

# INFORMATION



March 29, 2022

**Subject: 5501 Subcommittee Report – 3/29/2022 Meeting on February 2022 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:**

- 1 The subcommittee met on March 29<sup>th</sup>, 2022 from 3:03 pm to 4.32 pm and reviewed items in (1) above for February 2022 financial records.
  - a. The subcommittee reviewed February Financial Statements/Report presented by Todd Martyn-Jones, Director of Finance.
  - b. 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 Pacific Premier Accounts and Tri Counties Bank Accounts- General, Payroll and Cash Receipts and tracked 4 randomly selected checks from check register to general ledger to bank statement. Using eUnify, reviewed checks, approvals, and backup all stored within the system.
  - c. The subcommittee reviewed changes to member delinquent accounts receivable report.
  - d. Other discussion items included: (1) Time frame to close out Tri Counties Bank accounts and moving all current activity from TCB to Pacific Premier. Todd Martyn-Jones proposed end of April to do so.
  - e. The subcommittee noted no adjustments necessary to the February 2022 financial statements. Items for follow-up at a future date include the following:

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\*Follow up review:

1. Implementing quarterly “spot checks” of Inventory counts of F&B and Retail at select locations. All agreed that such checks should be reinstated.
  2. Future 5501 Meetings include a GL Summary by account with changes relative to Prior Month
  3. Review with Replacement Reserve Specialist to determine whether annual software subscriptions such as eUnify and RTP can be expensed from the RRF or from the Operating Fund. Historically these have been paid out from the RRF.
  4. Discussed transferring Assessment funds to the appropriate Fund accounts by end of April
  5. Update bank signatories to reflect recent staffing changes
- f. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Board Treasurer
  2. Courtney Murrell, Board Member
  3. Mike Rudolph, Finance Committee designee
  4. John Dundas, Finance Committee designee
  5. Todd Martyn-Jones, Director of Finance
  6. Steve Hogan, Controller
  7. Dagmara Macierzanka-Rung
- g. Next 5501 Meeting – March 2022 Review is scheduled for May 3, 2022  
(Board – Treasurer Steve Mahoney and Board Member Jim Roth)

Prepared by: **Todd Martyn-Jones, Director of Finance**

Board Agenda Meeting Date for Ratification: April 21, 2022

GM Approval for Agenda: