

**DATE:** January 10, 2009

**TO:** Patrick McCann, Association Attorney  
Indian Woods Community Association  
and  
IWCA Board of Directors

**FROM:** Amy Times, CPA

**SUBJECT:** Indian Woods Community Association General Ledger & Audit of Records

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Dear Patrick and Members of the Board:

You asked me to review the general ledger for the Indian Woods Community Association. I noted the following:

**Review & Audit**

- I was able to recreate the general ledger and tie all amounts to bank statements. In a few instances, I noted deposits/checks that were in the bank statements, but not recorded in the general ledger. I added this activity to my analysis.
- As of October 31, 2009, there is a difference of \$7.99 between the general ledger and the bank statements.
- The former bookkeeper used the general ledger as a means to keep a detail record of deposits collected and expenses such as the summer picnic and the holiday party. I was unable to determine if the total receipts collected were in line with budget. I believe if you knew how much was to be collected each year you could easily verify the receipts.
- I did not find any receipts for expenses paid to reimburse community members for costs they incurred on behalf of the Association. A check was typically issued to the members; however reimbursements to the President were usually done with cash. There was no documentation or receipts by the information and financial files received over by the Association to verify the reasonableness of the expenses incurred and the amounts reimbursed.

**Recommendations**

- I recommend the general ledger be maintained in excel or a general ledger software package such as Quickbooks.
- Detailed analysis should be kept separate and not part of the general ledger.
- Community members should pay dues with checks so a record can be easily verified and maintained. In addition, a copy of the check should be made and filed.

- If cash is received for dues or any other revenue, a written receipt should be given to the customer and a copy maintained by the Association.
- There should be timely deposits of all monies received. At a minimum, deposits should be made weekly or every other week.
- Reimbursements should not be made without proper supporting documentation of the costs incurred. The reimbursement should be made with a check and the voucher copy of the check (or copy of the check) should be attached to the supporting documents and filed.
- The payment of expenses and reimbursements should be done a regular and timely basis. At a minimum, payments should be made every other week.
- The bank statements should be reconciled to the general ledger on a monthly basis.
- An annual report needs to be filed for the Association every year. I noted a notice for 2009 that it was not filed.
- The Association should be a tax-exempt organization and should have received documentation to that effect so tax returns would not have to be filed every year.

The following are the General Ledgers and Audits of the Expenses.

**Indian Woods Community Association**  
**General Ledger - Audit 2010**  
**May 2004 - November 2009**

<b>Date</b>	<b>Transaction</b>		<b>Amount</b>
6/15/2004	Check 1001	Mary Smythe	(87.73)
6/28/2004	Check 1003	Jim O'Helor	(50.36)
9/28/2004	Check 1005	Jim O'Helor	(18.60)
12/4/2004	Check 1006	Hall rent and wine	(319.00)
12/4/2004	Check 1007	Caterer	(274.40)
12/6/2004	Check 1008	Mary Smythe	(42.02)
3/5/2005	Check 1009	Kowal's Landscaping	(600.00)
4/19/2005	Check	State of IL	(5.00)
11/28/2005	Check 1017	Mary Smythe	(6.78)
11/28/2005	Withdrawal	Ed Kemp	(50.00)
11/28/2005	Withdrawal	Ed Kemp	(50.00)
11/28/2005	Withdrawal	Ed Kemp	(50.00)
12/26/2005	Withdrawal	Tony Kawalski	(11.00)
12/26/2005	Withdrawal	Tony Kawalski	(11.00)
12/26/2005	Withdrawal	Tony Kawalski	(11.00)
1/4/2006	Check 1101	Service Ins Agency	(910.00)
1/4/2006	Check 1103	Cook County Forest Preserve	(25.00)
2/8/2006	Check 1051	Eugene Johnson	(375.95)
2/8/2006	Withdrawal	George Hagopian	(102.49)
2/8/2006	Withdrawal	George Hagopian	(110.00)
2/8/2006	Withdrawal	Amal Tabbard	(500.00)
2/8/2006	Withdrawal	George Hagopian	(102.49)
2/8/2006	Withdrawal	George Hagopian	(110.00)

