

INFORMATION



March 18 ,2022

Subject: 5501 Subcommittee Report – 3/14/2022 Meeting on January 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 14th, 2022 from 3:01 pm to 4:35 pm and reviewed items in (1) above for January 2022 financial records.
 - a. The subcommittee reviewed January 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 3 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) discussed adding board signers for Pacific Premier bank accounts, (2) reviewed Pacific Premier bank account reconciliations for January activity (3) reviewed all transfers between accounts and funds.
 - e. The subcommittee noted no adjustments necessary to the December 2021 financial statements. Items for follow-up at a future date include the following:

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*Follow up review:

1. The committee has requested a Consolidated Statement of Revenue, Expenses and Changes in Member Equity be included in all future 5501 meetings. This report includes all TDA Funds.
 2. Director Mahoney inquired as to the services provided by Utility Telecom Group LLC. A check payment to the vendor was part of the check register review. Follow up notes that this vendor is an AT&T reseller that provides a point to point 1.5MB T1 circuit from Northwoods Clubhouse to the Forestry building.
 3. Director Mahoney requested a rolling 13 month line graph to be incorporated into the Delinquent Assessment Account report which will highlight the progress made by Staff and 3rd party collections over time.
- f. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
1. Steve Mahoney, Board Treasurer
 2. Charles Wu, 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 – February 2022 Review is scheduled for March 29, 2022
(Board – Treasurer Steve Mahoney and Board Member Courtney Murrell)

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

Board Agenda Meeting Date for Ratification: March 25, 2022

GM Approval for Agenda: