

INFORMATION



August 6, 2020

Subject: 5501 Committee Report – 7/28/20 Meeting on June 2020 Financial Records

BACKGROUND:

California legislature Assembly Bill #2912, effective January 1, 2019, 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 28, 2020 - from 2:00pm to 3:45pm and reviewed items in (1) above for June 2020 financial records.
- b. The committee reviewed June Financial Statements/Report.
YTD June Consolidated Net Result loss of (\$1,007,000) was favorable to Budget \$173,000/15% to Budget and unfavorable (\$2,000/0%) to Prior Year.
June Operating Fund NOR loss of (\$680,000) was favorable to Budget \$138,000/17% and unfavorable (\$23,000/3%) to Prior Year.
-The complete financial report can be referenced at this link [June 2020 Financial Report](#).
- c. Investments Reconciliation for April to June to be sent to and reviewed with Treasurer.
- d. The committee reviewed the trial balance, General Ledger, check register and supporting reconciliations. Several check payments and reconciliations were reviewed noting no exceptions. The committee review \$10,000+ payments report. (**attachment A**). Reviewed reconciliation detail for House clearing account and Tri Counties Bank accounts.
- 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: Discussed process of posting expenses, revenues and discounts for various amenities to the general ledger.
- g. The committee noted no adjustments necessary to the June 2020 financial statements. Items for follow-up at a future date include the following:

INFORMATION



New,

1. Top 25 Delinquent Account report – collection estimates/ Detailed Collection Procedures of Tahoe Donner & Platinum regarding delinquent accounts
2. Investment Reconciliation for June
3. Mutual of Omaha CD Investment Research
4. Rec Fee and Overhead adjustment write up
5. Written Treasury Report

Old, remains outstanding:

1. F&B Cogs to be reviewed further
2. Refiling of prior year tax returns to include FICA tip tax credit.
3. Report to the Board on the ADA remodel of Northwoods bathrooms (contractors, costs)
4. Investment account reconciliation for April-May & training
5. RRF Savings for April
6. Process for allocating capital projects payroll
7. Gift Card Escheatment Law – 48k balance at 6/30/20

*Follow up review:

1. Overtime for May: *See page 39 of the [May 2020 Financial Packet](#) for Overtime Hours Detail
 2. Car insurance credit for businesses: Our insurance AIG was recently mandated by the Sate of CA to provide some relief. We will see adjustments processed shortly.
 3. Food Trailer Storage: Stored at the Downhill Ski Area
 4. Operating Fund Balance Policy: [Operating Fund Policy 2018](#)
 5. Aspenware Check: Capital Project- Initial Payment for Estore Replacement
 6. Davenport Check: Capital Project- Annual Maintenance fee for Lama (ASO Software)
 7. AP Check Register “Missing”: On the 10k plus check register anything showing missing is a check lower than 10k- The missing checks are on the complete check register. On the complete check register missing checks are only showed between voids as our software lists the ranges of checks from past periods when including a void from that period.
 8. Top 25 delinquent accounts line item 2: ASO/Covenant Fines and finance charges dating back to 2006- Member usually pays assessment on time but hasn’t paid 2020 assessment this year.
- h. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Treasurer
 2. Courtney Murrell, Secretary
 3. Cathy Ravano, Finance Committee designee
 4. Terry Watson, Finance Committee designee
 5. David Mickaelian, General Manager
 6. Brian Dunn, Director of Finance (Interim)
 7. Tracy Pearson, Senior Accountant
- i. Next 5501 Meeting – July 2020 Review is scheduled for August 25, 2020
(Board – Treasurer and Murrell) (Finance Committee – Dundas)

Prepared by: **Tracy Pearson, Senior Accountant**

Board Agenda Meeting Date for Ratification: August 28, 2020

GM Approval for Agenda: