



Finance Committee

Agenda

Administration Conference Room

Tuesday, March 15, 2016

10:00 a.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Notice of Quorum
3. Chairs Announcements
 - a. Introduction of Guests and Staff
 - b. Rules of Order
 - c. Chairs Report
4. Approval of Minutes
 - a. Regular Minutes of February 16, 2015
5. Shareholder/Member Comments – Agenda Items Only
(Limited to 3 minutes per person)
6. Correspondence
7. Financials
 - a. To Accept Month of February 2016 Financial Statements for Audit
 - b. To Accept 2015 Financial Statements (pp. 1-18)
8. Unfinished Business
 - a. Review of Reserve Study
 - Percent Funding
 - Inflationary Rate
9. New Business
 - a. To Approve RSI Proposal (pp. 19-21)
 - b. To Approve Video Producers Club Lease (pp. 22-27)
 - c. To Approve Golden Age Foundation Lease (Hand-out)
 - d. Policy on Capital Purchases Variances – Discussion
10. Request from Executive Committee
 - a. To Approve Non-Budgeted Funding – Assistant Service Maintenance Supervisor (pp.28-31)

11. Request from ITS Committee
 - a. To Approve Non-Budgeted Funding – Technician Monthly Recurring Support Services (pp.32-33)
12. Request from Physical Property Committee
 - a. To Approve Capital Funds – Desk Chairs Physical Property Workstation (p.34)
 - b. To Approve Reserve Funds – Floor Replacement Clubhouse Six (pp.35-37)
 - c. To Approve Community-Wide Movement Study (pp.38-42)
13. Request from Security, Bus and Traffic Committee
 - a. To Approve Capital Funds – Two Paychex Time Clocks (p.43)
14. Policies
 - d. Adopt (No Action)
 - e. Rescind (No Action)
15. Staff Reports
 - a. Purchasing Manager (pp.44-46)
 - b. Director of Finance (pp.47-52)
 - c. Executive Director
16. President's Comments
17. Shareholder Member Comments
(Limited to 3 minutes per person)
18. Committee Member Comments
19. Meetings:
 - a. Special Meeting – Thursday, March 17, 2016 at 1:00 p.m. in the Administration Conference Room –Investment Options
 - b. Next Regular Meeting – Tuesday, April 19, 2016 at 10:00 a.m. in the Administration Conference Room.
19. Adjournment

Golden Rain Foundation
Financial Statements
December 31, 2015 and 2014
(With Independent Auditors' Report Thereon)

Discussion Draft

February 23, 2016

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Golden Rain Foundation
Seal Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of Golden Rain Foundation (the "Foundation"), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of revenue and expenses by segment, changes in membership interest and trust equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Golden Rain Foundation as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Future Major Repairs and Replacements on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary budget information presented in the Statement of Operations, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

NSBN LLP
Los Angeles, California

Golden Rain Foundation
Balance Sheets
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 496,961	\$ 117,241
Investments (Note 3)	81,004	104,384
Receivables	682,656	1,162,531
Inventory of maintenance supplies	381,442	349,260
Prepaid expenses	463,399	487,775
Total Current Assets	<u>2,105,462</u>	<u>2,221,191</u>
Designated Deposits (Note 3)		
Contingency Operating Fund	706,643	697,674
Replacement Reserve Fund	6,290,766	-
Trust Improvement Fund	-	920
Capital Improvement Fund	1,288,673	6,197,314
Liability Insurance Deductible Fund	202,571	1,029,125
Other Restricted Funds	-	465,045
Total Designated Deposits	<u>8,488,653</u>	<u>8,390,078</u>
Notes Receivable		
Notes Receivable - Membership Fee	<u>14,428</u>	<u>701</u>
Community Facilities Held in Trust (Note 4 and 5)	30,666,928	30,728,854
Less: Accumulated Depreciation	<u>(20,732,698)</u>	<u>(19,890,115)</u>
Net Community Facilities	<u>9,934,230</u>	<u>10,838,739</u>
Premium on Municipal Bonds		
(net of accumulated amortization of \$40,646 and \$104,883 at December 31, 2015 and 2014, respectively)	<u>13,204</u>	<u>25,997</u>
Total Assets	<u>\$ 20,555,977</u>	<u>\$ 21,476,706</u>

See accompanying independent auditors' report.
The notes are an integral part of these financial statements

Golden Rain Foundation
Statements of Revenues and Expenses By Segment
For the Years Ended December 31, 2015 and 2014

	Trust Operations		Maintenance Services		Management Services		Golden Rain News		All Segments	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income:										
Net Billings from Mutuals	\$ 9,836,253	\$ 9,394,524	\$ 1,393,409	\$ 1,240,920	\$ 44,400	\$ 44,400	\$ (142,268)	\$ (98,400)	\$ 11,131,794	\$ 10,581,444
Advertising Income	-	-	-	-	-	-	919,290	953,136	919,290	953,136
Rental - Onsite Sales Office	509,572	415,613	-	-	-	-	-	-	509,572	415,613
Rental - Health Care Center	564,000	564,000	-	-	-	-	-	-	564,000	564,000
Income From Superwire	104,355	74,721	-	-	-	-	-	-	104,355	74,721
Other Rental Income	34,587	39,482	-	-	-	-	-	-	34,587	39,482
Interest Income	55,473	65,680	-	-	-	-	-	2,625	55,473	68,305
Interest Income Allocation	(52,889)	(9,072)	-	-	-	-	-	-	(52,889)	(9,072)
SRO Labor Cost Recovery	-	-	1,409,021	1,295,911	-	-	-	-	1,409,021	1,295,911
Other Income	487,561	265,232	-	-	-	-	1,049	(572)	488,610	264,660
Sub-Total	11,538,912	10,810,180	2,802,430	2,536,831	44,400	44,400	778,071	856,789	15,163,813	14,248,200
Excess Income Transfers	-	234,169	-	(267,555)	-	-	-	33,386	-	-
Trust Assets Depreciation	-	(771,819)	-	-	-	-	-	-	-	(771,819)
Total Income	11,538,912	10,272,530	2,802,430	2,269,276	44,400	44,400	778,071	890,175	15,163,813	13,476,381
Operating Expenses:										
Salaries and Benefits	6,141,110	6,393,291	2,341,950	2,135,200	-	-	514,455	525,830	8,997,515	9,054,321
Retirement Plan (Note 5)	76,999	77,591	54,755	52,656	-	-	12,244	13,544	143,998	143,791
Materials and Supplies	432,726	480,134	69,204	16,202	-	-	249,616	218,614	751,546	714,950
Utilities and Trash Hauling	518,182	500,642	16,621	17,228	-	-	7,006	6,422	541,809	524,292
Insurance Premiums	445,949	383,196	-	-	-	-	17,892	18,702	463,841	401,898
Professional Services	317,504	253,786	-	-	-	-	7,660	3,426	325,164	257,212
Contract Services	169,779	166,361	1,374	1,319	-	-	99,577	94,448	270,730	262,128
Equipment Maintenance	184,543	179,468	30,768	22,901	-	-	1,589	1,520	216,900	203,889
Facility Maintenance	1,414,342	1,309,623	1,944	55	44,400	44,400	5,327	1,905	1,466,013	1,355,983
Recreation - Entertainment	265,588	213,920	-	-	-	-	-	-	265,588	213,920
Property Taxes and Licenses	28,718	33,154	737	115	-	-	-	-	29,455	33,269
Miscellaneous	229,277	281,364	90,081	12,786	-	-	7,889	2,281	327,247	296,431
Replacement Reserve Funding	1,000,000	-	-	-	-	-	-	-	1,000,000	-
Total Expenses	11,224,717	10,272,530	2,607,434	2,258,462	44,400	44,400	923,255	886,692	14,799,806	13,462,084
Excess Income (Loss) before Trust Assets Depreciation	314,195	-	194,996	10,814	-	-	(145,184)	3,483	364,007	14,297
Trust Assets Depreciation	(850,816)	-	(11,239)	(10,814)	-	-	(2,901)	(3,483)	(864,956)	(14,297)
Net Income (Loss)	\$ (536,621)	\$ -	\$ 183,757	\$ -	\$ -	\$ -	\$ (148,085)	\$ -	\$ (500,949)	\$ -

See accompanying independent auditors' report.
The notes are an integral part of these financial statements

Golden Rain Foundation
Changes in Membership Interest and Trust Equity
For the Years Ended December 31, 2015 and 2014

	Membership Interest	Additional Net Paid-In Capital	Transfers to Trust	Mutuals' Beneficial Interest In Trust Assets	Excess Income Before Depreciation and Amortization	Accumulated Depreciation and Amortization	Total
Balance at January 1, 2014	\$ 1,609,800	\$ 20,377,326	\$ (14,547,195)	10,590,987	\$ -	\$ -	\$ 18,030,918
Membership Fees	-	746,244	-	-	-	-	746,244
Fund Earnings (net of taxes)	-	9,072	-	145	-	-	9,218
Funding From Excess Income	-	-	-	12,627	-	-	12,627
Transfers	-	-	(897,338)	897,338	-	-	-
Excess income and transfers over direct operating expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Claims Paid	-	1,792	-	-	-	-	1,792
Municipal Bonds Premium Allocation	-	2,575	-	(2,575)	-	-	-
Balance at December 31, 2014	1,609,800	21,137,008	(15,444,532)	11,498,522	-	-	18,800,798
Membership Fees	-	-	-	1,201,016	-	-	1,201,016
Fund Earnings (net of taxes)	-	2,570	-	50,318	-	-	52,888
Funding From Assessments	-	-	-	1,000,000	-	-	1,000,000
Expenditures from equity reserves	-	-	-	(2,485,322)	-	-	(2,485,322)
Transfers	-	(829,125)	-	829,125	-	-	-
Excess income and transfers over direct operating expenses	-	-	-	-	364,007	-	364,007
Depreciation and amortization	-	-	-	-	-	(864,956)	(864,956)
Balance at December 31, 2015	<u>\$ 1,609,800</u>	<u>\$ 20,310,455</u>	<u>\$ (15,444,532)</u>	<u>12,093,659</u>	<u>\$ 364,007</u>	<u>\$ (864,956)</u>	<u>\$ 18,068,433</u>

