

ODD FELLOWS SIERRA RECREATION ASSOCIATION

FINANCIAL STATEMENTS

MAY 31, 1985

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October 10, 1985

Board of Directors  
Odd Fellows Sierra  
Recreation District  
Odd Fellows Sierra Park, California

We have examined the statement of assets and liabilities of Odd Fellows Sierra Recreation Association as of May 31, 1985, and the related statements of revenue and expenses and changes in fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the Association's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenue is recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present results of operations in conformity with generally accepted accounting principles.

Some fixed assets were acquired a number of years ago for which inadequate records exist to perform the necessary audit procedures regarding actual cost of such assets and necessary adjustments, if any. Consequently, the actual historical cost of land and equipment recorded cannot be substantiated.

In our opinion, except for the effect of adjustments, if any, as might have been determined necessary had prior-year records concerning fixed assets been adequate, the financial statements referred to above present fairly the assets and liabilities of the Odd Fellows Sierra Recreation Association for the year ended May 31, 1985, and its revenues collected and expenditures paid for the year then ended, on the basis of accounting described in Note 1, which basis has been applied in a manner consistent with that of the preceding year.

*Carlson, Mangum & Fleming*

ODD FELLOWS SIERRA RECREATION ASSOCIATION  
STATEMENT OF ASSETS AND LIABILITIES  
MAY 31, 1985

ASSETS

CURRENT ASSETS

Petty cash	\$ 100
Cash in bank - recreation funds	1,623
Cash in bank - savings (Note 3)	<u>78,456</u>
Total Current Assets	80,179

BUILDINGS, EQUIPMENT AND IMPROVEMENTS, at cost, less \$97,144 accumulated depreciation (Note 2)	110,474
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OTHER ASSET

Reorganization costs - net	<u>18,554</u>
Total Assets	<u>\$209,207</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Cash overdraft - unrestricted	\$ 896
Employee payroll taxes	550
Deposit payable	<u>87</u>
Total Current Liabilities	1,533

FUND BALANCE

	<u>207,674</u>
Total Liabilities and Fund Balance	<u>\$209,207</u>

The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION  
STATEMENT OF REVENUE AND EXPENSES  
FOR THE YEAR ENDED MAY 31, 1985

REVENUE

Assessments	\$ 62,112
Camp and picnic grounds	195
Hall rental	75
Special events and miscellaneous	1,742
Interest	8,251
Timber harvest	31,238
Total Revenue	<u>103,613</u>

EXPENSES

Wages	17,349
Payroll taxes	1,283
Contract labor	1,833
Building expenses	1,402
Collection expense	125
Depreciation and amortization	19,575
Equipment expenses	4,418
Garbage	3,263
Gasoline and oil	2,219
Insurance	8,948
Legal and accounting	1,407
Mileage	2,066
Minutes and meetings	637
Miscellaneous expenses	121
Newsletter - postage	441
Office supplies	432
Operating supplies	512
Other tax and licenses	37
Property tax	1,662
Recreation facilities	504
Repairs - roads	4,268
Repairs - water system	2,551
Telephone and utilities	4,787
Timber management	613
Total Expenses	<u>80,453</u>

Excess Revenue over Expenses before Income Taxes 23,160

Income tax expense 5,229

EXCESS REVENUE OVER EXPENSES \$ 17,931

The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION  
STATEMENT OF CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MAY 31, 1985

Fund Balance, beginning of period	\$189,743
Excess Revenue over Expenses	<u>17,931</u>
Fund Balance, end of period	<u>\$207,674</u>

The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING METHOD

The Association is reporting on the modified cash basis method of accounting which results in revenue being recognized when received rather than when earned and expenses being recognized when paid rather than when the obligation is incurred. Depreciation (a non-cash expense) also is recognized. Consequently, the accompanying financial statements are not intended to present the Association's financial position and results of operations in accordance with generally accepted accounting principles.

B. DEPRECIATION AND AMORTIZATION METHODS

The Association depreciates its buildings, equipment, and improvements using the straight-line method over estimated useful lives of three to 25 years.

Reorganization costs are being amortized over five years.

NOTE 2 - BUILDINGS, EQUIPMENT, AND IMPROVEMENTS

The Association had the following categories on hand at May 31, 1985:

Buildings	\$ 24,919
Roads	49,911
Water system	65,167
Equipment	66,370
Recreation facilities	1,251
	<u>207,618</u>
Less accumulated depreciation	(97,144)
	<u>\$110,474</u>

NOTE 3 - CASH IN SAVINGS

Cash in savings consists of the following:

Security Pacific National Bank	\$ 395
Security Pacific National Bank	3,000
World Savings and Loan	28
World Savings and Loan	12,912
World Savings and Loan	24,072
World Savings and Loan	38,049
	<u>\$78,456</u>