Property Managers Report March 2 2024

January Log Highlights
Resolved a total of 7 heat control issues. Unit 210, 214, 305, 311, 315, 405, 414.
Investigated and notified Cottage owners of roof leaks related to weather conditions. C1,C4& C5
Resolved boiler failure related to failed switch and maintenance service required.
Repaired sump pump in Boiler Room.
Repaired light fixtures in the stairwells.
All fire extinguishers inspected with one replaced

February Log Highlights
Resolved 1 heat control issue. Unit 101.
Storm damage gutter repaired on street side of Annex Building
Added support structure to the existing roof above the four floor main building prevents further settling of roof framing.
Locust Grove Lane was graded to repair storm damage washout.

Project Work

Cottage 6:
Zaccardi Unit is completed.
Lapoint / Mooradian Unit
Rough in electrical and plumbing is completed The decks have been replaced and new stairwell added for Reitz Unit
Reitz Unit
Morrison Construction started a remodeling project in the second floor Reitz Unit. During the demolition of the interior ceiling and walls they discovered the ceiling was compromised and saging in some areas. Further investigation identified the existing roof sections are separating from each other and are failing due to improper structural supports. It is clear that poor construction methods were used in the past resulting in this roof failure. More information is coming regarding a budgetary quote and timeline for repairs.

Tree Maintenance:
Tree Trimming was completed around the Cottages

Fire Suppression System:
Auxiliary pump on the fire suppression system in the main building was replaced. In addition new required signage was installed, gauges replaced and a valve was also replaced due to failure. Main control valves will be secured in an open position. Annual inspection was completed. We continue to work with several vendors to obtain a quote and schedule for testing of the system.

Property Managers Apartment:
The Unit is being prepared for rental. It was cleaned and painted. New flooring, toilets and window blinds were installed.
Annual Unit Inspections:
The Property Manager has started to conduct annual unit safety inspections in all units and cottages. First and second floors have been completed in the main building. An inspection log has been created to capture any issues. The Property Manager will contact and work with owners of any issues identified during the inspections.

Annex Building:
All of the exterior work has been completed on the Annex / G Hallway project. The interior work is almost completed. Wall studs were re-installed, insulation was applied to the foundation wall and some electrical power supply cables need to be replaced. Drywall and flooring are scheduled to be completed by mid March. Landscape concerns can be addressed in the spring.

Unit Inspections:
Most of the first and second floor units have been completed in the main building. Inspections are ongoing on the third floor and will continue onto the fourth floor. All cottages have been completed. Once all units have been inspected Jake will work with the unit owners to resolve any issues identified during the inspections.

Deck Inspections:
93% of all decks have been inspected. This includes all cottages. The remaining decks will be inspected once access has been scheduled and confirmed. No serious safety issues were identified during the inspections. The next step will be to review all information and set a priority, identify costs and timeline for all upgrades and repairs.

Unit Leaks:
Leak issues are tracked, investigated and monitored in the main building and cottages. Leaks have been associated with severe weather conditions, improper flashing and sealing of exterior wall and roof surface penetrations. Some leaks are resolved quickly and with minimal costs. Other leaks will require additional resources and time to resolve completely.

HCOA Board Meeting Minutes
Meeting Date March 2, 2024, Saturday 9:00 am
Garden View Room

Board Members in Attendance: Kathy Degan, Ed Chamberland, Tom Tremblay, Michael Abbott, Vinny Zaccardi

Board Members in Attendance via ZOOM: Michele Butler

Owners in Attendance: Beth Chamberland, Sharon Zaccardi, Leo Dunn, Moxie Gray, Lorraine Ilsley, Dave Barton, Linda Ho, Kathy Sweeney, Angela and Rosanna Pollini, Dave Degan, Marianne Mullin

Owners in Attendance via Zoom: Amy and Brian Poe, Marie-Anne Ward

Also in Attendance: Jake Kennedy, Property Manager

President Kathy Degan opened the meeting at 9:00 am.

A motion was made and passed to approve the minutes of the last board meeting held on January 13, 2024 and also the emergency meeting minutes of 02/28/2024.

Owner Discussion
Kathy & Linda shared their thanks for Jake's recent work in correcting the heat in their unit. They noted that their unit is much more comfortable and not overheated and that they are now able to regulate the heat in the unit. Michele Butler noted the same.

Property Managers Report
Ed shared a number of issues that are currently in process along with issues that were resolved in January and February. Ed's full notes are included within these minutes. The topics addressed include heat control issues, boiler, sump pump and light fixture repairs with Ed noting the focus has been on safety of the building and safety of the owners. Storm damage to the gutter on the Annex was repaired with structural damage also repaired on the fourth floor by adding a support structure to the roof. Locust Grove Lane was regraded.

Cottage 6 is still in progress. Morrison construction recently discovered, as they prepared the upstairs unit for remodeling, significant structural issues to the roof that required significant repair. The Zaccardi unit is nearly complete while they await the repair of the roof. Progress has been made in the Lapointe/Mooradian unit while the Reitz remodeling has yet to begin.

Tree trimming took place around the cottages and property. The auxiliary pump on the fire suppression system was replaced. The Property Managers apartment is in the process of being remodeled and annual unit inspections by the property manager are being completed. Next expected area for inspection will be the fourth floor. Jake will reach out to any property owners who may have items to correct.

Deck inspections have been completed and that information will be shared soon. Leaks continue to be monitored.

Treasurer's Report-*Tom*
We have $88,000 to go between now and June 30th. Tom ran some projections on what our expenses will be. The projections are approximately $230,000 in expenses. For this fiscal year, we are over budget and unable to contribute to reserves by about $ 65,000. The projections will change as we move forward, bills are received and we get closer to an actual number. Our HOA fees are not covering expenses. Tom noted that we have $ 193,000 in our bank account but we have bills coming in for the heat pump, tree trimming, and we don't have a final number on the fire suppression system. All that being said, we are left with about $ 106,000 in the bank. Tom anticipates having about $ 20,000 left as of June 30th. Tom looked at the balance at the start of the year which was $ 50,000 then the extra money is due to unfunded items from the assessment, savings from the Annex and items not yet paid for.

Bottom Line-we need to do an analysis to determine our HOA fees for next year so that we are not over budget. Cottage Six accounting has been solid and is all separated and is accurate. We have a long backlog of projects and continue to uncover issues that need to be corrected.

Our reserves are severely inadequate. Capital Reserve we have $ 20,000 for projects deemed to be one-time expenses. Our Operating Reserve $ 32,000 for emergencies. The Board needs to determine how to pay our expenses and build the reserves at the same time. Tom will provide an updated report regularly. Discussion ensued on how to determine what a healthy reserve budget should be. Tom noted at another condo he owns; the reserve is $ 200,000. Dave Barton questioned the balance sheet that was distributed at the annual meeting and all noted that the balance sheet was not helpful in knowing our financial position. Kathy noted that they are switching to QuickBooks online to provide access to more informative reports. The Board also discussed streamlining the processing of invoices and payments and to put systems in place that were recommended by the financial review that will be discussed later.

Aesthetics Committee Report-*Kathy*-There is no funding for this right now. Michael Abbott offered to continue to do the flowers in the front of the building. If anyone would like to contribute funding for flowers to help, please reach out to Michael Abbott to help. Kathy noted that Michael is doing all of this out of his own pocket since we have no funds available. Kathy noted there will be another clean-up/beautification day in early May.

CIC Report-*Tom and Michele*-Tom noted that not had been done recently. There were no meetings held in the fall. Michele noted that moving forward we should start from scratch and should coordinate with the maintenance issues being identified by Ed and Jake. We need to determine the long-term capital needs of the property. We will need a grid for the May meeting to determine what we will use that money for this year. Vinny asked what has not been done yet-the Board noted, Fire pump, cameras, deck repairs, walk way. CIC still needs one more member. Lorraine Isley volunteered and was placed on the Committee.

Time agenda items
Proposal for lobby door key code – *Kathy*-We just don't have the time right now and try to rush it through. We are going to table this until November 1st and we will come back with a more complete proposal soon. The plan is to change all locks as of 11/01/2024 and have the winter to work out any bugs before the busy summer season. One issue is that a decision has been made to lock the lobby door at all times, so we will have to remind everyone to keep their key with them at all times.

