

FINANCE/AUDIT COMMITTEE REPORT  
UOC MEETING  
APRIL, 2009

FUND INVESTMENT BALANCES AS OF FEBRUARY 28, 2009

Operating Fund	\$3,604,957
Reserve Fund	2,452,626
Capital Fund	1,060,069
PIC Fund	<u>1,268</u>
 TOTAL	 \$7,118,920

REQUEST FOR FUNDS

The Finance Committee recommends the following for approval:

1. Repairs to the sidewalk \$17,000 (from Reserves)
2. Software addition to the Tennis Center and the Boat Landing giving us access to the New PLCA software \$2,700 (from Capital)

AUDIT REPORT

The 2008 audit was completed for the annual meeting. We are very pleased with our new auditor whose work is accurate and user friendly.

As part of the review process the auditor discovered that our previous auditor overpaid our 2007 Federal Income Taxes by approximately \$20,000, by paying on tax exempt bonds. The \$500 charge to re-file a corrected 2007 report will be billed to the previous auditor.

INCOME TAXES

Because of changing income/expense conditions each year, calculations for income tax become more favorable with a Form 1120 one time and a Form 1120H another time. In order to give us the option of each year choosing the most favorable form it was necessary at the Annual Meeting for the UOC to request, under revenue Ruling 70-604, permission to do this.

CLARIFICATION OF THE 2008 SURPLUS

The operating surplus amount of \$445,619 reported by the auditor at the annual meeting for year 2008 includes \$400,995 of net Reserve Fund contributions, \$96,248 of net Capital Fund expenditures and \$140,872 in Operation excess.

If you add the \$400,995 of net Reserve Fund contributions to the \$140,872 and subtract \$96,248 of net Capital Fund expenditures you arrive at the \$445,619 figure.

Respectfully submitted,

Emory Geller, Chairman  
Finance/Audit Committee