

INFORMATION



July 21, 2021

Subject: 5501 Subcommittee Report – 07/20/21 Meeting on June 2021 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 subcommittee met on July 20, 2021 - from 3:01pm to 4:26pm and reviewed items in (1) above for June 2021 financial records.
 1. The subcommittee reviewed June Financial Statements/Report. Financials: [Financial Presentation](#)
- b. Investments Reconciliation for June separately reviewed by the Treasurer and the alternate board attendee (Courtney Murrell). Confirmation sent by the Treasurer to the GM, DFA, alternate Board attendee (Murrell) and the Chair and Vice-Chair of the Finance Committee. (**Attachment A**)
- c. The subcommittee 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+ ACH and Checks report. Reviewed reconciliation detail for Tri Counties Bank Accounts- General and Cash Receipts and tracked 3 randomly selected checks from check register to general ledger to bank statement. Reviewed back up for 3 checks from the check register.
- d. The subcommittee reviewed member delinquent accounts receivable reports. Note, the full Board is briefed in executive session monthly on this matter. To review in detail quarterly.
- e. Other discussion items included: Golf course staffing levels, overtime hours, and recruiting strategy. Accounts Receivable and adequacy of reserve for bad debt. Also discussed the planned closing of the Tri-Counties Truckee branch in October 2021 and possible future banking relationships for TDA Operating Funds.
- f. The subcommittee noted no adjustments necessary to the June 2021 financial statements. Items for follow-up at a future date include the following:

INFORMATION



Old, remains outstanding:

1. Investment account reconciliation training
2. Written Treasury Policy
3. Written Collection Procedures

*Follow up review:

1. 11310-901 AR-Other. There were two items in question regarding server shortages at The Lodge in June for \$212.55 and \$399.15. It has been confirmed that two servers were using the “cash owed amount” on server tie out rather than cash rung up. This was an honest mistake caused by a change in procedure from prior years where servers are now paid tips on paychecks and not in cash same day. Servers have subsequently deposited the owed funds and have been retrained on tie out process. These were coded to A/R rather than over/short on the daily work in June. The balance clears/gets repaid in July 2021.
 2. Golf course staffing concerns. We are currently working with an 8-person golf course maintenance/greenskeeper crew when we optimally work with a crew of 22 this time of year. We are running a hiring campaign targeting Latino workers in the region by posting radio and web advertisements in Spanish.
 3. Assessment revenue had not been booked by accounting before the balance sheet for the board books/finance presentation was created. This entry is the last entry of the month end close as it hinges on final P/L results for each month. The entry has been booked and will be discussed at all future meetings regarding June 2021 results.
- g. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Treasurer
 2. Courtney Murrell, Director
 3. Terry Watson, Finance Committee designee
 4. Todd Martyn-Jones, Director of Finance
 5. Tom O’Neil, Controller
- h. Next 5501 Meeting – July 2021 Review is scheduled for August 24, 2021.
(Board – Treasurer Steve Mahoney and Vice President Courtney Murrell)

Prepared by: **Tom O’Neil, Controller**

Board Agenda Meeting Date for Ratification: August 27, 2021

GM Approval for Agenda:

Robin Bennett

From: Steve Mahoney
Sent: Wednesday, August 18, 2021 4:55 AM
To: Robin Bennett
Cc: David Mickaelian; Todd Martyn-Jones; Tom O'Neil; Courtney Murrell
Subject: Fwd: TDA June 2021 Account Reconciliation as required by Section 5500 of Davis-Stirling Act.

Good morning all;

Robin; please append Courtney's acknowledgment to my original email and include as an attachment to the 5501 report to the Board.

thanks

Steve Mahoney
Mobile: (415) 866 8525

Begin forwarded message:

From: Courtney Murrell <cMurrell@taoedonner.com>
Date: August 18, 2021 at 12:02:40 AM EDT
To: Steve Mahoney <smahoney@taoedonner.com>
Subject: Re: TDA June 2021 Account Reconciliation as required by Section 5500 of Davis-Stirling Act.

Hi Steve,

I'm been off grid for a bit. Looks good to me.

Courtney

Sent from my iPhone

On Aug 11, 2021, at 4:49 PM, Steve Mahoney <smahoney@taoedonner.com> wrote:

<TDA Accounts June 2021.pdf>

<TDA Section 5500 Account Reconciliation June 2021.pdf>