Old Business
Cottage 6 Loss-*Kathy*
As Ed explained in his Property Manager Report, the roof discovery has halted the rebuild until the roof can be completely repaired. The cost is $70,000. A deck was discovered to be completely rotted, as it was the original deck from 1980. There is also a cabinet issue with the insurance company where they will not cover the additional expense of $23,000. for cabinets over and above the contractor's original quote. Instead of an assessment, for now, we are signing for $100,000. loan to get us through the next couple of months. The interest rate is 8.375 and the term is 7 years. We do not expect to hold this loan till duration. When Cottage 6 is finished and we are more confident in this year's actual expenses we will have a better idea of whether or not we may have to do an assessment.

Insurance – *Kathy*-We are waiting to hear if our insurance will be non-renewed or if they will come through with a quote for our renewal in April. Kathy will share more information as it becomes available.
**Note, a week after the meeting we were advised by the agent that Liberty Mutual will offer us renewal coverage.

Stairway to C6 in place of walkway-*Kathy*-Still in progress, once staircase is finished we must have the cottage surveyed to register the boundary change.

Audit/Financial Review-*Mike*-We did receive a draft of the financial review report and the Board is waiting for a final draft to be shared with owners. There were a number of recommendations made to ensure security in the financial processes of the Lookout. The Board plans to implement the recommendations. We will include the final report in the minutes,
**Note - Final report attached.

New Security Cameras -*Mike*-Kathy and Dave Degan are going to install Blink cameras donated by Mike Abbott at each of the main entrances/exits to the building. This is just a temporary fix until we can take the time and money to do a more professional security system.

Reserve Study -*Kathy*- Reserve Study was discussed at a cost of $ 5,000. Michele and Ed shared that we already know a number of major issues that need to be addressed. Perhaps waiting to have the study completed will make the report more helpful. Tom agreed. Item was tabled.

Gutters (Main building project is complete, still need Cottages inspected)-
Tom-The main building is done. More information will be gathered related to gutters for the cottages. Dave Degan saved us $6000 by offering to install hurricane straps on the Annex gutter that was blown up toward the roof due to high winds.

Storage Unit Review-Vinny offered to spearhead the storage unit project to determine costs and such based on the size of the units.

Parking Passes – ***Mike-***There was discussion about the best way to distribute parking passes and to monitor the parking. The plan right now is for each unit to be given 2 passes for the owner to give to visitors/renters. More work needs to be done on this process and information will be coming soon.

Association rental fee paid to the association each time a unit is rented- ***Mike-***Tabled

New owners buy in fee -***Tom-***Tom would like to get this in effect prior to any upcoming sales. We will look into our documents and talk more at the April Meeting.

New Owners Information Packet (include cottage information)-***Mike-***Tabled

Gate for Fire Lane (Beachmere) - ***not assigned to a board member yet.***Tabled

Garage safety-***Kathy-***Tabled

Pool Canopy-Dave Degan is going to investigate a repair of the canopy.

Master Key needed for all units-Tabled

Owner request to remove path-Tabled

Owner request to not install railing-Tabled

Annual BBQ survey – ***Kathy-***Based on the owner survey, there will not be an annual BBQ in May.

New Business

Property Manager Apartment Use Sub-Committee-Michele will chair this committee and Mike Abbott, Vinny Zaccardi, Ann Valenchek and Thomas Downs have volunteered to join. Michele indicated this will take some time to determine the best way to utilize the space.

Social Sub-Committee - still need volunteers
**Note - Moxie Gray and Lorraine Ilsley volunteered after the meeting.

Historical Pergola Sub-Committee - Tom will chair this new committee and Karen Garvin has volunteered. Pergola will be coming down next week, before they fall. We are committed to rebuilding them.

Signing for the bank -The board discussed who should be signers on our account. We currently have Treasurer Tom Tremblay and Secretary Mike Abbott, and we will add President Kathy Degan. Kathy will be going to Bangor on 3/11/2024 to sign for the Cottage 6 Loan and will take care of the paperwork then. She will also be getting a debit card.

Spectrum billing and contract-Michael Abbott will provide owners with more information regarding an upgrade to Spectrum. All units need updated DTA boxes and more information will be coming.

11:00 Executive Session
The board met in executive session one final time to go over the issue of who is responsible for doors, windows and decks. We have been working with the lawyer to determine this over the last several months. The result and documentation will be shared with owners along with these minutes in the 4/1/2024 board communication.

