

Board of Directors

Agenda

Clubhouse Four Tuesday, March 28, 2017 10:00 a.m.

- 1. Call to Order/Pledge of Allegiance
- 2. Roll Call
- 3. President's Comments
- 4. Announcements/Service Awards
 - Appointment of Golden Rain Foundation Director of Mutual Ten (pp. 1-4)
- 5. Seal Beach Mayor's Update
- 6. Shareholder/Member Comments

Note: Foundation Shareholder/Members are permitted to make comments before the meeting business of the Board begins. The Open Meeting Act allows boards of directors to establish reasonable time limits for the open forum and for speakers to address the board. (Civ. Code §4925(b).) Time limits, per speaker, are limited to:

- 4 minute limit per speaker, when there are no more than 15 speakers
- 3 minute limit per speaker, 16- 25 speakers
- 2 minute limit per speaker, over 26 speakers
- 7. Consent Calendar Approval of Board Committee Meeting Minutes (pp. 5-6)
- 8. Approval of Minutes
 - a. February 28, 2017 (pp. 7-20)
 - b. July 11, 2016, Special (pp. 21-22)
- 9. New Business
 - a. General
 - i. Integration of ITS and Publications Committees
 - Rescind Policy 5118-34, Information Technology Services
 (ITS) Committee, Amend Policy 5125-36, Publications

Committee and Amend Policy 5020-30, Organization of the Board (Mrs. Damoci, pp. 23-30)

- b. Community Access Ad Hoc Committee
 - i. Approve Issuance of ID Cards (Ms. Rapp, pp. 31-34)
- c. Executive Committee
 - Approve Service Maintenance Wage Structure (Ms. Stone, pp. 35-36)
 - ii. Rescind Policies (Ms. Stone, pp. 37-52)
 - 5505-30, Staff Communications
 - 5053-30, Guarantor Agreement Form
 - 2004-30, Staff Communication
 - 5029-30, Conflict of Interest-Directors and Officers
 - 1510-30, Dissemination of Information
 - 5603-30, Executive Sessions
 - 5100-30 Committee Functions
 - 5601.01-30, Rules of Order-Motion to Table
 - 5030-30, Responsibilities
 - 2005-30, Litigation Statement
 - 5080-30, Master Plan of Golden Rain Foundation

d. Finance Committee

- Accept February 2017 Financial Statements for Audit (Ms. Snowden, pp. 53-60)
- ii. Accept Audited 2016 Financial Statements and Excess Income Distribution (Ms. Hopewell, pp. 61-78)
- iii. Approve Reserve Study Company (Mr. Stone, pp. 79-80)
- iv. Amend Policy 5061-31, Fees (Ms. Stone, 81-86)
- v. Amend Policy 5115-31, Finance Committee (Mrs. Tran, 87-88)
- e. Information Technology Services Committee
 - i. Adopt Policies (Ms. Snowden, pp. 89-94):
 - 5050-34, Digital Billboards
 - 5050.01-34, Request for Display on Digital Billboard
 - 5051-34, Website Management

f. Physical Property Committee

 Approve Addition of Railings and Stairs to Post Office (Mr. Lukoff, pp. 95-98)

- g. Recreation Committee
 - i. Rescind Policies (Mrs. Perrotti, pp. 99-102)
 - 5561-50, Recreation Program
 - 1411.3-50, Maximum Room Capacities
 - ii. Amend Policies (Ms. Fekjar, pp. 103-106)
 - 1405-50, Literature-Community Facilities
 - 1471-50, Display of Trophies and Plaques
 - 1511-50, Dissemination of Information-Clubs
 - iii. Approve Upgrade of Existing Electrical System in Clubhouse Two (Mr. McGuigan, p. 107)
- 10. Staff Reports
 - a. Director of Finance's Report Ms. Miller
 - b. Executive Director's Report Mr. Ankeny
- 11. Board Member Comments
- 12. Next Meeting/Adjournment
 - a. April 25, 2017, 10:00 a.m.

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BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

PRESIDENT CAROLE DAMOCI

SUBJECT:

APPOINTMENT OF GOLDEN RAIN FOUNDATION DIRECTOR OF

MUTUAL TEN

DATE:

MARCH 28, 2017

CC:

FILE

The Golden Rain Foundation (GRF) Board of Directors (BOD) received notification of the death of Mutual Ten (GRF) Director Bruce Scheuermann on February 24, 2017, leaving the position vacant. On March 1, 2017, Mutual Ten shareholders were advised of the vacancy and nominations were requested. At 4:30 p.m. on March 13, 2017, the nomination period closed with no nominations received at the Stock Transfer Office as set forth in the application procedures.

Pursuant to Article VI, Section 6 of the GRF Bylaws, if no nominations are received, the GRF BOD shall appoint a Foundation member to serve.

Upon consultation with Mutual Ten, Ronde Winkler has been chosen to fill the vacancy. If approved, Ronde Winkler shall serve as GRF Director until June 2018 when the regular election for GRF Directors representing even-numbered Mutuals takes place.

I move that the GRF Board of Directors appoint Ronde Winkler as the GRF Director for Mutual Ten, for the term ending 2018, to fill the vacancy created by the death of GRF Director for Mutual Ten Bruce Scheuermann and to serve as a member of the Architectural Design & Review, Publications and Security, Bus & Traffic Committees.

Ruthann Arlart

Mutual Ten President/Secretary
562-596-9777 rarlart@verizon.net



March 22, 2017

President Damoci Golden Rain Foundation Board of Directors Seal Beach, CA 90740

Dear President Damoci

has resigned from the Mutual Ten Board, effective Wednesday, March 22, 2017.

Warm regards,

Ruthann Arlart, President Mutual Ten

cc. Randy Ankeny, Executive Director, Golden Rain Foundation



RONDE WINKLER MUTUAL 10 – 245G AUTO-BIOGRAPHY

As a resident for over ten years, in Leisure World, Seal Beach, I have been involved, in some capacity, on the Mutual 10 Board of Directors (BOD) and the Golden Rain Foundation, (GRF) for much of those years. As a corporate officer for four years for the Foundation, there were many opportunities to understand the financial position of GRF, as Treasurer, represent the Corporation as its' President for two years, (2014-2016), and as an ex-officio member attend every standing committee meeting and preside at Foundation board meetings. This has given me a clear understanding of the division of authority, fiscal management and legal issues between the Foundation and the Mutuals.

As a shareholder who spent sixty plus years in public and private sector businesses working as an accountant, I can draw on my work experience including management positions in manufacturing, insurance, accounting, with exposures to tax preparation, human resources, international trade, inventory, production, shipping, hazardous material, safety, warehousing and workers' compensation management.

I also have a long history of volunteering and serving on many Boards of non-profit organizations, often in a leadership positions, such as Rotary. Boys and Girls Clubs, the Business Council of South El Monte, Whittier College Board of Visitors, Lincoln Training Center, Los Angeles Economic Development Corporation, and the El Monte-South El Monte Chamber of Commerce. In addition, I held many elected positions, including State President, for the International Federation of Business and Professional Women.

If elected, I will work with the Foundation Board of Directors' and management to insure fiscal responsibility, including accuracy in financial reports, developing programs to insure the long-term viability of the Foundation and common properties, promote social and interaction between the residents of Leisure World and use "just plain old common sense".

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In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following February 2017 Committee meetings:

- Minutes of the Community Access Ad Hoc Committee Board Meeting of January 26, 2017
- Minutes of the Security, Bus & Transportation Committee Board Meeting of February 1, 2017
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of February 7, 2017
- Minutes of the Publications Committee Board Meeting of February 8, 2017
- Minutes of the Recreation Committee Board Meeting of February 8, 2017
 Minutes of the Executive Committee Board Meeting of February 10, 2017
- Minutes of the Physical Properties Committee Board Meeting of February 13, 2017
- Minutes of the Architectural Design and Review Committee Board Meeting of February 14, 2017
- Minutes of the Mutual Administration Committee Board Meeting of February 14, 2017

Using a consent calendar format, the GRF Board of Directors is requested to approve these Committee Board meeting minutes in one motion.

These Committee Board meeting minutes will be available on the Foundation's website for view after approval. If you would like a hard copy of the minutes, please see a staff member in the Administration Office.

Thank you.

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BOARD OF DIRECTORS MEETING MINUTES GOLDEN RAIN FOUNDATION FEBRUARY 28, 2017

CALL TO ORDER

President Carole Damoci called the regular monthly meeting of the Board of Directors (BOD) of the Golden Rain Foundation (GRF) to order at 10:00 a.m., on Tuesday, February 28, 2017, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Thomas Moore, City of Seal Beach Council member for District Two, which includes parts of Leisure World, led the Pledge of Allegiance.

ROLL CALL

Following the roll call, Corporate Secretary reported that Directors Perrotti, R. Stone, Snowden, Pratt, L. Stone, Reed, Rapp, Hopewell, Hood, McGuigan, Dodero, Greer, Damoci, Lukoff, Tran, Fekjar, and Moore were present.

Director Scheuermann was absent.

Seventeen Directors were present, with a quorum of nine.

PRESIDENTS COMMENTS

The President acknowledged the passing of GRF Board member Bruce Scheuermann, representative from Mutual Ten. She also thanked the staff who worked together to resolve the weather-related issues, including power outages. Additionally, the President thanked the GRF Board members and staff who were integral in the renovation of Clubhouse Four.

ANNOUNCEMENTS/ SERVICE AWARD PRESENTATIONS

The GRF Board of Directors met in Executive Session on February 3, February 17, and February 27, 2017 to discuss legal and contractual matters.

Please keep an eye on the *Golden Rain News* for the meeting schedule. As a reminder, committee meetings are open to all shareholders.

SERVICE ANNIVERSARIES

Three employees were recognized with service awards.

Larry Norlander	Security Department	5 years
Brynn Thompson	Security Department	5 years
Gerald Antisdel	Physical Property Department	25 years

SEAL BEACH MAYOR'S REPORT

The Mayor of Seal Beach and the City of Seal Beach Council member for District Two provided a recap of the City of Seal Beach City Council meeting.

SHAREHOLDER/MEMBER COMMENTS

In accordance with Policy 5610, Participation by Foundation Members, members may enter into a comment period prior to the beginning of business. **NOTE:** Foundation members are permitted to make comments <u>before</u> the business of the Board begins. Requests must be registered in advance of the meeting. The Open Meeting Act allows boards of directors to establish reasonable time limits for the open forum and for speakers to address the board. (<u>Civ. Code §4925(b)</u>.) Time limits, per speaker, are limited to:

- 4 minute limit per speaker, when there are no more than 15 speakers
- 3 minute limit per speaker, 16-25 speakers
- 2 minute limit per speaker, over 26 speakers

Seven shareholder/member offered comments.

CONSENT CALENDAR - APPROVAL OF BOARD COMMITTEE MEETING MINUTES

In accordance with Civil Code 4090, the Foundation will make available a summary of the meetings where a quorum of the Board was present. A quorum of the Board was present at the following Committee meetings:

- Minutes of the Community Access Ad Hoc Committee Board Meeting of December 8, 2016
- Minutes of the Strategic Planning Ad Hoc Committee Board Meeting of January 3, 2017
- Minutes of the Security, Bus & Transportation Committee Board Meeting of January 4, 2017
- Minutes of the Physical Properties Committee Board Meeting of January 9, 2017
- Minutes of the Mutual Administration Committee Board Meeting of January 10, 2017
- Minutes of the Recreation Committee Board Meeting of January 11, 2017
- Minutes of the Executive Committee Board Meeting of January 13, 2017
- Minutes of the Finance Committee Board Meeting of January 17, 2017

APPROVAL OF BOARD MEETING MINUTES

The minutes of the January 24, 2017 meeting were approved, by general consent of the Board, as distributed.

NEW BUSINESS

Executive Committee

Approve Capital Funding Request, Automated External Defibrillator Units

The Executive Committee (EC), at its regular scheduled meeting on February 10, 2017, reviewed a request for Automated External Defibrillators (AED's). The discussion included the benefits of having AED's, handling of health emergencies and use and maintenance of AED machines. The cost for material and labor is \$26,000.

Upon discussion, the EC unanimously agreed to improve the community by adding AED's to Clubhouses 1, 2, 3, 4, 6, Administration Building, Building 5, Library, Amphitheater and Security, in an amount not to exceed \$26,000, from Capital, and forward this request to the Finance Committee for funding review, then to the Board for final approval.

At its February 21, 2017 meeting, the Finance Committee (FC) reviewed available funding and moved to approve funding for this capital purchase. Upon discussion, the FC amended the motion to add an additional unit for use in the Service Maintenance Department, increasing the Capital Funding request to \$28,000 and recommended approval by the Golden Rain Foundation Board of Directors.

Ms. Snowden MOVED, seconded by Ms. Hopewell -

TO approve Capital Funding request, in an amount not to exceed \$28,000, for the purchase and installation of fourteen Physio-Control LIFEPAK CR Plus Automated External Defibrillators (AED) units, to be placed in all Clubhouses, the Administration Building, Building 5, the Library, the Amphitheater, the Security Department and the Service Maintenance Department.

Three Directors spoke on the motion.

The motion carried unanimously by the Board Members present.

Rescind Policies 5031-30, Escrows; 1020-30, Door-to-Door Solicitation; 5032-30, Indemnification Resolution; 5551-30, Paramedic Program; 2004.01-30, Correspondence and 5102-30, Quorum.

At its meeting on February 14, 2017, the Executive Committee reviewed policies within their purview and moved to recommend that the Golden Rain Foundation (GRF) Board of Directors rescind Policies 5031-30, Escrows; 1020-30, Door-to-Door Solicitation; 5032-30, Indemnification Resolution; 5551-30, Paramedic Program; 2004.01-30, Correspondence and 5102-30, Quorum.

Mr. Hood MOVED, seconded by Ms. Rapp-

TO rescind Policies 5031-30, Escrows; 1020-30, Door-to-Door

Solicitation; 5032-30, Indemnification Resolution; 5551-30,

Paramedic Program; 2004.01-30, Correspondence and 5102-30,

Quorum.

Two members spoke on the motion.

The motion was carried by the Board members present.

Finance Committee

Accept January 2017 Financials for Audit

At the regular meeting of the Finance Committee on February 21, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the January 2017 Financial Statements for audit.

Ms. Hopewell MOVED, seconded by Ms. Stone and carried unanimously by the Board members present –

TO accept the January 2016 Financial Statements for audit.

Rescind Policies 2283-31, Returned Checks; 2290-31, Cable Television Service Collection; 2243-31, Capital Projects; 2261-31 Verification of Expense Reports; 3210-31, Returned Checks; 5524-31 and 5524.01-31, Non-Current Receivables and Payables; and 5527-31, Repurchase Agreements

At the Finance Committee Work Study on Friday, February 17, 2017, policies within the purview of the Finance Committee were reviewed and it was the consensus of the Finance Committee Work Study to recommend to the Finance Committee rescission of several policies.

At the regular scheduled meeting of the Finance Committee held on February 21, 2017, the Committee approved rescinding the policies specified and to recommend to the GRF Board to approve rescission.

Ms. Stone MOVED, seconded by Ms. Snowden and carried unanimously by the Board members present-

TO rescind Policies 2283-31, Returned Checks; 2290-31, Cable Television Service Collection; 2243-31, Capital Projects; 2261-31 Verification of Expense Reports; 3210-31, Returned Checks; 5524-31 and 5524.01-31, Non-Current Receivables and Payables; and 5527-31, Repurchase Agreements.

ITS Committee

Approve Technology Services Provider

Technijian has provided a SANS audit remediation and ongoing technical support for the past year. After re-evaluating the Golden Rain Foundation's (GRF) needs and going out to bid on alternative IT Consulting Companies/Managed Service Providers (MSPs), we have determined that Technijian's services are no longer necessary. We are currently paying \$9,054/month under Technijan's contract. The service agreement contract with Technijian is ending on April 1, 2017. We recommend the GRF Board of Directors decline to renew Technijian's contract.

At the special Information Technology System (ITS) Committee meeting on February 16, 2017, the Committee invited three IT Consulting Companies/Managed Service Providers (MSPs): Fully Functional Technology, Cal Net Technology Group and FPA Technology Services for presentations and Q&A sessions.

Upon discussion, the ITS Committee decided Fully Functional Technology best suited the GRF's needs. Fully Functional Technology's proposal lists an initial one-time payment of \$4,500 for the onboarding/setup fees. The onboarding includes installation of remote desktop support software, documentation of the information technology infrastructure, project assessment/recommendations, and a network and security assessment.

The proposal also lists a fee of \$4,400/month for ongoing monthly support. The monthly services includes patch management, backup, cybersecurity services, and support for all employee workstations and servers. GRF will be saving approximately \$4,600/month after switching from its current MSP.

