

## Annual Picnic

at Main Park (Donation: \$1/Person)

Picnic  
Sat. July 18/  
Rain Day  
Sun. July 19

12:00 p.m. Social Time

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 association has moved the office to the Inside Out building at the corner of US12 and Somerset Road. Office hours are expanded

during the peak spring & summer, beginning March 1st and effective through August 31, 2009.

**The address and business hours are as follows:**

LSPOA Office  
14261 E. Chicago Road  
P.O. Box 41  
Somerset, MI 49281  
(517) 252-5069

**Hours:** (March 1st through August 31st)  
Tuesday — 10:00 a.m. – 2:00 p.m.  
Friday — 10:00 a.m. – 6:00 p.m.

**Email:** [Treasurer@LSPOABoard.com](mailto:Treasurer@LSPOABoard.com)

**We are looking for a new Parks Committee Chairman because of the fallout from the economy. If you are interested, please call Al at 688-9261 or send an email to [Treasurer@LSPOABoard.com](mailto:Treasurer@LSPOABoard.com)**

## Board Of Directors

Al Hoffmann (President).....	688-9261
Debra Gossett (Vice-President) .....	392-7130
Chris Scollard (Treasurer) .....	252-5069

Larry Wright (Water Quality) .....	688-3695
Larry McNeal (Secretary) .....	688-4091
Carl Reuter (Security) .....	819-4884
Tony Harsch (Roads) .....	688-9767

**Parks Position Is Available, Please Volunteer!**

## Building Committee

Gary Grandy (Chairman) .....	688-3354
Mike Sleek – 13960 Grandpoint Cr., Somerset 49233 .....	688-5052
John Dickelman – 13675 Dorchester, Somerset 49233 .....	688-3466

## 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 Clapham .....	688-4518
Warren Judson.....	688-9847
George Martin.....	688-3052
Bob Mawby.....	592-4648
Glen Martin .....	688-3861

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

This article represents my personal opinion and does not necessarily represent the opinion of the LSPOA board.

LSPOA is a subset of local government run by a board of unpaid volunteers elected from peers within the Association. Remuneration is obtained from community pride, communicating, teaming and learning from our neighbors and others through an open and free exchange of ideas. The board promotes the community through open meetings, published minutes, votes on proposed actions and implementations while adhering to our local regulations. The board encourages discussion for diversity of viewpoints, improvements through majority votes and growth of participation.

In late Sept. 2008 an unsigned flyer from "SCARED" was placed in every association member's mailbox. It was demeaning to one of our board members and attempted to impact our annual board election. It was without basis in fact, violates our principles of operation, and was an affront to our board and our association.

Here are some facts.

Over the past year, one previous board member has made continuous slanderous attacks against Chris Scollard in public and in emails similar in content to the "SCARED" flyer.

Chris communicates and teams well with everyone including the previous board president, an Information Technology specialist, who had worked with Lake LeAnn and recommended that she contact Lake LeAnn's treasurer who was using QuickBooks. They teamed on training and support for LSPOA's implementation for which she was

also criticized. Her plans and results were always communicated to the board and approved, and she delivered what she had committed to do.

Chris is well educated with BA and MA degrees, was a manager at Ford, has excellent computer skills and, for 15 years in her spare time, managed the family construction and real estate business using Quicken. Her credentials had been submitted to the board for review.

Some of her local accomplishments are:

- Headed the LSPOA Building Committee, wrote the building requirements for our website and was well recognized for a superior contribution;
- Elected to the Somerset Township Planning Commission by the supervisor based on her understanding and interest in local ordinances to support the Building Committee;
- Elected Treasurer of LSPOA in 2008 and with teaming and assistant support implemented QuickBooks, a small business accounting system, to manage LSPOA finances. That system is now fully implemented. She takes no remuneration for her work as LSPOA Treasurer, a previously paid position.
- Supported most of LSPOA Committee Chairs and the President's management requirements.

All of this is a matter of record and can be easily confirmed.

Chris is honest, delivers excellent results, and is a credit to LSPOA — a hope for its future.

These cowardly, indecent acts must cease and this terrible episode closed. A formal letter of apology at the very least is in order.

