



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, November 6, 2018 – 1:30 p.m.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for October 2, 2018
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated September 30, 2018

Items for Discussion and Consideration:

9. Finance Committee Charter
10. Investment Policy
11. 2019 Meeting Dates
12. Other Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, December 4, 2018 at 1:30 p.m.
15. Recess to Closed Session

Jack Connelly, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



REPORT OF THE REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL FINANCE COMMITTEE

Tuesday, October 2, 2018 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Steve Parsons – Chair, Rosemarie diLorenzo, Bunny Carpenter, Bill Walsh, James Tung, Burt Baum, Roy Bruninghaus, Cush Bhada, John Frankel, Jack Connelly
Advisors: Wei-Ming Tao, John Hess, Michael Cunningham

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Steve Hormuth, Bruce Hartley, Justine Dellinger

Call to Order

Director Steve Parsons, Treasurer, chaired the meeting and called it to order at 1:33 p.m.

Approval of Meeting Agenda

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

Approval of Meeting Report for September 4, 2018

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

Preliminary Financial Statements Dated August 31, 2018

The Committee reviewed financials and questions were addressed.

Bruce Hartley, General Services Director, addressed the Committee's questions regarding unfavorable variances in tree trimming and janitorial services.

Staff distributed water tracking charts updated with September billing data and Director Tung gave an update on irrigation pipe leaks.

Endorsement: Additional Funding for Tree Trimming

The Committee reviewed an endorsement from the Landscape Committee, recommending supplemental funding for tree trimming work. Mr. Hartley discussed existing service levels for the inspection and trimming cycle and noted some potential operational and equipment improvements that can be used to gain efficiencies.

A motion was made, seconded, and carried unanimously to recommend a supplemental appropriation in the amount of \$150,000 from the Unappropriated Expenditures Fund to provide funding for tree trimming through September 2018 in addition to off-schedule work and palm trimming through December 2018.

Solar Audit Update

Steve Hormuth, Controller, referenced the details of the Solar System Charges for buildings 2390, 2393, 2403 and 2399. Director Walsh provided an explanation of charges and addressed questions.

Discussion of Accruals

Mr. Hormuth explained that interim monthly financials report expenses when paid, with limited use of accruals for large expenditures such as labor, utilities, and insurance.

The Committee requested that Staff add a monthly accrual for legal fees and review the potential use of a central repository for invoices.

Discussion Electric Charge Fees

Betty Parker, Chief Financial Officer, informed the Committee there was no significant change in the average cost per Kilowatt (kW) per hour since the last fee updates. Discussion ensued regarding a new decal policy effective January 1 and the impact of solar generation on costs.

By consensus, the Committee agreed to maintain current annual rates in 2019, with \$240 for Electric Charge – PEV and \$155 for Electric Charge – Golf Carts.

Other Endorsements from Standing Committees

None.

Future Agenda Items

Committee Member Comments

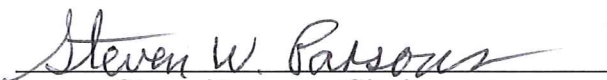
Director diLorenzo asked for an update on the credit card payment project. Mr. Hormuth stated that he is currently working with the IT Department on configuration and testing issues.

Date of Next Meeting

Tuesday, November 6, 2018 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:27 p.m.


Steve Parsons, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
9/30/2018
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			YTD 2017	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,573	\$1,573		\$14,159	\$14,159		\$13,807	\$18,879
2	Additions to restricted funds	1,096	1,096		9,866	9,866		10,047	13,154
3	Total assessments	<u>2,669</u>	<u>2,669</u>		<u>24,025</u>	<u>24,025</u>		<u>23,854</u>	<u>32,034</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	33	47	(14)	432	422	10	239	563
5	Laundry	10	9	1	100	81	19	78	108
6	Interest income	46	31	15	354	277	77	274	369
7	Miscellaneous	19	48	(29)	475	436	39	487	581
8	Total non-assessment revenue	<u>109</u>	<u>135</u>	<u>(26)</u>	<u>1,362</u>	<u>1,216</u>	<u>146</u>	<u>1,078</u>	<u>1,621</u>
9	Total revenue	<u>2,778</u>	<u>2,805</u>	<u>(26)</u>	<u>25,387</u>	<u>25,241</u>	<u>145</u>	<u>24,932</u>	<u>33,655</u>
Expenses:									
10	Employee compensation and related	1,102	1,030	(72)	9,893	9,406	(487)	9,122	12,550
11	Materials and supplies	102	130	28	1,007	1,169	162	933	1,559
12	Utilities and telephone	509	472	(37)	4,272	3,837	(434)	4,061	5,065
13	Legal fees	58	24	(34)	162	218	55	136	290
14	Professional fees	5	13	8	71	118	47	66	157
15	Equipment rental		2	2	14	19	5	18	25
16	Outside services	499	921	422	5,031	7,968	2,938	4,119	10,459
17	Repairs and maintenance	27	31	4	246	247	2	213	333
18	Other Operating Expense	8	11	4	108	116	8	111	159
19	Insurance	105	110	5	945	987	42	856	1,316
20	Investment expense				31	31		31	31
21	Uncollectible Accounts	(19)	8	27	16	75	59	96	100
22	(Gain)/loss on sale or trade				1		(1)		
23	Depreciation and amortization	12	12		109	109		114	146
24	Net allocation to mutuals	103	109	6	921	957	35	673	1,279
25	Total expenses	<u>2,513</u>	<u>2,874</u>	<u>361</u>	<u>22,827</u>	<u>25,257</u>	<u>2,430</u>	<u>20,550</u>	<u>33,470</u>
26	Excess of revenues over expenses	<u>\$265</u>	<u>(\$69)</u>	<u>\$334</u>	<u>\$2,559</u>	<u>(\$16)</u>	<u>\$2,575</u>	<u>\$4,383</u>	<u>\$185</u>

