



REGULAR MEETING OF THE FINANCE COMMITTEE

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

Reports

8. Preliminary Financial Statements dated June 30, 2019

Items for Discussion and Consideration

9. 2020 Collection and Lien Enforcement Policy
10. Year End Projections – Q2
11. Solar System Update – Q2
12. Investment Taskforce Update
13. Other Endorsements from Standing Committees

Future Agenda Items

14. Fee Schedule Updates

Concluding Business:

15. Committee Member Comments
16. Date of Next Meeting – Tuesday, September 3, 2019 at 1:30 p.m.
17. 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, July 2, 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, Lynn Jarrett, Advisors: Wei-Ming Tao, Michael Cunningham, John Hess

MEMBERS ABSENT: Bunny Carpenter, Cush Bhada, John Frankel, Annie McCary, Reza Karimi

STAFF PRESENT: Betty Parker, 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 with the following additions:

- Reclassification of Landscape Modernization Expenditures
- Fund Expenditures Report from the Maintenance and Construction Committee

Approval of Meeting Report for June 4, 2019

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

Chair Remarks

Director Pearlstone thanked Betty Parker and Director diLorenzo for helping him get up to speed as the new Third Treasurer and noted that year-end projections were reviewed at the recent M&C Committee meeting.

Department Head Update

Betty Parker, Chief Financial Officer, presented a department head update report highlighting key financial performance data and information requests.

Preliminary Financial Statements dated May 31, 2019

The Committee reviewed financials and questions were addressed. The Committee requested the following information: reconciliation of legal fees, treatment of violation billings, and variance details for overtime, outside services, and water lines in M&C department.

Finance Committee Charter

The Committee reviewed the Finance Charter and by consensus recommended the Board approve the following revisions:

- A new paragraph to explain the Committee's current practice of reviewing a monthly delinquency report and direct collection activity for unpaid assessments, fines, fees, and chargeable services.
- Consolidation of two existing paragraphs relating to audits.
- A new responsibility for the Committee to confer on developments and key financial data pertaining to GRF financial operations.

2020 Fee Review

The Committee reviewed the 2020 Fee Schedule for Third Laguna Hills Mutual.

By consensus, the Committee recommended a revision to the Vacant Manor Inspection Policy resolution, to include a reference to the \$100.00 inspection fee and to include this item on the Fee Schedule.

The Committee requested that policy resolution numbers be added to the Fee Schedule for reference.

Solar System Update

The Committee reviewed the second year of energy production for all of its solar systems (handout) and noted that ongoing updates will be provided quarterly.

Supplemental Appropriation for Cul-de-Sac Sign Installation

A motion was made and unanimously carried to recommend the Board approve supplemental funding of \$23,000 from the Replacement Fund to fabricate and install an additional 77 new cul-de-sac signs in the 2019 fiscal year.

Future Agenda Items

Legal Expenditure Analysis
Quarterly Solar System Update

Committee Member Comments

Director Jarrett requested a copy of the operating statement detail report.

Date of Next Meeting

Tuesday, August 6, 2019 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:07 p.m.

DRAFT

Jon Pearlstone, Chair

MEMORANDUM

To: Third Finance Committee
From: Betty Parker, CFO
Date: August 6, 2019
Re: Department Head Update

Financial Highlights

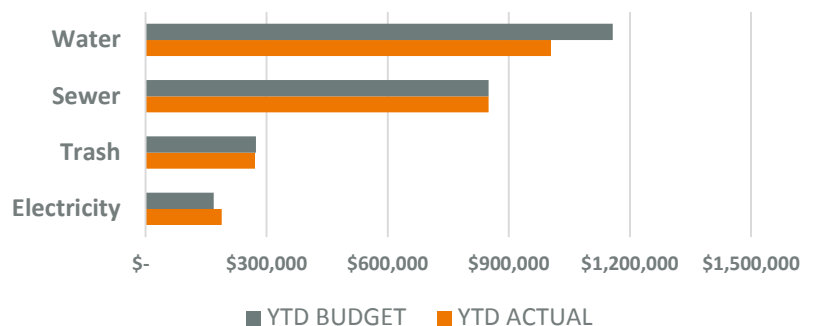
- SUMMARY:** For the year-to-date period ending June 30, 2019, Third Mutual is better than budget by \$3 million, of which \$2.4 million is due to timing of reserve programs performed by outside contractors. The remaining \$600K is attributed to more revenues recorded for chargeable services, interest, and violations.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$16,113	\$16,113	\$0
Other Revenues	\$1,408	\$834	\$574
Expenses	\$14,692	\$17,162	\$2,470
Revenue over (Expense)	\$2,829	(\$214)	\$3,044

- COMPENSATION:** Actual compensation and related costs came in just over \$6.3 Million, with \$4.8 million in operations and \$1.5 million in reserves. Combined, this category is over 3% 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	\$3,319,507	\$1,453,103	\$4,772,610	\$12,004	0.3%
Reserves	\$1,173,938	\$578,359	\$1,752,297	\$205,164	11.7%
TOTAL	\$4,493,445	\$2,031,462	\$6,524,907	\$217,168	3.3%

- UTILITIES:** Water consumption is 20% 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

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 were discussed and adjusted during budget meetings.

Committee Charter: Wording now includes update re: GRF finance issues.

Contracts: Board directed that we include contract awards in Finance Committee closed session.

Fees: Vacant manor inspection fee of \$100 is on 28-day notice, to be adopted August 6, 2019. Late charge interest rate to increase from 10 to 12% per annum in 2020, the maximum allowed by statute; to be incorporated with review of 2020 Collection and Lien Enforcement Policy in September. Adding resolution numbers and list of chargeable services to Fee Schedule for more complete information. Future analysis needed to associate fees with projected revenues.

Investment Management: Market value adjustments, previously booked in December each year, will be made quarterly as directed, with an entry reflected on June financials. Investment Task Force and Finance Committee have made a recommendation for new investment manager, to be ratified at upcoming Board meeting. Task Force will meet again in September to start reviewing holdings and investment policy.

Legal Fees: Monthly delineation of legal fees by vendor/case included in closed agenda.

Marketing Expense: This represents the \$20 incentive offered to members who sign up for EZ Pay.

Reserve Study: Retained a reserve specialist to calculate 2020 reserve disclosures requirements, using allowance method (cash flow) to avoid overstating funding requirements, while maintaining in-house threshold reserve funding plan which the Board will approve at the September board meeting.

Projections: Mid-year projections based on May 30, 2019 were reported at July budget meeting.

Solar Energy Update: Quarterly updated last provided at July meeting for end of 2nd period of operation. Results for 2019 Q2 will be distributed at the Finance Committee meeting on 8/6/19.

Calendar

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)

September 3, 2019 @ 1:30 p.m. Third Finance Committee, July 31 financials

September 17, 2019 @ 9:30 a.m. Third Regular Board Meeting – Adopt Budgets

July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
6/30/2019
(\$ 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		\$9,383	\$9,383		\$9,439	\$18,767
2	Additions to restricted funds	1,122	1,122		6,730	6,730		6,577	13,460
3	Total assessments	<u>2,686</u>	<u>2,686</u>		<u>16,113</u>	<u>16,113</u>		<u>16,016</u>	<u>32,227</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	55	40	15	386	239	147	279	478
5	Laundry	18	18		96	110	(14)	65	220
6	Interest income	58	31	27	317	184	132	223	369
7	Miscellaneous	242	50	192	609	300	308	342	601
8	Total non-assessment revenue	<u>373</u>	<u>139</u>	<u>235</u>	<u>1,408</u>	<u>834</u>	<u>574</u>	<u>909</u>	<u>1,668</u>
9	Total revenue	<u>3,059</u>	<u>2,824</u>	<u>235</u>	<u>17,521</u>	<u>16,947</u>	<u>574</u>	<u>16,925</u>	<u>33,895</u>
Expenses:									
10	Employee compensation and related	966	1,075	109	6,308	6,525	217	6,471	13,088
11	Materials and supplies	96	129	34	681	777	96	659	1,554
12	Utilities and telephone	385	467	82	2,314	2,449	135	2,608	5,299
13	Legal fees	44	18	(26)	178	110	(68)	61	220
14	Professional fees	20	11	(10)	94	111	17	60	185
15	Equipment rental	1	3	2	14	20	6	7	40
16	Outside services	722	914	193	3,361	5,486	2,125	3,027	10,972
17	Repairs and maintenance	26	28	2	167	168	1	156	345
18	Other Operating Expense	11	15	4	72	92	20	72	181
19	Insurance	111	109	(1)	651	656	5	636	1,313
20	Investment expense		11	11	23	23		21	46
21	Uncollectible Accounts	(10)	12	22	155	69	(86)	56	138
22	(Gain)/loss on sale or trade				7	7		1	
23	Depreciation and amortization	12	12		72	72		73	143
24	Net allocation to mutuals	97	100	3	597	597		612	1,205
25	Total expenses	<u>2,480</u>	<u>2,904</u>	<u>424</u>	<u>14,692</u>	<u>17,162</u>	<u>2,470</u>	<u>14,520</u>	<u>34,730</u>
26	Excess of revenues over expenses	<u>\$579</u>	<u>(\$79)</u>	<u>\$659</u>	<u>\$2,829</u>	<u>(\$214)</u>	<u>\$3,044</u>	<u>\$2,405</u>	<u>(\$835)</u>