*Albert L. Hoffmanner*  
1/29/2009

## Vice President's Report

Well, we made through another Michigan winter. The snow was beautiful but I am glad it is gone. I am sure all of you are feeling the same way. Now we are ready for the summer. We are all looking forward to the lake, the annual garage sale, the pig roast, and just having fun. Do not forget, be safe while boating and swimming.

Just a reminder, the third Saturday of every

month is our Association meetings. Everyone is welcome. They start at 10:00 a.m. at the Somerset Twp. Hall. If you cannot be there or you have questions or concerns you need addressed, you can contact me by email at debgossett\_lspsa@yahoo.com. I will get an answer for you as soon as possible. Again have a fun and safe summer and I hope to see you on the lake.

*Debbie Gossett*

## Water Quality Report

In anticipation of a great boating & fishing season, I want to give everyone some helpful information to make for "smooth sailing in 2009." I am always looking for additional harvester operators so that we can keep the machine up and running all 5 days. It is not safe to run on the weekends because of the heavy boat traffic. Please contact me if interested. Please note that weed collection from sea walls is not the main priority of the harvester, but is something they have done in the past as a courtesy as time and space on the barge allows. However, please understand that the harvester operators' first priority is to keep the lake clear of weeds for all boaters and lake residents. If the harvester happens to notice a pile as they are passing by and they have time and space aboard, they will pick it up — please do not call for special pick ups.

I am looking for teens who would be willing to rake the beaches and keep the swim areas (including buoys) cleaned during certain times. There would be compensation and this would be as needed. If you are interested in being on

the list to be contacted for cleanup periods, please call me. There may also be residents willing to hire teens for their own beach clean-up; let me know!

Many residents who don't live along the chemical application areas often wonder how to find out about what is being applied and what the restrictions are. The best way to find out is to watch for the "Herbicide Application Soon" signs to appear at the entrances to the subs, then check the kiosks at each park for the application maps. Waterfront postings are made 1-2 days prior to the application only along the treated areas. I will post the actual date of application on the entrance signs once Aqua-Weed notifies me as such.

And, finally, no Gazette article would be complete without a reminder about PHOSPHATES and FERTILIZERS. Using phosphates and fertilizer too close to the water's edge **will** cause excessive weed growth along your waterfront and into the entire lake.

*Larry Wright*  
(517) 688-3695

## Roads – Spring 2009

There is some hope in sight for our roads, which are badly in need of maintenance. At our January monthly meeting the Township Supervisor stated that there might be a chance that we could be getting some extra funds from the Entitlement Program that the Government is proposing.

The last major road repair for our lake was Shannon Drive that was a Chip & Seal from Emerald Drive to Somerset Road. Hillsdale County Road Commission did this application and as anyone who lives on Shannon will tell you, it was a total disaster. Most of the chips ended up in the driveways and lawns of the residents.

The township is looking into different types of applications and better applicators and in the future will require warranty on all road work done in the Township that is under it's control.

As soon as the snow melts we will be doing a road survey to see what immediate repairs that have to be done. If at anytime you see an area that needs to be repaired please call me at 688-9767 or our office at 252-5069 and we will pass the information on to the Township.

As always have SAFE and enjoyable summer on the lake.

*Tony Harsch*

*Building Control Committee*

The committee approved 18 building permits during the 2007-2008 L.S.P.O.A. fiscal year which generated \$1,225.00 in fees. These permits included one house, three additions, one garage, three decks four fences, four sheds and two pools.

The committee has also approved two additions, one deck and one shed for year to date 2008-2009.

If you are considering building a home, adding a deck, shed, fence, gazebo, expanding your home or building any structure on your property, you must have an approved

building from L.S.P.O.A. Building Control Committee before proceeding.

The L.S.P.O.A. website, [www.lakesomerset.org](http://www.lakesomerset.org), provides guidelines, cost and documentation required for obtaining a permit. If you have any questions regarding the above information, please contact one of the committee members listed below.

- Gary Grandy (*Chairman*) .....688-3354
- John Dickelman .....688-3466
- Michael Sleek.....688-5052

*Gary Grandy*  
glg@mindspring.com

*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 Scollard .....688-3228
- Larry McNeal .....688-4091
- Chris Scheithauer .....688-4737
- Dave Sajewski .....688-9094
- John McAndrews .....688-3349

*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*

*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, 2009  
**Avoid late fees and pay on time!!!**

The annual assessment for 2009 continues to be \$115 per lot and is due May 1, 2009. Statements will be mailed to all members (with carryover delinquencies including late and lien fees) at the end of March.

