

**Reading Aero Club**  
**2022 Audit Committee Report**

Submitted to the Reading Aero Club Executive Board and General Membership: 6/13/2024

Committee Members: David Meade

Period of Audit Consideration: 2/1/2022 – 1/31/2024

The Club Financial Secretary, Assistant Financial Secretary, and Treasurer provided this Auditor access to all necessary tools and processes used to conduct the finances of the Club. The auditor was given access to the Reading Aero Club accounts in the QuickBooks online bookkeeping system.

The Club Financial Secretary and Assistant Financial Secretary are responsible for collecting all invoices, bills, and member payments. The Club Treasurer is responsible for handling all bill paying, fund transfers and bank account reconciliation.

Accounting is handled by the QuickBooks online software tool. Within QuickBooks, various class codes are used to distinguish between transactions for different aircraft, insurance, capital improvements, hangar funds, etc.

The audit committee reviewed or tested all areas of Club business documentation in Quick Books including: bank deposits, received bills, bill payment, member expense reimbursement and individual flight records collected with Flight Circle..

The audit procedure has been revised to conduct the 2023 audit and is included in Attachments .

**Bank Deposits**

The Club currently uses VIST Bank, Riverfront Federal Credit Union and Customers Bank for financial transactions. The Club Financial Secretary prepares a QuickBooks report which indicates all checks and ACH transfers for deposit. The Club Financial secretary electronically deposited checks and processes ACH payment. The bank then checks these materials for accuracy when finalizing deposits.

A sampling of deposits was completed during the audit period. The sampling process verified the accuracy of documentation and consistency in the process. No discrepancies were identified.

**Received Bills and Bill Payment**

Bills that are received each month are prepared by the Financial Secretary. The bills are read for approval at either the Executive Board meeting and/or the membership meeting. Once approved, the Treasurer processes the payments and records them in QuickBooks. One hundred percent of bills were audited for accuracy and no discrepancies were noted.

### **Member Reimbursement**

Club members are reimbursed for purchases of aircraft fuel. Members may also be reimbursed for other purchases that support Club activities such as food, cleaning supplies, clubhouse repair, aircraft supplies, etc. Typically, this is done by applying a credit to the member's club account or a check issued in some cases. These transactions are recorded in QuickBooks.

Review of Club member reimbursements during the audit period found no discrepancies.

### **Individual Flight Records**

Pilot Members, with unique log-in credentials are required to utilize Flight Circle to reserve, dispatch and check-in aircraft. When an aircraft is dispatched, the hobbs meter and engine tach are compared and verified to match previously recorded check-in values. Upon completion of aircraft utilization, pilots are required to check-in aircraft and enter the current hobbs meter and tach times. The electronically collected flight time is then imported to Quickbooks and billed to pilot members by the financial secretary.

Billed aircraft flight hours were compared to recorded Flight Circle data and no discrepancies were found once data was sanitized. When comparing billed flight time against Flight Circle data it was necessary to remove logged maintenance time and billing corrections prompted by the previous year's audit.

Implementation of Flight Circle and its integration with Quickbooks, has virtually eliminated errors incurred by pilots completing handwritten Flight Slips and the manual process of entering the data into Quickbook.

During the audit of Flight Circle versus billed hours no discrepancies were noted:

Flight Circle and Invoice Audit for 946B, Year 2023

Actual Billable Flight Hours = 11.9 No discrepancies of flight hours versus billed hours were found during final reconciliation.

Flight Circle and Invoice Audit for 168F, Year 2023

Actual Billable Flight Hours = 270.5 No discrepancies of flight hours versus billed hours were found during final reconciliation.

Flight Circle and Invoice audit for 2373K, Year 2023

Actual Billable Flight hours = 440.4 No discrepancies of flight hours versus billed hours were found during final reconciliation.

Flight Circle and Invoice audit for Redbird, Year 2023

Actual Billable Sim Hours = 102.7 No discrepancies of flight hours versus billed hours were found during final reconciliation.

**Observations and Recommendations**

The detail and consistency in the accuracy of record keeping by the Financial Secretary and Treasurer is remarkable and very commendable. Their attention and level of detail indicates an excellent effort on the behalf of the Reading Aero Club. The transparency of the accounting process is apparent in the amount of financial report documentation provided to all members via email each month.

The board needs to be commended on the decision to recommend and implement Flight Circle. Flight Circle virtually eliminated errors incurred through the manual data collection processes previously employed by the Reading Aero Club.

The financial team added and changed the institutions with which the Club banks. These changes were made to allow Club to realize stronger returns on assets until such time the funds are needed.

In closing this year's audit, the Audit Committee extends its sincere gratitude and appreciation to the members of the Financial Team for their efforts and hard work in tracking and maintaining such exceptional documentation of the RAC's finances. This level of detail greatly enhances decision making, cost control and ensuring the lowest cost level of flying in the area.

The Club leadership and members who volunteer their time and energy in managing club business are to be commended and acknowledged for their dedication to keeping our Clubhouse and aircraft ready and available to our members.

Attachment B

Individual Flight Record – Reconciliation Procedure

**Aircraft 68F**

A.	Time Off from first Flight Record	7192.30
B.	Time Land from final Flight Record	7472.90
C.	Subtract (B) – (A) = Actual Time Flown	280.6
D.	Subtract Maintenance time, Add Billable Ground Time	10.1
E.	From QuickBooks “Flight Slips – Last Fiscal Year – Aircraft” add hours billed (use Excel)=	270.5
F.	Hours Under-billed (not subtracted or recorded properly)=	0
G.	Hours Overbilled (not subtracted or recorded properly)=	0
H.	Corrected Billing = (D) + (E) - (F)=	270.5
I.	Difference Corrected Billing vs. Actual (C) - (G)=	0
J.	Difference should be 0. Yes = Audit Complete. No= Find Error and Repeat	

**Aircraft 46B**

A.	Time Off from first Flight Record	5.8
B.	Time Land from final Flight Record	18.90
C.	Subtract (B) – (A) = Actual Time Flown	13.1
D.	Subtract Maintenance time, Add Billable Ground Time	1.2
E.	From QuickBooks “Flight Slips – Last Fiscal Year – Aircraft” add hours billed (use Excel)=	11.9
F.	Hours Under-billed (not subtracted or recorded properly)=	0
G.	Hours Overbilled (not subtracted or recorded properly)=	0
H.	Corrected Billing = (D) + (E) - (F)=	11.9
I.	Difference Corrected Billing vs. Actual (C) - (G)=	0
J.	Difference should be 0. Yes = Audit Complete. No= Find Error and Repeat	

## Aircraft 73K

1.	Time Off from first Flight Record	7826.4
2.	Time Land from final Flight Record	8274.8
3.	Subtract (B) – (A) = Actual Time Flown	448.4
4.	Subtract Maintenance time, Add Billable Ground Time	8
5.	From QuickBooks “Flight Slips – Last Fiscal Year – Aircraft” add hours billed (use Excel)=	440.4
6.	Hours Under-billed (not subtracted or recorded properly)=	0
7.	Hours Overbilled (not subtracted or recorded properly)=	0
8.	Corrected Billing = (D) + (E) - (F)=	440.4
9.	Difference Corrected Billing vs. Actual (C) - (G)=	0
10.	Difference should be 0.	

Yes = Audit Complete. No= Find Error and Repeat

## Aircraft Redbird

1.	Time Off from first Flight Record	352.30
2.	Time Land from final Flight Record	458.8
3.	Subtract (B) – (A) = Actual Time Flown	106.5
4.	Subtract Maintenance time, Add Billable Ground Time	3.8
5.	From QuickBooks “Flight Slips – Last Fiscal Year – Aircraft” add hours billed (use Excel)=	102.7
6.	Hours Under-billed (not subtracted or recorded properly)=	0
7.	Hours Overbilled (not subtracted or recorded properly)=	0
8.	Corrected Billing = (D) + (E) - (F)=	102.7
9.	Difference Corrected Billing vs. Actual (C) - (G)=	0
10.	Difference should be 0.	

Yes = Audit Complete. No= Find Error and Repeat