



REGULAR MEETING OF THE FINANCE COMMITTEE

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

Reports

8. Preliminary Financial Statements dated October 31, 2018

Items for Discussion and Consideration:

9. Finance Committee Charter
10. Investment Task Force Update
11. Other Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, January 8, 2019 at 1:30 p.m.
14. Recess to Closed Session

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



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

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

MEMBERS PRESENT: Jack Connelly – Chair, Steve Parsons, Rosemarie diLorenzo, James Tung, Roy Bruninghaus, Cush Bhada, John Frankel, Jon Pearlstone
Advisors: Wei-Ming Tao, John Hess, Michael Cunningham

MEMBERS ABSENT: Paul Chao, Lynn Jarrett

STAFF PRESENT: Steve Hormuth, Christopher Swanson

Call to Order

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

Approval of Meeting Agenda

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

Approval of Meeting Report for October 2, 2018

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

Chair Remarks

Director Connelly expressed that he prefers to have all questions held to the end of the presentation of the financial statements.

Preliminary Financial Statements Dated September 30, 2018

The Committee reviewed financials and questions were addressed. The Committee requested action on the following:

- Add column on the water charts to compare usage through the reporting period.
- Investigate accruals receivable and interest receivable accounts on the Balance Sheet.
- Provide timeline for when residents will be able to pay for Chargeable Services in the field via credit card.
- Investigate coding of revenue for the following unbudgeted accounts in Department of Security Services:
 - 46502000 – Resident Maintenance Fee
 - 46005000 – Coin Operated Laundry Machine

- 46004500 – Resident Violations
- 44507500 – Cartport/Carport Space Rental Fee

Finance Committee Charter

The Committee reviewed the current charter and requested this item be placed on the December Finance Committee agenda for further review.

Investment Policy

The Committee reviewed the Third Investment Policy and by consensus, recommended no changes to the current investment policy.

2019 Third Finance Meeting Dates

The Committee reviewed the proposed 2019 Third Finance Committee Meeting dates. By consensus, the proposed meeting dates were approved.

Garden Villa Rec Room Fund Transfer

The Committee reviewed a staff report regarding a transfer of funds from the Replacement Fund to the Garden Villa Rec Room Fund. A motion was made and carried unanimously to approve the transfer of \$23,371.42 from the Garden Villa Recreation Room Fund to the Building Structures – Carpentry Replacement Fund (Job Code JA959120000), for expenditures associate with asbestos testing, abatement and epoxy flooring installation.

Future Agenda Items

Finance Committee Charter

Committee Member Comments

Director Pearlstone commented on an audit of all of the various systems and was looking forward to future discussions.

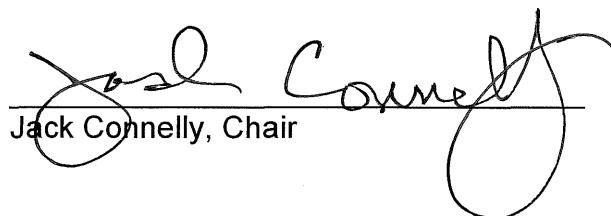
Director diLorenzo thanked the Controller for his work.

Date of Next Meeting

Tuesday, December 4, 2018 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 2:49 p.m.



Jack Connelly, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
10/31/2018
(\$ 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		\$15,733	\$15,733		\$15,341	\$18,879
2	Additions to restricted funds	1,096	1,096		10,962	10,962		11,163	13,154
3	Total assessments	<u>2,670</u>	<u>2,669</u>		<u>26,695</u>	<u>26,695</u>		<u>26,505</u>	<u>32,034</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	103	47	56	535	469	65	274	563
5	Laundry	10	9	1	110	90	20	91	108
6	Interest income	47	31	16	401	307	93	309	369
7	Miscellaneous	56	48	8	531	484	47	532	581
8	Total non-assessment revenue	<u>216</u>	<u>135</u>	<u>80</u>	<u>1,577</u>	<u>1,351</u>	<u>226</u>	<u>1,206</u>	<u>1,621</u>
9	Total revenue	<u>2,885</u>	<u>2,805</u>	<u>81</u>	<u>28,272</u>	<u>28,046</u>	<u>226</u>	<u>27,710</u>	<u>33,655</u>
Expenses:									
10	Employee compensation and related	1,148	1,058	(90)	11,040	10,464	(577)	10,219	12,550
11	Materials and supplies	127	130	3	1,134	1,298	165	1,056	1,559
12	Utilities and telephone	511	447	(65)	4,783	4,284	(499)	4,575	5,065
13	Legal fees	94	24	(69)	256	242	(14)	183	290
14	Professional fees	24	13	(11)	95	131	36	82	157
15	Equipment rental	1	2	1	15	21	6	21	25
16	Outside services	1,016	885	(132)	6,047	8,853	2,806	4,876	10,459
17	Repairs and maintenance	28	31	3	274	279	5	236	333
18	Other Operating Expense	8	11	3	116	127	11	122	159
19	Insurance	107	110	3	1,052	1,097	45	962	1,316
20	Investment expense				31	31		31	31
21	Uncollectible Accounts	21	8	(12)	36	83	47	112	100
22	(Gain)/loss on sale or trade				1		(1)		
23	Depreciation and amortization	12	12		122	122		127	146
24	Net allocation to mutuals	102	107	5	1,023	1,063	41	766	1,279
25	Total expenses	<u>3,199</u>	<u>2,838</u>	<u>(361)</u>	<u>26,026</u>	<u>28,095</u>	<u>2,069</u>	<u>23,368</u>	<u>33,470</u>
26	Excess of revenues over expenses	<u>(\$313)</u>	<u>(\$33)</u>	<u>(\$280)</u>	<u>\$2,246</u>	<u>(\$50)</u>	<u>\$2,295</u>	<u>\$4,342</u>	<u>\$185</u>

**Third Laguna Hills Mutual
Operating Statement
10/31/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$15,732,697	\$15,732,750	(\$53)	0.00%	\$18,879,302
Total Operating	15,732,697	15,732,750	(53)	0.00%	18,879,302
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,690,254	1,690,250	4	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	610,200	610,200	0	0.00%	732,240
41003500 - Monthly Assessments - Replacement Fund	8,237,700	8,237,700	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	305,100	305,100	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	69,080	69,080	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	49,680	49,680	0	0.00%	59,616
Total Additions To Restricted Funds	10,962,014	10,962,010	4	0.00%	13,154,417
Total Assessments	26,694,711	26,694,760	(49)	0.00%	32,033,719
Non-Assessment Revenues:					
Merchandise Sales					
41505000 - Merchandise Sales - Bar	173	0	173	0.00%	0
Total Merchandise Sales	173	0	173	0.00%	0
Fees and Charges for Services to Residents					
46501000 - Permit Fee	90,021	56,250	33,771	60.04%	67,500
46501500 - Inspection Fee	63,683	47,633	16,050	33.70%	57,161
46502000 - Resident Maintenance Fee	381,131	365,490	15,641	4.28%	438,577
Total Fees and Charges for Services to Residents	534,834	469,373	65,462	13.95%	563,238
Laundry					
46005000 - Coin Op Laundry Machine	110,325	90,000	20,325	22.58%	108,000
Total Laundry	110,325	90,000	20,325	22.58%	108,000
Interest Income					
49001000 - Interest Income - Treasury Notes	103,240	65,760	37,480	56.99%	82,195
49001500 - Interest Income - Treasury Notes - Discretionary	219,318	190,286	29,032	15.26%	222,498
49002000 - Interest Income - Money Market	6,147	2,336	3,811	163.16%	2,918
49002500 - Interest Income - Gnma Securities - Discretionary	71,844	48,848	22,996	47.08%	61,068
Total Interest Income	400,549	307,230	93,319	30.37%	368,679
Miscellaneous					
46004500 - Resident Violations	32,675	0	32,675	0.00%	0
44501510 - Lease Processing Fee - Third	218,379	170,000	48,379	28.46%	204,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	1,500	10,830	(9,330)	(86.15%)	13,000
44503520 - Resale Processing Fee - Third	133,886	161,580	(27,694)	(17.14%)	193,901
44505500 - Hoa Certification Fee	6,345	5,000	1,345	26.90%	6,000
44507000 - Golf Cart Electric Fee	58,227	56,670	1,557	2.75%	68,000
44507200 - Electric Vehicle Plug-In Fee	5,688	10,000	(4,312)	(43.12%)	12,000
44507500 - Cartport/Carport Space Rental Fee	4,736	2,500	2,236	89.46%	3,000
47001000 - Cash Discounts - Accounts Payable	11	0	11	0.00%	0
47001500 - Late Fee Revenue	45,948	40,000	5,948	14.87%	48,000
47002020 - Collection Administrative Fee - Third	3,500	7,500	(4,000)	(53.33%)	9,000
47002500 - Collection Interest Revenue	5,691	18,330	(12,639)	(68.95%)	22,000
47501000 - Recycling	5,216	2,000	3,216	160.78%	2,400
49009000 - Miscellaneous Revenue	9,583	0	9,583	0.00%	0
Total Miscellaneous	531,235	484,410	46,825	9.67%	581,301
Total Non-Assessment Revenue	1,577,116	1,351,013	226,103	16.74%	1,621,218
Total Revenue	28,271,827	28,045,773	226,055	0.81%	33,654,937
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,930,119	1,894,638	(35,481)	(1.87%)	2,276,484
51021000 - Union Wages - Regular	4,742,971	4,734,689	(8,282)	(0.17%)	5,684,742

**Third Laguna Hills Mutual
Operating Statement
10/31/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51041000 - Wages - Overtime	29,209	33,577	4,368	13.01%	40,308
51051000 - Union Wages - Overtime	50,722	31,186	(19,536)	(62.64%)	37,449
51061000 - Holiday	685,038	267,966	(417,072)	(155.64%)	321,801
51071000 - Sick	254,631	218,604	(36,027)	(16.48%)	262,522
51091000 - Missed Meal Penalty	2,311	1,455	(855)	(58.78%)	1,758
51101000 - Temporary Help	84,078	44,891	(39,187)	(87.29%)	53,884
51981000 - Compensation Accrual	(150,738)	0	150,738	0.00%	0
Total Employee Compensation	7,628,341	7,227,006	(401,335)	(5.55%)	8,678,947
Compensation Related					
52411000 - F.I.C.A.	576,697	540,856	(35,841)	(6.63%)	647,182
52421000 - F.U.I.	8,452	9,714	1,263	13.00%	9,719
52431000 - S.U.I.	74,659	48,526	(26,132)	(53.85%)	48,533
52441000 - Union Medical	1,567,243	1,585,667	18,424	1.16%	1,902,800
52451000 - Workers' Compensation Insurance	570,687	519,596	(51,091)	(9.83%)	623,917
52461000 - Non Union Medical & Life Insurance	237,280	194,714	(42,566)	(21.86%)	233,653
52461500 - VUL Premium	16,417	0	(16,417)	0.00%	0
52461550 - VUL Interest	5,085	0	(5,085)	0.00%	0
52471000 - Union Retirement Plan	280,260	258,993	(21,267)	(8.21%)	310,962
52481000 - Non-Union Retirement Plan	54,095	78,646	24,551	31.22%	94,496
52981000 - Compensation Related Accrual	21,208	0	(21,208)	0.00%	0
Total Compensation Related	3,412,083	3,236,712	(175,372)	(5.42%)	3,871,261
Materials and Supplies					
53001000 - Materials & Supplies	392,180	298,378	(93,801)	(31.44%)	358,452
53002500 - Printed Membership Materials	0	159	159	100.00%	194
53003000 - Materials Direct	741,463	999,909	258,446	25.85%	1,200,324
53004000 - Freight	231	0	(231)	0.00%	0
Total Materials and Supplies	1,133,874	1,298,447	164,573	12.67%	1,558,970
Utilities and Telephone					
53301000 - Electricity	389,756	290,200	(99,556)	(34.31%)	325,000
53301500 - Sewer	1,426,503	1,394,600	(31,903)	(2.29%)	1,677,000
53302000 - Water	2,505,096	2,157,100	(347,996)	(16.13%)	2,532,507
53302500 - Trash	461,829	442,038	(19,791)	(4.48%)	530,455
Total Utilities and Telephone	4,783,183	4,283,938	(499,245)	(11.65%)	5,064,962
Legal Fees					
53401500 - Legal Fees	256,017	241,670	(14,347)	(5.94%)	290,000
Total Legal Fees	256,017	241,670	(14,347)	(5.94%)	290,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	42,056	40,000	(2,056)	(5.14%)	48,000
53403500 - Consulting Fees	5,313	28,844	23,531	81.58%	34,614
53403520 - Consulting Fees - Third	47,856	61,910	14,054	22.70%	74,300
Total Professional Fees	95,224	130,754	35,529	27.17%	156,914
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	15,339	21,487	6,148	28.61%	25,462
Total Equipment Rental	15,339	21,487	6,148	28.61%	25,462
Outside Services					
53601000 - Bank Fees	5,186	3,273	(1,913)	(58.46%)	3,929
53604500 - Marketing Expense	5,040	0	(5,040)	0.00%	0
54603500 - Outside Services CC	5,979,367	8,793,107	2,813,740	32.00%	10,377,739
53704000 - Outside Services	57,185	56,613	(573)	(1.01%)	77,476
Total Outside Services	6,046,779	8,852,993	2,806,214	31.70%	10,459,144
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	5,666	10,181	4,515	44.34%	12,108
53702500 - Building Repair & Maint	14,508	0	(14,508)	0.00%	0
53703000 - Elevator /Lift Maintenance	253,907	268,400	14,493	5.40%	320,480
Total Repairs and Maintenance	274,081	278,581	4,501	1.62%	332,588
Other Operating Expense					
53801000 - Mileage & Meal Allowance	4,229	6,389	2,159	33.80%	7,694
53801500 - Travel & Lodging	398	1,305	907	69.50%	1,574
53802000 - Uniforms	62,128	60,320	(1,808)	(3.00%)	70,674

**Third Laguna Hills Mutual
Operating Statement
10/31/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
53802500 - Dues & Memberships	739	2,656	1,916	72.16%	3,204
53803000 - Subscriptions & Books	1,131	1,538	408	26.50%	1,851
53803500 - Training & Education	3,941	9,157	5,216	56.96%	11,016
53901500 - Volunteer Support	0	979	979	100.00%	1,175
53903000 - Safety	0	34	34	100.00%	41
54001000 - Board Relations	2,592	4,166	1,574	37.78%	5,000
54001020 - Board Relations - Third	3,500	3,330	(170)	(5.10%)	4,000
54001500 - Public Relations	(29)	0	29	0.00%	0
54002000 - Postage	37,445	36,360	(1,085)	(2.98%)	51,712
54002500 - Filing Fees / Permits	409	1,238	829	66.98%	1,497
99999999 - Error Suspense	1	0	(1)	0.00%	0
Total Other Operating Expense	116,484	127,472	10,987	8.62%	159,438
Income Taxes					
54301000 - State & Federal Income Taxes	10	0	(10)	0.00%	0
Total Income Taxes	10	0	(10)	0.00%	0
Insurance					
54401000 - Hazard & Liability Insurance	324,849	336,636	11,787	3.50%	403,965
54401500 - D&O Liability	38,989	39,594	605	1.53%	47,514
54402000 - Property Insurance	683,003	714,787	31,784	4.45%	857,745
54403000 - General Liability Insurance	4,970	5,894	924	15.67%	7,072
Total Insurance	1,051,811	1,096,911	45,100	4.11%	1,316,295
Investment Expense					
54201000 - Investment Expense	31,272	31,272	0	0.00%	31,272
Total Investment Expense	31,272	31,272	0	0.00%	31,272
Uncollectible Accounts					
54602000 - Bad Debt Expense	36,302	83,330	47,028	56.44%	100,000
Total Uncollectible Accounts	36,302	83,330	47,028	56.44%	100,000
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	992	0	(992)	0.00%	0
Total (Gain)/Loss on Sale or Trade	992	0	(992)	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	121,640	121,640	0	0.00%	145,968
Total Depreciation and Amortization	121,640	121,640	0	0.00%	145,968
Net Allocation to Mutuals					
54602500 - Allocated Expenses	1,022,613	1,063,141	40,528	3.81%	1,279,046
Total Net Allocation to Mutuals	1,022,613	1,063,141	40,528	3.81%	1,279,046
Total Expenses	26,026,046	28,095,353	2,069,307	7.37%	33,470,268
Excess of Revenues Over Expenses	\$2,245,781	(\$49,580)	\$2,295,361	4629.58%	\$184,669

