



## **FINANCE COMMITTEE MINUTES**

### **May 17, 2016**

The regular Finance Committee meeting held on Tuesday, May 17, 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	Ms. P. Snowden
	Mrs. C. Damoci, Vice Chair	Mr. R. Stone
	Mrs. M. Doderio	Ms. R. Winkler, Ex Officio

Absent: Mr. P. Hood

Staff:

- Mr. R. Ankeny, Executive Director
- Ms. B. Shuler, Finance Manager
- Mrs. J. Rodgers, Purchasing Manager
- Mrs. J. Reed, GRF Representative, Mutual Four
- Mr. P. Friedman, GRF Representative, Mutual Fifteen
- Five Foundation Members

### **INTRODUCTION OF STAFF AND GUESTS**

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

### **RULES OF ORDER**

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 April 19, 2016, approved as written.

### **FINANCIALS**

#### **Accept April 2016 Financial Statements**

The Director of Finance reviewed the April 2016 financial reports.

Mrs. Damoci MOVED, seconded by Mr. Stone and carried unanimously –

**TO** recommend the GRF BOD accept the April 2016 Financial Statements for audit.

## **UNFINISHED BUSINESS**

### **Review of Reserve Study**

The Executive Director reported a full comprehensive report on the Reserve Study will be presented to the Committee at a Special Finance Committee meeting on June 1, 2016.

## **NEW BUSINESS**

### **Request for Non-Budgeted Operational Funds – Golf Hitting Cages**

Mrs. Damoci MOVED, seconded by Mrs. Dodero and carried unanimously –

**TO** approved to relocate the Golf Ball Hitting Cage located between the Library and Clubhouse 3 to the Clubhouse 2 horse shoe pit area for a cost not to exceed \$5,000 from operational funds. The GL used will be at the Director of Finance discretion.

### **Request of Acceleration of Reserve Funds – Oven Replacement**

Ms. Snowden MOVED, seconded by Mr. Stone and carried unanimously –

**TO** recommend the GRF BOD to approve the acceleration of Reserve funds in the amount not to exceed 8,000.

### **Request Non-Budgeted Operation Funds – New Staff Position / Recreation**

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

**TO** recommend the GRF BOD approve the funding from operations in the amount of \$20,000 – \$30,000 for the addition of a new position in the Recreation department.

### **Request Capital Funds – Conference Room B, Building 5**

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

**TO** recommend the GRF BOD approve the Capital funds in the amount of \$37,000 for equipment and building improvements for the renovation of the room in Building 5 previously occupied by the Video Producers Club into a second conference room.

## **STAFF REPORTS**

### **Purchasing Manager**

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

Ms. Snowden MOVED, seconded by Mrs. Damoci and carried unanimously –

**TO** approve the disposal for listed items of surplus equipment as presented and to dispose of as deemed as appropriate.

### **Finance Manager**

The Finance Manager presented the Finance Director's report as attached.

Mrs. Damoci MOVED, seconded by Mr. Stone and carried unanimously –

**TO** approve adding \$500,000 to the investment ladder to invest in a 52 -week CDAR at .45%.

## **PRESIDENT'S COMMENTS**

The President thanked the Director of Finance for her reports and commended the Chair for a job well done.

## **SHAREHOLDER / MEMBER COMMENTS**

Four Shareholders spoke on three topics pertaining to the Committees purview.

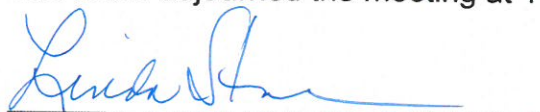
## **COMMITTEE MEMBER COMMENTS**

The Committee members commented on Committee achievements this year and the Chair's leadership.

## **ADJOURNMENT**

The Chair reported there will be a Special Finance Committee meeting on Wednesday, June 1, 2016 at 1:00 p.m. in the Administration Conference Room.

The Chair adjourned the meeting at 11:38 a.m.



Linda Stone, Chair  
FINANCE COMMITTEE  
mmm 05.31.16

**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE FINANCE COMMITTEE  
MEETING ON MAY 17, 2016.**

**MOTIONS:**

- The Chair declared the Regular Meeting Minutes of April 19, 2016, approved as written;
- **TO** recommend the GRF BOD accept the April 2016 Financial Statements for audit;
- **TO** approved to relocate the Golf Ball Hitting Cage located between the Library and Clubhouse 3 to the Clubhouse 2 horse shoe pit area for a cost not to exceed \$5,000 from operational funds. The GL used will be at the Director of Finance discretion;
- **TO** recommend the GRF BOD to approve the acceleration of Reserve funds in the amount not to exceed 8,000;
- **TO** recommend the GRF BOD approve the funding from operations in the amount of \$20,000 – \$30,000 for the addition of a new position in the Recreation department;
- **TO** recommend the GRF BOD approve the Capital funds in the amount of \$37,000 for equipment and building improvements for the renovation of the room in Building 5 previously occupied by the Video Producers Club into a second conference room;
- **TO** approve the disposal for listed items of surplus equipment as presented and to dispose of as deemed as appropriate;
- **TO** approve adding \$500,000 to the investment ladder to invest in a 52 -week CDAR at .45%.

**ACTIONS:**

- A Special Finance Committee meeting will be held on Wednesday, June 1, 2016 at 1:00 p.m. in the Administration Conference Room.

Golden Rain Foundation  
May 17, 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	61,106	60,965	(141)
6140000 32	Employment Taxes - Purchasing	5,319	5,436	118
6142000 32	Workers' Compensation - Purchasing	3,562	5,800	2,238
6143000 32	Group Insurance - Medical - Purchasing	9,566	10,076	510
6143300 32	Group Insurance - Dental - Purchasing	211	232	21
6143500 32	Group Insurance - Vision - Purchasing	147	148	1
6144000 32	401(k) Match - Purchasing	1,797	1,175	(622)
6145000 32	Group Insurance - Life - Purchasing	307	292	(15)
6146000 32	Long Term Disability Insurance - Purchas	245	344	99
6211000 32	Continuing Education - Purchasing	86	600	514
6214000 32	Meals & Special Events - Purchasing	139	0	(139)
6215000 32	Mileage - Purchasing	0	40	40
6217000 32	Uniforms & Laundry - Purchasing	584	600	16
6410000 32	Office Supplies - Purchasing	102	400	298
6410005 32	Building Supplies - Purchasing	96	340	242
6410010 32	Hospitality - Purchasing	184	180	(4)
6410015 32	Computer Supplies - Purchasing	0	0	0
6410020 32	Equipment Expense - Purchasing	516	448	(68)
6410030 32	Printer / Copier Supplies - Purchasing	157	264	107
6411000 32	Freight & Handling - Purchasing	4,533	3,300	(1,233)
6435100 32	Bank Service Fees - Purchasing	447	200	(247)
6444000 32	Equipment Rental - Purchasing	447	448	1
6471000 32	Building Repair & Maintenance - Purchas	1,224	100	(1,124)
6472000 32	Equipment Repair & Maintenance - Purchas	189	200	11
6478000 32	Service Contracts - Purchasing	70	72	2
6482000 32	Dues, Memberships & Books - Purchasing	323	30	(293)
6483000 32	Propane - Purchasing	765	750	(15)
6911500 32	Inventory Over / Short - Purchasing - Purc	746	668	(78)
6911505 32	Obsolete Inventory Adjustment - Purchasi	1,340	1,336	(4)
	Total Expenses	94,210	94,444	234
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	4,242	10,000	(5,758)
5385000 32	Other Income - Purchasing	65	0	65
5540000 32	Discounts Earned - Purchasing	932	0	932
	Total Other Cost Recovery	5,239	10,000	(4,761)
5330000 32	Income / Refund from Mutuals - Purchasin	83,280	83,281	(1)



Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Purchasing Manager's Report

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
	Total Cost Recovery	86,519	93,291	(4,762)
	Off Budget Items			
5990000 32	Materials Recovery - Purchasing	(24,645)	0	24,645
6415000 32	Materials Pass-Thru - Purchasing	24,645	0	(24,645)
	Total Off Budget Items	0	0	0
	Net Income / (Expense)	(5,691)	(1,163)	(4,528)

Budget Variance Report:

Cost center 32 is over budget a total of \$5,877. YTD. Notable variances are:

