



**REGULAR MEETING OF THE FINANCE COMMITTEE**

**Tuesday, February 4, 2020 – 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 January 7, 2020
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

**Reports**

8. Preliminary Financial Statements dated December 31, 2019
9. Chargeable Services Report - Q4
10. Overtime / Temp Help / Turnover – Q4
11. Solar System Update – Q4 (Handout)

**Items for Discussion and Consideration**

12. Other Endorsements from Standing Committees

**Future Agenda Items**

NOL Status

Consolidation of Reserve Funds (April, 2020)

Insurance Program Update (April, 2020)

Solar System Update – Q1 (May, 2020)

Chargeable Services Analysis (semi-annual)

**Concluding Business:**

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, March 3, 2020 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, January 7, 2020 – 1:30 p.m.  
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

**MEMBERS PRESENT:** Jon Pearlstone – Chair, Steve Parsons, Annie McCary, Lynn Jarrett, John Frankel, Cush Bhada, Robert Mutchnick, Ralph Engdahl, Craig Wayne, Advisor: Wei-Ming Tao

**MEMBERS ABSENT:** Reza Karimi, Advisor: John Hess

**STAFF PRESENT:** Betty Parker, Steve Hormuth, Christopher Swanson

### **Call to Order**

Director Jon Pearlstone, Treasurer, 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 December 3, 2019**

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

### **Department Head Update**

Betty Parker, Chief Financial Officer, provided updates on the 2020 Budget, Insurance and Investments. Director Pearlstone requested that the Request for Proposal for a property appraisal include an actuarial analysis of recommended insurance coverage. Advisor Tao requested additional information on the impact of the 8.5% Funding Rehabilitation Plan for Union retirement.

### **Preliminary Financial Statements dated November 30, 2019**

The committee reviewed financials and questions were addressed. The committee requested a more detailed compensation variance report at the next finance committee meeting.

### **Investment Update**

A handout was provided from SageView regarding the targeted allocations of investments between seven different funds. Semi-annual portfolio reviews will be scheduled.

### **Transfer of Funds to Discretionary Investments**

The committee reviewed a staff report regarding the transfer of funds to discretionary investments, representing cash that is not needed for near-term operations.

Director Bhada made a motion and was seconded by Director Mutchnick to transfer \$10,000,000 to the discretionary investment account held by Fidelity Investments. Discussion ensued.

Director Parsons made a motion and was seconded by Director Bhada to amend the original motion from \$10,000,000 to \$8,000,000, consistent with staff's recommendation. Discussion ensued and both the amendment and the motion passed unanimously.

Staff was directed to follow up with mid-year cash projections based to determine if any further funds are available for the discretionary account.

#### **Committee Member Comments**

Director Pearlstone encouraged committee member participation and discussion.

Advisor Tao provided compliments about the continuous improvements in financial reporting.

#### **Future Agenda Items**

Chargeable Services Report – Q4 (February)  
Overtime/Temp Help/ Turnover – Q4 (February)  
Solar System Update – Q4 (February)

#### **Date of Next Meeting**

Tuesday, February 4, 2020 at 1:30 p.m. in the Board Room.

#### **Recess to Closed Session**

The meeting recessed at 2:37 p.m.



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Jon Pearlstone, Chair

## MEMORANDUM

To: Third Finance Committee  
From: Betty Parker, CFO  
Date: February 4, 2020  
Re: Department Head Update

### Financial Highlights

- **SUMMARY:** For the fiscal year ending December 31, 2019, Third Mutual was better than budget by \$404K, primarily due to higher earnings on investments. Also contributing were lower negotiated union medical costs, less participation in non-union retirement plans, and an adjustment of Workers Compensation liability in December, based on actuarial estimates for future claims.

|                     | INCOME STATEMENT<br>(in Thousands) |          |          |
|---------------------|------------------------------------|----------|----------|
|                     | Actual                             | Budget   | Variance |
| Assessment Revenues | \$32,227                           | \$32,227 | \$0      |
| Other Revenues      | \$2,591                            | \$1,668  | \$923    |
| Expenses            | \$35,236                           | \$34,717 | (\$519)  |
| Revenue / (Expense) | (\$418)                            | (\$822)  | \$404    |

#### COMPENSATION:

Actual compensation and related costs came in just under \$12.6 million, with \$9.3 million in operations and \$3.3 million in reserves. Combined, this category is 3.8% favorable to budget.

|           | Budget      |             |              | Variance  |         |
|-----------|-------------|-------------|--------------|-----------|---------|
|           | Comp.       | Related     | Total        | Total \$  | Total % |
| All Units |             |             |              |           |         |
| Operating | \$6,703,509 | \$2,871,177 | \$9,574,686  | \$322,128 | 3.4%    |
| Reserves  | \$2,367,313 | \$1,146,434 | \$3,513,747  | \$175,477 | 5.0%    |
| TOTAL     | \$9,070,822 | \$4,017,611 | \$13,088,433 | \$497,605 | 3.8%    |

- **UTILITIES:** Water consumption ended the year 3% favorable to budget, sewer came in just under the budgeted rate of \$147K per month, and Trash ran very close to the expected \$45K per month. The electricity budget is understated due to anticipated energy savings; however, costs declined from \$577K in 2016 to \$370K in 2019.

## Discussions

**2020 Budget:** Annual Budget Report with individual assessment letter was mailed to each member on November 26, 2019. For those with E-Z Pay, auto debit amounts were updated for January 2020 assessment payments and coupon books were mailed mid-December to members who still pay by check.

**Insurance Update:** Budgetary estimate of \$40K was provided by CBIZ to update the statement of property values. Staff issued an RFP this month and will seek contract award for the valuation services by month-end.

**Investment Update:** All funds were transferred from Merrill Lynch to Fidelity in October 2019. Investment policy changes were adopted and the conversion from individual holdings to a proposed portfolio of index funds was approved by the board in November and transacted in December. In January, the Board approved a \$8,000,000 transfer of funds to increase the discretionary investment portfolio via resolution 03-20-08.

**Audit Update:** KPMG is scheduled to present their audit plan and required communications at an All Boards All Directors meeting on Wednesday, February 19 at 1:00 p.m., prior to the start of GRF Finance. The engagement letter for Year 3 of three-year pricing agreement was signed and auditors anticipate the start of onsite work Thursday, February 20.

**Section 5500 Update:** United has requested a programming change in AX that will segregate A/P and Cash reserve fund transactions and balances from operating funds on the balance sheet. A request for funding is going before the GRF Finance Committee and Board at their upcoming meetings.

### Variance Discussions:

- **Workers Compensation Insurance:** In June, an audit of workers compensation rates resulted in a reclassification of certain positions from a higher field operations rate to a lower administrative rate, narrowing the definition of "in field" workers. New rates will be in effect for 2020.
- **Union Retirement:** The budget assumed a pension payment of \$1.14 per union hour worked, as contracted. However, a side agreement became effective January 1, 2019 requiring an increase of 8.5% according to a Funding Rehabilitation Plan, required by federal law. This variance will continue as an unbudgeted contribution in 2020.
- **Exterior Lighting:** Retrofit of the existing lighting fixtures to more efficient LED technology was planned for 2019. Two pilot programs were conducted and results of the second will not be available until the end of the year. The M&C Committee has requested a carryover of this reserve funding to 2020 for project completion.

## Calendar

February 4, 2020 @ 1:30 p.m. Third Finance Committee Meeting

February 7, 2020 @ 9:30 a.m. Third Board Agenda Prep Meeting

**February 13, 2020 @ 2:30 p.m. ABAD Semi-Annual Investment Portfolio Review w/SageView**

February 18, 2020 @ 9:30 a.m. Third Board Meeting

**February 19, 2020 @ 1:00 p.m. ABAD Pre-Audit Communication by KPMG**

February 19, 2020 @ 1:30 p.m. GRF Finance Meeting

March 3, 2020 @ 1:30 p.m. Third Finance Committee Meeting

| February 2020 |    |    |    |    |    |    | March 2020 |    |    |    |    |    |    | April 2020 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|------------|----|----|----|----|----|----|------------|----|----|----|----|----|----|
| Su            | Mo | Tu | We | Th | Fr | Sa | Su         | Mo | Tu | We | Th | Fr | Sa | Su         | Mo | Tu | We | Th | Fr | Sa |
|               |    |    |    |    |    | 1  | 1          | 2  | 3  | 4  | 5  | 6  | 7  |            |    |    | 1  | 2  | 3  | 4  |
| 2             | 3  | 4  | 5  | 6  | 7  | 8  | 8          | 9  | 10 | 11 | 12 | 13 | 14 | 5          | 6  | 7  | 8  | 9  | 10 | 11 |
| 9             | 10 | 11 | 12 | 13 | 14 | 15 | 15         | 16 | 17 | 18 | 19 | 20 | 21 | 12         | 13 | 14 | 15 | 16 | 17 | 18 |
| 16            | 17 | 18 | 19 | 20 | 21 | 22 | 22         | 23 | 24 | 25 | 26 | 27 | 28 | 19         | 20 | 21 | 22 | 23 | 24 | 25 |
| 23            | 24 | 25 | 26 | 27 | 28 | 29 | 29         | 30 | 31 |    |    |    |    | 26         | 27 | 28 | 29 | 30 |    |    |

**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**12/31/2019**  
(\$ IN THOUSANDS)

|                                 |  | CURRENT MONTH    |               |                  | YEAR TO DATE   |                |              | PRIOR YEAR     | ANNUAL         |
|---------------------------------|--|------------------|---------------|------------------|----------------|----------------|--------------|----------------|----------------|
|                                 |  | ACTUAL           | BUDGET        | VARIANCE         | ACTUAL         | BUDGET         | VARIANCE     | ACTUAL         | BUDGET         |
| <b>Revenues:</b>                |  |                  |               |                  |                |                |              |                |                |
| <b>Assessments:</b>             |  |                  |               |                  |                |                |              |                |                |
| 1                               | Operating                                  | \$1,564          | \$1,564       |                  | \$18,767       | \$18,767       |              | \$18,879       | \$18,767       |
| 2                               | Additions to restricted funds              | 1,122            | 1,122         |                  | 13,460         | 13,460         |              | 13,154         | 13,460         |
| 3                               | <b>Total assessments</b>                   | <u>2,686</u>     | <u>2,686</u>  |                  | <u>32,227</u>  | <u>32,227</u>  |              | <u>32,034</u>  | <u>32,227</u>  |
| <b>Non-assessment revenues:</b> |  |                  |               |                  |                |                |              |                |                |
| 4                               | Fees and charges for services to residents | 238              | 40            | 198              | 1,098          | 478            | 620          | 978            | 478            |
| 5                               | Laundry                                    | 18               | 18            | (1)              | 210            | 220            | (10)         | 133            | 220            |
| 6                               | Investment income                          | 61               | 31            | 30               | 665            | 369            | 296          | 486            | 369            |
| 7                               | Unrealized gain/(loss) on AFS investments  | (320)            |               | (320)            | 14             |                | 14           | (167)          |                |
| 8                               | Miscellaneous                              | 50               | 50            |                  | 604            | 601            | 3            | 1,179          | 601            |
| 9                               | <b>Total non-assessment revenue</b>        | <u>47</u>        | <u>139</u>    | <u>(92)</u>      | <u>2,591</u>   | <u>1,668</u>   | <u>923</u>   | <u>2,608</u>   | <u>1,668</u>   |
| 10                              | <b>Total revenue</b>                       | <u>2,733</u>     | <u>2,825</u>  | <u>(92)</u>      | <u>34,818</u>  | <u>33,895</u>  | <u>923</u>   | <u>34,642</u>  | <u>33,895</u>  |
| <b>Expenses:</b>                |  |                  |               |                  |                |                |              |                |                |
| 11                              | Employee compensation and related          | 896              | 1,103         | 207              | 12,591         | 13,088         | 498          | 13,053         | 13,088         |
| 12                              | Materials and supplies                     | 95               | 130           | 35               | 1,363          | 1,554          | 191          | 1,343          | 1,554          |
| 13                              | Cost of goods sold                         |                  |               |                  | 13             |                | (13)         |                |                |
| 14                              | Utilities and telephone                    | 393              | 412           | 20               | 5,301          | 5,299          | (2)          | 5,530          | 5,299          |
| 15                              | Legal fees                                 | (172)            | 18            | 190              | 339            | 220            | (119)        | 427            | 220            |
| 16                              | Professional fees                          | (7)              | 11            | 17               | 150            | 185            | 35           | 123            | 185            |
| 17                              | Equipment rental                           | 12               | 3             | (9)              | 38             | 40             | 2            | 22             | 40             |
| 18                              | Outside services                           | 3,061            | 915           | (2,146)          | 11,329         | 10,972         | (356)        | 9,753          | 10,972         |
| 19                              | Repairs and maintenance                    | 39               | 28            | (11)             | 363            | 345            | (18)         | 341            | 345            |
| 20                              | Other Operating Expense                    | 12               | 15            | 3                | 157            | 181            | 24           | 148            | 181            |
| 21                              | Insurance                                  | 176              | 109           | (67)             | 1,513          | 1,313          | (200)        | 1,267          | 1,313          |
| 22                              | Investment expense                         |                  | (8)           | (8)              | 34             | 34             |              | 42             | 34             |
| 23                              | Uncollectible Accounts                     | 201              | 12            | (189)            | 361            | 138            | (223)        | 134            | 138            |
| 24                              | (Gain)/loss on sale or trade               | 269              |               | (269)            | 272            |                | (272)        | 13             |                |
| 25                              | Depreciation and amortization              | 5                | 12            | 7                | 136            | 143            | 7            | 143            | 143            |
| 26                              | Net allocation to mutuals                  | 124              | 99            | (24)             | 1,278          | 1,205          | (73)         | 1,218          | 1,205          |
| 27                              | <b>Total expenses</b>                      | <u>5,105</u>     | <u>2,860</u>  | <u>(2,245)</u>   | <u>35,236</u>  | <u>34,717</u>  | <u>(519)</u> | <u>33,558</u>  | <u>34,717</u>  |
| 28                              | <b>Excess of revenues over expenses</b>    | <u>(\$2,372)</u> | <u>(\$35)</u> | <u>(\$2,337)</u> | <u>(\$419)</u> | <u>(\$823)</u> | <u>\$404</u> | <u>\$1,084</u> | <u>(\$823)</u> |

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2019  
THIRD LAGUNA HILLS MUTUAL**

|   | Actual            | YEAR TO DATE<br>Budget | VAR\$ B/(W)    | VAR% B/(W)     | ANNUAL<br>BUDGET  |
|---|-------------------|------------------------|----------------|----------------|-------------------|
| <b>Revenues:</b>  |                   |                        |                |                |                   |
| <b>Assessments:</b>   |                   |                        |                |                |                   |
| <b>Operating</b>  |                   |                        |                |                |                   |
| 41001000 - Monthly Assessments                                      | \$18,766,902      | \$18,766,631           | \$271          | 0.00%          | \$18,766,631      |
| <b>Total Operating</b>  | <b>18,766,902</b> | <b>18,766,631</b>      | <b>271</b>     | <b>0.00%</b>   | <b>18,766,631</b> |
| <b>Additions To Restricted Funds</b>                                |                   |                        |                |                |                   |
| 41002000 - Monthly Assessments - Disaster Fund                      | 2,028,305         | 2,028,305              | 0              | 0.00%          | 2,028,305         |
| 41003000 - Monthly Assessments - Unappropriated Expenditures Fund   | 585,792           | 585,792                | 0              | 0.00%          | 585,792           |
| 41003500 - Monthly Assessments - Replacement Fund                   | 10,251,360        | 10,251,360             | 0              | 0.00%          | 10,251,360        |
| 41004000 - Monthly Assessments - Elevator Replacement Fund          | 439,344           | 439,344                | 0              | 0.00%          | 439,344           |
| 41004500 - Monthly Assessments - Laundry Replacement Fund           | 73,224            | 73,224                 | 0              | 0.00%          | 73,224            |
| 41006000 - Monthly Assessments - Garden Villa Recreation Room Fund  | 81,972            | 81,972                 | 0              | 0.00%          | 81,972            |
| <b>Total Additions To Restricted Funds</b>                          | <b>13,459,997</b> | <b>13,459,997</b>      | <b>0</b>       | <b>0.00%</b>   | <b>13,459,997</b> |
| <b>Total Assessments</b>  | <b>32,226,899</b> | <b>32,226,628</b>      | <b>271</b>     | <b>0.00%</b>   | <b>32,226,628</b> |
| <b>Non-Assessment Revenues:</b>                                     |                   |                        |                |                |                   |
| <b>Fees and Charges for Services to Residents</b>                   |                   |                        |                |                |                   |
| 46501000 - Permit Fee   | 160,232           | 72,592                 | 87,640         | 120.73%        | 72,592            |
| 46501500 - Inspection Fee   | 81,310            | 51,965                 | 29,345         | 56.47%         | 51,965            |
| 46502000 - Resident Maintenance Fee                                 | 856,824           | 353,883                | 502,942        | 142.12%        | 353,883           |
| <b>Total Fees and Charges for Services to Residents</b>             | <b>1,098,366</b>  | <b>478,440</b>         | <b>619,927</b> | <b>129.57%</b> | <b>478,440</b>    |
| <b>Laundry</b>  |                   |                        |                |                |                   |
| 46005000 - Coin Op Laundry Machine                                  | 210,085           | 220,000                | (9,915)        | (4.51%)        | 220,000           |
| <b>Total Laundry</b>  | <b>210,085</b>    | <b>220,000</b>         | <b>(9,915)</b> | <b>(4.51%)</b> | <b>220,000</b>    |
| <b>Investment Income</b>  |                   |                        |                |                |                   |
| 49001000 - Investment Income - Nondiscretionary                     | 287,663           | 153,643                | 134,020        | 87.23%         | 153,643           |
| 49002000 - Investment Income - Discretionary                        | 377,456           | 215,177                | 162,279        | 75.42%         | 215,177           |
| <b>Investment Interest Income</b>                                   | <b>665,119</b>    | <b>368,820</b>         | <b>296,299</b> | <b>80.34%</b>  | <b>368,820</b>    |
| <b>Unrealized Gain/(Loss) On AFS Investments</b>                    |                   |                        |                |                |                   |
| 49008100 - Unrealized Gain/(Loss) On Available For Sale Investments | 13,540            | 0                      | 13,540         | 0.00%          | 0                 |
| <b>Total Unrealized Gain/(Loss) On AFS Investments</b>              | <b>13,540</b>     | <b>0</b>               | <b>13,540</b>  | <b>0.00%</b>   | <b>0</b>          |
| <b>Miscellaneous</b>  |                   |                        |                |                |                   |
| 46002000 - Traffic Violation  | (25)              | 0                      | (25)           | 0.00%          | 0                 |
| 46004500 - Resident Violations                                      | 18,580            | 10,000                 | 8,580          | 85.80%         | 10,000            |
| 44501510 - Lease Processing Fee - Third                             | 259,475           | 225,000                | 34,475         | 15.32%         | 225,000           |
| 44502000 - Variance Processing Fee                                  | (150)             | 0                      | (150)          | 0.00%          | 0                 |
| 44502500 - Non-Sale Transfer Fee - Third                            | 1,500             | 3,000                  | (1,500)        | (50.00%)       | 3,000             |
| 44503520 - Resale Processing Fee - Third                            | 163,072           | 200,000                | (36,928)       | (18.46%)       | 200,000           |
| 44505500 - Hoa Certification Fee                                    | 7,025             | 9,000                  | (1,975)        | (21.94%)       | 9,000             |
| 44507000 - Golf Cart Electric Fee                                   | 70,609            | 68,000                 | 2,609          | 3.84%          | 68,000            |
| 44507200 - Electric Vehicle Plug-In Fee                             | 10,657            | 6,000                  | 4,657          | 77.61%         | 6,000             |
| 44507500 - Cartport/Carport Space Rental Fee                        | 4,006             | 3,000                  | 1,006          | 33.52%         | 3,000             |
| 47001000 - Cash Discounts - Accounts Payable                        | 701               | 0                      | 701            | 0.00%          | 0                 |
| 47001500 - Late Fee Revenue   | 49,541            | 60,000                 | (10,459)       | (17.43%)       | 60,000            |
| 47002020 - Collection Administrative Fee - Third                    | 1,800             | 0                      | 1,800          | 0.00%          | 0                 |
| 47002500 - Collection Interest Revenue                              | 13,658            | 12,000                 | 1,658          | 13.82%         | 12,000            |
| 47501000 - Recycling  | 4,360             | 5,000                  | (640)          | (12.81%)       | 5,000             |
| 49009000 - Miscellaneous Revenue                                    | (1,143)           | 0                      | (1,143)        | 0.00%          | 0                 |
| <b>Total Miscellaneous</b>  | <b>603,666</b>    | <b>601,000</b>         | <b>2,666</b>   | <b>0.44%</b>   | <b>601,000</b>    |
| <b>Total Non-Assessment Revenue</b>                                 | <b>2,590,776</b>  | <b>1,668,260</b>       | <b>922,516</b> | <b>55.30%</b>  | <b>1,668,260</b>  |
| <b>Total Revenue</b>  | <b>34,817,675</b> | <b>33,894,888</b>      | <b>922,787</b> | <b>2.72%</b>   | <b>33,894,888</b> |
| <b>Expenses:</b>  |                   |                        |                |                |                   |
| <b>Employee Compensation</b>  |                   |                        |                |                |                   |
| 51011000 - Salaries & Wages - Regular                               | 2,291,242         | 2,484,383              | 193,141        | 7.77%          | 2,484,383         |
| 51021000 - Union Wages - Regular                                    | 5,184,318         | 5,528,264              | 343,947        | 6.22%          | 5,528,264         |
| 51041000 - Wages - Overtime   | 38,477            | 25,095                 | (13,382)       | (53.33%)       | 25,095            |

