



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, July 2, 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 June 4, 2019
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports:

8. Preliminary Financial Statements dated May 31, 2019

Items for Discussion and Consideration:

9. Finance Committee Charter
10. 2020 Fee Review
11. Solar System Update
12. Other Endorsements from Standing Committees
 - a. Supplemental Appropriation for Cul-de-Sac Sign Installation

Concluding Business:

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, August 6, 2019 at 1:30 p.m.
15. Recess to Closed Session

Jon Pearlstone, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, June 4, 2019 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Jon Pearlstone – Chair, Rosemarie diLorenzo, Steve Parsons, Roy Bruninghaus, Bunny Carpenter, Cush Bhada, John Frankel, Lynn Jarrett. Advisors: Wei-Ming Tao, Michael Cunningham, John Hess

MEMBERS ABSENT: Jack Connelly, Annie McCary, Reza Karimi

STAFF PRESENT: Betty Parker, Steve Hormuth, Jose Campos, Christopher Swanson

Call to Order

Director Jon Pearlstone chaired the meeting and called it to order at 1:32 p.m.

Approval of Meeting Agenda

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

Approval of Meeting Report for April 30, 2019

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

Chair Remarks

Director Pearlstone commented on the budget process and the potential for using the finance committee meetings as an additional forum for discussion. Director Pearlstone requested that during the review of the monthly financial statements, if any policy related matters arise that they be placed on a future agenda so that the Committee can remain focused on the action items relevant to the meeting at hand. Additionally, the Chair provided a status update on Director Connelly.

Department Head Update

Betty Parker, Chief Financial Officer, provided an update on the budget timeline and upcoming deadlines for Version 1, with an interim programs report to be issued on Monday June 17 and final changes due by June 19.

Preliminary Financial Statements dated April 30, 2019

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

- Solar System Update (Quarterly)
- 2020 Third Fee Schedule Review
- Review of 2019 Sewer Charges

- Investment Fair Market Value Update (Quarterly instead of annually)
- Legal expense summary reconciled with analysis prepared by Director Bruninghaus

Chargeable Services

Steve Hormuth, Controller, provided an update Chargeable Services Invoice Generation. Beginning June 1, 2019 invoices reflect the date the service order was closed (ready for billing in AX system) as opposed to date completed (when work was finished). The 25 day grace period will be triggered by this new invoice date.

Reserve Study

The Committee reviewed the results of the United 2019 Reserve Study, performed recently by an outside contractor using different methodologies (Allowance method) for calculating funding requirements on certain components. Director diLorenzo commented on the continuation of the current reserves plan that is prepared by Staff and will discuss calculation methods with the CEO at a later time.

Advisors Tao, Cunningham, and Hess spoke in favor of the Allowance method to improve the 2020 percent funding calculation.

Future Agenda Items

Solar System Update
2020 Third Fee Schedule Review

Committee Member Comments

None.

Date of Next Meeting

Tuesday, July 2, 2019 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:07 p.m.



Jon Pearlstone, Chair

MEMORANDUM

To: Third Finance Committee
From: Betty Parker, CFO
Date: July 2, 2019
Re: Department Head Update

Financial Highlights

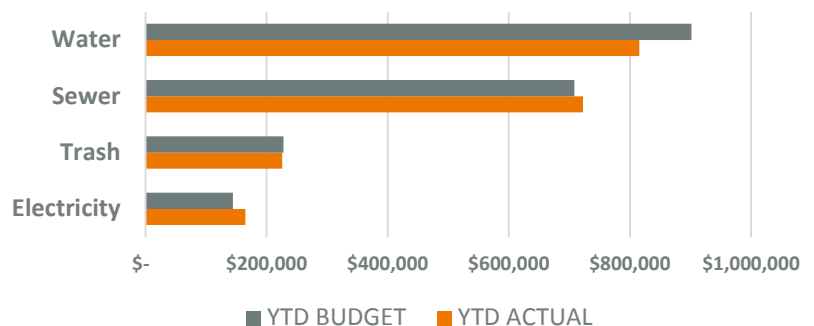
- SUMMARY:** For the year-to-date period ending May 31, 2019, Third Mutual is better than budget by \$2.4 million, of which \$2.0 million is due to timing of reserve programs performed by outside contractors. The remaining \$400K is attributed to more revenues recorded for chargeable services, interest, and violations.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$13,428	\$13,428	\$0
Other Revenues	\$1,034	\$695	\$339
Expenses	\$12,212	\$14,258	\$2,046
Revenue over (Expense)	\$2,250	(\$135)	\$2,385

- COMPENSATION:** Compensation and related costs came in just over \$5.3 Million, with \$4 million in operations and \$1.3 million in reserves. Combined, this category is 2% favorable to budget; however, some overages occurred in operations due to timing of work for concrete repairs, underground garages, and hours required for service requests in Maintenance.

		Budget			Variance	
		Compensation	Related	Total	Total \$	Total %
All Units						
Operating		\$2,804,381	\$1,232,269	\$4,036,650	(\$50,539)	-1.3%
Reserves		\$873,742	\$431,788	\$1,305,530	\$158,416	12.1%
TOTAL		\$3,678,123	\$1,664,057	\$5,342,180	\$107,877	2.0%

- UTILITIES:** Water consumption is 28% lower than budgeted due to Q1 rains, Sewer is coming in right on budget at the rate of \$142K per month, and Trash is running very close to the expected \$44K per month. The Electricity budget is understated compared to recent trends, causing an unfavorable variance.



Discussions

Alteration Fees: No update.

Chargeable Services: Coding change made to Dynamics A/R module to start 25-day payment grace period based on date ticket is closed and available for invoice generation; previously used work completion date. Projected chargeable service revenues will be discussed during budget meetings.

Committee Charter: Proposed wording for including updates from GRF Finance Committee.

Investment Management: Market value adjustments, previously booked in December each year, will be made quarterly going forward. Investment Task Force completed the RFQ process and will make a recommendation to each Board for the investment manager service provider.

Legal Fees: A monthly delineation of legal fees by vendor/case will be provided to Treasurer. Director Bruninghaus met with our Controller to reconcile legal fees to his Active Cases Summary report, used by the Board's executive committee.

Marketing Expense: To be discussed at budget meetings.

Reserve Study: Potential to use annual allowance method to be discussed at budget meetings.

Projections: Mid-year projections based on May 30, 2019 financials are in progress, will be reported at upcoming budget meetings.

Sewer: Billings to date are right on budget; variance on financials resulted from accruals.

Solar Energy Update: To be provided quarterly.

