

Orkin CPA, Inc.
Certified Public Accountants

2536 South Joliet Court
Aurora, Colorado 80014
(303) 335-0901
Orkinacpa@gmail.com

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Rob William
Villa Rosso
4875 S. Monaco St
Denver, CO 80237

The objective of the internal audit project was to review Villa Rosso's internal controls, accounting processes and financial statement presentation to ensure Villa Rosso is adhering to industry best practices.

Areas covered and corresponding results were as follows:

Internal Controls & Accounting Processes

- Cash disbursement process
- Cash receipt process
- Budget process
- Financial Statement Preparation process
- Board of Director review of financial statements

Results - The internal controls and accounting processes Villa Rosso has in place are consistent with industry best practices. No exceptions noted.

Financial Statement Presentation

- Balance Sheet reconciliations (cash, prepaids, accrued liabilities)
- Contingent Liabilities have been recorded if applicable
- Revenue (HOA dues reasonable for # of units and monthly avg. assessment)
- Expenses - properly classified and reasonable in comparison to budget. Any large explanations addressed during the Board meeting.

Results - Account reconciliations have been completed, agree to the financials and have been properly classified. Based on the review of Board of Director minutes, all contingent liabilities have been recorded. The December 31, 2016 financials are presented fairly. No exceptions noted.

The services we performed in this internal audit were with the intent of acting as an extension of Villa Rosso's management and not as an independent third party.

Sincerely,



Arthur S. Orkin, C.P.A.