

GAZETTE

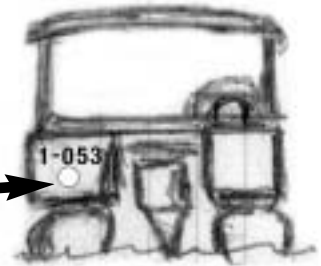
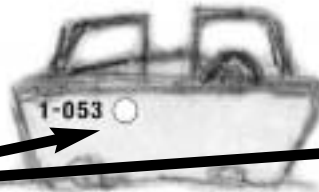
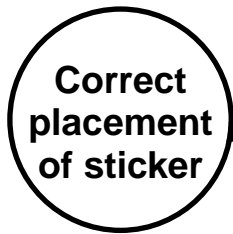
Lake Somerset

Visit our web site at: <http://lwme12.home.comcast.net/lspoa>

TRADING POST

New Boat Sticker Fee

\$35 per boat



Place the sticker on the left rear of watercraft as pictured in the illustrations above. See 'Lake Budget 2005' article inside for additional information. Don't forget your lot number.

Picnic
Sat. July 16/
Rain Day
Sun. July 17

Annual Pig Roast/Picnic at Main Park (Donation: \$1/Person)

12:00 p.m. Social Hour

2:00 p.m. Golf Chipping

12:30 p.m. Lunch

2:15 p.m. Adult & Kids' Games

1:30 p.m. Turtle Race (BYO)

3:15 p.m. Tug of War (North vs. South)

Horseshoes All Day

Please Bring: A Passing Dish, Your Beverage, Table Service, Lawn Chairs, Your Turtles, and Chippers.

Board Of Directors

Tony Harsch (*President*).....688-9767
 Jim Weber
 (*Vice-President*)419-885-8338
 Marion Clapham (*Treasurer*).....688-4518

John Lichtle (*Secretary*)688-3400
 Colleen McNeal (*Bldg. Committee*)..688-4091
 Dennis Schober (*Security*)688-9462
 Chris Scheithauer (*Parks*).....688-4737
 Ken Kiraly (*Roads*)688-4356

Building Committee

Colleen McNeal (*Chairperson*)688-4091
 Charlie Hummell – 14303 Blarney Cr., Box 22, Somerset 49281688-4236
 Doug Dollar – 14695 Bunratty, Somerset 49281734-260-5814

Meeting Times

Monthly Meetings

Every 3rd Saturday of the month (except in December), the Board of Directors meet in the Somerset Township Hall for the purposes of conducting the Association business. The meetings start at 10:00 a.m. and are open to the public. If the meeting time or place is changed, every effort will be made to notify the membership.

Annual Meeting

Each year on the first Sunday of October, we conduct our annual membership meeting. All members are invited to attend. Time and place is sent to all members annually prior to the meeting.

Membership

(a) Membership is subject to payment of annual and special assessments and to a member complying with published regulations and restrictions of the Association. The right to membership shall be automatically suspended for nonpayment of dues or assessments by May 1st of each year. Where membership has been suspended for nonpayment of said dues or assessments, the membership shall be reinstated upon payment of said dues or assessments, penalties and reasonable expenses of collection, subject however, to Article VII, Section 11.

(b) The right to membership may also be suspended by action of the Board of Directors for infraction of the published rules and regulations of the Association for a period not to exceed ninety (90) days.

(c) Any dues or assessments not paid on the due date, which is May 1st, are delinquent and shall, together with

penalties and reasonable expenses of collection, become a continuing lien on the property which shall bind such property in the hands of the owner, his heirs, his devisees, personal representatives and assignees. If the dues or assessments are not paid after a thirty (30) day grace period from and after May 1st, a penalty of One (1%) percent per month on the unpaid balance may be added to the amount owed for dues and assessments. In addition any reasonable expenses of collection, as are authorized by these By-Laws or by action of the Board of Directors, shall be added to the delinquent balance, and the Association may bring an action at law against the owner personally obligated to pay the same and/or to foreclose the lien against the property. In any such action, there shall be added to such dues and assessment, authorized penalties and reasonable expenses of collection, the cost of preparing and filing the complaint in such action, and in the event that judgment is obtained, such judgment shall include penalties, interest as allowed by the law, reasonable costs of collection, and reasonable attorney fees.

Boat Launch Keys

There is a locked gate across the entrance to the boat launch at Schmidtke Park. The following members have keys to the lock and can be contacted during times that guards are not in attendance at the park.

Tom Weaver688-9789
 Chris Scheithauer688-4737
 Marion Clapham688-4518
 Warren Judson688-9847
 Al Hoffmanner688-9261
 George Martin688-3052

President's Corner

If you haven't noticed, the spring Gazette is almost two months early this year. The reason is we have several items for your consideration.

My article will focus on the Restrictive Covenants. The final draft is the result of almost three years of work. In that time we have had two membership surveys, two special meetings at the township hall and numerous discussions at board meetings and at members' homes. This all has been reviewed by Mr. Marks, our association attorney. We believe we addressed most of the problems that have caused concern.

We have reserved the township hall for the weekends of August 6-7 and August 13-14 for members to come in and approve the new restrictions. Before this takes place, you will be mailed a copy of the Restrictive Covenants, dates and times the Association reserved the township hall and names and phone numbers of those you can call if you have questions.

This project is going to require a lot of volunteers to insure success. I know from previous surveys that there are people who want to help the Association but not on a regular basis. This is a perfect opportunity to help. If you can help out for four hours, eight hours or a weekend or two, you will not only be doing the Association a great service, you will also get to meet most of your neighbors.

The revised covenant is needed and long overdue. If you can help, please contact any board member or myself (688-9767).

Tony Harsch, Sr.

A Sad Day for Lake Somerset

It is with regret that I report the passing of Nick Bucurestean on January 19th. Nick served for over 30 years as a member of the association's Building Control Committee. The fine community we enjoy today is because of service such as Nick's. All who knew him will feel his absence.

Kaiser Water Gauges

Last fall, the LSPOA Board hired Kieser and Associates to help develop a water quality management plan for Lake Somerset. The plan will include short-term, near-term and long-term management strategies, plans, and policies for the lake.

Kieser installed two staff (water level) gauges (one at the upstream side of the Goose Creek inflow; one on the lake side of the northern

outflow) to help examine the contributions of the various flows of water into Lake Somerset. LSPOA members monitor the gauges, and record the readings every one to two weeks. A rain gauge will be installed this spring (2005).

The staff gauges will help Kieser paint a picture of the current conditions of Lake Somerset as well as predict short-term conditions as they relate to water quality, sediment accumulation and aquatic plant growth.

Larry McNeal



Brookhurst Dam Outlet



Goose Creek Inlet)

Lake Budget 2005

At the annual meeting in October of 2004 the financial report for the fiscal year 2004 and budget for fiscal 2005 was presented.

The fiscal 2005 budget indicates a loss in fiscal 2005 of \$41,000.

The board after a great deal of discussion and further discussion with the members present has decided to charge a boat sticker fee of \$35.00 per boat to offset a portion of this deficit. The board felt that such a fee would be fair in that the people who use the lake most

are boat owners and this fee would only be charged to boat owners.

This fee does not balance the 2005 budget, but does offset some of the increased operating costs.

The board continues to review the annual assessment amount and evaluate all reasonable measures to balance the association budget.

Thank you for your support.

Jim Weber

Water Quality Report

January 2005

At the November 2004 LSPOA Board meeting, I was elected to the position of Water Quality Chairperson for the LSPOA, which was still vacant following the October Annual Meeting. Also at the November meeting, a presentation by Kieser & Associates was made for their proposal to oversee water quality on Lake Somerset. The LSPOA Board voted to contract with Kieser & Associates to monitor water flow, possible contaminants, and fertilizer levels in all areas of the lake. Kieser requested a survey of all waterfront residents regarding their septic systems. A total of 321 surveys were sent out, with 132 surveys hand delivered, and the remaining 189 mailed. (Thank you to Sharon Badders and her Community Council

crew for going door-to-door delivering the surveys.) Some responders expressed concern about the possibility of sewer systems coming in as a result of this survey. This was not the intent of Kieser & Associates or the LSPOA Board.

There have been measuring devices installed on inlets and outlets to determine water flow during heavy rains and dry periods. Two residents have volunteered to monitor these devices. In the fall, Kieser representatives were on the lake to take water samples. This spring they will be back on the lake taking additional samples, continuing throughout the summer and fall.

Please feel free to contact me if you have any questions, concerns or suggestions.

Larry Wright

Roads - Spring 2005

Hello to all my fellow LSPOA members.

Better news for the 2005/2006 season, concerning our roads, than last year. This year there are limited funds available for the repair of Hillsdale county roads. Some of these funds will be used for hot patching the roads surrounding the lake. There was a meeting at the Township Hall on January 20th where the road commission was presented with locations of where hot patching needed to be done.

But, as in the past without the millage being passed, our roads will gradually continue to

deteriorate as they have for over the last decade.

In order to turn around this situation we will need to vote to increase the millage for roads. Remember a vote of yes next time will improve our roads and increase our property values here at Lake Somerset.

I will inform all LSPOA members when the next vote will be held at one of our future meetings.

If you have any questions please let me know.

Ken Kiraly

Island News

Brian Utterback from Crestridge Builders donated a gazebo. It was installed on the island last fall. Here are some pictures of the installation and the names of the people who volunteered.

Gazebo Installation Volunteers

Gene Davenport, Doug Dollar, Roger Ensley, Dennis Glasgow, Tony Harsch, Larry Henning, Bob Iveson, Pete Kasper, John & Tom Lichtle, Jim McRitchie, Jerry Pattenaude, George Rausch, Mitch "The Mayor" Badders, Dale Sumner, Joe Tomaro, Brian Utterback, Tom Weaver, and Jim Weber



Boat Ramp Gate

We installed a new security gate at the main park boat ramp. We hope you find it easier to use than the old system. Due to unauthorizd key duplication, the gate will have a new lock

for the upcoming season. To receive a new key, authorized ramp keyholders should return the old key along with \$8.00 (cost of new key) to Marion.

Contact Marion at 688-4518 if you have any questions.

Boat Ramp Update

LSPOA refurbished the boat ramp in the spring of 2004. The ramp had a large drop off at the end and also the concrete slabs had shifted. As previously reported the cause of this problem is from power loading of boats onto the trailer (using the boat to drive onto the trailer).

Unfortunately the ramp repairs only lasted 5 month's. Once again the ramp had a large drop off and the slabs shifted. The ramp has now been repaired for the second time in 6 months.

PLEASE WINCH YOUR BOAT ONTO THE TRAILER — DO NOT POWER LOAD —

WE ARE DESTROYING THE RAMP

Friendly Park Reminders

Parks are for the use of L.S.P.O.A members. A member must accompany all guests.

Park Hours 7am-10pm

(No overnight vehicle or boat parking)

Main park pavilion cannot be reserved. It is on a first come basis

Trash bins at the parks are for park trash only. Please do not use for the dumping of household trash.

Michigan Boating Rules

Requirements for Towing Skiers: It is illegal to tow skiers, surfboards, or any device of this type between:

- One hour after sunset and one hour before sunrise if towed behind a vessel

- One hour before sunset and 8:00 am if towed behind a PWC.

Personal watercraft: It is illegal to operate a PWC between one hour before sunset and 8:00 am. Check the weather channel for legal sunset!!!

For the most current Michigan boating rules:
<http://boat-ed.com/mi/handbook>

LSPOA Board

Nominating Committee

Any member wishing to become a member of the Lake Somerset Property Owners

Association board should contact one of the individuals listed below for more information:

Laurie Mawby	688-3869
John McAndrews	688-3349
Colleen McNeal	688-4091
Jim Bickley	688-9280

