

INFORMATION



January 7, 2022

Subject: 5501 Subcommittee Report – 1/6/2022 Meeting on November 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 December- from 3:00 pm to 5:00 pm and reviewed items in (1) above for November 2021 financial records.
 1. The subcommittee reviewed November Financial Statements/Report presented by Todd Martyn-Jones, Director of Finance.

- b. Investments Reconciliation for November separately reviewed by the Treasurer and the alternate board attendee (Jim Roth). Confirmation sent by the Treasurer to the GM, DFA, alternate Board attendee (Roth) 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 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

- d. The subcommittee reviewed changes to member delinquent accounts receivable report. Reviewed a 13 month historical line chart of top 25 balances.

- e. Other discussion items included: (1) discussed adding board signers for Pacific Premier bank accounts, (2) reviewed Pacific Premier bank account reconciliations for November activity (3) reviewed all transfers between accounts and funds.

INFORMATION



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

*Follow up review:

1. The committee requested updates to the initial 13 month history of top 25 delinquent accounts. This report will be created and provided to the committee at future meetings, and will include balance totals in addition to totals related to Assessment and ASO related charges as presented in November meeting.

- g. Committee Attendees (Acknowledgment received via email confirmation for all listed below)

1. Steve Mahoney, Board Treasurer
2. Jim Roth, Director
3. Jim Colbert, Finance Committee designee
4. John Dundas, Finance Committee designee
5. Todd Martyn-Jones, Director of Finance
6. Tom O'Neil, Controller
7. Dagmara Macierzanka-Rung, Accounting

- h. Next 5501 Meeting – December 2021 Review is scheduled for February 1, 2022
(Board – Treasurer Steve Mahoney and Board Member Don Koenes)

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

Board Agenda Meeting Date for Ratification: January 28, 2022

GM Approval for Agenda: