



**REGULAR MEETING OF THE FINANCE COMMITTEE**

**Tuesday, January 8, 2019 – 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 December 4, 2018
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

**Reports**

8. Preliminary Financial Statements dated November 30, 2018

**Items for Discussion and Consideration:**

9. Other Endorsements from Standing Committees

**Future Agenda Items**

2019 Reserve Study (February)

**Concluding Business:**

10. Committee Member Comments
11. Date of Next Meeting – Tuesday, February 5, 2019 at 1:30 p.m.
12. 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, December 4, 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, Bunny Carpenter, Cush Bhada, John Frankel, Jon Pearlstone, Lynn Jarrett, Advisor: Michael Cunningham

**MEMBERS ABSENT:** Paul Chao, Advisors: Wei-Ming Tao, John Hess

**STAFF PRESENT:** Betty Parker, 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 with the following additional items:

- Fidelity Insurance Coverage
- Credit Card Payments Update

### **Approval of Meeting Report for November 6, 2018**

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

### **Chair Remarks**

Director Connelly requested to have all questions held to the end of the presentation of the financial statements.

### **Department Head Update**

The Committee was informed that the 2019 Annual Budget Report and Policy Statement were mailed last week and an electronic version of the packet is available on the Community website.

### **Preliminary Financial Statements Dated October 31, 2018**

The Committee reviewed financials and questions were addressed.

### **Investment Task Force Update**

Advisor Cunningham provided an update from the Investment Task Force.

### **Fidelity Insurance Coverage**

The Committee was provided a handout informing of new insurance limits required by Civil Code 5806 effective January 1, 2019. By consensus, the Committee authorized the additional premium costs as unbudgeted operating expenses to account 54401000 – Hazard & Liability Insurance.

### **Credit Card Payment Update**

The Committee was advised that live tests of the assessment and chargeable services payments by credit card are in progress. Director diLorenzo requested Staff explore the feasibility of adding a notice to chargeable service invoices informing residents of the option to pay charges by credit card.

### **Future Agenda Items**

Reserve Study (February Agenda)

### **Date of Next Meeting**

Tuesday, January 8, 2019 at 1:30 p.m. in the Board Room.

### **Recess to Closed Session**

The meeting recessed at 2:26 p.m.

  
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Jack Connelly, Chair

**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**11/30/2018**  
(\$ IN THOUSANDS)

|                                 |  | CURRENT MONTH |              |             | YEAR TO DATE   |               |                | YTD 2017       | ANNUAL        |
|---------------------------------|--|---------------|--------------|-------------|----------------|---------------|----------------|----------------|---------------|
|                                 |  | ACTUAL        | BUDGET       | VARIANCE    | ACTUAL         | BUDGET        | VARIANCE       | ACTUAL         | BUDGET        |
| <b>Revenues:</b>                |  |               |              |             |                |               |                |                |               |
| <b>Assessments:</b>             |  |               |              |             |                |               |                |                |               |
| 1                               | Operating                                  | \$1,573       | \$1,573      |             | \$17,306       | \$17,306      |                | \$16,876       | \$18,879      |
| 2                               | Additions to restricted funds              | 1,096         | 1,096        |             | 12,058         | 12,058        |                | 12,280         | 13,154        |
| 3                               | <b>Total assessments</b>                   | <u>2,669</u>  | <u>2,669</u> |             | <u>29,364</u>  | <u>29,364</u> |                | <u>29,155</u>  | <u>32,034</u> |
| <b>Non-assessment revenues:</b> |  |               |              |             |                |               |                |                |               |
| 4                               | Fees and charges for services to residents | 68            | 47           | 21          | 603            | 516           | 87             | 303            | 563           |
| 5                               | Laundry                                    | 12            | 9            | 3           | 122            | 99            | 23             | 101            | 108           |
| 6                               | Interest income                            | 44            | 31           | 13          | 444            | 338           | 106            | 342            | 369           |
| 7                               | Miscellaneous                              | 66            | 48           | 18          | 597            | 533           | 65             | 576            | 581           |
| 8                               | <b>Total non-assessment revenue</b>        | <u>190</u>    | <u>135</u>   | <u>55</u>   | <u>1,767</u>   | <u>1,486</u>  | <u>281</u>     | <u>1,323</u>   | <u>1,621</u>  |
| 9                               | <b>Total revenue</b>                       | <u>2,860</u>  | <u>2,805</u> | <u>55</u>   | <u>31,131</u>  | <u>30,850</u> | <u>281</u>     | <u>30,478</u>  | <u>33,655</u> |
| <b>Expenses:</b>                |  |               |              |             |                |               |                |                |               |
| 10                              | Employee compensation and related          | 1,014         | 1,029        | 15          | 12,055         | 11,493        | (562)          | 11,383         | 12,550        |
| 11                              | Materials and supplies                     | 101           | 130          | 29          | 1,235          | 1,428         | 194            | 1,160          | 1,559         |
| 12                              | Utilities and telephone                    | 316           | 400          | 84          | 5,099          | 4,684         | (415)          | 5,031          | 5,065         |
| 13                              | Legal fees                                 | 58            | 24           | (33)        | 314            | 266           | (48)           | 203            | 290           |
| 14                              | Professional fees                          | 17            | 13           | (4)         | 112            | 144           | 32             | 110            | 157           |
| 15                              | Equipment rental                           | 4             | 2            | (2)         | 19             | 23            | 5              | 22             | 25            |
| 16                              | Outside services                           | 970           | 885          | (85)        | 7,017          | 9,738         | 2,721          | 5,688          | 10,459        |
| 17                              | Repairs and maintenance                    | 24            | 27           | 3           | 298            | 306           | 8              | 259            | 333           |
| 18                              | Other Operating Expense                    | 19            | 11           | (8)         | 136            | 139           | 3              | 142            | 159           |
| 19                              | Insurance                                  | 106           | 110          | 3           | 1,158          | 1,207         | 49             | 1,068          | 1,316         |
| 20                              | Investment expense                         | 10            | 10           |             | 42             | 42            |                | 42             | 42            |
| 21                              | Uncollectible Accounts                     | 21            | 8            | (12)        | 57             | 92            | 35             | 133            | 100           |
| 22                              | (Gain)/loss on sale or trade               |               |              |             | 1              |               | (1)            |                |               |
| 23                              | Depreciation and amortization              | 12            | 12           |             | 134            | 134           |                | 139            | 146           |
| 24                              | Net allocation to mutuals                  | 89            | 111          | 21          | 1,112          | 1,174         | 62             | 850            | 1,279         |
| 25                              | <b>Total expenses</b>                      | <u>2,761</u>  | <u>2,773</u> | <u>12</u>   | <u>28,787</u>  | <u>30,869</u> | <u>2,081</u>   | <u>26,230</u>  | <u>33,481</u> |
| 26                              | Excess of revenues over expenses           | <u>\$98</u>   | <u>\$31</u>  | <u>\$67</u> | <u>\$2,344</u> | <u>(\$18)</u> | <u>\$2,362</u> | <u>\$4,248</u> | <u>\$174</u>  |

**Third Laguna Hills Mutual  
Operating Statement  
11/30/2018  
THIRD LAGUNA HILLS MUTUAL**

|  | Actual            | YEAR TO DATE<br>Budget | VAR\$ B/(W)    | VAR% B/(W)    | ANNUAL<br>BUDGET  |
|--|-------------------|------------------------|----------------|---------------|-------------------|
| Revenues:  |                   |                        |                |               |                   |
| Assessments:   |                   |                        |                |               |                   |
| <b>Operating</b>   |                   |                        |                |               |                   |
| 41001000 - Monthly Assessments                                     | \$17,305,967      | \$17,306,025           | (\$58)         | 0.00%         | \$18,879,302      |
| <b>Total Operating</b>   | <b>17,305,967</b> | <b>17,306,025</b>      | <b>(58)</b>    | <b>0.00%</b>  | <b>18,879,302</b> |
| <b>Additions To Restricted Funds</b>                               |                   |                        |                |               |                   |
| 41002000 - Monthly Assessments - Disaster Fund                     | 1,859,279         | 1,859,275              | 4              | 0.00%         | 2,028,305         |
| 41003000 - Monthly Assessments - Unappropriated Expenditures Fund  | 671,220           | 671,220                | 0              | 0.00%         | 732,240           |
| 41003500 - Monthly Assessments - Replacement Fund                  | 9,061,470         | 9,061,470              | 0              | 0.00%         | 9,885,240         |
| 41004000 - Monthly Assessments - Elevator Replacement Fund         | 335,610           | 335,610                | 0              | 0.00%         | 366,120           |
| 41004500 - Monthly Assessments - Laundry Replacement Fund          | 75,988            | 75,988                 | 0              | 0.00%         | 82,896            |
| 41006000 - Monthly Assessments - Garden Villa Recreation Room Fund | 54,648            | 54,648                 | 0              | 0.00%         | 59,616            |
| <b>Total Additions To Restricted Funds</b>                         | <b>12,058,215</b> | <b>12,058,211</b>      | <b>4</b>       | <b>0.00%</b>  | <b>13,154,417</b> |
| <b>Total Assessments</b>   | <b>29,364,182</b> | <b>29,364,236</b>      | <b>(54)</b>    | <b>0.00%</b>  | <b>32,033,719</b> |
| Non-Assessment Revenues:   |                   |                        |                |               |                   |
| <b>Merchandise Sales</b>   |                   |                        |                |               |                   |
| <b>Fees and Charges for Services to Residents</b>                  |                   |                        |                |               |                   |
| 46501000 - Permit Fee  | 100,800           | 61,875                 | 38,925         | 62.91%        | 67,500            |
| 46501500 - Inspection Fee  | 67,646            | 52,396                 | 15,250         | 29.10%        | 57,161            |
| 46502000 - Resident Maintenance Fee                                | 434,811           | 402,039                | 32,772         | 8.15%         | 438,577           |
| <b>Total Fees and Charges for Services to Residents</b>            | <b>603,256</b>    | <b>516,310</b>         | <b>86,946</b>  | <b>16.84%</b> | <b>563,238</b>    |
| <b>Laundry</b>   |                   |                        |                |               |                   |
| 46005000 - Coin Op Laundry Machine                                 | 122,440           | 99,000                 | 23,440         | 23.68%        | 108,000           |
| <b>Total Laundry</b>   | <b>122,440</b>    | <b>99,000</b>          | <b>23,440</b>  | <b>23.68%</b> | <b>108,000</b>    |
| <b>Interest Income</b>   |                   |                        |                |               |                   |
| 49001000 - Interest Income - Treasury Notes                        | 115,308           | 73,980                 | 41,328         | 55.86%        | 82,195            |
| 49001500 - Interest Income - Treasury Notes - Discretionary        | 244,234           | 206,392                | 37,842         | 18.34%        | 222,498           |
| 49002000 - Interest Income - Money Market                          | 6,147             | 2,628                  | 3,519          | 133.92%       | 2,918             |
| 49002500 - Interest Income - Gnma Securities - Discretionary       | 78,399            | 54,954                 | 23,445         | 42.66%        | 61,068            |
| <b>Total Interest Income</b>                                       | <b>444,089</b>    | <b>337,954</b>         | <b>106,135</b> | <b>31.41%</b> | <b>368,679</b>    |
| <b>Miscellaneous</b>   |                   |                        |                |               |                   |
| 46004500 - Resident Violations                                     | 35,425            | 0                      | 35,425         | 0.00%         | 0                 |
| 44501510 - Lease Processing Fee - Third                            | 233,789           | 187,000                | 46,789         | 25.02%        | 204,000           |
| 44502000 - Variance Processing Fee                                 | (150)             | 0                      | (150)          | 0.00%         | 0                 |
| 44502500 - Non-Sale Transfer Fee - Third                           | 1,750             | 11,913                 | (10,163)       | (85.31%)      | 13,000            |
| 44503520 - Resale Processing Fee - Third                           | 147,486           | 177,738                | (30,252)       | (17.02%)      | 193,901           |
| 44505500 - Hoa Certification Fee                                   | 7,190             | 5,500                  | 1,690          | 30.73%        | 6,000             |
| 44507000 - Golf Cart Electric Fee                                  | 63,558            | 62,337                 | 1,221          | 1.96%         | 68,000            |
| 44507200 - Electric Vehicle Plug-In Fee                            | 6,243             | 11,000                 | (4,757)        | (43.24%)      | 12,000            |
| 44507500 - Cartport/Carport Space Rental Fee                       | 5,136             | 2,750                  | 2,386          | 86.78%        | 3,000             |
| 47001000 - Cash Discounts - Accounts Payable                       | 11                | 0                      | 11             | 0.00%         | 0                 |
| 47001500 - Late Fee Revenue  | 50,633            | 44,000                 | 6,633          | 15.07%        | 48,000            |
| 47002020 - Collection Administrative Fee - Third                   | 3,500             | 8,250                  | (4,750)        | (57.58%)      | 9,000             |
| 47002500 - Collection Interest Revenue                             | 5,691             | 20,163                 | (14,472)       | (71.78%)      | 22,000            |
| 47501000 - Recycling   | 5,640             | 2,200                  | 3,440          | 156.36%       | 2,400             |
| 49009000 - Miscellaneous Revenue                                   | 31,484            | 0                      | 31,484         | 0.00%         | 0                 |
| <b>Total Miscellaneous</b>   | <b>597,386</b>    | <b>532,851</b>         | <b>64,535</b>  | <b>12.11%</b> | <b>581,301</b>    |
| <b>Total Non-Assessment Revenue</b>                                | <b>1,767,171</b>  | <b>1,486,115</b>       | <b>281,056</b> | <b>18.91%</b> | <b>1,621,218</b>  |
| <b>Total Revenue</b>   | <b>31,131,353</b> | <b>30,850,351</b>      | <b>281,003</b> | <b>0.91%</b>  | <b>33,654,937</b> |
| Expenses:  |                   |                        |                |               |                   |
| <b>Employee Compensation</b>                                       |                   |                        |                |               |                   |
| 51011000 - Salaries & Wages - Regular                              | 2,088,785         | 2,082,431              | (6,354)        | (0.31%)       | 2,276,484         |
| 51021000 - Union Wages - Regular                                   | 5,139,709         | 5,201,928              | 62,219         | 1.20%         | 5,684,742         |
| 51041000 - Wages - Overtime  | 31,101            | 36,935                 | 5,834          | 15.79%        | 40,308            |
| 51051000 - Union Wages - Overtime                                  | 62,438            | 34,304                 | (28,133)       | (82.01%)      | 37,449            |