**Third Laguna Hills Mutual
Operating Statement
6/30/2019
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$9,383,451	\$9,383,316	\$135	0.00%	\$18,766,631
Total Operating	9,383,451	9,383,316	135	0.00%	18,766,631
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,014,152	1,014,152	0	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	292,896	292,896	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	5,125,680	5,125,680	0	0.00%	10,251,360
41004000 - Monthly Assessments - Elevator Replacement Fund	219,672	219,672	0	0.00%	439,344
41004500 - Monthly Assessments - Laundry Replacement Fund	36,612	36,612	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	40,986	40,986	0	0.00%	81,972
Total Additions To Restricted Funds	6,729,998	6,729,998	0	0.00%	13,459,997
Total Assessments	16,113,449	16,113,314	135	0.00%	32,226,628
Non-Assessment Revenues:					
Chargeable Service					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	65,816	36,293	29,523	81.35%	72,592
46501500 - Inspection Fee	40,065	25,980	14,084	54.21%	51,965
46502000 - Resident Maintenance Fee	280,611	176,762	103,849	58.75%	353,883
Total Fees and Charges for Services to Residents	386,492	239,035	147,457	61.69%	478,440
Laundry					
46005000 - Coin Op Laundry Machine	95,807	109,998	(14,191)	(12.90%)	220,000
Total Laundry	95,807	109,998	(14,191)	(12.90%)	220,000
Interest Income					
49001000 - Interest Income - Treasury Notes	130,985	76,821	54,163	70.51%	153,643
49001500 - Interest Income - Treasury Notes - Discretionary	147,207	84,333	62,874	74.55%	168,667
49002000 - Interest Income - Money Market	3,265	1,014	2,252	222.15%	2,027
49002500 - Interest Income - Gnma Securities - Discretionary	35,441	22,242	13,200	59.35%	44,483
Total Interest Income	316,898	184,410	132,488	71.84%	368,820
Miscellaneous					
46002000 - Traffic Violation	(25)	0	(25)	0.00%	0
46004500 - Resident Violations	9,998	4,998	5,000	100.03%	10,000
44501510 - Lease Processing Fee - Third	138,665	112,500	26,165	23.26%	225,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	550	1,500	(950)	(63.33%)	3,000
44503520 - Resale Processing Fee - Third	76,848	99,996	(23,148)	(23.15%)	200,000
44505500 - Hoa Certification Fee	2,575	4,500	(1,925)	(42.78%)	9,000
44507000 - Golf Cart Electric Fee	36,238	34,002	2,236	6.58%	68,000
44507200 - Electric Vehicle Plug-In Fee	6,207	3,000	3,207	106.92%	6,000
44507500 - Cartport/Carport Space Rental Fee	2,160	1,500	660	44.00%	3,000
47001500 - Late Fee Revenue	27,206	30,000	(2,794)	(9.31%)	60,000
47002020 - Collection Administrative Fee - Third	1,075	0	1,075	0.00%	0
47002500 - Collection Interest Revenue	6,054	6,000	54	0.90%	12,000
47501000 - Recycling	3,150	2,502	648	25.89%	5,000
49008100 - Unrealized Gain(Loss) On Available For Sale Investments	299,297	0	299,297	0.00%	0
49009000 - Miscellaneous Revenue	(1,237)	0	(1,237)	0.00%	0
Total Miscellaneous	608,612	300,498	308,114	102.53%	601,000
Total Non-Assessment Revenue	1,407,809	833,941	573,868	68.81%	1,668,260
Total Revenue	17,521,259	16,947,255	574,004	3.39%	33,894,888
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,107,832	1,227,413	119,581	9.74%	2,484,383
51021000 - Union Wages - Regular	2,579,434	2,741,415	161,981	5.91%	5,528,264

**Third Laguna Hills Mutual
Operating Statement
6/30/2019
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51041000 - Wages - Overtime	25,323	12,543	(12,780)	(101.88%)	25,095
51051000 - Union Wages - Overtime	33,194	18,616	(14,578)	(78.31%)	37,244
51061000 - Holiday & Vacation	426,882	335,108	(91,774)	(27.39%)	676,533
51071000 - Sick	142,631	136,689	(5,942)	(4.35%)	275,954
51091000 - Missed Meal Penalty	579	423	(156)	(36.94%)	858
51101000 - Temporary Help	49,530	18,328	(31,202)	(170.25%)	36,664
51981000 - Compensation Accrual	(29,340)	2,910	32,250	1108.28%	5,826
Total Employee Compensation	4,336,066	4,493,446	157,379	3.50%	9,070,822
Compensation Related					
52411000 - F.I.C.A.	326,631	338,778	12,147	3.59%	677,880
52421000 - F.U.I.	7,564	10,775	3,211	29.80%	13,091
52431000 - S.U.I.	58,011	51,557	(6,454)	(12.52%)	56,129
52441000 - Union Medical	902,199	956,605	54,405	5.69%	1,913,209
52451000 - Workers' Compensation Insurance	363,340	331,041	(32,299)	(9.76%)	668,020
52461000 - Non Union Medical & Life Insurance	145,385	133,606	(11,779)	(8.82%)	267,211
52471000 - Union Retirement Plan	180,717	155,047	(25,670)	(16.56%)	312,663
52481000 - Non-Union Retirement Plan	25,104	53,574	28,471	53.14%	108,438
52981000 - Compensation Related Accrual	(37,277)	480	37,758	7860.32%	970
Total Compensation Related	1,971,673	2,031,462	59,789	2.94%	4,017,611
Materials and Supplies					
53001000 - Materials & Supplies	212,936	233,027	20,091	8.62%	466,289
53003000 - Materials Direct	466,854	543,834	76,980	14.16%	1,088,103
53004000 - Freight	1,150	0	(1,150)	0.00%	0
Total Materials and Supplies	680,940	776,861	95,921	12.35%	1,554,392
Utilities and Telephone					
53301000 - Electricity	188,323	168,509	(19,814)	(11.76%)	325,000
53301500 - Sewer	850,160	849,600	(560)	(0.07%)	1,716,600
53302000 - Water	1,004,025	1,157,300	153,275	13.24%	2,710,627
53302500 - Trash	271,399	273,336	1,937	0.71%	546,690
Total Utilities and Telephone	2,313,907	2,448,745	134,838	5.51%	5,298,917
Legal Fees					
53401500 - Legal Fees	177,542	109,998	(67,544)	(61.41%)	220,000
Total Legal Fees	177,542	109,998	(67,544)	(61.41%)	220,000
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	39,000	47,600	8,600	18.07%	57,600
53403500 - Consulting Fees	0	3,024	3,024	100.00%	6,053
53403520 - Consulting Fees - Third	54,856	60,456	5,600	9.26%	120,936
Total Professional Fees	93,856	111,080	17,224	15.51%	184,589
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	13,745	20,042	6,298	31.42%	40,090
Total Equipment Rental	13,745	20,042	6,298	31.42%	40,090
Outside Services					
53601000 - Bank Fees	0	1,964	1,964	100.00%	3,929
53601500 - Credit Card Transaction Fees	770	0	(770)	0.00%	0
53604500 - Marketing Expense	2,480	0	(2,480)	0.00%	0
54603500 - Outside Services Cost Collection	3,314,411	5,423,150	2,108,739	38.88%	10,846,711
53704000 - Outside Services	43,069	60,717	17,648	29.07%	121,480
Total Outside Services	3,360,730	5,485,830	2,125,101	38.74%	10,972,120
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	3,795	8,099	4,304	53.14%	16,240
53703000 - Elevator /Lift Maintenance	163,086	160,260	(2,826)	(1.76%)	328,520
Total Repairs and Maintenance	166,881	168,359	1,478	0.88%	344,760
Other Operating Expense					
53801000 - Mileage & Meal Allowance	3,888	7,612	3,723	48.92%	15,252
53801500 - Travel & Lodging	472	481	9	1.81%	968
53802000 - Uniforms	40,069	42,916	2,847	6.63%	82,843
53802500 - Dues & Memberships	210	905	695	76.80%	1,992
53803000 - Subscriptions & Books	1,545	1,002	(543)	(54.21%)	2,004