Mr. Pratt MOVED, seconded by Mr. Hood and carried unanimously by the Board members present-

TO decline to renew the Technijian contract after April 1, 2017 and to accept Fully Functional Technology's proposal for a one-time \$4,500 onboarding fee and a \$4,400 monthly fee, to be charged to

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GL 6478000-34, Other Professional Fees.

Mutual Administration Committee

Amend the Bereavement Booklet/Approve Inclusion in the Welcome Packet

It was the recommendation of the Mutual Administration Committee at its February 14, 2017 meeting that the Golden Rain Foundation (GRF) Board of Directors (BOD) amend the Bereavement Workbook. The specific amendments recommended are on page 9, first topic: Contact On-Site Sales Office at 562-598-1388 and page 10,1.: Call On-Site Sales Office at 562-598-1388.

Further, the Committee recommends the GRF BOD approve inclusion of the Bereavement Workbook in the Welcome packet.

Mrs. Reed MOVED, seconded by Mr. Lukoff-

TO amend the Bereavement Workbook and approve its inclusion in the Welcome packet.

Eight Board members and the Executive Director spoke on the motion.

Mrs. Tran MOVED, seconded by Mr. McGuigan-

TO amend the motion by adding "or another real estate office" after the proposed amendment in the main motion.

Six Board members spoke on the amendment to the main motion.

The amendment was carried with two recusals (Fekjar, Perrotti).

The amended main motion was carried with two recusals (Fekjar, Perrotti).

Rescind Policies 2710-33, Financial Eligibility Criteria-Emergency Needs and 1023.01-33, Regulation for Pet Ownership-GRF

At its meeting on February 14, 2017, the Mutual Administration Committee reviewed Policy 2710-33, Financial Eligibility Criteria-Emergency Needs and Policy 1023.01-33, Regulation for Pet Ownership-GRF. The Committee recommends the Golden Rain Foundation Board of Directors rescind the policies.

Mrs. Greer MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present-

TO rescind Policy 2710-33, Financial Eligibility Criteria-Emergency

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Needs and Policy 1023.01-33, Regulation for Pet Ownership-GRF.

Amend Policy 1023-MAC, Pet Ownership Rules

At the Mutual Administration Committee (MAC) meeting, on Tuesday, February 14, 2017, the Committee reviewed Policy 1023-MAC, Pet Ownership Rules; it was the consensus of the MAC to recommend to the Golden Rain Foundation (GRF) Board of Directors (BOD) to amend the policy.

Ms. Rapp MOVED, seconded by Ms. Fekjar and carried unanimously by the Board members present-

TO approve amendment of Policy 1023-MAC, Pet Ownership Rules.

Physical Property Committee

Reserves Funding Request, Administration Building, First Floor Improvements

At its regular scheduled meeting on February 13, 2017, the Physical Property Committee (PPC) reviewed a request to make improvements to the first floor of the Administration Building for the Finance and Stock Transfer Departments. The Committee revised the scope of work provided by the Physical Properties Department to replace the lighting with LED fixtures, paint all of the rooms, replace the carpet on the first floor, replace work stations, and filing systems in both departments (attached in agenda packet). The total cost of the project is Golden State Surfaces— Carpet replacement: \$21,245, Talimar Systems — Stock Transfer work stations: \$14,899, Talimar Systems — Finance. work stations: \$30,130, Painting: \$10,000, LED Lighting: \$7,500, 10% Contingency: \$8,377

Upon discussion, the PPC unanimously agreed to have the work completed, for a cost not to exceed \$92,151, and forward it to the Finance Committee for review and funding approval.

At its regular scheduled meeting on February 21, 2017, the Finance Committee reviewed available funding for this project and unanimously resolved to approve the Reserve funding request for this project.

Mr. Lukoff MOVED, seconded by Mrs. Tran and carried by the Board members present-

TO approve improvements to the first floor of the Administration Building for the Finance and Stock Transfer Offices, including replacement of the existing lighting with LED fixtures, painting all rooms, carpet replacement on the first floor, and the replacement of work stations in both Finance and Stock Transfer Departments, for a

cost not to exceed \$92,151, including contingencies, funding from Reserves and to authorize the President to sign the applicable contracts.

Operations Funding Request, Contract Approval, Community Facilities Landscape Service

At its regularly scheduled meeting on February 13, 2017, the Physical Property Committee (PPC) reviewed a request to extend the current Community Facilities contract with John's Landscape Service, which is scheduled to terminate on April 31, 2017 and extend it to December 31, 2017 (see Exhibit A in agenda packet). This would align the termination date for both the Community Facilities and Golf Course contracts. The PPC discussed the matter and agreed it would benefit the community to grant contractors the opportunity to bid on both projects at the same time. The following are the excerpts of the PPC meeting of February 13, 2017: Ms. Rapp MOTIONED, seconded by Ms. Stone - TO recommend the Board to approve the extension of the contract with Johns Landscape Service (JLS) to December 31, 2017, to align it with the Golf Course contract expiration date. The motion was carried unanimously by Committee members present.

Mr. Stone MOVED, seconded by Ms. Stone-

TO approve the extension of the current contract with John's Landscape Service for the maintenance of the Community Facilities Landscaping, scheduled to terminate on April 31, 2017, extending it to December 31 2017, at the same monthly cost of \$9,000 per month and authorize the President sign the contract.

Two Board members, the Executive Director and the Facilities Director spoke on the motion.

Mrs. Reed MOVED, seconded by Mrs. Dodero and carried unanimously by the Board members present-

TO amend the motion to reflect a price of \$9,900 per month.

The amended main motion was carried unanimously by the Board members present.

Reserves Funding Request, Clubhouse Six, Concrete Replacement

At its regular scheduled meeting on February 13, 2017, the Physical Property Committee (PPC) reviewed a request to replace concrete on the west end of Clubhouse Six. A quote was obtained from MJ Jurado to replace 595 square feet of concrete at this area, for a cost not to exceed \$8,000. The PPC reviewed the cost and amount of concrete needed for replacement and unanimously agreed to recommend MJ Jurado to replace 595 sq. ft. of concrete on the west end of Clubhouse Six, for a cost not to exceed \$8,000, and forward a request to the Finance Committee for Reserve Funding review.

At its regular scheduled meeting on February 21, 2017 the Finance Committee reviewed available funding for the replacement of concrete at this area and unanimously resolved to approve the Reserve funding request for this project.

Ms. Rapp MOVED, seconded by Ms. Hopewell-

TO award a contract to MJ Jurado, for the replacement of 595 sq. ft. of concrete on the west end of Clubhouse Six, for a cost not to exceed \$8,000, funding from Reserves and authorize the President sign the contract.

One Board member and the Facilities Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Publications Committee

Adopt Policy 2866-36, Acceptable Bilingual Advertisements and Adopt Policy 2869-36, Leisure World Live (LW Live)

At the Publications Committee meeting, on February 8, 2017, the Committee reviewed policies within their purview and moved to recommend the Golden Rain Foundation Board adopt Policies 2866-36, Acceptable Bilingual Advertisements and 2869-36, Leisure World Live (LW Live).

Mrs. Greer MOVED, seconded by Ms. Fekjar

TO adopt Policies 2866-36, Acceptable Bilingual Advertisements and 2869-36, Leisure World Live (LW Live).

Three Board members spoke on the motion.

The motion was carried unanimously by the Board members present.

Rescind Policy 2851-36. Newspaper Services, Advertising

At its meeting on February 8, 2017, the Publications Committee reviewed Policy 2851-36, Administration, Newspaper Services - Advertising. The Committee recommended the Golden Rain Foundation Board of Directors to rescind the policy.

Ms. Fekjar MOVED, seconded by Mrs. Greer and carried unanimously by the Board members present-

TO rescind Policy 2851-36, Administration, Newspaper Services -

Advertising.

Recreation Committee

Capital Funding Request, Replacement of Air Filtration Systems at Woodshops 1 and 2

At its February 8, 2017 meeting, the Recreation Committee (RC) reviewed correspondence from Clubhouses One and Two wood shops requesting the installation of new Dust Extraction Units that will improve the air quality for the wood shop Supervisors and Shareholders by filtering out fine particles in the air. After reviewing the information on the units, the RC approved the requested purchase of two self-contained auxiliary Air Extraction Units for both woodshops, in an amount not to exceed \$2,000, and to forward this request to the Finance Committee for approval of funding as a Capital expense.

At its meeting on February 21, 2017, the Finance Committee approved funding for the installation of two new Air Extraction Units for Clubhouses One and Two woodshops, in an amount not to exceed \$2,000, from the Capital Budget.

Mr. Moore MOVED, seconded by Ms. Fekjar and carried unanimously by the Board members present-

TO approve the purchase of two new Air Extraction Units for

Clubhouses One and Two woodshops, in an amount not to exceed

\$2,000, and to authorize the President to sign the contract.

Capital Funding Request for Portable Wall System at Clubhouse Six

The portable dividers that are currently used to separate the Hospitality and the table tennis areas are in need of replacement. The Recreation Committee requested that the Recreation Department research a more appropriate type of temporary divider wall for the area.

After reviewing the PORTA-PANEL wall system, the Recreation Committee approved the system and requested it be determined if a permit would be required. (Per the city planning department, no permit is required.)

At its meeting on January 11, 2017, the Recreation Committee approved the installation of the new Air Wall system in Clubhouse Six, by Kali Space Solutions, in the amount not to exceed \$20,000, from the Capital Budget, color to be selected by the Architectural Design and Review Committee (ADRC) and to request that the Finance Committee approve funding.

At its meeting on February 21, 2017, the Finance Committee approved funding for the purchase of the new PORTA-PANEL wall system for Clubhouse Six, not to exceed \$20,000, from the capital budget.

Mr. McGuigan MOVED, seconded by Mrs. Reed and carried unanimously by the Board members present -

TO approve the purchase of the new PORTA-PANEL Wall system, for Clubhouse Six, in an amount not to exceed \$20,000, the color to be selected by the ADRC and to authorize the President to sign the contract.

Amend Policy 2501-35, Library, Patron Use

At its meeting on February 8, 2017, the Recreation Committee reviewed Policy 2501-33, Library, Patron Use. The Committee recommends the Golden Rain Foundation Board of Directors amend the policy to reflect a correction in the Hours of Operation of the Library.

Mrs. Reed MOVED, seconded by Ms. Snowden and carried by the Board members present-

TO amend Policy 2501-33, Library, Patron Use, to reflect a correction in the Hours of Operation as follows: "The Library shall remain open from 9:30 a.m. to 3:30 p.m., Monday through Saturday," and omit the remainder of the sentence.

Security, Bus & Traffic Committee

Amend Policy 5536.05-37, After Hours Visitors

At its meeting on February 1, 2017, the Security Bus & Traffic Committee reviewed Policy 5536.05-37, After Hours Visitors. The Committee recommends the Golden Rain Foundation Board of Directors amend the policy by removing the second paragraph in its entirety.

Mrs. Tran MOVED, seconded by Ms. Rapp and carried unanimously by the Board member

present-

TO amend Policy 5536.05-37, After Hours Visitors, by removing the second paragraph in its entirety.

Rescind Policies 1911-37, One Way Streets; 1914037, Restricted Parking-Accessible Parking Spaces and 3370-37-Staff Operations, Vehicle Maintenance Program

At its meeting on February 1, 2017, the Security Bus & Traffic Committee reviewed the policies under their purview and moved to recommend the GRF Board of Directors rescind policies 1911-37, One Way Streets; 1914-37, Restricted Parking – Accessible Parking Spaces and 3370-37, Staff Operations, Vehicle Maintenance Program.

Mrs. Perrotti MOVED, seconded by Mr. Hood and carried unanimously by the Board members present-

TO rescind Policies 1911-37, One Way Streets; 1914-37, Restricted

Parking - Accessible Parking Spaces and 3370-37, Staff Operations,

Vehicle Maintenance Program.

General

Capital Funding Request, Emergency Generator

On Friday February 17, 2017, a strong weather system brought periods of heavy rain and strong winds with gust in excess of 50mph, resulting in localized flooding/standing water and large areas of power outages due to down power lines, and transformer failures.

All vital systems (Server, phone, radio combinations etc.) are required during any emergency; it is critical that we have a reliable and of a suitable size backup generator to keep these key systems online.

The existing backup generator at the News Building was installed in 1974 and, at the time, a small generator of 5000kw was adequate. Now 43 years later, with multiple server systems, wireless connectivity between buildings, telephone system operating off the main server, multiple radio systems, there is a clear and present need to upgrade and expand emergency power systems.

Staff is proposing a replacement of the 5000kw generator with a 40,000 to 60,000 kw generator and applicable transfer switches. A generator of this size would provide required power to operate all key systems, including the running of power to the Administration Building servers and wireless antenna arrays.

Estimated cost to replace the emergency generator, new transfer switches, permits, installation

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and electrical contractor for various wiring needs is \$35,000. Funding for this non-scheduled project would be from Capital, where adequate levels of Capital funds are available.

Ms. Snowden MOVED, seconded by Mr. Pratt-

TO authorize the Executive Director to initiate the required purchases and the President to sign any contract for the purchase and installation of a backup generator of 40,000 to 60,000kw output to maintain operations of critical components (i.e. Servers, Phone System, Wireless array, and Radio systems), in an amount not to exceed \$35,000. Funding from available Capital funds.

Four Board members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

CONTROLLER'S REPORT

The Controller's report is included at the end of the minutes as an attachment.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director spoke on the power outage and staff debriefing; it is recommended that the topic of flooding of the streets be addressed. Wall sections J & K are on hold due to the flood control canal erosion as a result of the heavy rain fall.

BOARD MEMBER COMMENTS

Sixteen Board members spoke on the proceedings of today's meeting.

ADJOURNMENT

The meeting was adjourned was at 11:51 a.m.

Joy Reed, Corporate Secretary GRF Board of Directors /dfb 02.28.17 **THIS**

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BOARD OF DIRECTORS SPECIAL MEETING GOLDEN RAIN FOUNDATION JULY 11, 2016

CALL TO ORDER

President Damoci called the special meeting of the Golden Rain Foundation Board of Directors to order at 12:30 p.m. on Monday, July 11, 2016, in Administration Conference Room B.

ROLL CALL

The Corporate Secretary reported that Directors R. Stone, Snowden, Pratt, Hood, Rapp, L. Stone, Damoci, Reed, McGuigan, Lukoff, Tran and Moore were present. Directors Perrotti, Hopewell, Dodero, Greer, and Bolton were absent. Twelve Board members were present with a quorum of seven. The Executive Director was also present.

PLEDGE OF ALLEGIANCE

Mrs. Reed led the Pledge of Allegiance.

SHAREHOLDER/FOUNDATION MEMBER COMMENTS

In accordance with Policy 5610, Participation by Foundation Members, members may enter into a comment period prior to the beginning of business. Shareholders/members must register their requests in advance of the meeting. Comments are limited to four minutes.

No Shareholder/Foundation members offered comments.

BUSINESS

Appointment of Golden Rain Foundation Director for Mutual Ten

Mrs. Damoci MOVED, seconded by Mrs. Reed, and carried unanimously by the Board members present -

TO appoint Bruce Scheuermann as the GRF Director for Mutual Ten, for the term ending June 2018, to fill the vacancy created by the resignation of GRF Director for Mutual Ten David Bell and to serve as a member of the Architectural Design & Review, Publications and

Golden Rain Foundation Board Meeting Minutes, July 11, 2016

Security, Bus & Traffic Committees, for the term ending June 2017.

BOARD MEMBER COMMENTS

Eleven Board members spoke on the appointment of the representative for Mutual Ten.

ADJOURNMENT

The meeting was adjourned at 12:36 p.m.

Joy Reed, Corporate Secretary GRF Board of Directors 07/11/16/dfb



BOARD ACTION REQUEST

TO: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM: PRESIDENT CAROLE DAMOCI

SUBJECT: INTEGRATION OF IT AND PUBLICATIONS COMMITTEES

DATE: MARCH 9, 2017

CC: FILE

As the News department relies more and more on media technologies to communicate with audiences both internally and externally, the department taps into IT resources almost daily to support digital marketing projects, product development efforts, workflow processes, equipment and systems. Examples include:

- <u>Constant Contact</u>: email alerts, database management, statistics, promotions, product development and research, workflow procedures, policy creation and updates, training
- <u>LW Weekly online</u>: the original, translation and vision impaired editions: product development and research, promotions, customer feedback analysis, workflow procedures, internal and resident training
- <u>Digital advertising</u>: product development and research, statistics and reports for advertisers and internal use, presentations, customer feedback analysis, workflow procedures, training
- <u>Community website</u> (<u>lwsb.com</u>): site map development/information architecture, research, content management, unique gateways for potential buyers and residents or development of a separate marketing website, user interface design, customer feedback analysis, presentations, workflow procedures, policy creation and updates, training
- <u>Marketplace</u>: product development and research, wireframes and user interface design, statistics and reports for advertisers and internal use, presentations, promotions, customer feedback analysis, workflow procedures, internal and resident training
- <u>Digital billboards</u>: content management, workflow procedures, policy creation and updating, training
- <u>FileMaker Pro database</u>: system implementation, workflow procedures, database development and management, report generation, training

Integrating the Publications and IT Committees better aligns with an increasingly complex media environment. Not only will it improve communication regarding project status, updates, schedules, budgets and issues, it will make discussions on more qualitative topics such as design, user experience and creative input more productive.