**Third Laguna Hills Mutual  
Operating Statement  
12/31/2019**  
THIRD LAGUNA HILLS MUTUAL

|   | YEAR TO DATE      |                   |                  |                 | ANNUAL            |
|---|-------------------|-------------------|------------------|-----------------|-------------------|
|   | Actual            | Budget            | VAR\$ B/(W)      | VAR% B/(W)      | BUDGET            |
| 51051000 - Union Wages - Overtime               | 84,309            | 37,244            | (47,065)         | (126.37%)       | 37,244            |
| 51061000 - Holiday & Vacation                   | 846,976           | 676,533           | (170,443)        | (25.19%)        | 676,533           |
| 51071000 - Sick                                 | 284,345           | 275,954           | (8,391)          | (3.04%)         | 275,954           |
| 51091000 - Missed Meal Penalty                  | 2,883             | 858               | (2,025)          | (235.98%)       | 858               |
| 51101000 - Temporary Help                       | 78,125            | 36,664            | (41,461)         | (113.08%)       | 36,664            |
| 51981000 - Compensation Accrual                 | 51,315            | 5,826             | (45,489)         | (780.80%)       | 5,826             |
| <b>Total Employee Compensation</b>              | <b>8,861,990</b>  | <b>9,070,822</b>  | <b>208,832</b>   | <b>2.30%</b>    | <b>9,070,822</b>  |
| <b>Compensation Related</b>                     |                   |                   |                  |                 |                   |
| 52411000 - F.I.C.A.                             | 658,282           | 677,880           | 19,598           | 2.89%           | 677,880           |
| 52421000 - F.U.I.                               | 7,764             | 13,091            | 5,327            | 40.69%          | 13,091            |
| 52431000 - S.U.I.                               | 59,548            | 56,129            | (3,420)          | (6.09%)         | 56,129            |
| 52441000 - Union Medical                        | 1,799,566         | 1,913,209         | 113,644          | 5.94%           | 1,913,209         |
| 52451000 - Workers' Compensation Insurance      | 522,021           | 668,020           | 146,000          | 21.86%          | 668,020           |
| 52461000 - Non Union Medical & Life Insurance   | 299,952           | 267,211           | (32,740)         | (12.25%)        | 267,211           |
| 52471000 - Union Retirement Plan                | 364,577           | 312,663           | (51,914)         | (16.60%)        | 312,663           |
| 52481000 - Non-Union Retirement Plan            | 52,322            | 108,438           | 56,116           | 51.75%          | 108,438           |
| 52981000 - Compensation Related Accrual         | (35,193)          | 970               | 36,163           | 3727.38%        | 970               |
| <b>Total Compensation Related</b>               | <b>3,728,838</b>  | <b>4,017,611</b>  | <b>288,773</b>   | <b>7.19%</b>    | <b>4,017,611</b>  |
| <b>Materials and Supplies</b>                   |                   |                   |                  |                 |                   |
| 53001000 - Materials & Supplies                 | 445,734           | 466,289           | 20,555           | 4.41%           | 466,289           |
| 53003000 - Materials Direct                     | 916,023           | 1,088,103         | 172,080          | 15.81%          | 1,088,103         |
| 53004000 - Freight                              | 1,386             | 0                 | (1,386)          | 0.00%           | 0                 |
| <b>Total Materials and Supplies</b>             | <b>1,363,143</b>  | <b>1,554,392</b>  | <b>191,249</b>   | <b>12.30%</b>   | <b>1,554,392</b>  |
| <b>Cost of Goods Sold</b>                       |                   |                   |                  |                 |                   |
| 53101000 - Cost Of Sales - Warehouse            | 12,569            | 0                 | (12,569)         | 0.00%           | 0                 |
| <b>Total Cost of Goods Sold</b>                 | <b>12,569</b>     | <b>0</b>          | <b>(12,569)</b>  | <b>0.00%</b>    | <b>0</b>          |
| <b>Utilities and Telephone</b>                  |                   |                   |                  |                 |                   |
| 53301000 - Electricity                          | 370,031           | 325,000           | (45,031)         | (13.86%)        | 325,000           |
| 53301500 - Sewer                                | 1,709,604         | 1,716,600         | 6,996            | 0.41%           | 1,716,600         |
| 53302000 - Water                                | 2,678,091         | 2,710,627         | 32,536           | 1.20%           | 2,710,627         |
| 53302500 - Trash                                | 543,235           | 546,690           | 3,455            | 0.63%           | 546,690           |
| <b>Total Utilities and Telephone</b>            | <b>5,300,961</b>  | <b>5,298,917</b>  | <b>(2,044)</b>   | <b>(0.04%)</b>  | <b>5,298,917</b>  |
| <b>Legal Fees</b>                               |                   |                   |                  |                 |                   |
| 53401500 - Legal Fees                           | 338,552           | 220,000           | (118,552)        | (53.89%)        | 220,000           |
| <b>Total Legal Fees</b>                         | <b>338,552</b>    | <b>220,000</b>    | <b>(118,552)</b> | <b>(53.89%)</b> | <b>220,000</b>    |
| <b>Professional Fees</b>                        |                   |                   |                  |                 |                   |
| 53402020 - Audit & Tax Preparation Fees - Third | 43,377            | 57,600            | 14,223           | 24.69%          | 57,600            |
| 53403500 - Consulting Fees                      | 2,756             | 6,053             | 3,297            | 54.47%          | 6,053             |
| 53403520 - Consulting Fees - Third              | 103,772           | 120,936           | 17,164           | 14.19%          | 120,936           |
| <b>Total Professional Fees</b>                  | <b>149,906</b>    | <b>184,589</b>    | <b>34,684</b>    | <b>18.79%</b>   | <b>184,589</b>    |
| <b>Equipment Rental</b>                         |                   |                   |                  |                 |                   |
| 53501500 - Equipment Rental/Lease Fees          | 37,814            | 40,090            | 2,275            | 5.68%           | 40,090            |
| <b>Total Equipment Rental</b>                   | <b>37,814</b>     | <b>40,090</b>     | <b>2,275</b>     | <b>5.68%</b>    | <b>40,090</b>     |
| <b>Outside Services</b>                         |                   |                   |                  |                 |                   |
| 53601000 - Bank Fees                            | 6,604             | 3,929             | (2,675)          | (68.09%)        | 3,929             |
| 53601500 - Credit Card Transaction Fees         | 2,343             | 0                 | (2,343)          | 0.00%           | 0                 |
| 53604500 - Marketing Expense                    | 5,960             | 0                 | (5,960)          | 0.00%           | 0                 |
| 54603500 - Outside Services Cost Collection     | 11,210,624        | 10,846,711        | (363,913)        | (3.36%)         | 10,846,711        |
| 53704000 - Outside Services                     | 102,980           | 121,480           | 18,499           | 15.23%          | 121,480           |
| <b>Total Outside Services</b>                   | <b>11,328,512</b> | <b>10,972,120</b> | <b>(356,392)</b> | <b>(3.25%)</b>  | <b>10,972,120</b> |
| <b>Repairs and Maintenance</b>                  |                   |                   |                  |                 |                   |
| 53701000 - Equipment Repair & Maint             | 9,722             | 16,240            | 6,518            | 40.14%          | 16,240            |
| 53703000 - Elevator /Lift Maintenance           | 353,266           | 328,520           | (24,746)         | (7.53%)         | 328,520           |
| <b>Total Repairs and Maintenance</b>            | <b>362,988</b>    | <b>344,760</b>    | <b>(18,228)</b>  | <b>(5.29%)</b>  | <b>344,760</b>    |
| <b>Other Operating Expense</b>                  |                   |                   |                  |                 |                   |
| 53801000 - Mileage & Meal Allowance             | 8,250             | 15,252            | 7,002            | 45.91%          | 15,252            |
| 53801500 - Travel & Lodging                     | 1,005             | 968               | (37)             | (3.87%)         | 968               |
| 53802000 - Uniforms                             | 76,960            | 82,843            | 5,884            | 7.10%           | 82,843            |



