



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, September 5, 2017 – 1:30 p.m.
Laguna Woods Village Community Center Sycamore Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for August 1, 2017
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated July 31, 2017

Items for Discussion and Consideration:

9. Payments by Credit Cards for Assessments and Charges
10. Method of Billing Legal Fees
11. Chargeable Services Update

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, October 3, 2017 at 1:30 p.m.
14. Recess to Closed Session

Steve Parsons, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4204



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

Tuesday, August 1, 2017 – 1:30 p.m.

Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Rosemarie di Lorenzo Dickins, James Tung, Annette Soule, Bill Walsh, Bert Moldow, Burt Baum, John Frankel; Advisors – John Hess and Wei-Ming Tao

OTHERS PRESENT: None

MEMBERS ABSENT: Steve Parsons, Jules Zalon, Bunny Carpenter, Susan Caine

STAFF PRESENT: Betty Parker, Solange Backes, Christopher Swanson (2:35 p.m.)

Call to Order

Director Dickins chaired the meeting and called it to order at 1:30 p.m.

Acknowledgment of Media

None.

Approve Meeting Agenda

The agenda was approved with the following additions:

- Budget Presentation
- Billing for Legal Fees
- Payment by Credit Card

Approval of the Regular Meeting Report for July 5, 2017

The Committee report was approved as presented.

Chair Remarks

None.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

None.

Review Preliminary Financial Statements dated June 30, 2017

Betty Parker, Financial Services Director, reviewed the financial statements dated June 30, 2017 and answered questions.

A handout of the Maintenance Programs Report as of June 30, 2017 was distributed showing a year-end projection for each operating and reserve program.

A handout was distributed to illustrate a 3-year comparison of monthly water usage.

The Committee made the following requests: discuss post-drought irrigation practices at Landscape Committee; discuss Water Line Copper Pipe Program at M&C Committee; include prior year actuals on Statement of Revenues and Expenditures; and status of 03-17-40 billing.

Janitorial Adjustments

Staff provided an update on the separation of Janitorial work into two departments, effective at the beginning of July. Required allocation adjustments will be finalized and any further budget variance will be investigated and reported at the next meeting.

SCE Billing

Staff member Chris Swanson entered the meeting to provide an update on SCE billing. A new handout was provided to the committee with information regarding a proposed Southern California Edison billing change to streamline the Net Energy Metering – Aggregate (NEM-A) rate schedule. The Committee requested monthly tracking of excess production for the solar systems.

Budget Presentation

The committee discussed the upcoming televised budget meeting, acknowledging that the proposed business plan addresses infrastructure needs. The committee directed staff to include an assessment history report in 2018 budget agenda.

Billing for Legal Fees

The committee directed staff to record any offsetting revenue received for legal items as an offset to the legal fee expense account.

Payments by Credit Cards

Comments regarding the meeting with BofA and the outcome will be discussed at the next finance committee meeting.

Committee Member Comments

Comments of appreciation were voiced by members of the committee.

Date of Next Meeting

Tuesday, September 5, 2017 at 1:30 p.m.

Adjournment

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

DRAFT

Rosemarie di Lorenzo Dickens, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
7/31/2017
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			YTD 2016	ANNUAL	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	
Revenues:									
Assessments:									
1	Operating	\$1,534	\$1,534	\$10,739	\$10,739		\$10,963	\$18,410	
2	Additions to restricted funds	1,116	1,116	7,814	7,814		7,634	13,396	
3	Total assessments	2,651	2,651	18,553	18,554		18,596	31,806	
Non-assessment revenues:									
4	Fees and charges for services to residents	(15)	44	(59)	163	306	(142)	221	524
5	Laundry	9	9		61	63	(2)	61	108
6	Interest income	29	26	3	204	182	22	201	311
7	Miscellaneous	59	37	22	407	294	113	514	478
8	Total non-assessment revenue	81	115	(34)	834	845	(10)	996	1,422
9	Total revenue	2,732	2,766	(34)	19,387	19,398	(11)	19,592	33,228
Expenses:									
10	Employee compensation and related	988	1,031	43	6,916	7,126	210	6,628	12,221
11	Materials and supplies	85	114	30	723	808	84	566	1,382
12	Utilities and telephone	556	495	(62)	3,016	2,903	(113)	2,965	5,150
13	Legal fees	23	13	(10)	106	88	(18)	48	150
14	Professional fees	2	11	9	58	83	25	85	140
15	Equipment rental	1	1	1	17	8	(9)	6	12
16	Outside services	441	978	537	2,582	5,233	2,651	3,467	8,564
17	Repairs and maintenance	22	24	2	166	168	2	135	288
18	Other Operating Expense	9	11	1	90	76	(13)	78	136
19	Insurance	92	103	11	644	722	78	665	1,238
20	Investment expense				21	21		21	21
21	Reserve expenditure							(2)	
22	Uncollectible Accounts	16	12	(3)	111	87	(24)	62	149
23	Depreciation and amortization	13	13		89	89		80	152
24	Net allocation to mutuals	66	95	29	510	655	145	554	1,128
25	Total expenses	2,313	2,900	587	15,046	18,065	3,019	15,360	30,731
26	Excess of revenues over expenses	\$419	(\$134)	\$553	\$4,342	\$1,333	\$3,008	\$4,233	\$2,497

