

Date: December 18, 2022
To: Indianapolis Hiking Club Board of Directors
From: Mike Khalil
Subject: Indianapolis Hiking Club Audit for 10/1/21- 9/30/22

On December 15th I met with Debbie Bucholz and Mike Lindstedt to complete the Indianapolis Hiking Club audit for the 2021-2022 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. We were able to reconcile all of the expenses without any discrepancies.

Separately from the meeting with Debbie and Mike, 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 2021 through September 2022.
2. Deposits and expenditures shown in the Club's monthly bank statements from Fifth Third Bank.

As a result of this work, I 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 this audit may not be consistent with one that would be done by a professional accounting firm.

There are two situations found during the audit for which I recommend a change in practice. Making these changes will provide better consistency among the various financial documents (bank statements, treasurer's records, and monthly financial statements) which will improve the audit process. They will also improve transparency for anyone reviewing our financial statements. The two situations were:

1. At the 2021 Christmas banquet, a club member brought a check payable to the club for the designated charity in lieu of food. The check was deposited and another check written from the club for the same amount to the charity. I recommend that all checks received in this manner be shown

- on the monthly financial statements to provide a clear audit trail and to formally show that the monies were received and spent.
2. A donation of \$250.00 was made to Great Smoky Mountain Association in April 2022. This donation was approved as part of the 2022 budget but it was not shown in the minutes as being formally approved by the board in the same manner as other donations from the club. I recommend the board explicitly approve all donations, with such approval shown in the minutes.

I want to thank Kathy for her assistance in completing the audit. The documents she gave me had enough detail to allow a reconciliation of all income and expenses between the various financial documents.

I want to also thank Debbie and Mike for their assistance in completing this audit. During my meeting with them, they 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. Because of the completeness of the information Kathy gave me, the three of us completed our work in less than 30 minutes.