

## Leinkauf Historic District Neighborhood Organization

### Financial Review

Year Ending December 31, 2017

Per the bylaws of the Leinkauf Historic District Neighborhood Organization (LHDNO) below is a review of the organization's financial practices and accounts. The bylaws do not require a certified independent audit and the organization does not currently have funder requirements for the financial review. Members of the audit committee are responsible for the organization's audit.

This review consists of the following components:

1. President and Treasurer Questionnaire
2. Review of the annual profit and loss statement
3. Review of the receipts and disbursements
4. Review of the 2017 budget
5. Review of IRS Form 990-N submission documentation
6. Review of receipt book and check registers
7. Review of source documents and bank statements for the months of January, April, July, and November. (Months randomly selected)
8. Findings and recommendations

The organization maintains two checking accounts with PNC Bank. One account is for revenue and expenses for LEAP and the other is a general fund account for LHDNO revenue and expenses. The 2017 profit and loss statement provided for this review reflects total annual revenue of \$6,132.69 and total annual expenses of \$5,374.85

#### LEAP Revenue and Expenses

##### LEAP Revenue

Donations \$400.00

**Total LEAP \$400.00**

##### LEAP Expenses

Holiday Party \$225.00

Supplies 1,467.76

**Total \$1,692.76**

#### General Fund Revenue and Expenditures

Bus Cont. \$195.00

Sign sales 3,852.70

Holiday Tickets 771.83\*

Dues 913.16

**Total General \$5,732.69**

Administrative \$ 362.43

Signs 3,248.16

Beautification 71.50

**Total General \$3,682.09**

\*Holiday ticket revenue transferred to LEAP in January

An annual budget was not available for 2017

The following documents have been reviewed for the four months tested:

**January, 2017**

Two deposits \$200.00 and \$50.00 Source document not provided for \$50.00 deposit.

One check in the amount of \$70.00. Invoice provided.

Bank statement Reconciled

**April, 2017**

One deposit in the amount of \$50.00

No disbursements

Bank statement Reconciled

**April LEAP Account**

One deposit of \$100. Source document provided.

One check in the amount of \$140.99. receipts provided.

**July, 2017**

One deposit in the amount of \$163.16. Source document provided.

No disbursements

Bank statement reconciled

**November, 2017**

One deposit in the amount of \$340.00

No disbursements

Bank statement reconciled

**November LEAP Account**

No deposits. One check in the amount of \$280.31. Receipt and invoice provided.

Documentation was provided for timely filing of the IRS Form 990-N. Status of submission pending.

### **Findings and Recommendations**

The bylaws require signature of the President and Treasurer for withdrawal of funds. This is often a logistical challenge and is not current practice. The Board may want to consider modifying this requirement to require two signatures when expenditures exceed a specified amount or consider adding additional officers as the second signature.

The officer signing a check should not be the payee of the check.

Annual budgets should be developed and approved by the LHDNO Board of Directors.

The organization uses QuickBooks to record the LHDNO finances. The audit trail is easy to follow and the records presented for this review were well organized.

Completed on behalf of the Audit Committee on March 7<sup>th</sup>, 2018 by Shirley Eiland 352 West Street.