**Third Laguna Hills Mutual
Operating Statement
9/30/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$14,159,212	\$14,159,475	(\$263)	0.00%	\$18,879,302
Total Operating	14,159,212	14,159,475	(263)	0.00%	18,879,302
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,521,229	1,521,225	4	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	549,180	549,180	0	0.00%	732,240
41003500 - Monthly Assessments - Replacement Fund	7,413,930	7,413,930	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	274,590	274,590	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	62,172	62,172	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	44,712	44,712	0	0.00%	59,616
Total Additions To Restricted Funds	9,865,813	9,865,809	4	0.00%	13,154,417
Total Assessments	24,025,025	24,025,284	(259)	0.00%	32,033,719
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	78,208	50,625	27,583	54.48%	67,500
46501500 - Inspection Fee	58,086	42,869	15,217	35.50%	57,161
46502000 - Resident Maintenance Fee	295,714	328,941	(33,227)	(10.10%)	438,577
Total Fees and Charges for Services to Residents	432,008	422,435	9,573	2.27%	563,238
Laundry					
46005000 - Coin Op Laundry Machine	100,366	81,000	19,366	23.91%	108,000
Total Laundry	100,366	81,000	19,366	23.91%	108,000
Interest Income					
49001000 - Interest Income - Treasury Notes	88,779	57,540	31,239	54.29%	82,195
49001500 - Interest Income - Treasury Notes - Discretionary	194,485	174,180	20,305	11.66%	222,498
49002000 - Interest Income - Money Market	5,596	2,044	3,552	173.79%	2,918
49002500 - Interest Income - Gnma Securities - Discretionary	65,091	42,742	22,349	52.29%	61,068
Total Interest Income	353,951	276,506	77,445	28.01%	368,679
Miscellaneous					
46004500 - Resident Violations	25,325	0	25,325	0.00%	0
44501510 - Lease Processing Fee - Third	193,619	153,000	40,619	26.55%	204,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	1,350	9,747	(8,397)	(86.15%)	13,000
44503520 - Resale Processing Fee - Third	121,486	145,422	(23,936)	(16.46%)	193,901
44505500 - Hoa Certification Fee	5,970	4,500	1,470	32.67%	6,000
44507000 - Golf Cart Electric Fee	52,741	51,003	1,738	3.41%	68,000
44507200 - Electric Vehicle Plug-In Fee	5,333	9,000	(3,667)	(40.74%)	12,000
44507500 - Cartport/Carport Space Rental Fee	4,421	2,250	2,171	96.47%	3,000
47001000 - Cash Discounts - Accounts Payable	11	0	11	0.00%	0
47001500 - Late Fee Revenue	41,673	36,000	5,673	15.76%	48,000
47002020 - Collection Administrative Fee - Third	3,500	6,750	(3,250)	(48.15%)	9,000
47002500 - Collection Interest Revenue	5,554	16,497	(10,943)	(66.33%)	22,000
47501000 - Recycling	4,796	1,800	2,996	166.46%	2,400
49009000 - Miscellaneous Revenue	9,584	0	9,584	0.00%	0
Total Miscellaneous	475,213	435,969	39,244	9.00%	581,301
Total Non-Assessment Revenue	1,361,538	1,215,910	145,627	11.98%	1,621,218
Total Revenue	25,386,563	25,241,194	145,368	0.58%	33,654,937
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,763,940	1,700,585	(63,355)	(3.73%)	2,276,484
51021000 - Union Wages - Regular	4,328,361	4,251,875	(76,485)	(1.80%)	5,684,742
51041000 - Wages - Overtime	26,767	30,219	(3,452)	11.42%	40,308
51051000 - Union Wages - Overtime	45,819	28,067	(17,752)	(63.25%)	37,449
51061000 - Holiday	604,989	240,607	(364,382)	(151.44%)	321,801
51071000 - Sick	231,808	196,285	(35,524)	(18.10%)	262,522

**Third Laguna Hills Mutual
Operating Statement
9/30/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51091000 - Missed Meal Penalty	2,240	1,310	(930)	(71.01%)	1,758
51101000 - Temporary Help	72,881	40,402	(32,479)	(80.39%)	53,884
51981000 - Compensation Accrual	(264,053)	0	264,053	0.00%	0
Total Employee Compensation	6,812,752	6,489,350	(323,402)	(4.98%)	8,678,947
Compensation Related					
52411000 - F.I.C.A.	525,986	486,171	(39,815)	(8.19%)	647,182
52421000 - F.U.I.	8,371	9,712	1,342	13.81%	9,719
52431000 - S.U.I.	73,941	48,523	(25,417)	(52.38%)	48,533
52441000 - Union Medical	1,413,960	1,427,100	13,140	0.92%	1,902,800
52451000 - Workers' Compensation Insurance	521,471	466,580	(54,891)	(11.76%)	623,917
52461000 - Non Union Medical & Life Insurance	214,014	175,254	(38,760)	(22.12%)	233,653
52461500 - VUL Premium	16,417	0	(16,417)	0.00%	0
52461550 - VUL Interest	5,085	0	(5,085)	0.00%	0
52471000 - Union Retirement Plan	255,200	232,582	(22,617)	(9.72%)	310,962
52481000 - Non-Union Retirement Plan	40,867	70,591	29,724	42.11%	94,496
52981000 - Compensation Related Accrual	4,643	0	(4,643)	0.00%	0
Total Compensation Related	3,079,953	2,916,513	(163,440)	(5.60%)	3,871,261
Materials and Supplies					
53001000 - Materials & Supplies	352,098	268,540	(83,558)	(31.12%)	358,452
53002500 - Printed Membership Materials	0	143	143	100.00%	194
53003000 - Materials Direct	654,601	899,918	245,318	27.26%	1,200,324
53004000 - Freight	231	0	(231)	0.00%	0
Total Materials and Supplies	1,006,929	1,168,602	161,673	13.83%	1,558,970
Utilities and Telephone					
53301000 - Electricity	369,480	270,700	(98,780)	(36.49%)	325,000
53301500 - Sewer	1,252,814	1,253,400	586	0.05%	1,677,000
53302000 - Water	2,241,393	1,915,410	(325,983)	(17.02%)	2,532,507
53302500 - Trash	408,157	397,834	(10,323)	(2.59%)	530,455
Total Utilities and Telephone	4,271,844	3,837,344	(434,500)	(11.32%)	5,064,962
Legal Fees					
53401500 - Legal Fees	162,416	217,503	55,087	25.33%	290,000
Total Legal Fees	162,416	217,503	55,087	25.33%	290,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	41,165	36,000	(5,165)	(14.35%)	48,000
53403500 - Consulting Fees	5,313	25,960	20,647	79.54%	34,614
53403520 - Consulting Fees - Third	24,462	55,719	31,257	56.10%	74,300
Total Professional Fees	70,940	117,679	46,739	39.72%	156,914
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	14,010	19,091	5,081	26.61%	25,462
Total Equipment Rental	14,010	19,091	5,081	26.61%	25,462
Outside Services					
53601000 - Bank Fees	0	2,946	2,946	100.00%	3,929
53604500 - Marketing Expense	4,280	0	(4,280)	0.00%	0
54603500 - Outside Services CC	4,972,733	7,913,898	2,941,164	37.16%	10,377,739
53704000 - Outside Services	53,548	51,479	(2,068)	(4.02%)	77,476
Total Outside Services	5,030,561	7,968,323	2,937,762	36.87%	10,459,144
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	5,443	9,061	3,617	39.92%	12,108
53702500 - Building Repair & Maint	11,926	0	(11,926)	0.00%	0
53703000 - Elevator /Lift Maintenance	228,421	238,360	9,939	4.17%	320,480
Total Repairs and Maintenance	245,790	247,421	1,631	0.66%	332,588
Other Operating Expense					
53801000 - Mileage & Meal Allowance	3,645	5,750	2,105	36.61%	7,694
53801500 - Travel & Lodging	13	1,175	1,162	98.93%	1,574
53802000 - Uniforms	57,607	55,156	(2,452)	(4.45%)	70,674
53802500 - Dues & Memberships	587	2,390	1,803	75.42%	3,204
53803000 - Subscriptions & Books	1,131	1,385	254	18.34%	1,851
53803500 - Training & Education	3,874	8,241	4,367	52.99%	11,016
53901500 - Volunteer Support	0	881	881	100.00%	1,175

