

To Management and the Board of Trustees of
The Society of the Four Arts, Inc.
Palm Beach, Florida

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of The Society of Four Arts, Inc., (the "Society") as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America we considered the Society's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the Society's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

Definitions Related to Internal Control 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our Responsibilities

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 significant deficiencies or material weaknesses and, therefore there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be a material weakness. However, as discussed below, we identified a matter for your further consideration, and provide the current status of a comment made in the previous year.

Identified matter for further consideration:

Gift Shop Inventory

Through our examination of the internal controls documentation and walk through of the Gift Shop during fieldwork, we noted that only one employee performs the end of season inventory count. We recommend that all inventory counts be performed by at least two of Society's employees.

Management's response: Management understands the recommendation and has already made changes to their policy to have the gift shop supervisor observe the final count of the fiscal year end.

PRIOR YEAR COMMENTS

Use of Personal e-mail Accounts

Through our examination of the credit card transactions processed by Authorization.net, we noted that this third party provider submits to the accounting department a report with the summary of the transactions for the period. We noted that the individual receiving the summary of the transactions is using a personal e-mail account (i.e., gmail account) rather than the Society's e-mail account. We suggest that all electronic communication performed by Society's employees be done through the Society's e-mail system in order to protect this type of communication and to apply the same safeguard policies as regular communication (e.g., document retention policy, access to the information by authorized individuals).

Management's response: In previous years the authorized company could not successfully transmit to the Four Arts server due to firewall issues. These problems have been solved and we are now able to receive this notification. The email address has been changed to a fourarts.org account.

Status: We noted through examination of Authorization.net reports that management has changed the email address to a fourarts.org account.

* * *

We have previously discussed our observations and suggestions with organization personnel and would be pleased to discuss them in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendations to the extent our independence is not impaired.

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December __, 2015
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This communication is intended solely for the information and use of management, those charged with governance and others within the Society and is not intended to be and should not be used by anyone other than these specified parties.

Draft

West Palm Beach, Florida
December __, 2015

DRAFT 12-08-2015