

GOLDEN RAIN *foundation* SEAL BEACH

Agenda

Finance Committee

Administration Conference Room/Marisa McAuley/Deanna Bennett
Tuesday, February 17, 2015 • 10 AM

**** Agenda is Subject to Change ****

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Introduction of Guests and Staff
4. Committee Rules
5. Approval of the Regular Meeting Minutes of January 20, 2015
6. Chair's Announcements
7. Foundation Member Comment Period (*for Agenda items only*)
8. Review Correspondence (pg.1-2)
9. Review and Acceptance of the January 2015 Financial Statements (pg. 3 Memo)
10. Unfinished Business
 - a. NSBN – Audit Process Report
 - b. Reserve Study
 - March 20, 2015 at 10:00 a.m. in Administration
 - c. Superwire Report
11. New Business
 - a. Preliminary 2014 Audit Financial Statements (pg. 4-16)
 - b. Loan From Reserves To Fund 2015 Capital
 - c. Physical Property Committee Request (TBA)
 - d. Approve Additional Capital Funding – News Department Hardware Refresh
12. Staff Reports
 - a. Purchasing Supervisor (pg. 17-18)
 - b. Controller
 - c. Executive Director
13. Investment Sub-Committee Update
14. Foundation Member Comment Period
15. Committee Member Comments
16. Next Meeting – March 17, 2015 @ 10 AM
 - a. February 23rd – February Minutes distributed and on website
 - b. March 10th – March Agenda items due to Marisa
 - c. March 13th – March Agenda packets distributed and on website

January 22, 2015

Chair of GRF Finance Committee
Ms. Linda Stone,
Members of Finance Committee:
Ms. Carole Damoci, Denis Craig,
Mr. John DeMarco, Mr. Steven McGuigan,
Ms. Paula Snowden, Ms. Mary Wood



Dear Ms. Linda Stone and Finance Committee,

In March of 2007 the GRF Board passed a Resolution "Clarifying Accounting for Buildings & Real Property". This resolution states (quote) "equipment necessary to operate the Service Maintenance Department and to publish the Golden Rain News will be treated on the Balance Sheet as GRF Non-Trust assets". (See Attachment #1)

Immediately after GRF passed this Resolution the 2006 year Accounting books were altered and a new category was formed called "Designated deposits and investment-Foundation" (Non-Trust Foundation Fund) in the amount of \$2,608,093. This accounting line item was created for the first time as separate from Trust Assets. I believe that this Accounting action violated the major founding document of our community - "The Declaration of Trust", which clearly says that any alterations, modifications or amendments in Trust Assets could be executed only by vote of all shareholders (quote) "Unanimously by TRUSTEE and by all the Cooperatives which have at such time become, and then remain beneficiaries of the Trust". In 2007 it was GRF that made the alteration, the Trustee, and Owners and shareholders of the Trust - Sixteen Mutuals, where not informed nor did they discuss this Resolution.

I would like to bring to your attention, that when the GRF Board voted for this Resolution one Board Director, Mrs. Fay Cummings, a CPA professional, Treasurer and Chair of the Finance Committee at that time did not support these changes. She did not vote "Yes". Unfortunately she did not vote "No". She voted to abstain and did not explain why. Reliable sources told me that now she has acknowledged that this was a mistake.

Beginning from 2007 Foundation Funds became the fastest growing line item in the Accounting Books, increasing till 2013 by 3.068 times. The 2013 year set a record - it increased by \$1,510,757 or 23.3%. (See attachment #2)

Concerns regarding the existence of Foundation Funds were repeatedly brought to the GRF Finance Committee, the GRF Board, some GRF Presidents, some GRF Board Directors, and to NSBN, - the GRF Auditor. All concerns were unanswered. Less than a year ago a question regarding the existence of Foundation Funds was brought up at a GRF Special Board meeting. One Board Director asked the Controller to explain what the Foundation Fund is and her answer was "I don't know".

As any mistake, this should finally be corrected, unanswered concerns need to be addressed and all problems with the Non-Trust Funds resolved in an honest and transparent way.

Below are some questions, which should be answered:

1. Is there a relationship between the above Resolution and the "Foundation Designated deposits and investments" in the Accounting Books?
2. Is there something hidden that goes back to the origination of the "Foundation Designated deposits and investments" in the Accounting Books?
3. What specifically is this Accounting line item, "Foundation Designated deposits and investments", comprised of?
4. What is the source of continued increasing in the "Foundation Designated deposits and investments" (3.068 times increase, and/or \$5,393,095 from 2006 till 2013)?
5. Does the "Foundation Designated deposits and investments" include funds, which should be classified as Excess Income?
6. Are the "Foundation Designated deposits and investments" or part of them taxable income?

Sincerely,

Mark Pogrebinsky
Mutual 12



Attachments:

1. Minutes of March 2007 GRF Board meeting.
2. Table "Designated Deposits and investments-Foundation from 2005 till 2013".

