



**REGULAR MEETING OF THE FINANCE COMMITTEE**

**Tuesday, May 1, 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 April 3, 2018
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

**Reports**

8. Preliminary Financial Statements dated March 31, 2018

**Items for Discussion and Consideration:**

9. Financial Statements dated December 31, 2017
10. Third Electronic Payment Policy
11. Other Endorsements from Standing Committees

**Future Agenda Items**

Setup Automated Monthly Accruals in Ax

**Concluding Business:**

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, June 5, 2018 at 1:30 p.m.
14. Recess to Closed Session

Steven Parsons, Chair  
Betty Parker, Staff Officer  
Telephone: 949-597-4201



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

Tuesday, April 3, 2018 – 1:30 p.m.  
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

**MEMBERS PRESENT:** Steve Parsons – Chair, Rosemarie diLorenzo, Bill Walsh, John Frankel, Bunny Carpenter, Roy Bruninghaus, Bert Moldow, James Tung

**MEMBERS ABSENT:** Susan Caine, Burt Baum, Jules Zalon  
Advisors: Wei-Ming Tao, John Hess

**STAFF PRESENT:** Solange Backes, Jose Campos, Christopher Swanson

### **Call to Order**

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

### **Acknowledgment of Media**

None.

### **Approve Meeting Agenda**

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

### **Approval of the Regular Meeting Report for March 6, 2018**

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

### **Chair Remarks**

None.

### **Member Comments (Items Not on the Agenda)**

None.

### **Department Head Update**

Solange Backes, Controller, provided an update regarding the finalization of the 2017 Annual Audit.

### **Review Preliminary Financial Statements**

The Committee reviewed and commented on the financial statements dated February 28, 2018. No action was taken.

**Credit Card Policy**

The committee reviewed the GRF Electronic Payments Policy to begin the process of identifying and establishing a Mutual framework. The committee directed staff to determine if merchant processing fees could be included into Chargeable Services.

**Automatic Accruals**

Solange Backes commented that automatic accruals will need to be pushed back until late summer.

**Endorsements from Standing Committees**

None.

**Future Agenda Items**

- Credit Card Policy Update
- Automated Accruals (September)

**Committee Member Comments**


Director Bruninghaus commented on a time and location regarding a social event.

**Date of Next Meeting**

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

**Recess to Closed Session**

The meeting recessed to closed session at 3:00 p.m.

  
\_\_\_\_\_  
Steve Parsons, Chair

**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**3/31/2018**  
(\$ 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		\$4,720	\$4,720		\$4,607	\$18,879
2	Additions to restricted funds	1,096	1,096		3,289	3,289		3,349	13,154
3	Total assessments	2,669	2,669		8,008	8,008		7,956	32,034
Non-assessment revenues:									
4	Fees and charges for services to residents	44	47	(3)	143	141	2	85	563
5	Laundry	14	9	5	31	27	4	25	108
6	Interest income	34	31	3	111	92	18	87	369
7	Miscellaneous	50	48	1	133	145	(13)	192	581
8	Total non-assessment revenue	141	135	6	417	405	12	388	1,621
9	Total revenue	2,810	2,805	6	8,426	8,414	12	8,344	33,655
Expenses:									
10	Employee compensation and related	1,096	1,073	(23)	3,325	3,126	(199)	3,147	12,550
11	Materials and supplies	100	130	30	299	390	90	289	1,559
12	Utilities and telephone	540	388	(152)	1,295	1,132	(163)	1,062	5,065
13	Legal fees	37	24	(13)	21	73	52	21	290
14	Professional fees	76	13	(63)	76	39	(37)	43	157
15	Equipment rental	1	2	1	1	6	5	8	25
16	Outside services	780	676	(104)	798	2,232	1,434	1,078	10,459
17	Repairs and maintenance	27	27		76	81	5	35	333
18	Other Operating Expense	12	20	8	35	43	9	35	159
19	Insurance	110	110		328	329	1	276	1,316
20	Investment expense				10	10		10	10
21	Uncollectible Accounts	21	8	(13)	34	25	(9)	49	100
22	Depreciation and amortization	12	12		36	36		38	146
23	Net allocation to mutuals	100	108	8	307	317	10	243	1,279
24	Total expenses	2,913	2,591	(322)	6,642	7,840	1,198	6,333	33,449
25	Excess of revenues over expenses	(\$102)	\$214	(\$316)	\$1,784	\$574	\$1,210	\$2,011	\$205

**Third Laguna Hills Mutual  
Operating Statement  
3/31/2018  
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
<b>Operating</b>					
41001000 - Monthly Assessments	\$4,719,809	\$4,719,825	(\$16)	0.00%	\$18,879,302
<b>Total Operating</b>	<b>4,719,809</b>	<b>4,719,825</b>	<b>(16)</b>	<b>0.00%</b>	<b>18,879,302</b>
<b>Additions To Restricted Funds</b>					
41002000 - Monthly Assessments - Disaster Fund	507,076	507,075	1	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	183,060	183,060	0	0.00%	732,240
41003500 - Monthly Assessments - Replacement Fund	2,471,310	2,471,310	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	91,530	91,530	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	20,724	20,724	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	14,904	14,904	0	0.00%	59,616
<b>Total Additions To Restricted Funds</b>	<b>3,288,604</b>	<b>3,288,603</b>	<b>1</b>	<b>0.00%</b>	<b>13,154,417</b>
<b>Total Assessments</b>	<b>8,008,413</b>	<b>8,008,428</b>	<b>(15)</b>	<b>0.00%</b>	<b>32,033,719</b>
Non-Assessment Revenues:					
<b>Fees and Charges for Services to Residents</b>					
46501000 - Permit Fee	24,003	16,875	7,128	42.24%	67,500
46501500 - Inspection Fee	19,333	14,290	5,043	35.29%	57,161
46502000 - Resident Maintenance Fee	99,943	109,647	(9,704)	(8.85%)	438,577
<b>Total Fees and Charges for Services to Residents</b>	<b>143,279</b>	<b>140,812</b>	<b>2,467</b>	<b>1.75%</b>	<b>563,238</b>
<b>Laundry</b>					
46005000 - Coin Op Laundry Machine	31,121	27,000	4,121	15.26%	108,000
<b>Total Laundry</b>	<b>31,121</b>	<b>27,000</b>	<b>4,121</b>	<b>15.26%</b>	<b>108,000</b>
<b>Interest Income</b>					
49001000 - Interest Income - Treasury Notes	27,247	8,220	19,027	231.47%	82,195
49001500 - Interest Income - Treasury Notes - Discretionary	60,037	77,544	(17,507)	(22.58%)	222,498
49002000 - Interest Income - Money Market	726	292	434	148.66%	2,918
49002500 - Interest Income - Gnma Securities - Discretionary	22,533	6,106	16,427	269.03%	61,068
<b>Total Interest Income</b>	<b>110,543</b>	<b>92,162</b>	<b>18,381</b>	<b>19.94%</b>	<b>368,679</b>
<b>Miscellaneous</b>					
46004500 - Resident Violations	(175)	0	(175)	0.00%	0
44501510 - Lease Processing Fee - Third	56,210	51,000	5,210	10.22%	204,000
44502500 - Non-Sale Transfer Fee - Third	450	3,249	(2,799)	(86.15%)	13,000
44503520 - Resale Processing Fee - Third	37,136	48,474	(11,338)	(23.39%)	193,901
44505500 - Hoa Certification Fee	2,425	1,500	925	61.67%	6,000
44507000 - Golf Cart Electric Fee	16,143	17,001	(858)	(5.05%)	68,000
44507200 - Electric Vehicle Plug-In Fee	1,090	3,000	(1,910)	(63.68%)	12,000
44507500 - Cartport/Carport Space Rental Fee	800	750	50	6.67%	3,000
47001500 - Late Fee Revenue	16,955	12,000	4,955	41.29%	48,000
47002020 - Collection Administrative Fee - Third	0	2,250	(2,250)	(100.00%)	9,000
47002500 - Collection Interest Revenue	230	5,499	(5,269)	(95.82%)	22,000
47501000 - Recycling	1,429	600	829	138.23%	2,400
49009000 - Miscellaneous Revenue	(144)	0	(144)	0.00%	0
<b>Total Miscellaneous</b>	<b>132,549</b>	<b>145,323</b>	<b>(12,774)</b>	<b>(8.79%)</b>	<b>581,301</b>
<b>Total Non-Assessment Revenue</b>	<b>417,491</b>	<b>405,297</b>	<b>12,195</b>	<b>3.01%</b>	<b>1,621,218</b>
<b>Total Revenue</b>	<b>8,425,905</b>	<b>8,413,725</b>	<b>12,180</b>	<b>0.14%</b>	<b>33,654,937</b>

Expenses:

**Employee Compensation**

51011000 - Salaries & Wages - Regular	576,109	555,048	(21,062)	(3.79%)	2,276,484
51021000 - Union Wages - Regular	1,481,348	1,401,717	(79,631)	(5.68%)	5,684,742
51041000 - Wages - Overtime	9,016	10,073	1,057	10.50%	40,308
51051000 - Union Wages - Overtime	16,350	9,356	(6,994)	(74.76%)	37,449
51061000 - Holiday	251,144	79,101	(172,042)	(217.50%)	321,801
51071000 - Sick	86,422	64,530	(21,892)	(33.93%)	262,522
51091000 - Missed Meal Penalty	1,183	437	(746)	(170.97%)	1,758