**Third Laguna Hills Mutual
Operating Statement
6/30/2019
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
53803500 - Training & Education	1,367	7,439	6,072	81.63%	14,902
53901500 - Volunteer Support	0	588	588	100.00%	1,175
53903000 - Safety	0	92	92	100.00%	186
54001000 - Board Relations	2,968	1,832	(1,136)	(62.01%)	3,666
54001020 - Board Relations - Third	979	4,998	4,019	80.41%	10,000
54001500 - Public Relations	(1)	0	1	0.00%	0
54002000 - Postage	20,827	23,835	3,008	12.62%	47,672
54002500 - Filing Fees / Permits	139	306	168	54.74%	761
Total Other Operating Expense	72,463	92,005	19,542	21.24%	181,422
Insurance					
54401000 - Hazard & Liability Insurance	201,204	202,597	1,393	0.69%	405,194
54401500 - D&O Liability	23,317	23,908	591	2.47%	47,818
54402000 - Property Insurance	424,350	426,358	2,008	0.47%	852,719
54403000 - General Liability Insurance	2,318	3,536	1,219	34.46%	7,072
Total Insurance	651,188	656,399	5,211	0.79%	1,312,803
Investment Expense					
54201000 - Investment Expense	22,659	22,659	0	0.00%	45,978
Total Investment Expense	22,659	22,659	0	0.00%	45,978
Uncollectible Accounts					
54602000 - Bad Debt Expense	155,023	69,102	(85,921)	(124.34%)	138,200
Total Uncollectible Accounts	155,023	69,102	(85,921)	(124.34%)	138,200
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	6,868	6,868	0	0.00%	0
Total (Gain)/Loss on Sale or Trade	6,868	6,868	0	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	71,526	71,526	0	0.00%	143,052
Total Depreciation and Amortization	71,526	71,526	0	0.00%	143,052
Net Allocation to Mutuals					
54602500 - Allocated Expenses	596,890	597,315	425	0.07%	1,204,782
Total Net Allocation to Mutuals	596,890	597,315	425	0.07%	1,204,782
Total Expenses	14,691,957	17,161,698	2,469,741	14.39%	34,729,537
Excess of Revenues Over Expenses	\$2,829,301	(\$214,443)	\$3,043,744	1419.37%	(\$834,650)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
6/30/2019**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$2,984,827	\$3,321,543
2	Non-discretionary investments	14,772,906	11,831,351
3	Discretionary investments	17,059,774	16,831,676
4	Receivable/(Payable) from mutuals	542,916	1,605,868
5	Accounts receivable and interest receivable	(255,933)	(386,734)
6	Prepaid expenses and deposits	197,774	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	5,389,216	5,460,742
10	Non-controlling interest in GRF	36,986,050	36,986,050
11	Total Assets	<u>\$77,677,530</u>	<u>\$75,845,613</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,460,370	\$2,621,461
13	Accrued compensation and related costs	646,315	646,315
14	Deferred income	981,084	817,376
15	Total liabilities	<u>\$3,087,769</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	2,829,301	1,084,426
18	Total fund balances	<u>74,589,761</u>	<u>71,760,460</u>
19	Total Liabilities and Fund Balances	<u>\$77,677,530</u>	<u>\$75,845,613</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
6/30/2019**

	<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	\$2,984,827							\$2,984,827
2 Non-discretionary investments	14,772,906							14,772,906
3 Discretionary investments	17,059,774							17,059,774
4 Receivable/(Payable) from mutuals	542,916							542,916
5 Receivable/(Payable) from operating fund	(31,592,892)	3,408,008	9,770,088	16,045,221	1,910,677	394,778	64,121	(255,933)
6 Accounts receivable and interest receivable	(255,933)							197,774
7 Prepaid expenses and deposits	197,774							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,389,216
10 Beneficial interest in GRF of Laguna Hills Trust	5,389,216							36,986,050
11 Non-controlling interest in GRF	36,986,050							
12 Total Assets	<u>\$46,084,638</u>	<u>\$3,408,008</u>	<u>\$9,770,088</u>	<u>\$16,045,221</u>	<u>\$1,910,677</u>	<u>\$394,778</u>	<u>\$64,121</u>	<u>\$77,677,530</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,155,052		\$185,907	\$119,410				\$1,460,369
14 Accrued compensation and related costs	646,315							646,315
15 Deferred income	981,084							981,084
16 Total liabilities	<u>\$2,782,452</u>		<u>\$185,907</u>	<u>\$119,410</u>				<u>\$3,087,769</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>802,307</u>	<u>195,027</u>	<u>367,376</u>	<u>1,578,779</u>	<u>202,067</u>	<u>(319,076)</u>	<u>2,822</u>	<u>2,829,301</u>
19 Total fund balances	43,302,187	3,408,008	9,584,180	15,925,810	1,910,677	394,778	64,121	74,589,761
20 Total Liabilities and Fund Balances	<u>\$46,084,638</u>	<u>\$3,408,008</u>	<u>\$9,770,088</u>	<u>\$16,045,221</u>	<u>\$1,910,677</u>	<u>\$394,778</u>	<u>\$64,121</u>	<u>\$77,677,530</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
6/30/2019**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$9,383,451							\$9,383,451
2 Additions to restricted funds		292,896	1,014,152	5,125,680	219,672	36,612	40,986	6,729,998
3 Total assessments	<u>9,383,451</u>	<u>292,896</u>	<u>1,014,152</u>	<u>5,125,680</u>	<u>219,672</u>	<u>36,612</u>	<u>40,986</u>	<u>16,113,449</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	386,492							386,492
5 Laundry	95,807							95,807
6 Interest income		34,264	99,067	157,789	18,715	6,372	692	316,898
7 Miscellaneous	608,612							608,612
8 Total non-assessment revenue	<u>1,090,911</u>	<u>34,264</u>	<u>99,067</u>	<u>157,789</u>	<u>18,715</u>	<u>6,372</u>	<u>692</u>	<u>1,407,809</u>
9 Total revenue	<u>10,474,362</u>	<u>327,160</u>	<u>1,113,219</u>	<u>5,283,469</u>	<u>238,387</u>	<u>42,984</u>	<u>41,678</u>	<u>17,521,259</u>
Expenses:								
10 Employee compensation and related	4,760,607		3,048	1,502,745		19,383	21,957	6,307,739
11 Materials and supplies	387,832		189	255,305		30,338	7,276	680,940
12 Utilities and telephone	2,308,115		21	5,747			24	2,313,907
13 Legal fees	177,542							177,542
14 Professional fees	93,856							93,856
15 Equipment rental	2,702		21	10,893			129	13,745
16 Outside services	288,230	128,943	733,228	1,856,116	34,585	311,058	8,569	3,360,730
17 Repairs and maintenance	166,122		2	749			8	166,881
18 Other Operating Expense	60,666		16	11,498		117	167	72,463
19 Insurance	651,188							651,188
20 Investment expense		2,443	7,067	11,237	1,335	527	50	22,659
21 Uncollectible Accounts	155,023							155,023
22 (Gain)/loss on sale or trade		747	2,146	3,397	400	163	15	6,868
23 Depreciation and amortization	71,526							71,526
24 Net allocations to mutuals	548,647		106	47,002		473	661	596,890
25 Total expenses	<u>9,672,055</u>	<u>132,133</u>	<u>745,844</u>	<u>3,704,690</u>	<u>36,320</u>	<u>362,060</u>	<u>38,855</u>	<u>14,691,957</u>
26 Excess of revenues over expenses	<u>\$802,307</u>	<u>\$195,027</u>	<u>\$367,376</u>	<u>\$1,578,779</u>	<u>\$202,067</u>	<u>(\$319,076)</u>	<u>\$2,822</u>	<u>\$2,829,301</u>
27 Excluding depreciation	<u>\$873,833</u>	<u>\$195,027</u>	<u>\$367,376</u>	<u>\$1,578,779</u>	<u>\$202,067</u>	<u>(\$319,076)</u>	<u>\$2,822</u>	<u>\$2,900,827</u>

