



REGULAR MEETING OF THE FINANCE COMMITTEE

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

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for September 3, 2019
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated August 31, 2019
 - a. Provision for Doubtful Accounts
 - b. Operating Fund Surplus/Deficit
9. Updates
 - a. Investment Task Force
 - b. Golf Cart Decal Enforcement
 - c. Solar Systems (November)
 - d. Laundry Coin Audit (November)
 - e. Overtime and Temp Help (November)

Items for Discussion and Consideration

10. Other Endorsements from Standing Committees

Future Agenda Items

Golf Cart Decal Enforcement
Alteration Fee Analysis

Concluding Business:

11. Committee Member Comments
12. Date of Next Meeting – Tuesday, November 5, 2019 at 1:30 p.m.
13. 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, September 3, 2019, 2019 – 1:30 p.m.
Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Jon Pearlstone – Chair, Steve Parsons, Roy Bruninghaus, Bunny Carpenter, Reza Karimi, Lynn Jarrett, John Frankel, Annie McCary, Cush Bhada, Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: Rosemarie diLorenzo, Advisor: Michael Cunningham

STAFF PRESENT: Betty Parker, 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 August 6, 2019

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

Department Head Update

Betty Parker, Chief Financial Officer, included in the agenda a department head update report highlighting key financial performance data and information requests. She also summarized the most recent coin collection audit and noted that resolutions to adopt the 2020 budget and reserves plan will be included on the agenda for the upcoming regular board meeting scheduled for Tuesday, September 17, 2019.

Preliminary Financial Statements dated July 31, 2019

The Committee reviewed financials and questions were addressed. Several questions related to the status of maintenance programs and were deferred to M&C. For Finance, the Committee requested additional information for the electricity variance and resale processing fee revenue.

The Committee was provided a handout to explain the nature of overtime and temporary help usage in each department.

Investment Task Force Update

Ms. Parker noted that all corporations have elected to transition from Merrill Lynch/BlackRock to Sageview/Fidelity for professional investment services. An Investment Task Force meeting is scheduled for September 5, 2019 to meet the new advisor and plan the transition.

Replacement of LH-21 Enclosed Bulletin Board Cabinets

The committee reviewed a staff report on replacement of bulletin board cabinets at all LH-21 buildings. A motion was made and carried unanimously to recommend the board approve the supplemental appropriation of \$14,430 from the Unappropriated Expenditures Fund, for the replacement of LH-21 enclosed bulletin board cabinets. Director Jarrett will provide additional recommendations for possible alternative cabinets for installation.

Future Agenda Items

Golf Cart Decal Enforcement
Chargeable Services Fees
Alteration Fee Analysis
Solar System Update – Q3

Date of Next Meeting

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

Recess to Closed Session

The meeting recessed at 3:18 p.m.



Jon Pearlstone, Chair



MEMORANDUM

To: Third Finance Committee
 From: Betty Parker, CFO
 Date: October 1, 2019
 Re: Department Head Update

Financial Highlights

- SUMMARY:** For the year-to-date period ending August 31, 2019, Third Mutual is better than budget by \$3.6 million, of which \$2.6 million is due to timing of reserve programs performed by outside contractors. The remaining \$600K is attributed to an unrealized gain on investments and higher interest earnings.

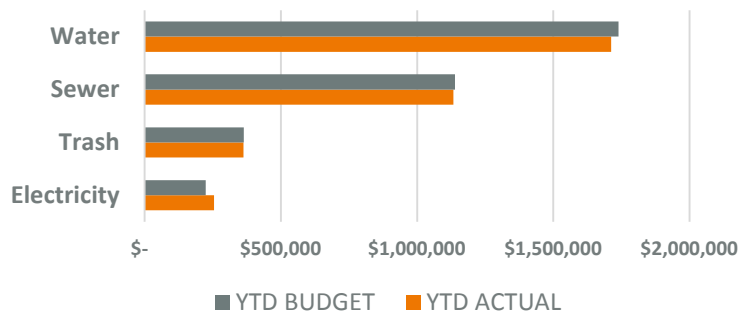
INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$21,485	\$21,485	\$0
Other Revenues	\$1,816	\$1,112	\$704
Expenses	\$20,248	\$23,102	\$2,854
Revenue / (Expense)	\$3,053	(\$506)	\$3,559

COMPENSATION:

Actual compensation and related costs came in just over \$8.5 Million, with \$6.4 million in operations and \$2.1 million in reserves. Combined, this category is over 2.4% favorable to budget.

	Budget			Variance	
	Compensation	Related	Total	Total \$	Total %
All Units					
Operating	\$4,459,568	\$1,929,242	\$6,388,810	\$18,359	0.3%
Reserves	\$1,576,048	\$768,623	\$2,344,670	\$192,177	8.2%
TOTAL	\$6,035,615	\$2,697,865	\$8,733,480	\$210,536	2.4%

- UTILITIES:** Water consumption is 12% lower than budgeted due to Q1-Q2 rains, Sewer is coming in right on budget at the rate of \$142K per month, and Trash is running very close to the expected \$44K per month. The Electricity budget is understated compared to recent trends, causing an unfavorable variance.



Discussions

2020 Budget: Third Mutual Board adopted the 2020 Business Plan and Reserve Funding Plan by resolution on September 17, 2019. Basic assessment is at \$652.22 per manor per month (inclusive of GRF portion), an increase of \$15.00 or 2.4% compared to current year. Individual manor assessments, including surcharges and additional occupant fees, will be delivered to owners via first class mail in late November with the Annual Budget Report and Annual Policy Statement.

The Finance Committee will be tracking the justification and potential variances on specific budgetary line items, including but not limited to: Compensation (i.e. Temp Help, Overtime, Retirement) Water, Legal, Uniforms, Janitorial, Tree Trimming, Paint Program, Copper Pipes, and Wasteline Remediation.

Fees: Vacant manor inspection fee of \$100 adopted August 20, 2019 by Resolution 03-19-86. Late charge interest rate to increase from 10 to 12% per annum in 2020, the maximum allowed by statute; incorporated with review of 2020 Collection and Lien Enforcement Policy which was adopted September 17, 2019. Fee schedule will be revised to show these updates, along with resolution numbers. Chargeable Services policy was reviewed by M&C Department Head; labor rates will automatically update in 2020 with budgeted bill rates. Future analysis needed to associate fees with projected revenues.

Insurance: October 1 renewals for casualty and property insurance programs are facing complications in a tightening market. VMS and the broker, Beecher Carlson, are working diligently to place coverage for Laguna Woods Village, and the community will remain insured. However, the unique aspects and size of the Village mean we face significantly higher insurance costs going forward in these market conditions.

Investments: The Board approved Investment Task Force and Finance Committee recommendations for new investment manager, SageView, ratified at August 20 Board meeting. Task Force will meet with new advisor on October 3 at 2:30p.m. in the Board Room with an open invitation to all board members to discuss current holdings, current investment policies, transition timeline, and recommendations on how we proceed with changes to the investment policy and/or investments.

Projections: Q3 year projections will be based on September 30, 2019 financials, reported at November 5, Finance Committee meeting.

Purchasing Task Force: The task force has been reformed and will meet October 16, 2019 at 1:30 p.m. in the Willow Room to discuss recent purchasing manual updates and proposed revisions to the Purchasing Policy, last adopted September 20, 2016 by Resolution 03-16-100.

Solar Energy Update: Results for 2019 Q3 will be distributed at the Finance Committee meeting on November 5, 2019.

Calendar

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

October 3, 2019 @ 9:30 a.m. Third Board Annual Meeting

October 3, 2019 @ 2:30 p.m. Investment Task Force Meeting w/invite to all Boards.

October 16, 2019 @ 1:30 p.m. Purchasing Task Force Meeting

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

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
8/31/2019
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,564	\$1,564		\$12,511	\$12,511		\$12,586	\$18,767
2	Additions to restricted funds	1,122	1,122		8,973	8,973		8,770	13,460
3	Total assessments	<u>2,686</u>	<u>2,686</u>		<u>21,485</u>	<u>21,484</u>		<u>21,356</u>	<u>32,227</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	76	40	36	542	319	223	399	478
5	Laundry	18	18		137	147	(10)	90	220
6	Interest income	58	31	27	433	246	187	308	369
7	Miscellaneous	45	50	(5)	705	401	304	456	601
8	Total non-assessment revenue	<u>197</u>	<u>139</u>	<u>57</u>	<u>1,817</u>	<u>1,112</u>	<u>704</u>	<u>1,253</u>	<u>1,668</u>
9	Total revenue	<u>2,882</u>	<u>2,825</u>	<u>57</u>	<u>23,301</u>	<u>22,597</u>	<u>705</u>	<u>22,608</u>	<u>33,895</u>
Expenses:									
10	Employee compensation and related	1,089	1,104	16	8,523	8,733	211	8,790	13,088
11	Materials and supplies	106	129	24	901	1,036	135	905	1,554
12	Utilities and telephone	653	503	(149)	3,463	3,467	4	3,762	5,299
13	Legal fees	75	18	(57)	303	147	(156)	104	220
14	Professional fees		16	16	112	141	30	66	185
15	Equipment rental	1	3	2	18	27	9	14	40
16	Outside services	196	914	719	4,685	7,314	2,630	4,532	10,972
17	Repairs and maintenance	30	28	(2)	222	224	3	218	345
18	Other Operating Expense	14	15	1	100	121	22	100	181
19	Insurance	112	109	(2)	874	875	1	840	1,313
20	Investment expense		4	4	23	30	8	31	46
21	Uncollectible Accounts	17	12	(5)	111	92	(19)	34	138
22	(Gain)/loss on sale or trade				3		(3)	1	
23	Depreciation and amortization	12	12		95	95		97	143
24	Net allocation to mutuals	108	102	(6)	816	798	(19)	818	1,205
25	Total expenses	<u>2,411</u>	<u>2,970</u>	<u>559</u>	<u>20,248</u>	<u>23,102</u>	<u>2,854</u>	<u>20,314</u>	<u>34,730</u>
26	Excess of revenues over expenses	<u>\$471</u>	<u>(\$145)</u>	<u>\$616</u>	<u>\$3,053</u>	<u>(\$506)</u>	<u>\$3,559</u>	<u>\$2,294</u>	<u>(\$835)</u>

**Third Laguna Hills Mutual
Operating Statement
8/31/2019
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$12,511,268	\$12,511,087	\$181	0.00%	\$18,766,631
Total Operating	12,511,268	12,511,087	181	0.00%	18,766,631
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,352,203	1,352,203	0	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	390,528	390,528	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	6,834,240	6,834,240	0	0.00%	10,251,360
41004000 - Monthly Assessments - Elevator Replacement Fund	292,896	292,896	0	0.00%	439,344
41004500 - Monthly Assessments - Laundry Replacement Fund	48,816	48,816	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	54,648	54,648	0	0.00%	81,972
Total Additions To Restricted Funds	8,973,331	8,973,331	0	0.00%	13,459,997
Total Assessments	21,484,599	21,484,419	181	0.00%	32,226,628
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	88,820	48,391	40,429	83.55%	72,592
46501500 - Inspection Fee	54,649	34,640	20,009	57.76%	51,965
46502000 - Resident Maintenance Fee	398,579	235,916	162,663	68.95%	353,883
Total Fees and Charges for Services to Residents	542,047	318,947	223,101	69.95%	478,440
Laundry					
46005000 - Coin Op Laundry Machine	136,789	146,664	(9,875)	(6.73%)	220,000
Total Laundry	136,789	146,664	(9,875)	(6.73%)	220,000
Interest Income					
49001000 - Interest Income - Treasury Notes	186,253	102,429	83,824	81.84%	153,643
49001500 - Interest Income - Treasury Notes - Discretionary	196,415	112,444	83,970	74.68%	168,667
49002000 - Interest Income - Money Market	3,710	1,351	2,359	174.52%	2,027
49002500 - Interest Income - Gnma Securities - Discretionary	46,862	29,655	17,207	58.02%	44,483
Total Interest Income	433,240	245,880	187,360	76.20%	368,820
Miscellaneous					
46002000 - Traffic Violation	(25)	0	(25)	0.00%	0
46004500 - Resident Violations	12,298	6,664	5,634	84.54%	10,000
44501510 - Lease Processing Fee - Third	180,850	150,000	30,850	20.57%	225,000
44502000 - Variance Processing Fee	(150)	0	(150)	0.00%	0
44502500 - Non-Sale Transfer Fee - Third	800	2,000	(1,200)	(60.00%)	3,000
44503520 - Resale Processing Fee - Third	106,048	133,328	(27,280)	(20.46%)	200,000
44505500 - Hoa Certification Fee	3,810	6,000	(2,190)	(36.50%)	9,000
44507000 - Golf Cart Electric Fee	47,349	45,336	2,013	4.44%	68,000
44507200 - Electric Vehicle Plug-In Fee	7,867	4,000	3,867	96.67%	6,000
44507500 - Cartport/Carport Space Rental Fee	2,566	2,000	566	28.29%	3,000
47001000 - Cash Discounts - Accounts Payable	701	0	701	0.00%	0
47001500 - Late Fee Revenue	31,957	40,000	(8,043)	(20.11%)	60,000
47002020 - Collection Administrative Fee - Third	600	0	600	0.00%	0
47002500 - Collection Interest Revenue	7,831	8,000	(169)	(2.11%)	12,000
47501000 - Recycling	3,982	3,336	646	19.38%	5,000
49008100 - Unrealized Gain(Loss) On Available For Sale Investments	299,297	0	299,297	0.00%	0
49009000 - Miscellaneous Revenue	(1,232)	0	(1,232)	0.00%	0
Total Miscellaneous	704,550	400,664	303,886	75.85%	601,000
Total Non-Assessment Revenue	1,816,626	1,112,155	704,471	63.34%	1,668,260
Total Revenue	23,301,225	22,596,573	704,652	3.12%	33,894,888
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,567,300	1,650,957	83,658	5.07%	2,484,383
51021000 - Union Wages - Regular	3,584,922	3,680,462	95,540	2.60%	5,528,264
51041000 - Wages - Overtime	29,136	16,724	(12,411)	(74.21%)	25,095
51051000 - Union Wages - Overtime	50,528	24,821	(25,708)	(103.57%)	37,244

