



FINANCE COMMITTEE MINUTES

January 19, 2016

The regular Finance Committee meeting held on Tuesday, January 19, 2016, was called to order by Chair Stone at 10:00 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

ROLL CALL

Present:	Ms. L. Stone, Chair	Mr. P. Hood
	Mrs. C. Damoci, Vice Chair	Ms. P. Snowden
	Mr. P. Friedman	Mr. R. Stone
Absent:	Mrs. M. Dodero	
Staff:	Mr. R. Ankeny, Executive Director	
	Ms. C. Miller, Controller	
	Ms. B. Shuler, Finance Supervisor	
	Mrs. J. Rodgers, Purchasing Manager	
	Mrs. D. Bennett, Recording Secretary	
	Mrs. L. Perrotti, GRF Representative, Mutual One	
	Four Foundation Members	

APPROVAL OF MINUTES

The Chair declared the Regular Meeting minutes of December 19, 2015, approved as written.

INTRODUCTION OF STAFF AND GUESTS

The Chair introduced and welcomed Foundation members, guests and staff.

By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with.

In accordance with California Civil Code Section 4090, please be advised that a quorum of the GRF Board of Directors is present at today's posted meeting. The business of the Finance Committee will be conducted in accordance with the agenda. As a quorum of the Board is present, this meeting will be conducted as a committee meeting *and* a Board meeting. The agenda actions of the committee will be limited only to the members of the committee and will only constitute such actions in accordance with stated committee policy and/or provide recommendations to the GRF Board of Directors at its regular Board meeting on the 4th Tuesday of the month. GRF Board members who are not committee members will be allowed to comment when recognized by the Chair and only during the proscribed Foundation member comment period, not to exceed four minutes, as set forth in Policy 5610, Participation by Foundation Members. The minutes of today's Board meeting will be

presented to the Board for approval following the approval of the committee meeting minutes in February.

The Chair introduced and welcomed Foundation members, Golden Rain Foundation (GRF) Board of Directors (BOD) and Staff.

COMMITTEE RULES

The Chair reviewed the meeting rules and asked that courtesy and respectfulness be acknowledged at all times. Please remember to turn off your cell phones.

APPROVAL OF MINUTES

The Chair declared the Regular Meeting Minutes of December 19, 2015, approved as written.

CORRESPONDENCE

The Finance Committee did not receive any correspondence.

ACCEPT DECEMBER 2015 FINANCIAL STATEMENTS

The Controller reviewed the December 2015 financial reports.

Mrs. Dodero MOVED, seconded by Mr. Hood and carried unanimously –

TO recommend the GRF BOD accept the December 2015 Financial Statements for audit.

UNFINISHED BUSINESS

Review of Reserve Study

The Chair advised that the civil code requires annual updating of the Reserve Study; the Committee discussed the merits of an in-house computer program versus review by an outside company. The Executive Director will present examples of software programs for in-house use, for the Committee's evaluation, at the February Finance Committee meeting.

Approve Lease for Video Producers Club

The Committee members reviewed the proposed lease for use of Trust Property for the Computer Club.

After discussion of amendments to the lease, Mrs. Damoci MOVED, seconded by Mr. Stone and carried unanimously –

TO approve, with amendments, the lease for the Video Producers Club; the Executive Director will present the amended lease to the Video Producers Club.

Reserves – Main Gate Beautification

At the regular scheduled meeting of the ADRC, on December 21, 2015, the Committee reviewed and discussed plans drafted in 2014 for the beautification of the Main Gate Globe planter. The general consensus of the Committee was that remedial actions are required due to the age and condition of the fountain (currently non-operation), hardscape and landscape. The Committee is seeking a budget for the project to establish the general scope of the project. The project is currently scheduled for replacement in 2017, funds from Reserves.

Upon discussion, Mrs. Damoci MOVED, seconded by Mr. Friedman –

TO decline to accelerate the Main Gate Beautification project scheduled for 2017.

The motion was carried with two no votes (L. Stone, Hood).

Approve Funding – Clubhouse Six Heat Pump

The Executive Director requested this item be removed from the agenda; the Committee consented to the request for removal of the item.

Approve Funding – Security Restroom Upgrades

At the regular scheduled meeting of the Physical Properties Committee (PPC), the Committee reviewed four (4) bids from contractors to complete upgrades requested. The PPC recommended John Bergkvist General Contractors to complete the project for \$45,000.00. Reserves in the amount of \$12,850 have been allocated in the Reserve account and fully funded in 2015.

Upon discussion, Mrs. Damoci MOVED, seconded by Mr. Hood –

TO advise the GRF BOD that funds, in the amount of \$32,500, are available for the Security Building restroom upgrades.

The motion was carried with one no vote (R. Stone).

STAFF REPORTS

Purchasing Manager

The Purchasing Manager's report is attached at the end of the minutes.

Controller

The Controller's report is attached at the end of the minutes.

Executive Director

The Executive Director reported that a presentation will be made to the CFO group announcing a check signing area in the office previously occupied by the IT Manager on the first floor of the Administration Building. He also advised that staff overtime is very limited.


COMMITTEE MEMBER COMMENTS

Six Committee members commented on the proceedings of the meeting.

ADJOURNMENT

The next regular monthly meeting will be held on Tuesday, February 16, 2016 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 11:47 a.m.



Linda Stone, Chair
FINANCE COMMITTEE
dfb 01.21.16

**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE
COMMITTEE MEETING ON JANUARY 19, 2016.**

MOTIONS

- By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with;
- The Chair declared the Regular Meeting Minutes of December 19, 2015, approved as written;
- **TO** recommend the GRF BOD accept the December 2015 Financial Statements for audit;
- **TO** approve, with amendments, the lease for the Video Producers Club; the Executive Director will present the amended lease to the Video Producers Club;
- **TO** decline to accelerate the Main Gate Beautification project scheduled for 2017. The motion was carried with two no votes (L. Stone, Hood).
- **TO** advise the GRF BOD that funds, in the amount of \$32,500, are available for the Security Building restroom upgrades. The motion was carried with one no vote (R. Stone).

ACTIONS

- The Executive Director will present examples of software programs for in-house use, for the Committee's evaluation, at the February Finance Committee meeting.

Golden Rain Foundation
January 19, 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	166,909	179,566	12,657
6140000 32	Employment Taxes - Purchasing	13,732	14,414	682
6142000 32	Workers' Compensation - Purchasing	9,308	13,677	4,369
6143000 32	Group Insurance - Medical - Purchasing	23,887	16,863	(7,024)
6143300 32	Group Insurance - Dental - Purchasing	621	396	(225)
6143500 32	Group Insurance - Vision - Purchasing	365	236	(129)
6144000 32	401(k) Match - Purchasing	3,910	5,396	1,486
6145000 32	Group Insurance - Life - Purchasing	747	815	68
6146000 32	Long Term Disability Insurance - Purchas	596	950	354
6211000 32	Continuing Education - Purchasing	325	500	175
6213100 32	Temporary Agency Fees - Purchasing	29,021	0	(29,021)
6214000 32	Meals & Special Events - Purchasing	(4)	120	124
6215000 32	Mileage - Purchasing	21	120	99
6217000 32	Uniforms & Laundry - Purchasing	1,648	1,950	302
6410000 32	Office Supplies - Purchasing	839	1,200	361
6410005 32	Building Supplies - Purchasing	163	1,200	1,037
6410010 32	Hospitality - Purchasing	410	500	90
6410015 32	Computer Supplies - Purchasing	0	800	800
6410020 32	Equipment Expense - Purchasing	261	1,500	1,239
6410030 32	Printer / Copier Supplies - Purchasing	945	800	(145)
6411000 32	Freight & Handling - Purchasing	10,486	10,000	(486)
6435100 32	Bank Service Fees - Purchasing	831	0	(831)
6444000 32	Equipment Rental - Purchasing	1,340	1,350	10
6471000 32	Building Repair & Maintenance - Purchas	79	600	521
6472000 32	Equipment Repair & Maintenance - Purchas	1,641	600	(1,041)
6478000 32	Service Contracts - Purchasing	211	150	(61)
6482000 32	Dues, Memberships & Books - Purchasing	481	200	(281)
6483000 32	Propane - Purchasing	1,260	2,000	740
6911500 32	Inventory Over / Short-Purchasing - Purc	(2,744)	2,000	4,744
6911505 32	Obsolete Inventory Adjustment - Purchasi	4,000	4,000	0
	Total Expenses	271,286	261,903	(9,383)

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Purchasing Manager's Report

Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	20,424	10,000	10,424
5385000 32	Other Income - Purchasing	138	0	138
5540000 32	Discounts Earned - Purchasing	2,413	0	2,413
Total Other Cost Recovery		22,975	10,000	12,975

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
5330000 32	Income / Refund from Mutuals - Purchasin	251,905	251,904	1
	Total Cost Recovery	274,880	261,904	12,976
Off Budget Items				
5990000 32	Materials Recovery - Purchasing	(63,237)	0	63,237
6415000 32	Materials Pass-Thru - Purchasing	63,237	0	(63,237)
	Total Off Budget Items	0	0	0
	Net Income / (Expense)	3,593	1	3,592

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Purchasing Manager's Report

Budget Variance:

Cost center 32 is under budget a total of \$3,592. YTD. Notable variances are:

Budget Variance Report - December 2015

Purchasing - CC#32

<u>GL Code</u>	<u>Account Description</u>	<u>YTD Variance</u>	<u>Explanation</u>
6100000	Salaries & Wages	12,657.00	Open Position
6142000	Worker's Compensation	4,369.00	2014 Refund dollars allocated to CC32
6143000	Group Insurance - Medical	(7,024.00)	Additional participation not budgeted
6213100	Temporary Agency Fees	(29,021.00)	Temp hired to fill key vacant position
6911500	Inventory Over/Short	4,744.00	Inventory adjustments
5380320	Shipping & Proc. Recoveries	10,424.00	Over planned budget
5540000	Discounts Earned Purchasing	2,413.00	Unbudgeted discounts earned
Total Explained Variances		<u>(1,438.00)</u>	

Golden Rain Foundation
January 19, 2016 Meeting of the Finance Committee
Purchasing Manager's Report

- Project Report:
 - a. Axserion launch planning and execution.
 - i. Training and launch preparation in progress.
 - b. Physical Inventory Complete.
- Surplus Equipment:
 - a. Reporting on the following income from items sold:

Description	Price OBO	Disposition
Patio Chair	\$ 25.00	Sold

- b. No new surplus equipment for this month.
- 2014/2015 Capital Project Status:
 - a. Bar Code Printer Label: Pending.
 - b. Large Area storage racking remodel in progress.
 - i. Materials have been received.
 - 1. Clean- up and prep for installation in process.

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Purchasing Manager's Report

Purchasing Services Report, Month, Year Ending December 2015:

2015 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	21	\$ 5,238.88	549	157	199	0	192	1097
February	19	\$ 3,838.58	682	180	250	0	250	1362
March	22	\$ 7,446.17	638	249	232	0	214	1333
April	22	\$ 5,388.73	701	187	282	0	281	1451
May	20	\$ 4,925.90	643	170	195	0	201	1209
June	22	\$ 3,987.39	722	183	225	29	243	1402
July	22	\$ 4,952.19	719	193	244	57	200	1413
August	21	\$ 5,513.49	671	151	215	64	211	1312
September	21	\$ 5,658.00	674	145	223	63	204	1309
October	21	\$ 6,502.46	762	171	282	73	146	1434
November	19	\$ 7,368.88	672	158	142	63	195	1230
December	22	\$ 5,741.73	715	155	192	49	227	1338
Total	252	\$ 66,562.40	8148	2099	2681	398	2564	15890
Daily Avg		\$ 264.14	32	8		9	10	63

a. Obsolete Inventory (GL 1163000-00)

None to report for month ending December 2015.

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January 19, 2016 Meeting of the Finance Committee
Controller's Report


Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Finance				
6100000 31	Salaries & Wages - Finance	551,647	546,426	(5,221)
6140000 31	Employment Taxes - Finance	44,995	43,225	(1,770)
6142000 31	Workers' Compensation - Finance	10,268	15,089	4,821
6143000 31	Group Insurance - Medical - Finance	45,029	54,821	9,792
6143300 31	Group Insurance - Dental - Finance	996	1,311	315
6143500 31	Group Insurance - Vision - Finance	784	839	55
6144000 31	401(k) Match - Finance	10,775	14,941	4,166
6145000 31	Group Insurance - Life - Finance	2,312	2,328	16
6146000 31	Long Term Disability Insurance - Finance	1,913	2,716	803
6210005 31	Payroll Processing Fees - Finance	31,476	28,888	(2,588)
6211000 31	Continuing Education - Finance	0	480	480
6213100 31	Temporary Agency Fees - Finance	4,043	0	(4,043)
6214000 31	Meals & Special Events - Finance	32	0	(32)
6215000 31	Mileage - Finance	0	60	60
6410000 31	Office Supplies - Finance	4,177	5,800	1,623
6410005 31	Building Supplies - Finance	4	300	296
6410010 31	Hospitality - Finance	748	940	192
6410015 31	Computer Supplies - Finance	3,330	300	(3,030)
6410025 31	Lunch Room Supplies - Finance	96	200	104
6410030 31	Printer / Copier Supplies - Finance	4,190	7,000	2,810
6432100 31	Audit Fees - Finance	129,004	116,004	(13,000)
6435100 31	Bank Service Fees - Finance	3,875	4,080	205
6444000 31	Equipment Rental - Finance	3,063	3,075	12
6478000 31	Service Contracts - Finance	2,444	1,980	(464)
6481000 31	Computer Maintenance & Software - Finance	125	0	(125)
6482000 31	Dues, Memberships & Books - Finance	166	340	174
6483201 31	Mailouts - Periodic - Finance	11,028	8,100	(2,928)
6483202 31	Mailouts - Pymt Coupons - Finance	8,476	2,800	(5,676)
6491000 31	Miscellaneous Writeoffs - Finance	780	0	(780)
6721000 31	State & Federal Taxes - Finance	49,455	16,500	(32,955)
6910000 31	Uncollectible Customer Receivables - Fin	1	0	(1)
6951000 31	Non-Budgeted Exp for Committee - Finance	107	1,000	893
Total Expenses		925,341	879,543	(45,798)