**Third Laguna Hills Mutual
Operating Statement
7/31/2017
THIRD LAGUNA HILLS MUTUAL**

	Actual	Budget	YEAR TO DATE VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$10,738,768	\$10,739,259	(\$492)	0.00%	\$18,410,177
Total Operating	10,738,768	10,739,259	(492)	0.00%	18,410,177
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,281,420	1,281,420	0	0.00%	2,196,720
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	469,854	469,854	0	0.00%	805,464
41003500 - Monthly Assessments - Replacement Fund	5,766,390	5,766,390	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	213,570	213,570	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	48,356	48,356	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	34,776	34,776	0	0.00%	59,616
Total Additions To Restricted Funds	7,814,366	7,814,366	0	0.00%	13,396,056
Total Assessments	18,553,134	18,553,625	(492)	0.00%	31,806,233
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	40,974	35,616	5,358	15.04%	61,050
46501500 - Inspection Fee	13,901	33,422	(19,521)	(58.41%)	57,283
46502000 - Resident Maintenance Fee	108,503	236,838	(128,335)	(54.19%)	406,073
Total Fees and Charges for Services to Residents	163,378	305,876	(142,498)	(46.59%)	524,406
Laundry					
46005000 - Coin Op Laundry Machine	60,688	63,000	(2,313)	(3.67%)	108,000
Total Laundry	60,688	63,000	(2,313)	(3.67%)	108,000
Interest Income					
49001000 - Interest Income - Treasury Notes	8,146	3,752	4,394	117.11%	6,435
49001500 - Interest Income - Treasury Notes - Discretionary	129,137	104,307	24,830	23.80%	178,808
49002000 - Interest Income - Money Market	433	455	(22)	(4.92%)	789
49002500 - Interest Income - Gnma Securities - Discretionary	65,836	73,185	(7,349)	(10.04%)	125,457
Total Interest Income	203,552	181,699	21,853	12.03%	311,489
Miscellaneous					
46004500 - Resident Violations	92,900	0	92,900	0.00%	0
44501510 - Lease Processing Fee - Third	84,648	75,270	9,378	12.46%	138,004
44502500 - Non-Sale Transfer Fee - Third	1,100	7,616	(6,516)	(85.56%)	13,050
44503520 - Resale Processing Fee - Third	111,867	109,086	2,781	2.55%	200,000
44507000 - Golf Cart Electric Fee	66,567	67,425	(858)	(1.27%)	67,425
44507200 - Electric Vehicle Plug-In Fee	4,415	0	4,415	0.00%	0
44507500 - Cartport/Carport Space Rental Fee	2,870	1,750	1,120	64.00%	3,000
47001500 - Late Fee Revenue	18,249	14,000	4,249	30.35%	24,000
47002020 - Collection Administrative Fee - Third	1,500	5,250	(3,750)	(71.43%)	9,000
47002500 - Collection Interest Revenue	5,149	12,831	(7,682)	(59.87%)	22,000
47501000 - Recycling	715	812	(97)	(11.93%)	1,400
49004000 - Insurance Reimbursement	16,723	0	16,723	0.00%	0
49009000 - Miscellaneous Revenue	(58)	0	(58)	0.00%	0
Total Miscellaneous	406,645	294,040	112,605	38.30%	477,879
Total Non-Assessment Revenue	834,262	844,615	(10,353)	(1.23%)	1,421,774
Total Revenue	19,387,396	19,398,241	(10,845)	(0.06%)	33,228,007
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,177,699	1,273,762	96,063	7.54%	2,199,266
51021000 - Union Wages - Regular	3,011,772	3,436,401	424,629	12.36%	5,916,445
51041000 - Wages - Overtime	29,650	3,821	(25,829)	(675.95%)	6,573
51051000 - Union Wages - Overtime	45,023	36,336	(8,686)	(23.91%)	62,300
51061000 - Holiday	280,358	97,863	(182,495)	(186.48%)	168,674
51071000 - Sick	147,065	73,398	(73,667)	(100.37%)	126,506
51081000 - Sick - Part Time	0	616	616	100.00%	1,064
51091000 - Missed Meal Penalty	1,721	602	(1,118)	(185.73%)	1,044
51101000 - Temporary Help	45,418	29	(45,388)	(154698.02%)	50

**Third Laguna Hills Mutual
Operating Statement
7/31/2017
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51981000 - Compensation Accrual	28,429	0	(28,429)	0.00%	0
Total Employee Compensation	4,767,135	4,922,830	155,695	3.16%	8,481,923
Compensation Related					
52411000 - F.I.C.A.	350,606	378,404	27,798	7.35%	647,896
52421000 - F.U.I.	7,282	9,110	1,828	20.07%	9,110
52431000 - S.U.I.	42,475	49,017	6,542	13.35%	49,017
52441000 - Union Medical	1,034,250	1,047,954	13,704	1.31%	1,796,492
52451000 - Workers' Compensation Insurance	341,597	351,318	9,721	2.77%	605,059
52461000 - Non Union Medical & Life Insurance	132,932	130,204	(2,727)	(2.09%)	223,208
52471000 - Union Retirement Plan	178,125	184,134	6,009	3.26%	317,023
52481000 - Non-Union Retirement Plan	43,568	52,755	9,186	17.41%	91,086
52981000 - Compensation Related Accrual	17,679	0	(17,679)	0.00%	0
Total Compensation Related	2,148,515	2,202,897	54,382	2.47%	3,738,892
Materials and Supplies					
53001000 - Materials & Supplies	335,698	193,303	(142,395)	(73.66%)	328,660
53002500 - Printed Membership Materials	0	771	771	100.00%	1,325
53003000 - Materials Direct	386,784	613,590	226,806	36.96%	1,052,305
53004000 - Freight	811	0	(811)	0.00%	0
Total Materials and Supplies	723,292	807,664	84,372	10.45%	1,382,290
Utilities and Telephone					
53301000 - Electricity	274,818	275,037	219	0.08%	471,500
53301500 - Sewer	952,425	970,550	18,125	1.87%	1,663,800
53302000 - Water	1,482,198	1,375,837	(106,361)	(7.73%)	2,532,300
53302500 - Trash	289,869	263,999	(25,870)	(9.80%)	452,570
53304000 - Telephone	16,346	17,500	1,154	6.59%	30,000
Total Utilities and Telephone	3,015,656	2,902,923	(112,733)	(3.88%)	5,150,170
Legal Fees					
53401500 - Legal Fees	105,518	87,500	(18,018)	(20.59%)	150,000
Total Legal Fees	105,518	87,500	(18,018)	(20.59%)	150,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	37,000	23,247	(13,753)	(59.16%)	39,861
53403500 - Consulting Fees	3,473	29,930	26,457	88.40%	49,386
53403520 - Consulting Fees - Third	17,267	29,748	12,481	41.96%	51,000
Total Professional Fees	57,740	82,924	25,185	30.37%	140,247
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	16,532	7,527	(9,005)	(119.64%)	12,451
Total Equipment Rental	16,532	7,527	(9,005)	(119.64%)	12,451
Outside Services					
53601000 - Bank Fees	0	2,279	2,279	100.00%	3,909
53604500 - Marketing Expense	2,200	0	(2,200)	0.00%	0
54603500 - Outside Services CC	2,553,294	5,194,072	2,640,778	50.84%	8,488,753
53704000 - Outside Services	26,062	36,285	10,223	28.17%	70,856
Total Outside Services	2,581,556	5,232,636	2,651,080	50.66%	8,563,518
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	5,557	3,882	(1,675)	(43.14%)	6,703
53703000 - Elevator /Lift Maintenance	160,678	164,332	3,654	2.22%	281,720
Total Repairs and Maintenance	166,235	168,214	1,979	1.18%	288,423
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,838	4,376	2,537	57.99%	7,594
53801500 - Travel & Lodging	0	746	746	100.00%	1,289
53802000 - Uniforms	54,994	30,079	(24,916)	(82.84%)	51,607
53802500 - Dues & Memberships	319	2,134	1,815	85.07%	4,054
53803000 - Subscriptions & Books	1,398	648	(750)	(115.69%)	1,155
53803500 - Training & Education	3,644	4,579	935	20.42%	8,760
53901000 - Benefit Administrative Fees	27	0	(27)	0.00%	0
53903000 - Safety	0	42	42	100.00%	73
54001000 - Board Relations	2,193	5,040	2,847	56.49%	8,649
54001020 - Board Relations - Third	4,846	581	(4,265)	(734.14%)	1,000
54001500 - Public Relations	69	110	41	36.99%	192

