



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, June 30, 2020 – 1:30 p.m.
Laguna Woods Village Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for May 26, 2020
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

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

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

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

7. Department Head Update

Reports

8. Preliminary Financial Statements dated May 31, 2020
9. Financial Presentation on Treasurer's Report
10. Investment Update
11. Investment Policy
12. 2021 Reserve Study Update
13. Contingency Fund Analysis

Items for Discussion and Consideration

14. Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

15. Committee Member Comments
16. Date of Next Meeting – Tuesday, July 28, 2020 at 1:30 p.m.
17. Recess to Closed Session

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



OPEN MEETING

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

Tuesday, May 26, 2020 – 1:30 p.m.
Virtual Meeting

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

OTHERS PRESENT: Juanita Skillman, Manuel Armendariz, Andre Torng, Neda Ardani, Reza Bastani, Dick Rader – VMS

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Steve Hormuth, Christopher Swanson

Call to Order

Director Gilmore chaired the meeting and called it to order at 1:27 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 26, 2020

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

Chair Remarks

None.

Member Comments (Items Not on the Agenda)

Dick Rader commented on historical contingency fund levels.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on Civil Code 5500 reporting, insurance, investments and the 2021 budget process.

Review Preliminary Financial Statements dated April 30, 2020

The committee reviewed Financial Statements for April 30, 2020. Discussion ensued and questions were addressed. The following items were requested:

- Ad-Hoc schedule that breaks out VMS legal fees from corporate counsel expenses.
- Historical analysis of the Contingency Fund balances and expenditures.

2021 Reserve Study Update

Covered in Department Head Update.

Section 5500 Update

Steve Hormuth, Controller, provided an update on the completion of the AX Customization for increased financial reporting functionality. No action was taken.

Investment Policy

The committee reviewed the current investment policy for United. Director Margolis requested recommendations from SageView for additional investment options.

Future Agenda Items

Solar Project Update

Member Comments

None.

Date of Next Meeting

Tuesday, June 30, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:01 p.m.

DRAFT

Brian Gilmore, Chair



MEMORANDUM

To: United Finance Committee
 From: Betty Parker, CFO
 Date: June 30, 2020
 Re: Department Head Update

Financial Highlights

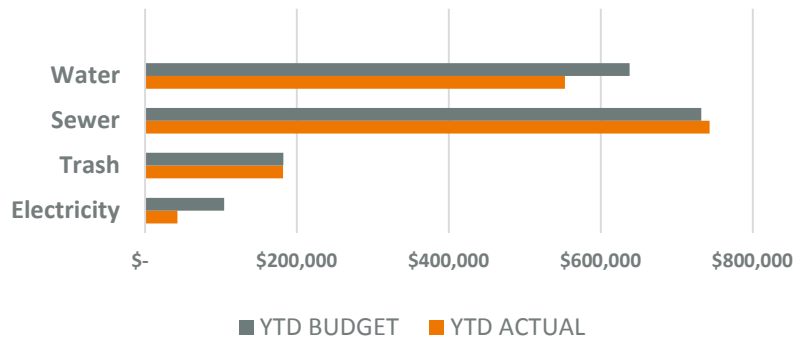
▪ **SUMMARY:** For the year-to-date period ending May 31, 2020, United Mutual was better than budget by \$3.3 million primarily due to timing of programs, especially in the areas of outside services \$1.2M, compensation \$1.1M, and materials \$629K. Various programs were put on hold in mid-March due to the COVID-19 pandemic.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$17,798	\$17,568	\$230
Other Revenues	1,015	747	268
Expenses	16,184	18,971	2,787
Revenue / (Expense)	\$2,629	(\$656)	\$3,285

▪ **COMPENSATION:** Actual compensation and related costs came in at \$5 million, with just under \$3.9 million in operations and \$1.1 million in reserves. Combined, this category is 18% favorable to budget. Staffing was reduced through employee furloughs beginning mid-March due to the Covid-19 pandemic. For United, the most significant impacts were in Maintenance and Landscape.

	Budget			Variance	
	Comp	Related	Total	Total \$	Total %
All Units					
Operating	\$3,117,327	\$1,220,974	\$4,338,301	\$439,433	10.1%
Reserves	1,172,044	515,312	1,687,356	625,870	37.1%
TOTAL	\$4,289,371	\$1,736,286	\$6,025,657	\$1,065,303	17.7%

▪ **UTILITIES:** In total, this category was favorable to budget by \$136K. On average water consumption was lower than due to higher rainfall than prior years, sewer (a fixed residential charge) and trash came in on budget, and electricity was favorable due to energy consumption offset by solar credits.



Discussions

Section 5500 Update: Due to Covid-19 orders, information required for Board review of monthly financials is being provided to all board members via email. Further, a programming change was made to AX in May segregating A/P and Cash reserve fund transactions and balances from operating funds on the balance sheet. The change has allowed Board members to approve reserve expenditures prior to payment beginning in June.

Insurance Update: Property valuation is underway and will be used for Q3 property insurance renewals. State Farm has declined to make a proposal on the Laguna Woods Village insurance program due to market conditions and will re-visit the option of working with our broker in the future. Beecher Carlson reached out to incumbents and early indicators suggest property insurance premiums will increase significantly at renewal due to tightening of reinsurance markets.

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 \$15,316,062 as of May 31, 2020, representing a gain of \$488,018 or 3.3%. Dan Quirk, account executive, will be on call for United Finance meeting to discuss potential changes to the current investment policy criteria.

2021 Budget: The proposed budget is currently being developed by staff and will be issued on July 15, 2020 in advance of scheduled review meetings.

Calendar

The following scheduled meetings will be held remotely during COVID-19 stay home orders:

- June 30, 2020 @ 1:30 p.m. United Finance Committee Meeting
- July 2, 2020 @ 2:00 p.m. United Board Agenda Prep Meeting
- July 14, 2020 @ 9:30 a.m. United Board Meeting
- July 20, 2020 @ 10:00 a.m. All Board All Directors – 2021 Budget Presentation by CEO
- July 23, 2020 @ 1:30 a.m. United Special Board – 2021 Budget Meeting
- July 28, 2020 @ 1:30 p.m. United Finance Committee Meeting

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

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
5/31/2020
(\$ 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	\$12,676	\$12,445	\$231	\$11,686	\$29,869
2	Additions to restricted funds	1,024	1,024		5,122	5,122		5,153	12,294
3	Total assessments	<u>3,560</u>	<u>3,514</u>	<u>46</u>	<u>17,798</u>	<u>17,568</u>	<u>231</u>	<u>16,839</u>	<u>42,163</u>
Non-assessment revenues:									
4	Merchandise sales	1	2		3	8	(5)	1	20
5	Fees and charges for services to residents	15	45	(30)	154	225	(71)	272	540
6	Laundry	18	23	(4)	106	113	(7)	108	270
7	Investment income	23	32	(9)	126	161	(34)	189	385
8	Unrealized gain/(loss) on AFS investments	50		50	438		438		
9	Miscellaneous	36	48	(12)	188	241	(53)	239	579
10	Total non-assessment revenue	<u>143</u>	<u>150</u>	<u>(6)</u>	<u>1,015</u>	<u>747</u>	<u>268</u>	<u>809</u>	<u>1,794</u>
11	Total revenue	<u>3,703</u>	<u>3,663</u>	<u>40</u>	<u>18,814</u>	<u>18,315</u>	<u>498</u>	<u>17,648</u>	<u>43,957</u>
Expenses:									
12	Employee compensation and related	603	1,220	617	4,960	6,026	1,065	5,971	14,548
13	Materials and supplies	82	259	177	694	1,323	629	1,552	3,141
14	Utilities and telephone	366	371	5	1,521	1,657	136	1,574	4,326
15	Legal fees	6	29	23	85	146	60	67	350
16	Professional fees		7	7	42	68	26	90	122
17	Equipment rental	1	1		8	7	(1)	12	17
18	Outside services	340	726	386	2,396	3,596	1,200	2,807	8,638
19	Repairs and maintenance	2	4	2	12	20	7	14	47
20	Other Operating Expense	4	16	12	50	83	33	80	201
21	Income taxes		2	2		10	10	1	25
22	Property and sales tax	939	926	(13)	4,798	4,630	(168)	4,619	11,112
23	Insurance	170	125	(45)	846	627	(220)	520	1,504
24	Investment expense	3	3		5	15	10	19	37
25	Uncollectible Accounts	(5)	5	10	5	25	19	20	60
26	(Gain)/loss on sale or trade		(1)	(1)	61	(3)	(64)	1	(8)
27	Depreciation and amortization	17	17		83	83		87	198
28	Net allocation to mutuals	96	131	35	617	660	43	493	1,584
29	Total expenses	<u>2,624</u>	<u>3,842</u>	<u>1,218</u>	<u>16,185</u>	<u>18,971</u>	<u>2,787</u>	<u>17,928</u>	<u>45,902</u>
30	Excess of revenues over expenses	<u>\$1,079</u>	<u>(\$179)</u>	<u>\$1,258</u>	<u>\$2,629</u>	<u>(\$656)</u>	<u>\$3,285</u>	<u>(\$280)</u>	<u>(\$1,945)</u>

United Laguna Woods Mutual
Operating Statement
5/31/2020
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$7,409,291	\$7,409,570	(\$279)	0.00%	\$17,782,968
41007000 - Monthly Assessments - Property Taxes	4,734,683	4,629,998	104,685	2.26%	11,111,994
41007500 - Monthly Assessments - Supplemental Property Taxes	126,306	0	126,306	0.00%	0
41008000 - Monthly Assessments - Property Insurance	405,892	405,891	1	0.00%	974,142
Total Operating	12,676,173	12,445,459	230,714	1.85%	29,869,104
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	316,150	316,150	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	4,806,112	4,806,250	(138)	0.00%	11,535,000
Total Additions To Restricted Funds	5,122,262	5,122,400	(138)	0.00%	12,293,760
Total Assessments	17,798,435	17,567,859	230,576	1.31%	42,162,864
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	3,464	8,330	(4,866)	(58.41%)	20,000
Total Merchandise Sales	3,464	8,330	(4,866)	(58.41%)	20,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	70,258	61,964	8,295	13.39%	148,715
46501500 - Inspection Fee	18,529	33,038	(14,509)	(43.92%)	79,294
46502000 - Resident Maintenance Fee	64,983	129,762	(64,779)	(49.92%)	311,513
Total Fees and Charges for Services to Residents	153,770	224,763	(70,993)	(31.59%)	539,522
Laundry					
46005000 - Coin Op Laundry Machine	105,679	112,500	(6,821)	(6.06%)	270,000
Total Laundry	105,679	112,500	(6,821)	(6.06%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	7,192	36,787	(29,596)	(80.45%)	88,289
49002000 - Investment Income - Discretionary	119,124	123,835	(4,712)	(3.80%)	297,205
Investment Interest Income	126,315	160,623	(34,307)	(21.36%)	385,494
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	438,188	0	438,188	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	438,188	0	438,188	0.00%	0
Miscellaneous					
46004500 - Resident Violations	3,850	20,832	(16,982)	(81.52%)	50,001
44501000 - Additional Occupant Fee	15,990	17,500	(1,510)	(8.63%)	42,000
44501500 - Lease Processing Fee - United	49,150	53,330	(4,180)	(7.84%)	128,000
44502000 - Variance Processing Fee	1,650	1,665	(15)	(0.90%)	4,000
44503000 - Stock Transfer Fee	3,000	5,415	(2,415)	(44.60%)	13,000
44503510 - Resale Processing Fee - United	50,708	52,080	(1,372)	(2.63%)	125,000
44507000 - Golf Cart Electric Fee	24,542	25,833	(1,291)	(5.00%)	62,000
44507200 - Electric Vehicle Plug-In Fee	6,594	6,250	344	5.50%	15,000
44507500 - Cartport/Carport Space Rental Fee	913	1,042	(129)	(12.40%)	2,500
47001500 - Late Fee Revenue	5,297	20,833	(15,537)	(74.58%)	50,000
47002010 - Collection Administrative Fee - United	26,560	30,000	(3,440)	(11.47%)	72,000
47002500 - Collection Interest Revenue	803	2,000	(1,197)	(59.85%)	4,800
47501000 - Recycling	513	2,500	(1,987)	(79.49%)	6,000
48001000 - Legal Fee	0	1,833	(1,833)	(100.00%)	4,400
49009000 - Miscellaneous Revenue	(1,765)	0	(1,765)	0.00%	0
Total Miscellaneous	187,804	241,114	(53,310)	(22.11%)	578,701
Total Non-Assessment Revenue	1,015,221	747,329	267,891	35.85%	1,793,717
Total Revenue	18,813,656	18,315,188	498,468	2.72%	43,956,581
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,022,392	1,188,989	166,597	14.01%	2,883,900

