

# INFORMATION



August 27, 2020

**Subject: 5501 Committee Report – 8/25/20 Meeting on July 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 August 25, 2020 - from 2:00pm to 3:45pm and reviewed items in (1) above for July 2020 financial records.
- b. The committee reviewed July Financial Statements/Report.  
YTD July Consolidated Net Result loss of (\$4,880,000) was unfavorable to Budget (\$141,000/3%) to Budget and unfavorable (\$684,000/16%) to Prior Year.  
July Operating Fund NOR loss of (\$781,000) was unfavorable to Budget (\$486,000/164%) and unfavorable (\$686,000/721%) to Prior Year.
- c. Investments Reconciliation for July to be reviewed with Treasurer and sent to meeting attendees.
- 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. Reviewed reconciliation detail for Tri Counties Bank Account- Daily Sales Credit Cards.
- 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: Process of bank activity and sweeps between Tri Counties Bank Accounts, Investment Accounts and visitation at Beach Club Marina.
- g. The committee noted no adjustments necessary to the July 2020 financial statements. Items for follow-up at a future date include the following:

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New,

## 1. Investment Reconciliation for July

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-June & training
5. RRF Savings for April
6. Process for allocating capital projects payroll
7. Gift Card Escheatment Law – 48k balance at 6/30/20
8. Mutual of Omaha CD Investment Research
9. Rec Fee and Overhead adjustment write up
10. Written Treasury Report

\*Follow up review:

1. Delinquent Accounts: Attendees were presented with information regarding collection procedures regarding Tahoe Donner and Platinum.
  2. ASO Fines: 75% of fines are reserved as uncollectible
  3. 20110-901 Accrued Payables: Monitor Premiums- Invoice received 5/31/2020, voucher mistakenly input as 3/31/2020. Retail items (Collapsible Water Bottles) not received until 7/31/20. Check cut 8/7/2020 for items received.
  4. Truckee River Watershed Check 10k Plus: Permit fee for Nature Loop Trail Improvements Project.
  5. Development Fund Expenses consists of Bad Debt Expense, Income Taxes, and Overhead Allocation- Savings in expenses is all related to Allocated overhead.
- h. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Treasurer
  2. Jim Roth, Director
  3. Cathy Ravano, Finance Committee designee
  4. John Dundas, Finance Committee designee
  5. Julie Vietor, Finance Committee designee
  6. Terry Watson, Finance Committee designee
  7. Annie Rosenfeld, Director of Risk Management
  8. Brian Dunn, Director of Finance (Interim)
  9. Tracy Pearson, Senior Accountant
- i. Next 5501 Meeting – August 2020 Review is scheduled for September 22, 2020 (Board – Treasurer and Don Koenes) (Finance Committee – TBD)

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

Board Agenda Meeting Date for Ratification: TBD

GM Approval for Agenda: