

# INFORMATION



October 29, 2020

**Subject: 5501 Committee Report – 10/27/20 Meeting on September 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 October 27, 2020 - from 2:00pm to 3:20pm and reviewed items in (1) above for September 2020 financial records.
- b. The committee reviewed September Financial Statements/Report.
- c. Investments Reconciliation for August to be reviewed with Treasurer and sent to meeting attendees. Tracked Interest from GL detail back to Wells Fargo Operating Fund Statement.
- 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- Cash Receipts and tracked and ACH from the 10k plus ACH Report back to the Tri Counties Statement.
- 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: Rec Fee Revenue, Reserve and Development fund expense savings due to delayed capital projects, year-end forecast,
- g. The committee noted no adjustments necessary to the August 2020 financial statements. Items for follow-up at a future date include the following:

New,

1. ASO Deposits- Old deposits on file to be investigated by ASO Manager

# INFORMATION



## 2. Capital Funds Summary- Jon Mitchell

Old, remains outstanding:

1. Investment account reconciliation training
2. Investments Reconciliation July - September
3. RRF Savings for April
4. Process for allocating capital projects payroll
5. Rec Fee and Overhead adjustment write up
6. Written Treasury Policies
7. Financials on to Tahoe Donner Website (Financials section) April – August

\*Follow up review:

1. Capital Funds Summary Report- Page 39 to 49 in the 202009 Finance Package
  2. David/Board to Review 10% operating fund contingency reserve
  3. Delinquent Accounts - #21 See **Attachment A** for Fine Memo regarding the \$3,500 write off
  4. 11316-901: Mislabeled on the Trial Balance (C03) Account is named COVID Sick/ Fed Tax Credit- See the General Ledger Detail for correct name and activity for the month in that account. We receive tax credit for COVID wages paid so we use a separate account to track them. Received a check from the state in October for \$279k.
  5. Employee expense reimbursement policy: See **Attachment B**.
  6. Rec Fee: Original budget spread was based on 2019 usage- Usage per amenity significantly changed when COVID hit. Rec fee revenue is now allocated to be in line with current amenity usage.
- h. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Treasurer
  2. Charles Wu, Director
  3. Cathy Ravano, Finance Committee designee
  4. Jim Colbert, Finance Committee designee
  5. John Dundas, Finance Committee designee
  6. Terry Watson, Finance Committee designee
  7. David Mickaelian, General Manager
  8. Tom O'Neil, Controller
  9. Tracy Pearson, Senior Accountant
  10. : Additionally, several non-Committee homeowners attended the meeting including J. Connors, Y. Yoo, J. Vietor
- i. Next 5501 Meeting – October 2020 Review is scheduled for November 24, 2020  
(Board – Treasurer and C. Murrell) (Finance Committee – Ravano, Dundas, Watson)

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

Board Agenda Meeting Date for Ratification: November 20, 2020

GM Approval for Agenda:

MEMO

## Fine Memo For Accounting

**DATE:** September 2, 2020  
**FROM:** Sheryl Walker  
**UNIT/LOT:** [REDACTED]  
**TD ADD:** [REDACTED]  
**NAME:** [REDACTED]  
**FILE#:** 19-0044-P  
**VIOLATION:** Minor: NP Railing, Windows, Stain  
**TERMS:** Reduction of Fine to \$4000

Appeal Meeting Minutes:

**BOARD DECISION AND ACTION STATEMENT:**

By Motion: The board of directors voted to deny the appeal with modifications to the levied fines, reducing total imposed fines due from \$7,500 to \$4,000. This modification to the decision is due to recognizing the completion of the project and appreciation to improving a property with aesthetic deficiencies.





**Tahoe Donner Association  
September 4, 2020**

**Employee Reimbursements and Credit Card Usage**

*Employee Reimbursements*

When employees incur expenses for less than \$100 on behalf of TDA they can request reimbursement from petty cash in the accounting department. To be reimbursed they must have the receipt, sufficient description of the expense, and appropriate approval (manager or direct supervisor). A Petty Cash Reimbursement Receipt is completed and initialed by accounting personnel and then by the employee requesting reimbursement upon receipt of the cash. The Petty Cash Reimbursement Receipt and the expense receipt are filed in the petty cash box and reconciled by the Deposit Clerk at the end of every month. The Controller reviews and approves the final reconciliation of petty cash.

When employees incur expenses for more than \$100 on behalf of TDA they are required to complete a Check Request, which includes attaching the receipt, sufficient description of the expense and appropriate approval (manager or direct supervisor). The Check Requests are submitted to A/P where they verify that all required elements are attached/completed. The check is then processed like all other disbursements and signed by two authorized check signers.

*TDA Corporate Cards*

All Senior Managers, Purchasing Coordinator, General Manager, MIS Manager, Senior Capital Project Manager, Maintenance Manager, Assistant Director of Operations, Trout Creek Manager, and Day Camps Supervisor have TDA Corporate Credit Cards. Employees submit monthly, to accounting, a credit card expense report that includes receipts of their purchases that their managers have reviewed and approved. Employees are required to fill out a purchase request form for approval depending on their positions and spending limit. In the case of the General Manager, the Board Treasurer reviews and approves those credit card charges on a quarterly basis. When the statements come in, all receipts are matched to the charges. If a receipt is missing a memo is sent to the cardholders requesting the receipt (happens rarely). The payment is then processed via ACH by the Director of Finance.