

# GHNA Financial Audit Report

1/1/15 through 12/31/16

I David Palmer was authorized by the GHNA Board of Directors May 2016 board meeting to conduct an audit of the GHNA financial documents. While the reviews were conducted for individual calendar years (2015 and 2016) this report is being issued for both calendar years.

The auditor reviewed the following GHNA's documents: Budget, Prior Audits, etc. The scope of the audit included review of the GHNA's 1) Charter, 2) adequacy of internal controls, 3) effectiveness and efficiency of the accounting system and document flow, and 4) existence and availability of recorded cash balances including check registers and electronic / pay pal accounts.

Guidelines reviewed included: By-Laws, Bank Accounts, Officers Roles and Responsibilities, etc., Meeting Minutes, Review of Budget, Vendor Selection, Bank Account documents, Invoicing and Collection of GHNA dues. Other considerations included funding of programs, review of paying taxes, insurances and other prepaid expenses. The documentation for the GHNA 501 (c) (3) has been executed and was made available for review

The expenditures that were processed through the Wells Fargo Checking accounts for both general fund as well as the GHNA Landscaping account were reviewed for appropriateness and reasonableness. With the exceptions noted below all necessary and appropriate documentation was found to be adequate.

## **FINDINGS/CONCLUSIONS:**

Based on the review of the documents made available to me, I believe, the expenditures are reasonable and appropriate and the internal controls are reasonable for a Neighborhood Association.

### Comments:

The GHNA Board is researching replacement of the insurance and is expected to provide a recommendation to the Board for approval. This was a comment made on the previous year's review and is being pursued by the Board.

The use of "Constant Contact" which provides email traffic information on a monthly basis to the association was not documented for approval in the Board minutes. While appropriate and reasonable, a repeat expenditure should have been documented.

It was difficult to see if all NSF check charges were appropriately followed up and documented. While the collection of the NSF charges (\$12) is unlikely, documentation of follow up should be made.

While not required by the Association by-laws, a good business practice of monthly "balancing of the check book" should be completed on a monthly or quarterly basis.