



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, March 3, 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 February 4, 2020
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated January 31, 2020

Items for Discussion and Consideration

9. Audit Update
10. Insurance Update
11. Investment Update
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, April 7, 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, February 4, 2020 – 1:30 p.m.
Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Jon Pearlstone – Chair, Annie McCary, Lynn Jarrett, John Frankel, Robert Mutchnick, Ralph Engdahl, Craig Wayne, Doug Gibson
Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: Steve Parsons, Cush Bhada, Reza Karimi

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 January 7, 2020

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

Chair Remarks

Director Pearlstone welcomed the newest board member, Doug Gibson, on joining Third Laguna Hills Mutual.

Department Head Update

Betty Parker, Chief Financial Officer, provided an update on the upcoming investment review with SageView and the 2019 Audit.

Preliminary Financial Statements dated December 31, 2019

The committee reviewed financials and questions were addressed. Staff was requested to provide additional information on the following items: reason(s) for Slope Renovation exceeding budget; change in Discretionary Investment balance from November to December; and increased spend in Disaster fund in December.

Chargeable Service Analysis

The committee reviewed a report detailing 2019 chargeable services revenues and expenses by department and work center.

Overtime/Temp Help/Turnover

The committee reviewed a report summarizing overtime and temporary help usage and justifications by department. Staff provided Director Pearlstone with a list of open positions, as

produced by Human Resources Department for a previous VMS Board meeting. The chair requested a 2019 turnover report from VMS Board.

Fourth Quarter Solar System Update

The committee reviewed a handout reporting the fourth quarter savings from energy production for all of its solar systems.

Future Agenda Items

NOL Strategies – GAP (Greenlight Approval Procedures)

Solar System Update – Q1 (May)

Chargeable Services Analysis (Semi-Annual)

Committee Member Comments

Advisor Hess requested to see a full trial balance report for December.

Advisor Tao requested unrealized gain/loss on sales of investments be presented in T-accounts format for review.

Date of Next Meeting

Tuesday, March 3, 2020 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:15 p.m.

DRAFT

Jon Pearlstone, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
1/31/2020
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,686	\$1,686		\$1,686	\$1,686		\$1,564	\$20,228
2	Additions to restricted funds	1,078	1,078		1,078	1,078		1,122	12,935
3	Total assessments	2,764	2,764		2,764	2,764		2,686	33,163
Non-assessment revenues:									
4	Fees and charges for services to residents	73	49	24	73	49	24	61	588
5	Laundry	23	18	4	23	18	4	10	220
6	Investment income	26	45	(18)	26	45	(18)	52	536
7	Miscellaneous	55	54	1	55	54	1	71	643
8	Total non-assessment revenue	177	166	11	177	166	11	195	1,988
9	Total revenue	2,941	2,929	11	2,941	2,929	11	2,881	35,150
Expenses:									
10	Employee compensation and related	1,174	1,177	3	1,174	1,177	3	1,139	13,940
11	Materials and supplies	87	152	65	87	152	65	90	1,787
12	Utilities and telephone	334	408	74	334	408	74	312	5,542
13	Legal fees	39	42	3	39	42	3	25	500
14	Professional fees		8	8		8	8	1	145
15	Equipment rental	2	2	(1)	2	2	(1)	1	20
16	Outside services	234	969	735	234	969	735	41	11,661
17	Repairs and maintenance	28	32	4	28	32	4	26	380
18	Other Operating Expense	12	17	5	12	17	5	8	199
19	Insurance	177	126	(51)	177	126	(51)	112	1,517
20	Investment expense		4	4		4	4		47
21	Uncollectible Accounts	(3)	10	13	(3)	10	13	(8)	120
22	Depreciation and amortization	11	11		11	11		12	136
23	Net allocation to mutuals	135	139	4	135	139	4	94	1,577
24	Total expenses	2,232	3,097	866	2,232	3,097	866	1,853	37,572
25	Excess of revenues over expenses	\$709	(\$168)	\$877	\$709	(\$168)	\$877	\$1,028	(\$2,421)