**Third Laguna Hills Mutual  
Operating Statement  
12/31/2019  
THIRD LAGUNA HILLS MUTUAL**

|  | Actual             | YEAR TO DATE<br>Budget | VAR\$ B/(W)      | VAR% B/(W)       | ANNUAL<br>BUDGET   |
|--|--------------------|------------------------|------------------|------------------|--------------------|
| 53802500 - Dues & Memberships              | 1,553              | 1,992                  | 439              | 22.05%           | 1,992              |
| 53803000 - Subscriptions & Books           | 1,641              | 2,004                  | 364              | 18.16%           | 2,004              |
| 53803500 - Training & Education            | 6,532              | 14,902                 | 8,370            | 56.16%           | 14,902             |
| 53901500 - Volunteer Support               | 0                  | 1,175                  | 1,175            | 100.00%          | 1,175              |
| 53903000 - Safety                          | 0                  | 186                    | 186              | 100.00%          | 186                |
| 54001000 - Board Relations                 | 6,931              | 3,666                  | (3,264)          | (89.04%)         | 3,666              |
| 54001020 - Board Relations - Third         | 8,556              | 10,000                 | 1,444            | 14.44%           | 10,000             |
| 54001500 - Public Relations                | (1)                | 0                      | 1                | 0.00%            | 0                  |
| 54002000 - Postage                         | 43,798             | 47,672                 | 3,874            | 8.13%            | 47,672             |
| 54002500 - Filing Fees / Permits           | 1,866              | 761                    | (1,105)          | (145.18%)        | 761                |
| <b>Total Other Operating Expense</b>       | <b>157,091</b>     | <b>181,422</b>         | <b>24,331</b>    | <b>13.41%</b>    | <b>181,422</b>     |
| <b>Income Taxes</b>                        |                    |                        |                  |                  |                    |
| 54301000 - State & Federal Income Taxes    | 10                 | 0                      | (10)             | 0.00%            | 0                  |
| <b>Total Income Taxes</b>                  | <b>10</b>          | <b>0</b>               | <b>(10)</b>      | <b>0.00%</b>     | <b>0</b>           |
| <b>Insurance</b>                           |                    |                        |                  |                  |                    |
| 54401000 - Hazard & Liability Insurance    | 444,073            | 405,194                | (38,879)         | (9.60%)          | 405,194            |
| 54401500 - D&O Liability                   | 46,634             | 47,818                 | 1,184            | 2.48%            | 47,818             |
| 54402000 - Property Insurance              | 1,016,612          | 852,719                | (163,893)        | (19.22%)         | 852,719            |
| 54403000 - General Liability Insurance     | 5,217              | 7,072                  | 1,855            | 26.23%           | 7,072              |
| <b>Total Insurance</b>                     | <b>1,512,536</b>   | <b>1,312,803</b>       | <b>(199,733)</b> | <b>(15.21%)</b>  | <b>1,312,803</b>   |
| <b>Investment Expense</b>                  |                    |                        |                  |                  |                    |
| 54201000 - Investment Expense              | 33,890             | 33,890                 | 0                | 0.00%            | 33,890             |
| <b>Total Investment Expense</b>            | <b>33,890</b>      | <b>33,890</b>          | <b>0</b>         | <b>0.00%</b>     | <b>33,890</b>      |
| <b>Uncollectible Accounts</b>              |                    |                        |                  |                  |                    |
| 54602000 - Bad Debt Expense                | 361,190            | 138,200                | (222,990)        | (161.35%)        | 138,200            |
| <b>Total Uncollectible Accounts</b>        | <b>361,190</b>     | <b>138,200</b>         | <b>(222,990)</b> | <b>(161.35%)</b> | <b>138,200</b>     |
| <b>(Gain)/Loss on Sale or Trade</b>        |                    |                        |                  |                  |                    |
| 54101500 - (Gain)/Loss On Investments      | 271,923            | 0                      | (271,923)        | 0.00%            | 0                  |
| <b>Total (Gain)/Loss on Sale or Trade</b>  | <b>271,923</b>     | <b>0</b>               | <b>(271,923)</b> | <b>0.00%</b>     | <b>0</b>           |
| <b>Depreciation and Amortization</b>       |                    |                        |                  |                  |                    |
| 55001000 - Depreciation And Amortization   | 136,229            | 143,052                | 6,823            | 4.77%            | 143,052            |
| <b>Total Depreciation and Amortization</b> | <b>136,229</b>     | <b>143,052</b>         | <b>6,823</b>     | <b>4.77%</b>     | <b>143,052</b>     |
| <b>Net Allocation to Mutuals</b>           |                    |                        |                  |                  |                    |
| 54602500 - Allocated Expenses              | 1,278,246          | 1,204,782              | (73,464)         | (6.10%)          | 1,204,782          |
| <b>Total Net Allocation to Mutuals</b>     | <b>1,278,246</b>   | <b>1,204,782</b>       | <b>(73,464)</b>  | <b>(6.10%)</b>   | <b>1,204,782</b>   |
| <b>Total Expenses</b>                      | <b>35,236,388</b>  | <b>34,717,450</b>      | <b>(518,938)</b> | <b>(1.49%)</b>   | <b>34,717,450</b>  |
| <b>Excess of Revenues Over Expenses</b>    | <b>(\$418,713)</b> | <b>(\$822,562)</b>     | <b>\$403,849</b> | <b>49.10%</b>    | <b>(\$822,562)</b> |

**Third Laguna Hills Mutual  
Balance Sheet - Preliminary  
12/31/2019**

|           |  | <u>Current<br/>Month End</u> | <u>Prior Year<br/>December 31</u> |
|-----------|--|------------------------------|-----------------------------------|
|           | <b>Assets</b>                                    |                              |                                   |
| 1         | Cash and cash equivalents                        | \$692,297                    | \$3,321,543                       |
| 2         | Non-discretionary investments                    | 13,852,772                   | 11,831,351                        |
| 3         | Discretionary investments                        | 16,697,880                   | 16,831,676                        |
| 4         | Receivable/(Payable) from mutuals                | 743,861                      | 1,605,868                         |
| 5         | Accounts receivable and interest receivable      | 762,243                      | (386,734)                         |
| 6         | Prepaid expenses and deposits                    | 807,109                      | 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 | 5,324,513                    | 5,460,742                         |
| 10        | Non-controlling interest in GRF                  | 36,986,050                   | 36,986,050                        |
| <b>11</b> | <b>Total Assets</b>                              | <u><b>\$75,866,726</b></u>   | <u><b>\$75,845,613</b></u>        |
|           | <b>Liabilities and Fund Balances</b>             |                              |                                   |
|           | Liabilities:                                     |                              |                                   |
| 12        | Accounts payable and accrued expenses            | \$2,369,567                  | \$2,621,461                       |
| 13        | Accrued compensation and related costs           | 629,534                      | 646,315                           |
| 14        | Deferred income                                  | 972,153                      | 817,376                           |
| 15        | Total liabilities                                | <u>\$3,971,253</u>           | <u>\$4,085,153</u>                |
|           | Fund balances:                                   |                              |                                   |
| 16        | Fund balance prior years                         | 72,314,186                   | 70,676,034                        |
| 17        | Change in fund balance - current year            | (418,713)                    | 1,084,426                         |
| 18        | Total fund balances                              | <u>71,895,473</u>            | <u>71,760,460</u>                 |
| <b>19</b> | <b>Total Liabilities and Fund Balances</b>       | <u><b>\$75,866,726</b></u>   | <u><b>\$75,845,613</b></u>        |

**Third Laguna Hills Mutual  
Fund Balance Sheet - Preliminary  
12/31/2019**

|   | <b>Operating<br/>Fund</b>  | <b>Unappropriated<br/>Expenditures<br/>Fund</b> | <b>Disaster<br/>Fund</b>  | <b>Replacement<br/>Fund</b> | <b>Elevator<br/>Replacement<br/>Fund</b> | <b>Laundry<br/>Replacement<br/>Fund</b> | <b>Garden Villa<br/>Rec Room<br/>Fund</b> | <b>Total</b>               |
|---|----------------------------|---|---------------------------|-----------------------------|--|---|---|----------------------------|
| <b>Assets</b>                                       |                            |   |                           |                             |  |   |   |                            |
| 1 Cash and cash equivalents                         | \$692,297                  |   |                           |                             |  |   |   | \$692,297                  |
| 2 Non-discretionary investments                     | 13,852,772                 |   |                           |                             |  |   |   | 13,852,772                 |
| 3 Discretionary investments                         | 16,697,880                 |   |                           |                             |  |   |   | 16,697,880                 |
| 4 Receivable/(Payable) from mutuals                 | 743,861                    |   |                           |                             |  |   |   | 743,861                    |
| 5 Receivable/(Payable) from operating fund          | (29,946,717)               | 3,638,357                                       | 9,331,687                 | 14,649,743                  | 1,837,556                                | 416,421                                 | 72,953                                    |                            |
| 6 Accounts receivable and interest receivable       | 762,243                    |   |                           |                             |  |   |   | 762,243                    |
| 7 Prepaid expenses and deposits                     | 807,109                    |   |                           |                             |  |   |   | 807,109                    |
| 8 Property and equipment                            | 141,239                    |   |                           |                             |  |   |   | 141,239                    |
| 9 Accumulated depreciation property and equipment   | (141,239)                  |   |                           |                             |  |   |   | (141,239)                  |
| 10 Beneficial interest in GRF of Laguna Hills Trust | 5,324,513                  |   |                           |                             |  |   |   | 5,324,513                  |
| 11 Non-controlling interest in GRF                  | 36,986,050                 |   |                           |                             |  |   |   | 36,986,050                 |
| <b>12 Total Assets</b>                              | <b><u>\$45,920,009</u></b> | <b><u>\$3,638,357</u></b>                       | <b><u>\$9,331,687</u></b> | <b><u>\$14,649,743</u></b>  | <b><u>\$1,837,556</u></b>                | <b><u>\$416,421</u></b>                 | <b><u>\$72,953</u></b>                    | <b><u>\$75,866,726</u></b> |
| <b>Liabilities and Fund Balances</b>                |                            |   |                           |                             |  |   |   |                            |
| Liabilities:  |                            |   |                           |                             |  |   |   |                            |
| 13 Accounts payable and accrued expenses            | \$1,349,681                | \$12,585  | \$322,591                 | \$684,709                   |  |   |   | \$2,369,566                |
| 14 Accrued compensation and related costs           | 629,534                    |   |                           |                             |  |   |   | 629,534                    |
| 15 Deferred income                                  | 972,153                    |   |                           |                             |  |   |   | 972,153                    |
| 16 Total liabilities                                | <u>\$2,951,368</u>         | <u>\$12,585</u>                                 | <u>\$322,591</u>          | <u>\$684,709</u>            |  |   |   | <u>\$3,971,253</u>         |
| Fund balances:                                      |                            |   |                           |                             |  |   |   |                            |
| 17 Fund balance prior years                         | 43,053,606                 | 3,212,981                                       | 9,216,805                 | 14,347,032                  | 1,708,610                                | 713,855                                 | 61,299                                    | 72,314,186                 |
| 18 Change in fund balance - current year            | (84,965)                   | 412,792   | (207,709)                 | (381,997)                   | 128,946                                  | (297,433)                               | 11,654                                    | (418,713)                  |
| 19 Total fund balances                              | <u>42,968,641</u>          | <u>3,625,772</u>                                | <u>9,009,095</u>          | <u>13,965,034</u>           | <u>1,837,556</u>                         | <u>416,421</u>                          | <u>72,953</u>                             | <u>71,895,473</u>          |
| <b>20 Total Liabilities and Fund Balances</b>       | <b><u>\$45,920,009</u></b> | <b><u>\$3,638,357</u></b>                       | <b><u>\$9,331,687</u></b> | <b><u>\$14,649,743</u></b>  | <b><u>\$1,837,556</u></b>                | <b><u>\$416,421</u></b>                 | <b><u>\$72,953</u></b>                    | <b><u>\$75,866,726</u></b> |