**Third Laguna Hills Mutual  
Operating Statement  
11/30/2018  
THIRD LAGUNA HILLS MUTUAL**

|   | YEAR TO DATE     |                  |                  |                 | ANNUAL            |
|---|------------------|------------------|------------------|-----------------|-------------------|
|   | Actual           | Budget           | VAR\$ B/(W)      | VAR% B/(W)      | BUDGET            |
| 51061000 - Holiday                            | 751,793          | 294,442          | (457,351)        | (155.33%)       | 321,801           |
| 51071000 - Sick                               | 270,741          | 240,203          | (30,538)         | (12.71%)        | 262,522           |
| 51091000 - Missed Meal Penalty                | 2,329            | 1,601            | (728)            | (45.50%)        | 1,758             |
| 51101000 - Temporary Help                     | 95,646           | 49,380           | (46,267)         | (93.70%)        | 53,884            |
| 51981000 - Compensation Accrual               | (100,776)        | 0                | 100,776          | 0.00%           | 0                 |
| <b>Total Employee Compensation</b>            | <b>8,341,766</b> | <b>7,941,224</b> | <b>(400,542)</b> | <b>(5.04%)</b>  | <b>8,678,947</b>  |
| <b>Compensation Related</b>                   |                  |                  |                  |                 |                   |
| 52411000 - F.I.C.A.                           | 625,183          | 593,254          | (31,929)         | (5.38%)         | 647,182           |
| 52421000 - F.U.I.                             | 8,517            | 9,717            | 1,200            | 12.35%          | 9,719             |
| 52431000 - S.U.I.                             | 75,231           | 48,530           | (26,701)         | (55.02%)        | 48,533            |
| 52441000 - Union Medical                      | 1,716,187        | 1,744,233        | 28,047           | 1.61%           | 1,902,800         |
| 52451000 - Workers' Compensation Insurance    | 616,253          | 570,901          | (45,352)         | (7.94%)         | 623,917           |
| 52461000 - Non Union Medical & Life Insurance | 259,715          | 214,192          | (45,523)         | (21.25%)        | 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              | 304,476          | 284,551          | (19,925)         | (7.00%)         | 310,962           |
| 52481000 - Non-Union Retirement Plan          | 57,845           | 86,441           | 28,596           | 33.08%          | 94,496            |
| 52981000 - Compensation Related Accrual       | 28,215           | 0                | (28,215)         | 0.00%           | 0                 |
| <b>Total Compensation Related</b>             | <b>3,713,123</b> | <b>3,551,819</b> | <b>(161,304)</b> | <b>(4.54%)</b>  | <b>3,871,261</b>  |
| <b>Materials and Supplies</b>                 |                  |                  |                  |                 |                   |
| 53001000 - Materials & Supplies               | 434,532          | 328,216          | (106,316)        | (32.39%)        | 358,452           |
| 53002500 - Printed Membership Materials       | 0                | 175              | 175              | 100.00%         | 194               |
| 53003000 - Materials Direct                   | 799,784          | 1,099,900        | 300,116          | 27.29%          | 1,200,324         |
| 53004000 - Freight                            | 231              | 0                | (231)            | 0.00%           | 0                 |
| <b>Total Materials and Supplies</b>           | <b>1,234,547</b> | <b>1,428,291</b> | <b>193,744</b>   | <b>13.56%</b>   | <b>1,558,970</b>  |
| <b>Utilities and Telephone</b>                |                  |                  |                  |                 |                   |
| 53301000 - Electricity                        | 416,182          | 309,700          | (106,482)        | (34.38%)        | 325,000           |
| 53301500 - Sewer                              | 1,538,140        | 1,535,800        | (2,340)          | (0.15%)         | 1,677,000         |
| 53302000 - Water                              | 2,642,161        | 2,352,690        | (289,471)        | (12.30%)        | 2,532,507         |
| 53302500 - Trash                              | 503,001          | 486,242          | (16,759)         | (3.45%)         | 530,455           |
| <b>Total Utilities and Telephone</b>          | <b>5,099,484</b> | <b>4,684,432</b> | <b>(415,053)</b> | <b>(8.86%)</b>  | <b>5,064,962</b>  |
| <b>Legal Fees</b>                             |                  |                  |                  |                 |                   |
| 53401500 - Legal Fees                         | 313,655          | 265,837          | (47,818)         | (17.99%)        | 290,000           |
| <b>Total Legal Fees</b>                       | <b>313,655</b>   | <b>265,837</b>   | <b>(47,818)</b>  | <b>(17.99%)</b> | <b>290,000</b>    |
| <b>Professional Fees</b>                      |                  |                  |                  |                 |                   |
| 53402000 - Audit & Tax Preparation Fees       | 42,056           | 44,000           | 1,944            | 4.42%           | 48,000            |
| 53403500 - Consulting Fees                    | 5,313            | 31,728           | 26,416           | 83.26%          | 34,614            |
| 53403520 - Consulting Fees - Third            | 64,848           | 68,101           | 3,253            | 4.78%           | 74,300            |
| <b>Total Professional Fees</b>                | <b>112,216</b>   | <b>143,829</b>   | <b>31,613</b>    | <b>21.98%</b>   | <b>156,914</b>    |
| <b>Equipment Rental</b>                       |                  |                  |                  |                 |                   |
| 53501500 - Equipment Rental/Lease Fees        | 18,843           | 23,471           | 4,627            | 19.72%          | 25,462            |
| <b>Total Equipment Rental</b>                 | <b>18,843</b>    | <b>23,471</b>    | <b>4,627</b>     | <b>19.72%</b>   | <b>25,462</b>     |
| <b>Outside Services</b>                       |                  |                  |                  |                 |                   |
| 53601000 - Bank Fees                          | 5,186            | 3,600            | (1,586)          | (44.06%)        | 3,929             |
| 53604500 - Marketing Expense                  | 5,360            | 0                | (5,360)          | 0.00%           | 0                 |
| 54603500 - Outside Services CC                | 6,944,133        | 9,672,319        | 2,728,185        | 28.21%          | 10,377,739        |
| 53704000 - Outside Services                   | 61,910           | 61,746           | (164)            | (0.27%)         | 77,476            |
| <b>Total Outside Services</b>                 | <b>7,016,590</b> | <b>9,737,665</b> | <b>2,721,075</b> | <b>27.94%</b>   | <b>10,459,144</b> |
| <b>Repairs and Maintenance</b>                |                  |                  |                  |                 |                   |
| 53701000 - Equipment Repair & Maint           | 5,689            | 11,114           | 5,425            | 48.81%          | 12,108            |
| 53702500 - Building Repair & Maint            | 14,508           | 0                | (14,508)         | 0.00%           | 0                 |
| 53703000 - Elevator /Lift Maintenance         | 277,778          | 294,440          | 16,662           | 5.66%           | 320,480           |
| <b>Total Repairs and Maintenance</b>          | <b>297,975</b>   | <b>305,554</b>   | <b>7,579</b>     | <b>2.48%</b>    | <b>332,588</b>    |
| <b>Other Operating Expense</b>                |                  |                  |                  |                 |                   |
| 53801000 - Mileage & Meal Allowance           | 4,687            | 7,028            | 2,340            | 33.30%          | 7,694             |
| 53801500 - Travel & Lodging                   | 404              | 1,436            | 1,031            | 71.83%          | 1,574             |
| 53802000 - Uniforms                           | 68,137           | 65,483           | (2,654)          | (4.05%)         | 70,674            |
| 53802500 - Dues & Memberships                 | 742              | 2,921            | 2,180            | 74.61%          | 3,204             |
| 53803000 - Subscriptions & Books              | 1,140            | 1,692            | 552              | 32.61%          | 1,851             |

**Third Laguna Hills Mutual  
Operating Statement  
11/30/2018  
THIRD LAGUNA HILLS MUTUAL**

|  | Actual             | YEAR TO DATE<br>Budget | VAR\$ B/(W)        | VAR% B/(W)       | ANNUAL<br>BUDGET  |
|--|--------------------|------------------------|--------------------|------------------|-------------------|
| 53803500 - Training & Education            | 4,853              | 10,073                 | 5,220              | 51.82%           | 11,016            |
| 53901500 - Volunteer Support               | 0                  | 1,077                  | 1,077              | 100.00%          | 1,175             |
| 53903000 - Safety                          | 0                  | 37                     | 37                 | 100.00%          | 41                |
| 54001000 - Board Relations                 | 3,261              | 4,583                  | 1,322              | 28.85%           | 5,000             |
| 54001020 - Board Relations - Third         | 3,500              | 3,663                  | 163                | 4.46%            | 4,000             |
| 54001500 - Public Relations                | (29)               | 0                      | 29                 | 0.00%            | 0                 |
| 54002000 - Postage                         | 48,515             | 39,592                 | (8,923)            | (22.54%)         | 51,712            |
| 54002500 - Filing Fees / Permits           | 409                | 1,362                  | 953                | 69.99%           | 1,497             |
| <b>Total Other Operating Expense</b>       | <b>135,619</b>     | <b>138,947</b>         | <b>3,328</b>       | <b>2.40%</b>     | <b>159,438</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    | 357,361            | 370,300                | 12,939             | 3.49%            | 403,965           |
| 54401500 - D&O Liability                   | 42,875             | 43,554                 | 679                | 1.56%            | 47,514            |
| 54402000 - Property Insurance              | 752,622            | 786,265                | 33,643             | 4.28%            | 857,745           |
| 54403000 - General Liability Insurance     | 5,218              | 6,483                  | 1,265              | 19.51%           | 7,072             |
| <b>Total Insurance</b>                     | <b>1,158,076</b>   | <b>1,206,602</b>       | <b>48,526</b>      | <b>4.02%</b>     | <b>1,316,295</b>  |
| <b>Investment Expense</b>                  |                    |                        |                    |                  |                   |
| 54201000 - Investment Expense              | 41,724             | 41,724                 | 0                  | 0.00%            | 41,724            |
| <b>Total Investment Expense</b>            | <b>41,724</b>      | <b>41,724</b>          | <b>0</b>           | <b>0.00%</b>     | <b>41,724</b>     |
| <b>Uncollectible Accounts</b>              |                    |                        |                    |                  |                   |
| 54602000 - Bad Debt Expense                | 56,881             | 91,663                 | 34,782             | 37.95%           | 100,000           |
| <b>Total Uncollectible Accounts</b>        | <b>56,881</b>      | <b>91,663</b>          | <b>34,782</b>      | <b>37.95%</b>    | <b>100,000</b>    |
| <b>(Gain)/Loss on Sale or Trade</b>        |                    |                        |                    |                  |                   |
| 54101500 - (Gain)/Loss On Investments      | 992                | 0                      | (992)              | 0.00%            | 0                 |
| <b>Total (Gain)/Loss on Sale or Trade</b>  | <b>992</b>         | <b>0</b>               | <b>(992)</b>       | <b>0.00%</b>     | <b>0</b>          |
| <b>Depreciation and Amortization</b>       |                    |                        |                    |                  |                   |
| 55001000 - Depreciation And Amortization   | 133,804            | 133,804                | 0                  | 0.00%            | 145,968           |
| <b>Total Depreciation and Amortization</b> | <b>133,804</b>     | <b>133,804</b>         | <b>0</b>           | <b>0.00%</b>     | <b>145,968</b>    |
| <b>Net Allocation to Mutuals</b>           |                    |                        |                    |                  |                   |
| 54602500 - Allocated Expenses              | 1,112,066          | 1,173,939              | 61,873             | 5.27%            | 1,279,046         |
| <b>Total Net Allocation to Mutuals</b>     | <b>1,112,066</b>   | <b>1,173,939</b>       | <b>61,873</b>      | <b>5.27%</b>     | <b>1,279,046</b>  |
| <b>Total Expenses</b>                      | <b>28,787,373</b>  | <b>30,868,802</b>      | <b>2,081,428</b>   | <b>6.74%</b>     | <b>33,480,719</b> |
| <b>Excess of Revenues Over Expenses</b>    | <b>\$2,343,980</b> | <b>(\$18,451)</b>      | <b>\$2,362,431</b> | <b>12804.05%</b> | <b>\$174,217</b>  |

**Third Laguna Hills Mutual  
Balance Sheet - Preliminary  
11/30/2018**

|           |  | <u>Current<br/>Month End</u> | <u>Prior Year<br/>December 31</u> |
|-----------|--|------------------------------|-----------------------------------|
|           | <b>Assets</b>                                    |                              |                                   |
| 1         | Cash and cash equivalents                        | \$4,267,026                  | \$997,829                         |
| 2         | Non-discretionary investments                    | 11,849,985                   | 12,920,190                        |
| 3         | Discretionary investments                        | 16,837,239                   | 16,497,360                        |
| 4         | Receivable/(Payable) from mutuals                | 1,508,778                    | 1,786,681                         |
| 5         | Accounts receivable and interest receivable      | (48,404)                     | (39,341)                          |
| 6         | Prepaid expenses and deposits                    | 270,962                      | 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 | 5,469,987                    | 5,603,791                         |
| 10        | Non-controlling interest in GRF                  | 36,657,849                   | 36,657,849                        |
| <b>11</b> | <b>Total Assets</b>                              | <u><b>\$76,813,422</b></u>   | <u><b>\$74,685,147</b></u>        |
|           | <b>Liabilities and Fund Balances</b>             |                              |                                   |
|           | Liabilities:                                     |                              |                                   |
| 12        | Accounts payable and accrued expenses            | \$2,076,454                  | \$2,385,412                       |
| 13        | Accrued compensation and related costs           | 677,476                      | 677,476                           |
| 14        | Deferred income                                  | 1,039,478                    | 946,225                           |
| 15        | Total liabilities                                | <u>\$3,793,408</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            | 2,343,980                    | 3,189,471                         |
| 18        | Total fund balances                              | <u>73,020,014</u>            | <u>70,676,034</u>                 |
| <b>19</b> | <b>Total Liabilities and Fund Balances</b>       | <u><b>\$76,813,422</b></u>   | <u><b>\$74,685,147</b></u>        |



**Third Laguna Hills Mutual  
Fund Balance Sheet - Preliminary  
11/30/2018**

|   | <b>Operating<br/>Fund</b>  | <b>Unappropriated<br/>Expenditures<br/>Fund</b> | <b>Disaster<br/>Fund</b>  | <b>Replacement<br/>Fund</b> | <b>Elevator<br/>Replacement<br/>Fund</b> | <b>Laundry<br/>Replacement<br/>Fund</b> | <b>Garden Villa<br/>Rec Room<br/>Fund</b> | <b>Total</b>               |
|---|----------------------------|---|---------------------------|-----------------------------|--|---|---|----------------------------|
| <b>Assets</b>                                       |                            |   |                           |                             |  |   |   |                            |
| 1 Cash and cash equivalents                         | \$4,267,026                |   |                           |                             |  |   |   | \$4,267,026                |
| 2 Non-discretionary investments                     | 11,849,985                 |   |                           |                             |  |   |   | 11,849,985                 |
| 3 Discretionary investments                         | 16,837,239                 |   |                           |                             |  |   |   | 16,837,239                 |
| 4 Receivable/(Payable) from mutuals                 | 1,508,778                  |   |                           |                             |  |   |   | 1,508,778                  |
| 5 Receivable/(Payable) from operating fund          | (31,350,446)               | 3,364,754                                       | 9,600,872                 | 15,794,697                  | 1,723,009                                | 803,551                                 | 63,563                                    | (48,404)                   |
| 6 Accounts receivable and interest receivable       | (48,404)                   |   |                           |                             |  |   |   | 270,962                    |
| 7 Prepaid expenses and deposits                     | 270,962                    |   |                           |                             |  |   |   | 141,239                    |
| 8 Property and equipment                            | 141,239                    |   |                           |                             |  |   |   | (141,239)                  |
| 9 Accumulated depreciation property and equipment   | (141,239)                  |   |                           |                             |  |   |   | 5,469,987                  |
| 10 Beneficial interest in GRF of Laguna Hills Trust | 5,469,987                  |   |                           |                             |  |   |   | 36,657,849                 |
| 11 Non-controlling interest in GRF                  | 36,657,849                 |   |                           |                             |  |   |   |                            |
| <b>12 Total Assets</b>                              | <b><u>\$45,462,977</u></b> | <b><u>\$3,364,754</u></b>                       | <b><u>\$9,600,872</u></b> | <b><u>\$15,794,697</u></b>  | <b><u>\$1,723,009</u></b>                | <b><u>\$803,551</u></b>                 | <b><u>\$63,563</u></b>                    | <b><u>\$76,813,423</u></b> |
| <b>Liabilities and Fund Balances</b>                |                            |   |                           |                             |  |   |   |                            |
| Liabilities:  |                            |   |                           |                             |  |   |   |                            |
| 13 Accounts payable and accrued expenses            | \$1,667,622                | \$145,450                                       | \$7,970                   | \$239,100                   | \$15,732                                 |   | \$582                                     | \$2,076,456                |
| 14 Accrued compensation and related costs           | 677,476                    |   |                           |                             |  |   |   | 677,476                    |
| 15 Deferred income                                  | 1,039,478                  |   |                           |                             |  |   |   | 1,039,478                  |
| 16 Total liabilities                                | <u>\$3,384,575</u>         | <u>\$145,450</u>                                | <u>\$7,970</u>            | <u>\$239,100</u>            | <u>\$15,732</u>                          |   | <u>\$582</u>                              | <u>\$3,793,409</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            | (503,937)                  | 456,416   | 864,671                   | 1,458,572                   | 79,387                                   | (10,473)                                | (657)                                     | 2,343,980                  |
| 19 Total fund balances                              | <u>42,078,402</u>          | <u>3,219,305</u>                                | <u>9,592,902</u>          | <u>15,555,597</u>           | <u>1,707,277</u>                         | <u>803,551</u>                          | <u>62,981</u>                             | <u>73,020,014</u>          |
| <b>20 Total Liabilities and Fund Balances</b>       | <b><u>\$45,462,977</u></b> | <b><u>\$3,364,754</u></b>                       | <b><u>\$9,600,872</u></b> | <b><u>\$15,794,697</u></b>  | <b><u>\$1,723,009</u></b>                | <b><u>\$803,551</u></b>                 | <b><u>\$63,563</u></b>                    | <b><u>\$76,813,423</u></b> |

**Third Laguna Hills Mutual  
Changes in Fund Balances - Preliminary  
11/30/2018**

|  | <u>Operating<br/>Fund</u> | <u>Unappropriated<br/>Expenditures<br/>Fund</u> | <u>Disaster<br/>Fund</u> | <u>Replacement<br/>Fund</u> | <u>Elevator<br/>Replacement<br/>Fund</u> | <u>Laundry<br/>Replacement<br/>Fund</u> | <u>Garden Villa<br/>Rec Room<br/>Fund</u> | <u>Total</u>       |
|--|---------------------------|---|--------------------------|-----------------------------|--|---|---|--------------------|
| Revenues:  |                           |   |                          |                             |  |   |   |                    |
| Assessments:                                     |                           |   |                          |                             |  |   |   |                    |
| 1     Operating                                  | \$17,305,967              |   |                          |                             |  |   |   | \$17,305,967       |
| 2     Additions to restricted funds              |                           | 671,220   | 1,859,279                | 9,061,470                   | 335,610                                  | 75,988                                  | 54,648                                    | 12,058,215         |
| 3     Total assessments                          | <u>17,305,967</u>         | <u>671,220</u>                                  | <u>1,859,279</u>         | <u>9,061,470</u>            | <u>335,610</u>                           | <u>75,988</u>                           | <u>54,648</u>                             | <u>29,364,182</u>  |
| Non-assessment revenues:                         |                           |   |                          |                             |  |   |   |                    |
| 4     Fees and charges for services to residents | 603,256                   |   |                          |                             |  |   |   | 603,256            |
| 5     Laundry                                    | 122,440                   |   |                          |                             |  |   |   | 122,440            |
| 6     Interest income                            |                           | 45,190  | 138,156                  | 222,351                     | 25,317                                   | 11,554                                  | 1,521                                     | 444,089            |
| 7     Miscellaneous                              | 597,375                   |   |                          | 11                          |  |   |   | 597,386            |
| 8     Total non-assessment revenue               | <u>1,323,071</u>          | <u>45,190</u>                                   | <u>138,156</u>           | <u>222,362</u>              | <u>25,317</u>                            | <u>11,554</u>                           | <u>1,521</u>                              | <u>1,767,171</u>   |
| 9     Total revenue                              | <u>18,629,038</u>         | <u>716,410</u>                                  | <u>1,997,436</u>         | <u>9,283,832</u>            | <u>360,927</u>                           | <u>87,542</u>                           | <u>56,169</u>                             | <u>31,131,353</u>  |
| Expenses:  |                           |   |                          |                             |  |   |   |                    |
| 10    Employee compensation and related          | 9,103,146                 |   | 6,203                    | 2,904,618                   |  | 20,542                                  | 20,380                                    | 12,054,889         |
| 11    Materials and supplies                     | 777,507                   |   | 468                      | 395,170                     |  | 44,585                                  | 16,817                                    | 1,234,547          |
| 12    Utilities and telephone                    | 5,068,656                 |   | (7)                      | 30,836                      |  |   |   | 5,099,484          |
| 13    Legal fees                                 | 313,655                   |   |                          |                             |  |   |   | 313,655            |
| 14    Professional fees                          | 89,588                    |   |                          | 22,629                      |  |   |   | 112,216            |
| 15    Equipment rental                           | 6,505                     |   | 32                       | 12,048                      |  |   | 258                                       | 18,843             |
| 16    Outside services                           | 1,051,239                 | 255,637   | 1,112,521                | 4,269,238                   | 279,107                                  | 30,600                                  | 18,247                                    | 7,016,590          |
| 17    Repairs and maintenance                    | 296,330                   |   | 6                        | 1,624                       |  | 14                                      | 2   | 297,975            |
| 18    Other Operating Expense                    | 116,229                   |   | 40                       | 19,050                      |  | 151                                     | 149                                       | 135,619            |
| 19    Income taxes                               | 10                        |   |                          |                             |  |   |   | 10                 |
| 20    Insurance                                  | 1,158,076                 |   |                          |                             |  |   |   | 1,158,076          |
| 21    Investment expense                         |                           | 4,255   | 12,952                   | 20,920                      | 2,377                                    | 1,080                                   | 140                                       | 41,724             |
| 22    Uncollectible Accounts                     | 56,881                    |   |                          |                             |  |   |   | 56,881             |
| 23    (Gain)/loss on sale or trade               |                           | 101   | 310                      | 496                         | 56                                       | 25                                      | 4   | 992                |
| 24    Depreciation and amortization              | 133,804                   |   |                          |                             |  |   |   | 133,804            |
| 25    Net allocations to mutuals                 | 961,348                   |   | 240                      | 148,632                     |  | 1,017                                   | 829                                       | 1,112,066          |
| 26    Total expenses                             | <u>19,132,975</u>         | <u>259,994</u>                                  | <u>1,132,765</u>         | <u>7,825,260</u>            | <u>281,540</u>                           | <u>98,014</u>                           | <u>56,826</u>                             | <u>28,787,373</u>  |
| 27    Excess of revenues over expenses           | <u>(\$503,937)</u>        | <u>\$456,416</u>                                | <u>\$864,671</u>         | <u>\$1,458,572</u>          | <u>\$79,387</u>                          | <u>(\$10,473)</u>                       | <u>(\$657)</u>                            | <u>\$2,343,980</u> |
| 28    Excluding depreciation                     | <u>(\$370,133)</u>        | <u>\$456,416</u>                                | <u>\$864,671</u>         | <u>\$1,458,572</u>          | <u>\$79,387</u>                          | <u>(\$10,473)</u>                       | <u>(\$657)</u>                            | <u>\$2,477,784</u> |

