

# Hobe & Lucas

Certified Public Accountants, Inc.

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January 19, 2019

Mr. Tony Rucpic  
Forest Hill Home Owners, Inc.  
2419 Lee Blvd  
Cleveland Heights, OH 44118


Dear Tony:

At your request, I have reviewed the 2018 financial information binder that you provided to me. Specifically, I used the information in the binder to review the PNC Operating Account transactions.

I examined the bills, invoices, bank statements and bank reconciliations. The focus of the examination was the cash disbursements paid from and the cash receipts received in the PNC Bank Checking Account x7169. In reviewing the disbursements, I traced the bills and invoices to the bank statements to verify that the proper amounts had been paid. I also verified that the bank statements had been reconciled and that the reconciled balance tied to the general ledger provided in the financial information for each month. In reviewing the receipts, I attempted to reconcile the bank deposits and ACH deposits to the revenues shown on the internally prepared financial statements.

Based on the items reviewed in the chart that follows this cover letter, I did not become aware of any differences except those noted. Of the four items noted, two were explanatory in nature and two point out that two utility bills were missing from the binder. Both of the utility bills were on recurring ACH payment plans. I would not consider the absence of the bills in the binder as an issue as they were paid and the amounts were comparable to the other months of 2018. Additionally, using the deposit information from the bank statements, I was able to reconcile the bank deposits, PayPal receipts and transfers to the revenues shown on the internally prepared December 31, 2018 income statement included in the financial information binder. This would indicate that the activity on the bank statements for the PNC Operating Account x7169 agrees to the internally prepared financial statements.

Very truly yours,

  
Lawrence A. DeBaltzo, CPA, CGMA, CVA  
Hobe & Lucas, CPAs, Inc.

Independent Member

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Forest Hill Home Owners, Inc.  
 Operating Cash Account Examination  
 Year Ended December 31, 2018

Step Performed	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Was Bank Account Reconciled?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Does Reconciled Bank Balance Tie to G/L Balance?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Could Bills/Invoices be Traced to Bank Statement?	Yes	Yes	Yes	No*	Yes	Yes	No*	Yes	Yes	Yes	Yes	Yes	
How Many ACH Transactions During The Month?	8	4	4	4	4	4	4	4	4	4	4	4	53
How Many Check Transactions During The Month?	1	3	4	6	2	3	2	2	1	6	4	4	53
Cleared Transactions	1	1	6	6	1	4	2	1	1	6	3	3	37
Did Outstanding/Reconciling Items Clear in Subsequent Month?	Yes	Yes	NA	NA	Yes	NA	NA	Yes	Yes	No*	Yes	Yes	
First Check Written/Last Check Written	3317												3355
Can Bank Deposits Per Bank Statements Reconcile with Revenue?													
Deposits	106.25	1,131.25	6,711.25	2,231.25	493.25	566.25	81.25	831.25	386.25	1,830.00	1,491.25	1,706.25	17,565.75
PayPal Transfers	500.00	-	-	-	700.00	-	-	400.00	900.00	-	-	-	2,500.00
Transfer Only Not Income	(500.00)	-	-	-	-	-	-	(400.00)	(900.00)	-	-	-	(1,800.00)
PayPal Receipts	-	75.00	625.00	150.00	(575.00)	-	30.00	50.00	875.00	-	200.00	334.00	1,764.00
Refund-See #4 Below	-	-	-	-	-	-	-	-	-	-	(50.00)	-	(50.00)
CD Interest	-	-	-	-	-	-	-	41.34	-	-	-	-	100.41
Total	106.25	1,206.25	7,336.25	2,381.25	618.25	566.25	111.25	922.59	1,261.25	1,830.00	1,641.25	2,099.32	20,080.16
Income per G/L	106.25	1,206.25	7,336.25	2,381.25	618.25	566.25	111.25	922.59	1,261.25	1,830.00	1,641.25	2,099.32	20,080.16
Difference	-	-	-	-	-	-	-	-	-	-	-	-	-

\* = See Notes/Exceptions Noted

Notes/Exceptions Noted:

- 1) April - First Energy bill was not in the binder; recurring ACH was debited and was in normal range of monthly electric bills.
- 2) July - NEORSD bill was not in the binder; recurring ACH was debited and was in normal range of monthly sewer bills.
- 3) October - Check# 3343 was replaced by Check# 3350; Check# 3343 did not clear the balance of the year 2018; Stop payment in November 2018-Service fees shown on December 2018 statement.
- 4) November - Check #3349 was written and cleared for \$200; Invoice shows \$200 but was crossed off and replaced with \$150; Refund of \$50 deposited in November 2018.