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## Finance Committee

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### **Agenda**

Administration Conference Room  
December 15, 2015  
10:00 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. Regular Minutes October 20, 2015 (pp.1-18)
  - b. Special Minutes November 5, 2015 (pp.19-22)
  - c. Regular Minutes November 17, 2015 (pp.23-39)
  - d. Special Minutes December 4, 2015 (pp.40-43)
5. Shareholder/Member Comments – Agenda Items Only  
*(Limited to 3 minutes per person)*
6. Correspondence
7. Financials
  - a. Month of November 2015
8. New Business
  - a. Approve Lease for Computer Club (pp.44-48)
  - b. Approve Procedure – Usage of the Debit Card – Funding for Emergencies (pp.49-51)
  - c. Approve NSBN 2015 Audit Services Extension (p.52)
9. Request From Physical Property Committee
  - a. Update Mutual 9-218 Fire Expenses (Hand Out At Meeting)
10. Policies
  - a. Rescind Procedure 2242-31 – Mutual Finance Reports (p.53)
  - b. Rescind Procedure 2251-31 – Assessed Valuation & Homeowner's Exemption (p.54)
  - c. Rescind Procedure 2271-31 – Checks Drawn to the Order of GRF (p.55)



- d. Rescind Procedure 2272-31 – Petty Cash Procedures (pp.56-58)
- e. Rescind Procedure 2284-31 – Property Run Procedure (pp. 59-60)
- f. Rescind Procedure 2285-31 – Collection Procedures (pp.61-63)
- g. Rescind Procedure 2289-31 – Insurance Broker Service (p.64)
- h. Rescind Procedure 3321.8-31 – Purchase Requisition Approval (p.65)
- i. Rescind Procedure 3321-31 – Purchase Orders (pp.66-69)
- j. Rescind Procedure 3321.5-31 – Purchase Requisition Procedure (pp.70-71)
- k. Rescind Procedure 3321.6-31 – Purchase Order Procedure (pp.72-75)
- l. Rescind Procedure 3321.7-31 – Invoice Approval for Payment (pp.76-77)
- m. Rescind Procedure 3322-31 – Credit Memorandums (p.78)
- n. Rescind Procedure 2121-31 – Escrow Accounting Procedure (pp.79-80)
- o. Rescind Procedure 2241-31 – GRF Financial Reports (pp.81-82)

11. Staff Reports

- a. Purchasing Supervisor (pp.83-87)
- b. Controller (pp.88-93)
- c. Executive Director

12. President's Comments

13. Shareholder Member Comments

*(Limited to 3 minutes per person)*

14. Committee Member Comments

15. Next Scheduled Meetings:

- a. Regular Finance Committee Meeting Tuesday, January 19, 2015 at 10:00 a.m. in the Administration Conference Room.

16. Adjournment





## **FINANCE COMMITTEE MINUTES**

### **October 20, 2015**

The regular Finance Committee meeting held on Tuesday, October 20, 2015, was called to order by Chair Stone at 9:30 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

### **ROLL CALL**

Present: Ms. L. Stone, Chair  
Mrs. C. Damoci (arrived at 9:53 a.m.)  
Mrs. M. Dodero  
Mr. P. Friedman (left at 11:30 a.m.)  
Ms. P. Snowden  
Mr. R. Stone  
Ms. R. Winkler, Ex Officio

Absent: Mr. P. Hood

Staff: Mr. R. Ankeny, Executive Director  
Ms. C. Miller, Controller  
Mrs. J. Rodgers, Purchasing Manager  
Mr. Grant Winford, Fleet Manager  
Mrs. M. McAuley, Recording Secretary  
Mrs. J. Reed, GRF Representative, Mutual Four  
Four Foundation Members

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

The Chair introduced and welcomed Foundation members, GRF Representative and Staff.

### **COMMITTEE RULES**

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

### **CHAIR'S REPORT**

It was the consensus of the Committee members present to add to the agenda under New Business, item 9 (f), Membership Refund.

### **APPROVAL OF MINUTES**

The Chair declared the Special Meeting Minutes of September 9, 2015, approved as written.



The Chair declared the Regular Meeting Minutes of September 15, 2015, approved as written.

### **ACCEPT SEPTEMBER 2015 FINANCIAL STATEMENTS**

The Controller reviewed the September 2015 financial reports.

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

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

### **UNFINISHED BUSINESS**

#### **Jenark Update**

The Controller provided an update and feedback from various departments on the Jenark software.

### **NEW BUSINESS**

#### **Renewing \$350,000 One Year CDAR**

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

**TO** reinvest matured CDAR of \$350,000 (Reserve funds) in a 52-week CDAR at 5% and to continue the ladder.

#### **Investment of \$750,000 of Reserve Funds**

The Controller and members discussed investing excess liquidity in reserve funds. After discussion, the Committee members concurred to hold a study session for further discussion.

#### **Accelerate 2016 Capital Request – Pallet Racking & Lighting**

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

**TO** approve the acceleration of the 2016 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.



Capital Request – Check Signing Room for Mutual Directors

The Controller reported presently there is no designated place in the Finance department for Mutual Directors to sign checks. After discussion, the Committee members concurred to further research and place on the November agenda.

Mutual 9 Building 218 Fire Cost

The Executive Director and Assistant to the Executive Director gave an update and fees incurred on the Mutual Nine Building 218 Fire. All expenses related to the fire will be expensed to Cost Center 74, Service Maintenance. The Chair requested this update also be placed on GRF BOD October agenda.

Request For Membership Refund

The Stock Transfer Agent received a shareholder's request for a refund of her husband's membership fee. Unfortunately, before the shareholders could move here, the husband of the shareholder fell ill and passed away. She is requesting her husband's membership fee be reimbursed.

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

**TO** approve the request for a refund in the amount of \$1,678 for her husband's GRF membership fee.

Request from Recreation Committee – Capital Funding in Amount of \$6,000 for Landscape Improvement between Clubhouse Three and Library

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

**TO** approve in the amount of \$6,000 from the Capital fund for the installation of trees and associated materials as part of the Clubhouse Three / Library patio concrete replacement project.

Representative of the Architectural Design and Review Committee will select the trees to be planted.

Request from Security, Bus & Transportation Committee – Approve non-budgeted funds from Cost Center 38, Transportation – Bus Service Outside of Leisure World

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

**TO** approve the non-budgeted funds in the amount of \$1,350 (\$150 x 9 weeks) from Cost Center 38, Transportation to continue the shuttle



service to the Market, Trader Joes, and Denny's shopping and entertainment areas.

## **POLICES**

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

TO send Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31, Purchase Requisitions; Policy 5061-31, Fees; and Policy 5513-35, Accepting Donations from the Friends of the Library to the Policy and Procedure Re-Write Sub-Committee.

## **STAFF REPORTS**

### **Purchasing Supervisor**

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

With thanks from the Committee, the Purchasing Supervisor was excused at 10:09 a.m.

### **Controller**

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

### **Executive Director**

The Executive Director informed the Committee the 2015-2015 GRF and Mutual Insurance renewal quotes should arrive early next week.

## **PRESIDENT'S COMMENTS**

The President commented on a the work study regarding investments and Controller's detailed report.

## **FOUNDATION MEMBER COMMENTS**

Foundation members commented on various items pertaining to the Committee's area of purview.

## **COMMITTEE MEMBER COMMENTS**

Committee members commented on placing Policy 5528, Refund of Excess Income on the November agenda, and the Chair's leadership.



The Chair thanked the Committee members and Controller for all their hard work.

**ADJOURNMENT**

The Chair reported the following Finance Committee meetings:

- Special Finance Committee Meeting regarding ITS audit proposals on Friday, October 30, 2015 at 3:00 p.m. in the Administration Conference Room.
- Special Finance Committee Meeting regarding 2015-2016 Insurance Renewal on Thursday, November 5, 2015 at 1:00 p.m. in Clubhouse Four, Section B.
- Regular Finance Committee Meeting on Tuesday, November 17, 2015 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 11:57 a.m.

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Linda Stone, Chair  
FINANCE COMMITTEE  
mm 11.16.15



## RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE COMMITTEE MEETING ON OCTOBER 20, 2015

### MOTIONS

- It was the consensus of the Committee members present to add to the agenda under New Business, item 9 (f), Membership Refund;
- The Chair declared the Special Meeting Minutes of September 9, 2015, approved as written;
- The Chair declared the Regular Meeting Minutes of September 15, 2015, approved as written;
- **TO** recommend the GRF BOD accept the September 2015 Financial Statements for audit.
- **TO** reinvest matured CDAR of \$350,000 (Reserve funds) in a 52-week CDAR at 5% and to continue the ladder;
- **TO** approve the request for a refund in the amount of \$1,678 for her husband's GRF membership fee;
- **TO** approve the acceleration of the 2016 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;
- **TO** approve in the amount of \$6,000 from the Capital fund for the installation of trees and associated materials as part of the Clubhouse Three / Library patio concrete replacement project. \*Representative of the Architectural Design and Review Committee will select the trees to be planted;
- **TO** approve the non-budgeted funds in the amount of \$1,350 (\$150 x 9 weeks) from Cost Center 38, Transportation to continue the shuttle service to the Market, Trader Joes, and Denny's shopping and entertainment areas;
- **TO** send Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31, Purchase Requisitions; Policy 5061-31, Fees; and Policy 5513-35, Accepting Donations from the Friends of the Library to the Policy and Procedure Re-Write Sub-Committee.
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## **ACTIONS**

- The Controller and members discussed investing excess liquidity in reserve funds. After discussion, the Committee members concurred to hold a study session for further discussion;
- The Controller reported presently there is no designated place in the Finance department for Mutual Directors to sign checks. After discussion, the Committee members concurred to further research and place on the November agenda;
- The Executive Director and Assistant to the Executive Director gave an update and fees incurred on the Mutual Nine Building 218 Fire. All expenses related to the fire will be expensed to Cost Center 74, Service Maintenance. The Chair requested this update also be placed on GRF BOD October agenda;
- The Chair reported the following Finance Committee meetings: Special Finance Committee Meeting regarding ITS audit proposals on Friday, October 30, 2015 at 3:00 p.m. in the Administration Conference Room. Special Finance Committee Meeting regarding 2015-2016 Insurance Renewal on Thursday, November 5, 2015 at 1:00 p.m. in Clubhouse Four, Section B. Regular Finance Committee Meeting on Tuesday, November 17, 2015 at 10:00 a.m. in the Administration Conference Room.