Analyzing customer feedback and implementing revisions, analyzing resource, systems and equipment impact and creating project proposals for committee and board approval are also shared responsibilities that would benefit greatly from committee integration.

The News department produces content which allows residents to stay connected with their community. With the help of the IT department, the Foundation is given the tools and resources to thrive in the digital age. The efficiencies gained by combining the ITS and Publications committees would result in improved team collaboration and innovation and enable both groups to respond more quickly and strategically to community needs.

Overall, integration would help Publications and ITS Committees deliver on the shared goal of executing all means of digital communication with simplicity, relevance, convenience, and overall community satisfaction in mind.

I move to rescind Policy 5118-34, Information Technology Services (ITS) Committee and to amend Policy 5125-36, Publication Committee to integrate the ITS Committee for increased efficiency in responding strategically to community needs, effective June 2017.

I move to amend Policy 5020-30, Organization of the Board, to eliminate the listing of the Information Technology Services Committee as a Standing Committee, effective June 2017.

COMMITTEE FUNCTIONS

RESCIND

Information Technology Services (ITS) Committee

Pursuant to state statute (Corp. Code §7210; Corp. Code §7212(c)) and Article VII of the Bylaws of the Golden Rain Foundation (GRF), the Board of Directors (BOD) hereby establishes the Information Technology Services (ITS) Committee and grants to the Committee authority specifically stated within the GRF governing documents, and policies or other authority as granted by the BOD or as stated within this policy.

In accordance with Article VIII of the Bylaws, committee chair and members shall be appointed by the GRF President and approved by action of the BOD in accordance with policy 5100-30.

1. PURPOSE:

Oversee the operation of the ITS Department;

2. DUTIES:

- a. Publish an agenda four (4) days in advance of Committee meeting;
- b. Elect a Vice-Chair at the first meeting;
- Meet with the ITS Department staff monthly or whenever such meetings are deemed necessary, unless cancelled by the chair;
- d. To be aware, through study and research, that the technical reporting, procedures and practices of the ITS Department, including the GRF website, all electronic communications and devices are maintained according to Industry Standards;
- e. Review monthly budget comparison for cost center 34;
- f. Assist the BOD in understanding the compliance with any contracts relating to information technology;
- g. Initial approval and recommendation to the Finance Committee of the annual budget for cost center 34 including Capital requests and upcoming Reserve replacements;
- h. Review policies for cost center 34 yearly and send recommended changes to the GRF BOD for approval; and
- i. Furnish a report at the GRF annual meeting.

3. LIMITATIONS:

It is to be recognized that the function of the Committee is to act in an advisory and consulting capacity.

(June 2016)

COMMITTEE FUNCTIONS

RESCIND

Information Technology Services (ITS) Committee

Regulatory or supervisory activities affecting employed personnel are functions of Management and not to be encroached upon by any Committee Chairperson or member, either individually or collectively.

Committee does not have the authority to enter into written contracts or oral agreements with any third parties on behalf of the GRF BOD. Authority to authorize contracts and/or expenses rests solely with the BOD.

Policy

Adopted: 20 Mar 07 Amended: 21 Jun 16 **GOLDEN RAIN FOUNDATION**

Seal Beach, California

(June 2016)

Page 2 of 2

COMMITTEE FUNCTIONS

Publication Communications Committee

Pursuant to state statute (Corp. Code §7210; Corp. Code §7212(c)) and Article VII of the Bylaws of the Golden Rain Foundation (GRF), the Board of Directors (BOD) hereby establishes the Publication Committee and grants to the Committee authority specifically stated within the GRF governing documents, and policies or other authority granted by the BOD or as stated within this policy.

In accordance with Article VIII of the Bylaws, committee chair and members shall be appointed by the GRF President and approved by action of the BOD in accordance with policy 5100-30.

1. PURPOSE:

Oversee the operations of the Publications Department and ITS Departments;

2. DUTIES:

- a. Publish an agenda four (4) days in advance of Committee meeting;
- b. Elect a Vice-Chair at the first meeting;
- c. Meet with the NEWS and ITS Department management monthly or whenever such meetings are deemed necessary, unless cancelled by the chair;
- d. The publication of the Golden Rain NEWS LW Weekly and other communication media as may be approved by the Communications Committee or BOD;
- e. To be aware, through study and research, that the technical reporting, procedures and practices of the ITS Department, including the GRF website, all electronic communications and devices are maintained according to Industry Standards;
- f. Assist the BOD in understanding the compliance with any contracts relating to information technology;
- g. Review monthly budget comparison for cost centers 36 and 34;
- h. Analyze requests for action emanating from the GRF BOD, Mutual Boards, Administration and Shareholder/Members;
- i. Originate and develop, ideas, plans and programs which are pertinent to these areas;
- j. Initial approval and recommendation to the Finance Committee of the budget for cost centers 36 and 34 including Capital requests and upcoming Reserve replacements;
- k. Review policies for cost centers 36 and 34 yearly and send recommended

(June 2016)

COMMITTEE FUNCTIONS

Publication Communications Committee

changes to the BOD for approval; and

I. Furnish a report at the GRF annual meeting.

3. LIMITATIONS:

It is to be recognized that the function of the Committee is to act in an advisory and consulting capacity.

Regulatory or supervisory activities affecting employed personnel are functions of Management and not to be encroached upon by any Committee Chairperson or member, either individually or collectively.

Committee does not have the authority to enter into written contracts or oral agreements with any third parties on behalf of the GRF BOD. Authority to authorize contracts and/or expenses rests solely with the BOD.

Policy

Adopted:

Amended: 21 Aug 73 Amended: 15 Dec 76 Amended: 19 Jun 90 19 Mar 96 Amended: 27 Aug 13 Amended: Amended: 21 Jun 16

18 Jan 72

GOLDEN RAIN FOUNDATION

Seal Beach, California

(June 2016)

Page 2 of 2

AMEND

ORGANIZATION OF THE BOARD

A. Members of the Board

The Board has eighteen members, consisting of two representatives each from Mutual One and Mutual Two, and one representative from each of the other Mutuals.

B. Officers of the Board

President Vice President Corporate Secretary Treasurer

C. Executive Committee of the Board

The Executive Committee shall consist of the elected officers of the Golden Rain Board and the chairpersons of the Recreation, Physical Property, and Mutual Administration committees.

D. Standing Committees

- 1. Finance Committee
- 2. Information Technology Services Committee
- 23. Communications Committee
- 34. Physical Property Committee
- 45. Recreation Committee (Library)
- 56. Security, Bus & Traffic Committee
- 67. Architectural and Design Committee
- 78. Mutual Administration Committee

E. Other Committees as Approved by the Board

Policy Adopted: 18 Jan 72 Amended: 17 Feb 76 Amended: 16 Aug 83 Amended: 18 Feb 97 GOLDEN RAIN FOUNDATION Seal Beach, California

(Sep 14)

Amended: 15 Sep 09 Amended: 19 Apr 11

Page 1 of 2

AMEND

ORGANIZATION OF THE BOARD

Changed: 27 Aug 13 (to update Committee title)
Amended: 23 Sept 14 (Effective Start of 2015/2016 Term)



Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM: COMMUNITY ACCESS AD HOC COMMITTEE (CK)

SUBJECT: MEMBERSHIP ID CARDS

DATE: MARCH 22, 2017

The Community Access Ad Hoc Committee (CAAHC) has been working for several months on a strategy to improve Golden Rain Foundation (GRF) Membership ID Cards while also improving security in card usage. The current design of the ID Cards has been in place for approximately twenty (20) years.

Having a photo ID card is a mainstay in modern society, up there as being one of the items that you don't leave home without. A photo ID card is more than just an accessory you carry around with your photo on it, it serves a much greater purpose, including identification, security and access.

Having a community photo ID card is important for many reasons, with some common examples of this being:

- Security –using photo ID cards are an effective way of implementing security measures in order to prevent criminal activity such as unauthorized faces or use of Trust property and its amenities.
- Identity a photo ID card is one of the most effective ways of proving your identity, as
 you are unable to replicate someone else's appearance. A photo ID card gives you a
 sense of community belonging.
- Access having a photo ID card grants you access to Trust property and associated amenities. Our community and its amenties are operated through our assessments. ID cards insure that its our fellow Shareholder/Members, who pay for our amenties, are using our community's amenties.
- Fraud Prevention thanks to the current technological advances, many people are becoming subjected to fraudsters who are stealing their identity and obtaining items in their name. This is a very common occurrence sadly, but one of the most effective ways this can be prevented is by using a photo ID card – information can be replicated, but your face can't.

The CAAHC recommends that a new card design be approved with up-to-date verbiage, issuance and expiration dates, full address including city, state and zip code, and identification of the card holder as a shareholder, co-occupant or renter. Once the ID Cards are redesigned, new cards will be printed for all Shareholder/Members, co-occupants and renters. If approved by the GRF Board, new ID Cards could be issued as soon as May, 2017.

If approved, Shareholder/Members, co-occupants and renters will be asked to come to Clubhouse Six to turn in their current ID Cards and pick-up new ID Cards. A per-Mutual schedule will be based on a format similar to the Flu Clinic (see chart below). If shareholders, co-occupants and renters have changed in appearance since their photo was last taken, they will have their photo taken in Clubhouse Six and will be issued a new ID Card a few moments later. Those without ID Cards will be asked to confirm identification before ID Cards are issued.

		Total: 6,608 units
Saturday, May 13 th	Make-Up Day	
Friday, May 12 th	Mutuals 6, 7 & 12	1,244 units
Thursday, May 11 th	Mutuals 8, 9, 11 & 14	1,372 units
Wednesday, May 10 th	Mutuals 1 & 15	1,346 units
Tuesday, May 9th	Mutuals 3, 4 & 5	1,320 units
Monday, May 8 th	Mutuals 2, 10, 16 & 17	1,326 units

The CAAHC concurred to follow a five-year renewal of ID Cards. The purpose of renewing ID Cards is to ensure that Shareholder/Members' photos are kept current and encourage Shareholder/Members and co-occupants to maintain custody of their ID Cards. Further, those with expired ID Cards would not be able to use them to access the community.

With 6,608 units in the community, and a goal of exchanging shareholder and co-occupant ID Cards in all units over a five-year period, an average of 1,321 units (or 2,000 shareholders and co-occupants) per year will need to be met. Renters in Mutual No. Seventeen replace their ID Cards on an annual basis.

After the new ID Cards are issued in May 2017, a schedule will be determined when the renewal period will begin.

PROCEDURAL QUESTIONS/CONCERNS:

Will the photo ID cards be changed in anyway?

Yes, the cards will reflect the year of expiration in addition to the year of issuance. It is further recommended that the full address be listed on the card, including city, state and zip code. Finally, the cards will now identify if the cardholder is a Foundation member, a co-occupant or a renter.

After July 1, 2017, old cards will no longer be accepted as means of identification at community facilities and will not be accepted as means of accessing the community at entrance gates (vehicular or pedestrian).

What happens if a member doesn't have their photo ID card, has misplaced or lost it?

During the week of May 8, 2017, there will be no charge to replace missing or lost ID Cards. However, beginning July 1, 2017, shareholders, co-occupants and renters must go to the Stock

Transfer Office to replace their ID Card. They will be charged the replacement rate as set forth in Policy 1201-33, Photo Identification Cards. The current fee is \$20.

Will any policies need to be amended?

Yes, Policy 1201-33, ID Cards, will need to be amended to reflect the requirement of having your photo taken every five years. This policy will be brought to the Board for amendment once the renewal schedule is determined.

I move the Board approve the nonbudgeted expenditure of \$50,000.00, for the approval of supplies needed to take approximately 10,000 shareholder, co-occupant and renter photos in May 2017.

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BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

EXECUTIVE COMMITTEE

SUBJECT:

NON-BUDGETED SALARY EXPENSE – SERVICE MAINTENANCE

DATE:

MARCH 21, 2017

At its meeting on March 10, 2017, the Executive Committee unanimously recommended that the Salary Wage Ranges be revised for eight (8) positions in the Service Maintenance department as noted on the attached Service Maintenance Wage Grade Structure Proposal March 2017. To implement these changes, current wages will need to be adjusted to bring them into alignment with the minimum of the new Wage Grade.

I move to recommend to the GRF Board of Directors final approval of the non-budgeted expense of up to \$50,000.00, for the remainder of 2017, to bring wages into alignment with the revisions being made to the eight (8) Service Maintenance wage grade structures, as illustrated on the attached Service Maintenance Wage Grade Structure Proposal March 2017.

Service Maintenance Wage Grade Structure Proposal March, 2017

Group	Current Grade	2000 200	urrent nimum	4.53 11.123 157	urrent	Proposed Grade	Pr	oposed inimum	Pr		1128 328	rease to		Annualized
1 GENERAL UTIL	21	\$	17.18	\$	20.33	23	\$	17.92	\$	21.21	\$	0.40	4	Increase
2 GENERAL MAINT*	-		-		-	35	\$	23.11	\$	27.74	\$	0.40	Φ	832.00
CARPENTERS	21	\$	17.18	\$	20.33	35	\$	23.11	\$	27.74	-	7.33	φ	15,246.40
4 ELECTRICIANS	21	\$	17.18	\$	20.33	35	\$	23.11	\$	27.74		8.86	φ	18,428.80
PLUMBERS	21	\$	17.18	\$	20.33	35	\$	23.11	\$	27.74	-	6.48	Ψ	13,478.40
CARPENTERS - LEAD	33	\$	22.16	\$	26.48	35	\$	25.89	\$	31.35		0.40	Φ	13,476.40
ELECTRICIANS - LEAD	33	\$	22.16	\$	26.48	40	\$	25.89	\$	31.35			ψ 2	
PLUMBERS - LEAD	33	\$	22.16	\$	26.48	40	\$	25.89	\$	31.35			φ φ	-
TOTALS									lnnı	al Wage			ψ	47 095 60

*New Position	

Total Annual Wage Adjustments	47,985.60
Additional Budget Burden (W/C & Payroll Taxes) - 15%	7,197.84
Total Annual Budget Impact	55,183.44
9 Month Budget Impact (April to December 2017)	\$ 41.387.58



Golden Rain Foundation

Golden Rain Foundation Leisure World, Seal Beach

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

EXECUTIVE COMMITTEE

SUBJECT:

RESCIND POLICIES 5505-30, STAFF COMMUNICATIONS, 5053-30, GUARANTOR AGREEMENT FORM, 2004-30, STAFF COMMUNICATION, 5029-30, CONFLICT OF INTEREST-DIRECTORS AND OFFICERS, 1510-30,

5029-30, CONFLICT OF INTEREST-DIRECTORS AND OFFICERS, 1510-3 DISSEMINATION OF INFORMATION, 5603-30, EXECUTIVE SESSIONS, 5100-30 COMMITTEE FUNCTIONS, 5601.01-30, RULES OF ORDER-MOTION TO TABLE, 5030-30, RESPONSIBILITIES, 2005-30, LITIGATION STATEMENT, 5080-30, MASTER PLAN OF GOLDEN RAIN FOUNDATION,

5505-30, STAFF COMMUNICATIONS

DATE:

MARCH14, 2017

CC:

FILE

At its meeting on March 14, 2017, the Executive Committee reviewed policies within their purview and moved to recommend that the Golden Rain Foundation (GRF) Board of Directors rescind the policies.

I move that the GRF Board rescind Policies 5505-30, Staff Communications, 5053-30,

Guarantor Agreement Form, 2004-30, Staff Communication, 5029-30, Conflict of Interest-

Directors and Officers, 1510-30, Dissemination of Information, 5603-30, Executive Sessions,

5100-30 Committee Functions, 5601.01-30, Rules of Order-Motion to Table, 5030-30,

Responsibilities, 2005-30, Litigation Statement, 5080-30, Master Plan of Golden Rain

Foundation and 5505-30, Staff Communications.

