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## Finance Committee

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### **Agenda**

Administration Conference Room

October 20, 2015

9:30 a.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Notice of Quorum
3. Chair's Announcements
  - a. Introduction of Guests and Staff
  - b. Rules of Order
  - c. Chair's Report
4. Approval of Minutes
  - a. September 9, 2015
  - b. September 15, 2015
5. Shareholder/Member Comments – Agenda Items Only  
*(Limited to 3 minutes per person)*
6. Correspondence
7. Financials
  - a. Month of September 2015
8. Unfinished Business
  - a. Jenark Update
9. New Business
  - a. Renewing \$350,00 One Year CDAR
  - b. Investment of \$750,000 of Reserve Funds
  - c. Accelerate 2016 Capital Request – Pallet Racking & Lighting (p.1)
  - d. Capital Request – Check Signing Room for Mutual Directors (pp.2-10)
  - e. Mutual 9 Fire Cost
10. Request From Recreation Committee
  - a. Capital Funding In Amount of \$6,000 for Landscape Improvement between Clubhouse Three and the Library (p.11)

11. Request From Security, Bus & Transportation Committee

- a. Approve Non-Budgeted Funds Cost Center 38, Transportation – Bus Service Outside of Leisure World (p.12)

12. Policies

- a. Procedure 3320.1-31, Receiving (pp.13-15)
- b. Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility (pp.16-18)
- c. Procedure 3321.2-31, General Purchasing Procedure (p. 19)
- d. Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures (pp. 20-21)
- e. Procedure 3321.4-31, Purchase Requisitions (pp. 22-23)
- f. Policy 5061-31, Fees (pp. 24-28)
- g. Policy 5513-35, Accepting Donations from the Friends of the Library (p. 29)

13. Staff Reports

- a. Purchasing Supervisor (pp. 30-33)
- b. Controller (pp. 34-39)
- c. Executive Director

14. President's Comments

15. Shareholder Member Comments

*(Limited to 3 minutes per person)*

16. Committee Member Comments

17. Next Scheduled Meetings:

- a. Special Finance Committee Meeting (ITS Audit Proposals) Friday, October 30, 2015 following immediately after the Special ITS Committee meeting estimated time of 3:00 p.m. in the Administration Conference Room.
- b. Special Finance Committee Meeting (Insurance Proposals) Thursday, November 5, 2015 at 1:00 p.m. in Clubhouse Four.
- c. Regular Finance Committee Meeting Tuesday, November 17, 2015 at 10:00 a.m. in the Administration Conference Room.

18. Adjournment



Golden Rain Foundation

Leisure World, Seal Beach

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## COMMITTEE ACTION REQUEST

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**TO:** FINANCE COMMITTEE  
**FROM:** JULIE RODGERS, PURCHASING MANAGER  
**SUBJECT:** 2016 CAPITAL FUNDING  
**DATE:** OCTOBER 15, 2015  
**CC:** FILE

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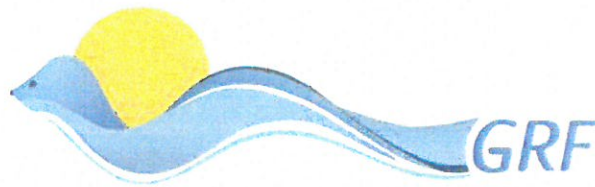
In efforts to better serve our shareholders, and discover the potential for refrigerator unit failures prior to actual use, the purchasing department would like to begin testing refrigerators prior to installation. In order to facilitate in the warehouse in a way that meets with standard safety requirements new pallet racking with electric receptacles will be required.

I am seeking Finance Committee review and approval for early funding of the budgeted 2016 Capital request not to exceed \$3,000 for the purchase and installation of new pallet racking, electrical plug-ins and update warehouse lighting as needed to allow for additional height requirements.

### Action Requested:

Approval for early use of 2016 Approved Capital Request in an amount not to exceed \$3,000 to purchase additional pallet racking, electrical receptacles and update existing lighting in the purchasing warehouse.





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## COMMITTEE ACTION REQUEST

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**TO:** FINANCE COMMITTEE  
**FROM:** CAROLYN MILLER, CONTROLLER  
**SUBJECT:** CHECK SIGNING ROOM FOR MUTUAL OFFICERS  
**DATE:** OCTOBER 20, 2015  
**CC:** FILE

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Beginning June 2015, all Mutual boards implemented a requirement for two officers of their respective boards to sign checks written from the Mutuals' operating accounts. Additionally, in June 2015, a new separate checking account was set up for each Mutual One through Sixteen for the purpose of managing the repair and tax deposits collected from sellers of units. These new checking accounts also require two officers' signatures.

These two procedure changes have significantly increased the foot traffic in the Finance department. Often times, there are four or more Mutual board members waiting to see the Mutual Accountant to sign their checks and approve invoices. Presently, there is no place in the Finance department for board members to wait while the Mutual Accountant is assisting others in her office.

A solution to the congestion issue is to convert an existing vacant office into a check-signing / mailbox room for the officers of the Mutual boards. The room will be furnished with a table, four chairs and a set of mailboxes used for holding invoices that need Mutual board approval and checks that await officer signatures. The room would function as a self-serve area where Mutual board members could access these documents themselves without the assistance of the Mutual Accountant. Further, it is recommended that a second set of mailboxes be purchased for holding mail / documents for Mutual Presidents. These mailboxes would replace the existing mailboxes located in the Stock Transfer area. See Exhibit A for a visual of the requested items.

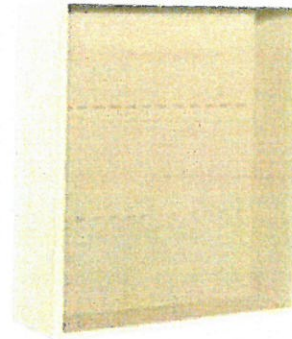
Estimated costs for the above mentioned items are as follows (does not include labor costs for installation):



Item	Cost
16-Mailbox units (2)	\$1,935
Custom engraving	108
Mailbox enclosures (2)	880
Table (1)	870
Chairs (4)	1,080
Total	4,873

