



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, May 28, 2019 – 2:00 p.m.
Laguna Woods Village Community Center Sycamore Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for March 26, 2019
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated April 30, 2019

Items for Discussion and Consideration

9. Investment Policy
10. Discuss Bank Reconciliation Procedures
11. Discuss E-Z Pay Service
12. 2019 Reserve Study Update
13. Endorsements from Standings Committees

Future Agenda Items

Finance Committee Charter

Concluding Business:

14. Committee Member Comments
15. Date of Next Meeting – Tuesday, July 30, 2019 at 2:00 p.m.
16. Recess to Closed Session

Gary Morrison, 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, March 26, 2019 – 2:00 p.m.
Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

- MEMBERS PRESENT:** Juanita Skillman - Chair, Carl Randazzo, Sue Margolis, Elsie Addington
- OTHERS PRESENT:** Manuel Armendariz, Andre Torng, Dick Rader (VMS)
- MEMBERS ABSENT:** Gary Morrison
- STAFF PRESENT:** Betty Parker, Steve Hormuth, Christopher Swanson, Pamela Bashline

Call to Order

Director Skillman chaired the meeting and called it to order at 2:00 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 January 29, 2019

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

Member Comments (Items Not on the Agenda)

Dick Rader commented on the prior year deficit.

Director Torng commented on bank reconciliation procedures. The Committee agreed to add this item to a future agenda for discussion.

Department Head Update

Betty Parker, Chief Financial Officer, provided a summary of the special Board workshop held on Friday, March 22, 2019 to review financials and noted that Staff is compiling additional information that will become part of the procedural review for Civil Code Section 5500.

Review Preliminary Financial Statements dated February 28, 2019

The Committee reviewed Financial Statements for February 28, 2019. Discussion ensued and questions were addressed.

Payment Plan Form for Delinquent Assessments

The Committee reviewed a collection of recommendations made during prior meetings of the Governing Documents Review and Finance Committees, which resulted in wording changes to the Payment Plan Agreement Form for Assessments and the introduction of a new setup fee of \$50 for approved payment plans.

A motion was made and carried unanimously to recommend the Board adopt a proposed Payment Plan Agreement – Assessments form and policy resolution, as presented. The Committee requested that Members receive a projected amortization schedule of charges for all approved payment plans.

Discuss EZ Pay Service

The Committee reviewed a staff report [handout] describing several electronic payment methods used for assessment payments, including EZ Pay, Lockbox, and check scanning services. The Committee agreed to discuss on a future agenda the potential of making auto-debit payments mandatory for assessments.

Discuss Recognition Agreement

Pamela Bashline, Community Services Manager, provided a verbal update regarding the history and use of a Recognition Agreement, which is a contract between the Mutual and a lender that allows members to obtain mortgages for units purchased in United Mutual. While other lenders have shown an interest in working with members, NCB is the only authorized lender currently operating under an executed agreement.

A motion was made and carried by a vote of 2-1 (Addington opposed), to recommend the Board bring the current Recognition Agreement to legal counsel for review and determine the process for vetting other interested lenders.

Financial Qualification Policy

The Committee reviewed a revised Financial Qualification Policy that includes new language pertaining to Community Property, Rental Income, Capitals Gains, and Guarantors.

The Committee noted that reinstatement of Guarantors is currently under 28-day notice requirements and will be presented for approval at the next Board meeting on April 9, 2019. Should this item be adopted, the Financial Qualification Policy would be updated to reflect the reinstatement of Guarantors.

A motion was made and carried unanimously to recommend Board approval of the Financial Qualification Policy as revised by the United Governing Documents Committee, with no change in Guarantor wording until a policy is approved by the Board. The Committee further recommended that an effective date for Guarantor policy change be sufficiently in the future to allow for a coordinated Financial Qualifications Policy update.

Golf Cart Charging Violations Fees

A motion was made and carried unanimously to recommend the Board approve the amended Golf Cart Policy and Procedures to include a separate fine for golf carts cited using Mutual electricity without an Annual Electric Golf Cart decal.

Future Agenda Items

- Bank Reconciliation Procedures
- EZ Pay Discussion

Date of Next Meeting

Tuesday, May 28, 2019 at 2:00 p.m.

Recess to Closed Session

The meeting recessed to closed session at 4:10 p.m.

DRAFT

Juanita Skillman, Chair

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
4/30/2019
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,337	\$2,229	\$108	\$9,349	\$8,916	\$433	\$9,076	\$26,750
2	Additions to restricted funds	1,031	1,031		4,123	4,123		3,971	12,368
3	Total assessments	3,368	3,260	108	13,471	13,039	433	13,047	39,118
Non-assessment revenues:									
4	Merchandise sales	4	2	1	12	10	2	10	30
5	Fees and charges for services to residents	36	40	(4)	228	158	70	95	475
6	Laundry	18	23	(5)	84	93	(9)	86	280
7	Interest income	42	24	18	151	96	55	117	289
8	Miscellaneous	44	53	(9)	176	213	(37)	166	641
9	Total non-assessment revenue	145	143	2	652	571	80	474	1,715
10	Total revenue	3,513	3,402	110	14,123	13,610	513	13,521	40,832
Expenses:									
11	Employee compensation and related	1,213	1,239	25	4,766	4,942	177	4,496	14,884
12	Materials and supplies	371	256	(116)	1,279	1,023	(256)	1,052	3,068
13	Utilities and telephone	306	338	32	1,161	1,278	117	1,247	4,232
14	Legal fees	2	15	12	26	58	32	53	175
15	Professional fees	5	17	12	51	84	34	50	168
16	Equipment rental	4	3		11	13	2	4	37
17	Outside services	858	654	(204)	2,093	2,616	523	1,609	7,848
18	Repairs and maintenance	2	4	2	12	16	4	10	47
19	Other Operating Expense	28	15	(13)	65	64	(1)	49	186
20	Income taxes	1		(1)	1		(1)		
21	Property and sales tax	998	818	(181)	3,724	3,270	(454)	3,441	9,811
22	Insurance	89	108	19	412	431	19	426	1,292
23	Investment expense				9	9		9	9
24	Uncollectible Accounts	(2)		2	16		(16)	1	
25	(Gain)/loss on sale or trade		(1)	(1)	1	(1)	(2)		(6)
26	Depreciation and amortization	17	17		69	69		71	208
27	Net allocation to mutuals	95	98	3	382	392	9	367	1,185
28	Total expenses	3,989	3,580	(408)	14,078	14,264	186	12,886	43,144
29	Excess of revenues over expenses	(\$476)	(\$178)	(\$298)	\$45	(\$654)	\$699	\$635	(\$2,312)

