



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

Tuesday, April 5, 2022 – 1:30 p.m.  
Virtual Meeting

**DIRECTORS PRESENT:** Donna Rane-Szostak – Chair, Robert Mutchnick, Ralph Engdahl, Jim Cook, John Frankel, Annie McCary, Lynn Jarrett, Craig Wayne, Ira Lewis, Cush Bhada

**DIRECTORS ABSENT:** Mark Laws (excused)

**ADVISORS PRESENT:** Wei-Ming Tao, John Hess

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

**Call to Order**

Director Donna Rane-Szostak chaired and called the meeting to order at 1:32pm.

**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 amended agenda with the following addition:

- Agenda Item # 8a – General Review of the 2021 Audit Report

**Approval of Meeting Report for March 1, 2022**

A motion was made and carried with 9 in favor and one abstention to approve the committee report as presented.

**Chair Remarks**

Director Rane-Szostak presented the guiding principles of the Third Laguna Hills Mutual Investment Policy and their consistency with Davis-Stirling Civil Code 5380, Management of Association Funds.

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

None.

**Department Head Update**

Steve Hormuth, Director of Financial Services, provided an update on the 2021 financial statement audit. He noted KPMG presented the results of the audit to the Third board on April 4, 2022 and each corporation adopted their respective audit report into corporate record. He also shared that the insurance Crime Policy was extended into October 1, 2022 and the Property

Insurance will be due for renewal on June 1, 2022. Dates of recent budget workshops were shared with the committee and upcoming meeting dates were communicated.

Director Rane-Szostak mentioned the upcoming Board meeting will have an informative presentation on the budget processing.

**Preliminary Financial Statements dated February 28, 2022**

Jose Campos, Assistant Director of Financial Services, presented the Preliminary Financial Statements dated February 28, 2022 and informed the committee of the possibility of joining insurance policies with United Laguna Woods Mutual. Questions were addressed. Steve Hormuth pointed out that Unrealized gain/(loss) found on Statement of Revenues & Expenses line item # 7 will not have activity in 2022 due to the sale of the previous investment portfolio and the purchase of treasury bills. Questions were addressed.

**General Review of the 2021 Audit Report**

Steve Hormuth provided explanations to the committee for items listed under “Other changes” on the audited financial statements. It was also shared that the auditor gave a clean opinion on the financial statements.

**Future Agenda Items**

None.

**Committee Member Comments**

None.

**Date of Next Meeting**

Tuesday, May 3, 2022 at 1:30 p.m.

**Recess to Closed Session**

The meeting recessed at 2:25 p.m.

*Donna Rane-Szostak*

[Donna Rane-Szostak \(May 19, 2022 14:12 PDT\)](#)

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Donna Rane-Szostak, Chair






# Third Finance Report 2022-04-05 Open (Draft)

Final Audit Report

2022-05-19

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