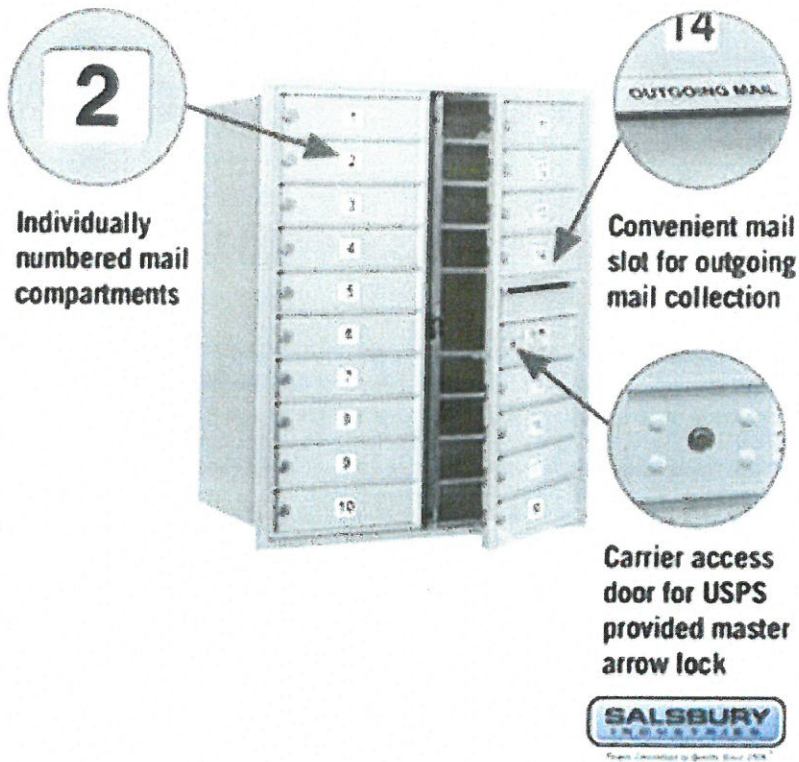
**Action Requested:**

Approval of a capital expenditure for the purchase of two (2) 16-mailbox units, two (2) enclosures, a table and four (4) chairs at a cost not to exceed \$4,900 for the purpose of converting an existing vacant office into a check-signing / mailbox room for the officers of the Mutual boards.



Surface mounted enclosure





These are the available colors, bronze, aluminum, gold, and sandstone:

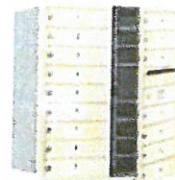
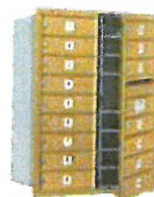
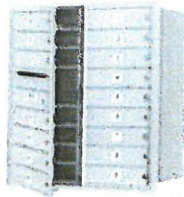
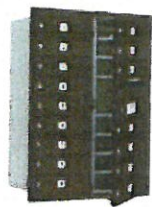


Table Options





Staples # 740576  
Price \$ 609.81

- 6 foot (30"H x 36"W x 72"L)
- Real wood solids and veneers
- Mahogany
- Table weight: 62 lbs.
- Mfr. limited lifetime warranty
- 1 1/2" thick wood veneer surface top
- Panel base provides strength and stability
- Levelers adjust for stability on uneven floors
- Comfortable seating for up to 6 people



Staples # 1423613

Price \$ 554.91

- Racetrack conference table with T-leg base
- 29"H x 36"W x 72"D
- Laminate color is mahogany; flat edgeband color is mahogany; T-leg finish is Platinum Metallic
- Scratch-, spill- and stain-resistant laminate withstands heavy use
- Base design maximizes knee and leg space
- Racetrack shape allows meeting participants to see each other easily
- Heavy-grade, warp-resistant particleboard withstands heavy activity
- Leveling glides compensate for uneven floors
- Table comfortably seats up to six people
- Backed by the HON Full Lifetime Warranty



Staples #085680  
Price \$590.53

- Oval conference table
- 29"H x 48"W x 72"L
- Quartered mahogany laminate
- No grommet holes
- Boardroom table with bullnose edge and arched base included
- Assembly required
- Global Lifetime Warranty

#### Chair Options



Staples # 1058241  
Price \$ 235.67

- Professional task chair
- Technical Mesh/Fabric
- Black seat/back
- Overall Dimensions: 42.3-46.3"H x 27.56"W x 27.4"D
- Full Assembly Required
- Seat Size: 14.6" - 16.9"W x 18.9"D Back: 22.4"H x 18.3"W
- Multifunction seat plate
- Adjustable seat depth; arm pads adjust multi-directionally
- Meets or exceeds all ANSI/BIFMA standards
- Warranty based on up to 10 hours of continual use within a 24hr period for users weighing up to 250 lbs



Staples # 807913  
Price \$ 201.60

- Executive chair
- Leather
- Black seat/back
- Single position tilt lock with tilt tension adjustment
- Pneumatic seat height adjustment
- Attractive black Luxhide upholstery with mock leather trim
- Scuff resistant arched molded base with twin wheel carpet casters
- Offices to Go 5-year warranty
- Seat: 21"W x 18 1/2"D. Back





Staples # 370201  
Price \$186.31

- Executive mid-back chair
- Leather
- Black seat/back
- Polished metal arms and base
- Tilt with tension control and lock
- Pneumatic seat height adjustment with 360-degree swivel
- basyx™ by HON 5-Year Limited Warranty
- Item non-returnable



Staples #931185  
Price \$337.51

- Task/Computer Chair
- Fabric
- Black
- Polyester fabric is abrasion resistant; color is Black
- Polished Aluminum base and frame give an elegant effect
- The mesh back provides excellent support to the spine while permitting cooling air to flow
- Weight-activated tilt uses weight as a counterbalance, eliminating the need for tilt tension control
- Pivot arms move the arms toward and away from the body to adapt to various body sizes
- Upright tilt lock secures the chair in the full upright position



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MEMO

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**TO:** FINANCE COMMITTEE  
**FROM:** RANDY ANKENY, EXECUTIVE DIRECTOR  
**SUBJECT:** REQUEST FOR CAPITAL FUNDING, CH3 PATIO LANDSCAPE  
**DATE:** OCTOBER 14, 2015  
**CC:** FILE

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At the September 22<sup>nd</sup> meeting of the Board, the Board duly moved and approved to replace the concrete between CH3 and the Library due to age and condition. Contributing to the required replacement of the concrete was a mature ficus nitida tree whose root structure had displaced large portions of the concrete.

The configuration and layout of the new concrete (post Board approval) calls for five (5) new, six (6) foot diameter planters and the installation of trees (24" Box), lighting (2 lights per tree), irrigation and the installation of tree root barriers. Original project funding only took into consideration the removal of the existing tree and marginal remedial landscaping within the confines of the original planter.

Capital Funding is requested in the amount of \$6,000 for:

- 6 – 24" box crape myrtles including installation.
- Irrigation
- 10 tree up lights (2 per tree)
- 36" deep tree root barriers (142 linear feet)
- Ground cover (pebbles or ADRC approved other)

Action Requested

Approval of \$6,000 from the Capital Fund for the installation of trees and associated materials as part of the CH3/Library patio concrete replacement project.





Golden Rain Foundation

Leisure World, Seal Beach

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## MEMO

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**TO:** FINANCE COMMITTEE  
**FROM:** SECURITY BUS AND TRAFFIC COMMITTEE  
**SUBJECT:** NON-BUDGETED FUNDING, CC38  
**DATE:** OCTOBER 14, 2015  
**CC:** FILE

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At the October 14, 2015 meeting of the Security Bus and Traffic Committee (SBTC), the Committee reviewed the off property bus service temporary program. This service was approved for a 90 day test period and has seem growing usage. It was also noted, by providing this type of transportation service the Foundation may have a greater possibility of applying for and receiving transportation grants.

This service is provided one day a week at an estimated cost of \$149.48 per operational day (Labor, fuel, estimated bus wear).

The SBTC duly moved and approved to:

*Continue the shuttle service to the Market/Place/Traders Joes/Denny's shopping and entertainment areas with modification to the departure locations(s) by moving or adding the departure location to the Health Care Center for an additional trial period of 9 weeks or January 1, 2016. Non-budgeted operational funding coming from the appropriate General Ledger lines in CC38.*

Action requested

Approval of non-budget funds in the amount of \$1,350 (\$150 x 9 weeks), from CC38.

**STAFF OPERATIONS****ACCOUNTING****Receiving**1. **Responsibility**

The Purchasing Supervisor shall be responsible to maintain staff and supervise a receiving station to receive, identify and account for all items acquired. Receipt of merchandise to be handled by authorized personnel only.

2. **Receiving Merchandise**

All materials ordered will be delivered to the designated receiving station and acknowledged by the receiving clerk.

Upon receipt of the merchandise, the receiving clerk will:

- a. Refer to gold and buff copies of the purchase order (receiving report).
- b. Determine completeness of order.
- c. If complete, enter date received and initial, then forward receiving report (gold) and packing slip immediately to accounts payable department and retain the buff copy in the purchasing department.
- d. If not complete (partial shipment), enter on receiving report the number of units received in partial shipment and date of receipt, and retain in receiving report file until order is considered complete. Mark the packing slip with the purchase order number, partial shipment, date, initial it, and forward the packing slip to accounts payable.
- e. The buff copy (purchasing receiving report) will reflect all shipments received, whether partial or complete, by ticking off the items received and dated and returned to the purchasing department on a daily basis. Purchasing Agent will contact vendor on all partial shipments and indicate the delivery dates for the items on back order. The copy is then returned to receiving department where they will file in their open order file until order is considered complete. The buff copy is then returned to the purchasing department where it is placed in the master file.

(Mar 88)

**STAFF OPERATIONS****ACCOUNTING****Receiving****3. Property Accountability**

- a. All capital expenditure items received are to be accounted for and assigned a stock number except:
  - 1) Stores (expendables consumed in use).
  - 2) Items having a unit value under \$100.
- b. Upon receipt of any capital equipment, the receiving clerk will determine completeness of order form the purchase order (gold copy).
- c. If order is complete, the receiving report (gold copy) and packing slip will be immediately forwarding to accounts payable.
- d. If order is not complete, the receiving report (gold copy) is retained by the receiving clerk until all items purchased are received. On all partial shipments, the packing slip is used in place of a receiving report and should reflect the following:
  - 1) Items received.
  - 2) Purchase order number.
  - 3) Signature indicating receipt of items.
  - 4) Dates items are received.
  - 5) Stamp mark indicating "Partial Shipment."
- e. A substitute packing slip should be prepared whenever any partial services or items are received without a packing slip.
- f. Substitute packing slip should be prepared (one copy only) and forwarded to accounts payable.
- g. The receiving report (gold copy) shall always remain in the receiving department's files until the order is complete.
- h. Receiving reports MUST be forwarded on a daily basis.
- i. It shall be the responsibility of the receiving clerk to observe any damage to merchandise received and report same at once.

(Mar 88)



**STAFF OPERATIONS****ACCOUNTING****Receiving**

- j. In the event that the entire shipment is damaged, the receiving clerk should refuse the entire shipment and notify purchasing.

**Procedure**

Approved: 01 Sep 81

Revised: 29 Mar 88

**Executive Director**

**Golden Rain Foundation**

(Mar 88)

**STAFF OPERATIONS****ACCOUNTING****Basic Purchasing Procedures and Responsibility**

1. It is the function of the Purchasing Division to observe the source of and the authority for a purchase requisition and to clear any questions or uncertainties before arranging for the purchase. Materials in tight supply may require a conference with the department head in order to consider ordering larger than usual quantities, while weakening price structures may warrant a less than normal supply. The cash position of the Foundation, storage facilities, and other factors may need to be weighed by the Purchasing Supervisor in analyzing purchase requisitions. After reaching a decision to make the purchase and having determined the source of supply offering the desired quality, availability, and quantity of the lowest cost, the normal procedure is to prepare a formal purchase order. Whenever capital equipment is being purchased, the property number should be assigned (from property control cards) and placed after each item. The purchase order must be accounted for in numerical sequence; therefore, voided copies should be retained, and a purchase order log should be maintained in numerical sequence accounting for all purchase orders.

The purchase order, signed by the Purchasing Supervisor, is a written authorization to a vendor to supply specified quantities of described goods at agreed terms and at a designated time and place. As a matter of record and for accounting control, a purchase order should be issued for every purchase of material, service or equipment whether the purchase has been made by mail, telephone, salesman or by any other means. An exception to this is a consumption item with a value less than \$75 which may be purchased by the department head. When the department head purchases an item under \$75 without the use of a purchase requisition and purchase order, it will be the responsibility of the department head to sign the invoice for payment only after confirming receipt of item purchased. It will also be the department head's responsibility to make sure the invoice is paid only once. This will require some small record keeping process in the department area. Where a purchase commitment is made by telephone or in an interview with a sales representative, the purchase order serves as a confirmation to the vendor and places the required documents in the hands of those concerned in our company. Words to this effect should be placed on the purchase order.

