



REGULAR MEETING OF THE FINANCE COMMITTEE*

**Wednesday, August 17, 2022 - 1:30PM
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 June 15, 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 July 31, 2022
9. SageView Presentation
10. 2021 Operating Surplus
11. Endorsements from Standing Committees
 - a) Communities Activity Committee – Golf Fees

Items for Future Agendas:

Concluding Business:

- Committee Member Comments
- Date of Next Meeting: Wednesday, October 19, 2022 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, June 15, 2022 – 1:30 p.m.
Hybrid Meeting

DIRECTORS PRESENT: Jim Hopkins – Chair, Azar Asgari, Donna Rane-Szostak, Elsie Addington, Mark Laws, Sue Stephens (Alternate for Al Amado)

DIRECTORS ABSENT: Al Amado, Pat English, Diane Casey, Deborah Dotson, Craig Wayne

ADVISORS PRESENT: Rosemarie DiLorenzo

STAFF PRESENT: Steve Hormuth, Eric Nunez, Erika Hernandez

OTHERS PRESENT: GRF – Egon Garthoffner, Juanita Skillman, Reza Karimi

United – Richard “Dick” Rader

Call to Order

Director James Hopkins chaired the meeting and was called to order at 1:40 p.m.

Acknowledgement of Media

The meeting was streamed through Granicus and made available via 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 April 20, 2022

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

Chair Remarks

None.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Steve Hormuth, Director of Financial Services, discussed the previous and upcoming 2023 budget meetings and the acceptance of two donations from the Judy Saxon Trust. The first donation was in the amount of \$15,000 for the expressed purpose of moisture intrusion. The second donation was in the amount of \$3,000 to be used for Maintenance and Construction. A staff report will be presented at the July 5th board meeting where the board will adopt a resolution and acknowledge the donation.

Review Preliminary Financial Statements dated May 31, 2022

The committee reviewed the financial statements dated May 31, 2022. Questions were addressed.

Endorsement from Standing Committees

Security Services – Supplemental Appropriation for Replacement of Stop Signs. Eric Nunez, Director of Security Services, presented a staff report that was previously reviewed at the GRF Board meeting on June 7th. The staff report recommended the replacement of 21 stop signs with solar powered, flashing LED lights with a supplemental appropriation from the Equipment Fund in the amount of \$42,913. Director Elsie Addington made a motion to endorse the recommendation to replace stop signs as written. Chair Hopkins seconded the motion. The motion failed by a 3-2 vote. Director Hopkins requested those with a dissenting vote to share their concerns via email in an effort to communicate the collective concerns to the board.

Future Agenda Items

Project Log Presentation

SageView Presentation

Committee Member Comments

None.

Date of Next Meeting

Wednesday, August 17, 2022 at 1:30 p.m.

Recess to Closed Session

The meeting recessed to closed session at 3:27 p.m.


James (Jun 21, 2022 11:13 PDT)

James Hopkins, Chair

MEMORANDUM

To: GRF Finance Committee
From: Jose Campos, Assistant Director of Financial Services
Date: August 17, 2022
Re: Department Head Update

Financial Highlights

- **SUMMARY:** July 31, 2022, GRF was better than budget by \$1,798K, primarily due to lower employee compensation expense as outlined below, increased Trust Facilities Fees, resulting from more resales than anticipated, lower outside services costs primarily due to a late start in evening janitorial services as some clubhouses were closed earlier this year, most have re-opened with limited hours. Savings was partially offset by unrealized loss on investments due to an adverse market.

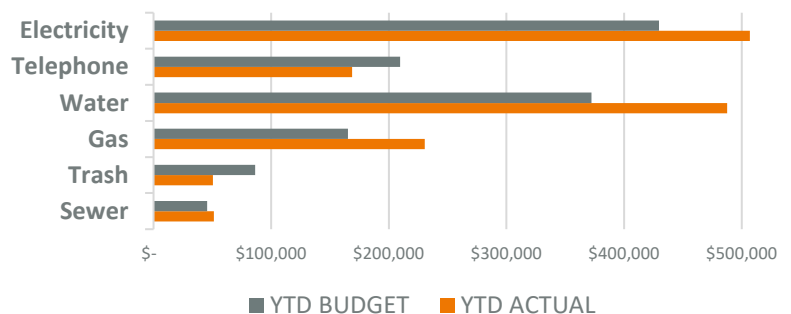
INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$19,391	\$19,391	\$0
Other Revenues	8,936	9,148	(212)
Expenses	25,125	27,135	2,010
Revenue / (Expense)	\$3,202	\$1,404	\$1,798

- **COMPENSATION:**

Actual compensation and related costs came in at a total of \$13.4M, which was less than budget by \$1.3M or 9.1%. Favorable variance was primarily due to vacancies in General Services for bus driver and janitorial positions, and Security Services due to vacancies for Security Officers for which recruitment is in progress. In addition, Recreation, has various positions unfilled, resulting in limited Clubhouse hours open. Maintenance and Construction vacancies also contributed to the variance.

YTD Actual Variance \$ B/(W)				VAR% B/(W)
	Compensation	Related	Total	Total
All Units	\$815,830	\$525,737	\$1,341,567	9.1%
Office of CEO	23,223	5,285	28,508	9.7%
Media and Comm	52,620	47,426	100,046	7.9%
Information Services	103,095	20,963	124,058	15.0%
General Services	216,431	113,236	329,667	14.4%
Financial Services	50,733	36,831	87,564	8.8%
Security Services	84,514	133,156	217,670	6.2%
Landscape Services	48,177	61,048	109,225	12.8%
Recreation Services	137,100	74,747	211,847	6.7%
Human Resource Services	(11,469)	(3,341)	(14,810)	(2.7%)
M&C	111,406	48,440	159,846	14.6%
Non-Work Center	0	(12,054)	(12,054)	0.0%

- **UTILITIES:** Overall, utilities are (14.29%) unfavorable to budget, with expenditures of \$1.5M through July. The unfavorable variance is due to higher water expense for the golf course, as a result of 74% less rainfall than 3-year average used for budgeting and rising electricity costs amongst all departments.



Discussions

2023 Business Plan: GRF kicked off the 2023 Business Plan development in March. The board has met several times to review various iterations of the budget and Capital Review. Most recently, the GRF Board met on August 8, to review Version 3 of the 2023 Business Plan and Capital Plan. The final version of the 2023 Business Plan and Capital Plan, which includes a \$3.81 PMPM increase compared to the current year, will be presented for adoption on September 6, 2022.

Calendar

The following scheduled meetings will be held:

- August 17, 2022 @ 1:30 p.m. GRF Finance Committee (July Financials)
- August 18, 2022 @ 9:30 a.m. GRF Agenda Prep Meeting
- September 6, 2022 @ 9:30 a.m. GRF Board Meeting
- September 12, 2022 @ 10:00 a.m. Presidents & 1st Vice Presidents Meeting
- September 15, 2022 @ 9:30 a.m. GRF Board Meeting
- October 4, 2022 @ 9:30 a.m. Presidents & 1st Vice Presidents Meeting
- October 19, 2022 @ 1:30 p.m. GRF Finance Committee (September Financials)
- October 20, 2022 @ 9:30 a.m. GRF Agenda Prep Meeting

August 2022							September 2022							October 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

Golden Rain Foundation of Laguna Woods
Statement of Revenues & Expenses - Preliminary
7/31/2022
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$2,490	\$2,490		\$17,429	\$17,430	(\$1)	\$16,636	\$29,880
2	Additions to restricted funds	280	280		1,961	1,961		1,694	3,362
3	Total assessments	2,770	2,770		19,391	19,392	(1)	18,330	33,243
Non-assessment revenues:									
4	Trust facilities fees	471	448	23	3,929	3,137	792	2,592	5,378
5	Golf green fees	176	133	42	1,100	934	165	964	1,602
6	Golf operations	36	29	6	219	209	10	192	356
7	Merchandise sales	62	39	23	398	273	125	284	468
8	Clubhouse rentals and event fees	46	49	(3)	336	362	(26)	28	641
9	Rentals	12	14	(2)	85	96	(12)	82	165
10	Broadband services	475	472	4	3,090	3,381	(291)	2,898	5,818
11	Investment income	41	15	25	153	108	45	115	185
12	Unrealized gain/(loss) on AFS investments	240		240	(931)		(931)	(226)	
13	Miscellaneous	75	90	(16)	558	647	(89)	316	1,118
14	Total non-assessment revenue	1,634	1,290	344	8,936	9,147	(211)	7,244	15,731
15	Total revenue	4,404	4,060	344	28,327	28,538	(212)	25,574	48,973
Expenses:									
16	Employee compensation and related	1,920	2,143	223	13,470	14,812	1,342	12,577	25,396
17	Materials and supplies	193	143	(50)	972	1,052	80	976	1,766
18	Cost of goods sold	51	26	(25)	308	184	(124)	207	315
19	Community Events	44	51	7	167	256	89	15	463
20	Utilities and telephone	295	238	(57)	1,496	1,309	(187)	1,265	2,411
21	Fuel and oil	75	45	(30)	422	318	(105)	272	545
22	Legal fees	5	27	22	44	180	136	103	329
23	Professional fees	39	42	2	269	358	89	266	565
24	Equipment rental	20	17	(3)	145	125	(20)	163	216
25	Outside services	233	229	(4)	1,407	1,734	327	1,583	2,961
26	Repairs and maintenance	68	123	55	617	743	126	529	1,215
27	Other Operating Expense	41	65	24	345	506	162	346	851
28	Income, property and sales tax	3	2	(1)	20	16	(4)	17	28
29	Insurance	249	237	(12)	1,572	1,659	87	1,488	2,845
30	Cable Programming/Copyright/Franchise	354	361	7	2,455	2,525	70	2,365	4,328
31	Investment expense	3	1	(2)	10	10		7	16
32	Net Allocation to Mutuals	(259)	(252)	7	(1,696)	(1,725)	(28)	(1,599)	(2,949)
33	Uncollectible Accounts		1	1	1	7	6	7	12
34	(Gain)/loss on sale or trade		(2)	(2)	20	(15)	(35)	(46)	(25)
35	Depreciation and amortization	433	433		3,081	3,081		2,924	3,081
36	Total expenses	3,768	3,931	163	25,125	27,135	2,010	23,468	44,369
37	Excess of revenues over expenses	\$636	\$130	\$507	\$3,202	\$1,404	\$1,798	\$2,105	\$4,605

