



REGULAR MEETING OF THE FINANCE COMMITTEE*

**Wednesday, February 15, 2023 - 1:30 p.m.
Laguna Woods Village Board Room/Virtual Meeting
24351 El Toro Road,
Laguna Woods, CA 92637**

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:

1. Join the Committee meeting via a Zoom link at: <https://us06web.zoom.us/j/83185869622> or by calling 669-900-6833 Access Code: 83185869622
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.

NOTICE AND AGENDA

This Meeting May Be Recorded

1. Call to Order
2. Acknowledgement of Media
3. Approval of the Agenda
4. Approval of Meeting Report for December 21, 2022
5. Chair's Remarks
6. Member Comments (Items Not on the Agenda)

Items for Discussion:

7. Department Head Update
8. Preliminary Financial Statements dated December 31, 2022
9. Employee Retention Credit
10. ERP Update
11. Endorsements from Standing Committees

Items for Future Agendas:

Concluding Business:

- Committee Member Comments
- Date of Next Meeting: Wednesday, April 19, 2023 at 1:30pm
- Recess to Closed Session

*A quorum of the GRF Board or more may also be present at the meeting.

Jim Hopkins, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201



FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION

Wednesday, December 21, 2022 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: James Hopkins – Chair, Elsie Addington, Jim Cook (substitute for Mark Laws), Donna Rane-Szostak, Azar Asgari, Thomas Tuning, Margaret Bennett

DIRECTORS ABSENT: None.

ADVISORS PRESENT: Rosemarie DiLorenzo

STAFF PRESENT: Steve Hormuth, Jose Campos, Erika Hernandez

OTHERS PRESENT: GRF – Bunny Carpenter, Juanita Skillman, Yvonne Horton, Joan Milliman, Reza Karimi, Debbie Dotson, Egon Garthoffner

United – Lenny Ross

Mutual Fifty – Sue Stephens

Call to Order

Director James Hopkins chaired the meeting and was called to order at 1:36 p.m.

Acknowledgement of Media

The meeting was streamed via Granicus and Zoom for members of the community to participate virtually.

Approval of Meeting Agenda

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

Approval of the Regular Meeting Report of October 19, 2022

A motion was made and carried unanimously to approve the agenda with the following correction:

- Move Sue Stephens name to Directors Present (Alternate for Al Amado) and mark Donna Rane-Szostak as “Excused”.

Chair Remarks

Director Hopkins shared that Dan Quirk will be presenting educational investment materials.

Member Comments (Items Not on the Agenda)

None.

Bond Fund Portfolio Education – SageView

Director Hopkins summarized the investment strategies that took place beginning June 2019 and provided an overview of the current portfolio performance.

Dan Quirk, SageView Investment Advisor, provided an educational presentation on Bond Funds and Individually held bonds. Multiple directors and members commented on the current market events and portfolio performance. Questions and comments were noted by staff. No further action.

Department Head Update

Steve Hormuth, Director of Financial Services, shared an update on the progress made towards the new ERP system, MS Dynamic 365, that is set to replace Microsoft AX mid-2023.

Review Preliminary Financial Statements dated November 30, 2022

The committee reviewed the financial statements dated November 30, 2022. Questions were addressed and noted by staff.

Endorsement from Standing Committees

Communities Activity Committee – GRF Credit Card and Transaction Fee (ActiveNet). Alison Giglio, Interim Recreation and Special Events Director, presented a staff report recommending that the GRF credit card and transactions fees within ActiveNet be allocated to the user for online and in-person transactions.

A motion was made and moved by Director Elsie Addington to accept and endorse this recommendation and be presented at the next board meeting. Director Donna Rane-Szostak seconded. Discussion ensued.

By consensus, the motion passed by a 4-2 vote. Director Thomas Tuning abstained.

Future Agenda Items

None.

Committee Member Comments


None.

Date of Next Meeting

Wednesday, February 15, 2023 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:55 p.m.


J. W. Hopkins (Dec 28, 2022 14:25 PST)
James Hopkins, Chair

MEMORANDUM

To: GRF Finance Committee
 From: Steve Hormuth, Director of Financial Services
 Date: February 15, 2023
 Re: Department Head Update

Financial Highlights

- SUMMARY:** For the year-to-date period ending December 31, 2022, GRF was better than budget by \$838K, primarily due to lower employee compensation expense as outlined below, increased Trust Facilities Fees resulting from more resales than anticipated, and less legal fees incurred. Savings were partially offset by an unrealized loss on investments due to an adverse market.

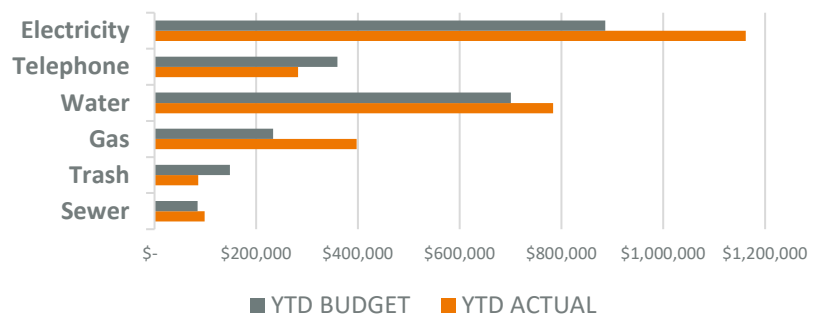
INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$33,242	\$33,243	(\$1)
Other Revenues	14,524	15,731	(1,207)
Expenses	44,462	46,508	2,046
Revenue / (Expense)	\$3,304	\$2,466	\$838

- COMPENSATION:**

Actual compensation and related costs were \$23.3M, which was less than budget by \$2.1M or 8.1%. Favorable variance was primarily due to vacancies in General Services for bus driver and janitorial positions, vacancies in Maintenance and Construction, Security Services, Landscape Services, and Media and Communications. Recruitment is in progress for all open positions.

	YTD Actual Variance \$ B/(W)			VAR% B/(W)
	Compensation	Related	Total	Total
All Units	\$1,189,132	\$862,005	\$2,051,137	8.1%
Office of CEO	56,961	9,442	66,403	13.2%
Media and Comm	109,456	82,314	191,770	8.8%
Information Services	155,255	30,464	185,719	13.1%
General Services	451,331	210,718	662,050	16.9%
Financial Services	79,191	62,689	141,880	8.3%
Security Services	59,977	190,319	250,297	4.2%
Landscape Services	94,915	110,530	205,445	14.0%
Recreation Services	61,521	111,922	173,444	3.2%
Human Resource Services	(64,635)	(13,338)	(77,974)	(8.3%)
M&C	185,160	78,973	264,133	14.1%
Non-Work Center	0	(12,029)	(12,029)	0.0%

- UTILITIES:** Overall, utilities were (16.5%) unfavorable to budget, with expenditures of \$2.8M through December. The unfavorable variance is due to higher electricity delivery and rates for all tiers, rising natural gas costs amongst all departments, and higher water expense due to 46% less rainfall than recent years, which budget was based on. Telephone expenses were lower than budget due to a re-negotiated contract and trash expenses were lower due to a change in trash provider.



Discussions

Financial Statement Audit: An All Boards Pre-Audit Communication meeting is scheduled for February 15, 2023 at 1:00 in the board room, immediately before the GRF Finance Meeting. At this All Boards meeting, Third’s external auditor, KMPG, will give a presentation on their required auditing procedures and will be available to answer questions from members of the board as well as members in attendance. Audit fieldwork is scheduled to begin on February 27, 2023 and the final report is scheduled to be issued on April 10, 2023.

Budget: The budgetary timeline for the 2024 Business Plan (Green Book) has been completed. All budget meetings have been updated on the TeamUp calendar available on LagunaWoodsVillage.com.