GOLDEN RAIN FOUNDATION

Guarantor Agreement Form

RESCIND

TO: GOLDEN RAIN FOUNDATION
a corporation
13531 St. Andrews Drive
Seal Beach, California 97040

SEAL BEACH MUTUAL NO. ____ a Corporation

hereinafter called the undersigned. "GUARANTOR(S) and INDEMNITOR(S)," in order to induce each of the above entities to enter into and permit issuance by the Golden Rain Foundation, hereinafter called "FOUNDATION," of a share of stock in Seal Beach Mutual No. ____, hereinafter called "MUTUAL," and to further induce you and each of you to permit and enter into an Occupancy Agreement with the said "MEMBER-STOCKHOLDER" do hereby individually, jointly and severally, as the case may be, guarantee the performance by said MEMBER-STOCKHOLDER of all the terms and conditions of said Occupancy Agreement, and the payment of all payments and monthly carrying charges under the terms and conditions of said Occupancy Agreement, and the payment of all payments and monthly carrying charges under the terms and conditions recited in said Occupancy Agreement, or any renewals thereof. The GUARANTOR(S) and INDEMNITOR(S) further hereby individually, jointly and severally, as the case may be, undertakes to and does agree to indemnify and hold you and each of you, your successors and assigns, harmless from and against any and all liability, loss, damage, or expense, including reasonable attorney fees, which you may incur or sustain by reason of the failure of said MEMBER-STOCKHOLDER or the undersigned hereunder to fully perform and comply with the terms and obligations of membership in the Golden Rain Foundation, the Occupancy Agreement, and the obligations of a stockholder by reason of ownership of shares of stock in Seal Beach Mutual No. by said MEMBER-STOCKHOLDER."

and

This guarantee and indemnity is absolute and complete and shall extend to cover any and all forms of liability, indebtedness or obligation on the part of the said MEMBER-STOCKHOLDER to the Foundation or Mutual heretofore incurred and accrued or hereafter accruing or arising from the issuance of sale memberships in the Golden Rain Foundation, said share of stock in Mutual, the Occupancy Agreement and shall extend to any and all indebtedness of said stockholder to such entities. Said guarantee shall be a continuing non-revocable guarantee. The non-revocability, it is agreed, is required herein by reason of the fact that once issued to the MEMBER-STOCKHOLDER, the membership in the Golden Rain Foundation is not subject to revocation without cause, the issuance of the share of stock in Mutual No. ____ may not be revoked without cause, the Occupancy Agreement constitutes a lease of the premises occupied and the Leisure World Health Care Center is required to continue medical treatment pursuant to the covenants and agreements with the Foundation. The undersigned waives notice of breach or default by MEMBER-STOCKHOLDER; no notice of any indebtedness already or hereafter contracted or renewed need be given to the

(Jun 85)

GOLDEN RAIN FOUNDATION

Guarantor Agreement Form

GOLDEN RAIN FOUNDATION

RESCIND

GUARANTOR(S) and INDEMNITOR(S) who hereby expressly waive presentment, demand, protest and notice of protest on any and all forms of such indebtedness and also waive notice of the acceptance of this guarantee, acceptance on the part of the said corporations and entities being conclusively presumed by its request for this guarantee and delivery of the same to it.

Each of the GUARANTOR(S) and INDEMNITOR(S) acknowledges that this guarantee and indemnity is operative and binding.

a Corporation	
Ву	STOCKHOLDER
Dated	STOCKHOLDER
Dated	STOCKHOLDER
SEAL BEACH MUTUAL NO	

	a Corporation	
Ву		
		GUARANTOR and INDEMNITOR

Dated______GUARANTOR and INDEMNITOR

Policy

Adopted:

18 Dec 73

Revised:

15 May 79 18 Jun 85

(Jun 85)

Page 2 of 2

Staff Communication

RESCIND

Purpose: This regulation is intended to act as a guideline for Administrative staff and supervisory personnel in order that communication channels can be maintained in an orderly manner.

A. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)

- 1. All written communication with HUD by staff will be through the Executive Director. The form will be as required by HUD.
- 2. Oral communication should be limited to department heads, with a notice to any other departments affected.

B. GRF

- 1. All written communication for consideration by the Board of Directors of the Golden Rain Foundation shall be submitted through the Executive Director.
- 2. Department heads are expected to work with Board committees upon request where the specific matter is appropriate to the department.

C. Mutual Boards

 All written communication to Mutual Boards that relate to changes in policy matters or procedures shall be submitted through the Executive Director.

Exceptions

- a. Regular periodic and special reports should be transmitted directly with information copies furnished to all departments affected.
- b. Special requests made by Mutual Boards can be handled directly by department heads unless it affects other departments and offices.
- 2. Conferences requested by individual Boards for specific problems and information should be handled by the department head involved.
- 3. Liaison assignments for Mutual councils are:

a. Presidents' Council

Executive Director

b. Treasurers' Group

Director of Finance

(Sept 86)

Staff Communication

RESCIND

c. Physical Property Council -

Facilities Director

D. Interdepartmental

1. All written interdepartmental communication dealing with policy or procedure matters shall be submitted to the Administrator for review prior to distribution.

NOTE: Routine working relationships under existing policies and procedures are not included unless one of the department heads determines that the matter needs review.

 Informal communications, both written and oral, between all administrative and supervisory staff is to be encouraged in the interest of efficiency where needs of service to the community are involved and where the department head is aware of the working relationship between his staff and staff in other departments and prior approval has been given.

E. Outside Professional

- 1. Communication regarding legal matters shall be made through the Executive Director.
- 2. Other professional communication shall be handled by the department head responsible for the function.

F. Staff Conferences

- 1. The Executive Director is always available for individual conferences by appointment, and usually is available without appointment.
- 2. Formal staff meetings will be arranged for by the Executive Director upon request of any department head when the subject matter warrants.
- Suggestions and proposals for changes in policy and procedures that will improve the efficiency of services are solicited from all administrative and supervisory personnel.

Rules

Approved: 20 Feb 70 Revised: 18 Sep 86

(Sept 86)

Executive Director
Golden Rain Foundation

Page 2 of 3

Staff Communication (Cont'd.)

(Retyped 2/2/00 to replace Physical Property Manager with Community Facilities Manager) (Retyped 1/23/17 to replace Administrator with Executive Director, Controller with Director of Finance and Community Facilities Manager with Facilities Director)

(Sept 86)

RESCIND

Conflict of Interest - Directors and Officers

It is the policy of the Golden Rain Foundation to prohibit its directors and officers from engaging in any activity, practice, or act which conflicts with, or appears to conflict with, the interests of the Foundation, its suppliers, or its contractors.

A conflict of interest may be defined as a situation which arises when a director or officer takes action or establishes economic interests for personal gain that compromises his or her ability to represent the Foundation's best interests.

It is impossible to describe all of the situations which may cause or give the appearance of a conflict of interest. Therefore, the prohibitions shown below are not exhaustive and only include some of the more clear-cut examples. Directors and officers have an obligation to avoid conflicts of interest and to refer questions and concerns about potential conflicts to the officers of the board. Each situation brought to the attention of the officers of the Board will be considered separately based on the facts and the degree of possible conflict.

- 1. Directors and officers are not to engage in, directly or indirectly, any conduct which is disloyal, disruptive, or damaging to the Foundation.
- 2. Directors and officers are not to accept full-time, part-time, or temporary employment with any organization which does business with the Foundation. This prohibition on employment includes serving as an adviser or consultant to any such organization, unless that activity is conducted as a representative of the Foundation.
- 3. Directors and officers must disclose any financial interest they or their immediate family have in any firm which does business with the Foundation. The Foundation may require divestiture of such interest if it deems the interest to be in conflict with its best interests.
- 4. Directors and officers are not to disclose confidential information to anyone, either within or outside the Foundation, who does not have a legitimate business need to know it.

Policy

Adopted: 19 Nov 91

GOLDEN RAIN FOUNDATION Seal Beach, California

(Nov 91)

COMMUNITY OPERATIONS

RESIDENT INFORMATION

RESCIND

Dissemination of Information

Resident information that is accumulated in the official files of the Golden Rain Foundation is available only to offices of the Foundation for their internal operations.

File information contained in the addressograph or data processing file will be furnished, upon request, to:

- 1. Foundation Board members when the request relations to their individual Mutual.
- 2. Mutual Boards when the request relates to their Mutual.

Information will be furnished to outside organizations only under the following conditions:

- Any commercial enterprise must have the approval of the Golden Rain Foundation to furnish services directly to individual residents.
- The information furnished will basically be limited to name and address, except for recognized directory publishers where the listed phone numbers will be included.
- 3. The information will be furnished by the preparation of addressograph or data processing lists, with the cost of preparation to be borne by the requesting party.

The Administrator is responsible to keep the Board informed of the firms and groups to which information is furnished and present to the Board for approval any variations in the policy.

Policy

Adopted: Amended: 21 Oct 69

17 Aug 93

GOLDEN RAIN FOUNDATION Seal Beach, California

BOARD MEETINGS

RESCIND

Executive Sessions

Executive sessions of the Board are authorized under the following conditions:

- The purpose or matter to be discussed and acted upon in the executive session is 1. concerned with:
 - Discipline of members and staff. a.
 - Litigation. b.
 - Matters relating to the formation of contracts with third parties. C.
 - Personnel. d.
 - Election of Board Officers and appointment of members to fill vacancies on the e. Board.
- The motion to go into executive sessions requires a majority vote of the members 2. present.
- Members and others present in an executive session are honor-bound not to divulge 3. anything that occurs.
- The minutes or records of proceedings of an executive session must be read and acted 4. upon only in executive session. The official corporate minute record will include the record of executive sessions without being included in the published minute record.
- Any member who is the subject of discipline is entitled to attend the executive session. 5.

Policy

Adopted: Amended: 15 Feb 72

(May 96)

21 May 96

GOLDEN RAIN FOUNDATION Seal Beach, California

COMMITTEE FUNCTIONS

RESCIND

Committee Functions

All Board Standing Committees and their members shall be appointed and/or removed by the President after conferring with the officers of the Board.

Each Standing Committee shall consist of a chairperson appointed by the President, a vice chairperson selected by the Committee, and such other members as the President shall appoint.

Standing Committee and member appointments and/or removals shall be presented to the Board for ratification.

Policy

Adopted: 18 Jan 72 Amended: 17 Feb 76 Amended: 16 Aug 83

Amended: 18 Feb 97

(Feb 97)

GOLDEN RAIN FOUNDATION Seal Beach, California

GOLDEN RAIN FOUNDATION

BOARD MEETINGS

RESCIND

Rules of Order - Motion to Table

A motion laid on the table at a Special Board meeting remains there until taken from the table or until the close of the next Special Board meeting; and that a question laid on the table at an Open Board meeting remains there until taken from the table or until the close of the next Open Board meeting.

Ref:

Roberts Rules of Order

Section 17:

"The motion to Lay on the Table enables the assembly to lay the pending question aside temporarily when something more urgent has arisen. By adopting the motion to Lay on the Table, a majority has the power to halt consideration of a question immediately without debate."

Policy

Adopted: Amended:

(Apr 97)

09 Feb 82 15 Apr 97

GOLDEN RAIN FOUNDATION Seal Beach, California

ORGANIZATION OF THE BOARD

RESCIND

Responsibilities

The Board, as the elected representatives of the members, is the policy-making body. It is responsible for perpetuating the Seal Beach Leisure World concept of living set forth under Section 5000, and providing the services and community facilities contracted for by the resident members. The policies established by the Board shall be implemented through the Executive Director.

- A. The services specifically under Board jurisdiction are:
 - 1. Administration
 - 2. Administrative Services
 - 3. Recreation
 - 4. Resales
 - Newspaper
 - 6. Physical Property
- B. The community facilities under Board jurisdiction are:
 - 1. Clubhouses
 - 2. Golf Course and Swimming Pool
 - 3. Amphitheater
 - Medical Building
 - 5. Administration Building
 - 6. Library
 - 7. Streets, Street Lighting and Sidewalks owned by Foundation
 - 8. Entry Gates and Perimeter Wall
 - 9. Storm Drains and Storm Channels
 - 10. Globe
 - 11. Sewer System
 - 12. Maintenance Yard and Buildings
 - 13. Transportation Equipment
 - 14. Maintenance Equipment
- C. The Board will review and adopt a yearly budget for the calendar year.

(Nov 97)

ORGANIZATION OF THE BOARD

RESCIND

Responsibilities

- D. The Board will approve all expenditures of \$5,000 or more not specified in the yearly budget.
- E. The Board will elect its officers.
- F. The Board will hold regular meetings on a monthly basis.

Policy

Adopted: 04 Nov 64
Amended: 20 Nov 73
Amended: 21 Oct 75
Amended: 15 Sep 81
Amended: 15 Oct 85
Amended: 15 Aug 95
Amended: 10 Oct 95
Amended: 18 Nov 97

GOLDEN RAIN FOUNDATION Seal Beach, California

(Nov 97)

Page 2 of 2

RESCIND

Litigation Statement

A certification similar to the following should be supplied to the Board, either as a part of the Annual Statement, or separately by the Administrator:

"The Golden Rain Foundation has certain contingent liabilities in respect of litigation. Counsel for the Foundation is of the opinion that these contingent liabilities will not result in any significant financial liability when related to the net assets of the Foundation."

Policy

Adopted: 21 May 74 Amended: 10 Feb 98 GOLDEN RAIN FOUNDATION Seal Beach, California

(Rev. 2/98 to remove the reference to the management agent)

(Feb 98)

RESCIND

Master Plan of Golden Rain Foundation

The Golden Rain Foundation president may appoint an ad hoc committee(s) to study the feasibility of a proposed project that would modify the Master Plan or original concept, philosophy or general function of Seal Beach Leisure World.

Policy

Adopted:

20 Jul 71

Amended: 18 Feb 75

Rescinded: 20 May 97

Amended: 16 Aug 88

Adopted:

17 Feb 98

(Feb 98)

GOLDEN RAIN FOUNDATION Seal Beach, California

BOARD INTERNAL OPERATIONS

RESCIND

Staff Communications

The President of the Golden Rain Foundation is responsible for the appointment and functioning of the Board committees appointed by him, and is an ex-officio member of each committee. Adequate and direct communication by directors and committee chairmen is necessary for the President to carry out his responsibility.

Staff communications between Board members and Board committees need to be channeled through the President of the Board to the Administrator.

Board members and committees of the Board of Directors shall review with the President of the Foundation their desire to initiate projects and resolve complaints.

In cases where projects or resolution of complaints have been properly channeled and acted upon by the Board of Directors, and execution of the plans for a project or settlement of a complaint requires assistance or consultation with the Administrator or a department head, the Board member or committee of the board to whom the project or complaint is assigned shall contact the President of the Board of Directors, and the President will then determine what further action is required.

Projects and programs that have previously been budgeted and/or approved by the Board of Directors shall be routinely handled by the committee chairman and the department head. Reports of recommended actions shall be reported through the Administrator to the President of the Board.

Policy

Adopted:

16 Feb 71

GOLDEN RAIN FOUNDATION Seal Beach, California

(Feb 71)

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

FINANCE COMMITTEE

SUBJECT:

APPROVE FEBRUARY FINANCIAL STATEMENTS

DATE:

MARCH 21, 2017

CC:

FILE

At the regular meeting of the Finance Committee on February 21, 2017, the Committee duly moved to recommend to the Golden Rain Foundation Board of Directors acceptance of the February 2017 Financial Statements for audit.

Our Director of Finance, Carolyn Miller will give a recap of the February 2017 Financial Statements. At the end of the report, a motion will be made to accept the February 2017 Financial Statements for audit.

I move that the GRF Board of Directors accept the February 2017 Financial Statements for audit.

Financial Recap – February 2017

As of the two-month period ended February 2017, the draft financial reports indicate that GRF is in a favorable financial position with a surplus of \$204,018.

