

Zavada & Associates

Certified Public Accountants

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November 16, 2017

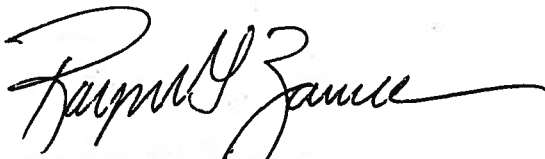
Board of Directors
Walker Lakeshores Landowners Association
100 Walker Laker Road
Shohola, PA 18458-2416

Dear Member of the Board:

This is a follow up to our letter dated November 9, 2017. In that letter we indicated that there were unrecorded ATM cash withdrawals totaling \$22,001.00 for 2016. We have obtained the 2014 and 2015 bank statements since then. There is a similar pattern of withdrawals. They totaled \$20,617.00 in 2015 and \$44,679.50 in 2014. In addition, we have noted other irregularities. There are a number of checks made payable to Cash. There are checks and electronic charges that are payable to a dental practice, a finance company, a tire company, a medical equipment company and cable and electric companies that appear to be of a personal nature and not related to Association business. We have also been made aware of instances where members have paid their assessment in cash and were given "discounts". We have not quantified those instances as of yet.

This is a very serious matter. We suggest that you engage a law firm well versed in community association law and dealing with potential fraudulent transactions and consider turning the matter over to the Pike County District Attorney's office. We are investigating insurance coverage for these matters. In the interim, we have enclosed a progress billing for work to date on the 2016 audit as per our engagement letter. Our letter states we will inform you of unexpected circumstances encountered and the basis for additional fees. If you wish us to continue to pursue matters noted in years other than 2016, we will charge an additional \$125 per hour partner time and \$80 per hour staff time.

Sincerely,



Raymond G. Zavada, CPA

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November 14, 2017

Walker Lakeshores Landowners Association
100 Walker Lake Road
Shohola, PA 18458-2416

FOR PROFESSIONAL SERVICES:

Progress billing regarding audit of financial statements
for year ended December 31, 2016 \$ 4,500.00