Calendar

The following scheduled meetings will be held:

- February 15, 2023 @ 1:00 p.m. All Boards Pre-Audit Communication
- February 15, 2023 @ 1:30 p.m. GRF Finance Committee (December Financials)
- February 16, 2023 @ 9:30 a.m. GRF Agenda Prep Meeting
- March 7, 2023 @ 9:30 a.m. GRF Board Meeting
- March 13, 2023 @ 10:00 a.m. Presidents & 1st Vice Presidents Meeting
- March 16, 2023 @ 9:30 a.m. GRF Agenda Prep Meeting
- March 20, 2023 @ 9:30 a.m. GRF & All Boards Budget Workshop, Session 1
- March 22, 2023 @ 9:30 a.m. GRF & All Boards Budget Workshop, Session 2
- April 3, 2023 @ 1:30 p.m. All Boards Presentation of Annual Audit Report
- April 4, 2023 @ 9:30 a.m. GRF Board Meeting
- April 19, 2023 @ 1:30 p.m. GRF Finance Committee (March Financials)
- April 20, 2023 @ 9:30 a.m. GRF Agenda Prep Meeting

February 2023							March 2023							April 2023						
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				1	2	3	4							1
5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

Golden Rain Foundation of Laguna Woods
Statement of Revenues & Expenses - Preliminary
12/31/2022
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,490	\$2,490		\$29,879	\$29,880	(\$2)	\$28,518	\$29,880
2	Additions to restricted funds	280	280		3,362	3,362		2,904	3,362
3	Total assessments	<u>2,770</u>	<u>2,770</u>		<u>33,241</u>	<u>33,243</u>	(2)	<u>31,422</u>	<u>33,243</u>
Non-assessment revenues:									
4	Trust facilities fees	369	448	(79)	5,922	5,378	545	4,972	5,378
5	Golf green fees	125	134	(8)	1,777	1,602	175	1,656	1,602
6	Golf operations	27	30	(3)	364	356	8	319	356
7	Merchandise sales	36	39	(3)	619	468	151	523	468
8	Clubhouse rentals and event fees	48	67	(18)	566	641	(75)	113	641
9	Rentals	5	14	(9)	145	165	(21)	141	165
10	Broadband services	396	512	(115)	5,277	5,818	(542)	5,038	5,818
11	Investment income	77	15	61	447	185	263	201	185
12	Unrealized gain/(loss) on AFS investments	(62)		(62)	(1,638)		(1,638)	(549)	
13	Miscellaneous	107	89	18	1,046	1,118	(72)	659	1,118
14	Total non-assessment revenue	<u>1,128</u>	<u>1,347</u>	(218)	<u>14,524</u>	<u>15,731</u>	(1,207)	<u>13,073</u>	<u>15,731</u>
15	Total revenue	<u>3,898</u>	<u>4,117</u>	(219)	<u>47,765</u>	<u>48,973</u>	(1,208)	<u>44,496</u>	<u>48,973</u>
Expenses:									
16	Employee compensation and related	2,294	2,139	(155)	23,344	25,396	2,051	22,120	25,396
17	Materials and supplies	242	152	(90)	1,830	1,766	(64)	1,578	1,766
18	Cost of goods sold	25	26	1	477	315	(162)	432	315
19	Community Events	97	49	(48)	400	463	63	45	463
20	Utilities and telephone	246	172	(74)	2,809	2,411	(397)	2,394	2,411
21	Fuel and oil	41	45	5	723	545	(179)	489	545
22	Legal fees	9	40	31	82	329	247	738	329
23	Professional fees	111	46	(65)	580	565	(15)	417	565
24	Equipment rental	38	20	(18)	273	216	(57)	259	216
25	Outside services	314	271	(43)	2,803	2,961	158	2,880	2,961
26	Repairs and maintenance	149	112	(37)	1,140	1,215	76	889	1,215
27	Other Operating Expense	161	64	(97)	728	851	123	651	851
28	Income, property and sales tax	4	3		35	28	(7)	(505)	28
29	Insurance	259	237	(22)	2,774	2,845	71	2,690	2,845
30	Cable Programming/Copyright/Franchise	331	361	30	4,196	4,328	132	3,967	4,328
31	Investment expense		1	1	13	16	3	14	16
32	Net Allocation to Mutuals	(284)	(248)	36	(2,988)	(2,949)	39	(2,775)	(2,949)
33	Uncollectible Accounts	3	1	(2)	4	12	8	12	12
34	(Gain)/loss on sale or trade		(2)	(2)	18	(25)	(43)	(251)	(25)
35	Depreciation and amortization	425	425		5,220	5,220		5,366	5,220
36	Total expenses	<u>4,464</u>	<u>3,914</u>	(550)	<u>44,462</u>	<u>46,508</u>	2,046	<u>41,408</u>	<u>46,508</u>
37	Excess of revenues over expenses	<u>(\$566)</u>	<u>\$202</u>	<u>(\$768)</u>	<u>\$3,303</u>	<u>\$2,466</u>	<u>\$838</u>	<u>\$3,087</u>	<u>\$2,466</u>

Golden Rain Foundation of Laguna Woods
Statement of Revenues & Expenses - By Fund Type - Preliminary
12/31/2022
(\$ 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	\$29,879	\$29,880	(\$2)						\$29,879	\$29,880	(\$2)	
2	Additions to restricted funds				2,598	2,598		764	764	3,362	3,362		
3	Total assessments	29,879	29,880	(2)	2,598	2,598		764	764	33,241	33,243	(2)	
Non-assessment revenues:													
4	Trust facilities fees				5,922	5,378	545			5,922	5,378	545	
5	Golf green fees	1,777	1,602	175						1,777	1,602	175	
6	Golf operations	364	356	8						364	356	8	
7	Merchandise sales	619	468	151						619	468	151	
8	Clubhouse rentals and event fees	566	641	(75)						566	641	(75)	
9	Rentals	145	165	(21)						145	165	(21)	
10	Broadband services	5,277	5,818	(542)						5,277	5,818	(542)	
11	Investment income				422	180	242	25	5	20	447	185	263
12	Unrealized gain/(loss) on AFS investments				(1,638)		(1,638)				(1,638)		(1,638)
13	Miscellaneous	1,014	1,118	(103)	31		31			1,046	1,118	(72)	
14	Total non-assessment revenue	9,762	10,169	(407)	4,737	5,557	(820)	25	5	20	14,524	15,731	(1,207)
15	Total revenue	39,640	40,049	(409)	7,335	8,155	(820)	790	769	20	47,765	48,973	(1,208)
Expenses:													
16	Employee compensation and related	23,344	25,396	2,051							23,344	25,396	2,051
17	Materials and supplies	1,846	1,766	(80)	(1)		1	(15)		15	1,830	1,766	(64)
18	Cost of goods sold	477	315	(162)							477	315	(162)
19	Community Events	400	463	63							400	463	63
20	Utilities and telephone	2,809	2,411	(397)							2,809	2,411	(397)
21	Fuel and oil	723	545	(179)							723	545	(179)
22	Legal fees	92	329	237				(10)		10	82	329	247
23	Professional fees	580	565	(15)							580	565	(15)
24	Equipment rental	273	216	(57)							273	216	(57)
25	Outside services	2,808	2,961	154	(4)		4				2,803	2,961	158
26	Repairs and maintenance	1,142	1,215	73	(2)		2				1,140	1,215	76
27	Other Operating Expense	728	851	123							728	851	123
28	Income, property and sales tax	35	28	(7)							35	28	(7)
29	Insurance	2,771	2,845	74				3		(3)	2,774	2,845	71
30	Cable Programming/Copyright/Franchise	4,196	4,328	132							4,196	4,328	132
31	Investment expense				13	16	3			1	13	16	3
32	Net Allocation to Mutuals	(2,988)	(2,949)	39							(2,988)	(2,949)	39
33	Uncollectible Accounts	4	12	8							4	12	8
34	(Gain)/loss on sale or trade	18	(25)	(43)							18	(25)	(43)
35	Depreciation and amortization	5,220	5,220								5,220	5,220	
36	Total expenses	44,478	46,491	2,013	6	16	10	(22)	1	23	44,462	46,508	2,046
37	Excess of revenues over expenses	(\$4,838)	(\$6,442)	\$1,604	\$7,329	\$8,140	(\$810)	\$812	\$768	\$44	\$3,303	\$2,466	\$838

