

REGARDING FINANCIAL STEWARDSHIP FROM THE EXECUTIVE DIRECTOR

At Habitat for Humanity of the St. Vrain Valley, we continuously work to refine our process so that it is impervious to fraudulent activity. Highlighted below are just a few of the controls we use to minimize risk of wrongdoing:

- **Third Party Audit:** Each and every year we hire an independent CPA to perform an audit of our financial records and our procedures. This Auditor reports back directly to the Board of Directors and identifies any areas of concern. Those concerns are then addressed with staff and, if needed, changes are made.
- **Monthly Review and Financial Reporting:** The Audit Committee is made up of members outside the Board of Directors and staff who review the financial reports that go directly to our Board of Directors.
- **Cash Handling and Expense Payouts:** We have adopted best practice cash management procedures that ensure that multiple people are involved in signing off on the receipt of donations and the payout of any expenses. For example, at least three different individuals are involved in any check we write to pay for construction expenses. This ensures that no one individual can pay out cash independently and serves to eliminate opportunity for any inappropriate activity.
- **ReStore:** Our ReStore Home Improvement Outlet has procedures in place to ensure that all transactions are recorded with multiple individuals involved in all payments. We also have been undergoing a process to adopt best practices for retail cash control, inventory control, and protection of reputational risk.

Our Board of Directors has put in place a disciplined oversight calendar to ensure that every aspect of our organization is reviewed once a year.

While we believe our procedures are proven and consistent with best practices in the industry, we will continue to work diligently to make sure we eliminate any potential for fraud. We hope this demonstrates some of our processes and puts us in the best position to maintain the trust our supporters deserve. As always, I extend an open invitation to any of our friends who would like to discuss this matter further. I can be reached directly at either (303) 946-5190 or via email at DEmerson@stvrainhabitat.org.

Sincerely,

David Emerson
Executive Director