**Third Laguna Hills Mutual
Operating Statement
7/31/2017
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
54002000 - Postage	20,213	27,171	6,958	25.61%	49,894
54002500 - Filing Fees / Permits	140	991	850	85.83%	1,731
Total Other Operating Expense	89,681	76,495	(13,186)	(17.24%)	135,999
Insurance					
54401000 - Hazard & Liability Insurance	231,654	242,834	11,179	4.60%	416,286
54401500 - D&O Liability	11,325	27,721	16,396	59.15%	47,522
54402000 - Property Insurance	397,627	447,615	49,988	11.17%	767,345
54403000 - General Liability Insurance	3,198	4,104	907	22.10%	7,036
Total Insurance	643,804	722,274	78,470	10.86%	1,238,190
Investment Expense					
54201000 - Investment Expense	20,710	20,710	0	0.00%	20,710
Total Investment Expense	20,710	20,710	0	0.00%	20,710
Uncollectible Accounts					
54602000 - Bad Debt Expense	111,128	86,681	(24,447)	(28.20%)	148,600
Total Uncollectible Accounts	111,128	86,681	(24,447)	(28.20%)	148,600
Depreciation and Amortization					
55001000 - Depreciation And Amortization	88,739	88,739	0	0.00%	152,124
Total Depreciation and Amortization	88,739	88,739	0	0.00%	152,124
Net Allocation to Mutuals					
54602500 - Allocated Expenses	509,539	654,964	145,425	22.20%	1,127,902
Total Net Allocation to Mutuals	509,539	654,964	145,425	22.20%	1,127,902
Total Expenses	15,045,780	18,064,980	3,019,200	16.71%	30,731,439
Excess of Revenues Over Expenses	\$4,341,616	\$1,333,261	\$3,008,355	225.64%	\$2,496,568

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
7/31/2017**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$12,511,839	\$9,274,282
2	Non-discretionary investments	1,984,354	1,988,138
3	Discretionary investments	16,338,604	16,108,316
4	Receivable/(Payable) from mutuals	1,469,171	1,355,267
5	Accounts receivable and interest receivable	67,011	128,591
6	Prepaid expenses and deposits	153,269	170,530
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	5,661,022	5,749,761
10	Non-controlling interest in GRF	36,706,488	36,706,488
11	Total Assets	<u>\$74,891,757</u>	<u>\$71,481,372</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,381,965	\$2,378,706
13	Accrued compensation and related costs	704,409	704,409
14	Deferred income	977,204	911,694
15	Total liabilities	<u>\$3,063,578</u>	<u>\$3,994,809</u>
	Fund balances:		
16	Fund balance prior years	67,486,563	63,654,172
17	Change in fund balance - current year	4,341,616	3,830,096
18	Fund transfers		2,295
19	Total fund balances	<u>71,828,179</u>	<u>67,486,563</u>
20	Total Liabilities and Fund Balances	<u>\$74,891,757</u>	<u>\$71,481,372</u>

