



**REGULAR MEETING OF THE FINANCE COMMITTEE**

**Tuesday, February 22, 2022 – 1:30 p.m.  
Laguna Woods Village Virtual Meeting Via Zoom  
24351 El Toro Road  
Laguna Woods, CA 92637**

**AGENDA**

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Meeting Report for January 25, 2022
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)

*At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can join the Zoom Meeting by clicking on the link <https://us06web.zoom.us/j/85040223813> or call the one tap number using your mobile phone **+16699006833,,85040223813#** or email [meeting@vmsinc.org](mailto:meeting@vmsinc.org) to request to speak.*

7. Department Head Update

**Reports**

8. Preliminary Financial Statements dated January 31, 2022
  - a. Items for Correction
  - b. Compensation and Outside Services
  - c. United Leasing Report

**Items for Discussion and Consideration**

9. Bank Negotiation Update
10. Reserve Study
11. Endorsements from Standing Committees

**Future Agenda Items**

**Concluding Business:**

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, March 29, 2022 at 1:30 p.m.
14. Recess to Closed Session

Azar Asgari, Chair  
Steve Hormuth, Staff Officer  
Telephone: 949-597-4201



**FINANCE COMMITTEE MEETING  
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, January 25, 2022 – 1:30 p.m.  
Board Room/Virtual Meeting

**DIRECTORS PRESENT:** Azar Asgari – Chair, Anthony Liberatore, Lenny Ross,  
Andre Torng, Pat English, Pearl Lee

**DIRECTORS ABSENT:** None

**ADVISORS PRESENT:** Dick Rader

**STAFF PRESENT:** Jose Campos, Steve Hormuth, Erika Hernandez

**OTHERS PRESENT:** GRF – Elsie Addington, Juanita Skillman

**Call to Order**

Chair Azar Asgari, chaired the meeting and called it to order at 1:30p.m.

**Acknowledgment of Media**

The meeting was recorded and made available via Zoom for members of the community to participate virtually.

**Approval of Agenda**

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

- Temporary Borrowing was added under Items for Discussion and consideration.

**Approval of the Regular Meeting Report of December 28, 2021**

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

**Chair Remarks**

Director Azar Asgari shared the following: “I would like to congratulate Steve Hormuth as Director of Financial Services and Jose Campos as Assistant Director of Financial Services. I have worked with both of them and I hope their positive leadership and their special care about watching how resident’s money will be spent can create a healthy financial environment for Laguna Woods Village in future.”

**Member Comments (Items Not on the Agenda)**

None.

### **Department Head Update**

Jose Campos, Interim Director of Financial Services, provided updates on VMS Finance department staffing and Insurance.

### **Review Preliminary Financial Statements dated December 31, 2021**

The committee reviewed financial statements for December 31, 2021 and questions were addressed.

### **Compensation and Outside Services**

The committee reviewed the report. No actions were requested or taken.

### **United Leasing Report**

The committee reviewed the report. Questions were addressed and no actions taken.

### **VMS Staffing Report**

A report was presented to the committee displaying current job openings for VMS per department. Advisor Dick Rader requested to know the duration of each opening which will be delivered via email by staff. No further action.

### **Temporary Borrowing**

Upon further discussion, it was determined that temporary borrowing would not be necessary for the period ending December 31, 2021. No action was needed or taken.

### **Endorsements from Standing Committees**

None.

### **Future Agenda Items**

Bank Negotiation Update

Reserve Study

### **Committee Member Comments**

None.

### **Date of Next Meeting**

Tuesday, February 22, 2022 at 1:30 p.m.

### **Recess to Closed Session**

The meeting recessed to closed session at 3:34 p.m.

*azar asgari*

azar asgari (Feb 4, 2022 16:31 PST)

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Azar Asgari, Chair



**MEMORANDUM**

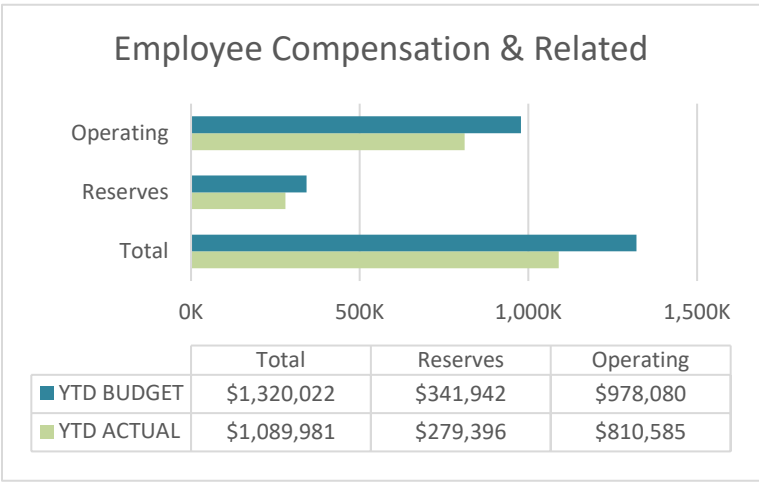
To: United Finance Committee  
 From: Steve Hormuth, Director of Financial Services  
 Date: February 22, 2022  
 Re: Department Head Update

