48,559
Other Operating Expense					
53801000 - Mileage & Meal Allowance	532	3,740	3,208	85.79%	14,993
53801500 - Travel & Lodging	0	706	706	100.00%	2,829
53802000 - Uniforms	12,514	27,105	14,591	53.83%	94,090
53802500 - Dues & Memberships	429	701	272	38.86%	2,557

United Laguna Woods Mutual
Operating Statement
3/31/2021
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
53803000 - Subscriptions & Books	725	509	(216)	(42.39%)	2,048
53803500 - Training & Education	929	6,442	5,513	85.58%	23,134
53903000 - Safety	0	193	193	100.00%	776
54001010 - Board Relations - United	(132)	1,881	2,013	107.04%	7,525
54002000 - Postage	6,756	14,457	7,701	53.27%	57,828
54002500 - Filing Fees / Permits	91	108	17	15.86%	348
Total Other Operating Expense	21,842	55,842	34,000	60.89%	206,128
Property and Sales Tax					
54301500 - State & Local Taxes	235	0	(235)	0.00%	0
54302000 - Property Taxes	2,937,010	3,039,501	102,491	3.37%	12,158,000
Total Property and Sales Tax	2,937,245	3,039,501	102,256	3.36%	12,158,000
Insurance					
54401000 - Hazard & Liability Insurance	197,720	185,583	(12,137)	(6.54%)	742,331
54401500 - D&O Liability	17,448	16,622	(826)	(4.97%)	66,490
54402000 - Property Insurance	783,760	755,398	(28,362)	(3.75%)	3,021,594
54403000 - General Liability Insurance	820	1,832	1,012	55.24%	7,328
Total Insurance	999,747	959,435	(40,312)	(4.20%)	3,837,743
Investment Expense					
54201000 - Investment Expense	2,700	2,795	95	3.40%	11,180
Total Investment Expense	2,700	2,795	95	3.40%	11,180
Uncollectible Accounts					
54602000 - Bad Debt Expense	(8,363)	7,500	15,863	211.51%	30,000
Total Uncollectible Accounts	(8,363)	7,500	15,863	211.51%	30,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	49,078	49,078	0	0.00%	196,310
Total Depreciation and Amortization	49,078	49,078	0	0.00%	196,310
Net Allocation to Mutuals					
54602500 - Allocated Expenses	343,629	375,076	31,447	8.38%	1,484,039
Total Net Allocation to Mutuals	343,629	375,076	31,447	8.38%	1,484,039
Total Expenses	9,838,055	12,042,150	2,204,094	18.30%	50,177,364
Excess of Revenues Over Expenses	\$1,518,763	(\$280,321)	\$1,799,084	641.79%	(\$3,122,455)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
3/31/2021**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$9,131,575	\$3,703,195
2	Non-discretionary investments		1,999,972
3	Discretionary investments	15,130,156	15,431,999
4	Receivable/(Payable) from mutuals	1,564,561	1,217,853
5	Accounts receivable and interest receivable	711,766	751,495
6	Prepaid expenses and deposits	2,055,046	2,702,718
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,760,019)	(83,759,253)
9	Beneficial interest in GRF of Laguna Hills Trust	5,555,393	5,603,705
10	Non-controlling interest in GRF	41,028,127	41,028,127
11	Total Assets	<u>\$83,406,212</u>	<u>\$80,669,417</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$4,429,452	\$3,222,738
13	Accrued compensation and related costs	509,650	473,338
14	Deferred income	897,044	922,039
15	Asset retirement obligation	1,292,361	1,292,361
16	Total liabilities	<u>\$7,128,507</u>	<u>\$5,910,475</u>
	Fund balances:		
17	Fund balance prior years	74,758,941	71,244,405
18	Change in fund balance - current year	1,518,763	3,514,536
19	Total fund balances	<u>76,277,704</u>	<u>74,758,941</u>
20	Total Liabilities and Fund Balances	<u>\$83,406,212</u>	<u>\$80,669,417</u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
3/31/2021**

		<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets					
1	Cash and cash equivalents	\$7,911,372	\$357,143	\$863,060	\$9,131,575
2	Discretionary investments		7,860	15,122,297	15,130,156
3	Receivable/(Payable) from mutuals	1,564,561			1,564,561
4	Receivable/(Payable) from operating fund	(6,037,470)	243,687	5,793,782	
5	Accounts receivable and interest receivable	711,766			711,766
6	Prepaid expenses and deposits	2,055,046			2,055,046
7	Property and equipment	91,989,605			91,989,605
8	Accumulated depreciation property and equipment	(83,760,019)			(83,760,019)
9	Beneficial interest in GRF of Laguna Hills Trust	5,555,393			5,555,393
10	Non-controlling interest in GRF	41,028,127			41,028,127
11	Total Assets	<u>\$61,018,382</u>	<u>\$608,690</u>	<u>\$21,779,140</u>	<u>\$83,406,212</u>
Liabilities and Fund Balances					
	Liabilities:				
12	Accounts payable and accrued expenses	\$3,460,851	\$81,739	\$886,863	\$4,429,453
13	Accrued compensation and related costs	509,650			509,650
14	Deferred income	897,044			897,044
15	Asset retirement obligation	1,292,361			1,292,361
16	Total liabilities	<u>\$6,159,906</u>	<u>\$81,739</u>	<u>\$886,863</u>	<u>\$7,128,507</u>
	Fund balances:				
17	Fund balance prior years	54,192,607	370,641	20,195,692	74,758,941
18	Change in fund balance - current year	665,869	156,310	696,585	1,518,763
19	Total fund balances	<u>54,858,476</u>	<u>526,951</u>	<u>20,892,277</u>	<u>76,277,704</u>
20	Total Liabilities and Fund Balances	<u>\$61,018,382</u>	<u>\$608,690</u>	<u>\$21,779,140</u>	<u>\$83,406,212</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
3/31/2021

		<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
	Revenues:				
	Assessments:				
1	Operating	\$8,433,899			\$8,433,899
2	Additions to restricted funds		189,690	2,693,977	2,883,667
3	Total assessments	<u>8,433,899</u>	<u>189,690</u>	<u>2,693,977</u>	<u>11,317,566</u>
	Non-assessment revenues:				
4	Merchandise sales	1,000			1,000
5	Fees and charges for services to residents	168,251			168,251
6	Laundry	42,459			42,459
7	Interest income		2,088	32,889	34,977
8	Unrealized gain/(loss) on AFS investments		(19,945)	(314,175)	(334,120)
9	Miscellaneous	126,685			126,685
10	Total non-assessment revenue	<u>338,395</u>	<u>(17,857)</u>	<u>(281,285)</u>	<u>39,253</u>
11	Total revenue	<u>8,772,294</u>	<u>171,833</u>	<u>2,412,692</u>	<u>11,356,819</u>
	Expenses:				
12	Employee compensation and related	2,404,466		990,681	3,395,147
13	Materials and supplies	195,605		362,373	557,977
14	Utilities and telephone	992,166		2,492	994,658
15	Legal fees	37,389			37,389
16	Professional fees	36,631			36,631
17	Equipment rental	3,261		13,080	16,340
18	Outside services	161,315	15,362	268,579	445,256
19	Repairs and maintenance	8,069		710	8,780
20	Other Operating Expense	16,084		5,758	21,842
21	Property and sales tax	2,937,245			2,937,245
22	Insurance	999,747			999,747
23	Investment expense		161	2,539	2,700
24	Uncollectible Accounts	(8,363)			(8,363)
25	Depreciation and amortization	49,078			49,078
26	Net allocations to mutuals	273,733		69,896	343,629
27	Total expenses	<u>8,106,425</u>	<u>15,523</u>	<u>1,716,107</u>	<u>9,838,055</u>
28	Excess of revenues over expenses	<u>\$665,869</u>	<u>\$156,310</u>	<u>\$696,585</u>	<u>\$1,518,763</u>
29	Excluding unrealized gain/(loss) and depreciation	<u>\$714,946</u>	<u>\$176,255</u>	<u>\$1,010,759</u>	<u>\$1,901,961</u>