Major variances are:

Salaries & Wages	66,185	Vacancies of key positions in Phys Prop. & Service Maintenance.
Employment Taxes & Benefits	51,403	P/R Taxes \$30K; Workers' Comp \$6K; Group Ins \$12K; 401K \$3K
Temporary Agency Fees	(10,202)	Temps used to fill key vacant positions
Supplies	23,197	Less expenditures than budget
Facilities Maintenance	25,743	Overall low YTD maintenance expenses
SRO Labor Cost Recovery	33,005	Excess labor recovery over budget

Reserve Funds	Fund Balance	Allocated For 2017 Projects	Allocated For Future Projects	For details,
Repairs &			1.0,000	occ page
Replacements	\$8,611,175	\$1,951,680	\$6,659,495	9

Capital Funds	Fund Balance	Allocated Funds	Unallocated Funds	For details, see page
Capital Improvements	\$1,104,312	\$596,478	\$507,834	11

P.O. Box 2069 Seal Beach CA 90740

	Description		
	Current Assets:		
	Cash & cash equivalents	287,700	
1122000	Non-Restricted Funds	478,415	
	Receivables	503,751	
	Prepaid expenses	349,368	
	Inventory of maintenance supplies	387,344	14
	Total Current Assets		2,006,578
	Designated deposits		
1211000	Contingency Operating Fund	500,000	
	Reserve Fund	8,611,175	
1212500	Capital Improvement Fund-GRF	1,104,312	
1213000	Liability Deductible & Hazard Fund	204,003	
	Total designated deposits		10,419,490
	Notes Receivable		
1411000	Notes Receivable	28,404	
	Total Notes Receivable		28,404
	Fixed Assets		
	Land, Building, Furniture & Equipment	30,610,027	
	Less: Accumulated Dep'n	(21,750,267)	
	Net Fixed Assets		8,859,761
	Other Assets		
	Premium on Municipal Bonds		9,902
	Total Assets		21,324,134
			=====

P.O. Box 2069 Seal Beach CA 90740

	Description		
	Liabilities & Equity		
	Current Liabilities: Accounts payable Project Committments Accrued payroll & payroll taxes Accrued expenses Accrued property taxes	401,550 938,504 627,509 304,528 125,354	
	Total Current Liabilites	2,397,445	
	Total Liabilities		2,397,445
	Equity		
3211000 3212000 3394000 3310000	Mutuals' Beneficial Interest Contingency Operating Reserve Equity Reserve Equity Capital Fund Equity Beneficial Interest in Trust	500,000 7,705,241 1,071,742 4,602,614	
	Total Mutuals' Beneficial Interest		13,879,597
	Membership interest Membership certificates of 844 shares @ \$200 par value, and 5,764 shares @ \$250 par value, authorized, issued and outstanding	1,609,800	
	Additional paid-in-capital	4,867,355	
	Total Paid-in-Capital		6,477,155
910000	Excess Income Current Year Excess Income / (Expense) YTD	(5,050) 325,452	
	Total Excess Income		320,402
920000	Dep'n & Amortization		(1,750,464)
	Net Stockholders' Equity		18,926,689
	Total Liabilities & Stockholders' Equity		21,324,134

Golden Rain Foundation Cash Flow Activity - All Reserves For the Month of February 2017

	Contingency Operating Fund	Reserve Fund	Capital Improvement Fund	Liability Insurance Fund	Nonrestricted Funds	Total
Balance 1/31/2017	500,000	8,465,937	1,057,077	204,003	551,488	10,778,505
Funded: Assessments Funded: Membership Fees collected (58) Funded: M17 Lease Fees collected (4) Funded: Interest on Funds Progress Payments on CIP Expenditures		95,833 75,405 696 4,772	75,405 696			95,833 150,810 1,392 4,772
Commitments Replenish funds for Donated Assets		(31,468)	(28,866)			(60,334)
Net Monthly Claims Disbursement to Mutuals						-
Transfers between funds						-
Interest Income Allocation Net Monthly Activity						
					(73,073)	(73,073)
Balance 2/28/2017	500,000	8,611,175	1,104,312	204,003	478,415	10,897,905
						, , , , ,
Net Activity	-	145,239	47,235		(73,073)	119,401

Golden Rain Foundation Quick Balance Sheet Analysis For the Period Ended February 28, 2017

SELECTED BALANCE SHEET ITEMS

	Current Balance	Prior Month	Increase (Decrease)
Cash In Bank	287,700	248,062	39,638
Current Assets	12,426,068	12,231,377	194,691
Current Liabilities	2,397,445	2,518,766	(121,321)
Current Ratio	5.18	4.86	
Designated Deposits: Reservet Fund Liability & Disaster Insurance Fund Capital Improvement Fund Contingency Operating Fund General Operating Fund Other Restricted Fund RESULT OF OPERATIONS	10,897,905	10,778,505	119,400

Current Month	Actual	Budget	Variance	%
Income Expense	1,249,072 1,161,261	1,243,774 1,225,984	5,298 64,723	0.43 5.28
Net Materials Recovery(Pass Thru)	0	0	04,723	5.20
Excess Income or (Expense)	87,811	17,790	70,021	
Year To Date	Actual	Budget	Variance	%
Income	2,503,350	2,502,999	351	0.01
Expense	2,351,586	2,555,252	203,666	7.97
Net Materials Recovery(Pass Thru) Excess Income or (Expense)	0 151,764	0 (52,253)	0 204.017	
			,	

e YTD P	
e TID P	lanned - 2017
152.73	161.92
	152.73

Page 5

2017 Reserve Expenditures

Cost			Prior	Current	Other	Total	Prior	YTD EXPENDITURES				
	Description	Reserve Study	Approved	Approved	I was a series of the		Expenditures		T		TTD	2017
30	Replacement of AC Unit - Admin. Building (774-16)		6,200		Aujustinents	6.200		Jan		Total	Expenditures	Allocated Fund
30	Adminstration Building First Floor Improvement- Finance & Stock transfer			92,151		92,151	5,580	620		620	6,200	
34	St. Andrews & North Gate Server Replacements (Incl. 10% contingency) (2016 RS not started)		3,300	- 02,101		The second of the contract of	<u>:</u> .	:_			- 1	92,15
35	Replace Interior Light Fixtures (2016 RS not started)	7	3,584			3,300						3,300
37	Replace Lighting Signage (2016 RS not started)		20,478			3,584		-			-	3,584
	Paint Exterior Flatwork (2016 RS not started)	T	4,505			20,478					-	20,478
48	Replace Water Storage Tanks (2016 RS not started)		12,287		•	4,505					-	4,505
	Replace Solar Panels (2016 RS not started)		28,055			12,287				- 1		12,287
	Sewer Pump Replacement (776-16)		125,562			28,055				· i		28,055
52	Clubhouse Upgrades	400,000	125,562			125,562	31,669			-	31,669	93,893
53	Paint Wood Siding & Trim (2016 RS not started)	400,000	14,130					-	200000000000000000000000000000000000000	-	- 1	
53	Paint Interior Flatwork (2016 RS not started)		25,393			14,130		-		- '		14,130
54	Replace New Water Heater (2016 RS not started)					25,393		-		-		25,393
54	Clubhouse Upgrades (773-16)		4,352			4,352		- 1		-		4,352
56	Paint Exterior Ironwork (2016 RS not started)		198,703			198,703	46,548	- 1	17,710	17,710	64,258	134,445
56	Paint Exterior Flatwork (2016 RS not started)		3,840			3,840						3,840
56	Replace heat pump #1 (779-16)		10,239			10,239				-		10,239
56	Concrete replacement- West end		6,375			6,375	6,088	- 1	288	288	6,375	10,203
74	Paint Exterior Flatwork (2016 RS not started)		- 44 704	8,000		8,000	-				0,010	8,000
74	Replacement of Wood Shop equipment & Electrical panel (799-16)		11,724			11,724	- 1	-				11,724
74	Storage Improvements- work benches, storage racks, cabinets		42,000			42,000	12,639	10,281	2,826	13,107	25,746	16,254
79	Repair Concrete and Wood Shoreline at Pond (2016 RS not started)			15,000		15,000		- 1				15,000
79	Refurbish Golf Course Greens (2016 RS not started)		2,560			2,560		-		-		2,560
79	Community Landscape Remodel (2016 RS not started)		10,239			10,239	- 1	- 1				10,239
79	Community Concrete Flatwork (2016 RS not started)		10,239			10,239		- :				10,239
79	Community Asphalt Seal Coat- Parking Lots (2016 RS not started)		25,598			25,598	-	-			·	
79	Community Asphalt Seal Coat-Street Phase 4 (2016 RS not started)		38,038			38,038		-				25,598
79	Main Gate Beautification - Globe (730-15B)	i	51,195			51,195						38,038
79	Globe - Replacement of Continents (730-15B)		163,270			163,270	163,270				163,270	51,195
79	Perimeter wall sections B (591-01B-B) (Completed as 1/12/17)		201,000			201,000	155,387					
79	Perimeter wall sections A (591-01B-A) (Completed as 1/12/17)		350,000	i	(194,247)	155,753	155,753				155,387	45,613
79	Perimeter wall sections J & K (591-01B-JK)		494,000		(15,770)	478,230	478,230				155,753	
79	St. Andrews Gate Improvements (723-14)	·	542,289			542,289	78,323				478,230	
79	Perimeter wall sections L & M (591-01B-LM)		50,000			50,000	9,978				78,323	463,966
79	Landscape Replacement, Admin (HCC Rem lateral, Listeral R.		900,000			900,000	628,042	108,983		100 000	9,978	40,023
79	Landscape Replacement- Admin./HCC Palm Island, J Island, Pump Island (794-16)		10,249			10,249	020,042	100,903	10 644	108,983	737,025	162,975
79	Street Paving Project- Phase one (Cedar Crest, Knollwood, Fairfield/Prestwick, Shawnee) Main Gate Entrance	600,000	600,000			600,000			10,644	10,644	10,644	(395)
	Total Planned Reserve Expenditures	300,000				-						600,000
	Total Flatilled Reserve Expenditures	1,300,000	3,969,404	115,151	(210,017)	3 874 538	1,771,507	440 002	24 400			
					1=10,011)	0,014,000	1,771,507	119,883	31,468	151,351	1,922,858	1,951,680

Center Description		Prior	2017	Additional	Other	Total	Prior	YTD	EXPENDITURES		TTD	- All
32	Barcode label printer	Approved	Budget	Approved	Adjustments	Projects	Expenditures	Jan			Expenditures	Allocated Funds
32	Purchasing Office Improvements (805-17)	1,000				1,000	-	1 -	1	Total	Expenditures	The state of the s
34	CH4 Technology Enhancements (773-16T)	44,000		20,600		20,600		-	1,702	1,702	1,702	1,000
34	Axxerion/Jenark System (5000-14J-A)	44,000				44,000	-	7,914	355	8,270	8,270	18,898
34	Surveillance Cameras	250,017				250,017	240,661	1,763		2,588	243,249	35,730
34	Visual Display Solutions	13,000				13,000	63	-	- 020	2,000	63	6,768
37	Sound Proofing Panels @ Main Gate Lobby	22,000				22,000			1	1		12,937
51	Dust Extraction Units	2,000				2,000	-					22,000
	Dust Extraction Units			1,000		1,000		-	1	-		2,000
52	Develop redesign CH2 Outdoor Multi-Use Area (785-16)	+		1,000		1,000	-	-	i			1,000
52	Clubhouse Interior Improvements	13,750				13,750	-		i			1,000
54	Clubhouse Upgrades (773-16)		250,000			250,000	-	-				13,750
55	Building 5 first floor remodel (765-16)	22,150				22,150	4,189	2,550	11,686	14.236	18,425	250,000
55	Conference Room B Remodel (772-16)	1,600				1,600	650	-	11,000	14,200	650	3,725
55	Relocate Recreation Offices	39,058				39,058	39,058		-		39,058	950
55	Add Purchasing Sales Center		30,000			30,000		-			39,056	-
56	Install Air Walls		25,000			25,000	-	-			-	30,000
79	Landscape CH3 Library Patio		25,000		(5,000)	20,000	-					25,000
	Resales Office Remodel (725-14)	6,000				6,000				+		20,000
	Pedestrian Gate at Northwood Road	70,000				70,000	54,652		1,171	1,171	55,000	6,000
	Main Gate Landscape Architect (790-16)	28,143				28,143		-	1,171	1,171	55,823	14,177
79	Sidewalk addition at Medical Center Building to Conference RM B (784-16)	8,000				8,000						28,143
79	Red Curb Review Study (796-16)	30,000	1	i		30,000	24,525	2,725	2,200	4.925		8,000
79	Nassau Drive Landscaping (797-16)	9,720				9,720		2,720	2,200		29,450	550
79	andscape Replacement- South Side Hill at Amphitheater/ HCC (795-16)	6,450	1			6,450		-	6,450	6.450	0.450	9,720
79	Concrete Replacement and Lanscaping at South end of Building 5 (793-16)	3,206				3,206	-		3,280		6,450	-
79	Jpgrade 1.8 Area for Rolling Thunder Golf Cart Club	16,500				16,500	14,500		1,197	3,280	3,280	(74)
79	Conduct Traffic Control Evaluation at Oakmont/St. Andrews & Interlachen/St. Andrews (807-17)			19,200		19,200	14,000		1,197	1,197	15,697	803
79	nstall Physio-Control LIFEPAK CR & Automated External Defibrillators			2,200		2,200			_		-	19,200
79	Jpgrade back up generator for Server, phone, radio)	-	i	28,000		28,000						2,200
	otal Planned Capital Acquisitions			35,000		35,000				-		28,000
		586,594	330.000	107,000							- 1	35.000

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

FINANCE COMMITTEE

SUBJECT:

ACCEPT FINAL DRAFT 2016 AUDITED FINANCIAL STATEMENTS AND

EXCESS INCOME DISTRIBUTION

DATE:

MARCH 21, 2017

CC:

FILE

At the regular scheduled meeting of the Finance Committee, the members reviewed the 2016 draft audited financial statements of the Golden Rain Foundation and the excess income reported herein. See Exhibit A. The Committee passed a motion to recommend the Board accept the 2016 audited financial statements and, pursuant to Policy 5528-31 – Refund of Excess Income, to transfer from operating funds to the Replacement Reserve Fund the amount of \$26,706 representing the amount over and above the \$298,745 previously authorized by the Board at its regular board meeting held on October 25, 2016.

I move to accept the final draft 2016 Golden Rain Foundation Financial Statements as of December 31, 2016, for the year then ended, and the proposed Independent Auditors' Report as submitted by NSBN LLP, hereby accepting the above mentioned Financial Statements and reports therein (Exhibit A), reflecting excess income of \$325,451. Further move that, in addition to the transfer of operating funds to Replacement Reserve Fund of \$298,745, authorized by the Board at its regular board meeting held on October 25, 2016, the remaining excess income of \$26,706 is to be allocated to the Replacement Reserve Fund pursuant to Policy 5528-31 – Refund of Excess Income.



Golden Rain Foundation and The Trust
Consolidated Financial Statements and
Supplementary Information
December 31, 2016 and 2015
(With Independent Auditors' Report Thereon)



February xx, 2017

INDEPENDENT AUDITORS' REPORT

The Board of Directors Golden Rain Foundation Seal Beach, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Golden Rain Foundation and the Trust (the "Foundation"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of revenue and expenses by segment, changes in membership interest and trust equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Golden Rain Foundation and the Trust as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Correction of Error

As discussed in Note 5 to the consolidated financial statements, asset additions to Community Facilities Assets Held in Trust were previously accounted for as equity distributions. Management has therefore restated the Community Facilities Held in Trust, Beneficial Interest in Trust Assets, and related depreciation and amortization account balances as of January 1, 2016 to correct such errors. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Supplemental Information Regarding Funds for Future Repair on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

NSBN LLP Los Angeles, California



Golden Rain Foundation and the Trust

Exhibit A

Consolidated Balance Sheets December 31, 2016 and 2015

	2016		2015
Assets			
Current Assets:			
Cash and cash equivalents	\$ 308,091	\$	496,961
Investments (Note 3)	279,851		81,004
Receivables	609,022		682,656
Inventory of maintenance supplies	339,319		381,442
Prepaid expenses (Note 2)	431,436		476,603
Total Current Assets	1,967,719		2,118,666
Designated Deposits (Note 3)	10,142,285		8,488,653
Notes Receivable			44.400
Notes Receivable - Membership Fee	32,296		14,428
Community Facilities Held in Trust, net			
(Note 4, 2015 as restated)	11,581,843	_	10,506,642
Total Assets	\$ 23,724,143	\$	21,128,389

See accompanying independent auditors' report.