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
10/31/2018**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$6,715,928	\$997,829
2	Non-discretionary investments	8,912,945	12,920,190
3	Discretionary investments	16,774,371	16,497,360
4	Receivable/(Payable) from mutuals	1,368,055	1,786,681
5	Accounts receivable and interest receivable	(82,860)	(39,341)
6	Prepaid expenses and deposits	216,287	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	5,482,151	5,603,791
10	Non-controlling interest in GRF	36,657,849	36,657,849
11	Total Assets	<u>\$76,044,726</u>	<u>\$74,685,147</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,422,978	\$2,385,412
13	Accrued compensation and related costs	677,476	677,476
14	Deferred income	1,022,456	946,225
15	Total liabilities	<u>\$3,122,910</u>	<u>\$4,009,113</u>
	Fund balances:		
16	Fund balance prior years	70,676,034	67,486,563
17	Change in fund balance - current year	2,245,782	3,189,471
18	Total fund balances	<u>72,921,816</u>	<u>70,676,034</u>
19	Total Liabilities and Fund Balances	<u>\$76,044,726</u>	<u>\$74,685,147</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
10/31/2018**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Assets								
1 Cash and cash equivalents	\$6,715,928							\$6,715,928
2 Non-discretionary investments	8,912,945							8,912,945
3 Discretionary investments	16,774,371							16,774,371
4 Receivable/(Payable) from mutuals	1,368,055							1,368,055
5 Receivable/(Payable) from operating fund	(31,044,925)	3,300,244	9,584,454	15,477,271	1,836,685	796,496	49,774	(82,860)
6 Accounts receivable and interest receivable	(82,860)							216,287
7 Prepaid expenses and deposits	216,287							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,482,151
10 Beneficial interest in GRF of Laguna Hills Trust	5,482,151							36,657,849
11 Non-controlling interest in GRF	36,657,849							
12 Total Assets	<u>\$44,999,801</u>	<u>\$3,300,244</u>	<u>\$9,584,454</u>	<u>\$15,477,271</u>	<u>\$1,836,685</u>	<u>\$796,496</u>	<u>\$49,774</u>	<u>\$76,044,725</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,366,289			\$24,024	\$31,464		\$1,200	\$1,422,977
14 Accrued compensation and related costs	677,476							677,476
15 Deferred income	1,022,456							1,022,456
16 Total liabilities	<u>\$3,066,221</u>			<u>\$24,024</u>	<u>\$31,464</u>		<u>\$1,200</u>	<u>\$3,122,909</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>(648,759)</u>	<u>537,355</u>	<u>856,224</u>	<u>1,356,222</u>	<u>177,332</u>	<u>(17,528)</u>	<u>(15,064)</u>	<u>2,245,782</u>
19 Total fund balances	41,933,580	3,300,244	9,584,454	15,453,247	1,805,221	796,496	48,574	72,921,816
20 Total Liabilities and Fund Balances	<u>\$44,999,801</u>	<u>\$3,300,244</u>	<u>\$9,584,454</u>	<u>\$15,477,271</u>	<u>\$1,836,685</u>	<u>\$796,496</u>	<u>\$49,774</u>	<u>\$76,044,725</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
10/31/2018**

	<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	\$15,732,697							\$15,732,697
2 Additions to restricted funds		610,200	1,690,254	8,237,700	305,100	69,080	49,680	10,962,014
3 Total assessments	<u>15,732,697</u>	<u>610,200</u>	<u>1,690,254</u>	<u>8,237,700</u>	<u>305,100</u>	<u>69,080</u>	<u>49,680</u>	<u>26,694,711</u>
Non-assessment revenues:								
4 Merchandise sales	173							173
5 Fees and charges for services to residents	534,834							534,834
6 Laundry	110,325							110,325
7 Interest income		40,596	124,656	200,629	22,806	10,463	1,399	400,549
8 Miscellaneous	531,224			11				531,235
9 Total non-assessment revenue	<u>1,176,556</u>	<u>40,596</u>	<u>124,656</u>	<u>200,640</u>	<u>22,806</u>	<u>10,463</u>	<u>1,399</u>	<u>1,577,116</u>
10 Total revenue	<u>16,909,253</u>	<u>650,796</u>	<u>1,814,910</u>	<u>8,438,340</u>	<u>327,906</u>	<u>79,543</u>	<u>51,079</u>	<u>28,271,827</u>
Expenses:								
11 Employee compensation and related	8,278,688		5,798	2,708,091		20,385	27,462	11,040,424
12 Materials and supplies	701,606		414	370,429		44,079	17,346	1,133,874
13 Utilities and telephone	4,752,751		(9)	30,442			(1)	4,783,183
14 Legal fees	256,017							256,017
15 Professional fees	95,224							95,224
16 Equipment rental	5,419		29	9,628			264	15,339
17 Outside services	1,009,223	110,188	942,167	3,785,944	148,744	30,600	19,913	6,046,779
18 Repairs and maintenance	272,434		6	1,624		14	4	274,081
19 Other Operating Expense	99,328		36	16,812		150	159	116,484
20 Income taxes	10							10
21 Insurance	1,051,811							1,051,811
22 Investment expense		3,153	9,711	15,705	1,774	818	111	31,272
23 Uncollectible Accounts	36,302							36,302
24 (Gain)/loss on sale or trade		101	310	496	56	25	4	992
25 Depreciation and amortization	121,640							121,640
26 Net allocations to mutuals	877,560		225	142,946		999	883	1,022,613
27 Total expenses	<u>17,558,013</u>	<u>113,441</u>	<u>958,686</u>	<u>7,082,118</u>	<u>150,574</u>	<u>97,071</u>	<u>66,144</u>	<u>26,026,046</u>
28 Excess of revenues over expenses	<u>(\$648,760)</u>	<u>\$537,355</u>	<u>\$856,224</u>	<u>\$1,356,222</u>	<u>\$177,332</u>	<u>(\$17,528)</u>	<u>(\$15,064)</u>	<u>\$2,245,781</u>
29 Excluding depreciation	<u>(\$527,120)</u>	<u>\$537,355</u>	<u>\$856,224</u>	<u>\$1,356,222</u>	<u>\$177,332</u>	<u>(\$17,528)</u>	<u>(\$15,064)</u>	<u>\$2,367,421</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of October 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	220,977	-	-	63,271	-	(18,514)	18
October-18	222,624	-	-	82,195	-	20,571	16
November-18		-	-		-	-	
December-18		-	-		-	-	
YTD TOTAL						36,302	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
10/31/18**