Golden Rain Foundation of Laguna Woods
Operating Statement
7/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$17,429,216	\$17,430,217	(\$1,001)	(0.01%)	\$29,880,374
Total Operating	17,429,216	17,430,217	(1,001)	(0.01%)	29,880,374
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	445,760	445,760	0	0.00%	764,160
41005000 - Monthly Assessments - Equipment Fund	1,515,584	1,515,584	0	0.00%	2,598,144
Total Additions To Restricted Funds	1,961,344	1,961,344	0	0.00%	3,362,304
Total Assessments	19,390,560	19,391,561	(1,001)	(0.01%)	33,242,678
Non-Assessment Revenues:					
Trust Facilities Fees					
41006500 - Trust Facilities Fees	3,928,948	3,136,875	792,073	25.25%	5,377,500
Total Trust Facilities Fees	3,928,948	3,136,875	792,073	25.25%	5,377,500
Golf Green Fees					
42001000 - Golf Green Fees - Residents	943,228	791,574	151,654	19.16%	1,357,000
42001500 - Golf Green Fees - Guests	156,418	142,912	13,506	9.45%	245,000
Total Golf Green Fees	1,099,646	934,486	165,160	17.67%	1,602,000
Golf Operations					
42002000 - Golf Driving Range Fees	93,093	98,252	(5,159)	(5.25%)	168,440
42003000 - Golf Cart Use Fees	117,135	96,418	20,717	21.49%	165,300
42004000 - Golf Lesson Fees	5,870	11,662	(5,792)	(49.67%)	20,000
42005000 - Golf Club Storage Fees	2,220	2,400	(180)	(7.50%)	2,400
42005500 - Golf Club Rental Fees	810	28	782	2792.86%	50
Total Golf Operations	219,128	208,760	10,368	4.97%	356,190
Merchandise Sales					
41501000 - Merchandise Sales - Pro Shop	197,033	131,250	65,783	50.12%	225,000
41501500 - Merchandise Sales - Warehouse	11,676	10,499	1,176	11.20%	17,999
41502500 - Merchandise Sales - Fitness	84	539	(455)	(84.42%)	926
41503500 - Merchandise Sales - Broadband	10,597	14,651	(4,054)	(27.67%)	25,125
41504800 - Merchandise Sales - Fuel & Oil	146,455	78,162	68,293	87.37%	134,000
41505000 - Bar Sales	32,462	37,912	(5,450)	(14.37%)	65,000
Total Merchandise Sales	398,307	273,013	125,294	45.89%	468,050
Clubhouse Rentals and Event Fees					
42501000 - Clubhouse Room Rentals - Residents	211,962	210,602	1,360	0.65%	361,066
42501500 - Clubhouse Room Rentals - Exception Rate	7,099	11,417	(4,318)	(37.83%)	16,663
42502000 - Clubhouse Event Fees - Residents	108,108	136,904	(28,796)	(21.03%)	257,277
42502500 - Clubhouse Event Fees - Non Residents	0	525	(525)	(100.00%)	900
42503000 - Village Greens Room Rentals - Residents	8,008	2,331	5,677	243.53%	4,000
42503500 - Village Greens Room Rentals - Non Residents	697	581	116	19.91%	1,000
Total Clubhouse Rentals and Event Fees	335,872	362,360	(26,488)	(7.31%)	640,906
Rentals					
43001000 - Garden Plot Rental	33,823	33,250	573	1.72%	57,000
43001500 - Shade House Rental Space	396	231	165	71.43%	400
45506500 - Rental Fee	18,652	31,500	(12,848)	(40.79%)	54,000
48001500 - Lease Revenue	31,930	31,500	430	1.37%	54,000
Total Rentals	84,800	96,481	(11,681)	(12.11%)	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	420,746	525,000	(104,254)	(19.86%)	900,000
45001500 - Premium Channel	170,846	204,162	(33,316)	(16.32%)	350,000
45002000 - Cable Service Call	46,751	57,162	(10,411)	(18.21%)	98,000
45002500 - Cable Commission	23,023	54,243	(31,220)	(57.56%)	93,000
45003000 - High Speed Internet	1,093,425	1,283,331	(189,906)	(14.80%)	2,200,000

Golden Rain Foundation of Laguna Woods
Operating Statement
7/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
45003500 - Equipment Rental	1,096,965	1,113,231	(16,266)	(1.46%)	1,908,400
45004000 - Video Production	50,756	26,831	23,925	89.17%	46,000
45004500 - Video Re-Production	0	175	(175)	(100.00%)	300
45005000 - Message Board	15,900	11,956	3,944	32.99%	20,500
45005500 - Advertising	171,180	104,500	66,680	63.81%	202,000
Total Broadband Services	3,089,592	3,380,591	(290,999)	(8.61%)	5,818,200
Investment Income					
49001000 - Investment Income - Nondiscretionary	17,765	2,685	15,081	561.77%	4,601
49002000 - Investment Income - Discretionary	134,775	104,998	29,777	28.36%	180,000
Total Investment Income	152,540	107,683	44,857	41.66%	184,601
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(931,066)	0	(931,066)	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	(931,066)	0	(931,066)	0.00%	0
Miscellaneous					
43501000 - Horse Boarding Fee	45,849	43,750	2,099	4.80%	75,000
43501500 - Horse Feed Fee	20,602	21,581	(979)	(4.54%)	37,000
43502000 - Horse Trailer Parking Fee	370	280	90	32.14%	480
43502500 - Horse Lesson Fee - Resident	14,076	8,456	5,620	66.46%	14,500
43503500 - Horse Rental & Trail Ride Fee - Resident	0	1,008	(1,008)	(100.00%)	1,728
44001500 - Pool Fee - Guests	168	0	168	0.00%	0
44002000 - Bridge Room Fee - Guests	12,830	20,412	(7,582)	(37.14%)	35,000
44002500 - Parking Fees - Non Residents	19,547	20,000	(453)	(2.27%)	45,000
44003000 - Class Fees	64,738	69,362	(4,624)	(6.67%)	117,800
44003500 - Locker Rental Fee	10,574	6,671	3,903	58.51%	11,454
44004500 - Clubhouse Labor Fee	2,025	20,003	(17,978)	(89.88%)	34,335
44005500 - Clubhouse Catering Fee	5,080	15,204	(10,124)	(66.59%)	26,102
44006000 - Tickets Sales - Residents	0	630	(630)	(100.00%)	630
44006500 - Sponsorship Income	54,007	43,743	10,264	23.47%	75,000
44008000 - Club Group Organization Registration Fee	3,265	0	3,265	0.00%	0
46001000 - RV Storage Fee	67,099	64,162	2,937	4.58%	110,000
46002000 - Traffic Violation	37,427	58,331	(20,904)	(35.84%)	100,000
46003500 - Security Standby Fee	2,866	2,037	829	40.68%	3,500
46004000 - Estate Sale Fee	850	2,387	(1,537)	(64.39%)	4,100
44501000 - Additional Occupant Fee	91,200	119,490	(28,290)	(23.68%)	204,855
44503500 - Resale Processing Fee	0	2,912	(2,912)	(100.00%)	5,000
44504000 - Resident Id Card Fee	6,300	11,256	(4,956)	(44.03%)	19,300
44506000 - Photo Copy Fee	27,473	43,750	(16,277)	(37.20%)	75,000
44506500 - Auto Decal Fee	31,124	35,000	(3,876)	(11.07%)	60,000
47001500 - Late Fee Revenue	6,392	6,762	(370)	(5.47%)	11,600
47002800 - Fuel & Oil Administrative Fee	6,300	20,300	(14,000)	(68.97%)	34,800
48001000 - Legal Fee	15	0	15	0.00%	0
46005500 - Disaster Task Force	788	2,625	(1,837)	(69.98%)	4,500
49004500 - Donations	9,000	0	9,000	0.00%	0
49009000 - Miscellaneous Revenue	18,154	6,517	11,637	178.57%	11,220
Total Miscellaneous	558,119	646,629	(88,510)	(13.69%)	1,117,904
Total Non-Assessment Revenue	8,936,185	9,146,878	(210,693)	(2.30%)	15,730,751
Total Revenue	28,326,745	28,538,439	(211,694)	(0.74%)	48,973,429
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	7,466,241	8,102,375	636,134	7.85%	13,970,633
51021000 - Union Wages - Regular	1,720,306	2,026,115	305,809	15.09%	3,488,359
51041000 - Wages - Overtime	115,018	97,805	(17,214)	(17.60%)	167,765
51051000 - Union Wages - Overtime	20,034	25,797	5,763	22.34%	44,271
51061000 - Holiday & Vacation	766,435	689,725	(76,710)	(11.12%)	1,188,828
51071000 - Sick	233,275	281,335	48,060	17.08%	484,917
51091000 - Missed Meal Penalty	25,461	16,913	(8,547)	(50.54%)	29,079
51101000 - Temporary Help	66,443	10,934	(55,509)	(507.65%)	18,762
51981000 - Compensation Accrual	21,957	0	(21,957)	0.00%	0
Total Employee Compensation	10,435,172	11,251,001	815,830	7.25%	19,392,615
Compensation Related					