**Third Laguna Hills Mutual
Operating Statement
9/30/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
53903000 - Safety	0	31	31	100.00%	41
54001000 - Board Relations	2,133	3,750	1,617	43.12%	5,000
54001020 - Board Relations - Third	2,828	2,997	169	5.63%	4,000
54001500 - Public Relations	(29)	0	29	0.00%	0
54002000 - Postage	36,238	33,128	(3,110)	(9.39%)	51,712
54002500 - Filing Fees / Permits	299	1,114	815	73.14%	1,497
Total Other Operating Expense	108,326	115,996	7,671	6.61%	159,438
Insurance					
54401000 - Hazard & Liability Insurance	292,338	302,973	10,635	3.51%	403,965
54401500 - D&O Liability	35,103	35,635	532	1.49%	47,514
54402000 - Property Insurance	613,384	643,308	29,924	4.65%	857,745
54403000 - General Liability Insurance	4,485	5,304	820	15.45%	7,072
Total Insurance	945,309	987,220	41,911	4.25%	1,316,295
Investment Expense					
54201000 - Investment Expense	31,272	31,272	0	0.00%	31,272
Total Investment Expense	31,272	31,272	0	0.00%	31,272
Uncollectible Accounts					
54602000 - Bad Debt Expense	15,731	74,997	59,266	79.02%	100,000
Total Uncollectible Accounts	15,731	74,997	59,266	79.02%	100,000
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	992	0	(992)	0.00%	0
Total (Gain)/Loss on Sale or Trade	992	0	(992)	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	109,476	109,476	0	0.00%	145,968
Total Depreciation and Amortization	109,476	109,476	0	0.00%	145,968
Net Allocation to Mutuals					
54602500 - Allocated Expenses	921,086	956,520	35,433	3.70%	1,279,046
Total Net Allocation to Mutuals	921,086	956,520	35,433	3.70%	1,279,046
Total Expenses	22,827,387	25,257,307	2,429,919	9.62%	33,470,268
Excess of Revenues Over Expenses	\$2,559,176	(\$16,112)	\$2,575,288	15983.50%	\$184,669

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
9/30/2018**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$6,883,852	\$997,829
2	Non-discretionary investments	8,912,945	12,920,190
3	Discretionary investments	16,759,078	16,497,360
4	Receivable/(Payable) from mutuals	1,306,613	1,786,681
5	Accounts receivable and interest receivable	(150,771)	(39,341)
6	Prepaid expenses and deposits	137,882	260,788
7	Property and equipment	141,239	141,239
8	Accumulated depreciation property and equipment	(141,239)	(141,239)
9	Beneficial interest in GRF of Laguna Hills Trust	5,494,315	5,603,791
10	Non-controlling interest in GRF	36,657,849	36,657,849
11	Total Assets	<u>\$76,001,762</u>	<u>\$74,685,148</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,063,729	\$2,385,414
13	Accrued compensation and related costs	677,476	677,476
14	Deferred income	1,025,347	946,225
15	Total liabilities	<u>\$2,766,552</u>	<u>\$4,009,114</u>
	Fund balances:		
16	Fund balance prior years	70,676,034	67,486,563
17	Change in fund balance - current year	2,559,176	3,189,471
18	Total fund balances	<u>73,235,209</u>	<u>70,676,034</u>
19	Total Liabilities and Fund Balances	<u>\$76,001,762</u>	<u>\$74,685,148</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
9/30/2018**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Assets								
1 Cash and cash equivalents	\$6,884,480							\$6,884,480
2 Non-discretionary investments	8,912,945							8,912,945
3 Discretionary investments	16,759,078							16,759,078
4 Receivable/(Payable) from mutuals	1,306,613							1,306,613
5 Receivable/(Payable) from operating fund	(31,002,669)	3,313,860	9,582,036	15,463,636	1,803,486	792,971	46,682	(151,400)
6 Accounts receivable and interest receivable	(151,400)							137,882
7 Prepaid expenses and deposits	137,882							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,494,315
10 Beneficial interest in GRF of Laguna Hills Trust	5,494,315							36,657,849
11 Non-controlling interest in GRF	36,657,849							
12 Total Assets	<u>\$44,999,092</u>	<u>\$3,313,860</u>	<u>\$9,582,036</u>	<u>\$15,463,636</u>	<u>\$1,803,486</u>	<u>\$792,971</u>	<u>\$46,682</u>	<u>\$76,001,762</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$995,350			\$68,380				\$1,063,730
14 Accrued compensation and related costs	677,476							677,476
15 Deferred income	1,025,347							1,025,347
16 Total liabilities	<u>\$2,698,173</u>			<u>\$68,380</u>				<u>\$2,766,552</u>
Fund balances:								
17 Fund balance prior years	42,582,338	2,762,889	8,728,230	14,097,025	1,627,889	814,024	63,639	70,676,034
18 Change in fund balance - current year	<u>(281,419)</u>	<u>550,971</u>	<u>853,805</u>	<u>1,298,231</u>	<u>175,597</u>	<u>(21,053)</u>	<u>(16,957)</u>	<u>2,559,176</u>
19 Total fund balances	42,300,920	3,313,860	9,582,036	15,395,256	1,803,486	792,971	46,682	73,235,209
20 Total Liabilities and Fund Balances	<u>\$44,999,092</u>	<u>\$3,313,860</u>	<u>\$9,582,036</u>	<u>\$15,463,636</u>	<u>\$1,803,486</u>	<u>\$792,971</u>	<u>\$46,682</u>	<u>\$76,001,762</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
9/30/2018**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Revenues:								
Assessments:								
1 Operating	\$14,159,212							\$14,159,212
2 Additions to restricted funds		549,180	1,521,229	7,413,930	274,590	62,172	44,712	9,865,813
3 Total assessments	<u>14,159,212</u>	<u>549,180</u>	<u>1,521,229</u>	<u>7,413,930</u>	<u>274,590</u>	<u>62,172</u>	<u>44,712</u>	<u>24,025,025</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	432,008							432,008
5 Laundry	100,366							100,366
6 Interest income		35,652	110,186	177,427	20,117	9,299	1,271	353,951
7 Miscellaneous	475,202			11				475,213
8 Total non-assessment revenue	<u>1,007,576</u>	<u>35,652</u>	<u>110,186</u>	<u>177,438</u>	<u>20,117</u>	<u>9,299</u>	<u>1,271</u>	<u>1,361,538</u>
9 Total revenue	<u>15,166,788</u>	<u>584,832</u>	<u>1,631,414</u>	<u>7,591,368</u>	<u>294,707</u>	<u>71,471</u>	<u>45,983</u>	<u>25,386,563</u>
Expenses:								
10 Employee compensation and related	7,346,409		5,798	2,494,602		19,453	26,443	9,892,706
11 Materials and supplies	622,570		414	326,189		40,514	17,243	1,006,929
12 Utilities and telephone	4,251,599		(9)	20,255			(1)	4,271,844
13 Legal fees	162,416							162,416
14 Professional fees	70,940							70,940
15 Equipment rental	4,728		29	8,990			264	14,010
16 Outside services	799,014	30,607	761,090	3,274,072	117,280	30,600	17,898	5,030,561
17 Repairs and maintenance	244,279		6	1,488		14	4	245,790
18 Other Operating Expense	91,697		36	16,294		146	152	108,326
19 Insurance	945,309							945,309
20 Investment expense		3,153	9,711	15,705	1,774	818	111	31,272
21 Uncollectible Accounts	15,731							15,731
22 (Gain)/loss on sale or trade		101	310	496	56	25	4	992
23 Depreciation and amortization	109,476							109,476
24 Net allocations to mutuals	784,039		225	135,046		953	823	921,086
25 Total expenses	<u>15,448,207</u>	<u>33,861</u>	<u>777,609</u>	<u>6,293,137</u>	<u>119,110</u>	<u>92,524</u>	<u>62,940</u>	<u>22,827,387</u>
26 Excess of revenues over expenses	<u>(\$281,419)</u>	<u>\$550,971</u>	<u>\$853,805</u>	<u>\$1,298,231</u>	<u>\$175,597</u>	<u>(\$21,053)</u>	<u>(\$16,957)</u>	<u>\$2,559,176</u>
27 Excluding depreciation	<u>(\$171,943)</u>	<u>\$550,971</u>	<u>\$853,805</u>	<u>\$1,298,231</u>	<u>\$175,597</u>	<u>(\$21,053)</u>	<u>(\$16,957)</u>	<u>\$2,668,652</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of September 30, 2018

