

THE DEVON ASSOCIATION OF OWNERS
2401 Pennsylvania Avenue
Wilmington, Delaware 19806

October 16, 2020

Sparano, Vincelette & Joiner
Certified Public Accountants
1814 Newport Gap Pike
Wilmington, Delaware 19808

This representation letter is provided in connection with your audit of the financial statements of The Devon Association of Owners, which comprise the statement of assets, liabilities, and fund balance - AICPA FRF for SMEs as of June 30, 2020, and the related statements of revenues and expenses - AICPA FRF for SMEs, changes in fund balance - AICPA FRF for SMEs, and cash flows - AICPA FRF for SMEs for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, in conformity with the Financial Reporting Framework for Small- and Medium-Sized Entities (AICPA FRF for SMEs).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, make it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 16, 2020 the following representations made to you during your audit:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 15, 2020, including our responsibility for the preparation and fair presentation of the financial statements.
- The financial statements referred to above are fairly presented in conformity with the Financial Reporting Framework for Small- and Medium-Sized Entities.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with AICPA FRF for SMEs.
- All events subsequent to the date of the financial statements and for which AICPA FRF for SMEs requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Association's accounts.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with AICPA FRF for SMEs.
- Material concentrations have been properly disclosed in accordance with AICPA FRF for SMEs.
- Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with AICPA FRF for SMEs.
- Transfers or designations of fund balance or interfund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with AICPA FRF for SMEs.
- Receivables recorded in the financial statements represent valid claims against debtors for assessments or other charges arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- In regards to the financial statement and tax preparation services performed by you, we have:
 - Assumed all management responsibilities.
 - Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.

Information Provided

- We have provided you with
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, including minutes of all board meetings.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Association and involves
 - management,
 - employees who have significant roles in internal control, or
 - others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
- The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- We acknowledge our responsibility for presenting the required supplementary information (RSI) in accordance with AICPA FRF for SMEs. The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- The Devon Association of Owners is collecting funds for future major repairs and replacements in conformity with The Devon Association of Owners's policy to fund for those needs based on a study conducted in 2020. The Council believes the funds will adequately provide for future major repairs and replacements.
- The Association's allocation of expenses against membership and nonmembership income (or exempt and nonexempt function income) conforms with IRS rules, which require that the allocation be made "on a reasonable basis." We have adequately documented such allocation.
- We understand that management is responsible for the Association's choice of filing Form 1120 or 1120-H and the consequences thereof.

Property Manager

Council President