

1 July 2009

To: President, Douglas County Master Gardeners

From: Audit Committee

Subj: 2009 Financial Audit

The audit committee composed of Judy Huntley and Larry Sutton met with Chapter Treasurer Karolyn Riecks on 1 July to audit the chapter books. The audit committee conducted an independent review of the financial records and reached the following conclusions.

- All entries examined were based on objective evidence
- Financial Reports had been issued monthly
- Revenues were recognized and reported
- All costs were allocated to assets or expenses
- Financial statements were presented in a clear and understandable manner
- Financial statements and accounting records were prepared in a consistent manner

Conclusions were reached by examinations of the following items.

- Receipts and payments were spot checked to confirm adequacy of supporting information including such items as invoices and vouchers, etc.
- Journal entries were spot checked
- Balance sheet data was compared with bank statements
- The financial statement was reviewed and it is confirmed that it is in balance
- We confirmed that there is a current budget and that it is monitored twice monthly by the Executive Committee and the Chapter Body
- We verified that reports, including the annual financial report to the state and the membership report have been prepared and submitted in a timely manner

Two discrepancies were found and corrected during the audit.

- Date of one deposit was off by one day
- Worm sales should have a memo attached to separate them from compost tea sales

The following recommendations are forwarded for consideration.

- The Treasure currently has no guidelines established for the moving of monies from the money market account to a CD account. Throughout the year this can be costing the chapter money in the form of lost interest. It is recommended that a CD deposit plan be developed to provide maturity of deposits on a quarterly basis. This would insure that monies can both draw interest and be available for seed and other plant sale purchases.

- That a copy of this format be provided to future audit committees upon their appointment to be used as guidelines in future inspections.
- Once approved a copy of this memorandum should be retained as a permanent addition to this year's financial record.

Audit Committee

For the Committee