(Sept 86)

**STAFF OPERATIONS****ACCOUNTING****Basic Purchasing Procedures and Responsibility**

A purchase order is not necessary for the following items:

Exclusions

Credit Cards  
 Dance Bands  
 Insurance Invoices  
 Postage  
 Reimbursements  
 Travel and Expense Reports  
 Utilities

\*Options

Continuing Education Dues  
 Memberships, Books and Subscriptions  
 Service Contracts

1. Unauthorized purchases will become the responsibility of the department head from which the order originated.
2. During extreme emergencies an order may be placed by a department head and all purchase commitments must be confirmed by a written purchase requisition within 24 hours.
3. All contact with vendor shall be done through Purchasing which shall, in turn, refer them to the using department if necessary. This will free the departments to perform their own functions and also limit unauthorized personnel throughout the project.
4. Evaluation reports will be requested from the using departments for the purpose of standardization.
5. Purchasing, with the cooperation of the Storekeeper/Buyer, shall be responsible for the return of merchandise for credit.
6. Purchasing shall be responsible for negotiating all contracts for equipment, capital equipment, printing, etc. Usage rates shall be provided to Purchasing upon request.
7. Competitive bids shall be obtained on services which exceed \$200, in addition to informal telephone bids under this amount.
8. Prices are to remain confidential; they should not be disseminated nor should they be used as a lever for bargaining.

(Sept 86)

**STAFF OPERATIONS****ACCOUNTING****Basic Purchasing Procedures and Responsibility**

9. The practice of "free merchandising" by the sales representative is to be discouraged; price reduction or notation of "bonus merchandise" on the face of the invoice is to be encouraged instead.

**Procedure**

Approved: 16 Nov 82  
Revised: 01 Mar 85  
Revised: 15 Sept 86

**Executive Director  
Golden Rain Foundation**

(Sept 86)



**STAFF OPERATIONS****ACCOUNTING****General Purchasing Procedure**

1. The using department issues a purchase requisition, which is:
  - a. Complete in detail as to quantity, description, cost center, date, signature or person originating request, signature of department head.
  - b. Signature of department head on the requisition ascertains that monies are provided for in the budget.
2. Purchasing Division investigates potential sources, negotiates, determines price, selects supplier, then issues purchase order.
3. Vendor acknowledges order.
4. Follow up activities (if necessary) by Purchasing Division.
5. Vendor ships material.
6. Receiving department checks material against packing slip and purchase order and issues a receiving report to Purchasing Division.
7. Inspection of material by receiving and using departments.
8. Purchasing Division closes order file.
9. Vendor issues invoice.
10. Accounts payable checks invoice, approves for payment, enters cost center, records as being sent to Accounting for payment.
11. Accounting Department issues voucher check to cover transaction.

**Procedure**

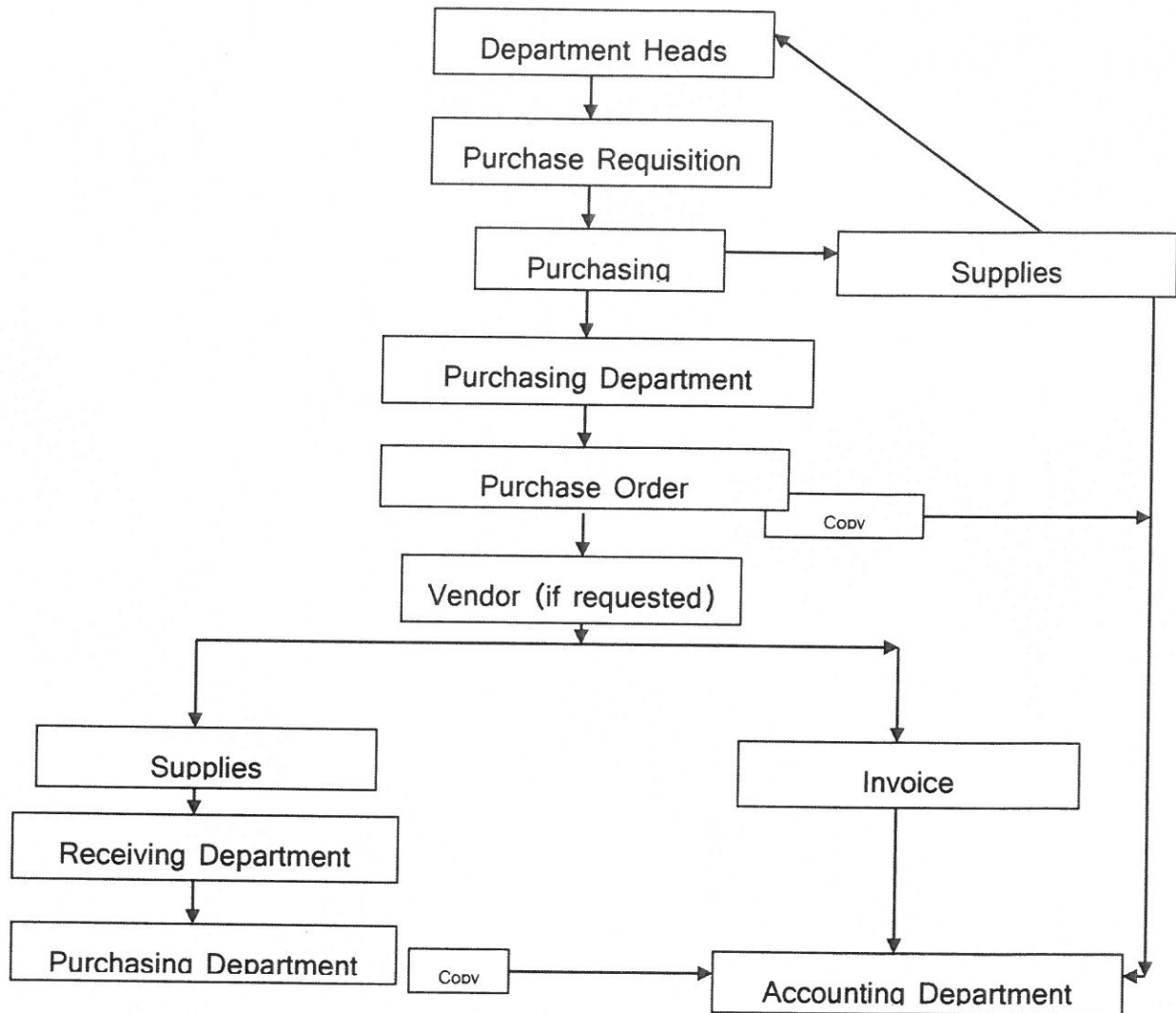
Approved: 15 Sept 86

**Executive Director  
Golden Rain Foundation**

(Sept 86)

STAFF OPERATIONS

## PHYSICAL PROPERTY DEPARTMENT

Requisitioning, Purchasing and Receiving Procedures

(Sept 86)

**STAFF OPERATIONS**

**PHYSICAL PROPERTY DEPARTMENT**

**Requisitioning, Purchasing and Receiving Procedures**

**Procedure**

Approved: 15 Sept 86

**Executive Director  
Golden Rain Foundation**

(Sept 86)

**STAFF OPERATIONS****COMMUNITY FACILITIES DEPARTMENT****Purchase Requisitions****1. Responsibility**

- a. The Purchasing Department is responsible for administering most purchase requirements for the Golden Rain Foundation.
- b. All items or services requisitioned will be submitted for competitive bid, when practical. Final placement of orders will be based on quality, service, price and availability.

