

**INDEPENDENT REVIEW
OF
HRF RESIDENTS ASSOCIATION FINANCIAL RECORDS**

FOR THE YEAR 2019
AND FOR THE PERIOD 1 JAN 2020 TO 31 JULY 2020

INDEPENDENT REVIEW PERFORMED BY
Gert H Nel
SAIPA 40666 – Independent Review Certificate

18 August 2020

1. Introduction

I was requested by the Chairperson of the HRF Residents Association to perform an independent review of the financial results for both periods of 2019 financial year (Jan 2019 to Dec 2019) as well as year-to-date Jan 2020 to 31 July 2020. A further review will be performed at the end of 2020 as supplement to the current review.

There is no charge for the reviews done. This forms part of my contribution to the Association, being an occasional resident of Rexford.

2. General Information

- 2.1 The Association receives membership fees from members. Other income received is interest on the bank account, which is a market link account
- 2.2 The Association also received R10,000 in April 2020 from the Western Cape Govt into an account opened already in April 2019 for this purpose – HRF Vigilance Neighborhood Watch Account. Over time, R400 was transferred from the normal Market Link Account to this account to keep it open and relevant until the payment in April 2020. Given the increased balance, this account also attracts some interest. The closing balance at the end of July 2020 was R10 848.44
- 2.3 The Association received financial support from Knysna Municipality in 2019 to the amount of R72,024,20 towards the costs of the security cameras installed. No support has been received from the local municipality in 2020 up to July 2020. The only income earned in 2020 apart from the WC Govt contribution is from membership fees and interest
- 2.4 Membership is totally voluntary and residents who are not members, do also benefit from the efforts of community safety by the Association

3. Review on Income

- 3.1 Income in 2019 total was derived from Knysna Municipality, membership fees and interest.
- 3.2 Income in the 7 months to July 2020 was the contribution from the WC Govt, membership fees and interest on bank accounts

I have reviewed all income as recorded in the bank accounts and this appears to be accurate and correct.

4. Review of Expenses

- 4.1 There are no extra-ordinary expenses for the 2019 Financial Year, other than those stated in the trial balance attached.
- 4.2 There are no extra-ordinary expenses for the 7-month period to July 2020, other than the costs summarised in the trial balance attached
- 4.3 The biggest expenses are the initial costs to install the cameras in 2019 and the Allsound Security Costs on Cameras and Camera Monitoring Fees

5. Financial Management

- 5.1 The Association has created a surplus of R47,223 for 2019 through prudent financial management and spending discipline. The Financial records are accurate and up to date. The balances on the Bank Accounts as at 31 Dec 2019 were R95,139 on the Market link account and R400 on the Neighborhood Watch account.
- 5.2 Similarly for the 7 months to July 2020, the Association generated a surplus of R30,963. The costs to be incurred for the last 5 months of the year will reduce the surplus, and the Association plans to do a detailed budget to ensure the planned spending in 2021 will match the funds available

and expected membership fees collection. Bank Account end July were R87,603 on the Market Link and R10,848 on the Neighborhood Watch Account

5.3 Financial Accounting is accurate and up to date. Income and expenses are accounted for as it is incurred or received. There are no Debtors or Creditors

5.4 Jenny Dixon is doing an excellent job keeping the financial records and the financial reports up to date

6. Financial Review Summary

From the review of all the bank statements, invoices, expenses and financial records, I find the attached trial balances to be accurate and a true reflection of the financial record of the Association – both for the 2019 Financial Year and the 7-month period up to 31 July 2020.

A handwritten signature in black ink, appearing to read 'Gert H Nel', with a stylized, cursive script.

Gert H Nel
Rexford
18 August 2020

Prepared by: Jenny Dixon

Trial Balance : 01/01/19 to 31/12/19 - Last Year

Account	DR	CR
1000/000 Membership fees		75 730.00
2750/000 Interest Received		3 137.74
2850/000 Knysna Municipality		72 024.20
3000/000 Allsound: cameras	62 011.79	
3050/000 Allsound: monitoring	40 676.40	
3200/000 Bank Charges	480.80	
4200/000 Printing & Stationery	250.00	
4650/000 Venue hire	250.00	
Nett Profit	47 222.95	
	<hr/>	<hr/>
	150 891.94	150 891.94
	<hr/>	<hr/>
Nett Profit		47 222.95
5200/000 Retained Income / (Accumulated Loss)		20 265.67
8200/000 Prepaid membership fees		28 050.00
8400/000 Standard Bank 08-603-211-9	95 138.62	
8410/000 HRF Vigilance 08 603 5622	400.00	
	<hr/>	<hr/>
	95 538.62	95 538.62
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Prepared by: Jenny Dixon

Trial Balance : 01/01/20 to 31/07/20

External Ref	Account	DR	CR
	1000/000 Membership fees		73 152.52
	2750/000 Interest Received		1 992.02
	2950/000 Western Cape DOCS		10 000.00
	3000/000 Allsound: cameras	10 473.45	
	3050/000 Allsound: monitoring	39 734.80	
	3200/000 Bank Charges	382.00	
	3800/000 Installation & Repairs	3 591.18	
	Nett Profit	30 963.11	
0.00		85 144.54	85 144.54
	Nett Profit		30 963.11
	5200/000 Retained Income / (Accumulated Loss)		67 488.62
	8400/000 Standard Bank 08-603-211-9	87 603.29	
	8410/000 HRF Vigilance 08 603 5622	10 848.44	
0.00		98 451.73	98 451.73