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
6/30/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796SF7	U.S. TREASURY BILL	0.00%	06-06-19	08-29-19	4,000,000.00	2.25%	3,979,350.00	
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					\$ 15,000,000.00		\$ 14,772,905.86	2.55%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
6/30/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 421,134.04		\$ 421,134.04	
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 Con	2.32%	08-21-18	02-13-20	100,000.00	2.84%	99,239.00	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
437076BQ4	CorpBond-Home Depot Inc	1.80%	08-21-18	06-05-20	75,000.00	2.68%	73,851.00	
17275RAX0	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	300,000.00	2.66%	299,109.88	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
912828NT3	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
06406HDD8	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	CorpBond-State Street Corp	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
06051GFT1	CorpBond-Bank of America Corp	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
9128285G1	U.S. TREASURY NOTE	2.88%	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	
89236TCZ6	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
6/30/19**

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	31,278.15	5.50%	31,278.15	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	29,727.29	3.52%	46,384.78	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	81,926.07	2.99%	123,129.20	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	91,110.90	3.37%	121,769.91	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	75,394.04	2.37%	127,369.67	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	31,716.13	2.38%	53,265.10	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	136,092.73	2.61%	156,145.48	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	67,583.37	2.60%	77,905.31	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	141,309.78	2.31%	183,332.74	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	153,979.68	2.34%	197,241.40	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	229,417.13	2.37%	290,349.91	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	169,426.14	2.62%	193,840.53	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	355,311.83	2.42%	440,627.23	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	160,201.83	2.43%	197,398.97	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	84,608.70	2.88%	102,720.21	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	277,810.07	3.40%	285,562.02	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	29,726.22	3.60%	45,477.07	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	33,307.80	6.87%	26,683.29	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	81,429.45	2.26%	197,971.31	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	150,908.41	3.34%	203,071.60	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	130,920.05	3.70%	141,519.35	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	61,164.13	3.29%	83,753.49	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	125,147.22	3.15%	159,107.88	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	156,336.10	3.44%	181,959.06	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	182,732.47	3.30%	193,720.63	
TOTAL FOR DISCRETIONARY INVESTMENTS					16,159,699.73		17,059,774.23	1.93%
TOTAL INVESTMENTS					\$ 31,159,699.73		\$ 31,832,680.09	2.16%

*Yield is based on all investments held during the year

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of June 30, 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	144,982	(28,298)	-	232,927	-	(10,147)	10
July-19	-	-	(29,522)	-	-	-	
August-19	-	-	-	-	-	-	
September-19	-	-	-	-	-	-	
October-19	-	-	-	-	-	-	
November-19	-	-	-	-	-	-	
December-19	-	-	-	-	-	-	
YTD TOTAL						155,023	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JUNE 30, 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	16,980	33,970	29%	7,080	42%
BUILDING STRUCTURES	200,103	227,306	780,243	1,365,965	2,732,992	29%	585,722	43%
ELECTRICAL SYSTEMS	0	4,883	21,000	29,298	58,610	36%	8,298	28%
ENERGY PROJECTS	0	4,166	5,630	24,996	50,000	11%	19,366	77%
EXTERIOR LIGHTING	(2,896)	66,666	12,530	399,996	800,000	2%	387,466	97%
FENCING	4,722	11,270	58,830	68,256	136,817	43%	9,427	14%
GARDEN VILLA LOBBY	27,346	9,963	79,294	59,778	119,560	66%	(19,516)	(33%)
GARDEN VILLA MAILROOM	15,339	5,787	26,999	35,016	70,173	38%	8,017	23%
GARDEN VILLA RECESSED AREA	0	20,870	0	125,220	250,440	0%	125,220	100%
GV REC ROOM WATER HEATER/HEAT PUMP	614	1,624	21,938	9,748	19,505	112%	(12,190)	(125%)
GUTTER REPLACEMENTS	3,453	3,083	21,046	18,498	37,000	57%	(2,548)	(14%)
LANDSCAPE MODIFICATION	970	76,564	5,120	459,817	919,890	1%	454,697	99%
MAILBOXES	0	3,025	18,164	18,208	36,483	50%	44	0%
PAINT PROGRAM - EXTERIOR	147,453	165,355	995,242	1,002,404	2,008,631	50%	7,162	1%
PRIOR TO PAINT	83,331	105,231	559,292	637,125	1,277,033	44%	77,833	12%
PAVING	4,865	70,271	11,923	422,006	844,499	1%	410,083	97%
ROOF REPLACEMENTS	104,460	109,326	660,077	655,956	1,311,937	50%	(4,121)	(1%)
SUPPLEMENTAL APPROPRIATIONS	0	0	169,537	169,537	169,537	100%	0	0%
TREE MAINTENANCE	12,752	17,535	57,770	106,700	213,630	27%	48,930	46%
WALL REPLACEMENTS	0	16,666	0	99,996	200,000	0%	99,996	100%
WASTE LINE REMEDIATION	50	62,500	73,020	375,000	750,000	10%	301,980	81%
WATER LINES - COPPER PIPE REMEDIATION	0	16,666	102,129	99,996	200,000	51%	(2,133)	(2%)
TOTAL REPLACEMENT FUND	\$602,562	\$1,001,587	\$3,689,685	\$6,200,496	\$12,240,708	30%	\$2,510,810	40%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$28,891	\$34,585	\$173,346	\$346,698	10%	\$138,761	80%
TOTAL ELEVATOR REPLACEMENT FUND	\$0	\$28,891	\$34,585	\$173,346	\$346,698	10%	\$138,761	80%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$0	\$817	\$16,419	\$4,913	\$9,844	167%	(\$11,506)	(234%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	24,698	4,536	40,196	27,320	54,697	73%	(12,875)	(47%)
SUPPLEMENTAL APPROPRIATIONS	0	0	304,756	304,756	304,756	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$24,698	\$5,353	\$361,370	\$336,989	\$369,297	98%	(\$24,381)	(7%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$5,854	\$8,094	\$38,790	\$48,724	\$97,580	40%	\$9,933	20%
TOTAL GARDEN VILLA REC ROOMS FUND	\$5,854	\$8,094	\$38,790	\$48,724	\$97,580	40%	\$9,933	20%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JUNE 30, 2019**