**Third Laguna Hills Mutual  
Changes in Fund Balances - Preliminary  
12/31/2019**

|  | <b>Operating<br/>Fund</b> | <b>Unappropriated<br/>Expenditures<br/>Fund</b> | <b>Disaster<br/>Fund</b> | <b>Replacement<br/>Fund</b> | <b>Elevator<br/>Replacement<br/>Fund</b> | <b>Laundry<br/>Replacement<br/>Fund</b> | <b>Garden Villa<br/>Rec Room<br/>Fund</b> | <b>Total</b>       |
|--|---------------------------|---|--------------------------|-----------------------------|--|---|---|--------------------|
| Revenues:  |                           |   |                          |                             |  |   |   |                    |
| Assessments:   |                           |   |                          |                             |  |   |   |                    |
| 1    Operating   | \$18,766,902              |   |                          |                             |  |   |   | \$18,766,902       |
| 2    Additions to restricted funds                     |                           | 585,792   | 2,028,305                | 10,251,360                  | 439,344                                  | 73,224                                  | 81,972                                    | 13,459,997         |
| 3    Total assessments                                 | <u>18,766,902</u>         | <u>585,792</u>                                  | <u>2,028,305</u>         | <u>10,251,360</u>           | <u>439,344</u>                           | <u>73,224</u>                           | <u>81,972</u>                             | <u>32,226,899</u>  |
| Non-assessment revenues:                               |                           |   |                          |                             |  |   |   |                    |
| 4    Fees and charges for services to residents        | 1,098,366                 |   |                          |                             |  |   |   | 1,098,366          |
| 5    Laundry   | 210,085                   |   |                          |                             |  |   |   | 210,085            |
| 6    Interest income                                   |                           | 73,257  | 206,062                  | 333,675                     | 39,938                                   | 10,812                                  | 1,375                                     | 665,119            |
| 7    Unrealized gain/(loss) on AFS investments         | 13,540                    |   |                          |                             |  |   |   | 13,540             |
| 8    Miscellaneous                                     | 603,666                   |   |                          |                             |  |   |   | 603,666            |
| 9    Total non-assessment revenue                      | <u>1,925,657</u>          | <u>73,257</u>                                   | <u>206,062</u>           | <u>333,675</u>              | <u>39,938</u>                            | <u>10,812</u>                           | <u>1,375</u>                              | <u>2,590,776</u>   |
| 10    Total revenue                                    | <u>20,692,559</u>         | <u>659,049</u>                                  | <u>2,234,367</u>         | <u>10,585,035</u>           | <u>479,282</u>                           | <u>84,036</u>                           | <u>83,347</u>                             | <u>34,817,675</u>  |
| Expenses:  |                           |   |                          |                             |  |   |   |                    |
| 11   Employee compensation and related                 | 9,252,558                 |   | 4,982                    | 3,274,976                   |  | 24,869                                  | 33,444                                    | 12,590,828         |
| 12   Materials and supplies                            | 759,948                   |   | 278                      | 560,001                     |  | 34,817                                  | 8,098                                     | 1,363,143          |
| 13   Cost of goods sold                                | 12,569                    |   |                          |                             |  |   |   | 12,569             |
| 14   Utilities and telephone                           | 5,289,181                 |   | 41                       | 11,647                      |  |   | 92  | 5,300,961          |
| 15   Legal fees  | 338,552                   |   |                          |                             |  |   |   | 338,552            |
| 16   Professional fees                                 | 149,906                   |   |                          |                             |  |   |   | 149,906            |
| 17   Equipment rental                                  | 5,128                     |   | 51                       | 32,448                      |  |   | 187                                       | 37,814             |
| 18   Outside services                                  | 1,304,684                 | 210,997   | 2,342,052                | 6,794,052                   | 332,267                                  | 316,622                                 | 27,837                                    | 11,328,512         |
| 19   Repairs and maintenance                           | 359,352                   |   | 3                        | 3,606                       |  |   | 27  | 362,988            |
| 20   Other Operating Expense                           | 133,554                   |   | 27                       | 23,130                      |  | 144                                     | 235                                       | 157,091            |
| 21   Income taxes                                      | 10                        |   |                          |                             |  |   |   | 10                 |
| 22   Insurance   | 1,512,536                 |   |                          |                             |  |   |   | 1,512,536          |
| 23   Investment expense                                |                           | 3,694   | 10,516                   | 16,916                      | 2,024                                    | 670                                     | 70  | 33,890             |
| 24   Uncollectible Accounts                            | 361,190                   |   |                          |                             |  |   |   | 361,190            |
| 25   (Gain)/loss on sale or trade                      |                           | 31,567  | 83,946                   | 136,093                     | 16,044                                   | 3,686                                   | 587                                       | 271,923            |
| 26   Depreciation and amortization                     | 136,229                   |   |                          |                             |  |   |   | 136,229            |
| 27   Net allocations to mutuals                        | 1,162,127                 |   | 179                      | 114,164                     |  | 661                                     | 1,115                                     | 1,278,246          |
| 28   Total expenses                                    | <u>20,777,524</u>         | <u>246,258</u>                                  | <u>2,442,076</u>         | <u>10,967,033</u>           | <u>350,336</u>                           | <u>381,469</u>                          | <u>71,693</u>                             | <u>35,236,388</u>  |
| 29   Excess of revenues over expenses                  | <u>(\$84,965)</u>         | <u>\$412,792</u>                                | <u>(\$207,709)</u>       | <u>(\$381,997)</u>          | <u>\$128,946</u>                         | <u>(\$297,433)</u>                      | <u>\$11,654</u>                           | <u>(\$418,713)</u> |
| 30   Excluding unrealized gain/(loss) and depreciation | <u>\$37,724</u>           | <u>\$412,792</u>                                | <u>(\$207,709)</u>       | <u>(\$381,997)</u>          | <u>\$128,946</u>                         | <u>(\$297,433)</u>                      | <u>\$11,654</u>                           | <u>(\$296,025)</u> |

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

| Month            | Delinquent Assessments <sup>(1)</sup> | Assessments Write-Offs <sup>(2)</sup> | Bad Debt Small Claims <sup>(3)</sup> | Delinquent Fines, Fees, and Chargeable Services <sup>(4)</sup> | Chargeable Services Write-Offs <sup>(5)</sup> | Change in Provision <sup>(6)</sup> | Total Delinquent Units <sup>(7)</sup> |
|------------------|---------------------------------------|---------------------------------------|--------------------------------------|--|---|------------------------------------|---------------------------------------|
| 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  | 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          | 142,544                               | -                                     | (29,522)                             | 203,831  | -   | (61,056)                           | 9                                     |
| August-19        | 147,481                               | -                                     | -                                    | 215,586  | -   | 16,692                             | 10                                    |
| September-19     | 149,033                               | (608)                                 | -                                    | 218,109  | -   | 3,468                              | 10                                    |
| October-19       | 137,001                               | -                                     | -                                    | 283,866  | -   | 53,725                             | 9                                     |
| November-19      | 93,739                                | 7,994                                 | -                                    | 311,713  | -   | (7,421)                            | 12                                    |
| December-19      | 100,999                               | -                                     | (7,652)                              | 512,865  | -   | 200,760                            | 12                                    |
| <b>YTD TOTAL</b> |                                       |                                       |                                      |  |   | <b>361,190</b>                     |                                       |

(1) Delinquent Assessments: Represents the balance from the monthly Delinquency Report presented in the Closed Session of the Finance Committee and accounted for as a specific allowance against Accounts Receivable balance.

(2) Assessments Write-Offs: Represents write-off activities approved by the Third Board.

(3) Bad Debt Small Claims: Represents the change in the Small Claims Receivable account balance.

(4) Delinquent Fines, Fees and Chargeable Services: Balances represents a combination of a general allowance percentage and a specific allowance amount recorded for the purpose of reducing the Account Receivable balance to the amount the company anticipates to be collectible.

(5) Chargeable Services Write-Offs: Represents Chargeable Service write-off activities approved by the Third Board.

(6) Change in Provision: Calculated as the difference between the current and prior month Delinquent Assessments and Delinquent Fine, Fees and Chargeable Services balances plus current month activities from Assessment Write-Offs, Bad Debt Small Claims, and Chargeable Services Write-Offs.

(7) Total Delinquent Units: Units reported on the monthly Delinquency Reports - Assessments

**Third Laguna Hills Mutual  
Supplemental Appropriation Schedule  
Period Ending: 12/31/2019**

| Fund / Item                                | Resolution | BUDGET                  | EXPENDITURES I-T-D* |             |           | Remaining<br>Encumbrance |
|--|------------|-------------------------|---------------------|-------------|-----------|--------------------------|
|  |            | Total<br>Appropriations | 2019                | Prior Years | Total     |                          |
| Replacement Fund                           |            |                         |                     |             |           |                          |
| Ridge Route Perimeter Wall Improvements    | 03-18-84   | \$330,000               | \$169,537           | \$84,400    | \$253,937 | \$0                      |
| Cul-De-Sac Sign Replacement                | 03-19-73   | \$23,000                | \$20,304            | \$0         | \$20,304  | \$2,696                  |
| Totals                                     |            | \$353,000               | \$189,841           | \$84,400    | \$274,241 | \$2,696                  |
| Laundry Replacement Fund                   |            |                         |                     |             |           |                          |
| Coin-Operated Dryers and Laundry Pedestals | 03-18-171  | \$377,000               | \$304,756           | \$97,353    | 402,108   | \$0                      |
| Totals                                     |            | \$377,000               | \$304,756           | \$97,353    | \$402,108 | \$0                      |
| Unappropriated Expenditures Fund           |            |                         |                     |             |           |                          |
| 3-Story Building Trash Chute Repairs       | 03-18-36   | 336,680                 | 91,602              | 227,208     | 318,809   | 17,871                   |
| OCFA Fire Fuel Risk Reduction              | 03-18-96   | 200,000                 | 106,810             | 98,820      | 205,630   | \$0                      |
| LH-21 Directory Boxes                      | 03-19-119  | 12,585                  | 12,585              | 0           | 12,585    |                          |
| Totals                                     |            | \$549,265               | \$210,997           | \$326,028   | \$537,024 | \$17,871                 |
| Disaster Fund                              |            |                         |                     |             |           |                          |
| Slope Repairs Monte Hermosa                | 03-19-59   | \$42,216                | \$38,378            | \$0         | 38,378    | \$3,839                  |
| Totals                                     |            | \$42,216                | \$38,378            | \$0         | \$38,378  | \$3,839                  |