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.
- Axserion 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**

		<b>GRF Budget Timeline</b>
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**

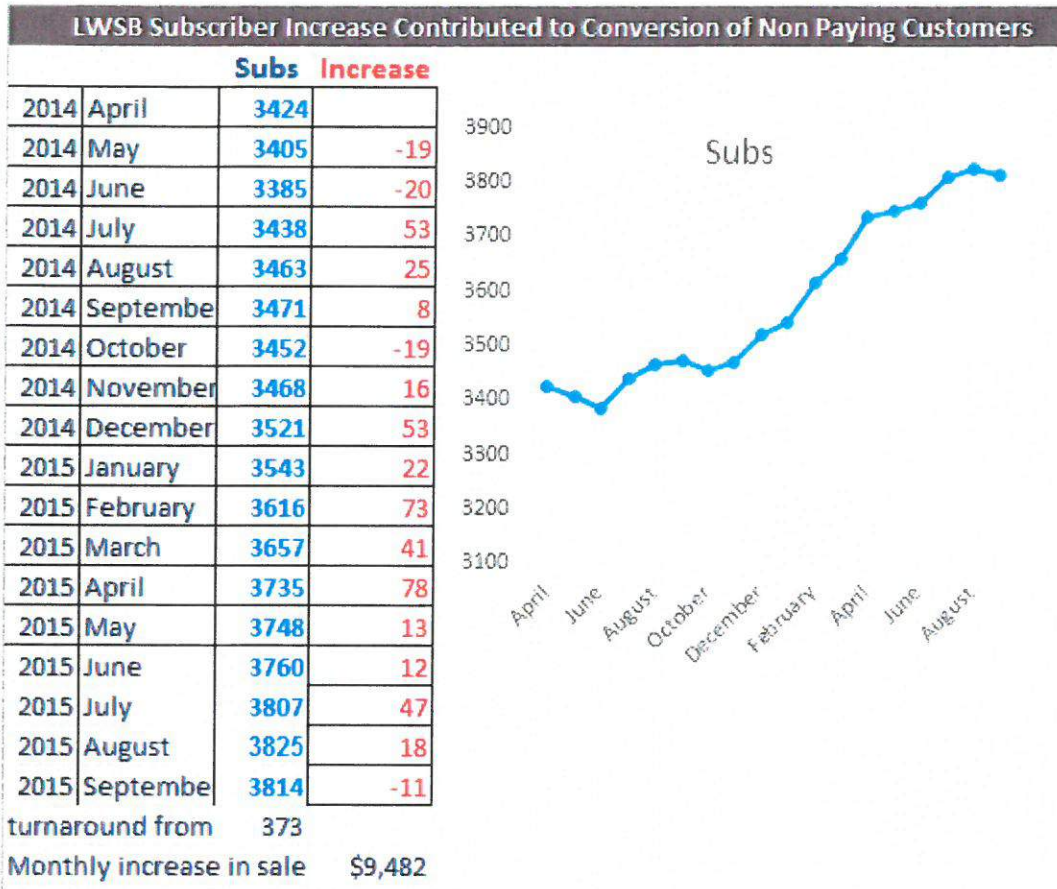
1. Monthly payments of \$1,600 are received each month on past due amounts for 2009 – 2012 until arrears have been paid in full. See schedule below.
2. Monthly estimated payments of 850.35 for current extra service revenue through May.
3. Per Mike Heil, effective September, GRF is to collect \$1,100 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>-</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		-	7,784



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





## **SPECIAL FINANCE COMMITTEE MINUTES**

### **November 5, 2015**

The special meeting of the Finance Committee held on Thursday, November 5, 2015, was called to order by Chair Stone at 1:03 p.m., in Clubhouse Four, Section B, followed by the Pledge of Allegiance.

#### **ROLL CALL**

Present: Ms. L. Stone, Chair                      Ms. P. Snowden  
             Mrs. C. Damoci                         Mr. R. Stone  
             Mrs. M. Doderio                         Ms. R. Winkler, Ex Officio  
             Mr. P. Hood

Absent: Mr. P. Friedman

Staff: Mr. R. Ankeny, Executive Director  
         Ms. C. Miller, Controller  
         Mrs. C. Weller, Mutual Administration Director  
         Ms. J. Hopkins, Mutual Administration Assistant Manager  
         Mrs. M. McAuley, Recording Secretary  
         Mrs. L. Perrotti, GRF Representative, Mutual One  
         Mr. P. Pratt, GRF Representative, Mutual Two  
         Mrs. J. Reed, GRF Representative, Mutual Four  
         Mrs. Wood, GRF Representative, Mutual Six  
         Mr. B. Lukoff, GRF Representative, Mutual Fourteen  
         Mr. P. Moore, GRF Representative Mutual Seventeen  
**24 Foundation Members**

Guests: Ms. Sandi Sikora, DLD Insurance Brokers, Inc., Director, Real Estate  
             Division  
             Jill Clark, DLD Insurance Brokers, Inc., Account Executive, Executive  
             Liability & Financial Products  
             Maria Sanducci, DLD Insurance Brokers Inc., Account Manager

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

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

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



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

### **COMMITTEE RULES**

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

### **CHAIR'S ANNOUNCEMENTS**

It was the consensus of the Finance Committee members present to add to the agenda, under New Business, item C, Excess Flood Insurance.

### **NEW BUSINESS**

#### **Approve 2015-2016 Golden Rain Foundation and Mutual Insurance Renewal Policies**

In an effort to obtain the most competitive quotes possible and still retain the necessary terms and coverage, DLD approached over 75 carriers for the Directors & Officers (D&O), Errors & Omissions (E&O), Forefront Portfolio and Property/Casualty placements to ascertain their interest in quoting the various coverages.

As regards to the Property, General Liability, Automobile, and Boiler/Machinery policies, many insurance providers are, as in past years, no longer willing to take on the exposure, having considered the losses incurred, not just within GRF and the Mutuals, but in other like senior living communities. The incumbent carrier (Philadelphia) provided the only viable quote received. No other carrier's terms and conditions came close enough to the terms, conditions and premiums, shown on Exhibit A – Insurance Proposal Binder, for the policy period.

For California exposures, many carriers are no longer writing the type of coverages that the Foundation and the Mutuals need to cover their liabilities. The loyalty and commitment from several returning carriers are evident in their quotations in that increases are kept to a minimum in spite of loss history and losses incurred during the December 1, 2014 to November 30, 2015 policy period.



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

TO recommended the Board approve the contract for the placement of property, boiler and machinery, flood (excluding earthquake), general liability and automobile liability insurance with Philadelphia and the placement of umbrella liability, ForeFront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability, and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period December 1, 2015 to November 30, 2016, for a premium of \$2,080,320. In addition, we are in the second year of a three-year term Pollution Policy, which expires in 2017, at \$99,255 or \$33,085 per year. Combining the new insurance proposal of \$2,080,320 with the current Pollution policy of \$33,085 results in an overall premium totaling \$2,113,405.

Combined funds (Foundation and Mutuals'), in the amount of \$2,177,194.00 were included in the respective 2016 Operational Budgets, based upon estimates and assumptions made during the budgeting period.

#### Excess Flood Insurance

In review of the Master Policy, it was noted the Master Policy provides for the perils of flood, insurance coverage of \$5,000,000 per occurrence.

With the widely published information on "El Nino", weather experts are forecasting the strong possibility for rains well above seasonal norms. It was the recommendation of DLD Insurance Brokers that due to the possibility of rain fall exceeding that of previous "El Nino" associated events, additional flood coverage would be prudent for the Golden Rain Foundation and Mutual Corporations to consider an option to purchase additional Flood coverage.

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

TO recommend to the Board, the purchase of additional Flood coverage, in the amount of \$22,140, for \$5,000,000 of per occurrence provided by Philadelphia, for the policy period of December 1, 2015 to November 30, 2016, per the insurance proposal dated November 5, 2015, as prepared and submitted by DLD Insurance Brokers.

#### Investment Ladder

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

TO purchase a one-year CDAR in November, December and January using the proceeds of maturing CDARs (designated to reserve funds) in these months plus an additional \$250,000 for each purchase using the funds held in the US Bank Money Market



Reserve account, and to purchase a one-year CDARs in November and December for \$125,000 each, using the proceeds from the maturing bonds (designated to the contingency operating fund) in said months.

### **PRESIDENT'S COMMENTS**

The President thanked the Chair for a productive and informative meeting. She thanked DLD Insurance representatives for attending and answering shareholder/member questions.

### **FOUNDATION MEMBER COMMENTS**

Ten Foundation members spoke on one item pertaining to the Committee's area of purview and for allowing them to ask questions and be more informed on what coverage is provided and not provided.

### **COMMITTEE MEMBER COMMENTS**

Committee Members commented on the meeting was informative, shareholders attendance, DLD Insurance representative attendance and advice, and thanked the Chair for her leadership.

### **ADJOURNMENT**

The next scheduled meeting of the Finance Committee is on Monday, November 17, 2015 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 2:07 p.m.

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Linda Stone, Chair  
FINANCE COMMITTEE  
mm 11.16.15



**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE  
COMMITTEE MEETING ON NOVEMBER 5, 2015**

**MOTIONS**

- By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with;
- It was the consensus of the Finance Committee members present to add to the agenda, under New Business, item C, Excess Flood Insurance;
- **TO** recommended the Board approve the contract for the placement of property, boiler and machinery, flood (excluding earthquake), general liability and automobile liability insurance with Philadelphia and the placement of umbrella liability, ForeFront Portfolio (crime, fiduciary, kidnap, ransom, extortion and workplace violence), E&O, D&O/Employee Practices Liability, and Cyber Liability Coverage with the recommended carriers through DLD Insurance Brokers, Inc. for the period December 1, 2015 to November 30, 2016, for a premium of \$2,080,320. In addition, we are in the second year of a three-year term Pollution Policy, which expires in 2017, at \$99,255 or \$33,085 per year. Combining the new insurance proposal of \$2,080,320 with the current Pollution policy of \$33,085 results in an overall premium totaling \$2,113,405;
- **TO** recommend to the Board, the purchase of additional Flood coverage, in the amount of \$22,140, for \$5,000,000 of per occurrence provided by Philadelphia, for the policy period of December 1, 2015 to November 30, 2016, per the insurance proposal dated November 5, 2015, as prepared and submitted by DLD Insurance Brokers;
- **TO** purchase a one-year CDAR in November, December and January using the proceeds of maturing CDARs (designated to reserve funds) in these months plus an additional \$250,000 for each purchase using the funds held in the US Bank Money Market Reserve account, and to purchase a one-year CDARs in November and December for \$125,000 each, using the proceeds from the maturing bonds (designated to the contingency operating fund) in said months.





## **FINANCE COMMITTEE MINUTES**

### **November 17, 2015**

The regular Finance Committee meeting held on Tuesday, November 17, 2015, was called to order by Chair Stone at 10:00 a.m. in the Administration Conference Room, followed by the Pledge of Allegiance.

#### **ROLL CALL**

Present:	Ms. L. Stone, Chair	Mr. P. Hood
	Mrs. C. Damoci	Ms. P. Snowden
	Mrs. M. Doderio	Mr. R. Stone
	Mr. P. Friedman	Ms. R. Winkler, Ex Officio

Staff:

- Mr. R. Ankeny, Executive Director
- Ms. C. Miller, Controller
- Mrs. J. Rodgers, Purchasing Manager
- Mrs. M. McAuley, Recording Secretary
- Mrs. J. Reed, GRF Representative, Mutual Four One Foundation Member

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

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

#### **COMMITTEE RULES**

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

#### **APPROVAL OF MINUTES**

The Chair declared the Special Meeting Minutes of October 30, 2015, approved as written.

The Chair reported the Regular Minutes of October 20, 2015 and the Special Minutes of November 5, 2015, will be placed on the December agenda for approval.



## **ACCEPT OCTOBER 2015 FINANCIAL STATEMENTS**

The Controller reviewed the October 2015 financial reports.

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

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

## **UNFINISHED BUSINESS**

### **Investment Update**

The Controller provided an update on investments and inviting financial advisors to speak with the Finance Committee members.

## **NEW BUSINESS**

### **Approve Surplus 2015 Operational Funds (Policy 5528-31, Refund of Excess Income)**

Policy 5528-31 – Refund of Excess Income provides the guidelines to follow for the distribution of surplus operational funds at the close of the year. Per the October 2015 Financial Statements and anticipated expenses in the months of November and December, there is a clear indication that the 2015 operational budget will close with a surplus.

In accordance with Policy 5528-31, a recommendation of the Finance Committee to the Board is requested.

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

TO recommend to the GRF BOD to distribute 2015 surplus operational funds, upon the acceptance of the 2015 audited statements as follows:

1. Retain funds to be transferred to the contingency operating fund in an amount necessary to bring the fund balance to equal to five (5%) percent of the average of the operating costs for the previous five-year period. Operating costs for 2015 will be determined upon finalizing the 2015 financial statement audit.
2. Retain all remaining excess funds to be transferred to the Reserve fund account.

### **News Accounts Receivables Write-offs**



The Controller reviewed the Aged Receivable in Cost Center 36, News. She asked the Committee to authorize the write-off of \$175.00.

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

**TO** write-off the past due News Receivables in the amount of \$175.00.

Accelerate 2016 Capital Request – Physical Properties Workstations

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

**TO** approve the acceleration of the 2016 Capital purchase of the Workstations for the Physical Properties department in 2015, in the amount of \$9,135.16.

Request from Physical Properties Committee - Purchase Outdoor Furniture – Eleven Sets

At the November 4, 2015 meeting of the Physical Properties Committee, the Committee reviewed the request from the Architectural Design Review Committee (ADRC) to purchase new outdoor furniture for the Administration building, Health Care Center building (Centennial Brick Area), Clubhouse Three / Library patio and Clubhouse Six patio.

Mr. Hood MOVED, seconded by Mr. Stone –

**TO** recommend the GRF BOD approve in the amount of \$35,000 from the Capital Funds, for the purchase of eleven sets of outdoor furniture as noted above.

The motion passed with two no votes (Damoci and Snowden).

Reguest from Recreation Committee - Purchase of Nustep Machine – Fitness Clubhouse Six

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

**TO** approve the funding from the Capital Funds from Cost Center 56, Clubhouse Six in the amount of \$4,442.04.

Mutual 9 Building 218 Fire Cost

The Executive Director and Assistant to the Executive Director gave an update on fees incurred on the Mutual Nine Building 218 Fire. All expenses related to the fire will be expensed to Cost Center 74, Service Maintenance.



## **POLICIES**

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

**TO** rescind Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31 and Purchase Requisitions.

## **STAFF REPORTS**

### **Purchasing Manager**

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

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

**TO** approve the Surplus Equipment as indicated in her report for processing.

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

**TO** approve the donation of the excess pool billiards equipment from Clubhouse Three and to look into the following Organizations for acceptance:

- Armed Forces Base
- Veterans Home
- Local Schools
- VA Hospital

The last resort would be to sell them.

### **Controller**

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

The Controller reported there was a mistake printed in the newspaper on the insurance disclosures. The disclosure indicated no flood insurance was provided. Flood insurance is provided and a correction in the paper will be published.



Executive Director

The Executive Director provided a report regarding the power outage that occurred on Monday, November 16, 2015.

Emergency Action, Storm Drain Cleaning

Due to the possibility of rain fall exceeding that of previous "El Nino" associated events, additional storm drain cleaning and preventive maintenance is prudent.

Mr. Hood MOVED, seconded by Mr. Stone -

TO recommend the GRF BOD approve the non-budgeted funding, in an amount not to exceed \$50,000, from Cost Center 79, Community Facilities.

**PRESIDENT'S COMMENTS**

The President commented on the accomplishments of the Committee and the Controller's detailed report.

**FOUNDATION MEMBER COMMENTS**

One Foundation member commented on various items pertaining to the Committee's area of purview.

**COMMITTEE MEMBER COMMENTS**

Committee members commented on the Chair's leadership.

The Chair thanked the Committee members and Controller for all their hard work. She reported the Vice Chair, Mrs. Damoci will conduct the next regular monthly meeting as she will be on vacation.

**ADJOURNMENT**

The next regular monthly meeting will be held on Tuesday, December 15, 2015 at 10:00 a.m. in the Administration Conference Room.

The Chair adjourned the meeting at 11:48 a.m.

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Linda Stone, Chair



FINANCE COMMITTEE

mm 12.11.15

**RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE COMMITTEE  
MEETING ON NOVEMBER 17, 2015**

**MOTIONS**

- The Chair declared the Special Meeting Minutes of October 30, 2015, approved as written;
- **TO** recommend the GRF BOD accept the October 2015 Financial Statements for audit;
- **TO** recommend to the GRF BOD to distribute 2015 surplus operational funds, upon the acceptance of the 2015 audited statements as follows: Retain funds to be transferred to the contingency operating fund in an amount necessary to bring the fund balance to equal to five (5%) percent of the average of the operating costs for the previous five-year period. Operating costs for 2015 will be determined upon finalizing the 2015 financial statement audit. Retain all remaining excess funds to be transferred to the Reserve fund account;
- **TO** write-off the past due *News Receivables* in the amount of \$175.00;
- **TO** approve the acceleration of the 2016 Capital purchase of the Workstations for the Physical Properties department in 2015, in the amount of \$9,135.16;
- **TO** recommend the GRF BOD approve in the amount of \$35,000 from the Capital Funds, for the purchase of eleven sets of outdoor furniture as noted above;
- **TO** approve the funding from the Capital Funds from Cost Center 56, Clubhouse Six in the amount of \$4,442.04;
- **TO** rescind Procedure 3320.1-31, Receiving; Procedure 3321.1-31, Basic Purchasing Procedures & Responsibility; Procedure 3321.2-31, General Purchasing Procedure; Procedure 3321.3-31, Requisitioning, Purchasing & Receiving Procedures; Procedure 3321.4-31 and Purchase Requisitions;



- **TO** approve the Surplus Equipment as indicated in her report for processing.
- **TO** approve the donation of the excess pool billiards equipment from Clubhouse Three and to look into the following Organizations for acceptance: Armed Forces Base, Veterans Home, Local Schools and the VA Hospital. The last resort would be to sell them;
- **TO** recommend the GRF BOD approve the non-budgeted funding, in an amount not to exceed \$50,000, from Cost Center 79, Community Facilities.

### **ACTIONS**

- The Chair reported the Regular Minutes of October 20, 2015 and the Special Minutes of November 5, 2015, will be placed on the December agenda for approval;
- The Controller provided an update on investments and inviting financial advisors to speak with the Finance Committee members;
- The Controller reported there was a mistake printed in the newspaper on the insurance disclosures. The disclosure indicated no flood insurance was provided. Flood insurance is provided and a correction in the paper will be published;
- Vice Chair, Mrs. Damoci will conduct the next regular monthly meeting as the Chair will be on vacation.



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

October 2015:

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Purchasing				
6100000 32	Salaries & Wages - Purchasing	135,395	149,294	13,899
6140000 32	Employment Taxes - Purchasing	10,681	11,917	1,236
6142000 32	Workers' Compensation - Purchasing	8,963	13,333	4,370
6143000 32	Group Insurance - Medical - Purchasing	20,172	14,053	(6,119)
6143300 32	Group Insurance - Dental - Purchasing	521	330	(191)
6143500 32	Group Insurance - Vision - Purchasing	307	196	(111)
6144000 32	401(k) Match - Purchasing	3,160	4,486	1,326
6145000 32	Group Insurance - Life - Purchasing	628	679	51
6146000 32	Long Term Disability Insurance - Purchas	501	792	291
6211000 32	Continuing Education - Purchasing	0	500	500
6213100 32	Temporary Agency Fees - Purchasing	29,021	0	(29,021)
6214000 32	Meals & Special Events - Purchasing	(4)	0	4
6215000 32	Mileage - Purchasing	13	100	87
6217000 32	Uniforms & Laundry - Purchasing	1,342	1,625	283
6410000 32	Office Supplies - Purchasing	732	1,000	268
6410005 32	Building Supplies - Purchasing	163	1,000	837
6410010 32	Hospitality - Purchasing	366	416	50
6410015 32	Computer Supplies - Purchasing	0	600	600
6410020 32	Equipment Expense - Purchasing	259	1,250	991
6410030 32	Printer / Copier Supplies - Purchasing	490	666	176
6411000 32	Freight & Handling - Purchasing	9,032	8,330	(702)
6435100 32	Bank Service Fees - Purchasing	526	0	(526)
6444000 32	Equipment Rental - Purchasing	1,116	1,125	9
6471000 32	Building Repair & Maintenance - Purchas	76	500	424
6472000 32	Equipment Repair & Maintenance - Purchas	805	500	(305)
6478000 32	Service Contracts - Purchasing	174	125	(49)
6482000 32	Dues, Memberships & Books - Purchasing	481	200	(281)
6483000 32	Propane - Purchasing	472	1,400	928
6911500 32	Inventory Over / Short-Purchasing - Purc	(10,055)	1,666	11,721
6911505 32	Obsolete Inventory Adjustment - Purchas	3,330	3,330	0
Total Expenses		218,670	219,413	743
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	(2,218)	8,334	(10,552)
5385000 32	Other Income - Purchasing	120	0	120
5540000 32	Discounts Earned - Purchasing	1,995	0	1,995
Total Other Cost Recovery		(102)	8,334	(8,436)
5330000 32	Income / Refund from Mutuals - Purchasin	210,015	210,014	1
Total Cost Recovery		209,913	218,348	(8,435)
Off Budget Items				
5990000 32	Materials Recovery - Purchasing	(50,881)	0	50,881
6415000 32	Materials Pass-Thru - Purchasing	50,881	0	(50,881)
Total Off Budget Items		0	0	0
Net Income / (Expense)		(8,757)	(1,065)	(7,692)



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

Budget Variance:

Cost center 32 is over budget a total of \$8,435 YTD. Notable variances are:

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

<u>GL Code</u>	<u>Account Description</u>	<u>YTD Variance</u>	<u>Explanation</u>
6100000	Salaries & Wages	13,899.00	Open Position
6140000	Employment Taxes	1,236.00	Open Position
6142000	Worker's Compensation	4,370.00	2014 Refund dollars allocated to CC32
6143000	Group Insurance - Medical	(6,119.00)	Additional participation not budgeted
6144000	401 (k) Match - Purch	1,326.00	Participation below planned budget
6213100	Temporary Agency Fees	(29,021.00)	Temp hired to fill key vacant position
6911500	Inventory Over/Short	11,721.00	Inventory adjustments
5380320	Shipping & Proc. Recoveries	(10,552.00)	YTD recoveries of \$35,121 offset by a 2014 correction of \$25,098
5540000	Discounts Earned Purchasing	1,995.00	Unbudgeted discounts earned
Total Explained Variances		<u>(11,145.00)</u>	



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

Project Report:

1. Axserion program training and testing in progress.
2. Warehouse Reorganization (ongoing):
  - a. Warehouse racking approved, to be installed prior to year-end.
3. Surplus Equipment – Seeking approval to process the following received surplus equipment:

Description	Price OBO
Tall Bookcase (2)	\$ 20.00
Short Bookcase (3)	\$ 20.00
Desk (5)	\$ 20.00
Round Table	\$ 5.00
Picture Frames (5)	\$ 1.00
Chairs (2)	\$ 5.00
Wooden Filing Cabinets (2)	\$ 20.00
Rolling Printer Desk	\$ 5.00

4. 2014/2015 Capital Project Status:
  - Bar Code Printer Label: Pending.



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

Purchasing Services Report, Month Ending October 2015:

2015 Total Purchasing Services Report

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	CC Trans	Purchase Orders	Total Services
January	21	\$ 5,238.88	549	157	199	0	192	1097
February	19	\$ 3,838.58	682	180	250	0	250	1362
March	22	\$ 7,446.17	638	249	232	0	214	1333
April	22	\$ 5,388.73	701	187	282	0	281	1451
May	20	\$ 4,925.90	643	170	195	0	201	1209
June	22	\$ 3,987.39	722	183	225	29	243	1402
July	22	\$ 4,952.19	719	193	244	57	200	1413
August	21	\$ 5,513.49	671	151	215	64	211	1312
September	21	\$ 5,658.00	674	145	223	63	204	1309
October	22	\$ 6,502.46	762	171	282	73	146	1434
November								0
December								0
Total	212	\$ 53,451.79	6761	1786	2347	286	2142	13322
Daily Avg		\$ 252.13	32	8	11	7	10	63

5. Obsolete Inventory (GL 1163000-00)

Item Number	U Of M	Item Description	TRX QTY	Unit Cost	Extended Cost	Document Date	Reason
21-2602	BX	PAPER FAX THERMAL 6/CS	-5	\$15.54	\$77.70	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9002	EA	CARTRIDGE BROTHER FAX PC-101	-5	\$35.98	\$179.90	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9006	EA	DWO CARTRIDGE BROTHER FAX PC-201	-4	\$23.99	\$95.96	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
21-9011	EA	TONER -BROTHER INTELLIFAX (TN430) #4750E	-1	\$51.29	\$51.29	10/2/2015	Organization utilizes E-fax, Fax machine ink replacement cartridges no longer needed
					\$404.85		



Golden Rain Foundation  
November 17, 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	458,054	454,309	(3,745)
6140000 31	Employment Taxes - Finance	36,223	35,803	(420)
6142000 31	Workers' Compensation - Finance	9,889	14,709	4,820
6143000 31	Group Insurance - Medical - Finance	37,474	45,685	8,211
6143300 31	Group Insurance - Dental - Finance	749	1,093	344
6143500 31	Group Insurance - Vision - Finance	652	699	48
6144000 31	401(k) Match - Finance	9,075	12,422	3,347
6145000 31	Group Insurance - Life - Finance	1,912	1,940	28
6146000 31	Long Term Disability Insurance - Finance	1,588	2,264	676
6210005 31	Payroll Processing Fees - Finance	26,240	24,626	(1,614)
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	50	50
6410000 31	Office Supplies - Finance	1,471	4,834	3,363
6410005 31	Building Supplies - Finance	0	250	250
6410010 31	Hospitality - Finance	604	784	180
6410015 31	Computer Supplies - Finance	1,238	250	(988)
6410025 31	Lunch Room Supplies - Finance	91	166	75
6410030 31	Printer / Copier Supplies - Finance	3,512	5,834	2,322
6432100 31	Audit Fees - Finance	109,670	96,670	(13,000)
6435100 31	Bank Service Fees - Finance	3,445	3,400	(45)
6444000 31	Equipment Rental - Finance	2,568	2,563	(5)
6478000 31	Service Contracts - Finance	1,854	1,650	(204)
6482000 31	Dues, Memberships & Books - Finance	139	170	31
6483201 31	Mailouts - Periodic - Finance	8,199	7,050	(1,149)
6483202 31	Mailouts - Pymt Coupons - Finance	8,303	0	(8,303)
6491000 31	Miscellaneous Writeoffs - Finance	(86)	0	86
6721000 31	State & Federal Taxes - Finance	42,255	13,750	(28,505)
6910000 31	Uncollectible Customer Receivables - Fin	1	0	(1)
6951000 31	Non-Budgeted Exp for Committee - Finance	107	834	727
Total Expenses		769,301	731,805	(37,496)

**Budget Variance Report - October 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	8,603	Lower participation & reduced 2015 premiums than budgeted
6144000	401(k) Match	3,347	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	(8,303)	\$5,162 second coupon mailing in Feb - unbudgeted
6721000	State & Federal Taxes	(28,505)	2015 Est taxes exceed annual budget by \$31,300
Total Explained Variances		(37,081)	



Golden Rain Foundation  
November 17, 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  
November 17, 2015 Meeting of the Finance Committee  
Controller's Report

Investments

- Purchased in October
  - \$350,000 for 52 weeks @ .5% from reserve funds
- To be purchased in November
  - Reinvest matured CDAR of \$350,000 plus \$250,000 from US Bank (Reserve funds) in a 52-week CDAR @ .5% per committee action approved on November 5, 2015.
- Pending Action Item: Invite financial advisors to speak with the Finance Committee members
  - BNY Mellon – Awaiting for Erez Kabaker to return to the office.
  - First Foundation Bank – Change in relationship managers and have not been able to contact the new relationship manager.
  - Merrill Lynch – need to find a financial advisor – no relationship established yet.
  - Morgan Stanley – need to find a financial advisor – no relationship established yet.

Superwire

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



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Controller's Report

Superwire		
Due From	Amount	
2009	2,248.24	
2010	10,100.97	
Jan - Apr 2011	53,693.30	
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	19,035.51	
Payments	(\$12,800.00)	4/1/2015 - 11/1/2015
Bal Due:	6,235.51	

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

- News Receivables – Request to write off \$175.00 (Handout)

**Contract Renewal Report** (Quarterly Review)

**Mutual Seventeen Lease Income**

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



Golden Rain Foundation  
November 17, 2015 Meeting of the Finance Committee  
Controller's Report

**M17 Lease Fees Collected in October 2015**

			Month	YTD
	336		Total	Total
	0		-	
	-		-	24

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

**Policy 5061-33 Distribution:**

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



Golden Rain Foundation  
November 17, 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	47	35
May-15	84	67
Jun-15	47	30
Jul-15	58	26
Aug-15	167	52
Sep-15	1,212	267
Oct-15	-	1,174
Total	1,617	1,653

**Pending Action Items:**

None





**SPECIAL FINANCE COMMITTEE MINUTES**  
**December 4, 2015**

The special meeting of the Finance Committee held on Friday, December 4, 2015, was called to order by Chair Stone at 1:30 p.m., in the Administration Conference Room, followed by the Pledge of Allegiance.

**ROLL CALL**

Present:	Ms. L. Stone, Chair	Mr. P. Hood
	Mrs. C. Damoci, Vice Chair	Ms. P. Snowden
	Mrs. M. Doderio	Mr. R. Stone
	Mr. P. Friedman	Ms. R. Winkler, Ex Officio

Staff:

- Mr. R. Ankeny, Executive Director
- Ms. C. Miller, Controller
- Mrs. C. Flynn, Human Resources Director
- Mrs. M. McAuley, Recording Secretary
- Mrs. L. Perrotti, GRF Representative, Mutual One
- Mr. P. Pratt, GRF Representative, Mutual Two
- Mrs. J. Reed, GRF Representative, Mutual Four
- Ms. K. Rapp, GRF Representative, Mutual Seven
- Mrs. M. Greer, GRF Representative, Mutual Eleven
- Mr. B. Lukoff, GRF Representative, Mutual Fourteen
- Mr. P. Moore, GRF Representative Mutual Seventeen
- One Foundation Member

**INTRODUCTION OF STAFF AND GUESTS**

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

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

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



Foundation member comment period, not to exceed four minutes, as set forth in Policy 5610, Participation by Foundation Members. The minutes of today's Board meeting will be presented to the Board for approval following the approval of the committee meeting minutes in December.

### **COMMITTEE RULES**

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

### **SHAREHOLDER / MEMBER COMMENTS**

One shareholder/member commented on one item pertaining to the agenda.

### **NEW BUSINESS**

#### **Approve 2015-2016 Golden Rain Foundation Workers' Compensation Insurance**

California Law requires employers to have Workers' Compensation Insurance (WCI) and the current policy will be expiring on December 31, 2015. Accordingly, staff has reached out to the DLD Insurance (current insurance broker), and solicited a quotation for WCI for the policy period of December 31, 2015 – December 31, 2016. Competitive quotations were sought from a number of carriers, who noted a marked decrease in work related injuries.

Mr. Friedman MOVED, seconded by Mr. Stone and carried unanimously –

TO recommend the GRF BOD approve the Workers' Compensation insurance proposal as submitted in the amount of \$439,095 (active premium will be based upon active payroll and payroll audit) with Redwood Fire and Casualty Insurance Company (Berkshire) for the policy period of December 31, 2015 – December 31, 2016 per the insurance proposal dated November 24, 2015, as prepared and submitted by DLD.

### **PRESIDENT'S COMMENTS**

The President commented on the accomplishments of staff and the Executive Director for maintaining a safe work environment and the significant reduction in the Experience Modifications.

### **FOUNDATION MEMBER COMMENTS**

One shareholder/member spoke on one item pertaining to the Committee's area of purview.



### **COMMITTEE MEMBER COMMENTS**

Committee Members commented on staffs accomplishments in maintaining a safe work environment.

### **ADJOURNMENT**

The Chair adjourned the meeting at 1:52 p.m.

---

Linda Stone, Chair

FINANCE COMMITTEE

mm 12.11.15



## RECAP OF MOTIONS AND ACTIONS TAKEN AT THE SPECIAL FINANCE COMMITTEE MEETING ON DECEMBER 4, 2015

### MOTIONS

- By unanimous consent, the Chair declared the reading of the quorum notification be dispensed with;
- **TO** recommend the GRF BOD approve the Workers' Compensation insurance proposal as submitted in the amount of \$439,095 (active premium will be based upon active payroll and payroll audit) with Redwood Fire and Casualty Insurance Company (Berkshire) for the policy period of December 31, 2015 – December 31, 2016 per the insurance proposal dated November 24, 2015, as prepared and submitted by DLD.



## COMPUTER CLUB

This agreement is made January 1, 2016, between Golden Rain Foundation, 13531 St. Andrews Drive, Seal Beach, California 90740, a California Corporation (hereinafter referred to as "GRF"), and the Computer Club (hereinafter referred to as "CLUB") who agrees as follows:

1. OPENING CLAUSES

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

A. GRF is the owner of the premises which consist of room A in Clubhouse Three (3) building of 1,143 square feet located at 1421 Northwood Road. CLUB is willing to lease the space from GRF pursuant to the provisions stated in this agreement.

B. CLUB shall furnish a copy of the following:

1. A resolution by the CLUB's Board of Directors authorizing the CLUB's President to sign this lease;
2. Copy of current By-Laws; and
3. Proof of Insurance.

C. Tenant has examined the premises and fully accepts its present condition.

2. TERM

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

3. ANNUAL RENTAL AND TAXES

- A. CLUB shall pay to GRF an annual rent of \$1.00 per year in advance on the first day of each yearly term, commencing on the date the term begins.
- B. CLUB shall provide one hundred (100) hours of instruction to GRF Directors and/or Staff per year upon request.
- C. GRF shall pay all real property taxes and general and special assessments levied and assessed for the building.

4. USAGE

- A. CLUB shall use the premises for purposes of operating the Computer Club; provide volunteers to staff the CLUB's activities, schedule speakers and/or instructors and publicize the meetings and programs of the CLUB to further the benefits to the shareholder/members.



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

1. CLUB shall not do, bring or keep anything in or about the premises that will cause the cancellation of any GRF insurance covering the premises;
2. CLUB shall comply with GRF policies and procedures;
3. CLUB shall comply with the CLUB's Bylaws attached to this Agreement;
4. CLUB shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to occupants of adjacent premises or property; and
5. CLUB shall procure any and all permits required by law to operate the business of CLUB at the premises.

C. CLUB shall be open a minimum of four (4) hours per day (5 day week) and a minimum of twenty (20) hours per week for use of the computers by shareholder/members.

## 5. MAINTENANCE

- A. GRF shall provide janitorial services.
- B. CLUB shall be liable for any damage to the premises resulting from the acts or omissions of CLUB or its authorized representatives.
- C. CLUB shall not make any alterations to the premises without GRF's consent. Any alterations made shall remain on and be surrendered with the premises on expiration of termination of the lease, except that GRF can elect within six (6) months before expiration of the term, to require CLUB to remove any alteration that CLUB has made to the premises without written authorization from the GRF Physical Property Department.

## 6. INDEMNITY AND EXCULPATION

- A. GRF shall not be liable to CLUB for any damages to CLUB or CLUBS' property from any cause. CLUB waives all claims against GRF for damage to person or property arising for any reason.
- B. CLUB shall hold GRF harmless from all damages arising out of any such damage. A party's obligation under this paragraph to indemnify and hold the other party harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.



- C. CLUB must carry a minimum of \$300,000.00 of Liability Insurance and name GRF as an additional insurer. Proof of such insurance shall be provided annually to GRF.

## 7. ASSIGNMENT

- A. CLUB shall not assign or encumber its interest in this lease or in the premises, or sublease all or part of the premises, or allow any other person or entity to occupy or use all or any part of the premises, without first obtaining GRF's consent. Any assignment, encumbrance, or sublease without GRF's consent shall be voidable and, at GRF's election, shall constitute a default. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this paragraph.
- B. Any dissolution, merger or consolidation of CLUB shall be deemed an involuntary assignment and shall constitute a default of Club. GRF shall have the right to elect to terminate this Agreement.
- C. No interest of CLUB in this Agreement shall be assignable by operation of law. Each of the following acts shall be considered an involuntary assignment.
- D. If CLUB is, or becomes, bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the bankruptcy act in which CLUB is the bankrupt.
- E. If a writ of attachment or execution is levied on this lease.
- F. If, any proceeding or action in which CLUB is a party, a receiver is appointed with authority to take possession of the property.

An involuntary assignment shall constitute a default by CLUB and GRF shall have the right to elect to terminate this lease.

## 8. DEFAULT

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

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



Notice given under this paragraph shall specify the alleged default in the applicable agreement provisions, and shall demand that tenant perform the provisions of this Agreement or pay the rent that is in arrears, as the case may be within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless GRF so elects in the Notice.

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

- A. GRF may at its option terminate this lease and CLUBS' right to possession of the premises at any time upon giving thirty (30) day notice to quit. No act by GRF other than giving notice to CLUB shall terminate this Agreement.

#### 9. RIGHT OF ENTRY

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

#### 10. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth in the introductory paragraph of this Agreement. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing as provided in this paragraph.

#### 11. WAIVER

- A. No delay or omission in the exercise of any right or remedy of GRF on any default by CLUB shall impair such a right or remedy or be construed as a waiver. GRF's consent to or approval of any act by CLUB requiring GRF's consent or approval shall not be deemed to waive or render unnecessary GRF's consent to or approval of any subsequent act by CLUB.
- B. Any waiver by GRF of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.



**12. ATTORNEY'S FEES**

If either party becomes a party of any litigation concerning this Agreement, the premises or the building or other improvement on which the premises are located, by reason of any act or omission of the other party or its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable for that party for reasonable attorney fees and court costs incurred by it in the litigation.

If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover the losing party reasonable attorney fees and costs of suit.

**13. ARBITRATION**

All disputes arising between the parties related to the interpretation or breach of this Agreement shall be submitted to arbitration pursuant to the rules of the American Arbitration Association at Los Angeles, California. In the event of a dispute or contemplated dispute, the party desiring arbitration shall give notice of the desire to arbitrate said dispute to the other party.

**GOLDEN RAIN FOUNDATION****COMPUTER CLUB**

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# Usage of the Debit Card Procedures

## Purpose, scope and limits

A checking account has been established for the sole purpose of executing debit card transactions to be used for the following situations:

1. Online orders placed by the Purchasing department;
2. Telephone orders placed by the Purchasing department or various staff members;
3. Miscellaneous small purchases by various staff members;
4. **Business continuity or emergencies.**

Two debit cards have been issued and kept in a locked drawer as follows:

1. Julie Rodgers – Daily purchase limit of \$15,000
2. Carolyn Miller – Daily purchase limit of \$5,000

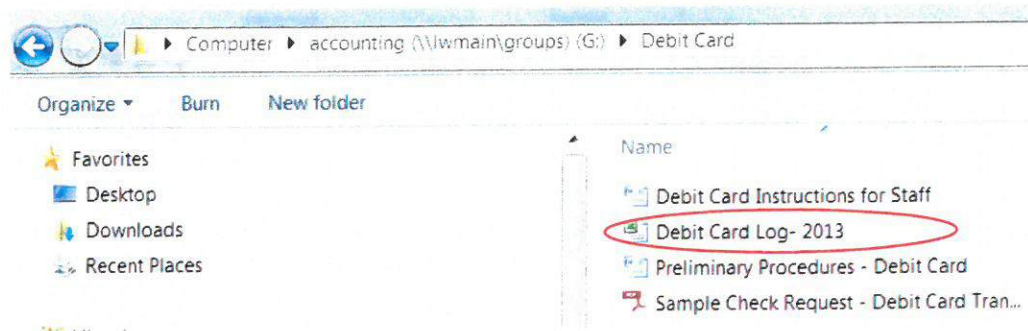
## Account Balance Limits

The account is funded with a balance of \$10,000. When the balance falls below \$2,000, the account will be funded to bring the balance back to \$10,000.

**Exception:** In the event of an emergency situation where business continuity procedures are required, the account will be funded an additional \$10,000.

## Debit Card Log

A working spreadsheet has been created to track activity and to act as a check register. This log is shared by both the Purchasing and Finance departments and is maintained in the following file path:



1. Fill out the log for each transaction (responsibility in parentheses):
  - a. Purchase date (Person initiating the purchase)
  - b. Requester (Person initiating the purchase)
  - c. vendor name (Person initiating the purchase)



- d. PO Number (Person initiating the purchase)
- e. Requisition Number (Person initiating the purchase)
- f. Description (Person initiating the purchase)
- g. Parts Cost (Person initiating the purchase)
- h. Shipping Cost (Person initiating the purchase)
- i. Sales Tax (Person initiating the purchase)
- j. PO Amount (This is a total of parts, shipping & tax)
- k. A/P Check Date (Fatima)
- l. A/P Check # (Fatima)
- m. A/P Amount (Fatima)
- n. Debit Date (Marshall)
- o. Debit Amount (Marshall)
- p. Deposit Date, Details and Amount are used to log deposits and miscellaneous credits.
- q. eared the bank (Marshall)

POs must reference the name of the vendor used for the purchase and indicate "debit card" in the vendor box.

#### Responsibilities

1. Julie – update the spreadsheet for each transaction performed.
2. Julie – for each purchase, fill out a check request identifying the following:
  - a. Date of purchase
  - b. Vendor name
  - c. PO number
  - d. Total purchase amount
  - e. Indicate on the form: \*\*\*DEBIT CARD – EFT\*\*\*
3. Julie – e-mail the check request to Marshall and copy Fatima and attach:
  - a. The signed PO
  - b. Confirmation, if applicable
  - c. Invoice, if applicable
  - d. Send the packing / receiving document to the Fatima, when the goods arrive.
4. Marshall – pull the prior day activity from SinglePoint to monitor the daily activity and match bank transactions to the entries on the log.
5. Marshall to follow up with Julie on any missing documentation or variances.
6. Marshall to provide the Fatima with the complete A/P package (3a – 3c) when all documentation matches the bank transaction.
7. Fatima enters the debit card transactions into Great Plains and processes EFT payments from the Debit Card checking account.



8. Julie – notify Barbara, Diane or Carolyn when the account balance reaches \$2,000.
9. Barbara, Carolyn, Diane performs a book transfer to fund the account to the stated balance limit when needed.
10. Marshall – post the book transfer in Great Plains
11. Sora reconciles the monthly bank statement to the GL for the debit card checking account.





CERTIFIED PUBLIC ACCOUNTANTS  
&  
BUSINESS CONSULTANTS

December 4, 2015

Ronde Winkler, President  
Golden Rain Foundation  
Post Office Box 2069  
Seal Beach, California 90740

**Re: Professional Services for the year ending December 31, 2015**

Dear Ronde:

On behalf of NSBN, we again would like to thank Golden Rain Foundation's Board of Directors (the "Board") for accepting NSBN's proposal for audit and tax services for the years ended December 31, 2015 – 2017. We would like to share the following in preparation of the upcoming audit and tax engagement.

While the audit and tax engagements for the years ending December 31, 2015 – 2017 went out for bid, effective March 30, 2015, NSBN had previously agreed to hold the audit and tax preparation fees fixed at \$110,000 for the Golden Rain Foundation and the Seal Beach Mutuals, and \$6,000 for the Golden Rain Foundation 401(k) Retirement Plan.

NSBN would like to extend to the Board the courtesy of honoring the previous fee structure of \$110,000 and \$6,000 for the December 31, 2015 year; commencing the new three-year agreement for the years ending December 31, 2016 – 2018.

Should you have any questions or comments, please feel free to contact me.

We look forward to continuing our relationship, and recognizing the Golden Rain Foundation and the Seal Beach Mutual Corporations as a distinguished client.

Sincerely,

A handwritten signature in cursive script, reading "David J. Haygood".

David J. Haygood, CPA  
Senior Manager



**ADMINISTRATION****RESCIND****FISCAL AND ACCOUNTING SERVICES****Mutual Financial Reports**

Distribution of Mutual Financial Reports will be made by the Controller as follows:

1. **Monthly Financial Statements**

a. Each Mutual Board Member	
b. Golden Rain Board Representatives	18
c. Controller	2

2. **Annual Audit Report**

a. Each Mutual Board Member	
b. Controller	4
c. Community Administration Manager	1
d. Administrator	2

3. **Annual Report**

Included with GRF Annual Report to Stockholders

**Procedure**

Approved: 14 Nov 07  
 Amended: 30 Dec 83  
 Amended: 24 Feb 88  
 Amended: 07 Jul 09

**Executive Director  
 Golden Rain Foundation**

(Jul 09)



**ADMINISTRATION****RESCIND****FISCAL AND ACCOUNTING SERVICES****Assessed Valuation and Homeowner's Exemption**

For all tax years beginning with July 1, 1983, the Orange County Assessor will change the assessed value and/or allow or disallow the homeowner's exemption on an apartment effective the first of the month following a change in ownership of the stock certificate applicable to that apartment. The assessed value pertaining to an apartment will also be changed effective the first of the month following the completion of any improvements to the apartment.

The Controller's office will be notified, in writing, by the Assessor's office of these changes, and subsequently receive a supplemental tax bill for any increase in property taxes. Upon notification of the changed assessment, the Controller will notify the resident and, either at the same time or subsequently, will bill the resident for the additional taxes due through the end of the current calendar year.

Decreases in assessments and resultant property tax decreases will be handled in the same manner except that the resident will receive a refund of the excess taxes paid.

**Procedure**

Approved: 12 Apr 72

Revised: 31 Jan 84

Revised: 18 Jul 84

**Executive Director  
Seal Beach, California**

(Jul 84)



**ADMINISTRATION****RESCIND****FISCAL AND ACCOUNTING SERVICES****Checks Drawn to the Order of Golden Rain Foundation**

1. All checks made payable to the Foundation must be deposited the day they are received.
2. Checks made payable to the Foundation may not be endorsed and returned to the payor.
3. If a refund is in order, resident should be told that a check will normally be sent within ten (10) days.
  - a. If requested by the payor, check can be prepared immediately.
  - b. If no refund is requested, the credit balance will be automatically refunded by check in 90 days.

**Procedure**

Approved: 18 Jul 73

Revised: 11 Sept 87

Revised: 08 Jul 09

**Executive Director  
Seal Beach, California**

(Jul 09)



**ADMINISTRATION****FISCAL AND ACCOUNTING SERVICES****RESCIND****Petty Cash Procedures**

An imprest petty cash fund is available for all departments to handle small purchases that are not economical to process through the regular purchase requisition system. Petty cash may not be disbursed without the authority of a department head. Said authority can be delegated to a supervisor if Accounting is informed in writing that this is being done. Except in emergencies, amounts should be limited to less than \$25.

The Petty Cash Receipt Form must be used, and approval must be given by the department head or his designee. The department head is responsible for knowing what account to charge on the budget and that budgeted funds remain to cover it. If there is any question, the Controller will provide assistance to determine the account.

Invoices, receipts and other proof of payment should be stapled to the Petty Cash Receipt Form. These should be collected at the end of the quarter, or other times through the year that petty cash becomes low, and transmitted to the Accounting Department for replenishment of petty cash. Be sure that the envelope front showing the amount of petty cash on hand balances to the total that should be in the fund. Any discrepancy will be handled as follows:

When the petty cash fund is over, the Controller must authorize crediting this to Income (Miscellaneous).

When the petty cash fund is short, it can be charged to Miscellaneous Expense upon authorization of the Controller.

Every effort should be made to find the difference before notifying the Controller of any difference in cash. Do not allow your fund to get too low as it will take several days for Accounting to process your replenishment request.

Money may be withdrawn from the fund to take with you when leaving to buy something for the company, but in order to do this, you must sign a petty cash voucher and write on it, "To be returned." After the purchase is made, bring the change and the receipt back and fill out a new voucher and destroy the old voucher.

The petty cash fund is not a private banking facility for use of personnel. Checks may not be cashed.

(July 09)



**ADMINISTRATION****FISCAL AND ACCOUNTING SERVICES****RESCIND****Petty Cash Procedures**

Money taken in by your department is never to be placed in the petty cash. It must go through our deposit procedure. The only permissible method of replenishment of petty cash is by request, using the envelope for noted above.