**2. Limitations**

- a. Policy has been established that any non-budgeted service or item of purchase over \$100 must be approved by department head before an issuance of a purchase order.
- b. All budgeted capital equipment requisitions must be approved by the Controller, Administrator and department head before the issuance of a purchase order.

**3. Purchase Requisitions**

- a. The purchase requisition gives the Purchasing Department a complete description of the items and services desired. It is suggested that all purchase requisitions be typed.
- b. Enter quantity, unit, name and address of recommended supplier. The final choice of vendor is to be made by the Purchasing Agent.
- c. Enter cost center.
- d. Enter any special shipping instructions and names of person preparing requisition.
- e. Enter name of person to contact on all service type requisitions.
- f. Department head must authorize and sign all requisitions, excepting those items included as inventory stock which will be signed by the Buyer. The Buyer shall maintain an authorized (by the department head) inventory list at all times as support for the items being requisitioned.



**STAFF OPERATIONS**

**COMMUNITY FACILITIES DEPARTMENT**

**Purchase Requisitions**

4. Distribution of Purchase Requisitions
  - a. First original – sent to Purchasing Department.
  - b. Second copy – retained by originator.
  - c. The Purchasing Department files original copy in numerical order (Requisition File).
  - d. The Purchasing Department returns a stamped copy with filing date (marked with the purchase order number and date items or service was placed) to the originating department.

**Procedure**

Amended: 15 Sept 86

**Executive Director  
Golden Rain Foundation**

(Sept 86)

## GOLDEN RAIN OPERATIONS

### FINANCE

#### Fees

The following schedule of fees is established for the standard cost recovery for services provided by the Golden Rain Foundation's (GRF) Stock Transfer Office.

#### 1. Membership Fee

- 1.1 The membership fee for a GRF member represents a buy-in for access to the community facilities and amenities.
- 1.2 Each owner and co-occupant non-owner will be required to pay a one-time membership fee.
- 1.3 The membership fee is calculated as twelve (12) times the monthly GRF assessment and rounded up to the nearest dollar. The new membership fee is implemented on January 1 of each year.
- 1.4 Existing GRF member(s) may transfer from one mutual to another without having to pay the membership fee provided that the member(s) remain(s) the same. The member(s) will, however, be charged a membership certificate processing fee for this transaction.
- 1.5 Membership fees shall be allocated as follows:
  - 1.5.1 Sixty seven percent (67%) into the GRF Capital Improvement Fund.
  - 1.5.2 Thirty three percent (33%) into GRF Reserve Fund.

#### 2. Payment of Membership Fee

- 2.1 New members are encouraged to pay the membership fee in full at the close of the purchase escrow. GRF has established a finance plan to pay the membership fee over a seven-year period for those members who wish to finance their membership fee.
- 2.2 Members who opt to finance the payment of their membership fee must complete a Promissory Installment Note and agree to the terms of the Note.
  - 2.2.1 If a member opts to finance their membership fee, each member shall pay a one-time upfront payment of 25% of the total membership fee at the close of Escrow, and make seven (7) equal annual installment payments. Each annual payment will be due and payable on the anniversary of the date of purchase until the principal amount, including the finance charge, is paid in full.
  - 2.2.2 The annual finance charge on matured, unpaid amounts shall be one (1) percent per month (APR of 12%) paid annually on the outstanding balance.

GOLDEN RAIN OPERATIONS

## FINANCE

Fees

2.3 In the event that the member(s) sell(s) their Mutual share of stock before the membership fee is paid in full, the balance will be paid from the sale escrow.

3. Membership Certificate and Processing Fee

3.1 GRF shall issue one membership certificate per unit. The membership certificate may contain one or more names.

3.2 A certificate processing fee of \$150 will be charged to the unit's account each time the membership certificate is changed or altered to cover the cost of preparing, recording and/or replacing a membership certificate.

3.3 Membership Certificate and Processing fee shall be allocated to Cost Center 33 (Mutual Administration).

4. Transfer Fee – In Escrow

4.1 The seller of a Mutual share of stock shall pay a transfer fee of \$350 to GRF to cover the cost of transferring ownership(s).

4.2 Transfer Fee – In Escrow shall be allocated to Cost Center 33 (Mutual Administration).

5. Non – Owner Co-Occupant Processing Fee

5.1 Non - Owner Co-Occupant fee of \$50 shall be charged to cover the actual set up and processing costs.

5.2 Non – Owner Co-Occupant Processing Fee shall be allocated to Cost Center 33 (Mutual Administration).

6. Mutual Corporation Fees

6.1 Each Mutual represents a fully independent corporation and as such may establish fees applicable to the Mutual. In accordance with the Management agreement, GRF operates as the management company for the Mutuals and processes the transfer of stock certificates. GRF as part of its duties will apply applicable Mutual Fees in accordance with established Mutual policies (see 7000 policy series).

7. Stock Transfer Legal Review of Trust Fees

7.1 Whenever there is a requested transfer of stock ownership by a Trust, either by the sale of an apartment or an in-house membership transfer,

GOLDEN RAIN OPERATIONS

## FINANCE

Fees

Probate Code §18100.5 delegates to the Foundation a right to request the currently acting trustee or successor trustee to provide either a certification of trust, or if not available, a copy of the trust instrument itself. In order to determine the legal rights of the trustee/successor trustee to represent the sale or transfer of apartment ownership via the trust they represent, the following procedure is implemented.

- 7.2 Any Trustee or Successor Trustee seeking to transfer the ownership of a mutual apartment either by the sale of the apartment through escrow or an in-house ownership transfer will be required to provide the Stock Transfer Office a Certification of Trust, or lacking that, a copy of the Trust document for the Foundation attorney to review prior to any such requested transfer of ownership.
- 7.3 The Stock Transfer Office shall not proceed with any sale or transfer of ownership via a trust document prior to the Foundation attorney reviewing the trust and providing in writing a letter of release allowing the Stock Transfer Office to proceed.
- 7.4 In an effort to offset the cost of the required Foundation attorney review, there shall be assessed to the trustee or successor trustee a fee of \$125 representing the attorney's fee and Golden Rain Foundation pro-rated staff time, to be collected at the time of the trust review.
- 7.5 Legal Review of Trust Fees shall be allocated to Cost Center 33 (Mutual Administration).

