

# Memo

**To:** All Unit Owners  
**From:** CSNCA Board of Trustees  
**Date:** December 15, 2020  
**Re:** Request for Audit

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Several unit owners have requested that an audit be performed of Catawba Shores North Condo Association financial records. Attached please find "Article VIII" and "Article III, Section 8" from The Code of Regulations of Catawba Shores North Condo Association. In compliance with the Regulations and the request from owners, you will find attached two estimates for an Audit. The cost for one audit is \$18,000 to \$20,000; and the second proposal is \$25,000 to \$30,000. If a majority of unit owners approve that a formal audit should be done, it will be paid by CSNCA.

The CSNCA Board has taken the request for an audit seriously and has spent time over the last couple of months getting formalized bids from two reputable CPA firms. The Board has done its due diligence on this matter and is continuing to work on improving the format of our financial reports and strengthening the internal controls of the financials and the board processes. Both firms in their discussions with Board members regarding the enclosed proposals felt that our financial records looked good and spending the money on a formal audit is not warranted. Certainly, the board will accept the outcome of the vote by unit owners and expense the cost for a formal audit, but these funds will come from our current budget and reserves.

Due to COVID and an effort to make sure all unit owners have a voice in how to proceed on this issue in a timely manner, we have attached a ballot that requires two (2) votes. The first vote gives permission, or prohibits, the unit owners to act in writing without a meeting. The second vote, if permission is given to act in writing without a meeting, will determine if an Audit will be ordered. If an audit is approved by the majority of unit owners, the Board will select the CPA firm's proposal that best meets the need of the Association.

Attached are the following items:

1. "Exhibit A" are the specific provision of the Code of Regulations applicable to this ballot.
2. Two estimates from two CPA accounting firms:

- a) Corrigan Krause CPA (3 pages)
  - b) Soderberg and Brenner CPAs, LLC (2 pages)
- 3) BALLOT

Please review and thoroughly read all enclosed materials. After you have reviewed all materials, please complete all parts of the ballot with your vote.

Please return ballot in enclosed, stamped envelope on or before January 4, 2021. An official count of ballots will begin and be completed by January 18, 2021.

The entire Board of Trustees appreciate the support and involvement of all CSNCA members. Please know that your vote on these issues is very important and very much appreciated.