

Date: September 4, 2024

To: NWSRA Board of Directors

From: Tracey Crawford, Executive Director

Re: Lauterbach and Amen Invoices

In preparation for this meeting, staff wanted to ensure you had the facts to support our stance regarding the Lauterbach and Amen invoices:

FY2022 Contract

- L&A was contracted for services from February 2022 through December 2022 (see attached contract)
- This contract outlines the services L&A would provide during that time (Exhibit A of the contract) for FY2022
- Issues that arose with the IRS for the period of FY2022 were all related to payroll – these included but were not limited to - payroll IRS forms (941 filings, W3 transmittals, W2 filings)
- NWSRA paid in full the invoiced amounts produced by L&A for FY2022
- In the contract it also indicates the Superintendent of Finance would provide “general finance operations”, under the payroll duties L&A was to perform it also states “troubleshooting and problem solving as needed”

FY2023 Contract

- On January 30 staff started picking up their prepared W2s
- On February 14, Bob assisted staff with W2 corrections. They were mailed on February 14th.
- On February 17th, the W2s were electronically sent via QuickBooks.
- On August 5, staff received a notice from the IRS of the late filing of the 2022 W2s resulting in a \$21,600 penalty
- Upon investigation, staff discovered that the W2s were sent electronically to the IRS, and NWSRA staff did not send the transmission.

Attached is the following:

- Hour's variance spreadsheet
- L&A contract FY2022
- L&A contract FY2023
- Outstanding Invoices



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*Northwest Special Recreation Association
3000 W. Central Road
Suite 2015
Rolling Meadows, IL 60008*

*Invoice No: 80064
Date: 07/01/2023
Client No: NWSRA*

SERVICE	AMOUNT
For professional services rendered for the month of June 2023	
Financial Services	6,950.00
Current Amount Due \$	<u>6,950.00</u>

As Lauterbach & Amen, LLP is trying to accommodate everyone working remotely, we want to provide information on how to pay your invoice via ACH. Please contact AR@lauterbachamen.com if you would like the documentation to pay an invoice via ACH.



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Northwest Special Recreation Association
3000 W. Central Road
Suite 2015
Rolling Meadows, IL 60008

Invoice No: 81512
Date: 08/21/2023
Client No: NWSRA

SERVICE	AMOUNT
For professional services rendered for the month of July 2023	
Financial Services	6,950.00
Current Amount Due \$	<u>6,950.00</u>

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Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Northwest Special Recreation Association
3000 W. Central Road
Suite 2015
Rolling Meadows, IL 60008

Invoice No: 81602
Date: 08/23/2023
Client No: NWSRA

SERVICE	AMOUNT
For professional services rendered in connection with:	
August 2023 - Accounting (half month)	<u>3,475.00</u>
Current Amount Due \$	<u><u>3,475.00</u></u>

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Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Northwest Special Recreation Association
3000 W. Central Road
Suite 2015
Rolling Meadows, IL 60008

Invoice No: 81603
Date: 08/23/2023
Client No: NWSRA

SERVICE	AMOUNT
For professional services rendered in connection with:	
2022 941 Project - payroll tax returns	8,750.00
50 hours x \$175 Tim Gavin and Wes Levy compliance hours	
	Current Amount Due \$ <u>8,750.00</u>

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Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 N. RIVER ROAD • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516

www.lauterbachamen.com

February 8, 2022

The Northwest Special Recreation Association
3000 West Central Road, Suite 205
Rolling Meadows, IL 60008

We are pleased to confirm our understanding of the services we are to provide for the Northwest Special Recreation Association (Association).

It is our understanding that Lauterbach & Amen, LLP will provide accounting assistance to the Northwest Special Recreation Association in accordance with Exhibit A, attached hereto. Such assistance will be arranged between the Association and Lauterbach & Amen, LLP and will be billed \$6,750 monthly beginning February 1, 2022, through December 31, 2022. If for any reason this arrangement becomes unacceptable, it can be terminated by either party with 30 days written notice.

These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

The Association agrees that during the term of this agreement and for a period of twelve months thereafter, the Association shall not solicit, or arrange an employment contract with personnel of Lauterbach & Amen, LLP. Violation of this provision shall, in addition to other relief, require the Association to compensate Lauterbach & Amen, LLP with one hundred percent of the solicited person's annual compensation.

Please indicate your acceptance of the above understanding by signing below. If your needs change, the nature of our services can be adjusted accordingly.

Cordially,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Northwest Special Recreation Association, Illinois.

By:

Title:

Grace M. Haupt
Executive Director



Exhibit A

Superintendent of Finance

- Budget Assistance
 - Assistance with compiling budget data and preparation of working budget document
 - Prepare all pertinent budget accounts and information for all of the NWSRA funds
 - Prepare all necessary publications and ordinances
- Tax Levy Preparation
 - Assistance with Tax levy calculations, ordinance preparation and necessary public notices
- Audit Preparation and Oversight
- Oversight and review of staff accountant and review of work product
- Financial Policy review and general finance operations
 - Review and update policies as necessary
 - Investment review and recommendations as needed
- Grant Reporting and Review
- Capital Project & Debt Service Review

Accountant

- Accounts Payable
 - Review and enter approved bills for payment
 - Annual Unclaimed Property Reporting
 - Prepare annual 1099Misc forms
- Cash Receipts & Accounts Receivable
 - Review and integration of daily cash receipts into the general ledger
 - Reconciliation and posting of property tax & replacement tax receipts
- Monthly Bank Reconciliations
- Monthly Reporting for Board Packet
 - Monitor financial activity on a weekly basis and prepare financial statements for the Treasurer's review
- Audit Preparation
 - Post all necessary adjustments and prepare work-papers for the auditors
 - Liaison to the auditor
 - Conduct final review of audit report

Payroll

- Bi-Weekly Payroll Processing
 - Entry off all Full Time Employee Hours
 - Review of all data each payroll
 - Processing of all direct deposits and physical checks
 - Remittance of all necessary payroll deductions and required reporting
 - Remittance of all state and federal taxes
 - Processing of all 457 plan contributions
 - Employee self-service portals for accessing pay stubs, W-4 information, and W-2s



Payroll - continued

- Prepare and file monthly wage reports with IDES
- Prepare and file all quarterly payroll tax returns
- Process all annual payroll tax forms (W-2)
- Troubleshooting and problem resolution as needed
- New hire reporting
- As NWSRA decides timing is right L&A will set-up and implement new time keeping and payroll software (Swipe Clock and ACS) at no additional cost. These applications will provide significant efficiencies that will offset the cost of the applications

We estimate the Superintendent position to require an average of 32 hours per month. Of those 32 hours, we estimate 16 hours would be onsite at the NWSRA monthly. For the staff accountant position, we estimate the requirement to be an average of 64 hours per month. Of that 64 hours, we estimate 56 hours would be onsite at the NWSRA on a monthly basis. For payroll processing we estimate an average of 1-2 days per month completed with a combination of remote and onsite time.



October 5, 2022

The Northwest Special Recreation Association
3000 West Central Road, Suite 205
Rolling Meadows, IL 60008

We are pleased to confirm our understanding of the services we are to provide for the Northwest Special Recreation Association (Association).

It is our understanding that Lauterbach & Amen, LLP will provide accounting assistance to the Northwest Special Recreation Association in accordance with Exhibit A, attached hereto. Such assistance will be arranged between the Association and Lauterbach & Amen, LLP and will be billed \$6,950 monthly beginning January 1, 2023, through December 31, 2023. This rate will increase by 3% in subsequent years, unless there is a change in services provided. If for any reason this arrangement becomes unacceptable, it can be terminated by either party with 30 days written notice.

These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

The Association agrees that during the term of this agreement and for a period of twelve months thereafter, the Association shall not solicit, or arrange an employment contract with personnel of Lauterbach & Amen, LLP. Violation of this provision shall, in addition to other relief, require the Association to compensate Lauterbach & Amen, LLP with one hundred percent of the solicited person's annual compensation.

Please indicate your acceptance of the above understanding by signing below. If your needs change, the nature of our services can be adjusted accordingly.

Cordially,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Northwest Special Recreation Association, Illinois.

By: _____

Title: _____



Exhibit A

Superintendent

- Budget Assistance
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 - Prepare all pertinent budget accounts and information for all of the NWSRA funds
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 - Assistance with Tax levy calculations, ordinance preparation and necessary public notices
- Audit Preparation and Oversight
- Oversight and review of staff accountant and review schedule and work product
- Financial Policy review and general finance operations
 - Review and update policies as necessary
 - Implementation/review of a purchasing card program
 - Investment review and recommendations as needed
- Grant Reporting and Review
- Capital Project & Debt Service Review
- Other Duties as assigned

We estimate the Superintendent position to require an average of 32 hours per month. Of those 32 hours, we estimate 16 hours would be onsite at the NWSRA on a monthly basis.

Accountant

- Accounts Payable
 - Review and enter approved bills for payment
 - Annual Unclaimed Property Reporting
 - Prepare annual 1099Misc forms
- Cash Receipts & Accounts Receivable
 - Review and integration of daily cash receipts into the general ledger
 - Reconciliation and posting of property tax & replacement tax receipts
- Monthly Bank Reconciliations
- Monthly Reporting for Board Packet
 - Monitor financial activity on a weekly basis and prepare financial statements for the Treasurer's review
- Audit Preparation
 - Post all necessary adjustments and prepare work-papers for the auditors
 - Liaison to the auditor
 - Conduct final review of audit report
 - Prepare debt disclosures and upload annually
- This list is not all encompassing and includes all other duties as assigned.

We estimate the staff accountant position to require an average of 64 hours per month. Of that 64 hours, we estimate 56 hours would be onsite at the NWSRA on a monthly basis.

Services in Contract	On site/ Remote	Monthly hours per the contract	Actual hours provided
Accountant role	On site	56	32
	Remote	8	8
Superintendent role	On site	16	0
	Remote	16	8
Total hours		96	48

Months/Project	Original Contracted Hours	Actual Hours Provided by L&A	Actual Amount Paid by NWSRA To Date	Overpayment based on Hours Provided To Date
Feb-23	\$ 6,950.00	\$ 3,475.00	\$ 6,950.00	\$ 3,475.00
Mar-23	\$ 6,950.00	\$ 3,475.00	\$ 6,950.00	\$ 3,475.00
Apr-23	\$ 6,950.00	\$ 3,475.00	\$ 6,950.00	\$ 3,475.00
May-23	\$ 6,950.00	\$ 3,475.00	\$ 6,950.00	\$ 3,475.00
Jun-23	\$ 6,950.00	\$ 3,475.00	\$ 4,000.00	\$ 525.00
Jul-23	\$ 6,950.00	\$ 3,475.00	\$ -	\$ (3,475.00)
Aug-23	\$ 3,475.00	\$ 1,737.50	\$ -	\$ (1,737.50)
941 forms	\$ 8,750.00	\$ 8,750.00	\$ -	\$ (8,750.00)
Total	\$ 53,925.00	\$ 31,337.50	\$ 31,800.00	\$ 462.50

Notes

No superintendent hours provided and accountant only in office 1 day weekly

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No superintendent hours provided and accountant only in office 1 day weekly

No superintendent hours provided and accountant only in office 1 day weekly- contract ended mid month

Hours calculated by L&A based on 941/IRS issue