Golden Rain Foundation of Laguna Woods
Operating Statement
7/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
52411000 - F.I.C.A.	766,735	848,508	81,773	9.64%	1,450,604
52421000 - F.U.I.	18,679	20,136	1,457	7.24%	20,136
52431000 - S.U.I.	84,056	128,475	44,418	34.57%	128,475
52441000 - Union Medical	609,124	687,787	78,663	11.44%	1,179,064
52451000 - Workers' Compensation Insurance	428,539	520,775	92,236	17.71%	897,555
52461000 - Non Union Medical & Life Insurance	772,288	896,024	123,736	13.81%	1,535,742
52471000 - Union Retirement Plan	158,980	182,262	23,282	12.77%	313,800
52481000 - Non-Union Retirement Plan	195,714	277,008	81,294	29.35%	477,635
52981000 - Compensation Related Accrual	1,124	0	(1,124)	0.00%	0
Total Compensation Related	3,035,239	3,560,975	525,737	14.76%	6,003,011
Materials and Supplies					
53001000 - Materials & Supplies	801,590	806,869	5,279	0.65%	1,344,679
53003000 - Materials Direct	24,311	0	(24,311)	0.00%	0
53003500 - Materials Direct - Grf	126,842	224,889	98,047	43.60%	385,618
53004000 - Freight	19,462	20,698	1,236	5.97%	35,361
Total Materials and Supplies	972,205	1,052,456	80,251	7.63%	1,765,658
Cost of Goods Sold					
53101000 - Cost Of Sales - Warehouse	7,284	4,536	(2,748)	(60.59%)	7,815
53101500 - Cost Of Sales - Pro Shop	144,170	82,831	(61,339)	(74.05%)	142,000
53102000 - Cost Of Sales - Alcohol	9,444	12,537	3,093	24.67%	21,500
53103400 - Cost Of Sales - Fuel & Oil	146,455	78,162	(68,293)	(87.37%)	134,000
53103500 - Earthquake Materials	199	5,831	5,632	96.58%	10,000
Total Cost of Goods Sold	307,553	183,897	(123,656)	(67.24%)	315,315
Community Events					
53201000 - Community Events	167,119	255,821	88,702	34.67%	463,081
Total Community Events	167,119	255,821	88,702	34.67%	463,081
Utilities and Telephone					
53301000 - Electricity	506,902	429,721	(77,181)	(17.96%)	886,055
53301500 - Sewer	51,407	45,457	(5,950)	(13.09%)	84,696
53302000 - Water	487,456	372,140	(115,316)	(30.99%)	700,310
53302500 - Trash	50,497	86,291	35,794	41.48%	148,028
53303500 - Gas	230,411	165,299	(65,112)	(39.39%)	232,781
53304000 - Telephone	168,869	209,629	40,760	19.44%	359,369
Total Utilities and Telephone	1,495,543	1,308,537	(187,006)	(14.29%)	2,411,239
Fuel and Oil					
53304500 - Fuel & Oil For Vehicles	422,168	317,625	(104,543)	(32.91%)	544,500
Total Fuel and Oil	422,168	317,625	(104,543)	(32.91%)	544,500
Legal Fees					
53401500 - Legal Fees	44,150	179,796	135,645	75.44%	329,196
Total Legal Fees	44,150	179,796	135,645	75.44%	329,196
Professional Fees					
53402000 - Audit & Tax Preparation Fees	115,500	107,985	(7,515)	(6.96%)	143,010
53402500 - Payroll System Fees	60,528	100,625	40,097	39.85%	172,500
53403500 - Consulting Fees	88,390	145,602	57,212	39.29%	243,233
53404500 - Fees	4,500	3,500	(1,000)	(28.57%)	6,000
Total Professional Fees	268,918	357,712	88,794	24.82%	564,743
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	144,971	125,238	(19,733)	(15.76%)	216,114
Total Equipment Rental	144,971	125,238	(19,733)	(15.76%)	216,114
Outside Services					
53601000 - Bank Fees	43,581	40,828	(2,752)	(6.74%)	70,000
53601500 - Credit Card Transaction Fees	158,843	111,034	(47,809)	(43.06%)	190,444
53602000 - Merchant Account Fees	5,819	9,933	4,114	41.41%	17,069
53602500 - Licensing Fees	6,488	6,000	(488)	(8.14%)	6,000
53603000 - Permit Fees	0	1,274	1,274	100.00%	2,200
54603500 - Outside Services CC	(42,805)	0	42,805	0.00%	0
53704000 - Outside Services	1,235,231	1,565,011	329,780	21.07%	2,675,781
Total Outside Services	1,407,158	1,734,080	326,923	18.85%	2,961,494

Golden Rain Foundation of Laguna Woods
Operating Statement
7/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	494,200	501,590	7,390	1.47%	801,623
53702000 - Street Repair & Maint	0	2,037	2,037	100.00%	3,500
53702500 - Building Repair & Maint	113,382	230,398	117,016	50.79%	395,054
53703000 - Elevator /Lift Maintenance	8,123	6,461	(1,662)	(25.72%)	11,099
53703500 - Water Softener	1,149	2,617	1,468	56.09%	4,083
Total Repairs and Maintenance	616,853	743,103	126,250	16.99%	1,215,359
Other Operating Expense					
53604000 - Pest Control Fees	5,792	11,538	5,746	49.80%	19,815
53801000 - Mileage & Meal Allowance	943	8,267	7,324	88.59%	14,244
53801500 - Travel & Lodging	1,267	5,185	3,918	75.56%	6,259
53802000 - Uniforms	50,193	75,337	25,144	33.38%	128,010
53802500 - Dues & Memberships	8,180	13,701	5,521	40.30%	20,418
53803000 - Subscriptions & Books	10,824	6,873	(3,951)	(57.48%)	10,576
53803500 - Training & Education	27,946	52,060	24,113	46.32%	86,168
53804000 - Staff Support	13,714	50,266	36,552	72.72%	101,900
53901000 - Benefit Administrative Fees	(32)	2,331	2,363	101.38%	4,000
53901500 - Volunteer Support	181	8,659	8,478	97.91%	14,850
53902000 - Physical Examinations	27,930	23,380	(4,550)	(19.46%)	42,100
53902500 - Recruiting Fees	47,997	56,250	8,253	14.67%	90,000
53903000 - Safety	43,623	57,550	13,927	24.20%	93,802
54001000 - Board Relations	5,108	7,392	2,284	30.90%	13,005
54001500 - Public Relations	7,353	500	(6,853)	(1370.67%)	1,000
54002000 - Postage	17,485	28,812	11,328	39.32%	53,610
54002500 - Filing Fees / Permits	76,266	96,571	20,305	21.03%	148,103
54502500 - Cable Promotions	0	1,750	1,750	100.00%	3,000
Total Other Operating Expense	344,770	506,423	161,653	31.92%	850,861
Income, Property, and Sales Tax					
54301000 - State & Federal Income Taxes	0	581	581	100.00%	1,000
54301500 - State & Local Taxes	18,748	13,538	(5,210)	(38.49%)	23,242
54302000 - Property Taxes	1,576	1,853	277	14.97%	3,580
Total Income, Property, and Sales Tax	20,324	15,972	(4,352)	(27.25%)	27,822
Insurance					
54401000 - Hazard & Liability Insurance	1,339,587	1,415,407	75,821	5.36%	2,426,418
54401500 - D&O Liability	38,869	40,481	1,612	3.98%	69,400
54402000 - Property Insurance	185,047	189,505	4,458	2.35%	324,866
54402500 - Auto Liability Insurance	5,755	5,831	76	1.30%	10,000
54403000 - General Liability Insurance	2,993	2,310	(683)	(29.58%)	3,960
54403500 - Property Damage	0	5,831	5,831	100.00%	10,000
Total Insurance	1,572,252	1,659,366	87,114	5.25%	2,844,643
Cable Programming/Franchise					
54501000 - Cable - Programming Fees	2,315,845	2,342,081	26,236	1.12%	4,015,000
54502000 - Cable - City of Laguna Woods Franchise Fees	139,029	182,574	43,545	23.85%	313,000
Total Cable Programming/Franchise	2,454,874	2,524,655	69,781	2.76%	4,328,000
Investment Expense					
54201000 - Investment Expense	9,941	9,590	(351)	(3.67%)	16,440
Total Investment Expense	9,941	9,590	(351)	(3.67%)	16,440
Net Allocation to Mutuals					
48501000 - Allocated To Grf Departments	(4,248,307)	(4,471,686)	(223,378)	(5.00%)	(7,650,358)
54602500 - Allocated Expenses	2,552,014	2,747,057	195,042	7.10%	4,701,287
Total Net Allocation To Mutuals	(1,696,293)	(1,724,629)	(28,336)	(1.64%)	(2,949,071)
Uncollectible Accounts					
54602000 - Bad Debt Expense	751	7,056	6,305	89.35%	12,100
Total Uncollectible Accounts	751	7,056	6,305	89.35%	12,100
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	20,283	(14,581)	(34,864)	(239.10%)	(25,000)
Total (Gain)/Loss on Sale or Trade	20,283	(14,581)	(34,864)	(239.10%)	(25,000)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	3,080,671	3,080,671	0	0.00%	3,080,671

Golden Rain Foundation of Laguna Woods
Operating Statement
7/31/2022
GOLDEN RAIN FOUNDATION

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Total Depreciation and Amortization	3,080,671	3,080,671	0	0.00%	3,080,671
Total Expenses	25,124,621	27,134,764	2,010,142	7.41%	44,368,791
Excess of Revenues Over Expenses	\$3,202,124	\$1,403,675	\$1,798,449	128.12%	\$4,604,638

Golden Rain Foundation of Laguna Woods
Balance Sheet - Preliminary
7/31/2022

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$7,284,381	\$2,481,456
2	Non-discretionary investments	12,002,290	9,801,805
3	Discretionary investments	18,724,241	19,530,473
4	Receivable/(Payable) from mutuals	(756,890)	(149,472)
5	Accounts receivable and interest receivable	1,471,163	1,473,355
6	Operating supplies	708,951	906,611
7	Prepaid expenses and deposits	1,979,386	1,940,904
8	Property and equipment	143,755,708	144,205,572
9	Accumulated depreciation property and equipment	(88,311,911)	(86,845,989)
10	Intangible assets, net	116,629	143,580
11	Total Assets	<u>\$96,973,947</u>	<u>\$93,488,295</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$2,202,253	\$2,861,542
13	Accrued compensation and related costs	5,345,453	4,342,979
14	Deferred income	496,629	556,287
15	Income tax payable	10	10
16	Total liabilities	<u>\$8,044,345</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	3,202,124	3,087,238
19	Total fund balances	<u>88,929,601</u>	<u>85,727,477</u>
20	Total Liabilities and Fund Balances	<u>\$96,973,947</u>	<u>\$93,488,295</u>

Golden Rain Foundation of Laguna Woods
Fund Balance Sheet - Preliminary
7/31/2022

		<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	\$2,510,032		\$909,700	\$3,421,143	\$443,505	\$7,284,381
2	Non-discretionary investments		1,663,651	3,665,949	4,529,712	2,142,977	12,002,290
3	Discretionary investments		18,724,241				18,724,241
4	Receivable/(Payable) from mutuals	(756,890)					(756,890)
5	Receivable/(Payable) from operating fund	1,049,311	(1,049,311)				
6	Accounts receivable and interest receivable	1,456,779	2,049	4,273	4,940	3,122	1,471,163
7	Operating supplies	708,951					708,951
8	Prepaid expenses and deposits	1,967,386	12,000				1,979,386
9	Property and equipment	141,225,272	1,371,282	1,115,895		43,259	143,755,708
10	Accumulated depreciation property and equipment	(88,311,911)					(88,311,911)
11	Intangible assets, net	116,629					116,629
12	Total Assets	<u>\$59,965,559</u>	<u>\$20,723,912</u>	<u>\$5,695,817</u>	<u>\$7,955,795</u>	<u>\$2,632,864</u>	<u>\$96,973,947</u>
Liabilities and Fund Balances							
Liabilities:							
13	Accounts payable and accrued expenses	\$1,997,142	\$69,541	\$135,571			\$2,202,254
14	Accrued compensation and related costs	5,345,453					5,345,453
15	Deferred income	496,629					496,629
16	Income tax payable	10					10
17	Total liabilities	<u>\$7,839,234</u>	<u>\$69,541</u>	<u>\$135,571</u>			<u>\$8,044,345</u>
Fund balances:							
18	Fund balance prior years	53,265,604	21,602,303	4,652,387	4,020,747	2,186,436	85,727,477
19	Change in fund balance - current year	(1,935,103)	(765,626)	1,521,377	3,935,049	446,427	3,202,124
20	Fund transfers	795,823	(182,305)	(613,518)			
21	Total fund balances	<u>52,126,324</u>	<u>20,654,371</u>	<u>5,560,246</u>	<u>7,955,795</u>	<u>2,632,864</u>	<u>88,929,601</u>
22	Total Liabilities and Fund Balances	<u>\$59,965,559</u>	<u>\$20,723,912</u>	<u>\$5,695,817</u>	<u>\$7,955,795</u>	<u>\$2,632,864</u>	<u>\$96,973,947</u>

