



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, July 28, 2020 – 1:30 p.m.
Laguna Woods Village
Virtual Meeting**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for June 30, 2020
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
 - a) *Send 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.*
 - b) *Call (949) 268-2020 no more than thirty minutes before the meeting begins and throughout the remainder of the meeting. Provide your name and unit number.*
7. Department Head Update

Reports

8. Preliminary Financial Statements dated June 30, 2020

Items for Discussion and Consideration

9. Financial Presentations (CFO)
10. Civil Code Section 5500 & 5510 Verification and Compliance
11. Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, August 25, 2020 at 1:30 p.m.
14. 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, June 30, 2020 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Brian Gilmore – Chair, Sue Margolis, Carl Randazzo, Manuel Armendariz, Elsie Addington

OTHERS PRESENT: Juanita Skillman, Andre Tornng, Dick Rader – VMS

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Steve Hormuth, Christopher Swanson

Call to Order

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

Approval of Agenda

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

Approval of the Regular Meeting Report of May 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)

Director Skillman commented on the OC View article and recommended that Eileen Paulin and Ellyce Rothrock look at the article for possible inclusion in the Village Breeze.

Director Tornng commented on the redistribution of over collected assessment in the occupancy agreement and the contingency fund needing a gate keeper to track funding levels and not to have any comingled usage of funds.

Director Armendariz commented the when the appropriate time to ask questions regarding review of the May 31, 2020 financials.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on Civil Code 5500 reporting, insurance, investments and the 2021 budget process. Also, Betty Parker requested that Director Torng restate his request for information that was made during the member comments in an email and to copy Director Gilmore. Director Armendariz commented on the difference between Civil Code Sections 5500 and 5510 (a)&(b) and the need to bring United into compliance.

The following items were requested:

- Civil Code Section 5500 & 5510 Verification and Compliance
- Distribute "Req to Check" report to all United Board Members
- Distribute KPMG Operational Review to United Finance Committee members

Review Preliminary Financial Statements dated May 31, 2020

The committee reviewed Financial Statements for May 31, 2020. Discussion ensued and questions were addressed. The following items were requested:

- Historical analysis of the Contingency Fund balances and expenditures.

Investment Update/Investment Policy

The committee reviewed a document from Sageview regarding possible investments recommendations for adding equities into the United Laguna Woods Investment Strategy. Dan Quirk reviewed with the Committee the possible options. Discussion ensued with the committee as well as members emailing in questions from the community. Question came from the following committee members:

1. Dick Rader – Asked regarding civil code requirements for investments for HOA's and request a model of our currently portfolio vs. the 2008 Financial Crisis.

No action was taken investment recommendations from Sageview and no changes were recommended to the current investment policy.

Financial Presentation on Treasurer's Report

Given the amount of time that was spent on the Department Head Update and the Investment Presentation from Sageview, Director Gilmore requested that this presentation be placed on a future agenda for discussion.

2021 Reserve Study Update

Betty Parker provided an update on the status of the 2021 Reserve Study Update. No action was taken.

Contingency Fund Analysis

Betty Parker presented the Contingency Fund Analysis to the committee. Director Armendariz commented on the analysis and the appropriate placement of expenses in the Contingency Fund that are reflected on the report. Betty Parker provided responses and answered questions. No action was taken.

Future Agenda Items

Civil Code Section 5500 & 5510 Verification and Compliance

Financial Presentation on Treasurer's Report

Member Comments

Director Gilmore commented on a possible workshop to understand processes better.

Date of Next Meeting

Tuesday, July 28, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:22 p.m.

Brian Gilmore, Chair



MEMORANDUM

To: United Finance Committee
 From: Betty Parker, CFO
 Date: July 28, 2020
 Re: Department Head Update

Financial Highlights

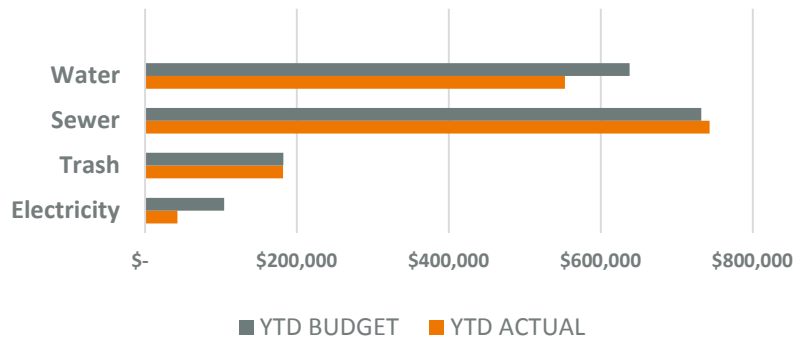
▪ **SUMMARY:** For the year-to-date period ending June 30, 2020, United Mutual was better than budget by \$4 million primarily due to timing of programs, especially in the areas of outside services \$1.4M, compensation \$1.5M, and materials \$813K. Various programs were put on hold in mid-March due to the COVID-19 pandemic.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$21,358	\$21,081	\$277
Other Revenues	1,130	897	233
Expenses	19,404	22,860	3,456
Revenue / (Expense)	\$3,084	(\$882)	\$3,966

▪ **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
6/30/2020
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,535	\$2,489	\$46	\$15,211	\$14,935	\$277	\$14,023	\$29,869
2	Additions to restricted funds	1,024	1,024		6,147	6,147		6,184	12,294
3	Total assessments	3,560	3,514	46	21,358	21,081	277	20,207	42,163
Non-assessment revenues:									
4	Merchandise sales		2	(2)	3	10	(7)	2	20
5	Fees and charges for services to residents	15	45	(30)	169	270	(101)	322	540
6	Laundry	18	23	(5)	124	135	(11)	129	270
7	Investment income	21	32	(11)	148	193	(45)	226	385
8	Unrealized gain/(loss) on AFS investments	20		20	458		458	239	
9	Miscellaneous	41	48	(7)	229	289	(61)	287	579
10	Total non-assessment revenue	115	149	(34)	1,130	897	234	1,205	1,794
11	Total revenue	3,675	3,663	12	22,489	21,978	510	21,412	43,957
Expenses:									
12	Employee compensation and related	809	1,275	466	5,769	7,301	1,531	7,071	14,548
13	Materials and supplies	75	259	184	769	1,582	813	1,747	3,141
14	Utilities and telephone	436	371	(65)	1,957	2,029	71	1,872	4,326
15	Legal fees	26	29	3	111	175	64	79	350
16	Professional fees	7	7	(1)	50	75	25	94	122
17	Equipment rental	1	2	1	8	9		13	17
18	Outside services	563	717	155	2,958	4,313	1,355	3,306	8,638
19	Repairs and maintenance	3	4	1	15	23	9	17	47
20	Other Operating Expense	5	18	13	55	101	46	92	201
21	Income taxes		2	2		13	13	3	25
22	Property and sales tax	1,015	926	(89)	5,813	5,556	(257)	5,579	11,112
23	Insurance	169	125	(44)	1,015	752	(263)	629	1,504
24	Investment expense		3	3	5	18	13	19	37
25	Uncollectible Accounts	(2)	5	7	3	30	27	20	60
26	(Gain)/loss on sale or trade	(4)	(1)	3	57	(4)	(61)	1	(8)
27	Depreciation and amortization	17	17		99	99		104	198
28	Net allocation to mutuals	102	130	28	719	789	70	591	1,584
29	Total expenses	3,219	3,889	669	19,404	22,860	3,456	21,238	45,902
30	Excess of revenues over expenses	\$455	(\$226)	\$681	\$3,084	(\$882)	\$3,966	\$174	(\$1,945)

United Laguna Woods Mutual
Operating Statement
6/30/2020
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$8,891,150	\$8,891,484	(\$334)	0.00%	\$17,782,968
41007000 - Monthly Assessments - Property Taxes	5,681,619	5,555,997	125,622	2.26%	11,111,994
41007500 - Monthly Assessments - Supplemental Property Taxes	151,567	0	151,567	0.00%	0
41008000 - Monthly Assessments - Property Insurance	487,071	487,069	2	0.00%	974,142
Total Operating	15,211,407	14,934,550	276,857	1.85%	29,869,104
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	379,380	379,380	0	0.00%	758,760
41003500 - Monthly Assessments - Replacement Fund	5,767,335	5,767,500	(165)	0.00%	11,535,000
Total Additions To Restricted Funds	6,146,715	6,146,880	(165)	0.00%	12,293,760
Total Assessments	21,358,122	21,081,430	276,691	1.31%	42,162,864
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	3,464	9,996	(6,532)	(65.35%)	20,000
Total Merchandise Sales	3,464	9,996	(6,532)	(65.35%)	20,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	78,851	74,356	4,494	6.04%	148,715
46501500 - Inspection Fee	21,908	39,645	(17,737)	(44.74%)	79,294
46502000 - Resident Maintenance Fee	68,257	155,620	(87,363)	(56.14%)	311,513
Total Fees and Charges for Services to Residents	169,016	269,622	(100,606)	(37.31%)	539,522
Laundry					
46005000 - Coin Op Laundry Machine	123,559	135,000	(11,441)	(8.47%)	270,000
Total Laundry	123,559	135,000	(11,441)	(8.47%)	270,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	7,236	44,144	(36,908)	(83.61%)	88,289
49002000 - Investment Income - Discretionary	140,433	148,603	(8,169)	(5.50%)	297,205
Investment Interest Income	147,669	192,747	(45,078)	(23.39%)	385,494
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	458,041	0	458,041	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	458,041	0	458,041	0.00%	0
Miscellaneous					
46004500 - Resident Violations	3,850	24,999	(21,149)	(84.60%)	50,001
44501000 - Additional Occupant Fee	26,470	21,000	5,470	26.05%	42,000
44501500 - Lease Processing Fee - United	62,010	63,996	(1,986)	(3.10%)	128,000
44502000 - Variance Processing Fee	1,650	1,998	(348)	(17.42%)	4,000
44503000 - Stock Transfer Fee	3,250	6,498	(3,248)	(49.98%)	13,000
44503510 - Resale Processing Fee - United	56,532	62,496	(5,964)	(9.54%)	125,000
44507000 - Golf Cart Electric Fee	29,746	31,000	(1,254)	(4.05%)	62,000
44507200 - Electric Vehicle Plug-In Fee	8,067	7,500	567	7.56%	15,000
44507500 - Cartport/Carport Space Rental Fee	1,125	1,250	(125)	(10.00%)	2,500
47001500 - Late Fee Revenue	5,212	25,000	(19,788)	(79.15%)	50,000
47002010 - Collection Administrative Fee - United	29,610	36,000	(6,390)	(17.75%)	72,000
47002500 - Collection Interest Revenue	2,307	2,400	(93)	(3.88%)	4,800
47501000 - Recycling	661	3,000	(2,339)	(77.97%)	6,000
48001000 - Legal Fee	0	2,200	(2,200)	(100.00%)	4,400
49009000 - Miscellaneous Revenue	(1,756)	0	(1,756)	0.00%	0
Total Miscellaneous	228,733	289,337	(60,603)	(20.95%)	578,701
Total Non-Assessment Revenue	1,130,483	896,702	233,781	26.07%	1,793,717
Total Revenue	22,488,604	21,978,132	510,472	2.32%	43,956,581
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,208,634	1,426,593	217,959	15.28%	2,883,900