**United Laguna Woods Mutual
Operating Statement**

4/30/2019

UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$5,379,355	\$5,379,355	\$0	0.00%	\$16,139,892
41007000 - Monthly Assessments - Property Taxes	3,560,696	3,270,260	290,436	8.88%	9,810,779
41007500 - Monthly Assessments - Supplemental Property Taxes	142,466	0	142,466	0.00%	0
41008000 - Monthly Assessments - Property Insurance	266,374	266,376	(2)	0.00%	799,133
Total Operating	9,348,892	8,915,991	432,901	4.86%	26,749,804
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	379,380	379,380	0	0.00%	1,138,140
41003500 - Monthly Assessments - Replacement Fund	3,743,216	3,743,216	0	0.00%	11,229,648
Total Additions To Restricted Funds	4,122,596	4,122,596	0	0.00%	12,367,788
Total Assessments	13,471,488	13,038,587	432,901	3.32%	39,117,592
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	12,335	9,996	2,339	23.40%	30,000
Total Merchandise Sales	12,335	9,996	2,339	23.40%	30,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	42,382	25,072	17,310	69.04%	75,223
46501500 - Inspection Fee	16,786	17,948	(1,162)	(6.47%)	53,849
46502000 - Resident Maintenance Fee	168,657	115,243	53,414	46.35%	346,066
Total Fees and Charges for Services to Residents	227,825	158,263	69,562	43.95%	475,138
Laundry					
46005000 - Coin Op Laundry Machine	83,972	93,332	(9,360)	(10.03%)	280,000
Total Laundry	83,972	93,332	(9,360)	(10.03%)	280,000
Interest Income					
49001000 - Interest Income - Treasury Notes	42,832	23,841	18,992	79.66%	71,522
49001500 - Interest Income - Treasury Notes - Discretionary	75,347	50,464	24,883	49.31%	151,391
49002000 - Interest Income - Money Market	2,144	525	1,618	308.00%	1,576
49002500 - Interest Income - Gnma Securities - Discretionary	30,842	21,481	9,361	43.58%	64,444
Total Interest Income	151,165	96,311	54,854	56.96%	288,933
Miscellaneous					
46004500 - Resident Violations	26,825	3,332	23,493	705.07%	10,000
44501000 - Additional Occupant Fee	13,900	24,000	(10,100)	(42.08%)	72,000
44501500 - Lease Processing Fee - United	38,980	40,000	(1,020)	(2.55%)	120,000
44502000 - Variance Processing Fee	1,800	4,164	(2,364)	(56.77%)	12,500
44503000 - Stock Transfer Fee	3,500	4,332	(832)	(19.21%)	13,000
44503510 - Resale Processing Fee - United	28,224	70,000	(41,776)	(59.68%)	210,000
44507000 - Golf Cart Electric Fee	19,280	20,000	(720)	(3.60%)	60,000
44507200 - Electric Vehicle Plug-In Fee	4,761	2,000	2,761	138.04%	6,000
44507500 - Cartport/Carport Space Rental Fee	1,005	1,000	5	0.52%	3,000
47001500 - Late Fee Revenue	16,407	16,000	407	2.54%	48,000
47002010 - Collection Administrative Fee - United	17,640	24,000	(6,360)	(26.50%)	72,000
47002500 - Collection Interest Revenue	1,414	0	1,414	0.00%	0
47501000 - Recycling	2,414	1,332	1,082	81.20%	4,000
48001000 - Legal Fee	0	3,332	(3,332)	(100.00%)	10,000
49009000 - Miscellaneous Revenue	94	0	94	0.00%	0
Total Miscellaneous	176,244	213,492	(37,248)	(17.45%)	640,500
Total Non-Assessment Revenue	651,541	571,394	80,147	14.03%	1,714,571
Total Revenue	14,123,029	13,609,982	513,047	3.77%	40,832,163

Expenses:

