



**Report of the D/27 Audit Committee  
For the Spring Council Conference Meeting  
New Bern, NC  
March 17-19, 2017**



This report covers the financial records from 1 April 2016 through 28 February 2017.

In fulfillment of the requirements of Section 2.9 of District 27 By-Laws, the Audit Committee has examined the financial documents provided by the District Treasurer. Our examination was performed for the purpose of expressing overall confidence that the District's accounting accurately portrays the financial health of the District and is free of material omissions. We also judged the adequacy of the accounting and record keeping practices employed by the District 27 Treasurer.

Based on our examination, we believe that the financial health of District is good. The accounting practices are standard and show income and expenses timely and accurately. The District has adequate and well managed reserves to meet unexpected financial situations. The Treasurer's reporting to budget is accurate and timely giving District Officers an ongoing view of income and costs vs. the budget.

While the Audit Committee believes the financial overall health of the District is good, we are concerned that in this period's budget and in some prior years budgets there is a reliance on moving funds from a contingency fund (savings) to meet budget goals. While this is not a major problem presently, it will grow worse over time. With membership declining and thus income declining, District leadership will need to begin focusing on ways to deal with this issue – probably through increased assessments or significant cost cutting, or a combination of both.

Respectively Submitted:

Audit Committee:

P/C Sara Hayes, JN

P/Lt/C Mary Chaney, JN

P/D/C Jerry Hall, SN Chair