

Financial Report

Year 2005

Total revenue for the year was \$181,646 versus a budget of \$166,151 or a difference of \$15,495. Actual revenue exceeded budget because: (1) Received \$10,015 for Member Dues & Capital Fund, as the developer transferred the remaining lots to the Association; (2) recorded an additional \$2,230 for bank interest income by consolidating Regions banking accounts to a money market account, with an improved interest rate; and, (3) \$2,200 in revenue for lien, fines and late payment fees that were exceeded the budget, plus \$1,050 in ARC income with increased new housing starts.

Total expenses for the year were \$181,388 versus a budget of \$165,718 or a difference of \$15,670. Actual expenses exceeded budget because: (1) \$7,000 for post hurricane clean-up; and (2) \$13,000 partial payment for the clean-out of Mockingbird pond. These overages were offset roughly by \$6K with lower expenses in other categories that were budgeted. The net income was \$258 vs. \$433 that was budgeted.

As of December 31, 2005, there was \$114,768 in our bank account and account receivables were \$1,903. The effective net cash reserves at year-end were approximately \$74,000, less builders' deposits and prepaid expenses.

2006 Budget

Revenue is budgeted at \$204,050 or \$22,404 more than last year, due to an increase in property owner dues to \$450. This is necessary to fully address pond maintenance for Mockingbird & Rock Creek Parkway/North Creek Circle's retention ponds, as well as to maintain adequate cash reserves to meet any contingency that might arise. The following is a recap of annual dues for RCPOA since the inception:

<i>Year</i>	1994-1995	1996-1997	1998-1999	2000	2001-2005	2006
<i>Annual Dues</i>	\$200	\$350	\$400	\$350	\$400	\$450

Expenses are budgeted at \$199,416, up \$18,028 completing the pond maintenance noted above. The net income is projected to be \$4,634.