**Budget Variance Report - April 2016**  
**Purchasing - CC 32**

GL Code	Account Description	Variance	Explanation
6140000	Worker's Comp	2,238	Favorable - Expenses less than budgeted, plus refund from 2015
6411000	Freight & Handling	(1,233)	Unfavorable - Freight Expense was under budget for the month, with previous months still exceeding freight budgeted as previously reviewed. (Reducing total over-budget amount from \$1669 to \$1233)
6471000	Bldg Repair & Maintenance	(1,124)	Unfavorable - Painting in the Purchasing Department
5380320	Shipping & Processing Recovery	(5,758)	Unfavorable - Shipping and recovery for the month of April was short of budget by \$98, YTD income shortfall is \$5,758
Total Explained Variances		(5,877)	

Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Purchasing Manager's Report

Project Report:

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

- Surplus Equipment:

- a. Requesting approval to move forward with processing the following:

<b>Description</b>	<b>Price</b>	<b>Disposition</b>
Display Cases (3)	TBD	

(Terry DeLeon indicated there is currently no use for these cases.)

<b>Description</b>	<b>Price OBO</b>
Filing Cabinets (6)	\$ 10.00
Office Chairs (6)	\$ 10.00
Banquet Tables	\$ 5.00
White Board	\$ 20.00
1 Desk	\$ 10.00

- 2014/2015 Capital Project Status:
  - a. Bar Code Printer Label: Pending.
  - b. Large Area storage racking remodel: Complete.

Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Purchasing Manager's Report

Purchasing Services Report, Month ending April, 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	23	\$ 4,699.50	533	109	126	58	156	982
April	21	\$ 5,360.98	784	175	202	43	253	1457
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	84	\$ 21,026.04	2367	586	775	212	756	4696
Daily Avg		\$ 250.31	28	7	9	3	9	56

Obsolete Inventory (GL 1163000-00)

Item Number	U Of M	Item Description	QTY	Unit Cost	Extended Cost	Document Date	Reason
21-4105	PKG	DWO LABEL BROTHER TOUCH 2200	-1	\$16.55	\$16.55	4/19/2016	Obsolete Item
21-5631	BX	DISC 3.5" X 1.44MB IBM 1MN12881	-2	\$4.40	\$8.80	4/19/2016	Obsolete Item
21-5911	EA	STAMP PAD BLACK EAGLE ZEPHER	-6	\$2.02	\$12.12	4/19/2016	Obsolete Item
					<b>\$37.47</b>		



Golden Rain Foundation  
May 17, 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	186,632	182,922	(3,710)
6140000 31	Employment Taxes - Finance	15,835	15,974	139
6142000 31	Workers' Compensation - Finance	3,936	6,408	2,472
6143000 31	Group Insurance - Medical - Finance	15,466	16,228	762
6143300 31	Group Insurance - Dental - Finance	400	388	(12)
6143500 31	Group Insurance - Vision - Finance	251	268	17
6144000 31	401(k) Match - Finance	4,534	4,300	(234)
6145000 31	Group Insurance - Life - Finance	781	828	47
6146000 31	Long Term Disability Insurance - Finance	650	964	314
6210005 31	Payroll Processing Fees - Finance	12,940	12,488	(452)
6211000 31	Continuing Education - Finance	199	0	(199)
6215000 31	Mileage - Finance	0	0	0
6410000 31	Office Supplies - Finance	1,184	1,791	607
6410010 31	Hospitality - Finance	274	264	(10)
6410015 31	Computer Supplies - Finance	1,250	150	(1,100)
6410025 31	Lunch Room Supplies - Finance	31	25	(6)
6410030 31	Printer / Copier Supplies - Finance	1,249	1,840	591
6432100 31	Audit Fees - Finance	47,868	44,832	(3,036)
6435100 31	Bank Service Fees - Finance	571	1,020	449
6444000 31	Equipment Rental - Finance	990	992	2
6478000 31	Service Contracts - Finance	492	904	412
6481000 31	Computer Maintenance & Software - Finance	50	0	(50)
6482000 31	Dues, Memberships & Books - Finance	0	0	0
6483201 31	Mailouts - Periodic - Finance	7,981	8,450	469
6483202 31	Mailouts - Pymt Coupons - Finance	6,174	7,084	910
6491000 31	Miscellaneous Writeoffs - Finance	8	0	(8)
6721000 31	State & Federal Taxes - Finance	(41,832)	8,800	50,632
6951000 31	Non-Budgeted Exp for Committee - Finance	0	250	250
Total Expenses		267,915	317,170	49,255