United Laguna Woods Mutual
Operating Statement
5/31/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51021000 - Union Wages - Regular	1,950,331	2,597,859	647,528	24.93%	6,279,593
51041000 - Wages - Overtime	14,294	11,747	(2,547)	(21.68%)	28,203
51051000 - Union Wages - Overtime	50,922	39,537	(11,385)	(28.80%)	94,908
51061000 - Holiday & Vacation	327,492	319,577	(7,916)	(2.48%)	773,301
51071000 - Sick	182,352	130,354	(51,999)	(39.89%)	315,425
51081000 - Sick - Part Time	0	10	10	100.00%	24
51091000 - Missed Meal Penalty	2,101	522	(1,579)	(302.75%)	1,268
51101000 - Temporary Help	5,111	777	(4,334)	(557.58%)	1,870
51981000 - Compensation Accrual	(169,547)	0	169,547	0.00%	0
Total Employee Compensation	3,385,449	4,289,371	903,922	21.07%	10,378,493
Compensation Related					
52411000 - F.I.C.A.	280,140	324,114	43,974	13.57%	776,727
52421000 - F.U.I.	7,601	10,834	3,233	29.84%	10,834
52431000 - S.U.I.	51,905	55,120	3,215	5.83%	55,120
52441000 - Union Medical	739,305	787,202	47,897	6.08%	1,889,284
52451000 - Workers' Compensation Insurance	200,470	228,117	27,647	12.12%	639,961
52461000 - Non Union Medical & Life Insurance	145,422	140,669	(4,753)	(3.38%)	337,605
52471000 - Union Retirement Plan	149,326	138,375	(10,951)	(7.91%)	334,482
52481000 - Non-Union Retirement Plan	23,444	51,856	28,411	54.79%	125,775
52981000 - Compensation Related Accrual	(22,709)	0	22,709	0.00%	0
Total Compensation Related	1,574,904	1,736,286	161,382	9.29%	4,169,789
Materials and Supplies					
53001000 - Materials & Supplies	169,589	262,029	92,440	35.28%	594,628
53003000 - Materials Direct	524,385	1,060,605	536,220	50.56%	2,545,928
53004000 - Freight	20	0	(20)	0.00%	0
Total Materials and Supplies	693,993	1,322,634	628,641	47.53%	3,140,556
Utilities and Telephone					
53301000 - Electricity	42,802	104,200	61,398	58.92%	189,000
53301500 - Sewer	743,348	732,500	(10,848)	(1.48%)	1,779,600
53302000 - Water	553,071	638,047	84,976	13.32%	1,919,116
53302500 - Trash	181,588	182,382	794	0.44%	437,719
53304000 - Telephone	279	286	6	2.26%	685
Total Utilities and Telephone	1,521,088	1,657,414	136,327	8.23%	4,326,120
Legal Fees					
53401500 - Legal Fees	85,354	145,827	60,473	41.47%	349,985
Total Legal Fees	85,354	145,827	60,473	41.47%	349,985
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	38,000	36,000	(2,000)	(5.56%)	44,500
53403500 - Consulting Fees	19	5,011	4,991	99.61%	12,479
53403510 - Consulting Fees - United	4,480	27,075	22,595	83.45%	65,000
Total Professional Fees	42,499	68,086	25,586	37.58%	121,979
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	7,656	6,790	(865)	(12.75%)	17,038
Total Equipment Rental	7,656	6,790	(865)	(12.75%)	17,038
Outside Services					
53601000 - Bank Fees	13,664	10,549	(3,114)	(29.52%)	25,321
53601500 - Credit Card Transaction Fees	785	0	(785)	0.00%	0
54603500 - Outside Services Cost Collection	2,352,337	3,519,810	1,167,473	33.17%	8,447,910
53704000 - Outside Services	28,989	65,258	36,269	55.58%	164,394
Total Outside Services	2,395,774	3,595,617	1,199,843	33.37%	8,637,624
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,359	6,992	5,633	80.56%	16,823
53703000 - Elevator /Lift Maintenance	11,002	12,565	1,563	12.44%	30,157
Total Repairs and Maintenance	12,361	19,558	7,196	36.80%	46,979
Other Operating Expense					
53801000 - Mileage & Meal Allowance	720	6,292	5,573	88.56%	15,153
53801500 - Travel & Lodging	245	1,251	1,006	80.44%	3,027
53802000 - Uniforms	25,675	36,977	11,303	30.57%	88,787
53802500 - Dues & Memberships	164	600	436	72.69%	1,687