Spring 2005 Work Party

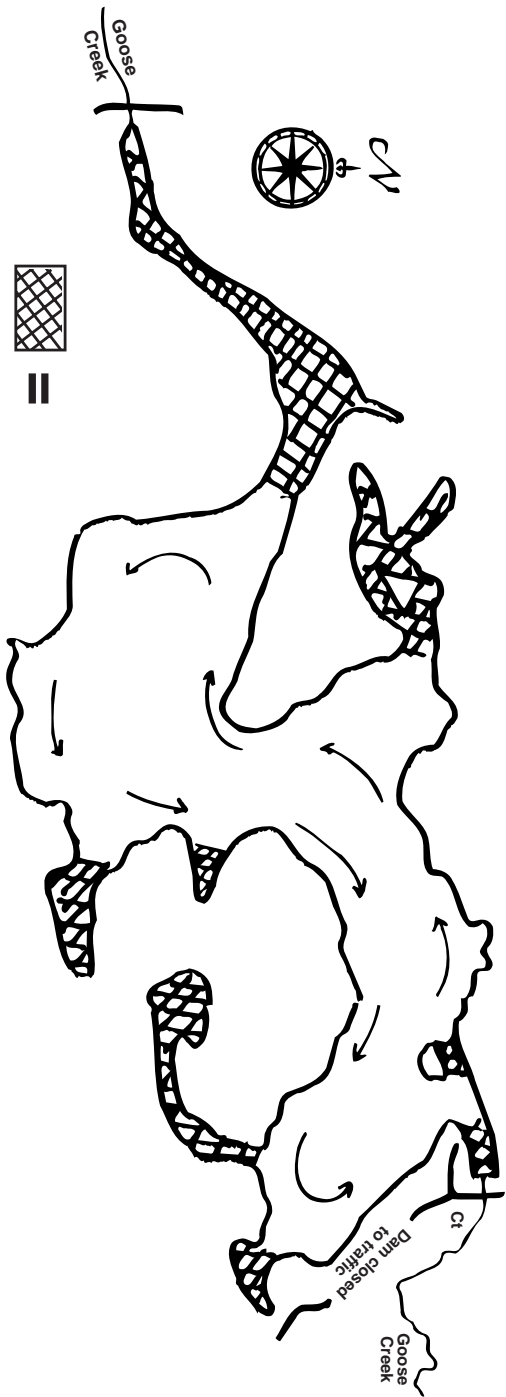
We will have a work party at 1:00 p.m. on April 23rd at the East Park (near the dam). We need as many volunteers as possible. We will be painting, landscaping and cleaning up the

park. Mulch and paint will be supplied. Hope to see you!

Rain date 4/24/05

Contact Chris Scheithauer at 688-4737 if you have any questions.

All Power Boat Traffic Must Move Counterclockwise Around The Lake



No-Wake Areas Of The Lake

Sailboats & Rowboats Always Have The Right-Of-Way

Computer Alert

This to inform the members that the LSPOA is finally embarking into the computer age. We are in the process of loading all our data into our own computer. Hopefully we will have an e-mail address by the time you receive this Gazette. If you want to visit our Website go to <http://lwmc12.home.comcast.net/lspoa>.

We would like all members who are on the

internet to send us their e-mail address so we can build a database which would make it very simple for us to keep everyone informed on current issues that are a concern to all members and also announce planned events such as Pig Roast, Garage Sale and Boat Parade, etc.

Tony Harsch.....688-9767
Marion Clapham.....688-4518

5th Annual Fourth of July Boat Parade

The Community Council is inviting everyone to decorate your boats on Monday, July 4, 2005 and participate in a boat parade around the lake. We will begin lining up the boats at the island at 11:45 a.m. (No jet skis please.) Judging will take place at noon before the

parade begins. Awards will be given out prior to the start of the parade. The winning boats will have signs showing the place they were awarded during the parade.

So be sure to deck out your boat (and yourself too) on Monday, July 4th! Remember, this is a family event.

If you have any questions, please call Sue Prange at 688-3710.

Community Council News

- Andi Overmyer (688-3652)
Somerset Heights & Meckley's Subdivisions
- Sheila Davison (688-4051)
Somerset Heights & Meckley's Subdivisions
- Sharon Badders (688-3074)
Somerset Heights & Meckley's Subdivisions
- Sue Prange (688-3710)
Hillandale & Gordon Subdivisions
- Manessa Braman (688-3631)
Rolling Meadows Subdivision
- Tracey Dear (688-9528)
Crestview Subdivision

The mission of the council is to act as a liaison between residents and the association board. Each representative is a spokesperson for their subdivision. If concerns come up, we will bring them to the board meetings but all of them may not be acted upon. We make recommendations, but it is not our charge to make decisions.

We are also here to act as a public relations committee. Different events that have been provided by the council are the Lake Somerset garage sale in June and a Pig Roast and boat parade in July. We welcome any volunteers or suggestions to help us promote a better community.

Building Control Committee

The Lake Somerset Property Owner's Association (LSPOA) Building Control Committee would like to remind both new and old residents that everyone must comply with the LSPOA building guidelines.

All structures including houses, garages, sheds, and fences must be approved by the Building Control Committee before they can be erected.

Documents needed for sheds, decks or anything else built above ground are:

1. Three (3) sets of drawings complete and clearly definable.
2. Three (3) grid plans showing location of the proposed structure showing size and distance to lot lines.
3. Three (3) sets of elevation drawings showing height and appearance.

If you have any questions, please contact any of the committee members listed below:
Colleen McNeal (*Chairperson*).....688-4091
Charlie Hummel688-4236
Doug Dollar734-260-5814

Zebra Mussels

This fall the first zebra mussels were found in Lake Somerset. Although only 3 specimens were recovered (on opposite sides of the lake), I think we should see many more in the next year or two. Yes folks, we are now a zebra mussel lake!

I would like to take this opportunity to discuss what is known about these mussels and what we can expect in the future with this infestation.

Zebra mussels were first seen in the great lakes (Erie) in the late 1980's. They are originally from the Caspian sea in Asia and were thought to enter the Great Lakes via exchange of water ballast from sea going ships plying the lakes. These "zebs" (as they are called) spread rapidly throughout the lakes during the 1990s and soon started appearing in Michigan's inland lakes shortly later. The zebs are introduced into inland lakes by way of contaminated boats, motors, bilge water, bait buckets, and even bird's feet, etc. Once they colonize a lake they are there forever. There is no known method of eradication.

Adult zebs attach themselves to anything solid, such as rocks, seawalls, dock posts, sticks, and sometimes boats and outboard motors. Each adult zeb produces about 30,000 to 100,000 eggs per month during the summer. Each egg hatches into a small microscopic creature called a veliger which drifts in the water until the shell becomes large enough to force it to the bottom, where it must find a suitable solid material to fasten on (if no suitable solid is there — then it dies). The mussel then sends out holdfast threads to hold it in place. The mussel is pretty much there for the duration of its life (several years).

Each zeb feeds by filtering lake water (about a quart per day). Its food is microscopic green algae. Unwanted food (usually blue-green algae) is excreted in a mucus packet. New research seems to show that zebras will actually concentrate blue-green algae in a lake, resulting in that smelly fluorescent blue green covering on the lake surface.

What can we expect on Lake Somerset? The zebs will eventually make the water much clearer by filtering out the plankton and algae. Sounds good—but read on! The clearer water and waste products excreted will cause the weeds to eventually grow deeper in the lake and become thicker. The mussel shells are sharp and can produce a nasty cut, therefore we will need to wear beach shoes and take care when swimming and wading in the lake. They will clog engine intakes and attach themselves to boat hulls, so we will need to check our boats regularly. We may experience problems with the blue-green algae in the future.

Several species of fish will eat zebs, such as bottom feeders like carp and fresh water drum (sheepshead). Redear sunfish (which we recently stocked) will feed on zebra mussels. Several diving ducks such as the pied billed grebe (a couple hang around the lake all summer) and scaup (migrate through in the fall) eat zebs. But usually the zeb population explodes in a newly infested lake so its unlikely that these animals can keep them in check. There is some evidence that the zeb population eventually levels off after several years.

George Rausch

Pontoon Removal

If you need to help putting your raft in this spring, call Larry at 688-3968, Glen at 688-3861, Mawby at 688-3869, John at 688-4140, or Bob at 688-4771.

Annual Dues Reminder

Annual dues are due by May 1, 2005
Avoid late fees and pay on time!!!

1st Annual LSPOA Golf Tournament

If you are interested in participating in the 1st annual golf tournament, contact Doug Dollar at

(734) 260-5814 or Gene Davenport at 688-3111.
 Date and time will announced later.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION

AUDIT REPORT

AUGUST 31, 2004

4794 CHICKEN STREET
P.O. BOX 115
JONESVILLE, MI 49750

**Bailey, Hodshire
& Company, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (616) 868-6410
FAX: (616) 940-5483
EMAIL: BAILEY@MICHIGANCPA.NET

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lake Somerset Property Owners Association
Somerset, MI 49783

We have audited the accompanying Statement of Assets, Liabilities, Reserve and Member Equity - Cash Basis of the Lake Somerset Property Owners Association as of August 31, 2004 and the related Statement of Revenue and Expenses - Cash Basis and Changes in Member Equity - Cash Basis for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the Accounting Policy Note, these financial statements were prepared on the basis of cash receipts and disbursements except that the statements include a provision for depreciation of buildings and equipment. This basis is a departure from the basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and members' equity of the Lake Somerset Property Owners Association as of August 31, 2004, and its revenue, expenses and changes in members' equity for the year then ended, on the basis of accounting as described in the Accounting Policy Note.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The budget information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Richard M. Hodshire
Richard M. Hodshire, CPA, PC
December 9, 2004

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES, RESERVE AND
MEMBERS' EQUITY - CASH BASIS
AUGUST 31, 2004

ASSETS	
Current Assets:	
Cash in Checking Account	\$ 675
Cash in Savings Account	56,495
Cash in Edward Jones Money Market Account	675
Maintenance Assessments Receivable	<u>31,382</u>
Total Current Assets	\$ 89,227
Fixed Assets:	
Buildings and Improvements	\$ 39,817
Equipment and Signs	<u>126,050</u>
Less: Accumulated Depreciation	\$ 165,867
Net Book Value	<u>(122,664)</u>
Land (88)Hardsale - Lot #211	<u>5,820</u>
Total Fixed Assets - Net Book Value	48,023
Other Assets:	
Edward Jones-Collateralized Mortgage Obligation (Market Value \$24,500)	<u>25,003</u>
Total Assets	<u>\$ 182,313</u>
LIABILITIES, RESERVE AND MEMBERS' EQUITY	
Liabilities	
Reserve for Maintenance Assessments Receivable	\$ 0
Members' Equity	<u>31,382</u>
Total Liabilities, Reserve and Members' Equity	<u>\$ 31,382</u>

The accompanying notes are an integral part of this statement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
ANALYSIS OF CHANGES IN MEMBERS' EQUITY - CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2004

Members' Equity - September 1, 2003	\$ 149,2
Debit: Excess of Expenses over Revenue	
Expenses	\$ 123,684
Revenue	<u>105,390</u>
Members' Equity - August 31, 2004	<u>\$ 130,9</u>

The accompanying notes are an integral part of this statement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
BUDGET STATEMENT OF REVENUE AND EXPENSES - CASH BASIS
(CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2004

	Budget (Unaudited)	Actual	Over (Under) Budget
REVENUE			
Assessments - Association Collected	\$ 97,580	\$ 97,591	\$ 11
Assessments - Attorney Collected	5,000	0	(5,000)
Interest - Assessments	0	630	130
Interest - Bank Accounts	1,000	617	(383)
Interest - Money Market Account	0	737	737
Other - Insurance and Other Refunds	1,000	5,791	4,791
Boat Numbers	30	34	4
Total Revenue	\$ 105,110	\$ 105,290	\$ 280
Cash on Hand - September 1, 2003	310,462	100,462	0
Total Revenue and Resources	\$ 205,572	\$ 205,552	\$ 280
EXPENSES			
Treatment	2,400	2,400	0
Audit Fees	1,400	554	(846)
Postage	2,000	1,579	(421)
Printing Services	3,000	3,600	600
Accounting	15	6	(9)
Telephone	2,425	2,183	(242)
Taxes - Property	4,000	2,334	(1,666)
Legal and Recording Fees	6,000	9,937	3,937
Insurance	200	181	(19)
Bank Charges	75	62	(13)
Annual Meeting	1,800	0	(1,800)
BIS - Taxes	200	415	215
Miscellaneous			
Total Expenses	\$ 23,315	\$ 23,051	\$ (264)
Water Quality	400	289	(111)
Harvester/Truck Fuel	5,000	2,808	(2,192)
Harvester Maintenance	1,500	2,620	1,120
Truck Maintenance	14,000	3,190	(10,810)
Dredging & Erosion	4,000	2,520	(1,480)
Harvester Labor	2,200	2,135	(65)
Miscellaneous	28,000	21,524	(6,476)
Herbicide	12,000	0	(12,000)
Lake Study			
Total Water Quality	\$ 67,100	\$ 35,086	\$ (32,014)

