

AGENDA
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR
March 11, 2020
Open Forum begins at 9:15 a.m. – Meeting begins at 9:30 a.m.
Administration Building, Conference Room A

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Marsha Gerber, GRF Representative
Jodi Hopkins, Mutual Administration Director
Carolyn Miller, Director of Finance
Eloy Gomez, Safety/ Emergency Coordinator
Kevin Black, Building Inspector
Ripa Barua, Recording Secretary
4. APPROVAL OF MINUTES
Regular Meeting Minutes of February 12, 2020
5. **GUEST SPEAKER** **Ms. Miller**
 - a. Discuss and vote to accept the 2019 draft audited financial statements (pp. 3-7)
6. **GUEST SPEAKER**
 - a. Turf Weed Control
7. **GUEST SPEAKER** **Mr. Gomez**
 - a. Information on Coronavirus Prevention
8. BUILDING INSPECTOR'S REPORT Mr. Black

Permit activity; escrow activity; contracts & projects; shareholder and mutual requests (pp. 8-9)

 - a. Discuss and vote to approve patio proposal for Unit 47-H (pp. 10-12)
 - b. Discuss and vote to approve awnings proposal for Unit 75-F with AAA awnings (pp. 13-14)
 - c. Discuss drain at Unit 89-G
9. GRF REPRESENTATIVE Ms. Gerber
10. SECRETARY / CORRESPONDENCE Mr. Lessin
11. CHIEF FINANCIAL OFFICER'S REPORT Ms. Smith
12. **UNFINISHED BUSINESS**
 - a. Discuss the Occupancy Agreement Restrictions on in-home businesses Ms. Kuhl
 - b. Discuss Fenn Mosquito Traps and OC Vector Control
 - c. Discuss to opt-out of the appliance business

13. **NEW BUSINESS**

- a. Approval of mutual monthly finances (p. 15) Ms. Smith
- b. Discuss and vote to cancel Mutual 4's regular Board of Directors meeting on May 13, 2020 (p. 16)
- c. Discuss training session and how it applies to the Mutual.

STAFF BREAK BY 11:00 a.m.

14. MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins

15. COMMITTEE REPORTS

- a. Emergency Information Mr. Lessin
- b. Mutual Administration Committee Ms. Kuhl
- c. Recreation Ms. Kuhl
- d. Physical Property Mr. Russell
- e. Landscape Ms. Smith / Mr. Conley
- f. Special Events Ms. Smith / Mr. Friedland
- g. Presidents' Council Mr. Levitt

16. ANNOUNCEMENTS

NEXT MEETING: Wednesday, April 8, 2020, at 9:15 a.m. Administration Building, Conference Room A

17. DIRECTORS' COMMENTS

18. SHAREHOLDERS' COMMENTS (3 minutes)

19. ADJOURNMENT

20. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12:00 p.m.

Mutual Corporation No. Four

MEMO

TO: MUTUAL FOUR BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE 2019 DRAFT AUDITED FINANCIAL STATEMENT (GUEST SPEAKER, ITEM A)
DATE: MARCH 11, 2020
CC: MUTUAL FILE

I move to accept that the Board of Directors of Seal Beach Mutual Four, upon a presentation of the Financial Statements as of December 31, 2019, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned Financial Statements and reports therein, and authorize the President to sign the Management Representation Letter.



March 11, 2020

CliftonLarsonAllen LLP
1925 Century Park East, 16th Floor
Los Angeles, CA 90067

This representation letter is provided in connection with your audit of the financial statements of Seal Beach Mutual No. Four, which comprise the balance sheet as of December 31, 2019, and the related statements of operations, stockholders' equity, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 11, 2020, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 27, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. No events have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Transfers and designations of fund balance and interfund borrowings were properly authorized and approved and have been properly reflected in the financial statements and disclosed to you.
10. Material concentrations have been properly disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Mutual is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
12. Receivables recorded in the financial statements represent valid claims against debtors for assessments or other charges arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of the Mutual's related parties and all the related party relationships and transactions of which we are aware.
10. The Mutual has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
11. The Board of Directors is collecting funds for future major repairs and replacements in conformity with the Mutual's policy to fund for those needs based on a study disclosed in the supplementary information to the financial statements. The Board of Directors believes the funds will adequately provide for future major repairs and replacements.
12. The Mutual's allocation of expenses against membership and non-membership income conforms with IRS rules, which require that the allocation be made "on a reasonable and consistently applied basis." We have adequately documented such allocation.
13. We understand that management is responsible for the Mutual's choice of filing Form 1120 and the consequences thereof.
14. We acknowledge our responsibility for presenting the required supplementary information (RSI) about future major repairs and replacements required by the Financial Accounting Standards Board (FASB). The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
15. We acknowledge our responsibility for presenting the Supplementary Information regarding Funds for Future Repairs and the Comparative Information on Budget Figures in accordance with U.S. GAAP, and we believe the supplementary and comparative information regarding funds for future repairs, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary and comparative information regarding funds for future repairs have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

16. We acknowledge our responsibility for presenting the Supplementary Information related to the Schedule of Direct Expenses, including its form and content, in accordance with U.S. GAAP. The methods of measurement and presentation of Schedule of Direct Expenses have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of this information.
17. Upon implementation of ASU 2014-9 (and related amendments), revenue from contracts with customers has been appropriately accounted for and disclosed in accordance with FASB ASC 606, Revenue from Contracts with Customers. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amount and timing of revenue recognized in the financial statements.
18. No cumulative effect adjustment is required to be reflected in the financial statements related to the adoption of FASB ASC 606 as the pattern of revenue recognition did not change from prior accounting policies.