INVESTMENT REPORT
March 1, 2021 - March 31, 2021



Envelope # BKSDKKBBBNTZ

UNITED LAGUNA WOODS MUTUAL
PO BOX 2220
LAGUNA HILLS CA 92654-2220

Brokerage UNITED LAGUNA WOODS MUTUAL

Your Account Value: **\$15,130,156.38**

Change from Last Period: ▼ **\$115,668.14**

	This Period	Year-to-Date
Beginning Account Value	\$15,245,824.52	\$15,431,999.32
Subtractions	-	-2,700.60
Change in Investment Value *	-115,668.14	-299,142.34
Ending Account Value **	\$15,130,156.38	\$15,130,156.38
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$15,130,156.38	

Your Advisor/Agent

SAGEVIEW ADVISORY GROUP, LLC
RANDALL LONG
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

Phone: (949) 955-1395

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

** Excludes unpriced securities.

Your Advisor is an independent organization and is not affiliated with Fidelity Investments. Brokerage services provided by **Fidelity Brokerage Services LLC** (**FBS**), Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried with National Financial Services LLC (NFS), Member NYSE, SIPC.





Account Summary

Account Value: **\$15,130,156.38**

Change in Account Value ▼ **\$115,668.14**

	This Period	Year-to-Date
Beginning Account Value	\$15,245,824.52	\$15,431,999.32
Subtractions	-	-2,700.60
Transaction Costs, Fees & Charges	-	-2,700.60
Change in Investment Value *	-115,668.14	-299,142.34
Ending Account Value	\$15,130,156.38	\$15,130,156.38
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$15,130,156.38	

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

Income Summary

	This Period	Year-to-Date
Taxable	\$13,986.10	\$34,977.28
Dividends	13,986.10	34,977.28
Total	\$13,986.10	\$34,977.28

Top Holdings

Description	Value	Percent of Account
Fidelity Short Term Treasury Bond Index	\$4,528,390.27	30%
Fid Inter Treasury Bond Index Fund	3,704,402.87	24
Vanguard Backed Securities Indx Adm	3,608,993.55	24
Vanguard Intermediate Term Corporate Bond ETF	1,370,052.81	9
Vanguard Short Term Corp Bd Index Admrl	1,147,459.53	8
Vanguard Short Term Treasury Admiral	754,715.33	5
Fidelity Government Cash Reserves	16,142.02	-
Total	\$15,130,156.38	100%

Core Account and Credit Balance Cash Flow

Core Account: FIDELITY GOVERNMENT CASH RESERVES

	This Period	Year-to-Date
Beginning Balance	\$243,261.40	\$224,970.82
Investment Activity		
Securities Bought	-\$241,105.48	-\$241,105.48
Dividends, Interest & Other Income D	13,986.10	34,977.28
Total Investment Activity	-\$227,119.38	-\$206,128.20
Cash Management Activity		
Fees & Charges	-	-2,700.60
Total Cash Management Activity	-	-\$2,700.60
Ending Balance	\$16,142.02	\$16,142.02

D Includes dividend reinvestments.





Account Summary

- ▶ The CARES Act temporarily suspended required minimum distributions (RMDs) for 2020 for certain defined contribution plans and IRAs. The suspension is no longer in effect for 2021 and beyond. You can take your RMD online at [Fidelity.com/learnRMD](https://www.fidelity.com/learnRMD) and set up an automatic withdrawal plan for 2021. 924400.2.0
- ▶ The minimum base rate for the purposes of determining interest to be applied under the terms of the Margin Account Agreement for any credit extended or maintained based on the Federal Funds Target or the Call Money rate shall not fall below 0.00% for Federal Funds target or 1.75% for the Call Money rate. All terms and conditions of the Margin Account Agreement shall continue to apply. 933933.1.0



Account Summary

Estimated Cash Flow (Rolling as of March 31, 2021)

Month	Bond & CD Income	Bond & CD Principal	Stock Income	ETP Income	Mutual Fund Income	Other Income	Total Est. Cash Flow
April 2021	--	--	--	\$2,855	\$15,560	--	\$18,415
May	--	--	--	2,855	15,560	--	18,415
June	--	--	--	2,855	15,560	--	18,415
July	--	--	--	2,855	15,560	--	18,415
August	--	--	--	2,855	15,560	--	18,415
September	--	--	--	2,855	15,560	--	18,415
October	--	--	--	2,855	15,560	--	18,415
November	--	--	--	2,855	15,560	--	18,415
December	--	--	--	2,855	15,560	--	18,415
January 2022	--	--	--	2,855	15,560	--	18,415
February	--	--	--	2,855	15,560	--	18,415
March	--	--	--	2,855	15,560	--	18,415
Total	--	--	--	\$34,260	\$186,720	--	\$220,980

This table presents the estimated monthly interest and dividend income and return of principal that your current holdings may generate over the next rolling 12 months. The cash flows displayed are estimates provided for informational purposes only and there is no guarantee that you will actually receive any of the amounts displayed. These estimates should not be relied upon for making investment, trading or tax decisions. The estimates for fixed income are calculated using the security's coupon rate. The estimates for all other securities are calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. IADs are sourced from third party vendors believed to be reliable, but no assurance can be made as to accuracy. There are circumstances in which these estimates will not be presented for a specific security you hold.

Bond & CD Income includes interest payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Bond & CD Principal includes maturing principal payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Stock Income includes estimated dividend payments for common stocks, preferred stocks, ADRs, closed-end mutual funds, and MLPs.

ETP Income includes estimated dividend payments for Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

Mutual Fund Income includes estimated dividend payments for Fidelity and non-Fidelity mutual funds.

Other Income includes, but is not limited to estimated dividend payments for Unit Investment Trusts (UITs), REITs, and LPs.

This table does not include cash flow from foreign denominated fixed income.

-- not available





UNITED LAGUNA WOODS MUTUAL - CORPORATION

Holdings

Core Account

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
FIDELITY GOVERNMENT CASH RESERVES (FDRXX)	16,142.020	\$1.0000	\$16,142.02	not applicable	not applicable	\$10.61	0.070%
-- 7-day yield: 0.01%							
Total Core Account (0% of account holdings)			\$16,142.02			\$10.61	

Mutual Funds

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Bond Funds							
FIDELITY SHORT TERM TREASURY BOND INDEX (FUMBX)	422,030.780	\$10.7300	\$4,528,390.27	\$4,438,080.57	\$90,309.70	\$50,777.18	1.120%
-- 30-day yield: 0.32%							
FID INTER TREASURY BOND INDEX FUND (FUAMX)	331,638.574	11.1700	3,704,402.87	3,846,426.15	-142,023.28	55,158.97	1.490
-- 30-day yield: 1.22%							
VANGUARD SHORT TERM TREASURY ADMIRAL (VFIRX)	70,402.550	10.7200	754,715.33	746,342.06	8,373.27	5,079.75	0.670
VANGUARD SHORT TERM CORP BD INDEX ADMRL (VSCSX)	51,248.751	22.3900	1,147,459.53	1,129,385.45	18,074.08	23,307.93	2.030
VANGUARD BACKED SECURITIES INDX ADM (VMBSX)	169,198.010	21.3300	3,608,993.55	3,595,929.47	13,064.08	52,383.70	1.450
Total Bond Funds (91% of account holdings)			\$13,743,961.55	\$13,756,163.70	-\$12,202.15	\$186,707.53	
Total Mutual Funds (91% of account holdings)			\$13,743,961.55	\$13,756,163.70	-\$12,202.15	\$186,707.53	





UNITED LAGUNA WOODS MUTUAL - CORPORATION

Holdings

Exchange Traded Products

Includes exchange-traded funds (ETFs), exchange-traded notes (ETNs), and other exchange-traded vehicles.