GOLDEN RAIN
foundation
SEAL BEACH

MEMO

TO: GRF AND MUTUAL BOARD OF DIRECTORS
FROM: RANDY ANKENY, EXECUTIVE DIRECTOR
SUBJECT: JANUARY FINANCIALS
DATE: FEBRUARY 2, 2015
CC: FILE, GRF BOARD OF DIRECTORS

We began 2015 with a major step and accomplishment, transitioning from the old accounting software to the new Jenark software. I'm very pleased to announce that the Jenark software migration has moved smoothly and that the Accounting Department is now using Jenark.

With the huge scope of this project, we are taking prudent steps to ensure the millions of bits of information have been migrated with 100% accuracy. To accomplish this all transactions are being triple checked. This requires time and the accounting department has been working long hours to ensure that we are at optimum functionality, developing and formatting the multitude of reports required in the operation of the Foundation as well as the sixteen mutual corporations and most importantly completely accurate.

Add to this we are closing out 2014 financials and well in to the annual audit. What does this mean, in short you can expect a minimum of a 2 week delay for the receipt of your January 2015 financials in February. Each month we will be working towards a faster turnaround with a goal that by the end of the April we are back on track to deliver your financials in the time frame that you have come to expect.

Please bear with us as accuracy is first and foremost.

Best Regards

Randy Ankeny
Executive Director, Golden Rain Foundation of Seal Beach

Golden Rain Foundation
Cash Flow Activity - All Reserves
For the Month of January 2015

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Trust Improvement Fund	Liability Insurance Fund	Other Restricted	Nonrestricted Funds	Total
Balance 1/31/2015	685,047	-	6,197,314	920	1,029,125	465,045	117,011	8,494,461
Funded: Assessments		83,333						83,333
Funded: Membership Fees collected (32)		13,602	27,617					41,219
Funded: Trust Asset Dep'n								-
Funded: Non-Trust Asset Dep'n								-
Progress Payments on CIP								-
New Capital Purchases			(14,099)					(14,099)
Replenish funds for Donated Assets								-
Net Monthly Claims								-
Disbursement to Mutuals								-
Replenish fund for Item Donations								-
Transfers between funds		5,210,750	(4,380,706)	(920)	(829,125)			(0)
Interest Income Allocation								-
Net Monthly Activity						(59,773)	(101,392)	(161,166)
Balance 1/31/2015	685,047	5,307,685	1,830,126	(0)	200,000	405,272	15,619	8,443,748
Net Activity	-	5,307,685	(4,367,188)	(920)	(829,125)	(59,773)	(101,392)	(50,713)

2013 CAPITAL ACQUISITION BUDGET CARRYOVER TO 2014

Center	Description	Carryover Balance	EXPENDITURES			Remaining Balance	Labor	Variance	Carried to 2015
			Jan- Dec 2014	Jan-15	Total				
30	Sound and Projection System - Admin. Conference Room	33,031.00	37,115.11		37,115.11	(4,084.11)	20,448.30	(24,532.41)	
32	Relocate Warehouse heating unit (Proj. 3338-13P)	2,000.00	2,132.00		2,132.00	(132.00)		(132.00)	
33	Stock Transfer Mail Folder Inserter Machine	19,029.44	19,029.44		19,029.44	0.00	180.00	(180.00)	
33	Stock Transfer 10 lb Scale Postage Machine	13,961.72	13,961.72		13,961.72	0.00		0.00	
34	31 Computers & laptops	27,185.00	23,833.08		23,833.08	3,351.92		3,351.92	
34	Server Rack and Network Infrastructure Improvements (sales tax)	56.40	56.40		56.40	0.00		0.00	
34	Jenark / MicroMain	115,000.00	0.00	115,000.00	115,000.00	0.00		0.00	
37	Radio repeaters for Security & Service Maintenance	5,872.10	6,233.44		6,233.44	(361.34)		(361.34)	
37	St. Andrews Gate carpet replacement	2,500.00	1,698.20		1,698.20	801.80		801.80	
37	Automated Pedestrian Gate	5,000.00	0.00		0.00	5,000.00		5,000.00	5,000.00
51	Clubhouse 1 - Lobby Furniture	15,000.00	9,861.50		9,861.50	5,138.50	942.00	4,196.50	
52	Clubhouse 2 - 52 Long Tables (sales tax)	549.87	549.87		549.87	0.00		0.00	
53	Clubhouse 3 - Heat pump	4,500.00	5,000.00		5,000.00	(500.00)		(500.00)	
54	Clubhouse 4 - Heat pump	3,690.00	4,100.00		4,100.00	(410.00)		(410.00)	
54	Clubhouse 4 - Replace All Tiles	40,000.00	0.00		0.00	40,000.00		40,000.00	10,000.00
55	Video Producers Equipment (sales tax)	62.32	62.32		62.32	0.00		0.00	
55	Café Project	11,040.00	10,128.32		10,128.32	911.68	6,597.00	(5,685.32)	
56	Various Exercise Equipment	7,042.53	7,042.53		7,042.53	0.00	72.00	(72.00)	
70	Carpeting - downstairs	10,000.00	20,200.00		20,200.00	(10,200.00)		(10,200.00)	
70	Interior Painting (1st & 2nd Floors)	16,000.00	16,000.00		16,000.00	0.00		0.00	
70	Exterior Painting	10,000.00	3,985.00		3,985.00	6,015.00		6,015.00	
74	Gas Welding Machine with Torch	9,000.00	8,066.48		8,066.48	933.52		933.52	
74	2 Portable generators (sales tax)	127.84	127.84		127.84	0.00		0.00	
74	Chairs for Lunch Room (sales tax)	78.72	78.72		78.72	0.00		0.00	
79	Perimeter Wall Replace - A & B (Chgd to R) (Proj. 591-01B)	500,000.00	0.00	489,409.00	489,409.00	10,591.00		10,591.00	10,156.00
79	Main Gate Beautification (Proj. 683-12A)	200,000.00	37,155.34		37,155.34	162,844.66		162,844.66	
79	Landscape Improvement	24,136.10	0.00		0.00	24,136.10		24,136.10	
79	Trust Street Paving Projects	1,898,896.00	1,898,895.85		1,898,895.85	0.15		0.15	
Total Planned Capital Acquisitions Carryover from 2013		2,973,759.04	2,125,313.16	604,409.00	2,729,722.16	244,036.88	28,239.30	215,797.58	25,156.00