United Laguna Woods Mutual
Operating Statement
5/31/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
53803000 - Subscriptions & Books	839	840	1	0.10%	2,026
53803500 - Training & Education	3,768	8,101	4,333	53.48%	19,682
53804000 - Staff Support	133	587	455	77.41%	1,409
53901500 - Volunteer Support	0	695	695	100.00%	1,668
53903000 - Safety	0	210	210	100.00%	508
54001000 - Board Relations	397	0	(397)	0.00%	0
54001010 - Board Relations - United	1,028	3,125	2,097	67.09%	7,500
54002000 - Postage	17,185	24,464	7,279	29.75%	58,717
54002500 - Filing Fees / Permits	95	355	260	73.17%	847
Total Other Operating Expense	50,249	83,497	33,248	39.82%	201,011
Income Taxes					
54301000 - State & Federal Income Taxes	0	10,419	10,419	100.00%	25,000
Total Income Taxes	0	10,419	10,419	100.00%	25,000
Property and Sales Tax					
54302000 - Property Taxes	4,797,763	4,629,998	(167,766)	(3.62%)	11,111,994
Total Property and Sales Tax	4,797,763	4,629,998	(167,766)	(3.62%)	11,111,994
Insurance					
54401000 - Hazard & Liability Insurance	246,476	189,908	(56,568)	(29.79%)	455,779
54401500 - D&O Liability	26,701	27,671	970	3.50%	66,412
54402000 - Property Insurance	570,876	405,891	(164,984)	(40.65%)	974,142
54403000 - General Liability Insurance	2,280	3,053	773	25.33%	7,328
Total Insurance	846,332	626,523	(219,810)	(35.08%)	1,503,660
Investment Expense					
54201000 - Investment Expense	5,047	15,305	10,258	67.03%	36,732
Total Investment Expense	5,047	15,305	10,258	67.03%	36,732
Uncollectible Accounts					
54602000 - Bad Debt Expense	5,443	24,833	19,390	78.08%	59,600
Total Uncollectible Accounts	5,443	24,833	19,390	78.08%	59,600
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(2,958)	(3,125)	(167)	(5.33%)	(7,500)
54101500 - (Gain)/Loss On Investments	64,247	0	(64,247)	0.00%	0
Total (Gain)/Loss on Sale or Trade	61,288	(3,125)	(64,413)	(2061.23%)	(7,500)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	82,601	82,601	0	0.00%	198,242
Total Depreciation and Amortization	82,601	82,601	0	0.00%	198,242
Net Allocation to Mutuals					
54602500 - Allocated Expenses	616,861	659,652	42,792	6.49%	1,584,319
Total Net Allocation to Mutuals	616,861	659,652	42,792	6.49%	1,584,319
Total Expenses	16,184,662	18,971,285	2,786,623	14.69%	45,901,622
Excess of Revenues Over Expenses	\$2,628,994	(\$656,097)	\$3,285,091	500.70%	(\$1,945,042)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
5/31/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$2,754,899	\$2,159,882
2	Non-discretionary investments	1,999,835	1,992,808
3	Discretionary investments	15,316,062	14,828,044
4	Receivable/(Payable) from mutuals	1,601,081	1,518,100
5	Accounts receivable and interest receivable	576,811	675,921
6	Prepaid expenses and deposits	1,841,412	1,118,128
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,757,467)	(83,756,191)
9	Beneficial interest in GRF of Laguna Hills Trust	5,715,624	5,796,949
10	Non-controlling interest in GRF	39,116,237	39,116,237
11	Total Assets	<u><u>\$77,154,100</u></u>	<u><u>\$75,439,483</u></u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$784,401	\$1,453,947
13	Accrued compensation and related costs	385,466	596,765
14	Deferred income	903,020	936,551
15	Asset retirement obligation	1,207,814	1,207,814
16	Total liabilities	<u>\$3,280,701</u>	<u>\$4,195,078</u>
Fund balances:			
17	Fund balance prior years	71,244,405	74,614,944
18	Change in fund balance - current year	2,628,994	(3,370,539)
19	Total fund balances	<u>73,873,398</u>	<u>71,244,405</u>
20	Total Liabilities and Fund Balances	<u><u>\$77,154,100</u></u>	<u><u>\$75,439,483</u></u>

**United Laguna Woods Mutual
Fund Balance Sheet - Final
5/31/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets				
1	Cash and cash equivalents	\$3,003,899		\$3,003,899
2	Non-discretionary investments	1,999,835		1,999,835
3	Discretionary investments	15,316,062		15,316,062
4	Receivable/(Payable) from mutuals	1,601,081		1,601,081
5	Receivable/(Payable) from operating fund	(20,764,600)	788,493	19,727,106
6	Accounts receivable and interest receivable	576,811		576,811
7	Prepaid expenses and deposits	1,841,412		1,841,412
8	Property and equipment	91,989,605		91,989,605
9	Accumulated depreciation property and equipment	(83,757,467)		(83,757,467)
10	Beneficial interest in GRF of Laguna Hills Trust	5,715,624		5,715,624
11	Non-controlling interest in GRF	39,116,237		39,116,237
12	Total Assets	<u>\$56,638,501</u>	<u>\$788,493</u>	<u>\$19,727,106</u>
				<u>\$77,154,100</u>
Liabilities and Fund Balances				
Liabilities:				
13	Accounts payable and accrued expenses	\$591,485	\$82,625	\$110,291
14	Accrued compensation and related costs	385,466		385,466
15	Deferred income	903,020		903,020
16	Asset retirement obligation	1,207,814		1,207,814
17	Total liabilities	<u>\$3,087,786</u>	<u>\$82,625</u>	<u>\$110,291</u>
				<u>\$3,280,701</u>
Fund balances:				
18	Fund balance prior years	52,881,436	1,106,755	17,256,214
19	Change in fund balance - current year	669,279	(400,886)	2,360,601
20	Total fund balances	<u>53,550,715</u>	<u>705,868</u>	<u>19,616,815</u>
21	Total Liabilities and Fund Balances	<u>\$56,638,501</u>	<u>\$788,493</u>	<u>\$19,727,106</u>
				<u>\$77,154,100</u>

**United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
5/31/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	Operating	\$12,676,173		\$12,676,173
2	Additions to restricted funds	162	316,140	4,805,960
3	Total assessments	<u>12,676,335</u>	<u>316,140</u>	<u>4,805,960</u>
Non-assessment revenues:				
4	Merchandise sales	420		3,044
5	Fees and charges for services to residents	153,770		153,770
6	Laundry	105,679		105,679
7	Interest income		6,417	119,899
8	Unrealized gain/(loss) on AFS investments		18,118	420,070
9	Miscellaneous	187,804		187,804
10	Total non-assessment revenue	<u>447,673</u>	<u>24,535</u>	<u>543,013</u>
11	Total revenue	<u>13,124,008</u>	<u>340,675</u>	<u>5,348,973</u>
Expenses:				
12	Employee compensation and related	3,898,867		1,061,486
13	Materials and supplies	277,398		416,595
14	Utilities and telephone	1,519,537		1,550
15	Legal fees	85,354		85,354
16	Professional fees	39,999		2,500
17	Equipment rental	1,375		6,281
18	Outside services	297,354	738,379	1,360,042
19	Repairs and maintenance	12,027		335
20	Other Operating Expense	42,323		7,926
21	Property and sales tax	4,797,763		4,797,763
22	Insurance	846,332		846,332
23	Investment expense		246	4,801
24	Uncollectible Accounts	5,443		5,443
25	(Gain)/loss on sale or trade	(2,958)	2,937	61,310
26	Depreciation and amortization	82,601		82,601
27	Net allocations to mutuals	551,313		65,547
28	Total expenses	<u>12,454,729</u>	<u>741,561</u>	<u>2,988,372</u>
29	Excess of revenues over expenses	<u>\$669,279</u>	<u>(\$400,886)</u>	<u>\$2,360,601</u>
30	Excluding unrealized gain/(loss) and depreciation	<u>\$751,880</u>	<u>(\$419,005)</u>	<u>\$1,940,531</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
5/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	5/31/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
9127962V0	U.S. TREASURY BILL	0.00%	05-15-20	06-16-20	1,000,000.00	0.05%	999,955.56	999,955.56	999,949.00	(6.56)
912796SZ3	U.S. TREASURY BILL	0.00%	05-15-20	07-16-20	1,000,000.00	0.07%	999,879.44	999,879.44	999,834.00	(45.44)
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 2,000,000.00		\$ 1,999,835.00	1,999,835.00	\$1,999,783.00	(\$52.00)