The notes are an integral part of these consolidated financial statements

Golden Rain Foundation and the Trust Consolidated Balance Sheets December 31, 2016 and 2015

	-	2016	-	2015
Liabilities and Equity	-		_	
Current Liabilities:				
Accounts payable	\$	486,793	\$	636,575
Accrued expenses		973,654		945,286
Accrued property tax		105,392		110,647
Project commitments (Note 2)	_	1,088,450	_	795,037
Total Liabilities	-	2,654,289	-	2,487,545
Equity				
Equity in Contingency Operating Fund		500,000		706,643
Equity in Replacement Reserves		7,394,944		5,972,635
Equity in Capital Improvement Fund		954,888		811,767
Beneficial Interest in Trust Assets (2015 as restated)	_	7,724,862		5,205,827
Total Beneficial Interest in Trust	-	16,574,694	-	12,696,872
Membership interest Membership certificates of 844 shares at \$200 par				
value, and 5,764 shares at \$250 par value, authorized, issued and outstanding		1,609,800	_	1,609,800
Additional paid in capital	_	20,311,887	_	20,310,455
Assets Contributed to the Golden Rain Foundation Trust	<u>.</u>	(15,444,532)	_	(15,444,532)
Income before depreciation and amortization	_	325,451	_	364,007
Depreciation and amortization (Note 2, 2015 as restated)		(2,307,446)	_	(895,757)
Total Equity	_	21,069,854	_	18,640,845
Total Liabilities and Equity	\$_	23,724,143	\$_	21,128,389



Golden Rain Foundation and the Trust Consolidated Statements of Revenues and Expenses By Segment For the Years Ended December 31, 2016 and 2015

	Operations			Maintenance Services		Management Services		Golden Rain News		All Segr	nents
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Income:											
Net Billings from Mutuals	\$	10,087,260 \$	9,836,253 \$	1,307,916 \$	1,393,409 \$	44,400 \$	44,400 \$	35,352 \$	(142,268) \$	11,474,928 \$	11,131,794
Advertising Income			-	-		-	-	865,648	919,290	865,648	919,290
Rental - Onsite Sales Office		546,943	509,572		-	_	-	-	-	546,943	509,572
Rental - Health Care Center		564,000	564,000	-	-	_		-		564,000	564,000
Income From Superwire		90,659	104,355	1 1 -1	-	-		-		90,659	104,355
Other Rental Income		34,581	34,587		-	-	-			34,581	34,587
Interest Income		44,650	55,473	-	-	-	-	_	-	44.650	55,473
Interest Income Allocation		(37,802)	(52,889)		-	-				(37,802)	(52,889)
SRO Labor Cost Recovery				1,442,171	1,409,021	-	-	101	_	1,442,171	1,409,021
Other Income		663,969	487,561	-	7011	_		535	1,049	664,504	488,610
Sub-Total		11,994,260	11,538,912	2,750,087	2,802,430	44,400	44,400	901,535	778,071	15,690,282	15,163,813
Replacement Reserve Funding		(900,000)	(1,000,000)				-	-	-	(900,000)	(1,000,000)
Total Income	_	11,094,260	10,538,912	2,750,087	2,802,430	44,400	44,400	901,535	778,071	14,790,282	14,163,813
Operating Expenses:											
Salaries and Benefits (Note 6)		6,464,436	6,218,109	2,429,317	2,396,705			524,196	526,699	9,417,949	9,141,513
Materials and Supplies		459,767	432,726	89,701	69,204			251,827	249,616	801,295	751,546
Utilities and Trash Hauling		503,849	518,182	15,160	16,621			6,145	7,006	525,154	541,809
Insurance Premiums		489,089	445,949	-			_	16,974	17.892	506,063	463,841
Professional Services		427,642	317,504			_		9,358	7,660	437,000	325,164
Contract Services		177,406	169,779	2,040	1,374		<u> </u>	135,278	99,577	314,724	270,730
Maintenance		1,659,313	1,598,885	35,738	32,712	44,400	44,400	13,480	6,916	1,752,931	1,682,913
Recreation - Entertainment		318,010	265,588	-	02,712	44,400	44,400	13,400	0,910	318,010	265,588
Permits and Licenses		34,146	28,718	115	737	12.1				34,261	29,455
Miscellaneous		238,567	229,277	116,404	90,081			2,473	7,889	357,444	
Total Expenses	_	10,772,225	10,224,717	2,688,475	2,607,434	44,400	44,400	959,731	923,255	14,464,831	327,247 13,799,806
Excess Income (Loss) before						,	77,700	000,701	323,233	14,404,031	13,799,606
Trust Assets Depreciation	_	322,035	314,195	61,612	194,996			(58,196)	(145,184)	325,451	364,007
Depreciation of assets											
held in Trust (2015 as restated)	_	(1,394,066)	(879,097)	(12,225)	(12,587)	-	-	(5,398)	(4,073)	(1,411,689)	(895,757)
Net Income (Loss)	\$	(1,072,031) \$	(564,902) \$	49,387 \$	182,409 \$	- \$	- \$_	(63,594) \$	(149,257) \$	(1,086,238) \$	(531,750)



Golden Rain Foundation and the Trust Changes in Membership Interest and Trust Equity For the Years Ended December 31, 2016 and 2015

	Membership Interest	Additional Net Paid-In Capital	Transfers to Trust	Total Mutuals' Beneficial Interest In Trust Assets	Excess Income Before Depreciation and Amortization	Accumulated Depreciation and Amortization	Total
Balance at January 1, 2015	\$ 1,609,800	\$ 21,137,008 \$	(15,444,532) \$	11,498,522 \$	- \$	- \$	18,800,798
Prior Period Adjustment				603,213		(30,801)	572,412
Balance at January 1, 2015 as adjusted	1,609,800	21,137,008	(15,444,532)	12,101,735		(30,801)	19,373,210
Membership Fees	-		-	1,201,016			1,201,016
Fund Earnings (net of taxes)	-	2,570	-	50,318			52,888
Funding From Assessments	-	-	-	1,000,000	-		1,000,000
Expenditures from equity reserves			- ·	(2,485,322)		10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	(2,485,322)
Transfers		(829,125)	- 1	829,125		- 0 - 1 - 0 - 1	-
Excess income and transfers over direct operating expenses				1 1 2 2 2 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2	364,007	-	- 364,007
Depreciation and amortization					_	(864,956)	(864,956)
Balance at December 31, 2015, as restated	1,609,800	20,310,455	(15,444,532)	12,696,872	364,007	(895,757)	18,640,844
Membership Fees		•		1,883,473			1,883,473
Fund Earnings (net of taxes)	-	1,432	-	36,370		_	37,802
Funding From Assessments			1 1 1 1 1	900,000			900,000
Expenditures from equity reserves		-	-	(1,825,063)	- 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		(1,825,063)
Trust Asset Additions		in i viine	-	2,519,035			2,519,035
Transfers			51.5 , 4 11	364,007	(364,007)		-
Excess income and transfers over direct operating expenses			·		325,451		325,451
Depreciation and amortization					,	(1,411,689)	(1,411,689)
Balance at December 31, 2016	\$ 1,609,800	20,311,887 \$	(15,444,532)	16,574,694 \$	325,451 \$	(2,307,446) \$	21,069,854

See accompanying independent auditors' report.

The notes are an integral part of these financial statements



Golden Rain Foundation and The Trust Consolidated Statements of Cash Flows For the Years Ended December 31, 2016 and 2015

		2016	2015
Cash flows from operating activities:			
Net Income (Loss)	\$	(1,086,238) \$	(531,750)
Adjustments to reconcile net income (loss)			
to net cash provided by operating activities			
Depreciation		1,411,689	895,757
Decrease in other receivables and accrued interest		73,634	479,875
Decrease (Increase) in inventory of maintenance supplies		42,123	(32,182)
Decrease in prepaid expenses		45,167	37,169
(Increase) in notes receivable		(17,868)	(13,727)
(Decrease) in accounts payable		(149,781)	(257,979)
Increase in project commitments		293,413	795,037
Increase in accrued expenses		55,026	(26,472)
No change (Decrease) in payable to mutuals		-	(700,223)
Net cash provided by operating activities	_	667,165	645,505
Cash flows from investing activities:			
Proceeds from the sale of investments		325,000	705,000
(Costs) of the investments purchased		(325,000)	(705,000)
Increase of investments and designated deposits		(1,852,479)	(107,106)
Proceeds from the sale of fixed assets		232	1,274
Acquisition of fixed assets (excluding construction in progress)		(2,519,035)	(843,104)
Dispositions of construction in progress for community facilities			843,104
Net cash (used in) investing activities	_	(4,371,282)	(105,832)
Cash flows from financing activities:			
Transfers (to) from equity reserves	_	3,515,247	(159,953)
(Decrease) increase in cash and cash equivalents		(188,870)	379,720
Cash and equivalents at beginning of year		496,961	117,241
Cash and equivalents at end of year	\$_	308,091 \$	496,961
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for income taxes	\$_	\$	62,960

See accompanying independent auditors' report.

The notes are an integral part of these financial statements



(1) Nature of Operations

The Golden Rain Foundation (the "Foundation"), a Non Profit Mutual Benefit Corporation, operates and maintains the community facilities within a cooperative housing project consisting of 6,482 cooperative units and 126 condominium units known as Seal Beach Leisure World. The housing project is owned by sixteen corporations (the "Mutuals") whose stockholders are also members of the Foundation. The sole purpose for the existence of the Foundation is to provide management, accounting and maintenance services to the sixteen mutual corporations and to care for the community facilities. The Foundation's Board of Directors (the "Board") consists of representatives from each of the Mutuals.

(2) Summary of Significant Accounting Policies

A. Basis of Presentation

The consolidated financial statements include the accounts of the Foundation and the Golden Rain Foundation Trust (the "Trust"). The Trust holds all the Community Facilities Held in Trust for the benefit of the Mutuals and is managed by the Foundation. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the standards promulgated by the Financial Accounting Standards Board.

B. Transfer of Foundation Assets

Beginning with 2015, the Foundation's assets were transferred into the Trust and have been consolidated for financial reporting purposes. The intention of this change is to provide reporting that accurately represents the Foundation's operations. Prior to 2015, depreciation expense was incorporated in the annual operating budget. Consequently, the funding amount set aside for the replacement of fixed assets had been based on historical cost. Beginning in 2015, the Foundation established a replacement reserve fund (reserves) to finance future major repairs and replacements of major components and fixed assets. Funding is achieved through shareholder contributions through monthly assessments specifically designated for reserve funding as determined by the annual operating budget. The funding amount is based on current replacement cost. Consequently, the balance in Depreciation and Amortization in the equity component of these financial statements (page 5) is cumulative from year 2015 and forward.

C. Operating Costs

The Foundation is a non profit corporation and it is intended that all of its operating costs be recovered from the Mutuals. All operating costs are charged to the Mutuals by the Foundation in the year incurred. Budgeted costs are apportioned and billed monthly to the Mutuals on the basis of the number of units available for occupancy in each Mutual. Should the actual operating expenses exceed the actual operating income, the net excess expenses will be billed to the Mutuals based on the number of units per Mutual. Net excess income shall be eliminated in accordance with Foundation Policy 5528-31. Total consolidated operating income exceeded total operating costs by \$325,451 in 2016 and \$364,007 in 2015 (before Trust assets depreciation). Consolidated excess income before Trust assets depreciation for 2016 was \$322,035 and from the Golden Rain Foundation operations was \$3,416.

In 2016, \$364,007 of 2015 consolidated excess income before Trust assets depreciation was transferred to the Foundation's Replacement Reserve Fund.

D. Inventory of Maintenance Supplies

Inventory consists primarily of maintenance supplies to repair or replace property held by the Mutuals and the community facilities that the Trust holds for the Mutuals. Inventory is stated at cost, determined on a first-in, first-out basis, which approximates market value.



(2) Summary of Significant Accounting Policies (Continued)

E. Prepaid expenses

Prepaid expenses include insurance premiums paid in advance for future period coverage of \$421,326 and unamortized premiums on bonds of \$10,110.

F. Investments

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC Number 320-10) "Accounting for Certain Investments in Debt and Equity Securities" requires that investments be classified as "held to maturity", "available for sale", or "trading securities." The standard defines investments in securities as held to maturity based upon a positive intent and ability to hold those securities to maturity. Investments held to maturity are reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses included in operations. Debt and equity securities not classified as held to maturity or trading securities are classified as available for sale and are recorded at fair value, with unrealized gains and losses excluded from operations and reported as a separate component of members' equity. The Foundation has classified its entire investment portfolio as held to maturity and thus has recorded its investment securities at amortized cost.

G. Fixed Assets and Community Facilities

Fixed assets and community facilities held in trust by the Foundation are capitalized at cost and are being depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 30 years.

H. Project Commitments

Project commitments represent outstanding balances due to contractors for reserve and replacement work or for capital improvement work that is in process or has been completed, but not paid in full as of the balance sheet date. The total cost of these project commitments have been reflected in the current year's reserve activities.

As of December 31, 2016, project commitments were \$1,088,450.

I. Future Major Repairs and Replacements

The Foundation's governing documents require that funds be set aside for the addition, replacement and repair of Trust property. The Foundation also maintains and funds reserves for disasters and for the cost of liability insurance deductibles. These reserves are reported on the accompanying consolidated balance sheets as Designated Deposits. Funds held on behalf of the Mutuals are offset by a liability to the Mutuals.

J. Statement of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash, demand and savings deposits in banks, and securities and certificates of deposit maturing within 90 days of the original purchase date. Amounts reported as deposits and investments designated for a specific purpose do not meet the definition of cash and cash equivalents.

K. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates can affect the reported amounts of consolidated assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of changes in members' equity during the reporting period. Actual results could differ from those estimates.



(2) Summary of Significant Accounting Policies (Continued)

L. Concentration of Credit Risk

The Foundation's cash is maintained in three commercial banks. Cash maintained in US Bank consists of demand deposits and money market accounts. US Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Foundation's US Bank accounts are fully covered by this program. Cash maintained in First Foundation Bank consists of money market and Certificate of Deposit Account Registry ("CDAR") accounts. Cash in the money market account totals \$806,144 which exceeds the FDIC insured amount by \$556,144. Cash in CDAR accounts total \$6,605,000. CDAR funds are insured by the FDIC up to \$50 million. Cash maintained in BNY Mellon consist of a money market account. Cash in the money market accounts total \$355,092 which exceeds the FDIC insured amount by \$105,092.

The Foundation has \$50,000 invested in municipal bonds, which it closely monitors with its investment advisor.

M. Advertising

Advertising costs are charged to operations when incurred and are included in operating expenses. The Foundation did not incur any advertising expense for the years ended December 31, 2016 and 2015.

N. Income Taxes

For reporting purposes, the Foundation may file under the general corporation rules, which uses a graduated rate or under Internal Revenue Code Section 528 that provide for a single tax rate. The option that produces the most favorable return is the one ultimately selected for filing. Under both methodologies, the taxable income is based on nonmember income and interest from invested funds. Provision has been made for the 2016 tax liability.

The Foundation adopted the provisions of FASB ASC Number 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC Number 740-10, the Foundation adopted a policy to recognize penalties and interest resulting from these uncertainties in the period in which they are incurred as operating expenses.

The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Foundation believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Foundation's financial condition, results of operation, or cash flows. Accordingly, the Foundation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2016.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to Federal income tax examinations for the years prior to 2013, and to California tax examinations for the years prior to 2012.

O. Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements. Also, the presentation of the consolidated statements of cash flows was modified from prior years' presentation.



(2) Summary of Significant Accounting Policies (Continued)

P. Subsequent Events

Date of Management's Review - Subsequent events have been evaluated through February xx, 2017, the date that these financial statements were available to be issued.

(3) Designated Deposits and Investments

Investments and deposits are recorded on the consolidated balance sheets at December 31, 2016 and 2015 as follows:

	2016		2015
Investments	\$ 279,851	\$	81,004
Designated deposits and investments	 10,142,285		8,488,653
	\$ 10,422,136	\$_	8,569,657

The Board, at its discretion, has designated resources to be set aside to provide for the activities indicated below. The cost of these designated deposits and investments at December 31, 2016 and 2015 are as follows:

	 2016	2015
Contingency Operating Fund – Designated for unbudgeted or unanticipated events or shortfalls in anticipated revenues. Deposits to the Trust Contingency Operating Fund are made from excess income in accordance with Policy 5528-31.	\$ 500,000	\$ 706,643
Replacement Reserve Fund - Designated for future maintenance and replacement of major components/assets that the Foundation is required to maintain in accordance with California Civil Code. Use		

required to maintain in accordance with California Civil Code. Use and expenditures of reserve funds are governed by Policy 5520-31. The Reserve fund is funded by contributions collected through monthly assessments and from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31. Additional funding may result through surplus operational funds from the preceding fiscal year in accordance with Policy 5528-31 and in accordance with the Civil Code.

<u>Capital Improvement Fund</u> - Designated for new purchases (not replacement) of equipment and/or assets upon Trust property or used in the maintenance of Trust property or in the performance of Foundation duties under the management agreement with the Mutual Corporations. The Capital Improvement fund is funded from a percentage of the Membership Fee and Renter Fee (Mutual 17 only) in accordance with Policy 5061-31.

1,010,389 1,288,673

6,290,766

8,427,893



(3) Designated Deposits and Investments (Continued)

<u>Liability Insurance Deductible Fund</u> - Designated for payment of the deductible portion of any liability claims and expenses that may occur as a result of a disaster not covered by insurance. Deposits to the liability insurance deductible and disaster fund are made from interest earned on that fund's investments less any applicable income taxes.

\$	204,003	\$ 202,571
\$_	10,142,285	\$ 8,488,653

2015

2016

Bonds with a par value of \$325,000 matured during the year ended December 31, 2016.

A comparison of amortized cost and approximate fair value of deposits and investments held to maturity at December 31, 2016 and December 31, 2015 follows:

	2016			2015			
	Cost		Fair value		Cost		Fair value
Cash, cash equivalents and				_			
money markets	\$ 3,762,258	\$	3,762,258	\$	2,737,518	\$	2,737,518
Certificates of deposits	6,605,000		6,605,000		5,450,000		5,450,000
Municipal bonds	50,040		50,357		377,124		386,607
Government National Mortgage							
Association securities	14,948		5,317		7,139		7,851
Total	\$ 10,432,246	\$_	10,422,932	\$_	8,571,781	\$_	8,581,976

The amortized cost and estimated fair value of designated deposits and investments at December 31, 2016 and 2015 by contractual maturity, are shown below:

		2016			2015			5
	_	Cost		Fair value	_	Cost		Fair value
Due one year or less	\$	10,417,299	\$	10,417,615	\$	8,514,333	\$	8,521,581
Due after one year through five years		-				50,309		52,544
Due after five years through ten years		4,719		3,918		5,581		6,312
Due after ten years		10,228		1,399		1,558		1,539
Compared to the control of the contr	\$ _	10,432,246	\$ _	10,422,932	\$	8,571,781	\$	8,581,976



(4) Community Facilities Held in Trust

Fixed assets, which are made up of property and equipment required to manage the Foundation's operations, also include the community facilities, including land parcels, utilities, streets, medical and recreational buildings which are held by the Trust for the benefit of the Mutuals.

A summary of the community facilities held by the Trust at December 31, 2016 and 2015 are as follows:

		2016		2015
Land	\$	999,091	\$	999,091
Infrastructure (as restated in 2015)		11,431,569		9,077,864
Building and improvements (as restated in 2015)		11,703,827		11,462,734
Fixtures and equipment (as restated in 2015)		9,565,874		9,730,452
Sub-total	- 11	33,700,361	_	31,270,141
Less accumulated depreciation (as restated in 2015)	-	(22,118,518)		(20,763,499)
Net community facilities	\$_	11,581,843	\$_	10,506,642

Total community facilities represent amounts invested in the community facilities by the Mutuals, which are equal, except for Mutuals Nos. Sixteen and Seventeen, to values attributed to the community facilities by the Federal Housing Administration historically. The original contribution of Mutual Sixteen to the trust was based on the cost of its off-site improvements and utilities, plus an allocated share of the cost of recreational and other community facilities. The original contribution of Mutual Seventeen to the Trust was based on its allocated share of the then current fair market value, as determined by the Foundation, attributed to the original community facilities purchased by that mutual. The future interests of the Mutuals in the subsequent Trust additions have been allocated to each Mutual in proportion to the mutual's number of units as compared to all units in the project.

(5) Prior Period Adjustment

During 2016, management determined that additions to Community Facilities Assets Held in Trust, which accounts for assets held in Trust for the beneficial interests of the Mutuals, were recorded in error as distributions to equity. Accordingly, the applicable 2015 account balances have been restated in these financial statements to correct the account balance of the Community Facilities Assets Held in Trust Account and to record applicable depreciation related to years 2015 and prior. Following is a summary of items from the 2015 financial statements that were restated.

	_	Previously Reported	_	Adjustment	Restated Amount
Land	\$	999,091	\$	-	\$ 999,091
Infrastructure		8,648,041		429,823	9,077,864
Building and improvements		11,328,029		134,705	11,462,734
Fixtures and equipment		9,691,767		38,685	9,730,452
Accumulated depreciation		(20,732,698)		(30,801)	(20,763,499)
Community Facilities Held in Trust, Net	\$	9,934,230	\$	572,412	\$ 10,506,642
Beneficial Interest in Trust Assets	\$	4,602,614	\$	603,213	\$ 5,205,827
Depreciation and amortization	\$	(864,956)	\$	(30,801)	\$ (895,757)



(6) Employees' Retirement Plan

Effective January 1, 2000, the Employees' Retirement Plan was amended from a defined contribution money purchase plan to a 401(k) plan. Employees with 1,000 hours of service with the Foundation continue to be eligible. Participants are able to contribute from 1% to 100% of their compensation. Employer matching is 50% of the employees' contribution up to 8% of their compensation. The vesting period for the employer's match is set by statute at 100% after three years of service. Contributions made to the Plan by the Foundation amounted to \$138,657 and \$143,998 in 2016 and 2015, respectively.

(7) Commitments and Other Rental Activity

A. Commitments

The Foundation has an operating lease agreement for equipment expiring October 2018. Future minimum payments under these non-cancelable leases are as follows:

Year ending December 31:

2017	\$ 24,564
2018	18,423
	\$ 42,987

Rent expense under the operating lease was \$29,866 for the year ended December 31, 2016.

B. Other rental activity

The Foundation, as Trustee, rents the on-site real estate sales office to outside services. The tenant calculates income received from the lease of the on-site sales office at a fixed percentage of the total monthly sales income generated by the tenant. The minimum guaranteed payment to the Foundation is \$10,000 per month. The lease agreement expires on December 31, 2017. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents the health care center to Los Alamitos Medical Center, Inc. Income received from the health care center is based on \$47,000 a month. The lease agreement expires in November 30, 2018. Either party can terminate the lease upon 180 days notice without penalty.

The Foundation, as Trustee, rents land or office space for an RV storage center, NuVision Credit Union, and Superwire Telecom Inc under separate agreements. The income received for the RV storage center was \$14,778 for the year ending December 31, 2016, and \$14,778 per year for the succeeding three years ending December 31. The income received from NuVision Credit Union was \$18,000 for the same period. The lease agreement expires in November 2017. The Foundation, as Trustee, receives income from Superwire Telecom Inc. of \$1,500 per month plus 5% of the gross revenues collected by Superwire Telecom Inc. from members of Leisure World, Seal Beach. This agreement expires February 18, 2019.



(7) Commitments and Other Rental Activity (Continued)

Future minimum rental income based on the existing leases is estimated as follows:

Year ending December 31:

2017	\$ 718,500
2018	535,000
2019	3,000
	\$1,256,500

Income received from the rental of community facilities was \$1,248,780 and \$1,226,305 in 2016 and 2015, respectively. The net book values of the resale office and health care center are \$2,195 and \$1,217,385 respectively.

(8) Related party transactions

The board of the Foundation consists of members that are also members of the Mutuals. A significant portion of the revenues are derived from assessments and other billings from the Mutuals.

At December 31, 2016, receivables from the Mutuals for services and various reimbursed expenses equal \$475,555.

(9) Contingencies

During the year ended December 31, 2016, the Foundation was involved in legal proceedings through the normal course of its business operations. Management has evaluated all such contingencies and has determined none of these matters would have a material adverse effect on these financial statements.



Golden Rain Foundation and the Trust Supplemental Information Regarding Funds for Future Repairs (Unaudited) December 31, 2016

While preparing the annual operating budget, the Board reviews the conditions and assumptions regarding the common interest of the Foundation. This review consists of updating the replacement cost and remaining useful life of the Foundation's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). Except as noted below the Board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the Board does not plan any special assessments.

	Estimated Remaining			Annual	Per Unit	
Fund	Life	Cost	Required	Est Beg Bal	Contribution	Per Month
Replacement Reserves	1 - 30+	\$ 16,139,853	\$ 9,769,550	\$ 5,804,883	\$ 900,000	\$ 11.35

Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and the other known revenues, and the percentage funded at the end of each of the next five years is:

Required			Pr	ojected Fund	
Year		Funding		Bal.	% Funded
12/31/2017	\$	8,888,055	\$	6,436,636	72.42%
12/31/2018	\$	9,466,190	\$	7,661,797	80.94%
12/31/2019	\$	10,310,144	\$	7,738,360	75.06%
12/31/2020	\$	9,964,131	\$	8,929,865	89.62%
12/31/2021	\$	10,766,268	\$	10,226,963	94.99%

This financial representation set forth in this summary is based on the best estimates of the Board at this time and is further predicated on the Board maintaining the current Reserve Funding Plan.

Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

FINANCE COMMITTEE

SUBJECT: RESERVE STUDY SELECTION

DATE:

MARCH 21, 2017

CC:

FILE

In February 2017, requests for proposals were submitted to five reserve study companies located throughout Orange County. The proposals were to include bids for a Stage 2 - Update with site visit for the 2018 budget year and a Stage 3 - Update without site visit for budget years 2019 and 2020. Three reserve study companies provided bids and two reserve study companies declined our proposal invitation.

At the regular scheduled meeting of the Finance Committee on March 21, 2017, the members reviewed the three proposals received. A summary of these proposals are as follows:

	Budget Yr 2018 Full	Budget Yr 2019 Update	Budget Yr 2020 Update	
Company	With Site Visit	No Site Visit	No Site Visit	Total
Reserve Data Analysis (RDA)	\$ 14,950	\$ 6,995	\$ 6,995	\$ 28,940
Association Reserves, Inc.	9,500	9,500	9,500	\$ 28,500
Reserve Studies, Inc. (RSI)	12,700	5,490	5,490	\$ 23,680
Foresight Financial Services	Declined	Declined	Declined	N/A
Advanced Reserve Solutions	Declined	Declined	Declined	N/A

Upon discussion, the Committee passed a motion to recommend the GRF Board of Directors accept the proposal from Association Reserves, Inc., for the budget years 2018, 2019 and 2020, and to authorize the President to sign the contract.

I move to accept the proposal from Association Reserves, Inc., for budget years 2018,

2019 and 2020, and to authorize the President to sign the contract.

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BOARD ACTION ITEM

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

FINANCE COMMITTEE

SUBJECT:

AMEND POLICY 5061-31, FINANCE - FEES

DATE:

MARCH 22, 2017

At its meeting on March 21, 2017, the Finance Committee reviewed Policy 5061-31, Finance – Fees. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy.

I move to amend Policy 5061-31, Finance – Fees, to change Item 1.3 to read as follows: The membership fee is calculated as twenty (20) times the monthly GRF assessment and rounded up the nearest dollar. The new membership fee is implemented on January 1 of each year.

AMEND

FINANCE

<u>Fees</u>

The following schedule of fees is established by the Golden Rain Foundation (GRF).

1. Membership Fee

- 1.1 Each owner and co-occupant non-owner will be required to pay a one-time membership fee.
- 1.2 The membership fee for a GRF member represents a buy-in for access to the community facilities and amenities.
- 1.3 The membership fee is calculated as <u>twenty (20)</u> times the monthly GRF assessment and rounded up to the nearest dollar. The new membership fee is implemented on January 1 of each year.
- 1.4 Existing GRF member(s) may transfer from one mutual to another without having to pay the membership fee provided that the member(s) remain(s) the same. The member(s) will, however, be charged a membership certificate processing fee for this transaction. (See section 3)
- 1.5 Membership fees shall be allocated as follows:
 - 1.5.1 Fifty percent (50%) into the GRF Capital Improvement Fund.
 - 1.5.2 Fifty percent (50%) into the GRF Reserve Fund.

2. Payment of Membership Fee

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

(MAR 17)

AMEND

GOLDEN RAIN OPERATIONS

FINANCE

Fees

- 2.2.2. The annual finance charge on matured, unpaid amounts shall be one (1) percent per month (APR of 12%) paid annually on the outstanding balance.
- 2.2.3. In the event that a unit changes ownership before the membership fee is paid in full the balance due will be paid before transfer is complete.

3. Membership Certificate and Processing Fee

- 3.1. GRF shall issue one membership certificate per unit. The membership certificate may contain one or more names.
- 3.2. A certificate processing fee of \$250 will be charged to the unit's account each time the membership certificate is changed or altered to cover the cost of preparing, recording and/or replacing a membership certificate.
- 3.3. Membership Certificate and Processing fee shall be allocated to Cost Center 33 (Mutual Administration).

4. <u>Transfer Fee – In Escrow</u>

- 4.1. The seller of a Mutual share of stock shall pay a transfer fee of \$500 to GRF to cover the cost of transferring ownership(s).
- 4.2. Transfer Fee In Escrow shall be allocated to Cost Center 33 (Mutual Administration).

5. Non - Owner, Co-Occupant Processing Fee

- 5.1. Non Owner, Co-Occupant fee of \$100 shall be charged to cover the actual set up and processing costs.
- 5.2. Non Owner, Co-Occupant Processing Fee shall be allocated to Cost Center 33 (Mutual Administration).

6. Mutual Corporation Fees

6.1. Each Mutual represents a fully independent corporation and as such may establish fees applicable to the Mutual. In accordance with the Management agreement, GRF operates as the management company for the Mutuals and

(MAR 17)

Page 2 of 5

AMEND

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GOLDEN RAIN OPERATIONS

FINANCE

Fees

processes the transfer of stock certificates. GRF, as part of its duties, will apply applicable Mutual Fees in accordance with established Mutual policies (see 7000 policy series).

7. Stock Transfer Legal Review of Trust Fees

- 7.1. Whenever there is a requested transfer of stock ownership by a Trust, either by the sale of a unit or an in-house ownership transfer, Probate Code §18100.5 delegates to the Foundation the right to request the current acting trustee or successor trustee to provide either a certification of trust, or a copy of the trust. In order to determine the legal rights of the trustee/successor trustee to represent the sale or transfer of a unit's ownership via the trust they represent, the following procedure is implemented.
 - 7.1.1. Any trustee or successor trustee seeking to transfer the ownership of a mutual unit, either by the sale of the unit through escrow or an in-house ownership transfer, will be required to provide the Stock Transfer Office a Certification of Trust, or, a copy of the Trust document for the Foundation attorney to review prior to any completed transfer of ownership.
 - The Stock Transfer Office shall not proceed with any sale 7.1.2. or transfer of ownership via a trust document prior to the Foundation attorney reviewing the trust and providing in writing a letter of release allowing the Stock Transfer Office to proceed.
 - In an effort to offset the cost of the required Foundation attorney review, there shall be assessed to the trustee or successor trustee, a fee of \$125 representing the attorney's fee and GRF's pro-rated staff time, to be collected at the time of the trust review.
 - Legal Review of Trust Fees shall be allocated to Cost 7.1.4. Center 33 (Mutual Administration).

8. Lessee Annual Fee - Mutual 17 Only

The GRF lessee fee is a required use fee for access to the community facilities, 8.1. amenities, and participation in GRF activities. The lessee fee is calculated at

(MAR 17)

Page 3 of 5

AMEND

FINANCE

<u>Fees</u>

- twenty 20% of the GRF annual assessment rounded up to the nearest dollar for each occupant.
- 8.2. The required annual lessee fee payment is due and payable in full on the date of the lease agreement.
- 8.3. If delinquent, the lessee shall pay damages to reimburse GRF for its time, inconvenience, and overhead in collecting the payment as follows:
 - 8.3.1. A (twenty five dollar) \$25 late fee, and
 - 8.3.2. Interest at one percent (1) per month (APR of 12% from the original date due until the date the payment is received.
- 8.4. In addition to late fees, for each check from a lessee that a bank returns for any reason, the lessee must pay:
 - 8.4.1. Fifty dollars (\$50) late payment fee, and all bank charges assessed against the association.
- 8.5. If a lessee becomes more than ninety (90) days delinquent or has an unpaid balance of one hundred dollars (\$100) or greater, the lessee will receive a 30-day notice of GRF's intent to suspend the right to use GRF amenities and Trust facilities and property, including driving privileges upon GRF Trust streets. GRF may also refer the lessee account to an attorney or collection agency for appropriate action. All fees incurred by an attorney or collection agency to recover the delinquent amounts will be assessed to the lessee.
- 8.6. GRF reserves the right to collect the delinquent account from Lessor.
- 8.7. Lessee fees shall be allocated as follows:
 - 8.7.1. Fifty percent (50%) into the GRF Capital Improvement Fund.
 - 8.7.2. Fifty percent (50%) into the GRF Reserve Fund.
- The fee for verifying Powers of Attorney and Court Orders will be \$75 per document, per review.
- 10. The fee for additional Leisure World maps will be \$5 (shareholders excluded), per map.
- 11. All Fees are subject to periodic review and subject to change.

(MAR 17)

AMEND

FINANCE

Fees

Policy **GOLDEN RAIN FOUNDATION** Adopted: 21 Apr 70 SEAL BEACH, CA Amended: 31 Aug 73 Amended: 20 Nov 73 Amended: 19 Aug 75 Amended: 31 Aug 77 Amended: 16 Jun 81 Rescinded: 20 Oct 81 (Amendments passed 16 Jun 81) Amended: 16 Dec 86 (Effective 01 Jan 87) Amended: 21 Jul 87 (Effective 01 Aug 87) Amended: 20 Sep 88 (Effective 01 Jan 89) Amended: 21 Nov 89 Amended: 16 Nov 93 (Effective 01 Dec 93) Amended: 18 Nov 03 (Effective 01 Jan 04)

Amended: 15 May 07 (Effective 01 Jul 07)
Amended: 17 July 12 (Effective 01 Sept 12)
Amended: 22 Apr 14 (subheading correction only)
Amended: 28 Oct 14 (Effective 01 Jan 2015)
Amended: 27 Oct 15 (Effective 01 Jan 2016)
Amended: 27 Dec 16 (Effective 01 Jan 2017)

Amended: 28 Mar 17 (Effective 01 Jan 2018)

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

FINANCE COMMITTEE

SUBJECT:

AMEND POLICY 5115-31, COMMITTEE FUNCTIONS, FINANCE COMMITTEE

DATE:

MARCH 22, 2017

At its meeting on March 21, 2017, the Finance Committee reviewed Policy 5115-31, Committee Functions, Finance Committee. The Committee recommended the Golden Rain Foundation Board of Directors amend the policy.