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	1.40%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
10/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 212,998.39		\$ 212,998.39	
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	
02665VBE0	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 Con	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	
9128285G1	U.S. TREASURY NOTE	2.88%	10-31-18	10-31-20	250,000.00	2.87%	249,990.65	
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 Mtn	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
10/31/18**

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	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	239.21	0.08%	15,239.21	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	974.32	1.42%	3,435.52	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	39,013.37	5.50%	39,013.37	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	36,822.08	3.79%	53,479.57	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	101,604.14	3.20%	142,807.27	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	112,995.09	3.54%	143,654.10	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	93,313.64	2.57%	145,289.27	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	39,254.37	2.58%	60,803.34	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	168,788.58	2.68%	188,841.33	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	79,587.65	2.66%	89,909.59	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	165,246.51	2.39%	207,269.47	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	178,564.94	2.41%	221,826.66	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	267,021.31	2.44%	327,954.09	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	199,215.31	2.67%	223,629.70	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	411,509.12	2.48%	496,824.52	
36179MWZ3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	187,881.68	2.50%	225,078.82	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	99,047.92	2.96%	117,159.43	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	305,560.97	3.41%	313,312.92	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	32,518.63	3.71%	48,269.48	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	37,134.06	6.69%	30,509.55	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	91,497.78	2.42%	208,039.64	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	162,269.82	3.41%	214,433.01	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	146,164.77	3.73%	156,764.07	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	67,977.31	3.38%	90,566.67	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	140,493.69	3.22%	174,454.35	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	176,528.19	3.49%	202,151.15	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	201,628.19	3.32%	212,616.35	
TOTAL FOR DISCRETIONARY INVESTMENTS					15,885,851.04		16,774,371.20	1.92%
TOTAL INVESTMENTS					\$ 24,885,851.04		\$ 25,687,315.95	1.74%

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 10/31/2018**

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	\$0	Completed
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	125,257	\$0	Completed
Ridge Route Brush Clearance	03-18-84	\$330,000	0	\$330,000	In Progress
Tree Trimming	03-18-147	\$150,000	0	\$150,000	Open
Totals		\$1,005,000	\$272,409	\$730,000	

Laundry Replacement Fund

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

Garden Villa Rec. Room Fund

Painting Garden Villa Rec Rooms	03-17-52	\$8,000	7,075	\$0	Completed
Garden Villa Recreation Room Flooring	03-17-109	10,500	13,555	0	Completed
Garden Villa Recreation Room Renovation	03-17-110	8,000	2,749	0	Completed
Totals		\$26,500	\$23,378	\$0	

Unappropriated Expenditures Fund

3-Story Building Trash Chute Repairs	03-18-36	336,680	110,188	226,492	In Progress
		\$336,680	\$110,188	\$226,492	

Disaster Fund

Monte Hermosa Slope Repair	03-18-67	\$20,652	18,773	\$0	Completed
Totals		\$20,652	\$18,773	\$0	