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

| Month            | Delinquent Assessments | Assessments Write-Offs | Bad Debt Small Claims | Delinquent Fines, Fees, and Chargeable Services | Chargeable Services Write-Offs | Change in Provision | Total Delinquent Units * |
|------------------|------------------------|------------------------|-----------------------|---|--------------------------------|---------------------|--------------------------|
| December-17      | 304,394                |                        |                       | 45,324  |                                |                     | 44                       |
| January-18       | 311,578                | 1,000                  | -                     | 45,324  |                                | 6,184               | 32                       |
| February-18      | 311,696                | (2,643)                | -                     | 49,141  | -                              | 6,578               | 35                       |
| March-18         | 305,389                | -                      | -                     | 76,605  | -                              | 21,157              | 27                       |
| April-18         | 306,918                | 11,676                 | -                     | 78,070  | -                              | (8,682)             | 29                       |
| May-18           | 327,234                | -                      | -                     | 81,210  | -                              | 23,456              | 35                       |
| June-18          | 291,738                | (48,904)               | -                     | 75,466  | -                              | 7,664               | 32                       |
| July-18          | 226,998                | (17,258)               | 20,830                | 71,019  | -                              | (31,099)            | 23                       |
| August-18        | 233,972                | (4,242)                | -                     | 68,789  | -                              | 8,986               | 21                       |
| September-18     | 220,977                | -                      | -                     | 63,271  | -                              | (18,514)            | 18                       |
| October-18       | 222,624                | -                      | -                     | 82,195  | -                              | 20,571              | 16                       |
| November-18      | 236,032                | -                      | -                     | 89,366  | -                              | 20,579              | 17                       |
| December-18      |                        | -                      | -                     |   | -                              | -                   |                          |
| <b>YTD TOTAL</b> |                        |                        |                       |   |                                | <b>56,881</b>       |                          |

\* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL  
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA  
SCHEDULE OF INVESTMENTS  
11/30/18**

| I.D. NO.                                       | DESCRIPTION        | STATED RATE | SETTLEMENT DATE | MATURITY DATE | PAR VALUE               | EFFECTIVE YIELD | ORIGINAL COST           | ANNUALIZED YTD YIELD * |
|--|--------------------|-------------|-----------------|---------------|-------------------------|-----------------|-------------------------|------------------------|
| 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            |                        |
| 912796QH5                                      | U.S. TREASURY BILL | 0.00%       | 11-30-18        | 05-23-19      | 3,000,000.00            | 2.42%           | 2,965,693.00            |                        |
| 912796RA9                                      | U.S. TREASURY BILL | 0.00%       | 11-30-18        | 09-12-19      | 3,000,000.00            | 2.47%           | 2,942,645.08            |                        |
| <b>TOTAL FOR NON-DISCRETIONARY INVESTMENTS</b> |                    |             |                 |               | <b>\$ 12,000,000.00</b> |                 | <b>\$ 11,849,985.33</b> | <b>1.38%</b>           |

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

**THIRD LAGUNA HILLS MUTUAL  
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH  
SCHEDULE OF INVESTMENTS  
11/30/18**

| I.D. NO.   | DESCRIPTION                         | STATED RATE | SETTLEMENT DATE | MATURITY DATE | PAR VALUE     | EFFECTIVE YIELD | ORIGINAL COST | ANNUALIZED YTD YIELD * |
|------------|-------------------------------------|-------------|-----------------|---------------|---------------|-----------------|---------------|------------------------|
|            | M.L. MONEY MARKET                   |             |                 |               | \$ 341,748.81 |                 | \$ 341,748.81 |                        |
| 912828N22  | U.S. TREASURY NOTE                  | 1.25%       | 12-24-15        | 12-15-18      | 250,000.00    | 1.32%           | 249,453.55    |                        |
| 46625HJR2  | CorpBond-JP Morgan Chase & Co       | 2.35%       | 07-09-14        | 01-28-19      | 200,000.00    | 2.14%           | 201,734.00    |                        |
| 494974BFU9 | CorpBond-Wells Fargo Company        | 2.13%       | 07-09-14        | 04-22-19      | 200,000.00    | 2.15%           | 199,726.00    |                        |
| 912828KQ2  | U.S. TREASURY NOTE                  | 3.13%       | 06-24-09        | 05-15-19      | 769,000.00    | 3.77%           | 727,847.11    |                        |
| 912828KQ2  | U.S. TREASURY NOTE                  | 3.13%       | 07-15-10        | 05-15-19      | 216,000.00    | 2.93%           | 219,181.80    |                        |
| 02665WBE0  | CorpBond-American Honda Finance     | 1.20%       | 08-01-17        | 07-12-19      | 100,000.00    | 1.57%           | 99,280.00     |                        |
| 822582AJ1  | CorpBond-Shell International Fin    | 4.30%       | 08-06-18        | 09-22-19      | 150,000.00    | 2.63%           | 152,746.50    |                        |
| 913017CF4  | CorpBond-United Technologies Corp   | 1.50%       | 01-09-17        | 11-01-19      | 100,000.00    | 1.76%           | 99,267.00     |                        |
| 9128283N8  | U.S. TREASURY NOTE                  | 1.88%       | 01-02-18        | 12-31-19      | 400,000.00    | 1.90%           | 399,766.30    |                        |
| 05565QCX4  | CorpBond-BP Capital Markets PLC Cor | 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%       | 11-02-18        | 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    |                        |

