

# THOMAS F. CESELSKI

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To the Board of Directors  
Heartstrings Community Foundation

In planning and performing my audit of the financial statements of Heartstrings Community Foundation for the year ended December 31, 2007, I considered the Organization's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and to provide assurance on the internal control structure.

However, during my audit, I became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report dated May 23, 2008, on the financial statements of Heartstrings Community Foundation.

## **Outstanding items on bank reconciliations**

Some items on the bank reconciliations were over six months old.

Bank reconciliations should be reviewed monthly and outstanding deposits and checks need to be viewed for date of occurrence and, if old, investigated and deleted if necessary.

## **Accounts receivable**

Accounts receivable aging summary had thirty percent of receivables more than 90 days old.

The accounts receivable aging summary needs to be reviewed monthly. If some of the receivables are past thirty days outstanding, follow up on those receivables needs to be initiated.

## **Depreciation and amortization**

No depreciation or amortization was reported.

Depreciation and amortization expense and accompanying accumulated accounts need to be posted to the general ledger for better matching of income and expenses.

**Inventory**

No inventory was reported on the financial statements.

Inventory of store and other items need to be taken at least annually and recorded on the books.

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I wish to thank the staff for their support and assistance during my audit.

This report is intended solely for the information and uses of the Board of Directors, management, and others within the Organization.

*Thomas F Ceselowski*

May 23, 2008