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
5/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	5/31/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
	FIDELITY GOVT CASH RESERVES				\$ 56,975.91		\$ 56,975.91	\$ 56,975.91	\$ 56,975.91	\$0.00
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-17-19	-	927,846.95	0.00%	\$927,846.95	927,846.95	\$948,713.56	\$20,866.61
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-18-19	-	95,080.05	0.00%	95,080.05	95,080.05	\$97,218.33	\$2,138.28
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	03-30-20	-	180,089.25	0.00%	180,089.25	180,089.25	\$184,139.33	\$4,050.08
31635V216	FUMBX-Fidelity Short Term Trsry Bond Index	0.00%	12-13-19	-	4,377,533.57	0.00%	4,377,533.57	4,377,533.57	\$4,539,532.91	\$161,999.34
31635V257	FUAMX-Fidelity Inter Trsry Bond Index	0.00%	12-13-19	-	3,787,417.15	0.00%	3,787,417.15	3,787,417.15	\$3,930,652.05	\$143,234.90
922031851	VFIRX-Vanguard Short Term Trsry Admiral	0.00%	12-13-19	-	739,693.06	0.00%	739,693.06	739,693.06	\$759,381.80	\$19,688.74
92206C607	VSCSX-Vanguard Short Term Corp Bd Index Adm	0.00%	12-13-19	-	1,170,310.22	0.00%	1,170,310.22	1,170,310.22	\$1,179,480.19	\$9,169.97
92206C755	VMBSX-Vanguard Backed Securities Indx Adm	0.00%	12-13-19	-	3,530,809.47	0.00%	3,530,809.47	3,530,809.47	\$3,619,967.89	\$89,158.42
TOTALS FOR DISCRETIONARY INVESTMENTS					14,865,755.63		14,865,755.63	\$14,865,755.63	\$15,316,061.97	\$450,306.34
TOTAL INVESTMENTS					\$ 16,865,755.63		\$ 16,865,590.63			

*Yield is based on all investments held during the year

**United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 05/31/2020**

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 MAY 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$1,163	\$55,974	\$182,772	\$279,146	\$670,009	27%	\$96,374	35%
CDS SIGNAGE	0	4,166	0	20,830	50,000	0%	20,830	100%
ELECTRICAL SYSTEMS	0	38,290	118,507	191,450	459,495	26%	72,943	38%
EXTERIOR WALKWAY LIGHTING	0	6,280	3,571	31,295	75,121	5%	27,723	89%
FOUNDATIONS	0	3,653	150	18,265	43,836	0%	18,115	99%
GUTTER REPLACEMENT	(1,488)	8,228	20,782	40,947	98,289	21%	20,164	49%
PAINT - EXTERIOR	(16,595)	157,758	546,389	781,894	1,876,061	29%	235,505	30%
PRIOR TO PAINT	2,239	84,359	265,504	418,053	1,003,518	26%	152,549	36%
PAVING	0	33,052	23,912	165,260	396,628	6%	141,348	86%
ROOF REPLACEMENTS	0	77,565	88,189	387,825	930,804	9%	299,636	77%
WALL REPLACEMENT	0	13,750	0	68,750	165,000	0%	68,750	100%
WASTE LINE REMEDIATION	32,106	191,666	577,253	958,330	2,300,000	25%	381,077	40%
WATER LINE - COPPER PIPE REMEDIATION	12,042	16,666	135,251	83,330	200,000	68%	(51,921)	(62%)
WINDOW/SLIDING SCREEN DOOR	840	9,998	12,651	49,791	119,518	11%	37,141	75%
SUPPL. APPROPRIATIONS	0	0	3,889	3,889	3,889	100%	0	0%
SUB-TOTAL	\$30,306	\$701,405	\$1,978,820	\$3,499,055	\$8,392,168	24%	\$1,520,234	43%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$290	\$5,938	\$23,368	\$29,626	\$71,112	33%	\$6,258	21%
DISHWASHERS	0	7,151	22,392	35,623	85,523	26%	13,231	37%
BASINS/SINKS/TOILETS	1,120	19,941	50,275	99,419	238,679	21%	49,144	49%
GARBAGE DISPOSALS	3,686	9,669	29,571	48,088	115,440	26%	18,517	39%
HOODS	0	2,984	3,579	14,861	35,681	10%	11,282	76%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	8,332	116,371	262,563	580,039	1,392,191	19%	317,476	55%
OVENS	(66)	9,271	44,920	46,291	111,112	40%	1,371	3%
RANGES	0	1,045	2,968	5,193	12,469	24%	2,225	43%
REFRIGERATORS	815	19,022	37,968	94,890	227,754	17%	56,922	60%
WATER HEATERS & PERMITS	33,663	62,889	91,566	313,084	751,503	12%	221,517	71%
DRYERS	0	2,981	123	14,889	35,735	0%	14,766	99%
WASHING MACHINES	6,284	7,571	19,478	37,816	90,773	21%	18,338	48%
SUB-TOTAL	\$54,124	\$264,832	\$588,771	\$1,319,820	\$3,167,971	19%	\$731,048	55%
TOTAL RESERVE FUND	\$84,430	\$966,237	\$2,567,592	\$4,818,874	\$11,560,139	22%	\$2,251,283	47%

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	772	0	3,828	9,186	0%	3,828	100%
PAVING	1,664	5,752	4,576	28,529	68,481	7%	23,954	84%
WALL REPLACEMENT	0	2,529	0	12,645	30,365	0%	12,645	100%
TOTAL	\$1,664	\$9,053	\$4,576	\$45,003	\$108,032	4%	\$40,427	90%

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	0	37,636	9,131	188,133	451,543	2%	179,003	95%
TREE MAINTENANCE	94,506	72,687	340,963	360,286	864,752	39%	19,323	5%
TOTAL RESERVE FUND	\$94,506	\$110,323	\$350,094	\$548,419	\$1,316,295	27%	\$198,326	36%

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$65,705	\$116,311	\$617,047	\$575,795	\$1,382,295	45%	(\$41,252)	(7%)
CARPENTRY SERVICE	(13,918)	41,569	204,364	205,822	494,100	41%	1,458	1%
ELECTRICAL SERVICE	17,961	34,485	136,450	170,631	409,634	33%	34,180	20%
APPLIANCE REPAIRS	4,390	25,942	99,792	128,486	308,507	32%	28,694	22%
INTERIOR PREVENTIVE MAINTENANCE	0	29,169	88,592	144,314	346,454	26%	55,721	39%
PEST CONTROL	6,840	18,830	13,625	94,150	225,980	6%	80,525	86%
COUNTERTOP/FLOOR/TILE REPAIRS	858	10,803	46,554	53,519	128,480	36%	6,964	13%
ENERGY PROGRAM	4,903	2,083	5,393	10,415	25,000	22%	5,022	48%
MISC. REPAIRS BY OUTSIDE SERVICE	575	2,083	12,610	10,415	25,000	50%	(2,195)	(21%)
FIRE PROTECTION	45	1,058	418	5,290	12,700	3%	4,872	92%
TOTAL	\$87,358	\$282,333	\$1,224,845	\$1,398,837	\$3,358,151	36%	\$173,992	12%

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	30,676	31,343	158,041	155,473	373,111	42%	(2,568)	(2%)
JANITORIAL SERVICE	32,433	28,945	162,335	143,978	345,015	47%	(18,357)	(13%)
GUTTER CLEANING	(702)	16,111	32,269	80,363	192,872	17%	48,094	60%
WELDING	(229)	8,509	29,929	42,197	101,275	30%	12,268	29%
TRAFFIC CONTROL	255	1,261	2,730	6,252	15,010	18%	3,521	56%
TOTAL	\$62,433	\$86,168	\$385,304	\$428,262	\$1,027,283	38%	\$42,958	10%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$30,882	\$12,666	\$134,906	\$63,330	\$152,000	89%	(\$71,576)	(113%)
MOISTURE INTRUSION - PLUMBING LEAKS	69,589	62,949	334,498	314,745	755,390	44%	(19,753)	(6%)
MOISTURE INTRUSION - PLUMBING STOPPAGES	21,744	23,243	150,690	116,215	278,926	54%	(34,475)	(30%)
MOISTURE INTRUSION - MISCELLANEOUS	30,711	6,565	105,636	32,825	78,786	134%	(72,811)	(222%)
DAMAGE RESTORATION SERVICES	1,920	12,019	11,239	59,842	143,640	8%	48,603	81%
SUPPL. APPROPRIATIONS	0	0	1,410	1,410	1,410	100%	0	0%
TOTAL CONTINGENCY FUND	\$154,846	\$117,442	\$738,379	\$588,367	\$1,410,152	52%	(\$150,012)	(25%)

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

YTD ACTUAL

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

BUILDING STRUCTURES	\$182,772	\$11,478	\$588	\$170,706
CDS SIGNAGE	0	0	0	0
ELECTRICAL SYSTEMS	118,507	0	0	118,507
EXTERIOR WALKWAY LIGHTING	3,571	0	0	3,571
FOUNDATIONS	150	0	0	150
GUTTER REPLACEMENT	20,782	18,922	1,861	0
PAINT - EXTERIOR	546,389	494,376	52,013	0
PAVING	23,912	0	0	23,912
PRIOR TO PAINT	265,504	225,782	39,722	0
ROOF REPLACEMENTS	88,189	0	0	88,189
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	577,253	5,608	76	571,569
WATER LINE - COPPER PIPE REMEDIATION	135,251	0	0	135,251
WINDOW/SLIDING SCREEN DOOR	12,651	4,427	5,446	2,778
BASINS/SINKS/TOILETS	50,275	16,965	33,310	0
COOKTOPS	23,368	3,556	13,465	6,347
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	262,563	110,568	75,357	76,639
DISHWASHERS	22,392	6,221	12,901	3,270
DRYERS	123	123	0	0
GARBAGE DISPOSALS	29,571	10,517	19,054	0
HOODS	3,579	904	1,243	1,432
OVENS	44,920	2,984	25,467	16,469
RANGES	2,968	998	1,516	454
REFRIGERATORS	37,968	6,396	22,115	9,457
WASHING MACHINES	19,478	1,970	17,507	0
WATER HEATERS & PERMITS	91,566	26,007	65,559	0
SUPPL. APPROPRIATIONS	3,889	900	489	2,500
TOTAL	\$2,567,592	\$948,701	\$387,688	\$1,231,202

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	0	0	0
PAVING	4,576	4,576	0	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$4,576	\$4,576	\$0	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	9,131	0	609	8,522
TREE MAINTENANCE	340,963	222,883	0	118,080
TOTAL	\$350,094	\$222,883	\$609	\$126,602

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

YTD ACTUAL

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

CARPENTRY SERVICE	204,364	188,514	15,850	0
COUNTERTOP/FLOOR/TILE REPAIRS	46,554	42,198	1,307	3,050
ELECTRICAL SERVICE	136,450	120,914	15,536	0
ENERGY PROGRAM	5,393	0	0	5,393
FIRE PROTECTION	418	0	418	0
INTERIOR PREVENTIVE MAINTENANCE	88,592	88,004	589	0
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	12,610	0	0	12,610
PEST CONTROL	13,625	0	0	13,625
PLUMBING SERVICE	617,047	493,766	23,032	100,249
APPLIANCE REPAIRS	99,792	87,803	11,989	0
TOTAL	\$1,224,845	\$1,021,198	\$68,720	\$134,927