Golden Rain Foundation of Laguna Woods
Operating Statement
12/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$29,878,656	\$29,880,374	(\$1,718)	(0.01%)	\$29,880,374
Total Operating	29,878,656	29,880,374	(1,718)	(0.01%)	29,880,374
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	764,160	764,160	0	0.00%	764,160
41005000 - Monthly Assessments - Equipment Fund	2,598,144	2,598,144	0	0.00%	2,598,144
Total Additions To Restricted Funds	3,362,304	3,362,304	0	0.00%	3,362,304
Total Assessments	33,240,960	33,242,678	(1,718)	(0.01%)	33,242,678
Non-Assessment Revenues:					
Trust Facilities Fees					
41006500 - Trust Facilities Fees	5,922,448	5,377,500	544,948	10.13%	5,377,500
Total Trust Facilities Fees	5,922,448	5,377,500	544,948	10.13%	5,377,500
Golf Green Fees					
42001000 - Golf Green Fees - Residents	1,505,516	1,357,000	148,516	10.94%	1,357,000
42001500 - Golf Green Fees - Guests	271,504	245,000	26,504	10.82%	245,000
Total Golf Green Fees	1,777,020	1,602,000	175,020	10.93%	1,602,000
Golf Operations					
42002000 - Golf Driving Range Fees	151,326	168,440	(17,114)	(10.16%)	168,440
42003000 - Golf Cart Use Fees	197,670	165,300	32,370	19.58%	165,300
42004000 - Golf Lesson Fees	9,429	20,000	(10,571)	(52.86%)	20,000
42005000 - Golf Club Storage Fees	3,645	2,400	1,245	51.88%	2,400
42005500 - Golf Club Rental Fees	1,680	50	1,630	3260.00%	50
Total Golf Operations	363,750	356,190	7,560	2.12%	356,190
Merchandise Sales					
41501000 - Merchandise Sales - Pro Shop	310,694	225,000	85,694	38.09%	225,000
41501500 - Merchandise Sales - Warehouse	16,313	17,999	(1,686)	(9.37%)	17,999
41502500 - Merchandise Sales - Fitness	174	926	(752)	(81.21%)	926
41503500 - Merchandise Sales - Broadband	18,108	25,125	(7,017)	(27.93%)	25,125
41504800 - Merchandise Sales - Fuel & Oil	215,192	134,000	81,192	60.59%	134,000
41505000 - Bar Sales	58,448	65,000	(6,552)	(10.08%)	65,000
Total Merchandise Sales	618,927	468,050	150,877	32.24%	468,050
Clubhouse Rentals and Event Fees					
42501000 - Clubhouse Room Rentals - Residents	320,804	361,066	(40,262)	(11.15%)	361,066
42501500 - Clubhouse Room Rentals - Exception Rate	9,915	16,663	(6,748)	(40.50%)	16,663
42502000 - Clubhouse Event Fees - Residents	220,778	257,277	(36,500)	(14.19%)	257,277
42502500 - Clubhouse Event Fees - Non Residents	0	900	(900)	(100.00%)	900
42503000 - Village Greens Room Rentals - Residents	12,543	4,000	8,543	213.56%	4,000
42503500 - Village Greens Room Rentals - Non Residents	1,750	1,000	750	75.00%	1,000
Total Clubhouse Rentals and Event Fees	565,789	640,906	(75,117)	(11.72%)	640,906
Rentals					
43001000 - Garden Plot Rental	57,335	57,000	335	0.59%	57,000
43001500 - Shade House Rental Space	382	400	(18)	(4.50%)	400
45506500 - Rental Fee	32,527	54,000	(21,473)	(39.77%)	54,000
48001500 - Lease Revenue	54,430	54,000	430	0.80%	54,000
Total Rentals	144,674	165,400	(20,726)	(12.53%)	165,400
Fees and Charges for Services to Residents					
46502000 - Resident Maintenance Fee	298	0	298	0.00%	0
Total Fees and Charges for Services to Residents	298	0	298	0.00%	0
Broadband Services					
45001000 - Ad Insertion	836,547	900,000	(63,453)	(7.05%)	900,000
45001500 - Premium Channel	285,588	350,000	(64,412)	(18.40%)	350,000
45002000 - Cable Service Call	75,472	98,000	(22,528)	(22.99%)	98,000
45002500 - Cable Commission	43,760	93,000	(49,240)	(52.95%)	93,000
45003000 - High Speed Internet	1,886,109	2,200,000	(313,891)	(14.27%)	2,200,000

Golden Rain Foundation of Laguna Woods
Operating Statement
12/31/2022
GOLDEN RAIN FOUNDATION

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
45003500 - Equipment Rental	1,875,365	1,908,400	(33,035)	(1.73%)	1,908,400
45004000 - Video Production	78,681	46,000	32,681	71.05%	46,000
45004500 - Video Re-Production	49	300	(251)	(83.67%)	300
45005000 - Message Board	25,400	20,500	4,900	23.90%	20,500
45005500 - Advertising	169,680	202,000	(32,320)	(16.00%)	202,000
Total Broadband Services	5,276,651	5,818,200	(541,549)	(9.31%)	5,818,200
Investment Income					
49001000 - Investment Income - Nondiscretionary	117,451	4,601	112,850	2452.72%	4,601
49002000 - Investment Income - Discretionary	329,658	180,000	149,658	83.14%	180,000
Total Investment Income	447,108	184,601	262,507	142.20%	184,601
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(1,638,109)	0	(1,638,109)	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	(1,638,109)	0	(1,638,109)	0.00%	0
Miscellaneous					
43501000 - Horse Boarding Fee	93,157	75,000	18,157	24.21%	75,000
43501500 - Horse Feed Fee	38,459	37,000	1,459	3.94%	37,000
43502000 - Horse Trailer Parking Fee	370	480	(110)	(22.92%)	480
43502500 - Horse Lesson Fee - Resident	26,002	14,500	11,502	79.32%	14,500
43503500 - Horse Rental & Trail Ride Fee - Resident	0	1,728	(1,728)	(100.00%)	1,728
44001500 - Pool Fee - Guests	168	0	168	0.00%	0
44002000 - Bridge Room Fee - Guests	25,265	35,000	(9,735)	(27.81%)	35,000
44002500 - Parking Fees - Non Residents	41,487	45,000	(3,513)	(7.81%)	45,000
44003000 - Class Fees	161,161	117,800	43,361	36.81%	117,800
44003500 - Locker Rental Fee	10,659	11,454	(796)	(6.95%)	11,454
44004500 - Clubhouse Labor Fee	12,634	34,335	(21,701)	(63.21%)	34,335
44005500 - Clubhouse Catering Fee	12,039	26,102	(14,063)	(53.88%)	26,102
44006000 - Tickets Sales - Residents	0	630	(630)	(100.00%)	630
44006500 - Sponsorship Income	107,549	75,000	32,549	43.40%	75,000
44008000 - Club Group Organization Registration Fee	4,090	0	4,090	0.00%	0
46001000 - RV Storage Fee	109,133	110,000	(867)	(0.79%)	110,000
46002000 - Traffic Violation	51,387	100,000	(48,613)	(48.61%)	100,000
46003500 - Security Standby Fee	3,339	3,500	(161)	(4.61%)	3,500
46004000 - Estate Sale Fee	2,250	4,100	(1,850)	(45.12%)	4,100
44501000 - Additional Occupant Fee	151,300	204,855	(53,555)	(26.14%)	204,855
44503500 - Resale Processing Fee	600	5,000	(4,400)	(88.00%)	5,000
44504000 - Resident Id Card Fee	12,275	19,300	(7,025)	(36.40%)	19,300
44506000 - Photo Copy Fee	50,679	75,000	(24,321)	(32.43%)	75,000
44506500 - Auto Decal Fee	52,321	60,000	(7,679)	(12.80%)	60,000
47001000 - Cash Discounts - Accounts Payable	24,093	0	24,093	0.00%	0
47001500 - Late Fee Revenue	6,187	11,600	(5,413)	(46.66%)	11,600
47002800 - Fuel & Oil Administrative Fee	10,800	34,800	(24,000)	(68.97%)	34,800
48001000 - Legal Fee	15	0	15	0.00%	0
46005500 - Disaster Task Force	1,010	4,500	(3,490)	(77.56%)	4,500
49009000 - Miscellaneous Revenue	37,217	11,220	25,997	231.70%	11,220
Total Miscellaneous	1,045,645	1,117,904	(72,259)	(6.46%)	1,117,904
Total Non-Assessment Revenue	14,524,202	15,730,751	(1,206,549)	(7.67%)	15,730,751
Total Revenue	47,765,162	48,973,429	(1,208,267)	(2.47%)	48,973,429
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	12,945,882	13,970,633	1,024,752	7.34%	13,970,633
51021000 - Union Wages - Regular	2,882,585	3,488,359	605,773	17.37%	3,488,359
51041000 - Wages - Overtime	228,615	167,765	(60,850)	(36.27%)	167,765
51051000 - Union Wages - Overtime	38,149	44,271	6,121	13.83%	44,271
51061000 - Holiday & Vacation	1,524,497	1,188,828	(335,668)	(28.24%)	1,188,828
51071000 - Sick	394,571	484,917	90,346	18.63%	484,917
51091000 - Missed Meal Penalty	48,601	29,079	(19,522)	(67.13%)	29,079
51101000 - Temporary Help	126,847	18,762	(108,085)	(576.08%)	18,762
51981000 - Compensation Accrual	13,735	0	(13,735)	0.00%	0
Total Employee Compensation	18,203,482	19,392,615	1,189,132	6.13%	19,392,615
Compensation Related					

Golden Rain Foundation of Laguna Woods
Operating Statement
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GOLDEN RAIN FOUNDATION