**Third Laguna Hills Mutual  
Operating Statement  
3/31/2018  
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51101000 - Temporary Help	31,972	13,467	(18,505)	(137.41%)	53,884
51981000 - Compensation Accrual	(234,316)	0	234,316	0.00%	0
<b>Total Employee Compensation</b>	<b>2,219,227</b>	<b>2,133,729</b>	<b>(85,498)</b>	<b>(4.01%)</b>	<b>8,678,947</b>
<b>Compensation Related</b>					
52411000 - F.I.C.A.	182,828	160,680	(22,147)	(13.78%)	647,182
52421000 - F.U.I.	7,622	7,276	(345)	(4.75%)	9,719
52431000 - S.U.I.	67,324	36,381	(30,943)	(85.05%)	48,533
52441000 - Union Medical	474,550	475,700	1,150	0.24%	1,902,800
52451000 - Workers' Compensation Insurance	189,658	153,616	(36,042)	(23.46%)	623,917
52461000 - Non Union Medical & Life Insurance	69,760	58,439	(11,321)	(19.37%)	233,653
52471000 - Union Retirement Plan	89,442	76,675	(12,766)	(16.65%)	310,962
52481000 - Non-Union Retirement Plan	14,404	23,040	8,636	37.48%	94,496
52981000 - Compensation Related Accrual	9,758	0	(9,758)	0.00%	0
<b>Total Compensation Related</b>	<b>1,105,344</b>	<b>991,808</b>	<b>(113,536)</b>	<b>(11.45%)</b>	<b>3,871,261</b>
<b>Materials and Supplies</b>					
53001000 - Materials & Supplies	126,200	89,513	(36,687)	(40.98%)	358,452
53002500 - Printed Membership Materials	0	48	48	100.00%	194
53003000 - Materials Direct	172,915	299,973	127,058	42.36%	1,200,324
53004000 - Freight	15	0	(15)	0.00%	0
<b>Total Materials and Supplies</b>	<b>299,130</b>	<b>389,534</b>	<b>90,404</b>	<b>23.21%</b>	<b>1,558,970</b>
<b>Utilities and Telephone</b>					
53301000 - Electricity	106,868	134,300	27,432	20.43%	325,000
53301500 - Sewer	429,715	414,900	(14,815)	(3.57%)	1,677,000
53302000 - Water	631,623	450,370	(181,253)	(40.25%)	2,532,507
53302500 - Trash	126,534	132,611	6,078	4.58%	530,455
<b>Total Utilities and Telephone</b>	<b>1,294,740</b>	<b>1,132,181</b>	<b>(162,559)</b>	<b>(14.36%)</b>	<b>5,064,962</b>
<b>Legal Fees</b>					
53401500 - Legal Fees	20,650	72,501	51,851	71.52%	290,000
<b>Total Legal Fees</b>	<b>20,650</b>	<b>72,501</b>	<b>51,851</b>	<b>71.52%</b>	<b>290,000</b>
<b>Professional Fees</b>					
53402000 - Audit & Tax Preparation Fees	26,000	12,000	(14,000)	(116.67%)	48,000
53403500 - Consulting Fees	168	8,653	8,485	98.05%	34,614
53403520 - Consulting Fees - Third	50,023	18,573	(31,450)	(169.33%)	74,300
<b>Total Professional Fees</b>	<b>76,191</b>	<b>39,226</b>	<b>(36,965)</b>	<b>(94.24%)</b>	<b>156,914</b>
<b>Equipment Rental</b>					
53501500 - Equipment Rental/Lease Fees	1,485	6,364	4,879	76.67%	25,462
<b>Total Equipment Rental</b>	<b>1,485</b>	<b>6,364</b>	<b>4,879</b>	<b>76.67%</b>	<b>25,462</b>
<b>Outside Services</b>					
53601000 - Bank Fees	0	982	982	100.00%	3,929
53604500 - Marketing Expense	1,340	0	(1,340)	0.00%	0
54603500 - Outside Services CC	769,457	2,215,845	1,446,387	65.27%	10,377,739
53704000 - Outside Services	26,973	15,400	(11,573)	(75.15%)	77,476
<b>Total Outside Services</b>	<b>797,771</b>	<b>2,232,227</b>	<b>1,434,456</b>	<b>64.26%</b>	<b>10,459,144</b>
<b>Repairs and Maintenance</b>					
53701000 - Equipment Repair & Maint	629	2,987	2,358	78.94%	12,108
53703000 - Elevator /Lift Maintenance	75,556	78,120	2,564	3.28%	320,480
<b>Total Repairs and Maintenance</b>	<b>76,185</b>	<b>81,107</b>	<b>4,922</b>	<b>6.07%</b>	<b>332,588</b>
<b>Other Operating Expense</b>					
53801000 - Mileage & Meal Allowance	771	1,917	1,145	59.76%	7,694
53801500 - Travel & Lodging	0	392	392	100.00%	1,574
53802000 - Uniforms	22,705	24,172	1,467	6.07%	70,674
53802500 - Dues & Memberships	363	797	434	54.50%	3,204
53803000 - Subscriptions & Books	573	462	(112)	(24.25%)	1,851
53803500 - Training & Education	1,097	2,747	1,650	60.07%	11,016
53901500 - Volunteer Support	0	294	294	100.00%	1,175
53903000 - Safety	0	10	10	100.00%	41
54001000 - Board Relations	786	1,250	464	37.11%	5,000
54001020 - Board Relations - Third	1,179	999	(180)	(17.98%)	4,000

**Third Laguna Hills Mutual  
Operating Statement  
3/31/2018  
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
54001500 - Public Relations	12	0	(12)	0.00%	0
54002000 - Postage	6,834	9,696	2,862	29.52%	51,712
54002500 - Filing Fees / Permits	247	371	124	33.46%	1,497
<b>Total Other Operating Expense</b>	<b>34,566</b>	<b>43,106</b>	<b>8,539</b>	<b>19.81%</b>	<b>159,438</b>
<b>Insurance</b>					
54401000 - Hazard & Liability Insurance	97,119	100,991	3,872	3.83%	403,965
54401500 - D&O Liability	15,680	11,878	(3,802)	(32.01%)	47,514
54402000 - Property Insurance	214,765	214,436	(329)	(0.15%)	857,745
54403000 - General Liability Insurance	704	1,768	1,064	60.16%	7,072
<b>Total Insurance</b>	<b>328,269</b>	<b>329,073</b>	<b>804</b>	<b>0.24%</b>	<b>1,316,295</b>
<b>Investment Expense</b>					
54201000 - Investment Expense	10,446	10,446	0	0.00%	10,446
<b>Total Investment Expense</b>	<b>10,446</b>	<b>10,446</b>	<b>0</b>	<b>0.00%</b>	<b>10,446</b>
<b>Uncollectible Accounts</b>					
54602000 - Bad Debt Expense	33,919	24,999	(8,920)	(35.68%)	100,000
<b>Total Uncollectible Accounts</b>	<b>33,919</b>	<b>24,999</b>	<b>(8,920)</b>	<b>(35.68%)</b>	<b>100,000</b>
<b>Depreciation and Amortization</b>					
55001000 - Depreciation And Amortization	36,492	36,492	0	0.00%	145,968
<b>Total Depreciation and Amortization</b>	<b>36,492</b>	<b>36,492</b>	<b>0</b>	<b>0.00%</b>	<b>145,968</b>
<b>Net Allocation to Mutuals</b>					
54602500 - Allocated Expenses	307,279	316,794	9,516	3.00%	1,279,046
<b>Total Net Allocation to Mutuals</b>	<b>307,279</b>	<b>316,794</b>	<b>9,516</b>	<b>3.00%</b>	<b>1,279,046</b>
<b>Total Expenses</b>	<b>6,641,694</b>	<b>7,839,587</b>	<b>1,197,893</b>	<b>15.28%</b>	<b>33,449,441</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$1,784,211</b>	<b>\$574,138</b>	<b>\$1,210,073</b>	<b>210.76%</b>	<b>\$205,495</b>

**Third Laguna Hills Mutual  
Balance Sheet - Preliminary  
3/31/2018**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	<b>Assets</b>		
1	Cash and cash equivalents	\$6,760,900	\$997,829
2	Non-discretionary investments	7,927,217	12,920,190
3	Discretionary investments	16,578,677	16,497,360
4	Receivable/(Payable) from mutuals	1,580,030	1,786,681
5	Accounts receivable and interest receivable	(74,727)	(39,341)
6	Prepaid expenses and deposits	233,705	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	5,567,299	5,603,791
10	Non-controlling interest in GRF	36,657,849	36,657,849
<b>11</b>	<b>Total Assets</b>	<u><b>\$75,230,951</b></u>	<u><b>\$74,685,148</b></u>
	<b>Liabilities and Fund Balances</b>		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,021,596	\$2,385,414
13	Accrued compensation and related costs	677,476	677,476
14	Deferred income	1,071,635	946,225
15	Total liabilities	<u>\$2,770,706</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	1,784,211	3,189,471
18	Total fund balances	<u>72,460,245</u>	<u>70,676,034</u>
<b>19</b>	<b>Total Liabilities and Fund Balances</b>	<u><b>\$75,230,951</b></u>	<u><b>\$74,685,148</b></u>



**Third Laguna Hills Mutual  
Fund Balance Sheet - Preliminary  
3/31/2018**

	<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>
<b>Assets</b>								
1 Cash and cash equivalents	\$6,760,900							\$6,760,900
2 Non-discretionary investments	7,927,217							7,927,217
3 Discretionary investments	16,578,677							16,578,677
4 Receivable/(Payable) from mutuals	1,580,030							1,580,030
5 Receivable/(Payable) from operating fund	(29,638,206)	2,952,380	9,210,611	14,849,057	1,723,199	827,436	75,523	(74,727)
6 Accounts receivable and interest receivable	(74,727)							233,705
7 Prepaid expenses and deposits	233,705							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,567,299
10 Beneficial interest in GRF of Laguna Hills Trust	5,567,299							36,657,849
11 Non-controlling interest in GRF	36,657,849							
<b>12 Total Assets</b>	<b><u>\$45,592,745</u></b>	<b><u>\$2,952,380</u></b>	<b><u>\$9,210,611</u></b>	<b><u>\$14,849,057</u></b>	<b><u>\$1,723,199</u></b>	<b><u>\$827,436</u></b>	<b><u>\$75,523</u></b>	<b><u>\$75,230,951</u></b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,010,515			\$11,081				\$1,021,596
14 Accrued compensation and related costs	677,476							677,476
15 Deferred income	1,071,635							1,071,635
16 Total liabilities	<u>\$2,759,625</u>			<u>\$11,081</u>				<u>\$2,770,706</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>250,781</u>	<u>189,491</u>	<u>482,381</u>	<u>740,951</u>	<u>95,310</u>	<u>13,412</u>	<u>11,885</u>	<u>1,784,211</u>
19 Total fund balances	42,833,120	2,952,380	9,210,611	14,837,976	1,723,199	827,436	75,523	72,460,245
<b>20 Total Liabilities and Fund Balances</b>	<b><u>\$45,592,745</u></b>	<b><u>\$2,952,380</u></b>	<b><u>\$9,210,611</u></b>	<b><u>\$14,849,057</u></b>	<b><u>\$1,723,199</u></b>	<b><u>\$827,436</u></b>	<b><u>\$75,523</u></b>	<b><u>\$75,230,951</u></b>

**Third Laguna Hills Mutual  
Changes in Fund Balances - Preliminary  
3/31/2018**

	<b>Operating Fund</b>	<b>Unappropriated Expenditures Fund</b>	<b>Disaster Fund</b>	<b>Replacement Fund</b>	<b>Elevator Replacement Fund</b>	<b>Laundry Replacement Fund</b>	<b>Garden Villa Rec Room Fund</b>	<b>Total</b>
Revenues:								
Assessments:								
1 Operating	\$4,719,809							\$4,719,809
2 Additions to restricted funds		183,060	507,076	2,471,310	91,530	20,724	14,904	3,288,604
3 Total assessments	<u>4,719,809</u>	<u>183,060</u>	<u>507,076</u>	<u>2,471,310</u>	<u>91,530</u>	<u>20,724</u>	<u>14,904</u>	<u>8,008,413</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	143,279							143,279
5 Laundry	31,121							31,121
6 Interest income	34,082	7,449	23,708	38,507	4,377	2,142	278	110,543
7 Miscellaneous	132,549							132,549
8 Total non-assessment revenue	<u>341,030</u>	<u>7,449</u>	<u>23,708</u>	<u>38,507</u>	<u>4,377</u>	<u>2,142</u>	<u>278</u>	<u>417,491</u>
9 Total revenue	<u>5,060,839</u>	<u>190,509</u>	<u>530,784</u>	<u>2,509,817</u>	<u>95,907</u>	<u>22,866</u>	<u>15,182</u>	<u>8,425,905</u>
Expenses:								
10 Employee compensation and related	2,313,758		1,139	1,003,041		4,307	2,326	3,324,571
11 Materials and supplies	184,795		52	110,887		2,633	764	299,130
12 Utilities and telephone	1,295,797		(9)	(1,046)			(1)	1,294,740
13 Legal fees	20,650							20,650
14 Professional fees	32,962			43,230				76,191
15 Equipment rental	699		2	783			1	1,485
16 Outside services	200,767		43,956	551,047		2,000	1	797,771
17 Repairs and maintenance	75,975			208			1	76,185
18 Other Operating Expense	28,893		2	5,632		25	14	34,566
19 Insurance	328,269							328,269
20 Investment expense		1,018	3,224	5,278	597	291	38	10,446
21 Uncollectible Accounts	33,919							33,919
22 Depreciation and amortization	36,492							36,492
23 Net allocations to mutuals	257,084		36	49,807		199	153	307,279
24 Total expenses	<u>4,810,058</u>	<u>1,018</u>	<u>48,403</u>	<u>1,768,866</u>	<u>597</u>	<u>9,454</u>	<u>3,298</u>	<u>6,641,694</u>
25 Excess of revenues over expenses	<u>\$250,781</u>	<u>\$189,491</u>	<u>\$482,381</u>	<u>\$740,951</u>	<u>\$95,310</u>	<u>\$13,412</u>	<u>\$11,885</u>	<u>\$1,784,211</u>
26 Excluding depreciation	<u>\$287,273</u>	<u>\$189,491</u>	<u>\$482,381</u>	<u>\$740,951</u>	<u>\$95,310</u>	<u>\$13,412</u>	<u>\$11,885</u>	<u>\$1,820,703</u>

**THIRD LAGUNA HILLS MUTUAL**  
**Provision For Doubtful Accounts**  
**As of March 31, 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		-	-		-	-	
May-18		-	-		-	-	
June-18		-	-		-	-	
July-18		-	-		-	-	
August-18		-	-		-	-	
September-18		-	-		-	-	
October-18		-	-		-	-	
November-18		-	-		-	-	
December-18		-	-		-	-	
<b>YTD TOTAL</b>						<b>33,919</b>	

\* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL  
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA  
SCHEDULE OF INVESTMENTS  
3/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796LX5	U.S. TREASURY BILL	0.00%	04-28-17	04-26-18	1,000,000.00	0.61%	990,420.83	
912796MB2	U.S. TREASURY BILL	0.00%	08-11-17	05-24-18	2,000,000.00	1.05%	1,983,634.44	
912796PM5	U.S. TREASURY BILL	0.00%	01-24-18	06-28-18	1,000,000.00	1.46%	993,821.53	
912796MK2	U.S. TREASURY BILL	0.00%	08-11-17	07-19-18	4,000,000.00	1.09%	3,959,340.00	
<b>TOTAL FOR NON-DISCRETIONARY INVESTMENTS</b>					<b>\$ 8,000,000.00</b>		<b>\$ 7,927,216.80</b>	<b>1.06%</b>

\*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL  
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH  
SCHEDULE OF INVESTMENTS  
3/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
89114QAG3	M.L. MONEY MARKET				\$ 892,451.78		\$ 892,451.78	
20030NAW1	CorpBond-Toronto-Dominion Bank	1.40%	01-10-17	04-30-18	225,000.00	1.53%	224,608.50	
20030NAW1	CorpBond-Comcast Corp	5.70%	07-09-14	05-15-18	100,000.00	1.66%	114,972.00	
912828VK3	CorpBond-Comcast Corp	5.70%	10-23-17	05-15-18	50,000.00	1.52%	51,161.00	
912828N22	U.S. TREASURY NOTE	1.38%	07-10-13	06-30-18	275,000.00	1.48%	273,529.24	
718172BF5	U.S. TREASURY NOTE	1.25%	12-24-15	12-15-18	250,000.00	1.32%	249,453.55	
46625HJR2	CorpBond-Philip Morris Intl Inc	1.88%	11-13-14	01-15-19	150,000.00	1.90%	149,848.50	
494974BFU9	CorpBond-JP Morgan Chase & Co	2.35%	07-09-14	01-28-19	200,000.00	2.14%	201,734.00	
912828KQ2	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	
02665WBE0	U.S. TREASURY NOTE	3.13%	07-15-10	05-15-19	216,000.00	2.93%	219,181.80	
913017CF4	CorpBond-American Honda Finance	1.20%	08-01-17	07-12-19	100,000.00	1.57%	99,280.00	
9128283N8	CorpBond-United Technologies Corp	1.50%	01-09-17	11-01-19	100,000.00	1.76%	99,267.00	
912828K33	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	400,000.00	1.90%	399,766.30	
912828ND8	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
747525AP8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
912828XE5	CorpBond-Qual Comm Inc	2.10%	07-13-17	05-20-20	100,000.00	2.08%	100,530.00	
17275RAX0	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
912828NT3	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
06406HDD8	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
857477AS2	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
912828M98	CorpBond-State Street Corp	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	
035242AJ5	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,559.10	
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	
63946BAE0	CorpBond-Anheuser-Busch Inbev Fin	2.65%	10-24-17	02-01-21	25,000.00	2.20%	25,342.50	
037833AR1	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
857477AV5	CorpBond-Apple Inc	2.85%	10-23-17	05-06-21	75,000.00	2.06%	76,986.75	
594918BP8	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
912828RC6	CorpBond-Microsoft Corp	1.55%	11-01-16	08-08-21	100,000.00	1.79%	98,911.00	
91324PBT8	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	1,000,000.00	2.04%	1,007,269.63	
375558AU7	CorpBond-Unitedhealth Group Inc	3.38%	01-05-16	11-15-21	150,000.00	2.64%	155,676.00	
585055BR6	CorpBond-Gilead Sciences Inc	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	
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	

**THIRD LAGUNA HILLS MUTUAL  
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH  
SCHEDULE OF INVESTMENTS  
3/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
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	07-15-18	2,532.06	1.08%	12,903.21	
36201TAZ0/P592324	GNMA SECURITIES	4.00%	02-17-10	10-15-18	1,016.47	0.56%	7,228.72	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	2,284.73	0.66%	17,284.73	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	6,723.64	3.66%	9,184.84	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	51,874.73	5.50%	51,874.73	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	45,000.30	4.01%	61,657.79	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	118,001.19	3.34%	159,204.32	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	131,230.50	3.65%	161,889.51	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	112,420.79	2.74%	164,396.42	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	47,292.24	2.75%	68,841.21	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	205,360.66	2.73%	225,413.41	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	94,438.25	2.70%	104,760.19	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	191,745.05	2.46%	233,768.01	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	204,424.89	2.48%	247,686.61	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	309,011.95	2.51%	369,944.73	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	228,127.44	2.71%	252,541.83	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	469,567.57	2.54%	554,882.97	
36179MW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	214,574.00	2.56%	251,771.14	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	114,549.72	3.02%	132,661.23	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	33,844.40	3.75%	49,595.25	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	41,345.15	6.55%	34,720.64	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	103,444.36	2.59%	219,986.22	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	184,099.26	3.51%	236,262.45	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	165,830.27	3.76%	176,429.57	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	76,006.08	3.47%	98,595.44	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	158,379.45	3.29%	192,340.11	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	199,230.09	3.54%	224,853.05	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	218,283.51	3.33%	229,271.67	
<b>TOTAL FOR DISCRETIONARY INVESTMENTS</b>					<b>15,653,090.53</b>		<b>16,578,676.88</b>	<b>2.27%</b>
<b>TOTAL INVESTMENTS</b>					<b><u>\$ 23,653,090.53</u></b>		<b><u>\$ 24,505,893.68</u></b>	<b>1.81%</b>

\*Yield is based on all investments held during the year

**Third Laguna Hills Mutual  
Supplemental Appropriation Schedule  
Period Ending: 03/31/2018**

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	0	\$150,000	Open
<b>Totals</b>		<b>\$150,000</b>	<b>\$0</b>	<b>\$150,000</b>	

**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
<b>Totals</b>		<b>\$26,500</b>	<b>\$0</b>	<b>\$26,500</b>	

**Unappropriated Expenditures Fund**

Curb Cut Requests	03-17-51	62,500	38,116	24,384	Closed
<b>Totals</b>		<b>\$62,500</b>	<b>\$38,116</b>	<b>\$24,384</b>	

**THIRD LAGUNA HILLS MUTUAL  
FUND EXPENDITURES REPORT  
AS OF MARCH 31, 2018**

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	1,134	2,830	1,134	8,490	33,970	3%	7,356	87%
BUILDING STRUCTURES	340,388	263,268	383,674	787,851	3,152,327	12%	449,576	57%
ELECTRICAL SYSTEMS	1,950	4,586	1,950	13,758	55,046	4%	11,808	86%
ENERGY PROJECTS	(1,554)	4,166	0	12,498	50,000	0%	12,498	100%
EXTERIOR LIGHTING	212	41,666	212	124,998	500,000	0%	124,786	100%
FENCING	3,321	0	16,168	0	0	0%	(16,168)	0%
GARDEN VILLA LOBBY	33,955	9,549	48,993	28,516	114,126	43%	(20,477)	(72%)
GARDEN VILLA MAILROOM	18,636	2,004	43,851	5,899	23,649	185%	(37,951)	(643%)
GARDEN VILLA RECESSED AREA	0	16,250	0	48,750	195,000	0%	48,750	100%
GV REC ROOM WATER HEATER/HEAT PUMP	0	1,500	1,318	4,500	18,000	7%	3,182	71%
GUTTER REPLACEMENTS	7,100	11,459	24,882	34,265	137,118	18%	9,383	27%
LANDSCAPE MODERNIZATION	0	20,833	0	62,500	250,000	0%	62,500	100%
MAILBOXES	15	1,640	15	4,835	19,389	0%	4,820	100%
PAINT PROGRAM - EXTERIOR	120,040	136,121	375,282	399,981	1,602,744	23%	24,699	6%
PRIOR TO PAINT	79,900	72,802	336,259	213,773	857,243	39%	(122,486)	(57%)
PAVING	0	0	0	0	597,000	0%	0	0%
ROOF REPLACEMENTS	203,596	0	203,596	205,096	1,598,050	13%	1,500	1%
TREE MAINTENANCE	107,234	72,453	327,179	207,537	826,476	40%	(119,642)	(58%)
WALL REPLACEMENTS	0	6,250	0	18,749	75,000	0%	18,749	100%
WASTE LINE REMEDIATION	2,835	62,500	16,932	187,500	750,000	2%	170,568	91%
WATER LINES - COPPER PIPE REMEDIATION	(1,000)	8,333	(1,000)	24,999	100,000	-1%	25,999	104%
OTHER - INVESTMENT EXPENSE	(14,857)	0	(11,579)	0	0	0%	14,722	0%
TOTAL REPLACEMENT FUND	\$902,905	\$738,211	\$1,768,866	\$2,394,495	\$10,955,137	16%	\$674,171	28%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$27,515	\$0	\$82,545	\$330,189	0%	\$82,545	100%
OTHER - INVESTMENT EXPENSE	0	0	597	0	0	0%	(597)	0%
TOTAL ELEVATOR REPLACEMENT FUND	\$0	\$27,515	\$597	\$82,545	\$330,189	0%	\$81,948	99%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$655	\$2,072	\$4,146	\$6,167	\$24,714	17%	\$2,021	33%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	5,017	2,918	5,017	8,659	34,688	14%	3,642	42%
OTHER - INVESTMENT EXPENSE	0	0	291	0	0	0%	(291)	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$5,672	\$4,991	\$9,454	\$14,826	\$59,402	16%	\$5,372	36%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$774	\$5,808	\$3,259	\$17,243	\$69,139	5%	\$13,983	81%
OTHER - INVESTMENT EXPENSE	0	0	39	0	0	0%	(39)	0%
TOTAL GARDEN VILLA REC ROOMS FUND	\$774	\$5,808	\$3,298	\$17,243	\$69,139	5%	\$13,945	81%

**THIRD LAGUNA HILLS MUTUAL  
FUND EXPENDITURES REPORT  
AS OF MARCH 31, 2018**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$7,154	\$7,982	\$25,866	\$23,394	\$93,901	28%	(\$2,472)	(11%)
BALCONY/BREEZEWAY RESURFACING	14,678	34,896	26,804	102,491	411,008	7%	75,687	74%
BUILDING REHAB/DRY ROT	5,311	27,148	19,259	79,992	320,666	6%	60,733	76%
CARPENTRY SERVICE	26,520	31,377	73,671	92,508	370,816	20%	18,837	20%
CONCRETE REPAIR/REPLACEMENT	46,749	23,579	129,978	69,306	277,636	47%	(60,671)	(88%)
CURB CUT/SIDEWALK RAMPS	0	1,666	0	4,998	20,000	0%	4,998	100%
ELECTRICAL SERVICE	9,078	12,109	27,971	35,465	142,279	20%	7,495	21%
FIRE PROTECTION	2,537	8,398	4,227	25,194	100,820	4%	20,967	83%
GUTTER CLEANING	2,079	2,335	6,410	6,847	166,799	4%	438	6%
GV MAILROOM RENOVATIONS	0	0	0	0	0	0%	0	0%
JANITORIAL SERVICE	69,393	67,021	208,191	196,575	785,925	26%	(11,616)	(6%)
MISC REPAIRS BY OUTSIDE SERVICE	1,671	5,505	23,466	16,515	66,061	36%	(6,951)	(42%)
PAINT - TOUCH UP	27,925	10,047	60,418	29,447	118,034	51%	(30,972)	(105%)
PAVING MAINTENANCE & REPAIRS	7,785	13,882	10,998	40,881	163,751	7%	29,884	73%
PEST CONTROL FOR TERMITES	8,691	24,912	8,756	74,736	298,968	3%	65,980	88%
PLUMBING SERVICE	72,002	47,721	176,445	140,158	562,159	31%	(36,287)	(26%)
ROOF REPAIRS	39,690	24,166	70,511	72,498	290,000	24%	1,987	3%
SOLAR MAINTENANCE	3,108	3,333	3,108	10,000	40,000	8%	6,892	69%
STAIR TREAD REPLACEMENTS	0	712	814	2,106	8,431	10%	1,292	61%
TRAFFIC CONTROL	2,863	2,510	6,877	7,422	29,721	23%	545	7%
WELDING	964	5,648	19,268	16,626	66,615	29%	(2,641)	(16%)
TOTAL MAINTENANCE PROGRAMS	\$348,199	\$354,948	\$903,038	\$1,047,160	\$4,333,590	21%	\$144,123	14%

**DISASTER FUND**

MOISTURE INTRUSION - RAIN LEAKS	\$55,644	\$25,833	\$62,007	\$77,499	\$310,000	20%	\$15,492	20%
MOISTURE INTRUSION - PLUMBING LEAKS	84,078	62,500	128,041	187,500	750,000	17%	59,459	32%
MOISTURE INTRUSION - PLUMBING STOPPAGES	17,638	20,444	17,638	61,332	245,338	7%	43,694	71%
MOISTURE INTRUSION - MISCELLANEOUS	10,563	5,905	11,106	17,715	70,869	16%	6,609	37%
DAMAGE RESTORATION SERVICES	2,507	31,032	(170,389)	92,731	371,133	-46%	263,120	284%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0%	0	0%
<b>TOTAL DISASTER FUND</b>	<b>\$170,430</b>	<b>\$145,714</b>	<b>\$48,403</b>	<b>\$436,777</b>	<b>\$1,747,340</b>	<b>3%</b>	<b>\$388,374</b>	<b>89%</b>

**UNAPPROPRIATED EXPENDITURES FUND**

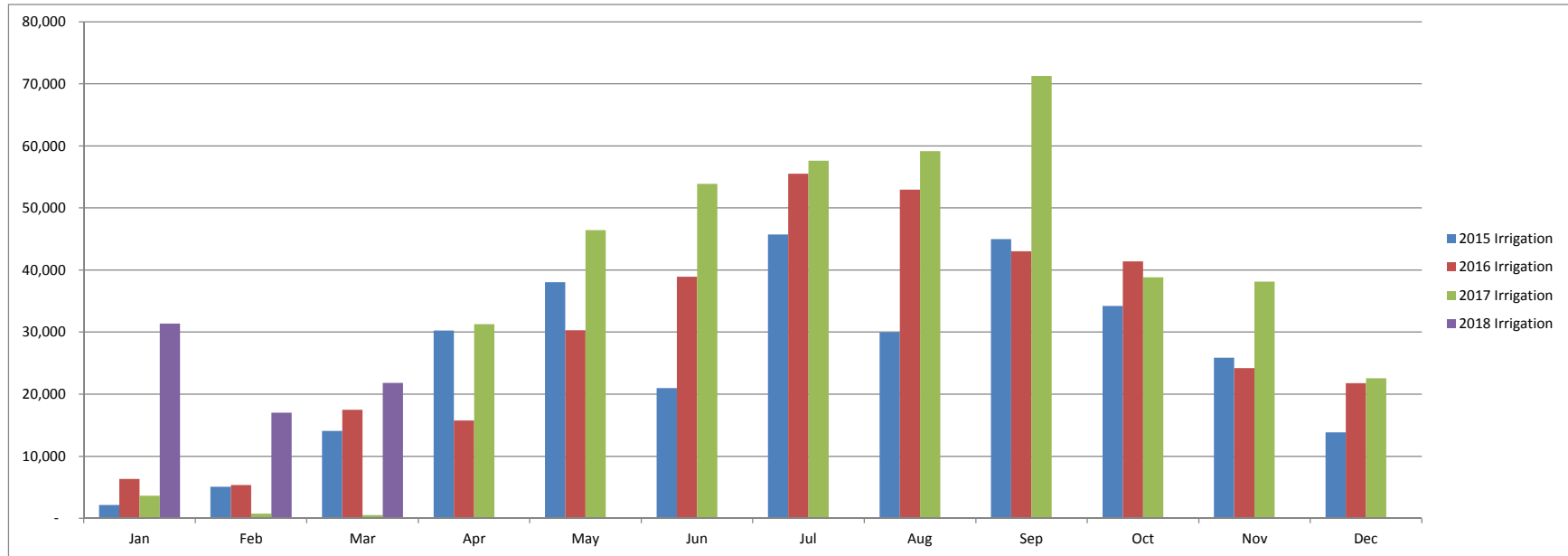
SUPPELMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
OTHER - INVESTMENT EXPENSES	0	0	1,018	0	0	0%	(1,018)	0%
<b>TOTAL DISASTER FUND</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,018</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>(\$1,018)</b>	<b>0%</b>



### Third Mutual

#### Irrigation Water Usage in 100 cubic feet units

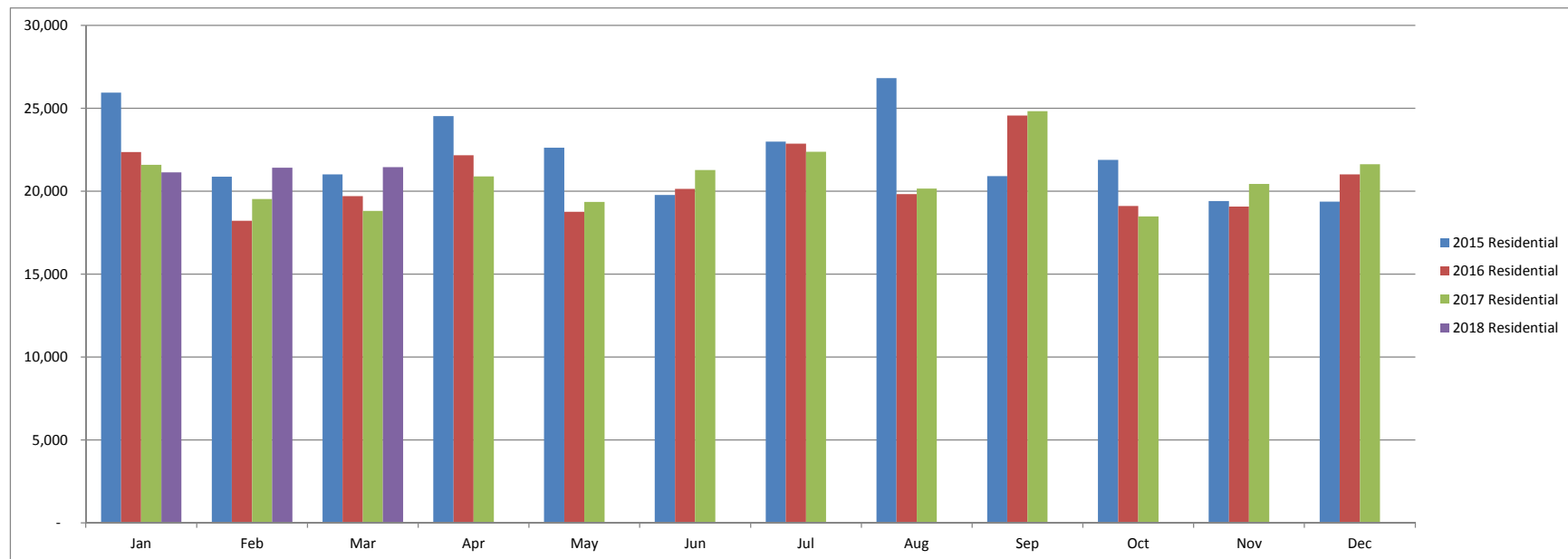
Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 Irrigation	2,158	5,098	14,089	30,250	38,046	21,002	45,731	29,957	44,995	34,212	25,883	13,854	305,275
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	353,082
2017 Irrigation	3,646	766	494	31,291	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	-	-	-	-	-	-	-	-	-	70,221



### 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	21,449	-	-	-	-	-	-	-	-	-	63,983



**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**

**12/31/2017**

		CURRENT MONTH (\$ IN THOUSANDS)			YEAR TO DATE			YTD 2017	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,534	\$1,534		\$18,409	\$18,410	(\$1)	\$18,794	\$18,410
2	Additions to restricted funds	1,116	1,116		13,396	13,396		13,086	13,396
3	Total assessments	2,650	2,650	0	31,805	31,806	(1)	31,880	31,806
Non-assessment revenues:									
4	Fees and charges for services to residents	28	44	(16)	331	524	(194)	376	524
5	Laundry	13	9	4	113	108	5	102	108
6	Interest income	38	26	12	380	311	68	362	311
7	Miscellaneous	(115)	37	(152)	461	478	(16)	624	478
8	Total non-assessment revenue	(36)	116	(153)	1,285	1,421	(136)	1,464	1,421
9	Total revenue	2,614	2,766	(153)	33,090	33,227	(137)	33,344	33,227
Expenses:									
10	Employee compensation and related	722	1,030	308	12,104	12,221	116	11,200	12,221
11	Materials and supplies	60	116	56	1,220	1,382	162	1,050	1,382
12	Utilities and telephone	327	407	80	5,358	5,150	(208)	5,272	5,150
13	Legal fees	27	13	(15)	231	150	(81)	110	150
14	Professional fees	10	11	2	119	140	21	138	140
15	Equipment rental	4	1	(4)	27	12	(14)	37	12
16	Outside services	2,225	589	(1,636)	7,913	8,564	651	8,940	8,564
17	Repairs and maintenance	25	24	(1)	284	288	4	278	288
18	Other Operating Expense	22	10	(11)	163	136	(27)	151	136
19	Insurance	105	103	(1)	1,173	1,238	65	1,103	1,238
20	Investment expense				42	31	(10)	42	31
21	Reserve expenditure							(2)	
22	Uncollectible Accounts	(15)	12	27	119	149	30	90	149
23	(Gain)/loss on sale or trade							139	
24	Depreciation and amortization	7	13	6	146	152	6		152
25	Net allocation to mutuals	153	94	(59)	1,003	1,128	125	965	1,128
26	Total expenses	3,672	2,423	(1,249)	29,902	30,741	840	29,513	30,741
27	Excess of revenues over expenses	(\$1,058)	\$343	(\$1,402)	\$3,188	\$2,486	\$703	\$3,831	\$2,486

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017  
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
<b>Revenues:</b>					
<b>Assessments:</b>					
<b>Operating</b>					
41001000 - Monthly Assessments	\$18,409,491	\$18,410,177	(\$686)	0.00%	\$18,410,177
<b>Total Operating</b>	<b>18,409,491</b>	<b>18,410,177</b>	<b>(686)</b>	<b>0.00%</b>	<b>18,410,177</b>
<b>Additions To Restricted Funds</b>					
41002000 - Monthly Assessments - Disaster Fund	2,196,720	2,196,720	0	0.00%	2,196,720
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	805,464	805,464	0	0.00%	805,464
41003500 - Monthly Assessments - Replacement Fund	9,885,240	9,885,240	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	366,120	366,120	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	82,896	82,896	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	59,616	59,616	0	0.00%	59,616
<b>Total Additions To Restricted Funds</b>	<b>13,396,056</b>	<b>13,396,056</b>	<b>0</b>	<b>0.00%</b>	<b>13,396,056</b>
<b>Total Assessments</b>	<b>31,805,547</b>	<b>31,806,233</b>	<b>(686)</b>	<b>0.00%</b>	<b>31,806,233</b>
<b>Non-Assessment Revenues:</b>					
<b>Fees and Charges for Services to Residents</b>					
46501000 - Permit Fee	70,387	61,050	9,337	15.29%	61,050
46501500 - Inspection Fee	49,756	57,283	(7,527)	(13.14%)	57,283
46502000 - Resident Maintenance Fee	210,759	406,073	(195,314)	(48.10%)	406,073
<b>Total Fees and Charges for Services to Residents</b>	<b>330,901</b>	<b>524,406</b>	<b>(193,504)</b>	<b>(36.90%)</b>	<b>524,406</b>
<b>Laundry</b>					
46005000 - Coin Op Laundry Machine	113,421	108,000	5,421	5.02%	108,000
<b>Total Laundry</b>	<b>113,421</b>	<b>108,000</b>	<b>5,421</b>	<b>5.02%</b>	<b>108,000</b>
<b>Interest Income</b>					
49001000 - Interest Income - Treasury Notes	49,205	6,435	42,770	664.65%	6,435
49001500 - Interest Income - Treasury Notes - Discretionary	224,329	178,808	45,521	25.46%	178,808
49002000 - Interest Income - Money Market	908	789	119	15.11%	789
49002500 - Interest Income - Gnma Securities - Discretionary	105,481	125,457	(19,976)	(15.92%)	125,457
<b>Total Interest Income</b>	<b>379,923</b>	<b>311,489</b>	<b>68,434</b>	<b>21.97%</b>	<b>311,489</b>
<b>Miscellaneous</b>					
46004500 - Resident Violations	92,230	0	92,230	0.00%	0
44501000 - Additional Occupant Fee	147	0	147	0.00%	0
44501510 - Lease Processing Fee - Third	174,218	138,004	36,214	26.24%	138,004
44502500 - Non-Sale Transfer Fee - Third	3,590	13,050	(9,460)	(72.49%)	13,050
44503520 - Resale Processing Fee - Third	205,296	200,000	5,296	2.65%	200,000
44505500 - Hoa Certification Fee	4,295	0	4,295	0.00%	0
44507000 - Golf Cart Electric Fee	66,878	67,425	(547)	(0.81%)	67,425
44507200 - Electric Vehicle Plug-In Fee	7,848	0	7,848	0.00%	0
44507500 - Cartport/Carport Space Rental Fee	2,870	3,000	(130)	(4.33%)	3,000
47001000 - Cash Discounts - Accounts Payable	31	0	31	0.00%	0
47001500 - Late Fee Revenue	34,778	24,000	10,778	44.91%	24,000
47002020 - Collection Administrative Fee - Third	3,000	9,000	(6,000)	(66.67%)	9,000
47002500 - Collection Interest Revenue	7,701	22,000	(14,299)	(64.99%)	22,000
47501000 - Recycling	2,119	1,400	719	51.35%	1,400
49004000 - Insurance Reimbursement	16,723	0	16,723	0.00%	0
49008000 - Unrealized Gain(Loss) In Voting Interest In Grf	(48,639)	0	(48,639)	0.00%	0
49008100 - Unrealized Gain(Loss) On Available For Sale Investments	(111,552)	0	(111,552)	0.00%	0
49009000 - Miscellaneous Revenue	(90)	0	(90)	0.00%	0
<b>Total Miscellaneous</b>	<b>461,444</b>	<b>477,879</b>	<b>(16,435)</b>	<b>(3.44%)</b>	<b>477,879</b>
<b>Total Non-Assessment Revenue</b>	<b>1,285,690</b>	<b>1,421,774</b>	<b>(136,084)</b>	<b>(9.57%)</b>	<b>1,421,774</b>
<b>Total Revenue</b>	<b>33,091,237</b>	<b>33,228,007</b>	<b>(136,770)</b>	<b>(0.41%)</b>	<b>33,228,007</b>
<b>Expenses:</b>					
<b>Employee Compensation</b>					
51011000 - Salaries & Wages - Regular	2,123,628	2,199,266	75,638	3.44%	2,199,266
51021000 - Union Wages - Regular	5,528,190	5,916,445	388,255	6.56%	5,916,445
51041000 - Wages - Overtime	46,881	6,573	(40,308)	(613.20%)	6,573
51051000 - Union Wages - Overtime	105,746	62,300	(43,446)	(69.74%)	62,300

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017  
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51061000 - Holiday	442,110	168,674	(273,437)	(162.11%)	168,674
51071000 - Sick	225,316	126,506	(98,811)	(78.11%)	126,506
51081000 - Sick - Part Time	0	1,064	1,064	100.00%	1,064
51091000 - Missed Meal Penalty	2,841	1,044	(1,797)	(172.20%)	1,044
51101000 - Temporary Help	93,786	50	(93,736)	(185688.99%)	50
51981000 - Compensation Accrual	6,277	0	(6,277)	0.00%	0
<b>Total Employee Compensation</b>	<b>8,574,776</b>	<b>8,481,923</b>	<b>(92,854)</b>	<b>(1.09%)</b>	<b>8,481,923</b>
<b>Compensation Related</b>					
52411000 - F.I.C.A.	634,942	647,896	12,954	2.00%	647,896
52421000 - F.U.I.	37,923	9,110	(28,813)	(316.27%)	9,110
52431000 - S.U.I.	46,250	49,017	2,767	5.64%	49,017
52441000 - Union Medical	1,829,696	1,796,492	(33,203)	(1.85%)	1,796,492
52451000 - Workers' Compensation Insurance	353,702	605,059	251,357	41.54%	605,059
52461000 - Non Union Medical & Life Insurance	234,110	223,208	(10,903)	(4.88%)	223,208
52471000 - Union Retirement Plan	324,117	317,023	(7,094)	(2.24%)	317,023
52481000 - Non-Union Retirement Plan	67,537	91,086	23,550	25.85%	91,086
52981000 - Compensation Related Accrual	1,442	0	(1,442)	0.00%	0
<b>Total Compensation Related</b>	<b>3,529,720</b>	<b>3,738,892</b>	<b>209,173</b>	<b>5.59%</b>	<b>3,738,892</b>
<b>Materials and Supplies</b>					
53001000 - Materials & Supplies	492,949	328,660	(164,289)	(49.99%)	328,660
53002500 - Printed Membership Materials	1,328	1,325	(3)	(0.26%)	1,325
53003000 - Materials Direct	725,063	1,052,305	327,242	31.10%	1,052,305
53004000 - Freight	832	0	(832)	0.00%	0
<b>Total Materials and Supplies</b>	<b>1,220,172</b>	<b>1,382,290</b>	<b>162,118</b>	<b>11.73%</b>	<b>1,382,290</b>
<b>Utilities and Telephone</b>					
53301000 - Electricity	496,679	471,500	(25,179)	(5.34%)	471,500
53301500 - Sewer	1,639,467	1,663,800	24,333	1.46%	1,663,800
53302000 - Water	2,706,828	2,532,300	(174,528)	(6.89%)	2,532,300
53302500 - Trash	471,802	452,570	(19,232)	(4.25%)	452,570
53304000 - Telephone	43,096	30,000	(13,096)	(43.65%)	30,000
<b>Total Utilities and Telephone</b>	<b>5,357,872</b>	<b>5,150,170</b>	<b>(207,702)</b>	<b>(4.03%)</b>	<b>5,150,170</b>
<b>Legal Fees</b>					
53401500 - Legal Fees	230,869	150,000	(80,869)	(53.91%)	150,000
<b>Total Legal Fees</b>	<b>230,869</b>	<b>150,000</b>	<b>(80,869)</b>	<b>(53.91%)</b>	<b>150,000</b>
<b>Professional Fees</b>					
53402000 - Audit & Tax Preparation Fees	41,461	39,861	(1,600)	(4.01%)	39,861
53403500 - Consulting Fees	4,603	49,386	44,783	90.68%	49,386
53403520 - Consulting Fees - Third	73,278	51,000	(22,278)	(43.68%)	51,000
<b>Total Professional Fees</b>	<b>119,342</b>	<b>140,247</b>	<b>20,905</b>	<b>14.91%</b>	<b>140,247</b>
<b>Equipment Rental</b>					
53501500 - Equipment Rental/Lease Fees	26,535	12,451	(14,085)	(113.12%)	12,451
<b>Total Equipment Rental</b>	<b>26,535</b>	<b>12,451</b>	<b>(14,085)</b>	<b>(113.12%)</b>	<b>12,451</b>
<b>Outside Services</b>					
53601000 - Bank Fees	20,895	3,909	(16,986)	(434.55%)	3,909
53604500 - Marketing Expense	5,180	0	(5,180)	0.00%	0
54603500 - Outside Services CC	7,821,990	8,488,753	666,763	7.85%	8,488,753
53704000 - Outside Services	64,661	70,856	6,195	8.74%	70,856
<b>Total Outside Services</b>	<b>7,912,726</b>	<b>8,563,518</b>	<b>650,792</b>	<b>7.60%</b>	<b>8,563,518</b>
<b>Repairs and Maintenance</b>					
53701000 - Equipment Repair & Maint	11,702	6,703	(4,999)	(74.57%)	6,703
53703000 - Elevator /Lift Maintenance	272,448	281,720	9,272	3.29%	281,720
<b>Total Repairs and Maintenance</b>	<b>284,150</b>	<b>288,423</b>	<b>4,273</b>	<b>1.48%</b>	<b>288,423</b>
<b>Other Operating Expense</b>					
53801000 - Mileage & Meal Allowance	4,382	7,594	3,212	42.29%	7,594
53801500 - Travel & Lodging	191	1,289	1,097	85.15%	1,289
53802000 - Uniforms	92,931	51,607	(41,324)	(80.07%)	51,607
53802500 - Dues & Memberships	1,135	4,054	2,919	72.00%	4,054
53803000 - Subscriptions & Books	3,318	1,155	(2,162)	(187.20%)	1,155
53803500 - Training & Education	5,751	8,760	3,009	34.35%	8,760

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017  
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
53901000 - Benefit Administrative Fees	27	0	(27)	0.00%	0
53903000 - Safety	84	73	(11)	(14.35%)	73
54001000 - Board Relations	3,672	8,649	4,977	57.54%	8,649
54001020 - Board Relations - Third	10,312	1,000	(9,312)	(931.19%)	1,000
54001500 - Public Relations	110	192	82	42.71%	192
54002000 - Postage	40,569	49,894	9,325	18.69%	49,894
54002500 - Filing Fees / Permits	1,014	1,731	717	41.43%	1,731
<b>Total Other Operating Expense</b>	<b>163,496</b>	<b>135,999</b>	<b>(27,497)</b>	<b>(20.22%)</b>	<b>135,999</b>
<b>Income Taxes</b>					
54301000 - State & Federal Income Taxes	10	0	(10)	0.00%	0
<b>Total Income Taxes</b>	<b>10</b>	<b>0</b>	<b>(10)</b>	<b>0.00%</b>	<b>0</b>
<b>Insurance</b>					
54401000 - Hazard & Liability Insurance	397,657	416,286	18,629	4.48%	416,286
54401500 - D&O Liability	67,542	47,522	(20,019)	(42.13%)	47,522
54402000 - Property Insurance	703,375	767,345	63,970	8.34%	767,345
54403000 - General Liability Insurance	4,197	7,036	2,839	40.35%	7,036
<b>Total Insurance</b>	<b>1,172,771</b>	<b>1,238,190</b>	<b>65,419</b>	<b>5.28%</b>	<b>1,238,190</b>
<b>Investment Expense</b>					
54201000 - Investment Expense	41,598	31,138	(10,460)	(33.59%)	31,138
<b>Total Investment Expense</b>	<b>41,598</b>	<b>31,138</b>	<b>(10,460)</b>	<b>(33.59%)</b>	<b>31,138</b>
<b>Uncollectible Accounts</b>					
54602000 - Bad Debt Expense	118,609	148,600	29,991	20.18%	148,600
<b>Total Uncollectible Accounts</b>	<b>118,609</b>	<b>148,600</b>	<b>29,991</b>	<b>20.18%</b>	<b>148,600</b>
<b>(Gain)/Loss on Sale or Trade</b>					
54101500 - (Gain)/Loss On Investments	(39)	0	39	0.00%	0
<b>Total (Gain)/Loss on Sale or Trade</b>	<b>(39)</b>	<b>0</b>	<b>39</b>	<b>0.00%</b>	<b>0</b>
<b>Depreciation and Amortization</b>					
55001000 - Depreciation And Amortization	145,969	152,124	6,155	4.05%	152,124
<b>Total Depreciation and Amortization</b>	<b>145,969</b>	<b>152,124</b>	<b>6,155</b>	<b>4.05%</b>	<b>152,124</b>
<b>Net Allocation to Mutuals</b>					
54602500 - Allocated Expenses	1,003,189	1,127,902	124,713	11.06%	1,127,902
<b>Total Net Allocation to Mutuals</b>	<b>1,003,189</b>	<b>1,127,902</b>	<b>124,713</b>	<b>11.06%</b>	<b>1,127,902</b>
<b>Total Expenses</b>	<b>29,901,766</b>	<b>30,741,866</b>	<b>840,100</b>	<b>2.73%</b>	<b>30,741,866</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$3,189,471</b>	<b>\$2,486,141</b>	<b>\$703,330</b>	<b>28.29%</b>	<b>\$2,486,141</b>

**Third Laguna Hills Mutual  
Balance Sheet - Preliminary  
12/31/2017**

		<b>Current Month End</b>	<b>Prior Year December 31</b>
	<b>Assets</b>		
1	Cash and cash equivalents	\$997,829	\$9,274,282
2	Non-discretionary investments	12,920,190	1,988,138
3	Discretionary investments	16,497,360	16,108,316
4	Receivable/(Payable) from mutuals	1,786,681	1,355,267
5	Accounts receivable and interest receivable	(39,341)	129,536
6	Prepaid expenses and deposits	260,788	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	5,603,791	5,749,761
10	Non-controlling interest in GRF	36,657,849	36,706,488
<b>11</b>	<b>Total Assets</b>	<b><u>\$74,685,147</u></b>	<b><u>\$71,482,318</u></b>
	<b>Liabilities and Fund Balances</b>		
	Liabilities:		
12	Accounts payable and accrued expenses	\$2,385,412	\$2,378,707
13	Accrued compensation and related costs	677,476	704,409
14	Deferred income	946,225	912,639
15	Total liabilities	<u>\$4,009,113</u>	<u>\$3,995,755</u>
	Fund balances:		
16	Fund balance prior years	67,486,563	63,654,172
17	Change in fund balance - current year	3,189,471	3,830,096
18	Fund transfers		2,295
19	Total fund balances	<u>70,676,034</u>	<u>67,486,563</u>
<b>20</b>	<b>Total Liabilities and Fund Balances</b>	<b><u>\$74,685,147</u></b>	<b><u>\$71,482,318</u></b>

**Third Laguna Hills Mutual  
Fund Balance Sheet - Preliminary  
12/31/2017**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
<b>Assets</b>								
1 Cash and cash equivalents	\$997,829							\$997,829
2 Non-discretionary investments	12,920,190							12,920,190
3 Discretionary investments	16,497,360							16,497,360
4 Receivable/(Payable) from mutuals	1,768,683		21	17,703		31	243	1,786,681
5 Receivable/(Payable) from operating fund	(28,977,486)	2,787,753	8,918,233	14,719,653	1,640,551	807,488	103,809	
6 Accounts receivable and interest receivable	(39,341)							(39,341)
7 Prepaid expenses and deposits	260,788							260,788
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	5,603,791							5,603,791
11 Non-controlling interest in GRF	36,657,849							36,657,849
<b>12 Total Assets</b>	<b>\$45,689,663</b>	<b>\$2,787,753</b>	<b>\$8,918,254</b>	<b>\$14,737,356</b>	<b>\$1,640,551</b>	<b>\$807,519</b>	<b>\$104,052</b>	<b>\$74,685,148</b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,483,624	\$24,864	\$190,024	\$640,331	\$12,662	(\$6,505)	\$40,413	\$2,385,413
14 Accrued compensation and related costs	677,476							677,476
15 Deferred income	946,225							946,225
16 Total liabilities	\$3,107,325	\$24,864	\$190,024	\$640,331	\$12,662	(\$6,505)	\$40,413	\$4,009,114
Fund balances:								
17 Fund balance prior years	43,241,615	2,379,454	7,757,066	11,672,859	1,547,779	771,071	116,718	67,486,563
18 Change in fund balance - current year	(250,432)	(25,410)	971,164	2,424,166	80,110	42,953	(53,079)	3,189,471
19 Fund transfers	(408,845)	408,845						
20 Total fund balances	42,582,338	2,762,889	8,728,230	14,097,025	1,627,889	814,024	63,639	70,676,034
<b>21 Total Liabilities and Fund Balances</b>	<b>\$45,689,663</b>	<b>\$2,787,753</b>	<b>\$8,918,254</b>	<b>\$14,737,356</b>	<b>\$1,640,551</b>	<b>\$807,519</b>	<b>\$104,052</b>	<b>\$74,685,148</b>



**Third Laguna Hills Mutual**  
**Changes in Fund Balances - Preliminary**  
**12/31/2017**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
<b>Revenues:</b>								
<b>Assessments:</b>								
1 Operating	\$18,409,491							\$18,409,491
2 Additions to restricted funds		805,464	2,196,720	9,885,240	366,120	82,896	59,616	13,396,056
3 Total assessments	18,409,491	805,464	2,196,720	9,885,240	366,120	82,896	59,616	31,805,547
<b>Non-assessment revenues:</b>								
4 Fees and charges for services to residents	330,901							330,901
5 Laundry	113,421							113,421
6 Interest income	(1,139)	31,271	117,700	196,246	22,862	11,194	1,790	379,923
7 Miscellaneous	444,721		16,723					461,444
8 Total non-assessment revenue	887,904	31,271	134,423	196,246	22,862	11,194	1,790	1,285,690
9 Total revenue	19,297,395	836,735	2,331,143	10,081,486	388,982	94,090	61,406	33,091,237
<b>Expenses:</b>								
10 Employee compensation and related	9,113,237		12,279	2,920,262		18,055	40,664	12,104,496
11 Materials and supplies	752,930		1,836	427,453		17,298	20,656	1,220,172
12 Utilities and telephone	5,344,780		95	13,069			(72)	5,357,872
13 Legal fees	230,869							230,869
14 Professional fees	103,610			15,733				119,342
15 Equipment rental	7,661		46	18,612			216	26,535
16 Outside services	1,358,254	858,678	1,332,095	3,994,814	306,380	12,956	49,550	7,912,726
17 Repairs and maintenance	280,967		5	3,150		3	26	284,150
18 Other Operating Expense	137,162		82	25,741		227	283	163,496
19 Income taxes	10							10
20 Insurance	1,172,771							1,172,771
21 Investment expense		3,470	12,830	21,383	2,495	1,223	197	41,598
22 Uncollectible Accounts	118,609							118,609
23 (Gain)/loss on sale or trade		(3)	(12)	(21)	(2)	(1)		(39)
24 Depreciation and amortization	145,969							145,969
25 Net allocations to mutuals	780,998		724	217,125		1,378	2,965	1,003,189
26 Total expenses	19,547,827	862,145	1,359,980	7,657,321	308,873	51,139	114,485	29,901,766
27 Excess of revenues over expenses	(\$250,432)	(\$25,410)	\$971,163	\$2,424,165	\$80,109	\$42,951	(\$53,079)	\$3,189,471
28 Excluding depreciation	(\$104,463)	(\$25,410)	\$971,163	\$2,424,165	\$80,109	\$42,951	(\$53,079)	\$3,335,440

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017**  
THIRD LAGUNA HILLS MUTUAL

	Prelim FS	Adj Jes	Final Per Audited FS	Description
Revenues:				
Assessments:				
<b>Operating</b>				
41001000 - Monthly Assessments	\$18,409,491		\$18,409,491	
<b>Total Operating</b>	<b>18,409,491</b>		<b>18,409,491</b>	
<b>Additions To Restricted Funds</b>				
41002000 - Monthly Assessments - Disaster Fund	2,196,720		2,196,720	
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	805,464		805,464	
41003500 - Monthly Assessments - Replacement Fund	9,885,240		9,885,240	
41004000 - Monthly Assessments - Elevator Replacement Fund	366,120		366,120	
41004500 - Monthly Assessments - Laundry Replacement Fund	82,896		82,896	
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	59,616		59,616	
<b>Total Additions To Restricted Funds</b>	<b>13,396,056</b>		<b>13,396,056</b>	
<b>Total Assessments</b>	<b>31,805,547</b>		<b>31,805,547</b>	
Non-Assessment Revenues:				
<b>Fees and Charges for Services to Residents</b>				
46501000 - Permit Fee	70,387		70,387	
46501500 - Inspection Fee	49,756		49,756	
46502000 - Resident Maintenance Fee	210,759		210,759	
<b>Total Fees and Charges for Services to Residents</b>	<b>330,902</b>		<b>330,902</b>	
<b>Laundry</b>				
46005000 - Coin Op Laundry Machine	113,421		113,421	
<b>Total Laundry</b>	<b>113,421</b>		<b>113,421</b>	
<b>Interest Income</b>				
49001000 - Interest Income - Treasury Notes	49,205		49,205	
49001500 - Interest Income - Treasury Notes - Discretionary	224,646	(\$317)	224,329	Adj to amortization of discount
49002000 - Interest Income - Money Market	908		908	
49002500 - Interest Income - Gnma Securities - Discretionary	106,302	(\$821)	105,481	Adj to amortization of discount
<b>Total Interest Income</b>	<b>381,061</b>		<b>379,923</b>	
<b>Miscellaneous</b>				
46004500 - Resident Violations	92,230		92,230	
44501000 - Additional Occupant Fee	147		147	
44501510 - Lease Processing Fee - Third	174,218		174,218	
44502500 - Non-Sale Transfer Fee - Third	3,590		3,590	
44503520 - Resale Processing Fee - Third	205,296		205,296	
44505500 - Hoa Certification Fee	4,295		4,295	
44507000 - Golf Cart Electric Fee	66,878		66,878	
44507200 - Electric Vehicle Plug-In Fee	7,848		7,848	
44507500 - Cartport/Carport Space Rental Fee	2,870		2,870	
47001000 - Cash Discounts - Accounts Payable	31		31	
47001500 - Late Fee Revenue	34,778		34,778	
47002020 - Collection Administrative Fee - Third	3,000		3,000	
47002500 - Collection Interest Revenue	7,701		7,701	
47501000 - Recycling	2,119		2,119	
49004000 - Insurance Reimbursement	16,723		16,723	
49008000 - Unrealized Gain(Loss) In Voting Interest In Grf	0	(\$48,639)	(48,639)	AJE: Change in GRF equity
49008100 - Unrealized Gain(Loss) On Available For Sale Investments	(111,552)		(111,552)	
49009000 - Miscellaneous Revenue	(90)		(90)	
<b>Total Miscellaneous</b>	<b>510,082</b>		<b>461,443</b>	
<b>Total Non-Assessment Revenue</b>	<b>1,335,466</b>		<b>1,285,689</b>	
<b>Total Revenue</b>	<b>33,141,013</b>	<b>(49,777)</b>	<b>33,091,236</b>	
Expenses:				
<b>Employee Compensation</b>				
51011000 - Salaries & Wages - Regular	2,123,628		2,123,628	
51021000 - Union Wages - Regular	5,544,485	(\$16,295)	5,528,190	Reclass irrigation retro-fit
51041000 - Wages - Overtime	46,881		46,881	
51051000 - Union Wages - Overtime	105,746		105,746	
51061000 - Holiday	442,110		442,110	
51071000 - Sick	225,316		225,316	

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017**  
THIRD LAGUNA HILLS MUTUAL

	Prelim FS	Adj Jes	Final Per Audited FS	Description
51091000 - Missed Meal Penalty	2,841		2,841	
51101000 - Temporary Help	93,786		93,786	
51981000 - Compensation Accrual	6,277		6,277	
<b>Total Employee Compensation</b>	<b>8,591,070</b>		<b>8,574,775</b>	
<b>Compensation Related</b>				
52411000 - F.I.C.A.	634,942		634,942	
52421000 - F.U.I.	37,923		37,923	
52431000 - S.U.I.	46,250		46,250	
52441000 - Union Medical	1,829,696		1,829,696	
52451000 - Workers' Compensation Insurance	407,679	(\$53,977)	353,702	Adj to workers comp accrual
52461000 - Non Union Medical & Life Insurance	234,110		234,110	
52471000 - Union Retirement Plan	324,117		324,117	
52481000 - Non-Union Retirement Plan	67,537		67,537	
52981000 - Compensation Related Accrual	1,442		1,442	
<b>Total Compensation Related</b>	<b>3,583,696</b>		<b>3,529,719</b>	
<b>Materials and Supplies</b>				
53001000 - Materials & Supplies	492,949		492,949	
53002500 - Printed Membership Materials	1,328		1,328	
53003000 - Materials Direct	729,012	(\$3,949)	725,063	Reclass irrigation retro-fit
53004000 - Freight	832		832	
<b>Total Materials and Supplies</b>	<b>1,224,121</b>		<b>1,220,172</b>	
<b>Utilities and Telephone</b>				
53301000 - Electricity	496,679		496,679	
53301500 - Sewer	1,639,467		1,639,467	
53302000 - Water	2,706,828		2,706,828	
53302500 - Trash	471,802		471,802	
53304000 - Telephone	43,096		43,096	
<b>Total Utilities and Telephone</b>	<b>5,357,872</b>		<b>5,357,872</b>	
<b>Legal Fees</b>				
53401500 - Legal Fees	230,869		230,869	
<b>Total Legal Fees</b>	<b>230,869</b>		<b>230,869</b>	
<b>Professional Fees</b>				
53402000 - Audit & Tax Preparation Fees	41,461		41,461	
53403500 - Consulting Fees	4,603		4,603	
53403520 - Consulting Fees - Third	73,278		73,278	
<b>Total Professional Fees</b>	<b>119,342</b>		<b>119,342</b>	
<b>Equipment Rental</b>				
53501500 - Equipment Rental/Lease Fees	26,535		26,535	
<b>Total Equipment Rental</b>	<b>26,535</b>		<b>26,535</b>	
<b>Outside Services</b>				
53601000 - Bank Fees	20,895		20,895	
53604500 - Marketing Expense	5,180		5,180	
54603500 - Outside Services CC	7,778,454	\$43,536	7,821,990	Additional invoice accrued
53704000 - Outside Services	64,661		64,661	
<b>Total Outside Services</b>	<b>7,869,190</b>		<b>7,912,726</b>	
<b>Repairs and Maintenance</b>				
53701000 - Equipment Repair & Maint	11,702		11,702	
53703000 - Elevator /Lift Maintenance	272,448		272,448	
<b>Total Repairs and Maintenance</b>	<b>284,150</b>		<b>284,150</b>	
<b>Other Operating Expense</b>				
53801000 - Mileage & Meal Allowance	4,382		4,382	
53801500 - Travel & Lodging	191		191	
53802000 - Uniforms	92,931		92,931	
53802500 - Dues & Memberships	1,135		1,135	
53803000 - Subscriptions & Books	3,318		3,318	
53803500 - Training & Education	5,751		5,751	
53901000 - Benefit Administrative Fees	27		27	
53903000 - Safety	84		84	
54001000 - Board Relations	3,672		3,672	
54001020 - Board Relations - Third	10,312		10,312	
54001500 - Public Relations	110		110	
54002000 - Postage	40,569		40,569	

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2017**  
THIRD LAGUNA HILLS MUTUAL

	Prelim FS	Adj Jes	Final Per Audited FS	Description
54002500 - Filing Fees / Permits	1,014		1,014	
<b>Total Other Operating Expense</b>	<b>163,496</b>		<b>163,496</b>	
<b>Income Taxes</b>				
54301000 - State & Federal Income Taxes	10		10	
<b>Total Income Taxes</b>	<b>10</b>		<b>10</b>	
<b>Insurance</b>				
54401000 - Hazard & Liability Insurance	400,197	(\$2,540)	397,657	D&O liability adj
54401500 - D&O Liability	67,542		67,542	
54402000 - Property Insurance	703,375		703,375	
54403000 - General Liability Insurance	4,197		4,197	
<b>Total Insurance</b>	<b>1,175,311</b>		<b>1,172,771</b>	
<b>Investment Expense</b>				
54201000 - Investment Expense	41,598		41,598	
<b>Total Investment Expense</b>	<b>41,598</b>		<b>41,598</b>	
<b>Uncollectible Accounts</b>				
54602000 - Bad Debt Expense	118,609		118,609	
<b>Total Uncollectible Accounts</b>	<b>118,609</b>		<b>118,609</b>	
<b>(Gain)/Loss on Sale or Trade</b>				
54101500 - (Gain)/Loss On Investments	(39)		(39)	
<b>Total (Gain)/Loss on Sale or Trade</b>	<b>(39)</b>		<b>(39)</b>	
<b>Depreciation and Amortization</b>				
55001000 - Depreciation And Amortization	145,969		145,969	
<b>Total Depreciation and Amortization</b>	<b>145,969</b>		<b>145,969</b>	
<b>Net Allocation to Mutuals</b>				
54602500 - Allocated Expenses	936,793	\$66,396	1,003,189	Post allocation adjustments
<b>Total Net Allocation to Mutuals</b>	<b>936,793</b>		<b>1,003,189</b>	
<b>Total Expenses</b>	<b>29,868,592</b>	<b>33,171</b>	<b>29,901,763</b>	
<b>Excess of Revenues Over Expenses</b>	<b>\$3,272,421</b>	<b>(\$82,948)</b>	<b>\$3,189,473</b>	
Less Unrealized Loss on AFS Securities			(111,552)	
<b>Net Income per Audited Financial Statements</b>			<b>3,301,025</b>	