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Preliminary
7/31/2022

		<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	\$17,429,216					\$17,429,216
2	Additions to restricted funds			1,515,584		445,760	1,961,344
3	Total assessments	<u>17,429,216</u>		<u>1,515,584</u>		<u>445,760</u>	<u>19,390,560</u>
Non-assessment revenues:							
4	Trust facilities fees				3,928,948		3,928,948
5	Golf green fees	1,099,646					1,099,646
6	Golf operations	219,128					219,128
7	Merchandise sales	398,307					398,307
8	Clubhouse rentals and event fees	335,872					335,872
9	Rentals	84,800					84,800
10	Fees and charges for services to residents	298					298
11	Broadband services	3,089,592					3,089,592
12	Interest income		137,306	5,278	6,101	3,856	152,540
13	Unrealized gain/(loss) on AFS investments		(931,066)				(931,066)
14	Miscellaneous	524,870	33,249				558,119
15	Total non-assessment revenue	<u>5,752,514</u>	<u>(760,511)</u>	<u>5,278</u>	<u>3,935,049</u>	<u>3,856</u>	<u>8,936,185</u>
16	Total revenue	<u>23,181,730</u>	<u>(760,511)</u>	<u>1,520,862</u>	<u>3,935,049</u>	<u>449,616</u>	<u>28,326,745</u>
Expenses:							
17	Employee compensation and related	13,470,410					13,470,410
18	Materials and supplies	970,669	(439)	1,645		329	972,205
19	Cost of goods sold	307,553					307,553
20	Community Events	167,119					167,119
21	Utilities and telephone	1,495,543					1,495,543
22	Fuel and oil	422,168					422,168
23	Legal fees	44,150					44,150
24	Professional fees	268,918					268,918
25	Equipment rental	144,971					144,971
26	Outside services	1,411,546	(4,388)				1,407,158
27	Repairs and maintenance	619,013		(2,160)			616,853
28	Other Operating Expense	344,770					344,770
29	Property and sales tax	20,324					20,324
30	Insurance	1,569,393				2,860	1,572,252
31	Cable Programming/Copyright/Franchise	2,454,874					2,454,874
32	Investment expense		9,941				9,941

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Preliminary
7/31/2022

		<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	Uncollectible Accounts	751					751
34	(Gain)/loss on sale or trade	20,283					20,283
35	Depreciation and amortization	3,080,671					3,080,671
36	Net allocations to mutuals	(1,696,293)					(1,696,293)
37	Total expenses	<u>25,116,833</u>	<u>5,115</u>	<u>(515)</u>		<u>3,189</u>	<u>25,124,621</u>
38	Excess of revenues over expenses	<u>(\$1,935,103)</u>	<u>(\$765,626)</u>	<u>\$1,521,377</u>	<u>\$3,935,049</u>	<u>\$446,427</u>	<u>\$3,202,124</u>
39	Excluding unrealized gain/(loss) and depreciation	<u>\$1,145,568</u>	<u>\$165,440</u>	<u>\$1,521,377</u>	<u>\$3,935,049</u>	<u>\$446,427</u>	<u>\$7,213,861</u>

Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 7/31/2022

		BUDGET	EXPENDITURES	
ITEM	RESOLUTION DATE	TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
2017				
JP171100000 - Dynamics CRM Software **	9/6/2016	226,773	203,803	22,970
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	26,173	3,827
JP200210000 - Transfer Switches for CH 4 & CH 6	9/3/2019	100,000	0	100,000
JP200220000 - Clubhouse Camera Installation	9/3/2019	75,000	0	75,000
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	5,840	9,160
JP200620000 - CH 7 Commercial Appliances	9/3/2019	15,000	0	15,000
JP200640000 - CH 7 Commercial Dishwasher	9/3/2019	7,000	0	7,000
JP200670000 - CH 6 Commercial Dishwasher	9/3/2019	7,000	0	7,000
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	9,586
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	1,123	198,878
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	8,325	21,675
JP210310000 - Misc Vehicle Purchases	9/1/2020	200,000	51,360	148,640
JP210320000 - Vans (4)	9/1/2020	160,000	26,472	133,528

* Incurred to Date

Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 7/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
JP210340000 - Security Vehicles (4)	9/1/2020	140,000	142,505	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	0	9,000
JP220020000 - Set Top Boxes	9/7/2021	300,000	74,331	225,669
JP220030000 - Infrastructure	9/7/2021	250,000	81,937	168,063
JP220040000 - Signal Receivers and Transcoders	9/7/2021	25,000	0	25,000
JP220050000 - UPS Battery for Power Supplies	9/7/2021	22,000	5,728	16,272
JP220060000 - Village Television Studio Equipment	9/7/2021	17,500	4,614	12,886
JP220070000 - ENG Cameras (2)	9/7/2021	15,000	0	15,000
JP220090000 - CH 5 Stage Curtains (Ballroom)	9/7/2021	27,000	0	27,000
JP220100000 - Financial Software	9/7/2021	1,500,000	160,003	1,339,997
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	30,500
JP220140000 - CH 1 Elliptical Trainer	9/7/2021	5,000	0	5,000
JP220150000 - Rough Mower	9/7/2021	87,000	0	87,000
JP220160000 - Centralized Irrigation System	9/7/2021	200,000	0	200,000
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
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	0	50,000
JP220220000 - Maintenance Services Equipment	9/7/2021	50,000	0	50,000

* Incurred to Date

Golden Rain Foundation & Trust Reserve Expenditures Report

EQUIPMENT FUND

Period Ending: 7/31/2022

ITEM	RESOLUTION DATE	BUDGET	EXPENDITURES	
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance
JP220230000 - Miscellaneous Fleet/Paving Equipment	9/7/2021	30,000	1,577	28,423
JP220270000 - Trailer for Office Work Space	9/7/2021	50,000	24,560	25,440
JP220360000 - Solar powered radar signs (2)	9/7/2021	10,000	0	10,000
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	140,000	0	140,000
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
JS220290000 - Add: Replacement of Stop Signs	7/5/2022	42,913	0	42,913
		6,901,442	1,641,596	5,222,845

* Incurred to Date

** Reduced Total Appropriations, based on defunding

Plan Investment Review

Golden Rain Foundation of Laguna Woods

For period ending June 30, 2022

SEE
WHERE
YOU'RE
GOING

Dan Quirk Registered Representative with and securities offered through Cetera Advisor Networks LLC, member FINRA/SIPC
4000 MacArthur Blvd, Ste 1050, Newport Beach, CA 92660 | T 949.955.1395 | SageView is not affiliated with Cetera



Table of Contents



Section - I	Market Overview	3
	Market Update	
Section - II	Investment Summary.....	6
	Executive Summary	
	Asset Allocation by Fund	
	Portfolio Composition Fund	
	Performance Summary	
Section - III	Detailed Fund Analytics.....	12
Section - IV	Appendix	18



Section I

Market Overview

The views are those of SageView Advisory Group and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards. Please consult your financial advisor for more information.






No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made.

WE'VE BEEN HERE BEFORE (SORT OF)

Some economists warn of a potential return to 1970s-era “stagflation,” an economy that simultaneously experiences increasing inflation and stagnant economic output. Here, we explore some of the key similarities and differences between the economic landscapes of the 1970s-1980s and today.



1970s and 1980s

-  **High unemployment** (8.5%) in December 1981. This was the Fed's predominant problem.
-  **Slow Fed Response:** Inflation had run high through the 1970s before the Volcker Fed prioritized price stability.
-  **Higher rates:** The federal funds rate was around 10% when Volcker took over in 1979. By 1981, short-term rates peaked at over 19%.
-  **Persistent 1970s inflation** led to a cycle of rising wages and consumer prices.
-  **The Fed did not directly intervene** in bond markets.

WHAT'S SIMILAR

High inflation (8.9% in December 1981 vs. 9.1% in June 2022)

Weak growth backdrops following recent recessions (1974 and 2020)

Supply disruptions driven by pandemic and Russia sanctions, similar to 1970s oil shocks

Jerome Powell's **recent hardline statements** on inflation resemble Paul Volcker in the 1980s

Consumers expect more inflation, and **consumer sentiment is falling**

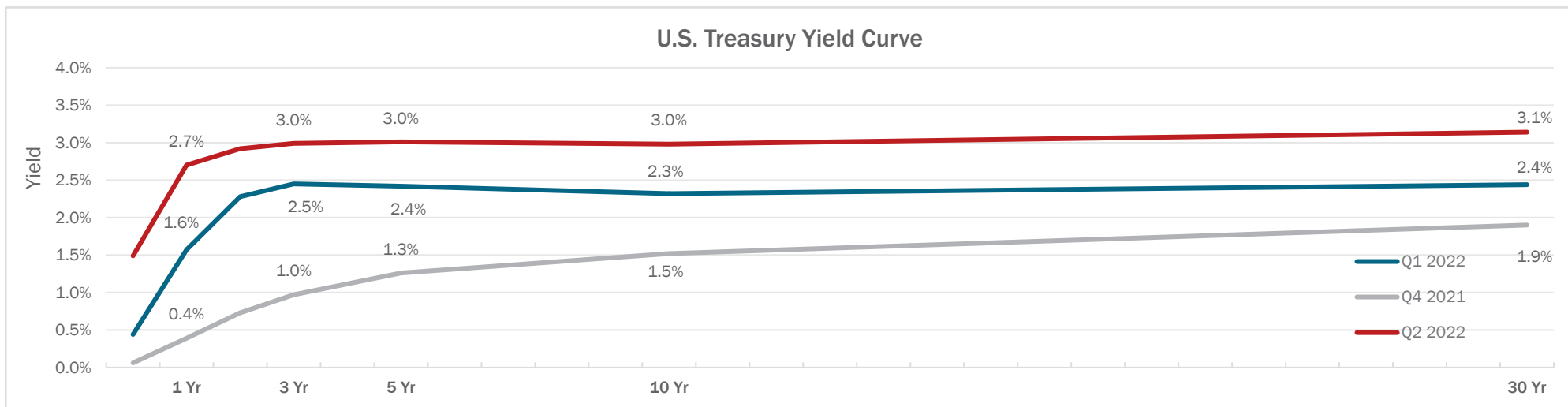
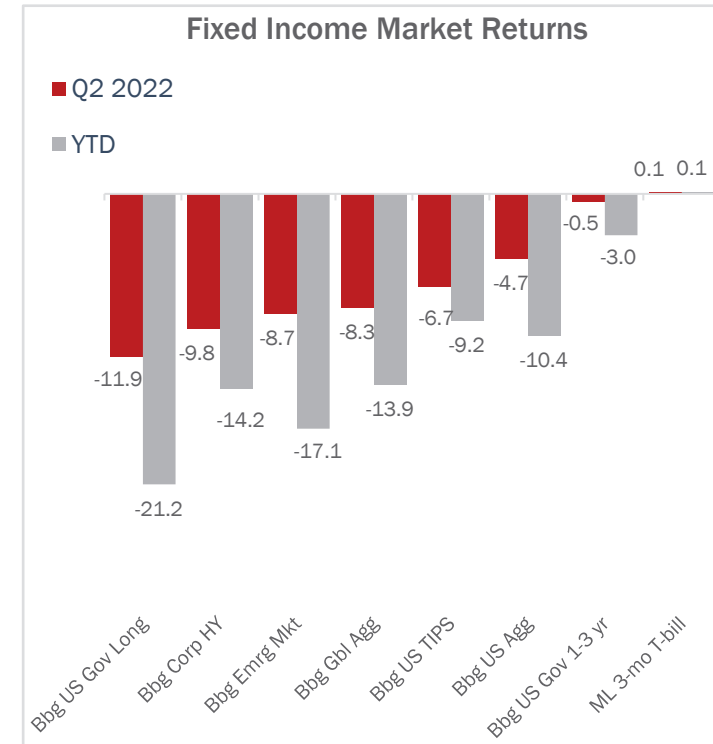
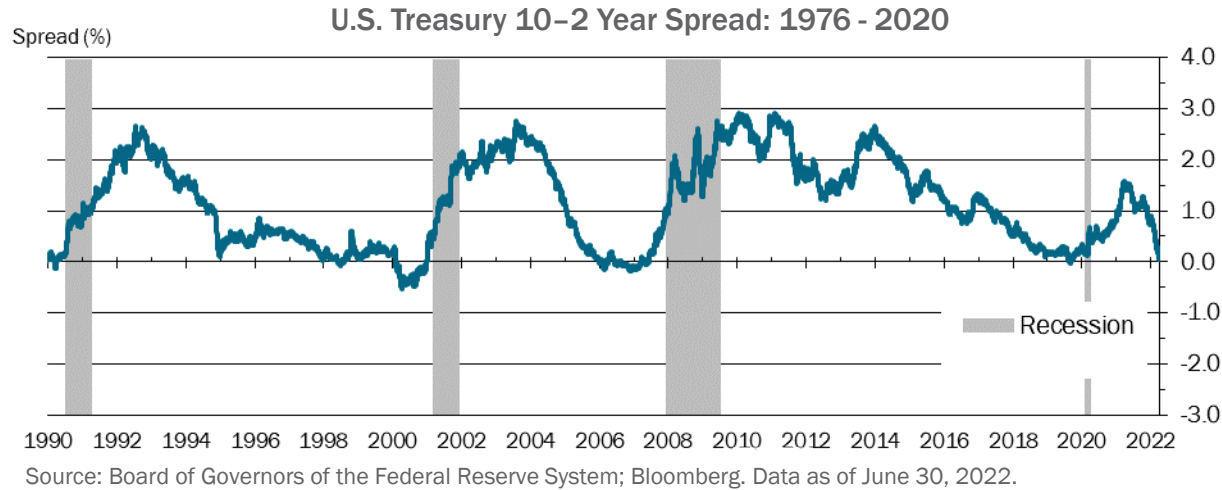
2022

-  **Low unemployment** (3.6% in June 2022). Until mid-2021, the Fed's predominant problem was too-low inflation and too few workers.
-  **Rapid Fed Response:** Fed policy focus shifted to price stability within a year of inflation reaching 5%.
-  **Lower rates:** The Fed is targeting a federal funds rate of 1.50%-1.75%, and rates are expected to stay below 4% through 2022.
-  **Whether high inflation will persist** is still being debated.
-  **The Fed has regularly intervened** in bond markets for more than a decade.



FIXED INCOME

Late in the quarter, the Fed shifted to more aggressive rate increases as inflationary data accelerated. Concurrently, the yield curve flattened, signaling increased odds of a recession. Credit spreads widened amid muted growth prospects and inflationary pressures. Despite recessionary signals, corporate credit fundamentals (EBITDA, Free Cash Flow, Interest Coverage Ratios) remain strong.





Section II

Investment Summary

Executive Summary and Observations

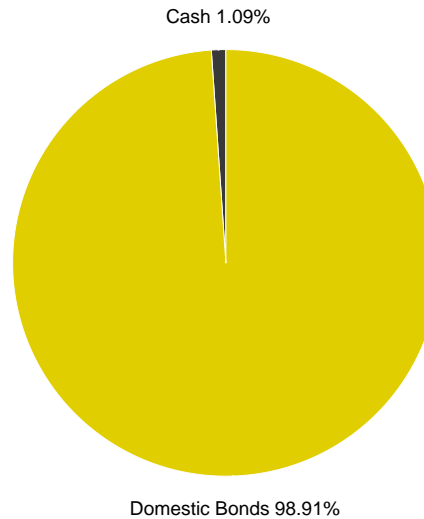
- Assets total \$18,461,259 at June 30, 2022, down from \$ 19,530,473 at December 31, 2021.
- Activity during the second half of 2021:
 - Removed Fidelity intermediate duration Treasury bond fund
 - Removed Vanguard Intermediate duration corporate bond fund
 - Reallocated proceeds to short duration Treasury and corporate bond funds
 - No trades for first half of 2022
- For the quarter, the net total return was -1.87%, compared to the Bloomberg Barclays US Government 1-5 Year Treasury Index benchmark return of -0.85%. For year to date, the net total return was -5.38%, compared to the Bloomberg Barclays US Government 1-5 Year Treasury Index benchmark return of -4.20%.
- The portfolio is heavily allocated to index funds, leading to a low portfolio expense ratio of 0.07%.
- The portfolio has very high quality, with virtually no credit risk. The recent negative performance is due to the rise in interest rates and the related required accounting adjustments.
- The yield on the portfolio today is up substantially from the beginning of 2022, to 3.35%. This equates to an approximate annual return on the portfolio of \$620,000. As of June 30, most t-bills and money market funds were yielding 2.0% or less.
- As of August 10, 2022, portfolio balance is \$18,629,639, up \$168,000 from June 30, 2022.



Asset Allocation by Fund

As of 06/30/2022

Fund	% of Plan Assets	Total Assets
Vanguard Short-Term Treasury Adm	29.38%	\$5,423,127.91
Vanguard Short-Term Corp Bd Idx Admiral	27.55%	\$5,086,453.17
Vanguard Mortgage-Backed Secs Idx Adm	21.91%	\$4,045,361.72
Fidelity® Shrt-Term Trs Bd Index	20.06%	\$3,704,208.11
Fidelity® Government Cash Reserves	1.09%	\$202,107.77
Total Market Value:	100.00%	\$18,461,258.68



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



Portfolio Profile

As of 06/30/2022

Fund	Ticker	06/30/2022 Value	Weight	06/30/22 Yield	Expense	Duration
Fidelity Government Cash Reserve	FDRXX	\$ 202,108	1.1%	1.40%	0.34	0.1
Vanguard Short Term Treasury Fund	VFIRX	\$ 5,423,128	29.4%	2.90%	0.10	2.3
Fidelity Short Term Treasury Index	FUMBX	\$ 3,704,208	20.1%	3.00%	0.03	2.6
Vanguard MBS Admiral Index	VMBSX	\$ 4,045,362	21.9%	3.70%	0.07	6.0
Vanguard Short Term Corporate Bond Index	VSCSX	\$ 5,086,453	27.6%	3.90%	0.07	2.7
Portfolio		\$ 18,461,259	100%	3.35%	0.07	3.2

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



Portfolio Return vs. Custom Benchmark

As of 06/30/2022

Performance As Of December 31, 2021	3 Month	YTD	1 Year	3 Year	5 Year	Std Dev 5 Yr	Prospectus Exp Ratio
Golden Rain Foundation of Laguna Woods	-1.87	-5.38	-5.68	NA	NA	1.36	0.07
BBgBarc Treasury 1-5 Yr TR	-0.85	-4.20	-4.88	-0.04	0.87	1.33	NA
Institutional Portfolio 60-30-10	-11.11	-15.44	-11.48	4.57	5.43	10.15	NA
MSCI World NR USD	-16.19	-20.51	-14.34	7.00	7.67	16.49	NA

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



Fund Performance Summary

As of 06/30/2022

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Fidelity® Government Cash Reserves	Money Market-Taxable	1.09%	0.10	0.10	0.10	0.41	0.83	0.45	0.33	NA
ICE BofA US 3M Trsy Bill TR USD*			0.10	0.14	0.17	0.63	1.11	0.64		
Cat: Morningstar Money Market - Taxable			0.09	0.10	0.11	0.40	0.80	0.43	0.41	
Fidelity® Shrt-Term Trs Bd Index	Short Government	20.06%	-0.87	-4.26	-4.92	-0.09	0.83	0.79	0.03	NA
BBgBarc Treasury 1-5 Yr TR USD*			-0.85	-4.20	-4.88	-0.04	0.87	0.86		
Cat: Morningstar Short Government			-1.00	-3.68	-4.38	-0.23	0.58	0.52	0.66	
Vanguard Short-Term Treasury Adm	Short Government	29.38%	-0.65	-3.17	-3.74	0.34	1.00	0.86	0.10	TOP DEC
Bloomberg US Govt 1-3 Yr TR USD*			-0.52	-3.01	-3.50	0.18	0.91	0.78		
Cat: Morningstar Short Government			-1.00	-3.68	-4.38	-0.23	0.58	0.52	0.66	
Vanguard Short-Term Corp Bd Idx Admiral	Short-Term Bond	27.55%	-1.97	-5.62	-6.19	0.25	1.38	1.87	0.07	Pass
BBgBarc USD Corp Bd 1-5 Yr TR USD*			-1.94	-5.60	-6.14	0.38	1.49	2.00		
Cat: Morningstar Short-Term Bond			-2.00	-4.85	-5.18	0.18	1.08	1.27	0.67	
Vanguard Mortgage-Backed Secs Idx Adm	Intermediate Government	21.91%	-4.08	-8.86	-9.23	-1.59	0.17	1.03	0.07	Pass
BBgBarc US MBS Float Adjusted TR USD*			-3.83	-8.51	-8.75	-1.37	0.38	1.17		
Cat: Morningstar Intermediate Government			-3.44	-8.06	-8.47	-1.07	0.38	0.76	0.68	

*Investment Policy Benchmark

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.





Section IV

Detailed Fund Analytics

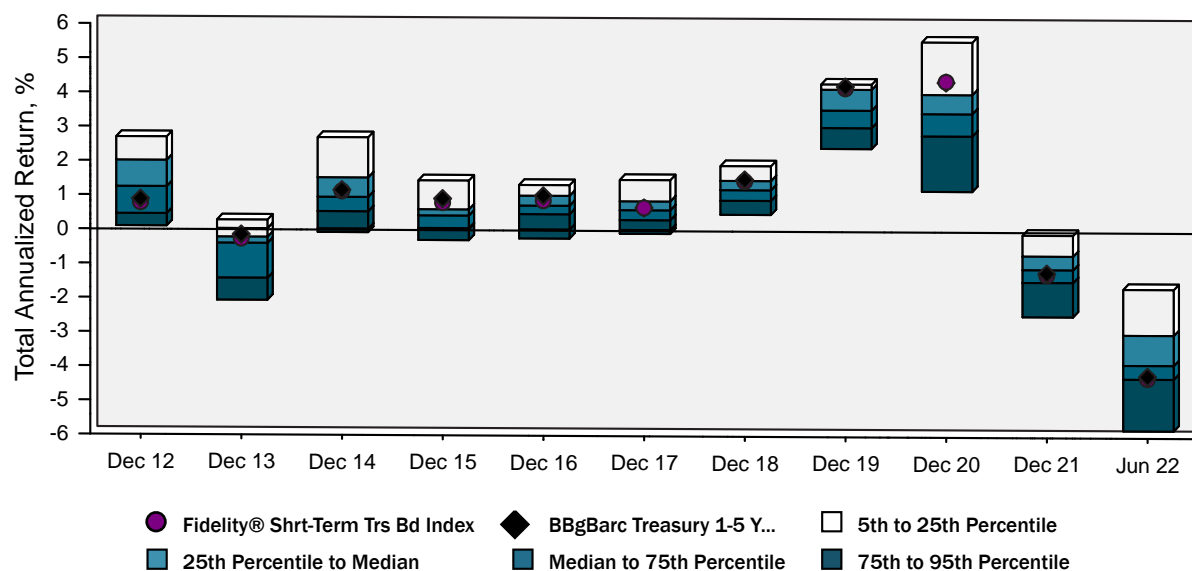
Fidelity® Shrt-Term Trs Bd Index

As of 06/30/2022

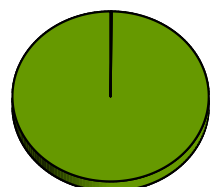
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Alpha 3Yr	Beta 3Yr	Sharpe Ratio 3Yr	Standard Deviation 3Yr	Expense Ratio
Fidelity® Shrt-Term Trs Bd Index	-0.87	-4.26	-4.92	-0.09	0.83	0.79	-0.05	1.00	-0.33	2.24	0.03
BBgBarc Treasury 1-5 Yr TR USD	-0.85	-4.20	-4.88	-0.04	0.87	0.86	0.00	1.00	-0.31	2.21	-
Morningstar Short Government	-1.00	-3.68	-4.38	-0.23	0.58	0.52	-0.41	1.00	-0.49	1.83	0.66

Performance To Date

January 2012 - June 2022



Portfolio Composition



Cash (0.19%)
Domestic Stock (0.00%)
Foreign Stock (0.00%)
Domestic Bond (99.81%)
Foreign Bond (0.00%)
Preferred Bond (0.00%)
Convertible Bond (0.00%)
Other (0.00%)

Portfolio Statistics

Average Eff. Duration	2.59
Average Credit Quality	AAA

Portfolio Data

Ticker	FUMBX
Prospectus Objective	Government Bond - Treasury
Morningstar Category	Short Government
Net Assets \$MM	\$3,253
Turnover Ratio	48%
Total Number of Holdings	117
Average Mkt Cap \$MM	-
Manager Name	Brandon Bettencourt
Manager Tenure (yrs.)	8.08
Mstar Rating	3

Bond Credit Analysis	Fund	Category
AAA	100.00	94.28
AA	0.00	1.74
A	0.00	1.49
BBB	0.00	1.45
BB	0.00	0.16
B	0.00	0.24
Below B	0.00	0.02
Not Rated	0.00	0.62

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



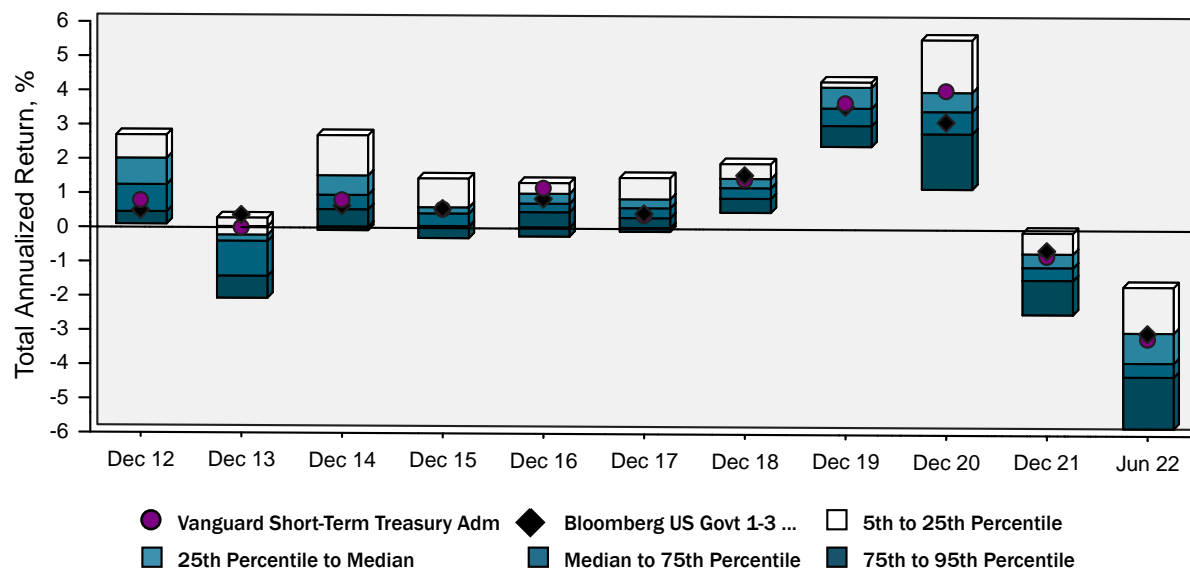
Vanguard Short-Term Treasury Adm

As of 06/30/2022

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Alpha 3Yr	Beta 3Yr	Sharpe Ratio 3Yr	Standard Deviation 3Yr	Expense Ratio
Vanguard Short-Term Treasury Adm	-0.65	-3.17	-3.74	0.34	1.00	0.86	0.20	1.09	-0.17	1.75	0.10
Bloomberg US Govt 1-3 Yr TR USD	-0.52	-3.01	-3.50	0.18	0.91	0.78	0.00	1.00	-0.30	1.59	-
Morningstar Short Government	-1.00	-3.68	-4.38	-0.23	0.58	0.52	-0.41	1.00	-0.49	1.83	0.66

Performance To Date

January 2012 - June 2022



Portfolio Composition



Cash (3.59%)
Domestic Stock (0.00%)
Foreign Stock (0.00%)
Domestic Bond (96.41%)
Foreign Bond (0.00%)
Preferred Bond (0.00%)
Convertible Bond (0.00%)
Other (0.00%)

Portfolio Statistics

Average Eff. Duration	1.93
Average Credit Quality	AA

Portfolio Data

Ticker	VFIRX
Prospectus Objective	Government Bond - Treasury
Morningstar Category	Short Government
Net Assets \$MM	\$7,177
Turnover Ratio	213%
Total Number of Holdings	112
Average Mkt Cap \$MM	-
Manager Name	John Madziyire
Manager Tenure (yrs.)	0.58
Mstar Rating	4

Bond Credit Analysis	Fund	Category
AAA	97.73	94.28
AA	0.00	1.74
A	0.00	1.49
BBB	0.00	1.45
BB	0.00	0.16
B	0.00	0.24
Below B	0.00	0.02
Not Rated	2.27	0.62

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



Vanguard Short-Term Treasury Adm

VFIRX

Ranking Vs. Peers - Short Government

June 30, 2022

Short Government Universe: 79 Funds

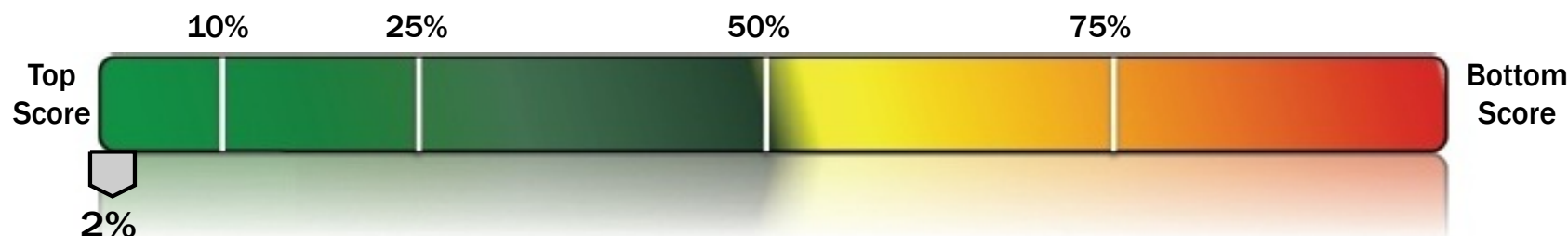
Performance Ranking		Ranking
Total Return Composite Ranking		14.40%
10 Year	14.00%	
5 Year	11.00%	
3 Year	15.00%	
1 Year	24.00%	
Rolling 12 Month - 5 Years		27.00%

Ratio Statistics		Ranking
Modified Sharpe Ratio - 36 Months		16.00%
Alpha - 60 Months		8.00%
Up Capture Ratio - 10 Years		36.00%
Down Capture Ratio - 10 Years		46.00%
Batting Average - 10 Years		5.00%

Fund Expense		Ranking
Expense Ratio	0.1	2.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
Bloomberg US Govt 1-3 Yr TR USD	R2	18.00%