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
52411000 - F.I.C.A.	1,324,582	1,450,604	126,021	8.69%	1,450,604
52421000 - F.U.I.	21,115	20,136	(979)	(4.86%)	20,136
52431000 - S.U.I.	105,589	128,475	22,886	17.81%	128,475
52441000 - Union Medical	1,020,322	1,179,064	158,742	13.46%	1,179,064
52451000 - Workers' Compensation Insurance	750,887	897,555	146,668	16.34%	897,555
52461000 - Non Union Medical & Life Insurance	1,303,778	1,535,742	231,964	15.10%	1,535,742
52471000 - Union Retirement Plan	268,703	313,800	45,097	14.37%	313,800
52481000 - Non-Union Retirement Plan	344,755	477,635	132,881	27.82%	477,635
52981000 - Compensation Related Accrual	1,275	0	(1,275)	0.00%	0
Total Compensation Related	5,141,006	6,003,011	862,005	14.36%	6,003,011
Materials and Supplies					
53001000 - Materials & Supplies	1,399,087	1,344,679	(54,408)	(4.05%)	1,344,679
53003000 - Materials Direct	35,270	0	(35,270)	0.00%	0
53003500 - Materials Direct - Grf	364,612	385,618	21,006	5.45%	385,618
53004000 - Freight	31,093	35,361	4,268	12.07%	35,361
Total Materials and Supplies	1,830,062	1,765,658	(64,404)	(3.65%)	1,765,658
Cost of Goods Sold					
53101000 - Cost Of Sales - Warehouse	20,820	7,815	(13,005)	(166.40%)	7,815
53101500 - Cost Of Sales - Pro Shop	223,256	142,000	(81,256)	(57.22%)	142,000
53102000 - Cost Of Sales - Alcohol	17,915	21,500	3,585	16.67%	21,500
53103400 - Cost Of Sales - Fuel & Oil	215,192	134,000	(81,192)	(60.59%)	134,000
53103500 - Earthquake Materials	199	10,000	9,801	98.01%	10,000
Total Cost of Goods Sold	477,381	315,315	(162,066)	(51.40%)	315,315
Community Events					
53201000 - Community Events	400,452	463,081	62,629	13.52%	463,081
Total Community Events	400,452	463,081	62,629	13.52%	463,081
Utilities and Telephone					
53301000 - Electricity	1,161,822	886,055	(275,767)	(31.12%)	886,055
53301500 - Sewer	94,167	84,696	(9,471)	(11.18%)	84,696
53302000 - Water	783,105	700,310	(82,795)	(11.82%)	700,310
53302500 - Trash	86,161	148,028	61,868	41.79%	148,028
53303000 - Recycling	4,227	0	(4,227)	0.00%	0
53303500 - Gas	397,074	232,781	(164,293)	(70.58%)	232,781
53304000 - Telephone	282,040	359,369	77,329	21.52%	359,369
Total Utilities and Telephone	2,808,596	2,411,239	(397,357)	(16.48%)	2,411,239
Fuel and Oil					
53304500 - Fuel & Oil For Vehicles	723,392	544,500	(178,892)	(32.85%)	544,500
Total Fuel and Oil	723,392	544,500	(178,892)	(32.85%)	544,500
Legal Fees					
53401500 - Legal Fees	82,364	329,196	246,832	74.98%	329,196
Total Legal Fees	82,364	329,196	246,832	74.98%	329,196
Professional Fees					
53402000 - Audit & Tax Preparation Fees	145,134	143,010	(2,124)	(1.49%)	143,010
53402500 - Payroll System Fees	179,526	172,500	(7,026)	(4.07%)	172,500
53403500 - Consulting Fees	245,977	243,233	(2,744)	(1.13%)	243,233
53404500 - Fees	9,000	6,000	(3,000)	(50.00%)	6,000
Total Professional Fees	579,637	564,743	(14,894)	(2.64%)	564,743
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	272,854	216,114	(56,740)	(26.25%)	216,114
Total Equipment Rental	272,854	216,114	(56,740)	(26.25%)	216,114
Outside Services					
53601000 - Bank Fees	47,218	70,000	22,782	32.55%	70,000
53601500 - Credit Card Transaction Fees	285,088	190,444	(94,644)	(49.70%)	190,444
53602000 - Merchant Account Fees	15,555	17,069	1,514	8.87%	17,069
53602500 - Licensing Fees	6,488	6,000	(488)	(8.14%)	6,000
53603000 - Permit Fees	103	2,200	2,097	95.32%	2,200
54603500 - Outside Services CC	10,350	0	(10,350)	0.00%	0
53704000 - Outside Services	2,438,537	2,675,781	237,244	8.87%	2,675,781
Total Outside Services	2,803,339	2,961,494	158,155	5.34%	2,961,494

Golden Rain Foundation of Laguna Woods

Operating Statement

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GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	889,558	801,623	(87,934)	(10.97%)	801,623
53702000 - Street Repair & Maint	0	3,500	3,500	100.00%	3,500
53702500 - Building Repair & Maint	237,989	395,054	157,065	39.76%	395,054
53703000 - Elevator /Lift Maintenance	10,700	11,099	399	3.59%	11,099
53703500 - Water Softener	1,532	4,083	2,551	62.48%	4,083
Total Repairs and Maintenance	1,139,779	1,215,359	75,581	6.22%	1,215,359
Other Operating Expense					
53604000 - Pest Control Fees	11,396	19,815	8,419	42.49%	19,815
53801000 - Mileage & Meal Allowance	4,200	14,244	10,044	70.51%	14,244
53801500 - Travel & Lodging	2,502	6,259	3,758	60.03%	6,259
53802000 - Uniforms	96,302	128,010	31,708	24.77%	128,010
53802500 - Dues & Memberships	11,915	20,418	8,503	41.64%	20,418
53803000 - Subscriptions & Books	19,093	10,576	(8,517)	(80.53%)	10,576
53803500 - Training & Education	36,736	86,168	49,432	57.37%	86,168
53804000 - Staff Support	97,248	101,900	4,652	4.57%	101,900
53901000 - Benefit Administrative Fees	3,019	4,000	981	24.52%	4,000
53901500 - Volunteer Support	12,910	14,850	1,940	13.06%	14,850
53902000 - Physical Examinations	46,411	42,100	(4,311)	(10.24%)	42,100
53902500 - Recruiting Fees	127,491	90,000	(37,491)	(41.66%)	90,000
53903000 - Safety	78,750	93,802	15,052	16.05%	93,802
54001000 - Board Relations	13,930	13,005	(925)	(7.11%)	13,005
54001500 - Public Relations	14,483	1,000	(13,483)	(1348.34%)	1,000
54002000 - Postage	31,131	53,610	22,479	41.93%	53,610
54002500 - Filing Fees / Permits	120,103	148,103	28,001	18.91%	148,103
54502500 - Cable Promotions	0	3,000	3,000	100.00%	3,000
Total Other Operating Expense	727,620	850,861	123,241	14.48%	850,861
Income, Property, and Sales Tax					
54301000 - State & Federal Income Taxes	2,224	1,000	(1,224)	(122.36%)	1,000
54301500 - State & Local Taxes	29,925	23,242	(6,683)	(28.75%)	23,242
54302000 - Property Taxes	3,151	3,580	429	11.98%	3,580
Total Income, Property, and Sales Tax	35,299	27,822	(7,477)	(26.88%)	27,822
Insurance					
54401000 - Hazard & Liability Insurance	2,405,447	2,426,418	20,971	0.86%	2,426,418
54401500 - D&O Liability	72,306	69,400	(2,907)	(4.19%)	69,400
54402000 - Property Insurance	273,540	324,866	51,325	15.80%	324,866
54402500 - Auto Liability Insurance	6,487	10,000	3,513	35.13%	10,000
54403000 - General Liability Insurance	8,721	3,960	(4,761)	(120.22%)	3,960
54403500 - Property Damage	7,326	10,000	2,674	26.74%	10,000
Total Insurance	2,773,826	2,844,643	70,817	2.49%	2,844,643
Cable Programming/Franchise					
54501000 - Cable - Programming Fees	3,978,729	4,015,000	36,271	0.90%	4,015,000
54502000 - Cable - City of Laguna Woods Franchise Fees	217,684	313,000	95,316	30.45%	313,000
Total Cable Programming/Franchise	4,196,412	4,328,000	131,588	3.04%	4,328,000
Investment Expense					
54201000 - Investment Expense	13,084	16,440	3,356	20.42%	16,440
Total Investment Expense	13,084	16,440	3,356	20.42%	16,440
Net Allocation to Mutuals					
48501000 - Allocated To Grf Departments	(7,571,854)	(7,650,358)	(78,503)	(1.03%)	(7,650,358)
54602500 - Allocated Expenses	4,583,372	4,701,287	117,915	2.51%	4,701,287
Total Net Allocation To Mutuals	(2,988,483)	(2,949,071)	39,412	1.34%	(2,949,071)
Uncollectible Accounts					
54602000 - Bad Debt Expense	4,144	12,100	7,956	65.75%	12,100
Total Uncollectible Accounts	4,144	12,100	7,956	65.75%	12,100
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	17,743	(25,000)	(42,743)	(170.97%)	(25,000)
Total (Gain)/Loss on Sale or Trade	17,743	(25,000)	(42,743)	(170.97%)	(25,000)
Depreciation and Amortization					

Golden Rain Foundation of Laguna Woods
Operating Statement
12/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
55001000 - Depreciation And Amortization	5,219,724	5,219,724	0	0.00%	5,219,724
Total Depreciation and Amortization	5,219,724	5,219,724	0	0.00%	5,219,724
Total Expenses	44,461,715	46,507,845	2,046,131	4.40%	46,507,845
Excess of Revenues Over Expenses	\$3,303,448	\$2,465,584	\$837,864	33.98%	\$2,465,584

**Golden Rain Foundation of Laguna Woods
Balance Sheet - Preliminary
12/31/2022**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$4,023,786	\$2,481,456
2	Non-discretionary investments	15,039,011	9,801,805
3	Discretionary investments	18,208,938	19,530,473
4	Receivable/(Payable) from mutuals	(1,128,622)	(149,472)
5	Accounts receivable and interest receivable	1,450,345	1,473,355
6	Operating supplies	946,897	906,611
7	Prepaid expenses and deposits	3,944,247	1,940,904
8	Property and equipment	146,261,272	144,205,572
9	Accumulated depreciation property and equipment	(90,406,950)	(86,845,989)
10	Intangible assets, net	135,573	143,580
11	Total Assets	<u>\$98,474,498</u>	<u>\$93,488,295</u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$2,743,497	\$2,861,542
13	Accrued compensation and related costs	6,058,482	4,342,979
14	Deferred income	622,209	556,287
15	Income tax payable	10	10
16	Total liabilities	<u>\$9,424,198</u>	<u>\$7,760,818</u>
Fund balances:			
17	Fund balance prior years	85,727,477	82,640,239
18	Change in fund balance - current year	3,303,448	3,087,238
19	Fund transfers	19,375	
20	Total fund balances	<u>89,050,300</u>	<u>85,727,477</u>
21	Total Liabilities and Fund Balances	<u>\$98,474,498</u>	<u>\$93,488,295</u>

**Golden Rain Foundation of Laguna Woods
Fund Balance Sheet - Preliminary
12/31/2022**

	<u>Operating Fund</u>	<u>Facilities Fund</u>	<u>Equipment Fund</u>	<u>Trust Facilities Fee Fund</u>	<u>Contingency Fund</u>	<u>Total</u>
Assets						
1	Cash and cash equivalents	\$889,002			\$3,134,785	\$4,023,786
2	Non-discretionary investments		1,312,839	4,477,091	2,403,009	15,039,011
3	Discretionary investments		15,627,173		2,581,765	18,208,938
4	Receivable/(Payable) from mutuals	(1,128,622)				(1,128,622)
5	Receivable/(Payable) from operating fund	1,009,961			(1,009,961)	
6	Accounts receivable and interest receivable	1,442,569	1,108	2,310	2,670	1,450,345
7	Operating supplies	946,897				946,897
8	Prepaid expenses and deposits	3,944,247				3,944,247
9	Property and equipment	142,349,572	1,803,827	2,006,140		146,261,272
10	Accumulated depreciation property and equipment	(90,406,950)				(90,406,950)
11	Intangible assets, net	135,573				135,573
12	Total Assets	<u>\$59,182,249</u>	<u>\$18,744,946</u>	<u>\$6,485,541</u>	<u>\$9,983,528</u>	<u>\$98,474,498</u>
Liabilities and Fund Balances						
Liabilities:						
13	Accounts payable and accrued expenses	\$2,529,583	\$69,640	\$28,800		\$115,474
14	Accrued compensation and related costs	6,058,482				6,058,482
15	Deferred income	622,209				622,209
16	Income tax payable	10				10
17	Total liabilities	<u>\$9,210,284</u>	<u>\$69,640</u>	<u>\$28,800</u>		<u>\$115,474</u>
Fund balances:						
18	Fund balance prior years	53,265,604	21,602,303	4,652,387	4,020,747	2,186,436
19	Change in fund balance - current year	(4,838,114)	(1,275,730)	2,642,366	5,962,781	812,144
20	Fund transfers	1,544,475	(1,651,267)	(838,013)		964,180
21	Total fund balances	<u>49,971,965</u>	<u>18,675,306</u>	<u>6,456,741</u>	<u>9,983,528</u>	<u>3,962,761</u>
22	Total Liabilities and Fund Balances	<u>\$59,182,249</u>	<u>\$18,744,946</u>	<u>\$6,485,541</u>	<u>\$9,983,528</u>	<u>\$98,474,498</u>

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Preliminary
12/31/2022

	<u>Operating Fund</u>	<u>Facilities Fund</u>	<u>Equipment Fund</u>	<u>Trust Facilities Fee Fund</u>	<u>Contingency Fund</u>	<u>Total</u>
Revenues:						
Assessments:						
1	Operating					\$29,878,656
2	Additions to restricted funds		2,598,144		764,160	3,362,304
3	Total assessments	<u>29,878,656</u>	<u>2,598,144</u>		<u>764,160</u>	<u>33,240,960</u>
Non-assessment revenues:						
4	Trust facilities fees			5,922,448		5,922,448
5	Golf green fees	1,777,020				1,777,020
6	Golf operations	363,750				363,750
7	Merchandise sales	618,927				618,927
8	Clubhouse rentals and event fees	565,789				565,789
9	Rentals	144,674				144,674
10	Fees and charges for services to residents	298				298
11	Broadband services	5,276,651				5,276,651
12	Interest income		346,387	34,894	25,494	447,108
13	Unrealized gain/(loss) on AFS investments		(1,638,109)			(1,638,109)
14	Miscellaneous	1,014,480	24,249	6,917		1,045,645
15	Total non-assessment revenue	<u>9,761,589</u>	<u>(1,267,473)</u>	<u>41,810</u>	<u>5,962,781</u>	<u>14,524,202</u>
16	Total revenue	<u>39,640,245</u>	<u>(1,267,473)</u>	<u>2,639,954</u>	<u>5,962,781</u>	<u>47,765,162</u>
Expenses:						
17	Employee compensation and related	23,344,488				23,344,488
18	Materials and supplies	1,846,103	(439)	(252)	(15,350)	1,830,062
19	Cost of goods sold	477,381				477,381
20	Community Events	400,452				400,452
21	Utilities and telephone	2,808,596				2,808,596
22	Fuel and oil	723,392				723,392
23	Legal fees	92,364			(10,000)	82,364
24	Professional fees	579,637				579,637
25	Equipment rental	272,854				272,854
26	Outside services	2,807,727	(4,388)			2,803,339
27	Repairs and maintenance	1,141,939		(2,160)		1,139,779
28	Other Operating Expense	727,620				727,620
29	Income taxes	2,224				2,224
30	Property and sales tax	33,076				33,076
31	Insurance	2,770,967			2,860	2,773,826
32	Cable Programming/Copyright/Franchise	4,196,412				4,196,412

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Preliminary
12/31/2022

	<u>Operating Fund</u>	<u>Facilities Fund</u>	<u>Equipment Fund</u>	<u>Trust Facilities Fee Fund</u>	<u>Contingency Fund</u>	<u>Total</u>
33 Investment expense		13,084				13,084
34 Uncollectible Accounts	4,144					4,144
35 (Gain)/loss on sale or trade	17,743					17,743
36 Depreciation and amortization	5,219,724					5,219,724
37 Net allocations to mutuals	(2,988,483)					(2,988,483)
38 Total expenses	<u>44,478,360</u>	<u>8,257</u>	<u>(2,412)</u>		<u>(22,490)</u>	<u>44,461,715</u>
39 Excess (deficit) of revenues over expenses	<u>(\$4,838,114)</u>	<u>(\$1,275,730)</u>	<u>\$2,642,366</u>	<u>\$5,962,781</u>	<u>\$812,144</u>	<u>\$3,303,448</u>
40 Excluding unrealized gain/(loss) and depreciation	<u>\$381,610</u>	<u>\$362,379</u>	<u>\$2,642,366</u>	<u>\$5,962,781</u>	<u>\$812,144</u>	<u>\$10,161,281</u>

**GOLDEN RAIN FOUNDATION
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
12/31/2022**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	12/31/2022 MARKET VALUE	UNREALIZED GAIN/(LOSS)
	BANK OF AMERICA INTEREST SAVINGS	0.70%			\$2,325,000.00		\$2,325,000.00		\$2,325,000.00	\$2,325,000.00	\$0.00
912796X95	U.S. Treasury Bill	0.000%	01/05/23	12/30/2022	\$2,000,000.00	1.950%	\$1,999,356.67		\$1,999,540.48	\$1,999,596.00	\$55.52
912796XR5	U.S. Treasury Bill	0.000%	01/12/23	12/30/2022	\$1,000,000.00	2.970%	\$998,941.76		\$999,092.94	\$999,132.00	\$39.06
912796XZ7	U.S. Treasury Bill	0.000%	02/09/23	12/30/2022	\$2,000,000.00	3.800%	\$1,990,053.33		\$1,991,880.27	\$1,992,022.00	\$141.73
912796X53	U.S. Treasury Bill	0.000%	06/15/23	12/30/2022	\$2,000,000.00	4.460%	\$1,958,336.67		\$1,960,479.36	\$1,959,682.00	(\$797.36)
912796YH6	U.S. Treasury Bill	0.000%	09/07/23	12/30/2022	\$2,000,000.00	4.250%	\$1,941,233.33		\$1,943,275.42	\$1,939,930.00	(\$3,345.42)
912796ZN2	U.S. Treasury Bill	0.000%	12/28/23	12/30/2022	\$4,000,000.00	4.500%	\$3,826,088.89		\$3,827,518.30	\$3,820,100.00	(\$7,418.30)
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$15,325,000.00		\$15,039,010.65	1.14%	\$15,046,786.77	\$15,035,462.00	(\$11,324.77)