**United Laguna Woods Mutual
Operating Statement**

4/30/2019

UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
Employee Compensation					
51011000 - Salaries & Wages - Regular	797,420	858,496	61,076	7.11%	2,629,806
51021000 - Union Wages - Regular	2,047,900	2,146,737	98,838	4.60%	6,529,655
51041000 - Wages - Overtime	24,440	9,736	(14,704)	(151.02%)	29,215
51051000 - Union Wages - Overtime	42,962	21,449	(21,513)	(100.30%)	64,364
51061000 - Holiday & Vacation	368,486	253,822	(114,664)	(45.17%)	773,571
51071000 - Sick	116,823	103,532	(13,291)	(12.84%)	315,535
51091000 - Missed Meal Penalty	928	300	(628)	(209.31%)	910
51101000 - Temporary Help	41,777	16,908	(24,869)	(147.08%)	50,735
51981000 - Compensation Accrual	(137,757)	1,222	138,979	11374.57%	3,670
Total Employee Compensation	3,302,978	3,412,203	109,225	3.20%	10,397,460
Compensation Related					
52411000 - F.I.C.A.	255,740	257,238	1,498	0.58%	776,410
52421000 - F.U.I.	8,139	11,068	2,929	26.47%	13,222
52431000 - S.U.I.	62,511	55,341	(7,170)	(12.96%)	58,909
52441000 - Union Medical	654,048	704,822	50,773	7.20%	2,114,466
52451000 - Workers' Compensation Insurance	281,962	251,454	(30,507)	(12.13%)	765,713
52461000 - Non Union Medical & Life Insurance	104,878	98,934	(5,945)	(6.01%)	296,801
52471000 - Union Retirement Plan	135,982	113,607	(22,375)	(19.70%)	345,553
52481000 - Non-Union Retirement Plan	17,119	37,437	20,319	54.27%	114,678
52981000 - Compensation Related Accrual	(57,732)	252	57,984	22987.64%	765
Total Compensation Related	1,462,647	1,530,153	67,506	4.41%	4,486,515
Materials and Supplies					
53001000 - Materials & Supplies	176,721	194,817	18,096	9.29%	584,690
53003000 - Materials Direct	1,102,141	827,724	(274,417)	(33.15%)	2,483,765
Total Materials and Supplies	1,278,862	1,022,541	(256,321)	(25.07%)	3,068,455
Utilities and Telephone					
53301000 - Electricity	76,002	76,800	798	1.04%	185,320
53301500 - Sewer	595,570	586,000	(9,570)	(1.63%)	1,776,600
53302000 - Water	346,126	475,220	129,094	27.17%	1,850,960
53302500 - Trash	142,810	139,528	(3,282)	(2.35%)	418,741
53304000 - Telephone	223	0	(223)	0.00%	0
Total Utilities and Telephone	1,160,731	1,277,548	116,817	9.14%	4,231,621
Legal Fees					
53401500 - Legal Fees	26,091	58,332	32,241	55.27%	175,000
Total Legal Fees	26,091	58,332	32,241	55.27%	175,000
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	26,800	47,600	20,800	43.70%	57,600
53403500 - Consulting Fees	(16,735)	2,370	19,105	806.15%	7,116
53403510 - Consulting Fees - United	40,493	34,396	(6,097)	(17.72%)	103,199
Total Professional Fees	50,558	84,366	33,808	40.07%	167,915
Management Fee					
53401000 - Management Fee	84	0	(84)	0.00%	0
Total Management Fee	84	0	(84)	0.00%	0
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	10,577	12,780	2,203	17.24%	37,424
Total Equipment Rental	10,577	12,780	2,203	17.24%	37,424
Outside Services					
53601000 - Bank Fees	0	1,356	1,356	100.00%	4,071
54603500 - Outside Services Cost Collection	2,070,873	2,570,100	499,227	19.42%	7,710,601
53704000 - Outside Services	22,550	44,570	22,019	49.40%	133,771
Total Outside Services	2,093,423	2,616,026	522,603	19.98%	7,848,443
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	2,916	5,261	2,344	44.56%	15,823
53703000 - Elevator /Lift Maintenance	8,851	10,336	1,485	14.37%	31,008

United Laguna Woods Mutual
Operating Statement
4/30/2019
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
Total Repairs and Maintenance	11,767	15,597	3,829	24.55%	46,831
Other Operating Expense					
53801000 - Mileage & Meal Allowance	2,467	5,072	2,606	51.37%	15,244
53801500 - Travel & Lodging	0	342	342	100.00%	1,031
53802000 - Uniforms	29,122	31,040	1,918	6.18%	85,428
53802500 - Dues & Memberships	241	624	383	61.36%	2,054
53803000 - Subscriptions & Books	872	664	(209)	(31.44%)	1,992
53803500 - Training & Education	1,851	5,433	3,582	65.93%	16,324
53901500 - Volunteer Support	0	407	407	100.00%	1,626
53903000 - Safety	0	60	60	100.00%	182
54001000 - Board Relations	824	1,221	397	32.53%	3,666
54001010 - Board Relations - United	344	1,664	1,320	79.34%	5,000
54001500 - Public Relations	(1)	0	1	0.00%	0
54002000 - Postage	29,519	17,479	(12,040)	(68.88%)	52,439
54002500 - Filing Fees / Permits	89	335	245	73.32%	1,239
Total Other Operating Expense	65,329	64,341	(988)	(1.54%)	186,226
Income Taxes					
54301000 - State & Federal Income Taxes	1,000	0	(1,000)	0.00%	0
Total Income Taxes	1,000	0	(1,000)	0.00%	0
Property and Sales Tax					
54302000 - Property Taxes	3,724,271	3,270,260	(454,011)	(13.88%)	9,810,779
Total Property and Sales Tax	3,724,271	3,270,260	(454,011)	(13.88%)	9,810,779
Insurance					
54401000 - Hazard & Liability Insurance	138,871	139,981	1,110	0.79%	419,942
54401500 - D&O Liability	21,361	21,882	521	2.38%	65,650
54402000 - Property Insurance	249,646	266,377	16,731	6.28%	799,133
54403000 - General Liability Insurance	1,624	2,443	819	33.53%	7,328
Total Insurance	411,502	430,683	19,181	4.45%	1,292,054
Investment Expense					
54201000 - Investment Expense	9,385	9,385	0	0.00%	9,385
Total Investment Expense	9,385	9,385	0	0.00%	9,385
Uncollectible Accounts					
54602000 - Bad Debt Expense	15,915	0	(15,915)	0.00%	0
Total Uncollectible Accounts	15,915	0	(15,915)	0.00%	0
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(57)	(2,500)	(2,443)	(97.70%)	(7,500)
54101500 - (Gain)/Loss On Investments	1,137	1,137	0	0.00%	1,137
Total (Gain)/Loss on Sale or Trade	1,079	(1,363)	(2,443)	(179.16%)	(6,363)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	69,337	69,337	0	0.00%	208,010
Total Depreciation and Amortization	69,337	69,337	0	0.00%	208,010
Net Allocation to Mutuals					
54602500 - Allocated Expenses	382,309	391,584	9,275	2.37%	1,184,743
Total Net Allocation to Mutuals	382,309	391,584	9,275	2.37%	1,184,743
Total Expenses	14,077,847	14,263,772	185,926	1.30%	43,144,498
Excess of Revenues Over Expenses	\$45,183	(\$653,790)	\$698,973	106.91%	(\$2,312,335)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
4/30/2019**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$1,748,487	\$3,195,910
2	Non-discretionary investments	4,940,649	4,952,044
3	Discretionary investments	15,183,299	15,069,666
4	Receivable/(Payable) from mutuals	953,364	2,098,613
5	Accounts receivable and interest receivable	796,108	(63,374)
6	Prepaid expenses and deposits	2,438,713	527,252
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,754,149)	(83,753,128)
9	Beneficial interest in GRF of Laguna Hills Trust	5,923,814	5,992,130
10	Non-controlling interest in GRF	38,325,598	38,325,598
11	Total Assets	<u>\$78,545,488</u>	<u>\$78,334,314</u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$810,293	\$1,509,166
13	Accrued compensation and related costs	612,761	612,761
14	Deferred income	1,838,682	973,818
15	Income tax payable	12,474	12,474
16	Asset retirement obligation	1,128,798	1,128,798
17	Total liabilities	<u>\$4,403,008</u>	<u>\$4,237,018</u>
Fund balances:			
18	Fund balance prior years	74,097,297	75,340,207
19	Change in fund balance - current year	45,183	(1,242,911)
20	Total fund balances	<u>74,142,479</u>	<u>74,097,297</u>
21	Total Liabilities and Fund Balances	<u>\$78,545,488</u>	<u>\$78,334,314</u>

5/14/2019

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
4/30/2019**

		<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets					
1	Cash and cash equivalents	\$1,748,487			\$1,748,487
2	Non-discretionary investments	4,940,649			4,940,649
3	Discretionary investments	15,183,299			15,183,299
4	Receivable/(Payable) from mutuals	953,364			953,364
5	Receivable/(Payable) from operating fund	(21,383,347)	2,618,455	18,764,892	
6	Accounts receivable and interest receivable	796,108			796,108
7	Prepaid expenses and deposits	2,433,311	5,403		2,438,713
8	Property and equipment	91,989,605			91,989,605
9	Accumulated depreciation property and equipment	(83,754,149)			(83,754,149)
10	Beneficial interest in GRF of Laguna Hills Trust	5,923,814			5,923,814
11	Non-controlling interest in GRF	38,325,598			38,325,598
12	Total Assets	<u>\$57,156,739</u>	<u>\$2,623,857</u>	<u>\$18,764,892</u>	<u>\$78,545,488</u>
Liabilities and Fund Balances					
Liabilities:					
13	Accounts payable and accrued expenses	\$763,738	\$490	\$46,065	\$810,293
14	Accrued compensation and related costs	612,761			612,761
15	Deferred income	1,838,682			1,838,682
16	Income tax payable	12,474			12,474
17	Asset retirement obligation	1,128,798			1,128,798
18	Total liabilities	<u>\$4,356,454</u>	<u>\$490</u>	<u>\$46,065</u>	<u>\$4,403,008</u>
Fund balances:					
19	Fund balance prior years	52,383,943	2,661,010	19,052,344	74,097,297
20	Change in fund balance - current year	416,342	(37,642)	(333,517)	45,183
21	Total fund balances	<u>52,800,285</u>	<u>2,623,367</u>	<u>18,718,827</u>	<u>74,142,479</u>
22	Total Liabilities and Fund Balances	<u>\$57,156,739</u>	<u>\$2,623,857</u>	<u>\$18,764,892</u>	<u>\$78,545,488</u>

5/14/2019

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
4/30/2019

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	\$9,348,892			\$9,348,892
2		379,380	3,743,216	4,122,596
3	<u>9,348,892</u>	<u>379,380</u>	<u>3,743,216</u>	<u>13,471,488</u>
Non-assessment revenues:				
4	12,056		279	12,335
5	227,825			227,825
6	83,972			83,972
7		19,064	132,102	151,165
8	176,244			176,244
9	<u>500,097</u>	<u>19,064</u>	<u>132,380</u>	<u>651,541</u>
10	<u>9,848,989</u>	<u>398,444</u>	<u>3,875,596</u>	<u>14,123,029</u>
Expenses:				
11	3,154,359	3,599	1,607,668	4,765,626
12	251,312	194	1,027,356	1,278,862
13	1,158,218	23	2,491	1,160,731
14	26,091			26,091
15	25,558		25,000	50,558
16	84			84
17	2,696	26	7,856	10,577
18	229,036	430,784	1,433,604	2,093,423
19	10,968	1	798	11,767
20	52,271	17	13,041	65,329
21	1,000			1,000
22	3,724,271			3,724,271
23	411,502			411,502
24		1,177	8,208	9,385
25	15,915			15,915
26	(57)	143	994	1,079
27	69,337			69,337
28	<u>300,089</u>	<u>123</u>	<u>82,098</u>	<u>382,309</u>
29	<u>9,432,647</u>	<u>436,086</u>	<u>4,209,113</u>	<u>14,077,847</u>
30	<u>\$416,342</u>	<u>(\$37,642)</u>	<u>(\$333,517)</u>	<u>\$45,183</u>
31	<u>\$485,678</u>	<u>(\$37,642)</u>	<u>(\$333,517)</u>	<u>\$114,519</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
4/30/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796QH5	U.S. TREASURY BILL	0.00%	11-30-18	05-23-19	1,000,000.00	2.42%	988,564.33	
912796QV4	U.S. TREASURY BILL	0.00%	03-11-19	08-15-19	2,000,000.00	2.38%	1,979,668.50	
912796RF8	U.S. TREASURY BILL	0.00%	03-11-19	10-10-19	2,000,000.00	2.39%	1,972,416.50	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 5,000,000.00		\$ 4,940,649.33	2.47%

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
4/30/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 354,599.13		\$ 354,599.13	
912828KQ2	U.S. TREASURY NOTE	3.13%	11-02-10	05-15-19	594,000.00	3.77%	562,212.10	
912828KQ2	U.S. TREASURY NOTE	3.13%	11-02-10	05-15-19	150,000.00	3.18%	149,309.19	
02665WBE0	CORPORATE BOND	1.20%	11-02-10	07-12-19	150,000.00	1.57%	148,920.00	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	350,000.00	1.90%	349,795.51	
94974BGF1	CORPORATE BOND	2.15%	01-10-17	01-30-20	175,000.00	2.22%	174,613.25	
912828MP2	U.S. TREASURY NOTE	3.63%	04-21-10	02-15-20	150,000.00	3.77%	148,131.47	
20030NBA8	CORPORATE BOND	5.15%	04-19-16	03-01-20	150,000.00	1.41%	171,006.00	
20030NBA8	CORPORATE BOND	5.15%	10-23-17	03-01-20	50,000.00	1.90%	53,715.50	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,656.48	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	500,000.00	3.02%	520,119.19	
912828ND8	U.S. TREASURY NOTE	3.50%	10-30-12	05-15-20	225,000.00	1.35%	259,524.34	
17275RAX0	CORPORATE BOND	2.45%	08-18-17	06-15-20	100,000.00	1.76%	101,878.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	150,000.00	2.66%	149,549.08	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	250,000.00	2.68%	248,721.70	
375558BB8	CORPORATE BOND	2.55%	04-18-16	09-01-20	100,000.00	1.72%	103,465.00	
9128285G1	U.S. TREASURY NOTE	2.88%	11-02-18	10-31-20	250,000.00	2.87%	249,990.65	
06051GFT1	CORPORATE BOND	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,629.41	
05531FAZ6	CORPORATE BOND	2.15%	05-31-18	02-01-21	150,000.00	3.02%	146,655.00	
9128283X6	U.S. TREASURY NOTE	2.25%	04-22-19	02-15-21	700,000.00	2.43%	697,758.99	
46625HQJ2	CORPORATE BOND	2.55%	04-18-16	03-01-21	100,000.00	2.31%	101,049.00	
89236TCZ6	CORPORATE BOND	1.90%	05-31-18	04-08-21	125,000.00	2.74%	122,136.25	
9128284G2	U.S. TREASURY NOTE	2.38%	04-20-18	04-15-21	250,000.00	2.57%	248,594.17	
0258M0EB1	CORPORATE BOND	2.25%	04-23-18	05-05-21	150,000.00	3.10%	146,322.00	
037833AR1	CORPORATE BOND	2.85%	04-18-16	05-06-21	100,000.00	1.79%	105,086.00	
037833AR1	CORPORATE BOND	2.85%	10-23-17	05-06-21	50,000.00	2.06%	51,324.50	
369550BE7	CORPORATE BOND	3.00%	11-02-18	05-11-21	150,000.00	3.23%	149,140.50	
857477AV5	CORPORATE BOND	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
38141GGQ1	CORPORATE BOND	5.25%	12-27-18	07-27-21	150,000.00	3.80%	155,265.00	

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
4/30/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912828WY2	U.S. TREASURY NOTE	2.25%	05-30-18	07-31-21	300,000.00	2.65%	296,367.69	
594918BP8	CORPORATE BOND	1.55%	11-01-16	08-08-21	100,000.00	1.55%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	750,000.00	2.04%	755,452.22	
912828W55	U.S. TREASURY NOTE	1.88%	04-22-19	02-28-22	200,000.00	2.38%	197,203.46	
404280AN9	CORPORATE BOND	4.00%	04-23-18	03-30-22	100,000.00	3.32%	102,466.00	
747525AE3	CORPORATE BOND	3.00%	12-26-18	05-20-22	125,000.00	3.57%	122,707.50	
91324PCN0	CORPORATE BOND	3.35%	07-19-16	07-15-22	100,000.00	1.99%	107,590.00	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	600,000.00	1.88%	592,149.64	
375558BC6	CORPORATE BOND	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CORPORATE BOND	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	600,000.00	2.00%	599,954.33	
46625HJH4	CORPORATE BOND	3.20%	08-18-17	01-25-23	100,000.00	2.68%	102,577.00	
46625HJH4	CORPORATE BOND	3.20%	10-23-17	01-25-23	50,000.00	2.67%	51,270.50	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,666.52	
037833AK6	CORPORATE BOND	2.40%	04-23-18	05-03-23	100,000.00	3.17%	96,433.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-16-16	06-30-23	150,000.00	1.35%	150,176.08	
68389XBL8	CORPORATE BOND	2.40%	07-12-16	09-15-23	100,000.00	2.16%	101,531.00	
36290TLG2/P616927X	GNMA SECURITIES	5.50%	12-23-05	12-15-20	23,782.32	3.74%	34,961.61	
36290YBU1/P621151X	GNMA SECURITIES	5.50%	05-24-07	05-15-22	31,392.64	5.50%	31,392.64	
36296DDR6/P687812X	GNMA SECURITIES	5.50%	09-22-08	08-15-23	26,298.82	3.58%	40,393.91	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	93,050.27	3.07%	136,542.46	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	110,680.93	3.43%	145,325.61	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	80,993.00	2.44%	132,968.63	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	114,382.85	2.45%	186,725.33	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	199,178.19	2.64%	225,915.19	
36176W6N6/P778777X	GNMA SECURITIES	3.50%	05-17-12	01-15-27	296,238.82	2.56%	404,368.08	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	81,212.37	2.62%	93,008.87	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	153,261.72	2.34%	196,841.08	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	102,167.03	2.36%	129,854.53	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	132,406.47	2.39%	166,258.01	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	133,309.52	2.64%	151,714.21	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	324,698.19	2.44%	399,775.74	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	150,564.37	2.45%	184,379.96	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	76,216.41	2.91%	91,740.56	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	865,907.14	3.41%	889,286.05	
36202T7B6/P609390X	GNMA SECURITIES	5.50%	09-22-03	09-15-33	26,133.37	3.66%	39,258.40	
36213CZ52/P550764X	GNMA SECURITIES	5.50%	09-19-07	09-15-35	33,260.23	6.84%	26,759.97	
36202FGD2/P004696M	GNMA SECURITIES	4.50%	06-21-10	06-15-40	125,259.20	3.66%	154,168.81	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	94,689.18	3.71%	102,108.69	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	188,615.38	3.31%	256,383.46	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	157,891.13	3.17%	199,398.61	
36179rvc0/PMA3311m	GNMA SECURITIES	4.00%	03-31-16	12-20-45	152,630.60	3.44%	177,654.68	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	\$113,111.60	3.31%	119,704.51	
TOTALS FOR DISCRETIONARY INVESTMENTS					14,285,930.88		15,183,299.00	1.96%
TOTAL INVESTMENTS					\$ 19,285,930.88		\$ 20,123,948.33	2.09%

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2019**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2019	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE EXPENDITURES								
REPLACEMENTS								
BUILDING STRUCTURES	\$32,159	\$74,751	\$78,608	\$299,027	\$898,320	9%	\$220,419	74%
ELECTRICAL SYSTEMS	43,951	38,216	163,170	152,864	458,610	36%	(10,306)	(7%)
EXTERIOR WALKWAY LIGHTING	3,035	5,052	22,883	20,207	60,691	38%	(2,677)	(13%)
FOUNDATIONS	0	3,653	615	14,612	43,836	1%	13,997	96%
GUTTER REPLACEMENT	1,081	3,940	43,619	15,760	47,383	92%	(27,858)	(177%)
LANDSCAPE RENOVATION	25,287	29,166	37,667	116,664	350,000	11%	78,997	68%
PAINT - EXTERIOR	171,671	151,654	614,632	606,670	1,823,867	34%	(7,962)	(1%)
PRIOR TO PAINT	99,633	82,008	334,951	328,084	987,116	34%	(6,867)	(2%)
PAVING	5,961	42,671	10,770	170,695	512,560	2%	159,926	94%
ROOF REPLACEMENTS	218,393	62,766	249,446	251,064	753,209	33%	1,618	1%
TREE MAINTENANCE	106,943	102,184	436,068	410,854	1,232,529	35%	(25,214)	(6%)
WALL REPLACEMENT	0	15,029	(3,416)	60,116	180,365	(2%)	63,532	106%
WASTE LINE REMEDIATION	3,322	174,999	318,443	699,997	2,100,000	15%	381,554	55%
WATER LINE - COPPER PIPE REMEDIATION	33,496	20,833	33,496	83,332	250,000	13%	49,836	60%
WINDOW/SLIDING SCREEN DOOR	7,786	7,214	23,496	28,858	86,676	27%	5,362	19%
SUPL. APPROPRIATIONS	0	0	25,000	25,000	25,000	100%	0	0%
SUB-TOTAL	\$752,717	\$814,137	\$2,389,448	\$3,283,804	\$9,810,161	24%	\$894,356	27%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$12,202	\$5,912	\$43,480	\$23,648	\$70,999	61%	(\$19,832)	(84%)
DISHWASHERS	12,001	7,099	33,570	28,391	85,280	39%	(5,179)	(18%)
BASINS/SINKS/TOILETS	18,762	26,420	90,355	105,678	317,250	28%	15,323	14%
GARBAGE DISPOSALS	7,055	9,597	42,838	38,386	115,257	37%	(4,452)	(12%)
HOODS	2,358	2,961	8,340	11,843	35,574	23%	3,503	30%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	116,903	102,264	333,790	409,068	1,228,721	27%	75,277	18%
OVENS	12,711	9,246	43,467	36,984	110,999	39%	(6,484)	(18%)
RANGES	638	2,082	3,389	8,326	25,000	14%	4,937	59%
REFRIGERATORS	13,543	18,935	62,394	75,734	227,359	27%	13,340	18%
WATER HEATERS & PERMITS	360,583	94,364	1,144,525	377,445	1,133,990	101%	(767,080)	(203%)
DRYERS	151	1,122	3,551	4,486	13,474	26%	935	21%
WASHING MACHINES	200	2,432	764	9,728	29,200	3%	8,963	92%
SUB-TOTAL	\$557,108	\$282,433	\$1,810,463	\$1,129,715	\$3,393,103	53%	(\$680,748)	(60%)
TOTAL RESERVE FUND	\$1,309,826	\$1,096,570	\$4,199,911	\$4,413,519	\$13,203,267	32%	\$213,608	5%

*Waste Line Remediation: Board authorized an early release of \$200,000 from the adopted 2019 Business Plan for additional work in 2018.

