

Board of Directors
Boyette Springs Homeowners' Association, Inc.
Riverview, FL

November 13, 2017

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of Boyette Springs Homeowners' Association, Inc. (the Association) as of and for the years ended December 31, 2014, 2015 and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Boyette Springs Homeowners' Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in Boyette Springs Homeowners' Association, Inc.'s internal control to be material weaknesses:

Minutes

We requested minutes from all Board of Directors meetings. Minutes from numerous board meetings could not be located. We recommend that all board meeting minutes are maintained and included on the Association's website.

Bank Statement and Reconciliation Review

We noted that there is no formal documentation of the review of bank reconciliations. We recommend that a formal review and approval process be implemented by an appropriate member of the board. This approval process should be documented.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Boyette Springs Homeowners' Association, Inc.'s internal control to be significant deficiencies:

Dual Signors on Disbursed Checks

During our testing of expenses, we noted several instances where dual signatures were not present on cleared checks. We recommend that every check is dual signed.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency.

Supporting Documentation

During our testing of expenses, we noted that no support was provided for several expenses. We recommend that every expense have formal documentation to support the expense.

Fixed Asset Detail

During our testing of the balance sheet, we noted no fixed assets. Per discussion with board members, there are association fixed assets (golf cart, etc.) but we did not identify any as part of our testing. We recommend that the association creates a capitalization policy and fixed asset records be properly updated throughout the year. This will ensure proper maintenance of fixed asset records, help safeguard assets and ensure that financial records reflect accurate account balances.

Financial Policy Manual

We noted during the audit that a comprehensive Financial Policy Manual does not exist. We recommend that a comprehensive document of all significant financial policies (due to the size of the Association, this could be less than three pages) be compiled to ensure that all members involved in the financial processes of the association have a clear understanding of their responsibilities and the policies established.

Disbursement Approvals

During our audit we noted that there is no formal documented approval of each invoice. We recommend that a board member be responsible for approving all invoices and documenting this approval. We also noted that the association does not have a written policy for an invoice approval process.

Credit Card Statement Support

During our testing of expenses, we noted that receipts for all credit card purchases are not maintained. We recommend that all credit card transaction receipts are kept and reviewed against the monthly statement to properly support the expense.

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We would be pleased to discuss these comments and recommendations with you at any time. This report is intended solely for the information and use of the Board, management, and others within the Association and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

FONTANA CPAs