

INFORMATION



May 24, 2019

Subject: 5501 Committee Report - 5/21/2019 Meeting on April 2019 Financial Records

BACKGROUND:

California recently passed AB2912, effective January 1, 2019, that 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 committee met on May 21, 2019 from 2pm to 4pm and reviewed items in (1) above for April 2019 financial records.
- b. The committee performed a drill-down on a randomly selected amenity, Trout Creek Recreation Center, and reviewed all aspects of general ledger details and related accounting policies and procedures. This will be performed on one department each 5501 meeting. No exceptions noted.
- c. The committee reviewed investments report.
- d. The committee reviewed the trial balance, General Ledger, check register and supporting reconciliations. One random selection on check register was traced back through to General Ledger detail with no exceptions.
- e. The committee reviewed member delinquent accounts receivable reports. Note, the full Board is briefed in executive session monthly on this matter.
- f. Other discussion items included:
 1. Ticket scanning issues/logistics at DH Ski and XC Ski
 2. Uniforms – capital and expense items and longevity/replacement cycle
 3. Golf 2019 Forecast
 - a. Delayed opening has potential of net 'savings' due to how slow early season is
 - b. pros/cons of Golf Season Pass sales pacing 50% to Budget

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4. In check register vendor payments selections:
 - a. Two employee training invoice payments were discussed.
 - b. An advertising invoice payment was discussed
 - c. A freelance photographer invoice payment was discussed

- g. The committee noted no adjustments necessary to the April 2019 financial statements. Items for follow-up at a future date include the following:
 1. Treasurer recommended adding Net Results including Depreciation Expense to section F01 main narrative.
 2. Treasurer recommended research analytic project – Recreation Fee purchases by Full Time vs Off-Hill owners
 3. Treasurer recommended assessing timing of 5501 monthly meetings and whether they could be on same day as Finance Committee (FC) meetings. This would provide meeting efficiencies, however, due to timing of FC meeting, the 5501 month of review would be one month delayed (for example pre the July FC, the 5501 meeting would review May financials).
 - a. This change can be considered at the June 23rd annual board organization meeting.

- h. Committee Attendees (Acknowledgment received via email confirmation for all listed below)
 1. Jeff Connors, Treasurer
 2. Jennifer Jennings, Director
 3. Dave Hunter, Finance Committee designee
 4. Michael Salmon, Director of Finance
 5. Melanie Rives, Controller
 6. Tracy Pearson, Senior Accountant
 7. Robb Etnyre, General Manager

- i. Next 5501 Meeting – May Review is scheduled for June 25th (Board – Treasurer and Koenes)
This date may be revised, see item g.3 above

Prepared by: Michael Salmon, Director of Finance

Board Agenda Meeting Date for Ratification: June 1, 2019

GM Approval for Agenda: RPE