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

11/30/18

| I.D. NO.                                   | DESCRIPTION                       | STATED RATE | SETTLEMENT DATE | MATURITY DATE | PAR VALUE               | EFFECTIVE YIELD | ORIGINAL COST           | ANNUALIZED YTD YIELD * |
|--|-----------------------------------|-------------|-----------------|---------------|-------------------------|-----------------|-------------------------|------------------------|
| 375558AU7                                  | 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              |                        |
| 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      | 47.03                   | 0.02%           | 15,047.03               |                        |
| 36225B3R7/P781708                          | GNMA SECURITIES                   | 5.00%       | 05-18-04        | 05-15-19      | 471.38                  | 0.80%           | 2,932.58                |                        |
| 36290YBU1/P621151                          | GNMA SECURITIES                   | 5.50%       | 05-29-07        | 05-15-22      | 38,064.14               | 5.50%           | 38,064.14               |                        |
| 36296DDR6/P687812                          | GNMA SECURITIES                   | 5.50%       | 09-22-08        | 08-15-23      | 34,460.14               | 3.71%           | 51,117.63               |                        |
| 36202FD78/P004626                          | GNMA SECURITIES                   | 4.50%       | 02-24-10        | 02-20-25      | 98,844.52               | 3.18%           | 140,047.65              |                        |
| 36202FD78/P004626                          | GNMA SECURITIES                   | 4.50%       | 09-17-13        | 02-20-25      | 109,926.07              | 3.52%           | 140,585.08              |                        |
| 36202FJC1/P004759                          | GNMA SECURITIES                   | 4.00%       | 02-16-12        | 08-20-25      | 91,035.72               | 2.55%           | 143,011.35              |                        |
| 36202FJC1/P004759                          | GNMA SECURITIES                   | 4.00%       | 03-19-12        | 08-20-25      | 38,296.11               | 2.56%           | 59,845.08               |                        |
| 3620AS6G9/P738971X                         | GNMA SECURITIES                   | 3.00%       | 04-29-15        | 11-15-26      | 163,372.07              | 2.67%           | 183,424.82              |                        |
| 36202F2H8/P005276M                         | GNMA SECURITIES                   | 3.00%       | 11-12-14        | 01-20-27      | 78,331.39               | 2.65%           | 88,653.33               |                        |
| 36179MAG5/PMA0007M                         | GNMA SECURITIES                   | 3.00%       | 08-20-12        | 04-20-27      | 162,080.85              | 2.38%           | 204,103.81              |                        |
| 36179MGN4/PMA0205M                         | GNMA SECURITIES                   | 3.00%       | 07-31-12        | 07-20-27      | 175,420.52              | 2.41%           | 218,682.24              |                        |
| 36179MP53/PMA0444M                         | GNMA SECURITIES                   | 3.00%       | 12-18-12        | 10-20-27      | 261,751.24              | 2.43%           | 322,684.02              |                        |
| 36179MSB7/PMA0514M                         | GNMA SECURITIES                   | 3.00%       | 05-14-14        | 11-20-27      | 195,914.07              | 2.67%           | 220,328.46              |                        |
| 36179MU32/PMA0602M                         | GNMA SECURITIES                   | 3.00%       | 01-17-13        | 12-20-27      | 402,671.94              | 2.48%           | 487,987.34              |                        |
| 36179MZW3/PMA0757M                         | GNMA SECURITIES                   | 3.00%       | 04-16-13        | 02-20-28      | 183,360.54              | 2.49%           | 220,557.68              |                        |
| 36179NMP0/PMA1266M                         | GNMA SECURITIES                   | 3.50%       | 10-21-13        | 09-20-28      | 97,272.49               | 2.95%           | 115,384.00              |                        |
| 36179TY90/PMA5236M                         | GNMA SECURITIES                   | 3.50%       | 06-13-18        | 06-20-33      | 303,250.59              | 3.41%           | 311,002.54              |                        |
| 36202T7B6/P609390x                         | GNMA SECURITIES                   | 5.50%       | 09-22-03        | 09-15-33      | 32,337.17               | 3.70%           | 48,088.02               |                        |
| 36213CZ52/P550764                          | GNMA SECURITIES                   | 5.50%       | 09-19-07        | 09-15-35      | 36,615.91               | 6.71%           | 29,991.40               |                        |
| 36202EYL7/P004315                          | GNMA SECURITIES                   | 5.50%       | 11-18-10        | 11-18-38      | 90,892.05               | 2.41%           | 207,433.91              |                        |
| 36297F6L1/P711075                          | GNMA SECURITIES                   | 4.50%       | 09-21-10        | 09-15-40      | 160,514.42              | 3.40%           | 212,677.61              |                        |
| 36179QJT9/PMA2074M                         | GNMA SECURITIES                   | 4.00%       | 11-13-17        | 07-20-44      | 144,185.96              | 3.73%           | 154,785.26              |                        |
| 36179QL74/PMA2150M                         | GNMA SECURITIES                   | 4.50%       | 09-11-14        | 08-20-44      | 66,813.59               | 3.36%           | 89,402.95               |                        |
| 36179QT50/PMA2372M                         | GNMA SECURITIES                   | 4.00%       | 12-22-14        | 11-20-44      | 138,223.35              | 3.21%           | 172,184.01              |                        |
| 36179RTA7/PMA3245m                         | GNMA SECURITIES                   | 4.00%       | 12-17-15        | 11-20-45      | 173,492.62              | 3.49%           | 199,115.58              |                        |
| 36179SUV7/PMA4196m                         | GNMA SECURITIES                   | 3.50%       | 02-28-17        | 01-20-47      | 199,323.74              | 3.32%           | 210,311.90              |                        |
| <b>TOTAL FOR DISCRETIONARY INVESTMENTS</b> |                                   |             |                 |               | <b>15,948,718.43</b>    |                 | <b>16,837,238.59</b>    | <b>2.42%</b>           |
| <b>TOTAL INVESTMENTS</b>                   |                                   |             |                 |               | <b>\$ 27,948,718.43</b> |                 | <b>\$ 28,687,223.92</b> | <b>2.06%</b>           |

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

**Third Laguna Hills Mutual  
Supplemental Appropriation Schedule  
Period Ending: 11/30/2018**

| ITEM | RESOLUTION # | BUDGET                  | EXPENDITURES |                          |                   |
|------|--------------|-------------------------|--------------|--------------------------|-------------------|
|      |              | TOTAL<br>Appropriations | I,T,D*       | REMAINING<br>Encumbrance | CURRENT<br>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          | 126,007          | \$0              | Completed   |
| Ridge Route Brush Clearance               | 03-18-84  | \$330,000          | 62,400           | \$267,600        | In Progress |
| Tree Trimming                             | 03-18-147 | \$150,000          | 0                | \$150,000        | Open        |
| <b>Totals</b>                             |           | <b>\$1,005,000</b> | <b>\$335,559</b> | <b>\$667,600</b> |             |

**Laundry Replacement Fund**

|  |           |                  |            |                  |      |
|--|-----------|------------------|------------|------------------|------|
| Coin-Operated Dryers and Laundry Pedestals | 03-18-150 | \$403,000        | 0          | \$403,000        | Open |
| <b>Totals</b>                              |           | <b>\$403,000</b> | <b>\$0</b> | <b>\$403,000</b> |      |

**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 |
| <b>Totals</b>                           |           | <b>\$26,500</b> | <b>\$23,378</b> | <b>\$0</b> |           |

**Unappropriated Expenditures Fund**

|                                      |          |                  |                  |                  |             |
|--------------------------------------|----------|------------------|------------------|------------------|-------------|
| 3-Story Building Trash Chute Repairs | 03-18-36 | 336,680          | 164,637          | 172,043          | In Progress |
| OCFA Fire Fuel Risk Reduction        | 03-18-96 | 200,000          | 91,000           | 109,000          | In Progress |
|                                      |          | <b>\$536,680</b> | <b>\$255,637</b> | <b>\$281,043</b> |             |

**Disaster Fund**

|                            |          |                 |                 |            |           |
|----------------------------|----------|-----------------|-----------------|------------|-----------|
| Monte Hermosa Slope Repair | 03-18-67 | \$20,652        | 18,773          | \$0        | Completed |
| <b>Totals</b>              |          | <b>\$20,652</b> | <b>\$18,773</b> | <b>\$0</b> |           |

