

To the membership of Sierra los Piños,

Answering the question of Review / Audit of the SLPPOA books:

A request to have an immediate audit of the Association's books versus an annual review has led the board to research the most effective way to meet the Bylaws of the Association. Currently the books are reviewed quarterly and again for a fifth time for tax preparation by highly qualified Sunland Management and Tax Service, Inc., who "locks" the Association's records at the closure of each fiscal year by "Closing the Accounting Records after the Tax Return is Prepared" – which is Password Protected and is not provided to their customers. The Association's required 3 year audit would reasonably occur in 2012, since the last audit was performed in 2009. A new treasurer was named on the board in 2012 and engaged our current company at that time to assist in better accounting practices. The board voted to accept the quarterly and annual review of the books by this company.

Our research has led, with the help of our Legal Counsel, to the New Mexico Statute 47-16-10 **Financial audit** 2014 Supplement by the New Mexico Compilation Commission, which states:

47-16-10. Financial audit.

A. Unless any provision in the community documents requires an annual audit by a certified public accountant, the board of directors of an association managing a master planned community or a development consisting of one hundred or more lots shall provide for an annual financial audit, review or compilation of the association. The audit, review or compilation shall be completed no later than one hundred eighty days after the end of the association's fiscal year and shall be made available upon request to the members within thirty days after its completion.

Therefore, the question is resolved by the above quoted Statute that "financial audit, review or compilation" are all treated equally under the law and that the SLPPOA Bylaws do not require an audit by a CPA.

Consequently the SLPPOA board is and has been in accordance with the SLPPOA Bylaws. A 3-year SLPPOA audit is planned for 2015 using the guidance set forth in Statute 47-16-10.

Stan Bennett

President SLPPOA