

INFORMATION



July 16, 2019

Subject: 5501 Committee Report - 7/9/2019 Meeting on May 2019 Financial Records

BACKGROUND:

California recently passed AB2912, effective January 1, 2019, that created new civil code 5500/5501.

1. Civil Code 5500 Items Monthly Review Meeting Items
 - a. Current reconciliation of the association's operating accounts,
 - b. Current reconciliation of the association's reserve accounts,
 - c. Current year's actual operating revenues and expenses compared to budget,
 - d. Latest account statements prepared by the financial institutions for all accounts,
 - e. An income and expense statement for the association's operating and reserve accounts, and
 - f. Check register, monthly general ledger, and delinquent assessment receivable reports
2. Civil Code Monthly CA5501 Report
 - a. A statement that subcommittee members have reviewed the items in (1) above,
 - b. A statement regarding any noteworthy findings, including any corrections to be made in a further review of the month and or subsequent months, and
 - c. Acknowledgment by subcommittee participants of their participation in the review.

REPORT:

- a. The committee met on July 9, 2019 from 3pm to 4:30pm and reviewed items in (1) above for May 2019 financial records.
- b. The committee performed a drill-down on a randomly selected amenity, Trout Creek Recreation Center, and reviewed all aspects of general ledger details and related accounting policies and procedures. This will be performed on one department each 5501 meeting. Two employee discounts were tracked back to supporting documentation. One was a basic employee discount, and review noted no exceptions. The 2nd was an unusual transaction that required research (result below), no exception.

From: Sandy Sutherland
Sent: Thursday, July 11, 2019 9:15 AM
To: Tracy Pearson <tpearson@tahoedonner.com>
Subject: RE: Transaction 5/11/19

Hi Tracy,

Yes, this person is a member & an employee. She purchased the fitness pass under her member profile in December at the old rate of 399.00. We started charging entrance fees in addition to class fees at the beginning of May so she was having to use her employee card for entrance and her member card for the classes. The front desk staff kept telling her she didn't have the unlimited pass & it was causing a lot of confusion. I returned the fitness pass on her Member profile and resold on her employee profile but the rates had changed so I adjusted the rate and put the expiration date at the original expiration date. I hope this makes sense to you, let me know if you have any questions.

Sandy Sutherland – Lead Host
Trout Creek Recreation Center

INFORMATION



- c. The committee reviewed investments report. Director Roth questioned the amount of Municipal bonds in portfolio, given TDA is a non-profit and pays minimal income taxes. This subject is being addressed by the Investment subcommittee of Finance Committee.
- d. The committee reviewed the trial balance, General Ledger, check register and supporting reconciliations. One random selection on check register was traced back through to General Ledger detail with no exceptions. Question regarding retainage: Contractor retainage on Trout Creek remodel project is 5%.
- e. The committee reviewed member delinquent accounts receivable reports. Note, the full Board is briefed in executive session monthly on this matter.
- f. Other discussion items included: None noted
- g. The committee noted no adjustments necessary to the May 2019 financial statements. Items for follow-up at a future date include the following:
 - 1. Follow up with Mountain Hardware and determine if we can obtain better than 5% discount on charges. [Salmon]
- h. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
 - 1. Jeff Connors, Treasurer
 - 2. Jim Roth, Secretary
 - 3. Steve Mahoney, Finance Committee designee
 - 4. Michael Salmon, Director of Finance
 - 5. Melanie Rives, Controller
 - 6. Tracy Pearson, Senior Accountant
 - 7. Robb Etnyre, General Manager
- i. Next 5501 Meeting – June Review is scheduled for July 23rd
(Board – Treasurer and Koenes) (Finance Committee – Tom Johns, Michael Eaton Lloyd)

Prepared by: Michael Salmon, Director of Finance

Board Agenda Meeting Date for Ratification: July 27, 2019

GM Approval for Agenda: _____