



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, November 2, 2021 – 1:30 p.m.
Laguna Woods Village Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for October 5, 2021
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

At this time Members only may address the Committee regarding items not on the agenda and within the jurisdiction of this Committee. The Committee reserves the right to limit the total amount of time allotted for the Open Forum. Members can attend the meeting by joining the Zoom link <https://us06web.zoom.us/j/81161366511> or by calling (669) 900-6833 and enter the meeting ID 81161366511# or email meeting@vmsinc.org to request to speak.

7. Department Head Update

Reports

8. Preliminary Financial Statements dated September 30, 2021

Items for Discussion and Consideration

9. Bank Fee Comparison
10. Insurance Payment Schedule
11. Other Endorsements from Standing Committee

Highlights

12. Paint Cycle

Future Agenda Items

Concluding Business:

13. Committee Member Comments
14. Date of Next Meeting – Tuesday, December 7, 2021 at 1:30 p.m.
15. Recess to Closed Session

Donna Rane-Szostak, Chair
Jose Campos, Staff Officer
Telephone: 949-597-4201



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, October 5, 2021 – 1:30 p.m.
Board Room/Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Ralph Engdahl, Reza Karami, John Frankel, Craig Wayne, Donna Rane-Szostak, Steve Parsons, Annie McCary, Advisors: Wei-Ming Tao, Advisor: John Hess

MEMBERS ABSENT: Lynn Jared, Cush Bhada

STAFF PRESENT: Steve Hormuth, Jose Campos, Christopher Swanson, Erika Hernandez

Call to Order

Director Mutchnick chaired and called the meeting to order at 1:32pm

Acknowledgement of Media

Director Mutchnick acknowledged the media through Granicus.

Approval of Meeting Agenda

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

Approval of Meeting Report for September 7, 2021

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

Chair Remarks

None.

Member Comments

Karen Shore commented on the discussion of legal expenses in closed session.

Department Head Update

Steve Hormuth, Interim Financial Services Director, provided updates on the 2022 budget, banking services, insurance and fee review.

Preliminary Financial Statements dated August 31, 2021

Steve Hormuth, presented the Preliminary Financial Statements dated August 31, 2021 and questions were addressed from the committee. The following items were requested from staff –

1. Insurance payment schedules (Dan Yost/Steve Hormuth)
2. 2022 Collection and Lien enforcement Policy – Agenda Item# 17 of 27, First paragraph there are question marks that need revisions

- a. Once completed send me final copy and I will email to all appropriate board members

Future Agenda Items

None

Committee Member Comments

Director Frankel commented on the history of the disaster fund.

Date of Next Meeting

Tuesday, November 2, 2021 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:32 p.m.

DRAFT

Robert Mutchnick, Chair



MEMORANDUM

To: Third Finance Committee
 From: Jose Campos, Interim Finance Director
 Date: November 2, 2021
 Re: Department Head Update

Financial Highlights

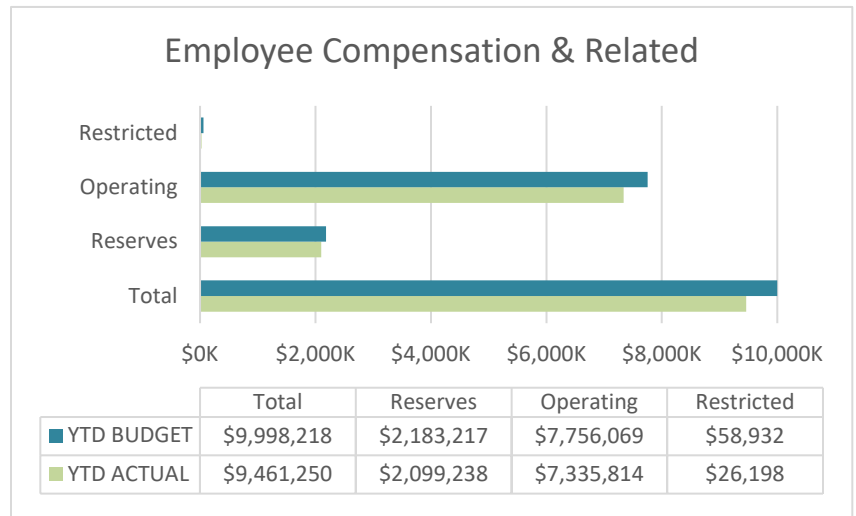
SUMMARY:

For the year-to-date period ending September 30, 2021, Third Mutual was better than budget by \$1,870K primarily due to late start of programs due to COVID-19 pandemic, affecting the areas of outside services, compensation, and materials.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$25,950	\$25,950	\$0
Other Revenues	1,223	1,626	(403)
Expenses	26,305	28,578	2,273
Revenue/(Expense)	\$868	(\$1,002)	\$1,870

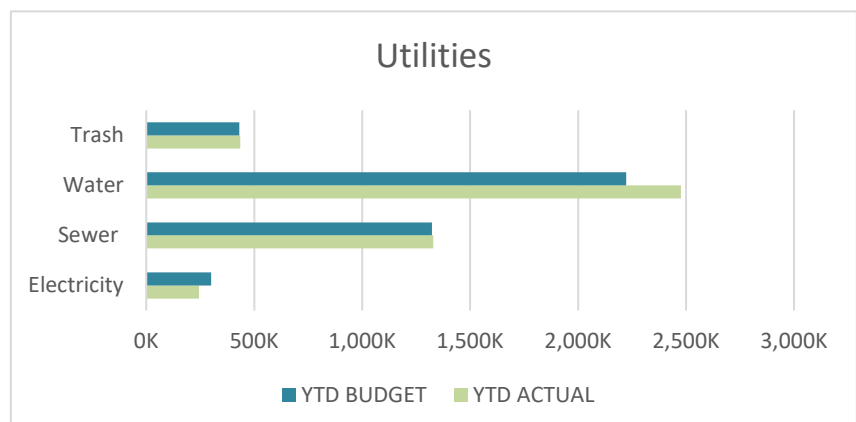
COMPENSATION:

Actual compensation and related costs came in at \$9,461, with \$7,336K in operations and \$2,099K in reserves, and \$26K in restricted. Combined, this category is 5.4% favorable to budget. For Third, the most significant savings were due to outsourcing of 8 Landscape staff and open positions in Maintenance & Constructions.



UTILITIES:

In total, this category was unfavorable to budget by (\$206K) mainly due to water coming in higher than budget. Water consumption was higher than a seasonally distributed budget due to less rainfall than prior years. Budget was based on a 5-year average that is 27% higher rainfall than current year experience. Unfavorable variance was partially offset by electricity due to delays in SCE billing.



Discussions

Budget 2022: On September 21, 2021, Third Board of Directors approved the 2022 Business Plan via resolution 03-21-59. Including the assessment for Golden Rain Foundation, total basic assessment will increase by \$104.90 or 15.6% when compared to current year.

Banking Services: At the direction of the Finance Committee and in agreement with the GRF and United boards, VMS staff contacted additional banks, two headquartered in CA and one national, to request pricing quotes for similar services. Quotes from all three banks were received and a cost comparison will be presented at today's meeting. Further updates will be provided to the board treasurers as information becomes available.

Insurance Update: Effective March 18, 2021, the broker services agreement with Beecher Carlson was terminated and Arthur J. Gallagher & Co. was named the broker of record. Currently, property insurance for up to \$675M in coverage has been renewed with the new broker along with Crime, Earthquake, and D&O insurance policies.

Fee Review: A procedure to formalize the review of all fees is underway. The targeted outcome is an explicit plan to lists all fees within the mutual, a justification for the fee, a market comparison and a specific timeline for approval (i.e. yearly, every other year, etc).

Calendar

The following scheduled meetings will be held remotely during COVID-19 stay home orders:

- Nov 2, 2021 @ 1:30 p.m. Third Finance Committee Meeting (September Financials)
- Nov 5, 2021 @ 9:30 a.m. Third Board Agenda Prep Meeting
- Nov 16, 2021 @ 9:30 a.m. Third Board Meeting
- Dec 7, 2021 @ 1:30 p.m. Third Finance Committee Meeting (October Financials)

October 2021							November 2021							December 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
9/30/2021
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:								
Assessments:								
1 Operating	\$1,747	\$1,747		\$15,726	\$15,726		\$15,171	\$20,968
2 Additions to restricted funds	1,136	1,136		10,224	10,224		9,701	13,632
3 Total assessments	2,883	2,883		25,950	25,950		24,873	34,600
Non-assessment revenues:								
4 Fees and charges for services to residents	54	56	(2)	550	505	45	294	674
5 Laundry	18	20	(2)	161	180	(19)	163	240
6 Investment income	1	33	(32)	81	301	(221)	344	402
7 Unrealized gain/(loss) on AFS investments		18	(18)		160	(160)	636	213
8 Miscellaneous	48	53	(5)	432	480	(48)	420	640
9 Total non-assessment revenue	122	181	(59)	1,224	1,626	(403)	1,857	2,170
10 Total revenue	3,006	3,064	(59)	27,173	27,576	(403)	26,730	36,770
Expenses:								
11 Employee compensation and related	1,056	1,094	38	9,461	9,998	537	8,866	13,340
12 Materials and supplies	139	124	(14)	1,099	1,142	43	807	1,526
13 Utilities and telephone	517	553	37	4,485	4,279	(206)	4,066	5,685
14 Legal fees	18	42	24	284	375	91	435	500
15 Professional fees	(7)	10	17	50	124	74	139	150
16 Equipment rental	5	2	(3)	39	14	(25)	21	18
17 Outside services	1,013	939	(75)	4,800	8,043	3,243	5,179	11,122
18 Repairs and maintenance	24	30	6	215	264	50	232	353
19 Other Operating Expense	10	15	5	95	140	45	80	192
20 Income taxes							20	
21 Property and sales tax				2		(2)		
22 Insurance	407	328	(79)	4,601	2,952	(1,648)	1,548	3,936
23 Investment expense		5	5	21	16	(5)	6	21
24 Uncollectible Accounts	(5)	19	24	24	56	32	44	75
25 (Gain)/loss on sale or trade	1		(1)	15		(15)	108	
26 Depreciation and amortization	11	11		101	101		102	135
27 Net allocation to mutuals	111	117	6	1,014	1,073	59	1,063	1,426
28 Total expenses	3,298	3,289	(9)	26,305	28,579	2,273	22,715	38,479
29 Excess of revenues over expenses	(\$292)	(\$225)	(\$67)	\$868	(\$1,002)	\$1,870	\$4,015	(\$1,710)

Third Laguna Hills Mutual
Statement of Revenues & Expenses - By Fund Type - Preliminary
9/30/2021
(\$ IN THOUSANDS)

	OPERATING YEAR TO DATE			RESERVE: YEAR TO DATE			RESTRICTED: YEAR TO DATE			COMBINED: YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
Revenues:												
Assessments:												
1 Operating	\$15,726	\$15,726								\$15,726	\$15,726	
2 Additions to restricted funds				8,348	8,348		1,877	1,877		10,224	10,224	
3 Total assessments	15,726	15,726		8,348	8,348		1,877	1,877		25,950	25,950	
Non-assessment revenues:												
4 Fees and charges for services to residents	547	505	42	3		3				550	505	45
5 Laundry	161	180	(19)							161	180	(19)
6 Investment income				46	171	(125)	35	131	(95)	81	301	(221)
7 Unrealized gain/(loss) on AFS investments					93	(93)		67	(67)		160	(160)
8 Miscellaneous	432	480	(48)							432	480	(48)
9 Total non-assessment revenue	1,140	1,165	(25)	48	264	(215)	35	197	(162)	1,224	1,626	(403)
10 Total revenue	16,866	16,891	(25)	8,396	8,611	(215)	1,912	2,074	(162)	27,173	27,576	(403)
Expenses:												
11 Employee compensation and related	7,336	7,756	420	2,099	2,183	84	26	59	33	9,461	9,998	537
12 Materials and supplies	601	641	39	478	485	7	19	16	(3)	1,099	1,142	43
13 Utilities and telephone	4,476	4,271	(205)	9	8	(1)				4,485	4,279	(206)
14 Legal fees	284	375	91							284	375	91
15 Professional fees	50	124	74							50	124	74
16 Equipment rental	7	3	(4)	31	10	(21)				39	14	(25)
17 Outside services	788	963	175	3,446	6,254	2,808	566	826	260	4,800	8,043	3,243
18 Repairs and maintenance	213	261	48	2	4	2				215	264	50
19 Other Operating Expense	81	120	39	14	20	5		1		95	140	45
20 Income taxes												
21 Property and sales tax	2		(2)							2		(2)
22 Insurance	2,524	1,354	(1,171)				2,076	1,598	(478)	4,601	2,952	(1,648)
23 Investment expense				12	9	(3)	10	7	(2)	21	16	(5)
24 Uncollectible Accounts	24	56	32							24	56	32
25 (Gain)/loss on sale or trade	(14)		14	19		(19)	10		(10)	15		(15)
26 Depreciation and amortization	101	101								101	101	
27 Net allocation to mutuals	869	914	45	144	157	13	1	2	1	1,014	1,073	59
28 Total expenses	17,344	16,940	(404)	6,254	9,129	2,875	2,708	2,510	(198)	26,305	28,579	2,273
29 Excess of revenues over expenses	(\$478)	(\$49)	(\$429)	\$2,142	(\$517)	\$2,660	(\$796)	(\$436)	(\$360)	\$868	(\$1,002)	\$1,870

**Third Laguna Hills Mutual
Operating Statement
9/30/2021
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$15,725,684	\$15,725,865	(\$181)	0.00%	\$20,967,820
Total Operating	15,725,684	15,725,865	(181)	0.00%	20,967,820
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	1,372,950	1,372,950	0	0.00%	1,830,600
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	439,344	439,344	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	8,018,028	8,018,028	0	0.00%	10,690,704
41004000 - Monthly Assessments - Elevator Replacement Fund	274,590	274,590	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	54,918	54,918	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	64,274	64,274	0	0.00%	85,698
Total Additions To Restricted Funds	10,224,104	10,224,104	0	0.00%	13,632,138
Total Assessments	25,949,787	25,949,968	(181)	0.00%	34,599,958
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	228,439	119,704	108,735	90.84%	159,607
46501500 - Inspection Fee	85,736	57,388	28,348	49.40%	76,520
46502000 - Resident Maintenance Fee	235,401	327,580	(92,179)	(28.14%)	438,029
Total Fees and Charges for Services to Residents	549,576	504,672	44,904	8.90%	674,157
Laundry					
46005000 - Coin Op Laundry Machine	161,009	180,000	(18,991)	(10.55%)	240,000
Total Laundry	161,009	180,000	(18,991)	(10.55%)	240,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	1,808	8,996	(7,188)	(79.90%)	12,000
49002000 - Investment Income - Discretionary	79,112	292,500	(213,388)	(72.95%)	390,000
Investment Interest Income	80,920	301,496	(220,576)	(73.16%)	402,000
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	0	159,750	(159,750)	(100.00%)	213,000
Total Unrealized Gain/(Loss) On AFS Investments	0	159,750	(159,750)	(100.00%)	213,000
Miscellaneous					
46004500 - Resident Violations	8,250	22,500	(14,250)	(63.33%)	30,000
44501510 - Lease Processing Fee - Third	176,190	194,598	(18,408)	(9.46%)	259,475
44502500 - Non-Sale Transfer Fee - Third	1,050	1,125	(75)	(6.67%)	1,500
44503520 - Resale Processing Fee - Third	144,608	122,301	22,307	18.24%	163,072
44505500 - Hoa Certification Fee	10,940	5,850	5,090	87.01%	7,800
44507000 - Golf Cart Electric Fee	48,519	52,497	(3,978)	(7.58%)	70,000
44507200 - Electric Vehicle Plug-In Fee	9,500	8,253	1,247	15.11%	11,000
44507500 - Cartport/Carport Space Rental Fee	3,240	3,447	(207)	(6.01%)	4,600
47001500 - Late Fee Revenue	26,265	45,000	(18,735)	(41.63%)	60,000
47002020 - Collection Administrative Fee - Third	225	4,500	(4,275)	(95.00%)	6,000
47002500 - Collection Interest Revenue	62	18,747	(18,685)	(99.67%)	25,000
47501000 - Recycling	3,441	1,503	1,938	128.96%	2,000
49009000 - Miscellaneous Revenue	(120)	0	(120)	0.00%	0
Total Miscellaneous	432,170	480,321	(48,151)	(10.02%)	640,447
Total Non-Assessment Revenue	1,223,674	1,626,239	(402,565)	(24.75%)	2,169,604
Total Revenue	27,173,462	27,576,208	(402,746)	(1.46%)	36,769,562
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,948,300	2,133,482	185,182	8.68%	2,854,473
51021000 - Union Wages - Regular	3,664,966	4,058,219	393,253	9.69%	5,425,824
51041000 - Wages - Overtime	21,017	15,554	(5,463)	(35.13%)	20,749
51051000 - Union Wages - Overtime	71,420	26,442	(44,978)	(170.10%)	35,281
51061000 - Holiday & Vacation	574,785	521,887	(52,898)	(10.14%)	697,928
51071000 - Sick	200,254	212,875	12,621	5.93%	284,681
51081000 - Sick - Part Time	40	193	153	79.39%	262