Calendar

July 5, 2019 Materials Distributed for 2020 Business Plan

July 8, 2019 @ 1:30 p.m. All Boards All Directors – 2020 Budget meeting

July 8, 2019 (following ABAD) GRF Business Planning Committee – 2020 Budget Meeting

July 10, 2019 @ 9:30 a.m. GRF Special Board – 2020 Budget Meeting

July 12, 2019 @ 9:30 a.m. Third Special Board – 2020 Budget Meeting

August 6, 2019 @ 1:30 p.m. Third Finance Committee, June 30 financials

August 8, 2019 @ 1:30 p.m. Third Special Board – 2020 Budget Meeting (televised)

2019	Sun	Mon	Tue	Wed	Thu	Fri	Sat
JULY		1	2	3	4	5	6
	7	8	9	10	11	12	13
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28	29	30	31			
2019	Sun	Mon	Tue	Wed	Thu	Fri	Sat
AUGUST						1	2
	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
							31

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
5/31/2019
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,564	\$1,564		\$7,820	\$7,819		\$7,866	\$18,767
2	Additions to restricted funds	1,122	1,122		5,608	5,608		5,481	13,460
3	Total assessments	<u>2,686</u>	<u>2,686</u>		<u>13,428</u>	<u>13,428</u>		<u>13,347</u>	<u>32,227</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	69	40	29	332	199	132	247	478
5	Laundry	22	18	4	77	92	(14)	57	220
6	Interest income	58	31	27	259	154	105	184	369
7	Miscellaneous	69	50	19	367	250	116	273	601
8	Total non-assessment revenue	<u>217</u>	<u>139</u>	<u>78</u>	<u>1,034</u>	<u>695</u>	<u>339</u>	<u>761</u>	<u>1,668</u>
9	Total revenue	<u>2,903</u>	<u>2,825</u>	<u>78</u>	<u>14,462</u>	<u>14,123</u>	<u>339</u>	<u>14,107</u>	<u>33,895</u>
Expenses:									
10	Employee compensation and related	1,116	1,105	(11)	5,342	5,450	108	5,493	13,088
11	Materials and supplies	122	129	7	585	647	62	548	1,554
12	Utilities and telephone	532	455	(76)	1,929	1,982	53	2,222	5,299
13	Legal fees	26	18	(7)	133	92	(42)	64	220
14	Professional fees	31	11	(21)	74	100	27	50	185
15	Equipment rental	1	3	2	13	17	4	5	40
16	Outside services	1,069	914	(155)	2,639	4,572	1,932	2,080	10,972
17	Repairs and maintenance	31	28	(2)	141	140		129	345
18	Other Operating Expense	11	15	4	61	77	16	63	181
19	Insurance	111	109	(2)	541	547	6	547	1,313
20	Investment expense	11		(11)	23	12	(11)	21	12
21	Uncollectible Accounts	(11)	12	23	165	58	(108)	49	138
22	(Gain)/loss on sale or trade				7	7			7
23	Depreciation and amortization	12	12		60	60		61	143
24	Net allocation to mutuals	116	100	(16)	500	498	(2)	508	1,205
25	Total expenses	<u>3,177</u>	<u>2,911</u>	<u>(266)</u>	<u>12,212</u>	<u>14,258</u>	<u>2,046</u>	<u>11,839</u>	<u>34,702</u>
26	Excess of revenues over expenses	<u>(\$274)</u>	<u>(\$86)</u>	<u>(\$188)</u>	<u>\$2,250</u>	<u>(\$135)</u>	<u>\$2,385</u>	<u>\$2,268</u>	<u>(\$808)</u>

**Third Laguna Hills Mutual
Operating Statement
5/31/2019
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$7,819,543	\$7,819,430	\$113	0.00%	\$18,766,631
Total Operating	7,819,543	7,819,430	113	0.00%	18,766,631
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	845,127	845,127	0	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	244,080	244,080	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	4,271,400	4,271,400	0	0.00%	10,251,360
41004000 - Monthly Assessments - Elevator Replacement Fund	183,060	183,060	0	0.00%	439,344
41004500 - Monthly Assessments - Laundry Replacement Fund	30,510	30,510	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	34,155	34,155	0	0.00%	81,972
Total Additions To Restricted Funds	5,608,332	5,608,332	0	0.00%	13,459,997
Total Assessments	13,427,875	13,427,762	113	0.00%	32,226,628
Non-Assessment Revenues:					
Chargeable Service					
41009000 - Chargeable Services	2	0	2	0.00%	0
Total Chargeable Service	2	0	2	0.00%	0
Fees and Charges for Services to Residents					
46501000 - Permit Fee	51,071	30,244	20,826	68.86%	72,592
46501500 - Inspection Fee	32,367	21,650	10,717	49.50%	51,965
46502000 - Resident Maintenance Fee	248,102	147,400	100,701	68.32%	353,883
Total Fees and Charges for Services to Residents	331,539	199,295	132,244	66.36%	478,440
Laundry					
46005000 - Coin Op Laundry Machine	77,402	91,665	(14,263)	(15.56%)	220,000
Total Laundry	77,402	91,665	(14,263)	(15.56%)	220,000
Interest Income					
49001000 - Interest Income - Treasury Notes	103,351	64,018	39,333	61.44%	153,643
49001500 - Interest Income - Treasury Notes - Discretionary	122,426	70,278	52,149	74.20%	168,667
49002000 - Interest Income - Money Market	3,059	845	2,214	262.14%	2,027
49002500 - Interest Income - Gnma Securities - Discretionary	30,008	18,535	11,473	61.90%	44,483
Total Interest Income	258,844	153,675	105,169	68.44%	368,820
Miscellaneous					
46002000 - Traffic Violation	(25)	0	(25)	0.00%	0
46004500 - Resident Violations	108,600	4,165	104,435	2507.44%	10,000
44501510 - Lease Processing Fee - Third	116,445	93,750	22,695	24.21%	225,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	350	1,250	(900)	(72.00%)	3,000
44503520 - Resale Processing Fee - Third	68,336	83,330	(14,994)	(17.99%)	200,000
44505500 - Hoa Certification Fee	2,200	3,750	(1,550)	(41.33%)	9,000
44507000 - Golf Cart Electric Fee	30,014	28,335	1,679	5.92%	68,000
44507200 - Electric Vehicle Plug-In Fee	5,197	2,500	2,697	107.88%	6,000
44507500 - Cartport/Carport Space Rental Fee	1,800	1,250	550	44.00%	3,000
47001500 - Late Fee Revenue	23,314	25,000	(1,686)	(6.74%)	60,000
47002020 - Collection Administrative Fee - Third	1,075	0	1,075	0.00%	0
47002500 - Collection Interest Revenue	7,731	5,000	2,731	54.63%	12,000
47501000 - Recycling	2,905	2,085	820	39.33%	5,000
49009000 - Miscellaneous Revenue	(1,237)	0	(1,237)	0.00%	0
Total Miscellaneous	366,555	250,415	116,140	46.38%	601,000
Total Non-Assessment Revenue	1,034,342	695,050	339,292	48.82%	1,668,260
Total Revenue	14,462,217	14,122,811	339,405	2.40%	33,894,888
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	935,162	1,022,472	87,310	8.54%	2,484,383

