**Report of the Audit Committee**

**May 1, 2017-April 30, 2018**

**Budget of Highlands Community League**

The Balance Sheets and their accompanying files of invoices were examined. The committee has posed the following questions and recommendations:

1. Recommend a new invoice coding/tracking system. That is, each invoice should note the item(s), who purchased the item(s), and especially its category in the budget.
2. Who determines the purpose for each Grant noted in Revenue, and ensures the funds are used appropriately (e.g., Annual City Grant, Casino fund, Growing Changes, and Lawn Bowling Fund)?
   * Additionally, the committee questions why the Bowling Fund Revenue is not included, but is pending.
3. Recommend a new category in Expenditures for Capital Purchases (e.g. snow removal equipment)
   * This would allow assets to be sold and replaced as required.
   * Concerns stem from the lack of records in response to the motions in the October 2017 Minutes, Reports, Facilities Director Update.
   * Operating costs relevant to the use of Capital Purchases should then be listed under a new category.
4. Recommend a new category under Expenditures specifically for Grounds Maintenance. No budget was provided for grass cutting, snow removal, and sanding dangerous icy surfaces on the walk and the parking lot. These items should all fall under the responsibility of the Board.
5. Accountability is needed for Contracted Services, and is a major concern of the committee. We suggest a major revue of the procurement process, and a competitive bidding practice for large expenditures. Some examples from the previous fiscal year that stood out:

* $9,437.35 expended for an ice rink on the old tennis court surfaces. Compare costs/value to flooding and maintenance of previous dedicated ice rink.
* $2,441.95 expended to B & M Accounting for assisting the Board Treasurer and bookkeeping services.
* $798.22 expended annually on an “XXL Community Mail Box”, when the mail is delivered by carrier to a mailbox mounted on the Hall’s door.
* $5,348.44 expended on the Bee Clean Hall cleaning contract. Were managers and users of programs such as Yoga, Lawn Bowling, and Seniors’ Bridge asked for feedback?

1. Recommend a glossary defining Revenue and Expenditure categories. On the budget sheet, many items listed were not clear to the auditors (e.g. Civics, Growing Changes, General Programs).
2. The actual 2017-2018 Expenditures totalled **$104,356.17**, while Revenues totalled **$94,330.88**. This would suggest the Budget was overspent by **$10,025.29**. Does the Board have an explanation?

Signed:

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| Murray Hoke |
| Carol Mayers |
| Mathew Neuman |