See accompanying independent auditors' report.
The notes are an integral part of these financial statements

Golden Rain Foundation
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
(Decrease) increase in members' equity	\$ (732,365)	\$ 769,880
Adjustments to reconcile (decrease) increase in members' equity to net cash provided by operating activities		
Depreciation	864,956	786,116
Decrease in other receivables and accrued interest	479,875	143,100
(Increase) decrease in inventory of maintenance supplies	(32,182)	35,919
Decrease (increase) in prepaid expenses	24,376	(95,315)
Decrease in other assets	12,793	22,164
(Increase) decrease in notes receivable	(13,727)	2,338
(Decrease) in accounts payable	(257,979)	(458,522)
Increase in project commitments	795,037	-
(Decrease) in due to contingency operating fund	-	(122,060)
(Decrease) in accrued expenses	13,080	153,896
(Decrease) increase in payable to mutuals	(700,223)	399,099
(Decrease) increase in deposits held in trust	-	(6,516)
(Decrease) in mutuals' self insurance reserve	-	(192,832)
Net cash provided by operating activities	<u>453,641</u>	<u>1,437,267</u>
Cash flows from investing activities:		
Proceeds for the sale of investments	705,000	455,000
(Costs) of the investments sold	(705,000)	(455,000)
(Increase) Decrease of investments and designated deposits	(75,195)	207,600
Proceeds for the sale of fixed assets	1,274	-
Acquisition of fixed assets (excluding construction in progress)	(843,104)	(2,561,596)
Dispositions in construction in progress for community facilities	843,104	937,983
Net cash (used in) investing activities	<u>(73,921)</u>	<u>(1,416,013)</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents	379,720	21,254
Cash and equivalents at beginning of year	117,241	95,987
Cash and equivalents at end of year	<u>\$ 496,961</u>	<u>\$ 117,241</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for income taxes	\$ <u>62,960</u>	\$ <u>-</u>
Cash paid for interest	\$ <u>-</u>	\$ <u>-</u>

See accompanying independent auditors' report.
The notes are an integral part of these financial statements

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(1) Nature of Operations

The Golden Rain Foundation (the "Foundation"), a Non Profit Mutual Benefit Corporation, operates and maintains the community facilities within a cooperative housing project consisting of 6,482 cooperative units and 126 condominium units known as Seal Beach Leisure World. The housing project is owned by sixteen corporations (the "Mutuals") whose stockholders are also members of the Foundation. The sole purpose for the existence of the Foundation is to provide management, accounting and maintenance services to the sixteen mutual corporations and to care for the community facilities.

(2) Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the standards promulgated by the Financial Accounting Standards Board. Beginning with 2006, the financial statements have been expanded to reflect the various functions of the Golden Rain Foundation. The assets, liabilities and members' equity of the Foundation as a corporation had been separated from the trust assets which the Foundation controls, and is responsible for, as trustee for the Golden Rain Foundation Trust. The accountability for these trust assets had been re-characterized as the Mutuals' Beneficial Interest in the Trust through 2014. In addition to the changes in the Balance Sheet, the Statement of Revenues and Expenses has been segmented to separate trust from non-trust activities.

B. Transfer of Foundation Assets

Beginning with 2015, the Foundation's assets were transferred into the Trust and have been combined for financial reporting. The intention of this change is to provide reporting that accurately represents the Foundation's operations.

C. Operating Costs

The Foundation is a non profit corporation and it is intended that all of its operating costs be recovered from the Mutuals. All operating costs are charged to the Mutuals by the Foundation in the year incurred. Budgeted costs are apportioned and billed monthly to the Mutual Corporations on the basis of the number of units available for occupancy in each Mutual. Should the actual operating expenses exceed the actual operating income, the net excess expenses will be billed to the Mutuals based on the number of units per Mutual. Net excess income shall be eliminated in accordance with Policy 5528-31. Total operating income exceeded total operating costs by \$364,007 in 2015 and \$712,850 in 2014. Excess Income from Trust Operations for 2015 was \$314,195 and from the Golden Rain Foundation operations was \$49,812.

In 2015, \$364,007 was transferred to the Foundation's Replacement Reserve Fund.

D. Inventory of Maintenance Supplies

Inventory consists primarily of maintenance supplies to repair or replace property held by the Mutuals and the community facilities that the Foundation holds in trust for the Sixteen Mutuals. Inventory is stated at cost, determined on a first-in, first-out basis, which approximates market value.

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(2) Summary of Significant Accounting Policies (Continued)

E. Investments

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC Number 320-10) "Accounting for Certain Investments in Debt and Equity Securities" requires that investments be classified as , "held to maturity," "available for sale" or "trading securities." The standard defines investments in securities as held to maturity based upon a positive intent and ability to hold those securities to maturity. Investments held to maturity are reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses included in operations. Debt and equity securities not classified as held to maturity or trading securities are classified as available for sale and are recorded at fair value, with unrealized gains and losses excluded from operations and reported as a separate component of members' equity. The Foundation has classified its entire investment portfolio as held to maturity and thus has recorded its investment securities at amortized cost.

F. Fixed Assets and Community Facilities

Fixed assets and community facilities held in trust by the Foundation are recorded at cost and are being depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 30 years.

G. Other Assets

Other assets consist of premiums paid for municipal bonds. Amounts are being amortized using the effective yield method over the life of the assets, which range from one to nine years.

H. Future Major Repairs and Replacements

The Foundation's governing documents require that funds be set aside for the addition, replacement and repair of Trust property. The Foundation also maintains funds reserves for disasters and for the cost of liability insurance deductibles. These reserves are reported on the accompanying balance sheets as Designated Deposits. Funds held on behalf of the Mutuals are offset by a liability to the Mutuals.

I. Statement of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash, demand and savings deposits in banks, and securities and certificates of deposit maturing within 90 days of the original purchase date. Amounts reported as deposits and investments designated for a specific purpose do not meet the definition of cash and cash equivalents.

J. Concentration of Credit Risk

The Foundation's cash is maintained in three commercial banks. Cash maintained in US Bank consists of demand deposits and money market accounts. US Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Foundation's US Bank accounts are fully covered by this program. Cash maintained in First Foundation Bank consists of money market and CDAR accounts. Cash in the money market account totals \$489,189 which exceeds the FDIC insured amount by \$239,189. Cash in CDAR accounts total \$5,450,000. CDAR funds are insured by the FDIC up to \$50 million. Cash maintained in BNY Mellon consist of a money market account. Cash in the money market totals \$149,207 which is fully covered by FDIC Insurance.

The Foundation has \$375,000 invested in municipal bonds, which it closely monitors with its investment advisor.

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(2) Summary of Significant Accounting Policies (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of changes in members' equity during the reporting period. Actual results could differ from those estimates.

L. Advertising

Advertising costs are charged to operations when incurred and are included in operating expenses. The Foundation did not incur any advertising expense for the years ended December 31, 2015 and 2014.

M. Income Taxes

For reporting purposes, the Foundation may file under the general corporation rules, which uses a graduated rate or under Internal Revenue Code Section 528 that provide for a single tax rate. The option that produces the most favorable return is the one ultimately selected for filing. Under both methodologies, the taxable income is based on nonmember income and interest from invested funds. Provision has been made for the 2015 tax liability.

The Foundation adopted the provisions of FASB ASC Number 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC Number 740-10, the Foundation adopted a policy to recognize penalties and interest resulting from these uncertainties in the period in which they are incurred as operating expenses.

The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Foundation believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Foundation's financial condition, results of operation, or cash flows. Accordingly, the Foundation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to Federal income tax examinations for the years prior to 2012, and to California tax examinations for the years prior to 2011.

N. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements.

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(2) Summary of Significant Accounting Policies (Continued)

O. Subsequent Events

Date of Management's Review - Subsequent events have been evaluated through February 23, 2016, the date that these financial statements were available to be issued.

(3) Designated Deposits and Investments

The Foundation adopted the provisions of FASB ASC 820 for fair value measurement that are recognized at fair value in the financial statements on a reoccurring basis. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements. This standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction, prioritizes the use of market based information over entity specific information and establishes a three level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date. Fair values determined by Level 1 inputs utilize quoted prices in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset. Cash, cash equivalents and money market accounts are Level 1 inputs. Municipal bonds and Government National Mortgage Association securities are Level 2 inputs. There are no Level 3 inputs.

The Foundation further adopted the provisions of ASC 820-10 for disclosure requirements related to transfers in and out of Levels 1 and 2 inputs. For the year ended December 31, 2015, there were no significant transfers from Level 1 to 2; there were \$705,000 transfers from Level 2 to 1 inputs.

The \$705,000 represents the Proceeds from the Sale of Investments as disclosed on the Statement of Cash Flows.

Investments and deposits are recorded on the balance sheets at December 31, 2015 and 2014 as follows:

	2015	2014
Investments	\$ 81,004	\$ 104,384
Designated deposits and investments	8,488,653	8,390,078
	<u>\$ 8,569,657</u>	<u>\$ 8,494,462</u>

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(3) Designated Deposits and Investments (Continued)

The Board, at its discretion, has designated resources to be set aside to provide for the activities indicated below. The cost of these designated deposits and investments at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
<u>Contingency Operating Fund</u> – Designated for unbudgeted or unanticipated events or shortfalls in anticipated revenues. Deposits to the Trust Contingency Operating Fund are made from excess income in accordance with Policy 5528-31.	\$ 706,643	\$ 697,674
<u>Replacement Reserve Fund</u> - Designated for future maintenance and replacement of major components/assets that the Foundation is required to maintain in accordance with California Civil Code. Use and expenditures of reserve funds are governed by Policy 5520-31. The Reserve fund is funded by contributions collected through monthly assessments and from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31. Additional funding may result through surplus operational funds from the preceding fiscal year in accordance with Policy 5528-31 and in accordance with the Civil Code.	6,290,766	-
<u>Trust Improvement Fund</u> - Designated for the replacement of the community facility properties. This fund was closed to the Replacement Reserve Fund in 2015.	-	920
<u>Capital Improvement Fund</u> - Designated for new purchases (not replacement) of equipment and/or assets upon Trust property or used in the maintenance of Trust property or in the performance of Foundation duties under the management agreement with the Mutual Corporations. The Capital Improvement fund is funded from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31.	1,288,673	6,197,314
<u>Liability Insurance Deductible Fund</u> - Designated for payment of the deductible portion of any liability claims and expenses that may occur as a result of a disaster not covered by insurance. Deposits to the liability insurance deductible and disaster fund are made from interest earned on that fund's investments less any applicable income taxes.	202,571	1,029,125
<u>Other Restricted Funds</u> - Designated for payment of repairs and taxes, payment of insurance proceeds for repairs resulting from a fire, and deposits being held in trust. In 2015, these funds were transferred to each respective Mutual Corporation's balance sheet.	-	465,045
	<u>\$ 8,488,653</u>	<u>\$ 8,390,078</u>

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(3) Designated Deposits and Investments (Continued)

A comparison of amortized cost and approximate fair value of deposits and investments held to maturity at December 31, 2015 follows:

	2015		2014	
	Cost	Fair value	Cost	Fair value
Cash, cash equivalents and money markets	\$ 2,737,518	\$ 2,737,518	\$ 3,452,807	\$ 3,452,807
Certificates of deposits	5,450,000	5,450,000	3,950,000	3,950,000
Municipal bonds	377,124	386,607	1,093,907	1,127,094
Government National Mortgage Association securities	7,139	7,851	11,655	12,990
Total	\$ 8,571,781	\$ 8,581,976	\$ 8,508,369	\$ 8,542,891

The amortized cost and estimated fair value of designated deposits and investments at December 31, 2015 and 2014 by contractual maturity, are shown below:

	2015		2014	
	Cost	Fair value	Cost	Fair value
Due one year or less	\$ 8,514,333	\$ 8,521,581	\$ 8,116,271	\$ 8,126,271
Due after one year through five years	50,309	52,544	380,443	403,630
Due after five years through ten years	5,581	6,312	7,371	8,314
Due after ten years	1,558	1,539	4,284	4,676
	\$ 8,571,781	\$ 8,581,976	\$ 8,508,369	\$ 8,542,891

(4) Fixed Assets

At December 31, 2015 and 2014, fixed assets, at cost after transfers, consisted of the following:

	2015	2014
Furniture and equipment	\$ -	\$ 874,276
Less: accumulated depreciation	-	(835,465)
Net fixed assets	\$ -	\$ 38,811

In January 2015, the Foundation's assets were transferred into the Trust and have been combined for financial reporting. The intention of this change is to provide financial reporting that accurately represents the Foundation's operations Note 2(B).

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(5) Community Facilities Held in Trust

Fixed assets, which are made up of property and equipment required to manage the Foundation's operations, also include the community facilities, including land parcels, utilities, streets, medical and recreational buildings which are held in trust by the Foundation for the benefit of the Mutuals.

A summary of the community facilities held in trust at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 999,091	\$ 999,091
Infrastructure	8,648,040	8,648,040
Building and improvements	11,328,030	11,320,722
Fixtures and equipment	9,691,767	8,043,621
Sub-total	30,666,928	29,011,474
Less accumulated depreciation	(20,732,698)	(19,054,650)
Construction in progress	-	843,104
Net community facilities	<u>\$ 9,934,230</u>	<u>\$ 10,799,928</u>

Total community facilities represent amounts invested in the community facilities by the Mutuals, which are equal, except for Mutuals Nos. Sixteen and Seventeen, to values attributed to the community facilities by the Federal Housing Administration historically. The original contribution of Mutual Sixteen to the trust was based on the cost of its off-site improvements and utilities, plus an allocated share of the cost of recreational and other community facilities. The original contribution of Mutual Seventeen to the Trust was based on its allocated share of the then current fair market value, as determined by the Foundation, attributed to the original community facilities purchased by the Mutual. The future interests of the Mutuals in the subsequent Trust additions have been allocated to each Mutual in proportion to the Mutual's number of units as compared to all units in the project.

(6) Employees' Retirement Plan

Effective January 1, 2000, the Employees' Retirement Plan was amended from a defined contribution money purchase plan to a 401(k) plan. Employees with 1,000 hours of service with the Foundation continue to be eligible. Participants are able to contribute from 1% to 100% of their compensation. Employer matching is 50% of the employees' contribution up to 8% of their compensation. The vesting period for the employer's match is set by statute at 100% after three years of service. Contributions made to the Plan by the Foundation amounted to \$143,998 and \$143,791 in 2015 and 2014, respectively.

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(7) Commitments

- A.** The Foundation has an operating lease agreement for equipment expiring October 2018. Future minimum payments under these non-cancelable leases are as follows:

Year ending December 31:

2016	\$	24,564
2017		24,564
2018		18,423
	\$	<u>67,551</u>

Rent expense under the operating lease was \$28,861 for the year ended December 31, 2015.

- B.** The Foundation, as Trustee, rents the on-site sales office to outside services. The tenant calculates income received from the lease of the on-site sales office at a fixed percentage of the total monthly sales income generated by the tenant. The minimum guaranteed payment is \$10,000 per month. The lease agreement expires on December 31, 2017. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents the health care center to Tenet. Income received from the health care center is based on \$47,000 a month. The lease agreement expires in November 30, 2018. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents land for an RV storage center, and to NuVision Credit Union and Superwire Telecom Inc. The income received on land for the RV storage center is based on \$14,778 for the year ending December 31, 2015, and \$14,778 per year for the succeeding three years ending December 31. The income received from NuVision Credit Union is \$1,500 per month. The lease agreement expires in November 2017.

The Foundation, as Trustee, receives income from Superwire Telecom Inc. based on \$1,500 per month plus 5% of the gross revenues collected by Superwire Telecom Inc. from members of Leisure World, Seal Beach. This agreement expires February 18, 2019. The rental income of \$1,500 per month is included in the future minimum rental income schedule below.

Future minimum rental income based on the existing leases is estimated as follows:

Year ending December 31:

2016	\$	734,778
2017		718,500
2018		535,000
2019		3,000
	\$	<u>1,991,278</u>

Income received from the rental of community facilities was \$1,226,305 and \$1,089,126 in 2015 and 2014, respectively. The net book values of the resale's office and health care center are \$2,195 and \$1,311,012, respectively.

GOLDEN RAIN FOUNDATION
Notes to Financial Statements
December 31, 2015

(8) Contingencies

The Foundation was a named defendant in a lawsuit brought by their former Executive Director for termination of an employment contract. This lawsuit alleged violation of the California Fair employment and Housing Act. The Foundation has asserted a defense that the termination was based on performance. The lawsuit was settled during the year ended December 31, 2014.

During the year ended December 31, 2015, the Foundation was involved in contingencies through the normal course of its business operations.

(9) Foundation's Operations Correction

The Foundation provides administrative and facilities services for the related Mutuals for which the Mutuals reimburse the Foundation monthly. As of December 31, 2014, the Foundation determined that \$216,250 related to these services rendered had been provided during previous periods but had not been reimbursed through the monthly collection process. Accordingly, the Foundation's management ("Management") had determined to write off this receivable balance and charge it as a current year's operating expense in 2014.

Management had determined that certain liabilities totaling \$175,369, specifically, repair and tax deposits held in trust, collections for cable services and purchases of repair and maintenance supplies were overstated and no longer represents valid Foundation liabilities. GRF management had determined to write off this balance and reduce the 2014 year's operating expense.

The net effect of adjustments made to receivables and payables to net income for 2014 was:

	Effect on Excess Inc.
Mutual receivable write-off	\$ (216,250)
Repair & tax deposit liability write-off	49,155
Cable services liability write-off	53,416
Inventory supplies payable write-off	72,788
Adjustment to net income	\$ (40,891)

As of and for the year ended December 31, 2015, management determined no such corrections are needed.

Golden Rain Foundation

Supplemental Information Regarding Funds for Future Repairs

(Unaudited)

December 31, 2015

While preparing the annual operating budget, the Board reviews the conditions and assumptions regarding the common interest of the Foundation. This review consists of updating the replacement cost and remaining useful life of the Foundation's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). Except as noted below the Board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the Board does not plan any special assessments.

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Est Beg Bal	Annual Contribution	Per Unit Per Month
Replacement Reserves	1 - 40	\$ 15,444,719	\$ 5,442,330	\$ 5,644,915	\$ 1,000,000	\$ 12.61

Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and the other known revenues, and the percentage funded at the end of each of the next five years is:

Year	Required Funding	Projected Fund Bal.	% Funded
2015	\$ 8,162,173	\$ 4,967,109	\$ 1
2016	\$ 9,054,879	\$ 4,650,043	\$ 1
2017	\$ 8,310,706	\$ 5,344,472	\$ 1
2018	\$ 8,485,873	\$ 6,502,937	\$ 1
2019	\$ 9,160,071	\$ 7,684,589	\$ 1

This financial representation set forth in this summary is based on the best estimates of the Board at this time and is further predicated on the Board maintaining the current Reserve Funding Plan.

Golden Rain Foundation
Balance Sheets
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$ 636,574	\$ 894,553
Accrued expense	945,286	964,362
Accrued property tax	110,647	116,770
Project commitments	795,037	-
Payable to Mutuals - excess income refund	-	700,223
Total Current Liabilities	<u>2,487,544</u>	<u>2,675,908</u>
Equity		
Equity in Contingency Operating Fund	706,643	697,674
Equity in Replacement Reserves	5,972,635	-
Equity in Capital Improvement Fund	811,767	-
Beneficial interest in Trust Assets	4,602,614	10,800,848
Total beneficial interest in trust	<u>12,093,659</u>	<u>11,498,522</u>
Membership interest		
Membership certificates of 844 shares at \$200 par value, and 5,764 shares at \$250 par value, authorized, issued and outstanding.	<u>1,609,800</u>	<u>1,609,800</u>
Additional paid in capital	<u>20,310,455</u>	<u>21,137,008</u>
Assets contributed to the Golden Rain Foundation Trust	<u>(15,444,532)</u>	<u>(15,444,532)</u>
Income before depreciation and amortization	<u>364,007</u>	<u>-</u>
Depreciation and amortization	<u>(864,956)</u>	<u>-</u>
Total Equity	<u>18,068,433</u>	<u>18,800,798</u>
Total Liabilities and Equity	<u>\$ 20,555,977</u>	<u>\$ 21,476,706</u>

See accompanying independent auditors' report.
The notes are an integral part of these financial statements



COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: CAROLYN MILLER, DIRECTOR OF FINANCE
SUBJECT: RESERVE STUDY – RSI PROPOSAL
DATE: MARCH 15, 2016
CC: FILE

An on-site reserve study for the Golden Rain Foundation was initiated in 2014 and completed in 2015. This reserve study, prepared by RSI, was for the 2015 fiscal year and no update without site visit was performed for the 2016 fiscal year. Therefore, in preparation for the 2017 budget planning it will be necessary to complete an update without site visit for the 2017 fiscal year.