**Financial Highlights**

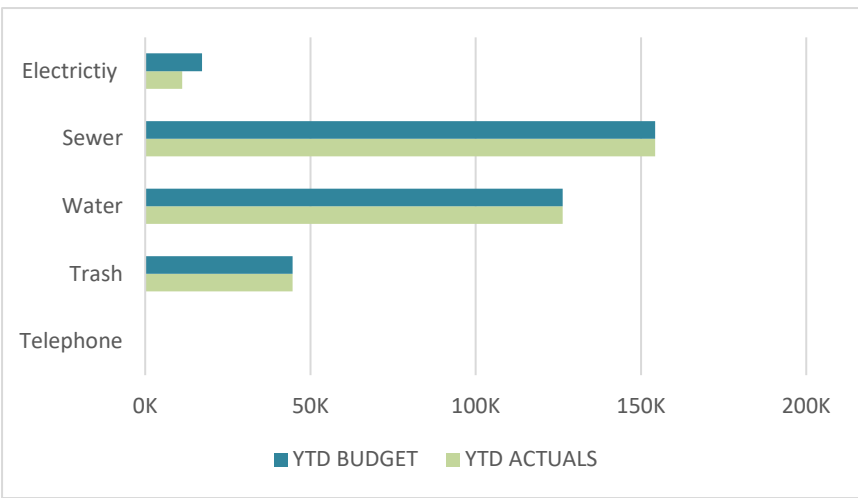
▪ **SUMMARY:** For the year-to-date period ending January 31, 2022, United Laguna Woods Mutual was better than budget by \$427K primarily resulting from timing of expenditures, affecting the areas of outside services \$315K, compensation \$230K, and materials \$83K.

INCOME STATEMENT			
	Actual	Budget	Variance
Assessment Revenues	\$3,823,781	\$3,808,015	\$15,766
Other Revenues	(49,050)	153,014	(202,064)
Expenses	3,331,563	3,944,377	612,814
<b>Revenue / (Expense)</b>	<b>\$443,168</b>	<b>\$16,652</b>	<b>\$426,516</b>

▪ **COMPENSATION:** Actual compensation and related costs came in at \$1.1 million, with \$811K in operations and \$279K in reserves. Combined, this category is 17% favorable to budget. The most significant impacts were in Maintenance and Landscape due to open positions and timing of programs.



▪ **UTILITIES:** In total, this category was favorable to budget by \$6K primarily due to electricity expenses coming in lower than budget; water, sewer, trash, and telephone expenditures remained within budget.



**Discussions**

**Financial Audit:** The Select Audit Task Force met to kick off the 2021 Financial Audit on January 23, 2022. At the meeting, the task force discussed expectations for the audit and timelines. A second task force meeting was held on Wednesday, February 16, and included an invite to all boards. Representatives from KPMG shared their required communication to the audience including the scope of the audit and timelines. While the task force will meet multiple times during the audit, the next task force meeting including an invite to all boards is scheduled for April 4, 2022. At that meeting KPMG will present the audit results and the board will vote to accept the final numbers into corporate records. The final audit report is anticipated to be released on April 11, 2022.

**Calendar**

- Feb 22, 2022 @ 1:30 p.m. United Finance Committee Meeting (January Financials)
- Feb 24, 2022 @ 2:00 p.m. United Board Agenda Prep Meeting
- Mar 8, 2022 @ 9:30 a.m. United Board Meeting
- Mar 24, 2022 @ 2:00 p.m. United Board Agenda Prep Meeting
- Mar 29, 2022 @ 1:30 p.m. United Finance Committee Meeting (February Financials)
- Apr 12, 2022 @ 9:30 a.m. United Board Meeting

February 2022							March 2022							April 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			1	2	3	4	5							1	2
6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
27	28						27	28	29	30	31			24	25	26	27	28	29	30	

**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**1/31/2022**  
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			PRIOR YEAR ACTUAL	TOTAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,926	\$2,910	\$16	\$2,926	\$2,910	\$16	\$2,811	\$34,920
2	Additions to restricted funds	898	898		898	898		961	10,776
3	Total assessments	<u>3,824</u>	<u>3,808</u>	<u>16</u>	<u>3,824</u>	<u>3,808</u>	<u>16</u>	<u>3,773</u>	<u>45,696</u>
Non-assessment revenues:									
4	Merchandise sales	1		1	1				3
5	Fees and charges for services to residents	40	66	(26)	40	66	(26)	69	789
6	Laundry	23	23		23	23		3	270
7	Investment income	5	12	(8)	5	12	(8)	8	148
8	Unrealized gain/(loss) on AFS investments	(173)		(173)	(173)		(173)	(52)	
9	Miscellaneous	55	52	3	55	52	3	48	623
10	Total non-assessment revenue	<u>(49)</u>	<u>153</u>	<u>(202)</u>	<u>(49)</u>	<u>153</u>	<u>(202)</u>	<u>76</u>	<u>1,833</u>
11	Total revenue	<u>3,775</u>	<u>3,961</u>	<u>(186)</u>	<u>3,775</u>	<u>3,961</u>	<u>(186)</u>	<u>3,849</u>	<u>47,529</u>
Expenses:									
12	Employee compensation and related	1,090	1,320	230	1,090	1,320	230	1,140	15,359
13	Materials and supplies	169	252	83	169	252	83	183	3,009
14	Utilities and telephone	337	342	6	337	342	6	323	4,692
15	Legal fees	10	8	(2)	10	8	(2)	3	247
16	Professional fees	7	3	(4)	7	3	(4)	(24)	96
17	Equipment rental		3	3		3	3	3	43
18	Outside services	155	470	315	155	470	315	243	9,199
19	Repairs and maintenance	2	4	1	2	4	1	3	44
20	Other Operating Expense	6	14	8	6	14	8	5	201
21	Property and sales tax	1,096	1,033	(62)	1,096	1,033	(62)	954	12,401
22	Insurance	324	346	22	324	346	22	332	4,148
23	Investment expense	3	1	(2)	3	1	(2)		10
24	Uncollectible Accounts	3	1	(2)	3	1	(2)	(3)	15
25	Depreciation and amortization	16	16		16	16		16	196
26	Net allocation to mutuals	114	130	17	114	130	17	117	1,500
27	Total expenses	<u>3,332</u>	<u>3,944</u>	<u>613</u>	<u>3,332</u>	<u>3,944</u>	<u>613</u>	<u>3,296</u>	<u>51,160</u>
28	Excess of revenues over expenses	<u>\$443</u>	<u>\$17</u>	<u>\$427</u>	<u>\$443</u>	<u>\$17</u>	<u>\$427</u>	<u>\$553</u>	<u>(\$3,631)</u>

