

**Suggested Questions for Interview with Association's CPA or Reserve Specialist**

1. Which accounting method does our community association use?
2. **Regarding the operating budget:**
  - a. Given our current statement of revenue and expenses with a comparison of the actual year-to-date (YTD) to the budgeted YTD and our balance sheet, how would you assess the financial health of our community association?
  - b. Are there any changes to propose?
3. **Regarding the budget, what are the applicable:**
  - a. Federal laws and regulations?
  - b. State statutes, regulations, and court decisions?
  - c. Local ordinances and regulations?
4. **Regarding reserve funding:**
  - a. Is our association saving enough to cover major expenses in the future?
  - b. How has the reserve account budget been prepared?
  - c. Are there any changes to propose?
  - d. Who conducted the last reserve study and when was it done?
5. **Regarding our community's tax status:**
  - a. Does our community use Form 1120 to file as a regular corporation or Form 1120H to file as a homeowners association?
  - b. Did the community owe tax last year?
  - c. Is our community required to make quarterly payments of its estimated tax for the coming year?
6. **Regarding the collection of assessments:**
  - a. Are delinquencies a significant problem?
  - b. Is the late fee an appropriate deterrent?
  - c. Is the collection policy adequate?
  - d. What legal remedies for collecting delinquent payments have been used in the past?
  - e. Does the association have a standard bad debt write-off resolution it uses?
  - f. Has the association ever experienced a collection shortfall? How was this

handled?

**7. Regarding the last audit:**

- a. When was it conducted?
- b. What conclusions or recommendations were made?
- c. In response, were any changes implemented?

**8. Regarding association investments:**

- a. Who makes the investments?
- b. What investment policies and procedures exist?
- c. How safe are the association's investments?
- d. What is the liquidity of each investment?

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