2014 CAPITAL ACQUISITION BUDGET

Center	Description	Budget Amount	EXPENDITURES			Remeaining Balance	Labor	Variance	Carried to 2015
			Jan- Dec 2014	Jan 2015	Total				
30	Admin. Building Remodel 2014	71,000	40,109.61		40,109.61	30,890.39	12,564.00	18,326.39	17,000.00
32	Barcode label printer	1,000	-		0.00	1,000.00		1,000.00	1,000.00
34	Surveillance Camera Expansion	30,000	25,225.54		25,225.54	4,774.46	3,738.00	1,036.46	1,000.00
34	Jenark One time Fee	145,000	-	91,429.00	91,429.00	53,571.00		53,571.00	53,571.00
37	4 Visitor Admissions Printers	4,000	-		0.00	4,000.00		4,000.00	4,000.00
37	Portable security cameras for outdoor use	3,000	2,442.23		2,442.23	557.77		557.77	558.00
40	Clubhouse Air conditioner Replacements	20,000	-		0.00	20,000.00		20,000.00	
40	Miscellaneous Sound Equipment	5,000	-		0.00	5,000.00		5,000.00	5,000.00
40	Professional services for master planning	50,000	-		0.00	50,000.00		50,000.00	50,000.00
45	Amphitheater- Replace console	0	1,409.50		1,409.50	(1,409.50)		(1,409.50)	
48	Hot pool shade	4,000	-		0.00	4,000.00		4,000.00	4,000.00
48	Raypack Pool Pump	0	1,309.08		1,309.08	(1,309.08)		(1,309.08)	
48	Installed Gas Pool Heater at the Pool/Spa	0	3,280.00		3,280.00	(3,280.00)		(3,280.00)	
51	Clubhouse 1- Blue Chairs	5,000	4,975.34		4,975.34	24.66		24.66	
52	Clubhouse 2- Blue Chairs	5,000	4,975.34		4,975.34	24.66		24.66	
52	Clubhouse 2- Replaced Auto Transfer Switch	0	3,517.00		3,517.00	(3,517.00)		(3,517.00)	
53	Clubhouse 3- Blue Chairs	5,000	4,975.34		4,975.34	24.66	162.00	(137.34)	
53	Clubhouse 3- Microphones- Audio Technica Pro	0	323.94		323.94	(323.94)		(323.94)	
53	Clubhouse 3- Recover Sound Panels in Room 1-9	0	7,550.00		7,550.00	(7,550.00)		(7,550.00)	
53	Clubhouse 3- Replaced Vertical Blinds in Room 1-9	0	4,078.60		4,078.60	(4,078.60)		(4,078.60)	
53	Clubhouse 3- Restroom Auto Doors	0	4,453.00		4,453.00	(4,453.00)		(4,453.00)	
54	Clubhouse 4- Blue Chairs	5,000	4,975.34		4,975.34	24.66	162.00	(137.34)	
54	Clubhouse 4- Entry Way concrete replacement	9,000	-		0.00	9,000.00		9,000.00	
54	Clubhouse 4- Art Room Heat Pump	0	4,600.00		4,600.00	(4,600.00)		(4,600.00)	
54	Clubhouse 4- Remove Concrete and Construct Wheel Chair R	0	10,788.00		10,788.00	(10,788.00)		(10,788.00)	
56	Exercise Equipment (Use Tax) (from 2013 but not carried forw	0	303.60		303.60	(303.60)		(303.60)	
56	Stiga Surround- Table tennis barriers	0	862.56		862.56	(862.56)		(862.56)	
74	2 Portable Air Compressor	0	645.84		645.84	(645.84)		(645.84)	
74	Compactor WP- 1150AW Asphalt	0	2,279.88		2,279.88	(2,279.88)		(2,279.88)	
79	Lanscaping at Trailer Park	0	3,675.00		3,675.00	(3,675.00)		(3,675.00)	
79	Perimeter wall sections M & L	1,200,000	-	59,400.00	59,400.00	1,140,600.00		1,140,600.00	1,044,750.00
79	Perimeter wall Engineering	30,000	-	6,525.00	6,525.00	23,475.00		23,475.00	23,475.00
79	Landscape Improvement	40,000	-		0.00	40,000.00		40,000.00	26,777.00
79	Trust Street Paving Project	1,000,000	15,544.00	81,339.00	96,883.00	903,117.00		903,117.00	463,321.00
79	Trust Street Landscape Improvements	52,000	-		0.00	52,000.00		52,000.00	
79	Re-roof community facilities buildings- Clubhouse One	90,000	-		0.00	90,000.00		90,000.00	90,000.00
79	Paint Main Gate Areas	20,000	-		0.00	20,000.00		20,000.00	7,000.00
Total Planned Capital Acquisitions		2,794,000.00	152,298.74	238,693.00	390,991.74	2,403,008.26	16,626.00	2,386,382.26	1,791,452.00

Donated Capital		EXPENDITURES			Labor
Center	Description	Jan- Dec 2014		Total	
38	Access Bus- 2014 ARBOC Spirit Freedom (donated by GAF)	117,166.12		117,166.12	
51	Clubhouse 1 - Ice Machine (donated by GAF)	191.52		191.52	681.00
54	Clubhouse 4 - Ice Machine (donated by GAF)	191.52		191.52	723.00
56	Exercise Equipment (donated by GAF)	4,196.60		4,196.60	
79	Polara Navigator Audible Pedestrian Pushbutton System (donated by GAF)	11,895.00		11,895.00	
Total Donated Capital		133,640.76		133,640.76	1,404.00

Total Capital Acquisitions	2,794,000.00	285,939.50		524,632.50	2,403,008.26	18,030.00	2,386,382.26
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Earmarked for a different project

Capital Improvement Fund Carryover from 2014

Center	Description	Budget Amount	EXPENDITURES		Remeaining Balance	Labor	Variance
			Jan	Total			
30	Admin. Building Remodel 2014 (Lighting) (ARB2014)	1,000		0.00	1,000.00	117.00	883.00
32	Barcode label printer	1,000		0.00	1,000.00		1,000.00
34	Surveillance Camera Expansion	1,000		0.00	1,000.00		1,000.00
34	Jenark System	53,571		0.00	53,571.00		53,571.00
37	Automated Pedestrian Gate	15,000		0.00	15,000.00		15,000.00
37	4 Visitor Admissions Printers	4,000		0.00	4,000.00		4,000.00
37	Portable security cameras for outdoor use	558	408.79	408.79	149.21		149.21
79	Resales Office Remodel	70,000		0.00	70,000.00		70,000.00
79	Perimeter wall sections R (591-01B-R)	10,156	9,310.00	9,310.00	846.00		846.00
79	Perimeter wall sections A (591-01B-A)	341,850		0.00	341,850.00		341,850.00
79	Perimeter wall sections J & K (591-01B-JK)	702,900		0.00	702,900.00		702,900.00
79	Westminster Wall Section L & M/ Engineering (668-11B)	23,475		0.00	23,475.00		23,475.00
79	Landscape Improvement - Canoe Brook/El Dorado (713-14)	26,777		0.00	26,777.00		26,777.00
79	In- Road Lighting Plan- St. Andrews- Lighted Crosswalk (702-13)	80,750		0.00	80,750.00		80,750.00
79	St. Andrews Improvement @ Tam O'Shanter (721-14)	59,463		0.00	59,463.00		59,463.00
79	Street Painting (708-14-PS)	56,494		0.00	56,494.00		56,494.00
79	St. Andrews Gate Improvements (723-14)	50,000		0.00	50,000.00		50,000.00
79	Del Monte Drive Removal & Replacement (722-14)	154,234		0.00	154,234.00		154,234.00
79	Bridge Repairs @ Burning Tree & Del Monte (3361-14P)	4,380	4,380.00	4,380.00	0.00		0.00
79	Pharmacy Pedestrian Circulation and Ramp Design (710-14)	50,000		0.00	50,000.00		50,000.00
79	Re-Roofing Community Facilities Buildings - CH1 (711-14)	90,000		0.00	90,000.00		90,000.00
79	Paint Front Gate Security Building (716-14)	7,000		0.00	7,000.00		7,000.00
79	2014 Trust Street Paving	8,000		0.00	8,000.00		8,000.00
79	Paint Exterior Resales Building (718-14)	5,000		0.00	5,000.00		5,000.00
Total Planned Capital Acquisitions		1,816,608.00	14,098.79	14,098.79	1,802,509.21	117.00	1,802,392.21

