



VANCE FLOUHOUSE & GARGES, PLLC
Certified Public Accountants and Consultants

August 14, 2018

To the Board of Directors and Management of
Daniel Island Park Association, Inc.
130 River Landing Drive, Suite 1-C
Charleston, SC 29492

In planning and performing our audit of the financial statements of Daniel Island Park Association, Inc. as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Daniel Island Park Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Daniel Island Park Association, Inc.'s internal control to be significant deficiencies:

Segregation of Duties:

Management should continually keep in mind limitations due to the small size of the Association's accounting staff, which makes it technically impossible to fully segregate duties in such a manner as to achieve optimum checks and balances. The purpose behind the need for checks and balances is to reduce possibilities for errors arising from such causes as misunderstandings of instructions, mistakes of judgment, and personal carelessness, distraction or fatigue.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Company personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Association, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Vance Flouhouse & Garges PLLC

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