

TREASURER'S REPORT

As of January 31, 2005

| RENTAL DEPOSIT SAVINGS ACCOUNT | |
|--|------------|
| Saving Account Rent Deposit Balance Previous | \$2,284.50 |
| Additions To Account | \$0.00 |
| Subtractions From Account | \$0.00 |
| Total | \$2,284.46 |

| | |
|--|-------------|
| Pool Certificate of Deposit | \$16,485.07 |
| Saving Account Rent Deposit Balance Previous Month | \$16,485.07 |
| Additions To Account | \$0.00 |
| Subtractions From Account | \$0.00 |
| Total | \$16,485.07 |

| OPERATING ACCOUNT | |
|---|--------------|
| Checking Account Balance Previous Month | \$77,771.49 |
| Additions To Account | \$57,112.93 |
| Subtractions From Account | \$5,032.89 |
| Outstanding Checks | \$4,548.47 |
| Uncleared Deposits | \$1,716.30 |
| Total | \$127,019.38 |

| HURRICAN RELIEF FUND | |
|--------------------------------------|------------|
| Hurricane Relief Fund Previous Month | \$3,079.65 |
| Additions To Account | \$0.00 |
| Subtractions from Account | \$3,079.65 |
| Total | \$0.00 |

Total general operating accounts \$145,749.89

| SPECIAL TAX | |
|---|--------------|
| Checking Account Balance Previous Month | \$121,527.05 |
| Additions To Account | \$335.00 |
| Subtractions From Account | \$59,540.28 |
| Outstanding Checks | \$5,729.10 |
| Uncleared Deposits | \$1,350.00 |
| Total Special Tax | \$57,942.67 |

Total All Accounts \$203,692.56

Hillsmere Shores Improvement Assoc. Inc.
Balance Sheet
As of January 31, 2006

| | Jan 31, 06 |
|---------------------------------|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| CD - Pool | 16,465.07 |
| Checking Account | |
| Expansion | 5,184.18 |
| General | 22,135.71 |
| Piers and Harbor | 99,699.47 |
| Total Checking Account | 127,019.36 |
| Savings - Rental Deposit | 2,265.46 |
| Total Checking/Savings | 145,740.89 |
| Other Current Assets | |
| Due From Special Tax Fund - P/H | 715.95 |
| Total Other Current Assets | 715.95 |
| Total Current Assets | 146,465.84 |
| Fixed Assets | |
| Property & Equipment | |
| Depreciation | -51,337.00 |
| Original Cost | 214,643.94 |
| Total Property & Equipment | 163,306.94 |
| Rental Property | 50,000.00 |
| Total Fixed Assets | 213,306.94 |
| Other Assets | |
| 2004 Pier Project | 138,565.00 |
| Total Other Assets | 138,565.00 |
| TOTAL ASSETS | 498,337.78 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Deferred Revenue | |
| Prepaid Pool Rental Income | 8.00 |
| Total Deferred Revenue | 8.00 |
| Pool Deposit | 16,465.07 |
| Rental Deposit | |
| Pet Deposit | 350.00 |
| Security Deposit | 1,915.46 |
| Total Rental Deposit | 2,265.46 |
| Slip Security Deposits | |
| Aither, Ken | 1,000.00 |
| Barler, Bill | 1,000.00 |
| Brewer, Koren | 1,000.00 |
| Dillon, Tim | 1,000.00 |
| Erber, Edgar | 1,000.00 |
| Farnie, David | 1,000.00 |
| Foxwell, David | 1,000.00 |
| Fredlund, David | 1,000.00 |
| Harris, Frank | 1,000.00 |
| Holmboe, Kevin | 1,000.00 |
| Iannuzzi, Tim | 1,000.00 |
| Johnson, Eileen | 1,000.00 |
| Jones, Tom | 1,000.00 |
| Kelsey, Tarn | 1,000.00 |
| Koutroumpis, Willie | 1,000.00 |
| Lianides, Jordon | 1,000.00 |
| Longobardi, Jordon | 1,000.00 |
| Mann, Tom | 1,000.00 |