\*Incurred To Date

| 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                      | 960           | 2,840       | 33,961       | 33,970       | 33,970       | 100%       | 9           | 0%     |
| BUILDING STRUCTURES                   | 688,508       | 228,173     | 2,532,621    | 2,732,992    | 2,732,992    | 93%        | 200,371     | 7%     |
| ELECTRICAL SYSTEMS                    | 0             | 4,897       | 50,400       | 58,610       | 58,610       | 86%        | 8,210       | 14%    |
| ENERGY PROJECTS                       | 8,450         | 4,174       | 24,165       | 50,000       | 50,000       | 48%        | 25,835      | 52%    |
| EXTERIOR LIGHTING                     | 17,936        | 66,674      | 59,319       | 800,000      | 800,000      | 7%         | 740,681     | 93%    |
| FENCING                               | 13,859        | 11,515      | 123,758      | 136,817      | 136,817      | 90%        | 13,058      | 10%    |
| GARDEN VILLA LOBBY                    | 0             | 9,967       | 111,162      | 119,560      | 119,560      | 93%        | 8,398       | 7%     |
| GARDEN VILLA MAILROOM                 | 0             | 5,905       | 75,477       | 70,173       | 70,173       | 108%       | (5,304)     | (8%)   |
| GARDEN VILLA RECESSED AREA            | 12,132        | 20,870      | 40,436       | 250,440      | 250,440      | 16%        | 210,004     | 84%    |
| GV REC ROOM WATER HEATER/HEAT PUMP    | 20            | 1,633       | 23,584       | 19,505       | 19,505       | 121%       | (4,079)     | (21%)  |
| GUTTER REPLACEMENTS                   | 1,503         | 3,087       | 39,017       | 37,000       | 37,000       | 105%       | (2,017)     | (5%)   |
| LANDSCAPE MODIFICATION                | 299,932       | 76,756      | 614,934      | 919,890      | 919,890      | 67%        | 304,956     | 33%    |
| MAILBOXES                             | 0             | 3,070       | 29,282       | 36,483       | 36,483       | 80%        | 7,202       | 20%    |
| PAINT PROGRAM - EXTERIOR              | 171,012       | 168,991     | 2,031,797    | 2,008,631    | 2,008,631    | 101%       | (23,166)    | (1%)   |
| PRIOR TO PAINT                        | 114,537       | 107,469     | 1,232,597    | 1,277,033    | 1,277,033    | 97%        | 44,437      | 3%     |
| PAVING                                | 586,546       | 70,547      | 725,711      | 844,499      | 844,499      | 86%        | 118,788     | 14%    |
| ROOF REPLACEMENTS                     | 129,101       | 109,351     | 1,554,561    | 1,311,937    | 1,311,937    | 118%       | (242,624)   | (18%)  |
| SUPPLEMENTAL APPROPRIATIONS           | 20,304        | 20,304      | 189,841      | 189,841      | 189,841      | 100%       | 0           | 0%     |
| TREE MAINTENANCE                      | 87,152        | 17,988      | 230,800      | 213,630      | 213,630      | 108%       | (17,170)    | (8%)   |
| WALL REPLACEMENTS                     | 28,995        | 16,674      | 148,913      | 200,000      | 200,000      | 74%        | 51,087      | 26%    |
| WASTE LINE REMEDIATION                | 179,255       | 62,500      | 741,873      | 750,000      | 750,000      | 99%        | 8,127       | 1%     |
| WATER LINES - COPPER PIPE REMEDIATION | 634           | 16,674      | 199,817      | 200,000      | 200,000      | 100%       | 183         | 0%     |
| TOTAL REPLACEMENT FUND                | \$2,360,836   | \$1,030,059 | \$10,814,024 | \$12,261,012 | \$12,261,012 | 88%        | \$1,446,987 | 12%    |
| ELEVATOR REPLACEMENT FUND             |               |             |              |              |              |            |             |        |
| ELEVATOR REPLACEMENT                  | \$23,598      | \$28,897    | \$332,267    | \$346,698    | \$346,698    | 96%        | \$14,431    | 4%     |
| TOTAL ELEVATOR REPLACEMENT FUND       | \$23,598      | \$28,897    | \$332,267    | \$346,698    | \$346,698    | 96%        | \$14,431    | 4%     |
| LAUNDRY REPLACEMENT FUND              |               |             |              |              |              |            |             |        |
| LAUNDRY APPLIANCES                    | \$0           | \$834       | \$20,935     | \$9,844      | \$9,844      | 213%       | (\$11,091)  | (113%) |
| LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS | 0             | 4,586       | 51,423       | 54,697       | 54,697       | 94%        | 3,275       | 6%     |
| SUPPLEMENTAL APPROPRIATIONS           | 0             | 0           | 304,756      | 304,756      | 304,756      | 100%       | 0           | 0%     |
| TOTAL LAUNDRY REPLACEMENT FUND        | \$0           | \$5,419     | \$377,114    | \$369,297    | \$369,297    | 102%       | (\$7,816)   | (2%)   |
| GARDEN VILLA RECREATION ROOM FUND     |               |             |              |              |              |            |             |        |
| GARDEN VILLA RECREATION ROOMS         | \$481         | \$8,216     | \$71,036     | \$97,580     | \$97,580     | 73%        | \$26,544    | 27%    |
| TOTAL GARDEN VILLA REC ROOMS FUND     | \$481         | \$8,216     | \$71,036     | \$97,580     | \$97,580     | 73%        | \$26,544    | 27%    |

| DESCRIPTION | CURRENT MONTH |        | YEAR-TO-DATE |        | TOTAL<br>BUDGET | % | VARIANCE |   |
|-------------|---------------|--------|--------------|--------|-----------------|---|----------|---|
|             | ACTUAL        | BUDGET | ACTUAL       | BUDGET |                 |   | \$       | % |

**OPERATING FUND**

|                                   |                  |                  |                    |                    |                    |            |                 |           |
|-----------------------------------|------------------|------------------|--------------------|--------------------|--------------------|------------|-----------------|-----------|
| APPLIANCE REPAIRS                 | \$13,920         | \$7,189          | \$130,919          | \$85,379           | \$85,379           | 153%       | (\$45,540)      | (53%)     |
| CARPENTRY SERVICE                 | 34,759           | 32,477           | 388,977            | 385,731            | 385,731            | 101%       | (3,246)         | (1%)      |
| CONCRETE REPAIR/REPLACEMENT       | 14,822           | 35,684           | 393,686            | 423,853            | 423,853            | 93%        | 30,168          | 7%        |
| CURB CUT/SIDEWALK RAMPS           | 0                | 833              | 10,000             | 10,000             | 10,000             | 100%       | 0               | 0%        |
| ELECTRICAL SERVICE                | 9,683            | 10,257           | 99,780             | 121,615            | 121,615            | 82%        | 21,835          | 18%       |
| FIRE PROTECTION                   | 29,773           | 14,670           | 92,089             | 175,556            | 175,556            | 52%        | 83,467          | 48%       |
| GUTTER CLEANING                   | 95,386           | 12,649           | 174,423            | 151,554            | 151,554            | 115%       | (22,870)        | (15%)     |
| JANITORIAL SERVICE                | 73,946           | 79,688           | 882,450            | 947,862            | 947,862            | 93%        | 65,412          | 7%        |
| MISC REPAIRS BY OUTSIDE SERVICE   | 21,883           | 4,838            | 58,234             | 58,050             | 58,050             | 100%       | (184)           | (0%)      |
| PEST CONTROL                      | 43,638           | 21,716           | 194,008            | 260,405            | 260,405            | 75%        | 66,397          | 25%       |
| PLUMBING SERVICE                  | 72,130           | 56,749           | 827,584            | 674,483            | 674,483            | 123%       | (153,102)       | (23%)     |
| SOLAR MAINTENANCE                 | 1,554            | 2,087            | 19,934             | 25,000             | 25,000             | 80%        | 5,066           | 20%       |
| TRAFFIC CONTROL                   | 197              | 2,562            | 14,238             | 30,359             | 30,359             | 47%        | 16,122          | 53%       |
| WELDING                           | 3,687            | 7,208            | 99,041             | 85,307             | 85,307             | 116%       | (13,735)        | (16%)     |
| <b>TOTAL MAINTENANCE PROGRAMS</b> | <b>\$415,377</b> | <b>\$288,609</b> | <b>\$3,385,363</b> | <b>\$3,435,153</b> | <b>\$3,435,153</b> | <b>99%</b> | <b>\$49,790</b> | <b>1%</b> |

**DISASTER FUND**

|   |                  |                  |                    |                    |                    |             |                    |              |
|---|------------------|------------------|--------------------|--------------------|--------------------|-------------|--------------------|--------------|
| RISK FIRE MANAGEMENT                    | \$9,756          | \$15,000         | \$31,335           | \$180,000          | \$180,000          | 17%         | \$148,666          | 83%          |
| MOISTURE INTRUSION - RAIN LEAKS         | \$217,619        | \$39,590         | 869,055            | \$475,025          | \$475,025          | 183%        | (394,030)          | (83%)        |
| MOISTURE INTRUSION - PLUMBING LEAKS     | 227,772          | 54,153           | 877,117            | 649,726            | 649,726            | 135%        | (227,391)          | (35%)        |
| MOISTURE INTRUSION - PLUMBING STOPPAGES | 51,982           | 10,523           | 208,893            | 126,155            | 126,155            | 166%        | (82,738)           | (66%)        |
| MOISTURE INTRUSION - MISCELLANEOUS      | 99,315           | 7,768            | 148,226            | 93,095             | 93,095             | 159%        | (55,131)           | (59%)        |
| DAMAGE RESTORATION SERVICES             | 68,572           | 30,937           | 174,610            | 370,445            | 370,445            | 47%         | 195,836            | 53%          |
| SUPPLEMENTAL APPROPRIATIONS             | 19,189           | 19,189           | 38,378             | 38,378             | 38,378             | 100%        | 0                  | 0%           |
| <b>TOTAL DISASTER FUND</b>              | <b>\$694,205</b> | <b>\$177,159</b> | <b>\$2,347,613</b> | <b>\$1,932,824</b> | <b>\$1,932,824</b> | <b>121%</b> | <b>(\$414,790)</b> | <b>(21%)</b> |