**Third Laguna Hills Mutual
Operating Statement
9/30/2021
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				TOTAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51091000 - Missed Meal Penalty	2,817	911	(1,906)	(209.24%)	1,236
51101000 - Temporary Help	43,154	14,546	(28,609)	(196.68%)	19,400
51981000 - Compensation Accrual	169,322	0	(169,322)	0.00%	0
Total Employee Compensation	6,696,075	6,984,108	288,033	4.12%	9,339,833
Compensation Related					
52411000 - F.I.C.A.	481,988	527,603	45,616	8.65%	702,023
52421000 - F.U.I.	7,555	9,872	2,317	23.47%	9,872
52431000 - S.U.I.	51,239	50,211	(1,028)	(2.05%)	50,211
52441000 - Union Medical	1,300,333	1,350,782	50,449	3.73%	1,801,043
52451000 - Workers' Compensation Insurance	290,494	382,308	91,814	24.02%	511,213
52461000 - Non Union Medical & Life Insurance	252,946	263,595	10,648	4.04%	351,459
52471000 - Union Retirement Plan	306,365	336,878	30,513	9.06%	450,404
52481000 - Non-Union Retirement Plan	49,928	92,861	42,933	46.23%	124,243
52981000 - Compensation Related Accrual	24,327	0	(24,327)	0.00%	0
Total Compensation Related	2,765,175	3,014,110	248,935	8.26%	4,000,469
Materials and Supplies					
53001000 - Materials & Supplies	364,998	384,646	19,649	5.11%	514,232
53003000 - Materials Direct	725,881	754,442	28,561	3.79%	1,007,648
53004000 - Freight	7,773	2,847	(4,927)	(173.05%)	3,816
Total Materials and Supplies	1,098,652	1,141,935	43,284	3.79%	1,525,696
Utilities and Telephone					
53301000 - Electricity	244,481	300,800	56,319	18.72%	365,300
53301500 - Sewer	1,328,611	1,323,900	(4,711)	(0.36%)	1,773,600
53302000 - Water	2,476,857	2,223,151	(253,706)	(11.41%)	2,971,182
53302500 - Trash	434,876	431,110	(3,766)	(0.87%)	574,820
Total Utilities and Telephone	4,484,825	4,278,961	(205,864)	(4.81%)	5,684,902
Legal Fees					
53401500 - Legal Fees	283,953	374,992	91,038	24.28%	499,985
Total Legal Fees	283,953	374,992	91,038	24.28%	499,985
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	41,000	45,400	4,400	9.69%	45,400
53403500 - Consulting Fees	3,670	12,314	8,644	70.19%	15,780
53403520 - Consulting Fees - Third	5,326	66,312	60,986	91.97%	88,436
Total Professional Fees	49,997	124,026	74,029	59.69%	149,616
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	38,689	13,659	(25,030)	(183.25%)	18,217
Total Equipment Rental	38,689	13,659	(25,030)	(183.25%)	18,217
Outside Services					
53601000 - Bank Fees	24,525	23,754	(771)	(3.24%)	31,679
53601500 - Credit Card Transaction Fees	8,473	0	(8,473)	0.00%	0
53604500 - Marketing Expense	4,520	3,753	(767)	(20.44%)	5,000
54603500 - Outside Services Cost Collection	4,707,852	7,943,549	3,235,697	40.73%	10,988,267
53704000 - Outside Services	54,670	72,357	17,687	24.44%	97,088
Total Outside Services	4,800,040	8,043,413	3,243,373	40.32%	11,122,035
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	5,047	12,003	6,956	57.95%	15,968
53703000 - Elevator /Lift Maintenance	209,542	252,438	42,895	16.99%	336,584
Total Repairs and Maintenance	214,589	264,440	49,851	18.85%	352,552
Other Operating Expense					
53801000 - Mileage & Meal Allowance	1,544	10,835	9,291	85.75%	14,478
53801500 - Travel & Lodging	0	2,070	2,070	100.00%	2,764
53802000 - Uniforms	47,685	62,366	14,681	23.54%	87,700
53802500 - Dues & Memberships	728	1,966	1,238	62.95%	2,866
53803000 - Subscriptions & Books	1,388	1,732	345	19.89%	2,322
53803500 - Training & Education	2,377	14,967	12,590	84.12%	20,157
53903000 - Safety	790	753	(37)	(4.93%)	1,008
54001020 - Board Relations - Third	2,070	5,643	3,573	63.32%	7,525
54002000 - Postage	38,454	39,735	1,281	3.22%	52,980
54002500 - Filing Fees / Permits	141	317	176	55.61%	503

**Third Laguna Hills Mutual
Operating Statement
9/30/2021**
THIRD LAGUNA HILLS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Total Other Operating Expense	95,178	140,385	45,207	32.20%	192,303
Property and Sales Tax					
54302000 - Property Taxes	2,248	0	(2,248)	0.00%	0
Total Property and Sales Tax	2,248	0	(2,248)	0.00%	0
Insurance					
54401000 - Hazard & Liability Insurance	608,263	537,323	(70,940)	(13.20%)	716,432
54401500 - D&O Liability	60,519	93,750	33,231	35.45%	125,000
54402000 - Property Insurance	3,929,572	2,315,731	(1,613,840)	(69.69%)	3,087,644
54403000 - General Liability Insurance	2,173	5,304	3,131	59.03%	7,072
Total Insurance	4,600,527	2,952,109	(1,648,418)	(55.84%)	3,936,148
Investment Expense					
54201000 - Investment Expense	21,478	16,077	(5,401)	(33.59%)	21,430
Total Investment Expense	21,478	16,077	(5,401)	(33.59%)	21,430
Uncollectible Accounts					
54602000 - Bad Debt Expense	23,880	56,250	32,370	57.55%	75,000
Total Uncollectible Accounts	23,880	56,250	32,370	57.55%	75,000
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	15,377	0	(15,377)	0.00%	0
Total (Gain)/Loss on Sale or Trade	15,377	0	(15,377)	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	101,160	101,160	0	0.00%	134,880
Total Depreciation and Amortization	101,160	101,160	0	0.00%	134,880
Net Allocation to Mutuals					
54602500 - Allocated Expenses	1,013,556	1,072,944	59,388	5.54%	1,426,122
Total Net Allocation to Mutuals	1,013,556	1,072,944	59,388	5.54%	1,426,122
Total Expenses	26,305,398	28,578,570	2,273,172	7.95%	38,479,186
Excess of Revenues Over Expenses	\$868,064	(\$1,002,362)	\$1,870,426	186.60%	(\$1,709,624)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
9/30/2021**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$1,935,606	\$1,412,574
2	Non-discretionary investments	2,499,900	3,999,894
3	Discretionary investments	25,172,793	25,579,833
4	Receivable/(Payable) from mutuals	746,778	436,199
5	Accounts receivable and interest receivable	153,345	172,270
6	Prepaid expenses and deposits	2,611,891	3,290,394
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	5,088,477	5,189,637
10	Non-controlling interest in GRF	39,594,122	39,594,122
11	Total Assets	<u>\$77,802,913</u>	<u>\$79,674,923</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,401,614	\$3,654,600
13	Accrued compensation and related costs	593,709	548,292
14	Deferred income	747,447	829,005
15	Income tax payable	(26,005)	(26,005)
16	Total liabilities	<u>\$2,716,765</u>	<u>\$5,005,891</u>
	Fund balances:		
17	Fund balance prior years	74,218,083	72,530,282
18	Change in fund balance - current year	868,064	1,687,802
19	Net fund balances	75,086,148	74,218,083
20	Accumulated unrealized gain/(loss) on investments		450,949
21	Total fund balances	75,086,148	74,669,033
22	Total Liabilities and Fund Balances	<u>\$77,802,913</u>	<u>\$79,674,923</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
9/30/2021**

	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	\$1,267,285	\$97,813	\$126,074		\$412,156	\$8,847	\$23,431	\$1,935,606
2 Non-discretionary investments				2,499,900				2,499,900
3 Discretionary investments		2,877,971	4,949,393	14,996,196	1,916,220	361,966	71,049	25,172,793
4 Receivable/(Payable) from mutuals	746,778							746,778
5 Accounts receivable and interest receivable	153,345							153,345
6 Prepaid expenses and deposits	296,687	1,157,602	1,157,602					2,611,891
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	5,088,477							5,088,477
10 Non-controlling interest in GRF	39,594,122							39,594,122
11 Total Assets	<u>\$47,146,694</u>	<u>\$4,133,386</u>	<u>\$6,233,069</u>	<u>\$17,496,096</u>	<u>\$2,328,376</u>	<u>\$370,813</u>	<u>\$94,480</u>	<u>\$77,802,913</u>
Liabilities and Fund Balances								
Liabilities:								
12 Accounts payable and accrued expenses	\$730,960		\$42,550	\$626,949	(\$11,059)		\$12,213	\$1,401,613
13 Accrued compensation and related costs	593,709							593,709
14 Deferred income	747,447							747,447
15 Income tax payable	(26,005)							(26,005)
16 Total liabilities	<u>\$2,046,111</u>		<u>\$42,550</u>	<u>\$626,949</u>	<u>(\$11,059)</u>		<u>\$12,213</u>	<u>\$2,716,765</u>
Fund balances:								
17 Fund balance prior years	45,578,511	4,270,569	6,843,420	14,931,917	2,117,684	387,389	88,593	74,218,083
18 Change in fund balance - current year	<u>(477,928)</u>	<u>(137,183)</u>	<u>(652,902)</u>	<u>1,937,230</u>	<u>221,750</u>	<u>(16,577)</u>	<u>(6,327)</u>	<u>868,064</u>
19 Net fund balances	45,100,583	4,133,386	6,190,518	16,869,146	2,339,435	370,813	82,267	75,086,148
20 Total fund balances	<u>45,100,583</u>	<u>4,133,386</u>	<u>6,190,518</u>	<u>16,869,146</u>	<u>2,339,435</u>	<u>370,813</u>	<u>82,267</u>	<u>75,086,148</u>
21 Total Liabilities and Fund Balances	<u>\$47,146,694</u>	<u>\$4,133,386</u>	<u>\$6,233,069</u>	<u>\$17,496,096</u>	<u>\$2,328,376</u>	<u>\$370,813</u>	<u>\$94,480</u>	<u>\$77,802,913</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
9/30/2021**

	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	\$15,725,684							\$15,725,684
2 Additions to restricted funds		439,344	1,372,950	8,018,028	274,590	54,918	64,274	10,224,104
3 Total assessments	15,725,684	439,344	1,372,950	8,018,028	274,590	54,918	64,274	25,949,787
Non-assessment revenues:								
4 Fees and charges for services to residents	546,711			2,865				549,576
5 Laundry	161,009							161,009
6 Interest income		10,438	24,707	44,600	786	178	211	80,920
7 Miscellaneous	432,170							432,170
8 Total non-assessment revenue	1,139,889	10,438	24,707	47,465	786	178	211	1,223,674
9 Total revenue	16,865,573	449,782	1,397,657	8,065,493	275,376	55,096	64,485	27,173,462
Expenses:								
10 Employee compensation and related	7,335,814		20,123	2,081,955		17,283	6,075	9,461,250
11 Materials and supplies	601,474		5,746	437,110		40,741	13,580	1,098,652
12 Utilities and telephone	4,476,042		212	8,572				4,484,825
13 Legal fees	283,953							283,953
14 Professional fees	49,997							49,997
15 Equipment rental	7,389		414	30,871			14	38,689
16 Outside services	788,072		515,061	3,352,448	76,188	17,513	50,759	4,800,040
17 Repairs and maintenance	212,958		9	1,621			2	214,589
18 Other Operating Expense	80,755		133	14,131		117	42	95,178
19 Property and sales tax	2,248							2,248
20 Insurance	2,524,493	578,801	1,497,233					4,600,527
21 Investment expense		2,700	6,753	11,971			54	21,478
22 Uncollectible Accounts	23,880							23,880
23 (Gain)/loss on sale or trade	(13,540)	5,465	4,063	46,947	(22,562)	(5,113)	118	15,377
24 Depreciation and amortization	101,160							101,160
25 Net allocations to mutuals	868,807		813	142,637		1,131	167	1,013,556
26 Total expenses	17,343,501	586,965	2,050,559	6,128,263	53,625	71,673	70,811	26,305,398
27 Excess of revenues over expenses	(\$477,928)	(\$137,183)	(\$652,902)	\$1,937,230	\$221,750	(\$16,577)	(\$6,327)	\$868,064
28 Excluding unrealized gain/(loss) and depreciation	(\$376,768)	(\$137,183)	(\$652,902)	\$1,937,230	\$221,750	(\$16,577)	(\$6,327)	\$969,224

Sunwest Bank
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Contact Us
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106164-30A
THIRD LAGUNA HILLS MUTUAL
PO Box 2220
Laguna Hills, CA 92654-2220

Account
THIRD LAGUNA HILLS MUTUAL

Date
09/30/2021

IntraFi® Network DepositsSM Monthly Statement

Demand or Savings Option (formerly known as ICS®)

The following information is a summary of activity in your account(s) for the month of September 2021 and the list of FDIC-insured institution(s) that hold your deposits as of the date indicated. These deposits have been placed by us, as your agent and custodian, in deposit accounts through IntraFi Network Deposits. Funds in your deposit accounts at the FDIC-insured institutions at which your funds have been placed will be "deposits," as defined by federal law.

Summary of Accounts

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****430	Savings	0.12%	\$0.00	\$25,172,758.11
TOTAL			\$0.00	\$25,172,758.11

DETAILED ACCOUNT OVERVIEW

Account ID: *****430

Account Title: THIRD LAGUNA HILLS MUTUAL

Account Summary - Savings

Statement Period	9/1-9/30/2021	Average Daily Balance	\$12,585,965.46
Previous Period Ending Balance	\$0.00	Interest Rate at End of Statement Period	0.12%
Total Program Deposits	25,171,848.21	Statement Period Yield	0.12%
Total Program Withdrawals	(0.00)	YTD Interest Paid	909.90
Interest Capitalized	909.90	YTD Taxes Withheld	0.00
Taxes Withheld	(0.00)		
	\$25,172,758.11		

Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 9/30/2021

Fund/Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Ecumbrance
		Total Appropriations	2021	Prior Years	Total	
Disaster Fund						
Insurance Renewal	3-20-76	\$1,800,000	\$918,432	\$918,432	\$1,836,864	\$0
Insurance Renewal	3-21-44	1,736,403	578,801	0	578,801	1,157,602
Moisture Intrusion Relandscaping at 3129-B		86,915	65,506	11,800	77,306	0
Total		\$3,623,318	\$1,562,739	\$930,232	\$2,492,971	\$1,157,602

Fund/Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Ecumbrance
		Total Appropriations	2021	Prior Years	Total	
Unappropriated Expenditures Fund						
Insurance Renewal	3-21-44	1,736,403	578,801	0	578,801	1,157,602
	Total	\$1,736,403	\$578,801	\$0	\$578,801	\$1,157,602