Month	Delinquent Assessments	Assessments Write-Offs	Bad Debt Small Claims	Delinquent Fines, Fees, and Chargeable Services	Chargeable Services Write-Offs	Change in Provision	Total Delinquent Units *
December-17	304,394			45,324			44
January-18	311,578	1,000	-	45,324		6,184	32
February-18	311,696	(2,643)	-	49,141	-	6,578	35
March-18	305,389	-	-	76,605	-	21,157	27
April-18	306,918	11,676	-	78,070	-	(8,682)	29
May-18	327,234	-	-	81,210	-	23,456	35
June-18	291,738	(48,904)	-	75,466	-	7,664	32
July-18	226,998	(17,258)	20,830	71,019	-	(31,099)	23
August-18	233,972	(4,242)	-	68,789	-	8,986	21
September-18	220,977	-	-	63,271	-	(18,514)	18
October-18		-	-		-	-	
November-18		-	-		-	-	
December-18		-	-		-	-	
YTD TOTAL						15,731	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
9/30/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796MK2	U.S. TREASURY BILL	0.00%	05-21-18	11-15-18	3,000,000.00	1.98%	2,971,297.50	
912796QP7	U.S. TREASURY BILL	0.00%	07-30-18	12-20-18	2,000,000.00	1.99%	1,984,460.67	
912796QT9	U.S. TREASURY BILL	0.00%	07-30-18	01-17-19	2,000,000.00	2.04%	1,980,995.25	
912796PT0	U.S. TREASURY BILL	0.00%	07-30-18	02-28-19	2,000,000.00	2.06%	1,976,191.33	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 9,000,000.00		\$ 8,912,944.75	1.34%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
9/30/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 375,198.81		\$ 375,198.81	
912828N22	U.S. TREASURY NOTE	1.25%	12-24-15	12-15-18	250,000.00	1.32%	249,453.55	
46625HJR2	CorpBond-JP Morgan Chase & Co	2.35%	07-09-14	01-28-19	200,000.00	2.14%	201,734.00	
494974BFU9	CorpBond-Wells Fargo Company	2.13%	07-09-14	04-22-19	200,000.00	2.15%	199,726.00	
912828KQ2	U.S. TREASURY NOTE	3.13%	06-24-09	05-15-19	769,000.00	3.77%	727,847.11	
912828KQ2	U.S. TREASURY NOTE	3.13%	07-15-10	05-15-19	216,000.00	2.93%	219,181.80	
02665WBE0	CorpBond-American Honda Finance	1.20%	08-01-17	07-12-19	100,000.00	1.57%	99,280.00	
822582AJ1	CorpBond-Shell International Fin	4.30%	08-06-18	09-22-19	150,000.00	2.63%	152,746.50	
913017CF4	CorpBond-United Technologies Corp	1.50%	01-09-17	11-01-19	100,000.00	1.76%	99,267.00	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	400,000.00	1.90%	399,766.30	
05565QCX4	CorpBond-BP Capital Markets PLC C	2.32%	08-21-18	02-13-20	100,000.00	2.84%	99,239.00	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
437076BQ4	CorpBond-Home Depot Inc	1.80%	08-21-18	06-05-20	75,000.00	2.68%	73,851.00	
17275RAX0	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	300,000.00	2.66%	299,109.88	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
912828NT3	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
06406HDD8	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	CorpBond-State Street Corp	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
06051GFT1	CorpBond-Bank of America Corp	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
912828M98	U.S. TREASURY NOTE	1.63%	12-15-15	11-30-20	250,000.00	1.69%	249,199.64	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,559.10	
931142EA7	CorpBond-Wal-Mart Stores Inc	1.90%	08-21-18	12-15-20	75,000.00	2.75%	73,575.75	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	11-01-16	02-01-21	100,000.00	2.03%	102,436.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	08-18-17	02-01-21	100,000.00	2.17%	101,522.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	10-24-17	02-01-21	25,000.00	2.20%	25,342.50	
05531FAZ6	CorpBond-BB&T Corporation Ser Mti	2.15%	08-21-18	02-01-21	150,000.00	3.10%	146,644.50	
63946BAE0	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
9128284G2	U.S. TREASURY NOTE	2.38%	04-20-18	04-15-21	250,000.00	2.57%	248,594.17	
0258M0EB1	CorpBond-American Express Credit	2.25%	04-23-18	05-05-21	150,000.00	2.25%	146,322.00	
037833AR1	CorpBond-Apple Inc	2.85%	10-23-17	05-06-21	75,000.00	2.06%	76,986.75	
857477AV5	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
594918BP8	CorpBond-Microsoft Corp	1.55%	11-01-16	08-08-21	100,000.00	1.79%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	1,000,000.00	2.04%	1,007,269.63	
91324PBT8	CorpBond-Unitedhealth Group Inc	3.38%	01-05-16	11-15-21	150,000.00	2.64%	155,676.00	
375558AU7	CorpBond-Gilead Sciences Inc	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
9/30/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
585055BR6	CorpBond-Medtronic Inc	3.15%	12-16-15	03-15-22	150,000.00	3.15%	151,413.00	
585055BR6	CorpBond-Medtronic Inc	3.15%	07-19-16	03-15-22	100,000.00	1.82%	107,149.00	
747525AE3	CorpBond-QualComm Inc	3.00%	08-21-18	05-20-22	150,000.00	3.38%	147,984.00	
913017BV0	CorpBond-United Technologies Corp	3.10%	04-01-16	06-01-22	150,000.00	2.13%	158,292.00	
20030NBD2	CorpBond-Comcast Corp	3.13%	07-09-14	07-15-22	100,000.00	2.97%	101,063.00	
91159JAA4	CorpBond-US Bancorp	2.95%	12-08-15	07-15-22	200,000.00	1.82%	200,306.00	
91324PCN0	CorpBond-UnitedHealth Group	3.35%	12-04-17	07-15-22	150,000.00	1.82%	154,786.50	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	300,000.00	2.08%	296,098.26	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	500,000.00	1.99%	500,215.84	
912828M80	U.S. TREASURY NOTE	2.00%	12-15-15	11-30-22	200,000.00	2.05%	199,258.21	
48128BAB7	CorpBond-JP Morgan Chase & Co	2.97%	10-23-17	01-15-23	50,000.00	2.58%	50,769.00	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,637.22	
035242AL0	CorpBond-Anheuser-Busch Inbev Fin	3.30%	04-01-16	02-01-23	150,000.00	2.69%	155,475.00	
037833AK6	CorpBond-Apple Inc	2.40%	01-10-17	05-03-23	200,000.00	2.75%	195,862.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-19-16	06-30-23	200,000.00	1.35%	200,328.53	
68389XBL8	CorpBond-Oracle Corp	2.40%	07-12-16	09-15-23	150,000.00	2.16%	152,296.50	
59156RBH0	CorpBond-Metlife Inc	3.60%	12-04-17	04-10-24	150,000.00	2.82%	156,720.00	
94974BGA2	CorpBond-Wells Fargo Company	3.30%	12-04-17	09-09-24	150,000.00	3.01%	152,575.50	
36290YWE4/P621745	GNMA SECURITIES	5.50%	01-18-06	11-15-18	154.58	0.08%	10,525.73	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	474.88	0.15%	15,474.88	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	1,629.68	1.99%	4,090.88	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	39,954.81	5.50%	39,954.81	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	37,487.16	3.81%	54,144.65	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	103,021.56	3.21%	144,224.69	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	114,571.43	3.55%	145,230.44	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	96,613.31	2.60%	148,588.94	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	40,642.45	2.61%	62,191.42	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	171,248.19	2.69%	191,300.94	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	81,117.06	2.66%	91,439.00	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	168,403.70	2.40%	210,426.66	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	183,393.20	2.43%	226,654.92	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	271,295.08	2.45%	332,227.86	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	202,363.98	2.68%	226,778.37	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	421,060.79	2.49%	506,376.19	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	190,268.87	2.51%	227,466.01	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	101,765.80	2.97%	119,877.31	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	308,465.90	3.41%	316,217.85	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	32,703.62	3.71%	48,454.47	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	38,025.02	6.66%	31,400.51	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	93,306.43	2.45%	209,848.29	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	163,568.34	3.41%	215,731.53	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	148,486.67	3.73%	159,085.97	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	68,849.95	3.39%	91,439.31	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	142,761.15	3.23%	176,721.81	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	179,423.18	3.50%	205,046.14	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	203,922.10	3.32%	214,910.26	
TOTAL FOR DISCRETIONARY INVESTMENTS					15,860,177.70		16,759,078.36	1.87%
TOTAL INVESTMENTS					\$ 24,860,177.70		\$ 25,672,023.11	1.69%

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 09/30/2018**

ITEM	RESOLUTION #	BUDGET	EXPENDITURES		
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance	CURRENT STATUS

Replacement Fund

Garden Villa Breezeway Recessed Areas	03-17-54	\$150,000	147,152	\$2,848	In Progress
Shepherds Crook Fencing on Ridge Route	03-18-46	\$250,000	0	\$250,000	Open
Walkway Lighting Upgrades Gates 5,6,7 & 8	03-18-83	\$125,000	51,789	\$73,211	In Progress
Ridge Route Brush Clearance	03-18-84	\$330,000	0	\$330,000	Open
Totals		\$855,000	\$198,941	\$656,059	

Laundry Replacement Fund

Coin-Operated Dryers and Laundry Pedestals	03-18-150	\$403,000	0	\$403,000	Open
Totals		\$403,000	\$0	\$403,000	

Garden Villa Rec. Room Fund

Painting Garden Villa Rec Rooms	03-17-52	\$8,000	0	\$8,000	Open
Garden Villa Recreation Room Flooring	03-17-109	10,500	0	10,500	Open
Garden Villa Recreation Room Renovation	03-17-110	8,000	0	8,000	Open
Totals		\$26,500	\$0	\$26,500	

Unappropriated Expenditures Fund

Curb Cut Requests	03-17-51	62,500	38,116	0	Closed
3-Story Building Trash Chute Repairs	03-18-36	336,680	30,607	306,073	In Progress
Totals		\$399,180	\$68,724	\$306,073	

Disaster Fund

Monte Hermosa Slope Repair	03-18-67	\$20,652	18,773	\$1,879	In Progress
Totals		\$20,652	\$18,773	\$1,879	

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2018**

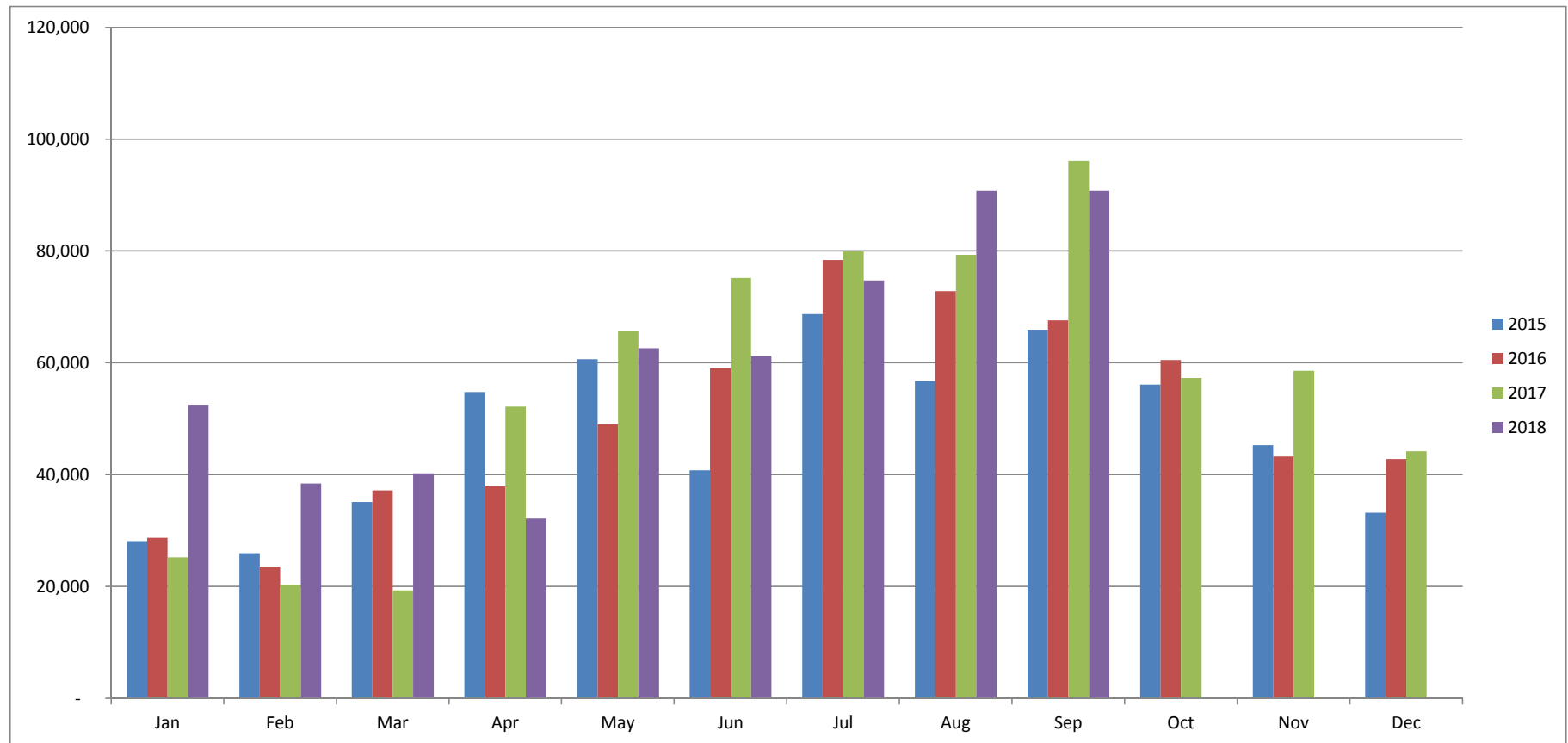
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	17,381	2,830	18,515	25,470	33,970	55%	6,955	27%
BUILDING STRUCTURES	51,784	262,322	929,602	2,364,031	3,152,327	29%	1,434,429	61%
ELECTRICAL SYSTEMS	0	4,586	7,777	41,274	55,046	14%	33,497	81%
ENERGY PROJECTS	0	4,166	0	37,494	50,000	0%	37,494	100%
EXTERIOR LIGHTING	600	41,666	22,696	374,994	500,000	5%	352,298	94%
FENCING	0	0	21,576	0	0	0%	(21,576)	0%
GARDEN VILLA LOBBY	0	9,486	114,664	85,581	114,126	100%	(29,083)	(34%)
GARDEN VILLA MAILROOM	0	1,950	53,309	17,726	23,649	225%	(35,584)	(201%)
GARDEN VILLA RECESSED AREA	64,671	16,250	71,111	146,250	195,000	36%	75,139	51%
GV REC ROOM WATER HEATER/HEAT PUMP	0	1,500	15,546	13,500	18,000	86%	(2,046)	(15%)
GUTTER REPLACEMENTS	11,229	11,405	131,559	102,822	137,118	96%	(28,737)	(28%)
LANDSCAPE MODERNIZATION	0	20,833	0	187,500	250,000	0%	187,500	100%
MAILBOXES	0	1,597	4,490	14,518	19,389	23%	10,028	69%
PAINT PROGRAM - EXTERIOR	130,827	131,929	1,089,508	1,201,327	1,602,744	68%	111,819	9%
PRIOR TO PAINT	76,535	70,558	792,662	642,449	857,243	92%	(150,212)	(23%)
PAVING	59,011	36,000	512,185	597,000	597,000	86%	84,815	14%
ROOF REPLACEMENTS	99,534	174,119	917,897	1,249,810	1,598,050	57%	331,913	27%
SUPPLEMENTAL APPROPRIATIONS	25,909	25,909	224,850	224,850	224,850	100%	0	0%
TREE MAINTENANCE	108,299	67,748	894,033	619,806	826,476	108%	(274,226)	(44%)
WALL REPLACEMENTS	0	6,250	0	56,247	75,000	0%	56,247	100%
WASTE LINE REMEDIATION	2,310	62,500	455,957	562,500	750,000	61%	106,543	19%
WATER LINES - COPPER PIPE REMEDIATION	0	8,333	(1,000)	74,997	100,000	-1%	75,997	101%
OTHER - INVESTMENT EXPENSE	0	0	16,201	16,201	16,201	100%	0	0%
TOTAL REPLACEMENT FUND	\$648,091	\$961,937	\$6,293,137	\$8,656,348	\$11,196,189	56%	\$2,363,211	27%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$27,515	\$117,280	\$247,635	\$330,189	36%	\$130,355	53%
OTHER - INVESTMENT EXPENSE	0	0	1,830	1,830	1,830	100%	0	0%
TOTAL ELEVATOR REPLACEMENT FUND	\$0	\$27,515	\$119,110	\$249,465	\$332,019	36%	\$130,355	52%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$0	\$2,049	\$41,938	\$18,515	\$24,714	170%	(\$23,423)	(127%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	691	2,872	49,742	25,999	34,688	143%	(23,744)	(91%)
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0	0	0%	0	0%
OTHER - INVESTMENT EXPENSE	0	0	844	844	844	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$691	\$4,920	\$92,524	\$45,357	\$60,246	154%	(\$47,167)	(104%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$6,498	\$5,720	\$62,824	\$51,772	\$69,139	91%	(\$11,052)	(21%)
OTHER - INVESTMENT EXPENSE	0	0	115	115	115	100%	0	0%
TOTAL GARDEN VILLA REC ROOMS FUND	\$6,498	\$5,720	\$62,939	\$51,887	\$69,255	91%	(\$11,052)	(21%)