United Laguna Woods Mutual
Operating Statement
6/30/2020
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51021000 - Union Wages - Regular	2,195,184	3,113,990	918,806	29.51%	6,279,593
51041000 - Wages - Overtime	14,938	14,097	(842)	(5.97%)	28,203
51051000 - Union Wages - Overtime	58,889	47,444	(11,444)	(24.12%)	94,908
51061000 - Holiday & Vacation	370,176	383,183	13,007	3.39%	773,301
51071000 - Sick	199,292	156,298	(42,994)	(27.51%)	315,425
51081000 - Sick - Part Time	0	12	12	100.00%	24
51091000 - Missed Meal Penalty	2,410	626	(1,784)	(285.03%)	1,268
51101000 - Temporary Help	5,111	933	(4,179)	(447.99%)	1,870
51981000 - Compensation Accrual	(125,211)	0	125,211	0.00%	0
Total Employee Compensation	3,929,423	5,143,176	1,213,752	23.60%	10,378,493
Compensation Related					
52411000 - F.I.C.A.	317,406	388,333	70,927	18.26%	776,727
52421000 - F.U.I.	7,627	10,834	3,207	29.60%	10,834
52431000 - S.U.I.	52,084	55,120	3,036	5.51%	55,120
52441000 - Union Medical	887,041	944,642	57,601	6.10%	1,889,284
52451000 - Workers' Compensation Insurance	224,154	361,701	137,547	38.03%	639,961
52461000 - Non Union Medical & Life Insurance	173,827	168,803	(5,025)	(2.98%)	337,605
52471000 - Union Retirement Plan	169,004	165,867	(3,137)	(1.89%)	334,482
52481000 - Non-Union Retirement Plan	27,919	62,218	34,300	55.13%	125,775
52981000 - Compensation Related Accrual	(19,199)	0	19,199	0.00%	0
Total Compensation Related	1,839,862	2,157,517	317,655	14.72%	4,169,789
Materials and Supplies					
53001000 - Materials & Supplies	187,832	308,972	121,140	39.21%	594,628
53003000 - Materials Direct	580,838	1,272,726	691,888	54.36%	2,545,928
53004000 - Freight	20	0	(20)	0.00%	0
Total Materials and Supplies	768,689	1,581,698	813,009	51.40%	3,140,556
Utilities and Telephone					
53301000 - Electricity	46,007	120,100	74,093	61.69%	189,000
53301500 - Sewer	899,318	879,000	(20,318)	(2.31%)	1,779,600
53302000 - Water	794,071	810,416	16,345	2.02%	1,919,116
53302500 - Trash	217,539	218,858	1,319	0.60%	437,719
53304000 - Telephone	335	343	8	2.29%	685
Total Utilities and Telephone	1,957,270	2,028,717	71,447	3.52%	4,326,120
Legal Fees					
53401500 - Legal Fees	111,224	174,992	63,769	36.44%	349,985
Total Legal Fees	111,224	174,992	63,769	36.44%	349,985
Professional Fees					
53402010 - Audit & Tax Preparation Fees - United	38,000	36,000	(2,000)	(5.56%)	44,500
53403500 - Consulting Fees	19	6,236	6,217	99.69%	12,479
53403510 - Consulting Fees - United	11,640	32,490	20,850	64.17%	65,000
Total Professional Fees	49,659	74,726	25,067	33.54%	121,979
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	8,421	8,516	95	1.12%	17,038
Total Equipment Rental	8,421	8,516	95	1.12%	17,038
Outside Services					
53601000 - Bank Fees	16,174	12,659	(3,515)	(27.77%)	25,321
53601500 - Credit Card Transaction Fees	1,041	0	(1,041)	0.00%	0
54603500 - Outside Services Cost Collection	2,906,179	4,223,772	1,317,593	31.19%	8,447,910
53704000 - Outside Services	34,961	76,653	41,693	54.39%	164,394
Total Outside Services	2,958,355	4,313,085	1,354,729	31.41%	8,637,624
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,667	8,391	6,724	80.14%	16,823
53703000 - Elevator /Lift Maintenance	13,287	15,078	1,791	11.88%	30,157
Total Repairs and Maintenance	14,954	23,469	8,515	36.28%	46,979
Other Operating Expense					
53801000 - Mileage & Meal Allowance	760	7,582	6,822	89.98%	15,153
53801500 - Travel & Lodging	245	1,533	1,288	84.04%	3,027
53802000 - Uniforms	30,368	44,373	14,005	31.56%	88,787
53802500 - Dues & Memberships	197	708	511	72.19%	1,687