2/8/2006	Withdrawal	Amal Tabbard	(500.00)
2/8/2006	Withdrawal	George Hagopian	(102.49)
2/8/2006	Withdrawal	George Hagopian	(110.00)
2/8/2006	Withdrawal	Amal Tabbard	(500.00)
4/12/2006	Check 1057	Secretary of State	(5.00)
6/16/2006	Check 1058	Kowal's Landscaping	(600.00)
6/30/2006	Check 1022	Tony Kawalski	(11.00)
9/5/2006	Check 1020	Amal Tabbard	(7.47)
9/5/2006	Check 1021	Tim Heinrich	(17.50)
9/25/2006	Check 1023	Gene Johnson	(26.53)
10/15/2006	Check 1024	Tim Heinrich	(15.00)
12/8/2006	Check 1025	Tony Kawalski	(181.89)
12/15/2006	Check 1059	All Seasons Gourmet	(580.00)
1/5/2007	Check 1060	Tony Kawalski	(558.00)
1/5/2007	Check 1061	The Hartford	(350.00)
2/20/2007	Check 1062	Tim Heinrich	(15.00)
2/20/2007	Check 1063	George Hagopian	(110.00)
4/27/2007	Check 1076	Secretary of State	(5.00)
4/27/2007	Check 1077	Secretary of State	(5.00)
10/13/2007	Check 1064	Tim Heinrich	(17.50)
10/15/2007	Check 1028	White Eagle	(500.00)
10/20/2007	Check 1029	Tim Heinrich	(35.00)
2/13/2008	Check 1065	Regina Przyby	(2,100.00)
2/13/2008	Check 1066	Cook County Forest Preserve	(110.00)
2/23/2008	Check 1081	Eugene Johnson	(380.00)
3/13/2008	Check 1082	Regina Przyby	(900.00)
3/17/2008	Check 1067	Kawaski Landscaping	(500.00)
5/11/2008	Check 1068	Secretary of State	(8.00)
7/29/2008	Check 1069	Dues paid to George for picnic	(303.00)
11/18/2008	Check 1010	Kelly Hensen	(20.71)
11/30/2008	Check 1071	Amal Tabbard	(51.07)
1/10/2009	Check	Insurance	(350.00)
2/11/2009	Check 1072	Frontier Landscaping	(1,200.00)
6/16/2009	Check	Kelly Hensen	(366.38)
9/15/2009	Check	Secretary of State	(13.00)
11/17/2009	Check 1074	Amal Tabbard	(12.05)
11/17/2009	Check 1084	Kelly Hensen	(151.20)
5/5/20007	Check 1078	Kowal's Landscaping	(900.00)
PER BT STMT	Check 1056 not in GL		(14.00)
PER BT STMT	Check 1080 per June stmt not in GL		(26.50)
PER BT STMT	Correction of 8/16/2006 deposit not in GL		10.00
PER BT STMT	Dec 2007 check 1031 not in GL		(14.00)
PER BT STMT	Deposit return not in GL		(15.00)
PER BT STMT	Fee for return not in GL		(6.00)
PER BT STMT	Jan 2008 deposit not in GL		569.00
PER BT STMT	Deposit return not in GL		(15.00)
PER BT STMT	Fee for return not in GL		(6.00)
PER BT STMT	Fee for return not in GL		(6.00)
PER BT STMT	Jan 2008 deposit not in GL		569.00
PER BT STMT	Deposit return not in GL		(15.00)
PER BT STMT	Fee for return not in GL		(6.00)
PER BT STMT	Jan 2008 deposit not in GL		569.00
	Check 1002	Mary Smythe	(143.38)
	Check 1004	Mary Smythe	(13.05)
	Check 1011	Mary Smythe	(6.22)
	Check 1012	Ron Malek	(110.00)

Check 1013	Mary Smythe	(105.31)
Check 1014	Mary Smythe	(399.38)
Check 1015	Jim O'Helor	(48.98)
Check 1026	Tim Heinrich	(15.00)
Check 1030	Check printing fees	(16.80)
Withdrawal	Check printing fees	(22.50)
Withdrawal	Check printing fees	(34.01)
Withdrawal	Check printing fees	(22.50)
Withdrawal	Check printing fees	(34.01)
Withdrawal	Check printing fees	(22.50)
Withdrawal	Check printing fees	(34.01)
<b>Total Expenses 2004-2009</b>		<b>(14,874.76)</b>

