

Date: March 21, 2019
To: Indianapolis Hiking Club Board of Directors
From: Mike Khalil
Subject: Indianapolis Hiking Club Audit for 10/1/17- 9/30/18

Recently I met with Harold Crooks to complete the Indianapolis Hiking Club audit for the 2017-2018 fiscal year. This work consisted of matching expenses approved at each board meeting (as shown in the board minutes) to an actual receipt from a vendor. Harold and I were able to reconcile all of the expenses without any discrepancies.

Separately from the meeting with Harold, I matched Kathy Whalen's handwritten ledger accounting sheets, which are an itemized list of monies received and spent, to the following documents:

1. The financial statements presented at each monthly board meeting from October 2017 through September 2018.
2. The annual financial statement for the period 9/1/17 to 8/31/18. This time range is different from the Club's fiscal year because the annual statement is prepared for presentation at the General Assembly which occurs in mid-September.
3. Deposits and expenditures shown in the Club's monthly bank statements from Fifth Third Bank.

As a result of this work, we believe the monthly financial statements presented at the board meetings and for the club's fiscal year accurately represent the financial condition of the Club. It should be noted that our audit may not be consistent with that done by a professional accounting firm.

The audit was greatly assisted by having information maintained on the club's website. Having minutes from prior board meetings proved helpful when I needed to reconcile some of the transactions from early in the fiscal year. Without having to contact Kathy, I could view the minutes online to confirm various bills that were approved for payment.

There is one area where a small adjustment is recommended so that the treasurer does not perform unnecessary extra work. There were several instances when a Club member contacted the treasurer with information on a payment made by the member for a service or product (e.g., for an expense related to the annual picnic or holiday party). When original receipts are presented at the board meeting for payment, the amounts given verbally or via email/text may not match what was provided prior to the meeting, or else the treasurer is in a hurry to provide payment and writes a check for an incorrect amount.

1. This problem can be avoided by emailing an electronic copy (e.g., PDF) or photo of the invoice/receipt (if it is to be sent electronically) or sending the actual physical item to the treasurer so that it is received before the meeting at which payment is discussed for approval by the board.
2. Resolving this matter will also make the audit easier. Incorrect payments and the ensuing corrections create more work than any other part of the audit.

I want to thank Kathy Whalen for her assistance in completing the audit. The documents she gave me had enough detail to allow a reconciliation of all income and expenses. She and I also met to resolve questions about various transactions.

I want to also thank Harold for his assistance in completing this audit. During my meeting with him, he searched through Kathy's records to find the necessary items when I asked for a different document to match what was shown in the board minutes and financial statements.