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Fixed Income ETPs							
VANGUARD INTERMEDIATE TERM CORPORATE BOND ETF (VCIT)	14,727.000	\$93.0300	\$1,370,052.81	\$1,351,207.59	\$18,845.22	\$34,259.42	2.500%
Total Fixed Income ETPs(9% of account holdings)			1,370,052.81	1,351,207.59	18,845.22	34,259.42	
Total Exchange Traded Products (9% of account holdings)			\$1,370,052.81	\$1,351,207.59	\$18,845.22	\$34,259.42	

Total Holdings			\$15,130,156.38	\$15,107,371.29	\$6,643.07	\$220,977.56	
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Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. See last page of statement for details. Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

EAI **Estimated Annual Income (EAI) & Estimated Yield (EY)**- EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EAI may be negative on short & EY positions. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. Actual income and yield might be lower or higher than the estimated amounts. **For calculation details, refer to the "Additional Information and Endnotes" section.**

All positions held in cash account unless indicated otherwise.

Activity

Securities Bought & Sold

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Transaction Cost	Amount
03/31	VANGUARD INTERMEDIATE TERM CORPORATE BOND ETF	92206C870	You Bought	2,597.000	\$92.84000	-	-\$241,105.48
Total Securities Bought						-	-\$241,105.48
Net Securities Bought & Sold						-	-\$241,105.48





UNITED LAGUNA WOODS MUTUAL - CORPORATION

Activity

Dividends, Interest & Other Income

(Includes dividend reinvestment)

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Amount
02/26	VANGUARD BACKED SECURITIES INDX ADM	92206C755	Dividend Received	-	-	\$3,333.20
02/26	VANGUARD SHORT TERM TREASURY ADMIRAL	922031851	Dividend Received	-	-	152.12
02/26	VANGUARD SHORT TERM CORP BD INDEX ADMRL	92206C607	Dividend Received	-	-	1,496.46
03/04	VANGUARD INTERMEDIATE TERM CORPORATE BOND ETF	92206C870	Dividend Received	-	-	1,974.76
03/31	FID INTER TREASURY BOND INDEX FUND	31635V257	Dividend Received	-	-	3,900.57
03/31	FIDELITY GOVERNMENT CASH RESERVES	316067107	Dividend Received	-	-	2.06
03/31	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	3,126.93
Total Dividends, Interest & Other Income						\$13,986.10

Core Fund Activity

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Date	Account Type	Transaction	Description	Quantity	Price	Amount	Balance
03/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	152.120	\$1.0000	\$152.12	\$243,413.52
03/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	4,829.660	1.0000	4,829.66	248,243.18
03/04	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	1,974.760	1.0000	1,974.76	250,217.94
03/31	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	7,029.560	1.0000	7,029.56	257,247.50
03/31	CASH	You Sold	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	-241,105.480	1.0000	-241,105.48	16,142.02
Total Core Fund Activity						-\$227,119.38	





Additional Information and Endnotes

A COPY OF YOUR INVESTMENT REPORT IS AVAILABLE TO:

SAGEVIEW ADVISORY GROUP, LLC
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

STEVE HORMUTH
PO BOX 2220
LAGUNA HILLS CA 92654-2220

- ▶ Fidelity is required by the Securities Exchange Act of 1934 to provide certain financial information from the Statement of Financial Condition of National Financial Services LLC (NFS). At December 31, 2020, NFS, an affiliate of Fidelity Brokerage Services LLC, had net capital of \$5,179 million, which was 12.16% of aggregate debit items and exceeded its minimum requirement by \$4,328 million. To acquire the Statement of Financial Condition of National Financial Services LLC (NFS), log on to Fidelity.com. If you wish to obtain a copy of this document at no cost, or have any questions regarding its contents, please call Fidelity at 800-343-3548. 457389.36.0
- ▶ If your brokerage account is established with asset based pricing, please review the terms and conditions governing this program: <https://clearingcustody.fidelity.com/app/literature/item/868856.html>. If you have any questions, please contact your advisor. 911663.1.0
- ▶ "Due to current events, mail may be delayed by circumstances beyond our control. You can always view your statements and other documents online. To learn more about paperless options please contact your Investment Advisor, Family Office, Authorized Agent or www.Fidelity.com/edelivery." 925785.1.0

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.



If you have a question about your account or require service, please call your investment advisor/authorized agent.

Lost or Stolen Cards - For Fidelity® Debit Card, call 800-323-5353. For details refer to your Fidelity Check Card Agreement and Disclosure Statement.

Additional Investments with Fidelity - Please make all checks payable to Fidelity Brokerage Services LLC (FBS). Please include your account number on the check. Do not include trading instructions with check deposits. We mail statements at least quarterly for any account with a balance. Please review your statement and report any inaccuracies or discrepancies immediately. Questions regarding your brokerage account or the activity therein should be directed to FBS at 800-544-6666, and National Financial Services LLC ("NFS"), who carries your brokerage accounts, at 866-408-1138. Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). Please contact Fidelity or your authorized agent promptly of any material changes in your investment objectives or financial situation related to your brokerage account(s). If you request a reprint of your statement, the disclosure information may not be the same as the original.

Terms and Conditions of the Statement - Other than with respect to Fidelity-advised products and services, Fidelity does not endorse or recommend any particular investment, trading activity, or investment advisor/authorized agent, or have any responsibility for and will not review, monitor or supervise suitability of trading by any investment advisor/authorized agent. Fidelity has not verified the content of any logo or artwork on this statement identifying a firm other than Fidelity. The firm represented by such a logo or artwork is not an agent of or affiliated with Fidelity.

Changes in Portfolio Value and Account Summary - Shows activity in your portfolio and in each of your accounts for the statement period. To confirm that an authorized, direct deposit was made to your Fidelity Account, call Fidelity at 1-800-544-5555.

Value by Account - Shows the value of your account(s), for the current and previous statement periods.

Income Summary - Shows income by tax status for the statement and year-to-date periods. Except for interest earned on, or distributed by, tax-exempt securities, Fidelity reports dividends and capital gains held in taxable accounts as taxable income. A portion of this **tax-exempt** income may be subject to state and local taxes and the federal alternative minimum tax. Fidelity reports earnings on investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and Keoghs as tax-deferred income. Earnings on Roth-IRAs are reported as tax-exempt income, since distributions may be tax-exempt after meeting the five-year aging requirement and certain other conditions.

Cost Basis, Gain/Loss, and Holding Period Information - NFS is required to report certain cost basis and holding period information to the IRS on Form 1099-B. Unless otherwise specified, NFS applies the average cost method for open-end mutual funds and the first-in, first-out (FIFO) method for all other securities. Cost basis is adjusted for wash sales on securities with the same CUSIP held in the same account (unless your account receives mark-to-market reporting). Your statement may not reflect all adjustments required for tax purposes. Customers should consult their tax advisors for further information.

Cost - Fidelity provides purchase cost information for securities held in retirement accounts. Such information may be adjusted for certain transactions and does not reflect reinvestments of dividends or capital gains. Fidelity reports transaction profit or loss information when securities are sold within a retirement account. Transaction profit or loss is calculated by subtracting purchase cost from sales proceeds using the FIFO method if shares were purchased at different times or prices.

Contributions/Distributions - Summarizes Traditional IRA and Roth IRA contributions, and taxable and non-taxable retirement distributions for these statement and year-to-date periods.

Total Value - The reported market value of an investment at the beginning or end of a statement period.

Unrealized Gain/Loss - For long positions, ending market value minus cost basis in non-retirement accounts and ending market value minus cost in retirement accounts. For short positions, proceeds minus ending market value. Unrealized gain/loss is calculated for pending sales because they are still in holdings. Unrealized gain/loss is not calculated for pending purchases because they are not in holdings.