**Procedure**

Approved: 01 Oct 77

Revised: 19 Feb 88

(July 09)

**Executive Director  
Seal Beach, California**



**ADMINISTRATION**

**FISCAL AND ACCOUNTING SERVICES**

**RESCIND**

**Petty Cash Procedures**

Revised: 08 Jul 09

(July 09)



**STAFF OPERATIONS****FISCAL AND ACCOUNTING****RESCIND****Property Run Procedure**

Maintenance of fixed assets records will be the responsibility of the Senior Accountant. The records are contained in the Great Plains Databases and are maintained using Microsoft Great Plains Fixed Assets Module. Various reports by Cost Centers are available upon request. Reports are not generated and distributed to the various Cost Centers on regular frequencies to save on materials and storage spaces. Information about a specific item or group of items is accessible at various workstations in the Accounting Department.

1. The Senior Accountant will add new fixed asset acquisitions to the database.
  - a. A Capital Request Log contains a consecutive list of asset numbers assigned to every capital asset acquired.
  - b. A Capital Acquisition Log contains all details of every capital asset grouped by month of acquisition.
2. Fixed assets are grouped and accounted for depending on their intended use and classification.
  - a. Fixed assets are grouped as Trust Assets and Non Trust Assets. Trust assets are those that are used in the management of the GRF Trust and include fixed assets of all cost centers except the News Department and the Service Maintenance Department.
  - b. Non Trust Assets include fixed assets of the News Department and the Service Maintenance Department.
  - c. Depreciation of Trust Assets is charged to Cost Center 79 (Community Facilities).
  - d. Depreciation of Non Trust Assets is charged to Cost Centers 36 (News Department) and Cost Center 74 (Service Maintenance Department) respectively.
  - e. Depreciation of all fixed assets shall be done monthly and after the acquisitions for the month have been added to the system.
3. The life of an asset will be standardized as far as possible so that no items of a like nature have a different life expectancy. Department heads are responsible in notifying

(July 09)



**STAFF OPERATIONS**

**FISCAL AND ACCOUNTING**

**RESCIND**

**Property Run Procedure**

the Senior Accountant, in writing, if a concentrated or minimal use of an asset will cause its life expectancy to differ from the standard.

**Procedure**

Adopted: 16 Jun 72  
Revised: 07 Mar 85  
Revised: 25 Feb 88  
Revised: 08 Jul 09

(July 09)

**Executive Director  
Golden Rain Foundation**



**STAFF OPERATIONS****FISCAL AND ACCOUNTING****RESCIND****Collection Procedures**

An aging of accounts receivable is done on the 26<sup>th</sup> day of each month. The report is provided to each Mutual President and CFO and selected officers on the Golden Rain Foundation Board of Directors. The following steps shall be observed in handling delinquent accounts:

1. If a payment is not made within the Mutual's grace period (15 days past the due date) or paid short of the total amount due, the account will be deemed delinquent and a late charge will be assessed. For Occupancy Agreements dated through March 30, 2005, the late charge will be \$2 per month. For Mutual Seventeen owners and Occupancy Agreements dated after April 1, 2005, the late charge will be \$10 per month.
2. The Accounting Department will mail the first past due notice 30 days after the due date of the unpaid and now delinquent payment. At that time, the past due amount will be charged an interest rate not to exceed 12% per annum on the total amount due. Late charges and collection costs are added to the delinquent monthly payment (consisting of the regular assessment, property tax, special assessment(s), if any, and voluntary charges), and will become part of the total amount due.
3. The Accounting Department will mail a second past due notice 60 days after the initial due date of the delinquent payment. Copies of this notice will be sent to the Mutual President and CFO.
4. The Accounting Department will mail a third and final warning notice 75 days after the initial due date of the delinquent payment. The notice will include a statement that the delinquent account will be referred to the respective Mutual Board of Directors for action.
5. Any account that reaches 90 days past due will be referred to the Mutual Board of Directors for formal collection procedures, which may include eviction and forced sale of the share of stock.
6. If the delinquent amount exceeds \$4,000, the Mutual will be consulted for instructions to begin legal action.
7. The Mutual Board of Directors may, at any time, authorize legal action, regardless of the delinquent amount.

(July 09)



**STAFF OPERATIONS****FISCAL AND ACCOUNTING****RESCIND****Collection Procedures**

8. If legal action is to be taken, the Accounting Department will prepare all necessary information and documents of the shareholder and forward them to the Community Manager of Mutual Operations for coordination with the Mutual president and Mutual attorney.
9. When an account is referred for legal action for collection purposes, partial payments on that account will no longer be accepted unless the payment(s) are in accordance with a payment plan approved by the Mutual Board of Directors.
10. The Community Manager of Mutual operations will work with the Mutual attorney until the legal action is concluded.
11. Any account listed as an "Estate" that becomes delinquent will immediately be referred to the Community Manager of Mutual Operations for collection.

**Procedure**

Adopted: 24 Jun 91

(July 09)

**Executive Director  
Golden Rain Foundation**



**STAFF OPERATIONS**

**FISCAL AND ACCOUNTING**

**RESCIND**

**Collection Procedures**

Revised: 24 Feb 92

Revised: 08 Jul 09

(July 09)



**ADMINISTRATION****FISCAL AND ACCOUNTING SERVICES****RESCIND****Insurance Broker Service**

The Controller of the Foundation is authorized to provide computer service to insurance brokers for resident insurance programs that have been approved by the Board of Directors, or when computer service has been approved by the Board of Directors, and then on the following basis:

1. The Controller shall determine annually the cost of providing such services, which cost shall include:
  - a. Direct cost of materials, including card stock for initial and replacement cards.
  - b. Direct cost of the service performed by the computer.
  - c. Direct cost of staff time involved in providing this service.
  - d. The overhead cost shall be computed at the rate of 8% of the direct costs enumerated above.
2. Changes of cost, whether caused by service requests or change in materials and service cost, shall be implemented as soon as possible.
3. All cost determination or cost changes shall be reported to the Administrator prior to the billing being sent to the broker involved.

**Policy**

Adopted: 18 Jan 72

**GOLDEN RAIN FOUNDATION**  
**Seal Beach, California**

(Jan 72)



**STAFF OPERATIONS****ACCOUNTING****RESCIND****Purchase Requisition Approval**

1. Purchase requisitions are completed by the requesting person and given to the department supervisor for approval.
2. The approved purchase requisition is then forwarded to the department manager or administrator in the manager's absence for final review and approval, which is indicated by the department manager's signature.
3. The purchase requisition is then returned to the requesting person for processing.

The Service Maintenance Supervisor is authorized to approve purchase requisitions; however, a copy of the approved requisition shall be forward to the administrator for his/her review and initials.

**Regulation**

Approved: 20 Jul 72  
Revised: 21 Jun 77  
Revised: 22 Aug 77  
Revised: 02 Apr 80  
Revised: 23 Jul 80  
Revised: 22 May 81  
Revised: 24 Oct 83  
Revised: 01 Mar 85  
Revised: 15 Jul 86  
Revised: 28 Mar 01

**Executive Director  
Golden Rain Foundation**

(Mar 01)



**STAFF OPERATIONS****ACCOUNTING****RESCIND****Purchase Orders**

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.

The purchase order gives a vendor a complete description of the goods and services desired, terms, price, delivery, and shipping instructions. Where necessary, the description may refer to an attached sample, blueprint or a person's name to contact whenever services are ordered. The original and one carbon copy, the latter being labeled "Acknowledgement Copy" are sent to the vendor who is asked to return the

(Mar 01)



**STAFF OPERATIONS****ACCOUNTING****RESCIND****Purchase Orders**

carbon copy with his signature, therewith signifying to the Purchasing Supervisor that the order was received and will be delivered according to the specifications enumerated in the purchase order. The acknowledgement copy constitutes a necessary form for contract procedure. Other carbon copies are distributed as follows:

- a. Copy #3 (Yellow-Purchasing) is retained by the Purchasing Division and filed alphabetically as an outstanding order pending receipt of the Receiving Report. This copy provides quick information on a particular purchase and a complete record of all purchases made from each source of supply. It remains in the open file until the Receiving Records acknowledge receipt of all materials or services ordered. When a purchase order is considered complete, it should be thoroughly reviewed to be certain all pertinent supporting papers are present and in order before filing in the closed order file.
- b. Copy #4 (Pink-Purchasing) is retained by the Purchasing Division and filed numerically and used as a control file.
- c. Copy #5 (Golden-Receiving) is routed to the receiving department where it is used as a Purchase Notice and an accounts payable receiving record to inform that department what is on order and to assure equipment and personnel to handle incoming orders. Upon receipt, this copy is filed alphabetically by vendor in the open purchase order file. After the materials or services are thoroughly checked by matching the items received (quantity, make, characteristics, model, etc.) with the purchase order copy and the order is found complete, then the gold copy is forwarded with packing slip to accounts payable (for further information see Receiving Procedures).
- d. Copy #6 (Buff-Receiving) is routed to the receiving department as a Purchasing Division receiving support. Upon receipt, this copy should be filed alphabetically by vendor. After the material is thoroughly checked against the purchase order, then the purchasing receiving copy is marked as a partial or complete order and returned to the Purchasing Division on a daily basis.
- e. Copy #7 (Dark Green-Accounts Payable) is routed to Accounting as notice of commitment where it is filed pending receipt of the receiving record copy (gold)

(Mar 01)



**STAFF OPERATIONS****ACCOUNTING****RESCIND****Purchase Orders**

and the vendor's invoice. The documents are then audited and provide the basis for making payment and become part of the voucher file.

2. The purchase order change notice follows exactly the same ordering procedure. All requested changes are made on the purchasing vendor copy (yellow) reproduced in the required number of copies and distributed. All charges must be written in sufficient detail to prevent any misrepresentation that could occur.
3. Miscellaneous Instructions
  - a. If required, list (government [municipal, state, federal]), (licenses, permits, etc.).
  - b. Add California tax resale permit number on all orders nontaxable.
  - c. Inform the vendor if this is a confirming order.
  - d. Show billing address to P.O. Box 2069, Seal Beach, and shipping address to Maintenance Building, foot of Golden Rain Road.
  - e. Place originator name after "attention."
  - f. Cost center number in the account no. column.
  - g. Purchasing Supervisor will sign in lower right hand corner.
  - h. Where more than one page is required, type "Page 1 of 10" or similar, above the purchase order number.
  - i. Supporting papers may be purchase order changes, debit memos, credit memos, acknowledgement copies, confirmation copies, packing slips and receiving records.
4. Maximum elapsed time from placement of order until typed and distributed will be 12 working hours or less. All supporting papers will be attached to the purchase orders within 16 working hours.

