



Board of Directors
Bywater Way Road Maintenance Association
Port Ludlow, Washington, 98365

April 8, 2019

Dear Directors:

At the request of Chairman Santamaria, the undersigned agreed to audit the past year's financial records. Records for the income and expenses of the Association for the period of March 31, 2018, through February 28, 2019, were provided. The audit for that period has been completed and the following findings are submitted.

The Association's journal entries were compared to the Kitsap Bank statements for the checking and savings accounts and were found to be in agreement. All checks received for deposit had been copied to maintain a permanent record; these were validated with the journal entries. Billings for expenses were compared to the payments made. There were no outstanding bills at the end of the period.

For clarity and ease of matching the payee name to the journal entry, it would be preferable if the name field could be lengthened and the last name entered first. Perhaps the new accounting system will allow for that.

I recommend the Association consider investing a significant portion of our savings account in a certificate of deposit in order to increase our interest income.

The Board is to be commended for the financial stewardship it provides to the Association. I would like to commend Tom Lewellen for his organization and express appreciation for taking care of the Treasurer's duties. We thank you all for your willingness to put in so much time and effort in keeping our roads safe, and the maintenance fees to a minimum.

Respectfully submitted,

Volunteer Auditor
Polly Peters