



RICHARD J. RAFTER, CPA, MBA, P.C.

Certified Public Accountant

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June 29, 2016

*To the Board of Directors
and Lot Owners of
The Villages of Westminster Homeowners Association, Inc.:*

Ladies and Gentlemen:

I have audited the financial statements of The Villages of Westminster Homeowners Association, Inc., as of December 31, 2015 and have issued my report thereon dated June 27, 2016. Under my Professional standards, I am providing you with the following information related to the scope and results of the audit, which may assist the Board in overseeing the financial reporting and disclosure process for which management is responsible.

Our Responsibility under Professional Standards

I have a responsibility to conduct my audit of the financial statements in accordance with the professional standards. In carrying out this responsibility, I planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of the audit evidence and the characteristics of fraud, I am to obtain reasonable, not absolute, assurance that material misstatements are detected.

In addition, in planning and performing my audit of the financial statements, I considered internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements. An audit of the financial statements does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Accounting Policies and Alternative Treatments

Significant Accounting Policies

The significant accounting policies used The Villages of Westminster Homeowners Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of the existing policies was not changed during 2015. I am not aware of any areas regarding accounting policy which are not already adequately disclosed in the financial statements.

Unusual Transactions

I noted no transactions entered into by The Villages of Westminster Homeowners Association during the year that both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of The Villages of Westminster Homeowners Association to make estimates and assumptions relating to the reported amounts of certain assets and liabilities and the disclosure of contingent assets and the liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. 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 markedly from management's current judgment.

Audit Adjustments and Uncorrected Misstatements

Audit Adjustments

I proposed no corrections of the financial statements that were not recorded that could, in my judgment, either individually or in the aggregate, have a significant effect on The Villages of Westminster Homeowners Association's financial reporting system.

Uncorrected Misstatements

In connection with my audit of The Villages of Westminster Homeowners Association's financial statements, there were no uncorrected misstatements that have not been corrected in The Villages of Westminster Homeowners Association's books and records as of and for the year ended December 31, 2015.

Other Information in Documents Containing Audited Financial Statements

My responsibility for other information in documents containing The Villages of Westminster Homeowners Association's financial statements and my report thereon does not extend beyond the financial information identified in my report, and I have no obligation to perform any procedures to corroborate other information contained in documents containing audited financial statements.

Disagreements with Management

There were no disagreements with the management of financial accounting, and reporting matters that, if not satisfactorily resolved, would have caused a modification of my report on The Villages of Westminster Homeowners Association's financial statements. I did not encounter any difficulties in dealing with management in the performance of the audit.

Consultation with Other Accountants

To the best of my knowledge, management has not consulted with or obtained opinions, written or oral, from other accountants about auditing or accounting matters during the year ended.

Major Issues Discussed with Management Prior to Retention

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention by you as The Villages of Westminster Homeowners Association's auditor. However, this discussion occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Material Errors, Irregularities

I did not become aware of any material errors, irregularities or possible material illegal acts.

Material Contingencies

I did not become aware of any material contingencies which would require additional disclosures in the financial statements.

Non-Audit Services

During the year I provided no additional accounting services to the organization except for the preparation of the The Villages of Westminster Homeowners Association's annual tax return.

Material Written Communications

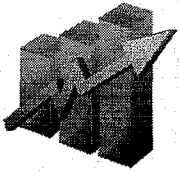
Attached to this report please find copies of the following material written communications between management and myself:

- Engagement letter
- Management representation letter

This report to the board of The Villages of Westminster Homeowners Association is intended solely for the information and use of the board of The Villages of Westminster Homeowners Association and management and is not intended to be and should not be used by anyone other than these specified parties. This report is not intended for the general use, circulation or publication and should not be published, reproduced or used for any purpose without my prior written permission in each specific instance.

Very truly yours,





Richard J. Rafter, CPA, MBA, P.C.

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Yorktown, VA 23693
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December 7, 2015

To the Board of Directors
Villages of Westminster Homeowners Association Inc.
c/o Berkeley Property Management
150 Strawberry Plains Road, Suite A-1
Williamsburg, VA 23188

Attention: C. J. Jones, CMCA, AMS

Subject: Villages of Westminster Homeowners Association, Inc.; 2015 Financial Audit

Dear Sir/Madam,

This will confirm our understanding of the arrangements made with you concerning the audit which you wish me to conduct on the financial statements of Villages of Westminster Homeowners Association for the year ended December 31, 2015. The audit report will be addressed to the President and members of the Board.

My examination will be made in accordance with generally accepted auditing standards and, accordingly, will include such tests of the accounting records and such other auditing procedures as I consider necessary to express an opinion regarding your financial statements. It should be noted that such an examination is not designed, and cannot be relied on, to disclose all errors, defalcations, and other similar irregularities, although they may be discovered as a result of my examination. My findings regarding your system of internal accounting control, including information about material weaknesses will be included in my report.

Based on my preliminary review the estimated fee for the engagement is **\$2,800¹ (two thousand and eight hundred dollars)**. If I encounter circumstances which would significantly affect this estimate, I will notify you. It is agreed that I will have prior opportunity to see and give approval of all printed or duplicated material in which the audit report appears. It is also understood that this letter contains the whole agreement between the parties, supersedes any previous understandings and may be changed only by the written consent of the parties.

¹ Discounted Tax Preparation Fee \$300 with signed Audit Engagement letter.
Member, American Institute of Certified Public Accountants Member, Virginia Society of Certified Public Accountants

Attached in Appendix A of this engagement contract I outline standard *objectives and limitations* of audit services.

If the above mentioned specifications are in accordance with your understanding of the terms of my engagement, please sign below and return a duplicate copy to me.

Sincerely yours,

Richard J. Rafter, CPA

Accepted by: CPA RAEFI
Title: PRESIDENT, HOA
Date: 12-29-2015

Appendix A

Objectives and limitations of services

Scope of Financial Statement Audit Services

We will audit the balance sheet—cash basis of Villages of Westminster Homeowners Association as of December 31, 2015 and the statement of receipts and disbursements and changes in fund balance—cash basis for the year then ended, collectively, the “financial statements”. The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, the financial position of Villages of Westminster Homeowners Association as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information about future major repairs and replacements of common property accompanying the reviewed financial statements, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required supplementary information will not be subjected to the procedures applied in the audit of the basic financial statements, but will be compiled from information that is the representation of management, without audit or review. We will not express an opinion or provide any assurance on such required supplementary information.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, account balances, and disclosures, there is a risk that material misstatements, whether caused by error or fraud, may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or incidents of fraud or illegal acts that do not have a direct and material effect on the financial statements. However, we will communicate to management and those charged with governance, any errors, fraud, or other illegal acts that come to our attention during the audit, unless clearly inconsequential.

Our audit will include testing of accounting records and other procedures we consider necessary to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding your financial statements. We will fully discuss the reasons with you in advance if our opinion is other than unqualified. If, for any reason, we are unable to complete the audit, or we are unable to or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement.

The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Based on the assessed risk of material misstatement, we will design and perform substantive procedures which may include tests of documentary evidence

supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, financial institutions, and other third parties. We may also request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we will also request certain written representations from management made during the audit about the financial statements and related matters.

Our audit will also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, including the related disclosures. We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of Villages of Westminster Homeowners Association.

Our audit includes obtaining an understanding of Villages of Westminster Homeowners Association and its environment, including internal control over financial reporting ("internal control"), sufficient to assess the risks of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. Accordingly, we will consider Villages of Westminster Homeowners Association's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion on your financial statements. Our approach may include tests of operating effectiveness of controls that we consider relevant to preventing and detecting material misstatements. However, our audit is not designed to express an opinion or provide any form of assurance on the effectiveness of Villages of Westminster Homeowners Association's internal control or to identify all deficiencies in internal control. Accordingly, we will not express an opinion on the effectiveness of Villages of Westminster Homeowners Association's internal control.