The attached Exhibit A is a proposal from RSI for an update without site visit for \$5,490.

Action Requested:

To accept the proposal from RSI and to recommend to the Board the acceptance of this agreement.



"Your Future is Our Business"

September 24, 2015

EXHIBIT A

Randy Ankeny
C/O Golden Rain Foundation
13531 St. Andrews Drive
Seal Beach, CA 90740

Re: Reserve Study Proposal - Golden Rain Foundation HOA

Dear Randy:

Thank you for allowing Reserve Studies Inc. to service your Reserve Study needs in the past. As per the California Civil Code, a Reserve Study (Update) "with a site visit" is required at least once every 3 years with annual updates in between. In addition, it is mandated that an **"Assessment and Reserve Funding Disclosure Summary"** must be distributed annually to the individual owners. In order to comply, we offer a choice of 5 types of studies, all of which include a Financial Analysis with four detailed 30-year Funding Plan options, as follows:

- 1) **Complete RSI Reserve Study with Site Visit:** required if no previous study – includes an in-depth site inspection to identify and quantify the common area components (Component Inventory) as well as document their current condition (Condition Assessment). Color photographs are included.
- 2) **Update RSI Reserve Study with Site Visit:** based on Component Inventory from previous RSI Reserve Study – includes Condition Assessment - **color photographs are now included at no extra charge!**
- 3) **Update RSI Reserve Study without Site Visit:** based on Component Inventory from previous RSI Reserve Study
- 4) **Update non-RSI Reserve Study with Site Visit:** based on Component Inventory from previous non-RSI Reserve Study - includes Condition Assessment - **color photographs are now included at no extra charge!**
- 5) **Update non-RSI Reserve Study without Site Visit:** based on Component Inventory from previous non-RSI Reserve Study.
 - ❖ Standard turnaround time is approximately 15-20 working days (with exceptions for larger or complex projects) from receipt of all documentation and the conclusion of the site inspection (if applicable).
 - ❖ Accelerated turnaround time may be available (evaluated on a case by case basis – please call for specific quote).
 - ❖ **HARD COPY** fee includes two original reports, and unless otherwise requested, one is bound and one is unbound (for ease in copying). Additional reports can be obtained for \$1 per page. A report in PDF format can be emailed upon request at no extra charge.
 - ❖ **PAPERLESS** fee entails emailing the report in PDF format only – no printed reports provided.
 - ❖ Based on our records or information provided to us, it appears that this facility should have a **type 3** Reserve Study performed for its next calendar / fiscal year.

FEE SCHEDULE	HARD COPY	PAPERLESS
1) Complete RSI Reserve Study <u>with</u> site visit:	\$ N/A	\$ N/A
2) Update RSI Reserve Study <u>with</u> site visit:	\$ N/A	\$ N/A
3) Update RSI Reserve Study <u>without</u> site visit:	\$ 5,780.00	\$ 5,490.00
4) Update <u>non-RSI</u> Reserve Study <u>with</u> site visit:	\$ N/A	\$ N/A
5) Update <u>non-RSI</u> Reserve Study <u>without</u> site visit:	\$ N/A	\$ N/A

This Proposal is valid up to 90 days from the date above. **RSI requests the first right of refusal.**

PROPOSAL Re: Golden Rain Foundation HOA

All RSI Reserve Studies:

- ◆ conform with the current Reserve Study provisions of the Davis Stirling Act in California Civil Code § 4000, et al
- ◆ are compliant with CAI's (Community Associations Institute) National Reserve Study Standards
- ◆ are backed by \$1,000,000 of Professional Liability and Workers' Compensation Insurance
- ◆ site visits are performed by one or more of the following: licensed general contractors, mechanical engineers, CREIA (California Real Estate Inspectors Association), ASHI (American Society of Home Inspectors), ICC (International Code Council) Certified Inspectors, Certified RS (Reserve Specialist) or PRA (Professional Reserve Analyst).
- ◆ are reviewed by an in-house RS (Reserve Specialist – Community Associations Institute) © and a PRA (Professional Reserve Analyst – Association of Professional Reserve Analysts) ©.

What we need to start (please email to info@ReserveStudiesInc.com):

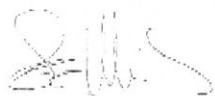
- ◆ Reserve Study Agreement (blank form included herewith)
- ◆ Financial Information Sheet (blank form included herewith)
- ◆ Deposit Check (50% of quoted fee – remaining 50% due upon delivery of report)
- ◆ CC & R's & Articles of Incorporation (only if "type 1" study) – will be returned with completed Reserve Study
- ◆ Previous Reserve Study (only if "type 4" or "type 5" study)
- ◆ Subsequent to receipt of these items, you will be contacted to schedule a site inspection (if required)

Other important items to note:

- ◆ non-RSI Reserve Studies are based on utilizing the existing component inventory (i.e. type / number of components & quantification). For an additional fee (\$175.00 per hour), components that were not identified in the previous non-RSI Reserve Study may be included in the current study. However it is usually more economical to have a complete study with site visit, especially if errors have already been identified in the previous study.
- ◆ Abnormal or extensive areas of degradation, and occasional unique components, may require specialist evaluations by independent consultants (retained at the expense of the client) and subsequent contractor bids. This is discretionary and will not be performed without authorization from the client.
- ◆ A draft of the Reserve Study will be provided, which includes a 14-day review period. Subsequently, the study will be automatically finalized and delivered, unless an extension is requested by contacting our offices and forwarding the balance of fees due. Subsequent draft(s) and additional Funding Plans may also be provided for an additional fee. Revisions after finalization of the report may be subject to additional charges.
- ◆ The California Civil Code § 5570 mandated Annual Assessment and Reserve Funding Disclosure Summary (ARFDS) form will be generated by RSI at no additional charge (for the period the study covers), upon completion of the worksheet enclosed with the final report. Due to requirements in the California Civil Code, The ARFDS must be based on a current study (i.e. we cannot generate the ARFDS for any other year than what the current study covers).
- ◆ Cancellation of the site inspection less than 24 hours in advance or failure to attend a previously scheduled inspection appointment will result in a rescheduling fee.

With experience in providing Reserve Studies throughout the western United States since 1991, RSI is committed to building a continuing relationship with respect to your future planning needs. We pride ourselves on customer service, and invite you to review a sample of our work product and / or contact previous clients for references.

Respectfully yours,



Les Weinberg, RS, MBA

LEASE AGREEMENT - VIDEO PRODUCERS CLUB

No. _____

This lease agreement is made on _____ 2016, between Golden Rain Foundation, 13531 St. Andrews Drive, Seal Beach, California 90740, a California Corporation (hereinafter referred to as "GRF"), and the Video Producers Club (hereinafter referred to as "CLUB") who agrees as follows:

1. OPENING CLAUSES

This agreement is made with reference to the following facts and objectives:

- a. GRF is the owner of the premises which consist of room A in Clubhouse Three (3) building of 1,143 square feet located at 1421 Northwood Road. CLUB is willing to lease the space from GRF pursuant to the provisions stated in this agreement.
- b. Tenant has examined the premises and fully accepts its present condition.

2. TERM

The term of this lease shall be one (1) year commencing _____ 1, 2016, and shall expire January 31, 2017. GRF shall have the option to review this Agreement annually and renew for additional one (1) year periods.

3. ANNUAL RENTAL AND TAXES

CLUB shall pay to GRF an annual rent of \$1.00 per year in advance on the first day of each yearly term, commencing on the date the term commences.

GRF shall pay all real property taxes, general and special assessments levied and assessed for the building.

4. USAGE

CLUB wishes to lease this space for the purposes of video production, provide volunteers to: staff CLUB's activities; schedule; obtain speakers and publicize (as stated in Policy 1406-50) the meetings and programs of the CLUB; engage in activities which further the purposes of the CLUB; and to further the benefits to the shareholder/members.

CLUB's use of the premises as provided in this Agreement shall be in accordance with the following:

- a. CLUB or its members shall not operate as a business_____.
- b. CLUB and each of its members, guests and invitees shall comply with GRF policies and procedures at all times_____.

No. _____

- c. CLUB shall not do, bring or keep anything in or about the premises that will cause the increase of premiums and/or cancellation of any GRF insurance covering the premises.
- d. CLUB shall comply with the CLUB's Bylaws attached to this Agreement and shall include a resolution from the CLUB's Board of Directors authorizing the President to sign this agreement.
- e. CLUB shall comply with all of the regulations and rules of CLUB's use of the premises including, without limitation, the obligation at CLUB's cost to alter, maintain the alterations or restore the premises in compliance and conformity with all regulations and rules relating to the condition, use, or occupancy of the premises during the term.
- f. CLUB shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to occupants of adjacent premises or property, or in any manner that violates the law.

5. DISCLAIMER

CLUB agrees to include the following disclaimer to be displayed at the commencement of each and every video for a continuous sixty (60) seconds, to be displayed in a legible manner on a simple black screen with large, white font:

"The views and opinions expressed in the following production do not necessarily reflect those of the Golden Rain Foundation, or its Board of Directors and staff. This video is the sole responsibility of the Video Producers Club and production of the video and its contents were not approved by the Golden Rain Foundation, its Board of Directors and/or staff.

Neither the Golden Rain Foundation nor any of its directors, employees or agents assume any legal liability or responsibility for the video, nor do they represent that its use would not infringe privately owned rights."

Neither GRF, nor any of its directors, employees or agents assumes any legal liability or responsibility for any video or production, nor do they represent that its use would not infringe privately owned rights. GRF shall not be responsible for ensuring CLUB's compliance with any applicable copyright and intellectual property laws. CLUB shall be solely responsible for securing any required releases or waivers from persons videotaped, photographed or otherwise recorded (whether audio or visual, or both), including, without limitation, those persons whose images are used for any purpose.

