

Jardineros de Placitas Audit Program

1. Obtain budget, profit and loss statement, and balance sheet for the year being audited. Also obtain the bank statements for the year. The Treasurer usually maintains these in an annual book which accounts for all transactions.

2. Test recorded revenue (income) in the following manner:

Dues are the largest income level and the second is any special event, like the 60th year jubilee.

-Obtain the member report from the Membership Committee. The Chair of the Audit committee is part of the distribution for this report.

-It will show the number of new members and the number of members at the end of the year.

-There are two categories of membership income on the income statement. The Dues structure is shown in Article III of the bylaws, under Structure on the Website

-Membership income for the current year

-Membership income for the next year collected beginning in October

-New members pay full dues, currently \$75, if joining in January-June; from July 1-October 31 pay 1/2 or \$38; from November 1-December 31 pay for the following year.

Obtain a transaction register and count the number of members joining in the current year and the number of members paying for the upcoming year

Once you have the count, perform a reasonableness test to estimate the amount of dues that should appear on the income statement:

For example:

Current year dues: $9 \text{ full pay} * 75 = \$675 + 8 \text{ partial pay} * \$38 = \$304$ for a total of \$979. Then check it against the Income Category for the year. It does not need to be exact, just within 3-5%. More than this percentage is beyond a "reasonable" amount and should be discussed with the Treasurer.

Next year dues: $176 \text{ full pay} * 75 = \$13,200$. If the Income Statement shows \$13,273 the amount is not material to the statements and is considerable reasonable.

Next, test the end of year membership count from the Membership Committee report. For example, the report shows 176 members * \$75 = \$13,200. Trace it to the statement and dues recorded are \$13,275; again the difference is immaterial and the recorded income is considered reasonable.

Check larger deposits against the bank statement (most of these will be for dues in the later months of the year).

3. Test expense account balances

Select large expenses and ensure there is documentation to support it, such as an invoice or an expense report with an invoice that has been paid by the member. The largest expense category is Benevolence and expenses from a special event such as the 60th Jubilee.

Trace the written checks against the bank statements.

4. Ensure that the ending balance from the Balance Sheet matches the beginning balance at the beginning of the year. If it does not, there could have been transactions after the year and should be discussed with the Treasurer.

5. Ask if any transfers between budgeted accounts were made during the year and obtain Board approval for the transactions.

6. Review outstanding checks for age and potential write-off.

7. Note any questions for the Treasurer if you have any. If not, and you feel everything is in order, update the report to the membership. Ask the treasurer and president to add you to the agenda of the next business meeting to read it to the membership. Sign and give a copy to the president.

Audit Program revised by Barbara Hill 1/21/2026