

Treasurer's Report Annual Meeting 2006

The proposed income budget for 2005-2006 as presented in 2005 was \$14,323.00.

The actual income in 2005-2006 was \$14,610.06.

The difference is in higher interest payments on the Savings Account.

Since our fiscal year is behind the annual calendar year calculations we have proposed roughly the same interest earnings for the coming year as were actually earned last year.

The proposed expense budget for 2005-2006 was \$15,194.00.

The actual expenditures for 2005-2006 were \$11,635.

We increased the assessment amount to \$500 per lot last year to cover expenses without having to transfer funds from the savings account. Last year we had to transfer \$1,500 in August to cover expenses, but no other transfers had to be made due to the increased assessment amount. Each year when we make up the proposed budget for the coming year we try to estimate a little extra in categories where we think there might be added expenses. Even though the actual expenditures were under the proposed budget for last fiscal year, we have proposed roughly the same expense amounts for this year.

The HOA association decided that if we are able to keep \$30,000 in the "reserve account" that would be a sufficient amount of money for the association to hold for emergencies. As you can see from the Balance Sheet, there was \$30,986 in the account as of July 31st.

Our tax amount to be paid was computed by the accountant James L. Druffner, CPA, Park City, and paid on time last fall. The accountant is presented with all the accounting for the year and reviews those expenses. He does not, however, audit the account. The account has never been audited since Janet Armstrong took over the treasurer's position in 1995, and she didn't know if the account had ever been audited before that time. If the association would like to have an audit performed, that certainly is possible. However, an audit may cost several thousand dollars and doesn't seem to be necessary, in my opinion.

Our checking and savings accounts are set up for online banking with Chase Bank. This not only makes it much more convenient to pay bills, it also enables us to transfer monies between accounts if necessary and gives the Board President access to know what is transpiring since he is not a full time resident here.

Respectively submitted,

Kathleen Ferrigno
Secretary/Treasurer