



July 20, 2017

Mr. Jerry Folse
President
Pelican Point Homeowner's Association

Mr. Bob Nance
President
The Greens Homeowner's Association

Dear Jerry and Bob:

Thank you for meeting with me to discuss the results of the testing we performed on the accounting records related to disbursements, payroll and bank reconciliations. Following is a summary of our discussions and the report issued.

The Greens Homeowner's Association

All items tested had supporting documentation, were recorded correctly in the general ledger and the checks were signed by the appropriate individuals. There was one reimbursement request that did not contain two signatures noting approval but did meet all other required criteria. This appears to be an isolated instance. It appears The Green's financial policies and procedures are being adhered to and are designed appropriately as it relates to the items tested.

Pelican Point Homeowner's Association

All items tested had supporting documentation and were recorded correctly in the general ledger. However, the documentation of the review and approval of the invoices, request for reimbursement and payroll items was not sufficient or missing. I have read the new Financial Policies & Procedures Handbook that you have adopted and it appears to address the issues we discussed that need to be improved.

Based on our discussions, adherence to the changes you recently adopted should improve the financial internal controls and correct the issues we discussed.

Thank you for allow us to perform these services for you. If you have any questions, please contact me at your convenience.

Sincerely,


Michael Schexnayder