

TREASURER'S REPORT

I. Finance Summary Fiscal Year June,2005 -- May 2006

-	<u>1st QRT</u>	<u>2nd QTR</u>	<u>3rd QRT</u>	<u>4th QTR</u>
INCOME	5150	210	-	-
EXPENSES	2102.57	1091.54		

The annual Dues Assessment is our only source of income. We were also reimbursed for lawn care on a vacant property. Major expenditures are related to the association activities for the maintenance and care of the property in the subdivision. Other expenditures were for communications, legal, postage and office supplies which support these activities.

II. IRS Status: The Steeple Run Homeowner's Association meets the IRS definition of a Homeowners Association as a residential real estate management association that is organized and operated to.. manage ,maintain, and care for a subdivision development substantially all of whose lots or buildings are homes for individuals. At least 60% of the Association's income must consist of exempt function income and at least 90 % of the Association's expenses must consist of expenditures to ..manage ,maintain , or care for the property. Exempt function income consists of membership dues, fees, or assessments from the homeowners.

The Steeple Run Homeowners Association has filed a Form 1120-H for the fiscal year, which ended June1,2005, and each prior fiscal year back to 1994. The submission indicates no tax obligation ,since the dues are the sole source of income and major expenditures are related to the association activities related to the maintenance and care of the property in the subdivision.

III, Fiscal Year : The structure for a Steeple Run Estates Homeowners Assoc. was initially set up in the land Covenants by the residential plan developer in 1988. Since this was a new housing development, the association was inactive until there were a sufficient number of lots sold and new residences occupied in the plan. The association did not conduct any business, had no revenue or expenses, and did not function as a coherent organization until June of 1994. In June of 1994 there were sufficient homeowners in the residential plan to warrant activation of the Steeple Run Estates Homeowners Assoc.. At that time the residents in the development met and elected officers and began business activities related to property maintenance, etc. in the plan . The fiscal year- June1 thru May 31 was established at that time.

IV. Dues Assessments We appreciate the cooperation of all homeowners in the prompt payment of the annual dues assesment. Delays in payment result in extra costs for the Association and could result in penalties, property liens, etc. for delinquent homeowners. The next dues assessment will be May.2006 for the 2006-2007 fiscal year.