**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - By Fund Type - Preliminary**  
**1/31/2022**  
(\$ 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
<b>Revenues:</b>												
<b>Assessments:</b>												
1 Operating	\$1,877	\$1,877					\$1,049	\$1,033	\$16	\$2,926	\$2,910	\$16
2 Additions to restricted funds				898	898					898	898	
3 Total assessments	<u>1,877</u>	<u>1,877</u>		<u>898</u>	<u>898</u>		<u>1,049</u>	<u>1,033</u>	<u>16</u>	<u>3,824</u>	<u>3,808</u>	<u>16</u>
<b>Non-assessment revenues:</b>												
4 Merchandise sales	1		1							1		1
5 Fees and charges for services to residents	40	66	(26)							40	66	(26)
6 Laundry	23	23								23	23	
7 Investment income				4	12	(7)		1		5	12	(8)
8 Unrealized gain/(loss) on AFS investments				(163)		(163)	(10)		(10)	(173)		(173)
9 Miscellaneous	55	52	3							55	52	3
10 Total non-assessment revenue	<u>119</u>	<u>141</u>	<u>(21)</u>	<u>(158)</u>	<u>12</u>	<u>(170)</u>	<u>(10)</u>	<u>1</u>	<u>(11)</u>	<u>(49)</u>	<u>153</u>	<u>(202)</u>
11 Total revenue	<u>1,996</u>	<u>2,017</u>	<u>(21)</u>	<u>740</u>	<u>910</u>	<u>(170)</u>	<u>1,039</u>	<u>1,034</u>	<u>5</u>	<u>3,775</u>	<u>3,961</u>	<u>(186)</u>
<b>Expenses:</b>												
12 Employee compensation and related	811	978	167	279	342	63				1,090	1,320	230
13 Materials and supplies	51	64	13	118	187	70				169	252	83
14 Utilities and telephone	337	342	5		1	1				337	342	6
15 Legal fees	10	8	(2)							10	8	(2)
16 Professional fees	7	3	(4)							7	3	(4)
17 Equipment rental		1	1		3	3					3	3
18 Outside services	256	99	(157)	(101)	371	472				155	470	315
19 Repairs and maintenance	2	3	1		1					2	4	1
20 Other Operating Expense	5	11	6	1	3	2				6	14	8
21 Property and sales tax							1,096	1,033	(62)	1,096	1,033	(62)
22 Insurance	324	346	22							324	346	22
23 Investment expense				3	1	(2)				3	1	(2)
24 Uncollectible Accounts	3	1	(2)							3	1	(2)
25 Depreciation and amortization	16	16								16	16	
26 Net allocation to mutuals	92	102	10	22	28	6				114	130	17
27 Total expenses	<u>1,915</u>	<u>1,975</u>	<u>60</u>	<u>321</u>	<u>936</u>	<u>615</u>	<u>1,096</u>	<u>1,033</u>	<u>(62)</u>	<u>3,332</u>	<u>3,944</u>	<u>613</u>
28 Excess of revenues over expenses	<u>\$81</u>	<u>\$42</u>	<u>\$39</u>	<u>\$419</u>	<u>(\$26)</u>	<u>\$445</u>	<u>(\$57)</u>	<u>\$1</u>	<u>(\$57)</u>	<u>\$443</u>	<u>\$17</u>	<u>\$427</u>