Signature: _____ Title: President, Seal Beach Mutual No. Four
Mike Levitt

Signature: _____ Title: Executive Director, Golden Rain Foundation
Randy Ankeny

Signature: _____ Title: Director of Finance, Golden Rain Foundation
Carolyn Miller

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **MARCH 11TH 2020**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
4-75,76,87,88	roofing	both	07/10/19	12/31/19	no	nailing 74, 3/2/20	boards may have to change completion date
4-76J	retor windows	both	08/15/19	02/15/20	no		lw décor
4-46A	remodel	both	10/01/19	6/30//2020	patio revisi	footing 11/15/19	mamuscia
4-46I	washer/dryer/kitchen remodel	both	10/07/19	11/30/19	NO	und 11/20/19 - final	ROBERTS
4-44C	cart pad	GRF	11/12/19	12/12/19	no	ok 12/11/19 - final 1	Anguiano Lawn Care eed BOD appr.
4-74D	flare kit/skylights/lights	both	12/05/19	05/30/20			m and m skylights
4-42L	two shutters at windows	GRF	01/02/20	01/27/20	es finish date		shareholder/bod ok 12/10/19
4-81J	flooring	GRF	01/16/20	05/20/20	no		LW Décor
4-88C	microwave	both	02/05/20	05/25/20	no		lw décor
4-75A	shower cut down	GRF	2/6/20	03/06/20	no		nukote
4-37A	ductless heat pump	both	02/25/20	03/25/20	no		alpine
4-86I	carport cabinet	grf	02/15/20	03/15/20	no		j&J const. handy man
4-75G	repl. Ducted heat pump	both	02/26/20	05/26/20	no		greenwood
4-78B	through wall ac	both	02/25/20	05/25/20	noo		greenwood

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCEI	ROF	DOCUMENTS/COMMENTS
4-78B		09/26/18			02/21/20		
4-76E		09/28/18					
4-87H		03/07/19					
4-40G		06/11/19					
4-74C		08/23/19	11/07/19	11/07/19	11/21/19		
4-48K		09/20/19	10/29/19	10/29/19	11/08/19		
4-86I		10/01/19	11/19/19				
4-47F		10/23/19					
4-48L		09/20/19	10/29/19	10/29/19	11/12/19		
4-73K		11/19/19	02/13/20	02/14/20	02/27/20		
4-43C			02/03/20	02/20/20	12/31/19		
4-38D		12/19/19	02/27/20	03/06/20			
4-45J			02/12/20	02/12/20	02/24/20		
4-50A			02/21/20	03/02/20	03/10/20		
4-40J		02/14/20					
4-41G		02/14/20	02/27/20				
4-39J							
4-37J	2/26/2020						

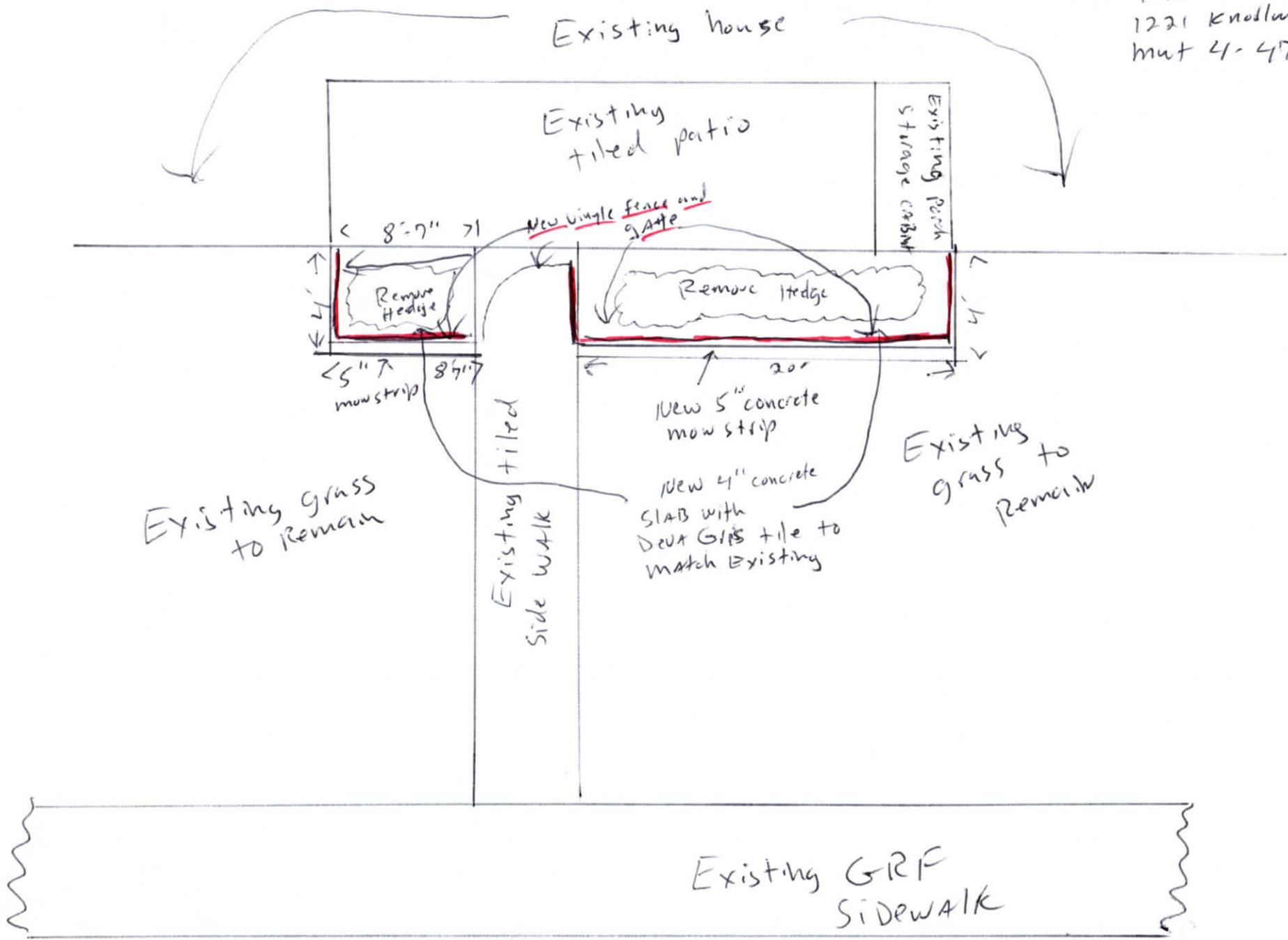
Mutual Corporation No. Four

MEMO

TO: MUTUAL FOUR BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 47-H
(BUILDING INSPECTOR'S REPORT, ITEM A)
DATE: MARCH 11, 2020
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 47-H.

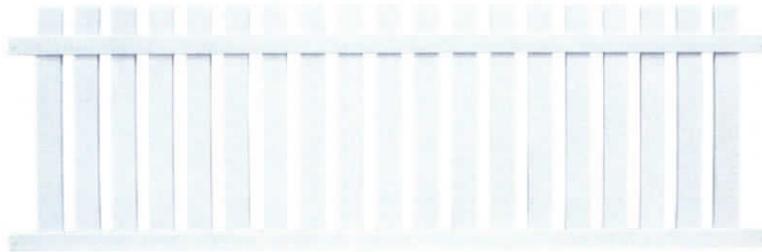
Rick Gross
1221 Knollwood
mut 4-47-H



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Internet #301328411 Model # PWPI-3NR-3X8

Rick Gross
mut 4-47H



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Weatherables

Provincetown 3 ft. H x 8 ft. W White Vinyl Picket Fence Panel Kit

★★★★ (2) [Write a Review](#)

\$164⁹¹

Save up to \$100* on your qualifying purchase.
[Apply for a Home Depot Consumer Card](#)

Color/Finish: **White**



Nominal Panel Height x Width (ft.): **3 ft x 8 ft**



Quantity

Not in Your Store - We'll Ship It There

Available for pickup
March 2 - March 5

Mutual Corporation No. Four

MEMO

TO: MUTUAL FOUR BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE AWNINGS PROPOSAL FOR UNIT 75-F
WITH AAA AWNINGS (BUILDING INSPECTOR'S REPORT, ITEM B)
DATE: MARCH 11, 2020
CC: MUTUAL FILE

I move to approve the awning proposal for Unit 75-F with AAA Awning.

H-75F



Mutual Corporation No. Four

MEMO

TO: MUTUAL FOUR BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: MARCH 11, 2020
CC: MUTUAL FILE

I move to acknowledge, that per the requirements of Civil Code Section 5500(a)-(f), a review has been completed of the Mutual's reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, income and expense statement for the Mutual's operating and reserve accounts, the check registers, the monthly general ledger and delinquent assessment receivable reports for the month of February 2020.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO CANCEL MUTUAL 4'S REGULAR BOARD OF DIRECTORS MEETING ON MAY 13, 2020 (NEW BUSINESS, ITEM B)
DATE: MARCH 11, 2020
CC: FILE

I move to approve canceling Mutual 4's Regular Board of Directors meeting scheduled for Wednesday, May 13, 2020.