SageView Normalized Ranking	
SageView Normalized Ranking	2.00%
STATUS	TOP DECILE



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



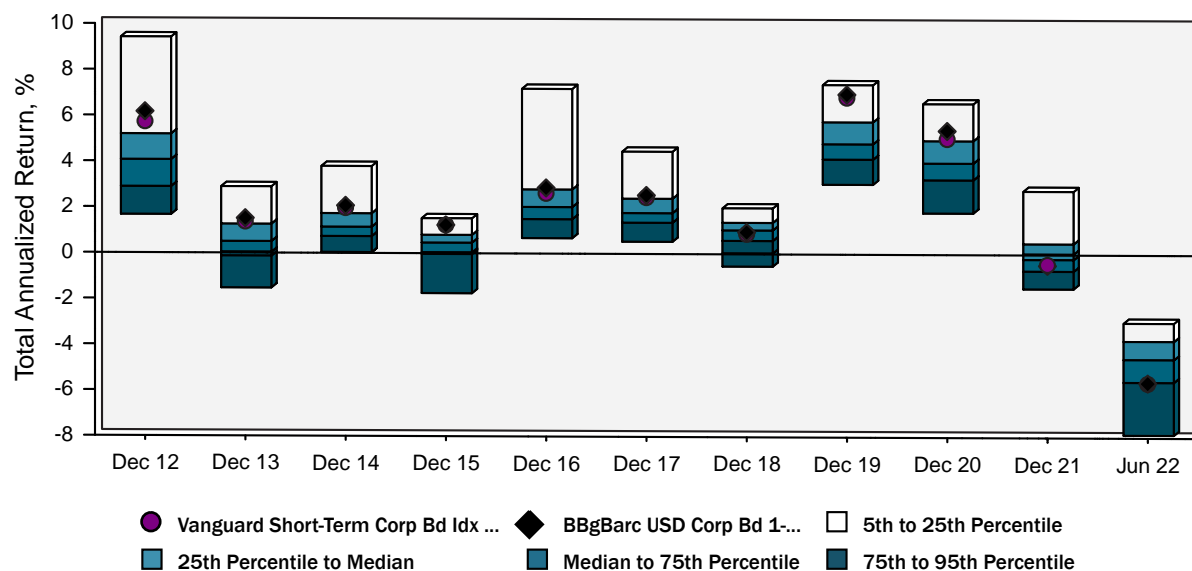
Vanguard Short-Term Corp Bd Idx Admiral

As of 06/30/2022

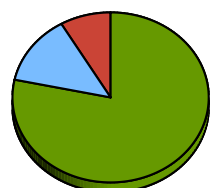
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Alpha 3Yr	Beta 3Yr	Sharpe Ratio 3Yr	Standard Deviation 3Yr	Expense Ratio
Vanguard Short-Term Corp Bd Idx Admiral	-1.97	-5.62	-6.19	0.25	1.38	1.87	-0.13	1.01	-0.08	3.81	0.07
BBgBarc USD Corp Bd 1-5 Yr TR USD	-1.94	-5.60	-6.14	0.38	1.49	2.00	0.00	1.00	-0.05	3.75	-
Morningstar Short-Term Bond	-2.00	-4.85	-5.18	0.18	1.08	1.27	0.03	1.32	-0.16	3.36	0.67

Performance To Date

January 2012 - June 2022



Portfolio Composition



Cash (0.00%)
Domestic Stock (0.00%)
Foreign Stock (0.00%)
Domestic Bond (78.36%)
Foreign Bond (13.28%)
Preferred Bond (0.00%)
Convertible Bond (8.37%)
Other (0.00%)

Portfolio Statistics

Average Eff. Duration	2.79
Average Credit Quality	BBB

Portfolio Data

Ticker	VSCSX
Prospectus Objective	Corporate Bond - General
Morningstar Category	Short-Term Bond
Net Assets \$MM	\$47,430
Turnover Ratio	42%
Total Number of Holdings	2,345
Average Mkt Cap \$MM	-
Manager Name	Joshua Barrickman
Manager Tenure (yrs.)	12.58
Mstar Rating	4

Bond Credit Analysis	Fund	Category
AAA	1.12	39.31
AA	6.55	6.82
A	46.60	17.79
BBB	45.18	24.98
BB	0.00	5.01
B	0.00	1.84
Below B	0.33	0.34
Not Rated	0.22	3.91

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.



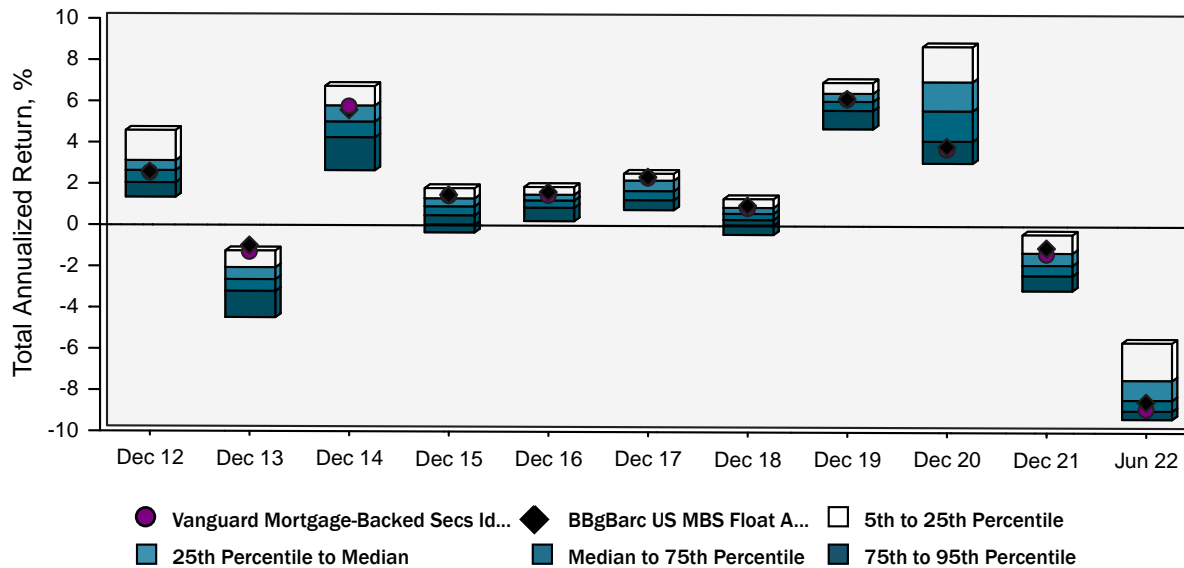
Vanguard Mortgage-Backed Secs Idx Adm

As of 06/30/2022

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Alpha 3Yr	Beta 3Yr	Sharpe Ratio 3Yr	Standard Deviation 3Yr	Expense Ratio
Vanguard Mortgage-Backed Secs Idx Adm	-4.08	-8.86	-9.23	-1.59	0.17	1.03	-0.16	1.03	-0.67	3.35	0.07
BBgBarc US MBS Float Adjusted TR USD	-3.83	-8.51	-8.75	-1.37	0.38	1.17	0.00	1.00	-0.63	3.21	-
Morningstar Intermediate Government	-3.44	-8.06	-8.47	-1.07	0.38	0.76	-0.70	1.08	-0.48	3.67	0.68

Performance To Date

January 2012 - June 2022



Portfolio Composition



Cash (3.88%)
Domestic Stock (0.00%)
Foreign Stock (0.00%)
Domestic Bond (96.12%)
Foreign Bond (0.00%)
Preferred Bond (0.00%)
Convertible Bond (0.00%)
Other (0.00%)

Portfolio Statistics

Average Eff. Duration	6.87
Average Credit Quality	AAA

Portfolio Data

Ticker	VMBSX
Prospectus Objective	Government Bond - Mortgage
Morningstar Category	Intermediate Government
Net Assets \$MM	\$15,883
Turnover Ratio	316%
Total Number of Holdings	4,256
Average Mkt Cap \$MM	-
Manager Name	Joshua Barrickman
Manager Tenure (yrs.)	9.33
Mstar Rating	3

Bond Credit Analysis	Fund	Category
AAA	99.99	96.04
AA	0.00	2.77
A	0.00	0.28
BBB	0.00	0.18
BB	0.00	0.03
B	0.00	0.02
Below B	0.00	0.01
Not Rated	0.01	0.68

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.





Section V

Appendix

ACTIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All active plan investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Trailing 1, 3, 5 and 10 year returns – Total return is a basic measure of a fund's performance. Fund returns over each period are factored into a weighted average, based on the life of a fund. Recent returns receive a slightly higher weighting, while older returns, which may have been produced under different conditions, are weighted less.
2. Rolling period returns – A rolling period return divides a longer time frame into smaller time periods. A rolling 12-month return over five years is computed by first calculating a single period return over the first twelve months. Next, it calculates the 12-month return for months 2-13. The process continues until finally reaching the 12-month period spanning months 48-60. The final rolling figure reflects the average of all of the 12-month returns.
3. Batting Average – Batting average is calculated by (1) tallying the number of months in a given observation window where the investment return is greater than the return of the peer group median return and (2) dividing this amount by the total number of months in the observation window. The result is a ratio that ranges between 0 and 1. A batting average of greater than 0.50 signifies that the investment has outperformed the peer group more frequently than it has underperformed, irrespective of the magnitude of any outperformance or underperformance.
4. Style Consistency to the appropriate index – We utilize R-squared to assess whether the funds selected for the plan continue to operate and perform as expected within their appropriate asset class. R-squared measures the closeness between a fund's returns and movements in the benchmark. All active funds have some deviation from their benchmark, but excessive deviation could indicate that a fund is drifting away from its stated category mandate.
5. Modified Sharpe Ratio – The standard Sharpe Ratio calculation is calculated by subtracting the risk-free rate of return (the US Treasury Bill is typically used) from the portfolio return and dividing the result by the portfolio's standard deviation. A higher Sharpe ratio indicates that the portfolio was able to generate a higher return per unit of risk. Modified Sharpe Ratio is a related statistic that is equal to the Sharpe Ratio under normal circumstances. However, the Modified Sharpe calculation adds an exponent to the denominator that effectively raises the denominator to the -1 power in circumstances in which an investment's excess return is negative. This modification ensures that investments with both negative excess returns and higher standard deviations rank lower than investment with negative excess returns and lower standard deviations. Under the standard Sharpe Ratio calculation, the opposite is true.
6. Alpha – The use of Alpha allows us to gauge the effectiveness of the manager. Alpha is the difference between the portfolio's actual return and its expected return given the funds level of risk as calculated by beta.
7. Up Capture Ratio – The up capture ratio calculates the percentage of return of an index that a fund has captured during up market cycles. It tracks the fund's relative performance versus the appropriate index when the index is going up.
8. Down Capture Ratio – The down capture ratio calculates the percentage of return of an index a fund has captured during down market cycles. Funds that perform well in this category tend to reduce the downside loss for investors during bear markets.
9. Expense Ratio – The expense ratio is compared to the appropriate category average expense and then given a score based upon that percentage. This rewards low-cost funds and penalizes high-cost funds. Expense ratios are effectively "double weighted" in our scoring methodology, because performance returns are already net of expenses. Since fiduciaries are encouraged to carefully manage expenses, we believe explicitly factoring in fund fees is prudent.

Each fund is benchmarked to a specific market index, and fund performance is evaluated and compared to a relevant peer group using Morningstar category classifications. A fund is given a peer group ranking for each criterion, shown as a percentage. The percentage rankings for all criteria are then averaged to give a fund its average ranking score. All funds with at least a three year track record are scored in the above manner. A fund is then classified as Top Decile, top Quartile, 2nd Quartile, 3rd Quartile or 4th Quartile based upon the overall score compared to all other funds within that particular asset category.

PASSIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All passive investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Expense Ratio – The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The Prospectus Net Expense Ratio is collected annually from a fund's prospectus.
2. Tracking Error – A measure of the difference in returns between an investment and a benchmark. Tracking error is reported as a standard deviation of the difference between the returns of an investment and its benchmark.
3. R-Squared – A statistical metric that ranges from zero to 100 and measures the percentage of portfolio's performance that is explained by the movement of its benchmark index. R-Squared is helpful in assessing the reliability of alpha and beta in explaining a portfolio risk and return characteristics. An r-squared of 100 would mean that the portfolio's performance movements are perfectly correlated with those of the benchmark over time, and would suggest that alpha and beta may be relied upon with a high degree of confidence.
4. Beta – A measure of the volatility, or systematic risk, of an investment in comparison to a market index as a whole. Beta is calculated using regression analysis. Beta represents the tendency of an investment's returns to respond to moves in the market or index that it's calculated against. A beta of 1 indicates that the investment's price moves with the market. A beta of less than 1 means that the investment is theoretically less volatile than the market. A beta of greater than 1 indicates that the investment's price is theoretically more volatile than the market. The reliability of an investment's beta is a function of the investment's r-squared value in relation to the benchmark. A high r-squared value signifies that the beta measure is reliable, while a low r-squared signifies that it is potentially inaccurate.

Each of the criteria above carries a proprietary weight. An index fund is evaluated and ranked in each of the above criteria relative to their peer group. A fund is given a peer group ranking for each criterion. The percentage rankings for all criteria are then weighted to give a fund its average ranking score.

The raw score is then normalized on a scale of 1 to 100, with 1 being the best and 100 the worst. The top 75% of the funds in a category receive a passing score, while the bottom 25% fail.

STAFF REPORT

DATE: August 17, 2022
FOR: Board of Directors
SUBJECT: Transfer of 2021 Operating Fund Surplus to Contingency Fund

RECOMMENDATION

Staff recommends the Board entertain a motion to approve the transfer of \$964,180 of Operating Fund Surplus to the Contingency Fund.

BACKGROUND

The Golden Rain Foundation of Laguna Woods Operating Statement as of December 31, 2021 reflected an Operating Fund surplus of \$964,180 (net of depreciation). The Operating Fund is budgeted to break even, excluding depreciation. However, savings in compensation partially offset by increased insurance expense allowed the year to end with a \$964,180 operating surplus.

DISCUSSION

IRS Revenue Ruling 70-604 requires an operating surplus to either be returned to the membership or be applied to future year's assessment. Consistent with 2021, the recommendation is to transfer the surplus to the Contingency Fund (CNF).

FINANCIAL ANALYSIS

The final excess of revenues over expense for the Operating Fund, as presented on the Changes in Fund Balance – Final 12/31/2021 (ATT1), was (\$4,402,133). Detail of the depreciation adjustment to the operating surplus amounted to (\$5,366,313). The net of the two balances leaves Golden Rain Foundation of Laguna Woods with a Total Operating Fund Surplus of \$964,180.

(\$4,402,133)	Final Operating Fund Excess of Revenues Over Expense: 12/31/2021
(5,366,313)	Less Depreciation
\$964,180	TOTAL OPERATING FUND SURPLUS

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Jose Campos, Assistant Director of Financial Services
Pam Jensen, Controller

ATTACHMENT(S) ATT1: 12/31/2021 Changes In Fund Balance

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Final
12/31/2021

		<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	\$28,518,451					\$28,518,451
2	Additions to restricted funds			2,903,808			2,903,808
3	Total assessments	<u>28,518,451</u>		<u>2,903,808</u>			<u>31,422,259</u>
Non-assessment revenues:							
4	Trust facilities fees				4,971,774		4,971,774
5	Golf green fees	1,656,161					1,656,161
6	Golf operations	318,827					318,827
7	Merchandise sales	522,651					522,651
8	Clubhouse rentals and event fees	113,331					113,331
9	Rentals	140,779					140,779
10	Broadband services	5,038,208					5,038,208
11	Interest income		201,316				201,316
12	Unrealized gain/(loss) on AFS investments		(560,872)	4,864	6,724	541	(548,743)
13	Miscellaneous	659,087					659,087
14	Total non-assessment revenue	<u>8,449,044</u>	<u>(359,557)</u>	<u>4,864</u>	<u>4,978,498</u>	<u>541</u>	<u>13,073,391</u>
15	Total revenue	<u>36,967,496</u>	<u>(359,557)</u>	<u>2,908,672</u>	<u>4,978,498</u>	<u>541</u>	<u>44,495,650</u>
Expenses:							
16	Employee compensation and related	22,119,565				186	22,119,751
17	Materials and supplies	1,570,108	439	7,319		116	1,577,983
18	Cost of goods sold	431,568					431,568
19	Community Events	45,229					45,229
20	Utilities and telephone	2,394,384					2,394,384
21	Fuel and oil	489,252					489,252
22	Legal fees	737,723					737,723
23	Professional fees	416,867					416,867
24	Equipment rental	258,816					258,816
25	Outside services	2,829,913	2,028			48,000	2,879,941
26	Repairs and maintenance	886,508		2,160			888,668
27	Other Operating Expense	647,885				3,363	651,248
28	Income taxes	(548,927)					(548,927)
29	Property and sales tax	43,622					43,622
30	Insurance	2,658,323				31,456	2,689,779
31	Cable Programming/Copyright/Franchise	3,966,508					3,966,508
32	Investment expense		7,739	2,878	2,806	313	13,736

Golden Rain Foundation of Laguna Woods
Changes in Fund Balances - Final
12/31/2021

		<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	Uncollectible Accounts	12,184					12,184
34	(Gain)/loss on sale or trade	(180,899)	(70,020)				(250,919)
35	Depreciation and amortization	5,366,313					5,366,313
36	Net allocations to mutuals	(2,775,316)					(2,775,316)
37	Total expenses	<u>41,369,629</u>	<u>(59,814)</u>	<u>12,357</u>	<u>2,806</u>	<u>83,434</u>	<u>41,408,412</u>
38	Excess of revenues over expenses	<u>(\$4,402,133)</u>	<u>(\$299,742)</u>	<u>\$2,896,315</u>	<u>\$4,975,692</u>	<u>(\$82,893)</u>	<u>\$3,087,238</u>
39	Excluding unrealized gain/(loss) and depreciation	<u>\$964,180</u>	<u>\$261,130</u>	<u>\$2,891,451</u>	<u>\$4,968,968</u>	<u>(\$83,434)</u>	<u>\$9,002,294</u>



STAFF REPORT

DATE: August 11, 2022
FOR: Community Activities Committee
SUBJECT: Golf Fee Pricing

RECOMMENDATION

Review and approve the proposed Schedule of Golf Fees (ATT1), inclusive of changes to green fees for members and guests, with an effective date of January 1, 2023.

BACKGROUND

The Golf Fees administered by the Golden Rain Foundation of Laguna Woods Board of Directors adhere to the Shared Cost Guidelines established in Resolution 90-12-132 (ATT2), whereby certain fees can be imposed upon users of various recreation facilities in order to control crowding and minimize over-usage, and to recover operating costs.

DISCUSSION

To ensure Golf Fees are being reviewed regularly and that revenues earned from fees are sufficient to offset a consistent and agreed upon share of costs, staff compiled a five-year analysis of revenues and expenses including a percent funded by fees. Every two years (even numbered years), staff will compare golf revenues earned through fees to expenses incurred. Staff will then propose fee changes (increase/decrease) to ensure the shared costs stay within a set percentage. Staff recommends the percent of golf expenses to be funded by fees shall equal approximately 70% - 75% while the percentage of costs to be shared by all residents shall equal approximately 25% - 30%.

	V3					
	Actual	Actual	Actual	Budget	Budget	Proposed
All amounts in thousands	2019	2020	2021	2022	2023	2023
Revenue	\$1,777	\$1,658	\$2,276	\$2,192	\$2,443	\$2,771
Expense						
Compensation	2,159	2,278	2,162	2,216	2,322	2,322
Other *	1,126	1,097	1,421	1,372	1,438	1,438
Total Expense	\$3,285	\$3,375	\$3,583	\$3,588	\$3,760	\$3,760
Percent Funded by Fees	54%	49%	64%	61%	65%	74%
Percent Shared	46%	51%	36%	39%	35%	26%

* Other Expense: Utilities, Materials & Supplies and Outside Services (3rd Party Landscaping)

The proposed 2023 revenues \$2,771M include Golf Green Fee increases listed in the table below. A full listing of 2022 Golf Fees can be found in ATT1 along with the proposed 2023 fees.

Green Fees	DESCRIPTION	2022 Fee	2023 Fee Proposed	Change
27 Hole Course	Members	\$16.00	\$20.00	\$4.00
18 Holes	Guests, Weekday	\$35.00	\$40.00	\$5.00
	Guests, Weekend	\$55.00	\$60.00	\$5.00
27 Hole Course	Members	\$8.00	\$10.00	\$2.00
9 Holes	Guests, Weekday	\$18.00	\$20.00	\$2.00
	Guests, Weekend	\$28.00	\$30.00	\$2.00
Par 3 Course	Members	\$10.00	\$10.00	\$0.00
18 Holes	Guests	\$16.00	\$20.00	\$4.00
Par 3 Course	Members	\$6.00	\$6.00	\$0.00
9 Holes	Guests	\$8.00	\$10.00	\$2.00

FINANCIAL ANALYSIS

If approved, the Schedule of Golf Fees will reflect total golf expenses covered by fees of 74% and a cost shared by the community of 26%. While the proposed change to golf fees would increase revenue by an estimated \$471,000 (ATT3) in 2023, as compared to 2022, the proposed fees are expected to maintain the shared cost percentage between 25% and 30% through 2024 inclusive of anticipated inflation of 3%.

Green Fee Revenue	2022 Budget	2023 Proposed	Change
Golf Maint 27 Hole Green Fees (WC 580)	1,505,000	1,970,000	465,000
Golf Maint 9 Hole Green Fees (WC 581)	97,000	103,000	6,000
Total	1,602,000	2,073,000	471,000

Prepared By: Steve Hormuth, Director of Financial Services

Reviewed By: Brian Gruner, Recreation and Special Events Director
Jose Campos, Assistant Director of Financial Services

Attachment(s): ATT 1 – 2022 Schedule of Golf Fees with 2023 Proposed Fees
ATT 2 – Shared Cost Guidelines GRF Resolution 90-12-132
ATT 3 – 2023 Proposed Golf Green Fees and Projected Usage

Committee Routing: GRF Finance Committee August 17, 2022