**Third Laguna Hills Mutual
Operating Statement
5/31/2019
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51021000 - Union Wages - Regular	2,190,805	2,287,038	96,233	4.21%	5,528,264
51041000 - Wages - Overtime	23,117	10,453	(12,664)	(121.15%)	25,095
51051000 - Union Wages - Overtime	27,617	15,513	(12,103)	(78.02%)	37,244
51061000 - Holiday & Vacation	362,343	279,441	(82,902)	(29.67%)	676,533
51071000 - Sick	123,561	113,983	(9,579)	(8.40%)	275,954
51091000 - Missed Meal Penalty	541	353	(188)	(53.27%)	858
51101000 - Temporary Help	42,626	15,273	(27,353)	(179.09%)	36,664
51981000 - Compensation Accrual	(27,648)	2,425	30,073	1240.17%	5,826
Total Employee Compensation	3,678,123	3,746,951	68,827	1.84%	9,070,822
Compensation Related					
52411000 - F.I.C.A.	277,435	282,935	5,500	1.94%	677,880
52421000 - F.U.I.	7,497	10,391	2,894	27.85%	13,091
52431000 - S.U.I.	57,498	50,797	(6,701)	(13.19%)	56,129
52441000 - Union Medical	758,456	797,171	38,715	4.86%	1,913,209
52451000 - Workers' Compensation Insurance	303,365	276,099	(27,266)	(9.88%)	668,020
52461000 - Non Union Medical & Life Insurance	121,309	111,338	(9,971)	(8.96%)	267,211
52471000 - Union Retirement Plan	153,991	129,348	(24,642)	(19.05%)	312,663
52481000 - Non-Union Retirement Plan	21,006	44,629	23,623	52.93%	108,438
52981000 - Compensation Related Accrual	(36,499)	400	36,899	9217.91%	970
Total Compensation Related	1,664,057	1,703,108	39,051	2.29%	4,017,611
Materials and Supplies					
53001000 - Materials & Supplies	181,071	194,189	13,118	6.76%	466,289
53003000 - Materials Direct	402,972	453,195	50,223	11.08%	1,088,103
53004000 - Freight	1,150	0	(1,150)	0.00%	0
Total Materials and Supplies	585,193	647,384	62,191	9.61%	1,554,392
Utilities and Telephone					
53301000 - Electricity	165,119	144,429	(20,690)	(14.33%)	325,000
53301500 - Sewer	722,636	708,000	(14,636)	(2.07%)	1,716,600
53302000 - Water	815,622	901,850	86,228	9.56%	2,710,627
53302500 - Trash	225,855	227,780	1,925	0.85%	546,690
Total Utilities and Telephone	1,929,232	1,982,059	52,827	2.67%	5,298,917
Legal Fees					
53401500 - Legal Fees	133,259	91,665	(41,594)	(45.38%)	220,000
Total Legal Fees	133,259	91,665	(41,594)	(45.38%)	220,000
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	39,000	47,600	8,600	18.07%	57,600
53403500 - Consulting Fees	0	2,520	2,520	100.00%	6,053
53403520 - Consulting Fees - Third	34,566	50,380	15,814	31.39%	120,936
Total Professional Fees	73,566	100,500	26,934	26.80%	184,589
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	12,896	16,844	3,947	23.43%	40,090
Total Equipment Rental	12,896	16,844	3,947	23.43%	40,090
Outside Services					
53601000 - Bank Fees	0	1,636	1,636	100.00%	3,929
53601500 - Credit Card Transaction Fees	365	0	(365)	0.00%	0
53604500 - Marketing Expense	1,960	0	(1,960)	0.00%	0
54603500 - Outside Services Cost Collection	2,596,944	4,519,292	1,922,348	42.54%	10,846,711
53704000 - Outside Services	39,764	50,597	10,833	21.41%	121,480
Total Outside Services	2,639,032	4,571,525	1,932,493	42.27%	10,972,120
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	2,833	6,749	3,916	58.03%	16,240
53703000 - Elevator /Lift Maintenance	137,743	133,550	(4,193)	(3.14%)	328,520
Total Repairs and Maintenance	140,576	140,299	(277)	(0.20%)	344,760
Other Operating Expense					
53801000 - Mileage & Meal Allowance	3,081	6,343	3,262	51.43%	15,252
53801500 - Travel & Lodging	472	401	(71)	(17.83%)	968
53802000 - Uniforms	32,417	36,266	3,849	10.61%	82,843
53802500 - Dues & Memberships	84	754	671	88.90%	1,992

