

ODD FELLOWS SIERRA RECREATION ASSOCIATION

FINANCIAL STATEMENTS

MAY 31, 1986

CRAIG W. FLEMING
ACCOUNTANCY CORPORATION
2147 MONO WAY
SONORA, CALIFORNIA 95370
209 / 532-5171

August 26, 1986

Craig W. Fleming
Certified Public Accountant

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

I have examined the statement of assets and liabilities of Odd Fellows Sierra Recreation Association as of May 31, 1986, and the related statements of revenue and expenses and changes in fund balance for the year then ended. My 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 I 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 my 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, 1986, 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.

Craig W. Fleming

ODD FELLOWS SIERRA RECREATION ASSOCIATION
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1986

ASSETS

CURRENT ASSETS

| | |
|---------------------------------|---------------|
| Petty cash | \$ 100 |
| Cash in bank - recreation funds | 1,687 |
| Cash in bank - savings (Note 3) | 83,149 |
| Prepaid income taxes | 4,104 |
| Total Current Assets | <u>89,040</u> |

| | |
|---|---------|
| BUILDINGS, EQUIPMENT AND IMPROVEMENTS, at cost, less accumulated depreciation (Note 2) | 104,149 |
|---|---------|

OTHER ASSET

| | |
|----------------------------|---------------|
| Reorganization costs - net | <u>13,834</u> |
|----------------------------|---------------|

| | |
|--------------|------------------|
| Total Assets | <u>\$207,023</u> |
|--------------|------------------|

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

| | |
|-------------------------------|------------|
| Cash overdraft - unrestricted | \$ 357 |
| Employee payroll taxes | 551 |
| Deposit payable | 87 |
| Total Current Liabilities | <u>995</u> |

| | |
|--------------|----------------|
| FUND BALANCE | <u>206,028</u> |
|--------------|----------------|

| | |
|------------------------------------|------------------|
| Total Liabilities and Fund Balance | <u>\$207,023</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, 1986

REVENUE

| | |
|----------------------------------|---------------|
| Assessments | \$70,997 |
| Camp and picnic grounds | 136 |
| Hall rental | 12 |
| Special events and miscellaneous | 179 |
| Interest | 7,912 |
| Timber harvest | 1,547 |
| Total Revenue | <u>80,783</u> |

EXPENSES

| | |
|-------------------------------|---------------|
| Wages | 14,736 |
| Payroll taxes | 1,149 |
| Contract labor | 1,842 |
| Building expenses | 3,419 |
| Collection expense | 158 |
| Depreciation and amortization | 16,557 |
| Equipment expenses | 2,613 |
| Garbage | 3,984 |
| Gasoline and oil | 1,010 |
| Insurance | 11,689 |
| Interest expense | 51 |
| Legal and accounting | 1,669 |
| Mileage | 1,869 |
| Minutes and meetings | 1,158 |
| Miscellaneous expenses | 193 |
| Newsletter - postage | 15 |
| Office supplies | 507 |
| Operating supplies | 478 |
| Property tax | 1,494 |
| Recreation facilities | 1,528 |
| Repairs - roads | 3,573 |
| Repairs - water system | 2,739 |
| Telephone and utilities | 6,125 |
| Timber management | 1,665 |
| Total Expenses | <u>80,221</u> |

Excess Revenue over Expenses before Income Taxes 562

Income tax expense

| | | |
|--------------|--------------|--------------|
| Current year | 200 | |
| Prior year | <u>2,008</u> | <u>2,208</u> |

EXCESS EXPENSES OVER REVENUE \$(1,646)

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, 1986

| | |
|-----------------------------------|------------------|
| Fund Balance, beginning of period | \$207,674 |
| Excess Expenses over Revenue | <u>(1,646)</u> |
| Fund Balance, end of period | <u>\$206,028</u> |

The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1986

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 and amortization (non-cash expenses) 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 4)

NOTE 2 - BUILDINGS, EQUIPMENT, AND IMPROVEMENTS

The Association had the following categories on hand at May 31, 1986:

| | |
|-------------------------------|------------------|
| Buildings | \$ 24,919 |
| Roads | 49,911 |
| Water system | 65,167 |
| Equipment and vehicles | 71,019 |
| Recreation facilities | 1,251 |
| | <u>212,267</u> |
| Less accumulated depreciation | <u>(108,118)</u> |
| | <u>\$104,149</u> |

NOTE 3 - CASH IN SAVINGS

Cash in savings consists of the following:

| | |
|--------------------------------|-----------------|
| Security Pacific National Bank | \$ 2,341 |
| Security Pacific National Bank | 797 |
| Security Pacific National Bank | 3,000 |
| World Savings and Loan | 1,759 |
| World Savings and Loan | 30,622 |
| World Savings and Loan | 26,830 |
| World Savings and Loan | 17,800 |
| | <u>\$83,149</u> |

ODD FELLOWS SIERRA RECREATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1986

NOTE 4 - REORGANIZATION

The Association is analyzing a restructuring of the organization which may be implemented in the subsequent period.