**Third Laguna Hills Mutual
Operating Statement
8/31/2019
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51061000 - Holiday & Vacation	568,767	450,154	(118,613)	(26.35%)	676,533
51071000 - Sick	195,949	183,615	(12,334)	(6.72%)	275,954
51091000 - Missed Meal Penalty	1,525	564	(961)	(170.36%)	858
51101000 - Temporary Help	67,116	24,437	(42,679)	(174.65%)	36,664
51981000 - Compensation Accrual	(194,333)	3,880	198,213	5108.80%	5,826
Total Employee Compensation	5,870,911	6,035,615	164,705	2.73%	9,070,822
Compensation Related					
52411000 - F.I.C.A.	453,162	454,187	1,025	0.23%	677,880
52421000 - F.U.I.	7,646	11,541	3,896	33.75%	13,091
52431000 - S.U.I.	58,640	53,077	(5,563)	(10.48%)	56,129
52441000 - Union Medical	1,198,066	1,275,473	77,407	6.07%	1,913,209
52451000 - Workers' Compensation Insurance	516,796	444,589	(72,208)	(16.24%)	668,020
52461000 - Non Union Medical & Life Insurance	195,774	178,141	(17,633)	(9.90%)	267,211
52471000 - Union Retirement Plan	249,357	208,156	(41,201)	(19.79%)	312,663
52481000 - Non-Union Retirement Plan	35,592	72,061	36,468	50.61%	108,438
52981000 - Compensation Related Accrual	(62,999)	640	63,640	9936.26%	970
Total Compensation Related	2,652,034	2,697,865	45,831	1.70%	4,017,611
Materials and Supplies					
53001000 - Materials & Supplies	287,578	310,702	23,124	7.44%	466,289
53003000 - Materials Direct	611,949	725,112	113,163	15.61%	1,088,103
53004000 - Freight	1,386	0	(1,386)	0.00%	0
Total Materials and Supplies	900,913	1,035,814	134,901	13.02%	1,554,392
Utilities and Telephone					
53301000 - Electricity	254,339	224,112	(30,227)	(13.49%)	325,000
53301500 - Sewer	1,133,547	1,138,600	5,053	0.44%	1,716,600
53302000 - Water	1,712,222	1,739,600	27,378	1.57%	2,710,627
53302500 - Trash	362,824	364,448	1,624	0.45%	546,690
Total Utilities and Telephone	3,462,932	3,466,760	3,828	0.11%	5,298,917
Legal Fees					
53401500 - Legal Fees	302,867	146,664	(156,203)	(106.50%)	220,000
Total Legal Fees	302,867	146,664	(156,203)	(106.50%)	220,000
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	41,912	56,600	14,688	25.95%	57,600
53403500 - Consulting Fees	1,029	4,032	3,002	74.47%	6,053
53403520 - Consulting Fees - Third	68,629	80,608	11,979	14.86%	120,936
Total Professional Fees	111,570	141,240	29,670	21.01%	184,589
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	18,235	26,865	8,629	32.12%	40,090
Total Equipment Rental	18,235	26,865	8,629	32.12%	40,090
Outside Services					
53601000 - Bank Fees	0	2,618	2,618	100.00%	3,929
53601500 - Credit Card Transaction Fees	1,242	0	(1,242)	0.00%	0
53604500 - Marketing Expense	3,420	0	(3,420)	0.00%	0
54603500 - Outside Services Cost Collection	4,623,616	7,230,867	2,607,251	36.06%	10,846,711
53704000 - Outside Services	56,540	80,955	24,416	30.16%	121,480
Total Outside Services	4,684,818	7,314,440	2,629,623	35.95%	10,972,120
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	5,670	10,798	5,128	47.49%	16,240
53703000 - Elevator /Lift Maintenance	216,305	213,680	(2,625)	(1.23%)	328,520
Total Repairs and Maintenance	221,975	224,478	2,503	1.12%	344,760
Other Operating Expense					
53801000 - Mileage & Meal Allowance	5,075	10,149	5,074	49.99%	15,252
53801500 - Travel & Lodging	762	642	(120)	(18.77%)	968
53802000 - Uniforms	50,506	56,216	5,710	10.16%	82,843
53802500 - Dues & Memberships	222	1,207	985	81.59%	1,992
53803000 - Subscriptions & Books	1,564	1,335	(228)	(17.10%)	2,004
53803500 - Training & Education	5,272	9,919	4,647	46.85%	14,902
53901500 - Volunteer Support	0	588	588	100.00%	1,175
53903000 - Safety	0	122	122	100.00%	186