I move to amend Policy 5115-31, Committee Functions, Finance Committee, to change Item 3.k to read as follows: Make recommendations to the BOD concerning the master insurance policy.

COMMITTEE FUNCTIONS

Finance Committee

- h. Keep the Board regularly informed of existing or prospective needs or procedures affecting finance;
- i. Cooperate with the Director of Finance and Executive Director (ED) in the ongoing accounting matters in conjunction with the Mutual Corporations;
- j. Review the draft consolidated budget and make recommendations to the BOD;
- k. Make recommendations to the BOD concerning the <u>master</u> insurance <u>policycoverage needed by the GRF and Mutual Corporations and the awarding of contracts for same</u>;
- I. Review and make recommendations to the BOD concerning all income producing leases and management agreements;
- m. Recommend an auditing firm to the BOD for approval;
- n. Assist the BOD in understanding the compliance with any contracts relating to Finance.
- o. Initial approval of the annual budget for cost centers 31, 32, 39, 60, and 65, including Capital requests and upcoming Reserve replacements;
- p. Review monthly budget comparisons for cost centers 31, 32, 39, 60, and 65;
- q. Review the annual audit and draft financial statement and make recommendations to the BOD;
- r. Review policies for cost centers 31, 32, 39, 60, and 65 yearly and send recommended changes to the BOD for approval; and
- s. Furnish a report at the GRF Annual meeting.

4. LIMITATIONS:

It is to be recognized that the function of the Committee is to act in an advisory and consulting capacity.

Regulatory or supervisory activities affecting employed personnel are functions of Management and not to be encroached upon by any Committee Chairperson or member, either individually or collectively.

(September 2016MAR 2017)

Page 2 of 3

Golden Rain Foundation

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

INFORMATION TECHNOLOGY SERVICES (ITS) COMMITTEE

SUBJECT:

ADOPT POLICIES 5050-34, DIGITAL BILLBOARDS; 5050.01-34, REQUEST

FOR DISPLAY ON DIGITAL BILLBOARD AND 5051-34-WEBSITE

MANAGEMENT

DATE:

MARCH 6, 2017

At its meeting on March 6, 2017, the Information Technology Services (ITS) Committee unanimously recommended the adoption of policies to establish procedures to provide informational content to the general community and is available to all of the Shareholder/members of Leisure World Seal Beach.

I move to adopt Policies 5050-34, Digital Billboards; 5050.01-34, Request for Display on Digital Billboard and 5051-34-Website Management.

INFORMATION TECHNOLOGY SERVICES

ADOPT

Digital Billboards

1. PURPOSE

The purpose of this section is to establish basic policies and procedures to provide informational content to the general community, and is available to all of the Shareholders/Members of Leisure World Seal Beach.

The Digital Billboards are located in the following locations: Administration Building; Clubhouses 1, 2, 3 and 6; the Café in Building 5 and the Library.

2. TYPES OF INFORMATION TO DISPLAY

The Information Technology Services (ITS) Department is responsible for maintaining the Digital Billboards and accepts the following types of documents for display:

- Community Notices
- GRF Meeting Calendar
- Recreational Events
- Club Events
- Public Service Announcements (PSAs)

3. REQUIREMENTS FOR POSTING ON THE DIGITAL BILLBOARD

A "Request for Display" form must be filled out with the document to be displayed. The document must be pre-approved by the Recreation Manager, Publications Manager, ITS Department or the GRF Administration Office. Approved content may be posted no earlier than two weeks prior to the event, which will be taken down the day after the end-date of the event.

Priorities for display will be given to free events of community interest, and a fee based community events, if acceptable. The digital billboards will not be available to display any business-related or sales contents, nor money-raising functions.

Any exceptions will be determined by the Executive Director.

Policy Adopted: GOLDEN RAIN FOUNDATION Seal Beach, California

(Mar 17)

Page 1 of 1



REQUEST FOR DISPLAY ON DIGITAL BILLBOARD

The following types of documents may be displayed on the Digital Billboard:

Community Notices; Recreational Events; Club Events and Public Service Announcements (PSAs), and must be preapproved by the Recreation Manager or the ITS Department.

Please fill out form and print clearly and attached your document to be displayed.

Today's Date:	
Requestor's Name:	
Mutual/Unit:	
Phone Number:	
Club/Organization Name:	
Event Name:	
Event Start Date:	
Event End Date:	
Approval:	
Approval Date:	
Adopted:	

(Mar 17)

INFORMATION TECHNOLOGY SERVICES

ADOPT

WEBSITE MANAGEMENT

1. PURPOSE

This policy aims to:

- a) Clearly explain the roles and responsibilities of all parties involved in online content management;
- b) Ensure best practice in content management and usability principles are established and adopted by the Golden Rain Foundation (GRF);
- c) Outline processes for online content review, maintenance and development on our Internet website by the Information Technology Services (ITS) Department.

2. **DEFINITIONS**

2.1. Accessibility

Information on our website will be accessible to our Shareholders/ Members, vendors and public.

2.2. Content Author

Authorized personnel and/or persons allowed to submit online content to the ITS Department:

- 2.2.1. Recording Secretaries: Minutes and Agenda
- 2.2.2. <u>Executive Coordinator/Administrative Secretary</u>: Policies, Reports, Calendars, Meeting Announcements
- 2.2.3. <u>Recreation Manager:</u> Club Information, Club Events, Recreational Activities and Public Service Announcements (PSAs)
- 2.2.4. <u>Publications Manager:</u> Publications, Announcements, PSA's, Photography, Logos (GRF), Advertising (Marketplace tab only), Videos and Marketing Materials

INFORMATION TECHNOLOGY SERVICES

ADOPT

WEBSITE MANAGEMENT

- 2.2.5. <u>Facilities Director:</u> Notification of Construction, Utilities Information and Trust Property Information
- 2.2.6. <u>Executive Director:</u> Publications, Announcements, PSA's, and Photography.
- 2.2.7. <u>GRF President:</u> Publications, Announcements, PSA's, and Photography.

2.3. ITS Department

ITS Department is responsible for the online content maintenance submitted by authorized Content Author(s). ITS works with the content authors to manage the development and maintenance of online content on our website, to ensure content remains current and of value to our users.

3. **RESPONSIBILITIES**

3.1. Content Authors

Content Authors are responsible for creating and maintaining content relevant to their work area. Content Authors are only to submit online content as stated in Section 2.2, "Content Author."

3.2. Section Approvers

Section Approvers are responsible for authorizing the publication of content that is relevant to their section and/or department.

Section Approvers:

- Ensure that content created or edited by author is accurate and up-to-date;
- Ensure that content is appropriate for website users; and
- Will advise authors of any changes required to content before it is suitable for publication.

INFORMATION TECHNOLOGY SERVICES

ADOPT

WEBSITE MANAGEMENT

3.3. Homepage Content

Any changes to the Homepage Content will be determined by the Executive Director.

Policy Adopted: GOLDEN RAIN FOUNDATION Seal Beach, California



Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO: GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM: PHYSICAL PROPERTY COMMITTEE (MW)

SUBJECT: ADDITION OF RAILS AND STAIRS TO THE POST OFFICE

DATE: MARCH 21, 2017

CC: FILE

Requests have been made to add railings and stairs to the Post Office in the community. The Physical Property Committee (PPC) instructed staff to obtain the cost from MJ Jurado . At its meeting on March 13, 2017, the PPC reviewed a quote (exhibit A) from MJ Jurado, to remove the posts and chain around the post office, install stairs at the entrance, and add ballards with hand rails, for a cost not to exceed \$9,100 and forward this request to the Finance Committee for Capital Funding review.



At its meeting on March 21, 2017, the Finance Committee reviewed the non-budgeted Capital funding request for \$9,1000, by the PPC and approved the expense.

I move to award a contract to MJ Jurado, in an amount not to exceed \$9,100, Capital Funding, to remove the posts and chain around the post office, install stairs at the entrance, and add ballards with hand rails and authorize the President to sign the contract.

2



Ph: (714) 397-0143 Fax: (714) 827-2110 Lic.# 987670

Proposal

Date	Estimate #
3/2/2017	17-0233

ATTN:

Golden Rain Foundation 13533 Seal Beach Blvd. Seal Beach Ca 90740

Pro	ject		
Post Office Concr	ete Steps Handrail		
Description	Qty	Rate	Total
Demo Existing & Construct New Step At Entrance To Post Office, Includes Hand Rails at Entrance Painted.	1	5,600.00	5,600.00
Optional - Demo Existing 1-1/2" Ballards & Plastic Chain & Dispose .Place New 4" Ballards Painted Yellow To Protect Post Office Building with Hand Railing . Tieing Into Front Entrance Steps.	1	3,500.00	3,500.00
Option 2 - Demo Existing 1-1/2" Ballards & Plastic Chain and Dispose . Place 4" Ballards with Footing And No Hand Railing . 450.00 Each .	1	0.00	0.00
		and utilities that may be	domaged during
Exclusions: Demo grading, water, permits, surveys, approved plans, soils excavation, all work or items furnished by others.	tech, inspections, unde	rground utilities triat may be	damaged during
Ve can schedule this work to meet your production requirements. Thank yonsideration. We trust we can be of service. lichael J. Jurado	ou for your	Total	\$9,100.00
Approved By:	Date:	44-15-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	

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BOARD ACTION REQUEST

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS TO:

RESCIND POLICIES 5561-50, RECREATION PROGRAM AND SUBJECT:

RECREATION COMMITTEE

1411.3-50, MAXIMUM ROOM CAPACITIES

MARCH 16, 2017 DATE:

FROM:

At its meeting on March 8, 2017, the Recreation Committee reviewed the Policies 5561-50, Recreation Program and 1411.3-50, Maximum Room Capacities. The Committee recommended the Golden Rain Foundation Board of Directors rescind the Policies.

I move to rescind Policies 5561-50, Recreation Program and 1411.3-50, Maximum Room Capacities.

BOARD INTERNAL OPERATIONS

RESCIND

Recreation Program

The Board of Directors accepts the purpose of the recreation and service program as an adjunct to the health program of Leisure World. The primary purpose is to provide physical activity and social environment. The following criteria is approved:

- 1. The program will be provided at no cost to the resident other than that contributed in the monthly payment, or otherwise as approved by the Board of Directors.
- 2. The program will be based and maintained according to resident interest and will remain in effect only as long as the interest justifies its perpetuation.
- 3. The program shall be sufficiently diverse to provide recreational value to as many residents as possible in the project.
- 4. Necessary equipment and supplies within budget limitations will be provided by the Foundation for the successful operation of the program.

Policy

Adopted: Revised: 17 Sept 62 04 Nov 64

(Nov 64)

GOLDEN RAIN FOUNDATION Seal Beach, California

Page 1 of 1

USE OF COMMUNITY FACILITIES

RESCIND

Maximum Room Capacities

- 1. Clubhouse room reservations may be made for one year prior to the event.
- 2. The following maximum room capacities will be observed when reservations are made with the Recreation Office for each respective room:

	Dinner Set-up	Lecture Set-up
Clubhouse One Auditorium	445	675
Clubhouse Two Auditorium/Stage Auditorium for Movie Card Room (16 Tables)	375 	600 500 51
Clubhouse Three Rooms 1 and 2 Rooms 3 through 8 Room 9 Board Room Lobby	85 28 56 	120 50 90 33 400
Clubhouse Four Section A (left {kitchen} side) Section B (middle) Section C (right side)	90 114 90	175 206 175
Clubhouse Six 1st Floor		136
2 nd Floor Room A Room B Open Area C		40 30 75

Policy

Adopted: Amended:

17 Mar 92 08 Mar 94

Amended: 17 Feb 04

GOLDEN RAIN FOUNDATION Seal Beach, California

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Leisure World, Seal Beach

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

RECREATION COMMITTEE

SUBJECT:

AMEND POLICIES 1405-50, LITERATURE - COMMUNITY FACILITIES;

1471-50, DISPLAY OF TROPHIES AND PLAQUES; 1511-50, DISSEMINATION

OF INFORMATION - CLUBS AND 1423-50, BULLETIN BOARDS

DATE:

MARCH 16, 2017

At its meeting on March 8, 2017, the Recreation Committee reviewed Policies 1405-50, Literature – Community Facilities; 1471-50, Display of Trophies and Plaques; 1511-50, Dissemination of Information; and 1423-50, Bulletin Boards. The Committee recommended the Golden Rain Foundation Board of Directors amend the policies.

I move to amend Policies 1405-50, Literature – Community Facilities; 1471-50, Display of Trophies and Plaques; 1511-50, Dissemination of Information; and 1423-50, Bulletin Boards, to reflect the changes consensually agreed on by Recreation Committee members.

USE OF COMMUNITY FACILITIES

Literature - Community Facilities

The community facilities (except for office areas) of Seal Beach Leisure World are intended for cultural and recreational use of all residents, as well as official meetings of elected representatives of the Golden Rain Foundation and Mutual corporations and the

Publications of general cultural and recreational interest may be placed in the lobby and public areas of the clubhouses or other community facilities.

All material must be approved and posted by the Recreation Department in ADR Committee approved enclosed bulletin boards.

Advertising of a political, sectarian or travel nature may not be placed in public areas except at regular meetings of interested groups.

The Community Facilities Recreation Manager is authorized to remove any printed material that does not qualify for placement in community facilities.

Policy

Adopted:

16 Jul 74

Amended:

19 Aug 86

Amended:

GOLDEN RAIN FOUNDATION Seal Beach, California

(Aug 86)

Page 1 of 1

USE OF COMMUNITY FACILITIES

Display of Trophies and Plaques

Display of trophies and plaques in the clubhouses shall be permitted under the following conditions:

- Each request from a club, or organization or individual wanting to display a install trophy or plaque cases will be referred to the Recreation Committee.
- All trophies in the clubhouses shall be contained in trophy cases approved by the ADRC Recreation Committee.
- 3. The Recreation Committee ADRC is assigned the responsibility of approving the size and specific location for trophy cases.
 - If a club or organization makes a request to the Community Facilities Manager for display of a trophy, and room is not available at the time, the Community Facilities Manager shall remove the oldest appropriate trophy to make room for the new. The trophy removed will be delivered to the club or organization owning the trophy.
- 4. Trophies displayed in the community facilities will be limited to those awarded to recognized clubs, and organizations and individual at Seal Beach Leisure World.
- 5. Trophies shall be limited to one (1) year on display and then are to be returned to the club, organization or individual.
- 6. Plaques awarded to a club, organization or individual will be displayed on the Electronic Billboard only and then returned to club, organization or individual.

Policy

Adopted: Amended: 21 Mar 72 18 Apr 72

Amended:

16 May 78

Amended:

Page 1 of 1

GOLDEN RAIN FOUNDATION

Seal Beach, California

RESIDENT INFORMATION

Dissemination of Information - Clubs

Information accumulated by the Recreation Department concerning the clubs in Leisure World will be treated as restricted information on a basis similar to that stated in Policy #1510.

The Recreation Community Facilities Manager is authorized to disseminate information about the clubs of Leisure World in the following situations:

- 1. When the club has given such permission in writing to the Recreation Department.
- 2. When requested by the Recreation Committee.
- 3. When the information is in a published directory distributed to all residents and authorized by the Golden Rain Board.

Policy

Adopted: 20 Mar 73

Amended:

GOLDEN RAIN FOUNDATION Seal Beach, California

Page 1 of 1

Golden Rain Foundation

Leisure World, Seal Beach

BOARD ACTION REQUEST

TO:

GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

FROM:

RECREATION COMMITTEE (TD)

SUBJECT:

CLUBHOUSE TWO GRIDDLE ELECTRICAL UPGRADE

DATE:

MARCH 21, 2017

CC:

FILE

Upon delivery of the new griddle unit for Clubhouse Two it, was discovered that due to code changes, the new griddle unit would require upgrades to the Clubhouse's existing electrical systems to perform the proper installation of the new unit.

The following three electrical Contractors provided bids to perform the upgrades for the installation of this unit:

	Schlick Services, Inc	\$4,412.18
•	J.C. Kress Construction	\$4,975.00
	Bergin Electric	\$5,399.00

At its March 8, 2017 meeting, the Recreation Committee approved the bid from Schlick Services Inc., in the amount of \$4,412.18, to provide the electrical upgrades necessary at Clubhouse Two and, to add an additional \$2,500 for contingencies (plans and permits), for a total amount not to exceed \$7,000, from the capital portion of the budget and to send the request to the Finance Committee to approve the funding.

At its March 21, 2017 meeting, the Finance Committee approved the funding for the electrical upgrades for the installation of the new griddle at Clubhouse Two in the amount not to exceed \$7,000 from the capital portion of the 2017 budget and to award the contract to Schlick Services, inc.

I move to approve the electrical upgrades for the installation of the new griddle at Clubhouse Two, in the amount not to exceed \$7,000, from the capital portion of the 2017 budget, and to award the contract to Schlick Services, Inc. and authorize the President to sign the contract.