



## SMOKLER TRUESDELL HOMEOWNERS' ASSOCIATION ANNUAL FINANCIAL REVIEW POLICY

**Section 1. Purpose.** The homeowners' association wants to ensure that association finances are administered in a way that protects association funds from misappropriation and ensures no appearance of impropriety. The association by-laws state that an annual audit shall be conducted. While the board intends to adhere to the spirit of an annual audit the board recognizes that the cost would be prohibitive. This policy defines the annual financial review process which fulfills the spirit of an audit without the associated cost.

**Section 2. Financial Review Appointee.** The association board shall select a CPA firm to conduct an annual Financial Review. The association board shall have sole responsibility in determining the selected individual's credentials for conducting the review. Robert L. Bovitz has been selected as a result of this policy.

**Section 3. Materials to be Provided.** Review materials shall be available by the third Tuesday in January. Materials shall include all financial reports made to the board, the annual financial report, all board meeting minutes, the annual budget, copies of all receipts, copies of all monthly bank statements, the financial ledger, board policies, documents showing the organization's non-profit status, copies of insurance policies, a list of board members, a list of association address, an association plot map, a summary of assets along with a summary of liens and discharges of liens. All materials shall be provided by the Treasurer. All materials shall be in electronic format.

**Section 4. Key Review Elements.** The review will include but not be limited to: 1) Reconciliation of the beginning and ending bank statements with all recorded revenues and expenses. 2) Verification that all expenses were originally budgeted or recorded in board meeting minutes per the *Smokler Truesdell Association Budgeting and Non-Budgeted Spending Approval Policy*.

**Section 5. Review Timing.** The review is expected to take approximately 30 days therefore results of the review shall be presented to the association board at the February board meeting. The reviewer may at that time request postponement of the report until the March board meeting.

**Section 6. Report to the Board.** Results of the review shall be reported to the board in writing and electronic form. The format of the report shall be up to the reviewer.

**Section 7. Retention of Annual Reviews.** The report along with all the materials reviewed shall be forwarded to the Corresponding Secretary by the Treasurer. The Corresponding Secretary shall enter the correspondence into the log and place all materials in the correspondence folder.

**Section 8. Record Retention.** Copies of this policy shall be maintained as described in *Creation, Approval and Amendment of Board Policies*.

**Section 9. Publication and Notification.** Notification and availability of this board policy shall be done in accordance with *Creation, Approval and Amendment of Board Policies*.