**Third Laguna Hills Mutual
Operating Statement
1/31/2020
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$1,685,712	\$1,685,639	\$73	0.00%	\$20,227,669
Total Operating	1,685,712	1,685,639	73	0.00%	20,227,669
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	94,459	94,459	0	0.00%	1,133,508
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	48,816	48,816	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	890,892	890,892	0	0.00%	10,690,704
41004000 - Monthly Assessments - Elevator Replacement Fund	30,510	30,510	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	6,102	6,102	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	7,142	7,142	0	0.00%	85,698
Total Additions To Restricted Funds	1,077,920	1,077,921	0	0.00%	12,935,046
Total Assessments	2,763,633	2,763,560	73	0.00%	33,162,715
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	8,813	11,959	(3,146)	(26.31%)	143,514
46501500 - Inspection Fee	6,384	6,376	7	0.12%	76,520
46502000 - Resident Maintenance Fee	57,805	30,850	26,955	87.38%	368,129
Total Fees and Charges for Services to Residents	73,002	49,186	23,816	48.42%	588,163
Laundry					
46005000 - Coin Op Laundry Machine	22,601	18,333	4,268	23.28%	220,000
Total Laundry	22,601	18,333	4,268	23.28%	220,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	14,331	12,544	1,786	14.24%	150,532
49002000 - Investment Income - Discretionary	12,003	32,150	(20,147)	(62.66%)	385,805
Investment Interest Income	26,334	44,695	(18,361)	(41.08%)	536,337
Miscellaneous					
46004500 - Resident Violations	2,982	4,750	(1,767)	(37.21%)	56,999
44501510 - Lease Processing Fee - Third	20,230	21,000	(770)	(3.67%)	252,000
44502500 - Non-Sale Transfer Fee - Third	300	166	134	80.72%	2,000
44503520 - Resale Processing Fee - Third	14,912	14,583	329	2.26%	175,000
44505500 - Hoa Certification Fee	0	437	(437)	(100.00%)	5,250
44507000 - Golf Cart Electric Fee	5,599	5,667	(67)	(1.19%)	68,000
44507200 - Electric Vehicle Plug-In Fee	935	583	352	60.28%	7,000
44507500 - Cartport/Carport Space Rental Fee	320	333	(13)	(4.01%)	4,000
47001500 - Late Fee Revenue	5,810	4,750	1,060	22.32%	57,000
47002020 - Collection Administrative Fee - Third	(1,000)	0	(1,000)	0.00%	0
47002500 - Collection Interest Revenue	4,960	750	4,210	561.37%	9,000
47501000 - Recycling	0	583	(583)	(100.00%)	7,000
Total Miscellaneous	55,049	53,602	1,447	2.70%	643,249
Total Non-Assessment Revenue	176,987	165,816	11,171	6.74%	1,987,749
Total Revenue	2,940,619	2,929,375	11,244	0.38%	35,150,463
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	250,669	225,756	(24,913)	(11.04%)	2,728,278
51021000 - Union Wages - Regular	547,533	510,862	(36,671)	(7.18%)	6,014,985
51041000 - Wages - Overtime	5,321	2,046	(3,275)	(160.07%)	24,561
51051000 - Union Wages - Overtime	9,708	4,754	(4,955)	(104.23%)	57,065
51061000 - Holiday & Vacation	190,335	62,199	(128,136)	(206.01%)	738,150
51071000 - Sick	34,022	25,371	(8,651)	(34.10%)	301,087
51081000 - Sick - Part Time	0	2	2	100.00%	24
51091000 - Missed Meal Penalty	445	90	(355)	(396.07%)	1,095
51101000 - Temporary Help	0	156	156	100.00%	1,876
51981000 - Compensation Accrual	(251,458)	0	251,458	0.00%	0

**Third Laguna Hills Mutual
Operating Statement
1/31/2020**
THIRD LAGUNA HILLS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Total Employee Compensation	786,575	831,235	44,660	5.37%	9,867,121
Compensation Related					
52411000 - F.I.C.A.	78,596	63,050	(15,546)	(24.66%)	740,744
52421000 - F.U.I.	5,767	2,643	(3,123)	(118.15%)	10,574
52431000 - S.U.I.	39,399	13,444	(25,955)	(193.07%)	53,774
52441000 - Union Medical	150,469	157,870	7,401	4.69%	1,894,443
52451000 - Workers' Compensation Insurance	57,579	44,998	(12,581)	(27.96%)	613,988
52461000 - Non Union Medical & Life Insurance	27,548	25,403	(2,145)	(8.44%)	304,840
52471000 - Union Retirement Plan	47,757	28,486	(19,271)	(67.65%)	335,396
52481000 - Non-Union Retirement Plan	6,142	9,858	3,716	37.69%	119,124
52981000 - Compensation Related Accrual	(25,547)	0	25,547	0.00%	0
Total Compensation Related	387,711	345,752	(41,958)	(12.14%)	4,072,883
Materials and Supplies					
53001000 - Materials & Supplies	32,205	45,621	13,415	29.41%	513,296
53003000 - Materials Direct	54,946	106,146	51,200	48.24%	1,274,117
Total Materials and Supplies	87,151	151,767	64,616	42.58%	1,787,413
Utilities and Telephone					
53301000 - Electricity	24,579	43,300	18,721	43.24%	390,500
53301500 - Sewer	129,265	141,700	12,435	8.78%	1,715,400
53302000 - Water	134,414	176,375	41,961	23.79%	2,876,390
53302500 - Trash	46,224	46,654	431	0.92%	559,854
Total Utilities and Telephone	334,481	408,029	73,548	18.03%	5,542,144
Legal Fees					
53401500 - Legal Fees	38,753	41,665	2,912	6.99%	499,985
Total Legal Fees	38,753	41,665	2,912	6.99%	499,985
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	0	0	0	0.00%	44,500
53403500 - Consulting Fees	0	689	689	100.00%	11,824
53403520 - Consulting Fees - Third	0	7,368	7,368	100.00%	88,436
Total Professional Fees	0	8,057	8,057	100.00%	144,760
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	2,357	1,521	(836)	(54.93%)	19,963
Total Equipment Rental	2,357	1,521	(836)	(54.93%)	19,963
Outside Services					
53601000 - Bank Fees	2,780	2,098	(682)	(32.50%)	25,179
53601500 - Credit Card Transaction Fees	997	0	(997)	0.00%	0
53604500 - Marketing Expense	660	0	(660)	0.00%	0
54603500 - Outside Services Cost Collection	227,804	961,804	733,999	76.31%	11,541,973
53704000 - Outside Services	2,014	5,582	3,567	63.91%	93,428
Total Outside Services	234,256	969,483	735,227	75.84%	11,660,580
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	52	1,344	1,292	96.11%	16,157
53703000 - Elevator /Lift Maintenance	27,702	30,341	2,639	8.70%	364,090
Total Repairs and Maintenance	27,754	31,685	3,931	12.41%	380,247
Other Operating Expense					
53801000 - Mileage & Meal Allowance	152	1,237	1,084	87.69%	14,959
53801500 - Travel & Lodging	0	237	237	100.00%	2,934
53802000 - Uniforms	6,257	7,795	1,538	19.73%	93,574
53802500 - Dues & Memberships	43	181	137	75.97%	2,053
53803000 - Subscriptions & Books	198	169	(29)	(17.14%)	2,042
53803500 - Training & Education	1,553	2,180	628	28.78%	18,731
53804000 - Staff Support	104	92	(12)	(12.94%)	1,107
53901500 - Volunteer Support	0	104	104	100.00%	1,253
53903000 - Safety	0	46	46	100.00%	556
54001020 - Board Relations - Third	810	625	(185)	(29.67%)	7,500
54002000 - Postage	2,960	4,482	1,522	33.95%	53,788
54002500 - Filing Fees / Permits	0	50	50	100.00%	956
Total Other Operating Expense	12,079	17,198	5,119	29.76%	199,454

