



Sanders & Sanders, LLC

Certified Public Accountants

February 9, 2015

The Board of Directors
Nature Pointe Homeowners Association
30 Nature Pointe Dr
Tijeras, NM 87059

I am very pleased to provide you with my fourth quarter review of the financial position of Nature Pointe Homeowners Association. This review is of a general nature and not a formal review of the financial statements under *Standards of Audit and Review Services*.

With each quarter I focus on a target area, so that over the course of every two years I have looked at most, if not all aspects of the association. This quarter I focused specifically on the budget process and how well the Board was keeping to the budget. I looked specifically at any account that was more than a reasonable amount over or under budget. Below are a few highlights of what my review uncovered.

Event revenues were 10% higher than budget. This was a pleasant surprise as the budget was in line with previous year's actual revenues. I do not feel that the budget was "padded" to look good at the end of the year. Revenues have averaged \$330 thousand, so a budget of \$375 thousand was not well below expectations. Actual revenues totaled \$406 thousand. The majority of the increase over budget was from weddings and equipment rental. This was significant since in the past our review had mentioned a need to make sure all equipment being used was being billed.

On the expense side I noted a similar trend. Staffing, contract services, building/grounds and general business expenses were all well under budget. But, again the budget was not out of line with previous year's actual expenses. This shows a greater care in the daily management of the property.

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The only item not covered by the budget was the unforeseen special use permit acquisition. However, even after this expense the total expenses were \$36 thousand under budget. The net surplus was \$71 thousand as compared to a budget surplus of \$5 thousand.

Over all the budget process is working well. I feel that as the final budget is prepared for this year each account should be compared to the previous three years' actual amounts and adjustments made for current circumstances. That being said, it appears that the budget process is working well and that management has done a great job working within the budget in 2014.

Sincerely,

C. Stephen Sanders
Certified Public Accountant