Holding Type Percentage - Percentages by holding type only include long positions. Holding type percentages are rounded to the nearest percent and summed. If the sum is less than 100%, the difference between 100% and the sum is added to the holding type with the largest percentage.

Account Protection - Securities in accounts carried by NFS, a Fidelity Investments company, are protected in accordance with the Securities Investor Protection Corporation (SIPC) up to \$500,000 (including cash claims limited to \$250,000). For more information, including the SIPC brochure, please see www.sipc.org or call 1-202-371-8300. NFS has arranged for additional protection for cash and covered securities to supplement its SIPC coverage. Neither coverage protects against a decline in the market value of securities. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal. Bank deposits are not securities and are not covered by SIPC. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance.

Information About Mutual Funds and Their Performance - Before investing consider the fund's or insurance product's investment objectives, risks, charges and expenses. Contact Fidelity or visit Fidelity.com for a prospectus containing this information. Read it carefully before investing. Performance data shown represents past performance, and is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a loss or a gain when shares are sold. Current performance may be higher or lower than that quoted. Visit Fidelity.com/performance for most recent month-end performance. Each fund reserves the right to terminate or modify its exchange privilege. Foreign investment, especially those in emerging markets, may involve greater risks than U.S. investments. **Sales Loads and Fees**. In connection with (i) access to, purchase or redemption of, and/or maintenance of positions in mutual funds and other investment products such as alternative investments or private placements ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment

affiliates, pay FBS and/or NFS sales loads and 12b-1 fees described in the Offering Materials as well as additional compensation for shareholder services, start-up fees, infrastructure support and maintenance, and marketing, engagement and analytics programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. At the time you purchase shares of funds those shares will be assigned either a load, transaction fee (TF) or no transaction fee (NTF) status. When you subsequently sell those shares, any fees applicable to your transaction will be assessed based on the status assigned to the shares at the time of purchase.

Customer Free Credit Balance - Free credit balances (FCB) are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

Assets Separate From Your Brokerage Account - Only securities in the margin portion of your brokerage account contribute to margin and maintenance requirements. Other Assets, that may be reported on your statement, maintained with Fidelity Investments Life Insurance Company and mutual fund only accounts held directly with the fund (Fidelity Mutual Fund Accounts) are not carried by NFS, not covered by the Securities Investor Protection Corporation (SIPC) and do not count toward your margin and maintenance requirements. Assets held in brokerage accounts managed by Fidelity Personal and Workplace Advisors LLC (FPWA) are carried by NFS and covered by SIPC but do not contribute to your margin and maintenance requirements.

Short Account Balances - Securities sold short are held in a segregated short account. These securities are marked-to-market for margin purposes and increase or decrease from the short sale price is transferred weekly to your margin account. Your short account balance is shown as of the last weekly mark-to-market, not statement end date.

Information About Your Option Transactions - Each transaction confirmation previously delivered to you contains full information about commissions and other charges, and such information is available promptly upon request. Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description is available upon request. Short positions in American-style options are liable for assignment anytime. The writer of a European-style option is subject to exercise assignment only during the exercise period. For more information about these, please call Fidelity at 800-544-6666.

Equity Dividend Reinvestment - Shares credited to your account resulted from transactions by FBS acting as agent for your account, or the Depository Trust Company (DTC).

Price Information/Total Market Value - The Total Market Value has been calculated to 9 decimal places; however, the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency with which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available pricing vendors use a variety of techniques to estimate value. These estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all factors that affect the value of the security, including liquidity risk. The prices provided are not firm bids or offers. Certain securities may reflect N/A or unavailable where the price for such security is generally not available from a pricing source. The Market Value of a security, including those priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. The sale or redemption of any fixed income security prior to maturity may result in a loss. Prices for Certificates of Deposit (CDs) are generally estimates and are not based on actual market prices. The secondary market for CDs is generally illiquid. You should always request a current valuation for your securities prior to making a financial decision or placing an order. In executing orders on the Floor, the Floor broker may permit the Designated Market Maker to trade on parity with the order for some or all of the executions associated with filling that order, where such permission would not be inconsistent with the brokers best execution obligations.

Fidelity Investments - Fidelity Distributors Company LLC (FDC) is the distributor for Fidelity Funds with marketing and shareholder services provided by FBS or NFS. Brokerage services are provided by FBS, which clears all transactions through its affiliate NFS. NFS carries all brokerage accounts. FBS and NFS are members of the NYSE and SIPC. Upon written request, Fidelity will mail a NFS financial statement, which is also available at its office. Fidelity Investments (with pyramid logo) is a trademark of FMR LLC. Insurance products are distributed by FBS, Fidelity Insurance Agency, Inc., and Fidelity Investments Insurance Agency of Texas, Inc. **FPWA Services** - Fidelity Go®, Fidelity® Personalized Planning & Advice and Fidelity® Strategic Disciplines are advisory services offered by FPWA, a registered investment adviser. Fidelity® Strategic Disciplines includes the Breckinridge Intermediate Municipal Strategy, the Fidelity® Equity-Income Strategy, the Fidelity® U.S. Large Cap Equity Strategy, the Fidelity® Tax-Managed U.S. Equity Index Strategy, the Fidelity® International Equity Strategy, the Fidelity® Tax-Managed International Equity Index Strategy, the Fidelity® Intermediate Municipal Strategy and the Fidelity® Core Bond Strategy. Fidelity® Wealth Services are advisory services offered by FPWA or Fidelity Personal Trust Company, FSB (FPTC), a federal savings bank. Nondeposit investment products and trust services offered by FPTC and its affiliates are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are subject to risk, including possible loss of principal. **These advisory services are provided for a fee.** FBS, NFS, FDC, FPWA and FPTC are direct or indirect subsidiaries of FMR LLC.

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United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 3/31/2021

Fund/Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Ecumbrance
		Total Appropriations	2021	Prior Years	Total	
Reserve Fund						
Emergency Panel Replacements	1-18-99	48,000	0	28,961	28,961	19,039
Laundry Room Coin Box Guards	1-19-64	20,000	0	0	0	20,000
Total		68,000	0	28,961	28,961	39,039
Contingency Fund						
2019 Fumigation Program	1-19-33	104,762	0	68,819	68,819	35,943
Total		104,762	0	68,819	68,819	35,943

