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Spirit Lake East Homeowners Association
P.O. Box 217
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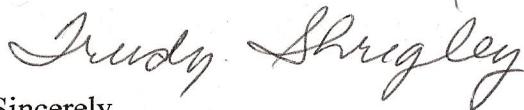
March 1, 2011

I have audited the financial records of SLEHA for the year ending Dec. 31, 2009. The scope of the audit was limited to the inflow and outflow of association funds. Income posted to the accounts receivable for each lot numbered 5 through 300 (excluding the SLEHA-owned lot and the water company property) totaled \$60,373.77. Bank deposits of annual dues, late fees, lien fees and interest on delinquent accounts totaled \$60,373.37 with the insignificant \$.40 discrepancy due to an addition error on a deposit tape. Additionally, all transfers among the three bank accounts were examined and found to be properly posted.

All expenses paid were examined and determined to be legitimate association costs, duly authorized with purchase orders signed by board members with three minor exceptions. Those were as follows: no purchase orders or receipts were found for two checks written Apr.13 to the postmaster (\$126.00) and to Progressive Printing (\$31.80) and one written Oct.31 to the Postmaster (\$56.00). The expenses are reasonably valid as they occur just prior to the two general meetings in May and November for which postal notification was required. No other outflows were identified by bank records.

A double payment was inadvertently made in late Dec. to Western States Cat Equipment for \$669.53 but that amount was returned to the association in Jan. 2010 as reported by both the treasurer and the accounting office. Same will be verified in the audit of 2010 records.

The accounting firm, North Idaho Accounting, has provided me with the complete records of their office to include bank statements, checks, signed Purchase Orders, receipts and invoices to facilitate this audit. They also provided a copy of the 2009 tax return. At the board's request I will store these records for at least 10 years at my home until other space is available. Older records will be destroyed unless I am otherwise directed by the current Board of Directors.



Sincerely,
Trudy Shrigley, CPA
SLEHA Audit Committee Chair