



DONALD M. HEINOLD
Certified Public Accountants

Donald M. Heinold, C.P.A.
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July 24, 2013

Heritage Lake Association, Inc.
PO Box 402
Mackinaw, Illinois 61755

Dear Board of Directors:

The following is a partial list of services available from Donald M. Heinold, CPA, P.C. We hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided and their frequency. Our services will cover the year ended December 31, 2013 and 2014. Beginning month to be agreed upon depending on transition (estimated to be September 2013).

You are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, or experience to oversee any bookkeeping services, tax services, or other services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

None of the services can be relied on to detect errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors and of any evidence or information that comes to our attention during the performance of our compilation procedures, that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

Following is our understanding of the frequency of services we expect to provide. Please inform us of any changes.

Bookkeeping Services:

On a monthly basis we will record financial transactions (cash disbursement and receipts), post to and maintain the general ledger, reconcile bank statements, post payroll transactions, process invoices and maintain accounts receivable records.

Three times a year (or as needed) we will process and mail assessments.

At year end and one other date as determined by the Board we will attend a Board meeting to discuss and present financial information.

Financial Statements:

On a month-end basis we will prepare financial statements and reports as determined necessary by the Association.

On an annual basis we will prepare compiled financial statements with full note disclosure.

Tax Services:

On an annual basis we will prepare the Association's Federal and State income tax returns.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our invoices for monthly bookkeeping services will be \$1,500 per month. Our fee for processing assessments will be \$300 per assessment. Our fee for year end tax return, year end compilation and presenting financial data at the annual Board Meeting will be \$800. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Donald M. Heinold, CPA, P.C.

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Accepted by: Timothy R. Coe 

Date: 07/27/2013