

GAZETTE

Lake Somerset

Visit our web site at: <http://www.lakesomerset.org>

TRADING POST

Picnic
Sat. July 19/
Rain Day
Sun. July 20

Annual 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)

Horseshoes All Day

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

LSPOA Business Office

The address and business hours are as follows:

LSPOA Office
12831 E. Chicago Road
P.O. Box 41
Somerset Center, MI 49281
(517) 688-3228

Hours:

Monday — 10:00 a.m. – 11:30 a.m.
Wednesday — 10:00 a.m. – 11:30 a.m.

Hours: (Beginning April 1st)

Monday — 10:00 a.m. – 12:00 p.m.
Wednesday — 10:00 a.m. – 12:00 p.m.
Friday — 4:00 p.m. – 6:00 p.m.

Lake Somerset Web Site

The association has a web site that is updated periodically and includes upcoming events, pictures, reports, meeting minutes, permit

applications, past issues of the Gazette, etc., etc. The URL is:

<http://www.lakesomerset.org>

Board Of Directors

Wesley Rhoads (*President*)937-3048
 Debra Gossett
 (*Vice-President*)392-7130
 Chris Scollard (*Treasurer*)688-3228

Larry Wright (*Water Quality*)688-3695
 Larry McNeal (*Secretary*)688-4091
 Carl Reuter (*Security*)819-4884
 Rick Meyer (*Parks*)688-9022
 Ken Kiraly (*Roads*)688-4356

Building Committee

Mike Sleek – 13960 Grandpoint Cr., Somerset 49233688-5052
 John Dickelman – 13675 Dorchester, Somerset 49233688-3466

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.

In fairness to these individuals who have volunteered to help the rest of us have access to the boat launch, please try and give them 24 hours notice.

Tom Weaver.....688-9789
 Bob Iveson.....937-7227
 Marion Clapham688-4518
 Warren Judson.....688-9847
 George Martin.....688-3052
 Bob Mawby.....592-4648
 Glen Martin688-3861
 Guy Vahoski.....688-3725

To get a key to the boat launch, or to be on the call list for the boat launch, please contact me.

Carl Reuter

President's Corner

I volunteered to be on the board because I have lived here for 30 years and I decided it was time I stepped up and volunteered to help our Association continue to grow.

I have seen a lot of good things happen here over the years and I hope that as President I can, in some small way, contribute to our Association's excellent track record. I have

learned a lot in just the few months since I was elected.

I would like to see more members get involved by showing up to meetings and giving their opinions and suggestions to help Lake Somerset continue to prosper. I look forward to working with all of you and if there is anything that the board can do please let us know.

Wesley Rhoads

Building Control Committee

The committee approved 34 building permits during the 2006/2007 LSPOA fiscal year, which generated \$3825 in fees. These permits included: 8 houses with garage, 7 house additions, 4 sheds, 3 porches, 1 patio, 2 gazebos, 2 fences, 7 decks. The committee has already approved one new house and one house addition in the 2007/2008 fiscal year.

If you are considering adding a shed, deck, gazebo, expanding your home, or building any

structure on your property, you must have an approved building permit from LSPOA Building Committee before proceeding.

The LSPOA web site, lakesomerset.org, provides the guidelines, cost and documents required for obtaining a permit. If you have questions, contact one of the committee members listed below. A permit for approval can be delivered to the LSPOA office or to a committee member.

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:

- Chris Scollard688-3228
- Ken Kiraly688-4356
- Chris Scheithauer688-4737
- Dave Sajewski688-9094
- John McAndrews688-3349

Parks

I would like to thank everyone who helped build the new pavilion. It is nice to see so many volunteers pitch in and help. When the weather breaks we will be finishing the outside and pouring the concrete floor.

This year we are planning a major project at the main park. We would like to purchase a new play set for the little ones of our great community. Anyone who would like to help in

the planning of this play structure, please contact me at (517) 688-9022.

We will have a spring cleanup, but the date and time are not established at this time. It will be posted on the LSPOA web site as soon as it is determined. We always need help, so please be sure to check for the date.

Let's have a great summer!

Rick Meyer

Water Quality Report

Aqua-Weed will again this year apply the herbicides in our lake. Their procedures differ a bit from previous companies, in that they pre-post notices of application so that water front owners can turn off automatic sprinkling systems and have sufficient time to plan for restrictions imposed — swimming, animals, watering and fishing — if any.

Our herbicide costs were reduced last year because of the change in chemicals. We can all help to continue to reduce costs by watching what we put into our lake through run-off from our lawns and our septic systems. Have lots of weed growth near your sea wall? When is the last time you had your septic tank pumped? Do you use non-phosphorus fertilizers on your lawn and phosphate-free

dishwasher detergent?

This is **YOUR** lake. Everyone has a vested interest in the quality of the lake; not just the Water Quality Committee. If the quality of the lake were to diminish, so would your/our property values. This is a lake community — it takes everyone's efforts to maintain it. If you drop something overboard, pick it up. Last summer alone, we found enough trash in the lake to fill the storage space under our boat seat! Plastic water bottles, cans, a splintered piece of dock in the main lake (where people ski & tube), dock bumpers, toys ... the list goes on and on.

Let's all pitch in and help keep the quality of our water and our community top-notch!

Larry Wright

Roads – Spring 2008

As in the past years I have driven around all the roads that surround Lake Somerset. I have compiled a list of the areas where repairs are needed and submitted them to Mr. Don Figiel, the Somerset Township Supervisor. Don has submitted the list to the Hillsdale County Road Commission for repair of the areas indicated.

Many of the areas I have listed have already been patched, with the balance will be done later this year. If anyone is aware of locations that require attention, please do not hesitate to call me at 688-4356 and/or attend one of the monthly association meetings and have your

concerns addressed.

As you may know, many of the Millage Renewals passed. This includes one that was earmarked for the repair and maintenance of the Township's roads. Some of this money will be used on Lake Somerset roads either by filling in potholes, patching deteriorating areas and repairing road shoulders. One project planned for the 2008 season is the seal coating on Baker Road.

As more information becomes available I will have it posted on the L.S.P.O.A. website.

Ken Kiraly

LSPOA Boat Sticker

Placement

If you have any uncertainty about where to place your LSPOA boat sticker, check out the Security section on our web site. The URL is: http://www.lakesomerset.org/sticker_1.html.

Some guidelines:

- Be sure the sticker is on the BACK of your boat.
- Be sure your cover does not cover the sticker. It should be easily seen at all times.

LSPOA Board in need of a Building Control Chair

Volunteer Opening — LSPOA Building Control Chair & Board Member

Experience Required — Lot owner within Lake Somerset Association. No experience necessary for the Building Control duties.

Job Duties — Collect permit applications from LSPOA members and meet with the Building Committee to review and approve permits to ensure adherence to the LSPOA By-Laws & Restrictive Covenants (Red Book). Collect fees and report status at the monthly membership meeting. John Dickleman and Mike Sleek are the other Committee members, are experienced and will support and provide guidance for a new Committee Chair.

Fringe Benefits — Contribute to the ongoing quality of our lake community, make new friends, socialize with Committee members regularly, become involved both with the LSPOA Board activities, lake community and the Township Building Department.

For more information — Go to the Building Control page to view the Building Control procedures, application for permit, and related Association by-laws and/or contact one of the Building Committee members to discuss.

If you are interested, please forward your request to be considered to the LSPOA Board at LSPOA@provide.net

Sincerely,

LSPOA Board

Pictures From Around the Lake

Larry McNeal sent some nice shots for insertion here in the Gazette.



April 27, 2005

All you snowbirds who are planning to return to the lake anytime soon may want to reconsider your arrival date.



Late March 2007

Picture taken from the East end of the lake.

8th Annual Fourth of July Boat Parade

The Community Council is inviting everyone to decorate your boats on Friday, July 4, 2008 and participate in a boat parade around the lake.

Participants in the parade are not limited to the 4th of July theme for your boat decorations. People may incorporate their own theme, for example, like the pirate ship theme entered in last year's competition.

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 Friday, July 4th! Remember, this is a family event.

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

Community Council News

Julie Iveson (688-4771)

Somerset Heights & Meckley's Subdivisions

Sheila Davison (688-4051)

Somerset Heights & Meckley's Subdivisions

Sharon Badders (688-3074)

Somerset Heights & Meckley's Subdivisions

Sue Thompson (688-3710)

Hillandale & Gordon Subdivisions

Manessa Braman (688-3631)

Rolling Meadows Subdivision

Tracey Curtis (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 an annual picnic and boat parade in July. We welcome any volunteers or suggestions to help us promote a better community.

Lake Somerset Shirts

You asked..."How can we get shirts embroidered?" A few samples are hanging in the LSPOA Office window. Sweatshirts are approximately \$42.00 and t-shirts are \$22.00 (including tax). Polo shirts are also available. XXL + sizes are more. You can choose your shirt color, personalize it with the colors of your pontoon, speedboat, wave runner, sail boat or bass boat. All shirt prices include "Lake

Somerset" and a watercraft of your choice or ship's wheel embroidered. Order forms are available in the office.

Lake Somerset Aerial Photos

There is one photo left. Price is \$71.00 including shipping and tax. Call Carol Wright at 688-3695.

Dogs In the Park

If you walk your dog at any of the Lake Somerset parks, please be considerate of your neighbors and pick up after your pet.

Remember — dogs are not allowed on the volleyball courts or on the beaches.

LSPOA Board

Security

Our 2008 Boating season will soon begin. If anyone is interested in being a Boat Launch Security Guard for the 2008 Season please contact me.

Just a reminder the Boat Launch key is the same as last year. Also if you loan your key to someone it is your responsibility to make sure they have a **Current LSPOA boat Sticker** on their boat.

Boat stickers are to be on the back of your boat visible when the cover is on the boat. To save time at the boat launch please buy your boat stickers in advance at the LSPOA Office. The phone number at the office is 517 688-3228. Boat stickers can also be purchased by mail when paying your association dues.

See you around the lake,

Carl Reuter
819-4884

Boat Ramp

Power loading your boat is prohibited at the boat ramp. We have heard numerous excuses on why this practice continues. Sorry, but we are not buying any of them. So with that said .. PLEASE DO NOT POWER LOAD! Winch your boat on your trailer. Enough said !

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 – Water Safety

There are laws we all must abide by. Local police and county sheriffs are patrolling our waters to make our lake a better place. Just a few reminders:

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>

Pontoon Hauling

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

Annual Dues Reminder

Annual dues are due by May 1, 2008
Avoid late fees and pay on time!!!

Fishing Report

Winter 2008

This past year has been a great fishing year for Lake Somerset. Most of the summer the fish appear to be deeper than past years. I fish for panfish most of the summer (I also fish for bass and pike — but only on a catch and release basis). The bluegills held close to the bottom in the 16-20 ft range for most of the summer. Crappie tend to be more suspended at the 15-16 foot range during the summer months. It's pretty easy to identify the species of fish you see on a good fish finder. Having just finished a nice bluegill/crappie dinner tonight — I can attest to the wonderful flavor of these fish!

This past summer I spent a lot of time snorkeling around the lake — it's a most interesting and fun thing to do on a nice warm sunny day. Mornings are usually best as there is less boat traffic and wind. This past summer I spent a lot of time trying to photograph and observe our catfish spawning activities. In early to mid June the male catfish begin scooping out indentations in the sharp drop-offs in certain areas around the lake. The males guard these very closely — keeping all other fish away. Usually during the night time hours — the larger female fish come to these nests and deposit eggs — which are fertilized by the males. The male fish then aerate these eggs and protect them until they hatch out — usually in early July. I attempted to get some pictures of the newly hatched catfish fry — but was unsuccessful. I thought this was pretty neat and interesting.