8 Lessee Annual Fee – Mutual 17 Only

- 8.1 The GRF lessee fee is a required **use fee** for access to the community facilities, amenities, and participation in GRF activities. The lessee fee is calculated at 20% of the GRF annual assessment rounded up to the nearest dollar for each occupant.
- 8.2 The required annual lessee fee payment is due and payable in full on the date of the lease agreement.
- 8.3 If delinquent, the lessee shall pay damages to reimburse GRF for its time, inconvenience, and overhead in collecting the payment as follows:
  - 8.3.1 A \$25 (Twenty Five Dollar) late fee, and
  - 8.3.2 Interest at 1 ½ % per month percentage rate (18% APR) from the original date due until the date the payment is received.
- 8.4 In addition to late fees, for each check from a lessee that a bank returns for any reason, the lessee must pay:
  - 8.4.1 \$50 (fifty dollar) late payment fee, and



**GOLDEN RAIN OPERATIONS****FINANCE****Fees**

8.4.2 All bank charges assessed against the association.

8.5 If a lessee becomes more than 90 days delinquent or has an unpaid balance of \$100 (one hundred dollars) or greater, the renter will receive a 30-day notice of GRF's intent to suspend the right to use GRF amenities and Trust facilities and property, including driving privileges upon GRF streets. If GRF receives payment in full before the 30-day notice period expires, the privileges will not be suspended. GRF may also refer the lessee account to an attorney or collection agency for appropriate action. All fees incurred by an attorney or collection agency to recover the delinquent amounts will be assessed to the lessee.

8.6 GRF reserves the right to collect the delinquent account from Lessor.

8.7 Lessee fees shall be allocated as follows:

8.7.1 Sixty seven percent (67%) into the GRF Capital Improvement Fund.

8.7.2 Thirty three percent (33%) into GRF Reserve Fund.

**9. All Fees are subject to periodic review and subject to change**

**Policy**

Adopted: 21 Apr 70  
 Amended: 31 Aug 73  
 Amended: 20 Nov 73  
 Amended: 19 Aug 75  
 Amended: 31 Aug 77  
 Amended: 16 Jun 81  
 Rescinded: 20 Oct 81 (Amendments passed 16 Jun 81)  
 Amended: 16 Dec 86 (Effective 01 Jan 87)  
 Amended: 21 Jul 87 (Effective 01 Aug 87)  
 Amended: 20 Sep 88 (Effective 01 Jan 89)  
 Amended: 21 Nov 89  
 Amended: 16 Nov 93 (Effective 01 Dec 93)  
 Amended: 18 Nov 03 (Effective 01 Jan 04)  
 Amended: 15 May 07 (Effective 01 Jul 07)  
 Amended: 17 July 12 (Effective 01 Sept 12)  
 Amended: 22 Apr 14 (subheading correction only)

**GOLDEN RAIN FOUNDATION  
 SEAL BEACH, CA**

GOLDEN RAIN OPERATIONS

FINANCE

Fees

Amended: 28 Oct 14

BOARD INTERNAL OPERATIONS

**Accepting Donations from the Friends of the Library Procedures**

The Friends of the Library (FOL) donate a portion of their revenue to the Leisure World Library. All donations from FOL shall be made payable to the Golden Rain Foundation (GRF), and sent to the GRF Accounting Department. All FOL donations shall be allocated to cost center 35 (Library).

**Procedure**  
Adopted:

**Golden Rain Foundation**  
**Seal Beach, California**

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

September 2015:

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Purchasing				
6100000 32	Salaries & Wages - Purchasing	120,009	134,158	14,149
6140000 32	Employment Taxes - Purchasing	9,561	10,822	1,261
6142000 32	Workers' Compensation - Purchasing	8,791	13,161	4,370
6143000 32	Group Insurance - Medical - Purchasing	18,675	12,648	(6,027)
6143300 32	Group Insurance - Dental - Purchasing	497	297	(200)
6143500 32	Group Insurance - Vision - Purchasing	284	176	(108)
6144000 32	401(k) Match - Purchasing	2,531	4,031	1,500
6145000 32	Group Insurance - Life - Purchasing	569	611	42
6146000 32	Long Term Disability Insurance - Purchas	454	713	259
6211000 32	Continuing Education - Purchasing	0	500	500
6213100 32	Temporary Agency Fees - Purchasing	26,974	0	(26,974)
6214000 32	Meals & Special Events - Purchasing	(4)	0	4
6215000 32	Mileage - Purchasing	0	90	90
6217000 32	Uniforms & Laundry - Purchasing	1,153	1,463	309
6410000 32	Office Supplies - Purchasing	752	900	148
6410005 32	Building Supplies - Purchasing	163	900	737
6410010 32	Hospitality - Purchasing	297	374	77
6410015 32	Computer Supplies - Purchasing	0	600	600
6410020 32	Equipment Expense - Purchasing	259	1,125	866
6410030 32	Printer / Copier Supplies - Purchasing	460	599	139
6411000 32	Freight & Handling - Purchasing	7,752	7,497	(255)
6411001 32	Inventory Price Variances - Purchases	0	0	0
6435100 32	Bank Service Fees - Purchasing	397	0	(397)
6444000 32	Equipment Rental - Purchasing	1,005	1,012	7
6471000 32	Building Repair & Maintenance - Purchas	59	450	391
6472000 32	Equipment Repair & Maintenance - Purchas	210	450	240
6478000 32	Service Contracts - Purchasing	158	113	(46)
6482000 32	Dues, Memberships & Books - Purchasing	374	101	(273)
6483000 32	Propane - Purchasing	472	1,400	928
6911500 32	Inventory Over / Short-Purchasing - Purc	(9,105)	1,499	10,604
6911505 32	Obsolete Inventory Adjustment - Purchasi	2,997	2,997	0
Total Expenses		195,745	198,686	2,941
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	(2,522)	7,501	(10,023)
5385000 32	Other Income - Purchasing	120	0	120
5540000 32	Discounts Earned - Purchasing	1,947	0	1,947
Total Othe Cost Recovery		(455)	7,501	(7,956)
5330000 32	Income / Refund from Mutuals - Purchasin	189,070	189,069	1
Total Cost Recovery		188,615	196,570	(7,955)
Off Budget Items				
5990000 32	Materials Recovery - Purchasing	(43,509)	0	43,509
6415000 32	Materials Pass-Thru - Purchasing	43,509	0	(43,509)
Total Off Budget Items		0	0	0
Net Income / (Expense)		(7,130)	(2,116)	(5,014)



Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

1. Budget Variance:

Cost center 32 is over budget a total of \$5,014 YTD. Notable variances are:

**Budget Variance Report - September 2015**  
**Purchasing - CC#32**

<u>GL Code</u>	<u>Account Description</u>	<u>YTD Variance</u>	<u>Explanation</u>
6100000	Salaries & Wages	14,149.00	Open Position
6140000	Employment Taxes	1,261.00	Open Position
6142000	Worker's Compensation	4,370.00	2014 Refund dollars allocated to CC32
6143000	Group Insurance - Medical	(6,027.00)	Additional participation not budgeted
6144000	401 (k) Match - Purch	1,500.00	Participation below planned budget
6213100	Temporary Agency Fees	(26,974.00)	Temp hired to fill key vacant position
6911500	Inventory Over/Short	10,604.00	Inventory adjustments
5380320	Shipping & Proc. Recoveries	(10,023.00)	YTD recoveries of \$35,121 offset by a 2014 correction of \$25,098
5540000	Discounts Earned Purchasing	1,947.00	Unbudgeted discounts earned
Total Explained Variances		<u>(9,193.00)</u>	

2. Project Report:

- Purchasing Assistant Position has been filled by Geoff Leeds, formerly with Security.
- Axxerion launch planning and execution.
  - Item database clean-up for import.
- Warehouse Reorganization (ongoing):
  - Overstock to be properly located and labeled.
  - Clean-out/Organization of the lumber shed.
  - Organization of the receiving/large item holding area.

3. There is no new surplus equipment to submit this period, previously submitted file cabinet inventory processing is still in progress.

4. 2014/2015 Capital Project Status:

- Bar Code Printer Label: Pending.

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

5. Purchasing Services Report

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	Recorded Contractors	Purchase Orders	Total Services
January	22	\$ 2,439.40	673	130	148	20	241	1212
February	19	\$ 2,139.70	703	172	163	27	242	1307
March	21	\$ 4,502.39	741	163	176	29	222	1331
April	22	\$ 3,360.12	738	142	141	4	193	1218
May	21	\$ 3,347.50	748	78	163	46	151	1186
June	21	\$ 3,854.66	717	120	149	52	185	1223
July	22	\$ 2,883.20	726	139	146	34	213	1258
August	21	\$ 3,786.00	706	155	157	38	202	1258
September	21	\$ 6,112.32	679	169	176	42	240	1306
October								0
November								0
December								0
Total	190	\$32,425.29	6431	1268	1419	292	1889	11299
Daily Avg		\$ 170.66	34	7	7	2	10	59

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

6. Obsolete Inventory

Item #	U Of M	Item Description	QTY	Cost	Ext Cost	Date	Reason
19-1116	EA	DWO SINK BATH FRAME 18 ROUND	-42	\$25.84	(\$1,085.28)	9/22/2015	No longer in use, Ruben indicated keep 10 in case they're needed
05-1150	LB	DWO FREON R500 30 LBS	-30	\$12.94	(\$388.20)	9/23/2015	No use through 2006
05-3355	EA	DWO WB24X5248 THERM FUSE GE	-1	\$15.32	(\$15.32)	9/23/2015	GE Oven disc - no use through 2010.
05-3380	EA	DWO GE OVEN CLIP WB2X9105	-3	\$0.70	(\$2.10)	9/23/2015	GE Oven disc - no use through 2006
04-1901	EA	DWO GLASS WALKLIGHT RIBBED CLEAR	-1	\$3.84	(\$3.84)	9/28/2015	Discontinued item with replacement.
05-3611	EA	DWO WB24K2 SWITCH GE	-2	\$5.73	(\$11.46)	9/28/2015	GE Oven disc - no use through 2006
05-3710	EA	DWO GE OVEN DOOR GASKET WB2X2058	-1	\$38.50	(\$38.50)	9/28/2015	GE Oven disc - no use through 2012
09-4130	BX	DWO RUBBER GLOVES E-LARGE DSK-4 HALOKOTE DWO	-4	\$10.95	(\$43.80)	9/28/2015	Disc - no use through 2013
12-0823	EA	DWO DRILL BIT, 27/64"	-1	\$7.60	(\$7.60)	9/28/2015	Disc - no use through 2013
19-1070	EA	DWO TOILET STD 10 WHITE ROUGH TOTO DWO	-1	\$98.00	(\$98.00)	9/28/2015	Inv correction to item 19-1065 in Oct
19-1080	EA	DWO TOILET HI-BOY 10" BONE ROUGH DWO	-1	\$219.89	(\$219.89)	9/28/2015	Inv correction to item 19-1066 in Oct
					(\$1,913.99)		



Golden Rain Foundation  
October 20, 2015 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	411,324	408,250	(3,074)
6140000 31	Employment Taxes - Finance	32,809	32,460	(349)
6142000 31	Workers' Compensation - Finance	9,699	14,519	4,820
6143000 31	Group Insurance - Medical - Finance	34,480	41,117	6,637
6143300 31	Group Insurance - Dental - Finance	807	984	177
6143500 31	Group Insurance - Vision - Finance	599	629	30
6144000 31	401(k) Match - Finance	7,836	11,163	3,327
6145000 31	Group Insurance - Life - Finance	1,734	1,746	12
6146000 31	Long Term Disability Insurance - Finance	1,425	2,038	613
6210005 31	Payroll Processing Fees - Finance	22,900	22,500	(400)
6211000 31	Continuing Education - Finance	0	0	0
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	45	45
6410000 31	Office Supplies - Finance	1,295	4,351	3,056
6410005 31	Building Supplies - Finance	0	225	225
6410010 31	Hospitality - Finance	553	706	153
6410015 31	Computer Supplies - Finance	1,238	225	(1,013)
6410025 31	Lunch Room Supplies - Finance	52	149	97
6410030 31	Printer / Copier Supplies - Finance	3,173	5,251	2,078
6432100 31	Audit Fees - Finance	100,003	87,003	(13,000)
6435100 31	Bank Service Fees - Finance	3,207	3,060	(147)
6444000 31	Equipment Rental - Finance	2,320	2,307	(13)
6478000 31	Service Contracts - Finance	1,640	1,485	(155)
6482000 31	Dues, Memberships & Books - Finance	0	170	170
6483201 31	Mailouts - Periodic - Finance	8,199	7,050	(1,149)
6483202 31	Mailouts - Pymt Coupons - Finance	8,012	0	(8,012)
6491000 31	Miscellaneous Writeoffs - Finance	(86)	0	86
6721000 31	State & Federal Taxes - Finance	37,255	12,375	(24,880)
6910000 31	Uncollectible Customer Receivables - Fin	1	0	(1)
6951000 31	Non-Budgeted Exp for Committee - Finance	107	751	644
Total Expenses		694,657	660,559	(34,098)