*Incurred To Date

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF MARCH 31, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2021	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$39,913	\$129,495	\$89,126	\$387,244	\$1,548,984	6%	\$298,118	77%
ELECTRICAL SYSTEMS	35,836	38,290	92,584	114,870	459,495	20%	22,286	19%
EXTERIOR WALKWAY LIGHTING	5,652	8,407	8,592	25,097	100,391	9%	16,505	66%
FOUNDATIONS	0	3,653	0	10,959	43,836	0%	10,959	100%
GUTTER REPLACEMENT	(43,470)	9,200	12,719	26,105	102,215	12%	13,386	51%
PAINT - EXTERIOR	145,682	171,495	444,940	505,236	2,018,293	22%	60,297	12%
PRIOR TO PAINT	77,850	91,761	237,531	270,535	1,081,894	22%	33,004	12%
PLUMBING	17,198	53,346	51,767	158,915	635,618	8%	107,149	67%
PAVING	0	0	0	0	483,596	0%	0	100%
ROOF REPLACEMENTS	11,166	9,816	20,293	91,861	1,011,445	2%	71,568	78%
WALL REPLACEMENT	0	0	0	0	35,000	0%	0	100%
WASTE LINE REMEDIATION	(78,273)	191,666	46,518	574,998	2,300,000	2%	528,480	92%
WATER LINE - COPPER PIPE REMEDIATION	0	0	290	0	200,000	0%	(290)	100%
WINDOW/SLIDING SCREEN DOOR	10,407	10,396	20,330	30,935	123,735	16%	10,605	34%
SUB-TOTAL	\$221,962	\$717,526	\$1,024,689	\$2,196,756	\$10,144,502	10%	\$1,172,068	53%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$3,832	\$6,001	\$15,960	\$17,928	\$71,716	22%	\$1,969	11%
DISHWASHERS	5,413	7,477	14,805	22,260	89,051	17%	7,455	33%
BASINS/SINKS/TOILETS	10,542	19,204	32,408	57,305	229,253	14%	24,897	43%
GARBAGE DISPOSALS	11,492	9,659	30,751	28,684	114,730	27%	(2,068)	(7%)
HOODS	1,499	3,048	4,814	9,073	36,299	13%	4,259	47%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	49,629	114,386	184,861	341,122	1,364,445	14%	156,260	46%
OVENS	11,604	9,334	35,063	27,927	111,716	31%	(7,135)	(26%)
RANGES	448	1,079	2,389	3,199	12,799	19%	810	25%
REFRIGERATORS	9,125	19,244	33,819	57,474	229,892	15%	23,655	41%
WATER HEATERS & PERMITS	43,888	62,865	114,113	187,036	748,075	15%	72,923	39%
DRYERS	222	2,996	665	8,968	35,872	2%	8,303	93%
WASHING MACHINES	7,100	7,608	17,663	22,779	91,124	19%	5,115	22%
SUB-TOTAL	\$154,793	\$262,898	\$487,313	\$783,756	\$3,134,971	16%	\$296,443	38%
TOTAL RESERVE FUND	\$376,755	\$980,425	\$1,512,001	\$2,980,512	\$13,279,474	11%	\$1,468,511	49%
RESERVE FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$715	\$812	\$2,153	\$2,391	\$9,546	23%	\$238	10%
PAVING	5,133	6,042	15,475	17,792	71,067	22%	2,317	13%
WALL REPLACEMENT	0	2,532	0	7,596	30,400	0%	7,596	100%
TOTAL	\$5,847	\$9,387	\$17,628	\$27,778	\$111,013	16%	\$10,149	37%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF MARCH 31, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2021	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	\$6,708	\$14,082	\$9,643	\$42,155	\$168,591	6%	\$32,512	77%
IMPROVEMENTS & RESTORATION	24,329	26,943	74,041	79,440	316,330	23%	5,399	7%
TREE MAINTENANCE	37,552	78,529	100,256	233,469	933,558	11%	133,214	57%
TOTAL RESERVE FUND	\$68,590	\$119,554	\$183,940	\$355,064	\$1,418,479	13%	\$171,125	48%
OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION								
PLUMBING SERVICE	\$110,712	\$98,422	\$255,962	\$289,381	\$1,157,218	22%	\$33,420	12%
DAMAGE RESTORATION	64	62,501	96	187,503	750,051	0%	187,407	100%
CARPENTRY SERVICE	42,179	45,460	129,142	133,817	535,154	24%	4,675	3%
ELECTRICAL SERVICE	30,179	35,209	86,739	103,507	413,911	21%	16,768	16%
APPLIANCE REPAIRS	19,626	27,204	58,295	80,165	320,663	18%	21,870	27%
INTERIOR PREVENTIVE MAINTENANCE	22,449	29,845	65,119	87,723	350,791	19%	22,604	26%
PEST CONTROL	93,555	1,500	111,400	4,500	200,000	56%	(106,900)	(2376%)
COUNTERTOP/FLOOR/TILE REPAIRS	9,728	10,254	25,438	30,203	120,807	21%	4,766	16%
ENERGY PROGRAM	0	2,083	2,902	6,249	25,000	12%	3,347	54%
MISC. REPAIRS BY OUTSIDE SERVICE	1,777	2,083	6,909	6,249	25,000	28%	(660)	(11%)
FIRE PROTECTION	878	2,756	1,461	8,243	32,981	4%	6,782	82%
TOTAL	\$331,147	\$317,317	\$743,462	\$937,540	\$3,931,576	19%	\$194,078	21%
OPERATING EXPENDITURES - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$30,153	\$32,872	\$93,523	\$96,819	\$386,661	24%	\$3,296	3%
JANITORIAL SERVICE	28,849	30,719	85,765	90,407	359,689	24%	4,641	5%
GUTTER CLEANING	4,251	16,351	11,257	48,776	195,013	6%	37,519	77%
WELDING	8,632	8,943	24,448	26,327	105,144	23%	1,879	7%
TRAFFIC CONTROL	1,191	1,328	3,588	3,907	15,610	23%	319	8%
TOTAL	\$73,077	\$90,213	\$218,581	\$266,235	\$1,062,117	21%	\$47,654	18%
OPERATING EXPENDITURES - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$10,613	\$20,155	\$42,696	\$58,418	\$234,842	18%	\$15,722	27%
NURSERY & COMPOSTING	18,399	15,819	52,652	46,744	187,358	28%	(5,908)	(13%)
GROUPS MAINTENANCE	212,203	233,257	594,488	691,048	2,742,171	22%	96,560	14%
IRRIGATION	53,169	64,593	164,936	190,653	761,282	22%	25,717	13%
SMALL EQUIPMENT REPAIR	4,639	17,690	28,013	52,368	208,891	13%	24,355	47%
PEST CONTROL	18,294	19,134	56,519	56,488	225,820	25%	(31)	(0%)
TOTAL CONTINGENCY FUND	\$317,317	\$370,648	\$939,302	\$1,095,717	\$4,360,364	22%	\$156,415	14%
CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION								
MOISTURE INTRUSION - RAIN LEAKS	\$2,400	\$0	(\$6,239)	\$0	\$0	0%	\$6,239	0%
MOISTURE INTRUSION - PLUMBING LEAKS	24,669	0	4,173	0	0	0%	(4,173)	0%
MOISTURE INTRUSION - PLUMBING STOPPAGES	(1,920)	0	11,033	0	0	0%	(11,033)	0%
MOISTURE INTRUSION - MISCELLANEOUS	6,770	0	6,394	0	0	0%	(6,394)	0%
DAMAGE RESTORATION SERVICES	0	0	0	0	0	0%	0	0%
TOTAL CONTINGENCY FUND	\$31,919	\$0	\$15,362	\$0	\$0	0%	(\$15,362)	0%

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF MARCH 31, 2021**

YTD ACTUAL

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

BUILDING STRUCTURES	\$89,126	\$54,912	\$9,342	\$24,872
ELECTRICAL SYSTEMS	92,584	0	(58)	92,642
EXTERIOR WALKWAY LIGHTING	8,592	4,492	0	4,100
FOUNDATIONS	0	0	0	0
GUTTER REPLACEMENT	12,719	10,897	1,823	0
PAINT - EXTERIOR	444,940	383,409	61,530	0
PRIOR TO PAINT	237,531	210,125	27,406	0
PLUMBING	51,767	51,767	0	0
PAVING	0	0	0	0
ROOF REPLACEMENTS	20,293	0	0	20,293
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	46,518	0	226	46,292
WATER LINE - COPPER PIPE REMEDIATION	290	0	(80)	370
WINDOW/SLIDING SCREEN DOOR	20,330	11,240	7,190	1,900
COOKTOPS	15,960	2,672	8,447	4,841
DISHWASHERS	14,805	6,151	6,814	1,841
BASINS/SINKS/TOILETS	32,408	13,892	18,517	0
GARBAGE DISPOSALS	30,751	13,540	17,212	0
HOODS	4,814	2,541	1,372	901
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	184,861	81,460	59,846	43,555
OVENS	35,063	2,672	20,379	12,011
RANGES	2,389	1,341	0	1,048
REFRIGERATORS	33,819	9,347	15,626	8,846
WATER HEATERS & PERMITS	114,113	71,843	42,271	0
DRYERS	665	665	0	0
WASHING MACHINES	17,663	1,603	16,060	0
TOTAL	\$1,512,001	\$934,567	\$313,923	\$263,510