*Yield is based on all investments held during the year

**GOLDEN RAIN FOUNDATION
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
12/31/2022**

I.D. NO.	DESCRIPTION	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	12/31/2022 MARKET VALUE	UNREALIZED GAIN/(LOSS)	
	FIDELITY GOVT CASH RESERVES			\$416,560.23		\$416,560.23		\$416,560.23	\$416,560.23	\$0.00	
31635V216	FUMBX Fidelity Treas Bond Index	12/13/2019	-	\$3,872,115.84	\$0.00	\$3,872,115.84		\$3,872,115.84	\$3,626,883.69	(\$245,232.15)	
922031851	VFIRX Vanguard Treas Admiral	12/13/2019	-	\$5,672,426.07	\$0.00	\$5,672,426.07		\$5,672,426.07	\$5,269,242.67	(\$403,183.40)	
92206C607	VSCSX Vanguard Corp Bond Index	12/13/2019	-	\$5,491,203.76	\$0.00	\$5,491,203.76		\$5,491,203.76	\$5,022,627.02	(\$468,576.74)	
92206C755	VMBSX Vanguard Sec Index Admiral	12/13/2019	-	\$4,506,000.36	\$0.00	\$4,506,000.36		\$4,506,000.36	\$3,873,624.67	(\$632,375.69)	
TOTAL FOR DISCRETIONARY INVESTMENTS					\$19,958,306.26		\$19,958,306.26	1.60%	\$19,958,306.26	\$18,208,938.28	(\$1,749,367.98)
TOTAL INVESTMENTS					\$ 35,283,306.26		\$ 34,997,316.91	1.44%	\$ 35,005,093.03	\$ 33,244,400.28	

*Yield is based on all investments held during the year

INVESTMENT REPORT
December 1, 2022 - December 31, 2022



Envelope # BNHFTHBBCNWV

GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
PO BOX 2220
LAGUNA HILLS CA 92654-2220

BROKERAGE GOLDEN RAIN FOUNDATION OF LAGUNA WOOD

Your Account Value: \$18,208,938.28

Change from Last Period: ▼ \$684.07

	This Period	Year-to-Date
Beginning Account Value	\$18,209,622.35	\$19,530,473.28
Subtractions	-	-13,083.71
Change in Investment Value *	-684.07	-1,308,451.29
Ending Account Value **	\$18,208,938.28	\$18,208,938.28
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$18,208,938.28	

Your Advisor/Agent

SAGEVIEW ADVISORY GROUP, LLC
RANDALL LONG
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

Phone: (949) 955-1395

- * Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.
- ** Excludes unpriced securities.

Your Advisor is an independent organization and is not affiliated with Fidelity Investments. Brokerage services provided by **Fidelity Brokerage Services LLC (FBS)**, Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried with National Financial Services LLC (NFS), Member NYSE, SIPC.





Account Summary

Account Value: **\$18,208,938.28**

Change in Account Value **▼ \$684.07**

	This Period	Year-to-Date
Beginning Account Value	\$18,209,622.35	\$19,530,473.28
Subtractions	-	-13,083.71
Transaction Costs, Fees & Charges	-	-13,083.71
Change in Investment Value *	-684.07	-1,308,451.29
Ending Account Value	\$18,208,938.28	\$18,208,938.28
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$18,208,938.28	

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

Income Summary

	This Period	Year-to-Date
Taxable	\$61,543.38	\$329,657.80
Dividends	61,543.38	329,657.80
Total	\$61,543.38	\$329,657.80

Top Holdings

Description	Value	Percent of Account
Vanguard Short Term Treasury Admiral	\$5,269,242.67	29%
Vanguard Short Term Corp Bd Index Admrl	5,022,627.02	28
Vanguard Backed Securities Indx Adm	3,873,624.67	21
Fidelity Short Term Treasury Bond Index	3,626,883.69	20
Fidelity Government Cash Reserves	416,560.23	2
Total	\$18,208,938.28	100%

Core Account and Credit Balance Cash Flow

	This Period	Year-to-Date
Beginning Balance	\$355,016.85	\$99,986.14
Investment Activity		
Dividends, Interest & Other Income ^D	61,543.38	329,657.80
Total Investment Activity	\$61,543.38	\$329,657.80
Cash Management Activity		
Fees & Charges	-	-13,083.71
Total Cash Management Activity	-	-\$13,083.71
Ending Balance	\$416,560.23	\$416,560.23

^D Includes dividend reinvestments.





Account Summary

Estimated Cash Flow

(Rolling as of December 31, 2022)

Month	Bond & CD Income	Bond & CD Principal	Stock Income	ETP Income	Mutual Fund Income	Other Income	Total Est. Cash Flow
January 2023	--	--	--	--	\$27,069	--	\$27,069
February	--	--	--	--	27,069	--	27,069
March	--	--	--	--	27,069	--	27,069
April	--	--	--	--	27,069	--	27,069
May	--	--	--	--	27,069	--	27,069
June	--	--	--	--	27,069	--	27,069
July	--	--	--	--	27,069	--	27,069
August	--	--	--	--	27,069	--	27,069
September	--	--	--	--	27,069	--	27,069
October	--	--	--	--	27,069	--	27,069
November	--	--	--	--	27,069	--	27,069
December	--	--	--	--	27,069	--	27,069
Total	--	--	--	--	\$324,828	--	\$324,828

This table presents the estimated monthly interest and dividend income and return of principal that your current holdings may generate over the next rolling 12 months. The cash flows displayed are estimates provided for informational purposes only and there is no guarantee that you will actually receive any of the amounts displayed. These estimates should not be relied upon for making investment, trading or tax decisions. The estimates for fixed income are calculated using the security's coupon rate. The estimates for all other securities are calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. IADs are sourced from third party vendors believed to be reliable, but no assurance can be made as to accuracy. There are circumstances in which these estimates will not be presented for a specific security you hold.

Bond & CD Income includes interest payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Bond & CD Principal includes maturing principal payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Stock Income includes estimated dividend payments for common stocks, preferred stocks, ADRs, closed-end mutual funds, and MLPs.

ETP Income includes estimated dividend payments for Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

Mutual Fund Income includes estimated dividend payments for Fidelity and non-Fidelity mutual funds.

Other Income includes, but is not limited to estimated dividend payments for Unit Investment Trusts (UITs), REITs, and LPs.

This table does not include cash flow from foreign denominated fixed income.

-- not available





GOLDEN RAIN FOUNDATION OF LAGUNA WOOD - CORPORATION

Holdings

Core Account

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
FIDELITY GOVERNMENT CASH RESERVES (FDRXX) -- 7-day yield: 3.85%	416,560.230	\$1.0000	\$416,560.23	not applicable	not applicable	\$4,253.49	1.020%
Total Core Account (2% of account holdings)			\$416,560.23			\$4,253.49	

Mutual Funds

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Bond Funds							
FIDELITY SHORT TERM TREASURY BOND INDEX (FUMBX) -- 30-day yield: 4.2%	368,211.542	\$9.8500	\$3,626,883.69	\$3,872,115.84	-\$245,232.15	\$35,238.91	0.970%
VANGUARD SHORT TERM TREASURY ADMIRAL (VFIRX)	530,638.739	9.9300	5,269,242.67	5,672,426.07	-403,183.40	96,345.19	1.830
VANGUARD SHORT TERM CORP BD INDEX ADMRL (VSCSX)	245,485.192	20.4600	5,022,627.02	5,491,203.76	-468,576.74	99,691.54	1.980
VANGUARD BACKED SECURITIES INDX ADM (VMBSX)	212,021.055	18.2700	3,873,624.67	4,506,000.36	-632,375.69	89,303.27	2.310
Total Bond Funds (98% of account holdings)			\$17,792,378.05	\$19,541,746.03	-\$1,749,367.98	\$320,578.91	
Total Mutual Funds (98% of account holdings)			\$17,792,378.05	\$19,541,746.03	-\$1,749,367.98	\$320,578.91	
Total Holdings			\$18,208,938.28	\$19,541,746.03	-\$1,749,367.98	\$324,832.40	

Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. See last page of statement for details. Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

EAI **Estimated Annual Income (EAI) & Estimated Yield (EY)**- EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EAI may be negative on short & EY positions. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. Actual income and yield might be lower or higher than the estimated amounts. **For calculation details, refer to the "Additional Information and Endnotes" section.**





Holdings

All positions held in cash account unless indicated otherwise.

Activity

Dividends, Interest & Other Income

(Includes dividend reinvestment)

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Amount
11/30	VANGUARD BACKED SECURITIES INDX ADM	92206C755	Dividend Received	-	-	\$9,095.70
11/30	VANGUARD SHORT TERM TREASURY ADMIRAL	922031851	Dividend Received	-	-	13,094.47
11/30	VANGUARD SHORT TERM CORP BD INDEX ADMRL	92206C607	Dividend Received	-	-	9,868.50
12/22	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	3,313.90
12/22	VANGUARD BACKED SECURITIES INDX ADM	92206C755	Dividend Received	-	-	9,689.36
12/22	VANGUARD SHORT TERM CORP BD INDEX ADMRL	92206C607	Dividend Received	-	-	11,243.22
12/30	FIDELITY GOVERNMENT CASH RESERVES	316067107	Dividend Received	-	-	1,219.17
12/30	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	4,019.06
Total Dividends, Interest & Other Income						\$61,543.38





Activity

Core Fund Activity

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Account								
Date	Type	Transaction	Description	Quantity	Price	Amount	Balance	
12/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	13,094.470	\$1.0000	\$13,094.47	\$368,111.32	
12/01	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	18,964.200	1.0000	18,964.20	387,075.52	
12/22	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	3,313.900	1.0000	3,313.90	390,389.42	
12/23	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES MORNING TRADE @ 1	20,932.580	1.0000	20,932.58	411,322.00	
12/30	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	5,238.230	1.0000	5,238.23	416,560.23	
Total Core Fund Activity						\$61,543.38		

Additional Information and Endnotes

A COPY OF YOUR INVESTMENT REPORT IS AVAILABLE TO:

SAGEVIEW ADVISORY GROUP, LLC
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

STEVE HORMUTH
PO BOX 2220
LAGUNA HILLS CA 92654-2220

- ▶ National Financial Services LLC ("NFS") an affiliate of Fidelity Brokerage Services LLC (FBS) provides custody and clearing services on behalf of FBS. In that capacity, NFS is required to provide you with written notice on the manner in which you may gain website access to information regarding NFS' Impartial Callable Securities Lottery Process (the "Lottery Process").

We are also providing you with the following description of the Lottery Process: When street name or bearer securities held for you are subject to a partial call or partial redemption by the issuer, National Financial Services LLC (NFS) may or may not receive an allocation of called/redeemed securities by the issuer, transfer agent, and/or depository. If NFS is allocated a portion of the called/redeemed securities, NFS utilizes an impartial lottery allocation system, in accordance with applicable rules, that randomly selects the securities within customer accounts that will be called/redeemed. NFS' allocations are not made on a pro rata basis and it is possible for you to receive a full or partial allocation, or no allocation.



Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
2017				
JP171100000 - Dynamics CRM Software **	9/6/2016	226,773	210,833	15,940
2019				
JP190340000 - Service Center Generator	9/4/2018	150,000	0	150,000
JP190440000 - CH 5 Piano Refinishing	9/4/2018	12,000	9,460	0
2020				
JP200140000 - Add: Van	9/3/2019	30,000	27,336	0
JP200210000 - Transfer Switches for CH 4 & CH 6	9/3/2019	100,000	0	0
JP200220000 - Clubhouse Camera Installation	9/3/2019	75,000	74,128	872
JP200270000 - Centralized Irrigation System	9/3/2019	100,000	100,000	0
JP200500000 - CH 4 Workshop Chairs	9/3/2019	26,800	22,344	0
JP200610000 - CH 7 Lobby Furniture	9/3/2019	15,000	9,867	5,133
JP200620000 - CH 7 Commercial Appliances	9/3/2019	15,000	13,578	1,422
JP200640000 - CH 7 Commercial Dishwasher	9/3/2019	7,000	3,955	3,045
JP200670000 - CH 6 Commercial Dishwasher	9/3/2019	7,000	3,955	3,045
JP200700000 - CH 5 Patio Furniture/Benches	9/3/2019	20,000	16,654	0
2021				
JP210040000 - Flooring and Work Stations	9/1/2020	23,000	13,414	0
JP210060000 - Active Net Integration Software	9/1/2020	20,000	3,813	16,187
JP210090000 - Mower - Riding Greens	9/1/2020	49,000	0	49,000
JP210100000 - Centralized Irrigation System	9/1/2020	200,000	97,267	102,734
JP210120000 - Mini Skid-Steer Loader (2)	9/1/2020	50,000	31,392	0
JP210290000 - Dispatch Center	9/1/2020	43,000	44,918	0
JP210300000 - Portable Radios	9/1/2020	30,000	18,998	11,002
JP210310000 - Misc Vehicle Purchases	9/1/2020	200,000	51,360	148,640

Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
JP210320000 - Vans (4)	9/1/2020	160,000	68,086	91,914
JP210340000 - Security Vehicles (4)	9/1/2020	140,000	146,046	0
JP210350000 - F-250 Truck (4)	9/1/2020	140,000	0	140,000
JP210360000 - F-250 Crew Cab (3)	9/1/2020	126,000	109,968	0
JP210370000 - Pickup Trucks (5)	9/1/2020	125,000	128,604	0
JS210080000 - Network System Upgrade	2/2/2021	350,000	334,725	15,275
2022				
JP220010000 - CH 5 Pool Cover	9/7/2021	9,000	8,872	0
JP220020000 - Set Top Boxes	9/7/2021	300,000	210,590	89,410
JP220030000 - Infrastructure	9/7/2021	250,000	220,454	29,546
JP220040000 - Signal Receivers and Transcoders	9/7/2021	25,000	4,529	20,471
JP220050000 - UPS Battery for Power Supplies	9/7/2021	22,000	17,822	4,178
JP220060000 - Village Television Studio Equipment	9/7/2021	17,500	7,635	0
JP220070000 - ENG Cameras (2)	9/7/2021	15,000	13,786	0
JP220090000 - CH 5 Stage Curtains (Ballroom)	9/7/2021	27,000	11,633	15,367
JP220100000 - Financial Software	9/7/2021	1,500,000	434,203	1,065,797
JP220110000 - Village Website Replacement	9/7/2021	175,000	0	175,000
JP220120000 - CAD Format Plotter	9/7/2021	8,000	7,953	0
JP220130000 - CH 1 Treadmills (3)	9/7/2021	30,500	0	0
JP220140000 - CH 1 Elliptical Trainer	9/7/2021	5,000	0	0
JP220150000 - Rough Mower	9/7/2021	87,000	0	87,000
JP220160000 - Centralized Irrigation System	9/7/2021	200,000	190,047	9,953
JP220170000 - Utility Loaders (2)	9/7/2021	60,000	0	60,000
JP220180000 - Navigation Mowers - Walkers (3)	9/7/2021	45,000	0	45,000

Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
JP220190000 - 48" Lazer Lawn Mowers (3)	9/7/2021	30,000	0	30,000
JP220200000 - 60" Lazer Lawn Mower	9/7/2021	12,000	0	12,000
JP220210000 - Building Maintenance Operations Equipment	9/7/2021	50,000	7,983	0
JP220220000 - Maintenance Services Equipment	9/7/2021	50,000	16,368	33,632
JP220230000 - Miscellaneous Fleet/Paving Equipment	9/7/2021	30,000	19,892	0
JP220270000 - Trailer for Office Work Space	9/7/2021	50,000	24,580	0
JP220360000 - Solar powered radar signs (2)	9/7/2021	10,000	9,417	0
JP220370000 - Misc Vehicle Purchases	9/7/2021	200,000	0	200,000
JP220380000 - Transportation Bus	9/7/2021	200,000	0	200,000
JP220390000 - Standard Pickup Truck (7)	9/7/2021	175,000	0	175,000
JP220400000 - Work Van (4)	9/7/2021	160,000	0	160,000
JP220410000 - Security Vehicle (4)**	9/7/2021	80,000	9,868	70,132
JP220420000 - F-150 Truck (4)	9/7/2021	140,000	0	140,000
JP220430000 - F-250 Crew Cab (3)	9/7/2021	126,000	0	126,000
JP220440000 - Utility Vehicles (8)	9/7/2021	120,000	0	120,000
JP220450000 - Equipment Trailer (3)	9/7/2021	45,000	0	45,000
JP220460000 - Add: F250 Crew Cab	9/7/2021	42,000	0	42,000
JP220470000 - Add: Utility Vehicles (2)	9/7/2021	30,000	0	30,000
JP220480000 - Add: Small Pickup Truck	9/7/2021	25,000	0	25,000
JP220490000 - Add: Equipment Trailer	9/7/2021	15,000	0	15,000
JS220060000 - Add: ProCore Aerator for 27-Hole Golf Course	2/1/2022	34,869	0	34,869
JS220090000 - Add: Additional Financial Software Replacement	2/1/2022	2,500,000	0	2,500,000
JS220290000 - Add: Replacement of Stop Signs	7/5/2022	42,913	0	42,913
		\$9,384,355	\$2,756,336	\$6,357,475