Meeting Adjourned at 1:00 pm

Respectfully submitted,

Michael Abbott
Michael Abbott-Secretary

Next Meeting is April 27, 2024, at 9:00 a.m. in the Garden View Room

HORIZON OWNERS CONDOMINIUM ASSOCIATION

RECOMMENDATIONS ON INTERNAL CONTROLS

DECEMBER 31, 2023

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February 13, 2024

The Board of Directors
Horizon Owners Condominium Association
55 Israel's Head Road
Ogunquit, ME 03907

The accompanying report presents our analysis of Horizon Owners Condominium Association's controls over the financial reporting. In performing our analysis and accompanying recommendations, we identified:

- Significant transaction streams within the Organization related to:
  - Cash disbursements
  - Cash receipts
  - Monthly reconciliation and reporting
- Areas in the processing of accounting information where transactions could be lost or processed incorrectly.
- Internal controls that help deal with whether:
  - All recorded transactions are valid.
  - All valid transactions are recorded.
  - Transactions are recorded in the proper period in a timely fashion.
  - Transactions are correctly summarized.
- Places where controls should exist but are missing.

These procedures were accomplished by interviewing the President to determine the flow of accounting information and controls placed in operation. The scope of our engagement did not include testing the operating effectiveness of such controls.

Our analysis was not designed to express an opinion on the operations and controls over the transactions of the Organization taken as a whole, and we do not express such an opinion. As you know, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

Cummings, Lamont & McNamee, PLLC

Certified Public Accountants
Kennebunk, Maine

Horizon Owners Condominium Association
Internal Control Recommendations

The recommendations made in this report are in no way meant to disparage the personnel assigned to the various functions. It is clear that everyone involved is very dedicated and wants only the best for the Organization. We have tried to take an objective approach to the various functions and the *positions* assigned to those functions, not specific personnel, and provide ways to strengthen the internal controls.

Duties as Board Members

Board oversight is important in protecting an organization's assets. In order to do this the Board should develop a strategy, monitor performance and ensure financial accountability. To be effective the Board should also have an impact on long-term viability and have a vested interest in how well the Organization implements strategies for achieving its mission.

Organization Board responsibilities can include:

- Strategic planning – developing a strategy to keep the Organization financially healthy.
- Managing performance – monitoring and holding leadership accountable for achieving business results.
- Financial oversight – responsible for stewardship, financial accountability and solvency.
- Ensuring legal compliance – responsible for adhering to laws that govern the Organizations.
- Monitoring conflict-of-interest issues – ensuring there are no conflicts-of-interest and requiring full disclosure of potential conflicts within the Organization or the Board.
- Maintaining supporting documents and Board records – ensuring minutes, mission, vision, values statement, bylaws, articles of incorporation and any policies are kept secure and up to date.
- Board training – ensuring that new Board members have appropriate orientation and training.

Internal Controls, Errors and Fraud

Internal controls are procedures an Organization implements to prevent error, fraud, theft or mismanagement of an Organization's assets. Internal controls may include budgeting procedures, segregation of duties, procedure manuals, dual signature requirements, etc. An active and engaged Board is critical to preventing fraud, theft and errors.

There are three factors that relate to fraud. They are attitude, rationalization and opportunity. As a Board, you have no control over attitude or rationalization. The only thing you can control is opportunity. By designing and implementing controls you can reduce the opportunity for fraud to occur. Once a set of procedures are in place, you can ensure that future employees and future Boards will have sound procedures to follow to safeguard the assets of the Organization.

A fundamental concept in a good system of internal control is the segregation of duties. Segregation of duties is an internal control intended to prevent or decrease the occurrence of innocent errors or intentional fraud. This is done by ensuring that no single individual has control over all phases of a transaction.

There are four general categories of duties: authorization, custody, record keeping and reconciliation and reporting. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities. The more negotiable the asset, the greater the need for proper segregation of duties - especially when dealing with cash or negotiable checks.

Separation of duties will only limit problems stemming from incompatible duties. It is possible, though not likely, that collusion will occur, making control procedures ineffective. Management needs to be aware of relationships (family and friends) and be alert to the possibility of collusion.

Also, in a small operation, it is not always possible to have enough staff to properly segregate duties. In those cases, management may need to take a more active role to achieve separation of duties, by checking the work done by others. Sometimes, the knowledge that records will be checked by others is enough to prevent misappropriation of assets.

RECOMMENDATIONS

Improve Segregate of Duties

Internal controls are designed to safeguard assets and help or detect losses from employee error or dishonesty. Although the size of the Organization's accounting staff prohibits complete adherence to this concept, we believe that practices could be implemented to improve existing internal control without impairing efficiency.

Setting up internal controls now will ensure that future Board members adhere to guidelines to insure the protection of Organization assets. The following are suggestions as to where controls can be put in place:

- For the past 12 years the positions of the Board President and Building Manager were occupied by the same person. When one person handles various aspects of the same process there can misappropriation of assets, whether intentional or not, unless there is additional oversight in that process. As of January 2024, the position of Building Manger has been assumed by another person. This will strengthen internal controls over cash receipts and cash disbursements. These recommendations are based on the procedures in place through the end of 2023.

- The Building Manager initiates the bills, receives the mail, opens the mail, approves the bill and provide the bill to the bookkeeper for payment. We recommend that some of these duties be performed by other individuals. For example, the Building Manager could initiate the bill and receive the mail but leave it for the bookkeeper to open and stamp received. Then the Treasurer or Board President would approve the bill and the bookkeeper would write the check. The bookkeeper would present the check and backup to the Board President or Treasurer for signature. If the Treasurer approves the bill then the Board President would sign the check and vice versa. The bookkeeper would then mail the payment.

- The condo fees received by mail are opened by the Building Manager who also prepares the bank deposit, takes it to the bank and provides the receipt to the bookkeeper. We recommend that someone else be involved in this process such as having the bookkeeper open the mail and record the receipts against the homeowners account. The bookkeeper would then provide the checks to the Building Manager who would prepare the deposit slip and bring it to the bank.

- Currently the QB (Quickbooks) program has only one user name and password which is used by anyone who has access to QB. The Bookkeeper, the Board President and the Treasurer all have access to QB. Distinct user names and passwords are the last line of defense for your Organization for protecting sensitive information. We recommend that every user have their own private log-in and password. A password and account management policy is part of a responsible approach to network security with the Organization

- There are several procedures where the Board President or Treasurer perform the task. We recommend that when a process includes both of these positions, that the Board President performs one part of the procedure and the Treasurer perform the other part of the procedure. For example, The Board President or Treasurer approves a bill and also signs the check. We recommend that if the Board President approves then the Treasurer signs and vice versa.

Approved Vendor List

With improved technology and the wide use of QB and other accounting software, it is very easy to create false vendors and invoices which could result in improper disbursements from the Organization's accounts. We recommend that the Organization create an approved vendor list that is reviewed annually. In addition, all new vendors should be approved by the Organization’s Board as they are added, at the board meetings. A designated Board member should randomly compare disbursements to the approved vendor list as an independent verification that disbursements are being made only to preapproved vendors.

Voided checks

When a check is written incorrectly it is destroyed. We recommend that checks be permanently defaced and maintained with the monthly bank statements. Doing so eliminate the possibility of checks being misappropriated and presented to the bank at a later date for payment.

Documentation for Disbursements

Appropriate supporting documents for all expenditures will help to ensure that all expenses paid are being made on behalf of the Organization. This documentation should include an invoice from a vendor or, if the amount being paid is a reimbursement, a receipt from the original purchase. In addition, checks written should match the vendor on the invoice.

Financial Statement Preparation Services

Compiled, reviewed and audited financial statements are the three different levels of financial statement services. The primary purpose of having an accountant or auditor provide financial statement services is to insure that the financial statements are fairly stated and that they are in conformity with generally accepted accounting principles (GAAP). The three different types are as follows:

> Compilation - The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with GAAP.
>
> Review - A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. These standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with GAAP.
>
> Audit - An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The auditor will provide an opinion that the statements present fairly, in all material respects, the financial position of the Organization in order for them to be in conformity with GAAP.

In all three types of financial statement services noted above, the primary purpose is to provide some level of assurance that the financial statements are fairly stated. They do not necessarily address issues of internal control and may not identify any or all misstatements due to error or fraud.