We will communicate to management and those charged with governance in a separate letter those significant control deficiencies or material weaknesses identified during our audit. This communication of internal control related matter is intended solely for the information and use of management, audit committee or those charged with governance, and others within the organization. The communication is not intended to be, and should not be, distributed to anyone other than these specified parties.

We are also responsible for communicating with the audit committee or those charged with governance about our audit responsibility under generally accepted auditing standards, an overview of the planned scope and timing of the audit, significant issues or findings from the audit (e.g., significant difficulties encountered during an audit, disagreements with management, etc.), fraud or illegal acts that come to our attention, and will seek the audit committee's views about the risks of fraud or knowledge of fraud or any suspected fraud affecting the entity.

Our responsibility as auditor is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our report will be addressed to the Board of Directors of Villages of Westminster Homeowners Association. We cannot provide assurance that an unqualified opinion will be rendered.

Circumstances may arise in which it is necessary for us to modify our report or withdraw from the engagement.

We prepare the Association's federal and state income tax returns for the year ended December 31, 2015, if requested.

Client Responsibilities

Management is responsible for the following functions:

- establishing and maintaining effective internal control over financial reporting, including monitoring ongoing activities;
- Selection and application of an applicable and appropriate financial reporting framework;
- designing, implementing and maintaining programs and controls to prevent and detect fraud;
- identifying and ensuring that the company complies with the laws and regulations applicable to its activities;
- establishing and maintaining adequate records;
- making all financial records and related information available to us on a timely basis and assuring that the records and information are complete and accurate;
- selecting and applying accounting principles;
- safeguarding of assets;
- adjusting the financial statements to correct material misstatements and affirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole;
- informing us about all known, alleged, or suspected thefts or fraud that involves company management, employees, former employees, or others where the thefts or fraud could have a material effect on the financial statements;
- confirming certain representations made to us in the management representation letter;
- reviewing and approving the financial statements prior to their issuance, and assuming responsibility for the fair presentation of financial statements, including all footnote disclosures.

You agree to assume all management responsibilities for the tax services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and the results of the services; and accept responsibility for them.

We understand that your employees will prepare all cash, receivables, and other confirmations we request and will locate any documents selected by us for testing.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this engagement letter. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

Dispute Resolution, Termination and Other Terms

Any dispute or controversy arising among the parties hereto regarding any term, covenant, or condition of this Agreement or the breach thereof (other than a dispute arising from failure to pay indebtedness) shall upon written demand of any party hereto, be submitted to and determined by arbitration before the American Arbitration Association, in County of York, Virginia, by a panel of three arbitrators, in accordance with the rules of the Association then in effect. Any award or decision rendered shall be made by means of a written opinion explaining the arbitrators' reasons for the award or decision, and the award or decision shall be final and binding upon the parties hereto. The arbitrators may not amend or vary any provision of this Agreement. Judgment upon the award or decision rendered by the arbitrators may be entered in any court of competent jurisdiction.

Any claim arising out of this Agreement shall be commenced within one year of the delivery of the work product to the client.

We reserve the right to withdraw from this engagement without completing our services if you fail to comply with the terms of this engagement letter or as we determine professional standards require. If any portion of this agreement is deemed invalid or unenforceable, such a finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

At the completion of our engagement, the original source documents will be returned to you. Work papers and other documents created by us are our property. Such original work papers will remain in our control, and copies are not to be distributed without our prior written consent.

You agree not to distribute, reproduce, or publish our report, or any portion of it to other parties not specified in this engagement letter without our consent. If we consent, you agree to provide us with copies of masters or printers' proof of the entire document in sufficient time for our review and approval before distribution or print. You also agree to provide us a copy of the final reproduced or printed material for our approval before it is distributed.

You further agree that you will not make our report on the audited financial statements available to third parties via electronic communication or posting to the Internet without obtaining our written consent in advance of such activity. You agree to indemnify, defend, and hold our firm and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns harmless with respect to any and all claims arising from any third-party use of our report from such electronic communication or posting regardless of the nature of the claim.