Third Laguna Hills Mutual
Operating Statement
1/31/2020
THIRD LAGUNA HILLS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Insurance					
54401000 - Hazard & Liability Insurance	47,604	36,656	(10,948)	(29.87%)	439,870
54401500 - D&O Liability	5,214	4,039	(1,175)	(29.10%)	48,466
54402000 - Property Insurance	124,243	85,134	(39,108)	(45.94%)	1,021,615
54403000 - General Liability Insurance	0	589	589	100.00%	7,072
Total Insurance	177,061	126,418	(50,643)	(40.06%)	1,517,022
Investment Expense					
54201000 - Investment Expense	0	3,916	3,916	100.00%	46,981
Total Investment Expense	0	3,916	3,916	100.00%	46,981
Uncollectible Accounts					
54602000 - Bad Debt Expense	(3,097)	10,008	13,105	130.94%	120,100
Total Uncollectible Accounts	(3,097)	10,008	13,105	130.94%	120,100
Depreciation and Amortization					
55001000 - Depreciation And Amortization	11,352	11,352	0	0.00%	136,224
Total Depreciation and Amortization	11,352	11,352	0	0.00%	136,224
Net Allocation to Mutuals					
54602500 - Allocated Expenses	135,114	139,048	3,934	2.83%	1,576,803
Total Net Allocation to Mutuals	135,114	139,048	3,934	2.83%	1,576,803
Total Expenses	2,231,547	3,097,136	865,589	27.95%	37,571,680
Excess of Revenues Over Expenses	\$709,072	(\$167,761)	\$876,832	522.67%	(\$2,421,217)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
1/31/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$10,290,491	\$692,297
2	Non-discretionary investments	3,912,668	13,852,772
3	Discretionary investments	16,709,884	16,697,880
4	Receivable/(Payable) from mutuals	661,586	743,861
5	Accounts receivable and interest receivable	362,087	531,353
6	Prepaid expenses and deposits	765,602	807,109
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	5,313,161	5,324,513
10	Non-controlling interest in GRF	36,986,050	36,986,050
11	Total Assets	<u>\$75,001,528</u>	<u>\$75,635,836</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$897,760	\$2,346,420
13	Accrued compensation and related costs	629,534	629,534
14	Deferred income	853,716	748,436
15	Total liabilities	<u>\$2,381,010</u>	<u>\$3,724,390</u>
	Fund balances:		
16	Fund balance prior years	71,911,447	72,327,726
17	Change in fund balance - current year	709,072	(416,280)
18	Total fund balances	<u>72,620,519</u>	<u>71,911,447</u>
19	Total Liabilities and Fund Balances	<u>\$75,001,528</u>	<u>\$75,635,836</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
1/31/2020**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Assets								
1 Cash and cash equivalents	\$10,290,491							\$10,290,491
2 Non-discretionary investments	3,912,668							3,912,668
3 Discretionary investments	16,709,884							16,709,884
4 Receivable/(Payable) from mutuals	661,586							661,586
5 Receivable/(Payable) from operating fund	(29,521,919)	3,677,898	9,191,050	14,285,366	1,869,743	418,738	79,122	
6 Accounts receivable and interest receivable	362,087							362,087
7 Prepaid expenses and deposits	765,602							765,602
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	5,313,161							5,313,161
11 Non-controlling interest in GRF	36,986,050							36,986,050
12 Total Assets	<u>\$45,479,610</u>	<u>\$3,677,898</u>	<u>\$9,191,050</u>	<u>\$14,285,366</u>	<u>\$1,869,743</u>	<u>\$418,738</u>	<u>\$79,122</u>	<u>\$75,001,528</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$742,201		\$101,502	\$54,057				\$897,760
14 Accrued compensation and related costs	629,534							629,534
15 Deferred income	853,716							853,716
16 Total liabilities	<u>\$2,225,451</u>		<u>\$101,502</u>	<u>\$54,057</u>				<u>\$2,381,010</u>
Fund balances:								
17 Fund balance prior years	43,064,781	3,625,772	9,069,489	13,824,474	1,837,556	416,421	72,953	71,911,447
18 Change in fund balance - current year	<u>189,377</u>	<u>52,126</u>	<u>20,059</u>	<u>406,835</u>	<u>32,188</u>	<u>2,317</u>	<u>6,169</u>	<u>709,072</u>
19 Total fund balances	43,254,159	3,677,898	9,089,549	14,231,309	1,869,743	418,738	79,122	72,620,519
20 Total Liabilities and Fund Balances	<u>\$45,479,610</u>	<u>\$3,677,898</u>	<u>\$9,191,050</u>	<u>\$14,285,366</u>	<u>\$1,869,743</u>	<u>\$418,738</u>	<u>\$79,122</u>	<u>\$75,001,528</u>

Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
1/31/2020

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$1,685,712							\$1,685,712
2 Additions to restricted funds		48,816	94,459	890,892	30,510	6,102	7,142	1,077,920
3 Total assessments	<u>1,685,712</u>	<u>48,816</u>	<u>94,459</u>	<u>890,892</u>	<u>30,510</u>	<u>6,102</u>	<u>7,142</u>	<u>2,763,633</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	73,002							73,002
5 Laundry	22,601							22,601
6 Interest income		3,310	8,280	12,620	1,678	380	67	26,334
7 Miscellaneous	55,049							55,049
8 Total non-assessment revenue	<u>150,653</u>	<u>3,310</u>	<u>8,280</u>	<u>12,620</u>	<u>1,678</u>	<u>380</u>	<u>67</u>	<u>176,987</u>
9 Total revenue	<u>1,836,365</u>	<u>52,126</u>	<u>102,738</u>	<u>903,512</u>	<u>32,188</u>	<u>6,482</u>	<u>7,208</u>	<u>2,940,619</u>
Expenses:								
10 Employee compensation and related	863,971		1,226	307,553		687	849	1,174,286
11 Materials and supplies	48,569		41	35,002		3,402	137	87,151
12 Utilities and telephone	333,789		7	683			2	334,481
13 Legal fees	38,753							38,753
14 Equipment rental	542		4	1,810			1	2,357
15 Outside services	16,929		81,337	135,989				234,256
16 Repairs and maintenance	27,705			49				27,754
17 Other Operating Expense	9,853		8	2,203		8	6	12,079
18 Insurance	177,061							177,061
19 Uncollectible Accounts	(3,097)							(3,097)
20 Depreciation and amortization	11,352							11,352
21 Net allocations to mutuals	121,560		56	13,387		67	43	135,114
22 Total expenses	<u>1,646,987</u>		<u>82,679</u>	<u>496,677</u>		<u>4,165</u>	<u>1,039</u>	<u>2,231,547</u>
23 Excess of revenues over expenses	<u>\$189,377</u>	<u>\$52,126</u>	<u>\$20,059</u>	<u>\$406,835</u>	<u>\$32,188</u>	<u>\$2,317</u>	<u>\$6,169</u>	<u>\$709,072</u>
24 Excluding unrealized gain/(loss) and depreciation	<u>\$200,729</u>	<u>\$52,126</u>	<u>\$20,059</u>	<u>\$406,835</u>	<u>\$32,188</u>	<u>\$2,317</u>	<u>\$6,169</u>	<u>\$720,424</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of January 31, 2020

Month	Delinquent Assessments ⁽¹⁾	Assessments Write-Offs ⁽²⁾	Bad Debt Small Claims ⁽³⁾	Delinquent Fines, Fees, and Chargeable Services ⁽⁴⁾	Chargeable Services Write-Offs ⁽⁵⁾	Change in Provision ⁽⁶⁾	Total Delinquent Units ⁽⁷⁾
December-19	100,999			512,865			12
January-20	104,299	-	-	506,468		(3,097)	11
February-20			-		-	-	
March-20			-		-	-	
April-20			-		-	-	
May-20			-		-	-	
June-20			-		-	-	
July-20			-		-	-	
August-20			-		-	-	
September-20			-		-	-	
October-20			-		-	-	
November-20			-		-	-	
December-20		-	-		-	-	
YTD TOTAL						(3,097)	

(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
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
1/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796SM2	U.S. TREASURY BILL	0.00%	05-01-19	04-23-20	4,000,000.00	2.39%	3,912,667.89	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 4,000,000.00		\$ 3,912,667.89	1.94%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
1/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	FIDELITY GOVT CASH RESERVES				\$ 154,144.28		\$ 154,144.28	
92206C870	VCIT Vanguard Corp Bond Index	0.00%	12-17-19	-	2,412,843.44	0.00%	2,412,843.44	
31635V216	FUMBX Fidelity Treas Bond Index	0.00%	12-13-19	-	4,991,562.68	0.00%	4,991,562.68	
31635V257	FUAMX Fidelity Treas Bond Index	0.00%	12-13-19	-	1,996,625.07	0.00%	1,996,625.07	
922031851	VFIRX Vanguard Treas Admiral	0.00%	12-13-19	-	748,779.40	0.00%	748,779.40	
92206C607	VSCSX Vanguard Corp Bond Index	0.00%	12-13-19	-	2,412,633.63	0.00%	2,412,633.63	
92206C755	VMBSX Vanguard Sec Index Admiral	0.00%	12-13-19	-	3,993,295.14	0.00%	3,993,295.14	
TOTAL FOR DISCRETIONARY INVESTMENTS					16,709,883.64		16,709,883.64	0.86%
TOTAL INVESTMENTS					\$ 20,709,883.64		\$ 20,622,551.53	1.23%