**Procedure****Executive Director**

(Mar 01)



**STAFF OPERATIONS**

**ACCOUNTING**

**Purchase Orders**

Approved: 16 Nov 82  
Revised: 15 Sept 86

**RESCIND**

**Golden Rain Foundation**

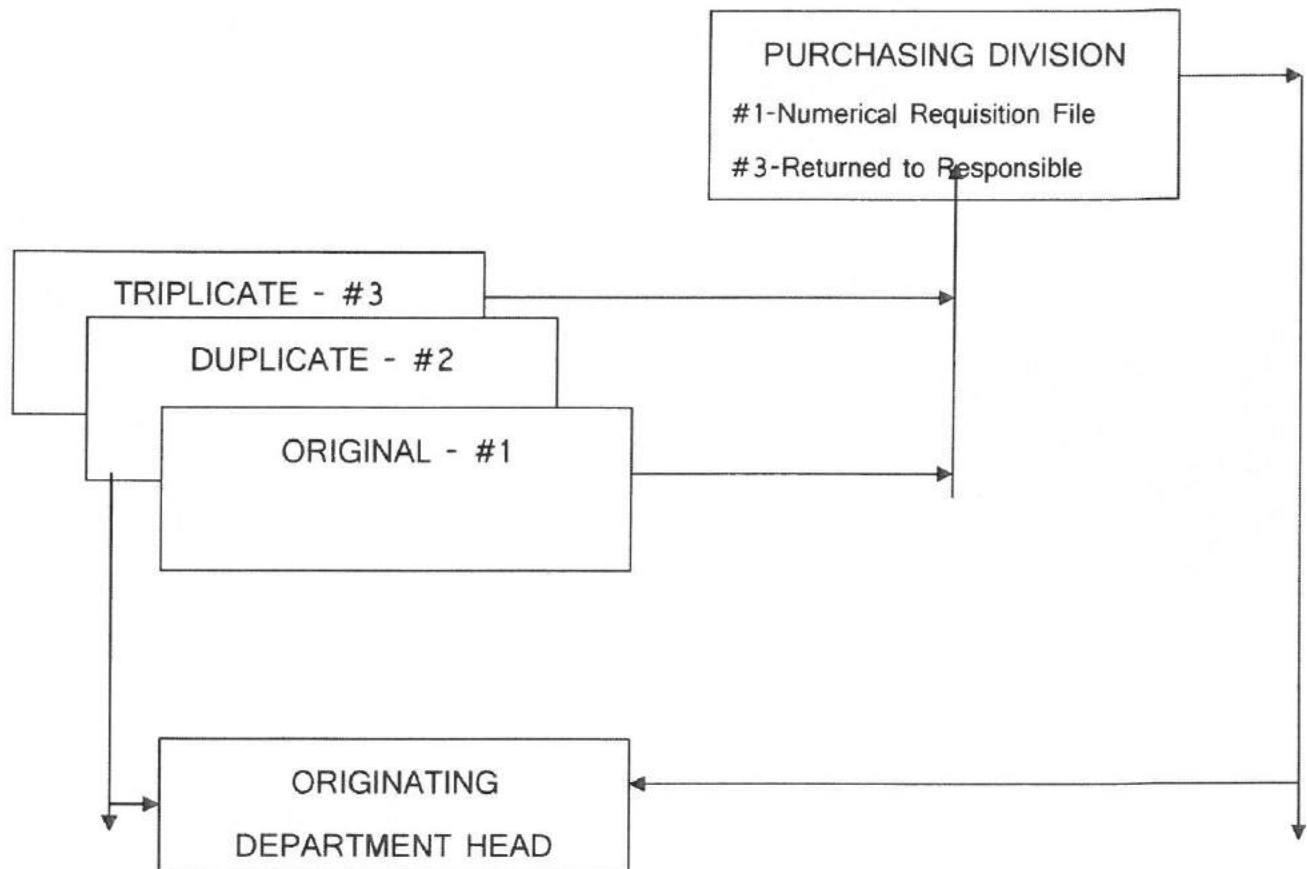
(Mar 01)



STAFF OPERATIONS

## ACCOUNTING

## RESCIND

Purchase Requisition Procedure

(Sept 86)



**STAFF OPERATIONS**

**ACCOUNTING**

**RESCIND**

**Purchase Requisition Procedure**

**Procedure**

Approved: 15 Sept 86

**Executive Director  
Golden Rain Foundation**

(Sept 86)



STAFF OPERATIONS

## ACCOUNTING

## RESCIND

Purchase Order Procedure

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.

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STAFF OPERATIONS

## ACCOUNTING

## RESCIND

Purchase Order Procedure

required documents in the hands of those concerned in our company. Words to this effect should be placed on the purchase order.

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.



STAFF OPERATIONS

## ACCOUNTING

## RESCIND

Purchase Order Procedure

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.
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**

Amended: 15 Sept 86

**Executive Director  
Golden Rain Foundation**



STAFF OPERATIONS

ACCOUNTING

RESCIND

Purchase Order Procedure



**STAFF OPERATIONS****PHYSICAL PROPERTY DEPARTMENT****RESCIND****Invoice Approval for Payment**

1. When an order is complete, the receipt in Great Plains and the packing list will be received by the Accounts Payable clerk who will:
  - a. Compare the quantity and price for each item entered on the invoice with the quantity and price appearing on the receiving report. Also verify price extension for invoice amount and application of discount, if eligible. Add sales tax if not claimed.
  - b. If the receiving report substantiates receipt of quantities and prices for which involved, the Storekeeper will stamp the invoice as Received, and forward to the Accounting Department for check preparation.
  - c. If a discrepancy is noted between the invoice and the receiving report, the Accounts Payable Clerk will reconcile the difference, make appropriate changes, noting correction on invoice, and send back to Purchasing for resolution. The Purchasing Department will advise the vendor of the billing difference.
2. When only a partial shipment of an order has been received, the Storekeeper will Handle the packing list as follows:
  - a. Update the Purchasing Agent's copy of the purchase order to indicate receipt of the quantities received.
  - b. Transcribe the cost center and stock number for each item from the purchase order to the packing list.
  - c. Compare the quantity for each item entered on the invoice with the quantity received on the packing list and the invoiced price with the price on the purchase order. Also, verify the price extension for invoiced amount and application of discount, if eligible. Also, add sales tax if not claimed.
  - d. Return the purchase order to the Purchasing Agent's open order file.
  - e. If the packing list and purchase order substantiate receipt of the quantities and prices for which invoiced, the Storekeeper will stamp the invoice as received, attach the packing list to the invoice and forward to the Accounting Department for check preparation.
  - f. Approved invoices will be passed daily to Accounting for payment.

(Sept 86)



**STAFF OPERATIONS****PHYSICAL PROPERTY DEPARTMENT****RESCIND****Invoice Approval for Payment**

- g. If a discrepancy is noted between the invoice and packing list of order, the Storekeeper will reconcile difference, make appropriate changes, noting correction on the invoice, and forward to the Accounting Department for payment. The Purchasing Department will advise the vendor of the bill difference.

**Procedure**

Amended: 15 Sept 86

**Executive Director**

**Golden Rain Foundation**

(Sept 86)



**STAFF OPERATIONS****PURCHASING DEPARTMENT****RESCIND****Credit Memorandums**

Supplier, equipment, etc. returned for credit to be handled in the following manner:

1. Prepare, in duplicate, the vendor credit memorandum, original copy to accompany merchandise to the vendor, carbon copy to Accounts Payable.
2. Credit memorandum must be completed in detail as to quantity, unit, size, description, date, reason for the return and department cost center.
3. Full signature of recipient must appear on form if the vendor's representative receives the same rather than a common carrier.
4. Signature of department head authorizing return.
5. Receipt from common carrier must be kept with the copy of the credit memorandum.
6. Copy of credit memorandum to be forwarded to Accounts Payable and retained until authorized credit is issued from vendor.
7. Prices, quantity, etc. on authorized credit memorandum from vendor will be checked against the copy of the credit memorandum to insure proper amount of credit is issued by the vendor.
8. Completed credit memorandum should be stapled with the credit memo, cost center indicated, etc., and forwarded to Accounting.
9. Any deviation in price or quantity from the department's copy compared with the vendor's completed credit memorandum should be brought to the attention of the Purchasing Agent.

**Procedure**

Amended: 15 Sept 86

**Executive Director**

**Golden Rain Foundation**

(Sept 86)



**ADMINISTRATION****COMMUNITY ADMINISTRATION****RESCIND****Escrow Accounting Procedure**

1. The Stock Transfer Agent is responsible to send the Accounts Receivable Clerk demand letter when escrow opens requesting the following information:
  - a. Monthly carrying charge amount.
  - b. Date paid to.
  - c. GRF membership fees for month, amount of membership fees and if paid.
  - d. Taken from Tab Run \_\_\_\_\_ (dated).
  - e. Date audit completed.
2. Accounts Receivable Clerk is to fill out demand letter.

The Accounts Receivable Clerk is also responsible for making sure SRO portions are completed, and to return demand letter to the Stock Transfer Agent within three (3) working days after receipt.
3. The Stock Transfer Agent is responsible for determining the GRF membership fees are billed to proper stockholder(s) in escrow.
4. The Accounts Receivable Clerk is to notify the Stock Transfer Agent, in writing, of any payment or charge incurred after account has gone into escrow within three (3) working days of transaction.
5. All monies received from closing escrows are to be given to the cashier within three (3) working days or by the last working day of the month in which the escrow closed in any case.
6. The Stock Transfer Agent is responsible to send all file maintenance changes to the Accounts Receivable Clerk within three (3) working days after escrow closes, or by the end of the month.

(May 98)



**ADMINISTRATION****COMMUNITY ADMINISTRATION****RESCIND****Escrow Accounting Procedure**

7. The Accounts Receivable Clerk will order new monthly carrying charge cards.
8. Refunds of carrying charges paid by seller outside of escrow and collected in escrow are to originate from the Stock Transfer Agent.
9. If any special arrangements are made between escrow offices and buyer about payment of carrying charges, such special arrangements are to be included as part of the written escrow instructions.

**Procedure**

Approved: 14 Nov 72

Revised: 10 Feb 98

(May 98)

**Administrator****Golden Rain Foundation**



**ADMINISTRATION****FISCAL AND ACCOUNTING SERVICES****RESCIND****GRF Financial Reports**

Distribution of Foundation Financial Reports will be made by the Controller as follows:

1. **Monthly Financial Statement**

a. Golden Rain Board (including Foundation attorney)	20
b. Administrative Services Manager	1
c. Mutual Presidents	16
d. Chief Financial Officers and one Treasurer	16
e. Administrator	1
f. HUD (when requested by Administrator)	1
g. Controller	File

2. **Budget Comparison Reports**

a. Golden Rain Board Office	19
b. Administrator	1
c. Administrative Services Manager	1
d. Physical Property Supervisor	CC 70, 79
e. Community Facilities Manager	CC 4X, 5X, 7X
f. Recreation Supervisor	CC 4X, 5X
g. News Office	CC 36
h. Security and Transportation Manager	CC 37, 38
i. Service Maintenance Supervisor	CC 74, 75
j. Purchasing Agent	CC 32
k. Controller	File
l. Library Operations Supervisor	1

3. **Annual Audit Report**

a. Golden Rain Board	20
b. Administrator	1
c. Controller	4

4. **Annual Report**

a. All Members of Golden Rain Foundation	6,608
b. Administrator	10

(July 09)



**ADMINISTRATION****FISCAL AND ACCOUNTING SERVICES****RESCIND****GRF Financial Reports**

- |   |    |
|---|----|
| c. Stock Transfer Agent (for new residents) | 50 |
| d. Controller                               | 30 |

**Procedure**

Approved: 14 Nov 72  
 Amended: 29 Dec 83  
 Amended: 13 Aug 85  
 Amended: 18 May 87  
 Amended: 22 Apr 93  
 Amended: 20 Aug 98  
 Amended: 12 Oct 99  
 Amended: 02 Feb 00  
 Amended: 07 Jul 09

(July 09)

**Executive Director**  
**Golden Rain Foundation**



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

**November 2015:**

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
Expenses - Purchasing				
6100000 32	Salaries & Wages - Purchasing	150,322	163,742	13,420
6140000 32	Employment Taxes - Purchasing	11,755	12,962	1,207
6142000 32	Workers' Compensation - Purchasing	9,135	13,505	4,370
6143000 32	Group Insurance - Medical - Purchasing	22,061	15,458	(6,603)
6143300 32	Group Insurance - Dental - Purchasing	572	363	(209)
6143500 32	Group Insurance - Vision - Purchasing	337	216	(121)
6144000 32	401(k) Match - Purchasing	3,568	4,920	1,332
6145000 32	Group Insurance - Life - Purchasing	588	747	59
6146000 32	Long Term Disability Insurance - Purchas	549	871	322
6211000 32	Continuing Education - Purchasing	325	500	175
6213100 32	Temporary Agency Fees - Purchasing	29,021	0	(29,021)
6214000 32	Meals & Special Events - Purchasing	14	0	4
6215000 32	Mileage - Purchasing	21	110	89
6217000 32	Uniforms & Laundry - Purchasing	1,476	1,768	311
6410000 32	Office Supplies - Purchasing	742	1,100	358
6410005 32	Building Supplies - Purchasing	163	1,100	937
6410010 32	Hospitality - Purchasing	368	458	90
6410015 32	Computer Supplies - Purchasing	0	600	600
6410020 32	Equipment Expense - Purchasing	259	1,375	1,116
6410030 32	Printer / Copier Supplies - Purchasing	520	733	213
6411000 32	Freight & Handling - Purchasing	9,907	9,163	(744)
6435100 32	Bank Service Fees - Purchasing	671	0	(671)
6444000 32	Equipment Rental - Purchasing	1,228	1,237	9
6471000 32	Building Repair & Maintenance - Purchas	79	550	471
6472000 32	Equipment Repair & Maintenance - Purchas	1,641	550	(1,091)
6476000 32	Service Contracts - Purchasing	190	139	(53)
6482000 32	Dues, Memberships & Books - Purchasing	481	200	(281)
6483000 32	Propane - Purchasing	650	1,700	1,050
6911500 32	Inventory Over / Short-Purchasing - Purc	(11,073)	1,833	12,906
6911505 32	Obsolete Inventory Adjustment - Purchasi	3,663	3,663	0
	Total Expenses	239,333	239,581	248
Other Cost Recovery				
5380320 32	Shipping & Processing Recovery - Purchas	7,661	9,167	(1,496)
5385000 32	Other Income - Purchasing	120	0	120
5540000 32	Discounts Earned - Purchasing	2,275	0	2,275
	Total Other Cost Recovery	10,056	9,167	889