An Internal Control Review involves reviewing your processes and the personnel performing those tasks in order to help identify weaknesses in internal controls. It further provides recommendations, based on your current employees, to strengthen those weaknesses. This process will provide the Organization with accounting procedures and policies with the goal of providing more protection of the Organization's assets.

The Organization's primary concern is the protection of Organization assets. In order to protect those assets, we recommend that the Organization implement the recommendations in this Internal Control Review document. We also recommend that the Organization update the Internal Control Review every two to three years to ensure that changes to Organization personnel and changes made to processes do not inadvertently put the Organization's assets at risk.

Horizon Owners Condominium Association
Detail invoice review
January 1, 2022 through December 31, 2023

✓ Backup is appropriate
A Hand written information on plain paper - same handwriting - no further detail - John Foster is a subcontractor for Frank Sarno
B Generic hand written receipt from Tri-State Cleaning - check written to individual
C Loan repayment - observed original loan document
D No backup provided
E Generic hand written receipt - no vendor identified

Category	Type	Date	Name	Memo	Debit	
Main building maintenance	check	1/5/2022	commercial bulbs		428.45	✓
Main building maintenance	bill	2/13/2022	John Foster		2,600.00	A
Main building maintenance	bill	4/13/2022	Reeds Ferry		8,493.80	✓
Main building maintenance	bill	6/1/2022	Kevin Demarco		1,850.00	B
Main building maintenance	bill	7/1/2022	Frank Sarno	rear deck & rails	6,000.00	A
Main building maintenance	bill	1/26/2023	Arthur Molineaux	transfer for loan pmt	13,500.00	C
Main building maintenance	bill	2/25/2023	Mike Foley	furniture 2/3/23	6,140.07	✓
Main building maintenance	bill	4/21/2023	Frank Sarno		7,700.00	A
Main building maintenance	bill	6/22/2023	Frank Sarno		16,460.00	A
Cottages maintenance	bill	5/23/2023	Ann Gallagher		477.00	✓
Supplies	check	2/13/2023	ebay		24.73	D
Maintenance - other	bill	7/13/2023	J Carnes		22,778.00	✓
Plumbing and mechanical	bill	9/14/2023	Garrett Pillsbury		2,640.55	✓
Plumbing and mechanical	bill	10/24/2023	Garrett Pillsbury		2,640.55	✓
Insurance	bill	5/1/2022	Liberty Mutual		6,269.02	✓
Insurance	bill	5/1/2022	Liberty Mutual		14,768.70	✓
heating - pool	bill	6/22/2023	Eastern Propane		1,251.19	✓
Pool - other	bill	6/8/2022	Jeffrey Manson		3,075.00	E
Electric	bill	10/27/2023	Central ME power	2195-596	64.99	✓
Electric	bill	10/27/2023	Central ME power	2147-191	77.91	✓
Electric	bill	10/27/2023	Central ME power	2195-265	97.06	✓
fuel oil	bill	3/1/2022	Dead River		2,988.18	✓
fuel oil	bill	3/10/2022	Dead River		3,131.48	✓
utilities	bill	3/23/2023	Spectrum		4,004.96	✓
utilities	bill	4/12/2023	Spectrum		4,070.61	✓
office/general supplies	check	12/6/2022	CVS		106.95	D
office/general supplies	check	12/6/2022	CVS		106.95	D
office/general supplies	check	12/6/2022	CVS		106.95	D
Meetings	bill	6/1/2022	Coast2coast		4,070.00	✓
Postage	bill	3/1/2023	Arthur Molineaux	PO Box 2457	234.00	✓

HORIZON OWNERS CONDOMINIUM ASSOCIATION
Summary of Expense Testing
January 1, 2022 through December 31, 2023

Procedure: Exported expense detail for the years 2022 and 2023 from Quickbooks to Excel. Randomly selected expenses based on payee, expense amount and variances in standard monthly amounts. Thirty items were selected for testing.

Summary of Results:

- 20 items had the appropriate backup
- There were 4 items that had hand-written information. There was no additional backup. All handwriting was the same for both vendors as follows:
  - 1 item was for John Foster.
  - 3 items were for Frank Sarno.
- There was 1 generic receipt from Tri-State Cleaning. No detail was provided. Check was written to an individual rather than the company.
- There were 4 items with no backup.
- There was 1 item with a generic receipt, no vendor noted on the receipt.