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Brookside Community Center Audit Report for Jan 2009 to December 2010

It was a pleasure completing the audit for your non-profit organization. Our accounting firm took the time to take all deposits and checks and cross check them with each and every bank statement. They are now officially filed that way with each bank statement by month. Then they are filled by fiscal year in separate boxes.   Payroll is in the back and Contracts after that. Lastly are duplicate deposits.

Congratulations! All deposits and checks were accounted for. All bills paid appeared on the bank statements. This includes the investment accounts.

Since we did not see quick books accounting package for tracking deposits and dues, we have no comment on that. We do appreciate the wisdom of numbering each deposit as it made the audit easier.

Since we did not see payroll tax reports submitted to IRS and Delaware, it limited our audit. But we can make the following comments. Payroll is completed via spreadsheets only. There is no payroll program that will print out the quarterly payroll reports automatically, so they are done manually. Since there is only a few employees each year it would make sense to do it this way. We took 2010 summary spreadsheet and verified pay check amounts were correct. We matched each time sheet with the corresponding entry on the spreadsheet. Then we took the monthly and quarterly totals and cross checked them with the check book and the bank statements. We are happy to report everything was perfect.

There is a concern with the general ledger matching the check book and the bank Statements. It appears that the manual check register is kept up so efficiently that the accountant uses it as its master to bank reconcile each month. Our only concern is that it does not always cross check with the accountant's general ledger. Because of the manual check register was provided, we cross checked all 24 months.   When you cross check the with the 8th to the 10th four of the months did not cross check . When you cross check the end of the month 12 of the months do not cross check. See the enclosed report.

Because your bank statement ends on them 9th and not the end of the month there are two ways to bank reconciled.   Take the bank balance of the 9th and reconcile it to the previous end of the month in the general ledger. The other way is to take the bank balance of the 9th and reconcile it to the 9th in the check book. Because of the design of the General Ledger (it is a spread sheet with one date per month instead of individual dates on each item) it is difficult to bank reconcile to the 9th.   But No matter which way we do it, 12 months do not reconcile to the General Ledger. See enclosed report.

Recommendations

1. Change the month end date for all bank accounts to the end of the month instead of the 9th to 11th of the month. (Wilmington Trust and TD Bank, etc...)

There are two advantages to changing that. One is that the monthly reconciliation will be much more efficient. You will now be able to bank reconcile the check register, bank statement and General Ledger all with one matching amount. The second thing is that it means you could receive the accountant reports much faster because you will receive the bank statement 10 days sooner than you are currently receiving it.

2. The accountant needs to enter the bank adjustments in the month they occur in the general ledger. They are currently entered in the next month because of the 9th to 11th ending date. Example: Statement ends Jan 9th and it covers most of December. The adjustments for auto deducts, interest, etc. are entered in January in stead of December. Once the date is changed to the end of the month. there will be no question as to which month to enter adjustments.

3. The Excell spreadsheet system of accounting currently being used is perfect for the asset management, the payroll management, investment management, and Dues management. It is truly a work of art how the spreadsheet brings forward totals, and fills in reports. However it also is very manual and time consuming when you have changes in the general ledger. It is again time consuming transferring the amounts to the annual 990 tax return. An example is If you have to start a new expense account. You have to add a column and calculations to the expense report. Again in the General Ledger. Then you have to do the same for the trial balance. And finally a 4th time for the Income statement.

The question is why would you want to do it this way when a simple quick books program is less time consuming and the level of reports are superior. On top of all that the quick books report will print out a summary report to match your 990 tax return each year. If you don't like quick books report, you simply download it to excel and manipulate it to your desire. The beautiful thing about quick books is that the check register is built right in. You are currently using quick books for your Dues, so why not add the general ledger. You may already have it. It doesn't need to be updated every year because you are still doing payroll via spreadsheets. It is not like money is the issue for your organization. You can even get the basic on line version for only $10 a month so that the person writing the checks and making the deposits can enter the information on line. Then the accountant can go on line and correct how it is coded and clean it up each month. Neither has to leave their home.

Thank you for your business and it was a pleasure to serve you.

Jeanette Waters

Jeanette Waters, President

Brookside Community Center
************End of the month**********
Gen Ledger

Date	WTC Balance	Check Book	Difference	Date	Check Book	Bank Reconcilation	Difference
...2009				***** 9th to 11th of the month******			
31-Jan	32,237.33	32,237.33	0.00	9-Feb	26,498.39	26,498.39	0.00
28-Feb	26,334.10	26,334.10	0.00	9-Mar	25,010.64	25,010.64	0.00
31-Mar	19,038.18	19,185.45	(147.27)	9-Apr	18,009.99	18,009.99	0.00
30-Apr	23,568.76	23,568.76	0.00	8-May	41,469.98	41,469.98	0.00
31-May	60,190.66	60,078.16	112.50	8-Jun	63,691.85	63,691.85	0.00
30-Jun	65,462.58	65,462.58	0.00	8-Jul	63,649.29	63,649.29	0.00
31-Jul	64,213.53	63,346.10	867.43	10-Aug	unknown	61,083.61	#VALUE!
31-Aug	59,221.20	unknown	#VALUE!	10-Sep	57,340.48	51,194.89	6,145.59
30-Sep	55,619.50	55,619.50	0.00	9-Oct	55,659.90	53,659.90	2,000.00
31-Oct	53,206.66	53,206.66	0.00	6-Nov	48,169.63	48,169.63	0.00
30-Nov	50,404.12	50,061.34	342.78	8-Dec	47,684.47	47,684.47	0.00
31-Dec	40,087.85	40,087.85	0.00	1/8/2010	37,980.99	37,980.99	0.00
...2010							0.00
31-Jan	119,179.02	119,179.02	0.00	Feb-11	117,840.66	117,840.66	0.00
28-Feb	102,940.91	101,662.54	1,278.37	9-Mar	100,426.01	100,426.01	0.00
31-Mar	96,410.49	96,656.14	(245.65)	9-Apr	98,926.34	98,926.34	0.00
30-Apr	108,654.78	108,654.78	0.00	10-May	116,499.92	116,499.92	0.00
31-May	132,220.81	132,220.81	0.00	9-Jun	132,469.73	132,469.73	0.00
30-Jun	147,958.99	147,246.21	712.78	12-Jul	144,935.49	145,642.49	(707.00)
31-Jul	149,955.27	149,430.47	524.80	11-Aug	147,218.14	147,218.14	0.00
31-Aug	135,675.65	135,455.65	220.00	10-Sep	134,775.08	134,775.08	0.00
30-Sep	135,754.33	135,754.33	0.00	11-Oct	135,142.20	135,142.20	0.00
31-Oct	134,101.58	133,731.85	369.73	8-Nov	133,334.71	133,334.71	0.00
30-Nov	38,285.68	38,118.90	166.78	13-Dec	37,268.14	37,268.14	0.00
31-Dec	29,192.09	29,255.69	(63.60)	10-Jan	26,861.14	27,262.10	(400.96)