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance
5330000 32	Income / Refund from Mutuals - Purchasing	230,960	230,959	1
	Total Cost Recovery	241,036	240,120	916
	Off Budget Items			
5990000 32	Materials Recovery - Purchasing	(57,717)	0	57,717
6415000 32	Materials Pass-Thru - Purchasing	57,717	0	(57,717)
	Total Off Budget Items	0	0	0
	Net Income / (Expense)	1,702	545	1,157

1. Budget Variance:

Cost center 32 is under budget a total of \$1,157 YTD. Notable variances are:

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

GL Code	Account Description	YTD Variance	Explanation
6100000	Salaries & Wages	13,420.00	Open Position
6140000	Employment Taxes	1,207.00	Open Position
6142000	Worker's Compensation	4,370.00	2014 Refund dollars allocated to CC32
6143000	Group Insurance - Medical	(6,603.00)	Additional participation not budgeted
6144000	401 (k) Match - Purch	1,332.00	Participation below planned budget
6213100	Temporary Agency Fees	(29,021.00)	Temp hired to fill key vacant position
6410020	Equipment Expense	1,116.00	Items were repaired versus replaced
6472000	Equipment Repair & Maintenance	(1,091.00)	Forklift and Electric Car Repairs
6483000	Propane	1,050.00	First year of budgeting propane
6911500	Inventory Over/Short	12,906.00	Inventory adjustments
5380320	Shipping & Proc. Recoveries	(1,486.00)	YTD recoveries of \$35,121 offset by a 2014 correction of \$25,098
5540000	Discounts Earned Purchasing	2,275.00	Unbudgeted discounts earned
	Total Explained Variances	<u>(525.00)</u>	



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

2. Project Report:

- Axserion launch planning and execution.
  - Training and launch preparation in progress.
- Warehouse Reorganization.
  - Appliance Area shelving/remodel project in progress. I am working with the supplier as safety requirements indicated a reconfigure of the space, this is in progress, with the goal to be purchasing the equipment prior to the end of the year.

3. Surplus Equipment - Reporting on the following income from items sold:

Description	Price OBO	Disposition
Picture Frames (5)	\$ 1.00	3 sold \$3.00
Chairs (2)	\$ 5.00	1 sold \$5.00
Rolling Printer Desk	\$ 5.00	Sold \$5.00
Top Opening Filing Cabinet	\$ 5.00	Sold \$5.00
Total collected		\$18.00

Seeking approval to process the following received surplus equipment:

Description	Price OBO	Disposition
Patio Chair	\$ 25.00	

4. 2014/2015 Capital Project Status:

- Bar Code Printer Label - Pending.



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

5. Purchasing Services Report:

2015 Total Purchasing Services Report

Month	Days	Purch Cash Sales	Mat'l Reqs Processed	Receipt Trans Processed	Walk-In Sales	CC Trans	Purchase Orders	Total Services
January	21	\$ 5,238.88	549	157	199	0	192	1097
February	19	\$ 3,838.58	682	180	250	0	250	1362
March	22	\$ 7,446.17	638	249	232	0	214	1333
April	22	\$ 5,388.73	701	187	282	0	281	1451
May	20	\$ 4,925.90	643	170	195	0	201	1209
June	22	\$ 3,987.39	722	183	225	29	243	1402
July	22	\$ 4,952.19	719	193	244	57	200	1413
August	21	\$ 5,513.49	671	151	215	64	211	1312
September	21	\$ 5,658.00	674	145	223	63	204	1309
October	21	\$ 8,080.39	762	171	282	73	146	1434
November	19	\$ 7,368.88	672	158	142	63	195	1230
December								0
Total	230	\$ 62,398.60	7433	1944	2489	349	2337	14552
Daily Avg		\$ 271.30	32	8	11	2	10	63



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Purchasing Manager's Report

6. Obsolete Inventory Write-offs:

Item Number	U Of M	Item Description	TRX QTY	Unit Cost	Extended Cost	Document Date	Reason
04-0405	EA	DWO 2X4 WIREMOLD BOX EXT 300926	-14	\$5.17	\$72.38	11/30/2015	Obsolete Electrical Item
21-1401	BX	DWO LETTERHEAD 1ST COLUMBIA	-3	\$44.75	\$134.25	11/30/2015	Obsolete stationery items
21-1404	BX	DWO LETTERHEAD MUTUAL	-1	\$71.95	\$71.95	11/30/2015	Obsolete stationery items
21-1500	EA	DWO MEMORANDUM SMALL 8 1/2 X 7	-7	\$7.40	\$51.80	11/30/2015	Obsolete stationery items
21-1502	EA	DWO PAD MEMORANDUM LARGE 8 1/2 X 11	-7	\$7.40	\$51.80	11/30/2015	Obsolete stationery items
21-1606	EA	DWO PAD TRAVEL & EXPENSE	-8	\$3.04	\$24.32	11/30/2015	Obsolete stationery items
21-1620	EA	DWO PAD MEMO W/CARBON COPY	-9	\$3.02	\$27.18	11/23/2015	Obsolete stationery items
21-4106	PKG	DWO LABEL FILE GREEN	-1	\$0.64	\$0.64	11/23/2015	Obsolete office supplies
21-5600	BX	DWO RIBBON NU-KOTE BM292	-8	\$15.20	\$121.60	11/30/2015	Obsolete office supplies
21-5601	EA	DWO TIME CLOCK RIBBON PN# 1603-9806	-5	\$19.99	\$99.95	11/30/2015	Obsolete office supplies
21-5715	EA	DWO LIQUID PAPER GREEN	-4	\$0.84	\$3.36	11/23/2015	Obsolete office supplies
21-6003	EA	DWO RIBBON CALCULATOR 233-70 MONROE	-1	\$5.99	\$5.99	11/30/2015	Obsolete office supplies
21-6005	EA	DWO RIBBON MONROE 5140 BR113N S2BR113N	-9	\$5.15	\$46.35	11/30/2015	Obsolete office supplies
21-6007	EA	DWO RIBBON BR106N S211212	-7	\$2.22	\$15.54	11/30/2015	Obsolete office supplies
21-7107	EA	DWO PEN, SCHAEFER BLACK REFILL	-9	\$2.46	\$22.14	11/30/2015	Obsolete office supplies
22-1701	CS	DWO TIME CARDS 900/PER CASE	-1	\$114.60	\$114.60	11/30/2015	Obsolete office supplies
Total					\$863.85		



Golden Rain Foundation  
December 15, 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	501,398	498,274	(3,124)
6140000 31	Employment Taxes - Finance	39,385	38,994	(391)
6142000 31	Workers' Compensation - Finance	10,079	14,899	4,820
6143000 31	Group Insurance - Medical - Finance	41,252	50,253	9,001
6143300 31	Group Insurance - Dental - Finance	872	1,202	330
6143500 31	Group Insurance - Vision - Finance	718	769	51
6144000 31	401(k) Match - Finance	9,900	13,624	3,724
6145000 31	Group Insurance - Life - Finance	2,112	2,134	22
6146000 31	Long Term Disability Insurance - Finance	1,750	2,490	740
6210005 31	Payroll Processing Fees - Finance	28,470	27,815	(655)
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	55	55
6410000 31	Office Supplies - Finance	2,306	5,317	3,011
6410005 31	Building Supplies - Finance	4	275	271
6410010 31	Hospitality - Finance	685	862	177
6410015 31	Computer Supplies - Finance	1,497	275	(1,222)
6410025 31	Lunch Room Supplies - Finance	91	183	92
6410030 31	Printer / Copier Supplies - Finance	4,069	6,417	2,348
6432100 31	Audit Fees - Finance	119,337	106,337	(13,000)
6435100 31	Bank Service Fees - Finance	3,683	3,740	57
6444000 31	Equipment Rental - Finance	2,816	2,819	3
6478000 31	Service Contracts - Finance	2,019	1,815	(204)
6481000 31	Computer Maintenance & Software - Finance	125	0	(125)
6482000 31	Dues, Memberships & Books - Finance	139	170	31
6483201 31	Mailouts - Periodic - Finance	11,028	7,600	(3,428)
6483202 31	Mailouts - Pymt Coupons - Finance	8,471	0	(8,471)
6491000 31	Miscellaneous Writeoffs - Finance	(86)	0	86
6721000 31	State & Federal Taxes - Finance	47,255	15,125	(32,130)
6910000 31	Uncollectible Customer Receivables - Fin	1	0	(1)
6951000 31	Non-Budgeted Exp for Committee - Finance	107	917	810
Total Expenses		843,558	802,361	(41,197)


**Budget Variance Report - November 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	9,382	Lower participation & reduced 2015 premiums than budgeted
6144000	401(k) Match	3,724	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	(8,471)	\$5,162 second coupon mailing in Feb plus new shareholders and reprints - unbudgeted
6721000	State & Federal Taxes	(32,130)	2015 Est taxes exceed annual budget by \$31,300
Total Explained Variances		<u>(39,718)</u>	



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Controller's Report

**Audit Timeline**

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



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Controller's Report

**Investments**

- Purchased in November
  - Reinvest matured CDAR of \$350,000 plus \$250,000 from US Bank (Reserve funds) in a 52-week CDAR @ .5% per committee action approved on November 5, 2015.
- To be purchased in December
  - \$550,000 from proceeds of matured CDAR (reserve funds) in a 52-week CDAR.
  - \$125,000 from proceeds of matured bond allocated to the budget contingency fund. To be invested in 52-week CDAR once cash flow needs have been met for the first quarter.
- Pending Action Item: Invite financial advisors to speak with the Finance Committee members
  - BNY Mellon – Awaiting for Erez Kabaker to return to the office.
  - First Foundation Bank – Change in relationship managers and have not been able to contact the new relationship manager.
  - Merrill Lynch – need to find a financial advisor – no relationship established yet.
  - Morgan Stanley – need to find a financial advisor – no relationship established yet.

**Superwire**

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



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Controller's Report

Superwire		
Due From	Amount	
2009	2,248.24	
2010	10,100.97	
Jan - Apr 2011	\$3,693.30	
Subtotal	16,042.51	
May - Dec 2011	\$1,197.20	
2012	\$1,795.80	
2013	-	Paid in full Mar '15
2014	-	Paid in full Mar '15
1st Qtr 2015	-	Paid in full Jul '15
2nd Qtr 2015	-	Paid in full Sep '15
3rd Qtr 2-15	-	Paid in full Dec '15
Subtotal	\$2,993.00	
Total	<u>19,035.51</u>	
Payments: (\$14,400.00) 4/1/2015 - 12/1/2015		
Bal Due:	<u>4,635.51</u>	

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

**Contract Renewal Report** (Quarterly Review)

**Mutual Seventeen Lease Income**

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



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Controller's Report

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

Policy 5061-33 Distribution:		Month	YTD
Capital Improvement Fund	67%	-	5,214
Reserve Fund	33%	-	2,570
Total Membership Fees		-	7,784



Golden Rain Foundation  
December 15, 2015 Meeting of the Finance Committee  
Controller's Report

**SRO Aging Recap:**

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

**Pending Action Items:**

None