Electronic Data Communication and Storage

In the interest of facilitating our services to your company, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

Richard J. Rafter, CPA, MBA, P.C. is a professional corporation comprising both a certified public accountant and certain personnel who are not licensed as certified public accountants. Such personnel may participate in the engagement to provide the services described in this matter.

The work papers for this engagement are the property of Richard J. Rafter, CPA, MBA, P.C.

We appreciate the opportunity to be of service to Villages of Westminster Homeowners Association. Please date and sign the enclosed copy of this engagement letter and return it to us in to acknowledge your agreement with its terms. It is our policy to initiate services only after we receive the signed copy of this engagement letter from you.

I shall be pleased to discuss this letter with you at any time.

Very truly yours,

Richard J. Rafter, CPA

Management Representation Letter

May 18, 2016

Richard J. Rafter, CPA, MBA, P.C.
2524 George Washington Highway
Suite C-1
Yorktown, VA 23693

Dear Mr. Rafter,

This representation letter is provided in connection with your audit of the financial statements of Villages of Westminster Homeowners Association, which comprise the balance sheet as of December 31, 2015, and the related statements of revenues and expenses, changes in members' equity, and cash flows 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 are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) or other comprehensive basis of accounting (OCBOA), e.g., cash basis.

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, makes it probable that the judgment 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 May 18, 2016, 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 December 7, 2015, 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 U.S. GAAP or OCBOA.
- 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 the requirements of U.S. GAAP or OCBOA.
- All events subsequent to the date of the financial statements and for which U.S. GAAP or OCBOA requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP or OCBOA.
- Material concentrations have been properly disclosed in accordance with U.S. GAAP or OCBOA.
- Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP or OCBOA.

- 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 GAAP or OCBOA.
- Uncollectible interfund loans have been properly accounted for and disclosed in accordance with GAAP or OCBOA.

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.
 - 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 disclosed to you all known 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 responsibilities for presenting the required supplementary information (RSI) in accordance with U.S. GAAP or OCBOA. 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.
- We acknowledge our responsibility for presenting the Capital Reserve Study in accordance with U.S. GAAP or OCBOA, and we believe the Capital Reserve Study, including its form and content, is fairly presented in accordance with U.S. GAAP or OCBOA. The methods of measurement and presentation of the Capital Reserve Study have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- The board of directors is collecting funds for future major repairs and replacements in conformity with Villages of Westminster Homeowners Association's policy to fund for those needs based on a study conducted. The board of directors believes the funds will adequately provide for future major repairs and replacements
- The Association's allocation of expenses against 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.

- Where applicable, the Association has excess membership income in the current year and for tax purposes has elected to either (a) offset it against next year's assessments or (b) refund it to the members. We have adequately documented such election in the current year. When filing Form 1120 with a 70-604 Election, we have met all of the requirements to comply with this Election.
- We understand that management is responsible for the Association's choice of filing [Form 1120 OR Form 1120-H] and the consequences thereof.

Signature: CORINNE M PICATAGGI
President: CORINNE M PICATAGGI

Signature: Paul Holt
Treasurer: PAUL HOLT

June 27, 2016

Richard J. Rafter, CPA, MBA, P.C.
2524 George Washington Highway
Suite C-1
Yorktown, VA 23693

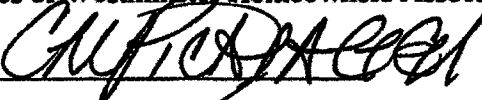
Dear Mr. Rafter,

In connection with your audits of the financial statements of The Villages of Westminster Homeowners Association, Inc., which comprise the balance sheet—cash basis as of December 31, 2015, and the related statement of receipts and disbursements and changes in fund balance—cash basis 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 are presented fairly, in all material respects, in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. You were previously provided with a representation letter dated May 18, 2016. No information has come to our attention that would cause us to believe that any of those previous representations should be modified.

No events have occurred subsequent to December 31, 2015, and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Very truly yours,

The Villages of Westminster Homeowners Association, Inc.

Signature 
President

Signature 
Treasurer