

**Southwind Shores II POA**  
**Financials Review**  
October 27, 2023

**Audit – June 2021 – May 2023**

Craig and Kate Horning (6806 Lake Pointe Drive) performed a financial audit for the books from June 2021 through May 2023.

Tom Ronksley, treasurer for SSII POA, provided the books to conduct a financial view at his home. Documentation included financial reports and summaries, income and expense details, and bank statements for both the checking and money market accounts.

Our review of the books consisted of the following:

1. Compare the detailed expense invoices to the income and expense reports.
2. Review expenses with associated invoices and documentation for accuracy.
3. Review the checking account to confirm its accuracy and reconciliation.
4. Review the money market account which was established to yield a higher interest rate.
5. Review the annual financial report for each year.

The conclusion of our review is as follows:

1. The financial reports appear to be complete, detailed, and accurate.
2. The income and expense records accurately reflect the bank records.
3. The overall picture of the POA seems financially sound and accounted for over the two-year period.

The financials appear to be straightforward and simple with repetitive journal entries. Our conclusion is that SWS II POA is a strong institution that is well-managed. Our treasurer seems to have a good handle on the 'comings and goings' of funds and sound money practices.

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We would like to offer a couple of recommendations:

1. We recommend the POA consider pre-paying regular, trusted vendors (i.e., lawn mowing, porta johns, etc.) and in exchange for an advance payment, the POA can save 2-5% annually.
2. We recommend the monthly reconciliation reports for both the checking and money market accounts be organized with the corresponding bank statements, income paperwork, invoices, and expenses for each month. This allows for a complete monthly 'snapshot' of credits and debits of each account. This format allows for a simple review of the book's month by month.
3. During the review, we discussed the balance in the money market account. It appears to be a *substantial* amount of money and we are wondering what it will be allocated for down the road.
4. Creating a list of regular, revolving vendors for the auditors may be helpful prior to the review. The list can include vendors'/suppliers' names, products/services provided, billing cycle, chart of account the service is applied to, and approximate monthly/annual cost associated with each, if available.
5. In hindsight we thought it may have been useful to review all the documents privately and then meet with the treasurer to review later with a list of questions. If we are asked to perform the audit again, we would prefer this method.

In conclusion, we want to thank Tom for reaching out and initiating the financial review. We appreciate all he does for the organization, as well as all the board members.

Sincerely,

*Craig E. Horning*

Craig E. Horning

*Kathleen A. Horning*

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