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March 3, 2009

Board of Directors
Pecan Plantation Owners' Association, Inc.

In planning and performing our audit of the consolidated financial statements of Pecan Plantation Owners' Association, Inc. (the "Association") as of and for the year ended October 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

Concentration of Duties

Currently, a small number of employees are responsible for performing all accounting functions for the Association and have access to the general ledger. This concentration of duties is common in organizations of similar size to the Association. We believe this concentration results in a significant internal control weakness. However, corrective action to eliminate this inherent weakness may not be practical due to the staffing level of the organization.

Employee Charge Accounts

Under the Association's Employee Handbook, employees may have an employee charge account for discounted purchases in the Golf Pro Shop and employee meals. Employees may charge no more than \$50 per week up to \$100 per pay period and all charges are to be deducted from payroll. At October 31, 2008, certain employees had outstanding balances over four months old. We recommend the policy of deducting charges from payroll be followed for all employees. We also recommend a member of the Audit Committee monitor adherence to the policy.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses.

Accounts Receivable

At October 31, 2008, the Association had approximately $125,000 in accounts receivable with balances over four months old. We noted that liens had not been filed on several accounts and the allowance for doubtful accounts did not appear to be adequate. We recommend that management adhere to the existing collection policy and bylaws in collecting past due accounts. Also, we recommend that the Board consider revising these policies to ensure consistent application and regularly review the list of past due accounts to verify that the policy is being followed.

Adjusting Journal Entries Proposed During Prior Audit

During the audit it came to our attention that certain entries proposed during the audit of the Association's financial statements for the year ended October 31, 2006, and included in the 2006 audited financial statements, were not recorded by management. As a result, the 2008 beginning fund balance was restated. We recommend management compare the audited financial statements to the Association's general ledger to ensure all adjustments are properly recorded.

Financial Reports

Currently, financial reports presented to management, committees, and the Board for review are prepared manually by the Controller and often do not include activity or balances recorded in the general ledger. We recommend the accounting system be used to generate reports to ensure the accuracy and completeness of this information.

Payroll

Payroll is processed at the end of each pay period by the Assistant Controller. After processing, the bank electronically provides an ACH confirmation, which lists each employee and the amount paid. Currently, the Controller reviews the ACH confirmation for accuracy. We recommend that a Board member and the General Manager also review the ACH confirmation received from the bank for accuracy.

Property and Equipment

During 2008, the Association did not maintain an accurate listing of property and equipment and related accumulated depreciation that agreed to the general ledger. This appears to be caused by inconsistencies in recording activity in the manual schedule maintained by the Controller and the general ledger. As a result, depreciation expense was misstated in prior years and the Association's beginning fund balance for 2008 was restated accordingly. We recommend that assets be properly recorded using the property and equipment module in the accounting system, be reconciled monthly between the general ledger and property and equipment module, and be reviewed regularly by the Board in order to maintain an accurate record of property and equipment.

Accounts Payable

During our fieldwork we noted that one of our invoices submitted in connection with our audit was paid twice. We recommend that all payments be made from specific invoice amounts and not from statement balances that might include amounts previously billed.

Other Matters

The following observation arose during our audit and concerns administrative and operating matters that are not directly related to internal control.

Currently, the Association has an asset and an equal liability related to an employee benefit plan. We were informed that the plan has been terminated and those under the plan are no longer employees of the Association as of October 31, 2008. We recommend the Association verify the status of the plan and consider the proper accounting treatment.

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

If we can be of further assistance in the matters presented above, please contact David Eason.

Very truly yours,

SPROLES WOODARD L.L.P.

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