6. MAINTENANCE

GRF shall provide janitorial services and maintain, in good condition, all portions of the premises as needed.

No. _____

- a. CLUB shall be liable for any damage to the premises resulting from the acts or omissions of CLUB, its members, guests or any of its authorized representatives _____.
- b. CLUB shall not make any alterations to the premises without GRF's written consent. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of the lease. GRF can elect within six (6) months before expiration of the term, to require CLUB to remove any alteration that CLUB has made to the premises. If GRF so elects, CLUB at its cost, shall restore the premises to the original condition.
- c. If CLUB makes any alterations to the premises as provided in this paragraph, the alterations shall not be commenced until seven (7) business days after the GRF Representative (Recreation Manager) has received notice from CLUB stating the date that the installation of the alterations is to commence so that GRF can post and record an appropriate notice of non-responsibility.

7. UTILITIES AND SERVICES

GRF will pay for all heat, light, power and water. GRF states that said premises, and every part thereof, and all inside and outside tile, window and other structural glass and other glazing, electric, plumbing, heating and lighting fixtures and locks, bolts, wiring, heating systems and other fixtures, including sewer system, in and about the said premises are at the date hereof in good order, condition and repair.

8. INDEMNITY & INSURANCE

The CLUB and its members, on behalf of their heirs, executors, successors, and assigns, agree to release, acquit, and forever discharge and hold harmless, indemnify and defend GRF and its past, present and future Board members, contractors, agents, managers and employees of and from any and all claims, actions, causes of action, lawsuits, class action lawsuits, demands, rights, damages, costs, loss of service, expenses, liabilities, debts, judgments, including reasonable attorneys' fees and costs, and compensation whatsoever, which the undersigned now has or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen claims, damages, and any other matters pertaining to the CLUB's use or misuse (or the Boards' approval of the use) of room A in Clubhouse Three (3) building of 1,143 square feet located at 1421 Northwood Road.

No. _____

Any CLUB's activities which require special insurance not mentioned herein will be maintained by CLUB. Proof of such insurance shall be provided annually to GRF.

9. ASSIGNMENT

CLUB shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or part of the premises, or allow any other person or entity to occupy or use all or any part of the premises, without first obtaining GRF's written consent. Any assignment, encumbrance, or sublease without GRF's consent shall be voidable and, at GRF's election, shall constitute a default. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this paragraph.

Any dissolution, merger or consolidation of CLUB shall be deemed an involuntary assignment and shall constitute a default of CLUB. GRF shall have the right to terminate this Agreement, in which case the lease shall not be treated as an asset of CLUB.

No interest of CLUB in this Agreement shall be assignable by operation of law.

10. DEFAULT

The occurrence of any of the following shall constitute a default by CLUB.

- a. Failure to pay rent when due.
- b. Abandonment and vacating of the premises for thirty (30) consecutive days.
- c. Failure to perform any other provision of the Agreement if the failure to perform is not cured within thirty (30) days after written notice has been given to CLUB. If a default cannot reasonably be cured within thirty (30) days, CLUB shall not be in default of this Agreement if CLUB commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.

Notice given under this paragraph shall specify the alleged default in the applicable agreement provisions, and shall demand that CLUB perform the provisions of this Agreement, or surrender the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless GRF so elects in the Notice.

GRF shall have the following remedies if CLUB commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by Law.

No. _____

- a. GRF may terminate this lease and CLUB's right to possession of the premises at any time upon the giving of thirty (30) days' notice to quit.
- b. No act by GRF other than giving notice to CLUB shall terminate this Agreement.
- c. GRF, at any time after CLUB commits a default, can cure the default at CLUB's cost. If GRF at any time, by reason of CLUB's default, pays any sum or does any act that requires the payment of any sum, the sum paid by CLUB shall be due immediately from CLUB to GRF at the time the sum is paid, and if paid at a later date shall bear interest at the rate of 10 percent (10%) per annum from the date the sum is paid.

11. RIGHT OF ENTRY

In addition to normal usage of the facilities, GRF and its authorized representatives shall have the right to enter the premises at all reasonable times to determine whether the premises are in good condition and whether CLUB is complying with its obligations under the Agreement_____.

12. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail.

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth on page 6 of this Agreement.

Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing as provided in this section.

13. WAIVER

No delay or omission in the exercise of any right or remedy of GRF on any default by CLUB shall impair such a right or remedy or be construed as a waiver. GRF's consent to or approval of any act by CLUB requiring GRF's consent or approval shall not be deemed to waive or render unnecessary GRF's consent to or approval of any subsequent act by CLUB.

Any waiver by GRF of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

LEASE AGREEMENT - VIDEO PRODUCERS CLUB

No. _____

14. ATTORNEY'S FEES

The prevailing party in any action or proceeding (including without limitation arbitration) to enforce this Agreement shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in the prosecution or defense of the action or proceeding.

15. MISCELLANEOUS

This Agreement and all exhibits thereto constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements regarding the subject matter of this Agreement. This Agreement shall inure to the benefit of and shall be binding upon the parties, their successors and assigns. This Agreement does not create any rights in any third parties as third party beneficiaries. This Agreement may only be modified by a written instrument executed by both parties. If any provision of this Agreement is determined by an arbitrator or court of competent jurisdiction to be invalid or otherwise ineffective, the remaining provisions shall remain in full force. This Agreement shall be construed according to its fair meaning and as though no single party drafted this Agreement. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

GOLDEN RAIN FOUNDATION

President (signature)

Print

Date

Mailing Address

VIDEO PRODUCERS CLUB

President (signature)

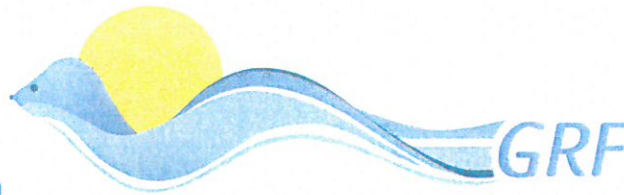
Print

Date

Mailing Address

Attachments:

1. CLUB Bylaws
2. CLUB Resolution



MEMO

TO: GRF FINANCE COMMITTEE
FROM: CINDY FLYNN, HUMAN RESOURCES MANAGER
SUBJECT: NEW POSITION – ASSISTANT SERVICE MAINTENANCE SUPERVISOR
DATE: MARCH 10, 2016
CC: RANDY ANKENY, EXECUTIVE DIRECTOR

In order to ensure that the Foundation continues to ensure succession planning is in place for critical positions and to provide the highest levels of service for our community, the Executive Board approved the creation of a new position – Assistant Service Maintenance Supervisor (Draft Position Description attached).

This will be a salaried, exempt position with a base pay range from \$45,000.00 to \$59,000.00 on an annualized basis. Taxes and benefits are estimated to be an additional 29% of base wages, for a total cost of \$58,050.00 to \$76,110.00. Funding for this position will be from the Operational budget.

We recommend approval for the funding of the newly-created position of Assistant Service Maintenance Supervisor from the Operational budget for an amount up to \$76,110.00 annually.

STAFF OPERATIONS**POSITION DESCRIPTION**

Position Title: ASSISTANT SERVICE MAINTENANCE SUPERVISOR

Department: Service Maintenance (Community Facilities)

Reports To: Service Maintenance Supervisor

OVERALL FUNCTION

Assists Service Maintenance Department Supervisor in oversight of repair and maintenance of all Golden Rain Foundation community facilities and Mutual Corporation buildings.

JOB RESPONSIBILITIES include the following. Other duties may be assigned.

Essential Functions

- Ensures departmental adherence to preventive maintenance program.
- Backs up Service Maintenance Supervisor for assigning department work and monitoring quality of employees' work performance in field and in shop.
- Assists with maintaining records of work performed.
- Reviews Service Repair Orders for accuracy and completeness.
- Coordinates major work plans with Service Maintenance Supervisor and Community Facilities Manager.
- Assists with training and evaluating performance of Service Maintenance personnel.
- Conducts safety meetings as requested; informs personnel regarding job safety and Golden Rain Foundation procedures.
- Interacts with Board Directors as needed to resolve problems related to maintenance of property.
- Utilizes computer programs including Microsoft Office programs to evaluate, update, and communicate departmental processes and work orders.
- Attends various Board and Committee meetings; makes presentations as needed.
- Assists Department Managers and/or Supervisors with special requests.
- Keeps the Service Maintenance Supervisor advised of all activities.

QUALIFICATIONS REQUIRED

Knowledge, Skills and Abilities

- Two to five years of experience in all areas of construction; one year of experience in supervising employees.
- Knowledge of building codes and specifications.
- Knowledge of occupational hazards and safety precautions.
- Ability to read blueprints.
- Ability to work with computer programs to enter and retrieve information.
- Ability to drive motor vehicles.

Physical Abilities

- Frequent walking, standing, climbing, stooping, kneeling, crouching, crawling, reaching.
- Ability to lift up to 50 pounds.
- Close vision, distant vision and depth perception necessary.

Mental Abilities

- Ability to read, write and communicate effectively.
- Ability to supervise employees.
- Ability to analyze and solve problems related to construction.
- Ability to deal effectively with co-workers, shareholders and/or members and family members, Board Directors, contractors and vendors.
- Ability to use diplomacy and sound judgment.
- Ability to coach and counsel employees.
- Ability to understand Golden Rain Foundation and Mutual policies.

Licenses/Certificates

- A valid California driver's license and a satisfactory driving record are conditions of initial and continued employment.

PERSONAL PROTECTIVE EQUIPMENT

- Safety glasses, ear plugs, respirator, work gloves, hard hat, boots, rain gear.

WORK ENVIRONMENT

- Exposure to dust, fumes, odors and chemicals.

TOOLS AND EQUIPMENT USED

- Hand tools, ladder, flashlight, wireless radio (walkie-talkie), copier, telephone.
- Desktop computer.
- Drives company truck.

The above statements are intended to describe the general nature and level of work being performed by individuals assigned to this job. They are not intended to be an exhaustive list of all responsibilities, duties and skills of personnel so classified.

Approved: 12 Feb 16



COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: INFORMATION TECHNOLOGY COMMITTEE
SUBJECT: REQUEST TO APPROVE TECHNIJIAN MONTHLY SERVICE AGREEMENT
DATE: MARCH 15, 2016
CC: FILE

At the regular meeting of the Information Technology Services Committee on March 8th, 2016, the Committee discussed the monthly service agreement Technijian had provided.

In August 2015, TruShield performed an in-depth analysis (SANS Audit) of Golden Rain Foundation's IT infrastructure and revealed the Foundation's security concerns. A report and remediation plan was offered by TruShield to address these issues.

In the following months, the Committee reviewed the SANS Audit report and decided to seek outside assistance and went out to bid on alternative IT consulting companies. On October 30th, 2015, a Special ITS Committee meeting was held where FPA Technology and Technijian presented their proposals for the Foundation's security and network security remediation.

The Committee decided to approve Technijian's proposal and have the company proceed with their remediation plan. Over the past few months, Technijian has executed the patch management phase on all staff machines, installed hardware to upgrade the Foundation's broadband and phone system, and provided hosting services for the new company website.

The remediation has been completed and it is important to continue with ongoing support. Technijian has provided a monthly service agreement for a total of \$10,275.75 a month.

Services by Desktop	128	22.00	2,816.00
Services by Mobile Device	64	16.00	1,024.00
Services by Server	19	22.00	418.00
Services By LAN	1	300.00	300.00
Services by SNMP	231	2.00	462.00
Services by E-Mail Account	128	5.00	640.00
Services By Email Domain			7.50
Remote Support Hours : US Based	50	100.00	5,000.00
Remote Support Hours : India Based	50	15.00	750.00
Total Monthly Services without discount			11,417.50
Monthly Services Discount		10.00%	1,141.75
Sales Tax		8.00%	0.00
The Products and or Services provided under this Proposal are subject to the standard Terms and Conditions of Technijian, Inc. that can be viewed at "http://www.technijian.com"page=Terms And Conditions "			
A copy of Technijian's standard Terms and Conditions can also be provided by written copy or by e-mail upon written request to Technijian, Inc.			
Signature _____	Total		\$10,275.75

The service agreement includes comprehensive services such as health/hardware monitoring, patch management, proactive maintenance, virus protection, and file backup for all Foundation machines.

Although these monthly fees are non-budgeted expenses, the Foundation may re-allocate funds from accounts 6100000 (Salaries & Wages) and 6478000 (Service Contracts). The ITS department has a positive budget variance due to the elimination of the ITS manager position and ending the contract with Mazztech (the Foundation's previous IT consultant).

Action Requested: Approval to re-allocate funds and accept Technijian's monthly service agreement for \$10,275.75 per month to be charged against the operating budget. A new GL account will be created to record IT outsourcing services.



Golden Rain Foundation

Leisure World, Seal Beach

MEMO

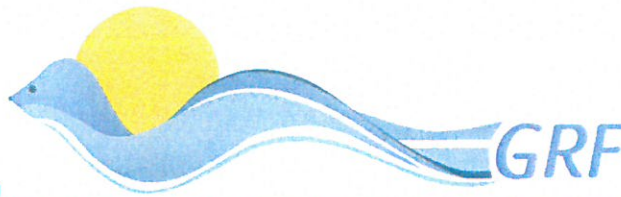
TO: FINANCE COMMITTEE
FROM: MARK WEAVER
SUBJECT: DESK CHAIRS PHYSICAL PROPERTY WORK STATION
DATE: MARCH 9, 2016
CC: FILE

Project 758-15 Physical Property Work stations has been completed under budget with a remaining balance of \$3,864. The project did not include desk chairs and 3 out of the 4 chairs will need replacement this year.

Project No.	Description	Approved Outlay	Date Approved		
758-15	Physican Property 4 Workstations	13,000.00			* FC 11/17/15
Vendor :	Talimar Systems	9,135.16	11/10/2015	no contract	
	Remaining Unused Funds	3,864.84			
2015 Capital					
Date	Vendor / Job Details	Invoice Number	Amount	Monthly Total	Project Total
12/31/2015	Talimar Systems	16701AA	9,135.16	9,135.16	9,135.16
Close?					

Action Required:

Add 3 desk chairs to the project not to exceed \$650.00



COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: PHYSICAL PROPERTY COMMITTEE
SUBJECT: FLOOR REPLACEMENT CLUBHOUSE 6
DATE: MARCH 9, 2016
CC: FILE

At its March 3, 2016 meeting the Physical Property Committee (PPC) unanimously agreed to send a request to the Finance Committee (FC) to approve funding for the replacement of the flooring in Clubhouse 6 upstairs rooms 1, 2, and 3 Asset ID 0701 approx. 5,000 sq. ft., excluding the Exercise area, and use the flooring approved by the ADRC, Johnson Navia LVT flooring, color Jet. The PPC reviewed bids from 3 contractors and is recommending awarding the project to Bixby Plaza Carpets and Flooring for a cost not to exceed \$36,900, including a \$1,500 contingency:

After a brief discussion, Ms. Snowden MOTIONED, seconded by Mrs. Damoci and unanimously carried by the Committee members present –

TO request that the Finance Committee and the Board approve the Committee's recommendation to select Bixby Plaza Carpets & Flooring to replace the upstairs flooring in Clubhouse 6, Asset ID #0701 (approx. 5000 sf), excluding the Exercising area, and use the flooring approved by the ADRC – Johnson Navia LVT flooring, Color – Jet.

The reserve study shows 9,000 sq. ft. fully funded for the entire building (See exhibit A):

Action Required:

Request approval to secure Reserve funds in the amount not to exceed \$36,900 and forward this request to the GRF Board of Directors.

COMPONENT INVENTORY
GOLDEN RAIN FOUNDATION

threshold = 2,500

AS OF: 1/1/2015

CATEGORY / COMPONENT	ID#	APPROXIMATE QUANTITY	LIFE IN YRS		CURRENT COST	ANNUAL DEPRE	RESERVES			MONTHLY CONTRIBUTION	
			USEFUL	REMAIN			ACTUAL	REQUIRED	SURPLUS/ (DEFICIT)	CURRENT	RECOMMEND
FLOORING											
vinyl-squares	0701	9,000 sq ft	40	0	27,000 ⁴	675	16,903	27,000	(10,097)	396.43	400.40
rubber/high-grade vinyl	0702	500 sq ft	20	10	6,250 ⁴	313	1,956	3,125	(1,169)	45.88	46.34
laminate	0703	7,000 sq ft	30	15	45,500 ⁴	1,517	14,242	22,750	(8,508)	334.03	337.37
RECREATION FACILITIES											
furnishings-meeting room a	0801	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
furnishings-meeting room b	0802	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
furnishings-recreation room	0803	1 room	10	8	13,500 ¹	1,350	1,690	2,700	(1,010)	39.64	40.04
restrooms	0804	4 restrooms	20	16	55,500 ⁴	2,775	6,949	11,100	(4,151)	162.98	164.61
kitchen	0805	1 kitchen	20	5	6,600 ⁴	330	3,099	4,950	(1,851)	72.68	73.41
fitness equipment	0806	1 gym	15	13	165,000 ²	11,000	13,772	22,000	(8,228)	323.02	326.25
picnic tables	0807	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
bike racks	0808	4 racks	30+	30+	0	0	0	0	0	0.00	0.00
ping pong tables	0809	ping pong tables	20	10	30,000 ²	1,500	9,390	15,000	(5,610)	220.24	222.44
care facility apartments	0810	care facility apts	20	15	25,000 ²	1,250	3,913	6,250	(2,337)	91.77	92.68
MISCELLANEOUS											
fire extinguishers	0901	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
piano	0902	1 piano	30	15	5,000 ¹	167	1,565	2,500	(935)	36.71	37.07
directory boards	0903	3 directory boards	20	15	6,500 ²	325	1,017	1,625	(608)	23.86	24.10

939

EXHIBIT A

George Hurtado

From: Cheryl Doyle <cheryl@bixbycarpets.com>
Sent: Wednesday, February 24, 2016 3:32 PM
To: George Hurtado
Subject: Flooring quote/ Clubhouse 6

The following is a quote for your flooring project at CLUBHOUSE 6

Furnish and install Johnson Luxury Vinyl Plank

Style - Naviva NT15007
Color -Jet

Price includes standard floor prep, ground works underlayment by Shaw, Johnson LVP floating floor, new cove base, installation and tax

Recreation room
\$23,000

Three additional classroom areas
\$12,400

TOTAL \$35,400

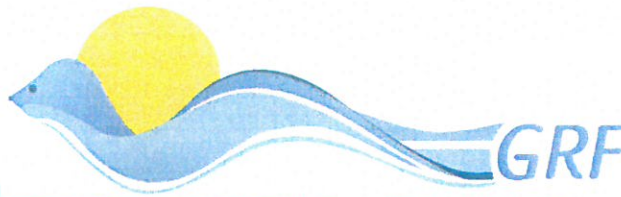
If you have any questions or concerns, please let me know.

Thank you for your business,



Cheryl Doyle
Bixby Plaza Carpets & Flooring
562 439-3678 | cheryl@bixbycarpets.com |
10831 Los Alamitos Blvd Los Alamitos
Since 1971

This email has been scanned by the Symantec Email Security.cloud service.



COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: PHYSICAL PROPERTY COMMITTEE
SUBJECT: COMMUNITY-WIDE MOVEMENT STUDY
DATE: MARCH 9, 2016
CC: FILE

At the March 2, 2016 meeting, the Physical Property Committee continued to review the draft of the Movement Study and unanimously approved to secure the services of Urban Crossroads by approving their proposal to develop a Leisure World CAMUTCD (California Manual on Uniform Traffic Control Devices) Implementation Strategy. (See attached)

This plan will also expand its Community-Wide Movement Study and outline Policy Implementations; Signage and Pavement Markings; and Design Modifications needed to bring Leisure World into compliance with the CAMUTCD. The total fees for these services are \$7,040.00.

Mr. Moore MOTIONED, seconded by Mr. McGuigan and unanimously carried by the Committee members present –

TO request for the Finance Committee and the Board to approve the Committee's recommendation to accept Urban Crossroads' proposal to prepare the Leisure World Seal Beach CAMUTCD Implementation Strategy.

Action Required:

Request to approve funding for the amount not to exceed \$7,040.00 for Urban Crossroads to expand the Community-Wide Movement Study and develop a CAMUTCD Implementation Strategy Plan for the Community and forward this request to the GRF Board.

/ld

Attachments

PROPOSAL FOR SERVICES

February 9, 2016

Mr. David Rudge
Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740

SUBJECT: LEISURE WORLD SEAL BEACH CAMUTCD IMPLEMENTATION STRATEGY

Dear Mr. David Rudge:

Urban Crossroads, Inc. is pleased to submit this proposal agreement to Golden Rain Foundation (Client) to provide a CAMUTCD Implementation Strategy for the Leisure World Seal Beach ("Project"). The purpose of the CAMUTCD Implementation Strategy is to adopt a policy implementing the current California Manual on Uniform Traffic Control Devices; develop a community inventory of signs and pavement markings; and identification of areas requiring focused review and design modifications.

SCOPE OF WORK

The following scope of work outlines the tasks needed to complete CAMUTCD Implementation Strategy.

TASK 1: POLICY IMPLEMENTATION

- 1.1 Prepare a brief policy document that can be used by The Golden Rain Foundation to update and modify the Policies, Rules and Regulations.
- 1.2 Recommend changes to the Golden Rain Foundation Policies Rules and Regulations to implement the basic principles that govern the design and use of traffic control devices outlined in the CAMUTCD. This includes eliminating the required use of speed limit pavement markings (legends).

TASK 2: SIGNS AND PAVEMENT MARKINGS

The Leisure World Seal Beach Community Wide Movement Study indicated that the existing community signs generally do not conform to the CAMUTCD guidelines for location, use, shape, color and reflectivity. Task 2 will develop a community inventory of signs and pavement markings necessary to implement the CAMUTCD: This task focuses on bringing the community current with signs and pavement markings. Task 2 is not intended to resolve circulation, crosswalk, speeding or parking design issues.

- 2.1 Expand the Leisure World Seal Beach Community Wide Movement Study community mapbook to inventory traffic control signs, traffic control devices and pavement markings throughout the community.
- 2.2 Inventory all redundant signage, non-standard, damaged and improperly placed signage, as well as potential missing signage. The inventory will identify the location, type and quantities needed to bid the work.
- 2.3 Prepare a brief letter report and an updated community mapbook summarizing the findings.

TASK 3: DESIGN MODIFICATION AREAS

Recognizing that the implementation of the CAMUTCD may require design work beyond simple traffic control signs and pavement markings, Task 3 describes the potential work effort to provide design solutions for areas of concern that should be part of a separate focused circulation review exercise.

- 3.1 Identification of discrete areas requiring focused review and design modifications as part of a future separate work effort.
- 3.2 Briefly describe the design issues and key considerations for each of the discrete areas. This will include a brief overview of potential design issues that may be related to access, pavement markings, parking restrictions, signage, pedestrian walkways, curb ramps, vehicular access locations, drive aisles, parking layout, parking requirements and overall on-site circulation.

PROFESSIONAL FEE

The professional fee to accomplish the above Scope of Work is as follows:

Task 1 (Policy Implementation)	\$1,040
Task 2 (Signs and Pavement Marking)	\$3,745
Task 3 (Design Modifications)	\$2,255
Total	\$7,040

The fees for the work outlined in this proposal are based upon personnel charges plus direct expenses as indicated in the attached Exhibit A. Due to potentially dynamic project considerations including, but not limited to: environmental occurrences, changes in the project description, and/or modifications in public/private policy, Urban Crossroads reserves the right to shift funds among individual task budgets according to specific needs. The proposed fee does not include attendance at public hearings/meetings. If these tasks are required to secure approval of the project, Urban Crossroads, Inc. would be pleased to perform them and charge the Client based on the hourly rates detailed in Exhibit A.

Mr. David Rudge
Golden Rain Foundation
February 9, 2016
Page 3 of 4

DELIVERABLES/TIMING

It is estimated that the CAMUTCD Implementation Strategy will be completed in 25 working days from the date of Client's authorization and subsequent receipt of all requested data essential to complete the study, including the final site plan. Additionally, any delays resulting from circumstances beyond our control, such as environmental occurrences, changes in the project description, and/or modifications in public/private policy may extend the time schedule. In the event this occurs, Urban Crossroads, Inc. will make the Client aware of such issues and adjust expectations accordingly. A PDF (electronic) version of the report will be provided for the client's use.

TERMS

If agreeable, this letter serves as our mutual, contractual agreement and authorization to proceed. The Client agrees to compensate Urban Crossroads on a Task Progress Basis (percentage of job completed) as subsequent work is completed. Please sign one copy of this scope of work and return it to us for our files, or send us the agreements utilized by your company. We are looking forward to serving you on this project. This proposal offer is valid for 60 days. If you have any questions, please contact me directly at (949) 336-597903.

Respectfully submitted,

URBAN CROSSROADS, INC.



Bill Lawson, P.E., INCE
Principal

CONTRACT APPROVAL:	
Approved by:	
Title:	
Firm:	Golden Rain Foundation
Date:	

EXHIBIT A

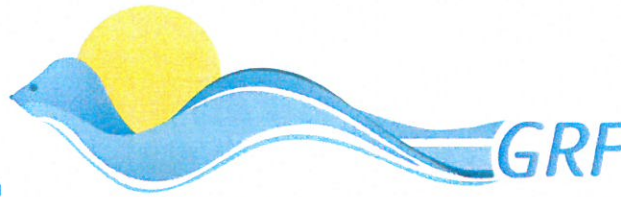
BILLING RATES FOR URBAN CROSSROADS, INC.

<u>Position</u>	<u>Hourly Rates</u>
Principal	\$180 – 250
Senior Associate	\$130 – 200
Associate	\$100 – 150
Senior Analyst	\$80 – 120
Analyst	\$70 – 110
Assistant Analyst	\$50 – 90
Administrative Support	\$60 – 100

General

- (1) Reimbursable direct costs, such as reproduction, supplies, messenger service, long-distance telephone calls, travel, and traffic counts will be billed at cost plus ten (10) percent.
- (2) Hourly rates apply to work time, travel time, and time spent at public hearings and meetings. For overtime work, the above rates may be increased 50 percent.
- (3) Client payment for professional services is not contingent upon the client receiving payment from other parties.
- (4) Billing statements for work will be submitted monthly. Statements are payable within thirty (30) days of the receipt by client of statement. Any statement unpaid after thirty (30) days shall be subject to interest at the maximum permitted by law.

January 18, 2016



COMMITTEE ACTION REQUEST

TO: FINANCE COMMITTEE
FROM: JAIME GUERRERO, SECURITY CHIEF
SUBJECT: PURCHASE OF PAYCHEX TIMECLOCKS
DATE: MARCH 9, 2015
CC: FILE

The Golden Rain Foundation currently uses a timeclock software program called Paychex to manage employee work time records. This system allows for the use of electronic timeclocks that allow employees to use unique proximity cards to clock in and out. In addition, the system allows staff to use a web-based system to document their work times.

Staff has found that the use of the web-based system experiences intermittent down time and occasional input errors. These errors extend the amount of supervisory staff time required to process the timecard records. The web-based system is used at the St. Andrews and North Gate facilities and a digital timeclock is used at the Main Gate. To improve department efficiency, staff is recommending the purchase of two Paychex electronic timeclocks for use at the St. Andrews and North Gate facilities.

Paychex is the sole provider of timeclock services for the Foundation and they provided staff with a quote for the purchase of two timeclock units with annual service agreements that cover maintenance and software updates. The purchase quote received is for a total of \$5,520 dollars.

Funds in the amount of \$5,200 dollars are available in the 2016 Capital Budget for this project.

On March 9, 2016, the Security, Bus, and Traffic Committee approved to recommend to the Finance Committee the purchase of two Paychex timeclocks at a cost not to exceed \$5545 dollars.

It is staff's recommendation the Finance Committee recommend to the Board the purchase of two Paychex timeclocks with annual agreements at a cost not to exceed \$5,520 dollars from the Capital Fund Budget.

Golden Rain Foundation
March 15, 2016 Meeting of the Finance Committee
Purchasing Manager's Report

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Purchasing				
6100000 32	Salaries & Wages - Purchasing	29,835	29,065	(770)
6140000 32	Employment Taxes - Purchasing	3,062	3,076	14
6142000 32	Workers' Compensation - Purchasing	1,350	2,900	1,550
6143000 32	Group Insurance - Medical - Purchasing	5,178	5,038	(140)
6143300 32	Group Insurance - Dental - Purchasing	134	116	(18)
6143500 32	Group Insurance - Vision - Purchasing	82	74	(8)
6144000 32	401(k) Match - Purchasing	809	560	(249)
6145000 32	Group Insurance - Life - Purchasing	160	146	(14)
6146000 32	Long Term Disability Insurance - Purchas	128	172	44
6211000 32	Continuing Education - Purchasing	0	300	300
6214000 32	Meals & Special Events - Purchasing	139	0	(139)
6215000 32	Mileage - Purchasing	0	20	20
6217000 32	Uniforms & Laundry - Purchasing	275	300	25
6410000 32	Office Supplies - Purchasing	54	200	146
6410005 32	Building Supplies - Purchasing	98	170	72
6410010 32	Hospitality - Purchasing	75	90	15
6410015 32	Computer Supplies - Purchasing	0	0	0
6410020 32	Equipment Expense - Purchasing	516	224	(292)
6410030 32	Printer / Copier Supplies - Purchasing	0	132	132
6411000 32	Freight & Handling - Purchasing	3,365	1,650	(1,735)
6435100 32	Bank Service Fees - Purchasing	229	100	(129)
6444000 32	Equipment Rental - Purchasing	223	224	1
6471000 32	Building Repair & Maintenance - Purchas	188	50	(138)
6472000 32	Equipment Repair & Maintenance - Purchas	99	100	1
6478000 32	Service Contracts - Purchasing	22	36	14
6482000 32	Dues, Memberships & Books - Purchasing	0	30	30
6483000 32	Propane - Purchasing	585	500	(85)
6911500 32	Inventory Over / Short-Purchasing - Purc	547	334	(213)
6911505 32	Obsolete Inventory Adjustment - Purchas	674	670	(4)
	Total Expenses	47,847	46,277	(1,570)
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	(3,265)	5,000	(8,265)
5385000 32	Other Income - Purchasing	25	0	25
5540000 32	Discounts Earned - Purchasing	533	0	533
	Total Other Cost Recovery	(2,707)	5,000	(7,707)
5330000 32	Income / Refund from Mutuals - Purchasin	41,640	41,641	(1)
	Total Cost Recovery	38,933	46,641	(7,708)
Off Budget Items				
5990000 32	Materials Recovery - Purchasing	(11,623)	0	11,623
6415000 32	Materials Pass-Thru - Purchasing	11,623	0	(11,623)
	Total Off Budget Items	0	0	0
	Net Income / (Expense)	(8,914)	364	(9,278)