8/17/2017

Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
7/31/2017

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Assets								
1 Cash and cash equivalents	\$12,511,839							\$12,511,839
2 Non-discretionary investments	1,984,354							1,984,354
3 Discretionary investments	16,338,604							16,338,604
4 Receivable/(Payable) from mutuals	1,469,171							1,469,171
5 Receivable/(Payable) from operating fund	(28,621,903)	2,571,658	8,523,385	14,930,277	1,649,746	802,368	144,468	
6 Accounts receivable and interest receivable	67,011							67,011
7 Prepaid expenses and deposits	153,269							153,269
8 Property and equipment	141,239							141,239
9 Accumulated depreciation property and equipment	(141,239)							(141,239)
10 Beneficial interest in GRF of Laguna Hills Trust	5,661,022							5,661,022
11 Non-controlling interest in GRF	36,706,488							36,706,488
12 Total Assets	\$46,269,854	\$2,571,658	\$8,523,385	\$14,930,277	\$1,649,746	\$802,368	\$144,468	\$74,891,757
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,316,701	\$920	\$8,693	\$10,259	\$45,393			\$1,381,965
14 Accrued compensation and related costs	704,409							704,409
15 Deferred income	977,204							977,204
16 Total liabilities	\$2,998,314	\$920	\$8,693	\$10,259	\$45,393			\$3,063,578
Fund balances:								
17 Fund balance prior years	43,268,245	2,379,454	7,756,703	11,646,904	1,547,778	771,000	116,478	67,486,563
18 Change in fund balance - current year	412,140	(217,561)	757,989	3,273,115	56,575	31,368	27,991	4,341,616
19 Fund transfers	(408,845)	408,845						
20 Total fund balances	43,271,540	2,570,738	8,514,693	14,920,019	1,604,353	802,368	144,468	71,828,179
21 Total Liabilities and Fund Balances	\$46,269,854	\$2,571,658	\$8,523,385	\$14,930,277	\$1,649,746	\$802,368	\$144,468	\$74,891,757

Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
7/31/2017

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$10,738,768							\$10,738,768
2 Additions to restricted funds		469,854	1,281,420	5,766,390	213,570	48,356	34,776	7,814,366
3 Total assessments	10,738,768	469,854	1,281,420	5,766,390	213,570	48,356	34,776	18,553,134
Non-assessment revenues:								
4 Fees and charges for services to residents	163,378							163,378
5 Laundry	60,688							60,688
6 Interest income		17,153	63,424	103,098	12,704	6,177	997	203,552
7 Miscellaneous	389,922		16,723					406,645
8 Total non-assessment revenue	613,987	17,153	80,147	103,098	12,704	6,177	997	834,262
9 Total revenue	11,352,755	487,007	1,361,567	5,869,488	226,274	54,533	35,773	19,387,396
Expenses:								
10 Employee compensation and related	5,393,325		10,608	1,496,888		10,230	4,599	6,915,650
11 Materials and supplies	460,909		1,629	253,667		6,421	665	723,292
12 Utilities and telephone	3,006,306		174	9,163			14	3,015,656
13 Legal fees	105,518							105,518
14 Professional fees	43,700	14,040						57,740
15 Equipment rental	4,489		45	12,009			(11)	16,532
16 Outside services	429,936	688,703	583,953	703,480	168,396	5,040	2,048	2,581,556
17 Repairs and maintenance	164,558		4	1,667		2	5	166,235
18 Other Operating Expense	76,808		69	12,631		140	34	89,681
19 Insurance	643,804							643,804
20 Investment expense		1,824	6,479	10,372	1,304	631	100	20,710
21 Uncollectible Accounts	111,128							111,128
22 Depreciation and amortization	88,739							88,739
23 Net allocations to mutuals	411,396		617	96,497		700	329	509,539
24 Total expenses	10,940,615	704,568	603,578	2,596,373	169,700	23,164	7,782	15,045,780
25 Excess of revenues over expenses	\$412,140	(\$217,561)	\$757,989	\$3,273,115	\$56,575	\$31,368	\$27,991	\$4,341,616
26 Excluding depreciation	\$500,879	(\$217,561)	\$757,989	\$3,273,115	\$56,575	\$31,368	\$27,991	\$4,430,355

THIRD LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
7/31/17

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796KL2	U.S. TREASURY BILL	0.00%	09-15-16	09-14-17	1,000,000.00	0.61%	993,933.33	
912796LX5	U.S. TREASURY BILL	0.00%	04-28-17	04-26-18	1,000,000.00	0.61%	990,420.83	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 2,000,000.00		\$ 1,984,354.16	0.70%

