

Lushmeadows Association  
Audit Committee  
Mariposa, CA

August 11, 2017

Lushmeadows Association Board of Directors  
Mariposa, CA

Dear Lushmeadows Board,

The Lushmeadows Audit Committee met on August 8, 2017 and thoroughly analyzed the Financial Records from the Financial Secretary and the Treasurer for the period July 1, 2016 - June 30, 2017.

For the most part, the records were in order and accurate. We appreciate the tedious labor of both the Financial Secretary and Treasurer for documenting all the incoming and outgoing funds for the association for the year. We had access to all the necessary records that we asked for.

The biggest discrepancy was on 5-23-2017, \$11,255.00 was transferred to the reserve. It shows **twice** on the Treasurer's register, but only once on the bank statement. The transfer is shown on the 5-31-2017 Bank Statement of account #276 Business Money Market. **This needs to be corrected on the Treasurer's ledger.**

There were some minor discrepancies that we found:

- In the Lakes and Grounds account, there were some errors with tax reporting, but the amounts were correct in Quickbooks. There were 3 receipts missing, dated 8-6-2017, 8-6-2017, and 10-6-2017. The cash on hand was \$15.04, but should have been \$14.11.
- In the Petty Cash account, two transactions were off: On 10-4-2016, it should be \$19.78, instead of \$20.43. On 11-21-2016, it should be \$35.80, instead of \$27.16. Line items #86 and #78 had amounts different from the receipt.
- There were 4 instances on the Treasurer's Ledger where the description of the transaction didn't exactly match the invoice. An example would be a description of "postage and delivery", but it should be "printing and reproduction". This occurs on 7-28-2016, 10-23-2016, 11-28-2016, and 6-10-2017.
- There were 3 instances of the lack of paperwork to justify the payment. The paperwork missing include an estate sale purchase receipt on 10-27-2016, Total Waste invoices, and a Harland Clarke check order bill on 12-5-2016. We

understand that most of this involves online billing, but there must be a way to get printed invoices for the association for proper reporting.

- Check #292 was returned, but we did not see it. There is no record in the Bank Statements of that check being cashed.
- On the Financial Secretary's ledger, there were 4 checks not recorded, but the Treasurer had them on the ledger.

For the coming year, we would recommend a few changes:

- We do not know if there exist written, detailed job descriptions of the Financial Secretary and the Treasurer. If not, then it would be helpful for future Board Members.
- As an incentive for late paying members, have the late fee waived if members attend the annual meeting in July.
- Add more detail to the ledger for dues collected for sold properties so we can track the payments.

Attached is Appendix A, which is the inventory of the Yosemite Bank Safe Deposit Box, as of August 10, 2017.

Sincerely yours,  
Carol Fong  
Chairperson, Lushmeadows Audit Committee

Carol Skyrud - Audit Committee Member  
Candy Harrison - Audit Committee Member

## **Appendix A**

### **Safe Deposit Box Inventory - August 10, 2017**

Declaration of Covenants and Restrictions, July 2, 1990

Minutes of Board Meeting, July 1, 1990

Security Title Insurance Co, Feb 15, 1966

State of CA - Statement of Information, Aug 16, 2004

State of CA - Statement by Common Interest Development Association, Aug 16, 2004

Inter-County Title Co, Full Reconveyance, Feb 10, 2011

Security Title Insurance Co, 2-15-1966

Deed, Oct 1, 1965

Photographs, 9-16-1997

Deed, 2-15-1966

Reconveyance, Imperial Corp of America, 9-27-1982

Grant Deed, 6-18-1980

IRS Determination Letter, 2-16-1977

Articles of Incorporation, 6-28-1963

Correspondence with CA Attorney General, 8-22-1980

Promissory Note, 10-26-1993

Grant Deed, 2-15-1966

CA Vehicle ID Card, exp. 12-31-2010

Articles of Incorporation, 6-28-1963

Promissory Note, 2-15-2008

Amended and Restated Declaration of Covenants, Conditions and Restrictions for LMA,  
12-10-2003

3 - Abstracts of Judgements - Civil and Small Claims, 6-17-2011

Acknowledgement of Satisfaction of Judgement, 7-6-2011

Abstract of Judgement, 1-17-2012

Full Reconveyance, 2-10-2011

6 Liens, 8-8-2016