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2018**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$7,392	\$7,722	\$77,971	\$70,345	\$93,901	83%	(\$7,627)	(11%)
BALCONY/BREEZEWAY RESURFACING	61,710	33,832	314,518	308,013	411,008	77%	(6,505)	(2%)
BUILDING REHAB/DRY ROT	17,226	26,445	130,856	240,332	320,666	41%	109,476	46%
CARPENTRY SERVICE	41,279	30,591	318,423	277,918	370,816	86%	(40,505)	(15%)
CONCRETE REPAIR/REPLACEMENT	28,088	22,854	289,917	208,106	277,636	104%	(81,811)	(39%)
CURB CUT/SIDEWALK RAMPS	0	1,666	0	14,994	20,000	0%	14,994	100%
ELECTRICAL SERVICE	5,922	11,695	73,405	106,614	142,279	52%	33,209	31%
FIRE PROTECTION	476	8,398	50,100	75,582	100,820	50%	25,482	34%
GUTTER CLEANING	19,530	37,096	27,260	55,404	166,799	16%	28,144	51%
GV MAILROOM RENOVATIONS	0	0	476	0	0	0%	(476)	0%
JANITORIAL SERVICE	72,080	64,752	642,275	588,955	785,925	82%	(53,320)	(9%)
MISC REPAIRS BY OUTSIDE SERVICE	544	5,505	42,661	49,546	66,061	65%	6,885	14%
PAINT - TOUCH UP	26,891	9,700	172,531	88,455	118,034	146%	(84,076)	(95%)
PAVING MAINTENANCE & REPAIRS	3,860	13,495	41,998	122,744	163,751	26%	80,746	66%
PEST CONTROL	7,438	24,912	229,433	224,208	298,968	77%	(5,225)	(2%)
PLUMBING SERVICE	85,242	46,286	567,528	421,287	562,159	101%	(146,240)	(35%)
ROOF REPAIRS	0	24,166	146,874	217,494	290,000	51%	70,620	32%
SOLAR MAINTENANCE	1,554	3,333	12,803	30,000	40,000	32%	17,197	57%
STAIR TREAD REPLACEMENTS	0	696	2,040	6,321	8,431	24%	4,280	68%
TRAFFIC CONTROL	3,645	2,456	20,888	22,280	29,721	70%	1,393	6%
WELDING	3,308	5,487	41,712	49,920	66,615	63%	8,208	16%
TOTAL MAINTENANCE PROGRAMS	\$386,184	\$381,086	\$3,203,671	\$3,178,518	\$4,333,590	74%	(\$25,154)	(1%)
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$2,160	\$25,833	\$118,196	\$232,497	\$310,000	38%	\$114,301	49%
MOISTURE INTRUSION - PLUMBING LEAKS	48,638	62,500	502,535	562,500	750,000	67%	59,965	11%
MOISTURE INTRUSION - PLUMBING STOPPAGES	(13,101)	20,444	68,465	183,996	245,338	28%	115,531	63%
MOISTURE INTRUSION - MISCELLANEOUS	4,573	5,905	74,074	53,145	70,869	105%	(20,929)	(39%)
DAMAGE RESTORATION SERVICES	16,495	30,855	4,319	278,282	371,133	1%	273,964	98%
OTHER - INVESTMENT EXPENSE	0	0	10,021	10,021	10,021	100%	0	0%
TOTAL DISASTER FUND	\$58,766	\$145,537	\$777,609	\$1,320,441	\$1,757,360	44%	\$542,832	41%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPELMENTAL APPROPRIATIONS	\$0	\$0	\$30,607	\$30,607	\$30,607	100%	\$0	0%
OTHER - INVESTMENT EXPENSES	0	0	3,254	3,254	3,254	100%	0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FI	\$0	\$0	\$33,861	\$33,861	\$33,861	100%	\$0	0%

Third Mutual Water Usage in 100 cubic feet units

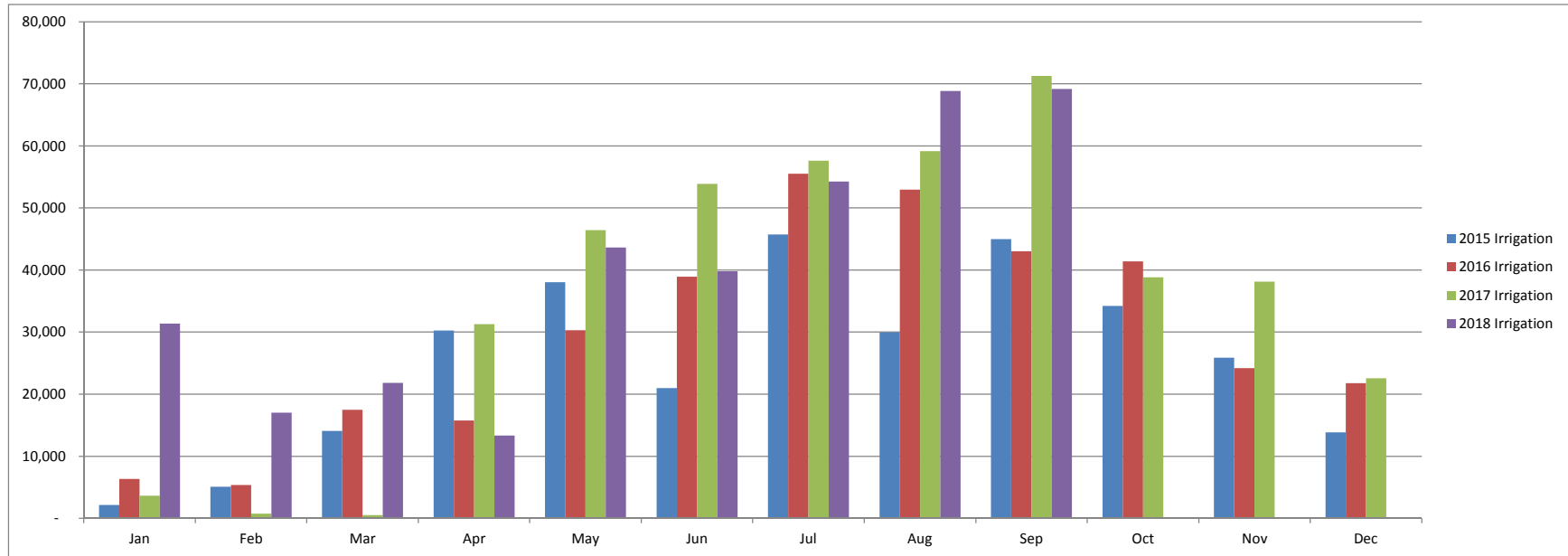
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	28,102	25,962	35,102	54,767	60,673	40,766	68,724	56,774	65,900	56,100	45,293	33,217	571,380
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	-	-	-	543,531



Third Mutual

Irrigation Water Usage in 100 cubic feet units

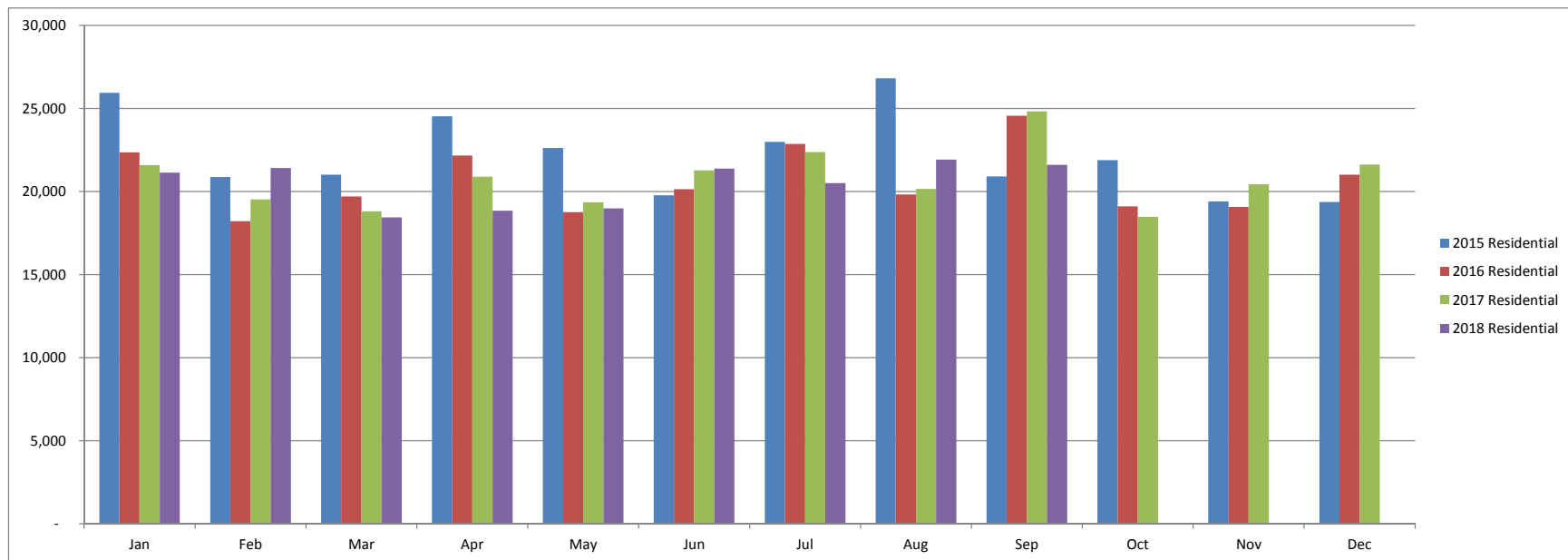
Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 Irrigation	2,158	5,098	14,089	30,250	38,046	21,002	45,731	29,957	44,995	34,212	25,883	13,854	305,275
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	-	-	-	359,312



Third Mutual

Residential Water Usage in 100 cubic feet units

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 Residential	25,944	20,864	21,013	24,517	22,627	19,764	22,993	26,817	20,905	21,888	19,410	19,363	266,105
2016 Residential	22,363	18,216	19,692	22,159	18,759	20,143	22,872	19,829	24,567	19,104	19,069	21,007	247,780
2017 Residential	21,580	19,520	18,805	20,883	19,359	21,270	22,367	20,149	24,828	18,477	20,443	21,624	249,305
2018 Residential	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	-	-	-	184,219



RESOLUTION 03-14-128

THIRD MUTUAL FINANCE COMMITTEE CHARTER

RESOLVED, that pursuant to Article VII, Section 1 of the Bylaws, the Finance Committee is hereby established as a standing committee of this Corporation; and

RESOLVED FURTHER, November 18, 2014, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of the Finance Committee of this Corporation as follows:

1. Annually review the proposed Third Laguna Hills Mutual Business Plan and recommend to the Board action regarding the same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.
2. Regularly review the financial statements and reports of Third Laguna Hills Mutual and review the performance of the managing agent related to the budget and operational efficiencies and make recommendations to the Board.
3. Review the investment of funds of Third Mutual to determine if they are in accordance with the investment policy. Review and recommend changes to the Board, as necessary, to the Mutual's investment policy.
4. Regularly review the status and sufficiency of the Mutual's reserve accounts.
5. Review any unplanned expenditure proposed by the Board or other Committees to determine the impact on and adequacy of related reserves and recommend appropriate action to the Board.
6. Function as an advisory and liaison body to the managing agent in matters pertaining to financial performance measurements, membership, assessment delinquencies, leasing, and occupancy; and coordinate these matters with other standing committees having related concerns.
7. Perform such additional functions as may be assigned or referred to this committee by the President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.
8. Review reports and recommendations from auditors and recommend to the Board any appropriate action; and
9. In coordination with GRF and Corporate Members, examine the need for review of managing agent organizational entities. Review the implementation of consultant findings and make recommendations to the Board.

10. Direct the preparation of a request for proposal for the annual financial audit of Third Laguna Hills Mutual.
11. Regularly review all insurance and risk management programs for Third Laguna Hills Mutual and recommend to the Board actions to be taken to maintain adequate protection and coverage.

RESOLVED FURTHER, that Resolution 03-04-30, adopted November 6, 2004, is hereby superseded and cancelled.

RESOLUTION 03-16-54

THIRD LAGUNA HILLS MUTUAL INVESTMENT POLICY

RESOLVED, May 17, 2016, that the Managing Agent of this corporation, and an 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 Third Laguna Hills 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 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 Treasurer or the President or 1st Vice President of this Corporation. Furthermore, if a member of the Board of the Corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this Corporation;
3. No funds shall be invested except in authorized investments as provided herein. Authorized investments limited to:
 - a. obligations of, or fully guaranteed as to principal, by the United States of America;
 - b. Up to 30% of the portfolio may be invested in Corporate Bonds rated A through AAA, specifically A3/A-/A- or better by Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet this minimum credit quality criteria in at least one of the above mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days; and
 - c. No more than 3% of the portfolio is to be invested in any one corporate bond issuer; 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, Laguna Woods, California. 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;

RESOLVED FURTHER, that Resolution 03-14-52 adopted May 20, 2014 is hereby superseded and canceled; and

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



TO: Third Mutual Board of Directors
FROM: Betty Parker, Chief Financial Officer
RE: 2019 Third Finance Committee Meeting Dates
DATE: November 6, 2018

Listed below are the proposed Third Finance Committee meeting dates, times, and location for the calendar year 2019. The meetings are scheduled monthly on the first Tuesday in the Board Room.

2019 THIRD FINANCE COMMITTEE MEETING DATES

Meeting Date	Start Time	Location
Tuesday, January 8*	1:30 p.m.	Board
Tuesday, February 5	1:30 p.m.	Board
Tuesday, March 5	1:30 p.m.	Board
Tuesday, April 2	1:30 p.m.	Board
Tuesday, May 7	1:30 p.m.	Board
Tuesday, June 4	1:30 p.m.	Board
Tuesday, July 2	1:30 p.m.	Board
Tuesday, August 6	1:30 p.m.	Board
Tuesday, September 3	1:30 p.m.	Board
Tuesday, October 1	1:30 p.m.	Board
Tuesday, November 5	1:30 p.m.	Board
Tuesday, December 3	1:30 p.m.	Board

*Rescheduled due to holiday on regular meeting date