*Yield is based on all investments held during the year

THIRD LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
7/31/17

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 650,690.34		\$ 650,690.34	
912828PA2	U.S. TREASURY NOTE	1.88%	10-28-10	09-30-17	384,000.00	1.97%	381,586.53	
594918AP9	Corp Bond	0.88%	11-01-16	11-15-17	100,000.00	0.88%	99,988.00	
912828m72	U.S. TREASURY NOTE	0.88%	12-15-15	11-30-17	200,000.00	0.97%	199,625.34	
949746NX5	Corp Bond	5.63%	11-12-14	12-11-17	100,000.00	1.59%	112,057.00	
92826CAA0	Corp Bond	1.20%	02-22-16	12-14-17	150,000.00	0.99%	150,540.00	
46625HGY0	Corp Bond	6.00%	11-12-14	01-15-18	100,000.00	1.86%	112,677.00	
89114QAG3	Corp Bond	1.40%	01-10-17	04-30-18	225,000.00	1.53%	224,608.50	
20030NAW1	Corp Bond	5.70%	07-09-14	05-15-18	100,000.00	1.66%	114,972.00	
912828VK3	U.S. TREASURY NOTE	1.38%	07-10-13	06-30-18	275,000.00	1.48%	273,529.24	
912828n22	U.S. TREASURY NOTE	1.25%	12-24-15	12-15-18	250,000.00	1.32%	249,453.55	
718172BF5	Corp Bond	1.88%	11-13-14	01-15-19	150,000.00	1.90%	149,848.50	
46625HJR2	Corp Bond	2.35%	07-09-14	01-28-19	200,000.00	2.14%	201,734.00	
494974BFU9	Corp Bond	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	
913017CF4	Corp Bond	1.50%	01-09-17	11-01-19	100,000.00	1.76%	99,267.00	
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	
747525AP8	Corp Bond	2.10%	07-13-17	05-20-20	100,000.00	2.08%	100,530.00	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
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	Corp Bond	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	Corp Bond	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
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	
035242AJ5	Corp Bond	2.65%	11-01-16	02-01-21	100,000.00	2.03%	102,436.00	
63946BAE0	Corp Bond	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
594918BP8	Corp Bond	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	Corp Bond	3.38%	01-05-16	11-15-21	150,000.00	2.64%	156,421.31	
375558AU7	Corp Bond	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	
585055BR6	Corp Bond	3.15%	12-16-15	03-15-22	150,000.00	3.15%	151,413.00	
585055BR6	Corp Bond	3.15%	07-19-16	03-15-22	100,000.00	1.82%	107,149.00	
913017BV0	Corp Bond	3.10%	04-01-16	06-01-22	150,000.00	2.13%	158,292.00	
20030NBD2	Corp Bond	3.13%	07-09-14	07-15-22	100,000.00	2.97%	101,063.00	

THIRD LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
7/31/17

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
91159JAA4	Corp Bond	2.95%	12-08-15	07-15-22	200,000.00	1.82%	200,306.00	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	300,000.00	2.08%	296,098.26	
375558BC6	Corp Bond	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
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	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,637.22	
035242AL0	Corp Bond	3.30%	04-01-16	02-01-23	150,000.00	2.69%	155,475.00	
037833AK6	Corp Bond	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	Corp Bond	2.40%	07-12-16	09-15-23	150,000.00	2.16%	152,296.50	
36201TAZ0/P592324	GNMA SECURITIES	4.00%	02-17-10	02-15-18	4,728.37	1.73%	10,940.62	
36290YWE4/P621745	GNMA SECURITIES	5.50%	01-18-06	07-15-18	8,769.03	2.52%	19,140.18	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	6,444.60	1.50%	21,444.60	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	15,875.80	4.33%	18,337.00	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	64,539.08	5.50%	64,539.08	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	54,563.51	4.21%	71,221.00	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	147,076.40	3.52%	188,279.53	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	163,565.58	3.79%	194,224.59	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	138,167.20	2.91%	190,142.83	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	58,123.06	2.92%	79,672.03	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	233,535.54	2.76%	253,588.29	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	110,517.23	2.74%	120,839.17	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	224,569.28	2.53%	266,592.24	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	237,492.71	2.54%	280,754.43	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	361,623.72	2.57%	422,556.50	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	268,788.23	2.75%	293,202.62	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	543,366.44	2.59%	628,681.84	
36179MZV3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	248,885.79	2.61%	286,082.93	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	135,725.52	3.09%	153,837.03	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	41,414.91	3.98%	57,165.76	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	46,047.49	6.42%	39,422.98	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	125,332.20	2.85%	241,874.06	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	211,476.41	3.61%	263,639.60	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	89,696.45	3.59%	112,285.81	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	187,113.90	3.39%	221,074.56	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	237,760.32	3.61%	263,383.28	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	244,044.97	3.35%	255,033.13	
TOTAL FOR DISCRETIONARY INVESTMENTS					15,423,934.08		16,338,603.76	2.28%
TOTAL INVESTMENTS					<u>\$ 17,423,934.08</u>		<u>\$ 18,322,957.92</u>	2.11%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of July 31, 2017**