**United Laguna Woods Mutual**  
**Operating Statement - Preliminary**  
**1/31/2022**  
UNITED LAGUNA WOODS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
<b>Operating</b>					
41001000 - Monthly Assessments	\$1,608,318	\$1,608,269	\$49	0.00%	\$19,299,232
41007000 - Monthly Assessments - Property Taxes	1,021,215	1,033,430	(12,215)	(1.18%)	12,401,160
41007500 - Monthly Assessments - Supplemental Property Taxes	27,960	0	27,960	0.00%	0
41008000 - Monthly Assessments - Property Insurance	268,296	268,296	0	0.00%	3,219,547
<b>Total Operating</b>	<b>2,925,789</b>	<b>2,909,995</b>	<b>15,794</b>	<b>0.54%</b>	<b>34,919,939</b>
<b>Additions To Restricted Funds</b>					
41003500 - Monthly Assessments - Replacement Fund	897,992	898,020	(28)	0.00%	10,776,240
<b>Total Additions To Restricted Funds</b>	<b>897,992</b>	<b>898,020</b>	<b>(28)</b>	<b>0.00%</b>	<b>10,776,240</b>
<b>Total Assessments</b>	<b>3,823,781</b>	<b>3,808,015</b>	<b>15,766</b>	<b>0.41%</b>	<b>45,696,179</b>
Non-Assessment Revenues:					
<b>Merchandise Sales</b>					
41501500 - Merchandise Sales - Warehouse	1,077	250	827	330.75%	3,001
<b>Total Merchandise Sales</b>	<b>1,077</b>	<b>250</b>	<b>827</b>	<b>330.75%</b>	<b>3,001</b>
<b>Fees and Charges for Services to Residents</b>					
46501000 - Permit Fee	20,457	20,456	1	0.00%	245,478
46501500 - Inspection Fee	5,173	6,499	(1,326)	(20.41%)	77,993
46502000 - Resident Maintenance Fee	14,627	39,065	(24,438)	(62.56%)	465,100
<b>Total Fees and Charges for Services to Residents</b>	<b>40,257</b>	<b>66,020</b>	<b>(25,763)</b>	<b>(39.02%)</b>	<b>788,570</b>
<b>Laundry</b>					
46005000 - Coin Op Laundry Machine	22,634	22,500	134	0.60%	270,000
<b>Total Laundry</b>	<b>22,634</b>	<b>22,500</b>	<b>134</b>	<b>0.60%</b>	<b>270,000</b>
<b>Investment Income</b>					
49001000 - Investment Income - Nondiscretionary	29	334	(305)	(91.27%)	4,000
49002000 - Investment Income - Discretionary	4,565	12,000	(7,435)	(61.96%)	144,000
<b>Investment Interest Income</b>	<b>4,594</b>	<b>12,334</b>	<b>(7,740)</b>	<b>(62.76%)</b>	<b>148,000</b>
<b>Unrealized Gain/(Loss) On AFS Investments</b>					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(172,831)	0	(172,831)	0.00%	0
<b>Total Unrealized Gain/(Loss) On AFS Investments</b>	<b>(172,831)</b>	<b>0</b>	<b>(172,831)</b>	<b>0.00%</b>	<b>0</b>
<b>Miscellaneous</b>					
46004500 - Resident Violations	0	4,850	(4,850)	(100.00%)	58,202
44501000 - Additional Occupant Fee	4,800	3,666	1,134	30.93%	44,000
44501500 - Lease Processing Fee - United	11,300	10,378	922	8.88%	124,540
44502000 - Variance Processing Fee	0	1,324	(1,324)	(100.00%)	15,888
44503000 - Stock Transfer Fee	900	1,133	(233)	(20.56%)	13,605
44503510 - Resale Processing Fee - United	15,750	11,833	3,917	33.10%	142,000
44507000 - Golf Cart Electric Fee	4,140	5,417	(1,277)	(23.58%)	65,000
44507200 - Electric Vehicle Plug-In Fee	1,516	1,500	16	1.06%	18,000
44507500 - Cartport/Carport Space Rental Fee	163	200	(38)	(18.75%)	2,400
47001500 - Late Fee Revenue	5,170	4,167	1,003	24.07%	50,000
47002010 - Collection Administrative Fee - United	11,200	6,693	4,507	67.34%	80,320
47002500 - Collection Interest Revenue	0	417	(417)	(100.00%)	5,000
47501000 - Recycling	278	333	(55)	(16.45%)	4,001
49009000 - Miscellaneous Revenue	3	0	3	0.00%	0
<b>Total Miscellaneous</b>	<b>55,220</b>	<b>51,910</b>	<b>3,309</b>	<b>6.37%</b>	<b>622,955</b>
<b>Total Non-Assessment Revenue</b>	<b>(49,050)</b>	<b>153,014</b>	<b>(202,064)</b>	<b>(132.06%)</b>	<b>1,832,526</b>
<b>Total Revenue</b>	<b>3,774,731</b>	<b>3,961,029</b>	<b>(186,298)</b>	<b>(4.70%)</b>	<b>47,528,705</b>
Expenses:					
<b>Employee Compensation</b>					
51011000 - Salaries & Wages - Regular	199,126	268,034	68,908	25.71%	3,227,871
51021000 - Union Wages - Regular	349,510	525,085	175,575	33.44%	6,182,456
51041000 - Wages - Overtime	2,553	2,321	(232)	(10.00%)	27,869



