

North Avondale Neighborhood Association, Inc.

Annual 2017 Treasurer's Report, as amended¹

To: President, Board of Trustees, Enrolled and General Members
From: Steven J. Megerle, Esq., Treasurer
Date: May 21, 2017
Re: Annual Report of Finances and Accounts

Good Afternoon fellow friend and neighbors of North Avondale. *It is a privilege to present my first Annual Report as your NANA Treasurer.* I haven't done one of these since I was Treasurer of my fraternity too long ago to admit, but here it is:

Statement of Income Sources

NANA's income comes from the following sources: City of Cincinnati Neighborhood Stabilization Funds (NSP), membership dues, directed donations from donors, special projects donations (flower-pot collection), and successful grant requests.

As a 501(c)(3) registered with the Internal Revenue Service all donations with the exception of the \$5.00 membership dues are tax deductible. NANA operates on a calendar fiscal year meaning the close of the year is December 31st of each year.

End of Fiscal Year Balances

At the end of 2016, NANA had the following primary banking accounts with its assets:

Primary Checking Account	\$17,845.84	(Fifth Third)
Real Estate Escrow Account	\$8,000.00	(Fifth Third) ²

¹ This report was amended to include the footnoted information regarding the escrowed funds and to include the North Side Bank certificate of deposit as an additional NANA asset. Thanks to Hanne Larsen for pointing out these needed corrections.

² The real estate escrow account includes escrowed funds from real estate transactions. This account and accompanying contracts and deed restrictions have

Real Estate Account \$32,155.49 (Fifth Third)

The primary checking account includes all income, excluding real estate transactions. NANA had a total of 385 different donations and income from donations, grants, directed donations, and special project donations.

A reconciliation of the banking records from January 1, 2016 to the present for the primary checking account with the Quick Books accounting software was off \$13.00 out of over 400 debit and credit transactions.³

Movement of Surplus to Savings

The Board of Trustees made a decision to transfer \$10,000.00 of the end of \$17,845.84 ending year balance to a Certificate of Deposit at Northside Bank and Trust Company. As a new customer to North Side Bank and Trust, the rate for 90 day certificate of deposit. This rate was higher than any offered by our current banking vendor, Fifth Third Bank.

The savings will help ensure the same level of funding to future projects and to effectively offset likely 25% reduction of City of Cincinnati NSP funds in the next city budget cycle. It also provides set aside funds for neighborhood welcoming signage at the Dana Triangle, for example.

Current Account Balances as of May 1, 2017

The current account balances for NANA bank accounts are as follows:

Primary Checking Account	\$12,265.21	(Fifth Third Bank)
Primary Checking Account	\$1,000.00	(North Side Bank)
Real Estate Escrow Account	\$8,001.86	(North Side Bank)
Real Estate Account	\$32,155.65	(North Side Bank)
Surplus Certificate of Deposit	\$10,000.00	(North Side Bank) ⁴

Expenses

not been audited. Further action is forthcoming to release or claim these escrowed funds.

³ I began to serve as Treasurer as of the May, 2016 Annual Meeting. A team has helped to reconcile the Quick Books to the bank accounts.

⁴ This does not include interest accrued as the certificate of deposit has not matured.

NANA does not have an annual budget to outline yearly expenditures. Expenses are dependent on specific programming, historical projects, and beautification efforts.

The primary expenditures from May 2016 to 2017 were the following: replacement of Mitchell Avenue pillars (\$7,950.00), Annual Flower Pot Maintenance w/ Cincinnati Park Board (\$2,800.00), the Annual Meeting, Beautification/Neighborhood clean-ups (approx. \$1,000.00), honorarium for guest speakers, beautification projects, etc.

Stronger Financial Controls

It was a priority to review financial controls of our neighborhood finances. The following are a few of the financial controls implemented in the last 12 months:

- reducing the number of bank issued debit/credit cards from 5 to 1
- prohibiting the use of the bank issued debit card for debits at ATM
- reducing the daily transaction limit from \$10,000.00 to \$1,000.00
- requiring the signature of the President (or his designee) and Treasurer on all check drafts paid by the association
- re-implementing a reimbursement form for re-payment
- copies of all checks and cash received through the mail

Transparency, IRS compliance, Bank Change, And Continuing Goals

Each month a Treasurer's Report is submitted to the Board of Trustees and appointed committee chairs. I modeled my report to one produced by a past Treasurer that include herein. A copy of the end of year 2016 report and most recent report is attached (excluding the corresponding bank statements). The report includes a copy of the primary bank statement. All of the reports and statements are uploaded to the NANA dropbox account for historical reference.

To comply with IRS 501(c)(3) reporting, donors received tax letters earlier this year so they would have a record of their donation for tax purposes.

The Board of Trustees voted to transfer banking to North Side Bank and Trust. There was a hearty, lengthy, candid discussion of pro and cons of the

change, but moving forward, it will be better in the long run to bank with a locally owned, community bank. Northside Bank offered NANA interest bearing checking accounts (real estate escrow, real estate) along with free checks, and no fees. There will also be savings from being able to utilize a merchant services platform instead of PayPal which requires additional steps to transfer funds to our primary account. Once finalized, it be seamless transition.

Finally, as a large portion of our income and funds are tax dollars and are entirely donations to a non-profit civic entity, it is a goal to make our financial transactions transparent. I have been in contact with the Ohio State Treasurer to have NANA report all of its income and expenditures on the Open Book website that is used by many governments throughout Ohio. NANA could be the pilot and first community council organization in the State of Ohio to participate. I am hopeful this can be I effect next year when I give the 2018 Treasurer's Report.

Conclusion

In summary, we are blessed to live in such a charitable neighborhood with a perfect blend or diversity and opinions, young and old, all with a deep civic pride in this Community we call home. NANA is a strong financial position to meet the needs of our neighborhoods.

Thank you for the privilege of serving you as a fiduciary and steward of your donations. If anyone has any questions, I am always available by telephone, (859) 992-5403 (cell), (859) 982-2025 (direct dial at my law firm), or email, sjm4880@aol.com

Excelsior!