*Incurred To Date

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

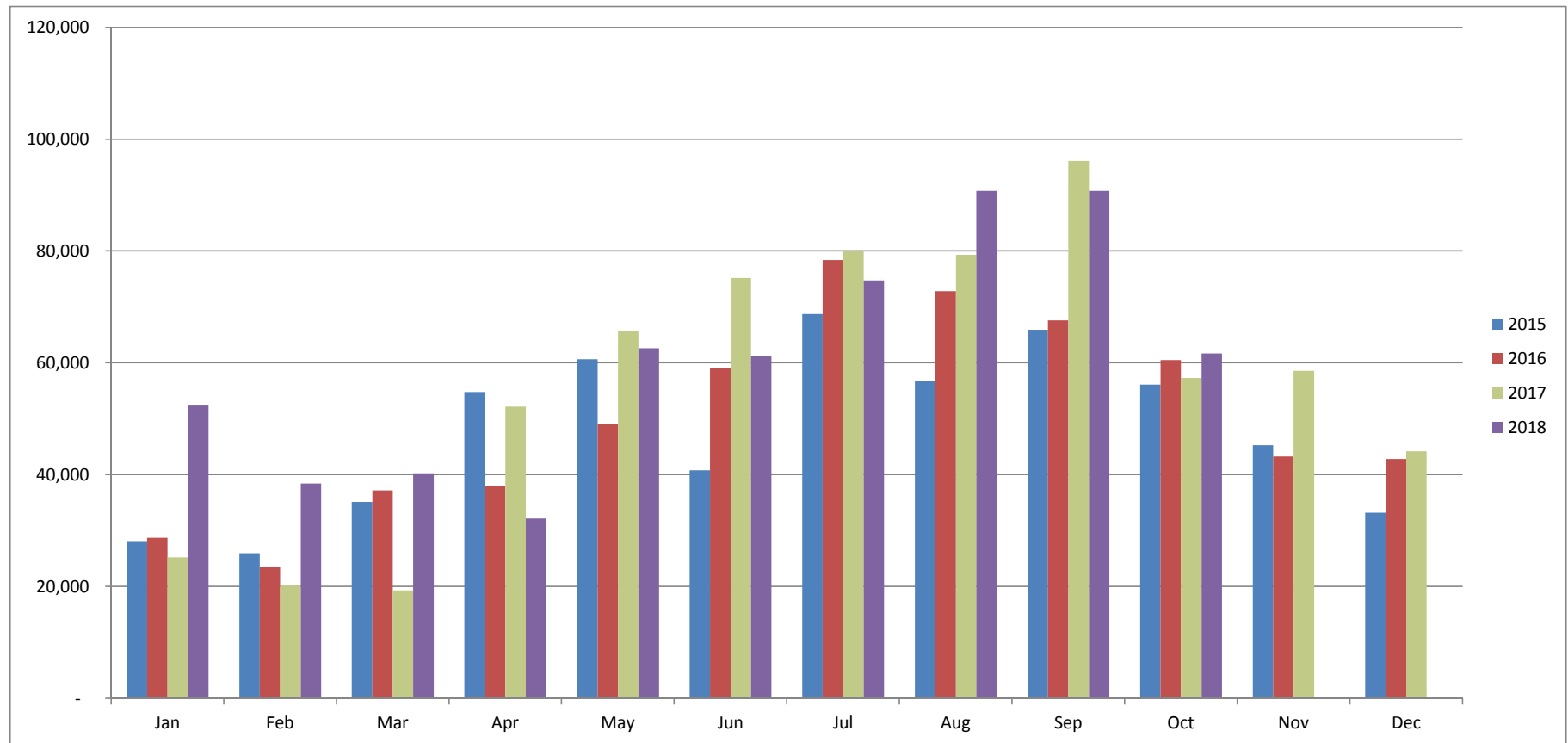
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,830	18,515	28,300	33,970	55%	9,785	35%
BUILDING STRUCTURES	243,235	262,973	1,172,837	2,627,004	3,152,327	37%	1,454,167	55%
ELECTRICAL SYSTEMS	25,200	4,586	32,977	45,860	55,046	60%	12,883	28%
ENERGY PROJECTS	(1,554)	4,166	-1,554	41,660	50,000	-3%	43,214	104%
EXTERIOR LIGHTING	0	41,666	22,696	416,660	500,000	5%	393,964	95%
FENCING	0	0	21,576	0	0	0%	(21,576)	0%
GARDEN VILLA LOBBY	0	9,529	114,664	95,110	114,126	100%	(19,554)	(21%)
GARDEN VILLA MAILROOM	(691)	1,987	52,618	19,712	23,649	222%	(32,905)	(167%)
GARDEN VILLA RECESSED AREA	0	16,250	71,111	162,500	195,000	36%	91,389	56%
GV REC ROOM WATER HEATER/HEAT PUMP	0	1,500	15,546	15,000	18,000	86%	(546)	(4%)
GUTTER REPLACEMENTS	341	11,442	131,900	114,264	137,118	96%	(17,636)	(15%)
LANDSCAPE MODERNIZATION	0	20,833	0	208,333	250,000	0%	208,333	100%
MAILBOXES	0	1,626	4,490	16,144	19,389	23%	11,654	72%
PAINT PROGRAM - EXTERIOR	142,296	134,719	1,231,804	1,336,046	1,602,744	77%	104,242	8%
PRIOR TO PAINT	90,348	72,100	883,010	714,549	857,243	103%	(168,460)	(24%)
PAVING	6,293	0	518,479	597,000	597,000	87%	78,521	13%
ROOF REPLACEMENTS	154,597	174,119	1,072,494	1,423,929	1,598,050	67%	351,435	25%
SUPPLEMENTAL APPROPRIATIONS	47,559	47,559	272,409	272,409	272,409	100%	0	0%
TREE MAINTENANCE	23,002	69,433	917,035	689,239	826,476	111%	(227,796)	(33%)
WALL REPLACEMENTS	0	6,250	0	62,497	75,000	0%	62,497	100%
WASTE LINE REMEDIATION	0	62,500	455,957	625,000	750,000	61%	169,043	27%
WATER LINES - COPPER PIPE REMEDIATION	58,354	8,333	57,354	83,330	100,000	57%	25,976	31%
OTHER - INVESTMENT EXPENSE	0	0	16,201	16,201	16,201	100%	0	0%
TOTAL REPLACEMENT FUND	\$788,981	\$954,401	\$7,082,118	\$9,610,749	\$11,243,748	63%	\$2,528,631	26%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$31,464	\$27,515	\$148,744	\$275,150	\$330,189	45%	\$126,406	46%
OTHER - INVESTMENT EXPENSE	0	0	1,830	1,830	1,830	100%	0	0%
TOTAL ELEVATOR REPLACEMENT FUND	\$31,464	\$27,515	\$150,574	\$276,980	\$332,019	45%	\$126,406	46%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$3,909	\$2,065	\$45,847	\$20,580	\$24,714	186%	(\$25,267)	(123%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	638	2,903	50,380	28,902	34,688	145%	(21,478)	(74%)
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0	0	0%	0	0%
OTHER - INVESTMENT EXPENSE	0	0	844	844	844	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$4,547	\$4,968	\$97,071	\$50,325	\$60,246	161%	(\$46,745)	(93%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$3,204	\$5,780	\$66,029	\$57,552	\$69,139	96%	(\$8,476)	(15%)
OTHER - INVESTMENT EXPENSE	0	0	115	115	115	100%	0	0%
TOTAL GARDEN VILLA REC ROOMS FUND	\$3,204	\$5,780	\$66,144	\$57,667	\$69,255	96%	(\$8,476)	(15%)

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$9,737	\$7,901	\$87,708	\$78,246	\$93,901	93%	(\$9,463)	(12%)
BALCONY/BREEZEWAY RESURFACING	79,364	34,564	393,882	342,577	411,008	96%	(51,305)	(15%)
BUILDING REHAB/DRY ROT	11,622	26,928	142,478	267,261	320,666	44%	124,783	47%
CARPENTRY SERVICE	40,541	31,131	358,964	309,049	370,816	97%	(49,915)	(16%)
CONCRETE REPAIR/REPLACEMENT	38,311	23,329	328,228	231,436	277,636	118%	(96,793)	(42%)
CURB CUT/SIDEWALK RAMPS	0	1,666	0	16,660	20,000	0%	16,660	100%
ELECTRICAL SERVICE	7,489	11,977	80,895	118,591	142,279	57%	37,697	32%
FIRE PROTECTION	20,855	8,398	70,956	83,980	100,820	70%	13,024	16%
GUTTER CLEANING	37,470	37,149	64,730	92,553	166,799	39%	27,823	30%
GV MAILROOM RENOVATIONS	0	0	476	0	0	0%	(476)	0%
JANITORIAL SERVICE	84,938	66,097	727,214	655,051	785,925	93%	(72,162)	(11%)
MISC REPAIRS BY OUTSIDE SERVICE	3,720	5,505	46,381	55,051	66,061	70%	8,670	16%
PAINT - TOUCH UP	25,988	9,931	198,519	98,385	118,034	168%	(100,134)	(102%)
PAVING MAINTENANCE & REPAIRS	519	13,749	42,517	136,492	163,751	26%	93,976	69%
PEST CONTROL	47,701	24,912	277,134	249,120	298,968	93%	(28,014)	(11%)
PLUMBING SERVICE	70,776	47,276	638,304	468,563	562,159	114%	(169,741)	(36%)
ROOF REPAIRS	25,286	24,166	172,159	241,660	290,000	59%	69,501	29%
SOLAR MAINTENANCE	1,554	3,333	14,357	33,333	40,000	36%	18,976	57%
STAIR TREAD REPLACEMENTS	0	707	2,040	7,028	8,431	24%	4,987	71%
TRAFFIC CONTROL	2,651	2,491	23,539	24,771	29,721	79%	1,233	5%
WELDING	7,052	5,593	48,764	55,513	66,615	73%	6,749	12%
TOTAL MAINTENANCE PROGRAMS	\$515,575	\$386,802	\$3,719,246	\$3,565,320	\$4,333,590	86%	(\$153,926)	(4%)
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$2,845	\$25,833	\$121,041	\$258,330	\$310,000	39%	\$137,289	53%
MOISTURE INTRUSION - PLUMBING LEAKS	80,867	62,500	583,402	625,000	750,000	78%	41,598	7%
MOISTURE INTRUSION - PLUMBING STOPPAGES	29,323	20,444	97,788	204,440	245,338	40%	106,652	52%
MOISTURE INTRUSION - MISCELLANEOUS	5,250	5,905	79,324	59,050	70,869	112%	(20,274)	(34%)
DAMAGE RESTORATION SERVICES	62,792	30,977	48,338	309,259	371,133	13%	260,921	84%
SUPPELMENTAL APPROPRIATIONS	\$0	\$0	\$18,773	\$18,773	\$18,773	100%	\$0	0%
OTHER - INVESTMENT EXPENSE	0	0	10,021	10,021	10,021	100%	0	0%
TOTAL DISASTER FUND	\$181,077	\$145,659	\$958,686	\$1,484,873	\$1,776,133	54%	\$526,187	35%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPELMENTAL APPROPRIATIONS	\$79,580	\$79,580	\$110,188	\$110,188	\$110,188	100%	\$0	0%
OTHER - INVESTMENT EXPENSES	0	0	3,254	3,254	3,254	100%	0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FI	\$79,580	\$79,580	\$113,441	\$113,441	\$113,441	100%	\$0	0%