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-16	370,041						41
January-17	374,044	(8,957)	-			12,960	41
February-17	382,963	-	-		-	8,919	38
March-17	362,692	(38,095)	-		-	17,824	48
April-17	368,865	(16,407)	-		-	22,580	45
May-17	378,911	-	-		-	10,046	44
June-17	394,307	6,704	-	23,102	-	31,794	46
July-17	337,402	(50,075)	-	36,937	-	7,005	46
YTD TOTAL						111,128	

* units reported on the Assessments - Monthly Delinquency Report

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 7/31/2017**

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	0	\$150,000	Open
Totals		\$150,000	\$0	\$150,000	

Garden Villa Rec. Room Fund

Painting Garden Villa Rec Rooms	03-17-52	\$8,000	0	\$8,000	Open
Totals		\$8,000	\$0	\$8,000	

Unappropriated Expenditures Fund

Mid Cycle Dry Rot Repairs	03-14-29	\$1,111,000	\$282,552	\$0	Closed
Funding for Miscellaneous Energy Projects	03-15-73	2,000	1,312	688	In Progress
Misc. Energy Projects	03-15-137	2,500	1,400	1,100	In Progress
Funding For Wall Security - Gate 11	03-15-139	40,000	450	39,550	In Progress
Solar Project	03-16-98	2,400,000	2,246,564	153,436	In Progress
Supplemental Funding for Solar Project	03-17-40	250,000	142,722	107,278	In Progress
Curb Cut Requests	03-17-51	62,500	0	62,500	Open
Totals		\$3,868,000	\$2,674,999	\$364,552	

**THIRD LAGUNA HILLS MUTUAL
PROGRAMS EXPENDITURES REPORT
AS OF JULY 31, 2017**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	8,333	0	58,333	100,000	0%	58,333	100%
BUILDING STRUCTURES	6,950	21,725	67,866	152,072	260,695	26%	84,206	55%
BUILDING STRUCTURES - DRY ROT	0	166,998	145,539	1,168,987	2,003,978	7%	1,023,448	88%
ELECTRICAL SYSTEMS	4,850	9,991	5,322	70,411	120,368	4%	65,089	92%
ENERGY SYSTEMS	0	4,167	0	29,167	50,000	0%	29,167	100%
EXTERIOR LIGHTING	1,615	20,833	91,490	145,833	250,000	37%	54,343	37%
FENCING	4,361	8,492	48,810	59,445	101,905	48%	10,634	18%
FOUNDATIONS	0	6,250	75,658	43,750	75,000	101%	(31,908)	(73%)
GUTTER REPLACEMENTS	11,670	6,571	111,951	45,997	78,852	142%	(65,954)	(143%)
GARDEN VILLA CARPET/WALLPAPER	13,915	7,235	17,714	50,645	86,820	20%	32,931	65%
GV REC ROOM WATER HEATER/HEAT PUMP	0	556	0	3,894	6,675	0%	3,894	100%
MAILBOXES	12,988	966	12,988	6,761	11,590	112%	(6,227)	(92%)
PAINT PROGRAM - EXTERIOR	175,516	125,245	984,544	876,717	1,502,944	66%	(107,827)	(12%)
PRIOR TO PAINT	44,721	77,569	328,535	542,981	930,824	35%	214,446	39%
PAVING	0	24,725	0	173,072	296,694	0%	173,072	100%
ROOF REPLACEMENTS	131,203	99,441	445,512	696,085	1,193,289	37%	250,574	36%
TREE MAINTENANCE	54,614	91,812	245,290	642,686	1,101,747	22%	397,396	62%
WALL REPLACEMENTS	0	4,167	1,925	29,167	50,000	4%	27,242	93%
WASTE LINE REMEDIATION	0	62,500	15,934	437,500	750,000	2%	421,566	96%
WATER LINES - COPPER PIPE REMEDIATION	0	16,667	(2,704)	116,667	200,000	-1%	119,371	102%
TOTAL REPLACEMENT FUND	\$462,402	\$764,242	\$2,596,373	\$5,350,169	\$9,171,381	28%	\$2,753,796	51%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$45,393	\$26,631	\$169,700	\$186,414	\$319,566	53%	\$16,714	9%
TOTAL ELEVATOR REPLACEMENT FUND	\$45,393	\$26,631	\$169,700	\$186,414	\$319,566	53%	\$16,714	9%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$748	\$4,710	\$5,456	\$32,969	\$56,519	10%	\$27,513	83%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	6,478	2,498	17,708	17,484	29,972	59%	(225)	(1%)
TOTAL LAUNDRY REPLACEMENT FUND	\$7,226	\$7,208	\$23,164	\$50,453	\$86,491	27%	\$27,289	54%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$832	\$5,838	\$7,782	\$40,869	\$70,061	11%	\$33,087	81%
TOTAL GARDEN VILLA REC ROOMS FUND	\$832	\$5,838	\$7,782	\$40,869	\$70,061	11%	\$33,087	81%

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**THIRD LAGUNA HILLS MUTUAL
PROGRAMS EXPENDITURES REPORT
AS OF JULY 31, 2017**

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE BUDGET	TOTAL BUDGET	% EXPENDED	VARIANCE \$	%
OPERATING FUND								
JANITORIAL SERVICE	\$40,057	\$55,125	\$433,811	\$385,874	\$661,499	66%	(\$47,937)	(12%)
PLUMBING SERVICE	61,566	45,749	455,155	320,240	548,982	83%	(134,916)	(42%)
BUILDING REHAB/DRY ROT	8,734	38,304	99,892	268,127	459,647	22%	168,235	63%
CARPENTRY SERVICE	42,602	31,961	305,778	223,729	383,536	80%	(82,048)	(37%)
ROOF REPAIRS	10,865	29,267	203,810	204,867	351,200	58%	1,056	1%
PEST CONTROL FOR TERMITES	20,709	25,058	67,196	175,406	300,696	22%	108,210	62%
CONCRETE REPAIR/REPLACEMENT	18,832	23,946	149,856	167,623	287,353	52%	17,766	11%
BALCONY/BREEZEWAY RESURFACING	25,858	22,811	223,917	159,675	273,728	82%	(64,242)	(40%)
PAINT- EXTERIOR TOUCHUP	12,007	12,240	79,718	85,682	146,884	54%	5,965	7%
PAVING MAINTENANCE & REPAIRS	7,556	12,034	55,558	84,241	144,413	38%	28,683	34%
GUTTER CLEANING	139	11,774	10,486	82,417	141,287	7%	71,932	87%
ELECTRICAL SERVICE	6,778	9,905	69,460	69,333	118,856	58%	(127)	(0%)
MISC REPAIRS BY OUTSIDE SERVICE	6,923	9,359	16,400	65,511	112,305	15%	49,111	75%
APPLIANCE REPAIRS	8,891	8,650	75,966	60,548	103,797	73%	(15,418)	(25%)
FIRE PROTECTION	7,654	8,103	36,500	56,722	97,238	38%	20,222	36%
WELDING	12,762	5,734	54,617	40,140	68,812	79%	(14,477)	(36%)
GV MAILROOM RENOVATIONS	10,730	2,366	17,352	16,562	28,392	61%	(790)	(5%)
PAINT- INTERIOR TOUCHUP	2,612	1,809	18,305	12,661	21,705	84%	(5,644)	(45%)
TRAFFIC CONTROL	139	1,798	11,612	12,585	21,574	54%	973	8%
STAIR TREAD REPLACEMENTS	0	1,437	75	10,061	17,248	0%	9,986	99%
CURB CUT/SIDEWALK RAMPS	0	833	0	5,833	10,000	0%	5,833	100%
TOTAL MAINTENANCE PROGRAMS	\$305,415	\$358,263	\$2,385,465	\$2,507,839	\$4,299,152	55%	\$122,374	5%
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$14,550	\$25,833	\$335,250	\$180,833	\$310,000	108%	(\$154,417)	(85%)
MOISTURE INTRUSION - PLUMBING LEAKS	18,594	40,250	190,282	281,750	483,000	39%	91,468	32%
MOISTURE INTRUSION - PLUMBING STOPPAGES	5,459	19,471	33,788	136,299	233,656	14%	102,512	75%
MOISTURE INTRUSION - MISCELLANEOUS	(565)	5,625	21,567	39,372	67,495	32%	17,805	45%
DAMAGE RESTORATION SERVICES	3,771	36,910	22,691	258,368	442,917	5%	235,677	91%
TOTAL DISASTER FUND	\$41,810	\$128,089	\$603,578	\$896,623	\$1,537,068	39%	\$293,045	33%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPELMENTAL APPROPRIATIONS	\$140,742	\$140,742	\$704,568	\$704,568	\$704,568	100%	\$0	0%
TOTAL DISASTER FUND	\$140,742	\$140,742	\$704,568	\$704,568	\$704,568	100%	\$0	0%

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