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To the Board of Directors
Norbeck Hills Homeowners Association, Inc.

We have audited the financial statements of Norbeck Hills Homeowners Association, Inc. for the year ended December 31, 2008, and have issued our report thereon dated October 15, 2009. Professional standards require that we provide you with the following information related to our audit.

Our responsibility under U.S. Generally Accepted Auditing Standards

[redacted] standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the reserve for future repairs and replacements is based on information obtained by the board of directors. We made limited inquiries regarding the methods used to develop the reserve for future repairs and replacements; however, we did not audit these amounts and provide no assurance that the amounts reported are reasonable in relation to the financial statements taken as a whole.
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> Management's estimate of the allowance for doubtful accounts is based on historical revenue, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and uncorrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management: adjustment to increase the allowance for bad debt and accounts payable, and to correct beginning fund balance (see attachment).

Disagreements with management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2009.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other audit findings or issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Communications of internal control weaknesses

In planning and performing our audit of the financial statements of Norbeck Hills Homeowners Association, Inc. as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Norbeck Hills Homeowners Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses:

Oversight of the Financial Reporting System

Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, results of operations, cash flows, disclosures in the financial statements and related adjusting journal entries, in conformity with U.S. generally accepted accounting principles (GAAP). The Association has a system of internal controls and staff with the capabilities that would enable management to prepare complete financial statements except for the related footnote disclosures in accordance with GAAP. The board of directors requested us to prepare a draft of the financial statements, including the related footnote disclosures, as this would be a time-consuming task. The outsourcing of these services is not unusual for associations of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

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This information is intended solely for the use of the board of directors and management of Norbeck Hills Homeowners Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

LarsonAllen LLP

LarsonAllen LLP

Arlington, Virginia
October 15, 2009

Client: *Norbeck Hills Homeowners Association, Inc.*
Engagement: *Norbeck Hills Homeowners Association, Inc.*
Period Ending: *12/31/2008*
Workpaper: *Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**10.30a**		
To adjust Allowance for Bad Debts				
7290	Bad Debt Expenses		19,185.45	
1315	Allowance for Bad Debts			19,185.45
Total			**19,185.45**	**19,185.45**
Adjusting Journal Entries JE # 2		**BB.30**		
AP Adjustment				
7100	Management Fees		2,381.30	
7550	Street Light Electricity		805.20	
9117	Property Maintenance & Upkeep		993.00	
3010	Accounts Payable			805.20
3010	Accounts Payable			993.00
3010	Accounts Payable			2,381.30
Total			**4,179.50**	**4,179.50**
Adjusting Journal Entries JE # 4		**SS.10**		
to tie out Equity				
5510	Prior Years' Excess/(Deficit)		22,624.99	
7910	Commission on Common Ownership		501.00	
9999	Year End Suspense			23,125.99
Total			**23,125.99**	**23,125.99**