

Report of Audit of 2013 IMPOA Financials
Roger Mattson and Fred Whitaker
March 15, 2015

On March 14, 2015, President Roger Mattson and Director Fred Whitaker met with Treasurer Karen Goodman to audit the financial records of Indian Mountain Property Owners Association (IMPOA) for its fiscal and calendar year 2014. This report summarizes the process, conclusions and recommendations of that audit.

Audit Process

Karen served as the IMPOA Treasurer for the entire year. She manually tracked IMPOA financial transactions and performed monthly bank reconciliations in MS Excel. Karen briefed us on her process, which includes: maintaining hardcopy files of receipts, bank statements and reconciliations and reporting financial records using an accrual based method; recording expenses in the period incurred and matching Member Dues Received based upon the number of memberships during the period. She maintains the financials in a MS Excel Workbook that includes separate tabs for 1) the Financials/Budget, 2) the Bankbook, and 3) a Pivot Table that groups item totals for the year by category and highlights expenses in RED and receipts in BLACK.

Fred and Roger validated that all receipts and deposits for the year were accurately recorded.

Fred and Roger compared each month's register of checks issued by IMPOA to the corresponding receipts for items and services purchased and found all to be in excellent order. Karen maintains paper copies of these records according to budget category, and they are also recorded in the bank statements.

We verified that the ending balance for December 31, 2013 in IMPOA's Bank of the West checking account was \$47,818.51. When adjusted to reflect the outstanding checks (\$1,342.25) from 2013, the beginning book balance at January 1, 2014 was \$46,476.26. This amount with the total deposits for the year (\$66,829.71) less the total disbursements for the year (\$67,119.19) and adjustment for two outstanding checks (total of \$666.00) during 2014, yielded a year-end balance which equaled the IMPOA Bank of the West checking account balance of \$46,785.38.

We verified that the financial statement reflecting IMPOA reserves in the Synchrony certificate of deposit and savings reconciled to the bank's year ending statements of these accounts as of December 31, 2014 (\$25,068.28 and \$25,052.23 respectively).

Conclusion

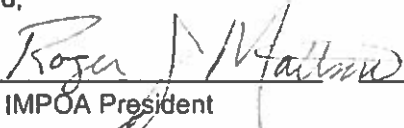
We verified that the Balance Sheet and Statement of Income and Expenses compiled for December 31, 2014, as summarized above, match corresponding figures noted in the bank


reconciliations, bank statements and financial statements and are an accurate reflection of the financial condition of IMPOA for the fiscal and calendar year ending December 31, 2014.

Recommendations

Karen has been keeping copies of checks from members to validate the amount of dues and donations received and deposited. We recommend that these check copies be shredded and that instead Karen keep track of the number of dues paid and the amount of all donations for reconciliation with the Membership Director of IMPOA. That reconciliation should occur on a quarterly basis.

Respectfully Submitted,

Roger Mattson  3/19/15
 IMPOA President Date

Fred Whitaker  4/11/15
 IMPOA Director Date

2014 IMPOA Financial Statement

| CURRENT ASSETS | Date | Amount |
|---|------------|---------------------|
| Operating Account (Checking - Bank of the West) | 12/31/2014 | \$46,785.38 |
| Reserve Account (CD - Synchrony Bank) | 12/31/2014 | \$25,068.28 |
| Reserve Account (Savings - Synchrony Bank) | 12/31/2014 | \$25,052.23 |
| IMPOA Merchandise Inventory (Fair Market Value) | 12/31/2014 | \$5,860.00 |
| Petty Cash (Change for Merchandise Sales) | 12/31/2014 | \$223.00 |
| Net Worth not counting outstanding bills | 12/31/2014 | \$102,988.89 |

| | | 2014 Actual | 2014 Budget |
|---------------------------------|---|--------------------|--------------------|
| INCOME | | | |
| Member Dues Received | 689 Households | \$24,115.00 | \$24,500.00 |
| Donations | | 3,741.00 | 200.00 |
| IMPOA Merchandise Sales | | 1,006.00 | 1,000.00 |
| Interest Income | | - | 100.00 |
| | Total Income | \$28,862.00 | \$25,800.00 |
| EXPENSES | | | |
| Insurance | General Liability Insurance | \$952.00 | 2,000.00 |
| | Directors & Officers Insurance | 1,207.00 | 1,500.00 |
| | Subtotal Insurance | \$2,159.00 | \$3,500.00 |
| Board Operations | Office Supplies, PO Box rent, etc. | 42.06 | 100.00 |
| | Conference Calls | - | 100.00 |
| | Bank Fees & Charges | -3.60 | 35.00 |
| | Travel Cost Reimbursement - bank, post office, etc. | - | 50.00 |
| | Contract Labor - Office Manager | 1,510.00 | 2,000.00 |
| | Miscellaneous Administrative Expense including Annual Mailing | 1,485.15 | 1,800.00 |
| | Subtotal Board Operations | \$3,033.61 | \$4,085.00 |
| Caring for the Community | Annual Meeting Expenses | 421.50 | 250.00 |
| | Annual & Other Meetings Snacks/Drinks | 200.00 | 250.00 |
| | Dumpster Day | 1,800.00 | 2,700.00 |
| | Newsletter | 0.00 | 200.00 |
| | Joint Activities with IMMD (July picnic, etc.) | 168.88 | 250.00 |
| | Cattle Exclusion & Fence Building | 0.00 | 300.00 |
| | Covenant & LUR Compliance | 0.00 | 0.00 |
| | Signage Maintenance and Purchases | 36.16 | 1,900.00 |
| | Logo Merchandise Purchases & Printing | 1,931.17 | 1,600.00 |
| | Membership Processing Expense - ink, postcards, stamps | 0.00 | 40.00 |
| | Internet Web Page Expense | 619.40 | 620.00 |
| | New Membership Services (Emerging Opportunities) | 0.00 | 200.00 |
| | Firewise Community Wildfire Mitigation Projects | 0.00 | 4,000.00 |
| | Professional and Legal Fees | 0.00 | TBD |
| | Water Augmentation Plan Legal Expenses | 6,783.27 | 5,000.00 |
| | Water Augmentation Plan Transfer | 0.00 | TBD |
| | Subtotal Caring for the Community | \$9,991.50 | \$17,310.00 |
| | Reserve Account Contribution | 0.00 | 2,500.00 |
| | Total Expenses | \$15,184.11 | \$24,895.00 |
| | Income Less Expenses | \$13,677.89 | \$905.00 |