OPERATING EXPENDITURES - GENERAL SERVICES

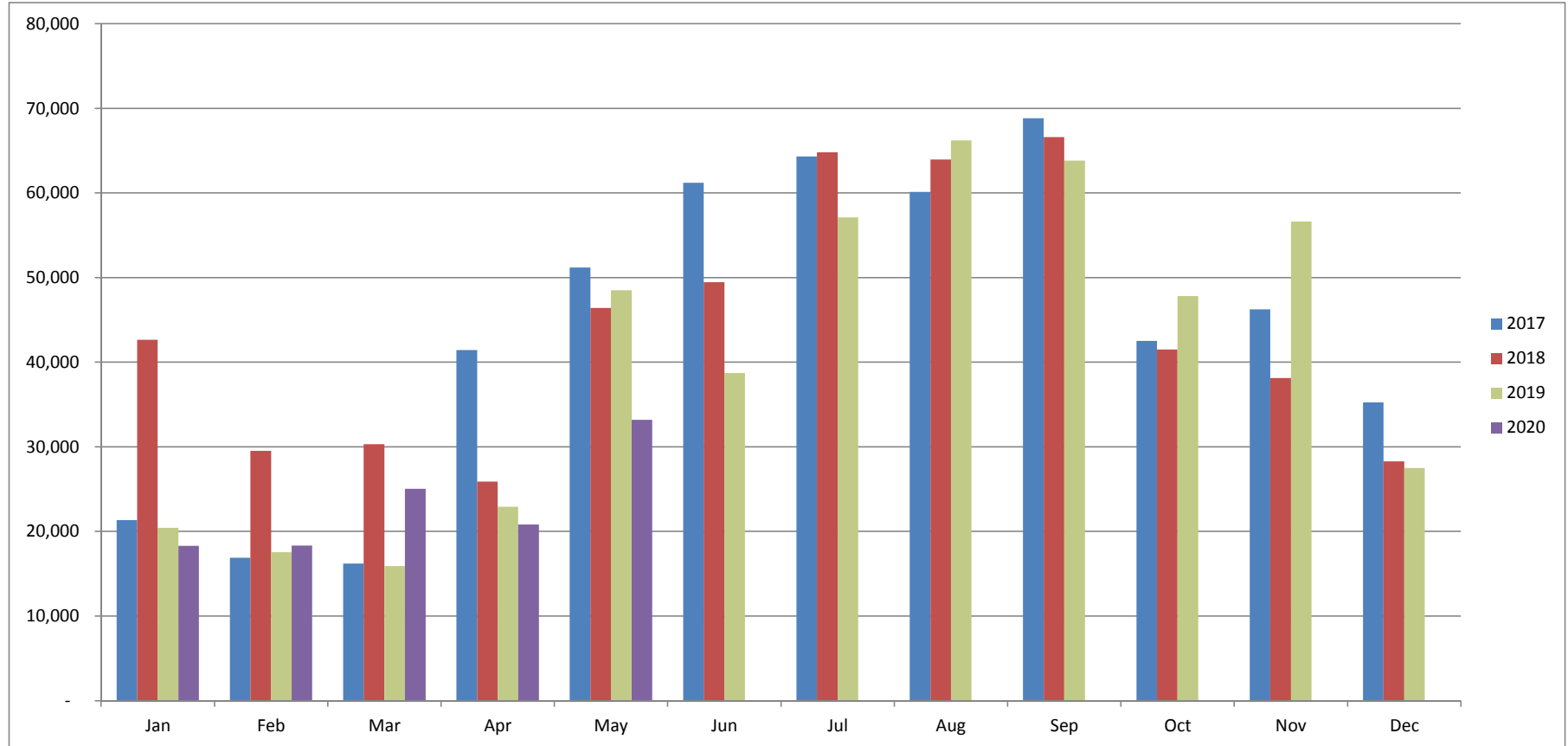
CONCRETE REPAIR/REPLACEMENT	158,041	149,086	8,955	0
GUTTER CLEANING	32,269	32,269	0	0
JANITORIAL SERVICE	162,335	162,098	237	0
TRAFFIC CONTROL	2,730	2,730	0	0
WELDING	29,929	29,262	666	0
TOTAL	\$385,304	\$375,446	\$9,858	\$0

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$134,906	\$0	\$0	\$134,906
MOISTURE INTRUSION - PLUMBING LEAKS	334,498	0	0	334,498
MOISTURE INTRUSION - PLUMBING STOPPAGES	150,690	0	0	150,690
MOISTURE INTRUSION - MISCELLANEOUS	105,636	0	0	105,636
DAMAGE RESTORATION SERVICES	11,239	0	0	11,239
SUPPL. APPROPRIATIONS	1,410	0	0	1,410
TOTAL	\$738,379	\$0	\$0	\$738,379

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	147,065	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	174,730	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	125,270	483,049
2020	18,294	18,329	25,035	20,833	33,194	-	-	-	-	-	-	-	115,685	115,685





RESOLUTION 01-19-87

UNITED INVESTMENT POLICY REVISIONS

RESOLVED, November 12, 2019 that the Managing Agent of this corporation, and an outside Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this corporation, to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for the United Laguna Woods Mutual account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

RESOLVED FURTHER, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by the Managing Agent in a non-discretionary account, no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the following: the Treasurer, the President or the 1st or 2nd Vice President of this corporation. Furthermore, if there is a request that an investment be sold, withdrawn or otherwise converted to cash prior to maturity where there has been no demonstrated immediate need, approval must be received from the Board of Directors of this corporation;
3. Funds shall be invested only in authorized investments as provided herein. Authorized investments are limited to:
 - a. obligations of, or fully guaranteed as to principal by, the United States of America;
 - b. Up to 30 percent of the portfolio may be invested in Corporate Bonds rated BBB through AAA; specifically Baa3/BBB-/BBB- or better by



Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet these minimum credit quality criteria in at least one of the above-mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days. This removal criteria will not apply to bond mutual funds that have a stated objective of investing in investment grade rated bonds. Removal of downgraded bonds that fall below the investment grade rating will be determined by the fund manager.