Total Capital Acquisitions

1,816,608.00	14,098.79	14,098.79	1,802,509.21	117.00	1,802,392.21
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Capital Projects Carryover from Prior Year (1212500/3213000)

Department	Dept CC	Description		Total
Administration	30	Admin Building Remodel 2014 (Lighting) (ARB2014)	\$ 1,000	\$1,000
Purchasing	32	Barcode Label Printer	\$ 1,000	\$1,000
ITS	34	Jenark System*	\$ 53,571	
	34	Surveillance Camera Extension	\$ 1,000	\$54,571
Security	37	Automated Pedestrian Gate	\$ 5,000	
		Unused funds from 2013 Capital Carryover for CH4 - Tile Replacement	\$ 10,000	
		Total Allocated to Automated Pedestrian Gate		\$15,000
	37	4 Visitor Admissions Printers	\$ 4,000	\$4,000
	37	Portable Security Cameras for Outdoor Use (Originally \$1,435)	\$ 558	\$558
Community Facilities	79	Resales Office Remodel		
		Unused funds from 2014 Capital Carryover for Admin Bldg Remodel	\$ 16,000	
		Unused funds from 2014 Capital Carryover for Master Planning	\$ 50,000	
		Unused funds from 2014 Capital Carryover for Hot Pool Shade	\$ 4,000	\$70,000
	79	Remaining commitment on Wall Section R (591-01B-R)	\$ 10,156	
		Remaining Cmmittments on Wall Section A (591-01B-A)	\$ 341,850	
		Allocated to Wall Sections J & K (591-01B-JK)*	\$ 702,900	\$1,054,906
	79	Westminster Wall Section L & M/Engineering (668-11B)	\$ 23,475	\$23,475
		Total Allocated to Perimeter Walls		
	79	Landscape Improvement - Canoe Brook/El Dorado (713-14) *	\$ 26,777	\$26,777
		Trust Street Paving Project		
	79	In-Road Lighting Plan - St. Andrews - Lighted Crosswalk (702-13)	\$ 80,750	
	79	St. Andrews Improvement @ Tam O'Shanter (721-14)	\$ 59,463	
	79	Street Painting (708-14-PS)	\$ 56,494	
	79	St. Andrews Gate Improvements (723-14)*	\$ 50,000	
	79	Del Monte Drive Removal & Replacement (722-14)	\$ 154,234	
	79	Knollwood Removal & Replacement (720-14)*	\$ -	
	79	Bridge Repairs @ Burning Tree & Del Monte (3361-14P)	\$ 4,380	
	79	Pharmacy Pedestrian Circulation and Ramp Design (710-14)*	\$ 50,000	\$455,321
	79	Re-roofing Community Facilities Buildings - CH1 (711-14)	\$ 90,000	\$90,000
	79	Paint Front Gate Security Building (716-14)*	\$ 7,000	
		Unused funds from 2014 Capital Carryover for 2014 Trust Street Paving	\$ 8,000	
		Total Paint Front Gate Security Building		\$15,000
	79	Paint Exterior Resales Building (718-14)*	\$ 5,000	\$5,000
TOTAL				\$1,816,608

From 2013 Capital Carryover
From 2014 Capital Carryover
Total Carried to 2015 Capital Improvement Fund @1/1/2015

25,156
1,791,452
1,816,608

Non Restricted Operating Reserve Contribution
Policy 5528 - Contingency Operating Fund

Limitation: Can not exceed 5% of the average operating costs for the previous five years

Year	Operating Costs From Year-end BCR	5 year Average	Non Restricted Fund Limit (5%)	Level	Allowable Growth
2002	11,649,998				
2003	12,155,518				
2004	12,224,168				
2005	12,598,120			523,121	
2006	12,677,152	12,260,991	613,050	548,867	64,183
2007	13,694,276	12,669,847	633,492	591,306	42,186
2008	13,544,759	12,947,695	647,385	95,890	551,495
2009	12,985,507	13,099,963	654,998	173,709	481,289
2010	13,695,298	13,319,398	665,970	250,000	415,970
2011	13,682,471	13,520,462	676,023	550,001	126,022
2012	13,877,435	13,557,094	677,855	550,001	127,854
2013	14,264,007	13,700,944	685,047	562,987	122,060
2014	14,248,200	13,953,482	697,674	685,047	12,627