## 9th Annual Fourth of July Boat Parade

The Community Council is inviting everyone to decorate your boats on Saturday, July 4, 2009 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 or covered wagon theme, entered in previous competitions.

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

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

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## 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.

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## 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](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.

## Security

The 2009 Boating Season will soon be here. Just a reminder: the lock on the Main Park Gate was changed on November 1st. If you have a key to the Main Park gate, turn your old key in at the office, and for a \$9.00 fee, you can have a new key. If you don't currently have a key and would like to have one, you can come to the Association office and purchase one for a \$50.00 deposit and a \$9.00 key fee.

There is NO trying out boats or watercrafts of any kind on Lake Somerset. You must have a Boat Sticker and paid up dues on all lots to launch a boat. Remember when putting your sticker on your boat that it is to be put on the

back and NOT under the boat cover. Boat stickers can be bought at the LSPOA office in advance when you pay your dues. The office number is 517 252-5069.

This year, weather permitting, the BOAT LAUNCH will be open Saturday, April 18, Sunday, April 19, Saturday, April 25 and Sunday, April 26 from 10 a.m. to 1 p.m. to allow members to launch their boats. Call Thelma for more information 517 688 4796

Anyone that is interested in being a guard for the 2009 season at the Boat launch can call Thelma at 517 688-4796

*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>

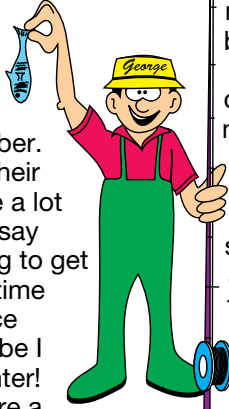
## Fishing Report

Winter 2008/2009

Lots of ice and ice fishermen on the lake this winter. Unfortunately, I have not been one of them because of some surgery in December. But I have been checking some of their stories as they come in. Sounds like a lot of fish have been taken — but they say sometimes it required a lot of sorting to get a mess for a meal! However at this time looks like we will have a very long ice fishing season this year — and maybe I can make it onto the ice yet this winter!

I keep hearing stories that there are a lot of nice crappies to be taken in the deep-water sections of the lake. You need to try several holes to find a school of these fish. These schools are usually suspended about 15 feet down. They usually move towards the weed beds and drop-offs as evening approaches. Minnows and jigs are the key to catching these guys.

This past fall I thought the fishing was a bit



slow. As I've said before the lake has very little oxygen below 15 feet so the fish pretty much stay in the upper column of water and bite pretty slow.

Fish stocking this fall — Because we could not get any pike again in 2008, I did manage to get a lot of walleyes for stocking this fall. In October we stocked over 2400 walleye fingerlings (6-8 inches) in Lake Somerset. Hopefully, walleye fishing should be good in the future. We will try again in the spring to get some pike fingerlings to stock.

Still haven't heard of any smallmouth bass being caught — keep wondering what happened to them — let me know if you catch one and its size.

Give me a call at 688-3384 or email me at [grausch@comcast.net](mailto:grausch@comcast.net) if you have any comments, stories, pictures, or unidentified fish to discuss..

Until next time — good luck this coming spring and summer.

*George Rausch*

## Parks Spring 2009

The improvements in 2008 included the gym-play structure in the Main Park and minor construction improvements to the pavilion in the East Park. Thanks to the many neighbors who participated in the installations and completions. These parks were used extensively during the summer and look great.

The bearings in the merry-go-round in the Main Park finally gave out after about 20 years of use. That is why it is not in its normal position. We are trying to find a contractor for repair. If you are interested in doing the repair or know some one who is capable of repairing it, contact the Office for an RFQ. We will want the repair completed by April 20, 2009 and the deadline for quotations is 2/20/2009.

We are planning an early spring work session in the parks to do a general clean up. Look for an announcement in February minutes.

**Work Session** — Parks clean up starting from Main Park on Saturday, April 18 at 1:00 p.m.

This will be a general clean up of fallen branches and trash pick up and some minor pruning. We will need gloves, rakes and pruning shears. Everyone is invited. Call Al (688-9261) for details.