**Third Laguna Hills Mutual
Operating Statement
5/31/2019
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
53803000 - Subscriptions & Books	1,535	835	(700)	(83.89%)	2,004
53803500 - Training & Education	1,283	6,200	4,916	79.30%	14,902
53901500 - Volunteer Support	0	294	294	100.00%	1,175
53903000 - Safety	0	76	76	100.00%	186
54001000 - Board Relations	2,412	1,527	(885)	(57.98%)	3,666
54001020 - Board Relations - Third	705	4,165	3,460	83.08%	10,000
54001500 - Public Relations	(1)	0	1	0.00%	0
54002000 - Postage	19,173	19,863	690	3.47%	47,672
54002500 - Filing Fees / Permits	139	188	50	26.48%	761
Total Other Operating Expense	61,298	76,911	15,613	20.30%	181,422
Insurance					
54401000 - Hazard & Liability Insurance	167,571	168,831	1,259	0.75%	405,194
54401500 - D&O Liability	19,431	19,923	492	2.47%	47,818
54402000 - Property Insurance	351,410	355,299	3,889	1.09%	852,719
54403000 - General Liability Insurance	2,157	2,947	790	26.82%	7,072
Total Insurance	540,569	546,999	6,430	1.18%	1,312,803
Investment Expense					
54201000 - Investment Expense	22,659	12,004	(10,656)	(88.77%)	12,004
Total Investment Expense	22,659	12,004	(10,656)	(88.77%)	12,004
Uncollectible Accounts					
54602000 - Bad Debt Expense	165,170	57,585	(107,585)	(186.83%)	138,200
Total Uncollectible Accounts	165,170	57,585	(107,585)	(186.83%)	138,200
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	6,868	6,868	0	0.00%	6,868
Total (Gain)/Loss on Sale or Trade	6,868	6,868	0	0.00%	6,868
Depreciation and Amortization					
55001000 - Depreciation And Amortization	59,605	59,605	0	0.00%	143,052
Total Depreciation and Amortization	59,605	59,605	0	0.00%	143,052
Net Allocation to Mutuals					
54602500 - Allocated Expenses	500,099	497,718	(2,381)	(0.48%)	1,204,782
Total Net Allocation to Mutuals	500,099	497,718	(2,381)	(0.48%)	1,204,782
Total Expenses	12,212,203	14,258,024	2,045,821	14.35%	34,702,432
Excess of Revenues Over Expenses	\$2,250,014	(\$135,213)	\$2,385,227	1764.05%	(\$807,544)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
5/31/2019**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$6,597,170	\$3,321,543
2	Non-discretionary investments	10,793,556	11,831,351
3	Discretionary investments	17,043,596	16,831,676
4	Receivable/(Payable) from mutuals	566,935	1,605,868
5	Accounts receivable and interest receivable	(425,313)	(386,734)
6	Prepaid expenses and deposits	208,282	195,117
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	5,401,137	5,460,742
10	Non-controlling interest in GRF	36,986,050	36,986,050
11	Total Assets	<u>\$77,171,415</u>	<u>\$75,845,613</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,365,865	\$2,621,461
13	Accrued compensation and related costs	646,315	646,315
14	Deferred income	1,148,761	817,376
15	Total liabilities	<u>\$3,160,941</u>	<u>\$4,085,153</u>
	Fund balances:		
16	Fund balance prior years	71,760,460	70,676,034
17	Change in fund balance - current year	2,250,014	1,084,426
18	Total fund balances	<u>74,010,473</u>	<u>71,760,460</u>
19	Total Liabilities and Fund Balances	<u>\$77,171,415</u>	<u>\$75,845,613</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
5/31/2019**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Assets								
1 Cash and cash equivalents	\$6,597,170							\$6,597,170
2 Non-discretionary investments	10,793,556							10,793,556
3 Discretionary investments	17,043,596							17,043,596
4 Receivable/(Payable) from mutuals	566,935							566,935
5 Receivable/(Payable) from operating fund	(31,244,776)	3,385,408	9,680,309	15,798,277	1,905,152	412,603	63,026	(425,313)
6 Accounts receivable and interest receivable	(425,313)							208,282
7 Prepaid expenses and deposits	208,282							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,401,137
10 Beneficial interest in GRF of Laguna Hills Trust	5,401,137							36,986,050
11 Non-controlling interest in GRF	36,986,050							
12 Total Assets	<u>\$45,926,639</u>	<u>\$3,385,408</u>	<u>\$9,680,309</u>	<u>\$15,798,277</u>	<u>\$1,905,152</u>	<u>\$412,603</u>	<u>\$63,026</u>	<u>\$77,171,415</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,171,995			\$159,285	\$34,585			\$1,365,865
14 Accrued compensation and related costs	646,315							646,315
15 Deferred income	1,148,761							1,148,761
16 Total liabilities	<u>\$2,967,071</u>			<u>\$159,285</u>	<u>\$34,585</u>			<u>\$3,160,941</u>
Fund balances:								
17 Fund balance prior years	42,499,880	3,212,981	9,216,805	14,347,032	1,708,610	713,855	61,299	71,760,460
18 Change in fund balance - current year	<u>459,688</u>	<u>172,428</u>	<u>463,504</u>	<u>1,291,960</u>	<u>161,958</u>	<u>(301,252)</u>	<u>1,727</u>	<u>2,250,014</u>
19 Total fund balances	42,959,568	3,385,408	9,680,309	15,638,992	1,870,567	412,603	63,026	74,010,473
20 Total Liabilities and Fund Balances	<u>\$45,926,639</u>	<u>\$3,385,408</u>	<u>\$9,680,309</u>	<u>\$15,798,277</u>	<u>\$1,905,152</u>	<u>\$412,603</u>	<u>\$63,026</u>	<u>\$77,171,415</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
5/31/2019**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Revenues:								
Assessments:								
1 Operating	\$7,819,543							\$7,819,543
2 Additions to restricted funds		244,080	845,127	4,271,400	183,060	30,510	34,155	5,608,332
3 Total assessments	<u>7,819,543</u>	<u>244,080</u>	<u>845,127</u>	<u>4,271,400</u>	<u>183,060</u>	<u>30,510</u>	<u>34,155</u>	<u>13,427,875</u>
Non-assessment revenues:								
4 Chargeable services	2							2
5 Fees and charges for services to residents	331,539							331,539
6 Laundry	77,402							77,402
7 Interest income		27,934	80,968	128,549	15,217	5,601	574	258,844
8 Miscellaneous	366,555							366,555
9 Total non-assessment revenue	<u>775,498</u>	<u>27,934</u>	<u>80,968</u>	<u>128,549</u>	<u>15,217</u>	<u>5,601</u>	<u>574</u>	<u>1,034,342</u>
10 Total revenue	<u>8,595,041</u>	<u>272,014</u>	<u>926,095</u>	<u>4,399,949</u>	<u>198,277</u>	<u>36,111</u>	<u>34,729</u>	<u>14,462,217</u>
Expenses:								
11 Employee compensation and related	4,036,650		2,831	1,270,698		11,783	20,219	5,342,181
12 Materials and supplies	332,102		180	217,350		28,438	7,123	585,193
13 Utilities and telephone	1,924,577		18	4,622			15	1,929,232
14 Legal fees	133,259							133,259
15 Professional fees	73,566							73,566
16 Equipment rental	2,691		21	10,057			128	12,896
17 Outside services	215,057	96,397	450,214	1,542,048	34,585	296,031	4,699	2,639,032
18 Repairs and maintenance	139,967		1	600			7	140,576
19 Other Operating Expense	51,556		14	9,492		81	155	61,298
20 Insurance	540,569							540,569
21 Investment expense		2,443	7,067	11,237	1,335	527	50	22,659
22 Uncollectible Accounts	165,170							165,170
23 (Gain)/loss on sale or trade		747	2,146	3,397	400	163	15	6,868
24 Depreciation and amortization	59,605							59,605
25 Net allocations to mutuals	460,584		97	38,488		339	591	500,099
26 Total expenses	<u>8,135,352</u>	<u>99,587</u>	<u>462,591</u>	<u>3,107,989</u>	<u>36,320</u>	<u>337,363</u>	<u>33,002</u>	<u>12,212,203</u>
27 Excess of revenues over expenses	<u>\$459,688</u>	<u>\$172,428</u>	<u>\$463,504</u>	<u>\$1,291,960</u>	<u>\$161,958</u>	<u>(\$301,252)</u>	<u>\$1,727</u>	<u>\$2,250,014</u>
28 Excluding depreciation	<u>\$519,293</u>	<u>\$172,428</u>	<u>\$463,504</u>	<u>\$1,291,960</u>	<u>\$161,958</u>	<u>(\$301,252)</u>	<u>\$1,727</u>	<u>\$2,309,619</u>

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
5/31/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796RA9	U.S. TREASURY BILL	0.00%	11-30-18	09-12-19	3,000,000.00	2.47%	2,942,645.08	
912796RA9	U.S. TREASURY BILL	0.00%	12-27-18	09-12-19	2,000,000.00	2.44%	1,965,826.39	
912796RF8	U.S. TREASURY BILL	0.00%	03-11-19	10-10-19	2,000,000.00	2.39%	1,972,416.50	
912796SM2	U.S. TREASURY BILL	0.00%	05-01-19	04-23-20	4,000,000.00	2.39%	3,912,667.89	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 11,000,000.00		\$ 10,793,555.86	2.65%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
5/31/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 336,545.60		\$ 336,545.60	
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	
912828U32	U.S. TREASURY NOTE	1.00%	05-20-19	11-15-19	1,000,000.00	2.42%	993,126.68	
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	
05531FAZ6	CorpBond-BB&T Corporation Ser Mtn	2.15%	08-21-18	02-01-21	150,000.00	3.10%	146,644.50	
9128283X6	U.S. TREASURY NOTE	2.25%	04-22-19	02-15-21	750,000.00	2.43%	747,540.32	
63946BAE0	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
892367CZ6	CorpBond-Toyota Motor Credit Corp	1.90%	02-19-19	04-08-21	200,000.00	2.79%	196,306.00	
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	
369550BE7	CorpBond-General Dynamics Corp	3.00%	05-20-19	05-11-21	200,000.00	2.48%	201,972.00	
857477AV5	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
38141GGQ1	CorpBond-Goldman Sachs Group Inc	5.25%	12-27-18	07-27-21	300,000.00	3.80%	310,530.00	
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
5/31/19**