DATE	DEPOSIT	AMOUNT
5/24/2004	Deposit	4,757.99
5/25/2004	Deposit	120.00
5/28/2004	Deposit	135.42
6/1/2004	Deposit	192.00
6/12/2004	Deposit	24.00
7/3/2004	Deposit	100.00
7/3/2004	Deposit	12.00
12/1/2004	Deposit	330.00
5/16/2005	Deposit	672.00
5/17/2005	Deposit	444.00
5/30/2005	Deposit	100.00
5/30/2005	Deposit	337.00
6/6/2005	Deposit	87.00
7/13/2005	Deposit	36.00
11/7/2005	Deposit	12.00
11/14/2005	Deposit	12.00
11/28/2005	Deposit	12.00
12/12/2005	Deposit	72.00
1/24/2006	Deposit	248.00
2/14/2006	Deposit	958.00
8/16/2006	Deposit	450.00
10/30/2006	Deposit	691.50
11/20/2006	Deposit	141.00
12/15/2006	Deposit	119.34
12/15/2006	Deposit	550.00
12/15/2006	Deposit	60.00
2/20/2007	Deposit	45.00
4/2/2007	Deposit	75.00
7/16/2007	Deposit	15.00
8/10/2007	Deposit	100.00
8/10/2007	Deposit	285.00
8/10/2007	Deposit	9.00
8/15/2007	Deposit	225.00
9/20/2007	Deposit	248.50
10/20/2007	Deposit	250.00
3/4/2008	Deposit	150.00
3/25/2008	Deposit	180.00
6/30/2008	Deposit	75.00
7/3/2008	Deposit	120.00
7/11/2008	Deposit	75.00
7/14/2008	Deposit	225.00

7/28/2008	Deposit		527.00
8/25/2008	Deposit		105.00
12/2/2008	Deposit		240.00
12/5/2008	Deposit		90.00
12/15/2008	Deposit		75.00
12/19/2008	Deposit		60.00
12/24/2008	Deposit		30.00
1/21/2009	Deposit		240.00
1/26/2009	Deposit		15.00
2/3/2009	Deposit		130.00
2/11/2009	Deposit		85.00
4/1/2009	Deposit		140.00
6/19/2009	Deposit		60.00
6/29/2009	Deposit		20.00
8/5/2009	Deposit		235.00
9/21/2009	Deposit		20.00
10/26/2009	Deposit		120.00
11/3/2009	Deposit		280.00
11/9/2009	Deposit		260.00
11/10/2009	Deposit		240.00
11/17/2009	Deposit		765.00
11/22/2009	Deposit		40.00
6/20/2004	Deposit		36.00
	Deposit		12.00
	Deposit		24.00
	Deposit		295.00
	Deposit		112.00
	Deposit		120.00
<b>Total Deposits</b>			<b>17,126.75</b>

Expenses  
(Detail)

Date	Transaction	Remited To / Received	Amount
12/15/2006	Check 1059	All Seasons Gourmet	<b>(580.00)</b>
2/8/2006	Withdrawal	Amal Tabbard	(500.00)
2/8/2006	Withdrawal	Amal Tabbard	(500.00)
2/8/2006	Withdrawal	Amal Tabbard	(500.00)
9/5/2006	Check 1020	Amal Tabbard	(7.47)
11/30/2008	Check 1071	Amal Tabbard	(51.07)
11/17/2009	Check 1074	Amal Tabbard	(12.05)
			<b>(1,570.59)</b>
12/4/2004	Check 1007	Caterer	<b>(274.40)</b>
	Check 1030	Check printing fees	(16.80)
	Withdrawal	Check printing fees	(22.50)
	Withdrawal	Check printing fees	(34.01)
	Withdrawal	Check printing fees	(22.50)
	Withdrawal	Check printing fees	(34.01)
	Withdrawal	Check printing fees	(22.50)

	Withdrawal	Check printing fees	(34.01)
			<b>(186.33)</b>
1/4/2006	Check 1103	Cook County Forest Preserve	(25.00)
2/13/2008	Check 1066	Cook County Forest Preserve	(110.00)
			<b>(135.00)</b>
7/29/2008	Check 1069	Dues paid to George for picnic	<b>(303.00)</b>
11/28/2005	Withdrawal	Ed Kemp	(50.00)
11/28/2005	Withdrawal	Ed Kemp	(50.00)
11/28/2005	Withdrawal	Ed Kemp	(50.00)
			<b>(150.00)</b>
2/8/2006	Check 1051	Eugene Johnson	(375.95)
2/23/2008	Check 1081	Eugene Johnson	(380.00)
			<b>(755.95)</b>
		Snow Plowing	
2/11/2009	Check 1072	Frontier Landscaping	<b>(1,200.00)</b>
9/25/2006	Check 1023	Gene Johnson	<b>(26.53)</b>
2/8/2006	Withdrawal	George Hagopian	(102.49)
2/8/2006	Withdrawal	George Hagopian	(110.00)
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2/8/2006	Withdrawal	George Hagopian	(102.49)
2/8/2006	Withdrawal	George Hagopian	(110.00)
2/20/2007	Check 1063	George Hagopian	(110.00)
			<b>(747.47)</b>
12/4/2004	Check 1006	Hall rent and wine	<b>(319.00)</b>
1/10/2009	Check	Insurance	<b>(350.00)</b>
6/28/2004	Check 1003	Jim O'Helor	(50.36)
9/28/2004	Check 1005	Jim O'Helor	(18.60)
	Check 1015	Jim O'Helor	(48.98)
			<b>(117.94)</b>
11/18/2008	Check 1010	Kelly Hensen	(20.71)
6/16/2009	Check	Kelly Hensen	(366.38)
11/17/2009	Check 1084	Kelly Hensen	(151.20)
			<b>(538.29)</b>
		Snow Plowing	
	Check 1009	Kowal's Landscaping	(600.00)

3/5/2005	Check 1058	Kowal's Landscaping	(600.00)
6/16/2006	Check 1078	Kowal's Landscaping	(900.00)
5/5/20007	Check 1067	Kawaski Landscaping	<b>(500.00)</b>
3/17/2008			<b>(2,600.00)</b>
	Check 1001	Mary Smythe	(87.73)
6/15/2004	Check 1008	Mary Smythe	(42.02)
12/6/2004	Check 1017	Mary Smythe	(6.78)
11/28/2005	Check 1002	Mary Smythe	(143.38)
	Check 1004	Mary Smythe	(13.05)
	Check 1011	Mary Smythe	(6.22)
	Check 1013	Mary Smythe	(105.31)
	Check 1014	Mary Smythe	(399.38)
			<b>(803.87)</b>
		Snow Plowing	
	Check 1065	Regina Przyby	(2,100.00)
2/13/2008	Check 1082	Regina Przyby	(900.00)
3/13/2008			<b>(3,000.00)</b>
	Check 1012	Ron Malek	<b>(110.00)</b>
	Check 1057	Secretary of State	(5.00)
4/12/2006	Check 1076	Secretary of State	(5.00)
4/27/2007	Check 1077	Secretary of State	(5.00)
4/27/2007	Check 1068	Secretary of State	(8.00)
5/11/2008	Check	State of IL	<b>(5.00)</b>
4/19/2005	Check	Secretary of State	(13.00)
9/15/2009			<b>(41.00)</b>
	Check 1101	Service Ins Agency	<b>(910.00)</b>
1/4/2006	Check 1061	The Hartford	(350.00)
	Check 1021	Tim Heinrich	(17.50)
	Check 1024	Tim Heinrich	(15.00)
1/5/2007	Check 1062	Tim Heinrich	(15.00)
9/5/2006	Check 1064	Tim Heinrich	(17.50)
10/15/2006	Check 1029	Tim Heinrich	(35.00)
2/20/2007	Check 1026	Tim Heinrich	(15.00)
10/13/2007			<b>(115.00)</b>
10/20/2007	Withdrawal	Tony Kawalski	<b>(11.00)</b>
	Withdrawal	Tony Kawalski	<b>(11.00)</b>
	Withdrawal	Tony Kawalski	<b>(11.00)</b>
12/26/2005	Check 1022	Tony Kawalski	<b>(11.00)</b>
12/26/2005	Check 1025	Tony Kawalski	<b>(181.89)</b>
12/26/2005	Check 1060	Tony Kawalski	<b>(558.00)</b>
6/30/2006			<b>(783.89)</b>
12/8/2006			

1/5/2007	Check 1028	White Eagle	<b>(500.00)</b>
10/15/2007	Check 1056 not in GL		(14.00)
	Check 1080 per June stmt not in GL		(26.50)
	Correction of 8/16/2006 deposit not in GL		10.00
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PER BT STMT	Jan 2008 deposit not in GL		569.00
PER BT STMT			<b>1,593.50</b>