**Budget Variance Report - April 2016**  
**Finance Department - CC 31**

GL Code	Account Description	Variance	Explanation
6721000	State & Federal Taxes	50,632	Favorable - 2015 Fed & State Refunds \$48,404, amendments reduced tax liability
Total Explained Variances		<u>50,632</u>	

Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Director of Finance Report

**Budget Timeline**

**2017 Budget Approval Timeline**

In accordance with California Civil Code Section 5300 (a), a copy of the operating budget must be distributed no less than **30 or more than 90 days before the end of the association's fiscal year.**



May	Executive Director and Director of Finance provide timelines and general instructions to staff. <b>Finalize reserve study changes to be submitted to RSI</b>
June	Initial staff budgetary planning (Staff plans, prepares and compiles cost center budget information) Director of Finance to supply 5 months of actual to budget information Initial staff budgets to be ready to move forward to committees in July
July	Initial staff working budget drafts to be provided to committee Committees to begin consideration of 2017 Capital
August	1st presentations of draft budgets to committees Committee discussions, revisions to finalize Committee recommendations to approve and recommend respective cost centers to the Finance Committee
September	Deadline - Committee recommendations to approve and recommend respective cost centers to the Finance Committee Finance Committee review of draft budget (second monthly meeting may be required) Annual disclosure statements to be sent to corporate legal counsel for review and possible amendment to be fully compliant with civil code Possible joint study session with Finance Committee and Board to solidify budget
October	Final Finance Committee review and recommendation to the Board. Additional study session to finalize budget prior to October Board Meeting Receipt of disclosure documents from legal counsel. Board Approval (Deadline) 2016 budget and disclosure statements to printer (Special B section of the Golden Rain News)
November	November 10th distribution of 2017 budget and disclosure statements in the Golden Rain News.

Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Director of Finance Report

**Income Tax Returns & Amendments**

**Current & Amended Tax Returns**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
2011		9,204	9,204
2012	8,528	4,136	12,664
2013	7,402	8,196	15,598
2014	33,776	14,619	48,395
2015	35,567	12,837	48,404
<b>Total</b>	<b>85,273</b>	<b>48,992</b>	<b>134,265</b>

**Investments**

- Purchased in April
  - \$500,000 from FFB liquid reserve account invested in a 52-week CDAR @ **.45%** to continue the investment ladder.
- Recommended for May
  - \$688K liquid funds in First Foundation Bank
  - \$2.3M liquid funds in US Bank
  - Total commitments @ 4/30/2016: \$840,439
  - Invest \$500,000 for 52 weeks @ **.45%** to continue the investment ladder.

**Aged Receivables** (GRF - Quarterly Review)

**Contract Renewal Report** (Quarterly Review)



Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Director of Finance Report

**Mutual Seventeen Lease Income**

1. Collected YTD: 13 memberships totaling \$3,921.00

**M17 Lease Fees Collected in April 2016**

			Month	YTD
	346		Total	Total
	0		-	
			-	
	-		-	13

			Month	YTD
	346		Total	Total
	0		-	
			-	
			-	
<b>Total M17 Lease Fees Collected April 2016</b>			-	3,921

Policy 5061-31 Distribution:

		Month	YTD
Capital Improvement Fund	50%	-	1,961
Reserve Fund	50%	-	1,961
Total Membership Fees		-	3,921

Golden Rain Foundation  
May 17, 2016 Meeting of the Finance Committee  
Director of Finance Report

**SRO Aging Recap:**

Month	Mar 2016	April 2016
Aug-15	-	-
Sep-15	-	-
Oct-15	-	-
Nov-15	-	-
Dec-15	121	2
Jan-16	139	18
Feb-16	161	40
Mar-16	1,373	271
Apr-16	-	1,426
Total	1,794	1,757

**Pending Action Items:**

- None