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To the Board of Directors and Members
Meridian Lake Meadows Owners Association

January 31, 2005

The accompanying balance sheets-income tax basis of Meridian Lake Meadows Association, as of December 31, 2004 and the related statements of revenue and expenses and changes in fund balance-income tax basis for the period ended December 31, 2004, have been compiled by us.

The compilation is in accordance with standards established by the American Institute of Certified Public Accountants (Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants). The financial statements have been prepared on the accounting basis used by the corporation for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements, information that is the representation of the owners. 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.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles, and a statement of cash flows. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who were not informed about such matters.

Douglas B. Gorman
Certified Public Accountant

MERIDIAN LAKE MEADOWS OWNERS ASSOCIATION
BALANCE SHEET
AS OF DECEMBER 31, 2004

	OPER. FUND	CAPITAL RESERVE	TOTALS 12/31/2004
ASSETS			
Cash in Bank	\$979.00	\$14,228.00	\$15,207.00
Accounts Receivable	\$50.00	\$0.00	\$50.00
Trans. Due From Capital Reserve			\$0.00
TOTAL ASSETS	<u>\$1,029.00</u>	<u>\$14,228.00</u>	<u>\$15,257.00</u>
 LIABILITIES AND FUND BALANCE			
TOTAL LIABILITIES	\$0.00	\$0.00	\$0.00
 FUND BALANCES	 \$1,029.00	 \$14,228.00	 \$15,257.00
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,029.00</u>	<u>\$14,228.00</u>	<u>\$15,257.00</u>

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

**MERIDIAN LAKE MEADOWS OWNERS ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIOD JANUARY 1, 2004 TO DECEMBER 31, 2004**

	OPERATING FUND	CAPITAL RESERVE	TOTALS
REVENUES			
Assessments	\$5,600.00		\$5,600.00
Interest Income	\$0.00	\$124.00	\$124.00
Architectural Review Fees	\$600.00	\$0.00	\$600.00
Capital Reserve Assessments	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL REVENUES	\$6,200.00	\$ 124.00	\$6,324.00
EXPENSES			
Capital Reserve Expenditures:			
Legal Fees		\$0.00	\$0.00
Capital Repairs		\$0.00	\$0.00
Operating (Schedule attached)	\$7,893.00	\$ -	\$7,893.00
Less Capital Reserve Allocations	<u>\$0.00</u>		
TOTAL EXPENSES	<u>\$7,893.00</u>	<u>\$0.00</u>	<u>\$7,893.00</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	(\$1,693.00)	\$ 124.00	(\$1,569.00)
BEGINNING FUND BALANCES	\$723.00	\$16,103.00	\$16,826.00
Fund Balance Trans. From			
Capital Reserve	<u>\$1,999.00</u>	<u>(\$1,999.00)</u>	
ENDING FUND BALANCES	<u>\$1,029.00</u>	<u>\$ 14,228.00</u>	<u>\$15,257.00</u>

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

MERIDIAN LAKE MEADOWS OWNERS ASSOCIATION
SCHEDULE OF OPERATIONS
FOR THE PERIOD JANUARY 1, 2004 TO DECEMBER 31, 2004

	PERIOD ENDED 12/31/2004		VARIANCE Favorable (Unfavorable)
	ACTUAL	BUDGET	
REVENUES			
Assessments	\$5,600.00	\$5,600.00	\$0.00
Architectural Review Fees	\$600.00	\$200.00	\$400.00
Interest Income	\$124.00	\$60.00	\$64.00
TOTAL REVENUES	<u>\$6,324.00</u>	<u>\$5,860.00</u>	<u>\$464.00</u>
EXPENSES			
Accounting Fees	\$349.00	\$450.00	\$101.00
Management Fees	\$3,996.00	\$4,000.00	\$4.00
Insurance	\$1,148.00	\$1,300.00	\$152.00
Legal Fees	\$136.00	\$2,000.00	\$1,864.00
Postage & Copying	\$86.00	\$250.00	\$164.00
Repairs & Maintenance	\$0.00	\$300.00	\$300.00
Snow Removal	\$942.00	\$1,000.00	\$58.00
Electricity	\$163.00	\$180.00	\$17.00
Telephone	\$0.00	\$50.00	\$50.00
Landscaping	\$811.00	\$2,000.00	\$1,189.00
Road Maintenance	\$0.00	\$1,500.00	\$1,500.00
Board Meeting Expenses	\$30.00	\$60.00	\$30.00
Office Supplies	\$43.00	\$0.00	(\$43.00)
Printing & Reproduction	\$75.00	\$0.00	(\$75.00)
Design Review	\$88.00	\$200.00	\$112.00
Misc. Expenses	\$26.00	\$300.00	\$274.00
Capial Reserve Allocations	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL EXPENSES	<u>\$7,893.00</u>	<u>\$13,590.00</u>	<u>\$5,697.00</u>
EXCESS OF REVENUES OVER EXPENSES	(\$1,569.00)	(\$7,730.00)	\$6,161.00
Less Interest Income Reported by Capital Reserve Fund	<u>(\$124.00)</u>		<u>(\$62.00)</u>
NET EXCESS OF REVENUES OVER EXPENSES	<u>(\$1,693.00)</u>	<u>(\$7,730.00)</u>	<u>\$6,099.00</u>

UNAUDITED-SEE ACCOUNTANTS COMPILATION REPORT

**MERIDIAN LAKE MEADOWS
OWNERS ASSOCIATION
2005 OPERATING ACCOUNT
JANUARY 1, 2005 – DECEMBER 31, 2005**

INCOME	2005
Owner Assessment	\$ 5,600
Interest Income	80
Capital Funds Balance Forward	14,905
Incoming Design Review	<u>600</u>
TOTAL INCOME	\$21,185
 EXPENSES	
Accounting	\$ 400
Annual Meeting	60
Legal	2,000
Management Fees	4,200
Electricity	180
Insurance	1,300
Postage & Copying	250
Telephone	50
Design Review	200
Repairs and Maintenance	300
Snow Plowing	900
Road Maintenance	1,500
Landscaping	1,200
Miscellaneous	300
Capital Reserve	<u>8,345</u>
TOTAL	\$21,185

ASSOCIATION DUES 2005
Annual Dues \$100 per year