*Incurred To Date

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET *	EXPENDED	\$	%
REPLACEMENT FUND - MAINTENANCE & CONSTRUCTION								
BUILDING NUMBERS	\$0	\$2,500	\$3,561	\$22,500	\$30,000	12%	\$18,939	84%
BUILDING STRUCTURES	73,482	291,703	1,140,051	2,723,323	3,599,789	32%	1,583,271	58%
ELECTRICAL SYSTEMS	0	4,957	3,780	44,613	59,495	6%	40,833	92%
EXTERIOR LIGHTING	9,034	6,249	20,165	56,241	75,000	27%	36,076	64%
FENCING	5,355	4,854	55,157	44,154	58,920	94%	(11,003)	(25%)
GARDEN VILLA LOBBY	18,757	12,500	110,174	100,000	112,500	98%	(10,174)	(10%)
GARDEN VILLA MAILROOM	25	36	227	326	439	52%	99	30%
GARDEN VILLA RECESSED AREA	0	5,909	0	47,000	65,000	0%	47,000	100%
GV REC ROOM WATER HEATER/HEAT PUMP	81	500	7,148	4,509	6,017	119%	(2,639)	(59%)
GUTTER REPLACEMENTS	2,364	6,322	(26,699)	57,126	76,206	-35%	83,825	147%
MAILBOXES	215	4,304	36,523	38,912	51,899	70%	2,389	6%
PAINT PROGRAM - EXTERIOR	128,181	123,892	1,157,345	1,128,734	1,506,039	77%	(28,611)	(3%)
PRIOR TO PAINT	85,830	88,659	726,690	801,625	1,071,350	68%	74,935	9%
PAVING	504,229	0	618,985	175,000	694,149	89%	(443,985)	(254%)
ROOF REPLACEMENTS	0	172,943	740,999	1,029,849	1,439,294	51%	288,850	28%
WALL REPLACEMENTS	0	0	0	35,000	35,000	0%	35,000	100%
WASTE LINE REMEDIATION	0	83,333	234,227	749,997	1,000,000	23%	515,770	69%
WATER LINES - COPPER PIPE REMEDIATION	104,262	0	286,050	500,000	500,000	57%	213,950	43%
TOTAL	\$931,816	\$808,661	\$5,114,382	\$7,558,908	\$10,381,097	49%	\$2,444,526	32%
REPLACEMENT FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$893	\$975	\$7,349	\$8,887	\$11,856	62%	\$1,538	17%
PAVING	5,666	6,497	47,377	59,203	79,002	60%	11,827	20%
EXTERIOR WALLS	(5,600)	4,095	5,600	36,855	49,147	11%	31,255	85%
TOTAL	\$958	\$11,567	\$60,326	\$104,945	\$140,005	43%	\$44,619	43%
REPLACEMENT FUND - LANDSCAPE SERVICES								
LANDSCAPE MODIFICATION	\$47,028	\$40,632	\$263,702	\$365,844	\$487,823	54%	\$102,142	28%
IMPROVEMENT & RESTORATION	14,425	10,363	75,853	94,760	126,524	60%	18,907	20%
TREE MAINTENANCE	16,952	76,192	555,082	690,155	920,872	60%	135,073	20%
TOTAL	\$78,404	\$127,187	\$894,636	\$1,150,759	\$1,535,219	58%	\$256,123	22%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$31,875	\$76,188	\$191,250	\$255,000	30%	\$115,062	60%
TOTAL	\$0	\$31,875	\$76,188	\$191,250	\$255,000	30%	\$115,062	60%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$7,787	\$7,726	\$47,791	\$69,689	\$92,955	51%	\$21,898	31%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	923	4,890	28,995	44,158	58,888	49%	15,163	34%
TOTAL	\$8,710	\$12,616	\$76,786	\$113,847	\$151,843	51%	\$37,061	33%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$308	\$5,896	\$70,639	\$54,006	\$71,831	98%	(\$16,633)	(31%)
TOTAL	\$308	\$5,896	\$70,639	\$54,006	\$71,831	98%	(\$16,633)	(31%)

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF SEPTEMBER 30, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
APPLIANCE REPAIRS	\$6,900	\$7,475	\$61,705	\$68,052	\$90,825	68%	\$6,348	9%
CARPENTRY SERVICE	35,061	37,542	318,850	341,686	455,942	70%	22,835	7%
ELECTRICAL SERVICE	11,685	11,118	93,238	101,373	135,290	69%	8,135	8%
FIRE PROTECTION	538	9,486	32,201	85,421	133,931	24%	53,220	62%
MISC REPAIRS BY OUTSIDE SERVICE	0	4,888	14,389	43,992	58,664	25%	29,603	67%
PEST CONTROL	126,561	110,484	267,822	426,562	645,800	41%	158,740	37%
PLUMBING SERVICE	51,050	55,769	506,184	507,006	676,492	75%	822	0%
SOLAR MAINTENANCE	0	2,083	20,695	18,747	25,000	83%	(1,948)	(10%)
TOTAL	\$231,796	\$238,845	\$1,315,085	\$1,592,840	\$2,221,944	59%	\$277,755	17%
OPERATING FUND - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$25,433	\$31,284	\$305,393	\$284,725	\$379,831	80%	(\$20,668)	(7%)
JANITORIAL SERVICE	84,611	79,055	724,953	722,185	962,945	75%	(2,768)	(0%)
GUTTER CLEANING	3,071	14,933	25,753	134,795	179,758	14%	109,042	81%
TRAFFIC CONTROL	1,666	1,806	14,086	16,468	21,974	64%	2,383	14%
WELDING	8,653	9,458	88,603	86,217	115,027	77%	(2,386)	(3%)
TOTAL	\$123,435	\$136,536	\$1,158,788	\$1,244,391	\$1,659,535	70%	\$85,603	7%
OPERATING FUND - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$26,815	\$27,314	\$232,842	\$249,073	\$332,008	70%	\$16,231	7%
NURSERY & COMPOSTING	19,324	23,676	215,494	217,037	290,340	74%	1,544	1%
GROUPS MAINTENANCE	232,434	259,844	2,213,550	2,377,509	3,173,855	70%	163,960	7%
IRRIGATION	85,263	86,498	743,267	788,724	1,053,027	71%	45,457	6%
SMALL EQUIPMENT REPAIR	50,056	18,613	184,619	169,546	226,338	82%	(15,073)	(9%)
PEST CONTROL	30,596	25,940	285,200	236,627	316,113	90%	(48,572)	(21%)
TOTAL	\$444,488	\$441,885	\$3,874,971	\$4,038,517	\$5,391,681	72%	\$163,546	4%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
MOISTURE INTRUSION - RAIN LEAKS	\$6,423	\$19,792	\$69,617	\$178,128	\$237,513	29%	\$108,511	61%
MOISTURE INTRUSION - PLUMBING LEAKS	63,560	33,333	216,234	299,997	400,000	54%	83,763	28%
MOISTURE INTRUSION - PLUMBING STOPPAGES	14,570	4,166	44,318	37,494	50,000	89%	(6,824)	(18%)
MOISTURE INTRUSION - MISCELLANEOUS	400	3,879	(28,905)	34,911	46,548	-62%	63,816	183%
DAMAGE RESTORATION SERVICES	16,820	18,290	100,372	165,223	220,370	46%	64,852	39%
TOTAL	\$101,774	\$79,460	\$401,636	\$715,753	\$954,431	42%	\$314,117	44%
DISASTER FUND - FINANCIAL SERVICES								
INSURANCE PREMIUMS	\$144,700	\$177,586	\$1,497,233	\$1,598,271	\$2,131,029	70%	\$101,038	6%
TOTAL	\$144,700	\$177,586	\$1,497,233	\$1,598,271	\$2,131,029	70%	\$101,038	6%
DISASTER FUND - LANDSCAPE SERVICES								
RISK FIRE MANAGEMENT	\$6,974	\$15,000	\$75,367	\$135,000	\$180,000	42%	\$59,633	44%
SUPPLEMENTAL APPROPRIATIONS	0	0	65,506	65,506	65,506	100%	0	0%
TOTAL	\$6,974	\$15,000	\$140,874	\$200,506	\$245,506	57%	\$59,633	30%

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF SEPTEMBER 30, 2021**

DESCRIPTION	OS Actuals	OS Budget	OS Variance
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RESERVE FUND - MAINTENANCE & CONSTRUCTION

