

The Board of Directors
The Springs at Santa Rita Homeowners Association
Green Valley, AZ 85614

We reviewed all bank, checking, savings, and CD accounts beginning and ending balances for calendar year 2010. We did not verify the calculation of any interest earned.

We reviewed a random sample of deposits and transfers to and from bank savings and checking accounts for calendar year 2010.

We tested, on a random sample basis, the expenses incurred by The Springs HOA.

The Wamsley lawsuit expenses were unusual in that they did not typify The Springs HOA normal course of business. As a result of this unusual circumstance, we reviewed all expenses associated with the lawsuit in calendar years 2009 and 2010.

We found that all entries to bank accounts and recorded expenses were properly documented except for the instance on the following page.

Jerome Franklin
The Springs
Green Valley, AZ 85614
January 19, 2011

The Board of Directors
The Springs at Santa Rita Homeowners Association
Green Valley, AZ 85614

Wamsley Lawsuit

We found three items of expense that were not included in the total of \$14,253.04 set out in the letter to Springs residents dated December 7, 2010.

Those expenses are –

10/7/2009 Novak Environmental	\$810.95
10/13/2010 Monroe McDonough et al	74.00
12/2/2010 Monroe McDonough et al	<u>42.00</u>
	<u>926.95</u>

The \$926.95 added to the \$14,253.04 results in a total expense for the lawsuit of \$15,179.99.

We recommend that a revised schedule of expenses for the lawsuit be prepared and made available to the Springs residents.