**2014 GRF Excess Income
Proposed Allocation & Distribution**

	<u>Excess Income</u>
Excess Income before adjustments	712,850
Reserve - Funding	-
Budget Contingency - Funding	(12,627)
Distribution to Mutuals	<u><u>700,223</u></u>

**2014 Excess Income
Reconciliation of Post Closing to Pre Closing**

Preclosing Excess Income	808,379
Additional 2014 FUI Taxes	(20,244)
Additional YE Accounts Payable Accruals	(16,861)
Adjustment to Inventory to correct physical count error	(13,702)
Excess funds collected for cable	49,586
Release of uncleared liability - Repair & Tax Deposits	49,155
Release of uncleared liability - Inventory Payable	72,788
Release of uncleared liability - Mutual Receivable	<u>(216,251)</u>
Net changes to Excess Income	(95,529)
Excess Income after operating adjustments	<u>712,850</u>
Allocation to Budget Contingency Fund	(12,627)
Excess Income Distribution to Mutuals	<u>700,223</u>

Golden Rain Foundation
Balance Sheets
December 31, 2014 and 2013

Page 1 of 2

	2014			2013		
	Foundation	Trust	Total	Foundation	Trust	Total
Assets						
Current Assets:						
Cash and cash equivalents	\$ 117,241	\$ -	\$ 117,241	\$ 95,987	\$ -	\$ 95,987
Investments (Note 2)	104,384	-	104,384	898	-	898
Receivables	1,162,531	-	1,162,531	1,305,631	-	1,305,631
Inventory of maintenance supplies	349,260	-	349,260	385,179	-	385,179
Prepaid expenses	487,775	-	487,775	392,460	-	392,460
Total Current Assets	<u>2,221,191</u>	<u>-</u>	<u>2,221,191</u>	<u>2,180,155</u>	<u>-</u>	<u>2,180,155</u>
Designated Deposits (Note 2)						
Contingency Operating Fund	-	697,674	697,674	-	685,047	685,047
Trust Improvement Fund	-	920	920	-	14,989	14,989
Capital Improvement Fund	6,197,314	-	6,197,314	6,026,359	-	6,026,359
Liability Insurance Deductible Fund	1,029,125	-	1,029,125	1,018,261	-	1,018,261
Mutuals' Self Insurance Fund	-	-	-	192,832	-	192,832
Other Restricted Funds	465,045	-	465,045	763,676	-	763,676
Total Designated Deposits	<u>7,691,484</u>	<u>698,594</u>	<u>8,390,078</u>	<u>8,001,128</u>	<u>700,036</u>	<u>8,701,164</u>
Notes Receivable						
Notes Receivable - Membership Fee	<u>701</u>	<u>-</u>	<u>701</u>	<u>3,039</u>	<u>-</u>	<u>3,039</u>
Fixed Assets (Notes 3 and 4)	<u>874,276</u>	<u>29,854,578</u>	<u>30,728,854</u>	<u>931,460</u>	<u>28,173,781</u>	<u>29,105,241</u>
Less: Accumulated Depreciation	<u>(835,465)</u>	<u>(19,054,650)</u>	<u>(19,890,115)</u>	<u>(821,168)</u>	<u>(18,282,830)</u>	<u>(19,103,998)</u>
Net Fixed Assets	<u>38,811</u>	<u>10,799,928</u>	<u>10,838,739</u>	<u>110,292</u>	<u>9,890,951</u>	<u>10,001,243</u>
Premium on Municipal Bonds (net of accumulated amortization of \$123,684 and \$186,915 at December 31, 2013 and 2012, respectively)	<u>25,997</u>	<u>-</u>	<u>25,997</u>	<u>48,161</u>	<u>-</u>	<u>48,161</u>
Total Assets	<u>\$ 9,978,184</u>	<u>\$ 11,498,522</u>	<u>\$ 21,476,706</u>	<u>\$ 10,342,775</u>	<u>\$ 10,590,987</u>	<u>\$ 20,933,762</u>