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	
21685WDD6	CorpBond-Rabobank	3.88%	02-19-19	02-08-22	150,000.00	3.13%	153,139.50	
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	
404280AN9	CorpBond-HSBC Holdings	4.00%	05-20-19	03-30-22	200,000.00	2.77%	206,678.00	
747525AE3	CorpBond-QualComm Inc	3.00%	08-21-18	05-20-22	150,000.00	3.38%	147,984.00	
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	
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	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	32,261.15	5.50%	32,261.15	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	30,403.33	3.55%	47,060.82	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	85,108.93	3.03%	126,312.06	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	94,650.58	3.40%	125,309.59	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	78,008.66	2.40%	129,984.29	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	32,816.02	2.41%	54,364.99	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	142,611.44	2.63%	162,664.19	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	69,047.89	2.61%	79,369.83	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	144,897.62	2.33%	186,920.58	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	156,851.91	2.35%	200,113.63	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	235,031.10	2.38%	295,963.88	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	173,000.64	2.63%	197,415.03	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	362,705.77	2.43%	448,021.17	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	163,017.25	2.44%	200,214.39	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	87,091.83	2.90%	105,203.34	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	282,139.75	3.41%	289,891.70	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	31,157.92	3.65%	46,908.77	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	33,439.44	6.86%	26,814.93	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	83,020.34	2.29%	199,562.20	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	152,097.21	3.35%	204,260.40	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	133,273.23	3.71%	143,872.53	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	62,140.53	3.30%	84,729.89	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	127,291.83	3.16%	161,252.49	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	159,177.41	3.45%	184,800.37	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	185,734.48	3.30%	196,722.64	
TOTAL FOR DISCRETIONARY INVESTMENTS					16,143,521.86		17,043,596.36	1.88%
TOTAL INVESTMENTS					\$ 27,143,521.86		\$ 27,837,152.22	2.16%

*Yield is based on all investments held during the year

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of May 31, 2019

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-18	258,868			84,233			19
January-19	227,406	(26,803)	(2,779)	81,244	(2,087)	(8,341)	18
February-19	192,432	(6,457)	-	213,926	-	104,165	22
March-19	189,332	(17,315)	-	260,308.17	(16,818)	77,416	21
April-19	175,467	(26,428)	-	250,844	(211)	3,309	24
May-19	138,644	1,423	-	277,710	-	(11,379)	11
June-19	-	-	-	-	-	-	
July-19	-	-	-	-	-	-	
August-19	-	-	-	-	-	-	
September-19	-	-	-	-	-	-	
October-19	-	-	-	-	-	-	
November-19	-	-	-	-	-	-	
December-19	-	-	-	-	-	-	
YTD TOTAL						165,170	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF MAY 31, 2019**

