

**HERON SHORES HOMEOWNERS, INC  
AUDIT COMMITTEE'S RECOMMENDATIONS  
FOR YEAR ENDING  
DECEMBER 31, 2012**

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- 1.** As of December 31, 2012, the Operating Fund still owed the Reserve Funds \$20,000.00 from payment of insurance paid in February, 2012. For several months following the payment from the Reserve Fund, payments were being made on a regular basis from the Operating Fund for the loan. No payments have been made since August. **The audit committee recommends** that the 2012 repayment be made immediately and in the future, any loans be repaid by the end of that year.
- 2.** Interest is earned on the Reserve Fund cash account but the interest income is only applied to the Building Exterior Restoration Fund. **The audit committee recommends** that the interest income be prorated between the two Reserve Funds based on the average balance for the year.