BUILDING NUMBERS	\$3,561	\$22,500	\$18,939
BUILDING STRUCTURES	855,591	2,414,588	1,558,997
ELECTRICAL SYSTEMS	3,780	44,613	40,833
ENERGY PROJECTS	0	0	0
EXTERIOR LIGHTING	20,165	56,241	36,076
FENCING	0	0	0
GARDEN VILLA LOBBY	110,174	100,000	(10,174)
GARDEN VILLA MAILROOM	0	0	0
GARDEN VILLA RECESSED AREA	0	47,000	47,000
GV REC ROOM WATER HEATER/HEAT PUMP	888	0	(888)
GUTTER REPLACEMENTS	(48,000)	37,494	85,494
MAILBOXES	0	0	0
PAINT PROGRAM - EXTERIOR	0	8,073	8,073
PRIOR TO PAINT	0	42,579	42,579
PAVING	618,985	175,000	(443,985)
ROOF REPLACEMENTS	740,999	1,029,849	288,850
SUPPLEMENTAL APPROPRIATIONS	0	0	0
WALL REPLACEMENTS	0	35,000	35,000
WASTE LINE REMEDIATION	234,227	749,997	515,770
WATER LINES - COPPER PIPE REMEDIATION	286,050	500,000	213,950
TOTAL	\$2,826,420	\$5,262,934	\$2,436,514

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$0	\$0	\$0
PAVING	0	0	0
EXTERIOR WALLS	5,600	36,855	31,255
TOTAL	\$5,600	\$36,855	\$31,255

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$253,600	\$355,230	\$101,630
IMPROVEMENT & RESTORATION	0	0	0
TREE MAINTENANCE	265,781	377,334	111,553
TOTAL	\$519,381	\$732,564	\$213,183

RESERVE FUND - ELEVATOR

ELEVATOR REPLACEMENT	\$76,188	\$191,250	\$115,062
TOTAL	\$76,188	\$191,250	\$115,062

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF SEPTEMBER 30, 2021**

DESCRIPTION	OS Actuals	OS Budget	OS Variance
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RESERVE FUND - LAUNDRY

LAUNDRY APPLIANCES	\$0	\$2,097	\$2,097
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	17,480	24,057	6,577
TOTAL	\$17,480	\$26,154	\$8,674

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

GARDEN VILLA RECREATION ROOMS	\$50,759	\$24,066	(\$26,693)
TOTAL	\$50,759	\$24,066	(\$26,693)

OPERATING FUND - MAINTENANCE & CONSTRUCTION

APPLIANCE REPAIRS	\$0	\$0	\$0
CARPENTRY SERVICE	0	13,050	13,050
ELECTRICAL SERVICE	0	0	0
FIRE PROTECTION	29,175	81,090	51,915
MISC REPAIRS BY OUTSIDE SERVICE	14,389	43,992	29,603
PEST CONTROL	267,822	426,562	158,740
PLUMBING SERVICE	57,344	71,244	13,900
SOLAR MAINTENANCE	20,695	18,747	(1,948)
TOTAL	\$389,425	\$654,685	\$265,261

OPERATING FUND - MAINTENANCE & CONSTRUCTION

BLANK	\$192	\$0	(\$192)
TOTAL	\$192	\$0	(\$192)

OPERATING FUND - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$0	\$0	\$0
JANITORIAL SERVICE	0	0	0
GUTTER CLEANING	0	104,994	104,994
TRAFFIC CONTROL	0	0	0
WELDING	7,285	3,744	(3,541)
TOTAL	\$7,285	\$108,738	\$101,453

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$0	\$0	\$0
NURSERY & COMPOSTING	0	0	0
GROUNDS MAINTENANCE	161,317	0	(161,317)
IRRIGATION	0	0	0
SMALL EQUIPMENT REPAIR	0	0	0
PEST CONTROL	0	0	0
TOTAL	\$161,317	\$0	(\$161,317)

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF SEPTEMBER 30, 2021**

DESCRIPTION	OS Actuals	OS Budget	OS Variance
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DISASTER FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$69,617	\$178,128	\$108,511
MOISTURE INTRUSION - PLUMBING LEAKS	216,234	299,997	83,763
MOISTURE INTRUSION - PLUMBING STOPPAGES	44,318	37,494	(6,824)
MOISTURE INTRUSION - MISCELLANEOUS	(28,905)	34,911	63,816
DAMAGE RESTORATION SERVICES	72,922	116,244	43,322
TOTAL	\$374,187	\$666,774	\$292,587

DISASTER FUND - FINANCIAL SERVICES

INSURANCE PREMIUMS	\$1,497,233	\$1,598,271	\$101,038
TOTAL	\$1,497,233	\$1,598,271	\$101,038

DISASTER FUND - LANDSCAPE SERVICES

RISK FIRE MANAGEMENT	\$75,367	\$135,000	\$59,633
SUPPLEMENTAL APPROPRIATIONS	\$65,506	\$0	(\$65,506)
TOTAL	\$140,874	\$135,000	(\$5,874)

OPERATING - CHARGEABLE SERVICES

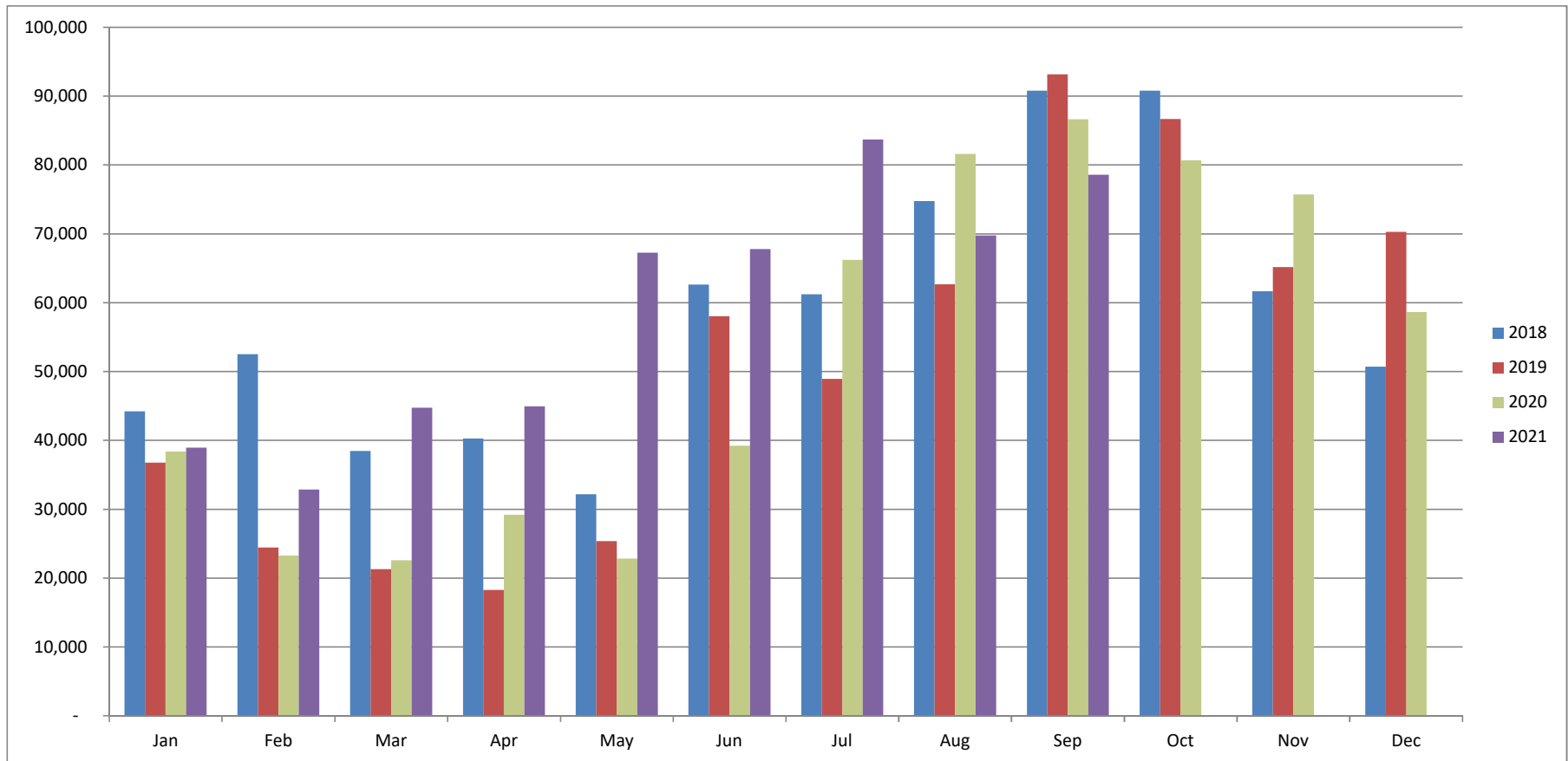
CHARGEABLE SERVICES	\$135,143	\$104,529	(30,614)
TOTAL	\$135,143	\$104,529	(30,614)

