

INFORMATION



October 28, 2021

Subject: 5501 Subcommittee Report – 10/26/21 Meeting on September 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 October 26, 2021 - from 3:06 pm to 4:50 pm and reviewed items in (1) above for September 2021 financial records.
 1. The subcommittee reviewed September Financial Statements/Report. [Finance Report](#).
- b. Investments Reconciliation for September separately reviewed by the Treasurer and the alternate board attendee (Charles Wu). Confirmation sent by the Treasurer to the GM, DFA, alternate Board attendee (Wu) 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 reviewed \$10,000+ ACH and Checks report. Reviewed reconciliation detail for Tri Counties Bank Accounts- General, Payroll 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 including Amer Sports check #208000, Bull Stockwell Allen check #207718, and Color-Crafters check #207723.
- d. The subcommittee reviewed changes to member delinquent accounts receivable report. Re-confirmed that all owners in arrears on 2021 assessment have had suspension of membership access benefits. Note, the full Board is briefed in executive session monthly on this matter.
- e. Other discussion items included: (1) Brief review of the eUnify invoice approval process, (2) discussed adding board signers for Pacific Premier bank accounts, (3) discussed the closure of the Tri Counties bank Truckee branch scheduled for 10/20/21, and the use of Bank of the West for TDA operating cash

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needs, and (4) discussed the cash true-up of the due to/from balances between funds to be presented at next board meeting for approval of cash transfers.

- f. The subcommittee noted no adjustments necessary to the September 2021 financial statements. Items for follow-up at a future date include the following:

Old, remains outstanding:

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

*Follow up review:

1. Confirmed that \$2,000 appearing as expense in the development fund was solely the reserve for bad debt booked per budget. All other outlays from development fund in 2021 have been capitalized and therefore do not appear on the summary of revenues and expenses in this fund.
 2. Todd to contact Valmir from Pacific Premier Bank to add Don Koenes and Steve Mahoney as authorized signers on all accounts.
 3. Tom contacted McClintock Accountancy to schedule interim audit of financials through 10/31. We have proposed the week of Nov 29-Dec 3 and are awaiting response.
 4. Todd to contact Platinum Resolution regarding the exact scope of their services. Todd to directly address each past due member account not in collections before passing these balances on to Platinum. Update to come at next 5501 meeting.
- g. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Board Treasurer
 2. Charles Wu, Director
 3. John Dundas, Finance Committee designee
 4. Julie Vietor, Finance Committee designee
 5. Todd Martyn-Jones, Director of Finance
 6. Tom O'Neil, Controller
- h. Next 5501 Meeting – October 2021 Review has been rescheduled for November 30, 2021 (Board – Treasurer Steve Mahoney and Vice President Courtney Murrell)

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

Board Agenda Meeting Date for Ratification: November 19, 2021

GM Approval for Agenda: