

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2016



Carlson, Haff & Associates

An Accountancy Corporation

14570 Mono Way, Suite G · Sonora, CA 95370

(209) 532-5171 · Fax (209) 532-7686

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Odd Fellows Sierra Recreation Association, Inc.
Long Barn, California

We have compiled the accompanying statement of assets and liabilities - modified cash basis of Odd Fellows Sierra Recreation Association, Inc. for the year ended May 31, 2016, and the related statements of income - modified cash basis and members' equity - modified cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

As described in Note 1, the policy is to prepare the financial statements on the modified basis of cash receipts and cash disbursements. Accordingly, the accompanying financial statements are not intended to present the financial position or results of operation in conformity with accounting principles generally accepted in the United States of America.

We are not independent with respect to Odd Fellows Sierra Recreation Association, Inc.

Sonora, California
August 31, 2016

ODD FELLOWS SIERRA RECREATION ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES AND EQUITY - MODIFIED CASH BASIS
MAY 31, 2016

ASSETS

CURRENT ASSETS	
Cash on hand	\$ 140
Cash in banks	<u>3,277</u>
Total Current Assets	3,417
PROPERTY, EQUIPMENT, AND VEHICLES, at cost	
Less accumulated depreciation	<u>312,519</u>
OTHER CURRENT ASSETS	
Investment - Sierra Park Water	10
Investment - Sierra Park Services	<u>10</u>
Total Other Assets	<u>20</u>
Total Assets	<u><u>\$ 315,956</u></u>

LIABILITIES AND AND MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	\$ 75
Note payable - Del Wallis	13,687
Rental deposit	<u>500</u>
Total Current Liabilities	14,262
MEMBER'S EQUITY	
Members' equity	<u>301,694</u>
Total Liabilities and Members' Equity	<u><u>\$ 315,956</u></u>

See accountants' accompanying compilation report.
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION
STATEMENT OF INCOME - MODIFIED CASH BASIS
FOR THE YEAR ENDED
YEAR ENDED MAY 31, 2016

INCOME	
Property rental	\$ 9,872
Water tank easement	2,083
Transfer fees	100
Interest	3
Other revenue	500
Refunds	<u>(1,005)</u>
Total revenue	11,553
EXPENSES	
Assessment - caretaker	1,674
Depreciation	34,753
Donations	50
Insurance	3,608
Interest/bank charges	211
Professional services - legal	26,196
Professional services - consulting	20,689
Accounting	4,509
Office supplies	275
Outside service	1,674
Maintain buildings - capital expense	3,000
Maintain rental cabin	5,067
Maintain water systems	967
Property taxes	4,501
Taxes and licenses	25
Timber expense	1,000
Franchise tax	<u>1,600</u>
Total expenses	<u>109,799</u>
Excess Expenses over Income	<u><u>\$ (98,246)</u></u>

See accountants' accompanying compilation report.
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION
STATEMENT OF MEMBERS' EQUITY - MODIFIED CASH BASIS
YEAR ENDED MAY 31, 2016

Members' Equity, beginning of period	\$ 399,940
Excess expenses over Income	<u>(98,246)</u>
Members' Equity, end of period	<u>\$ 301,694</u>

See accountants' accompanying compilation report.
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

The Odd Fellows Sierra Recreation Association, Inc. (Association) was established in May 1949. The Association is incorporated under the state laws of California and amended its articles of incorporation on October 10, 1986.

The Association consists of approximately 400 acres of timberlands located in Long Barn, California. Within the boundaries of the Association exists a gated 365 lot subdivision and various park amenities. The purpose of the Association is to operate and maintain the common property of the Association, specifically the water system, garbage, and roads. The Association has established a timber plan to periodically log its timber. Proceeds from the timber harvest are used for capital acquisitions.

B. MEMBER ASSESSMENTS

Association members, the subdivision lot owners, are subject to annual assessments to provide funds for the Association's operating expenses. The assessments are based upon budgeted operating expenses. The Association's policy is to retain legal counsel and use the small claims court to collect delinquent assessments.

C. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. CASH AND CASH EQUIVALENTS

The Association considers all cash and other highly liquid investments purchased with original maturities of six months or less to be cash and cash equivalents. This may include cash on hand, cash held in banks, money market funds, and short-term investments with essentially no risk.

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 MAY 31, 2016

NOTE 2 – PROPERTY, EQUIPMENT, AND VEHICLES

Property, equipment, and vehicles, to which the Association has title, are recorded at cost and are being depreciated using straight-line and accelerated methods for both financial reporting and income tax purposes. Property, equipment, and vehicles consisted of the following at May 31, 2016:

Leasehold improvements	\$ 45,907
Equipment	159,554
Camp Cedarbrook land	<u>160,000</u>
	365,461
Less accumulated depreciation	<u>(52,942)</u>
	<u>\$ 312,519</u>

NOTE 3 – NOTES RECEIVABLE

	CURRENT
Del Wallis, Payable on demand	<u>\$ 13,687</u>

NOTE 4 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has not conducted a study to determine the remaining useful lives of the roads and water systems and current estimated costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to utilize available cash, increase the timber harvest, pass special assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2016

NOTE 5 – CONCENTRATION OF CREDIT RISK

Financial instruments of the Association that are potentially subject to concentrations of credit risk consist principally of cash deposits at banks and brokerage firms. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Accounts at each brokerage firm are insured up to \$500,000 with a limit of \$100,000 for cash by the Securities Investor Protection Corporation (SIPC).

The Association had no securities in excess of SIPC and no cash in excess of FDIC insured limits at May 31, 2016.

NOTE 6 – INCOME TAXES

The Financial Accounting Standards Board issued new guidance on accounting for uncertainty in income taxes. Management evaluated the Association's tax positions and concluded that the Association had taken no uncertain tax positions that require adjustment to the financial statements. The Association is subject to routine audits by taxing jurisdictions. The Association believes that it is no longer subject to potential income tax examinations by federal, state or local jurisdictions for tax years prior to 2012.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 25, 2016, the date when the financial statements were available to be issued.