



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, October 2, 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 September 4, 2018
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated August 31, 2018

Items for Discussion and Consideration:

9. Endorsement: Additional Funding for Tree Trimming
10. Solar Audit Update
11. Discussion of Accruals
12. Discuss Electric Charge Fees
13. Other Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

14. Committee Member Comments
15. Date of Next Meeting – Tuesday, November 6, 2018 at 1:30 p.m.
16. 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, September 4, 2018 – 1:30 p.m.

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

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

MEMBERS ABSENT: Rosemarie diLorenzo

STAFF PRESENT: Betty Parker, Steve Hormuth

Call to Order

Director Steve Parsons, Treasurer, chaired the meeting and called it to order at 1:32 p.m.

Acknowledgment of Media

None.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the agenda with the following additions:

- Building 2370 waste line remediation.
- Streetlight Video Recording.

Approval of Meeting Report for August 7, 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.

Preliminary Financial Statements Dated July 31, 2018

The Committee reviewed and commented on the financial statements dated July 31, 2018 and requested more information on the following items:

- Additional hours required for prior to paint repair program.
- Delineation of legal fees.

- Use of account 48001000 for legal fee reimbursement.
- Janitorial Services.
- Provision for bad debt related to small claims judgements.
- Holiday Pay compared to Budget and Prior Year.

Solar Audit Update

Two new buildings were evaluated, demonstrating credits earned to offset electricity charges from Southern California Edison; additional solar audits will be provided next month.

Fee Schedule

The Committee reviewed the 2018 Fee Schedule and requested an analysis of the current fees for electric vehicle and electric golf cart charging.

Chargeable Services Payment Plan Form

The Committee reviewed a form prepared by legal counsel and through consensus, recommended the Board approve the use of a new Payment Plan Agreement Form to help evaluate requests from delinquent members for repayment of fines, fees, and chargeable services.

Building 2370 Waste-line Remediation

Director Walsh provided a brief update.

Streetlight Video Recoding

Director Walsh recommended a video of streetlights at night to evaluate lighting before implementing changes.

Future Agenda Items

Audit of SCE Billing for Solar.
Discussion of Accruals.

Committee Member Comments

Director Bruninghaus commented that Landscape will be considering a supplemental appropriation for tree trimming to complete required work in 2018.

Date of Next Meeting

Tuesday, October 2, 2018 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 2:53 p.m.


Steve Parsons, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
8/31/2018
(\$ 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		\$12,586	\$12,586		\$12,273	\$18,879
2	Additions to restricted funds	1,096	1,096		8,770	8,770		8,931	13,154
3	Total assessments	<u>2,669</u>	<u>2,669</u>		<u>21,356</u>	<u>21,356</u>		<u>21,204</u>	<u>32,034</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	68	47	21	399	375	23	199	563
5	Laundry	14	9	5	90	72	18	68	108
6	Interest income	46	31	15	308	246	62	239	369
7	Miscellaneous	59	48	11	456	388	69	442	581
8	Total non-assessment revenue	<u>187</u>	<u>135</u>	<u>52</u>	<u>1,253</u>	<u>1,081</u>	<u>172</u>	<u>948</u>	<u>1,621</u>
9	Total revenue	<u>2,857</u>	<u>2,805</u>	<u>52</u>	<u>22,608</u>	<u>22,437</u>	<u>172</u>	<u>22,151</u>	<u>33,655</u>
Expenses:									
10	Employee compensation and related	1,201	1,058	(143)	8,790	8,376	(415)	8,027	12,550
11	Materials and supplies	121	130	9	905	1,039	134	830	1,559
12	Utilities and telephone	690	467	(224)	3,762	3,365	(397)	3,626	5,065
13	Legal fees	(7)	24	32	104	193	89	153	290
14	Professional fees		13	13	66	105	39	66	157
15	Equipment rental	3	2	(1)	14	17	4	17	25
16	Outside services	892	886	(6)	4,532	7,048	2,516	3,329	10,459
17	Repairs and maintenance	38	27	(11)	218	216	(2)	190	333
18	Other Operating Expense	18	11	(6)	100	105	4	102	159
19	Insurance	98	110	12	840	878	37	736	1,316
20	Investment expense	10	21	10	31	31		31	31
21	Uncollectible Accounts	9	8	(1)	34	67	32	98	100
22	(Gain)/loss on sale or trade				1		(1)		
23	Depreciation and amortization	12	12		97	97		101	146
24	Net allocation to mutuals	103	108	4	818	847	29	618	1,279
25	Total expenses	<u>3,188</u>	<u>2,877</u>	<u>(311)</u>	<u>20,314</u>	<u>22,383</u>	<u>2,069</u>	<u>17,924</u>	<u>33,470</u>
26	Excess of revenues over expenses	<u>(\$331)</u>	<u>(\$72)</u>	<u>(\$259)</u>	<u>\$2,294</u>	<u>\$53</u>	<u>\$2,241</u>	<u>\$4,228</u>	<u>\$185</u>

**Third Laguna Hills Mutual
Operating Statement
8/31/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$12,585,943	\$12,586,200	(\$257)	0.00%	\$18,879,302
Total Operating	12,585,943	12,586,200	(257)	0.00%	18,879,302
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,352,203	1,352,200	3	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	488,160	488,160	0	0.00%	732,240
41003500 - Monthly Assessments - Replacement Fund	6,590,160	6,590,160	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	244,080	244,080	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	55,264	55,264	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	39,744	39,744	0	0.00%	59,616
Total Additions To Restricted Funds	8,769,611	8,769,608	3	0.00%	13,154,417
Total Assessments	21,355,554	21,355,808	(254)	0.00%	32,033,719
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	68,537	45,000	23,537	52.30%	67,500
46501500 - Inspection Fee	52,282	38,106	14,176	37.20%	57,161
46502000 - Resident Maintenance Fee	277,949	292,392	(14,443)	(4.94%)	438,577
Total Fees and Charges for Services to Residents	398,768	375,498	23,270	6.20%	563,238
Laundry					
46005000 - Coin Op Laundry Machine	89,920	72,000	17,920	24.89%	108,000
Total Laundry	89,920	72,000	17,920	24.89%	108,000
Interest Income					
49001000 - Interest Income - Treasury Notes	74,319	49,320	24,999	50.69%	82,195
49001500 - Interest Income - Treasury Notes - Discretionary	170,182	158,074	12,108	7.66%	222,498
49002000 - Interest Income - Money Market	5,263	1,752	3,511	200.39%	2,918
49002500 - Interest Income - Gnma Securities - Discretionary	58,151	36,636	21,515	58.73%	61,068
Total Interest Income	307,915	245,782	62,133	25.28%	368,679
Miscellaneous					
46004500 - Resident Violations	23,650	0	23,650	0.00%	0
44501510 - Lease Processing Fee - Third	175,794	136,000	39,794	29.26%	204,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	950	8,664	(7,714)	(89.04%)	13,000
44503520 - Resale Processing Fee - Third	110,286	129,264	(18,978)	(14.68%)	193,901
44505500 - Hoa Certification Fee	5,225	4,000	1,225	30.63%	6,000
44507000 - Golf Cart Electric Fee	47,262	45,336	1,926	4.25%	68,000
44507200 - Electric Vehicle Plug-In Fee	4,866	8,000	(3,134)	(39.17%)	12,000
44507500 - Cartport/Carport Space Rental Fee	4,021	2,000	2,021	101.03%	3,000
47001000 - Cash Discounts - Accounts Payable	11	0	11	0.00%	0
47001500 - Late Fee Revenue	40,128	32,000	8,128	25.40%	48,000
47002020 - Collection Administrative Fee - Third	3,500	6,000	(2,500)	(41.67%)	9,000
47002500 - Collection Interest Revenue	4,987	14,664	(9,677)	(65.99%)	22,000
47501000 - Recycling	4,278	1,600	2,678	167.38%	2,400
48001000 - Legal Fee	21,751	0	21,751	0.00%	0
49009000 - Miscellaneous Revenue	9,584	0	9,584	0.00%	0
Total Miscellaneous	456,143	387,528	68,615	17.71%	581,301
Total Non-Assessment Revenue	1,252,746	1,080,808	171,938	15.91%	1,621,218
Total Revenue	22,608,300	22,436,616	171,684	0.77%	33,654,937
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,597,192	1,512,792	(84,399)	(5.58%)	2,276,484
51021000 - Union Wages - Regular	3,878,784	3,784,636	(94,147)	(2.49%)	5,684,742
51041000 - Wages - Overtime	24,735	26,862	2,127	7.92%	40,308
51051000 - Union Wages - Overtime	40,844	24,949	(15,895)	(63.71%)	37,449
51061000 - Holiday	542,229	214,131	(328,098)	(153.22%)	321,801

**Third Laguna Hills Mutual
Operating Statement
8/31/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51071000 - Sick	208,136	174,686	(33,451)	(19.15%)	262,522
51091000 - Missed Meal Penalty	2,203	1,164	(1,039)	(89.27%)	1,758
51101000 - Temporary Help	60,599	35,913	(24,687)	(68.74%)	53,884
51981000 - Compensation Accrual	(313,382)	0	313,382	0.00%	0
Total Employee Compensation	6,041,340	5,775,132	(266,208)	(4.61%)	8,678,947
Compensation Related					
52411000 - F.I.C.A.	473,057	433,062	(39,996)	(9.24%)	647,182
52421000 - F.U.I.	8,275	9,710	1,435	14.78%	9,719
52431000 - S.U.I.	73,099	48,520	(24,579)	(50.66%)	48,533
52441000 - Union Medical	1,251,055	1,268,533	17,479	1.38%	1,902,800
52451000 - Workers' Compensation Insurance	470,112	415,274	(54,837)	(13.21%)	623,917
52461000 - Non Union Medical & Life Insurance	192,032	155,776	(36,257)	(23.27%)	233,653
52461500 - VUL Premium	14,644	0	(14,644)	0.00%	0
52461550 - VUL Interest	2,930	0	(2,930)	0.00%	0
52471000 - Union Retirement Plan	228,755	207,024	(21,731)	(10.50%)	310,962
52481000 - Non-Union Retirement Plan	36,922	62,796	25,874	41.20%	94,496
52981000 - Compensation Related Accrual	(1,864)	0	1,864	0.00%	0
Total Compensation Related	2,749,018	2,600,695	(148,323)	(5.70%)	3,871,261
Materials and Supplies					
53001000 - Materials & Supplies	320,341	238,703	(81,638)	(34.20%)	358,452
53002500 - Printed Membership Materials	0	127	127	100.00%	194
53003000 - Materials Direct	584,164	799,928	215,764	26.97%	1,200,324
53004000 - Freight	231	0	(231)	0.00%	0
Total Materials and Supplies	904,735	1,038,757	134,022	12.90%	1,558,970
Utilities and Telephone					
53301000 - Electricity	334,453	245,900	(88,553)	(36.01%)	325,000
53301500 - Sewer	1,119,501	1,112,200	(7,301)	(0.66%)	1,677,000
53302000 - Water	1,947,801	1,653,320	(294,481)	(17.81%)	2,532,507
53302500 - Trash	360,641	353,630	(7,011)	(1.98%)	530,455
Total Utilities and Telephone	3,762,397	3,365,050	(397,347)	(11.81%)	5,064,962
Legal Fees					
53401500 - Legal Fees	104,268	193,336	89,069	46.07%	290,000
Total Legal Fees	104,268	193,336	89,069	46.07%	290,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	41,165	32,000	(9,165)	(28.64%)	48,000
53403500 - Consulting Fees	5,313	23,075	17,763	76.98%	34,614
53403520 - Consulting Fees - Third	19,547	49,528	29,981	60.53%	74,300
Total Professional Fees	66,024	104,603	38,579	36.88%	156,914
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	13,565	17,107	3,542	20.71%	25,462
Total Equipment Rental	13,565	17,107	3,542	20.71%	25,462
Outside Services					
53601000 - Bank Fees	0	2,618	2,618	100.00%	3,929
53604500 - Marketing Expense	4,020	0	(4,020)	0.00%	0
54603500 - Outside Services CC	4,479,077	6,998,688	2,519,611	36.00%	10,377,739
53704000 - Outside Services	48,519	46,346	(2,173)	(4.69%)	77,476
Total Outside Services	4,531,616	7,047,652	2,516,036	35.70%	10,459,144
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	4,472	8,127	3,655	44.98%	12,108
53702500 - Building Repair & Maint	11,701	0	(11,701)	0.00%	0
53703000 - Elevator /Lift Maintenance	202,300	208,320	6,020	2.89%	320,480
Total Repairs and Maintenance	218,473	216,447	(2,025)	(0.94%)	332,588
Other Operating Expense					
53801000 - Mileage & Meal Allowance	3,042	5,111	2,069	40.49%	7,694
53801500 - Travel & Lodging	0	1,044	1,044	100.00%	1,574
53802000 - Uniforms	53,388	49,992	(3,397)	(6.79%)	70,674
53802500 - Dues & Memberships	672	2,125	1,453	68.38%	3,204
53803000 - Subscriptions & Books	1,131	1,231	100	8.13%	1,851
53803500 - Training & Education	2,984	7,326	4,341	59.26%	11,016

**Third Laguna Hills Mutual
Operating Statement
8/31/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE			ANNUAL
	Actual	Budget	VAR\$ B/(W)	BUDGET
53901500 - Volunteer Support	0	783	783	1,175
53903000 - Safety	0	27	27	41
54001000 - Board Relations	1,806	3,333	1,527	5,000
54001020 - Board Relations - Third	2,828	2,664	(164)	4,000
54001500 - Public Relations	(29)	0	29	0
54002000 - Postage	34,347	29,896	(4,451)	51,712
54002500 - Filing Fees / Permits	299	990	691	1,497
Total Other Operating Expense	100,467	104,521	4,054	159,438
Insurance				
54401000 - Hazard & Liability Insurance	259,058	269,309	10,251	403,965
54401500 - D&O Liability	31,203	31,676	473	47,514
54402000 - Property Insurance	546,380	571,829	25,449	857,745
54403000 - General Liability Insurance	3,833	4,715	882	7,072
Total Insurance	840,473	877,529	37,055	1,316,295
Investment Expense				
54201000 - Investment Expense	31,272	31,272	0	31,272
Total Investment Expense	31,272	31,272	0	31,272
Uncollectible Accounts				
54602000 - Bad Debt Expense	34,244	66,664	32,420	100,000
Total Uncollectible Accounts	34,244	66,664	32,420	100,000
(Gain)/Loss on Sale or Trade				
54101500 - (Gain)/Loss On Investments	992	0	(992)	0
Total (Gain)/Loss on Sale or Trade	992	0	(992)	0
Depreciation and Amortization				
55001000 - Depreciation And Amortization	97,312	97,312	0	145,968
Total Depreciation and Amortization	97,312	97,312	0	145,968
Net Allocation to Mutuals				
54602500 - Allocated Expenses	817,916	847,284	29,367	1,279,046
Total Net Allocation to Mutuals	817,916	847,284	29,367	1,279,046
Total Expenses	20,314,113	22,383,362	2,069,250	33,470,268
Excess of Revenues Over Expenses	\$2,294,188	\$53,254	\$2,240,934	\$184,669

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
8/31/2018**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$7,382,187	\$997,829
2	Non-discretionary investments	8,912,945	12,920,190
3	Discretionary investments	16,733,813	16,497,360
4	Receivable/(Payable) from mutuals	1,486,588	1,786,681
5	Accounts receivable and interest receivable	(203,734)	(39,341)
6	Prepaid expenses and deposits	209,935	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	5,506,479	5,603,791
10	Non-controlling interest in GRF	36,657,849	36,657,849
11	Total Assets	<u>\$76,686,062</u>	<u>\$74,685,148</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,893,695	\$2,385,414
13	Accrued compensation and related costs	677,476	677,476
14	Deferred income	1,144,670	946,225
15	Total liabilities	<u>\$3,715,840</u>	<u>\$4,009,114</u>
	Fund balances:		
16	Fund balance prior years	70,676,034	67,486,563
17	Change in fund balance - current year	2,294,188	3,189,471
18	Total fund balances	<u>72,970,222</u>	<u>70,676,034</u>
19	Total Liabilities and Fund Balances	<u>\$76,686,062</u>	<u>\$74,685,148</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
8/31/2018**

	<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>
Assets								
1 Cash and cash equivalents	\$7,382,187							\$7,382,187
2 Non-discretionary investments	8,912,945							8,912,945
3 Discretionary investments	16,733,813							16,733,813
4 Receivable/(Payable) from mutuals	1,486,588							1,486,588
5 Receivable/(Payable) from operating fund	(30,641,546)	3,247,985	9,476,241	15,306,904	1,770,331	788,214	51,872	(203,734)
6 Accounts receivable and interest receivable	(203,734)							(203,734)
7 Prepaid expenses and deposits	209,935							209,935
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	5,506,479							5,506,479
11 Non-controlling interest in GRF	36,657,849							36,657,849
12 Total Assets	<u>\$46,044,515</u>	<u>\$3,247,985</u>	<u>\$9,476,241</u>	<u>\$15,306,904</u>	<u>\$1,770,331</u>	<u>\$788,214</u>	<u>\$51,872</u>	<u>\$76,686,062</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,758,226		\$18,773	\$112,905			\$3,790	\$1,893,694
14 Accrued compensation and related costs	677,476							677,476
15 Deferred income	1,144,670							1,144,670
16 Total liabilities	<u>\$3,580,372</u>		<u>\$18,773</u>	<u>\$112,905</u>			<u>\$3,790</u>	<u>\$3,715,840</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>(118,195)</u>	<u>485,097</u>	<u>729,238</u>	<u>1,096,973</u>	<u>142,442</u>	<u>(25,810)</u>	<u>(15,557)</u>	<u>2,294,188</u>
19 Total fund balances	42,464,144	3,247,985	9,457,468	15,193,998	1,770,331	788,214	48,082	72,970,222
20 Total Liabilities and Fund Balances	<u>\$46,044,515</u>	<u>\$3,247,985</u>	<u>\$9,476,241</u>	<u>\$15,306,904</u>	<u>\$1,770,331</u>	<u>\$788,214</u>	<u>\$51,872</u>	<u>\$76,686,062</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
8/31/2018**

	<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>
Revenues:								
Assessments:								
1 Operating	\$12,585,943							\$12,585,943
2 Additions to restricted funds		488,160	1,352,203	6,590,160	244,080	55,264	39,744	8,769,611
3 Total assessments	<u>12,585,943</u>	<u>488,160</u>	<u>1,352,203</u>	<u>6,590,160</u>	<u>244,080</u>	<u>55,264</u>	<u>39,744</u>	<u>21,355,554</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	398,768							398,768
5 Laundry	89,920							89,920
6 Interest income		30,798	95,878	154,487	17,472	8,140	1,141	307,915
7 Miscellaneous	456,132			11				456,143
8 Total non-assessment revenue	<u>944,820</u>	<u>30,798</u>	<u>95,878</u>	<u>154,498</u>	<u>17,472</u>	<u>8,140</u>	<u>1,141</u>	<u>1,252,746</u>
9 Total revenue	<u>13,530,763</u>	<u>518,958</u>	<u>1,448,081</u>	<u>6,744,658</u>	<u>261,552</u>	<u>63,404</u>	<u>40,885</u>	<u>22,608,300</u>
Expenses:								
10 Employee compensation and related	6,510,935		4,634	2,226,952		18,819	29,018	8,790,358
11 Materials and supplies	552,743		330	294,567		37,850	19,245	904,735
12 Utilities and telephone	3,747,789		(9)	14,618			(1)	3,762,397
13 Legal fees	104,268							104,268
14 Professional fees	66,024							66,024
15 Equipment rental	4,622		28	8,652			263	13,565
16 Outside services	693,239	30,607	703,620	2,949,496	117,280	30,600	6,774	4,531,616
17 Repairs and maintenance	217,164		4	1,288		14	3	218,473
18 Other Operating Expense	84,733		35	15,386		145	168	100,467
19 Insurance	840,473							840,473
20 Investment expense		3,153	9,711	15,705	1,774	818	111	31,272
21 Uncollectible Accounts	34,244							34,244
22 (Gain)/loss on sale or trade		101	310	496	56	25	4	992
23 Depreciation and amortization	97,312							97,312
24 Net allocations to mutuals	695,411		180	120,525		942	858	817,916
25 Total expenses	<u>13,648,958</u>	<u>33,861</u>	<u>718,843</u>	<u>5,647,685</u>	<u>119,110</u>	<u>89,214</u>	<u>56,442</u>	<u>20,314,113</u>
26 Excess of revenues over expenses	<u>(\$118,195)</u>	<u>\$485,097</u>	<u>\$729,238</u>	<u>\$1,096,973</u>	<u>\$142,442</u>	<u>(\$25,810)</u>	<u>(\$15,557)</u>	<u>\$2,294,188</u>
27 Excluding depreciation	<u>(\$20,883)</u>	<u>\$485,097</u>	<u>\$729,238</u>	<u>\$1,096,973</u>	<u>\$142,442</u>	<u>(\$25,810)</u>	<u>(\$15,557)</u>	<u>\$2,391,500</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of August 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	306,918	11,676	-	78,070	-	(8,682)	29
May-18	327,234	-	-	81,210	-	23,456	35
June-18	291,738	(48,904)	-	75,466	-	7,664	32
July-18	226,998	(17,258)	20,830	71,019	-	(31,099)	23
August-18	233,972	(4,242)	-	68,789	-	8,986	21
September-18		-	-		-	-	
October-18		-	-		-	-	
November-18		-	-		-	-	
December-18		-	-		-	-	
YTD TOTAL						34,244	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
8/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796MK2	U.S. TREASURY BILL	0.00%	05-21-18	11-15-18	3,000,000.00	1.98%	2,971,297.50	
912796QP7	U.S. TREASURY BILL	0.00%	07-30-18	12-20-18	2,000,000.00	1.99%	1,984,460.67	
912796QT9	U.S. TREASURY BILL	0.00%	07-30-18	01-17-19	2,000,000.00	2.04%	1,980,995.25	
912796PT0	U.S. TREASURY BILL	0.00%	07-30-18	02-28-19	2,000,000.00	2.06%	1,976,191.33	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 9,000,000.00		\$ 8,912,944.75	1.27%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
8/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 279,645.15		\$ 279,645.15	
912828N22	U.S. TREASURY NOTE	1.25%	12-24-15	12-15-18	250,000.00	1.32%	249,453.55	
46625HJR2	CorpBond-JP Morgan Chase & Co	2.35%	07-09-14	01-28-19	200,000.00	2.14%	201,734.00	
494974BFU9	CorpBond-Wells Fargo Company	2.13%	07-09-14	04-22-19	200,000.00	2.15%	199,726.00	
912828KQ2	U.S. TREASURY NOTE	3.13%	06-24-09	05-15-19	769,000.00	3.77%	727,847.11	
912828KQ2	U.S. TREASURY NOTE	3.13%	07-15-10	05-15-19	216,000.00	2.93%	219,181.80	
02665WBE0	CorpBond-American Honda Finance	1.20%	08-01-17	07-12-19	100,000.00	1.57%	99,280.00	
822582AJ1	CorpBond-Shell International Fin	4.30%	08-06-18	09-22-19	150,000.00	2.63%	152,746.50	
913017CF4	CorpBond-United Technologies Corp	1.50%	01-09-17	11-01-19	100,000.00	1.76%	99,267.00	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	400,000.00	1.90%	399,766.30	
05565QCX4	CorpBond-BP Capital Markets PLC C	2.32%	08-21-18	02-13-20	100,000.00	2.84%	99,239.00	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
437076BQ4	CorpBond-Home Depot Inc	1.80%	08-21-18	06-05-20	75,000.00	2.68%	73,851.00	
17275RAX0	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	300,000.00	2.66%	299,109.88	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
912828NT3	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
06406HDD8	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	CorpBond-State Street Corp	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
06051GFT1	CorpBond-Bank of America Corp	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
912828M98	U.S. TREASURY NOTE	1.63%	12-15-15	11-30-20	250,000.00	1.69%	249,199.64	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,559.10	
931142EA7	CorpBond-Wal-Mart Stores Inc	1.90%	08-21-18	12-15-20	75,000.00	2.75%	73,575.75	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	11-01-16	02-01-21	100,000.00	2.03%	102,436.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	08-18-17	02-01-21	100,000.00	2.17%	101,522.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	10-24-17	02-01-21	25,000.00	2.20%	25,342.50	
05531FAZ6	CorpBond-BB&T Corporation Ser Mtr	2.15%	08-21-18	02-01-21	150,000.00	3.10%	146,644.50	
63946BAE0	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
9128284G2	U.S. TREASURY NOTE	2.38%	04-20-18	04-15-21	250,000.00	2.57%	248,594.17	
0258M0EB1	CorpBond-American Express Credit	2.25%	04-23-18	05-05-21	150,000.00	2.25%	146,322.00	
037833AR1	CorpBond-Apple Inc	2.85%	10-23-17	05-06-21	75,000.00	2.06%	76,986.75	
857477AV5	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
594918BP8	CorpBond-Microsoft Corp	1.55%	11-01-16	08-08-21	100,000.00	1.79%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	1,000,000.00	2.04%	1,007,269.63	
91324PBT8	CorpBond-Unitedhealth Group Inc	3.38%	01-05-16	11-15-21	150,000.00	2.64%	155,676.00	
375558AU7	CorpBond-Gilead Sciences Inc	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	

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

8/31/18

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
585055BR6	CorpBond-Medtronic Inc	3.15%	12-16-15	03-15-22	150,000.00	3.15%	151,413.00	
585055BR6	CorpBond-Medtronic Inc	3.15%	07-19-16	03-15-22	100,000.00	1.82%	107,149.00	
747525AE3	CorpBond-QualComm Inc	3.00%	08-21-18	05-20-22	150,000.00	3.38%	147,984.00	
913017BV0	CorpBond-United Technologies Corp	3.10%	04-01-16	06-01-22	150,000.00	2.13%	158,292.00	
20030NBD2	CorpBond-Comcast Corp	3.13%	07-09-14	07-15-22	100,000.00	2.97%	101,063.00	
91159JAA4	CorpBond-US Bancorp	2.95%	12-08-15	07-15-22	200,000.00	1.82%	200,306.00	
91324PCN0	CorpBond-UnitedHealth Group	3.35%	12-04-17	07-15-22	150,000.00	1.82%	154,786.50	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	300,000.00	2.08%	296,098.26	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	500,000.00	1.99%	500,215.84	
912828M80	U.S. TREASURY NOTE	2.00%	12-15-15	11-30-22	200,000.00	2.05%	199,258.21	
48128BAB7	CorpBond-JP Morgan Chase & Co	2.97%	10-23-17	01-15-23	50,000.00	2.58%	50,769.00	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,637.22	
035242AL0	CorpBond-Anheuser-Busch Inbev Fin	3.30%	04-01-16	02-01-23	150,000.00	2.69%	155,475.00	
037833AK6	CorpBond-Apple Inc	2.40%	01-10-17	05-03-23	200,000.00	2.75%	195,862.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-19-16	06-30-23	200,000.00	1.35%	200,328.53	
68389XBL8	CorpBond-Oracle Corp	2.40%	07-12-16	09-15-23	150,000.00	2.16%	152,296.50	
59156RBH0	CorpBond-Metlife Inc	3.60%	12-04-17	04-10-24	150,000.00	2.82%	156,720.00	
94974BGA2	CorpBond-Wells Fargo Company	3.30%	12-04-17	09-09-24	150,000.00	3.01%	152,575.50	
36290YWE4/P621745	GNMA SECURITIES	5.50%	01-18-06	11-15-18	622.82	0.31%	10,993.97	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	719.96	0.23%	15,719.96	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	2,310.58	2.42%	4,771.78	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	40,898.08	5.50%	40,898.08	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	39,878.80	3.88%	56,536.29	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	105,190.84	3.23%	146,393.97	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	116,983.93	3.57%	147,642.94	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	99,041.69	2.62%	151,017.32	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	41,664.00	2.64%	63,212.97	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	174,761.93	2.69%	194,814.68	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	83,191.38	2.67%	93,513.32	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	171,681.70	2.41%	213,704.66	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	186,845.51	2.44%	230,107.23	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	276,903.86	2.46%	337,836.64	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	208,081.10	2.68%	232,495.49	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	430,347.51	2.50%	515,662.91	
36179MW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	194,014.52	2.52%	231,211.66	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	103,990.97	2.98%	122,102.48	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	311,152.80	3.41%	318,904.75	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	32,888.96	3.72%	48,639.81	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	38,577.23	6.64%	31,952.72	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	94,856.57	2.47%	211,398.43	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	165,265.19	3.42%	217,428.38	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	151,233.48	3.74%	161,832.78	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	69,926.15	3.40%	92,515.51	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	145,207.73	3.24%	179,168.39	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	182,619.49	3.51%	208,242.45	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	206,410.83	3.32%	217,398.99	
TOTAL FOR DISCRETIONARY INVESTMENTS					15,834,912.76		16,733,813.42	1.83%
TOTAL INVESTMENTS					\$ 24,834,912.76		\$ 25,646,758.17	1.63%

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 08/31/2018**

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	147,152	\$2,848	In Progress
Shepherds Crook Fencing on Ridge Route	03-18-46	\$250,000	0	\$250,000	Open
Walkway Lighting Upgrades Gates 5,6,7 & 8	03-18-83	\$125,000	19,846	\$105,154	In Progress
Ridge Route Brush Clearance	03-18-84	\$330,000	0	\$330,000	Open
	Totals	\$855,000	\$166,998	\$688,002	

Garden Villa Rec. Room Fund

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

Unappropriated Expenditures Fund

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

Disaster Fund

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

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 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	0	2,830	1,134	22,640	33,970	3%	21,506	95%
BUILDING STRUCTURES	29,046	262,973	877,819	2,101,709	3,152,327	28%	1,223,890	58%
ELECTRICAL SYSTEMS	0	4,586	7,777	36,688	55,046	14%	28,911	79%
ENERGY PROJECTS	0	4,166	0	33,328	50,000	0%	33,328	100%
EXTERIOR LIGHTING	5,075	41,666	22,096	333,328	500,000	4%	311,232	93%
FENCING	0	0	21,576	0	0	0%	(21,576)	0%
GARDEN VILLA LOBBY	0	9,529	114,664	76,095	114,126	100%	(38,569)	(51%)
GARDEN VILLA MAILROOM	0	1,987	53,309	15,776	23,649	225%	(37,533)	(238%)
GARDEN VILLA RECESSED AREA	0	16,250	6,440	130,000	195,000	3%	123,560	95%
GV REC ROOM WATER HEATER/HEAT PUMP	0	1,500	15,546	12,000	18,000	86%	(3,546)	(30%)
GUTTER REPLACEMENTS	88,821	11,442	120,329	91,417	137,118	88%	(28,912)	(32%)
LANDSCAPE MODERNIZATION	0	20,833	0	166,667	250,000	0%	166,667	100%
MAILBOXES	0	1,626	4,490	12,921	19,389	23%	8,431	65%
PAINT PROGRAM - EXTERIOR	125,264	134,719	958,680	1,069,398	1,602,744	60%	110,718	10%
PRIOR TO PAINT	73,155	72,100	716,126	571,891	857,243	84%	(144,235)	(25%)
PAVING	303,614	36,000	453,174	561,000	597,000	76%	107,826	19%
ROOF REPLACEMENTS	105,268	174,119	818,362	1,075,691	1,598,050	51%	257,329	24%
SUPPLEMENTAL APPROPRIATIONS	31,943	31,943	198,941	198,941	198,941	100%	0	0%
TREE MAINTENANCE	118,699	69,466	785,734	552,058	826,476	95%	(233,676)	(42%)
WALL REPLACEMENTS	0	6,250	0	49,997	75,000	0%	49,997	100%
WASTE LINE REMEDIATION	24,073	62,500	453,647	500,000	750,000	60%	46,353	9%
WATER LINES - COPPER PIPE REMEDIATION	0	8,333	(1,000)	66,664	100,000	-1%	67,664	102%
OTHER - INVESTMENT EXPENSE	7,870	7,870	18,840	18,840	18,840	100%	0	0%
TOTAL REPLACEMENT FUND	\$912,828	\$982,687	\$5,647,685	\$7,697,050	\$11,172,918	51%	\$2,049,365	27%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$27,515	\$117,280	\$220,120	\$330,189	36%	\$102,840	47%
OTHER - INVESTMENT EXPENSE	590	590	1,830	1,830	1,830	100%	0	0%
TOTAL ELEVATOR REPLACEMENT FUND	\$590	\$28,105	\$119,110	\$221,950	\$332,019	36%	\$102,840	46%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$3,131	\$2,065	\$41,938	\$16,466	\$24,714	170%	(\$25,471)	(155%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	106	2,903	49,051	23,127	34,688	141%	(25,924)	(112%)
OTHER - INVESTMENT EXPENSE	(2,358)	(2,358)	(1,776)	(1,776)	(1,776)	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$878	\$2,610	\$89,214	\$37,818	\$57,627	155%	(\$51,396)	(136%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$8,468	\$5,780	\$56,326	\$46,052	\$71,539	79%	(\$10,274)	(22%)
OTHER - INVESTMENT EXPENSE	31	31	115	115	115	100%	0	0%
TOTAL GARDEN VILLA REC ROOMS FUND	\$8,499	\$5,811	\$56,441	\$46,167	\$71,655	79%	(\$10,274)	(22%)

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$10,448	\$7,901	\$70,579	\$62,622	\$93,901	75%	(\$7,957)	(13%)
BALCONY/BREEZEWAY RESURFACING	58,939	34,564	252,808	274,180	411,008	62%	21,372	8%
BUILDING REHAB/DRY ROT	30,294	26,928	113,629	213,887	320,666	35%	100,258	47%
CARPENTRY SERVICE	37,854	31,131	277,144	247,328	370,816	75%	(29,816)	(12%)
CONCRETE REPAIR/REPLACEMENT	29,803	23,329	261,829	185,252	277,636	94%	(76,577)	(41%)
CURB CUT/SIDEWALK RAMPS	0	1,666	0	13,328	20,000	0%	13,328	100%
ELECTRICAL SERVICE	7,188	11,977	67,484	94,919	142,279	47%	27,435	29%
FIRE PROTECTION	3,456	8,398	49,624	67,184	100,820	49%	17,560	26%
GUTTER CLEANING	0	2,308	7,730	18,308	166,799	5%	10,578	58%
GV MAILROOM RENOVATIONS	0	0	476	0	0	0%	(476)	0%
JANITORIAL SERVICE	72,882	65,945	570,195	524,203	785,925	73%	(45,992)	(9%)
MISC REPAIRS BY OUTSIDE SERVICE	4,520	5,505	42,117	44,041	66,061	64%	1,924	4%
PAINT - TOUCH UP	23,842	9,931	145,640	78,755	118,034	123%	(66,885)	(85%)
PAVING MAINTENANCE & REPAIRS	1,136	13,749	38,138	109,249	163,751	23%	71,111	65%
PEST CONTROL	128,727	24,912	221,996	199,296	298,968	74%	(22,700)	(11%)
PLUMBING SERVICE	55,170	47,276	482,286	375,002	562,159	86%	(107,284)	(29%)
ROOF REPAIRS	11,667	24,166	146,874	193,328	290,000	51%	46,454	24%
SOLAR MAINTENANCE	1,554	3,333	11,250	26,667	40,000	28%	15,417	58%
STAIR TREAD REPLACEMENTS	588	707	2,040	5,624	8,431	24%	3,584	64%
TRAFFIC CONTROL	2,247	2,491	17,242	19,825	29,721	58%	2,582	13%
WELDING	10,165	5,593	38,404	44,434	66,615	58%	6,029	14%
CHARGEABLE SERVICES	35,524	25,049	238,746	199,918	609,931	39%	(38,828)	(19%)
TOTAL MAINTENANCE PROGRAMS	\$490,480	\$351,809	\$2,817,487	\$2,797,432	\$4,333,590	65%	(\$20,055)	(1%)
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$0	\$25,833	\$116,036	\$206,664	\$310,000	37%	\$90,628	44%
MOISTURE INTRUSION - PLUMBING LEAKS	40,199	62,500	453,897	500,000	750,000	61%	46,103	9%
MOISTURE INTRUSION - PLUMBING STOPPAGES	5,805	20,444	81,565	163,552	245,338	33%	81,987	50%
MOISTURE INTRUSION - MISCELLANEOUS	12,822	5,905	69,501	47,240	70,869	98%	(22,261)	(47%)
DAMAGE RESTORATION SERVICES	99,538	30,977	(12,177)	247,427	371,133	-3%	259,604	105%
OTHER - INVESTMENT EXPENSE	3,242	3,242	10,021	10,021	10,021	100%	0	0%
TOTAL DISASTER FUND	\$161,605	\$148,900	\$718,843	\$1,174,904	\$1,757,360	41%	\$456,061	39%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPELMENTAL APPROPRIATIONS	\$0	\$0	\$30,607	\$30,607	\$30,607	100%	\$0	0%
OTHER - INVESTMENT EXPENSES	1,080	1,080	3,254	3,254	3,254	100%	0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FU	\$1,080	\$1,080	\$33,861	\$33,861	\$33,861	100%	\$0	0%

Third Mutual Landscape Project Log

September 2018

Project	Description	Status	Estimated Completion/ On-going Date	Budget vs Actual
Tree Maintenance	This annual program includes the scheduled trimming of all Mutual trees; un-scheduled pruning and service requests; dead tree removal and replacement.	As of July 31, 2018, approximately 10,764 trees have been inspected/trimmed; 165 trees removed and approximately 100 un-scheduled service requests completed.	December 2018 Annual	Budget: \$826,476 Year-to-date (July): \$663,654 Balance: \$162,822
2018 Modernization Project				
Slope Renovation	Gate 9 - Entrance slope replanting		Completed July 2018	Budget: \$66,222 Cost: \$15,325 Balance: \$50,898
Slope Renovation	Gate 11 - Pina Slope	Not started. Anticipated start October 2018	December 2018 Annual	Budget: \$92,443 Cost: \$0 Balance: \$92,443
Slope Renovation	Gate 14 - Calle Oeste - Renovation of bare areas of slope	Not started. Anticipated start November 2018	December 2018 Annual	Budget: \$30,442 Cost: \$0 Balance: \$30,442
Slope Renovation	Punta Alta - Renovation of bare areas of slope	Not started. Anticipated start December 2018	December 2018 Annual	Budget: \$60,450 Cost: \$0 Balance: \$60,450
2018 Miscellaneous Projects				
Ridge Route Brush Clearing	Clearing of brush, trees and debris from the public right-of-way along Ridge Route Drive along Third Mutual perimeter wall.		Completed August 31, 2018	Budget: \$68,000 Invoiced: \$0 Balance: \$68,000
Fire Risk Reduction	Project includes the removal of vegetation; lowering height of shrubs and raising the lower branches on trees on slopes with a high risk of fire.	Board approved \$200,000 in current year funding. Encroachment permit received from OC Parks. Contract awarded to Brightview Landscape. Work started August 16, 2018. Work began in the Bahia Blanca/Barbara's Lake area.	2018	Budget: \$200,000 Invoiced: \$0 Balance: \$200,000
2019 Projected Projects				
Turf Reduction	Elimination of highest water using turf areas; replacing with water efficient landscapes.	Not started	2019	Budget: \$105,536
Slope Renovation	Locations To Be Determined by Landscape Committee	Not started	2019	Budget: \$250,000
Slope Maintenance Outsourced	Annual cutting back and removal of vegetation on slopes	Not started	2019	Budget: \$464,422
Fire Risk Reduction	Project includes the removal of vegetation; lowering height of shrubs and raising the lower branches on trees on slopes with a high risk of fire.	Not started	2019	Budget: \$180,000
Tree Maintenance	For 2019 this annual program only includes street light clearing, un-scheduled pruning, service requests and dead tree removal.	Not started	2019	Budget: \$213,630

Note:

Green = Complete

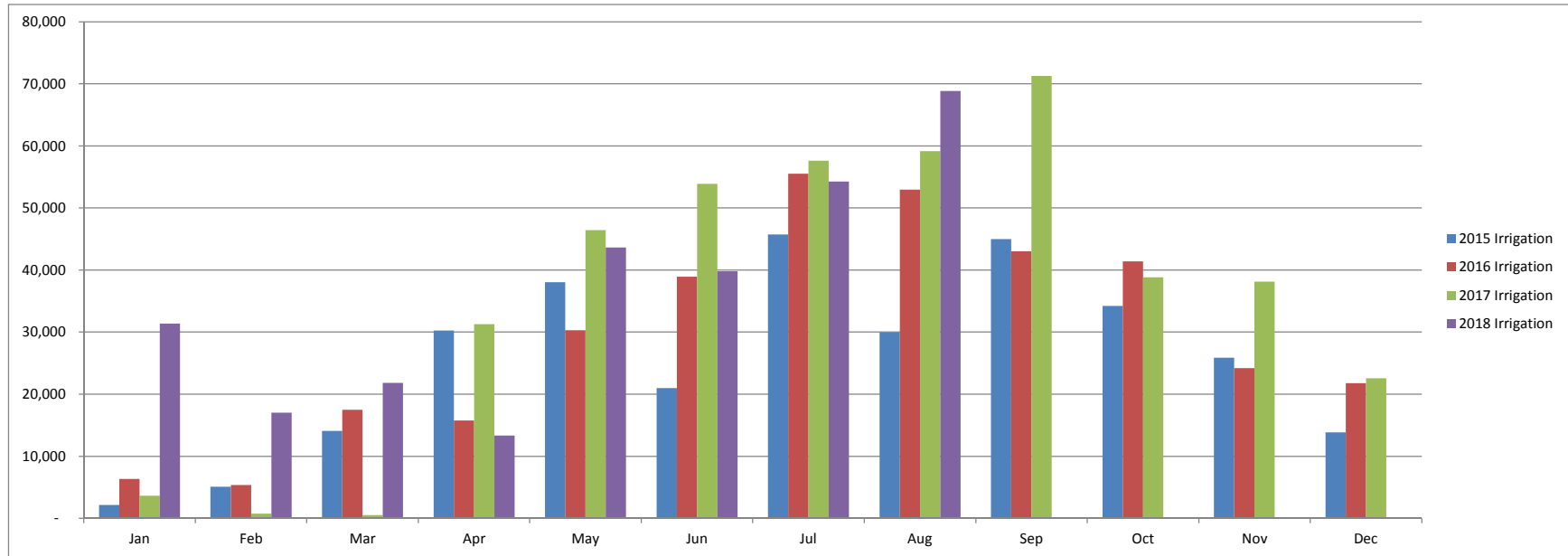
Blue = In-Progress

Black = Not Started

Third Mutual

Irrigation Water Usage in 100 cubic feet units

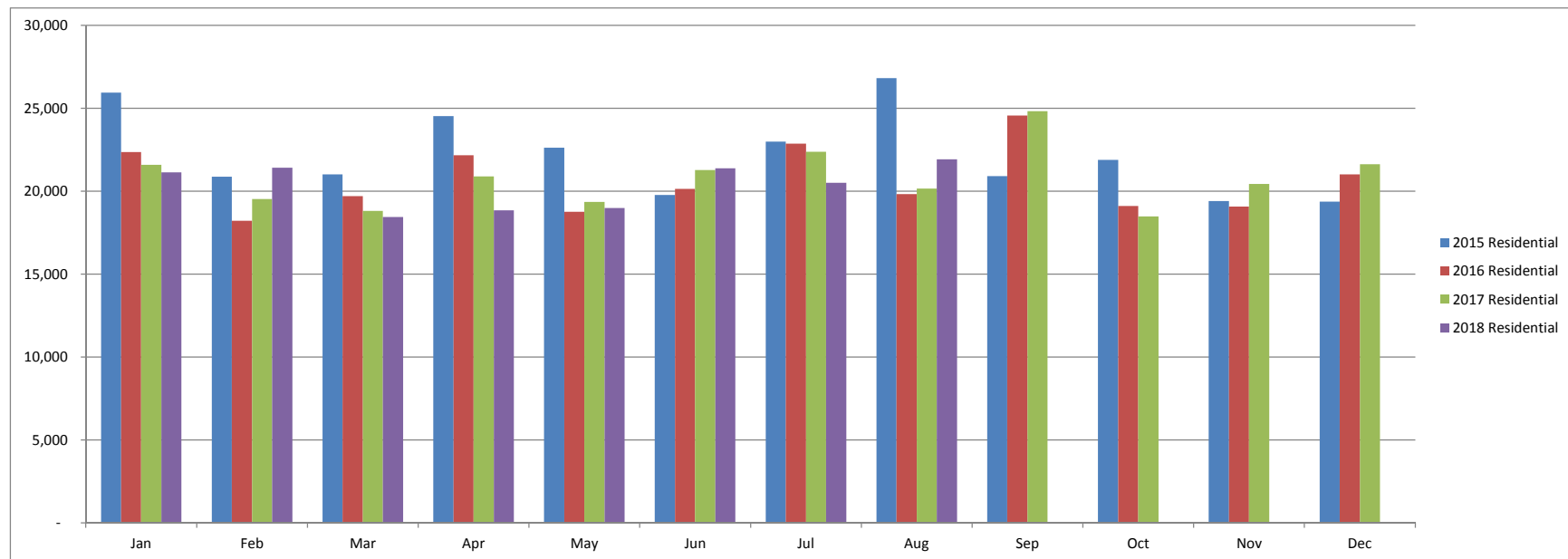
Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 Irrigation	2,158	5,098	14,089	30,250	38,046	21,002	45,731	29,957	44,995	34,212	25,883	13,854	305,275
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	-	-	-	-	290,136



Third Mutual

Residential Water Usage in 100 cubic feet units

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015 Residential	25,944	20,864	21,013	24,517	22,627	19,764	22,993	26,817	20,905	21,888	19,410	19,363	266,105
2016 Residential	22,363	18,216	19,692	22,159	18,759	20,143	22,872	19,829	24,567	19,104	19,069	21,007	247,780
2017 Residential	21,580	19,520	18,805	20,883	19,359	21,270	22,367	20,149	24,828	18,477	20,443	21,624	249,305
2018 Residential	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	-	-	-	-	162,619





STAFF REPORT

DATE: October 2, 2018
FOR: Finance Committee
SUBJECT: Supplemental Funds for Tree Trimming

RECOMMENDATION

Recommend to the Board of Directors approval of a supplemental appropriation in the amount of \$150,000, to be funded from the Replacement Reserve, to complete scheduled trimming through September 2018 and un-scheduled tree trimming and palm trimming through December 2018 in Third Mutual.

BACKGROUND

The Landscape Committee, at the regular meeting of September 6, 2018 recommended that the Board approve supplemental funding in the amount of \$150,000 to complete tree trimming for September 2018 and provide funding only for off-schedule tree trimming, street light clearance and annual palm trimming through the end of the year.

In the 2018 Budget, Staff projected seven months of work would be necessary to complete the scheduled tree trimming in Third Mutual with a budget of \$826,475. To date, 10,764 trees have been inspected and/or trimmed. The tree crew is projected to fully utilize the 2018 funding at the end of August, with additional trees yet to be trimmed and insufficient funding to complete annual palm trimming or un-scheduled work.

DISCUSSION

The accelerated growth of the trees following the wet winter of 2017 and the emphasis on performing increased thinning of the trees has slowed the trimming cycle. In 2019 the tree crews will be trimming primarily in United Mutual, with the exception of off-scheduled tree trimming, street light clearance and annual species specific trimming (palm, carrotwood, etc.) in Third Mutual.

FINANCIAL ANALYSIS

Staff recommends additional funding of \$150,000 for tree trimming performed through September 2018 and remaining off-schedule work requirements for Third Mutual..

Prepared By: Bruce Hartley, General Services Director

Reviewed By: Siobhan Foster, Chief Operating Officer
Betty Parker, Chief Financial Officer

ATTACHMENT(S)

ATT-1: Landscape Division 2018 Third Mutual Tree Funding Projection

Landscape Division 2018 Third Mutual Tree Work

Tree Work	2018 Budget	2018 Actual thru July	2018 Projected Addl Hours	2018 Projected \$	2018 Projected YTD
Scheduled Trimming	\$826,475	\$669,512	3,931	\$245,700	\$915,212
Off-Schedule Trimming, Streetlights, Palms			980	\$61,250	\$61,250
Projected Total for 2018:			4,911	\$306,950	\$976,462
Projected Funds Needed:					\$149,987

Solar System First-Year Charges
Building 2390/2393 - PTO July 17, 2017

	ENERGY CHARGES			FIXED CHARGES			TOTAL
	SCE Credits	SCE Charge	Net Charge	NEM-A Fee	Service Fees	Total Fixed	Net Billing
2017 August	(\$1,519.33)	\$1,128.97	(\$390.36)	\$40.00	\$160.70	\$200.70	(\$189.66)
2017 September	(\$1,761.99)	\$1,405.26	(\$356.73)	\$40.00	\$207.58	\$247.58	(\$109.15)
2017 October	(\$1,341.55)	\$1,364.50	\$22.95	\$160.00	\$194.18	\$354.18	\$377.13
2017 November	(\$742.28)	\$1,122.85	\$380.57	\$160.00	\$207.58	\$367.58	\$748.15
2017 December	(\$637.19)	\$1,255.83	\$618.64	\$160.00	\$207.58	\$367.58	\$986.22
2018 January	(\$589.00)	\$1,480.43	\$891.43	\$160.00	\$133.92	\$293.92	\$1,185.35
2018 February	(\$760.55)	\$1,379.13	\$618.58	\$160.00	\$194.18	\$354.18	\$972.76
2018 March	(\$1,077.91)	\$1,382.12	\$304.21	\$160.00	\$127.22	\$287.22	\$591.43
2018 April	(\$1,406.60)	\$1,424.16	\$17.56	\$160.00	\$100.44	\$260.44	\$278.00
2018 May	(\$1,641.89)	\$1,209.57	(\$432.32)	\$160.00	\$184.04	\$344.04	(\$88.28)
2018 June	(\$1,573.23)	\$1,292.76	(\$280.47)	\$160.00	\$221.70	\$381.70	\$101.23
2018 July	(\$2,563.14)	\$1,533.33	(\$1,029.81)	\$160.00	\$200.91	\$360.91	(\$668.90)
2018 August	(\$2,212.47)	\$1,370.64	(\$841.83)	\$160.00	\$55.42	\$215.42	(\$626.41)
Totals	(\$17,827.13)	\$17,349.55	(\$477.58)	\$1,840.00	\$2,195.46	\$4,035.46	\$3,557.88

Solar System First-Year Charges
Building 2403/2399 - PTO July 17, 2017

	ENERGY CHARGES			FIXED CHARGES			TOTAL
	SCE Credits	SCE Charge	Net Charge	NEM-A Fee	Service Fees	Total Fixed	Net Billing
2017 August	(\$1,394.03)	\$1,036.44	(\$357.59)	\$40.00	\$200.88	\$240.88	(\$116.71)
2017 September	(\$1,643.41)	\$1,374.25	(\$269.16)	\$40.00	\$207.58	\$247.58	(\$21.58)
2017 October	(\$1,279.91)	\$1,356.66	\$76.75	\$160.00	\$194.18	\$354.18	\$430.93
2017 November	(\$739.11)	\$1,117.84	\$378.73	\$160.00	\$207.58	\$367.58	\$746.31
2017 December	(\$648.23)	\$1,265.07	\$616.84	\$160.00	\$214.27	\$374.27	\$991.11
2018 January	(\$624.48)	\$1,431.33	\$806.85	\$160.00	\$194.18	\$354.18	\$1,161.03
2018 February	(\$765.09)	\$1,371.12	\$606.03	\$160.00	\$200.88	\$360.88	\$966.91
2018 March	(\$1,036.59)	\$1,406.29	\$369.70	\$160.00	\$214.50	\$374.50	\$744.20
2018 April	(\$1,280.27)	\$1,403.05	\$122.78	\$160.00	\$200.91	\$360.91	\$483.69
2018 May	(\$1,572.45)	\$1,208.04	(\$364.41)	\$160.00	\$207.84	\$367.84	\$3.43
2018 June	(\$1,410.88)	\$1,295.59	(\$115.29)	\$160.00	\$221.70	\$381.70	\$266.41
2018 July	(\$2,332.62)	\$1,581.41	(\$751.21)	\$160.00	\$200.91	\$360.91	(\$390.30)
2018 August	(\$2,058.02)	\$1,429.10	(\$628.92)	\$160.00	\$55.42	\$215.42	(\$413.50)
Totals	(\$16,785.09)	\$17,276.19	\$491.10	\$1,840.00	\$2,520.84	\$4,360.84	\$4,851.94