**UNAPPROPRIATED EXPENDITURES FUND**

|   |                 |                 |                  |                  |                  |             |            |           |
|---|-----------------|-----------------|------------------|------------------|------------------|-------------|------------|-----------|
| SUPPLEMENTAL APPROPRIATIONS                   | \$12,585        | \$12,585        | \$210,997        | \$210,997        | \$210,997        | 100%        | \$0        | 0%        |
| <b>TOTAL UNAPPROPRIATED EXPENDITURES FUND</b> | <b>\$12,585</b> | <b>\$12,585</b> | <b>\$210,997</b> | <b>\$210,997</b> | <b>\$210,997</b> | <b>100%</b> | <b>\$0</b> | <b>0%</b> |

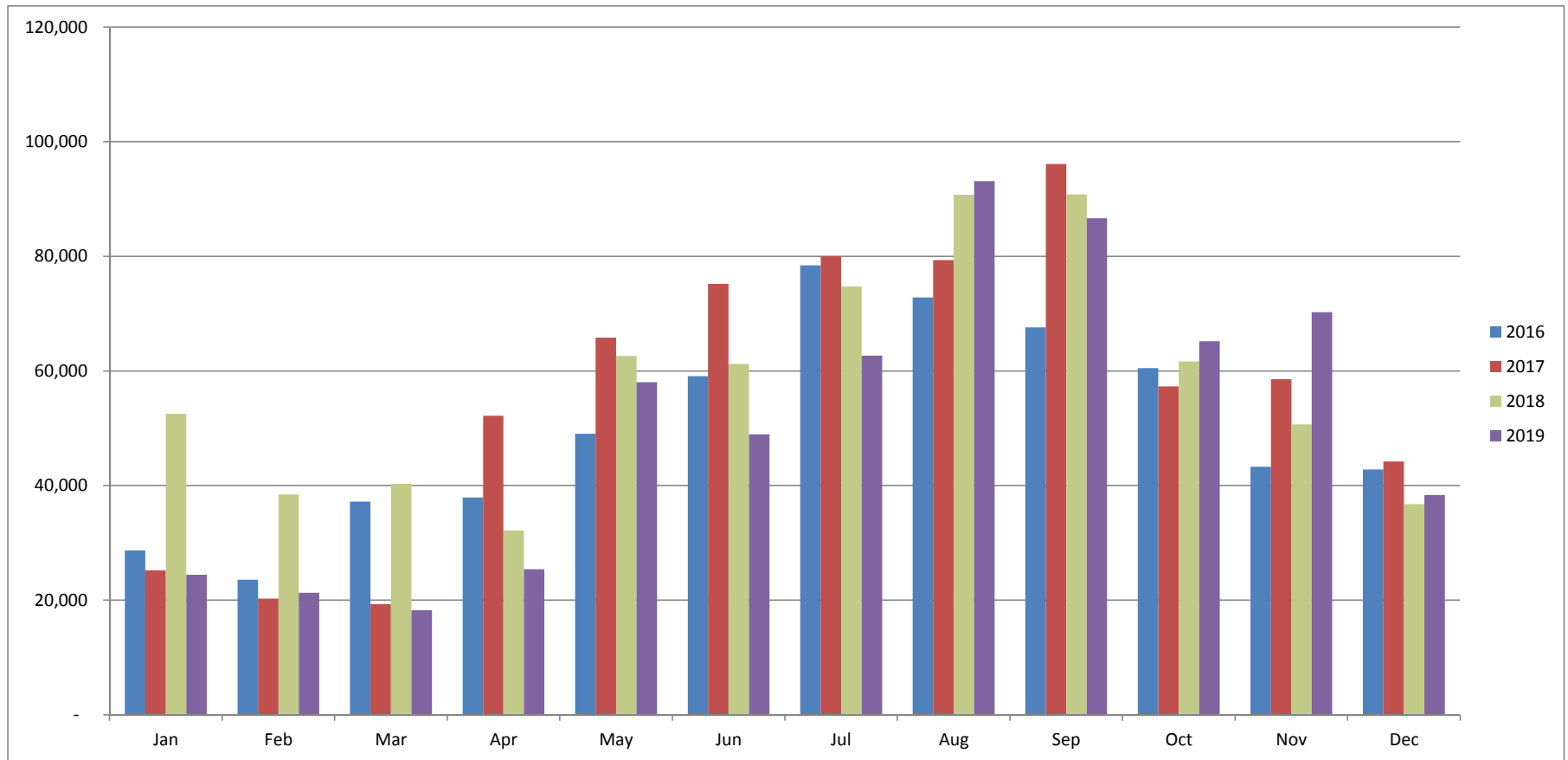


## YTD ACTUAL

| DESCRIPTION                                   | TOTAL               |                    |                  |                    |
|---|---------------------|--------------------|------------------|--------------------|
|   | EXPENDITURES        | LABOR              | MATERIALS        | OUTSIDE SERVICES   |
| R ALARM SYSTEM                                | \$0                 | \$0                | \$0              | \$0                |
| R BUILDING NUMBERS                            | 33,961              | 0                  | 0                | 33,961             |
| R BUILDING STRUCTURES                         | 2,532,621           | 253,473            | 37,974           | 2,241,174          |
| R ELECTRICAL SYSTEMS                          | 50,400              | 0                  | 0                | 50,400             |
| R ENERGY PROJECTS                             | 24,165              | 0                  | 0                | 24,165             |
| R EXTERIOR LIGHTING                           | 59,319              | 0                  | 0                | 59,319             |
| R FENCING                                     | 123,758             | 104,581            | 19,177           | 0                  |
| R GARDEN VILLA LOBBY                          | 111,162             | 0                  | 0                | 111,162            |
| R GARDEN VILLA MAILROOM                       | 75,477              | 53,475             | 22,002           | 0                  |
| R GARDEN VILLA RECESSED AREA                  | 40,436              | 0                  | 0                | 40,436             |
| R GV REC ROOM WATER HEATER/HEAT PUMP          | 23,584              | 4,511              | 3,306            | 15,767             |
| R GUTTER REPLACEMENTS                         | 39,017              | 35,613             | 3,404            | 0                  |
| R LANDSCAPE MODIFICATION                      | 614,934             | (0)                | 0                | 614,934            |
| R MAILBOXES                                   | 29,282              | 6,024              | 23,258           | 0                  |
| R PAINT PROGRAM - EXTERIOR                    | 2,031,797           | 1,789,539          | 206,050          | 36,208             |
| R PRIOR TO PAINT                              | 1,232,597           | 1,068,204          | 126,178          | 38,215             |
| R PAVING                                      | 725,711             | 31,149             | 1,227            | 693,336            |
| R ROOF REPLACEMENTS                           | 1,554,561           | 0                  | 0                | 1,554,561          |
| R TREE MAINTENANCE                            | 230,800             | 228,322            | 0                | 2,478              |
| R WALL REPLACEMENTS                           | 148,913             | 0                  | 0                | 148,913            |
| R WASTE LINE REMEDIATION                      | 741,873             | 1,874              | 364              | 739,635            |
| R WATER LINES - COPPER PIPE REMEDIATION       | 199,817             | 0                  | 0                | 199,817            |
| R SUPPL. APPROPRIATIONS                       | 189,841             | 0                  | 0                | 189,841            |
| <b>TOTAL RESERVE FUND</b>                     | <b>\$10,814,024</b> | <b>\$3,576,763</b> | <b>\$442,941</b> | <b>\$6,794,320</b> |
| E ELEVATOR REPLACEMENT                        | \$332,267           | \$0                | \$0              | \$332,267          |
| <b>TOTAL ELEVATOR FUND</b>                    | <b>\$332,267</b>    | <b>\$0</b>         | <b>\$0</b>       | <b>\$332,267</b>   |
| L LAUNDRY APPLIANCES                          | \$20,935            | \$4,434            | \$16,501         | \$0                |
| L LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS       | 51,423              | \$22,373           | \$7,449          | \$21,600           |
| L SUPPL. APPROPRIATIONS                       | 304,756             | 0                  | 9,736            | 295,020            |
| <b>TOTAL LAUNDRY FUND</b>                     | <b>\$377,114</b>    | <b>\$26,808</b>    | <b>\$33,686</b>  | <b>\$316,620</b>   |
| G GARDEN VILLA RECREATION ROOMS               | \$71,036            | \$36,609           | \$6,563          | \$27,864           |
| <b>TOTAL GARDEN VILLA REC ROOMS FUND</b>      | <b>\$71,036</b>     | <b>\$36,609</b>    | <b>\$6,563</b>   | <b>\$27,864</b>    |
| O APPLIANCE REPAIRS                           | 130,919             | 113,543            | 17,376           | 0                  |
| O CARPENTRY SERVICE                           | 388,977             | 322,529            | 63,211           | 3,237              |
| O CONCRETE REPAIR/REPLACEMENT                 | 393,686             | 354,074            | 39,612           | 0                  |
| O CURB CUT/SIDEWALK RAMPS                     | 10,000              | 0                  | 0                | 10,000             |
| O ELECTRICAL SERVICE                          | 99,780              | 85,606             | 7,700            | 6,474              |
| O FIRE PROTECTION                             | 92,089              | 0                  | 107              | 91,981             |
| O GUTTER CLEANING                             | 174,423             | 41,466             | 0                | 132,957            |
| O JANITORIAL SERVICE                          | 882,450             | 856,764            | 25,686           | 0                  |
| O MISC REPAIRS BY OUTSIDE SERVICE             | 58,234              | 0                  | 0                | 58,234             |
| O PEST CONTROL                                | 194,008             | 0                  | 0                | 194,008            |
| O PLUMBING SERVICE                            | 827,584             | 639,322            | 27,499           | 160,763            |
| O SOLAR MAINTENANCE                           | 19,934              | 0                  | 0                | 19,934             |
| O TRAFFIC CONTROL                             | 14,238              | 14,040             | 198              | 0                  |
| O WELDING                                     | 99,041              | 95,450             | 1,511            | 2,080              |
| <b>TOTAL OPERATING FUND</b>                   | <b>\$3,385,363</b>  | <b>\$2,522,794</b> | <b>\$182,900</b> | <b>\$679,669</b>   |
| D RISK FIRE MANAGEMENT                        | \$31,335            | \$0                | \$0              | \$31,335           |
| D MOISTURE INTRUSION - RAIN LEAKS             | \$869,055           | \$0                | \$0              | \$869,055          |
| D MOISTURE INTRUSION - PLUMBING LEAKS         | 877,117             | 0                  | 0                | \$877,117          |
| D MOISTURE INTRUSION - PLUMBING STOPPAGES     | 208,893             | 0                  | 0                | \$208,893          |
| D MOISTURE INTRUSION - MISCELLANEOUS          | 148,226             | 0                  | 0                | \$148,226          |
| D DAMAGE RESTORATION SERVICES                 | 174,609             | 5,480              | 81               | 169,048            |
| D SUPPL. APPROPRIATIONS                       | 38,378              | 0                  | 0                | 38,378             |
| <b>TOTAL DISASTER FUND</b>                    | <b>\$2,347,613</b>  | <b>\$5,480</b>     | <b>\$81</b>      | <b>\$2,342,052</b> |
| U SUPPL. APPROPRIATIONS                       | 210,997             | 0                  | 0                | 210,997            |
| <b>TOTAL UNAPPROPRIATED EXPENDITURES FUND</b> | <b>\$210,997</b>    | <b>\$0</b>         | <b>\$0</b>       | <b>\$210,997</b>   |