### **A quiz:**

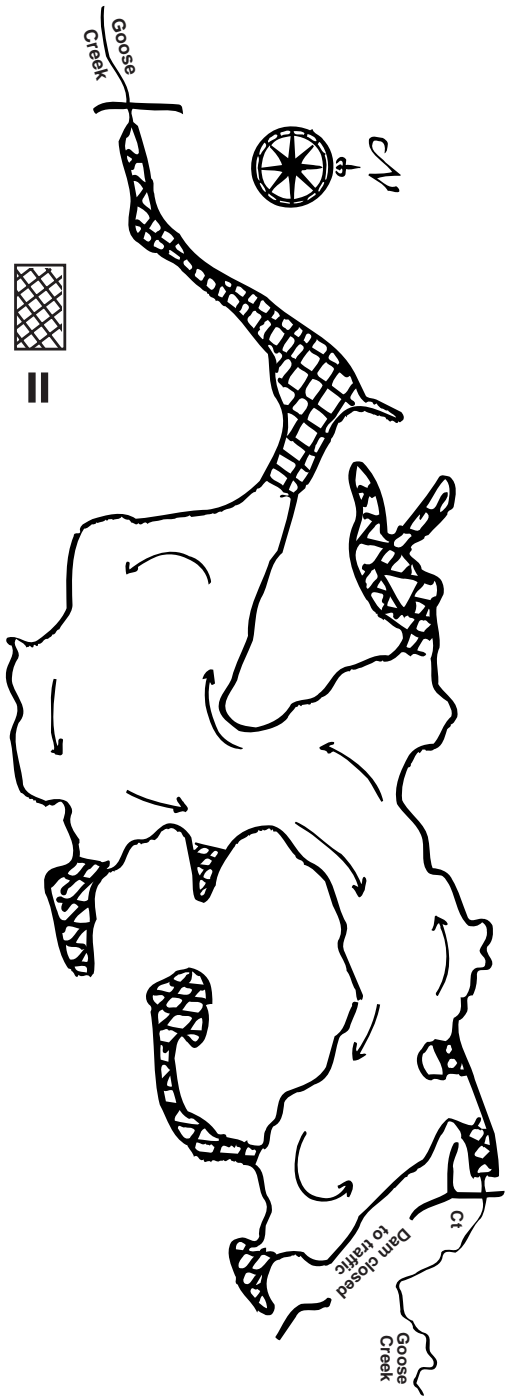
1. How many separately platted parks are there in our Lake Somerset development?  
And
2. Where are they?

**Hint:** There are a lot of parks and they are ours.

**We are looking for a new Parks Committee Chairman because of the fallout from the economy. If you are interested, please call Al at 688-9261.**

*Al Hoffmanner*

# 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  
ACCOUNTANT'S REPORT  
OCTOBER 23, 2008

479 E. CHICAGO STREET  
P.O. BOX 219  
ADRIANVILLE, MI 48820

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

PHONE: (517) 642-2410  
FAX: (517) 642-2489  
EMAIL: BAILEYH@BAILEYHODSHIRE.COM

ACCOUNTANT'S REPORT

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

We have compiled the accompanying Statement of Assets, Liabilities, Reserve and Members' Equity - Cash Basis of the Lake Somerset Property Owners Association (a corporation) as of August 31, 2008, and the related Statement of Revenue and Expenses - Cash Basis and Change in Members' Equity - Cash Basis for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to proceeding in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

**Bailey, Hodshire & Company, P.C.**

Ann Arbor, Michigan  
October 23, 2008

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
 STATEMENT OF ASSETS, LIABILITIES, RESERVE AND  
 MEMBERS' EQUITY - CASH BASIS  
 AUGUST 31, 2008

ASSETS	
Current Assets:	
Cash in Checking Account	\$ 15,540
Cash in Savings Account	76,578
Cash in Edward Jones Money Market Account	0,423
Cash in Credit Union Accounts	46,899
Cash in Mutual Fund Account	45,569
Maintenance Assessments Receivable	<u>44,003</u>
Total Current Assets	\$ 194,999
Fixed Assets:	
Buildings and Improvements	\$ 49,589
Furniture and Signs	<u>103,302</u>
	\$ 152,891
Less: Accumulated Depreciation	<u>(154,826)</u>
Net Book Value	\$ 58,446
Land (Hillside - Lot #211)	5,820
Land (Meadley-Somerset Heights)	<u>40,328</u>
Total Fixed Assets - Net Book Value	105,614
Other Assets:	
Edward Jones Collateralized Mortgage Obligation (Market Value \$20,246-Maturity 2014)	<u>25,063</u>
Total Assets	<u>\$ 325,641</u>