**Third Laguna Hills Mutual
Operating Statement
8/31/2019
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
54001000 - Board Relations	3,822	2,442	(1,380)	(56.48%)	3,666
54001020 - Board Relations - Third	4,597	6,664	2,067	31.01%	10,000
54001500 - Public Relations	(1)	0	1	0.00%	0
54002000 - Postage	26,968	31,780	4,812	15.14%	47,672
54002500 - Filing Fees / Permits	774	381	(393)	(103.07%)	761
Total Other Operating Expense	99,564	121,446	21,882	18.02%	181,422
Insurance					
54401000 - Hazard & Liability Insurance	268,625	270,129	1,504	0.56%	405,194
54401500 - D&O Liability	31,089	31,877	788	2.47%	47,818
54402000 - Property Insurance	570,477	568,478	(1,999)	(0.35%)	852,719
54403000 - General Liability Insurance	3,975	4,715	740	15.69%	7,072
Total Insurance	874,165	875,199	1,033	0.12%	1,312,803
Investment Expense					
54201000 - Investment Expense	22,659	30,432	7,773	25.54%	45,978
Total Investment Expense	22,659	30,432	7,773	25.54%	45,978
Uncollectible Accounts					
54602000 - Bad Debt Expense	110,659	92,136	(18,523)	(20.10%)	138,200
Total Uncollectible Accounts	110,659	92,136	(18,523)	(20.10%)	138,200
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	3,171	0	(3,171)	0.00%	0
Total (Gain)/Loss on Sale or Trade	3,171	0	(3,171)	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	95,368	95,368	0	0.00%	143,052
Total Depreciation and Amortization	95,368	95,368	0	0.00%	143,052
Net Allocation to Mutuals					
54602500 - Allocated Expenses	816,472	797,937	(18,535)	(2.32%)	1,204,782
Total Net Allocation to Mutuals	816,472	797,937	(18,535)	(2.32%)	1,204,782
Total Expenses	20,248,313	23,102,260	2,853,947	12.35%	34,729,537
Excess of Revenues Over Expenses	\$3,052,912	(\$505,687)	\$3,558,599	703.72%	(\$834,650)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
8/31/2019**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$2,126,525	\$3,321,543
2	Non-discretionary investments	15,762,258	11,831,351
3	Discretionary investments	17,146,613	16,831,676
4	Receivable/(Payable) from mutuals	512,474	1,605,868
5	Accounts receivable and interest receivable	(68,022)	(386,734)
6	Prepaid expenses and deposits	217,271	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	5,365,374	5,460,742
10	Non-controlling interest in GRF	36,986,050	36,986,050
11	Total Assets	<u>\$78,048,544</u>	<u>\$75,845,613</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,517,960	\$2,621,461
13	Accrued compensation and related costs	646,315	646,315
14	Deferred income	1,070,896	817,376
15	Total liabilities	<u>\$3,235,172</u>	<u>\$4,085,153</u>
	Fund balances:		
16	Fund balance prior years	71,760,460	70,676,034
17	Change in fund balance - current year	3,052,912	1,084,426
18	Total fund balances	<u>74,813,372</u>	<u>71,760,460</u>
19	Total Liabilities and Fund Balances	<u>\$78,048,544</u>	<u>\$75,845,613</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
8/31/2019**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Assets								
1 Cash and cash equivalents	\$2,126,525							\$2,126,525
2 Non-discretionary investments	15,762,258							15,762,258
3 Discretionary investments	17,146,613							17,146,613
4 Receivable/(Payable) from mutuals	512,474							512,474
5 Receivable/(Payable) from operating fund	(32,000,729)	3,506,227	9,938,526	16,140,137	1,967,689	393,079	55,071	(68,022)
6 Accounts receivable and interest receivable	(68,022)							217,271
7 Prepaid expenses and deposits	217,271							141,239
8 Property and equipment	141,239							(141,239)
9 Accumulated depreciation property and equipment	(141,239)							5,365,374
10 Beneficial interest in GRF of Laguna Hills Trust	5,365,374							36,986,050
11 Non-controlling interest in GRF	36,986,050							
12 Total Assets	<u>\$46,047,815</u>	<u>\$3,506,227</u>	<u>\$9,938,526</u>	<u>\$16,140,137</u>	<u>\$1,967,689</u>	<u>\$393,079</u>	<u>\$55,071</u>	<u>\$78,048,544</u>
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$1,316,805		\$106,022	\$17,197	\$77,561		\$375	\$1,517,960
14 Accrued compensation and related costs	646,315							646,315
15 Deferred income	1,070,896							1,070,896
16 Total liabilities	<u>\$3,034,017</u>		<u>\$106,022</u>	<u>\$17,197</u>	<u>\$77,561</u>		<u>\$375</u>	<u>\$3,235,172</u>
Fund balances:								
17 Fund balance prior years	42,499,880	3,212,981	9,216,805	14,347,032	1,708,610	713,855	61,299	71,760,460
18 Change in fund balance - current year	<u>513,919</u>	<u>293,247</u>	<u>615,699</u>	<u>1,775,908</u>	<u>181,518</u>	<u>(320,775)</u>	<u>(6,603)</u>	<u>3,052,912</u>
19 Total fund balances	43,013,798	3,506,227	9,832,504	16,122,940	1,890,128	393,079	54,696	74,813,372
20 Total Liabilities and Fund Balances	<u>\$46,047,815</u>	<u>\$3,506,227</u>	<u>\$9,938,526</u>	<u>\$16,140,137</u>	<u>\$1,967,689</u>	<u>\$393,079</u>	<u>\$55,071</u>	<u>\$78,048,544</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
8/31/2019**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$12,511,268							\$12,511,268
2 Additions to restricted funds		390,528	1,352,203	6,834,240	292,896	48,816	54,648	8,973,331
3 Total assessments	12,511,268	390,528	1,352,203	6,834,240	292,896	48,816	54,648	21,484,599
Non-assessment revenues:								
4 Fees and charges for services to residents	542,047							542,047
5 Laundry	136,789							136,789
6 Interest income		47,060	134,694	216,842	25,875	7,835	933	433,240
7 Miscellaneous	704,550							704,550
8 Total non-assessment revenue	1,383,386	47,060	134,694	216,842	25,875	7,835	933	1,816,626
9 Total revenue	13,894,654	437,588	1,486,898	7,051,082	318,771	56,651	55,581	23,301,225
Expenses:								
10 Employee compensation and related	6,370,451		4,038	2,092,502		24,574	31,380	8,522,945
11 Materials and supplies	505,493		239	352,618		34,813	7,750	900,913
12 Utilities and telephone	3,454,537		32	8,267			95	3,462,932
13 Legal fees	302,867							302,867
14 Professional fees	108,557			3,014				111,570
15 Equipment rental	3,397		27	14,635			176	18,235
16 Outside services	501,029	141,555	858,614	2,709,775	135,744	316,622	21,479	4,684,818
17 Repairs and maintenance	220,101		2	1,847			26	221,975
18 Other Operating Expense	84,453		22	14,720		143	226	99,564
19 Insurance	874,165							874,165
20 Investment expense		2,443	7,067	11,237	1,335	527	50	22,659
21 Uncollectible Accounts	110,659							110,659
22 (Gain)/loss on sale or trade		344	1,014	1,515	174	117	8	3,171
23 Depreciation and amortization	95,368							95,368
24 Net allocations to mutuals	749,657		144	65,044		631	996	816,472
25 Total expenses	13,380,735	144,341	871,198	5,275,174	137,253	377,427	62,184	20,248,313
26 Excess of revenues over expenses	\$513,919	\$293,247	\$615,699	\$1,775,908	\$181,518	(\$320,775)	(\$6,603)	\$3,052,912
27 Excluding unrealized gain/(loss) and depreciation	\$309,989	\$293,247	\$615,699	\$1,775,908	\$181,518	(\$320,775)	(\$6,603)	\$2,848,983

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
8/31/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796RA9	U.S. TREASURY BILL	0.00%	11-30-18	09-12-19	3,000,000.00	2.47%	2,942,645.08	
912796RA9	U.S. TREASURY BILL	0.00%	12-27-18	09-12-19	2,000,000.00	2.44%	1,965,826.39	
912796RF8	U.S. TREASURY BILL	0.00%	03-11-19	10-10-19	2,000,000.00	2.39%	1,972,416.50	
912796SM2	U.S. TREASURY BILL	0.00%	05-01-19	04-23-20	4,000,000.00	2.39%	3,912,667.89	
912796TA7	U.S. TREASURY BILL	0.00%	05-01-19	01-09-20	5,000,000.00	1.80%	4,968,702.22	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 16,000,000.00		\$ 15,762,258.08	2.43%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
8/31/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 471,278.07		\$ 471,278.07	
822582AJ1	CorpBond-Shell International Fin	4.30%	08-06-18	09-22-19	150,000.00	2.63%	152,746.50	
912828U32	U.S. TREASURY NOTE	1.00%	05-20-19	11-15-19	1,000,000.00	2.42%	993,126.68	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	400,000.00	1.90%	399,766.30	
05565QCX4	CorpBond-BP Capital Markets PLC Cor	2.32%	08-21-18	02-13-20	100,000.00	2.84%	99,239.00	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
437076BQ4	CorpBond-Home Depot Inc	1.80%	08-21-18	06-05-20	75,000.00	2.68%	73,851.00	
17275RAX0	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	300,000.00	2.66%	299,109.88	
912828Y46	U.S. TREASURY NOTE	2.63%	07-17-19	07-31-20	200,000.00	1.99%	201,297.21	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
912828NT3	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
06406HDD8	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	CorpBond-State Street Corp	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
06051GFT1	CorpBond-Bank of America Corp	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
9128285G1	U.S. TREASURY NOTE	2.88%	11-02-18	10-31-20	250,000.00	2.87%	249,990.65	
912828M98	U.S. TREASURY NOTE	1.63%	12-15-15	11-30-20	250,000.00	1.69%	249,199.64	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,559.10	
931142EA7	CorpBond-Wal-Mart Stores Inc	1.90%	08-21-18	12-15-20	75,000.00	2.75%	73,575.75	
05531FAZ6	CorpBond-BB&T Corporation Ser Mtn	2.15%	08-21-18	02-01-21	150,000.00	3.10%	146,644.50	
9128283X6	U.S. TREASURY NOTE	2.25%	04-22-19	02-15-21	750,000.00	2.43%	747,540.32	
63946BAE0	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
89236TCZ6	CorpBond-Toyota Motor Credit Corp	1.90%	02-19-19	04-08-21	200,000.00	2.79%	196,306.00	
9128284G2	U.S. TREASURY NOTE	2.38%	04-20-18	04-15-21	250,000.00	2.57%	248,594.17	
0258M0EB1	CorpBond-American Express Credit	2.25%	04-23-18	05-05-21	150,000.00	2.25%	146,322.00	
037833AR1	CorpBond-Apple Inc	2.85%	10-23-17	05-06-21	75,000.00	2.06%	76,986.75	
369550BE7	CorpBond-General Dynamics Corp	3.00%	05-20-19	05-11-21	200,000.00	2.48%	201,972.00	
857477AV5	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
38141GGQ1	CorpBond-Goldman Sachs Group Inc	5.25%	12-27-18	07-27-21	300,000.00	3.80%	310,530.00	
594918BP8	CorpBond-Microsoft Corp	1.55%	11-01-16	08-08-21	100,000.00	1.79%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	1,000,000.00	2.04%	1,007,269.63	
91324PBT8	CorpBond-Unitedhealth Group Inc	3.38%	01-05-16	11-15-21	150,000.00	2.64%	155,676.00	

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

8/31/19

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
375558AU7	CorpBond-Gilead Sciences Inc	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	
21685WDD6	CorpBond-Rabobank	3.88%	02-19-19	02-08-22	150,000.00	3.13%	153,139.50	
585055BR6	CorpBond-Medtronic Inc	3.15%	07-19-16	03-15-22	99,000.00	1.82%	106,077.51	
404280AN9	CorpBond-HSBC Holdings	4.00%	05-20-19	03-30-22	200,000.00	2.77%	206,678.00	
747525AE3	CorpBond-QualComm Inc	3.00%	08-21-18	05-20-22	150,000.00	3.38%	147,984.00	
20030NBD2	CorpBond-Corcast Corp	3.13%	07-09-14	07-15-22	100,000.00	2.97%	101,063.00	
91159JAA4	CorpBond-US Bancorp	2.95%	12-08-15	07-15-22	200,000.00	1.82%	200,306.00	
91324PCN0	CorpBond-UnitedHealth Group	3.35%	12-04-17	07-15-22	150,000.00	1.82%	154,786.50	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	300,000.00	2.08%	296,098.26	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	500,000.00	1.99%	500,215.84	
912828M80	U.S. TREASURY NOTE	2.00%	12-15-15	11-30-22	200,000.00	2.05%	199,258.21	
48128BAB7	CorpBond-JP Morgan Chase & Co	2.97%	10-23-17	01-15-23	50,000.00	2.58%	50,769.00	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,637.22	
037833AK6	CorpBond-Apple Inc	2.40%	01-10-17	05-03-23	200,000.00	2.75%	195,862.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-19-16	06-30-23	200,000.00	1.35%	200,328.53	
68389XBL8	CorpBond-Oracle Corp	2.40%	07-12-16	09-15-23	150,000.00	2.16%	152,296.50	
59156RBH0	CorpBond-Metlife Inc	3.60%	12-04-17	04-10-24	150,000.00	2.82%	156,720.00	
94974BGA2	CorpBond-Wells Fargo Company	3.30%	12-04-17	09-09-24	150,000.00	3.01%	152,575.50	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	29,297.37	5.50%	29,297.37	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	27,734.05	3.44%	44,391.54	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	77,401.14	2.94%	118,604.27	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	86,078.70	3.32%	116,737.71	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	71,084.96	2.31%	123,060.59	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	29,903.43	2.32%	51,452.40	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	122,380.14	2.58%	142,432.89	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	64,041.59	2.58%	74,363.53	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	134,659.38	2.29%	176,682.34	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	146,442.72	2.32%	189,704.44	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	219,822.80	2.35%	280,755.58	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	162,436.67	2.61%	186,851.06	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	340,521.82	2.40%	425,837.22	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	152,399.06	2.41%	189,596.20	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	81,356.85	2.86%	99,468.36	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	266,338.95	3.40%	274,090.90	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	29,313.40	3.58%	45,064.25	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	32,592.62	6.90%	25,968.11	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	78,850.47	2.22%	195,392.33	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	147,552.23	3.32%	199,715.42	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	126,028.42	3.69%	136,627.72	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	59,010.51	3.25%	81,599.87	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	120,666.86	3.12%	154,627.52	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	150,415.03	3.42%	176,037.99	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	175,924.30	3.29%	186,912.46	
36179UKY7/PMA5711M	GNMA SECURITIES	4.50%	07-16-19	01-20-49	213,974.29	4.31%	223,474.45	
TOTAL FOR DISCRETIONARY INVESTMENTS					16,236,505.83		17,146,613.21	1.98%
TOTAL INVESTMENTS					\$ 32,236,505.83		\$ 32,908,871.29	2.16%

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 8/31/2019**

ITEM	RESOLUTION #	BUDGET	EXPENDITURES		
		TOTAL Appropriations	I,T,D*	REMAINING Encumbrance	CURRENT STATUS

Replacement Fund

Ridge Route Perimeter Wall Improvements	03-18-84	\$330,000	253,937	\$76,063	In Progress
Cul-De-Sac Sign Replacement	03-19-73	\$23,000	0	\$23,000	Open
Totals		\$353,000	\$253,937	\$99,063	

Laundry Replacement Fund

Coin-Operated Dryers and Laundry Pedestals	03-18-171	\$377,000	402,108	(\$25,108)	Open
Totals		\$377,000	\$402,108	(\$25,108)	

Unappropriated Expenditures Fund

3-Story Building Trash Chute Repairs	03-18-36	336,680	317,722	18,958	In Progress
OCFA Fire Fuel Risk Reduction	03-18-96	200,000	149,860	50,140	Payment Pending
		\$536,680	\$467,582	\$69,098	

Disaster Fund

Slope Repairs Monte Hermosa	03-19-59	\$42,216	0	\$42,216	Open
Totals		\$42,216	\$0	\$42,216	

*Incurred To Date

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

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,830	9,900	22,640	33,970	29%	12,740	56%
BUILDING STRUCTURES	68,209	228,089	1,190,058	1,822,143	2,732,992	44%	632,085	35%
ELECTRICAL SYSTEMS	4,200	4,883	25,200	39,064	58,610	43%	13,864	35%
ENERGY PROJECTS	1,568	4,166	10,449	33,328	50,000	21%	22,879	69%
EXTERIOR LIGHTING	1,151	66,666	35,773	533,328	800,000	4%	497,555	93%
FENCING	2,317	11,505	99,309	91,266	136,817	73%	(8,044)	(9%)
GARDEN VILLA LOBBY	13,631	9,963	107,341	79,704	119,560	90%	(27,637)	(35%)
GARDEN VILLA MAILROOM	14,696	5,894	58,909	46,804	70,173	84%	(12,105)	(26%)
GARDEN VILLA RECESSED AREA	0	20,870	0	166,960	250,440	0%	166,960	100%
GV REC ROOM WATER HEATER/HEAT PUMP	55	1,625	22,140	12,999	19,505	114%	(9,141)	(70%)
GUTTER REPLACEMENTS	1,730	3,083	29,750	24,664	37,000	80%	(5,086)	(21%)
LANDSCAPE MODIFICATION	28,000	76,729	36,280	613,263	919,890	4%	576,983	94%
MAILBOXES	0	3,052	25,283	24,312	36,483	69%	(970)	(4%)
PAINT PROGRAM - EXTERIOR	159,993	168,864	1,331,206	1,340,132	2,008,631	66%	8,926	1%
PRIOR TO PAINT	98,431	107,349	759,322	851,823	1,277,033	59%	92,501	11%
PAVING	1,584	70,474	17,229	562,954	844,499	2%	545,725	97%
ROOF REPLACEMENTS	40,576	109,326	796,990	874,608	1,311,937	61%	77,618	9%
SUPPLEMENTAL APPROPRIATIONS	0	0	169,537	169,537	169,537	100%	0	0%
TREE MAINTENANCE	13,961	17,962	78,687	142,612	213,630	37%	63,925	45%
WALL REPLACEMENTS	0	16,666	39,625	133,328	200,000	20%	93,703	70%
WASTE LINE REMEDIATION	40,223	62,500	254,946	500,000	750,000	34%	245,054	49%
WATER LINES - COPPER PIPE REMEDIATION	0	16,666	160,924	133,328	200,000	80%	(27,596)	(21%)
TOTAL REPLACEMENT FUND	\$490,325	\$1,009,161	\$5,258,858	\$8,218,796	\$12,240,708	43%	\$2,959,938	36%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$77,561	\$28,891	\$135,744	\$231,128	\$346,698	39%	\$95,384	41%
TOTAL ELEVATOR REPLACEMENT FUND	\$77,561	\$28,891	\$135,744	\$231,128	\$346,698	39%	\$95,384	41%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$2,201	\$821	\$20,604	\$6,556	\$9,844	209%	(\$14,049)	(214%)
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	1,009	4,573	51,423	36,467	54,697	94%	(14,956)	(41%)
SUPPLEMENTAL APPROPRIATIONS	0	0	304,756	304,756	304,756	100%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$3,210	\$5,395	\$376,783	\$347,778	\$369,297	102%	(\$29,005)	(8%)
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$17,594	\$8,151	\$62,127	\$65,025	\$97,580	64%	\$2,898	4%
TOTAL GARDEN VILLA REC ROOMS FUND	\$17,594	\$8,151	\$62,127	\$65,025	\$97,580	64%	\$2,898	4%

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

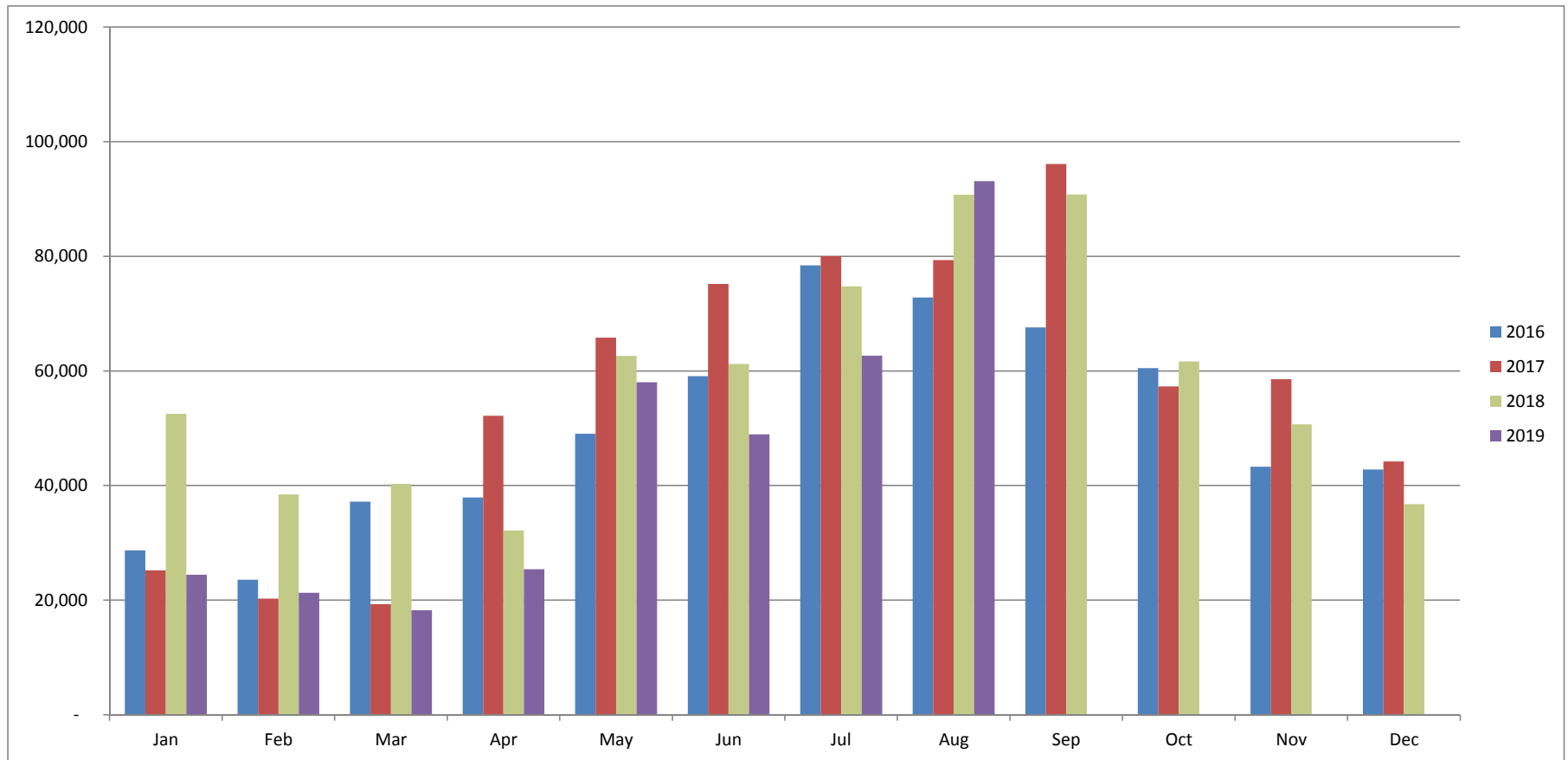
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$9,024	\$7,185	\$87,544	\$56,954	\$85,379	103%	(\$30,590)	(54%)
CARPENTRY SERVICE	0	32,432	240,685	257,295	385,731	62%	16,611	6%
CONCRETE REPAIR/REPLACEMENT	41,926	35,591	263,035	282,507	423,853	62%	19,472	7%
CURB CUT/SIDEWALK RAMPS	0	833	0	6,667	10,000	0%	6,667	100%
ELECTRICAL SERVICE	10,902	10,240	62,993	81,128	121,615	52%	18,135	22%
FIRE PROTECTION	743	14,626	40,084	117,008	175,556	23%	76,924	66%
GUTTER CLEANING	0	12,639	29,337	101,029	151,554	19%	71,692	71%
JANITORIAL SERVICE	70,843	79,688	589,591	631,663	947,862	62%	42,072	7%
MISC REPAIRS BY OUTSIDE SERVICE	0	4,838	4,303	38,700	58,050	7%	34,397	89%
PEST CONTROL	260	21,699	80,813	173,592	260,405	31%	92,779	53%
PLUMBING SERVICE	82,064	56,697	589,815	449,897	674,483	87%	(139,919)	(31%)
SOLAR MAINTENANCE	2,643	2,083	13,520	16,664	25,000	54%	3,144	19%
TRAFFIC CONTROL	2,278	2,545	8,146	20,229	30,359	27%	12,084	60%
WELDING	4,555	7,176	61,749	56,852	85,307	72%	(4,897)	(9%)
TOTAL MAINTENANCE PROGRAMS	\$225,239	\$288,271	\$2,071,614	\$2,290,185	\$3,435,153	60%	\$218,571	10%
DISASTER FUND								
RISK FIRE MANAGEMENT	\$0	\$15,000	\$19,324	\$120,000	\$180,000	11%	\$100,677	84%
MOISTURE INTRUSION - RAIN LEAKS	\$0	\$39,585	\$421,944	\$316,680	\$475,025	89%	(\$105,264)	(33%)
MOISTURE INTRUSION - PLUMBING LEAKS	26,979	54,143	379,633	433,144	649,726	58%	53,511	12%
MOISTURE INTRUSION - PLUMBING STOPPAGES	355	10,512	105,065	84,096	126,155	83%	(20,969)	(25%)
MOISTURE INTRUSION - MISCELLANEOUS	(15,016)	7,757	10,894	62,056	93,095	12%	51,162	82%
DAMAGE RESTORATION SERVICES	2,074	30,920	77,057	246,983	370,445	21%	169,926	69%
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
TOTAL DISASTER FUND	\$14,392	\$157,917	\$1,013,916	\$1,262,959	\$1,894,446	54%	\$249,043	20%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$141,555	\$141,555	\$141,555	100%	\$0	0%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$0	\$0	\$141,555	\$141,555	\$141,555	100%	\$0	0%