**United Laguna Woods Mutual**  
**Operating Statement - Preliminary**  
**1/31/2022**  
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51051000 - Union Wages - Overtime	15,958	8,998	(6,960)	(77.35%)	108,022
51061000 - Holiday & Vacation	104,361	66,980	(37,381)	(55.81%)	794,626
51071000 - Sick	44,909	27,321	(17,588)	(64.38%)	324,124
51091000 - Missed Meal Penalty	975	468	(508)	(108.53%)	5,639
51101000 - Temporary Help	2,149	9,720	7,571	77.89%	116,647
51981000 - Compensation Accrual	29,004	0	(29,004)	0.00%	0
<b>Total Employee Compensation</b>	<b>748,547</b>	<b>908,928</b>	<b>160,381</b>	<b>17.65%</b>	<b>10,787,254</b>
<b>Compensation Related</b>					
52411000 - F.I.C.A.	54,022	67,888	13,866	20.42%	798,773
52421000 - F.U.I.	4,125	5,379	1,253	23.30%	10,758
52431000 - S.U.I.	18,569	27,352	8,784	32.11%	54,705
52441000 - Union Medical	146,509	166,873	20,365	12.20%	2,002,482
52451000 - Workers' Compensation Insurance	37,316	48,501	11,185	23.06%	573,203
52461000 - Non Union Medical & Life Insurance	29,879	38,102	8,223	21.58%	457,591
52471000 - Union Retirement Plan	35,713	45,264	9,551	21.10%	532,946
52481000 - Non-Union Retirement Plan	5,291	11,735	6,444	54.91%	141,320
52981000 - Compensation Related Accrual	10,009	0	(10,009)	0.00%	0
<b>Total Compensation Related</b>	<b>341,434</b>	<b>411,094</b>	<b>69,660</b>	<b>16.95%</b>	<b>4,571,778</b>
<b>Materials and Supplies</b>					
53001000 - Materials & Supplies	37,313	50,832	13,519	26.60%	596,779
53003000 - Materials Direct	131,525	200,467	68,942	34.39%	2,406,139
53004000 - Freight	73	476	403	84.74%	5,756
<b>Total Materials and Supplies</b>	<b>168,911</b>	<b>251,775</b>	<b>82,864</b>	<b>32.91%</b>	<b>3,008,674</b>
<b>Utilities and Telephone</b>					
53301000 - Electricity	11,208	17,155	5,947	34.67%	130,789
53301500 - Sewer	154,300	154,300	0	0.00%	1,898,400
53302000 - Water	126,293	126,293	0	0.00%	2,127,288
53302500 - Trash	44,616	44,616	0	0.00%	535,299
53304000 - Telephone	109	59	(50)	(84.15%)	706
<b>Total Utilities and Telephone</b>	<b>336,525</b>	<b>342,423</b>	<b>5,898</b>	<b>1.72%</b>	<b>4,692,482</b>
<b>Legal Fees</b>					
53401500 - Legal Fees	10,264	8,333	(1,931)	(23.17%)	246,652
<b>Total Legal Fees</b>	<b>10,264</b>	<b>8,333</b>	<b>(1,931)</b>	<b>(23.17%)</b>	<b>246,652</b>
<b>Professional Fees</b>					
53402010 - Audit & Tax Preparation Fees - United	0	735	735	100.00%	47,670
53403500 - Consulting Fees	7,439	768	(6,671)	(868.24%)	13,371
53403510 - Consulting Fees - United	0	1,666	1,666	100.00%	35,000
<b>Total Professional Fees</b>	<b>7,439</b>	<b>3,169</b>	<b>(4,270)</b>	<b>(134.72%)</b>	<b>96,041</b>
<b>Equipment Rental</b>					
53501500 - Equipment Rental/Lease Fees	0	3,424	3,424	100.00%	42,879
<b>Total Equipment Rental</b>	<b>0</b>	<b>3,424</b>	<b>3,424</b>	<b>100.00%</b>	<b>42,879</b>
<b>Outside Services</b>					
53601000 - Bank Fees	2,789	3,556	767	21.56%	42,678
53601500 - Credit Card Transaction Fees	877	0	(877)	0.00%	0
54603500 - Outside Services Cost Collection	103,510	457,780	354,270	77.39%	9,007,726
53704000 - Outside Services	47,888	8,312	(39,575)	(476.11%)	148,769
<b>Total Outside Services</b>	<b>155,065</b>	<b>469,648</b>	<b>314,584</b>	<b>66.98%</b>	<b>9,199,173</b>
<b>Repairs and Maintenance</b>					
53701000 - Equipment Repair & Maint	(74)	1,126	1,200	106.61%	13,553
53703000 - Elevator /Lift Maintenance	2,364	2,514	150	5.97%	30,166
<b>Total Repairs and Maintenance</b>	<b>2,290</b>	<b>3,640</b>	<b>1,350</b>	<b>37.09%</b>	<b>43,719</b>
<b>Other Operating Expense</b>					
53801000 - Mileage & Meal Allowance	33	910	877	96.42%	10,963
53801500 - Travel & Lodging	7	215	208	96.91%	2,581
53802000 - Uniforms	1,822	7,449	5,627	75.54%	93,604
53802500 - Dues & Memberships	108	166	58	35.19%	2,375
53803000 - Subscriptions & Books	599	148	(450)	(303.76%)	1,788
53803500 - Training & Education	106	1,753	1,647	93.98%	24,459
53903000 - Safety	27	90	63	70.47%	1,084

**United Laguna Woods Mutual**  
**Operating Statement - Preliminary**  
**1/31/2022**  
UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				TOTAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
54001010 - Board Relations - United	1,217	627	(590)	(94.09%)	7,525
54002000 - Postage	2,196	2,709	513	18.93%	56,312
54002500 - Filing Fees / Permits	39	29	(10)	(36.17%)	354
<b>Total Other Operating Expense</b>	<b>6,152</b>	<b>14,095</b>	<b>7,943</b>	<b>56.35%</b>	<b>201,043</b>
<b>Property and Sales Tax</b>					
54302000 - Property Taxes	1,095,717	1,033,430	(62,287)	(6.03%)	12,401,160
<b>Total Property and Sales Tax</b>	<b>1,095,717</b>	<b>1,033,430</b>	<b>(62,287)</b>	<b>(6.03%)</b>	<b>12,401,160</b>
<b>Insurance</b>					
54401000 - Hazard & Liability Insurance	66,421	70,356	3,935	5.59%	844,276
54401500 - D&O Liability	5,923	6,398	475	7.42%	76,776
54402000 - Property Insurance	251,183	268,295	17,113	6.38%	3,219,547
54403000 - General Liability Insurance	0	621	621	100.00%	7,450
<b>Total Insurance</b>	<b>323,527</b>	<b>345,670</b>	<b>22,143</b>	<b>6.41%</b>	<b>4,148,049</b>
<b>Investment Expense</b>					
54201000 - Investment Expense	2,661	870	(1,791)	(205.84%)	10,440
<b>Total Investment Expense</b>	<b>2,661</b>	<b>870</b>	<b>(1,791)</b>	<b>(205.84%)</b>	<b>10,440</b>
<b>Uncollectible Accounts</b>					
54602000 - Bad Debt Expense	3,133	1,250	(1,883)	(150.63%)	15,000
<b>Total Uncollectible Accounts</b>	<b>3,133</b>	<b>1,250</b>	<b>(1,883)</b>	<b>(150.63%)</b>	<b>15,000</b>
<b>Depreciation and Amortization</b>					
55001000 - Depreciation And Amortization	16,313	16,313	0	0.00%	195,758
<b>Total Depreciation and Amortization</b>	<b>16,313</b>	<b>16,313</b>	<b>0</b>	<b>0.00%</b>	<b>195,758</b>
<b>Net Allocation to Mutuals</b>					
54602500 - Allocated Expenses	113,587	130,315	16,728	12.84%	1,499,949
<b>Total Net Allocation to Mutuals</b>	<b>113,587</b>	<b>130,315</b>	<b>16,728</b>	<b>12.84%</b>	<b>1,499,949</b>
<b>Total Expenses</b>	<b>3,331,564</b>	<b>3,944,377</b>	<b>612,814</b>	<b>15.54%</b>	<b>51,160,052</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$443,168</b>	<b>\$16,652</b>	<b>\$426,516</b>	<b>2561.34%</b>	<b>(\$3,631,346)</b>

**United Laguna Woods Mutual  
Balance Sheet - Preliminary  
1/31/2022**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
<b>Assets</b>			
1	Cash and cash equivalents	\$7,756,834	\$6,230,045
2	Non-discretionary investments	999,883	999,883
3	Discretionary investments	15,033,946	15,204,873
4	Receivable/(Payable) from mutuals	53,180	(194,131)
5	Accounts receivable and interest receivable	659,616	683,194
6	Prepaid expenses and deposits	2,445,120	2,595,239
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,762,570)	(83,762,315)
9	Beneficial interest in GRF of Laguna Hills Trust	5,394,946	5,411,004
10	Non-controlling interest in GRF	41,028,127	41,028,127
<b>11</b>	<b>Total Assets</b>	<u><b>\$81,598,688</b></u>	<u><b>\$80,185,525</b></u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
12	Accounts payable and accrued expenses	\$4,204,177	\$3,308,537
13	Accrued compensation and related costs	518,105	518,105
14	Deferred income	852,211	777,856
15	Asset retirement obligation	1,382,827	1,382,827
16	Total liabilities	<u>\$6,957,319</u>	<u>\$5,987,324</u>
Fund balances:			
17	Fund balance prior years	74,198,201	74,758,941
18	Change in fund balance - current year	443,168	(560,740)
19	Total fund balances	<u>74,641,369</u>	<u>74,198,201</u>
<b>20</b>	<b>Total Liabilities and Fund Balances</b>	<u><b>\$81,598,688</b></u>	<u><b>\$80,185,525</b></u>

**United Laguna Woods Mutual  
Fund Balance Sheet - Preliminary  
1/31/2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
<b>Assets</b>					
1	Cash and cash equivalents	\$1,560,771	\$6,196,064		\$7,756,834
2	Non-discretionary investments		999,883		999,883
3	Discretionary investments		15,033,946		15,033,946
4	Receivable/(Payable) from mutuals	53,180			53,180
5	Receivable/(Payable) from operating fund	(1,202,425)	(809,180)	1,104,291	907,315
6	Accounts receivable and interest receivable	659,616			659,616
7	Prepaid expenses and deposits	2,445,120			2,445,120
8	Property and equipment	91,989,605			91,989,605
9	Accumulated depreciation property and equipment	(83,762,570)			(83,762,570)
10	Beneficial interest in GRF of Laguna Hills Trust	5,394,946			5,394,946
11	Non-controlling interest in GRF	41,028,127			41,028,127
<b>12</b>	<b>Total Assets</b>	<b><u>\$58,166,370</u></b>	<b><u>\$21,420,713</u></b>	<b><u>\$1,104,291</u></b>	<b><u>\$907,315</u></b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
13	Accounts payable and accrued expenses	\$1,440,824	\$1,743,209	\$721	\$1,019,422
14	Accrued compensation and related costs	518,105			518,105
15	Deferred income	852,211			852,211
16	Asset retirement obligation	1,292,361	90,465		1,382,827
17	Total liabilities	<u>\$4,103,501</u>	<u>\$1,833,674</u>	<u>\$721</u>	<u>\$1,019,422</u>
Fund balances:					
18	Fund balance prior years	53,981,918	19,168,078	1,113,771	(65,565)
19	Change in fund balance - current year	80,951	418,961	(10,202)	(46,542)
20	Total fund balances	<u>54,062,868</u>	<u>19,587,038</u>	<u>1,103,569</u>	<u>(112,107)</u>
<b>21</b>	<b>Total Liabilities and Fund Balances</b>	<b><u>\$58,166,370</u></b>	<b><u>\$21,420,713</u></b>	<b><u>\$1,104,291</u></b>	<b><u>\$907,315</u></b>