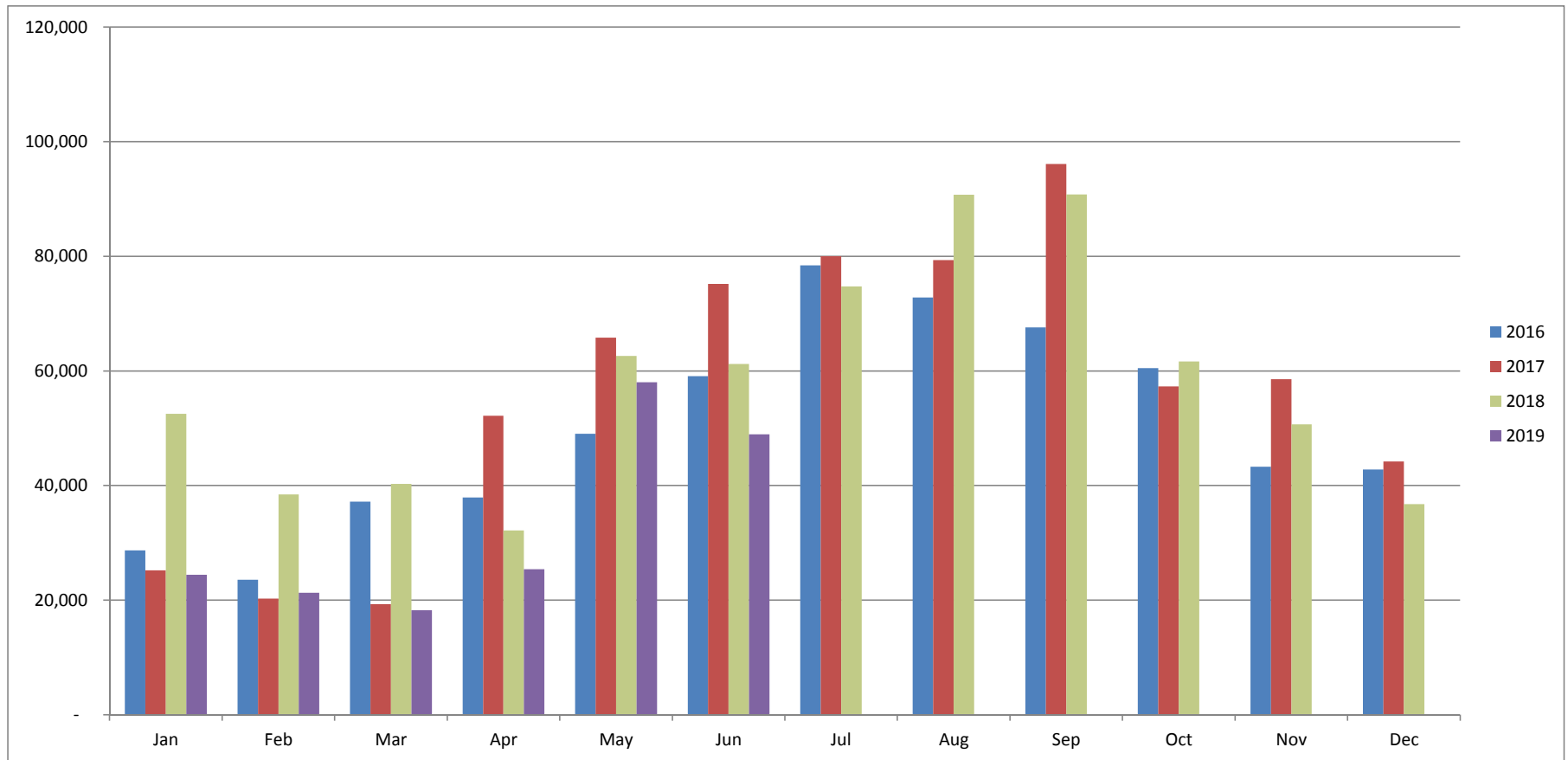
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$7,197	\$7,026	\$70,433	\$42,585	\$85,379	82%	(\$27,849)	(65%)
CARPENTRY SERVICE	38,239	31,774	246,198	192,432	385,731	64%	(53,766)	(28%)
CONCRETE REPAIR/REPLACEMENT	19,205	35,044	197,059	211,329	423,853	46%	14,270	7%
CURB CUT/SIDEWALK RAMPS	0	833	0	5,000	10,000	0%	5,000	100%
ELECTRICAL SERVICE	7,279	10,000	43,243	60,648	121,615	36%	17,405	29%
FIRE PROTECTION	2,066	14,626	32,991	87,756	175,556	19%	54,766	62%
GUTTER CLEANING	67	12,619	28,922	75,751	151,554	19%	46,830	62%
JANITORIAL SERVICE	68,965	77,924	442,761	472,402	947,862	47%	29,641	6%
MISC REPAIRS BY OUTSIDE SERVICE	729	4,838	1,129	29,025	58,050	2%	27,896	96%
PEST CONTROL	7,612	21,699	23,736	130,194	260,405	9%	106,458	82%
PLUMBING SERVICE	79,288	55,587	437,539	336,502	674,483	65%	(101,038)	(30%)
SOLAR MAINTENANCE	0	2,083	6,216	12,498	25,000	25%	6,282	50%
TRAFFIC CONTROL	628	2,513	4,658	15,138	30,359	15%	10,481	69%
WELDING	3,825	7,042	47,150	42,500	85,307	55%	(4,650)	(11%)
TOTAL MAINTENANCE PROGRAMS	\$235,100	\$283,607	\$1,582,035	\$1,713,761	\$3,435,153	46%	\$131,726	8%
DISASTER FUND								
RISK FIRE MANAGEMENT	\$5,986	\$15,000	\$5,986	\$90,000	\$180,000	3%	\$84,014	93%
MOISTURE INTRUSION - RAIN LEAKS	\$190,806	\$39,585	\$354,854	\$237,510	\$475,025	75%	(\$117,344)	(49%)
MOISTURE INTRUSION - PLUMBING LEAKS	55,522	54,143	259,729	324,858	649,726	40%	65,129	20%
MOISTURE INTRUSION - PLUMBING STOPPAGES	8,758	10,512	72,841	63,072	126,155	58%	(9,769)	(15%)
MOISTURE INTRUSION - MISCELLANEOUS	4,753	7,757	17,070	46,542	93,095	18%	29,472	63%
DAMAGE RESTORATION SERVICES	44,440	30,805	57,604	185,142	370,445	16%	127,538	69%
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
TOTAL DISASTER FUND	\$310,266	\$157,802	\$768,085	\$947,124	\$1,894,446	41%	\$179,040	19%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPLEMENTAL APPROPRIATIONS	\$32,546	\$32,546	\$128,943	\$128,943	\$128,943	100%	\$0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$32,546	\$32,546	\$128,943	\$128,943	\$128,943	100%	\$0	0%

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF JUNE 30, 2019**

YTD ACTUAL				
DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
R ALARM SYSTEM	\$0	\$0	\$0	\$0
R BUILDING NUMBERS	9,900	0	0	9,900
R BUILDING STRUCTURES	780,243	105,464	12,129	662,649
R ELECTRICAL SYSTEMS	21,000	0	0	21,000
R ENERGY PROJECTS	5,630	0	0	5,630
R EXTERIOR LIGHTING	12,530	0	0	12,530
R FENCING	58,830	50,787	8,043	0
R GARDEN VILLA LOBBY	79,294	0	0	79,294
R GARDEN VILLA MAILROOM	26,999	19,958	7,040	0
R GARDEN VILLA RECESSED AREA	0	0	0	0
R GV REC ROOM WATER HEATER/HEAT PUMP	21,938	3,261	2,910	15,767
R GUTTER REPLACEMENTS	21,046	19,000	2,046	0
R LANDSCAPE MODIFICATION	5,120	(0)	0	5,120
R MAILBOXES	18,164	5,027	13,137	0
R PAINT PROGRAM - EXTERIOR	995,242	890,812	101,610	2,821
R PRIOR TO PAINT	559,292	464,294	57,972	37,026
R PAVING	11,923	11,923	0	0
R ROOF REPLACEMENTS	660,077	0	0	660,077
R TREE MAINTENANCE	57,770	55,292	0	2,478
R WALL REPLACEMENTS	0	0	0	0
R WASTE LINE REMEDIATION	73,020	1,754	71	71,195
R WATER LINES - COPPER PIPE REMEDIATION	102,129	0	0	102,129
R SUPPL. APPROPRIATIONS	169,537	0	0	169,537
TOTAL RESERVE FUND	\$3,689,685	\$1,627,574	\$204,957	\$1,857,154
E ELEVATOR REPLACEMENT	\$34,585	\$0	\$0	\$34,585
TOTAL ELEVATOR FUND	\$34,585	\$0	\$0	\$34,585
L LAUNDRY APPLIANCES	\$16,419	\$2,885	\$13,534	\$0
L LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	40,196	\$18,087	\$6,072	\$16,036
L SUPPL. APPROPRIATIONS	304,756	0	9,736	295,020
TOTAL LAUNDRY FUND	\$361,370	\$20,973	\$29,341	\$311,056
G GARDEN VILLA RECREATION ROOMS	\$38,790	\$23,936	\$6,309	\$8,545
TOTAL GARDEN VILLA REC ROOMS FUND	\$38,790	\$23,936	\$6,309	\$8,545
O APPLIANCE REPAIRS	70,433	61,313	9,120	0
O CARPENTRY SERVICE	246,198	201,179	40,495	4,525
O CONCRETE REPAIR/REPLACEMENT	197,059	176,405	20,655	0
O CURB CUT/SIDEWALK RAMPS	0	0	0	0
O ELECTRICAL SERVICE	43,243	38,303	3,846	1,094
O FIRE PROTECTION	32,991	0	0	32,991
O GUTTER CLEANING	28,922	29,807	0	(885)
O JANITORIAL SERVICE	442,761	431,775	10,986	0
O MISC REPAIRS BY OUTSIDE SERVICE	1,129	0	0	1,129
O PEST CONTROL	23,736	0	0	23,736
O PLUMBING SERVICE	437,539	328,322	14,131	95,086
O SOLAR MAINTENANCE	6,216	0	0	6,216
O TRAFFIC CONTROL	4,658	4,658	0	0
O WELDING	47,150	46,603	547	0
TOTAL OPERATING FUND	\$1,582,035	\$1,318,365	\$99,779	\$163,891
D RISK FIRE MANAGEMENT	\$5,986	\$0	\$0	\$5,986
D MOISTURE INTRUSION - RAIN LEAKS	\$354,854	\$0	\$0	\$354,854
D MOISTURE INTRUSION - PLUMBING LEAKS	259,729	0	0	\$259,729
D MOISTURE INTRUSION - PLUMBING STOPPAGES	72,841	0	0	\$72,841
D MOISTURE INTRUSION - MISCELLANEOUS	17,070	0	0	\$17,070
D DAMAGE RESTORATION SERVICES	57,604	3,321	81	54,202
D SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL DISASTER FUND	\$768,085	\$3,321	\$81	\$764,683
U SUPPL. APPROPRIATIONS	128,943	0	0	128,943
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$128,943	\$0	\$0	\$128,943

Third Mutual Water Usage in 100 cubic feet units

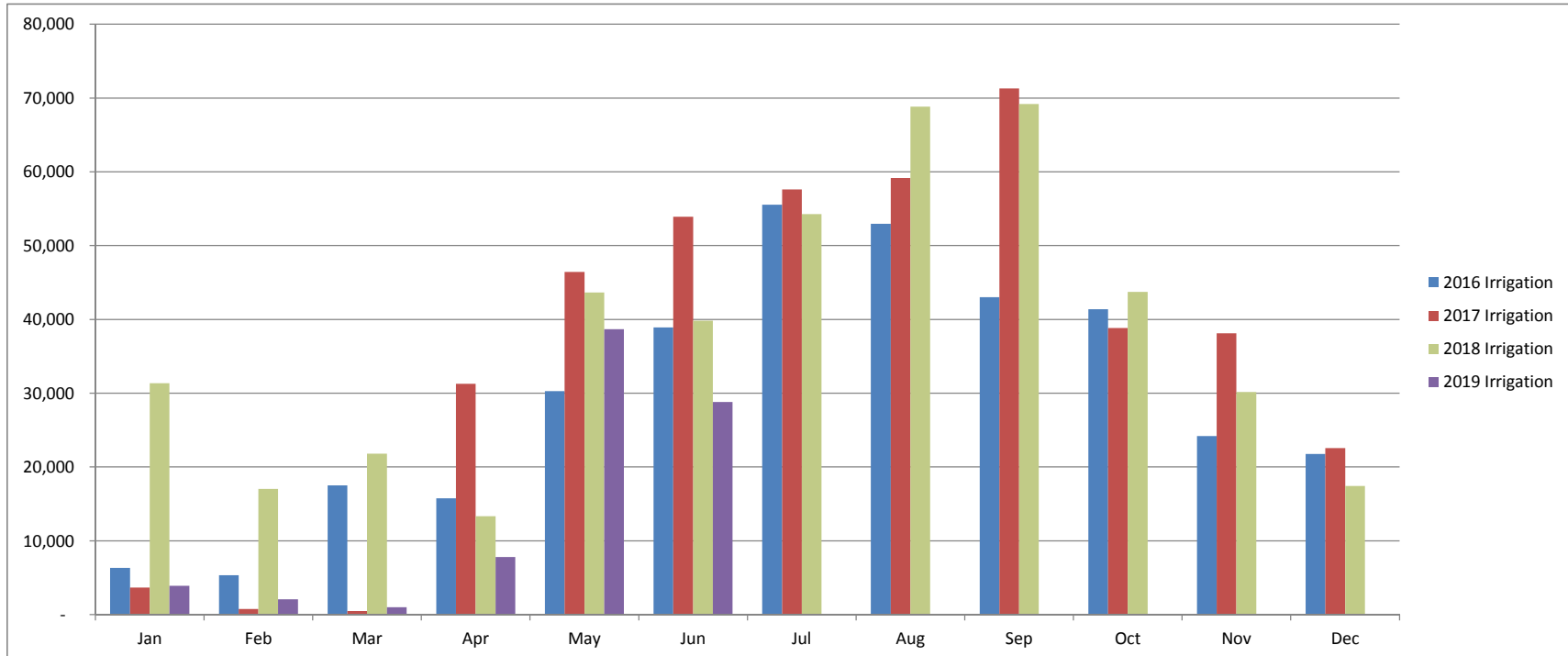
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	235,498	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	257,962	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	36,777	287,232	692,662
2019	24,432	21,298	18,269	25,378	58,015	48,914	-	-	-	-	-	-	196,306	196,306



Third Mutual

Irrigation Water Usage in 100 cubic feet units

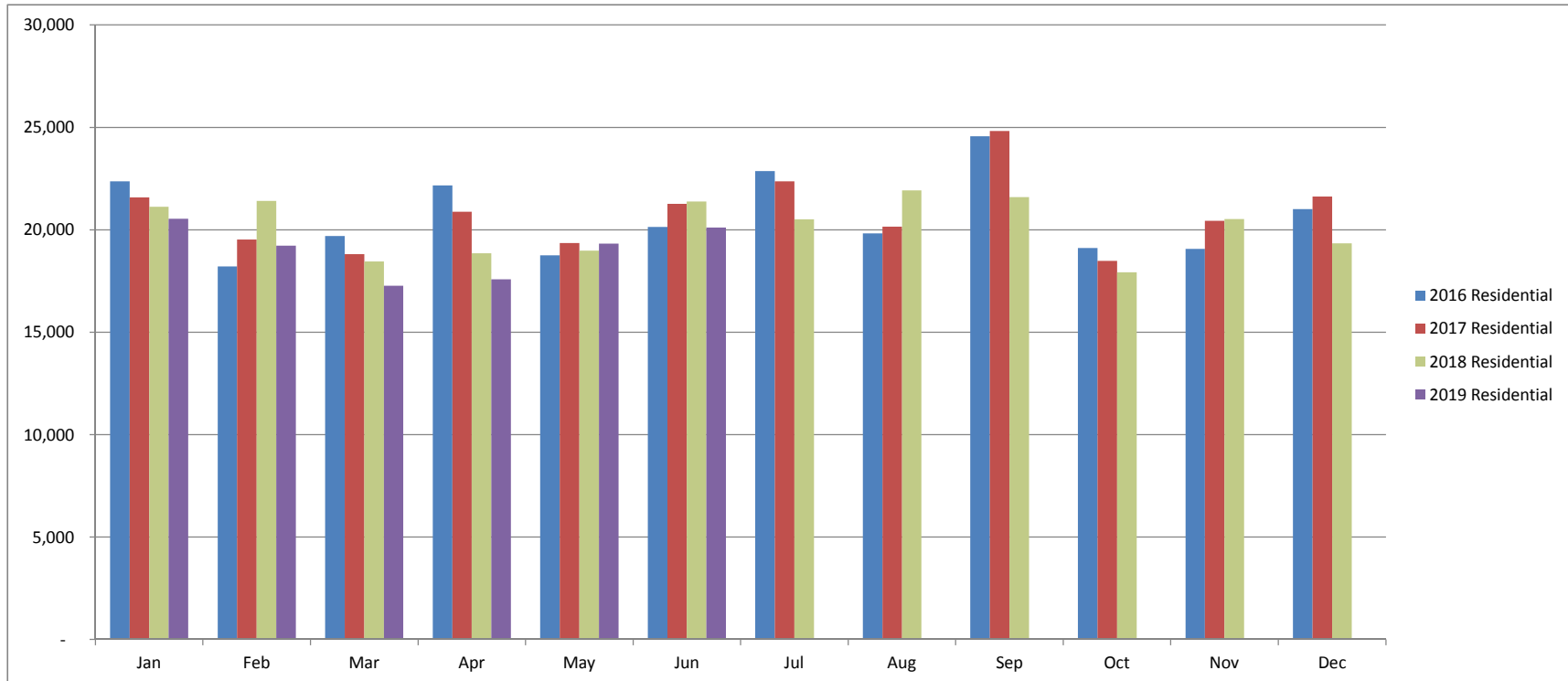
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	114,166	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	136,545	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	17,434	167,039	450,658
2019 Irrigation	3,892	2,081	1,000	7,803	38,696	28,811	-	-	-	-	-	-	82,283	82,283



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	121,332	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	121,417	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	120,193	242,004
2019 Residential	20,540	19,217	17,269	17,575	19,319	20,103	-	-	-	-	-	-	114,023	114,023





**YEAR ~~2019~~2020 COLLECTION AND LIEN ENFORCEMENT POLICY AND
PROCEDURES FOR ASSESSMENT DELINQUENCIES**

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7).

The collection of delinquent assessments is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES, POSSIBLE RESULTANT LEGAL ACTION, AND THE LEGAL OBLIGATION TO REIMBURSE THE MUTUAL FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN THE BEST INTEREST OF YOU AND EVERY OTHER MEMBER OF THE MUTUAL FOR EACH OF YOU TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER THE MUTUAL RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL MEMBERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made monthly by the Mutual’s managing agent to the Board of the Mutual, identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Mutual’s Board of Directors, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions.