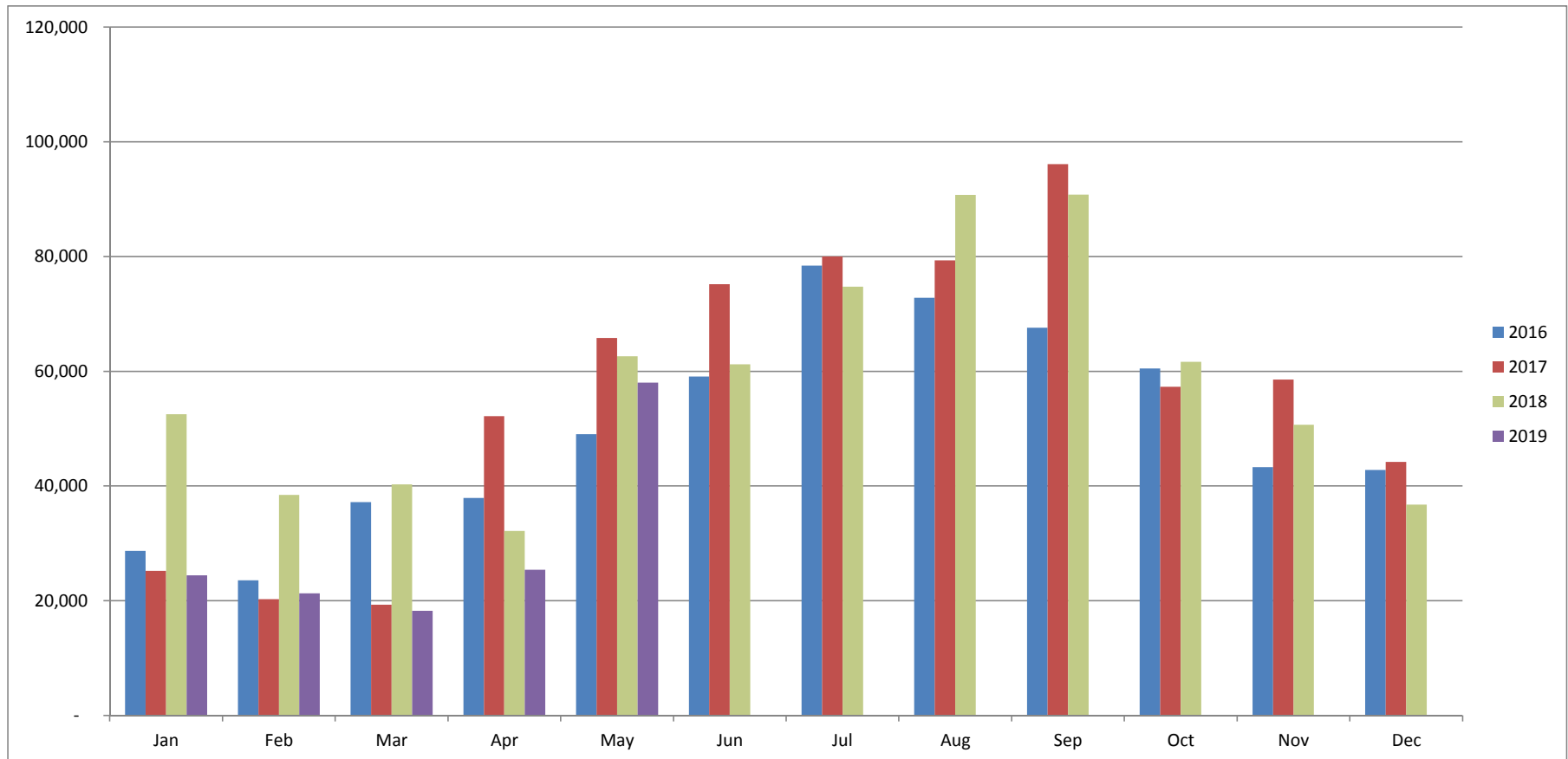
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,830	9,900	14,150	33,970	29%	4,250	30%
BUILDING STRUCTURES	145,899	228,089	580,140	1,138,659	2,732,992	21%	558,519	49%
ELECTRICAL SYSTEMS	10,500	4,883	21,000	24,415	58,610	36%	3,415	14%
ENERGY PROJECTS	2,926	4,166	5,630	20,830	50,000	11%	15,200	73%
EXTERIOR LIGHTING	8,750	66,666	15,426	333,330	800,000	2%	317,905	95%
FENCING	1,721	11,505	54,108	56,987	136,817	40%	2,879	5%
GARDEN VILLA LOBBY	15,961	9,963	51,949	49,815	119,560	43%	(2,134)	(4%)
GARDEN VILLA MAILROOM	11,660	5,894	11,660	29,229	70,173	17%	17,569	60%
GARDEN VILLA RECESSED AREA	0	20,870	0	104,350	250,440	0%	104,350	100%
GV REC ROOM WATER HEATER/HEAT PUMP	5,218	1,625	21,324	8,124	19,505	109%	(13,200)	(162%)
GUTTER REPLACEMENTS	664	3,083	17,593	15,415	37,000	48%	(2,178)	(14%)
LANDSCAPE MODERNIZATION	3,249	91,720	10,136	458,253	1,099,890	1%	448,116	98%
MAILBOXES	1,685	3,052	18,164	15,183	36,483	50%	(2,981)	(20%)
PAINT PROGRAM - EXTERIOR	163,036	168,864	847,789	837,049	2,008,631	42%	(10,741)	(1%)
PRIOR TO PAINT	124,736	107,349	475,962	531,894	1,277,033	37%	55,933	11%
PAVING	1,694	70,474	7,058	351,735	844,499	1%	344,677	98%
ROOF REPLACEMENTS	140,678	109,326	555,617	546,630	1,311,937	42%	(8,987)	(2%)
SUPPLEMENTAL APPROPRIATIONS	0	0	169,537	169,537	169,537	100%	0	0%
TREE MAINTENANCE	8,616	17,953	45,018	89,165	213,630	21%	44,147	50%
WALL REPLACEMENTS	0	16,666	0	83,330	200,000	0%	83,330	100%
WASTE LINE REMEDIATION	33,390	62,500	72,970	312,500	750,000	10%	239,530	77%
WATER LINES - COPPER PIPE REMEDIATION	82,694	16,666	102,129	83,330	200,000	51%	(18,799)	(23%)
TOTAL REPLACEMENT FUND	\$763,078	\$1,024,145	\$3,093,109	\$5,273,909	\$12,420,708	25%	\$2,180,800	41%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$34,585	\$28,891	\$34,585	\$144,455	\$346,698	10%	\$109,870	76%
TOTAL ELEVATOR REPLACEMENT FUND	\$34,585	\$28,891	\$34,585	\$144,455	\$346,698	10%	\$109,870	76%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$2,016	\$821	\$16,419	\$4,096	\$9,844	167%	(\$12,322)	(301%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	5,399	4,573	15,498	22,784	54,697	28%	7,287	32%
SUPPLEMENTAL APPROPRIATIONS	295,020	295,020	304,756	304,756	304,756	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$302,434	\$300,415	\$336,672	\$331,636	\$369,297	91%	(\$5,036)	(2%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$13,022	\$8,151	\$32,937	\$40,630	\$97,580	34%	\$7,693	19%
TOTAL GARDEN VILLA REC ROOMS FUND	\$13,022	\$8,151	\$32,937	\$40,630	\$97,580	34%	\$7,693	19%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF MAY 31, 2019**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$10,694	\$7,185	\$63,236	\$35,558	\$85,379	74%	(\$27,678)	(78%)
CARPENTRY SERVICE	40,674	32,432	207,960	160,659	385,731	54%	(47,301)	(29%)
CONCRETE REPAIR/REPLACEMENT	72,797	35,588	177,854	176,285	423,853	42%	(1,569)	(1%)
CURB CUT/SIDEWALK RAMPS	0	833	0	4,167	10,000	0%	4,167	100%
ELECTRICAL SERVICE	7,110	10,240	35,964	50,648	121,615	30%	14,684	29%
FIRE PROTECTION	5,663	14,626	30,925	73,130	175,556	18%	42,205	58%
GUTTER CLEANING	973	12,639	28,854	63,132	151,554	19%	34,278	54%
JANITORIAL SERVICE	82,546	79,616	373,797	394,478	947,862	39%	20,682	5%
MISC REPAIRS BY OUTSIDE SERVICE	(15,398)	4,838	400	24,188	58,050	1%	23,788	98%
PEST CONTROL	9,099	21,699	16,124	108,495	260,405	6%	92,371	85%
PLUMBING SERVICE	70,134	56,697	358,251	280,914	674,483	53%	(77,337)	(28%)
SOLAR MAINTENANCE	3,108	2,083	6,216	10,415	25,000	25%	4,199	40%
TRAFFIC CONTROL	108	2,545	4,030	12,625	30,359	13%	8,596	68%
WELDING	6,971	7,176	43,326	35,459	85,307	51%	(7,867)	(22%)
TOTAL MAINTENANCE PROGRAMS	\$294,478	\$288,197	\$1,346,936	\$1,430,154	\$3,435,153	39%	\$83,218	6%
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$61,204	\$39,585	\$164,048	\$197,925	\$475,025	35%	\$33,877	17%
MOISTURE INTRUSION - PLUMBING LEAKS	114,486	54,143	204,207	270,715	649,726	31%	66,508	25%
MOISTURE INTRUSION - PLUMBING STOPPAGES	36,287	10,512	64,083	52,560	126,155	51%	(11,523)	(22%)
MOISTURE INTRUSION - MISCELLANEOUS	9,225	7,757	12,317	38,785	93,095	13%	26,468	68%
DAMAGE RESTORATION SERVICES	460	30,920	13,164	154,338	370,445	4%	141,174	91%
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
TOTAL DISASTER FUND	\$221,663	\$142,917	\$457,819	\$714,323	\$1,714,446	27%	\$256,504	36%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$96,397	\$96,397	\$96,397	100%	\$0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$0	\$0	\$96,397	\$96,397	\$96,397	100%	\$0	0%

