

SeaWatch Condominium Association  
May 13, 2003  
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bulbs purchased by the management company and the location on the property where the management company installed the corner protectors.

Secondly, we found instances where checks were issued but there was no accompanying invoice from the vendor in the file. When we questioned the management company about this, they were able to produce the appropriate invoice. Since the supporting document was readily available, the management company needs to do a better job of record keeping so that it is easy to tell when an invoice was received and when it was paid.

Finally, the accounting records kept on a monthly basis are not consistent. For example, each month's file contained an income and expense report but the monthly general ledger, which reflects all the accounting transactions for the month, did not always agree with the information reported on the income and expense report. Any differences were attributable to entries made to the books and records to correct the categorization of a transaction or to report additional information after printing the income and expense report. The accounting records reporting these changes were not included with the monthly accounting records although the information was available upon request. A checklist should be prepared which indicates all the accounting activities that should be performed on a monthly basis and the type of supporting documentation that should be kept with that month's records such as bank statements for all open cash accounts and the corresponding bank reconciliation for each account.

We have already discussed many of these comments and suggestions with Cloutier Management Company and we would be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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