

Audit of 2022 Coastal Estates

Reba Fennessy is not on the Board of Directors, and is not related to any member of the 2023 Board.

She audited the Coastal Estates bank account for 2022, looking at various entries on the check stubs (deposits from owners' checks, checks issued to pay bills, and electronic transfers to Florida Power and Light and to Boost Mobile).

In April, she selected ten (10) of the checkbook entries at random, and the Treasurer was to provide supporting documents (copy of the check, and invoices / receipts, emails, etc.). Of the one hundred eleven (111) total entries for 2022, twenty four (24) are electronic transfers to Florida Power and Light (FPL) for the entrance lights, while twenty (20) are electronic transfers to Boost Mobile for the Association's phone.

As the Treasurer has no control over these electronic transfers, only seventy five (75) of the entries are handled by the Treasurer ($111 - 24 - 20 = 75$). So in effect, the ten (10) entries the auditor selected were a sample of 13% of the applicable entries ($10 \text{ divided by } 75 = 13\%$). Commonly Accepted Accounting Principles (CAAP) consider a 10% sample adequate for an audit.

In May, the auditor checked the supporting documents for the selected entries. All the entries had proper documents.

Recommendations: None

Reba Fennessy
Signature

Date:

5/25/23

Reba Fennessy
Printed name

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Lot #