



2022 AUDIT REPORT

March 2023

We have examined the financial records of the Novato Federation of Teachers for the period of January 1, 2022 through December 31, 2022, and found them to be in good order. This examination was performed by a committee made up of members of the Novato Federation of Teachers. This examination was not conducted in accordance with generally accepted accounting principles.

During the course of our examination we discovered the following:

*One miss filed check, found refiled, **

Based on our examination we consider the attached financial statements for the period of January 1, 2022 through December 31, 2022 to be an accurate summary of transactions conducted during that period.

Sincerely,

Tim Blok
NFT Audit Committee

Casimir Adler-Ivanbrook
NFT Audit Committee



A Union of Professionals

Novato Federation of Teachers

Local 1986
AFL-CIO

2022 AUDIT EXAMINATION Conducted March 2023

INTERNAL CONTROLS:

Checkbooks and permanent financial records are kept in a secure location. Only accessible to those who have the authority to write checks.

Checks are required to have two (2) signatures.

Endorsements match the canceled checks.

The starting and ending checks match during this period. There are no missing checks. Voided checks are clearly marked and kept in the checkbook.

There are no pre-signed checks in the checkbook. This is not a practice of this local.

There are no canceled checks payable to "Cash." Checks are always made payable to a company or an individual.

Financial reports are made to the Executive Board on a monthly basis. This has been the practice of the local. The reports are attached to the Executive Board Minutes.

Budgets are approved within the financial means of the local.

All expenditures not included in the Budget are pre-approved by the Executive Board as in By-Laws.

There is no written accounting manual or written procedure manual to ensure proper internal controls. The Audit committee will determine if one is necessary.

CASH RECEIPTS (INCOME):

Deposits are made in a timely manner. Usually the next business day.

Dues are received via a check from the NUSD on a monthly basis. COPE funds are transferred to the COPE account on a monthly basis. This has been the practice of this local.

Per Caps are paid on a timely manner and match the number of members listed on the NUSD Payroll list.

All members contribute dues by payroll deduction. All deposits are listed in the checkbook and match the bank statements. All deposits have back up documentation.

CASH DISBURSEMENTS:

Expenditures are paid by check. This local does have a petty cash account.

Checks are authorized and signed by the appropriate Union officers.

Checks are pre-numbered and written in numerical order.

Payee and endorser match each check.

Backup documentation is marked with check number and date paid. Backup documentation matches the checks paid. Backup documentation is kept in an Invoice Paid Folder.

All disbursements are listed in the checkbook.

BALANCE THE CHECKBOOK:

The checkbook is balanced on a monthly basis.

The COPE account is balanced on a monthly basis. There are no discrepancies.

BALANCE OTHER ACCOUNTS:

There are no other accounts for this local.

EXAMINE SUPPORTING DOCUMENTS:

Each receipt (deposit) has supporting documentation which is kept in a file folder.

Each disbursement (payment) has supporting documentation which is kept in a file folder. Each disbursement document is marked with the date paid and the check number.

This local does have long term recurring payments. The Rent and a Lease for the photocopier. Both of these expenses are billed on a monthly basis.

All payments are documented and approved by the Executive Board.

VERIFY THE ACCURACY OF THE FINANCIAL STATEMENTS:

Financial reports are accurate.

Assets and Liabilities are listed correctly on the Balance Sheet.