This fall's fishing was pretty good. One thing I might be changing — is my theory on pike reproduction. I have caught several small 20-23 inch pike. As we have not been able to get any pike for stocking for the past couple of years — they may well be the young of some naturally reproduced pike. The DNR fish growth tables show a year 3 pike to be around



23 inches — in our lake they generally grow a little faster.

Looks like the Lake Somerset ice fishing season is fast becoming a repeat of last year. The lake froze over in early December and reached about 5 inches in early January. Then the warm air moved in and as of today (January 9, 2008) — the lake is pretty much free of ice. Haven't seen any boats out yet — but it wouldn't surprise me if somebody launched their boat! From talking with some of the fishermen in front of the park, they have been doing very good on the bluegills and crappie. I've caught fish every time I've gone out this winter — though some days they seem to be on the small side. My last trip (just before the ice started to melt) resulted in a limit (25) in about 45 minutes. Almost all of these fish were redear or redear/bluegill/pumpkinseed hybrids that ranged between 8 and 9+ inches. They bit hard as soon as the bait (waxworms) hit the bottom in about 8 feet of water. Never caught so many large fish so quick in my whole fishing career! Hopefully this may be a sample of what we can expect this coming year?

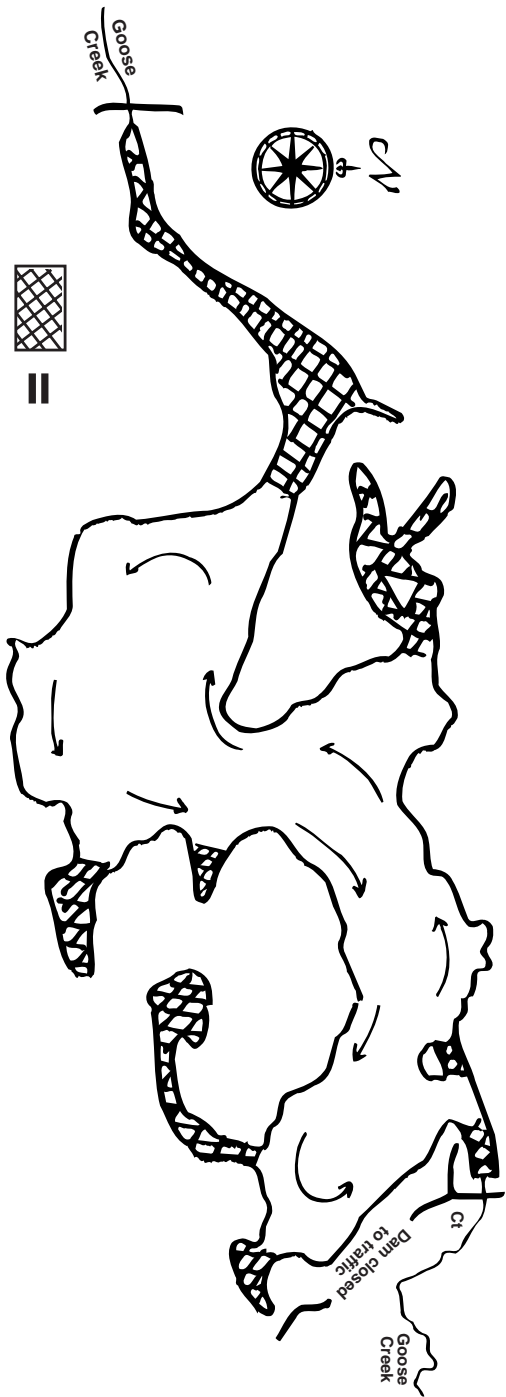
As to the fish stocking in 2007: As I said in the last report, we stocked about 800 3-4 inch smallmouth bass in early August. These fish will probably not be of legal size (14 inches) for another 4-5 years. If anyone catches any of these fish — I'd like to hear about it -- and know what size they are. We also stocked about 1,100 walleye (6-8 inches) in October. These should keep our walleye fishery going for next few years. The plans for next year are for some pike in the spring and another stocking of walleye in the fall.