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$2,153	\$2,153	\$0	\$0
PAVING	15,475	15,466	9	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$17,628	\$17,619	\$9	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$9,643	\$4,327	\$0	\$5,316
IMPROVEMENTS & RESTORATION	74,041	74,041	0	0
TREE MAINTENANCE	100,256	100,680	0	(424)
TOTAL	\$183,940	\$179,048	\$0	\$4,892

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF MARCH 31, 2021**

YTD ACTUAL

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

PLUMBING SERVICE	\$255,962	\$271,439	\$22,141	(\$37,618)
DAMAGE RESTORATION	96	0	0	96
CARPENTRY SERVICE	129,142	113,232	15,910	0
ELECTRICAL SERVICE	86,739	76,136	10,603	0
APPLIANCE REPAIRS	58,295	52,452	5,842	0
INTERIOR PREVENTIVE MAINTENANCE	65,119	65,119	0	0
PEST CONTROL	111,400	0	0	111,400
COUNTERTOP/FLOOR/TILE REPAIRS	25,438	22,271	1,252	1,915
ENERGY PROGRAM	2,902	0	0	2,902
MISC. REPAIRS BY OUTSIDE SERVICE	6,909	0	0	6,909
FIRE PROTECTION	1,461	891	168	402
TOTAL	\$743,462	\$601,540	\$55,916	\$86,006

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$93,523	\$83,074	\$10,449	\$0
JANITORIAL SERVICE	85,765	85,765	0	0
GUTTER CLEANING	11,257	12,810	0	(1,553)
WELDING	24,448	23,597	850	0
TRAFFIC CONTROL	3,588	3,588	0	0
TOTAL	\$218,581	\$208,835	\$11,299	(\$1,553)

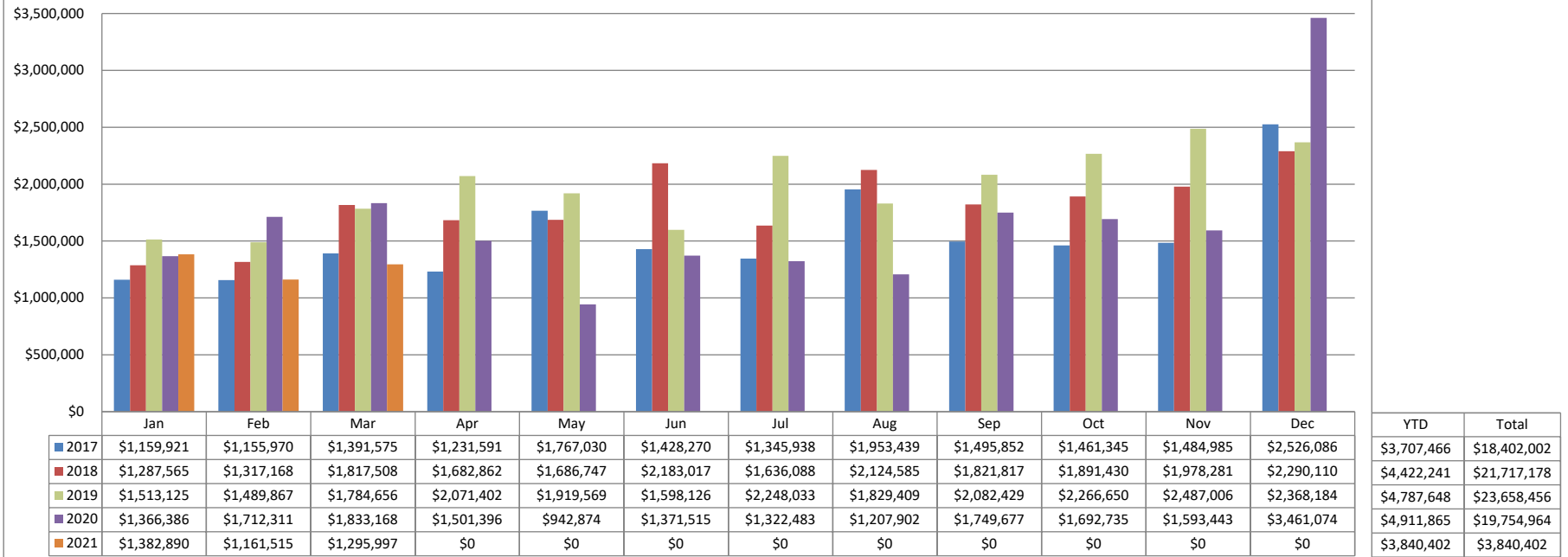
OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$42,696	\$42,696	\$0	\$0
NURSERY & COMPOSTING	52,652	52,652	0	0
GROUND MAINTENANCE	594,488	551,728	0	42,760
IRRIGATION	164,936	148,416	16,519	0
SMALL EQUIPMENT REPAIR	28,013	28,013	0	0
PEST CONTROL	56,519	56,519	0	0
TOTAL	\$939,302	\$880,023	\$16,519	\$42,760

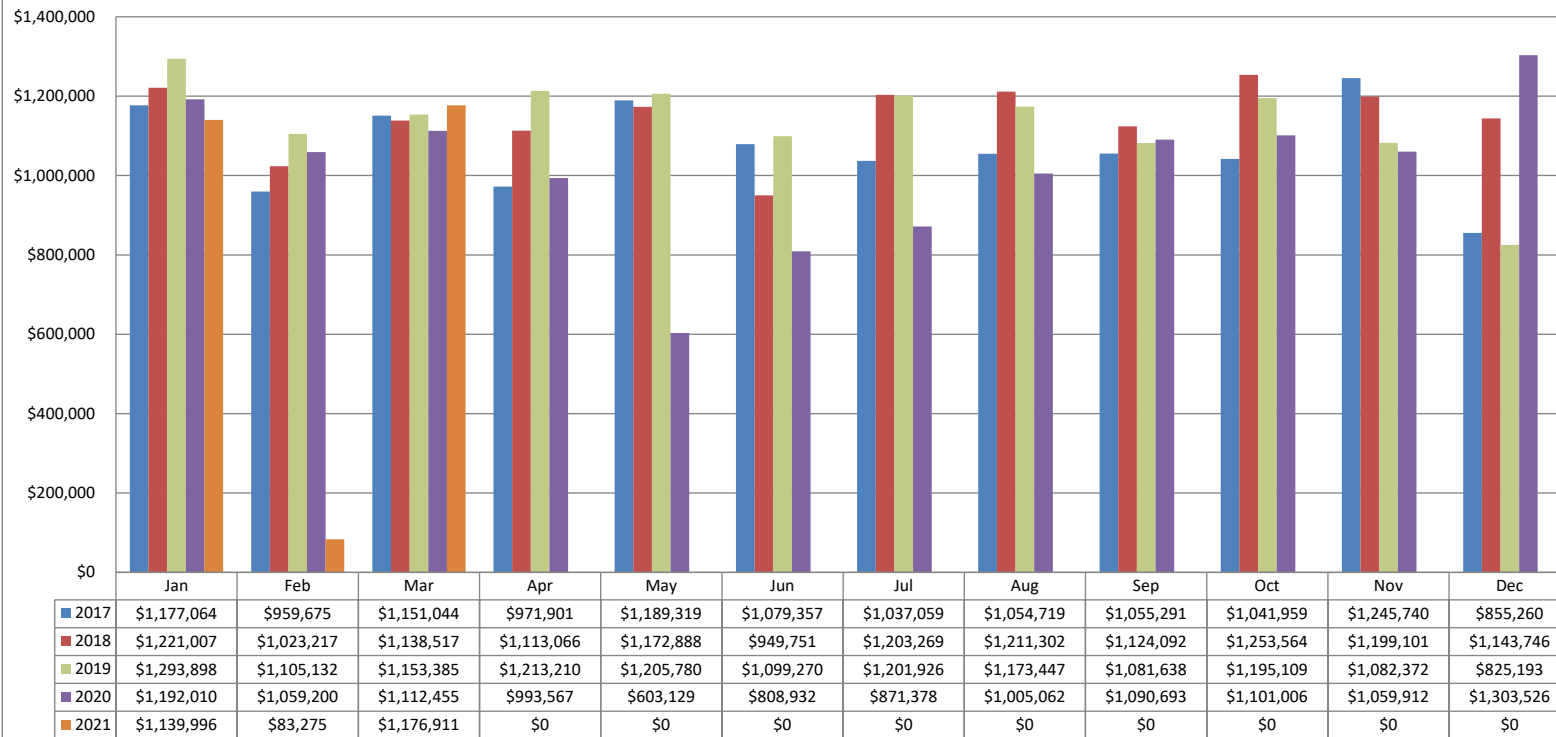
CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	(\$6,239)	\$0	\$0	(\$6,239)
MOISTURE INTRUSION - PLUMBING LEAKS	4,173	0	0	4,173
MOISTURE INTRUSION - PLUMBING STOPPAGES	11,033	0	0	11,033
MOISTURE INTRUSION - MISCELLANEOUS	6,394	0	0	6,394
DAMAGE RESTORATION SERVICES	0	0	0	0
TOTAL	\$15,362	\$0	\$0	\$15,362