* Incurred to Date

** Reduced Total Appropriations, based on defunding

Golden Rain Foundation & Trust Reserve Expenditures Report
FACILITIES & TRUST FUNDS
Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
2017				
JP172700000 - PAC HVAC System	9/6/2016	300,000	133,173	166,827
2018				
JP182600000 - Community Center Remodel***	9/5/2017	278,738	185,840	0
2019				
JP190010000 - PAC Renovation - Phase 1***	10/2/2018	733,353	733,353	0
JP190190000 - Gate 16 Driving Range Improvements****	10/2/2018	638,000	92,706	545,294
JP190350000 - Replace Welding Shop	10/2/2018	100,000	30,385	69,615
2020				
JP200170000 - Maintenance Parking Lot Lighting	9/3/2019	250,000	34,946	0
JP200660000 - CH 6 Video Projector Installation	9/3/2019	30,000	8,745	21,255
2021				
JP210170000 - Broadband HVAC System	9/1/2020	300,000	0	300,000
JP210180000 - Welding Shop Replacement	9/1/2020	275,000	0	275,000
JP210190000 - Slope Renovation	9/1/2020	143,000	142,369	0
JP210220000 - Building E Assessment and Design Development	9/1/2020	50,000	26,000	0
JS210060000 - Replace Non-Compliant Hydraulic Mower Lifts	9/7/2021	56,278	52,000	0
JS210400000 - Pickleball Court Lighting	10/5/2021	25,000	24,249	0
2022				
JP220080000 - CH 1 Assessment/Renovation	9/7/2021	1,250,000	38,889	1,211,111
JP220240000 - Building E Assessment and Design Development	9/7/2021	200,000	0	0
JP220250000 - Slope Renovation	9/7/2021	153,576	153,576	0
JP220260000 - Miscellaneous Projects	9/7/2021	125,000	80,821	44,179

Golden Rain Foundation & Trust Reserve Expenditures Report
FACILITIES & TRUST FUNDS
Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
JP220280000 - GRF Reserve Study	9/7/2021	25,000	25,000	0
JP220290000 - Garden Center 2 - Roofs	9/7/2021	18,000	15,687	0
JP220300000 - Equestrian Siding/Enclosure of Hay Barn	9/7/2021	6,000	2,746	3,254
JP220310000 - Asphalt Paving and Sealcoat Programs	9/7/2021	704,091	683,009	0
JP220320000 - Parkway Concrete Repairs	9/7/2021	200,000	199,704	0
JP220330000 - Gate 12 Security Upgrade	9/7/2021	66,696	26,575	0
JP220340000 - Security Building HVAC System	9/7/2021	65,000	0	65,000
JP220350000 - Shepherd's Crook	9/7/2021	35,000	33,792	0
JS220050000 - Add to GRF Reserve Study	1/4/2022	25,000	25,000	0
JS220230000 - Non-Compliant Hydraulic Mower Add. Funds	1/4/2022	22,569	23,519	0
Total Facilities Fund		\$6,075,301	\$2,772,084	\$2,701,536

* Incurred to Date

** Reduced Total Appropriations, based on defunding

*** Partially defunded

**** Project combined with JP183800000 Golf Netting at Garden Center 1

Golden Rain Foundation & Trust Reserve Expenditures Report
CONTINGENCY FUND
Period Ending: 12/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
2020				
JS20010B000 - Independent Strategic Review - Broadband	2/4/2020	50,000	43,259	0
2022				
JS220240000 - Moving of Bus Benches	6/7/2022	97,625	58,475	39,150
Total Contingency Fund		\$147,625	\$101,734	\$39,150

* Incurred to Date

STAFF REPORT

DATE: February 15, 2023
FOR: Finance Committee
SUBJECT: Employee Retention Credit

RECOMMENDATION

Review and file.

BACKGROUND

The Internal Revenue Service defines the Employee Retention Credit (ERC) as a refundable tax credit for businesses that continued to pay employees while shut down due to the COVID-19 pandemic or had significant declines in gross receipts from March 13, 2020 to Dec. 31, 2021. Eligible employers can claim the ERC on an original or adjusted employment tax return for a period within those dates.

DISCUSSION

During 2021, Financial Services staff worked with a consultant from KPMG (independent of the financial statement audit team) to determine eligibility for the ERC. Based on analysis performed by the consultant's team it was determined that the Golden Rain Foundation (GRF) did not meet the eligibility requirements to receive the credit.

In January of 2023, staff used a consultant from Think LLP, working under a contingent fee agreement, to examine GRF's eligibility for the credit. As the minimum eligibility requirements have changed since the last analysis was performed, it was in GRF's interest to re-examine the ERC.

FINANCIAL ANALYSIS

Results of the 2023 analysis performed by Think LLP found that GRF was not eligible to receive benefits from the ERC. The minimum threshold for receiving a credit is that the corporation must qualify under one of two tests:

Test 1 has two parts -

Part 1: An entity would qualify if the 2020 quarters 1 to 3 would have had a decrease of revenues as compared to the same 2019 quarters by 50% or more.

OR

Part 2: An entity would qualify if the 2020 quarter 4 and 2021 quarters 1 to 3 would have a decrease of revenues as compared to the same quarters in 2019 by 20%.

Since the majority of revenues relate to the HOA assessments that typically increase each year, the analysis showed increases in the "Covid quarters". Non-assessment revenues showed decreases much less than the thresholds of 20% and 50%. The decreases were 8% or less and not close to the 20% reduction required to qualify for a credit.

Test 2 focuses on channels of business that were impacted by government orders.

The revenues of the “Covid quarters” for a channel of business (golf course, event space, equestrian center) would have to be 1/10 of the same quarter in 2019 for that channel of business. Despite closures of parts of the Village, the revenues for the golf course, events spaces and equestrian center did not decrease to an amount equal to or less than 1/10th of the 2019 revenues.

COMMONLY ASKED QUESTIONS FOR ERC ELIGIBILITY:

1. Are there different rules for nonprofit, not-for-profit, or for-profit companies?

There are no differences in the qualification for non-profit, not-for-profit, or for-profit companies. The regulations apply to any entity carrying on a trade or business in 2020 and paying wages.

2. Do smaller companies receive a different credit than larger companies?

The number of employees does impact the manner in which the credit is calculated. Small employers (100 or fewer employees) are able to use all wages to calculate the credit. Large employers (101 or more employees) calculate the credit only using wages paid to employees for the time that they were not working. These wages are referred to as nonservice wages as a result of full or partial suspension of business due to a government order or due to a significant decline in gross receipts. This requirement usually eliminates a large group of employee wages for employers with more than 100 employees.

Prepared By: Pam Jensen, Controller

Reviewed By: Steve Hormuth, Director of Financial Services

ATTACHMENT(S)

Attachment 1: VMSI Employment Retention Credit Summary

ATTACHMENT 1

From: [Drew Kenny](#)
To: [Jensen, Pam](#); [Hormuth, Steve](#)
Subject: VMSI - Employee Retention Credits summary
Date: Tuesday, January 31, 2023 2:34:08 PM
Attachments: [image001.png](#)

Pam and Steve, after a thorough review of the Employee Retention Credit opportunity for Village Management Systems, we have determined that you do not qualify for the credit under either the Gross Receipts Reduction Test, nor the Partial/Full Suspension by Government Order Test.

To meet the first test, you would need to have had a reduction in revenue by 50%, or more, when you compare the calendar quarters in 2020 to the same calendar quarter in 2019 (eg. Q2-20 vs Q2-19). You could have also had a drop in revenue by 20%, or more, in Q4-20 or Q1-Q3 of '21. Each quarter can be reviewed on it's own and is matched up against the same calendar quarter in 2019 (the base year, pre-Covid) – eg. Q1-21 vs Q1-19. Unfortunately for this test, you didn't meet any of the requirements as your revenue numbers were higher than the 20% or 50%.

To meet the second test, you would have had to been affected, in more than a nominal way, by government orders, as it pertains to travel, group meetings, or commerce. The safe harbor with the IRS on the "nominal test" is that 1/10 of your business in any calendar quarter in 2019 was affected by the orders placed in 2020 and/or 2021 during that same time period. These orders can be city, county, state, federal, CDC, military, etc.).

We took a deep dive into your activities in 2019 to see if we could aggregate the channels of your business to get to the tenth of your revenue that was affected in any of the calendar quarters in 2020 and 2021 and we just couldn't find the data to back it up. The areas that were impacted by government orders were things like the golf course, event space, catering, equestrian center, etc., but the total financial (and/or labor) impact from these areas due to the government order restrictions (closures, social distancing, etc.) did not come close to 1/10 of your revenue in any of the calendar quarters in 2019 (the base year, pre-Covid).

We appreciate you providing all of the detailed financial information and joining multiple conference calls to thoroughly examine your potential eligibility for the credit. It was a pleasure meeting you both and please feel free to reach out with any further questions.

Regards,
Drew Kenny
Strategic Account Manager



**Agenda Item # 10 - ERP Update
Will Be Distributed Under Separate Cover**