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

Golden Rain Foundation
Balance Sheets
December 31, 2014 and 2013

Page 2 of 2

	2014			2013		
	Foundation	Trust	Total	Foundation	Trust	Total
Liabilities and Equity						
Current Liabilities:						
Accounts payable	\$ 894,553	\$ -	\$ 894,553	\$ 1,353,074	\$ -	\$ 1,353,074
Accrued expense	964,362	-	964,362	805,441	-	805,441
Due to Contingency Operating Fund	-	-	-	122,060	-	122,060
Accrued property tax	116,770	-	116,770	121,797	-	121,797
Payable to Mutuals - excess income refund	700,223	-	700,223	301,124	-	301,124
Deposits Held in Trust	-	-	-	6,516	-	6,516
Total Current Liabilities	2,675,908	-	2,675,908	2,710,012	-	2,710,012
Non-Current Liabilities:						
Mutuals' Self Insurance Reserve	-	-	-	192,832	-	192,832
Total Liabilities	2,675,908	-	2,675,908	2,902,844	-	2,902,844
Commitments and Contingency						
Equity						
Mutuals' beneficial interest in Trust Assets	-	11,498,522	11,498,522	-	10,588,412	10,588,412
Membership interest						
Membership certificates of 844 shares at \$200 par value, and 5,764 shares at \$250 par value, authorized, issued and outstanding.	1,609,800	-	1,609,800	1,609,800	-	1,609,800
Additional paid in capital	21,137,008	-	21,137,008	20,377,326	2,575	20,379,901
Less cost of assets contributed to the Golden Rain Foundation Trust	(15,444,532)	-	(15,444,532)	(14,547,195)	-	(14,547,195)
Excess Income (Loss) Year To Date	-	-	-	-	-	-
Total Equity	7,302,276	11,498,522	18,800,798	7,439,931	10,590,987	18,030,918
Total Liabilities and Equity	\$ 9,978,184	\$ 11,498,522	\$ 21,476,706	\$ 10,342,775	\$ 10,590,987	\$ 20,933,762

See accompanying independent auditors' report.
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Golden Rain Foundation
Statements of Revenues and Expenses By Segment
For the Years Ended December 31, 2014 and 2013

	Trust Operations		Maintenance Services		Management Services		Golden Rain News		All Segments	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Income:										
Net Billings from Mutuals	\$ 9,394,524	\$ 9,426,760	\$ 1,240,920	\$ 1,263,204	\$ 44,400	\$ 44,400	\$ (98,400)	\$ -	\$ 10,581,444	\$ 10,734,364
Advertising Income	-	-	-	-	-	-	953,136	850,574	953,136	850,574
Rental - Onsite Sales Office	415,613	533,252	-	-	-	-	-	-	415,613	533,252
Rental - Health Care Center	564,000	542,000	-	-	-	-	-	-	564,000	542,000
Income From Superwire	74,721	75,663	-	-	-	-	-	-	74,721	75,663
Other Rental Income	39,482	39,482	-	-	-	-	-	-	39,482	39,482
Interest Income	65,680	85,481	-	-	-	-	2,625	-	68,305	85,481
Interest Income Allocation	(9,072)	(14,454)	-	-	-	-	-	-	(9,072)	(14,454)
SRO Labor Cost Recovery	-	-	1,295,911	1,233,841	-	-	-	-	1,295,911	1,233,841
Other Income	265,232	182,776	-	(1)	-	-	(572)	1,029	264,660	183,804
Sub Total	10,810,180	10,870,960	2,536,831	2,497,044	44,400	44,400	856,789	851,603	14,248,200	14,264,007
Excess Income Transfers	234,169	80,322	(267,555)	(138,167)	-	-	33,386	57,845	-	-
Trust Assets Depreciation	(771,819)	(737,290)	-	-	-	-	-	-	(771,819)	(737,290)
Total Income	10,272,530	10,213,992	2,269,276	2,358,877	44,400	44,400	890,175	909,448	13,476,381	13,526,717
Expense:										
Salaries and Benefits	6,393,291	6,431,204	2,135,200	2,154,037	-	-	525,830	570,882	9,054,321	9,156,123
Retirement Plan (Note 5)	77,591	84,074	52,656	55,099	-	-	13,544	15,905	143,791	155,078
Materials and Supplies	480,134	486,540	16,202	71,501	-	-	218,614	198,385	714,950	756,426
Utilities and Trash Hauling	500,642	500,649	17,228	16,087	-	-	6,422	6,794	524,292	523,530
Insurance Premiums	383,196	312,460	-	-	-	-	18,702	9,975	401,898	322,435
Professional Services	253,786	396,087	-	-	-	-	3,426	-	257,212	396,087
Contract Services	166,361	188,771	1,319	785	-	-	94,448	95,672	262,128	285,228
Equipment Maintenance	179,468	144,802	22,901	22,740	-	-	1,520	404	203,889	167,946
Facility Maintenance	1,309,623	1,139,751	55	738	44,400	44,400	1,905	-	1,355,983	1,184,889
Recreation - Entertainment	213,920	136,220	-	-	-	-	-	-	213,920	136,220
Property Taxes and Licenses	33,154	14,709	115	114	-	-	-	-	33,269	14,823
Income Tax	-	30,890	-	-	-	-	-	1,200	-	32,090
Gain on Sale of Equipment	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	-	-	10,814	9,594	-	-	3,483	1,965	14,297	11,559
Miscellaneous	281,364	347,835	12,786	28,182	-	-	2,281	8,266	296,431	384,283
Budget Contingency Funding	-	-	-	-	-	-	-	-	-	-
Mutuals' Self-Insurance Funding	-	-	-	-	-	-	-	-	-	-
Total Expenses	10,272,530	10,213,992	2,269,276	2,358,877	44,400	44,400	890,175	909,448	13,476,381	13,526,717
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014 and 2013

