

Sotiros & Sotiros, LLC

Certified Public Accountants

To the Board of Directors
Michigan Hill Owners Association, Inc.

We wish to thank you for the opportunity to assist in performing a review of Michigan Hill Owners Association, Inc. During the course of our review, we came upon a few items that management may take into consideration for future reporting:

1. The billing and receivables are maintained in Quickbooks. Payments from members are applied to their receivable, and then the total deposits are recorded in Quicken. Checks are also recorded in Quicken. We suggest combing the bookkeeping into one program. The end result would be the ability to produce timely financial statements from the one program.
2. There was a large improvement in the recording of assets from 2011 to 2012. A few assets still need to be recorded as of December 31, 2012. We will communicate those entries with the treasurer.
3. During the course of the review, we were made aware of a situation involving a CD. It appears previous Association administrations had not accounted for the assets in better detail and had lost track of this particular CD. It ultimately matured in July of 2012, was redeemed, and deposited in the savings account in Fairplay. By recording all assets as mentioned in #2, this will help prevent losing track of assets.

Additionally, we suggest two sets of files be maintained for all assets such as CD's and fixed assets such as the road grader. These files should contain the original documentation for investment or purchase of the assets. One set of files could reside with the bookkeeper, the other with the treasurer. As bookkeepers change, as well as the treasurer, the files could be passed to the successor. In the event this doesn't occur timely, hopefully, with the double set of files, at least one of the set of files containing this important information will be available.

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The challenge with Associations is the continuous changing of elected officers and others who volunteer their time and spend countless hours in their duties. It is unfortunately common in these types of organizations that disruptions occur in the maintenance of financial recording and safeguarding of assets. Hopefully, the above suggestions will help the Association operate more efficiently from a financial operations standpoint. If you have any questions, please do not hesitate to contact us.


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