Third Mutual Water Usage in 100 cubic feet units

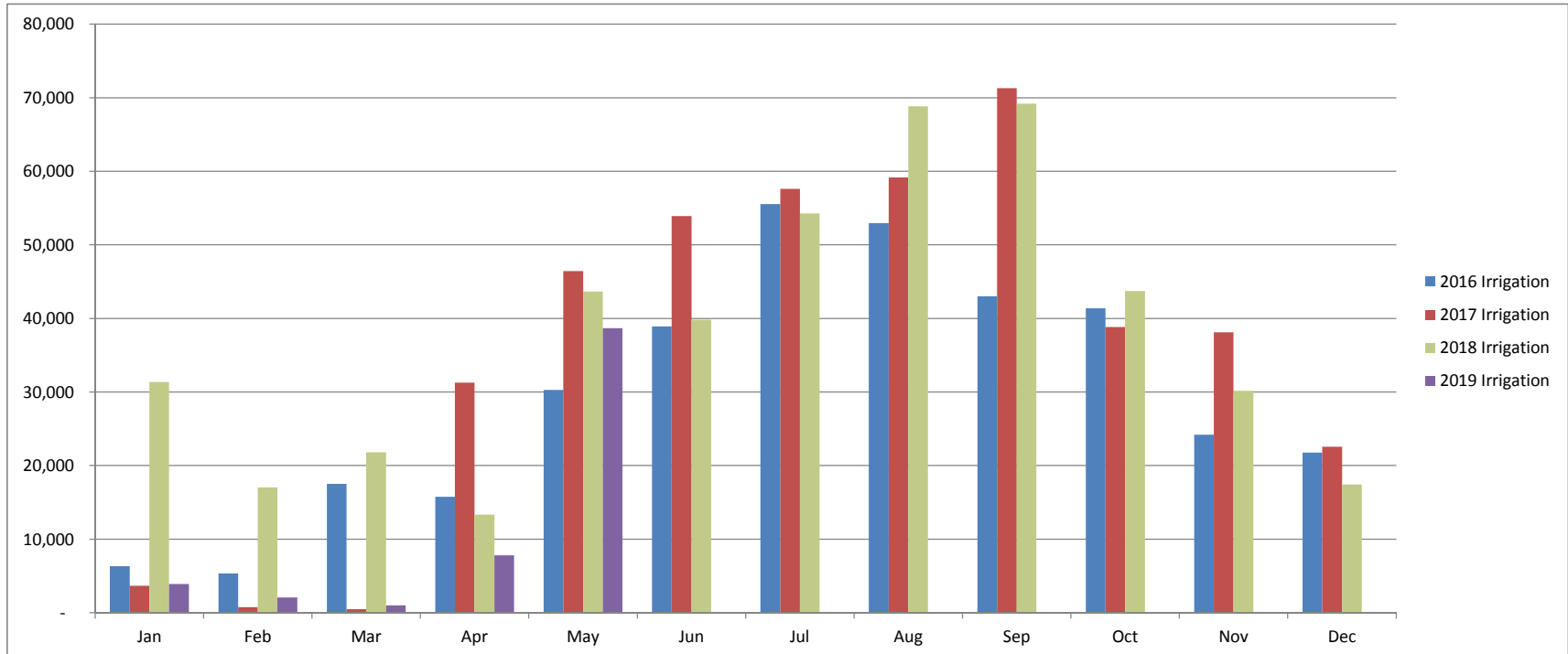
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	176,429	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	182,781	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	36,777	226,018	692,662
2019	24,432	21,298	18,269	25,378	58,015	-	-	-	-	-	-	-	147,392	147,392



Third Mutual

Irrigation Water Usage in 100 cubic feet units

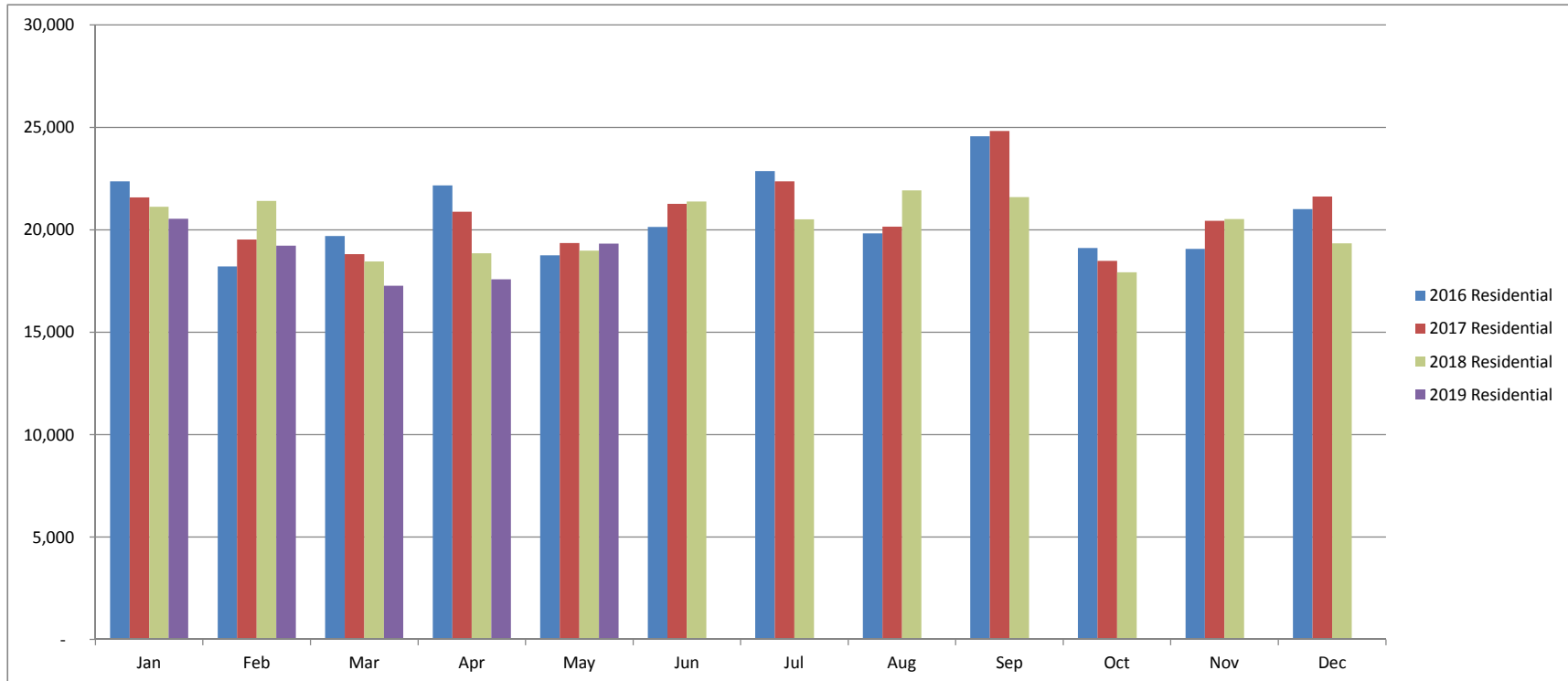
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	75,240	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	82,634	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	17,434	127,206	450,658
2019 Irrigation	3,892	2,081	1,000	7,803	38,696	-	-	-	-	-	-	-	53,472	53,472



Third Mutual

Residential Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
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	101,189	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	100,147	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	19,343	98,812	242,004
2019 Residential	20,540	19,217	17,269	17,575	19,319	-	-	-	-	-	-	-	93,920	93,920



RESOLUTION 03-19-XX

THIRD MUTUAL FINANCE COMMITTEE CHARTER

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

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

1. Annually review the proposed Third Laguna Hills Mutual Business Plan and recommend to the Board action regarding the same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.
2. Regularly review the financial statements and reports of Third Laguna Hills Mutual and review the performance of the managing agent related to the budget and operational efficiencies and make recommendations to the Board.
3. Review the investment of funds of Third Mutual to determine if they are in accordance with the investment policy. Review and recommend changes to the Board, as necessary, to the Mutual's investment policy.
4. Regularly review the status and sufficiency of the Mutual reserve accounts.
5. Review on a regular basis delinquent accounts for assessments, fines, fees, and chargeable services by directing staff and making recommendations to the Board for actions in accordance with the Third Mutual Collection and Lien Enforcement Policy. Review and recommend changes to the Board, as necessary, to the Mutual collection policies.
6. Review any unplanned expenditure proposed by the Board or other Committees to determine the impact on and adequacy of related reserves and recommend appropriate action to the Board.
6. Function as an advisory and liaison body to the managing agent in matters pertaining to financial performance measurements, membership, ~~assessment delinquencies~~, leasing, and occupancy; and coordinate these matters with other standing committees having related concerns.
7. Perform such additional functions as may be assigned or referred to this committee by the President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.

8. Direct the preparation of a request for proposal for the annual financial audit of Third Laguna Hills Mutual. Review reports and recommendations from auditors and recommend to the Board any appropriate action.
9. Regularly review all insurance and risk management programs for Third Laguna Hills Mutual and recommend to the Board actions to be taken to maintain adequate protection and coverage.
10. In coordination with GRF and Corporate Members, examine the need for review of managing agent organizational entities. Review the implementation of consultant findings and make recommendations to the Board.
11. Receive update from members of the GRF Finance Committee, appointed from Third Mutual, and consider the latest developments and key financial data provided from GRF to create a more comprehensive understanding of community finances and allow for more informed decisions.

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



Fee Schedule

Description	2019 Fee
Chargeable Services	
Carport Space Rental Fee	\$480
Chargeable Services - Permit Processing Fee	\$25
Chargeable Services - Service Charge	\$25
Electric Charge - Golf Cart	\$155
Electric Charge - PEV	\$240
Chargeable Services - Missed Appointment	\$15
Collection and Lien Enforcement Policy	
Payment Plan for Delinquent Assessments	\$25
Payment Plan for Delinquent Chargeable Services	\$25
Collection Administrative Fee	\$500
Interest Charge	10% APR
Late Charge - Assessment (monthly)	\$60
Late Charge - Fines, Fees, Chargeables (monthly)	\$35
NSF - 1st Check	\$25
NSF - Subsequent Checks	\$35
Recovery of Damages	\$100 - \$1,500
Compliance	
Conformance Deposit	\$250
Resident Violations - Schedule of Monetary Penalties	Varies
Third Correction Charges - Final	Varies
Vacant Manor Inspection Fee	\$100
Unauthorized Alteration Fee	\$300
Laundry Facilities	
Coin Operated Laundry - Washer, Per Load	\$0.50
Coin Operated Laundry - Dryer	\$0.25 Per 20 Mins
Lease Authorization Policy	
Lease Authorization Processing Fee	\$170
Lease Authorization Rush Fee	\$100
Lease Authorization Renewal Fee	\$110
Lease Authorization Extension Fee	\$70
Lease Authorization Amendment Fee	\$70



Fee Schedule

Description	2019 Fee
Membership Transfer	
Administrative Resale Processing Fee	\$400
Escrow Cancellation Fee	\$112
Resale - First Inspection	\$60
Resale - Final Inspection	\$55
Resale HOA Certification - Standard	\$40
Resale HOA Certification - Non Standard	\$150
Non Sale Transfer Fee	\$50
Variance Requests	
Variance Processing Fee - Standard	\$35
Variance Processing Fee - Non Standard	\$150
Variance Fee - Based on Value of Alteration	
\$0 - \$750	\$35
\$751 - \$1,000	\$49
\$1,001 - \$1,250	\$63
\$1,251 - \$1,500	\$77
\$1,501 - \$1,750	\$91
\$1,751 - \$2,000	\$105
\$2,001 - \$2,500	\$126
\$2,501 - \$3,000	\$154
\$3,001 - \$4,000	\$196
\$4,001 - \$5,000	\$252
\$5,001 - \$6,000	\$308
Over \$6,000	\$392

Agenda Item 11 – Solar System Update

Will be distributed at the Finance Committee meeting.



STAFF REPORT

DATE: July 1, 2019
FOR: Maintenance and Construction Committee
SUBJECT: Supplemental Appropriation for Cul-De-Sac Sign Replacement

RECOMMENDATION

Approve Resolution 03-19-XX (Attachment 1) for a supplemental appropriation in the amount of \$23,000 to fabricate and install an additional 77 new cul-de-sac signs in the 2019 fiscal year.

BACKGROUND

There are approximately 250 existing cul-de-sac signs in Third Mutual. In 2018, the Third Mutual M&C Committee directed staff to install additional signage to the existing posts at a height of approximately 48 inches.

At the May 7, 2018, Maintenance and Construction Committee meeting, staff was directed to implement a pilot program to fabricate and install new cul-de-sac signs in Gate 14 and along Via Mariposa East and West in Gates 5 and 6. Subsequently, a total of 51 new cul-de-sac signs in Third Mutual were installed in 2018 and 122 new cul-de-sac signs are scheduled for installation in 2019.

DISCUSSION

At the May 29, 2019, Special Meeting of the Third Mutual M&C Committee, staff was directed to bring a report back to the July M&C Committee meeting recommending a supplemental appropriation for the cost to complete all cul-de-sac sign installations in 2019.

Staff received a bid from the current sign contractor in the amount of \$23,000 to fabricate and install an additional 77 new cul-de-sac signs in the 2019 fiscal year, which will conclude the new cul-de-sac signage installation program in its entirety.

FINANCIAL ANALYSIS

The planned scope of work in the current year is funded from the 2019 Reserves Plan – Building Numbers in the amount of \$33,970 to fabricate and install 122 new cul-de-sac signs.

A supplemental appropriation in the amount of \$23,000, from the Replacement Reserves Fund, is required to fabricate and install an additional 77 new cul-de-sac signs in 2019 to complete full implementation of the new signage.

Prepared By: David Pham, Assistant Project Manager

Reviewed By: Guy West, Projects Division Manager
Ernesto Munoz, P.E., Maintenance and Construction Director
Betty Parker, CFO

ATTACHMENT(S):
Attachment 1 – Resolution 03-19-XX

ATTACHMENT 1

RESOLUTION 03-19-XX

Supplement Funding for Cul-De-Sac Sign Replacement in 2019

WHEREAS, the 2019 Reserves Plan appropriated funding in the amount of \$33,970 from the Facilities Fund to replace 122 cul-de-sac signs in 2019; and

WHEREAS, on May 29, 2019, during the Business Planning Meeting, the Maintenance & Construction Committee directed staff to complete the remaining 77 cul-de-sac signs, originally to be completed in 2020, in 2019 with a supplemental appropriation.

NOW THEREFORE BE IT RESOLVED, on July 16, 2019, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$23,000, for the replacement of the remaining 77 cul-de-sac signs to be installed and completed in 2019; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.