

Report of Audit of FY 2017 IMPOA Financials

November 2017

On November 11, 2017, IMPOA Vice President Roger Mattson, IMPOA Director Jim Scherrer and Indian Mountain Property Owner Jeff Mason (audit team) audited the financial records of Indian Mountain Property Owners Association (IMPOA) for FY 2017 (September 1, 2016 to August 31, 2017). This report summarizes the process, conclusions and recommendations for the period.

Audit Process

Keith Crump served as the IMPOA Treasurer from September 2016 to December 2016. In January 2017 Karen Goodman assumed the treasurer position and manually tracked IMPOA financial transactions and performed monthly bank reconciliations in MS Excel. Karen's process includes maintaining hardcopy files of receipts, bank statements and reconciliations and reporting financial records using a cash based method; recording expenses in the period paid and matching Member Dues Received based upon the number of memberships recorded during the accounting 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 line item totals for the year by category with expenses in RED and receipts in BLACK.

The audit team validated that all receipts and deposits for the year were accurately recorded and 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 order. Karen maintained paper copies of these records per budget category, and they are also recorded in the bank statements.

The audit team verified that the ending balance for August 31, 2016 in IMPOA's Bank of the West checking account was \$21,497.39, which was also the beginning amount that is reflected in the transaction log for fiscal year 2017.

The total deposits for the audited period (\$43,808.00) less the total disbursements (\$19,320.38) yielded a fiscal year-end balance which equaled IMPOA's Bank of the West checking and transaction log account balance of \$45,985.01.

The audit team verified that the financial statement reflecting IMPOA reserves in the Synchrony certificate of deposit and money market account reconciled to the bank's year ending statements of these accounts as of August 31, 2017 (\$25,857.08 and \$25,459.24, respectively).

On a test basis, we agreed the deposit amounts with the supporting documentation and found no disparities.

We compared the Pay Pal transaction log with the bank deposits and found no disparities.

Additional Comments and Recommendations

The IMPOA Bylaws require that both the treasurer and the president or vice-president approve expenditures of over \$1000. Several litigation payments to Hill & Robbins exceeded \$1000. Those were all approved by Vice-president Mattson by Email prior to payment by either IMMD or IMPOA. The record now includes those Emails. In addition, the Treasurer's documentation includes a spreadsheet showing which organization made which payments for the mutually agreed 60/40 split in legal fees. The dumpster day payment of over \$1000 was within the budget approved by the Board of Directors as reflected in minutes of the Board. Better guidance on such approvals should be included in the ongoing amendment of IMPOA Bylaws.

The transaction log for the operating account does not include interest income of \$445.36 since it is generated by the CD and Money Market investments in Synchrony Bank.

Conclusion

We verified that the Balance Sheet and Statement of Income and Expenses compiled for August 31, 2017 as summarized above, match corresponding figures noted in the bank reconciliations, bank statements and financial statements and accurately reflect the financial condition IMPOA for the fiscal year ending August 31, 2017.

Roger Mattson 
Jim Scherrer 
Jeff Mason 
Date 11/11/17

CURRENT ASSETS		Date	Amount
	Operating Account (Checking - Bank of the West)	8/31/2017	\$45,985.01
	Reserve Account (CD – Synchrony Bank)	8/31/2017	\$25,857.08
	Reserve Account (Money Market – Synchrony Bank)	8/31/2017	\$25,459.24
	PayPal	8/31/2017	\$0.00
	IMPOA Merchandise Inventory (Fair Market Value)	8/31/2017	\$5,446.25
	Petty Cash (Change for Merchandise Sales)	8/31/2017	\$50.00
	Net Worth not counting outstanding bills	8/31/2017	\$102,797.58
		2017 Actual Sept to Aug 31	2017 Budget
INCOME			
Member Dues Received		\$32,505.00	\$28,500.00
Donations		9,895.00	6,000.00
IMPOA Merchandise Sales		1,408.00	1,500.00
	Total Income	\$43,808.00	\$36,000.00
EXPENSES			
Insurance	General Liability Insurance	\$891.00	\$952.00
	Directors & Officers Insurance	625.00	625.00
	Subtotal Insurance	\$1,516.00	\$1,577.00
Board Operations	Office Supplies, PO Box rent, etc.	-	50.00
	Bank Fees & Charges	222.05	200.00
	Travel Cost Reimbursement - bank, post office, etc.	-	25.00
	Contract Labor - Office Manager	1,005.00	2,300.00
	Miscellaneous Administrative Expense including Annual Mailing	1,074.96	1,500.00
	Subtotal Board Operations	\$2,302.01	\$4,075.00
Caring for the Community	Annual Meeting Expenses	-	400.00
	Annual & Other Meetings Snacks/Drinks	-	250.00
	Contributions to the Members of the Community	1,000.00	-
	Contract Labor - Sherriff's Department	0.00	0.00
	Dumpster Day	2,000.00	2,000.00
	Joint Activities with IMMD (July picnic, etc.)	1,375.60	400.00
	Cattle Exclusion & Fence Building	-	450.00
	Signage Maintenance and Purchases	0.00	2,000.00
	Logo Merchandise Purchases & Printing	837.26	2,500.00
	Membership Processing Expense - ink, postcards, stamps	11.28	200.00
	Internet Web Page Expense	384.91	750.00
	New Membership Services (Emerging Opportunities)	-	200.00
	Firewise Community Wildfire Mitigation Projects	4,000.00	4,000.00
	Water Augmentation Plan Legal Expenses	5,893.32	15,000.00
	Subtotal Caring for the Community	\$15,502.37	\$27,250.00
	Total Expenses	\$19,320.38	\$32,902.00
	Income Less Expenses	<u>\$24,487.62</u>	<u>\$3,098.00</u>