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF APRIL 30, 2019**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2019 BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING EXPENDITURES								
PLUMBING SERVICE	\$132,760	\$102,975	\$562,232	\$411,880	\$1,239,218	45%	(\$150,352)	(37%)
CARPENTRY SERVICE	48,663	40,205	182,188	160,846	483,906	38%	(21,342)	(13%)
CONCRETE REPAIR/REPLACEMENT	16,473	30,605	128,530	122,463	369,203	35%	(6,067)	(5%)
ELECTRICAL SERVICE	25,485	34,197	98,874	136,785	411,587	24%	37,911	28%
APPLIANCE REPAIRS	26,782	25,472	97,753	101,853	306,455	32%	4,100	4%
INTERIOR PREVENTIVE MAINTENANCE	26,852	28,878	100,493	115,507	347,649	29%	15,014	13%
JANITORIAL SERVICE	27,037	30,703	108,497	122,777	369,615	29%	14,280	12%
PEST CONTROL	2,710	12,414	6,500	49,656	148,987	4%	43,156	87%
GUTTER CLEANING	363	14,488	43,471	57,955	174,032	25%	14,484	25%
COUNTERTOP/FLOOR/TILE REPAIRS	10,411	12,206	45,317	48,827	146,872	31%	3,510	7%
WELDING	6,702	6,928	24,436	27,724	83,626	29%	3,288	12%
ENERGY PROGRAM	0	4,166	5,377	16,664	50,000	11%	11,287	68%
MISC. REPAIRS BY OUTSIDE SERVICE	2,338	2,083	3,018	8,332	25,000	12%	5,314	64%
TRAFFIC CONTROL	1,195	1,403	4,692	5,613	16,935	28%	921	16%
FIRE PROTECTION	76	1,058	781	4,232	12,700	6%	3,451	82%
TOTAL MAINTENANCE PROGRAMS	\$327,846	\$347,783	\$1,412,160	\$1,391,114	\$4,185,785	34%	(\$21,046)	(2%)

CONTINGENCY FUND EXPENDITURES

MOISTURE INTRUSION - RAIN LEAKS	\$69,674	\$18,794	\$121,555	\$75,176	\$225,537	54%	(\$46,379)	(62%)
MOISTURE INTRUSION - PLUMBING LEAKS	166,083	53,729	239,944	214,916	644,752	37%	(25,028)	(12%)
MOISTURE INTRUSION - PLUMBING STOPPAGES	13,901	23,243	43,596	92,972	278,926	16%	49,376	53%
MOISTURE INTRUSION - MISCELLANEOUS	14,177	6,565	27,331	26,260	78,786	35%	(1,071)	(4%)
DAMAGE RESTORATION SERVICES	429	12,005	4,208	48,024	144,256	3%	43,816	91%
SUPPL. APPROPRIATIONS	0	0	3,133	3,133	3,133	100%	0	0%
TOTAL CONTINGENCY FUND	\$264,263	\$114,336	\$439,766	\$460,480	\$1,375,389	32%	\$20,714	4%

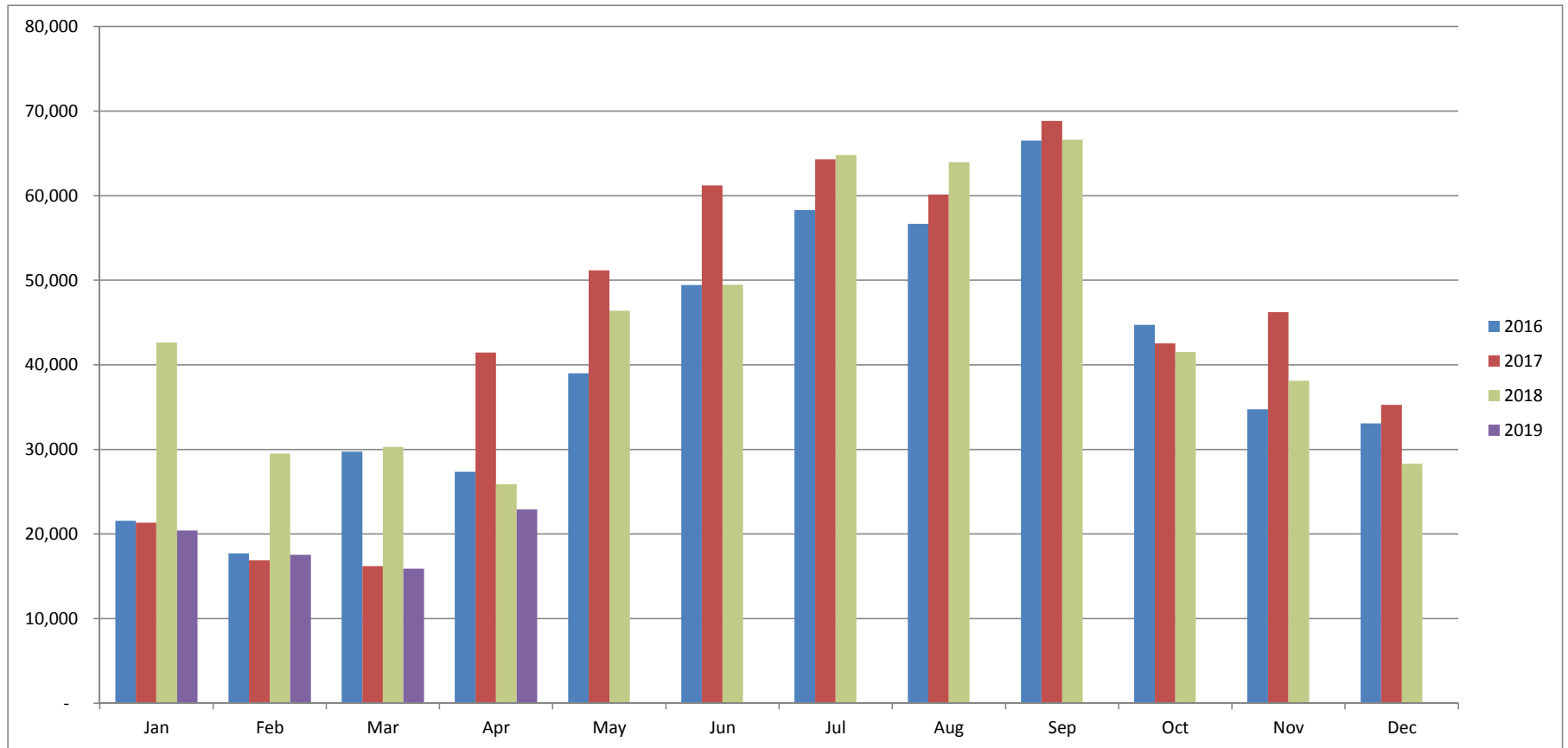
**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF APRIL 30, 2019**