United Laguna Woods Mutual
Operating Statement
6/30/2020
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE		VAR% B/(W)	TOTAL BUDGET
		Budget	VAR\$ B/(W)		
53803000 - Subscriptions & Books	839	1,008	169	16.75%	2,026
53803500 - Training & Education	3,768	10,634	6,866	64.56%	19,682
53804000 - Staff Support	133	705	572	81.17%	1,409
53901500 - Volunteer Support	0	834	834	100.00%	1,668
53903000 - Safety	0	252	252	100.00%	508
54001000 - Board Relations	397	0	(397)	0.00%	0
54001010 - Board Relations - United	1,028	3,750	2,722	72.58%	7,500
54002000 - Postage	17,248	29,357	12,109	41.25%	58,717
54002500 - Filing Fees / Permits	95	402	307	76.29%	847
Total Other Operating Expense	55,078	101,136	46,058	45.54%	201,011
Income Taxes					
54301000 - State & Federal Income Taxes	0	12,502	12,502	100.00%	25,000
Total Income Taxes	0	12,502	12,502	100.00%	25,000
Property and Sales Tax					
54302000 - Property Taxes	5,812,779	5,555,997	(256,782)	(4.62%)	11,111,994
Total Property and Sales Tax	5,812,779	5,555,997	(256,782)	(4.62%)	11,111,994
Insurance					
54401000 - Hazard & Liability Insurance	295,785	227,889	(67,896)	(29.79%)	455,779
54401500 - D&O Liability	32,042	33,205	1,164	3.50%	66,412
54402000 - Property Insurance	685,051	487,069	(197,981)	(40.65%)	974,142
54403000 - General Liability Insurance	2,280	3,664	1,384	37.78%	7,328
Total Insurance	1,015,157	751,827	(263,330)	(35.03%)	1,503,660
Investment Expense					
54201000 - Investment Expense	5,047	18,366	13,319	72.52%	36,732
Total Investment Expense	5,047	18,366	13,319	72.52%	36,732
Uncollectible Accounts					
54602000 - Bad Debt Expense	3,005	29,800	26,795	89.92%	59,600
Total Uncollectible Accounts	3,005	29,800	26,795	89.92%	59,600
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(2,958)	(3,750)	(792)	(21.11%)	(7,500)
54101500 - (Gain)/Loss On Investments	60,228	0	(60,228)	0.00%	0
Total (Gain)/Loss on Sale or Trade	57,270	(3,750)	(61,020)	(1627.20%)	(7,500)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	99,121	99,121	0	0.00%	198,242
Total Depreciation and Amortization	99,121	99,121	0	0.00%	198,242
Net Allocation to Mutuals					
54602500 - Allocated Expenses	718,834	789,249	70,415	8.92%	1,584,319
Total Net Allocation to Mutuals	718,834	789,249	70,415	8.92%	1,584,319
Total Expenses	19,404,149	22,860,145	3,455,996	15.12%	45,901,622
Excess of Revenues Over Expenses	\$3,084,455	(\$882,013)	\$3,966,468	449.71%	(\$1,945,042)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
6/30/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$4,923,158	\$2,159,882
2	Non-discretionary investments	999,879	1,992,808
3	Discretionary investments	15,361,243	14,828,044
4	Receivable/(Payable) from mutuals	1,574,258	1,518,100
5	Receivable/(Payable) from operating fund		
6	Accounts receivable and interest receivable	652,784	675,921
7	Prepaid expenses and deposits	834,784	1,118,128
8	Property and equipment	91,989,605	91,989,605
9	Accumulated depreciation property and equipment	(83,757,722)	(83,756,191)
10	Beneficial interest in GRF of Laguna Hills Trust	5,699,359	5,796,949
11	Non-controlling interest in GRF	39,116,237	39,116,237
12	Total Assets	<u>\$77,393,586</u>	<u>\$75,439,483</u>
Liabilities and Fund Balances			
Liabilities:			
13	Accounts payable and accrued expenses	\$545,694	\$1,453,947
14	Accrued compensation and related costs	385,466	596,765
15	Deferred income	925,751	936,551
16	Asset retirement obligation	1,207,814	1,207,814
17	Total liabilities	<u>\$3,064,726</u>	<u>\$4,195,078</u>
Fund balances:			
18	Fund balance prior years	71,244,405	74,614,944
19	Change in fund balance - current year	3,084,455	(3,370,539)
20	Total fund balances	74,328,860	71,244,405
21	Total Liabilities and Fund Balances	<u>\$77,393,586</u>	<u>\$75,439,483</u>



Agenda Item 8 – Preliminary Fund Balance Sheet as of June 30, 2020

Will be issued at the Finance meeting.

**United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
6/30/2020**

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	Operating	\$15,211,407		\$15,211,407
2	Additions to restricted funds	162	379,370	5,767,183
3	Total assessments	<u>15,211,569</u>	<u>379,370</u>	<u>5,767,183</u>
Non-assessment revenues:				
4	Merchandise sales	420		3,044
5	Fees and charges for services to residents	169,016		169,016
6	Laundry	123,559		123,559
7	Interest income		7,237	140,432
8	Unrealized gain/(loss) on AFS investments		17,604	440,437
9	Miscellaneous	228,733		228,733
10	Total non-assessment revenue	<u>521,729</u>	<u>24,842</u>	<u>583,912</u>
11	Total revenue	<u>15,733,298</u>	<u>404,212</u>	<u>6,351,095</u>
Expenses:				
12	Employee compensation and related	4,661,604	186	1,107,495
13	Materials and supplies	313,442	11	455,235
14	Utilities and telephone	1,955,713	2	1,555
15	Legal fees	111,224		111,224
16	Professional fees	47,159		2,500
17	Equipment rental	1,893	5	6,523
18	Outside services	410,847	925,265	1,622,244
19	Repairs and maintenance	14,619		335
20	Other Operating Expense	46,795		8,281
21	Property and sales tax	5,812,779		5,812,779
22	Insurance	1,015,157		1,015,157
23	Investment expense		246	4,801
24	Uncollectible Accounts	3,005		3,005
25	(Gain)/loss on sale or trade	(2,958)	2,782	57,446
26	Depreciation and amortization	99,121		99,121
27	Net allocations to mutuals	646,783	37	72,015
28	Total expenses	<u>15,137,184</u>	<u>928,537</u>	<u>3,338,428</u>
29	Excess of revenues over expenses	<u>\$596,114</u>	<u>(\$524,325)</u>	<u>\$3,012,667</u>
30	Excluding unrealized gain/(loss) and depreciation	<u>\$695,235</u>	<u>(\$541,930)</u>	<u>\$2,572,230</u>
				<u>\$2,725,536</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
6/30/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	6/30/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
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	999,947.00	67.56
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 1,000,000.00		\$ 999,879.44	999,879.44	\$999,947.00	\$67.56

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
6/30/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	BOOK VALUE	6/30/2020	
									MARKET VALUE	UNREALIZED GAIN/(LOSS)
	FIDELITY GOVT CASH RESERVES				\$ 24,817.72		\$ 24,817.72	\$ 24,817.72	\$ 24,817.72	\$0.00
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-17-19	-	927,846.95	0.00%	\$834,932.81	834,932.81	\$867,985.65	\$33,052.84
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	12-18-19	-	95,080.05	0.00%	95,080.05	95,080.05	\$98,844.02	\$3,763.97
92206C870	VCIT-Vanguard Corp Bond Index	0.00%	03-30-20	-	180,089.25	0.00%	180,089.25	180,089.25	\$187,218.52	\$7,129.27
31635V216	FUMBX-Fidelity Short Term Trsry Bond Index	0.00%	12-13-19	-	4,377,533.57	0.00%	4,438,080.57	4,438,080.57	\$4,595,915.19	\$157,834.62
31635V257	FUAMX-Fidelity Inter Trsry Bond Index	0.00%	12-13-19	-	3,787,417.15	0.00%	3,846,426.15	3,846,426.15	\$3,992,928.43	\$146,502.28
922031851	VFIRX-Vanguard Short Term Trsry Admiral	0.00%	12-13-19	-	739,693.06	0.00%	746,342.06	746,342.06	\$766,683.76	\$20,341.70
92206C607	VSCSX-Vanguard Short Term Corp Bd Index Adm	0.00%	12-13-19	-	1,170,310.22	0.00%	1,129,385.45	1,129,385.45	\$1,148,484.50	\$19,099.05
92206C755	VMBSX-Vanguard Backed Securities Indx Adm	0.00%	12-13-19	-	3,530,809.47	0.00%	3,595,929.47	3,595,929.47	\$3,678,364.73	\$82,435.26
TOTALS FOR DISCRETIONARY INVESTMENTS					14,833,597.44		14,891,083.53	\$14,891,083.53	\$15,361,242.53	\$470,159.00
TOTAL INVESTMENTS					\$ 15,833,597.44		\$ 15,890,962.97			

*Yield is based on all investments held during the year

**United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 06/30/2020**

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

*Incurred To Date

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	EXPENDED	\$	%
RESERVE FUND - MAINTENANCE & CONSTRUCTION								
REPLACEMENTS								
BUILDING STRUCTURES	\$171	\$55,647	\$182,943	\$334,793	\$670,009	27%	\$151,850	45%
CDS SIGNAGE	0	4,166	0	24,996	50,000	0%	24,996	100%
ELECTRICAL SYSTEMS	7,994	38,290	126,501	229,740	459,495	28%	103,239	45%
EXTERIOR WALKWAY LIGHTING	0	6,233	3,571	37,528	75,121	5%	33,956	90%
FOUNDATIONS	(150)	3,653	0	21,918	43,836	0%	21,918	100%
GUTTER REPLACEMENT	0	8,140	20,782	49,087	98,289	21%	28,305	58%
PAINT - EXTERIOR	16,366	154,356	562,754	936,250	1,876,061	30%	373,496	40%
PRIOR TO PAINT	494	82,670	265,998	500,723	1,003,518	27%	234,725	47%
PAVING	0	33,052	23,912	198,312	396,628	6%	174,400	88%
ROOF REPLACEMENTS	7,876	77,565	96,066	465,390	930,804	10%	369,324	79%
WALL REPLACEMENT	0	13,750	0	82,500	165,000	0%	82,500	100%
WASTE LINE REMEDIATION	87,065	191,666	664,319	1,149,996	2,300,000	29%	485,677	42%
WATER LINE - COPPER PIPE REMEDIATION	24,314	16,666	159,564	99,996	200,000	80%	(59,568)	(60%)
WINDOW/SLIDING SCREEN DOOR	0	9,908	12,651	59,699	119,518	11%	47,049	79%
SUPPL. APPROPRIATIONS	0	0	3,889	3,889	3,889	100%	0	0%
SUB-TOTAL	\$144,130	\$695,762	\$2,122,950	\$4,194,817	\$8,392,168	25%	\$2,071,867	49%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$724	\$5,910	\$24,092	\$35,536	\$71,112	34%	\$11,445	32%
DISHWASHERS	499	7,092	22,891	42,716	85,523	27%	19,825	46%
BASINS/SINKS/TOILETS	2,364	19,814	52,639	119,233	238,679	22%	66,593	56%
GARBAGE DISPOSALS	4,720	9,554	34,291	57,642	115,440	30%	23,351	41%
HOODS	0	2,958	3,579	17,819	35,681	10%	14,240	80%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	8,068	115,529	270,631	695,568	1,392,191	19%	424,937	61%
OVENS	2,452	9,243	47,371	55,534	111,112	43%	8,163	15%
RANGES	0	1,031	2,968	6,224	12,469	24%	3,256	52%
REFRIGERATORS	5,464	18,925	43,432	113,815	227,754	19%	70,383	62%
WATER HEATERS & PERMITS	29,450	62,281	121,017	375,365	751,503	16%	254,348	68%
DRYERS	0	2,974	123	17,863	35,735	0%	17,740	99%
WASHING MACHINES	3,670	7,554	23,148	45,370	90,773	26%	22,222	49%
SUB-TOTAL	\$57,412	\$262,866	\$646,183	\$1,582,685	\$3,167,971	20%	\$936,502	59%
TOTAL RESERVE FUND	\$201,542	\$958,628	\$2,769,133	\$5,777,502	\$11,560,139	24%	\$3,008,369	52%

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	755	0	4,583	9,186	0%	4,583	100%
PAVING	7,444	5,628	12,020	34,157	68,481	18%	22,137	65%
WALL REPLACEMENT	0	2,529	0	15,174	30,365	0%	15,174	100%
TOTAL	\$7,444	\$8,911	\$12,020	\$53,914	\$108,032	11%	\$41,894	78%

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2020 BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
RESERVE FUND - LANDSCAPE								
REPLACEMENTS								
LANDSCAPE MODIFICATION	44,298	37,612	53,429	225,745	451,543	12%	172,316	76%
TREE MAINTENANCE	100,637	71,172	441,600	431,458	864,752	51%	(10,142)	(2%)
TOTAL RESERVE FUND	\$144,935	\$108,783	\$495,029	\$657,203	\$1,316,295	38%	\$162,174	25%

OPERATING EXPENDITURES - MAINTENANCE & CONSTRUCTION

PLUMBING SERVICE	\$155,423	\$113,740	\$772,469	\$689,534	\$1,382,295	56%	(\$82,935)	(12%)
CARPENTRY SERVICE	26,545	40,654	230,909	246,477	494,100	47%	15,568	6%
ELECTRICAL SERVICE	14,128	33,681	150,578	204,312	409,634	37%	53,734	26%
APPLIANCE REPAIRS	12,957	25,401	112,749	153,888	308,507	37%	41,139	27%
INTERIOR PREVENTIVE MAINTENANCE	0	28,483	88,592	172,796	346,454	26%	84,204	49%
PEST CONTROL	0	18,830	13,625	112,980	225,980	6%	99,355	88%
COUNTERTOP/FLOOR/TILE REPAIRS	2,681	10,573	49,236	64,092	128,480	38%	14,856	23%
ENERGY PROGRAM	0	2,083	5,393	12,498	25,000	22%	7,105	57%
MISC. REPAIRS BY OUTSIDE SERVICE	0	2,083	12,610	12,498	25,000	50%	(112)	(1%)
FIRE PROTECTION	104	1,058	522	6,348	12,700	4%	5,826	92%
TOTAL	\$211,838	\$276,586	\$1,436,683	\$1,675,422	\$3,358,151	43%	\$238,739	14%

OPERATING EXPENDITURES - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	15,070	30,675	173,111	186,148	373,111	46%	13,037	7%
JANITORIAL SERVICE	90,853	28,282	253,188	172,260	345,015	73%	(80,928)	(47%)
GUTTER CLEANING	1,181	16,008	33,450	96,370	192,872	17%	62,920	65%
WELDING	6,688	8,322	36,616	50,519	101,275	36%	13,902	28%
TRAFFIC CONTROL	1,355	1,232	4,085	7,484	15,010	27%	3,399	45%
TOTAL	\$115,146	\$84,519	\$500,450	\$512,781	\$1,027,283	49%	\$12,330	2%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$70,825	\$12,666	\$205,732	\$75,996	\$152,000	135%	(\$129,736)	(171%)
MOISTURE INTRUSION - PLUMBING LEAKS	55,860	62,949	390,358	377,694	755,390	52%	(12,664)	(3%)
MOISTURE INTRUSION - PLUMBING STOPPAGES	43,410	23,243	194,100	139,458	278,926	70%	(54,642)	(39%)
MOISTURE INTRUSION - MISCELLANEOUS	16,222	6,565	121,858	39,390	78,786	155%	(82,468)	(209%)
DAMAGE RESTORATION SERVICES	813	11,904	12,051	71,746	143,640	8%	59,695	83%
SUPPL. APPROPRIATIONS	0	0	1,410	1,410	1,410	100%	0	0%
TOTAL CONTINGENCY FUND	\$187,130	\$117,327	\$925,509	\$705,694	\$1,410,152	66%	(\$219,815)	(31%)

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

YTD ACTUAL

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

BUILDING STRUCTURES	\$182,943	\$11,478	\$609	\$170,856
CDS SIGNAGE	0	0	0	0
ELECTRICAL SYSTEMS	126,501	0	0	126,501
EXTERIOR WALKWAY LIGHTING	3,571	0	0	3,571
FOUNDATIONS	0	0	0	0
GUTTER REPLACEMENT	20,782	18,922	1,861	0
PAINT - EXTERIOR	562,754	510,742	52,013	0
PAVING	23,912	0	0	23,912
PRIOR TO PAINT	265,998	226,275	39,722	0
ROOF REPLACEMENTS	96,066	0	0	96,066
WALL REPLACEMENT	0	0	0	0
WASTE LINE REMEDIATION	664,210	5,608	76	658,525
WATER LINE - COPPER PIPE REMEDIATION	159,564	0	0	159,564
WINDOW/SLIDING SCREEN DOOR	12,651	4,427	5,446	2,778
BASINS/SINKS/TOILETS	52,639	17,972	34,667	0
COOKTOPS	24,092	3,676	14,068	6,347
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	270,631	118,206	75,787	76,639
DISHWASHERS	22,891	6,365	13,256	3,270
DRYERS	123	123	0	0
GARBAGE DISPOSALS	34,291	12,379	21,912	0
HOODS	3,579	904	1,243	1,432
OVENS	47,371	3,211	27,692	16,469
RANGES	2,968	998	1,516	454
REFRIGERATORS	43,432	7,668	26,308	9,457
WASHING MACHINES	23,148	2,303	20,845	0
WATER HEATERS & PERMITS	121,017	33,949	87,068	0
SUPPL. APPROPRIATIONS	3,889	900	489	2,500
TOTAL	\$2,769,024	\$986,104	\$424,577	\$1,358,342

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	0	0	0	0
PAVING	12,020	11,562	458	0
WALL REPLACEMENT	0	0	0	0
TOTAL	\$12,020	\$11,562	\$458	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	53,429	0	609	52,820
TREE MAINTENANCE	441,600	232,819	0	208,781
TOTAL	\$495,029	\$232,819	\$609	\$261,601

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

YTD ACTUAL

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

CARPENTRY SERVICE	230,909	214,432	16,477	0
COUNTERTOP/FLOOR/TILE REPAIRS	49,236	44,879	1,307	3,050
ELECTRICAL SERVICE	150,578	134,481	16,097	0
ENERGY PROGRAM	5,393	0	0	5,393
FIRE PROTECTION	522	0	522	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	772,469	577,898	28,037	166,535
APPLIANCE REPAIRS	112,749	99,236	13,513	0
TOTAL	\$1,436,683	\$1,158,929	\$76,541	\$201,213

OPERATING EXPENDITURES - GENERAL SERVICES

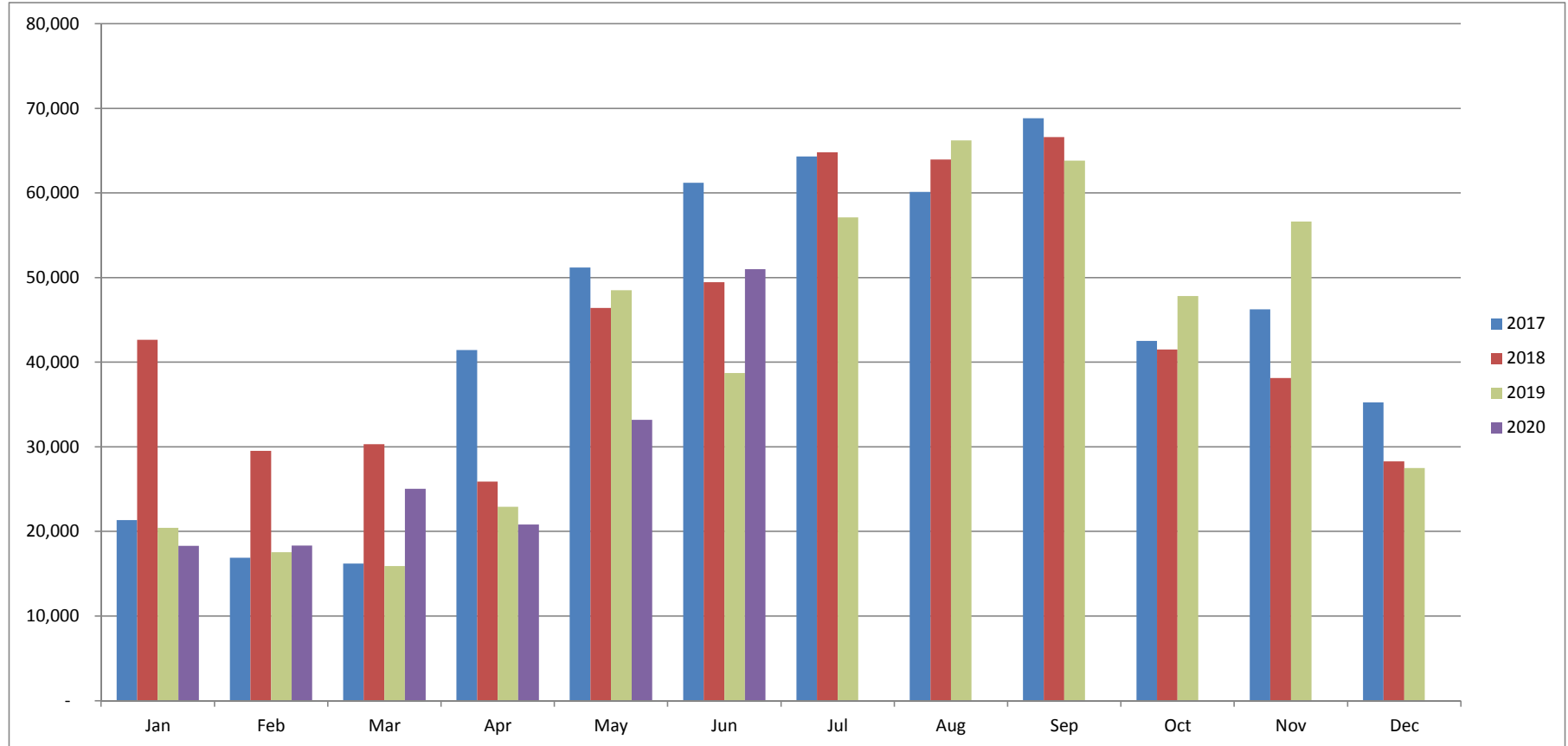
CONCRETE REPAIR/REPLACEMENT	173,111	162,134	10,976	0
GUTTER CLEANING	33,450	33,450	0	0
JANITORIAL SERVICE	253,188	252,951	237	0
TRAFFIC CONTROL	4,085	4,085	0	0
WELDING	36,616	35,801	816	0
TOTAL	\$500,450	\$488,421	\$12,029	\$0

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$205,732	\$0	\$0	\$205,732
MOISTURE INTRUSION - PLUMBING LEAKS	390,358	0	0	390,358
MOISTURE INTRUSION - PLUMBING STOPPAGES	194,100	0	0	194,100
MOISTURE INTRUSION - MISCELLANEOUS	121,858	0	0	121,858
DAMAGE RESTORATION SERVICES	12,051	244	0	11,808
SUPPL. APPROPRIATIONS	1,410	0	0	1,410
TOTAL	\$925,509	\$244	\$0	\$925,265

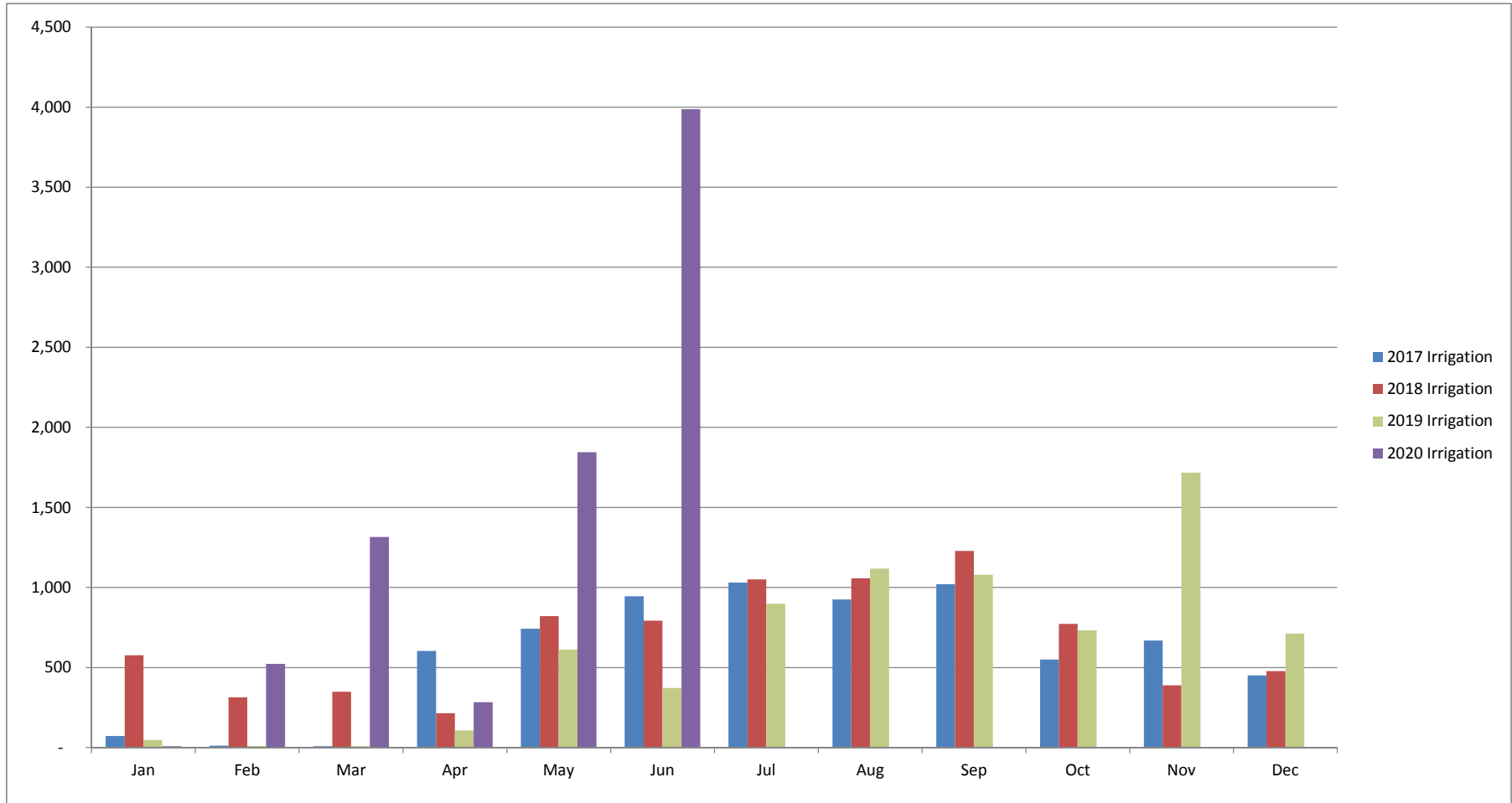
United Mutual Water Usage in 100 cubic feet units

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	208,264	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	224,196	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	163,999	483,049
2020	18,294	18,329	25,035	20,833	33,194	50,996	-	-	-	-	-	-	166,681	166,681



**United Mutual
Irrigation Water Usage in 100 cubic feet units**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017 Irrigation	72	12	9	603	742	946	1,030	925	1,021	549	669	451	2,384	7,029
2018 Irrigation	576	314	349	214	822	792	1,050	1,058	1,229	773	389	478	3,067	8,044
2019 Irrigation	47	11	8	108	612	372	898	1,118	1,079	732	1,718	713	1,158	7,416
2020 Irrigation	9	523	1,315	284	1,845	3,987	-	-	-	-	-	-	7,963	7,963



United Mutual

Residential Water Usage in 100 cubic feet units

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017 Residential	21,254	16,886	16,198	40,847	50,442	60,253	63,271	59,215	67,805	41,981	45,563	34,808	205,880	518,523
2018 Residential	42,056	29,199	29,950	25,667	45,583	48,674	63,771	62,906	65,392	40,744	37,746	27,817	221,129	519,505
2019 Residential	20,390	17,540	15,887	22,789	47,878	38,357	56,200	65,083	62,744	47,095	54,895	26,775	162,841	475,633
2020 Residential	18,285	17,806	23,720	20,549	31,349	47,009	-	-	-	-	-	-	158,718	158,718