- c. No more than 3% of portfolio is to be invested in any one corporate bond issuer; and
 - d. Up to 25% of the portfolio may be invested in Government Sponsored Federal Agencies, namely FNMA (Federal National Mortgage Association – Fannie Mae), FHLMC (Federal Home Loan Mortgage Corporation – Freddie Mac, and FHLB (Federal Home Loan Bank).
4. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
5. Any authorized investments, as defined in Item 3 above, previously made by said Managing Agent or Investment Manager, are hereby ratified; and

RESOLVED FURTHER, that Resolution 01-17-38 adopted on March 14, 2017, is hereby superseded and cancelled.

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

United Contingency Fund Expenditures

Job	Description	2016	2017	2018	2019
JA31006OS62	Disaster Repairs			164	
JA31006OS70	Miscellaneous		1,185	2,346	
JA380080000	Damage Restoration Services	35,732	11,874	4,111	6,915
JA910000000	Chargeable Damage	(5,206)		(1,130)	
JA91000OS36	Chargeable Damage - Moisture Intrusion	6,555			
JA991000000	Moisture Intrusion - Rain Leaks	2,910	43,746	78,401	464,866
JA99100M101	Rain Leaks - Roof Membrane	14,682	76,237		
JA99100M102	Rain Leaks - Roof Flashing/Connection	6,314	15,861		
JA99100M103	Rain Leaks - Windows	185	17,058		
JA99100M104	Rain Leaks - Stucco Walls	7,703	6,390		
JA99100M107	Rain Leaks - Gutter System	2,662	30,002		
JA99100M108	Rain Leaks - Flooding		1,741		
JA99100M109	Rain Leaks - Skylight		1,344		
JA99100M110	Rain Leaks - Vents	5,088	7,921		
JA992000000	Moisture Intrusion - Plumbing Leaks	73,511	320,293	879,204	1,360,627
JA99200M201	Plumbing Leaks - Toilet Base	37,494	16,945		
JA99200M202	Plumbing Leaks - Under Slab	38,031	36,827	(1,611)	
JA99200M203	Plumbing Leaks - In Wall, Supply Line	63,977	18,632		
JA99200M204	Plumbing Leaks - In Wall, Drain Line	153,126	100,189	6,150	21,207
JA99200M205	Plumbing Leaks - In Wall, Connection	4,246	2,382		
JA99200M206	Plumbing Leaks - In Wall, Tub/Shower Fixture	15,298	5,341		
JA99200M207	Plumbing Leaks - Angle Stops	9,762	6,044		
JA99200M208	Plumbing Leaks - Under Fixture, Supply Line	56,960	27,072	3,814	128
JA99200M209	Plumbing Leaks - Under Fixture, Drain Line	20,342	3,428		
JA99200M210	Plumbing Leaks - Dishwasher	12,457	5,677		
JA99200M211	Plumbing Leaks - Water Heater	22,682	8,280		
JA99200M212	Plumbing Leaks - Disposal	6,680	2,401		
JA99200M213	Plumbing Leaks - Faucet	8,626	7,247		
JA99200M214	Plumbing Leaks - Toilet Tank	12,157	11,849		
JA993000000	Moisture Intrusion - Plumbing Stoppages	18,062	113,681	353,853	399,374
JA99300M301	Stoppages - Main Line	35,836	53,871		
JA99300M302	Stoppages - Internal Line	26,834	21,005		
JA99300M303	Stoppages - Toilet	44,582	17,037		
JA99300M304	Stoppages - Sink/Basin	35,554	3,696	885	96
JA99300M305	Stoppages - Multi Fixture	46,395	38,426	1,942	9,753
JA994000000	Moisture Intrusion - Other	4,851	27,994	139,890	250,780
JA99400M401	Moisture Intrusion - Tub/Shower Enclosure	13,875	7,949	656	
JA99400M402	Moisture Intrusion - Tile	5,132	3,324		
JA99400M403	Moisture Intrusion - Humidity	34,655	14,880		
JA99400M404	Moisture Intrusion - Irrigation	240	989		
JA99400M406	Moisture Intrusion - Resident Action	490	454		
JA99400M407	Moisture Intrusion - Refrigerator	831			
JA99400M409	Moisture Intrusion - Service Work Related		4,920		
JA99400M410	Moisture Intrusion - Dishwasher (Non Alteration)	143	1,565		
JA99400M411	MI Event - Other - Foundation	3,184	5,269		
JA99400M412	MI Event - Other - Window Condensation	3,104	2,627		
JB116000000	Fire Restoration 689-B	6,851	108,171		
JB119000000	806 -N Exterior Tree Damage				15,622
JB119010000	Sinkhole Repair B928 & B929				15,950
JB119030000	Damage to Carport 435				6,086
JB119040000	463-B Water Heater Repair				765
JB119050000	2156-A - Air Clearance				396
JB119060000	LR 59 - CDS 44 - Structural Report				8,915

United Contingency Fund Expenditures

Job	Description	2016	2017	2018	2019
JB119070000	465-D – Asbestos Release & P5				10,818
JB119080000	378-B – Asbestos Release & P5 Plan				14,911
JB119090000	LR59 – Asbestos Release Evaluations				515
JB119100000	4-A – Asbestos Release - P5 Cleanup				1,265
JB119110000	124-P – Exposed ACM Flooring				3,590
JB119130000	783-O – P5 Clean up				16,946
JB119140000	150-B – Electrical Outlet Fire				4,345
JJ115010000	Specialized Legal Counsel for Probate	17,985			
JJ116020000	Specialized Legal Counsel for Probate	2,200			
JJ116030000	Specialized Legal Counsel for Probate (2)	10,000			
JJ116050000	Specialized Legal Counsel for Probate (3)	9,888			
JJ116060000	Solar Energy	3,612,690	182,261		
JJ116070000	Specialized Legal Counsel for Probate (4)	10,000			
JJ118010000	Energy Consultant Services			9,586	20,093
JJ118050000	Earthquake Insurance			129,660	
JJ119020000	2019 Fumigation Program				68,819
JJ119030000	Slope Repair Avenida Castilla				12,042
Fund Balance	Ending Fund Balance	3,047,433	3,146,840	2,661,010	1,095,494