**Budget Variance Report - September 2015**  
**Dept Name - CC 31**

GL Code	Account Description	Variance	Explanation
6142000	Workers' Compensation	4,820	2014 Refund \$1,576 allocated to CC31; reduction in premiums effective August
6143000	Group Insurance	6,844	Lower participation & reduced 2015 premiums than budgeted
6144000	401(k) Match	3,327	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	(8,012)	\$5,162 second coupon mailing in Feb - unbudgeted
6721000	State & Federal Taxes	(24,880)	2015 Est taxes exceed annual budget by \$31,300
Total Explained Variances		(34,944)	

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Controller's Report

**Budget Timeline**

GRF Budget Timeline	
5/18/2015	Distribute staffing plans and capital acquisition surveys to managers & supervisors.
6/12/2015	Distribute operating budget input sheets to managers & supervisors.
July 2015	Initial draft budgets presented to committees
August	Second iteration of draft budgets presented to committees
9/15/2015	Final draft budget reviewed by Finance Committee
9/22/2015	Final draft budget presented to the GRF board.
10/28/2015 to 10/30/2015	Copy the approved budgets for distribution in November. All budgets to <i>The News</i> by October 30 <sup>th</sup> .
11/12/2015	Distribute approved budgets in <i>The News</i> .



Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Controller's Report

**Investments**

- Transferred in September
  - \$250,000 from US Bank to First Foundation Bank
- Purchased in September
  - \$500,000 for 52 weeks @ .5%
- October Recommendation to reinvest matured CDAR of \$350,000 (Reserve funds) in a 52-week CDAR @ .5%.
- Pending – Discuss investing excess liquidity in reserve funds.

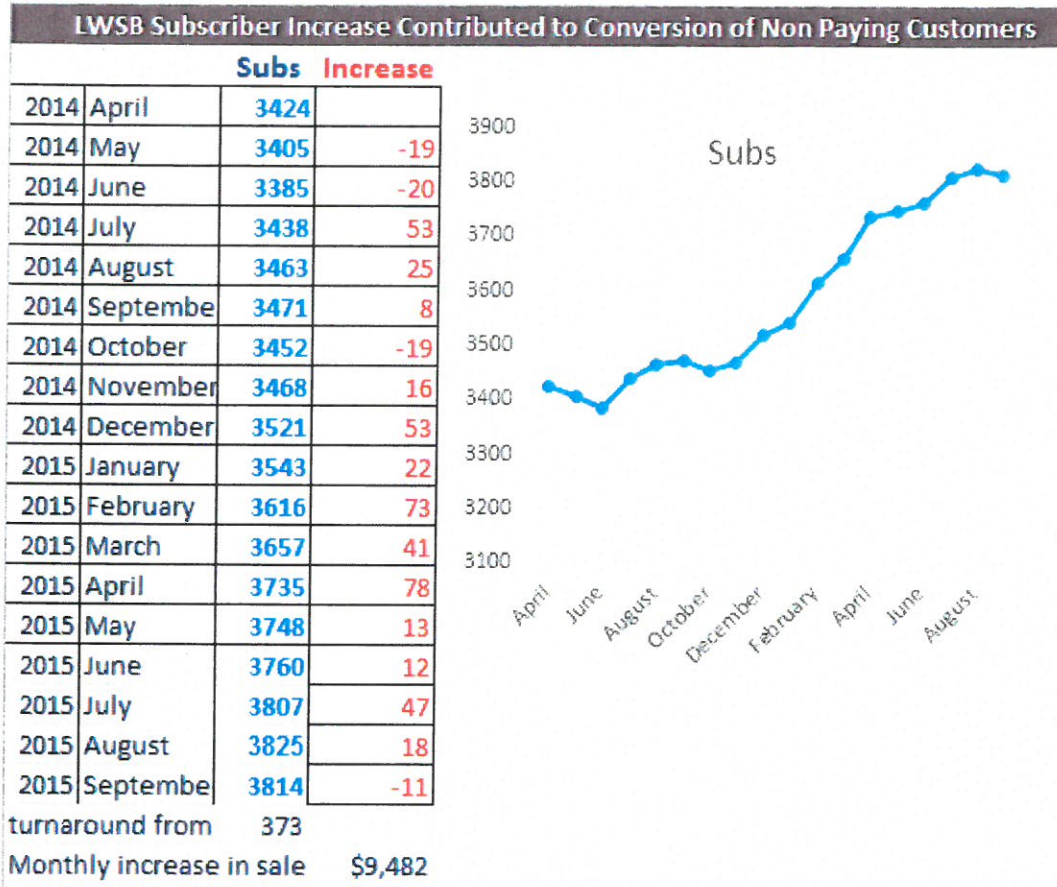
**Superwire**

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. Second quarter 2015 true-up amount was deducted from the September settlement payment to Superwire.

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
Subtotal	\$2,993.00
Total	<u>19,035.51</u>
Payments:	(\$11,200.00) 4/1/2015 - 10/1/2015
Bal Due:	<u>7,835.51</u>

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Controller's Report

From Bob McCauley:



**Aged Receivables** (Quarterly Review)

Handout

**Contract Renewal Report** (Attached)

Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Controller's Report

**Mutual Seventeen Lease Income**

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

**M17 Lease Fees Collected in September 2015**

			Month	YTD
	336		Total	Total
	0		-	
	-		-	24

			Month	YTD
	336		Total	Total
	0		-	
			-	
<b>Total M17 Lease Fees Collected September 2015</b>			-	<b>7,784</b>

Policy 5061-33 Distribution:

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



Golden Rain Foundation  
October 20, 2015 Meeting of the Finance Committee  
Controller's Report

**SRO Aging Recap:**

Month	Last Month	This Month
Feb-15	1	1
Mar-15	1	1
Apr-15	48	47
May-15	91	84
Jun-15	65	47
Jul-15	183	58
Aug-15	931	167
Sep-15	-	1,212
Total	1,320	1,617

**Pending Action Items:**

None