YTD ACTUAL

DESCRIPTION	TOTAL			OUTSIDE
	EXPENDITURES	LABOR	MATERIALS	SERVICES
R BUILDING STRUCTURES	\$78,608	\$23,996	\$8,423	\$46,188
R ELECTRICAL SYSTEMS	163,170	0	0	163,170
R EXTERIOR WALKWAY LIGHTING	22,883	3,397	0	19,486
R FOUNDATIONS	615	0	0	615
R GUTTER REPLACEMENT	43,619	40,734	2,884	0
R LANDSCAPE RENOVATION	37,667	25,287	12,380	0
R PAINT - EXTERIOR	614,632	534,688	79,907	37
R PAVING	10,770	10,770	0	0
R PRIOR TO PAINT	334,951	292,022	42,546	383
R ROOF REPLACEMENTS	249,446	0	0	249,446
R TREE MAINTENANCE	436,068	436,068	0	0
R WALL REPLACEMENT	(3,416)	0	0	(3,416)
R WASTE LINE REMEDIATION	318,443	12,748	422	305,273
R WATER LINE - COPPER PIPE REMEDIATION	33,496	0	0	33,496
R WINDOW/SLIDING SCREEN DOOR	23,496	10,217	9,517	3,762
R BASINS/SINKS/TOILETS	90,355	25,414	64,942	0
R COOKTOPS	43,480	8,205	28,414	6,861
R COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	333,790	189,207	114,962	29,621
R DISHWASHERS	33,570	11,947	19,523	2,100
R DRYERS	3,551	151	0	3,400
R GARBAGE DISPOSALS	42,838	12,756	30,082	0
R HOODS	8,340	3,113	4,359	868
R OVENS	43,467	11,477	25,332	6,658
R RANGES	3,389	1,270	2,119	0
R REFRIGERATORS	62,394	12,834	40,454	9,106
R RESALE INSPECTION REPLACEMENTS	0	0	0	0
R WASHING MACHINES	764	764	0	0
R WATER HEATERS & PERMITS	1,144,525	101,412	489,873	553,240
R SUPPL. APPROPRIATIONS	25,000	0	0	25,000
TOTAL RESERVE FUND	\$4,199,911	\$1,768,478	\$976,140	\$1,455,294
O CARPENTRY SERVICE	182,188	159,760	21,173	1,256
O CONCRETE REPAIR/REPLACEMENT	128,530	118,972	9,558	0
O COUNTERTOP/FLOOR/TILE REPAIRS	45,317	39,625	2,562	3,130
O ELECTRICAL SERVICE	98,874	81,218	15,315	2,342
O ENERGY PROGRAM	5,377	0	0	5,377
O FIRE PROTECTION	781	0	265	516
O GUTTER CLEANING	43,471	40,573	0	2,898
O INTERIOR PREVENTIVE MAINTENANCE	100,493	99,801	692	0
O JANITORIAL SERVICE	108,497	108,497	0	0
O MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	3,018	0	0	3,018
O PEST CONTROL	6,500	0	0	6,500
O PLUMBING SERVICE	562,232	381,958	30,577	149,697
O TRAFFIC CONTROL	4,692	4,650	43	0
O WELDING	24,436	23,747	689	0
O APPLIANCE REPAIRS	97,753	88,575	9,179	0
TOTAL OPERATING FUND	\$1,412,160	\$1,147,374	\$90,052	\$174,734
C MOISTURE INTRUSION - RAIN LEAKS	\$121,555	\$0	\$0	\$121,555
C MOISTURE INTRUSION - PLUMBING LEAKS	239,944	0	0	239,944
C MOISTURE INTRUSION - PLUMBING STOPPAGES	43,596	0	0	43,596
C MOISTURE INTRUSION - MISCELLANEOUS	27,331	0	0	27,331
C DAMAGE RESTORATION SERVICES	4,208	3,885	98	225
C SUPPL. APPROPRIATIONS	3,133	0	0	3,133
TOTAL CONTINGENCY FUND	\$439,766	\$3,885	\$98	\$435,784

United Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016	21,572	17,707	29,756	27,350	38,988	49,431	58,301	56,657	66,517	44,732	34,747	33,096	96,385	478,854
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	-	-	-	-	-	-	-	-	76,780	76,780



RESOLUTION 01-17-38

UNITED LAGUNA WOODS MUTUAL INVESTMENT POLICY

WHEREAS, that Village Management Services Inc., managing agent of this corporation, and an external 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

NOW THEREFORE BE IT RESOLVED, March 14, 2017, that the Board of Directors of this Corporation hereby authorizes the Managing Agent to retain Merrill Lynch and its affiliate (BlackRock) as Investment Manager and gives that Investment 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 Village Management Services, Inc., known as the “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 the Treasurer and either the President or 1st Vice President of this corporation. Furthermore, if a member of the corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this corporation;
3. Managed funds, known as the “discretionary account”, shall be invested only in authorized investments as provided herein;
 - a. obligations of, or fully guaranteed as to principal, by the United States of America; and
 - b. Up to 20% of the portfolio may be invested in Corporate Bonds rated A through AAA, specifically A3/A-/A- 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 this 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; and
 - c. No more than 3% of the portfolio is to be invested in any one corporate bond issuer;
4. Interim cash balances are to be held in money market funds that are invested in short-term U.S. Treasuries or direct obligations of the U.S. Government;
5. 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; and

RESOLVED FURTHER, that Resolution 01-16-15, adopted on February 9, 2016 is hereby superseded and cancelled; and

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.