The accompanying notes are an integral part of this statement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
BUDGET STATEMENT OF REVENUE AND EXPENSES - CASH BASIS
(CONTINUED)
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LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

Discretionary Repaying Entity

The Lake Somerset Property Owners Association is a Michigan non-stock corporation. Generally speaking, any person or entity who has an equitable interest in any lot and is subject to the restrictive covenants or assessments by the Association is a member. The operations are governed by a nine member Board of Directors with a president at its head. The appointed committees include: Building Control; Water Quality; Parks; Security and Roads; and Public Affairs, Rules and Bylaws.

Federal and State Taxes

The Association is classified as a "Homeowners Association" subject to corporate federal income taxes which accompany that type of entity status. The total income tax liability for the current year is \$-0- and the unamortized net operating loss from a prior and current year will be carried over to the 2004-2005 fiscal year.

Accounting Policy

The accounting policy of the Association includes the maintenance of records on the cash basis of accounting. Under this basis, revenue and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. The finances are controlled by a budget which is approved by members attending the Annual Meeting, usually in October of each year. The disbursements include a non-interest bearing checking account and an interest bearing savings account and a brokerage account with Edward Jones. The balance sheet has been capitalized for unpaid maintenance assessments at August 31, 2004 with an equal amount being shown as "Reserve for Maintenance Assessments Receivable."

Maintenance Assessments Receivable

The maintenance assessment is currently \$85 per lot, billed in March of each year. There are approximately 1,150 billable units (lots). No provision has been made for estimated uncollectible maintenance assessments.

Equipment and Accumulated Depreciation

The costs of depreciable tangible equipment, the storage building, fencing, park improvements, and the pavilion are shown on the balance sheet in the assets section. The equipment includes wood harvesting, park and office equipment. The wood harvesting equipment is being depreciated over 10 years. The park fencing, improvements, and equipment are being depreciated over a 10-year life at straight line rates, and the office and other equipment utilizes accelerated depreciation rates with a 5-year life. The storage building has a 31.5-year life at an accelerated depreciation rate, with a 15 year life straight line method used for the pavilion and a 29 year life for the storage building improvement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

Members' Equity

The Members' Equity of \$136,091 at year-end was a decrease of \$18,294 from the prior year-end balance of \$149,223.

Related Parties

The members of the Board serve as volunteers by virtue of the annual election at each October meeting. The Treasurer is the only paid officer with the fees appearing as "Accounting" in the Treasurer's section of the revenue and expense statement.



FORWARDING SERVICE REQUESTED

Somerset, MI 49281

P.O. Box 41

Lake Somerset Property Owner's Association



We will be having our 7th annual Lake Somerset Garage Sale on Saturday, June 25th,

from 9:00 am - 5:00 pm. Anyone who wishes to open their garage sale earlier may do so. Everyone is welcome to participate in the event. The association will take care of advertising in local papers, passing out flyers, and putting up signs at the main entrances of the lake. You would be responsible for signs, balloons, or other "attention getters" at your own home.

Flyers will be distributed as we get closer to the date. If you have questions or ideas, please let me know.

Sue Prange
688-3710

To Receive Your Boat Sticker

1. Send your boat registration and sticker fee along with your annual dues payment.
2. From the guards at the main park on the weekend. (Remember boat sticker fee.)
3. Call Marion at 688-4518.
4. Assessments on all property owned must be paid prior to launch.

Please take the time to put lot numbers on all your boats. Several paddle boats have been found with no way to notify the owners. The guards have numbers for anything and everything at the Main Park (4 for \$1.00).

PLEASE NOTIFY LSPOA

**WHEN YOU BUY OR SELL A LOT SO WE CAN KEEP
OUR RECORDS UP TO DATE.**