In accordance with the Mutual's governing documents (including, without limitation, the Articles of Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations and the California Civil Code), to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement procedures. Also following, pursuant to Paragraphs 4, 6, and 7 are Third collection policies and procedures for the collection of fines, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments ("Carrying Charges" as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first day of each month. It is each Member's responsibility to pay assessments in full each month regardless of whether a billing statement is received. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Member.

PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT.

3. Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs of Collection" as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the "Administrative Collection Fee"), which is charged by the Mutual's managing agent to cover staff's costs to prepare the files for delivery to the Mutual's legal counsel in order to carry out legal actions authorized hereunder, as well as direct costs incurred in recording and/or mailing documents attendant to this legal process.

This Administrative Collection Fee may be increased by majority vote of the Mutual's Board, and may be collected by the Mutual's legal counsel on its behalf, and remitted to the Mutual's managing agent, or may be directly collected by the Mutual's managing agent.

4. Late Charge

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Members by first-class mail addressed to the Member at his or her address as shown on the books and records of the Mutual. However, it is the

Member's responsibility to be aware of the assessment payment due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of Sixty Dollars (\$60.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both state law and the Mutual's governing documents provide for interest on the delinquent assessment and the late charge, and accordingly interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of ~~ten~~ twelve percent (~~10%~~ 12%) as allowed by Civil Code section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel for further handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Letter)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of the Reminder Notice, a Demand Letter (also known as a Pre-Lien Letter under California Civil Code sections 5650-5660) will be sent to the Member by Certified Mail. The Mutual, through its managing agent, will also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a telephone reminder is actually received by the Member.

6. Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late fees and interest) is not received by the close of business on the thirtieth (30th) day after the date of the Demand Letter, the Mutual may, at its option, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Condominium Unit) to use Mutual or GRF facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's governing documents, suspend a delinquent Member's right to vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, a late charge, and/or the Administrative Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments or failure to pay interest, a late fee, and/or the Administrative Collection Fee may also result in suspension of Membership in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7. Small Claims Court

A civil action in small claims court may be filed, with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT, AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court proceeding; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (which costs shall, as stated above, include, without limitation, the Administrative Collection Fee), attorney's fees and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

8. Lien

The Mutual may secure the delinquency by recording a lien on the owner's separate interest with the county recorder of the county in which the separate interest is located. The debt shall be a lien on the owner's separate interest in the development from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with subdivision (b) of Section 5650; a legal description of the owner's separate interest in the common interest development against which the assessment and other sums are levied; and the name of the record owner of the separate interest in the common interest development against which the lien is imposed.

The itemized statement of the charges owed by the owner described in subdivision (b) of Section 5660 shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the separate interest in the association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation.

9. Foreclosure/ADR

After the expiration of thirty (30) days following the recording of a lien created pursuant to Section 5675, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, attorney's fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), or any unpaid assessments are more than

twelve (12) months delinquent, then, subject to specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

10. Board Decision to Initiate Foreclosure

Another condition is that the decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member or Members. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

The Board must provide notice by personal service to an owner of a separate interest or their legal representative, if the Board votes to foreclose. For a non-occupying owner, the Board must provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner's separate interest may be treated as the owner's mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per California Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late payment penalties for the delinquent assessments and/or interest charges and/or charges for Costs of Collection that are incurred by the Mutual or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to the Davis-Stirling Common Interest Development Act, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a

Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

12. Prerequisites to Recording a Lien: Offer of ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Member

Before a Notice of Delinquent Assessment can be recorded in the chain of title to the manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the California Civil Code.

Any choice by a Member to pursue any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue ADR, whether it is before a Notice of Delinquent Assessment can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's governing documents authorize or allow a Member to choose ADR.

THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

13. Pre-Lien Notice

If the Member elects not to proceed with dispute resolution or any type of ADR, then the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

This certified Pre-Lien Notice from the Mutual must include the following information (per California Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed;

"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"

- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any ;

- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

14. Member's Right to Request a Meeting with the Board, or Dispute Resolution or ADR.

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;
- (c) The Member has a right to submit a written request to meet with the Board of Directors to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member if there is no regularly scheduled Board meeting that will occur within forty-five (45) days of the Member's request.

15. Payment Plan Requests

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the Demand Letter (i.e., the Pre-Lien Letter). The Mutual's Board will consider payment plan requests on a case-by-case basis, and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan

period. Payment plans may not impede the Mutual's ability to record a lien on the Member's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

Also, Civil Code section 5965 requires the Mutual to include the following statement in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the new statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the Member's Manor and sell the Member's Manor at a private sale or by a judicial sale. If this occurs, the Member may lose his or her Manor.

16. Application of Payments

Additionally, in accordance with state law, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney's fees; then to title company and foreclosure service company charges and other Costs of Collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member. If it is determined that an association has recorded a lien for a delinquent assessment in error, the association shall promptly reverse all late charges, fees, interest, attorney's fees, costs of collection, costs imposed for the notice prescribed in Section 5660, and costs of recordation and release of the lien authorized under subdivision (b) of Section 5720, and pay all costs related to any related dispute resolution or alternative dispute resolution.

17. Secondary Address

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Annual Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this

secondary address. Pursuant to section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the onsite manor shall be deemed to be the address to which notices are to be delivered.

18. No Right of Offset

There is no right of offset. This means that a Member may not withhold assessments owed to the Mutual on the alleged grounds that the Member would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

19. Returned Checks

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with California Civil Code section 1719.

20. Charges and Fees Subject to Change

All charges and fees set forth in this Policy Statement are subject to change upon thirty (30) days prior written notice.

21. Overnight Payments

The mailing address for overnight payment of assessments is: Third Laguna Hills Mutual, Attn: Assessment Payments, 24351 El Toro Road, Laguna Woods, CA 92637.

22. Rights Reserved by Mutual

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent monthly assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

23. Attachments

The Notice of Assessments and Foreclosure required by Civil Code Section 5730 is contained in Attachment "A" to this Policy.

The disclosures required by the State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act are contained in Attachment "B" to this Policy.

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT "A"
NOTICE OF
ASSESSMENTS AND FORECLOSURE

The following notice is provided pursuant to Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it

has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

ATTACHMENT "B"

The following Disclosure is made pursuant to Civil Code Section 1812.700-1812.703

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”

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

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	ANNUAL	Y/E	EXPLANATION	
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	PROJECTION		
Revenues:												
Assessments:												
1	Operating	\$1,564	\$1,564		\$7,820	\$7,819		\$7,866	\$18,767	\$18,767	Assumes budget	
2	Additions to restricted funds	1,122	1,122		5,608	5,608		5,481	13,460	13,460	Assumes budget	
3	Total assessments	2,686	2,686	0	13,428	13,427	0	13,347	32,227	32,227		
Non-assessment revenues:												
4	Fees and charges for services to residents	69	40	29	332	199	132	247	478	797	Expanded Chargeable Services	
5	Laundry	22	18	4	77	92	(14)	57	220	220	Assumes budget	
6	Interest income	58	31	27	259	154	105	184	369	622	Higher balances	
7	Miscellaneous	69	50	19	367	250	116	273	601	717	Resident Violation	
8	Total non-assessment revenue	218	139	78	1,035	695	339	761	1,668	2,355		
9	Total revenue	2,904	2,825	78	14,463	14,122	339	14,108	33,895	34,582		
Expenses:												
10	Employee compensation and related	1,116	1,105	(11)	5,342	5,450	108	5,493	13,088	13,088	Assumes budget	
11	Materials and supplies	122	129	7	585	647	62	548	1,554	1,503	Programs Report	
12	Utilities and telephone	532	455	(76)	1,929	1,982	53	2,222	5,299	5,246	YTD + Remaining Budget	
13	Legal fees	26	18	(7)	133	92	(42)	64	220	319	Based on trend	
14	Professional fees	31	11	(21)	74	100	27	50	185	185	Assumes budget	
15	Equipment rental	1	3	2	13	17	4	5	40	40	Assumes budget	
16	Outside services	1,069	914	(155)	2,639	4,572	1,932	2,080	10,972	10,567	Programs Report	
17	Repairs and maintenance	31	28	(2)	141	140		129	345	345	Assumes budget	
18	Other Operating Expense	11	15	4	61	77	16	63	181	181	Assumes budget	
19	Insurance	111	109	(2)	541	547	6	547	1,313	1,313	Assumes budget	
20	Investment expense	11		(11)	23	12	(11)	21	12	55	Based on trend	
21	Uncollectible Accounts	(11)	12	23	165	58	(108)	49	138	254	Doubtful Resident Violation	
22	(Gain)/loss on sale or trade				7	7			7	7	Assumes budget	
23	Depreciation and amortization	12	12		60	60		61	143	143	Assumes budget	
24	Net allocation to mutuals	116	100	(16)	500	498	(2)	508	1,205	1,205	Assumes budget	
25	Total expenses	3,178	2,911	(266)	12,213	14,259	2,046	11,840	34,702	34,451		
26	Excess of revenues over expenses	(\$274)	(\$86)	(\$188)	\$2,250	(\$137)	\$2,385	\$2,268	(\$807)	\$131		