\*Incurred To Date

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

| DESCRIPTION                           | CURRENT MONTH |           | YEAR-TO-DATE |              | TOTAL<br>BUDGET | %<br>EXPENDED | VARIANCE    |        |
|---------------------------------------|---------------|-----------|--------------|--------------|-----------------|---------------|-------------|--------|
|                                       | ACTUAL        | BUDGET    | ACTUAL       | BUDGET       |                 |               | \$          | %      |
| REPLACEMENT FUND                      |               |           |              |              |                 |               |             |        |
| ALARM SYSTEMS                         | \$0           | \$0       | \$0          | \$0          | \$0             | 0%            | \$0         | 0%     |
| BUILDING NUMBERS                      | 0             | 2,830     | 18,515       | 31,130       | 33,970          | 55%           | 12,615      | 41%    |
| BUILDING STRUCTURES                   | 176,261       | 262,322   | 1,349,098    | 2,889,326    | 3,152,327       | 43%           | 1,540,228   | 53%    |
| ELECTRICAL SYSTEMS                    | 17,515        | 4,586     | 50,492       | 50,446       | 55,046          | 92%           | (46)        | (0%)   |
| ENERGY PROJECTS                       | 0             | 4,166     | (1,554)      | 45,826       | 50,000          | -3%           | 47,380      | 103%   |
| EXTERIOR LIGHTING                     | 22,200        | 41,666    | 44,896       | 458,326      | 500,000         | 9%            | 413,430     | 90%    |
| FENCING                               | 0             | 0         | 21,576       | 0            | 0               | 0%            | (21,576)    | 0%     |
| GARDEN VILLA LOBBY                    | 0             | 9,486     | 114,664      | 104,596      | 114,126         | 100%          | (10,068)    | (10%)  |
| GARDEN VILLA MAILROOM                 | 0             | 1,950     | 52,618       | 21,662       | 23,649          | 222%          | (30,956)    | (143%) |
| GARDEN VILLA RECESSED AREA            | 0             | 16,250    | 71,111       | 178,750      | 195,000         | 36%           | 107,639     | 60%    |
| GV REC ROOM WATER HEATER/HEAT PUMP    | 0             | 1,500     | 15,546       | 16,500       | 18,000          | 86%           | 954         | 6%     |
| GUTTER REPLACEMENTS                   | 4,339         | 11,405    | 136,239      | 125,669      | 137,118         | 99%           | (10,570)    | (8%)   |
| LANDSCAPE MODERNIZATION               | 0             | 20,833    | 0            | 229,167      | 250,000         | 0%            | 229,167     | 100%   |
| MAILBOXES                             | 2,211         | 1,597     | 6,701        | 17,741       | 19,389          | 35%           | 11,040      | 62%    |
| PAINT PROGRAM - EXTERIOR              | 112,114       | 131,929   | 1,343,918    | 1,467,975    | 1,602,744       | 84%           | 124,057     | 8%     |
| PRIOR TO PAINT                        | 73,616        | 70,558    | 956,626      | 785,107      | 857,243         | 112%          | (171,518)   | (22%)  |
| PAVING                                | 0             | 0         | 518,479      | 597,000      | 597,000         | 87%           | 78,521      | 13%    |
| ROOF REPLACEMENTS                     | 217,813       | 174,121   | 1,290,307    | 1,598,050    | 1,598,050       | 81%           | 307,744     | 19%    |
| SUPPLEMENTAL APPROPRIATIONS           | 63,150        | 63,150    | 335,559      | 335,559      | 335,559         | 100%          | 0           | 0%     |
| TREE MAINTENANCE                      | 1,516         | 67,783    | 918,551      | 757,022      | 826,476         | 111%          | (161,529)   | (21%)  |
| WALL REPLACEMENTS                     | 0             | 6,250     | 0            | 68,746       | 75,000          | 0%            | 68,746      | 100%   |
| WASTE LINE REMEDIATION                | 0             | 62,500    | 455,957      | 687,500      | 750,000         | 61%           | 231,543     | 34%    |
| WATER LINES - COPPER PIPE REMEDIATION | 47,193        | 8,333     | 104,547      | 91,663       | 100,000         | 105%          | (12,884)    | (14%)  |
| OTHER - INVESTMENT EXPENSE            | 5,214         | 5,214     | 21,416       | 21,416       | 21,416          | 100%          | 0           | 0%     |
| TOTAL REPLACEMENT FUND                | \$743,142     | \$968,429 | \$7,825,260  | \$10,579,178 | \$11,312,113    | 69%           | \$2,753,918 | 26%    |
| ELEVATOR REPLACEMENT FUND             |               |           |              |              |                 |               |             |        |
| ELEVATOR REPLACEMENT                  | \$130,363     | \$27,515  | \$279,107    | \$302,665    | \$330,189       | 85%           | \$23,558    | 8%     |
| OTHER - INVESTMENT EXPENSE            | 603           | 603       | 2,432        | 2,432        | 2,432           | 100%          | 0           | 0%     |
| TOTAL ELEVATOR REPLACEMENT FUND       | \$130,966     | \$28,118  | \$281,540    | \$305,097    | \$332,621       | 85%           | \$23,558    | 8%     |
| LAUNDRY REPLACEMENT FUND              |               |           |              |              |                 |               |             |        |
| LAUNDRY APPLIANCES                    | \$682         | \$2,049   | \$46,529     | \$22,629     | \$24,714        | 188%          | (\$23,900)  | (106%) |
| LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS | 0             | 2,872     | 50,380       | 31,774       | 34,688          | 145%          | (18,607)    | (59%)  |
| SUPPLEMENTAL APPROPRIATIONS           | 0             | 0         | 0            | 0            | 0               | 0%            | 0           | 0%     |
| OTHER - INVESTMENT EXPENSE            | 262           | 262       | 1,105        | 1,105        | 1,105           | 100%          | 0           | 0%     |
| TOTAL LAUNDRY REPLACEMENT FUND        | \$944         | \$5,182   | \$98,014     | \$55,507     | \$60,508        | 162%          | (\$42,507)  | (77%)  |
| GARDEN VILLA RECREATION ROOM FUND     |               |           |              |              |                 |               |             |        |
| GARDEN VILLA RECREATION ROOMS         | (\$9,347)     | \$5,720   | \$56,682     | \$63,272     | \$69,139        | 82%           | \$6,590     | 10%    |
| OTHER - INVESTMENT EXPENSE            | 29            | 29        | 144          | 144          | 144             | 100%          | 0           | 0%     |
| TOTAL GARDEN VILLA REC ROOMS FUND     | (\$9,317)     | \$5,749   | \$56,827     | \$63,417     | \$69,284        | 82%           | \$6,590     | 10%    |

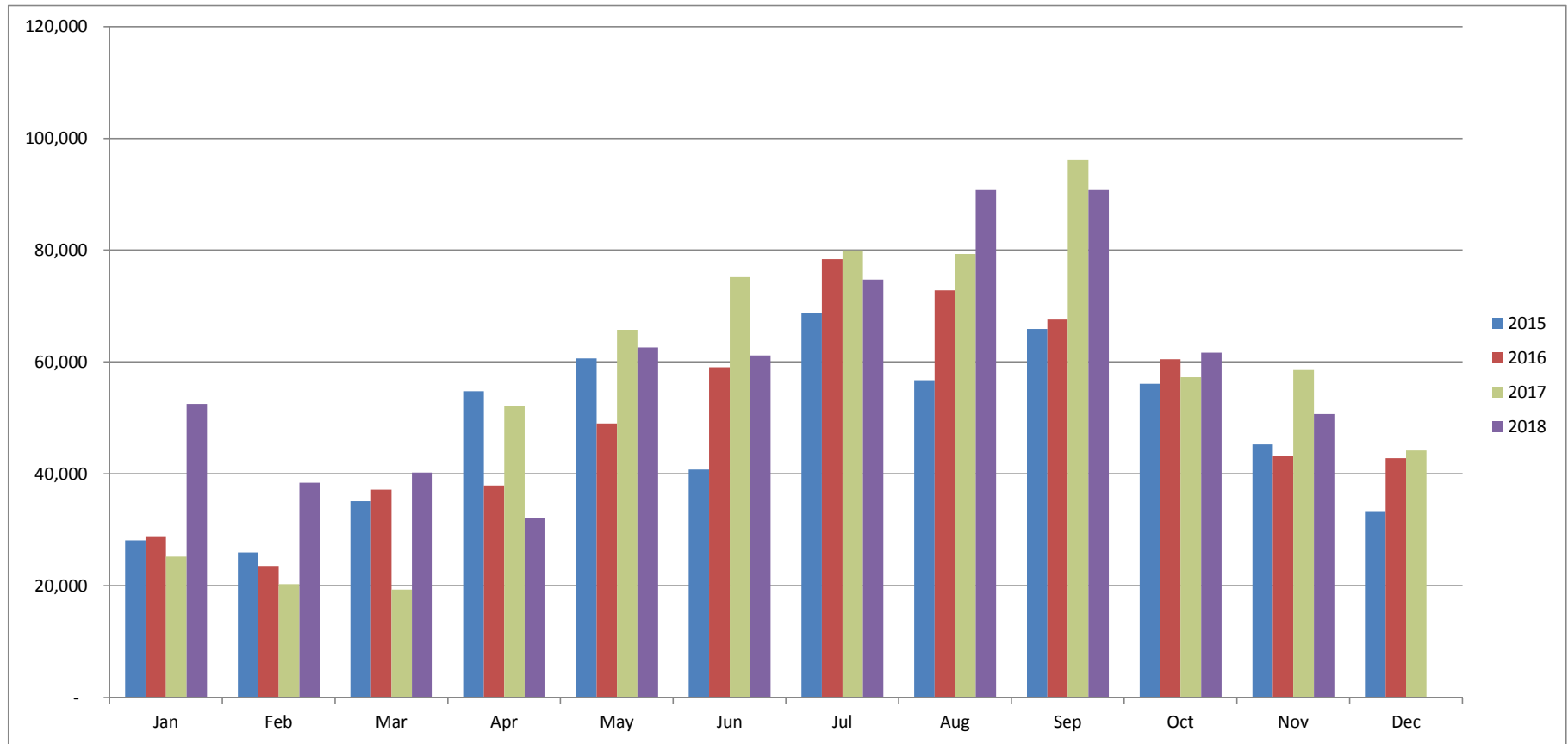
**THIRD LAGUNA HILLS MUTUAL  
FUND EXPENDITURES REPORT  
AS OF NOVEMBER 30, 2018**

| DESCRIPTION                             | CURRENT MONTH |           | YEAR-TO-DATE |             | TOTAL<br>BUDGET | %<br>EXPENDED | VARIANCE    |        |
|---|---------------|-----------|--------------|-------------|-----------------|---------------|-------------|--------|
|   | ACTUAL        | BUDGET    | ACTUAL       | BUDGET      |                 |               | \$          | %      |
| OPERATING FUND                          |               |           |              |             |                 |               |             |        |
| APPLIANCE REPAIRS                       | \$9,450       | \$7,722   | \$97,159     | \$85,968    | \$93,901        | 103%          | (\$11,191)  | (13%)  |
| BALCONY/BREEZEWAY RESURFACING           | 65,622        | 33,832    | 459,504      | 376,409     | 411,008         | 112%          | (83,095)    | (22%)  |
| BUILDING REHAB/DRY ROT                  | 19,768        | 26,445    | 162,245      | 293,706     | 320,666         | 51%           | 131,460     | 45%    |
| CARPENTRY SERVICE                       | 24,972        | 30,591    | 383,936      | 339,640     | 370,816         | 104%          | (44,297)    | (13%)  |
| CONCRETE REPAIR/REPLACEMENT             | 20,345        | 22,854    | 348,573      | 254,290     | 277,636         | 126%          | (94,283)    | (37%)  |
| CURB CUT/SIDEWALK RAMPS                 | 0             | 1,666     | 0            | 18,326      | 20,000          | 0%            | 18,326      | 100%   |
| ELECTRICAL SERVICE                      | 6,253         | 11,695    | 87,148       | 130,286     | 142,279         | 61%           | 43,138      | 33%    |
| FIRE PROTECTION                         | 3,208         | 8,398     | 74,163       | 92,378      | 100,820         | 74%           | 18,215      | 20%    |
| GUTTER CLEANING                         | 0             | 37,096    | 64,730       | 129,648     | 166,799         | 39%           | 64,919      | 50%    |
| GV MAILROOM RENOVATIONS                 | 0             | 0         | 476          | 0           | 0               | 0%            | (476)       | 0%     |
| JANITORIAL SERVICE                      | 71,415        | 64,960    | 798,629      | 720,012     | 785,925         | 102%          | (78,617)    | (11%)  |
| MISC REPAIRS BY OUTSIDE SERVICE         | 4,200         | 5,505     | 50,581       | 60,556      | 66,061          | 77%           | 9,975       | 16%    |
| PAINT - TOUCH UP                        | 26,028        | 9,700     | 224,547      | 108,085     | 118,034         | 190%          | (116,462)   | (108%) |
| PAVING MAINTENANCE & REPAIRS            | 5,243         | 13,495    | 47,760       | 149,987     | 163,751         | 29%           | 102,227     | 68%    |
| PEST CONTROL                            | 500           | 24,912    | 277,634      | 274,032     | 298,968         | 93%           | (3,602)     | (1%)   |
| PLUMBING SERVICE                        | 47,212        | 46,286    | 685,516      | 514,849     | 562,159         | 122%          | (170,668)   | (33%)  |
| ROOF REPAIRS                            | 8,402         | 24,166    | 180,562      | 265,826     | 290,000         | 62%           | 85,265      | 32%    |
| SOLAR MAINTENANCE                       | 1,554         | 3,333     | 15,911       | 36,667      | 40,000          | 40%           | 20,755      | 57%    |
| STAIR TREAD REPLACEMENTS                | 713           | 696       | 2,753        | 7,724       | 8,431           | 33%           | 4,971       | 64%    |
| TRAFFIC CONTROL                         | 532           | 2,456     | 24,070       | 27,227      | 29,721          | 81%           | 3,157       | 12%    |
| WELDING                                 | 12,484        | 5,487     | 61,248       | 61,000      | 66,615          | 92%           | (248)       | (0%)   |
| TOTAL MAINTENANCE PROGRAMS              | \$327,900     | \$381,294 | \$4,047,146  | \$3,946,614 | \$4,333,590     | 93%           | (\$100,532) | (3%)   |
| DISASTER FUND                           |               |           |              |             |                 |               |             |        |
| MOISTURE INTRUSION - RAIN LEAKS         | \$1,175       | \$25,833  | \$122,216    | \$284,163   | \$310,000       | 39%           | \$161,947   | 57%    |
| MOISTURE INTRUSION - PLUMBING LEAKS     | 30,559        | 62,500    | 613,961      | 687,500     | 750,000         | 82%           | 73,539      | 11%    |
| MOISTURE INTRUSION - PLUMBING STOPPAGES | 913           | 20,444    | 98,701       | 224,884     | 245,338         | 40%           | 126,183     | 56%    |
| MOISTURE INTRUSION - MISCELLANEOUS      | 22,423        | 5,905     | 101,746      | 64,955      | 70,869          | 144%          | (36,791)    | (57%)  |
| DAMAGE RESTORATION SERVICES             | 115,768       | 30,855    | 164,106      | 340,114     | 371,133         | 44%           | 176,008     | 52%    |
| SUPPELMENTAL APPROPRIATIONS             | \$0           | \$0       | \$18,773     | \$18,773    | \$18,773        | 100%          | \$0         | 0%     |
| OTHER - INVESTMENT EXPENSE              | 3,241         | 3,241     | 13,262       | 13,262      | 13,262          | 100%          | 0           | 0%     |
| TOTAL DISASTER FUND                     | \$174,079     | \$148,778 | \$1,132,765  | \$1,633,651 | \$1,779,374     | 64%           | \$500,886   | 31%    |
| UNAPPROPRIATED EXPENDITURES FUND        |               |           |              |             |                 |               |             |        |
| SUPPELMENTAL APPROPRIATIONS             | \$145,450     | \$145,450 | \$255,637    | \$255,637   | \$255,637       | 100%          | \$0         | 0%     |
| OTHER - INVESTMENT EXPENSES             | 1,103         | 1,103     | 4,356        | 4,356       | 4,356           | 100%          | 0           | 0%     |
| TOTAL UNAPPROPRIATED EXPENDITURES FL    | \$146,552     | \$146,552 | \$259,994    | \$259,994   | \$259,994       | 100%          | \$0         | 0%     |



### Third Mutual Water Usage in 100 cubic feet units

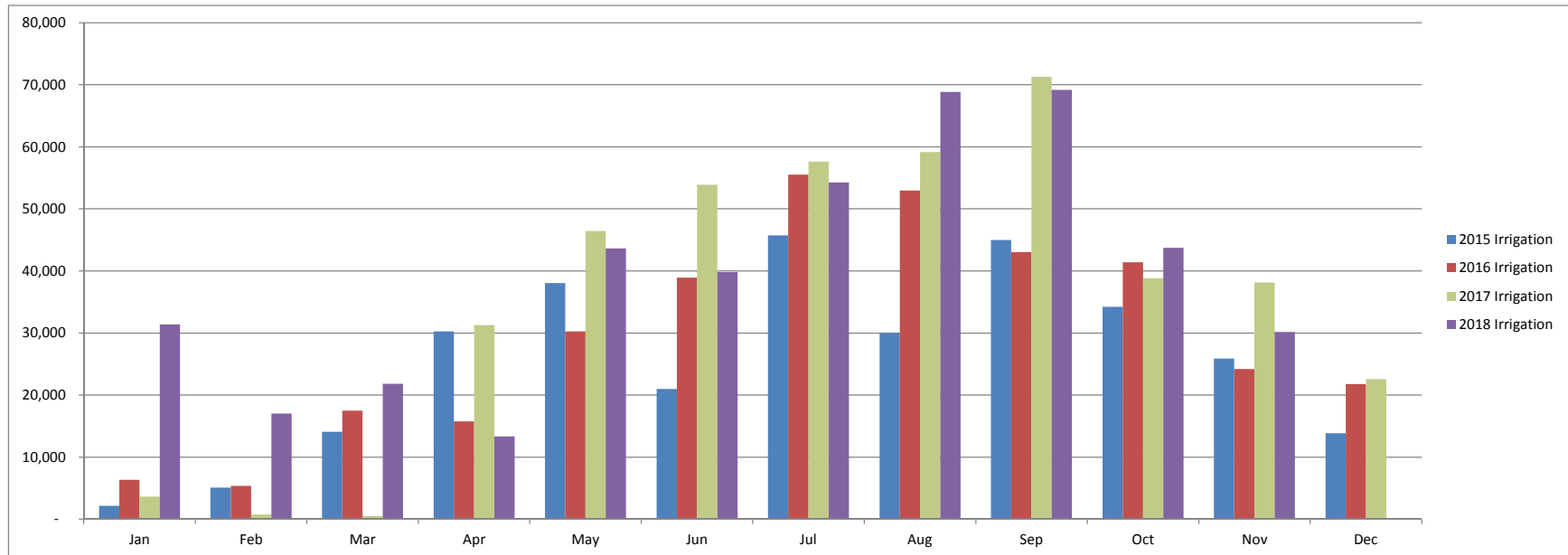
| Year | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | YTD     | Total   |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| 2015 | 28,102 | 25,962 | 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 | 50,693 | -      | 655,885 | 655,885 |



### 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 | 30,171 | -      | 433,224 | 433,224 |



### 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 | 20,522 | -      | 222,661 | 222,661 |