OPERATING - SECURITY SERVICES

Smoke Detector Services	\$3,600	\$0	(3,600)
TOTAL	\$3,600	\$0	(3,600)

Third Mutual Water Usage in 100 cubic feet units

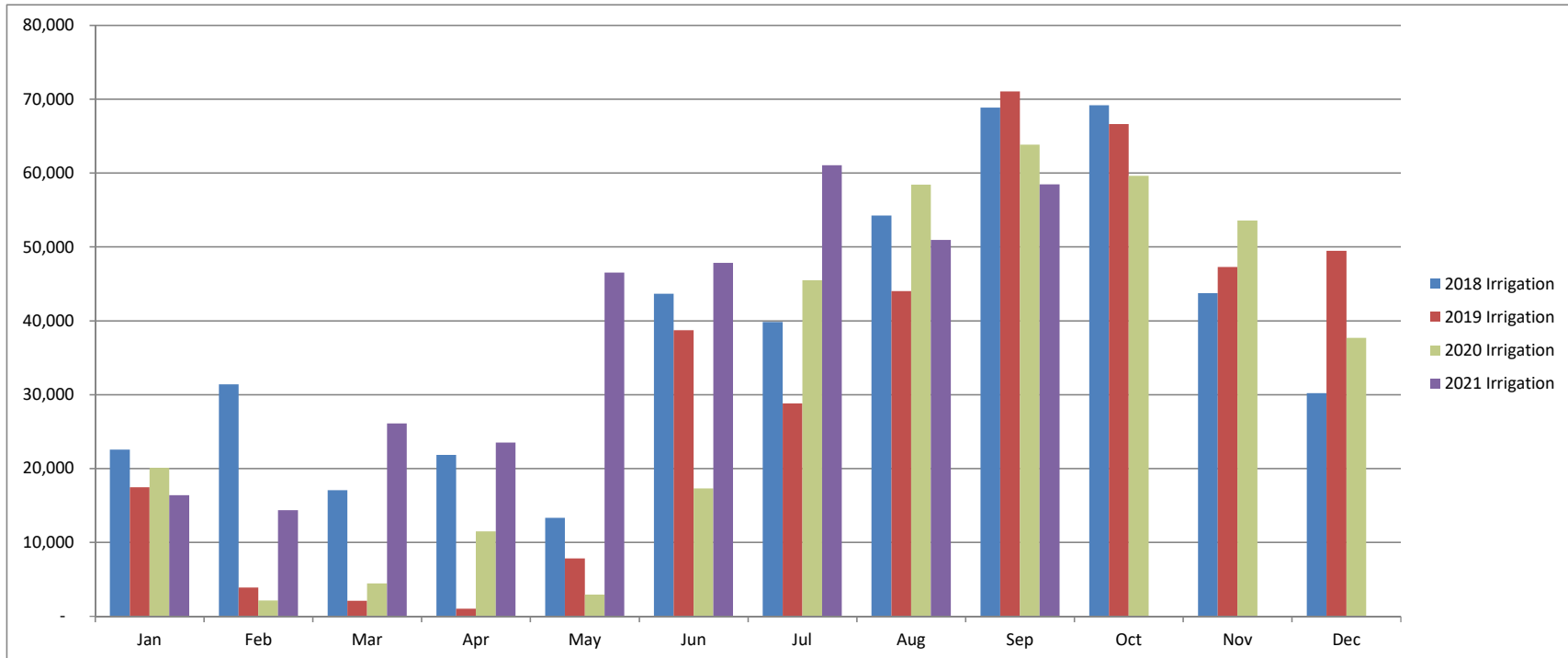
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2018	44,191	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	496,946	700,076
2019	36,777	24,432	21,298	18,269	25,378	58,015	48,914	62,672	93,135	86,655	65,159	70,254	388,890	610,958
2020	38,350	23,285	22,570	29,169	22,804	39,197	66,203	81,581	86,612	80,664	75,700	58,608	409,771	624,743
2021	38,929	32,844	44,745	44,946	67,232	67,759	83,660	69,752	78,563	-	-	-	528,430	528,430



Third Mutual

Irrigation Water Usage in 100 cubic feet units

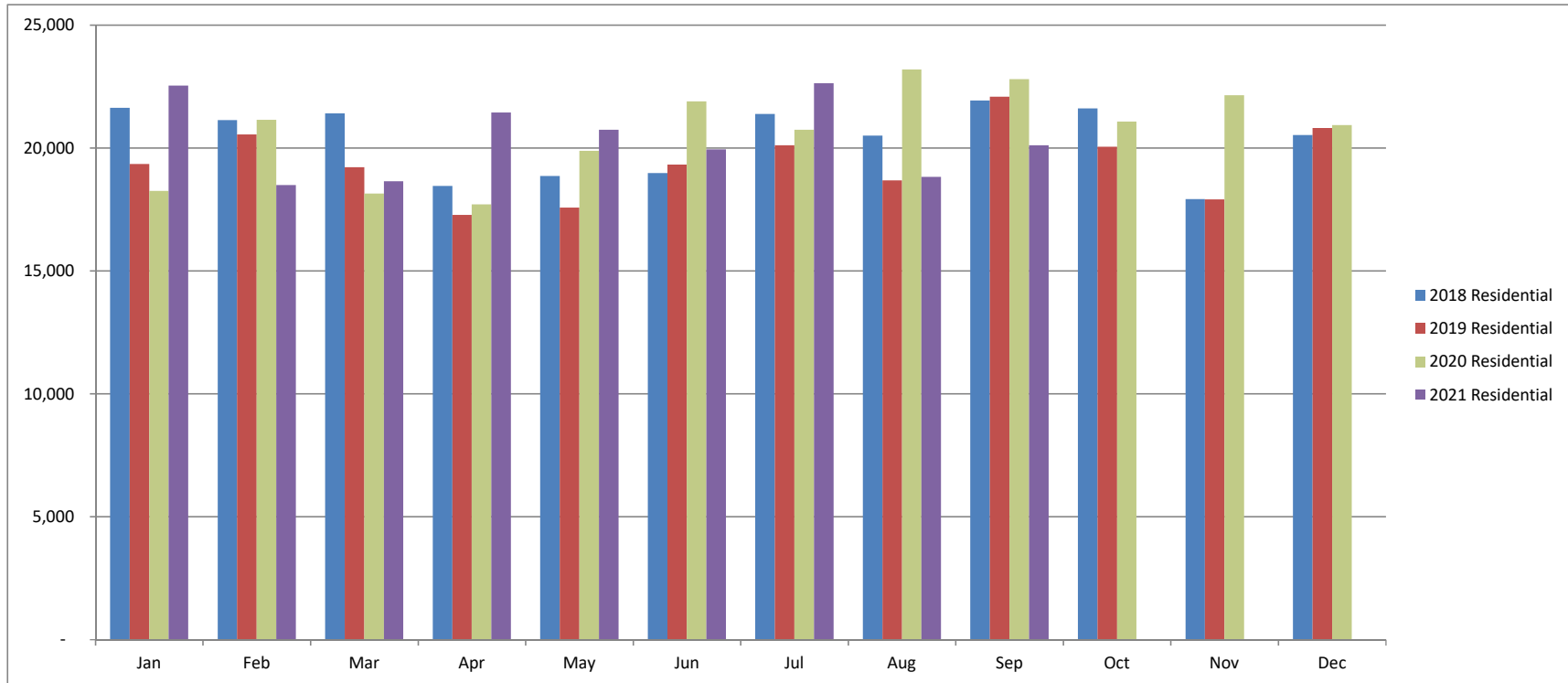
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2018 Irrigation	22,567	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	312,703	455,791
2019 Irrigation	17,434	3,892	2,081	1,000	7,803	38,696	28,811	43,994	71,052	66,612	47,254	49,451	214,763	378,080
2020 Irrigation	20,096	2,146	4,430	11,464	2,923	17,310	45,463	58,399	63,816	59,592	53,554	37,681	226,047	376,874
2021 Irrigation	16,390	14,356	26,104	23,513	46,497	47,822	61,029	50,929	58,456	-	-	-	345,096	345,096



