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I have audited the records of SLEHA for the year ending Dec.31, 2005 and have found all records to be in good order. Income reported on the accounts receivable for each parcel from 5 thru 300 less the SLEHA-owned lot 226 and the water company property are all accounted for and the income duly deposited in the Wells Fargo Bank in the same amount. Additionally miscellaneous income of advertising in the newsletter, weed spraying reimbursement and moose sticker purchases have been deposited. All expenses have been perused and determined to be of authorized nature and no other outflows have been identified by bank records.

The treasurer is to be commended for changing the savings account from an account yielding .2% APR to one yielding 1.9% APR in October 2005, increasing significantly the interest income.

The accounting firm of North Idaho Accounting has kept excellent records and has provided those to me to facilitate this audit.

I have two recommendations:

1. The board should request the accounting firm to charge late payers of annual fees/assessments a \$15.00 late payment fee for payments made after Mar.15 to help defray the cost incurred in accounting for those late payments. This appears to be authorized by the CC&R's Article II, Section 4, which states, "The annual and special assessments together with interest, costs, and reasonable attorney fees shall become lien upon the property involved...."
2. The board should request the accounting firm to consistently charge interest on late payments made after Mar.15, beginning with the month of January until the month payment is made. A grace period is already given from the date the invoice is received until Mar. 15. (The invoice for 2007 should clearly state this information if the board adopts these recommendations.) Those special circumstances of hardship authorized by the board on a case by case basis, as has been done in the past, can still be honored.

Sincerely, Trudy Shrigley, CPA
Audit Committee Chair