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	%	VARIANCE		YEAR END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%	
REPLACEMENT FUND									
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%	\$0
BUILDING NUMBERS	0	2,830	9,900	14,150	33,970	29%	4,250	30%	33,970
BUILDING STRUCTURES	145,899	228,089	580,140	1,138,659	2,732,992	21%	558,519	49%	2,839,417
ELECTRICAL SYSTEMS	10,500	4,883	21,000	24,415	58,610	36%	3,415	14%	58,610
ENERGY PROJECTS	2,926	4,166	5,630	20,830	50,000	11%	15,200	73%	20,830
EXTERIOR LIGHTING	8,750	66,666	15,426	333,330	800,000	2%	317,905	95%	800,000
FENCING	1,721	11,505	54,108	56,987	136,817	40%	2,879	5%	136,817
GARDEN VILLA LOBBY	15,961	9,963	51,949	49,815	119,560	43%	(2,134)	(4%)	119,560
GARDEN VILLA MAILROOM	11,660	5,894	11,660	29,229	70,173	17%	17,569	60%	70,173
GARDEN VILLA RECESSED AREA	0	20,870	0	104,350	250,440	0%	104,350	100%	40,440
GV REC ROOM WATER HEATER/HEAT PUMP	5,218	1,625	21,324	8,124	19,505	109%	(13,200)	(162%)	15,767
GUTTER REPLACEMENTS	664	3,083	17,593	15,415	37,000	48%	(2,178)	(14%)	37,000
LANDSCAPE MODERNIZATION	3,249	91,720	10,136	458,253	1,099,890	1%	448,116	98%	848,068
MAILBOXES	1,685	3,052	18,164	15,183	36,483	50%	(2,981)	(20%)	36,484
PAINT PROGRAM - EXTERIOR	163,036	168,864	847,789	837,049	2,008,631	42%	(10,741)	(1%)	2,085,925
PRIOR TO PAINT	124,736	107,349	475,962	531,894	1,277,033	37%	55,933	11%	1,301,570
PAVING	1,694	70,474	7,058	351,735	844,499	1%	344,677	98%	741,200
ROOF REPLACEMENTS	140,678	109,326	555,617	546,630	1,311,937	42%	(8,987)	(2%)	1,363,635
SUPPLEMENTAL APPROPRIATIONS	0	0	169,537	169,537	169,537	100%	0	0%	245,600
TREE MAINTENANCE	8,616	17,953	45,018	89,165	213,630	21%	44,147	50%	213,630
WALL REPLACEMENTS	0	16,666	0	83,330	200,000	0%	83,330	100%	194,000
WASTE LINE REMEDIATION	33,390	62,500	72,970	312,500	750,000	10%	239,530	77%	751,775
WATER LINES - COPPER PIPE REMEDIATION	82,694	16,666	102,129	83,330	200,000	51%	(18,799)	(23%)	198,400
TOTAL REPLACEMENT FUND	\$763,078	\$1,024,145	\$3,093,109	\$5,273,909	\$12,420,708	25%	\$2,180,800	41%	\$11,907,270
ELEVATOR REPLACEMENT FUND									
ELEVATOR REPLACEMENT	\$34,585	\$28,891	\$34,585	\$144,455	\$346,698	10%	\$109,870	76%	\$346,698
TOTAL ELEVATOR REPLACEMENT FUND	\$34,585	\$28,891	\$34,585	\$144,455	\$346,698	10%	\$109,870	76%	\$346,698
LAUNDRY REPLACEMENT FUND									
LAUNDRY APPLIANCES	\$2,016	\$821	\$16,419	\$4,096	\$9,844	167%	(\$12,322)	(301%)	\$17,936
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	5,399	4,573	15,498	22,784	54,697	28%	7,287	32%	54,697
SUPPLEMENTAL APPROPRIATIONS	295,020	295,020	304,756	304,756	304,756	100%	0	0%	304,756
TOTAL LAUNDRY REPLACEMENT FUND	\$302,434	\$300,415	\$336,672	\$331,636	\$369,297	91%	(\$5,036)	(2%)	\$377,389
GARDEN VILLA RECREATION ROOM FUND									
GARDEN VILLA RECREATION ROOMS	\$13,022	\$8,151	\$32,937	\$40,630	\$97,580	34%	\$7,693	19%	\$97,143
TOTAL GARDEN VILLA REC ROOMS FUND	\$13,022	\$8,151	\$32,937	\$40,630	\$97,580	34%	\$7,693	19%	\$97,143

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE		YEAR END PROJECTIONS
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%	
OPERATING FUND									
APPLIANCE REPAIRS	\$10,694	\$7,185	\$63,236	\$35,558	\$85,379	74%	(\$27,678)	(78%)	\$163,466
CARPENTRY SERVICE	40,674	32,432	207,960	160,659	385,731	54%	(47,301)	(29%)	463,303
CONCRETE REPAIR/REPLACEMENT	72,797	35,588	177,854	176,285	423,853	42%	(1,569)	(1%)	348,000
CURB CUT/SIDEWALK RAMPS	0	833	0	4,167	10,000	0%	4,167	100%	10,000
ELECTRICAL SERVICE	7,110	10,240	35,964	50,648	121,615	30%	14,684	29%	127,709
FIRE PROTECTION	5,663	14,626	30,925	73,130	175,556	18%	42,205	58%	175,556
GUTTER CLEANING	973	12,639	28,854	63,132	151,554	19%	34,278	54%	175,000
JANITORIAL SERVICE	82,546	79,616	373,797	394,478	947,862	39%	20,682	5%	887,500
MISC REPAIRS BY OUTSIDE SERVICE	(15,398)	4,838	400	24,188	58,050	1%	23,788	98%	58,050
PEST CONTROL	9,099	21,699	16,124	108,495	260,405	6%	92,371	85%	198,776
PLUMBING SERVICE	70,134	56,697	358,251	280,914	674,483	53%	(77,337)	(28%)	802,000
SOLAR MAINTENANCE	3,108	2,083	6,216	10,415	25,000	25%	4,199	40%	25,000
TRAFFIC CONTROL	108	2,545	4,030	12,625	30,359	13%	8,596	68%	12,400
WELDING	6,971	7,176	43,326	35,459	85,307	51%	(7,867)	(22%)	96,200
TOTAL MAINTENANCE PROGRAMS	\$294,478	\$288,197	\$1,346,936	\$1,430,154	\$3,435,153	39%	\$83,218	6%	\$3,542,960
DISASTER FUND									
MOISTURE INTRUSION - RAIN LEAKS	\$61,204	\$39,585	\$164,048	\$197,925	\$475,025	35%	\$33,877	17%	\$475,025
MOISTURE INTRUSION - PLUMBING LEAKS	114,486	54,143	204,207	270,715	649,726	31%	66,508	25%	649,726
MOISTURE INTRUSION - PLUMBING STOPPAGES	36,287	10,512	64,083	52,560	126,155	51%	(11,523)	(22%)	126,155
MOISTURE INTRUSION - MISCELLANEOUS	9,225	7,757	12,317	38,785	93,095	13%	26,468	68%	93,095
DAMAGE RESTORATION SERVICES	460	30,920	13,164	154,338	370,445	4%	141,174	91%	370,445
TOTAL DISASTER FUND	\$221,663	\$142,917	\$457,819	\$714,323	\$1,714,446	27%	\$256,504	36%	\$1,714,446
UNAPPROPRIATED EXPENDITURES FUND									
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$96,397	\$96,397	\$96,397	100%	\$0	0%	\$210,652
TOTAL UNAPPROPRIATED EXPENDITURES FL	\$0	\$0	\$96,397	\$96,397	\$96,397	100%	\$0	0%	\$210,652

Agenda Item 11 – Solar System Update – Q2

Will be distributed at the Finance Committee meeting.