### 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 | 600,862 | 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 | 673,434 | 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 | 692,662 | 692,662 |
| 2019 | 24,432 | 21,298 | 18,269 | 25,378 | 58,015 | 48,914 | 62,672 | 93,135 | 86,655 | 65,159 | 70,254 | 38,350 | 612,531 | 612,531 |



**Third Laguna Hills Mutual  
Chargeable Services  
12/31/2019  
THIRD**

|                                 | YTD Revenue        |                    |                  | YTD Expense      |                  |                    | YTD Net           |                   |                  |
|---------------------------------|--------------------|--------------------|------------------|------------------|------------------|--------------------|-------------------|-------------------|------------------|
|                                 | Actual             | Budget             | Variance         | Actual           | Budget           | Variance           | Actual            | Budget            | Variance         |
| <b>Total</b>                    |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| <b>All Units</b>                | <b>(\$856,824)</b> | <b>(\$353,883)</b> | <b>\$502,942</b> | <b>\$836,757</b> | <b>\$329,565</b> | <b>(\$507,192)</b> | <b>(\$20,067)</b> | <b>(\$24,318)</b> | <b>(\$4,251)</b> |
| <b>Departments</b>              |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| General Services                | (735)              | (12,117)           | (11,381)         | 1,044            | 12,117           | 11,073             | 309               | 0                 | (309)            |
| Security Services               | (51)               | 0                  | 51               | 28               | 0                | (28)               | (23)              | 0                 | 23               |
| Landscape Services              | (16,660)           | (51,211)           | (34,551)         | 39,880           | 51,211           | 11,331             | 23,219            | 0                 | (23,219)         |
| Maint & Construction            | (839,238)          | (290,555)          | 548,683          | 795,805          | 266,237          | (529,568)          | (43,433)          | (24,318)          | 19,115           |
| Non Work Center                 | (140)              | 0                  | 140              | 0                | 0                | 0                  | (140)             | 0                 | 140              |
| <b>Work Centers</b>             |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| <u>General Services</u>         |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| 935 Janitorial                  | 0                  | 0                  | 0                | (2)              | 0                | 2                  | (2)               | 0                 | 2                |
| 936 Streets & Sidewalks         | (735)              | (12,117)           | (11,381)         | 1,046            | 12,117           | 11,071             | 310               | 0                 | (310)            |
| <u>Security Services</u>        |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| 400 Security Services           | (51)               | 0                  | 51               | 28               | 0                | (28)               | (23)              | 0                 | 23               |
| <u>Landscape Services</u>       |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| 530 Grounds Maint               | (1,592)            | (22,097)           | (20,505)         | 19,245           | 22,097           | 2,852              | 17,652            | 0                 | (17,652)         |
| 540 Irrigation                  | (13,585)           | (22,840)           | (9,254)          | 20,635           | 22,840           | 2,205              | 7,049             | 0                 | (7,049)          |
| 570 Tree Trimming               | (1,483)            | (6,274)            | (4,791)          | 0                | 6,274            | 6,274              | (1,483)           | 0                 | 1,483            |
| <u>Maint &amp; Construction</u> |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| 909 Moisture Intrusion          | (503,219)          | (130,000)          | 373,219          | 501,814          | 130,000          | (371,814)          | (1,405)           | 0                 | 1,405            |
| 910 Building Maint              | (6,078)            | (1,000)            | 5,078            | 3,185            | 1,000            | (2,185)            | (2,893)           | 0                 | 2,893            |
| 911 Appliance                   | 122                | 0                  | (122)            | 0                | 0                | 0                  | 122               | 0                 | (122)            |
| 912 Carpentry                   | (17,739)           | 0                  | 17,739           | 6,032            | 0                | (6,032)            | (11,707)          | 0                 | 11,707           |
| 913 Electrical                  | (48,399)           | (20,391)           | 28,008           | 39,881           | 20,391           | (19,489)           | (8,519)           | 0                 | 8,519            |
| 914 Plumbing                    | (250,222)          | (92,323)           | 157,899          | 210,288          | 92,323           | (117,965)          | (39,935)          | 0                 | 39,935           |
| 920 Construction Mgmt           | (7,497)            | (18,750)           | (11,253)         | 7,497            | 18,750           | 11,253             | 0                 | 0                 | 0                |
| 925 Alterations/Permits         | (3,575)            | (24,318)           | (20,743)         | 26,700           | 0                | (26,700)           | 23,125            | (24,318)          | (47,443)         |
| 926 Facilities Management       | (500)              | 0                  | 500              | 0                | 0                | 0                  | (500)             | 0                 | 500              |
| 932 Paint                       | (2,131)            | (3,773)            | (1,642)          | 408              | 3,773            | 3,365              | (1,723)           | 0                 | 1,723            |
| <u>Non-Work Center</u>          |                    |                    |                  |                  |                  |                    |                   |                   |                  |
| 000 Non Work-Center             | (140)              | 0                  | 140              | 0                | 0                | 0                  | (140)             | 0                 | 140              |

**Third Laguna Hills Mutual  
G/L Detail as of December 31, 2019**

| <b>OVERTIME - UNION</b>     | <b>ACTUAL</b>   | <b>BUDGET</b>   | <b>VARIANCE</b>   |
|-----------------------------|-----------------|-----------------|-------------------|
| General Services            | \$1,487         | \$2,417         | \$930             |
| Landscape Services          | 30,479          | 19,227          | (11,253)          |
| Financial Services          | 69              | 49              | (20)              |
| Maintenance & Construction  | 52,274          | 15,552          | (36,722)          |
| <b>TOTAL TEMPORARY HELP</b> | <b>\$84,309</b> | <b>\$37,244</b> | <b>(\$47,065)</b> |

| <b>OVERTIME - NONUNION</b> | <b>ACTUAL</b>   | <b>BUDGET</b>   | <b>VARIANCE</b>   |
|----------------------------|-----------------|-----------------|-------------------|
| Office of the CEO          | \$384           | \$0             | (\$384)           |
| Resident Services          | 13,615          | 15,293          | 1,678             |
| Landscape Services         | 199             | 111             | (88)              |
| Financial Services         | 1,065           | 1,741           | 676               |
| Security Services          | 2,032           | 0               | (2,032)           |
| Maintenance & Construction | 21,183          | 7,951           | (13,232)          |
| <b>TOTAL OVERTIME</b>      | <b>\$38,477</b> | <b>\$25,095</b> | <b>(\$13,382)</b> |

| <b>TEMPORARY HELP</b>       | <b>ACTUAL</b>   | <b>BUDGET</b>   | <b>VARIANCE</b>   |
|-----------------------------|-----------------|-----------------|-------------------|
| Office of the CEO           | \$26,643        | \$0             | (\$26,643)        |
| Resident Services           | 21,819          | 28,829          | 7,011             |
| Financial Services          | 317             | 1,209           | 892               |
| Maintenance & Construction  | 29,346          | 6,626           | (22,720)          |
| <b>TOTAL TEMPORARY HELP</b> | <b>\$78,125</b> | <b>\$36,664</b> | <b>(\$41,461)</b> |

| <b>MISSED MEAL PENALTY</b>       | <b>ACTUAL</b>  | <b>BUDGET</b> | <b>VARIANCE</b>  |
|----------------------------------|----------------|---------------|------------------|
| Office of the CEO                | \$84           | \$0           | (\$84)           |
| Resident Services                | 584            | 125           | (459)            |
| Landscape Services               | 108            | 655           | 547              |
| Financial Services               | 86             | 78            | (8)              |
| Security Services                | 383            | 0             | (383)            |
| Maintenance & Construction       | 1,637          | 0             | (1,637)          |
| <b>TOTAL MISSED MEAL PENALTY</b> | <b>\$2,883</b> | <b>\$858</b>  | <b>(\$2,025)</b> |

OFFICE OF THE CEO – Overall, the department is favorable to budget in compensation. Open positions created a savings that offset temp help used for the following purposes:

- Temporary employee to cover leave January-July
- Temporary employee to cover open position (Assistant Corporate Secretary) June-September.
- Temporary employee to cover open position (Executive Assistant) October-November.
- Temporary employee to enter CodeRED resident emergency contact information

RESIDENT SERVICES – Overall, the department is favorable to budget in compensation.

- Temporary employees hired “temp to perm” to fill call center vacancies
- Overtime driven by the following: Team training, team meetings, and staffing adjustment due to sick calls, vacation and other vacancies to maintain coverage for Saturdays and Holidays. Steps have been taken to reduce overtime costs, which have resulted in lower overtime costs in the last quarter of the year.

LANDSCAPE SERVICES – Overall, the department is favorable to budget in compensation.

- Overtime required due to open positions, work was conducted over the weekends to catch up on assigned work which resulted in an unfavorable variance in union overtime costs.

FINANCIAL SERVICES –Nominal amount of overtime and temp help to address fluctuating workflow.

SECURITY SERVICES – Overall, the department is favorable to budget for compensation. Security is a 24/7 operation that must maintain minimum staffing levels.

- Sick calls, vacation, and other vacancies may necessitate filling open positions in Dispatch, security patrol and gates with overtime.
- There are times that officers receive late calls that keep them past their scheduled off duty time.
- If there is a spike in thefts or other criminal activity, it may be necessary to assign out additional officers to work a specific area (mail boxes, laundry coin box patrol, etc.)

MAINTENANCE AND CONSTRUCTION SERVICES – Overall, the department is favorable in compensation.

- Emergency plumbing work called requiring having to extend shifts to complete the work and needing to work Saturdays to fulfill workload
- Moisture Intrusion overtime resulted from above average rainfall damage
- Vacancy in Manor Alterations and Permits resulted in a slight backlog of work; overtime utilized to reduce.
- Temporary employees used to backfill vacancies, ultimately hired as Operations Specialists in Moisture Intrusion and Building Maintenance departments.
- Missed meal penalties were unbudgeted in most departments; nominal amount of missed meal penalties were incurred to address workload.