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF AUGUST 31, 2019**

YTD ACTUAL				
DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
R ALARM SYSTEM	\$0	\$0	\$0	\$0
R BUILDING NUMBERS	9,900	0	0	9,900
R BUILDING STRUCTURES	1,190,058	159,912	22,174	1,007,972
R ELECTRICAL SYSTEMS	25,200	0	0	25,200
R ENERGY PROJECTS	10,449	0	0	10,449
R EXTERIOR LIGHTING	35,773	0	0	35,773
R FENCING	99,309	83,151	16,158	0
R GARDEN VILLA LOBBY	107,341	0	0	107,341
R GARDEN VILLA MAILROOM	58,909	42,166	16,742	0
R GARDEN VILLA RECESSED AREA	0	0	0	0
R GV REC ROOM WATER HEATER/HEAT PUMP	22,140	3,463	2,910	15,767
R GUTTER REPLACEMENTS	29,750	27,175	2,575	0
R LANDSCAPE MODIFICATION	36,280	(0)	0	36,280
R MAILBOXES	25,283	5,134	20,149	0
R PAINT PROGRAM - EXTERIOR	1,331,206	1,205,581	122,804	2,821
R PRIOR TO PAINT	759,322	645,661	76,635	37,026
R PAVING	17,229	17,019	210	0
R ROOF REPLACEMENTS	796,990	0	0	796,990
R TREE MAINTENANCE	78,687	76,209	0	2,478
R WALL REPLACEMENTS	39,625	0	0	39,625
R WASTE LINE REMEDIATION	254,946	1,874	364	252,708
R WATER LINES - COPPER PIPE REMEDIATION	160,924	0	0	160,924
R SUPPL. APPROPRIATIONS	169,537	0	0	169,537
R OTHER - INVESTMENTS EXPENDITURES	9,580	0	0	9,580
TOTAL RESERVE FUND	\$5,258,858	\$2,267,344	\$280,720	\$2,710,793
E ELEVATOR REPLACEMENT	\$135,744	\$0	\$0	\$135,744
E OTHER - INVESTMENTS EXPENDITURES	1,098	0	0	1,098
TOTAL ELEVATOR FUND	\$135,744	\$0	\$0	\$135,744
L LAUNDRY APPLIANCES	\$20,604	\$4,104	\$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
L OTHER - INVESTMENTS EXPENDITURES	449	0	0	449
TOTAL LAUNDRY FUND	\$376,783	\$26,477	\$33,686	\$316,620
G GARDEN VILLA RECREATION ROOMS	\$62,127	\$34,314	\$6,308	\$21,505
G OTHER - INVESTMENTS EXPENDITURES	41	0	0	41
TOTAL GARDEN VILLA REC ROOMS FUND	\$62,127	\$34,314	\$6,308	\$21,505
O APPLIANCE REPAIRS	87,544	76,112	11,433	0
O CARPENTRY SERVICE	240,685	202,532	34,694	3,459
O CONCRETE REPAIR/REPLACEMENT	263,035	235,982	27,053	0
O CURB CUT/SIDEWALK RAMPS	0	0	0	0
O ELECTRICAL SERVICE	62,993	51,157	5,362	6,474
O FIRE PROTECTION	40,084	0	28	40,056
O GUTTER CLEANING	29,337	30,222	0	(885)
O JANITORIAL SERVICE	589,591	576,126	13,466	0
O MISC REPAIRS BY OUTSIDE SERVICE	4,303	0	0	4,303
O PEST CONTROL	80,813	0	0	80,813
O PLUMBING SERVICE	589,815	441,240	20,290	128,286
O SOLAR MAINTENANCE	13,520	0	0	13,520
O TRAFFIC CONTROL	8,146	8,146	0	0
O WELDING	61,749	60,589	727	433
TOTAL OPERATING FUND	\$2,071,614	\$1,682,104	\$113,053	\$276,458
D RISK FIRE MANAGEMENT	\$19,324	\$0	\$0	\$19,324
D MOISTURE INTRUSION - RAIN LEAKS	\$421,944	\$0	\$0	\$421,944
D MOISTURE INTRUSION - PLUMBING LEAKS	379,633	0	0	\$379,633
D MOISTURE INTRUSION - PLUMBING STOPPAGES	105,065	0	0	\$105,065
D MOISTURE INTRUSION - MISCELLANEOUS	10,894	0	0	\$10,894
D DAMAGE RESTORATION SERVICES	77,057	4,422	81	72,554
D SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL DISASTER FUND	\$1,013,916	\$4,422	\$81	\$1,009,413
U SUPPL. APPROPRIATIONS	141,555	0	0	141,555
U OTHER - INVESTMENTS EXPENDITURES	2,052	0	0	2,052
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$141,555	\$0	\$0	\$141,555