Budget Variance Report - December 2015
Dept Name - CC 31

GL Code	Account Description	Variance	Explanation
6142000	Workers' Compensation	4,821	2014 Refund \$1,576 allocated to CC31; reduction in premiums effective August
6143000	Group Insurance	10,178	Lower participation & reduced 2015 premiums than budgeted
6144000	401(k) Match	4,166	Lower participation than budgeted
6213100	Temporary Agency Fees	(4,043)	Three weeks LOA (AP) required temp - unbudgeted
6432100	Audit Fees	(13,000)	Add'l fees for 2014 tax filings - unbudgeted
6483202	Mailouts - Pymt Coupons	(8,604)	\$5,162 second coupon mailing in Feb plus new shareholders and reprints - unbudgeted
6721000	State & Federal Taxes	(32,955)	2015 Est taxes exceed annual budget
Total Explained Variances		(39,437)	

Golden Rain Foundation
January 19, 2016 Meeting of the Finance Committee
Controller's Report

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
Now		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

Golden Rain Foundation
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Controller's Report

Investments

- Purchased in December
 - \$550,000 from proceeds of matured CDAR (reserve funds) plus an additional \$250,000 from US Bank money market (reserve funds) in an \$800,000 52-week CDAR.
- To be Purchased in January
 - \$500,000 from proceeds of matured CDAR (reserve funds) plus an additional \$250,000 from US Bank money market (reserve funds) in a \$750,000 52-week CDAR per Finance Committee resolution dated November 5, 2015.
 - \$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.
- Pending Action Item: Invite financial advisors to speak with the Finance Committee members
 - BNY Mellon – Awaiting for Erez Kabaker to return to the office.
 - First Foundation Bank – Change in relationship managers and have not been able to contact the new relationship manager.
 - Merrill Lynch – need to find a financial advisor – no relationship established yet.
 - Morgan Stanley – need to find a financial advisor – no relationship established yet.

Superwire

1. Monthly payments of \$1,600 are received each month on past due amounts for 2009 – 2012 until arrears have been paid in full. See schedule below.
2. Monthly estimated payments of 850.35 for current extra service revenue through May.
3. Per Mike Heil, effective September, GRF is to collect \$1,100 for estimated current extra service revenue.
4. Third quarter 2015 true-up amount was deducted from the December settlement payment to Superwire.

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Controller's Report

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 2-15	- Paid in full Dec '15
Subtotal	\$2,993.00
Total	<u>19,035.51</u>
Payments:	(\$16,000.00) 4/1/2015 - 1/1/2016
Bal Due:	<u>3,035.51</u>

Aged Receivables (GRF - Quarterly Review – see handout)

Contract Renewal Report (Quarterly Review – see attached)

Mutual Seventeen Lease Income

1. All annual lease fees have been collected
2. Collected YTD: \$7,784.00

Golden Rain Foundation
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Controller's Report

M17 Lease Fees Collected in December 2015

			Month	YTD
	336		Total	Total
	0		-	
	-		-	24
			Month	YTD
	336		Total	Total
	0		-	
			-	
Total M17 Lease Fees Collected December 2015			-	7,784

Policy 5061-33 Distribution:

		Month	YTD
Capital Improvement Fund	67%	-	5,214
Reserve Fund	33%	-	2,570
Total Membership Fees		-	<u>7,784</u>

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Controller's Report

SRO Aging Recap:

Month	June 2015	July 2015	August 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015
Nov-14	1	-	-	-	-	-	-
Feb-15	6	6	1	1	1	1	-
Mar-15	6	2	1	1	1	1	-
Apr-15	106	78	48	47	35	32	-
May-15	209	125	91	84	67	66	-
Jun-15	1,042	177	65	47	30	27	1
Jul-15		999	183	58	26	19	3
Aug-15			931	167	52	26	5
Sep-15				1,212	267	86	12
Oct-15					1,174	267	19
Nov-15						1,148	57
Dec-15							815
Total	1,370	1,387	1,320	1,617	1,653	1,673	912

Pending Action Items:

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