United Mutual Employee Compensation, Related, and Outside Services

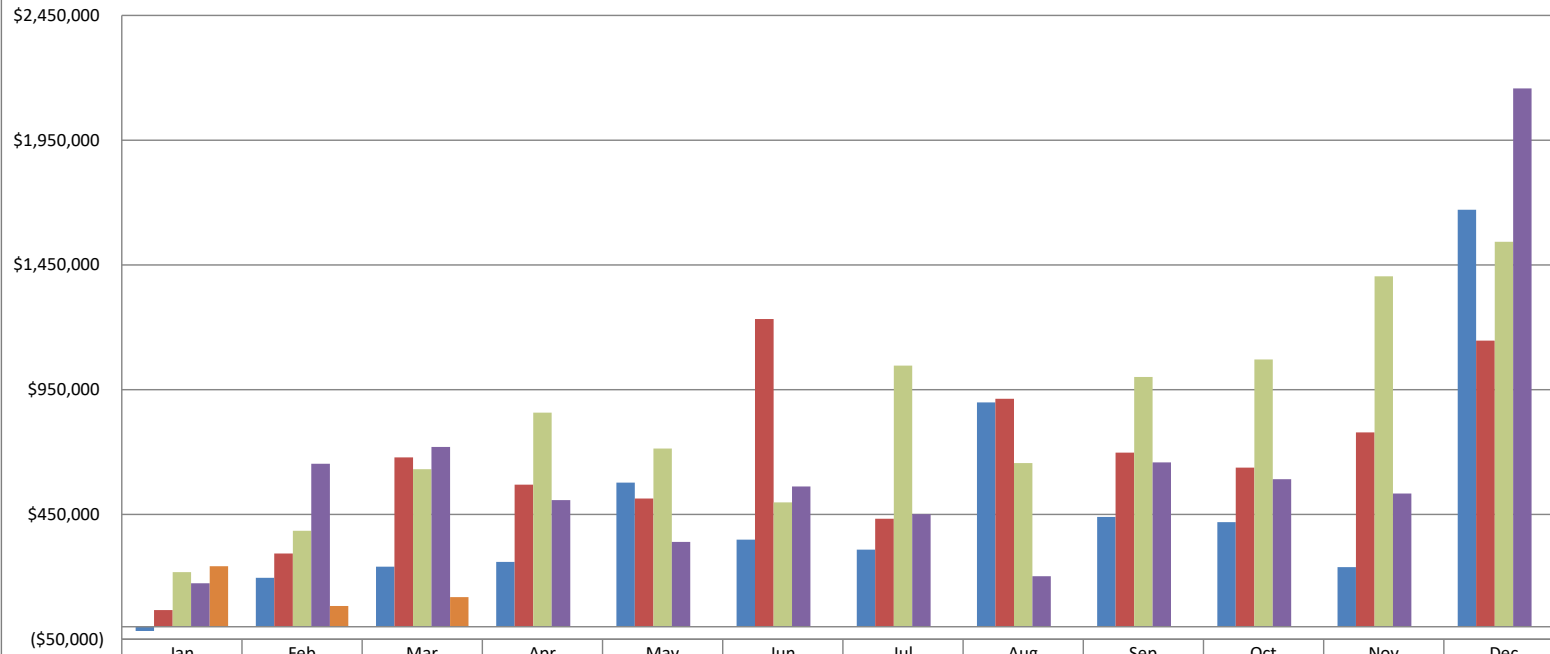


United Mutual Employee Compensation & Related



YTD	Total
\$3,287,783	\$12,818,388
\$3,382,741	\$13,753,520
\$3,552,415	\$13,630,360
\$3,363,665	\$12,200,870
\$2,400,182	\$2,400,182

United Mutual Outside Services



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017	(\$17,143)	\$196,295	\$240,531	\$259,690	\$577,711	\$348,913	\$308,879	\$898,720	\$440,561	\$419,386	\$239,245	\$1,670,826	\$419,683	\$5,583,614
2018	\$66,558	\$293,951	\$678,991	\$569,796	\$513,859	\$1,233,266	\$432,819	\$913,283	\$697,725	\$637,866	\$779,180	\$1,146,364	\$1,039,500	\$7,963,658
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	\$1,235,233	\$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	\$1,548,200	\$7,554,094
2021	\$242,894	\$83,274	\$119,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$445,254	\$445,254

United Laguna Woods Mutual
2020 Bridge: Preliminary Board Financials >> Audited Financials >> Final Board Financials

Total Revenue	Total Expense	Excess of Revenue Over Expenses	
\$ 44,443,124	\$ 42,374,206	\$ 2,068,918	Preliminary Board Financials for December 31, 2020
			<u>GRF revenue and expense presented for consolidated audited financial statement purposes:</u>
13,779,082	13,779,082	-	GRF Operating Revenue & Expense
1,821,024	1,821,024	-	GRF Restricted Fund Revenue & Expense
			<u>Increase (decrease) in revenue resulted from additional accruals/year end adjustments:</u>
60,036	-	60,036	Chargeable Services
33,270	18,678	14,592	Supplemental tax revenue
160	-	160	Leasing revenue - correction / removal of duplicate NSF charges
(90,129)	(90,129)	-	Investment income reclassification to gain on sale of investment
			<u>Increase (decrease) in expense resulted from additional accruals:</u>
-	550,320	(550,320)	Outside Services - Moisture Intrusion
-	20,080	(20,080)	Outside Services - Plumbing, Projects and Permits & Inspections
-	3,645	(3,645)	Materials and supplies
-	(8,094)	8,094	Employee compensation and related moved to GRF and Third
-	(24,616)	24,616	Outside Services - Building Maintenance
			<u>Change in revenue and expense presentation:</u>
7,336	7,336	-	Legal Expense - Resident charges reclassified from expense to Legal Revenue per GAAP
(328,643)	(328,643)	-	Unrealized gain on AFS investments presented as "Other changes" below total expenses on audited financial statements
-	(1,911,890)	1,911,890	Unrealized gain in voting interest in GRF presented as "Other changes" below total expenses on audited financial statements
267	(10)	277	Other
59,725,526	56,210,989	3,514,537	Audited Financials Statements: Statements of Comprehensive Income
			<u>GRF revenue and expense presented for consolidated audited financial statement purposes (Reversal):</u>
(13,779,082)	(13,779,082)	-	GRF Operating Revenue & Expense
(1,821,024)	(1,821,024)	-	GRF Restricted Fund Revenue & Expense
			<u>Change in revenue and expense presentation (Reversal):</u>
(7,336)	(7,336)	-	Legal Expense - Resident charges reclassified from expense to Legal Revenue per GAAP
328,643	328,643	-	Unrealized holding gain on available-for-sale investments
1,911,890	1,911,890	-	Unrealized gain in voting interest in GRF
(267)	(266)	(1)	Other
\$ 46,358,351	\$ 42,843,815	\$ 3,514,536	Final Board Financials for December 31, 2020
(1,911,890)	-	(1,911,890)	Unrealized gain in voting interest in GRF
\$ 44,446,461	\$ 42,843,815	\$ 1,602,646	Final Board Financials for December 31, 2020 (Absent Unrealized gain in voting interest in GRF)

United Laguna Woods Mutual

2020 Year-end analysis potential OPR surplus

	Final 12/31/2020 Operating Statement	Less Adjustments	Adjusted 12/31/2020 Operating Statement
Operating	30,456,084	-	30,456,084
Additions to restricted funds	-	-	-
Merchandise sales	1,245	-	1,245
Fees and charges for services to residents	373,419	-	373,419
Laundry	243,779	-	243,779
Interest income	-	-	-
Unrealized gain/loss on AFS investments	-	-	-
Miscellaneous	2,392,818	(1,911,890)	480,928
Total revenue	33,467,345	(1,911,890)	31,555,455
Employee compensation and related	9,652,928	-	9,652,928
Materials and supplies	618,146	-	618,146
Utilities and telephone	4,187,998	-	4,187,998
Legal fees	267,853	-	267,853
Professional fees	77,833	-	77,833
Equipment rental	6,996	-	6,996
Outside services	1,216,177	-	1,216,177
Repairs and maintenance	26,861	-	26,861
Other operating expense	107,017	-	107,017
Income tax	(265)	-	(265)
Property and sales tax	11,899,352	-	11,899,352
Insurance	2,515,514	-	2,515,514
Investment expense	-	-	-
Uncollectible accounts	1,462	-	1,462
Gain/loss on sale or trade	78,222	-	78,222
Depreciation and amortization	196,306	(196,306)	-
Net allocations to mutual	1,303,774	-	1,303,774
Total expense	32,156,174	(196,306)	31,959,868
Excess of revenues over expense	1,311,171	(1,715,584)	(404,413)



STAFF REPORT

DATE: April 27, 2021
FOR: Finance Committee
SUBJECT: Temporary Borrowing from Operating and Reserve Funds

RECOMMENDATION

Review and file.

BACKGROUND

During the April 13th board meeting of United Laguna Woods Mutual, members expressed concern over the level of borrowing needed to fund short-term operating fund cash requirements with reserve fund monies. Based on the figures presented in the meeting, a member commented that an estimated \$7M would be needed from the reserve fund to pay the April 2021 Property Tax bill. The member proposed \$7M borrowing was in contrast to the \$4M projected borrowing provided in the staff report for the meeting.

DISCUSSION

At the request of members of the United board, staff revisited the temporary borrowing projection. After further review, the April 2021 temporary reserve fund borrowing projection was lowered from \$4M down to \$2.7M. The difference between the two projections of \$7M and \$2.7M is due to the anticipated cash receipts for March and April property tax and insurance contributions from residents and a GRF intercompany receivable payment made on March 4th, offset by insurance payments in both March and April.

Balances as of February 28, 2021	Member Projection	VMS: Finance Projection
Payable to Reserve Fund	(5,462,722)	(5,462,722)
Operating Cash	3,698,186	3,698,186
Property Tax Payment Due April 10, 2021	(5,926,589)	(5,926,589)
Anticipated Cash Receipts & Payments		
Resident Property Tax Contribution: March	-	990,291
Resident Property Tax Contribution: April	-	990,291
Resident Insurance Contribution: March		319,835
Resident Insurance Contribution: April		319,835
Insurance Payments: March		(42,076)
Insurance Payments: April		(24,957)
Receivable from GRF	-	2,388,991
Projected Reserve Borrowing	(7,691,125)	(2,748,915)

As presented via staff report at the April 13th board meeting, the reserve fund borrowing is needed to address short-term operating fund cash requirements stemming from timing of (1) property tax and (2) insurance payments.

1) Property Taxes

The Orange County Tax Collector requires the equivalent of six months of property taxes to be paid on April 10th. By April, only four months of resident property tax contributions have been collected resulting in an operating fund cash deficit of \$1,965,425 (\$990,291 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 2021	990,291	-	990,291
February	990,291	-	1,980,582
March	990,291	-	2,970,873
April	990,291	(5,926,589)	(1,965,425)
May	990,291	-	(975,134)
June	990,291	-	15,156

2) Insurance Expenses

The deficit resulting from the early payment of property taxes noted above was compounded by United starting the 2021 calendar year with less cash in the operating fund due to a significant increase in insurance expense. The higher insurance rates for the policy year of October 2020 through September 2021 resulted in a higher insurance prepayment made in the fourth quarter of 2020. The balance of the pre-paid insurance account as of December 31, 2020 was \$2,279,317 or \$1,591,661 more than the 2019 year-end balance of \$687,656.

Similar to the property tax cash flow tabled above, an insurance cash flow table is shown below illustrating the outgoing operating cash exceeds the incoming insurance contributions from resident assessments until payments catch up in August of 2021.

	Contributions	Payment	Rolling Balance
2020 Prepayment		(2,279,317)	(2,279,317)
January 2021	319,835	(24,957)	(1,984,439)
February	319,835	(24,957)	(1,689,561)
March	319,835	(42,076)	(1,411,802)
April	319,835	(24,957)	(1,116,924)
May	319,835	(24,957)	(822,046)
June	319,835	(24,957)	(527,168)
July	319,835	(24,957)	(232,290)
August	319,835	-	87,545
September	319,835	-	407,380
October	319,835	(3,672,053)	(2,944,838)

November	319,835	(25,706)	(2,650,709)
December	319,835	(187,435)	(2,518,309)

Note: The insurance payments listed above for October through December are estimates based on a 3% increase over current year expenses.

FINANCIAL ANALYSIS

Updating the VMS: Finance Projection using March 31st balances shows an expected borrowing from the reserve fund of \$2,788,442, or an unfavorable change of (\$40K) from the previous projection of \$2,748,915.

Balances as of March 31, 2021	VMS: Finance Projection
Payable to Reserve Fund	(6,058,394)
Operating Cash	7,911,372
Property Tax Payment Due April 10, 2021	(5,926,589)
Anticipated Cash Receipts	
Resident Property Tax Contribution: April	990,291
Resident Insurance Contribution: April	319,835
Insurance Payments: April	(24,957)
Projected Reserve Borrowing	(2,788,442)
Projection using Feb 2021 Balances	(2,748,915)
Unfavorable difference	(39,527)

Based on an anticipated monthly assessment contribution of \$990,291 for property taxes and \$319,835 for insurance, offset by a monthly insurance payment of \$24,957, the April 2021 borrowing is projected to be paid back by July 2021.

Repayment	Tax & Insurance Contribution	Insurance Payment	Rolling Balance
April 2021 Borrowing			(2,788,442)
May	1,310,126	(24,957)	(1,503,273)
June	1,310,126	(24,957)	(218,104)
July	1,310,126	(24,957)	1,067,065

While the temporary borrowing is expected to be paid back to the reserve fund by July 2021, another temporary borrowing should be anticipated in October 2021 due a planned insurance prepayment at the onset of the next policy year (October 2021 through September 2022).

Prepared By: Steve Hormuth, Controller

Reviewed By: Betty Parker, Chief Financial Officer
Jeff Parker, Chief Executive Officer