Third Mutual Water Usage in 100 cubic feet units

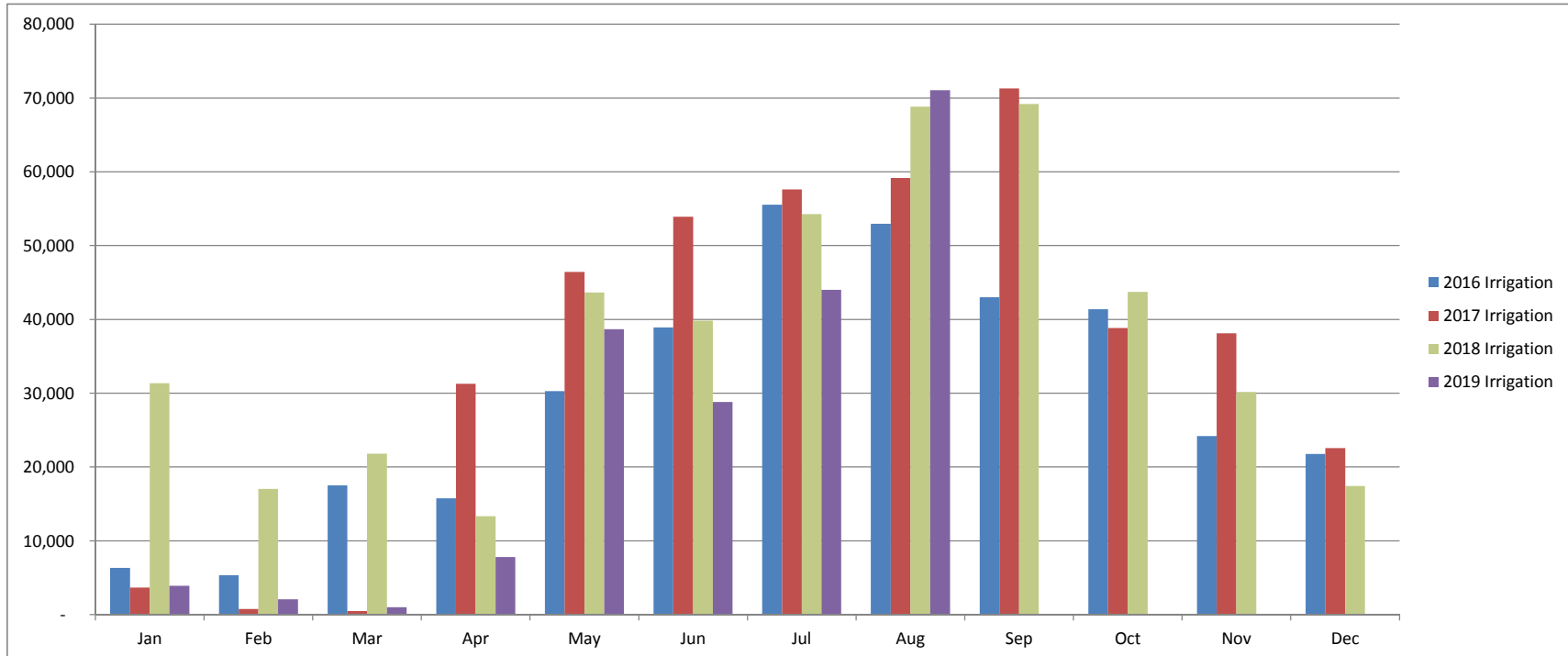
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	386,718	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	417,269	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	36,777	452,755	692,662
2019	24,432	21,298	18,269	25,378	58,015	48,914	62,672	93,135	-	-	-	-	352,113	352,113



Third Mutual

Irrigation Water Usage in 100 cubic feet units

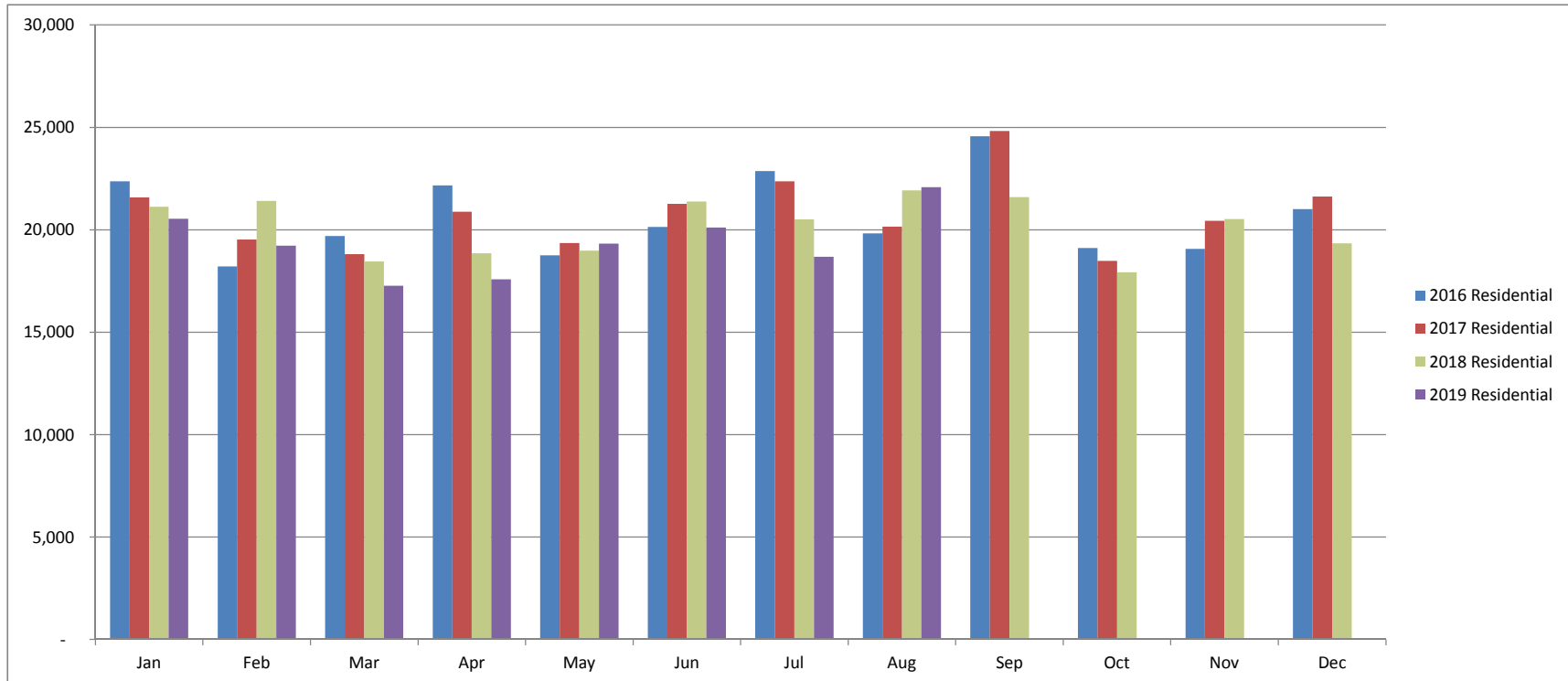
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016 Irrigation	6,329	5,349	17,506	15,776	30,280	38,926	55,543	52,976	43,024	41,402	24,192	21,779	222,685	353,082
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	253,336	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	17,434	290,136	450,658
2019 Irrigation	3,892	2,081	1,000	7,803	38,696	28,811	43,994	71,051	-	-	-	-	197,328	197,328



Third Mutual

Residential Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016 Residential	22,363	18,216	19,692	22,159	18,759	20,143	22,872	19,829	24,567	19,104	19,069	21,007	164,033	247,780
2017 Residential	21,580	19,520	18,805	20,883	19,359	21,270	22,367	20,149	24,828	18,477	20,443	21,624	163,933	249,305
2018 Residential	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	17,920	20,522	19,343	162,619	242,004
2019 Residential	20,540	19,217	17,269	17,575	19,319	20,103	18,678	22,083	-	-	-	-	154,784	154,784



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

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-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	-	-	-	-	-	-	
October-19	-	-	-	-	-	-	
November-19	-	-	-	-	-	-	
December-19	-	-	-	-	-	-	
YTD TOTAL						110,659	

(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