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
2018 Residential	21,624	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	17,920	20,522	184,243	244,285
2019 Residential	19,343	20,540	19,217	17,269	17,575	19,319	20,103	18,678	22,083	20,043	17,905	20,803	174,127	232,878
2020 Residential	18,254	21,139	18,140	17,705	19,881	21,887	20,740	23,182	22,796	21,072	22,146	20,927	183,724	247,869
2021 Residential	22,539	18,488	18,641	21,433	20,735	19,937	22,631	18,823	20,107	-	-	-	183,334	183,334



Bank Fee Comparison 2021**Third Laguna Hills Mutual****Bank Of America**

Single Month of Bank Fees Used For Comparison	10,488	
Annualized Bank Fees	125,862	
Third Allocation of Bank Fees 25%	31,465	<A>

Bank 1 (Small California based bank)

Single Month of Bank Fees Used For Comparison	9,550	
Annualized Bank Fees	114,596	
Third Allocation of Bank Fees 25%	28,649	
Third Estimated Annual Savings	\$ 2,816	<A> -

Bank 2 (Mid-size California based bank)

Single Month of Bank Fees Used For Comparison	3,397	*
Annualized Bank Fees	40,764	
Third Allocation of Bank Fees 25%	10,191	<C>
Third Estimated Annual Savings	\$ 21,274	<A> - <C>

Bank 3 (Large International bank)

Single Month of Bank Fees Used For Comparison	14,757	
Annualized Bank Fees	177,078	
Third Allocation of Bank Fees 25%	44,270	<D>
Third Estimated Annual Savings	\$ (12,804)	<A> - <D>

* Note: Bank 2 provided an incomplete listing of expenses creating an inaccurate comparison.

Summary	Bank Of America	Bank 1	Bank 2	Bank 3
Net Earnings Credit	(4,228)	(2,225)	(6,676)	(2,733)
Balance & Compensation Info	3,902	2,938	2,136	2,671
General Account Services	858	328	665	365
Lockbox Services	3,996	2,448	2,911	6,799
Depository Services	1,203	2,093	1,118	1,846
Paper Disbursement Services	789	731	530	782
General ACH Services	2,559	3,087	2,608	4,646
Wire & Other Fund Trnsf Svcs	164	125	65	30
Information Services	1,245	25	40	350
Grand Total	10,488	9,550	3,397	14,757

Estimated Monthly Fees	Bank Of America	Bank 1	Bank 2	Bank 3
Net Earnings Credit **	(4,228)	(2,225)	(6,676)	(2,733)
Gross Bank Fees	14,717	11,775	10,073	17,489
Bank Fees	10,488	9,550	3,397	14,757

** Note: An earnings credit or allowance is calculated using the net funds available in a bank account multiplied by the currently offered bank rate, the total of which is used to offset monthly service charges.

	0.19%	0.10%	0.30%	0.14%
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Conclusion: While gross bank fees from Bank Of America are within similar ranges of competing banks, the Net Earnings Credit is underperforming. VMS staff will use findings to negotiate further discounts.

Third Mutual Cashflow for 2021

Installment Due Date	Property	Premium Return	Casualty	Executive Liability	Broker Fee	Payment Schedule	Amortized Expense <A>	Budget* 	Variance (B)W <A> -
1/1/2021	\$0		\$24,085	\$0	\$0	\$24,085	\$430,699	\$429,007	\$1,692
2/1/2021	\$0		\$24,085	\$0	\$0	\$24,085	\$432,495	\$429,007	\$3,488
3/1/2021	\$0		\$40,606	\$0	\$0	\$40,606	\$431,331	\$429,007	\$2,324
4/1/2021	\$0		\$24,085	\$0	\$0	\$24,085	\$431,939	\$429,007	\$2,932
5/1/2021	\$0		\$24,085	\$0	\$0	\$24,085	\$428,097	\$429,007	(\$910)
6/1/2021	\$3,472,806		\$24,085	\$0	\$0	\$3,496,891	\$498,479	\$718,407	(\$219,928)
7/1/2021	\$0		\$24,085	\$0	\$0	\$24,085	\$1,024,650	\$718,407	\$306,243
8/1/2021	\$288,514	(\$35,463)	\$0	\$0	\$0	\$253,051	\$516,200	\$718,407	(\$202,207)
9/1/2021	\$0		\$0	\$0	\$0	\$0	\$406,637	\$718,407	(\$311,770)
10/1/2021	\$2,009,915	(\$553,805)	\$484,298	\$88,868	\$182,819	\$2,212,095	(\$152,254)	\$616,824	(\$769,078)
11/1/2021	\$0		\$29,865	\$0	\$0	\$29,865	\$401,551	\$616,824	(\$215,273)
12/1/2021	\$0		\$29,865	\$0	\$0	\$29,865	\$401,551	\$616,824	(\$215,273)
2021 Total	\$5,771,235	(\$589,268)	\$729,144	\$88,868	\$182,819	\$6,182,798	\$5,251,374	\$6,869,135	(\$1,617,761)

*Includes supplemental appropriation of \$914,253 (Resolution 03-20-76) and payment of \$3,472,806 (Resolution 03-21-74: June 2021 - May 2022) from the Disaster and UE Fund

Savings

Resulting from Paint Life Change from 10 Years to 15 Years

Reserve Funds	2020	2021	Savings
Paint Program	\$2,055,556	\$1,506,039	(\$549,517)
Prior to Paint	\$1,470,323	\$1,071,350	(\$398,974)
Total	\$3,525,880	\$2,577,389	(\$948,491)



Gustavo De Los Santos
So. California Sales Manager
PPG Paints
8604 Miramar Rd Suite C.
San Diego California 92126

7/22/2020

Ernesto A. Munoz P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

On behalf of PPG Paints I would like to thank you for the continued opportunity to service Third Laguna Hills Mutual coatings needs.

PPG is confident the current specification of products and application method we currently have in place meet your need to extend your current warranty to a 15 year warranty. PPG would agree to extend your warranty to 15 years, starting with the 2020 paint program. Should you choose to approve a 15 year warranty, we would have a revised 15 year warranty for you to review. Thank you again for your continued partnership.

Please feel free to contact me with any questions or comments.

Sincerely,
Gustavo De Los Santos
PPG Paints
Southern California Sales Manager.



LIFE PAINT CORP.
12927 Sunshine Avenue
P.O. Box 2488
Santa Fe Springs, CA 90670-0488
(XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
www.lifepaint.com



July 6, 2020

Ernesto A. Munoz, P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

Thank you for reaching out to us regarding the warranty for our Life Deck Acrylic Color Seal #10-774-WS-2G Beige with Skid-Tex Top Coat. I understand that you would like us to increase our warranty covering this product from 5 years to 7.5 years. Because our 10 Series Color Seal is manufactured using the most durable formulation and is applied by your experienced applicators we will be able to extend our warranty to 7.5 years for the normal application to balconies, decks and walkways.

As a matter of fact, we will offer this extended warranty to all Mutuels; United Laguna Woods, Third Laguna Hills and The Towers Mutual 50 since it is used by each.

Please be aware that the 10 Series coating is not a waterproofer on its own. It is however an integral part of some of our Life Deck waterproofing systems.

We are looking forward to the resumption of your painting program and are ready to assist. Feel free to contact Maury Jessner or me for any future needs.

Yours truly,
Michael S. de la Vega
Life Paint
VP Operations