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 01/31/2020**

Fund / Item		BUDGET		EXPENDITURES I-T-D*		
		Total Appropriations	2020	Prior Years	Total	
Replacement Fund						
Ridge Route Perimeter Wall Improvements	03-18-84	\$330,000	\$0	\$253,937	\$253,937	
Cul-De-Sac Sign Replacement	03-19-73	\$23,000	\$0	\$20,304	\$20,304	
Totals		\$353,000	\$0	\$274,241	\$274,241	
Disaster Fund						
Slope Repairs Monte Hermosa	03-19-59	\$42,216	\$0	\$38,378	38,378	
Totals		\$42,216	\$0	\$38,378	\$38,378	

*Incurred To Date

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET *	EXPENDED	\$	%
REPLACEMENT FUND - MAINTENANCE & CONSTRUCTION								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,500	0	2,500	30,000	0%	2,500	100%
BUILDING STRUCTURES	61,719	232,985	61,719	232,985	2,787,028	2%	171,266	74%
ELECTRICAL SYSTEMS	0	4,957	0	4,957	59,495	0%	4,957	100%
ENERGY PROJECTS	0	833	0	833	10,000	0%	833	100%
EXTERIOR LIGHTING	0	67,916	0	67,916	815,000	0%	67,916	100%
FENCING	4,875	4,637	4,875	4,637	54,703	9%	(237)	(5%)
GARDEN VILLA LOBBY	0	9,375	0	9,375	112,500	0%	9,375	100%
GARDEN VILLA MAILROOM	0	2,852	0	2,852	33,867	0%	2,852	100%
GARDEN VILLA RECESSED AREA	0	5,416	0	5,416	65,000	0%	5,416	100%
GV REC ROOM WATER HEATER/HEAT PUMP	0	805	0	805	9,644	0%	805	100%
GUTTER REPLACEMENTS	5,944	8,267	5,944	8,267	98,289	6%	2,324	28%
MAILBOXES	0	4,196	0	4,196	50,000	0%	4,196	100%
PAINT PROGRAM - EXTERIOR	179,733	174,522	179,733	174,522	2,055,556	9%	(5,210)	(3%)
PRIOR TO PAINT	108,503	124,743	108,503	124,743	1,470,323	7%	16,241	13%
PAVING	0	64,591	0	64,591	775,112	0%	64,591	100%
ROOF REPLACEMENTS	13,713	117,991	13,713	117,991	1,415,904	1%	104,278	88%
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0	0	0%	0	0%
WALL REPLACEMENTS	0	13,750	0	13,750	165,000	0%	13,750	100%
WASTE LINE REMEDIATION	0	83,333	0	83,333	1,000,000	0%	83,333	100%
WATER LINES - COPPER PIPE REMEDIATION	0	41,666	0	41,666	500,000	0%	41,666	100%
TOTAL	\$374,486	\$965,336	\$374,486	\$965,336	\$11,507,422	3%	\$590,850	61%
* Exterior Lighting includes \$740,000 carried over from the 2019 plan.								
REPLACEMENT FUND - GENERAL SERVICES								
PRIOR TO PAINT	1,842	970	1,842	970	11,405	16%	(871)	(90%)
PAVING	8,509	6,470	8,509	6,470	76,146	11%	(2,040)	(32%)
EXTERIOR WALLS	0	4,095	0	4,095	49,147	0%	4,095	100%
TOTAL	\$10,351	\$11,535	\$10,351	\$11,535	\$136,698	8%	\$1,184	10%
REPLACEMENT FUND - LANDSCAPE SERVICES								
LANDSCAPE MODIFICATION	77,196	74,987	77,196	74,987	899,129	11%	(2,209)	(3%)
TREE MAINTENANCE	34,643	72,567	34,643	72,567	853,812	4%	37,924	52%
TOTAL	\$111,839	\$147,554	\$111,839	\$147,554	\$1,752,942	6%	\$35,715	24%
* Landscape Modification includes \$300,000 carried over from the 2019 plan.								
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$21,250	\$0	\$21,250	\$255,000	0%	\$21,250	100%
TOTAL	\$0	\$21,250	\$0	\$21,250	\$255,000	0%	\$21,250	100%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$4,165	\$4,897	\$4,165	\$4,897	\$58,508	7%	\$731	15%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	0	5,021	0	5,021	59,912	0%	5,021	100%
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0	0	0%	0	0%
TOTAL	\$4,165	\$9,917	\$4,165	\$9,917	\$118,420	4%	\$5,752	58%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$1,039	\$5,952	\$1,039	\$5,952	\$70,982	1%	\$4,913	83%
TOTAL GARDEN VILLA REC ROOMS FUND	\$1,039	\$5,952	\$1,039	\$5,952	\$70,982	1%	\$4,913	83%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
APPLIANCE REPAIRS	\$14,016	\$7,402	\$14,016	\$7,402	\$87,257	16%	(\$6,614)	(89%)
CARPENTRY SERVICE	45,387	35,851	45,387	35,851	422,426	11%	(9,536)	(27%)
ELECTRICAL SERVICE	11,633	11,388	11,633	11,388	133,883	9%	(245)	(2%)
FIRE PROTECTION	403	10,935	403	10,935	131,252	0%	10,532	96%
MISC REPAIRS BY OUTSIDE SERVICE	2,194	4,889	2,194	4,889	58,664	4%	2,695	55%
PEST CONTROL	2,075	30,355	2,075	30,355	364,272	1%	28,280	93%
PLUMBING SERVICE	74,846	57,844	74,846	57,844	682,989	11%	(17,003)	(29%)
SOLAR MAINTENANCE	0	2,083	0	2,083	25,000	0%	2,083	100%
TOTAL	\$150,554	\$160,746	\$150,554	\$160,746	\$1,905,743	8%	\$10,192	6%
OPERATING FUND - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	30,991	31,216	30,991	31,216	368,011	8%	225	1%
JANITORIAL SERVICE	82,225	80,440	82,225	80,440	943,316	9%	(1,785)	(2%)
GUTTER CLEANING	1,451	14,969	1,451	14,969	178,802	1%	13,518	90%
TRAFFIC CONTROL	2,449	1,647	2,449	1,647	19,357	13%	(802)	(49%)
WELDING	9,565	9,417	9,565	9,417	110,744	9%	(148)	(2%)
TOTAL	\$126,680	\$137,689	\$126,680	\$137,689	\$1,620,230	8%	\$11,009	8%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
MOISTURE INTRUSION - RAIN LEAKS	\$29,802	\$39,585	29,802	\$39,585	\$475,025	6%	9,783	25%
MOISTURE INTRUSION - PLUMBING LEAKS	43,292	54,166	43,292	54,166	650,000	7%	10,874	20%
MOISTURE INTRUSION - PLUMBING STOPPAGES	2,971	8,333	2,971	8,333	100,000	3%	5,362	64%
MOISTURE INTRUSION - MISCELLANEOUS	0	7,757	0	7,757	93,095	0%	7,757	100%
DAMAGE RESTORATION SERVICES	6,614	30,921	6,614	30,921	369,812	2%	24,307	79%
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0	0	0%	0	0%
TOTAL DISASTER FUND	\$82,679	\$140,762	\$82,679	\$140,762	\$1,687,932	5%	\$58,082	41%
DISASTER FUND - LANDSCAPE SERVICES								
RISK FIRE MANAGEMENT	\$0	\$15,000	\$0	\$15,000	\$180,000	0%	\$15,000	100%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$0	\$15,000	\$0	\$15,000	\$180,000	0%	\$15,000	100%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF JANUARY 31, 2020**

DESCRIPTION	YTD ACTUAL			
	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES

RESERVE FUNDS - MAINTENANCE & CONSTRUCTION

ALARM SYSTEM	\$0	\$0	\$0	\$0
BUILDING NUMBERS	0	0	0	0
BUILDING STRUCTURES	61,719	15,767	934	45,019
ELECTRICAL SYSTEMS	0	0	0	0
ENERGY PROJECTS	0	0	0	0
EXTERIOR LIGHTING	0	0	0	0
FENCING	4,875	4,209	666	0
GARDEN VILLA LOBBY	0	0	0	0
GARDEN VILLA MAILROOM	0	0	0	0
GARDEN VILLA RECESSED AREA	0	0	0	0
GV REC ROOM WATER HEATER/HEAT PUMP	0	0	0	0
GUTTER REPLACEMENTS	5,944	4,513	1,430	0
MAILBOXES	0	0	0	0
PAINT PROGRAM - EXTERIOR	179,733	165,900	13,833	0
PRIOR TO PAINT	108,503	99,145	9,358	0
PAVING	0	0	0	0
ROOF REPLACEMENTS	13,713	0	0	13,713
WALL REPLACEMENTS	0	0	0	0
WASTE LINE REMEDIATION	0	0	0	0
WATER LINES - COPPER PIPE REMEDIATION	0	0	0	0
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$374,486	\$289,533	\$26,221	\$58,732

* Exterior Lighting includes \$740,000 carried over from the 2019 plan.

RESERVE FUNDS - GENERAL SERVICES

PRIOR TO PAINT	1,842	1,837	5	0
PAVING	8,509	7,866	643	0
EXTERIOR WALLS	0	0	0	0
TOTAL	\$10,351	\$9,703	\$648	\$0

RESERVE FUNDS - LANDSCAPE

LANDSCAPE MODIFICATION	77,196	0	0	77,196
TREE MAINTENANCE	34,643	34,643	0	0
TOTAL	\$111,839	\$34,643	\$0	\$77,196

* Landscape Modification includes \$300,000 carried over from the 2019 plan.

RESERVE FUNDS - ELEVATOR

ELEVATOR REPLACEMENT	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

RESERVE FUNDS - LAUNDRY

LAUNDRY APPLIANCES	\$4,165	\$771	\$3,394	\$0
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	0	\$0	\$0	\$0
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$4,165	\$771	\$3,394	\$0

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

GARDEN VILLA RECREATION ROOMS	\$1,039	\$931	\$108	\$0
TOTAL	\$1,039	\$931	\$108	\$0

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF JANUARY 31, 2020**

DESCRIPTION	YTD ACTUAL			
	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES

OPERATING FUND - MAINTENANCE & CONSTRUCTION

APPLIANCE REPAIRS	14,016	12,748	1,268	0
CARPENTRY SERVICE	45,387	42,434	2,952	0
CURB CUT/SIDEWALK RAMPS	0	0	0	0
ELECTRICAL SERVICE	11,633	10,875	758	0
FIRE PROTECTION	403	0	0	403
GUTTER CLEANING	0	0	0	0
MISC REPAIRS BY OUTSIDE SERVICE	2,194	0	0	2,194
PEST CONTROL	2,075	0	0	2,075
PLUMBING SERVICE	74,846	65,994	3,081	5,771
SOLAR MAINTENANCE	0	0	0	0
TOTAL	\$150,554	\$132,051	\$8,059	\$10,443

OPERATING FUND - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	30,991	28,142	2,849	0
GUTTER CLEANING	1,451	1,451	0	0
JANITORIAL SERVICE	82,225	81,441	784	0
TRAFFIC CONTROL	2,449	2,449	0	0
WELDING	9,565	9,370	195	0
TOTAL	\$126,680	\$122,853	\$3,827	\$0

DISASTER FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$29,802	\$0	\$0	\$29,802
MOISTURE INTRUSION - PLUMBING LEAKS	43,292	0	0	\$43,292
MOISTURE INTRUSION - PLUMBING STOPPAGES	2,971	0	0	\$2,971
MOISTURE INTRUSION - MISCELLANEOUS	0	0	0	\$0
DAMAGE RESTORATION SERVICES	6,614	1,342	0	5,272
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$82,679	\$1,342	\$0	\$81,337

DISASTER FUND - LANDSCAPE

RISK FIRE MANAGEMENT	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

UNAPPROPRIATED EXPENDITURES FUND

SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

Third Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
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	25,226	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	52,495	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	24,432	612,531
2020	23,285	-	-	-	-	-	-	-	-	-	-	-	23,285	23,285

