

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

505-934-2452
888-874-9330 fax
WWW.PORCHCPA.COM

10612 Royal Birkdale NE
Albuquerque, NM 87111

February 8, 2019

To: HOAMCO, and
Eldorado Community Improvement Association, Inc. (ECIA)

Re: Summary of Results of Consulting Services

We have performed consulting services for HOAMCO regarding the Eldorado Community Improvement Association (Association), Inc. for the period December 1, 2017 through May 31, 2018 (Period). This consulting services engagement was conducted in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants, and the results of these services have been communicated to HOAMCO in a consulting report dated August 30, 2018.

The consulting procedures performed in the engagement do not constitute an examination, investigation, or an audit, the objective of which would be the expression of an opinion on the items reviewed as part of our consulting services.

Consulting services differ fundamentally from the Certified Public Accountant's (CPA) function of attesting to the assertions of other parties. In an attest service, the CPA expresses a conclusion about the reliability of a written assertion that is the responsibility of another party, the asserter. In a consulting service, the practitioner develops the findings, conclusions, and recommendations presented. The nature and scope of work is determined solely by the agreement between the CPA and the client. Generally, the work is performed only for the use and benefit of the client.

The report issued was intended solely for the information and use of HOAMCO, the Association's Management, and the Association's Board of Directors, and was not intended to be, and should not be, used by anyone other than these specified parties.

The Association requested that HOAMCO hire Porch & Associates LLC (Firm) due to employee theft, and to perform procedures to determine the extent of the fraud.

The Firm reviewed all bank account and open account transactions (cleared checks, debit card transactions, credit card transactions, vendor account transactions, and all other withdrawals) by comparing the transactions to supporting invoices or receipts for the Period.

The Firm found a total of \$10,268.88 in fraudulent activity. HOAMCO has reimbursed ECIA for the full amount of \$10,268.88. The main reason for the fraudulent activity was existing internal controls were not followed by the General Manager of ECIA (General Manager during the Period). As a result of the past employee's conduct and the audit performed, HOAMCO's executive staff

has implemented additional internal controls. These internal controls were reviewed and accepted by the Firm.

The full audit is not available to the membership as there is an ongoing criminal investigation against the prior employee.

Porch & Associates, LLC

Albuquerque, New Mexico