As always — if you catch anything unusual or interesting — please give me a call at 688-3384 or let me know via email at grausch@comcast.net. Pictures are always appreciated for the lake association web site.

Good luck fishing!

George Rausch

All Power Boat Traffic Must Move Counterclockwise Around The Lake

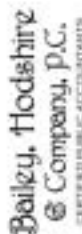


No-Wake Areas Of The Lake

Sailboats & Rowboats Always Have The Right-Of-Way

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION

AUDIT REPORT
AUGUST 31, 2007



4106 CLEVELAND STREET
P.O. BOX 218
JONESVILLE, MI 49420

PHONE: 616.660.6441
FAX: 616.731.8022/4878
E-MAIL: BAILEY@HODSHINGANDCOMPANY.PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Somerset Property Owners Association
Somerset, Michigan 49281

We have audited the accompanying Statement of Assets, Liabilities, Reserve and Members' Equity - Cash Basis of the Lake Somerset Property Owners Association as of August 31, 2007 and the related Statement of Revenue and Expenses - Cash Basis and Changes in Members' 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts 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 comprehensive 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, 2007, 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.

Bailey, Hodshing & Company, P.C.
Jenison, Michigan
October 30, 2007

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES, RESERVE AND
MEMBERS' EQUITY - CASH BASIS
AUGUST 31, 2007

ASSETS	
Current Assets:	
Cash in Checking Account	\$ 5,998
Cash in Savings Account	2,402
Cash in Edward Jones Money Market Account	4,028
Cash in Credit Union Accounts	44,437
Cash in Mutual Fund Accounts	57,813
Maintenance Assessments Receivable	<u>55,653</u>
Total Current Assets	\$ 151,323

Fixed Assets:	
Buildings and Improvements	\$ 49,394
Equipment and Signs	<u>137,438</u>
	\$ 186,830
Less: Accumulated Depreciation	<u>(130,282)</u>
Net Book Value	\$ 56,548
Land (01084ndale - Lot #231)	5,820
Land (Mockleys-Somerset Heights)	<u>40,318</u>
Total Fixed Assets - Net Book Value	82,656

Other Assets:	
Edward Jones Collateralized Mortgage Obligation (Market Value \$72,137-Matruan 2016)	<u>25,063</u>
Total Assets	<u>\$ 259,044</u>

LIABILITIES, RESERVE AND MEMBERS' EQUITY	
Liabilities	\$ 0
Reserve for Maintenance Assessments Receivable	35,653
Members' Equity	<u>223,391</u>
Total Liabilities, Reserve and Members' Equity	<u>\$ 259,044</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, 2007

Members' Equity - September 1, 2006	\$ 166,493
ADD: Excess of Revenue over Expenses	\$ 156,452
Revenue	<u>1102,254</u>
Expenses	<u>26,658</u>
Members' Equity - August 31, 2007	<u>\$ 223,391</u>

The accompanying notes are an integral part of this statement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
 BUDGET STATEMENT OF REVENUE AND EXPENSES - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2007
 (CONTINUED)

	Budget (Unaudited)	Actual	Over (Under) Budget
Ducks	\$ 1,000	\$ 500	\$ (400)
Deck Repair	1,000	63	(937)
Playground Equipment Maintenance	2,000	0	(2,000)
Fence Repair	1,500	1,480	(20)
Port-a-Johns	500	479	(21)
Trash Pickup	1,000	1,338	338
Consumables Power	2,500	4,900	(600)
Mowing	1,000	152	(848)
Pennis Table Repair	1,500	570	(930)
Signs & Banners	1,000	0	(1,000)
Water Pump and Repair to Ponds	2,500	1,358	(1,142)
Keys & Miscellaneous	3,000	915	(2,085)
Trees & Maintenance of Bushes			
Total Parks and Security	\$ 21,500	\$ 11,295	\$ (9,205)

Security	\$ 6,000	\$ 8,237	\$ (1,237)
Guards			
Gasolite	\$ 1,000	\$ 1,537	\$ (1,483)
Pestage & Peating	\$ 5,000	\$ 5,000	\$ 0
Fish Planting			
Communitie Council	\$ 1,000	\$ 1,494	\$ (494)
Fireworks Display	\$ 800	\$ 400	\$ 400
Library	\$ 10,000	\$ 1,847	\$ (8,153)
Capital Equipment	\$ 2,000	\$ 0	\$ (2,000)
Total Expenses	\$ 161,700	\$ 102,754	\$ (58,946)

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
 BUDGET STATEMENT OF REVENUE AND EXPENSES - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2007

REVENUE	Budget (Unaudited)	Actual	Over (Under) Budget
Assessments	\$ 132,100	\$ 128,216	\$ (3,884)
Boat Slacks	17,000	17,425	425
Interest - Assessments	500	644	144
Interest - Bank Accounts	200	4,397	4,197
Interest - Money Market Account & Bond	2,000	1,572	(428)
Other - Insurance and Gate Keys	0	3,418	3,418
Boat Numbers	0	1	1
Construction Review	0	3,822	3,822
Total Revenue	\$ 151,800	\$ 159,452	\$ 7,652

EXPENSES			
Taxider	\$ 2,500	\$ 2,500	\$ 0
Audit Fees	1,000	688	(312)
Printing	2,000	1,637	(363)
Printing, Maintenance, and Computer	4,400	4,690	0
Accounting	500	424	(76)
Telephone	3,500	3,878	378
Tuition - Property	4,000	647	(3,353)
Legal and Recording Fees	8,000	8,073	73
Insurance	100	81	(19)
Annual Meeting	1,000	960	(40)
IRS - Taxes	2,100	2,490	390
Office Rent	500	1,580	1,080
Miscellaneous			
Total Treasurer	\$ 20,600	\$ 27,418	\$ (7,384)

Water Quality	\$ 1,000	\$ 644	\$ (344)
Harvester/Truck Fuel	4,000	4,355	355
Harvester Maintenance	2,000	1,678	(322)
Truck Maintenance	14,000	725	(13,275)
Dredging & Erosion	2,500	2,756	256
Harvester Labor	1,500	1,275	(225)
Miscellaneous	37,000	27,985	(9,015)
Boat Side	8,000	1,442	(6,558)
Lake Study			
Depreciation	10,000	7,218	(2,782)
Total Water Quality	\$ 80,000	\$ 48,598	\$ (31,402)

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2007

Description of Reporting 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 operators are governed by a nine member Board of Directors with a president at its head. The associated covenants include: Building Covenants, Water Quality, Parks, Security and Flood, and Public Affairs, Rules and Bylaws.

Federal Land State Taxes

The Association is classified as a "Shareowners Association" subject to corporate federal income taxes which accompany that type of entity status. The total income tax liability for the current year is \$1,850.

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 depositaries include a non-interest bearing checking account, an interest bearing savings account, certificate of deposit account, a maintenance account, and a brokerage account with Edward Jones. The balance sheet has been capitalized for unpaid maintenance assessments at August 31, 2007 with an equal amount being shown as "Reserve for Maintenance Assessments Receivable".

Maintenance Assessments Receivable

The maintenance assessment is currently \$115 per lot, billed in March of each year. There are approximately 1,130 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 20 year life straight line method used for the pavilions and a 30 year life for the storage building improvement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2007

Members' Equity

The Members' Equity of \$223,391 at year-end was an increase of \$56,698 from the prior year-end balance of \$166,693.

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 10th annual Lake Somerset Garage Sale on Saturday, June 28th,

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 Thompson
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 the office at 688-3228.
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.**