**United Laguna Woods Mutual**  
**Changes in Fund Balances - Preliminary**  
**1/31/2022**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Contingency Fund</u>	<u>Property Taxes Fund</u>	<u>Total</u>
Revenues:					
Assessments:					
1	\$1,876,614			\$1,049,175	\$2,925,789
2		897,992			897,992
3	<u>1,876,614</u>	<u>897,992</u>		<u>1,049,175</u>	<u>3,823,781</u>
Non-assessment revenues:					
4	1,077				1,077
5	40,257				40,257
6	22,634				22,634
7		4,319	274		4,594
8		(162,514)	(10,317)		(172,831)
9	55,220				55,220
10	<u>119,188</u>	<u>(158,195)</u>	<u>(10,043)</u>		<u>(49,050)</u>
11	<u>1,995,801</u>	<u>739,798</u>	<u>(10,043)</u>	<u>1,049,175</u>	<u>3,774,731</u>
Expenses:					
12	810,584	279,396			1,089,980
13	51,267	117,643			168,911
14	336,525				336,525
15	10,264				10,264
16	7,439				7,439
17	256,099	(101,034)			155,065
18	2,269	21			2,290
19	5,456	696			6,152
20				1,095,717	1,095,717
21	323,527				323,527
22		2,502	159		2,661
23	3,133				3,133
24	16,313				16,313
25	91,975	21,613			113,587
26	<u>1,914,851</u>	<u>320,837</u>	<u>159</u>	<u>1,095,717</u>	<u>3,331,564</u>
27	<u>\$80,951</u>	<u>\$418,961</u>	<u>(\$10,202)</u>	<u>(\$46,542)</u>	<u>\$443,168</u>
28	<u>\$97,264</u>	<u>\$581,475</u>	<u>\$115</u>	<u>(\$46,542)</u>	<u>\$632,312</u>

INVESTMENT REPORT  
January 1, 2022 - January 31, 2022



Envelope # BLZMNCBBLLPD

UNITED LAGUNA WOODS MUTUAL  
PO BOX 2220  
LAGUNA HILLS CA 92654-2220

BROKERAGE UNITED LAGUNA WOODS MUTUAL

**Your Account Value:** **\$15,033,945.86**

**Change from Last Period:** ▼ **\$170,927.47**

	<b>This Period</b>	<b>Year-to-Date</b>
<b>Beginning Account Value</b>	<b>\$15,204,873.33</b>	<b>\$15,204,873.33</b>
Subtractions	-2,660.85	-2,660.85
Change in Investment Value *	-168,266.62	-168,266.62
<b>Ending Account Value **</b>	<b>\$15,033,945.86</b>	<b>\$15,033,945.86</b>
Accrued Interest (AI)	0.00	
<b>Ending Account Value Incl. AI</b>	<b>\$15,033,945.86</b>	

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: **\$15,033,945.86**

Change in Account Value **▼ \$170,927.47**

	This Period	Year-to-Date
<b>Beginning Account Value</b>	<b>\$15,204,873.33</b>	<b>\$15,204,873.33</b>
<b>Subtractions</b>	<b>-2,660.85</b>	<b>-2,660.85</b>
Transaction Costs, Fees & Charges	-2,660.85	-2,660.85
<b>Change in Investment Value *</b>	<b>-168,266.62</b>	<b>-168,266.62</b>
<b>Ending Account Value</b>	<b>\$15,033,945.86</b>	<b>\$15,033,945.86</b>
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$15,033,945.86	

\* 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
<b>Taxable</b>	<b>\$4,564.52</b>	<b>\$4,564.52</b>
Dividends	4,564.52	4,564.52
<b>Total</b>	<b>\$4,564.52</b>	<b>\$4,564.52</b>

## Top Holdings

Description	Value	Percent of Account
Vanguard Short Term Treasury Admiral	\$4,354,676.19	29%
Vanguard Short Term Corp Bd Index Admrl	4,174,030.31	28
Vanguard Backed Securities Indx Adm	3,433,365.04	23
Fidelity Short Term Treasury Bond Index	2,992,785.04	20
Fidelity Government Cash Reserves	79,089.28	1
<b>Total</b>	<b>\$15,033,945.86</b>	<b>100%</b>

## Core Account and Credit Balance Cash Flow

Core Account: FIDELITY GOVERNMENT CASH RESERVES

	This Period	Year-to-Date
<b>Beginning Balance</b>	<b>\$77,185.61</b>	<b>\$77,185.61</b>
<b>Investment Activity</b>		
Dividends, Interest & Other Income <sup>D</sup>	4,564.52	4,564.52
<b>Total Investment Activity</b>	<b>\$4,564.52</b>	<b>\$4,564.52</b>
<b>Cash Management Activity</b>		
Fees & Charges	-2,660.85	-2,660.85
<b>Total Cash Management Activity</b>	<b>-\$2,660.85</b>	<b>-\$2,660.85</b>
<b>Ending Balance</b>	<b>\$79,089.28</b>	<b>\$79,089.28</b>

<sup>D</sup> Includes dividend reinvestments.