Third Mutual Water Usage in 100 cubic feet units

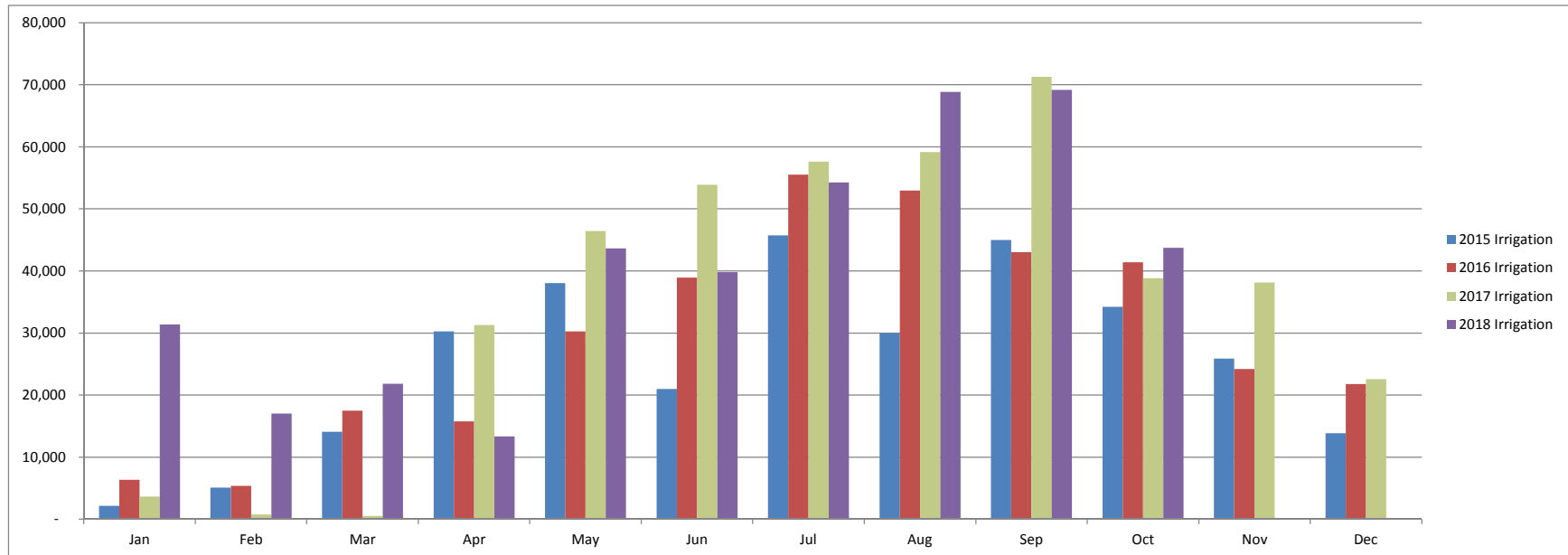
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2015	28,102	25,962	35,102	54,767	60,673	40,766	68,724	56,774	65,900	56,100	45,293	33,217	538,163	571,380
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	558,076	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	629,243	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	-	-	605,192	605,192



Third Mutual

Irrigation Water Usage in 100 cubic feet units

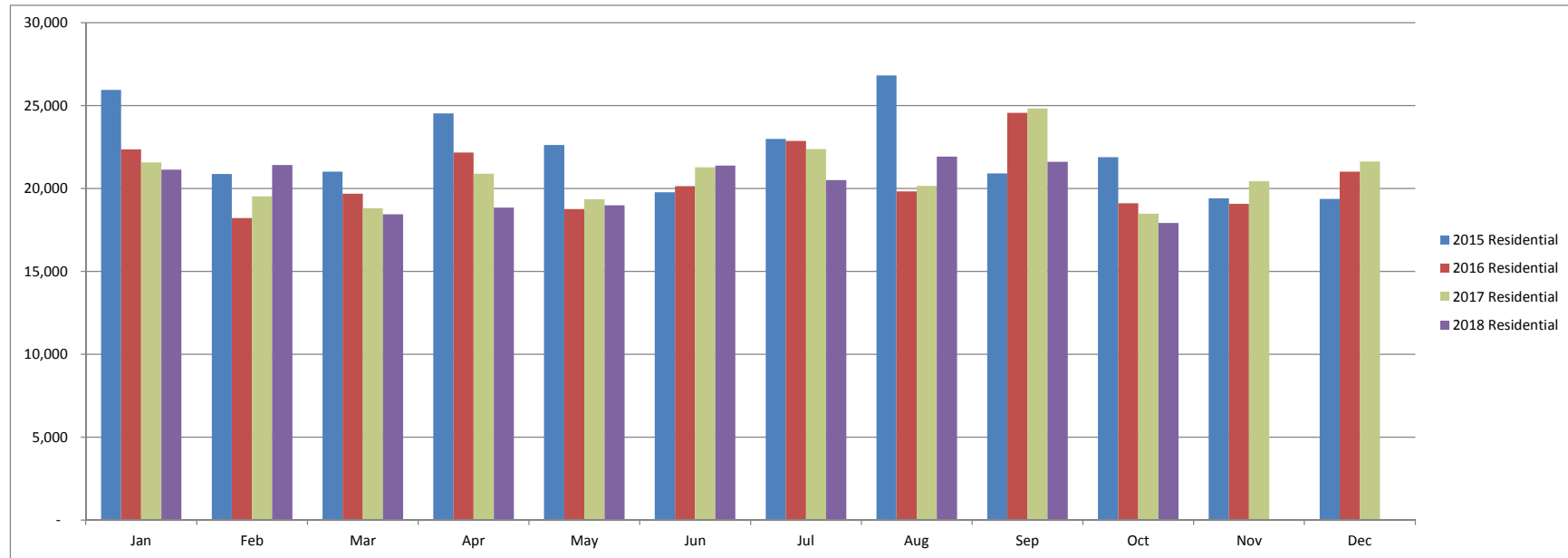
Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2015 Irrigation	2,158	5,098	14,089	30,250	38,046	21,002	45,731	29,957	44,995	34,212	25,883	13,854	291,421	305,275
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	331,303	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	401,562	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	-	-	403,053	403,053



Third Mutual

Residential Water Usage in 100 cubic feet units

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
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	246,742	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	226,773	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	227,681	249,305
2018 Residential	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	17,920	-	-	202,139	202,139



RESOLUTION 03-14-128

THIRD MUTUAL FINANCE COMMITTEE CHARTER

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

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

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

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

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