Hillsmere Shores Improvement Assoc. Inc.
Balance Sheet
 As of January 31, 2006

| | Jan 31, 06 |
|--|-------------------|
| Marsh, Cole | 1,000.00 |
| McGuckian, Philip | 1,000.00 |
| McPartland, Jack | 1,000.00 |
| Miller, Gerald | 1,000.00 |
| Ostrow, Mike | 1,000.00 |
| Quade, John | 1,000.00 |
| Quinn, Ginna | 1,000.00 |
| Reid, Ed | 1,000.00 |
| Smith Jr, William R. | 1,000.00 |
| Street, David | 1,000.00 |
| Waters, Michael | 1,000.00 |
| Wilson, Steve | 1,000.00 |
| Winner, John | 1,000.00 |
| Winters, Irving | 1,000.00 |
| Total Slip Security Deposits | 32,000.00 |
| Total Other Current Liabilities | 50,738.53 |
| Total Current Liabilities | 50,738.53 |
| Long Term Liabilities | |
| 2004 Pier Expansion | |
| Cook, Peter A. | 5,452.00 |
| Cookson, John | 4,735.00 |
| Danckwert, Daniel | 5,452.00 |
| Daneleiski, Chad A. | 5,192.00 |
| Elam, Chris | 5,514.00 |
| Frece, William S. | 5,452.00 |
| Geib, Perry | 5,452.00 |
| Gray, Michael A. | 5,332.00 |
| Greenspan, Marc J. | 5,332.00 |
| Grigg, Robert David | 5,452.00 |
| Grinnell, Norman H. | 5,452.00 |
| Gross, Gene | 5,192.00 |
| Jarriel, Michael T. | 5,660.00 |
| Johnson, Ronald W. | 4,540.00 |
| Kuethe, William | 5,472.00 |
| Leary, James N. | 5,332.00 |
| Lynch, Joseph P | 5,025.00 |
| Lynham, Roger | 5,514.00 |
| McCormick, Barry D. | 5,514.00 |
| Montgomery, Dean E. | 5,750.00 |
| Reshet#off, Claudia B. | 4,735.00 |
| Rice, Donald K. | 5,257.00 |
| Sparrow, Constance | 5,514.00 |
| Startzel, Marcus A. | 5,514.00 |
| Vickey, Thomas | 5,397.00 |
| Whisted, Timothy S. | 5,332.00 |
| Total 2004 Pier Expansion | 138,565.00 |
| Total Long Term Liabilities | 138,565.00 |
| Total Liabilities | 189,303.53 |
| Equity | |
| 2004 Pier Project Equity | 138,565.00 |
| 2004 Marina Expansion | -138,565.00 |
| Opening Bal Equity | 387,906.11 |
| Retained Earnings | -137,577.39 |
| Net Income | 58,705.53 |
| Total Equity | 309,034.25 |
| TOTAL LIABILITIES & EQUITY | 498,337.78 |

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 crucial Basis

Hillsmere Shores Improvement Assoc. Inc.
Profit & Loss Budget vs. Actual
 July 2005 through January 2006

| | General | | | |
|---------------------------------|-------------------|------------------|-------------------|---------------|
| | Jul '05 - Jan '06 | Budget | \$ Over Budget | % of Budget |
| Income | | | | |
| Building Permits | 145.00 | 200.00 | -55.00 | 72.5% |
| Donations | 943.00 | | | |
| Interest | 6.69 | 30.00 | -23.31 | 22.3% |
| Membership Dues | 6,600.00 | 6,300.00 | 300.00 | 104.8% |
| Pool Escrow | 0.00 | 15,948.00 | -15,948.00 | 0.0% |
| Pool Lease | 1.00 | 1.00 | 0.00 | 100.0% |
| Rental Deposit Escrow | 0.00 | 2,254.00 | -2,254.00 | 0.0% |
| Rental Income | 4,940.00 | 11,400.00 | -6,460.00 | 43.3% |
| Surplus | 0.00 | 7,055.00 | -7,055.00 | 0.0% |
| Total Income | 12,635.69 | 43,188.00 | -30,552.31 | 29.3% |
| Expense | | | | |
| Administrative Expenses | 1,559.98 | 4,476.00 | -2,916.04 | 34.8% |
| Community Activities -General | 1,935.74 | 3,000.00 | -1,064.26 | 64.5% |
| Income Tax & Personal Prop.-Gen | 2,708.77 | 3,383.00 | -674.23 | 80.0% |
| Pool Escrow Account | 0.00 | 15,948.00 | -15,948.00 | 0.0% |
| Rental Deposit Escrow Account | 0.00 | 2,254.00 | -2,254.00 | 0.0% |
| Rental Property Expenses | 4,208.46 | 7,072.00 | -2,863.54 | 59.5% |
| Surplus/expense | 0.00 | 7,055.00 | -7,055.00 | 0.0% |
| Total Expense | 10,408.93 | 43,188.00 | -32,779.07 | 24.1% |
| Net Income | 2,226.76 | 0.00 | 2,226.76 | 100.0% |

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Accrual Basis

Hillsmere Shores Improvement Assoc. Inc.
Profit & Loss Budget vs. Actual
 July 2005 through January 2006

Piers & Harbor

| | Jul '05 - Jan 06 | Budget | \$ Over Budget | % of Budget |
|----------------------------|-------------------|------------------|-------------------|---------------|
| Income | | | | |
| 2004 Expansion Slip Income | 22,635.00 | | | |
| Boat Storage | 2,925.00 | 3,187.00 | -262.00 | 91.8% |
| Clean Marina | 590.80 | | | |
| Dinghy Rack | 1,410.00 | 1,625.00 | -215.00 | 86.8% |
| Interest | 0.00 | 1,350.00 | -1,350.00 | 0.0% |
| Ramp Keys | 10,305.00 | 11,000.00 | -695.00 | 93.7% |
| Slip Rental | 66,607.50 | 63,400.00 | 3,207.50 | 105.1% |
| Transient Slip Fees | 925.00 | | | |
| Wait List Fee | 400.00 | | | |
| Total Income | 105,798.30 | 80,562.00 | 25,236.30 | 131.3% |
| Expense | | | | |
| Administrative Expenses | 4,097.84 | 7,500.00 | -3,402.16 | 54.6% |
| Contingency Supplement | 0.00 | 11,000.00 | -11,000.00 | 0.0% |
| Debt Paydown | 0.00 | 6,000.00 | -6,000.00 | 0.0% |
| Depreciation | 7,155.00 | | | |
| Front Foot Benefit | 0.00 | 414.00 | -414.00 | 0.0% |
| Grounds Maintenance -P&H | 6,582.31 | 8,077.00 | -1,494.69 | 81.5% |
| Insurance-P&H | 0.00 | 4,546.00 | -4,546.00 | 0.0% |
| Loan Repayment | 7,189.00 | 12,325.00 | -5,136.00 | 58.3% |
| Marina Expansion | 22,635.00 | | | |
| Repairs P&H | 2,720.20 | 13,700.00 | -10,979.80 | 19.9% |
| Slip Deposit Repayments | 0.00 | 11,000.00 | -11,000.00 | 0.0% |
| Utilities | 2,159.60 | 6,000.00 | -3,840.40 | 36.0% |
| Total Expense | 52,538.95 | 80,562.00 | -28,023.05 | 65.2% |
| Income | 53,259.35 | 0.00 | 53,259.35 | 100.0% |

**Hillsmere Shores Improvement Association - Special Tax
Balance Sheet
As of January 31, 2006**

| | Jan 31, 06 |
|--|------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Cash in Bank | |
| Checking ST | 57,942.67 |
| Total Cash in Bank | 57,942.67 |
| Total Checking/Savings | 57,942.67 |
| Other Current Assets | |
| Due From County | |
| County-held Funds | 4,300.00 |
| Due From Anne Arundel County | 53,410.00 |
| Total Due From County | 57,710.00 |
| Total Other Current Assets | 57,710.00 |
| Total Current Assets | 115,652.67 |
| Fixed Assets | |
| Property & Equipment | |
| Depreciation | -59,322.30 |
| Original Cost | 60,970.56 |
| Total Property & Equipment | 1,648.26 |
| Total Fixed Assets | 1,648.26 |
| TOTAL ASSETS | 117,300.93 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Due to Piers and Harbor | 715.95 |
| Total Other Current Liabilities | 715.95 |
| Total Current Liabilities | 715.95 |
| Total Liabilities | 715.95 |
| Equity | |
| Due from AA county | 57,710.00 |
| Fund Balance | 86,915.31 |
| Net Income | 4,287.35 |
| Retained Earnings | -78,049.86 |
| Net Income | 45,722.16 |
| Total Equity | 116,584.98 |
| TOTAL LIABILITIES & EQUITY | 117,300.93 |

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1/29/06

ash Basis

**Hillsmere Shores Improvement Association - Special Tax
Profit & Loss Budget vs. Actual
July 2005 through January 2006**

| | Jul '05 - Jan 06 | Budget | \$ Over Budget | % of Budget |
|--------------------------------|-------------------|-------------------|--------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| County Tax Rev.Previous Yr. | 40.00 | | | |
| County Tax Revenue | 120,400.00 | 173,810.00 | -53,410.00 | 69.3% |
| Interest Income | 0.00 | 30.00 | -30.00 | 0.0% |
| Newsletter | 6,615.00 | 8,000.00 | 815.00 | 110.3% |
| Pool Dumpster Reimbursement | 0.00 | 266.00 | -266.00 | 0.0% |
| Surplus | 0.00 | 6,735.00 | -6,735.00 | 0.0% |
| Total Income | 127,055.00 | 186,841.00 | -59,786.00 | 68.0% |
| Expense | | | | |
| Administrative Expense | 10,601.07 | 23,127.00 | -12,525.93 | 45.8% |
| Balkhead Loan | 17,311.00 | 30,000.00 | -12,689.00 | 57.7% |
| Beach Legal Fees | 210.00 | | | |
| County Administrative Fee | 2,000.00 | 2,000.00 | 0.00 | 100.0% |
| Depreciation Expense | 2,322.00 | | | |
| Front Foot Benefit | 0.00 | 130.00 | -130.00 | 0.0% |
| Ground Maintenance | 11,775.49 | 22,725.00 | -10,949.51 | 51.8% |
| Insurance | 394.00 | | | |
| Newsletter Expenses | 12,288.40 | 22,000.00 | -9,711.60 | 55.9% |
| Repairs and Improvements | 682.69 | 45,839.00 | -45,156.31 | 1.5% |
| Security | 22,435.28 | 39,000.00 | -18,564.72 | 57.5% |
| Trash Dumpster | 696.89 | 860.00 | -163.11 | 81.0% |
| Utilities | 616.00 | 1,160.00 | -544.00 | 53.1% |
| Total Expense | 81,332.82 | 186,841.00 | -105,508.18 | 43.5% |
| Net Ordinary Income | 45,722.18 | 0.00 | 45,722.18 | 100.0% |
| Net Income | 45,722.18 | 0.00 | 45,722.18 | 100.0% |

