



STAFF REPORT

DATE: May 1, 2020
FOR: Finance Committee
SUBJECT: Preliminary Financial Statements dated March 31, 2020

RECOMMENDATION

Receive and file.

DISCUSSION

Attached for your records are United preliminary financial statements dated March 31, 2020. Please review and advise if you have any questions. The Treasurer will present these financial results at your upcoming Board meeting on Tuesday, May 12, 2020.

Prepared By: Betty Parker, Chief Financial Officer

ATTACHMENT(s):

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

Discussions

Section 5500 Update: Due to COVID-19 stay at home orders, financial information required for Board review of monthly financials is being provided to all board members via email. Further, the programming change in AX that will segregate A/P and Cash reserve fund transactions and balances from operating funds on the balance sheet has completed testing; anticipate May implementation.

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

Insurance Update: During contract formation with CBIZ Inc. for the updated property valuation, the vendor made edits to Mutual contract boilerplate terms and conditions and would not negotiate. Staff has reviewed the other two bids and contacted vendors for clarification of their proposals.

Investment Update: Based on current market conditions, the portfolio target allocations were adjusted modestly by SageView in early April to shift from corporate bonds to intermediary Treasury bonds. The United portfolio balance has grown from \$14,828,044 on 12/31/19 to \$15,136,641 as of March 31, 2020, representing a gain of \$308,597 or 2.1%.

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

Calendar

April 30, 2020 @ 2:00 p.m. United Board Agenda Prep Meeting

May 12, 2020 @ 9:30 a.m. United Board Meeting

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

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

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

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

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
3/31/2020
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,535	\$2,489	\$46	\$7,606	\$7,467	\$138	\$7,012	\$29,869
2	Additions to restricted funds	1,024	1,024		3,073	3,073		3,092	12,294
3	Total assessments	3,560	3,514	46	10,679	10,541	138	10,104	42,163
Non-assessment revenues:									
4	Merchandise sales		2	(1)	2	5	(3)	8	20
5	Fees and charges for services to residents	60	45	15	110	135	(25)	192	540
6	Laundry	20	23	(3)	64	68	(3)	66	270
7	Investment income	28	32	(4)	71	96	(25)	109	385
8	Unrealized gain/(loss) on AFS investments	(81)		(81)	236		236		
9	Miscellaneous	32	48	(16)	116	145	(28)	132	579
10	Total non-assessment revenue	59	150	(90)	599	448	151	507	1,794
11	Total revenue	3,619	3,663	(44)	11,278	10,989	289	10,610	43,957
Expenses:									
12	Employee compensation and related	1,112	1,237	124	3,364	3,602	238	3,552	14,548
13	Materials and supplies	157	259	102	511	804	293	908	3,141
14	Utilities and telephone	355	321	(34)	924	949	25	855	4,326
15	Legal fees	(11)	29	41	44	87	44	24	350
16	Professional fees	32	35	3	36	47	11	46	122
17	Equipment rental	1	2	1	4	4		7	17
18	Outside services	721	717	(3)	1,548	2,152	604	1,235	8,638
19	Repairs and maintenance	3	4	1	8	12	4	10	47
20	Other Operating Expense	12	17	5	34	51	17	38	201
21	Income taxes		2	2		6		6	25
22	Property and sales tax	991	926	(65)	2,876	2,778	(98)	2,726	11,112
23	Insurance	155	125	(30)	507	376	(131)	323	1,504
24	Investment expense		3	3	2	9	7	9	37
25	Uncollectible Accounts	8	5	(3)	13	15	2	17	60
26	(Gain)/loss on sale or trade	(12)	(1)	12	(12)	(2)	10	1	(8)
27	Depreciation and amortization	17	17		50	50		52	198
28	Net allocation to mutuals	121	133	11	371	397	26	287	1,584
29	Total expenses	3,660	3,830	170	10,279	11,338	1,059	10,089	45,902
30	Excess of revenues over expenses	(\$41)	(\$167)	\$126	\$999	(\$349)	\$1,348	\$521	(\$1,945)

United Laguna Woods Mutual
Operating Statement
3/31/2020
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$4,445,575	\$4,445,742	(\$167)	0.00%	\$17,782,968
41007000 - Monthly Assessments - Property Taxes	2,840,810	2,777,999	62,811	2.26%	11,111,994
41007500 - Monthly Assessments - Supplemental Property Taxes	75,784	0	75,784	0.00%	0
41008000 - Monthly Assessments - Property Insurance	243,535	243,535	1	0.00%	974,142
Total Operating	7,605,704	7,467,275	138,428	1.85%	29,869,104
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	189,690	189,690	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	2,883,667	2,883,750	(83)	0.00%	11,535,000
Total Additions To Restricted Funds	3,073,357	3,073,440	(83)	0.00%	12,293,760
Total Assessments	10,679,061	10,540,715	138,346	1.31%	42,162,864
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	2,273	4,998	(2,725)	(54.52%)	20,000
Total Merchandise Sales	2,273	4,998	(2,725)	(54.52%)	20,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	42,134	37,178	4,956	13.33%	148,715
46501500 - Inspection Fee	12,672	19,823	(7,151)	(36.08%)	79,294
46502000 - Resident Maintenance Fee	54,974	77,807	(22,833)	(29.35%)	311,513
Total Fees and Charges for Services to Residents	109,780	134,808	(25,029)	(18.57%)	539,522
Laundry					
46005000 - Coin Op Laundry Machine	64,293	67,500	(3,207)	(4.75%)	270,000
Total Laundry	64,293	67,500	(3,207)	(4.75%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	7,192	22,072	(14,881)	(67.42%)	88,289
49002000 - Investment Income - Discretionary	63,971	74,301	(10,330)	(13.90%)	297,205
Investment Interest Income	71,163	96,374	(25,211)	(26.16%)	385,494
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	235,613	0	235,613	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	235,613	0	235,613	0.00%	0
Miscellaneous					
46004500 - Resident Violations	3,850	12,499	(8,649)	(69.20%)	50,001
44501000 - Additional Occupant Fee	9,290	10,500	(1,210)	(11.52%)	42,000
44501500 - Lease Processing Fee - United	27,220	31,998	(4,778)	(14.93%)	128,000
44502000 - Variance Processing Fee	1,650	999	651	65.17%	4,000
44503000 - Stock Transfer Fee	2,550	3,249	(699)	(21.51%)	13,000
44503510 - Resale Processing Fee - United	31,598	31,248	350	1.12%	125,000
44507000 - Golf Cart Electric Fee	15,039	15,500	(461)	(2.97%)	62,000
44507200 - Electric Vehicle Plug-In Fee	4,085	3,750	335	8.93%	15,000
44507500 - Cartport/Carport Space Rental Fee	488	625	(138)	(22.00%)	2,500
47001500 - Late Fee Revenue	5,690	12,500	(6,810)	(54.48%)	50,000
47002010 - Collection Administrative Fee - United	16,640	18,000	(1,360)	(7.56%)	72,000
47002500 - Collection Interest Revenue	(430)	1,200	(1,630)	(135.84%)	4,800
47501000 - Recycling	393	1,500	(1,107)	(73.79%)	6,000
48001000 - Legal Fee	0	1,100	(1,100)	(100.00%)	4,400
49009000 - Miscellaneous Revenue	(1,775)	0	(1,775)	0.00%	0
Total Miscellaneous	116,288	144,668	(28,381)	(19.62%)	578,701
Total Non-Assessment Revenue	599,408	448,348	151,060	33.69%	1,793,717
Total Revenue	11,278,469	10,989,063	289,406	2.63%	43,956,581
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	652,892	705,860	52,969	7.50%	2,883,900

United Laguna Woods Mutual
Operating Statement
3/31/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51021000 - Union Wages - Regular	1,432,248	1,548,393	116,145	7.50%	6,279,593
51041000 - Wages - Overtime	12,354	7,048	(5,306)	(75.28%)	28,203
51051000 - Union Wages - Overtime	37,233	23,722	(13,511)	(56.96%)	94,908
51061000 - Holiday & Vacation	306,108	190,244	(115,864)	(60.90%)	773,301
51071000 - Sick	94,266	77,599	(16,667)	(21.48%)	315,425
51081000 - Sick - Part Time	0	6	6	100.00%	24
51091000 - Missed Meal Penalty	1,385	313	(1,072)	(342.51%)	1,268
51101000 - Temporary Help	4,205	466	(3,739)	(801.65%)	1,870
51981000 - Compensation Accrual	(185,480)	0	185,480	0.00%	0
Total Employee Compensation	2,355,211	2,553,652	198,441	7.77%	10,378,493
Compensation Related					
52411000 - F.I.C.A.	191,502	192,940	1,438	0.75%	776,727
52421000 - F.U.I.	7,491	8,125	635	7.81%	10,834
52431000 - S.U.I.	51,152	41,340	(9,812)	(23.74%)	55,120
52441000 - Union Medical	453,619	472,321	18,702	3.96%	1,889,284
52451000 - Workers' Compensation Insurance	118,076	135,868	17,792	13.09%	639,961
52461000 - Non Union Medical & Life Insurance	86,623	84,401	(2,222)	(2.63%)	337,605
52471000 - Union Retirement Plan	109,866	82,475	(27,391)	(33.21%)	334,482
52481000 - Non-Union Retirement Plan	14,557	30,785	16,228	52.71%	125,775
52981000 - Compensation Related Accrual	(24,438)	0	24,438	0.00%	0
Total Compensation Related	1,008,448	1,048,256	39,808	3.80%	4,169,789
Materials and Supplies					
53001000 - Materials & Supplies	120,220	168,073	47,853	28.47%	594,628
53003000 - Materials Direct	390,850	636,363	245,513	38.58%	2,545,928
53004000 - Freight	20	0	(20)	0.00%	0
Total Materials and Supplies	511,090	804,436	293,346	36.47%	3,140,556
Utilities and Telephone					
53301000 - Electricity	33,600	71,200	37,600	52.81%	189,000
53301500 - Sewer	464,577	439,500	(25,077)	(5.71%)	1,779,600
53302000 - Water	316,483	328,408	11,925	3.63%	1,919,116
53302500 - Trash	109,257	109,429	172	0.16%	437,719
53304000 - Telephone	168	171	4	2.15%	685
Total Utilities and Telephone	924,085	948,709	24,623	2.60%	4,326,120
Legal Fees					
53401500 - Legal Fees	43,743	87,496	43,753	50.01%	349,985
Total Legal Fees	43,743	87,496	43,753	50.01%	349,985
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	31,600	28,000	(3,600)	(12.86%)	44,500
53403500 - Consulting Fees	19	2,701	2,682	99.28%	12,479
53403510 - Consulting Fees - United	4,480	16,245	11,765	72.42%	65,000
Total Professional Fees	36,099	46,946	10,847	23.10%	121,979
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	4,456	4,258	(198)	(4.64%)	17,038
Total Equipment Rental	4,456	4,258	(198)	(4.64%)	17,038
Outside Services					
53601000 - Bank Fees	8,923	6,330	(2,593)	(40.97%)	25,321
53601500 - Credit Card Transaction Fees	494	0	(494)	0.00%	0
54603500 - Outside Services Cost Collection	1,518,616	2,111,886	593,270	28.09%	8,447,910
53704000 - Outside Services	20,167	34,187	14,019	41.01%	164,394
Total Outside Services	1,548,200	2,152,402	604,203	28.07%	8,637,624
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,135	4,195	3,061	72.95%	16,823
53703000 - Elevator /Lift Maintenance	6,431	7,539	1,108	14.69%	30,157
Total Repairs and Maintenance	7,566	11,735	4,168	35.52%	46,979
Other Operating Expense					
53801000 - Mileage & Meal Allowance	698	3,791	3,093	81.58%	15,153
53801500 - Travel & Lodging	245	766	522	68.07%	3,027
53802000 - Uniforms	18,803	22,186	3,384	15.25%	88,787
53802500 - Dues & Memberships	98	376	278	74.00%	1,687

United Laguna Woods Mutual
Operating Statement
3/31/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
53803000 - Subscriptions & Books	231	504	273	54.11%	2,026
53803500 - Training & Education	3,686	5,419	1,733	31.98%	19,682
53804000 - Staff Support	133	352	220	62.35%	1,409
53901500 - Volunteer Support	0	417	417	100.00%	1,668
53903000 - Safety	0	126	126	100.00%	508
54001000 - Board Relations	397	0	(397)	0.00%	0
54001010 - Board Relations - United	733	1,875	1,142	60.89%	7,500
54002000 - Postage	8,689	14,678	5,989	40.80%	58,717
54002500 - Filing Fees / Permits	0	261	261	100.00%	847
Total Other Operating Expense	33,712	50,753	17,040	33.58%	201,011
Income Taxes					
54301000 - State & Federal Income Taxes	0	6,253	6,253	100.00%	25,000
Total Income Taxes	0	6,253	6,253	100.00%	25,000
Property and Sales Tax					
54302000 - Property Taxes	2,876,128	2,777,999	(98,130)	(3.53%)	11,111,994
Total Property and Sales Tax	2,876,128	2,777,999	(98,130)	(3.53%)	11,111,994
Insurance					
54401000 - Hazard & Liability Insurance	147,909	113,945	(33,964)	(29.81%)	455,779
54401500 - D&O Liability	16,021	16,603	582	3.50%	66,412
54402000 - Property Insurance	342,525	243,535	(98,991)	(40.65%)	974,142
54403000 - General Liability Insurance	763	1,832	1,069	58.34%	7,328
Total Insurance	507,218	375,914	(131,304)	(34.93%)	1,503,660
Investment Expense					
54201000 - Investment Expense	2,395	9,183	6,788	73.92%	36,732
Total Investment Expense	2,395	9,183	6,788	73.92%	36,732
Uncollectible Accounts					
54602000 - Bad Debt Expense	12,579	14,900	2,321	15.58%	59,600
Total Uncollectible Accounts	12,579	14,900	2,321	15.58%	59,600
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(930)	(1,875)	(945)	(50.38%)	(7,500)
54101500 - (Gain)/Loss On Investments	(11,409)	0	11,409	0.00%	0
Total (Gain)/Loss on Sale or Trade	(12,339)	(1,875)	10,464	558.10%	(7,500)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	49,561	49,561	0	0.00%	198,242
Total Depreciation and Amortization	49,561	49,561	0	0.00%	198,242
Net Allocation to Mutuals					
54602500 - Allocated Expenses	371,307	397,467	26,159	6.58%	1,584,319
Total Net Allocation to Mutuals	371,307	397,467	26,159	6.58%	1,584,319
Total Expenses	10,279,460	11,338,043	1,058,583	9.34%	45,901,622
Excess of Revenues Over Expenses	\$999,009	(\$348,980)	\$1,347,989	386.27%	(\$1,945,042)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
3/31/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$5,404,676	\$2,159,882
2	Non-discretionary investments	1,992,808	1,992,808
3	Discretionary investments	14,888,911	14,815,925
4	Receivable/(Payable) from mutuals	1,445,428	1,518,100
5	Accounts receivable and interest receivable	837,886	688,039
6	Prepaid expenses and deposits	3,891,585	1,118,128
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,756,956)	(83,756,191)
9	Beneficial interest in GRF of Laguna Hills Trust	5,748,154	5,796,949
10	Non-controlling interest in GRF	39,116,237	39,116,237
11	Total Assets	<u><u>\$81,558,333</u></u>	<u><u>\$75,439,483</u></u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$6,535,587	\$1,453,947
13	Accrued compensation and related costs	596,765	596,765
14	Deferred income	974,753	936,551
15	Asset retirement obligation	1,207,814	1,207,814
16	Total liabilities	<u><u>\$9,314,919</u></u>	<u><u>\$4,195,078</u></u>
Fund balances:			
17	Fund balance prior years	71,244,405	74,614,944
18	Change in fund balance - current year	999,009	(3,370,539)
19	Total fund balances	<u><u>72,243,414</u></u>	<u><u>71,244,405</u></u>
20	Total Liabilities and Fund Balances	<u><u>\$81,558,333</u></u>	<u><u>\$75,439,483</u></u>

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
3/31/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets				
1	Cash and cash equivalents	\$5,404,676		\$5,404,676
2	Non-discretionary investments	1,992,808		1,992,808
3	Discretionary investments	14,888,911		14,888,911
4	Receivable/(Payable) from mutuals	1,445,428		1,445,428
5	Receivable/(Payable) from operating fund	(19,047,899)	890,279	18,157,620
6	Accounts receivable and interest receivable	837,886		837,886
7	Prepaid expenses and deposits	3,891,585		3,891,585
8	Property and equipment	91,989,605		91,989,605
9	Accumulated depreciation property and equipment	(83,756,956)		(83,756,956)
10	Beneficial interest in GRF of Laguna Hills Trust	5,748,154		5,748,154
11	Non-controlling interest in GRF	39,116,237		39,116,237
12	Total Assets	<u>\$62,510,434</u>	<u>\$890,279</u>	<u>\$18,157,620</u>
				<u>\$81,558,333</u>
Liabilities and Fund Balances				
Liabilities:				
13	Accounts payable and accrued expenses	\$6,561,066		(\$25,480)
14	Accrued compensation and related costs	596,765		596,765
15	Deferred income	974,753		974,753
16	Asset retirement obligation	1,207,814		1,207,814
17	Total liabilities	<u>\$9,340,399</u>		<u>(\$25,480)</u>
Fund balances:				
18	Fund balance prior years	52,881,436	1,106,755	17,256,214
19	Change in fund balance - current year	288,599	(216,475)	926,886
20	Total fund balances	<u>53,170,035</u>	<u>890,279</u>	<u>18,183,100</u>
21	Total Liabilities and Fund Balances	<u>\$62,510,434</u>	<u>\$890,279</u>	<u>\$18,157,620</u>
				<u>\$81,558,333</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
3/31/2020

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	\$7,605,704			\$7,605,704
2		189,690	2,883,667	3,073,357
3	<u>7,605,704</u>	<u>189,690</u>	<u>2,883,667</u>	<u>10,679,061</u>
Non-assessment revenues:				
4	420		1,853	2,273
5	109,780			109,780
6	64,293			64,293
7		3,962	67,201	71,163
8	(12,118)	13,014	234,717	235,613
9	116,288			116,288
10	<u>278,662</u>	<u>16,976</u>	<u>303,770</u>	<u>599,408</u>
11	<u>7,884,365</u>	<u>206,666</u>	<u>3,187,438</u>	<u>11,278,469</u>
Expenses:				
12	2,447,488		916,172	3,363,660
13	194,476		316,614	511,090
14	922,582		1,504	924,085
15	43,743			43,743
16	33,599		2,500	36,099
17	840		3,615	4,456
18	154,149	423,605	970,446	1,548,200
19	7,231		335	7,566
20	26,734		6,978	33,712
21	2,876,128			2,876,128
22	507,218			507,218
23		136	2,259	2,395
24	12,579			12,579
25	(930)	(599)	(10,810)	(12,339)
26	49,561			49,561
27	320,368		50,940	371,307
28	<u>7,595,767</u>	<u>423,142</u>	<u>2,260,552</u>	<u>10,279,460</u>
29	<u>\$288,599</u>	<u>(\$216,475)</u>	<u>\$926,886</u>	<u>\$999,009</u>
30	<u>\$350,278</u>	<u>(\$229,490)</u>	<u>\$692,169</u>	<u>\$812,957</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
3/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	3/31/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
912796TM1	U.S. TREASURY BILL	0.00%	01-02-20	04-02-20	2,000,000.00	1.45%	1,992,808.47	1,997,602.82	2,000,000.00	2,397.18
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 2,000,000.00		\$ 1,992,808.47	1,997,602.82	\$2,000,000.00	\$2,397.18

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
3/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	3/31/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
	FIDELITY GOVT CASH RESERVES				\$ 22,375.54		\$ 22,375.54			
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-17-19	-	2,043,928.19	0.00%	\$2,043,928.19	2,043,928.19	\$1,946,571.03	(\$97,357.16)
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-18-19	-	95,080.05	0.00%	95,080.05	95,080.05	\$90,551.16	(\$4,528.89)
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	03-30-20	-	180,089.25	0.00%	180,089.25	180,089.25	\$180,089.25	\$0.00
31635V216	FUMBX-Fidelity Short Term Trsry Bond Index	0.00%	12-13-19	-	4,365,373.57	0.00%	4,365,373.57	4,365,373.57	\$4,527,361.74	\$161,988.17
31635V257	FUAMX-Fidelity Inter Trsry Bond Index	0.00%	12-13-19	-	1,670,571.15	0.00%	1,670,571.15	1,670,571.15	\$1,810,790.58	\$140,219.43
922031851	VFIRX-Vanguard Short Term Trsry Admiral	0.00%	12-13-19	-	737,583.06	0.00%	737,583.06	737,583.06	\$753,828.90	\$16,245.84
92206C607	VSCSX-Vanguard Short Term Corp Bd Index Adm	0.00%	12-13-19	-	2,261,170.30	0.00%	2,261,170.30	2,261,170.30	\$2,198,111.22	(\$63,059.08)
92206C755	VMBSX-Vanguard Backed Securities Indx Adm	0.00%	12-13-19	-	3,512,739.47	0.00%	3,512,739.47	3,512,739.47	\$3,606,962.07	\$94,222.60
TOTALS FOR DISCRETIONARY INVESTMENTS					14,888,910.58		14,888,910.58	\$14,866,535.04	\$15,114,265.95	\$247,730.91
TOTAL INVESTMENTS					\$ 16,888,910.58		\$ 16,881,719.05			

*Yield is based on all investments held during the year

**United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 03/31/2020**

Fund / Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Encumbrance
		Total Appropriations	2020	Prior Years	Total	
Reserve Fund						
Emergency Panel Replacements	01-18-99	48,000	0	0	28,961	19,039
Water Heater Replacement	01-19-66	940,000	1,389	865,598	866,495	73,505
Laundry Room Coin Box Guards	01-19-64	20,000	0	0	0	20,000
2021 Reserve Study	01-20-XX	5,000	2,500	0	2,500	2,500
	Total	\$1,013,000	\$3,889	\$865,598	\$897,956	\$115,044
Contingency Fund						
Energy Consultant Services	01-18-67	50,000	1,410	16,528	27,524	22,476
2019 Fumigation Program	01-19-33	104,762	0	68,819	68,819	35,943
Slope Repair Avenida Castilla	01-19-51	13,246	0	12,042	12,042	1,204
	Total	\$168,008	\$1,410	\$97,388	\$108,384	\$59,624

*Incurred To Date

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF MARCH 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$104,735	\$56,120	\$174,550	\$167,379	\$670,009	26%	(\$7,171)	(4%)
CDS SIGNAGE	0	4,166	0	12,498	50,000	0%	12,498	100%
ELECTRICAL SYSTEMS	36,193	38,290	118,507	114,870	459,495	26%	(3,637)	(3%)
EXTERIOR WALKWAY LIGHTING	1,556	6,302	2,856	18,761	75,121	4%	15,904	85%
FOUNDATIONS	150	3,653	150	10,959	43,836	0%	10,809	99%
GUTTER REPLACEMENT	5,468	8,268	19,724	24,539	98,289	20%	4,815	20%
PAINT - EXTERIOR	139,675	159,438	447,220	468,100	1,876,061	24%	20,880	4%
PRIOR TO PAINT	91,383	85,114	263,265	250,270	1,003,518	26%	(12,995)	(5%)
PAVING	0	33,052	0	99,156	396,628	0%	99,156	100%
ROOF REPLACEMENTS	8,142	77,565	75,771	232,695	930,804	8%	156,924	67%
WALL REPLACEMENT	0	13,750	0	41,250	165,000	0%	41,250	100%
WASTE LINE REMEDIATION	219,893	191,666	368,934	574,998	2,300,000	16%	206,064	36%
WATER LINE - COPPER PIPE REMEDIATION	75,318	16,666	123,209	49,998	200,000	62%	(73,211)	(146%)
WINDOW/SLIDING SCREEN DOOR	717	10,039	11,811	29,845	119,518	10%	18,034	60%
SUPPL. APPROPRIATIONS	3,225	3,225	3,889	3,889	3,889	100%	0	0%
SUB-TOTAL	\$686,455	\$707,312	\$1,609,885	\$2,099,205	\$8,392,168	19%	\$489,320	23%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$6,977	\$5,950	\$23,077	\$17,766	\$71,112	32%	(\$5,312)	(30%)
DISHWASHERS	6,988	7,178	22,392	21,353	85,523	26%	(1,039)	(5%)
BASINS/SINKS/TOILETS	8,331	19,998	47,577	59,608	238,679	20%	12,031	20%
GARBAGE DISPOSALS	6,182	9,721	22,437	28,813	115,440	19%	6,376	22%
HOODS	1,515	2,996	3,579	8,907	35,681	10%	5,328	60%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	48,649	116,760	210,919	347,750	1,392,191	15%	136,831	39%
OVENS	12,786	9,283	43,708	27,765	111,112	39%	(15,943)	(57%)
RANGES	171	1,051	2,968	3,111	12,469	24%	143	5%
REFRIGERATORS	18,217	19,065	34,775	56,899	227,754	15%	22,124	39%
WATER HEATERS & PERMITS	6,372	63,162	15,166	187,641	751,503	2%	172,475	92%
DRYERS	0	2,984	123	8,931	35,735	0%	8,808	99%
WASHING MACHINES	2,544	7,578	13,194	22,684	90,773	15%	9,490	42%
SUB-TOTAL	\$118,731	\$265,726	\$439,916	\$791,228	\$3,167,971	14%	\$351,312	44%
TOTAL RESERVE FUND	\$805,186	\$973,038	\$2,049,801	\$2,890,433	\$11,560,139	18%	\$840,632	29%

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	782	0	2,292	9,186	0%	2,292	100%
PAVING	0	5,821	2,845	17,081	68,481	4%	14,237	83%
WALL REPLACEMENT	0	2,529	0	7,587	30,365	0%	7,587	100%
TOTAL	\$0	\$9,132	\$2,845	\$26,960	\$108,032	3%	\$24,115	89%

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF MARCH 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	8,522	37,648	9,131	112,874	451,543	2%	103,743	92%
TREE MAINTENANCE	52,017	73,398	207,326	215,721	864,752	24%	8,395	4%
TOTAL RESERVE FUND	\$60,539	\$111,046	\$216,457	\$328,595	\$1,316,295	16%	\$112,138	34%

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$143,867	\$117,464	\$402,431	\$344,592	\$1,382,295	29%	(\$57,839)	(17%)
CARPENTRY SERVICE	46,223	41,979	139,455	123,189	494,100	28%	(16,266)	(13%)
ELECTRICAL SERVICE	23,642	34,849	79,712	102,101	409,634	19%	22,390	22%
APPLIANCE REPAIRS	21,441	26,186	72,886	76,898	308,507	24%	4,012	5%
INTERIOR PREVENTIVE MAINTENANCE	28,780	29,480	88,592	86,351	346,454	26%	(2,241)	(3%)
PEST CONTROL	3,910	18,830	5,390	56,490	225,980	2%	51,100	90%
COUNTERTOP/FLOOR/TILE REPAIRS	15,900	10,910	33,104	32,037	128,480	26%	(1,067)	(3%)
ENERGY PROGRAM	0	2,083	491	6,249	25,000	2%	5,758	92%
MISC. REPAIRS BY OUTSIDE SERVICE	7,775	2,083	11,906	6,249	25,000	48%	(5,657)	(91%)
FIRE PROTECTION	164	1,058	373	3,174	12,700	3%	2,801	88%
TOTAL	\$291,704	\$284,921	\$834,339	\$837,330	\$3,358,151	25%	\$2,991	0%

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	34,823	31,711	104,886	93,089	373,111	28%	(11,797)	(13%)
JANITORIAL SERVICE	34,996	29,438	96,219	86,262	345,015	28%	(9,958)	(12%)
GUTTER CLEANING	8,915	16,168	13,617	48,187	192,872	7%	34,571	72%
WELDING	6,887	8,611	24,874	25,264	101,275	25%	389	2%
TRAFFIC CONTROL	1,247	1,277	2,296	3,743	15,010	15%	1,447	39%
TOTAL	\$86,869	\$87,205	\$241,892	\$256,544	\$1,027,283	24%	\$14,653	6%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$32,721	\$12,666	\$80,063	\$37,998	\$152,000	53%	(\$42,065)	(111%)
MOISTURE INTRUSION - PLUMBING LEAKS	90,118	62,949	211,453	188,847	755,390	28%	(22,606)	(12%)
MOISTURE INTRUSION - PLUMBING STOPPAGES	23,271	23,243	66,394	69,729	278,926	24%	3,335	5%
MOISTURE INTRUSION - MISCELLANEOUS	22,519	6,565	54,966	19,695	78,786	70%	(35,271)	(179%)
DAMAGE RESTORATION SERVICES	17,094	12,071	9,319	35,867	143,640	6%	26,548	74%
SUPPL. APPROPRIATIONS	1,410	1,410	1,410	1,410	1,410	100%	0	0%
TOTAL CONTINGENCY FUND	\$187,132	\$118,904	\$423,605	\$353,546	\$1,410,152	30%	(\$70,059)	(20%)

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF MARCH 31, 2020**

YTD ACTUAL

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

BUILDING STRUCTURES	\$174,550	\$11,478	\$588	\$162,484
CDS SIGNAGE	0	0	0	0
ELECTRICAL SYSTEMS	118,507	0	0	118,507
EXTERIOR WALKWAY LIGHTING	2,856	0	0	2,856
FOUNDATIONS	150	0	0	150
GUTTER REPLACEMENT	19,724	17,892	1,832	0
PAINT - EXTERIOR	447,220	395,207	52,013	0
PAVING	0	0	0	0
PRIOR TO PAINT	263,265	223,559	39,706	0
ROOF REPLACEMENTS	75,771	0	0	75,771
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	368,934	5,608	76	363,249
WATER LINE - COPPER PIPE REMEDIATION	123,209	0	0	123,209
WINDOW/SLIDING SCREEN DOOR	11,811	4,427	5,446	1,938
BASINS/SINKS/TOILETS	47,577	15,473	32,104	0
COOKTOPS	23,077	3,437	13,293	6,347
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	210,919	91,458	47,786	71,675
DISHWASHERS	22,392	6,221	12,901	3,270
DRYERS	123	123	0	0
GARBAGE DISPOSALS	22,437	7,869	14,568	0
HOODS	3,579	904	1,243	1,432
OVENS	43,708	2,873	24,366	16,469
RANGES	2,968	998	1,516	454
REFRIGERATORS	34,775	5,425	19,893	9,457
WASHING MACHINES	13,194	1,421	11,774	0
WATER HEATERS & PERMITS	15,166	4,810	10,356	0
SUPPL. APPROPRIATIONS	3,889	900	489	2,500
TOTAL	\$2,049,801	\$800,083	\$289,949	\$959,769

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	0	0	0
PAVING	2,845	2,845	0	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$2,845	\$2,845	\$0	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	9,131	0	609	8,522
TREE MAINTENANCE	207,326	207,326	0	0
TOTAL	\$216,457	\$207,326	\$609	\$8,522

**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF MARCH 31, 2020**

YTD ACTUAL

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

CARPENTRY SERVICE	139,455	124,403	15,052	0
COUNTERTOP/FLOOR/TILE REPAIRS	33,104	29,283	1,306	2,515
ELECTRICAL SERVICE	79,712	66,168	13,544	0
ENERGY PROGRAM	491	0	0	491
FIRE PROTECTION	373	0	373	0
INTERIOR PREVENTIVE MAINTENANCE	88,592	88,004	589	0
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	11,906	0	0	11,906
PEST CONTROL	5,390	0	0	5,390
PLUMBING SERVICE	402,431	318,376	16,648	67,407
APPLIANCE REPAIRS	72,886	64,817	8,069	0
TOTAL	\$834,339	\$691,051	\$55,581	\$87,708

OPERATING EXPENDITURES - GENERAL SERVICES

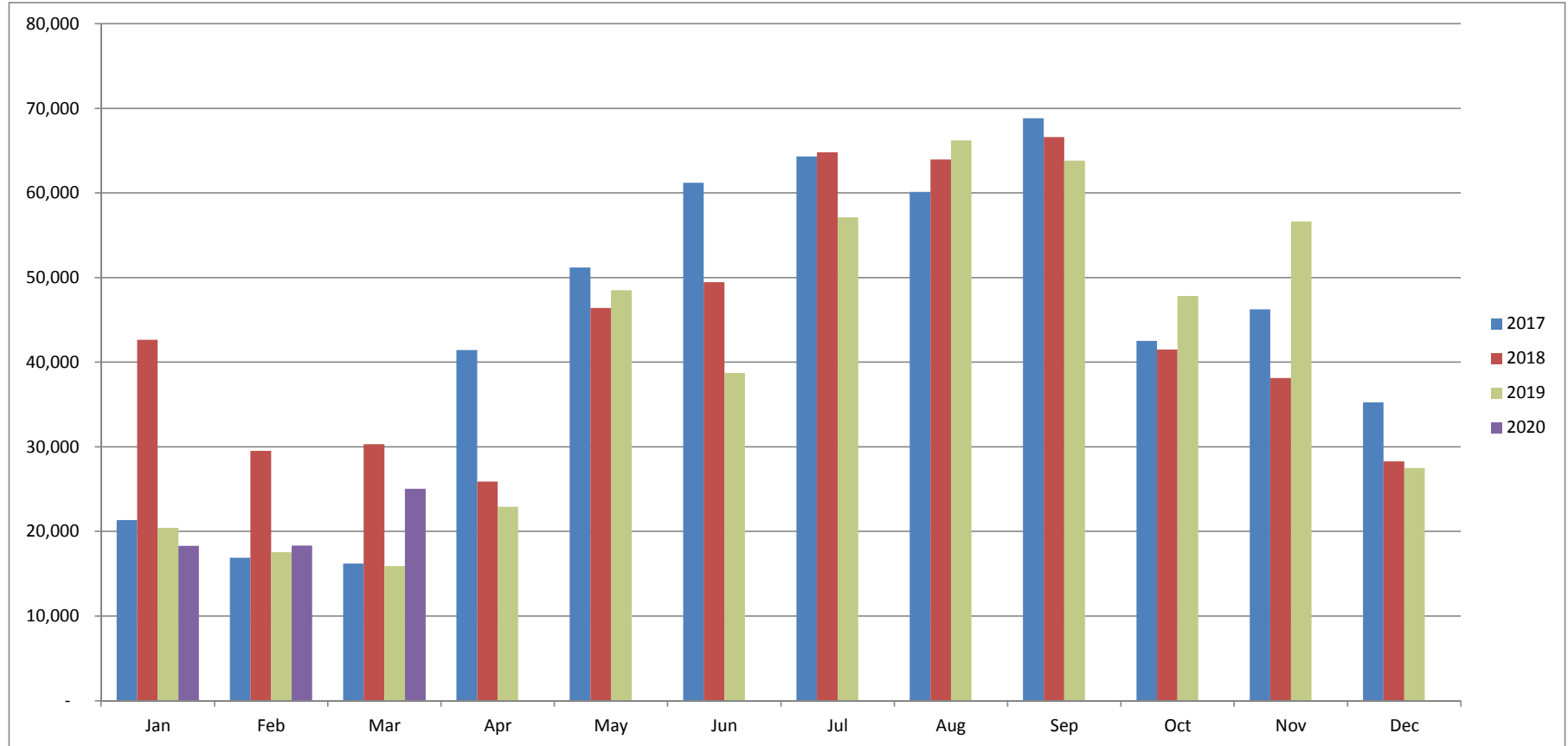
CONCRETE REPAIR/REPLACEMENT	104,886	101,122	3,764	0
GUTTER CLEANING	13,617	13,617	0	0
JANITORIAL SERVICE	96,219	95,982	237	0
TRAFFIC CONTROL	2,296	2,296	0	0
WELDING	24,874	24,325	550	0
TOTAL	\$241,892	\$237,341	\$4,550	\$0

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$80,063	\$0	\$0	\$80,063
MOISTURE INTRUSION - PLUMBING LEAKS	211,453	0	0	211,453
MOISTURE INTRUSION - PLUMBING STOPPAGES	66,394	0	0	66,394
MOISTURE INTRUSION - MISCELLANEOUS	54,966	0	0	54,966
DAMAGE RESTORATION SERVICES	9,319	0	0	9,319
SUPPL. APPROPRIATIONS	1,410	0	0	1,410
OTHER - INVESTMENTS EXPENDITURES	1,320	0	0	1,320
TOTAL	\$423,605	\$0	\$0	\$423,605

United Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017	21,326	16,898	16,207	41,450	51,184	61,199	64,301	60,140	68,826	42,530	46,232	35,259	54,431	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	102,444	527,549
2019	20,437	17,551	15,895	22,897	48,490	38,729	57,098	66,201	63,823	47,827	56,613	27,488	53,883	483,049
2020	18,294	18,329	25,035	-	-	-	-	-	-	-	-	-	61,658	61,658





Statement of Revenues & Expenses - Preliminary Variance Explanations as of March 31, 2020

SUMMARY

United financial results were better than budget by \$1,348K as of March 31, 2020, primarily due to timing of programs. Explanations for categories with significant variances are found below.

REVENUE

- ▶ **Operating Assessments Line 1** \$138K
Favorable variance resulted from an increase in revenue for property taxes and supplemental property taxes; offsetting expense is shown on line 22.
- ▶ **Unrealized gain/(loss) on AFS Investments Line 8** \$236K
Favorable variance due to reporting of Unrealized Gain on Available for Sale Investments. A monthly entry is made to reflect investment market conditions, which fluctuate.

EXPENSE

- ▶ **Employee Compensation and Related Line 12** \$238K
United used fewer hours than anticipated for M&C programs such as Plumbing in March. The budget included hours to replace 632 manor water heaters; however, only 12 water heaters were replaced through the reporting period. Staff is prioritizing work on leak investigation. Favorable variance was furthered by open positions in Landscape and Maintenance and Construction.
- ▶ **Materials and Supplies Line 13** \$293K
Favorable variance resulted in several areas of operations such as Plumbing, Interior Components, and Appliances due to timing of expenditures due to timing where timing of procurement will vary from even budget distribution. Additionally, reprioritization of water heater replacements as noted above contributed to the variance. Interior components such as replacement of kitchen and bathroom countertops are made upon residents request and during resale inspection. As of the reporting period, fewer replacements were made than anticipated.
- ▶ **Legal Fees Line 15** \$44K
Favorable variance resulted due to lower expenditures to date than anticipated. The budget for legal fees is a contingency, which fluctuates from year to year.



Statement of Revenues & Expenses - Preliminary
Variance Explanations as of March 31, 2020

► **Outside Services** [Line 18](#) \$604K

Waste Line Remediation \$212K

Favorable variance due to timing of scheduled work compared to budget spread. Of the 85 scheduled buildings, 24 were completed. If additional buildings become problematic, they will be added to the schedule.

Roof Replacement \$157K

Favorable variance due to timing of scheduled work compared to budget spread. Roofing programs was scheduled to begin in March; however, work did not begin through the reporting period.

Landscape Modification \$101K

Favorable variance due to timing of scheduled work compared to budget spread; slope maintenance work began in March and invoices are expected in Q2.

Paving \$99K

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

► **Property and Sales Tax** [Line 22](#) (\$98K)

Unfavorable variance resulted due to higher supplemental property taxes than anticipated at the time of budget preparation. Assessment base from the County Tax Assessor has increased as average sales price trends upward. Offsetting revenue found on Line 1.

► **Insurance** [Line 23](#) (\$131K)

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