[Date]

[Board of Directors]
[Homeowners Association Name]
[Address]
[City, State, Zip Code]

Subject: Objective of the Audit Engagement

Dear Board of Directors,

This letter confirms our understanding of the objectives and terms of our engagement to audit the financial statements of [Homeowners Association Name] for the fiscal year ending [Date].

1. Audit Objective
The objective of our audit is the expression of an opinion as to whether your financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

2. Auditor Responsibilities
We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our procedures will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

3. Management Responsibilities
The Board of Directors and management are responsible for the fair presentation of the financial statements, the selection and application of accounting policies, and for maintaining internal controls sufficient to provide a reliable basis for the financial statements. Management is also responsible for making all financial records and related information available to us.

4. Limitations
Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with GAAS.

5. Reporting
At the conclusion of our audit, we will issue a written report addressed to the Board of Directors. We will also communicate any internal control deficiencies or material weaknesses identified during the audit.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Sincerely,

[Signature of Auditor/Firm]
[Printed Name of Auditor]
[Firm Name]

Acknowledgment:

____
[Name], Board President
Date: ________________