LIABILITIES, RESERVE AND MEMBERS' EQUITY

Liabilities	\$ 0
Reserve for Maintenance Assessments Receivable	44,003
Members' Equity	<u>281,648</u>
Total Liabilities, Reserve and Members' Equity	<u>\$ 325,641</u>

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
 ANALYSIS OF CHANGES IN MEMBERS' EQUITY - CASH BASIS  
 FOR THE YEAR ENDED AUGUST 31, 2008

Members' Equity - September 1, 2007	\$ 223,391
Add: Excess of Revenue over Expenses	
Revenue	\$ 155,521
Expenses	<u>(197,872)</u>
Members' Equity - August 31, 2008	<u>\$ 281,040</u>

See accompanying notes and accountants' report.

See accompanying notes and accountants' report.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
STATEMENT OF REVENUE AND EXPENSES - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2008

REVENUE	
Assessments	\$ 120,778
Boat Slacks	16,365
Interest - Assessments	378
Interest - Bank Accounts	4,283
Interest - Money Market Account & Bond	1,885
Other - Pig Roast and Gate Keys	1,615
Construction Reserve	1,225
<b>Total Revenue</b>	<b>\$155,521</b>

EXPENSES	
Treasure	\$ 2,600
Audit Fees	710
Postage	1,349
Printing and Supplies	4,598
Accounting and Office Labor	714
Telephone and Internet	3,253
Taxes - Property	1,274
Legal and Recording Fees	5,957
Insurance	84
Annual Meeting	1,459
BOS - Taxes	2,350
Office Rent	1,112
Miscellaneous - Contingency and Collections	3,278
<b>Total Treasury</b>	<b>\$ 27,881</b>

Water Quality	\$ 1,561
Harvester Truck Fuel/Paint	7,438
Harvester Maintenance Labor	283
Truck Maintenance	0
Druiding & Erosion	4,792
Harvester Operation Labor	888
Miscellaneous	22,848
Herbicide	2,911
Lake Study	0
<b>Total Water Quality</b>	<b>\$ 40,219</b>

See accompany log notes and accountants' report.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
STATEMENT OF REVENUE AND EXPENSES - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2008

(CONTINUED)

Docks	\$ 540
Dock Repair	0
Playground Equipment Maintenance	0
Fence Repair	1,658
Piers-Johns	478
Truck Pickup	1,448
Consumers Power	4,938
Mowing	0
Picnic Table Repair	581
Signs & Buoys	817
Miscellaneous	1,214
Trees & Maintenance of Beaches	0
<b>Total Parks and Security</b>	<b>\$ 12,628</b>
Security	\$ 7,899
Guard Labor, Keys and Other	0
Garage	\$ 1,549
Postage & Printing	0
Fish Planting	\$ 2,590
Community Council	\$ 291
Encoreks Digging	\$ 480
Depreciation	\$ 4,644
<b>Total Expenses</b>	<b>\$ 97,877</b>

See accompanying notes and accountants' report.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2008

**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 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 \$1,794.

**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 depositories include a non-interest bearing checking account, an interest bearing savings account, certificate of deposit account, a multiunit account, and a brokerage account with Edward Jones. The balance sheet has been capitalized for unpaid maintenance assessments at August 31, 2008, of \$44,963 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 1,150 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 weed harvesting, park and office equipment. The weed harvesting equipment is being depreciated over 10 years. The park fencing, improvements, and equipment are being depreciated over a 10-20 year lives 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 pavilion and a 10 year life for the storage building improvement.

LAKE SOMERSET PROPERTY OWNERS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2008

**Members' Equity**

The Members' Equity of \$281,040 at year-end was an increase of \$57,649 from the prior year's end balance of \$323,391.

**Related Parties**

The members of the Board serve as volunteers by virtue of the annual election at each October meeting. The Treasurer position is the only paid officer with the files appearing as part of "Accounting and Office Labor" 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 11th annual Lake Somerset Garage Sale on Saturday, June 27th,

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 (517) 252-5069.
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.**