Golden Rain Foundation
March 15, 2016 Meeting of the Finance Committee
Purchasing Manager's Report

Budget Variance:

Cost center 32 is over budget a total of \$9,278. YTD. Notable variances are:

Budget Variance Report - February 2016
Purchasing - CC 32

<u>GL Code</u>	<u>Account Description</u>	<u>Variance</u>	<u>Explanation</u>
6140000	Worker's Comp	1,550	Over budgeted
6411000	Freight & Handling	(1,735)	Freight Expense exceeded Freight Budgeted mainly due to large appliance back orders arriving in January (\$1495) and CA Lumber tax, which I am working to add back into the appropriate item cost going forward.
5380320	Shipping & Processing Recovery	(8,265)	Due to difficulty reconciling amounts billed and charged between Great Plains and Adapt, I am not easily able to understand why this account is so over-budget. Currently, this account is used to book any variance between COGS and revenue, as well as freight. The installation of Axserion will we will be able to drill into and better understand these variances.
Total Explained Variances		<u>(8,450)</u>	

Project Report:

- a. Axserion launch planning and execution.
 - i. Training and launch preparation in progress.

- Surplus Equipment:

- a. Reporting on the following income from items sold: No items sold for February, there is a surplus equipment sales currently running through March 17.

- 2014/2015 Capital Project Status:

- a. Bar Code Printer Label: Pending.
 - b. Large Area storage racking remodel complete.

Golden Rain Foundation
March 15, 2016 Meeting of the Finance Committee
Purchasing Manager's Report

Purchasing Services Report, Month ending February, 2016:

2016 Total Purchasing Services Report

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	CC Trans	Purchase Orders	Total Services
January	20	\$ 6,929.97	436	177	285	61	197	1156
February	20	\$ 4,035.59	614	125	162	50	150	1101
March		\$ -	0	0	0	0	0	0
April		\$ -	0	0	0	0	0	0
May		\$ -	0	0	0	0	0	0
June		\$ -	0	0	0	0	0	0
July		\$ -	0	0	0	0	0	0
August		\$ -	0	0	0	0	0	0
September		\$ -	0	0	0	0	0	0
October		\$ -	0	0	0	0	0	0
November		\$ -	0	0	0	0	0	0
December		\$ -	0	0	0	0	0	0
Total	40	\$ 10,965.56	1050	302	447	111	347	2257
Daily Avg		\$ 274.14	26	8	11	3	9	56

Obsolete Inventory (GL 1163000-00)

None to report for period ending February 29, 2016.

Golden Rain Foundation
March 15, 2016 Meeting of the Finance Committee
Director of Finance Report

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Finance				
6100000 31	Salaries & Wages - Finance	90,629	87,207	(3,422)
6140000 31	Employment Taxes - Finance	8,549	8,773	224
6142000 31	Workers' Compensation - Finance	1,492	3,204	1,712
6143000 31	Group Insurance - Medical - Finance	7,555	8,114	559
6143300 31	Group Insurance - Dental - Finance	247	194	(53)
6143500 31	Group Insurance - Vision - Finance	133	134	1
6144000 31	401(k) Match - Finance	1,957	2,050	93
6145000 31	Group Insurance - Life - Finance	400	414	14
6146000 31	Long Term Disability Insurance - Finance	325	482	157
6210005 31	Payroll Processing Fees - Finance	6,620	6,498	(122)
6211000 31	Continuing Education - Finance	0	0	0
6215000 31	Mileage - Finance	0	0	0
6410000 31	Office Supplies - Finance	273	991	718
6410010 31	Hospitality - Finance	129	132	3
6410015 31	Computer Supplies - Finance	0	0	0
6410025 31	Lunch Room Supplies - Finance	0	12	12
6410030 31	Printer / Copier Supplies - Finance	458	920	462
6432100 31	Audit Fees - Finance	19,334	22,416	3,082
6435100 31	Bank Service Fees - Finance	288	510	222
6444000 31	Equipment Rental - Finance	495	496	1
6478000 31	Service Contracts - Finance	168	580	412
6482000 31	Dues, Memberships & Books - Finance	0	0	0
6483201 31	Mailouts - Periodic - Finance	0	0	0
6483202 31	Mailouts - Pymt Coupons - Finance	5,755	6,352	597
6491000 31	Miscellaneous Writeoffs - Finance	3	0	(3)
6721000 31	State & Federal Taxes - Finance	4,400	4,400	0
6951000 31	Non-Budgeted Exp for Committee - Finance	0	250	250
Total Expenses		149,210	154,129	4,919

Budget Variance Report - February 2016
Finance Department - CC 31

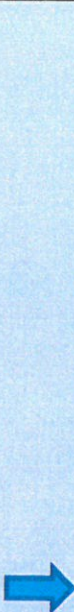
GL Code	Account Description	Variance	Explanation
6432100	Audit Fees	3,082	Annual audit fees < bid quotes, Annual variance projected to be \$18,496
Total Explained Variances		3,082	

Funds Transferred to Reserve Funds

- Per approval of the GRF Board on 2/23/2016, \$966,032 was transferred from the Capital fund to the Reserve fund representing unused funds from 2014 carryover projects into 2015 and 2015 projects initially funded with Capital funds that were reclassified as reserve projects.
- Per approval of the GRF Board on 2/23/2016, the Budget Contingency Fund was drawn down to \$500,000 and the remaining \$206,642 was transferred to the Reserve Fund.

Golden Rain Foundation
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Audit Timeline

2015 Financial Statement Audit Timeline		
Dec 15 - 18		Interim fieldwork begins - auditors onsite Walk-throughs, assess controls, review legal bills, develop the audit plan.
Dec 30		Physical inventory - auditors onsite to observe
Early Jan		Send out audit confirmations: Attorneys & financial institutions
Jan 25 - Feb 6		Year-end fieldwork - auditors onsite
February		Finalize financial statements & prepare tax filings - Auditors offsite
Feb / Mar		Present audited financial statements to GRF & Mutual boards. Once board approves, make copies for newspaper distribution
Mar 15		Due date for tax filing (Finalize by Mar 7 - 11)
Apr 4 - 7		Provide News with financial statements for distribution
Apr 14		Distribute financial statements via Golden Rain News

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Investments

- Purchased in February
 - \$230,000 from FFB liquid reserve account to be invested in 52-week CDAR to continue the investment ladder.
 - Rescinded: \$125,000 from proceeds of matured bond allocated to the budget contingency fund. To be invested in 52-week CDAR per Finance Committee resolution dated November 5, 2015. The Committee passed a motion to draw down the budget contingency fund to \$500,000 and therefore felt it necessary to keep these funds liquid.
- Recommendation for March
 - No maturities scheduled for March
 - \$2.3M in liquid funds in Reserves
 - Recommend adding \$500,000 to the investment ladder to invest in a 52-week CDAR @ .5%.
- Pending Action Item: Invite financial advisors to speak with the Finance Committee members
 - A special Finance Committee meeting is scheduled for March 17, 2016
 - Guest speakers are:
 - Merrill Lynch – Curt Biddulph (US Trust) and Davis Aldana (Merrill Lynch)
 - US Bancorp – Dan Carlson (will call in)
 - BNY Mellon – Erez Kabaker
 - First Foundation Bank – Anita Young, Kyle Auslander and Phillipe Oertle

Superwire

1. Monthly payments of \$1,600 are received each month on past due amounts for 2009 – 2012. **Past due balances are paid in full.**
2. Monthly estimated payments of 1,100 for current extra service revenue is deducted from the amount owed back to Superwire on a monthly basis.
3. Fourth quarter 2015 true-up amount was deducted from the March 2016 settlement payment to Superwire.

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Superwire		
Due From	Amount	
2009	2,248.24	
2010	10,100.97	
Jan - Apr 2011	\$3,693.30	
Subtotal	16,042.51	
May - Dec 2011	\$1,197.20	
2012	\$1,795.80	
2013	-	Paid in full Mar '15
2014	-	Paid in full Mar '15
1st Qtr 2015	-	Paid in full Jul '15
2nd Qtr 2015	-	Paid in full Sep '15
3rd Qtr 2015	-	Paid in full Dec '15
4th Qtr 2015	-	Paid in full Mar '16
Subtotal	\$2,993.00	
Total	<u>19,035.51</u>	
Payments: (\$19,035.51) 4/1/2015 - 3/1/2016		
Bal Due:	<input type="text" value="-"/>	

Aged Receivables (GRF - Quarterly Review)

Contract Renewal Report (Quarterly Review)

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Mutual Seventeen Lease Income

1. Collected YTD: 15 memberships totaling \$5,190.00

M17 Lease Fees Collected in February 2016

			Month	YTD
	346		Total	Total
2/4/2016	4		4	
2/17/2016	1		1	
	5		5	15
			Month	YTD
	346		Total	Total
2/4/2016	1384		1,384	
2/17/2016	346		346	
			1,730	
Total M17 Lease Fees Collected February 2016			1,730	5,190

Policy 5061-31 Distribution:

		Month	YTD
Capital Improvement Fund	50%	865	2,595
Reserve Fund	50%	865	2,595
Total Membership Fees		1,730	5,190

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SRO Aging Recap:

Month	Jan 2016	Feb 2016	
Jul-15	1	-	
Aug-15	3	2	
Sep-15	4	2	
Oct-15	4	4	
Nov-15	11	4	
Dec-15	252	153	
Jan-16	1,069	289	
Feb-16	-	1,179	
Total	1,344	1,633	

Pending Action Items:

- Pending Action Item: Invite financial advisors to speak with the Finance Committee members