	Membership Interest	Additional Net Paid-In Capital	Transfers to Trust	Net Membership Interest	Mutuals' Beneficial Interest In Trust Assets	Total
Balance at January 1, 2013	\$ 1,609,800	\$ 19,422,750	\$ (14,623,164)	\$ 6,409,386	\$ 10,535,621	\$ 16,945,007
Membership Fees	-	962,455	-	962,455	-	962,455
Fund Earnings (net of taxes)	-	11,184	-	11,184	9,395	20,579
Funding From Excess Income					122,060	122,060
Transfers			75,969	75,969	(75,969)	0
Claims Paid	-	(19,183)	-	(19,183)	-	(19,183)
Municipal Bonds Premium Allocation		120		120	(120)	-
Balance at December 31, 2013	1,609,800	20,377,326	(14,547,195)	7,439,931	10,590,987	18,030,918
Membership Fees	-	746,244	-	746,244	-	746,244
Fund Earnings (net of taxes)	-	9,072	-	9,072	145	9,218
Funding From Excess Income					12,627	12,627
Transfers	-	-	(897,338)	(897,338)	897,338	-
Claims Paid	-	1,792	-	1,792		1,792
Municipal Bonds Premium Allocation	-	2,575	-	2,575	(2,575)	-
Balance at December 31, 2014	<u>\$ 1,609,800</u>	<u>\$ 21,137,008</u>	<u>\$ (15,444,532)</u>	<u>\$ 7,302,276</u>	<u>\$ 11,498,522</u>	<u>\$ 18,800,798</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in members' equity	\$ 769,880	\$ 1,085,911
Adjustments to reconcile increase in members' equity to net cash provided by operating activities		
Depreciation and amortization	14,297	11,559
Depreciation - trust assets	771,819	737,290
(Increase) in other receivables and accrued interest	143,100	(129,048)
Decrease (increase) in inventory of maintenance supplies	35,919	70,198
(Increase) decrease in prepaid expenses	(95,315)	(150,907)
Decrease in other assets	22,164	39,095
Decrease in notes receivable	2,338	(1,402)
Decrease in accounts payable	(458,522)	57,734
Decrease in due to Contingency Operating Fund	(122,060)	122,060
Increase (decrease) in accrued expenses	153,896	226,316
(Decrease) increase in payable to Mutuals	399,099	(182,542)
(Decrease) in deposits held in trust	(6,516)	6,516
(Decrease) increase in mutuals' self insurance reserve	(192,832)	(232,168)
Net cash provided by operating activities	<u>1,437,267</u>	<u>1,660,612</u>
Cash flows from investing activities:		
Proceeds for the sale of investments	455,000	1,210,000
(Costs) of the investments sold	(455,000)	(1,210,000)
Decrease (increase) of investments and designated deposits	207,600	469,007
Acquisition of fixed assets (excluding construction in progress)	(2,561,596)	(1,074,896)
Additions dispositions in construction in progress for community facili	937,983	(1,123,638)
Net cash (used in) investing activities	<u>(1,416,013)</u>	<u>(1,729,527)</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents	21,254	(68,915)
Cash and equivalents at beginning of year	95,987	164,902
Cash and equivalents at end of year	<u>\$ 117,241</u>	<u>\$ 95,987</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for income taxes	\$ -	\$ 18,219
Cash paid for interest	\$ -	\$ -

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

Purchasing Supervisor Report

Finance Committee Meeting, February 17, 2015

1. Budget Variance:

As of 2-11 when the agenda items were due the budget variance report for January was not available. I will recap January if available prior to the Committee meeting or with February at next month's meeting.

2. No new surplus equipment for February. Will be reviewing and categorizing obsolete equipment found in the lumber shed for next month.

3. Project Report:

- Jenark/Micromain data import preparation.
 - Database clean-up ongoing. Descriptions, case packs, etc.
- Warehouse Reorganization
 - All bins are being properly labeled
 - Overstock to be properly located and labeled.
 - Focus on organization of the receiving/large item holding area in process

4. 2014 Capital Project Status:

- Bar Code Printer Label: Pending additional information with regard to Micromain Integration.

2015 Purchasing Services Report Summary

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	Recorded Contractors	Purchase Orders	Total Services
January	21	\$ 5,238.88	549	157	199	29	192	1126
February								0
March								0
April								0
May								0
June								0
July								0
August								0
September								0
October								0
November								0
December								0
Total	21	\$ 5,238.88	549	157	199	29	192	1126
Daily Avg		\$ 249.47	26	7	9	1	9	54