

1. Reconcile PROMD deposits and checks with Citizens Bank account statements for each of the 12 months in the period.

All deposits, checks and other debits were reconciled from the Bank to the general ledger. **No discrepancies.**

*Response: No Action required*

2. Perform a proof of cash verifying the total deposits recorded by Citizens Bank to the actual revenue recorded in the general ledger. Compare the revenues in the general ledger to the budgeted revenues. Note and discuss any exceptions.

Budgeted revenue reflects 314 billable properties yet only 309 are billed through the general ledger. It is recommended that only billable revenue be the basis for the amount budgeted. Otherwise, **Citizens deposits reconciled with general ledger revenues.**

*Response: The difference represents the accounting for the agreement with the Campground and Marina on the collection of additional fees from their respective tenants.*

3. Agree the year end balances in the Citizens checking account and Citizens Money Market account to the general ledger.

**The Citizens Money Market Account agrees to the general ledger at July 31, 2014, 2015, and 2016. The Citizens checking account agrees to the general ledger at July 31, 2014, 2015, and 2016.**

*Response: No Action Required*

4. Review the invoicing process and ensure controls exists for invoicing all members and uncollected amounts (if any) are properly recorded.

As described in Procedure #2, budgeted revenues should reflect the billable accounts. The billed amounts agree to the billable accounts amount of 309 accounts.

*Response: See item 2 above*

5. Examine all entries for checks written.

All invoices were reviewed and traced to the general ledger for the three 12 month periods ending July 31, 2014, 2015 and 2016. All classifications of expenses seem proper, and all check info matched the general ledger and the invoice, when an invoice was present. It is recommended that when expenses are reimbursed to members/officers that the Board approval should be reflected in the minutes. **In most instances, reimbursements to members/officers included invoice documentation, with the one exception being a check for advertising expense in the amount of \$355.00.**

*Response: This was the Bargain Buyer advertising expense. Normally a receipt is provided. Result of an oversight by the President. All receipts are provided to the Treasurer as a normal course of business.*

6. Review disbursement procedures to ensure controls exist for expenditure review.

On previous recommendations, the Board agreed to implement a comment that all checks greater than \$3,000 shall require two signatures of any combination of Treasurer, President and Secretary. However, two checks that exceeded this amount had a signature of only the bookkeeper. It is recommended that this procedure be discussed with the appropriate personnel at Citizens Bank to complete the implementation. **Other procedures including Board approval seem adequate.**

Response: As a result of the last audit (2014), the Board of Directors instituted a policy of requiring 2 signatures on all checks greater \$3,000. The checks in question are related to the repair of the shaft and installation of gate guides. It was an oversight by the Treasurer not to request and by the President to ensure the checks for the invoices contained two signatures. However, the Board was fully engaged in this project and the invoices were carefully reviewed prior to submittal for payment.

7. Compare financial reports submitted to the Board of Directors to the general ledger for accuracy.

Upon request, Kevin Menard provided financial statements submitted to the meeting of the Board of Directors. The reports provided were run on July 25, 2015 and July 18, 2016. These reports did not reflect complete activity through the year end of July 31<sup>st</sup>. It is recommended that the financial statements presented at the Annual Meeting reflect all activity including bank activity as of July 31<sup>st</sup> as best known in order to provide as complete and accurate information as possible. Also, retaining a marked financial statement (balance sheet and profit and loss and the equity reconciliation) indicating its use at the Annual Meeting is recommended. At the August 3, 2016 Annual Meeting, the Citizens checking account on the balance sheet presented showed \$900 less than the reconciled balance. This variance was explained at the meeting to the members.

*Response: This finding/remark by the Auditor is driving the proposal to change the date of the Annual meeting to allow the Treasurer adequate time to receive and process the year end financials.*

The following are errors that we found in the presentation at July 31, 2016:

	Reported	Should Be
Interest Income	11.56	12.70
Checking Acct Balance 7/31/16	6,906.82	7,806.82
Money Market Account 7/31/16	67,552.91	67,554.05
Campground/Marina Collections 2016	600.00	1,500.00
Total Fund Balance	\$73,859.73	\$73,860.87