## Account Summary

### Estimated Cash Flow

(Rolling as of January 31, 2022)

Month	Bond & CD Income	Bond & CD Principal	Stock Income	ETP Income	Mutual Fund Income	Other Income	Total Est. Cash Flow
February 2022	--	--	--	--	\$11,842	--	\$11,842
March	--	--	--	--	11,842	--	11,842
April	--	--	--	--	11,842	--	11,842
May	--	--	--	--	11,842	--	11,842
June	--	--	--	--	11,842	--	11,842
July	--	--	--	--	11,842	--	11,842
August	--	--	--	--	11,842	--	11,842
September	--	--	--	--	11,842	--	11,842
October	--	--	--	--	11,842	--	11,842
November	--	--	--	--	11,842	--	11,842
December	--	--	--	--	11,842	--	11,842
January 2023	--	--	--	--	11,842	--	11,842
<b>Total</b>	--	--	--	--	<b>\$142,104</b>	--	<b>\$142,104</b>

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







## 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: 0.01%	79,089.280	\$1.0000	\$79,089.28	not applicable	not applicable	\$7.91	0.010%
<b>Total Core Account (1% of account holdings)</b>			<b>\$79,089.28</b>			<b>\$7.91</b>	

### Mutual Funds

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
<b>Bond Funds</b>							
FIDELITY SHORT TERM TREASURY BOND INDEX (FUMBX) -- 30-day yield: 1.07%	286,665.234	\$10.4400	\$2,992,785.04	\$3,014,574.92	-\$21,789.88	\$23,681.12	0.790%
VANGUARD SHORT TERM TREASURY ADMIRAL (VFIRX)	413,157.134	10.5400	4,354,676.19	4,416,602.06	-61,925.87	18,346.18	0.420
VANGUARD SHORT TERM CORP BD INDEX ADMRL (VSCSX)	191,118.604	21.8400	4,174,030.31	4,275,083.45	-101,053.14	64,483.42	1.540
VANGUARD BACKED SECURITIES INDX ADM (VMBSX)	165,065.627	20.8000	3,433,365.04	3,508,104.81	-74,739.77	35,588.15	1.040
<b>Total Bond Funds (99% of account holdings)</b>			<b>\$14,954,856.58</b>	<b>\$15,214,365.24</b>	<b>-\$259,508.66</b>	<b>\$142,098.87</b>	
<b>Total Mutual Funds (99% of account holdings)</b>			<b>\$14,954,856.58</b>	<b>\$15,214,365.24</b>	<b>-\$259,508.66</b>	<b>\$142,098.87</b>	

<b>Total Holdings</b>			<b>\$15,033,945.86</b>	<b>\$15,214,365.24</b>	<b>-\$259,508.66</b>	<b>\$142,106.78</b>	
-----------------------	--	--	------------------------	------------------------	----------------------	---------------------	--

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
b 12/31	VANGUARD SHORT TERM TREASURY ADMIRAL	922031851	Dividend Received	-	-	\$2,678.34
01/31	FIDELITY GOVERNMENT CASH RESERVES	316067107	Dividend Received	-	-	0.66
01/31	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	1,885.52
<b>Total Dividends, Interest &amp; Other Income</b>						<b>\$4,564.52</b>

### Fees and Charges

Date	Description	Amount
01/12	Advisor Fee	-\$2,660.85
<b>Total Fees and Charge</b>		<b>-\$2,660.85</b>

### Core Fund Activity

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

Settlement Date	Account Type	Transaction	Description	Quantity	Price	Amount	Balance
01/03	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	2,678.340	\$1.0000	\$2,678.34	\$79,863.95
01/12	CASH	You Sold	FIDELITY GOVERNMENT CASH RESERVES @ 1	-2,660.850	1.0000	-2,660.85	77,203.10





## Activity

### Core Fund Activity (continued)

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	
01/31	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	1,886.180	1.0000	1,886.18	79,089.28	
<b>Total Core Fund Activity</b>						<b>\$1,903.67</b>		

b Activity that occurred in 2021.

## 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

- ▶ **Electronic Funds Transfer Notice:** The following notice is required by the Bureau of Consumer Financial Protection's Regulation E and applies to electronic funds transfers (EFTs) made by consumers. However, it doesn't apply to all EFTs. Generally, EFTs in nonretirement accounts, aside from those made for the purchase or sale of securities, are subject to Regulation E (each a "Covered Transfer").

**Error Resolution:** In the case of errors or questions about a Covered Transfer, promptly call or write Fidelity using the contact information listed below. You must call or write Fidelity if you think that your statement is wrong or if you need more information about a Covered Transfer on the statement. Fidelity must hear from you no later than 60 days after Fidelity sent the FIRST statement on which the problem or error appeared. You will need to tell Fidelity your name and account number, describe the error or Covered Transfer that you are unsure about, explain as clearly as you can why you believe that it is an error or why you need more information, and tell Fidelity the dollar amount of the suspected error.

If you notify Fidelity orally, Fidelity may require that you send your complaint or question in writing within 10 business days. Fidelity will tell you the results of its investigation within 10 business days of hearing from you and will correct any error promptly. If Fidelity needs more time, however, it may take up to 45 days to investigate your complaint or question. If Fidelity decides to do this, it will credit your account within 10 business days for the amount you think is in error, so that you



## Monthly Active Leasing Report 2022 Period 1 (Mutual 1)



Year	Month	1 to 3 Month	4 to 6 Month	7 to 12 Month	12+ Month	Total This Year	Total Last Year	% Leased	% Leased Last Year	% Change	Total Renewals	Total Expirations
2022	January	21	31	212	379	643	622	10.2	9.8	0.4	40	23
2022	February						619					
2022	March						631					
2022	April						613					
2022	May						603					
2022	June						624					
2022	July						613					
2022	August						618					
2022	September						618					
2022	October						618					
2022	November						631					
2022	December						638					