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LAKELAND VILLAGE COMMUNITY CLUB

FINANCIAL STATEMENTS

March 31, 2013 and 2012

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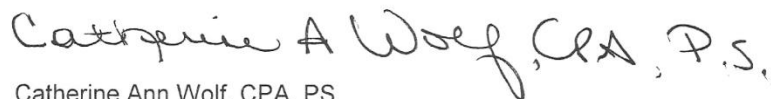
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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Lakeland Village Community Club
Allyn, WA 98524

We have compiled the accompanying balance sheets of Lakeland Village Community Club (a homeowners' association) as of March 31, 2013 and 2012, and the related statements of revenues, expenses, and changes in fund balance, and cash flows for the years then ended in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


Catherine Ann Wolf, CPA, PS

April 23, 2013

TABLE OF CONTENTS

	Page
ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	2
Statements of Revenues, Expenses, And Changes in Fund Balance	3
Statements of Cash Flows	4
Notes to Financial Statements	5 -7

LAKELAND VILLAGE COMMUNITY CLUB
BALANCE SHEET
March 31, 2013 and 2012

	March 31 2013	March 31 2012
<u>ASSETS</u>		
Current Assets		
Cash	\$ 69,911	\$ 80,694
Assessments receivable	9,727	7,293
Prepaid insurance	5,536	4,192
Total current assets	85,174	92,179
 Property and Equipment, at cost		
Equipment	49,520	44,947
Community improvements	95,329	83,118
Automobile	14,414	14,414
Accumulated Depreciation	(90,451)	(75,744)
	68,812	66,735
	<u>\$ 153,986</u>	<u>\$ 158,914</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities		
Accounts/Payroll taxes payable	\$ 1,215	\$ 1,406
Prepaid dues and assessments	151	-
Association taxes payable	2	65
Total current liabilities	1,368	1,471
 Fund Balance	152,618	157,443
	<u>\$ 153,986</u>	<u>\$ 158,914</u>

See accompanying notes and accountants' compilation report

LAKELAND VILLAGE COMMUNITY CLUB
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
Years ended March 31, 2013 and 2012

	<u>March 31</u> <u>2013</u>	<u>March 31</u> <u>2012</u>
Revenues		
Assessments	\$ 141,598	\$ 139,379
Interest income	105	317
	<u>141,703</u>	<u>139,696</u>
Expenses		
<u>Utilities</u>		
Communications	2,823	2,630
Electricity	11,617	11,183
Garbage	911	870
Sewer	1,153	1,142
Water	287	376
	<u>16,791</u>	<u>16,201</u>
<u>Administration</u>		
Bad debts	1,197	2,231
Depreciation expense	2,100	1,872
Insurance	5,648	3,673
Office expense	1,620	1,490
Payroll expense	20,102	20,943
Postage and delivery	1,882	2,430
Printing	479	738
Professional fees	7,069	3,431
Rent	1,440	1,440
Special events	2,949	2,554
Travel	1,169	712
Taxes - property	-	55
Taxes - provision for income taxes	2	65
	<u>45,657</u>	<u>41,634</u>
<u>Maintenance and operations</u>		
Depreciation expense	12,606	8,989
Equipment maintenance	1,591	1,023
Employee uniforms	-	26
Fish	3,000	3,000
Insurance	11,989	11,428
Lake maintenance	8,884	8,510
Maintenance	5,654	5,481
Payroll expense	32,883	34,017
Signs	1,357	1,836
Vehicle/security expense	6,116	5,733
	<u>84,080</u>	<u>80,043</u>
Total expenses	<u>146,528</u>	<u>137,878</u>
Excess Revenues (Expenses)	(4,825)	1,818
Fund Balance - Beginning of year	157,443	155,625
Fund Balance - End of year	<u>\$ 152,618</u>	<u>\$ 157,443</u>

See accompanying notes and accountants' compilation report

LAKELAND VILLAGE COMMUNITY CLUB
STATEMENT OF CASH FLOWS
Years ended March 31, 2013 and 2012

	<u>March 31</u> <u>2013</u>	<u>March 31</u> <u>2012</u>
Cash Flows From Operating Activities		
Excess revenues (expenses)	\$ (4,825)	\$ 1,818
Adjustments to reconcile excess revenues to net cash provided by operating activities:		
Depreciation	14,706	10,861
(Increase) decrease in current assets		
Assessments receivable	(2,434)	690
Prepaid insurance	(1,344)	730
Increase (decrease) in current liabilities		
Accounts/Payroll taxes payable	(191)	920
Prepaid dues and assessments	151	(61,080)
Association taxes payable	(63)	(59)
Net Cash Provided (Used) by Operating Activities	6,000	(46,120)
Cash Flows Used by Investing Activities		
Purchase of equipment and improvements	(16,783)	(12,097)
Net Cash Used by Investing Activities	(16,783)	(12,097)
Net Increase (Decrease) in Cash	(10,783)	(58,217)
Cash - beginning of year	80,694	138,911
Cash - end of year	<u>\$ 69,911</u>	<u>\$ 80,694</u>
Supplemental Disclosures		
Cash paid during the year for income taxes	<u>\$ 65</u>	<u>\$ 124</u>

See accompanying notes and accountant's compilation report

LAKELAND VILLAGE COMMUNITY CLUB
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2013 and 2012

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

This summary of significant accounting policies of Lakeland Village Community Club (The Association) is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of the Association's management who is responsible for their integrity and objectivity. The Association uses the accrual method of accounting in accordance with generally accepted accounting principles.

Nature of Organization and Operations

Lakeland Village Community Club was incorporated February 24, 1972 as a non-profit Washington Corporation. The Association was formed for the purpose of representing the property owners and to manage the common areas of the Lakeland Village community of property owners.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all short-term securities purchased with maturity of twelve months or less to be cash equivalents.

Property and Equipment

Property and equipment is carried at cost if purchased. Donated property and equipment is carried at the fair market value on the date contributed.

Depreciation is computed for financial statement purposes using the straight-line method over the estimated useful lives of the related assets, normally 5 to 20 years.

LAKELAND VILLAGE COMMUNITY CLUB
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2013 and 2012 (continued)

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

Property and Equipment (continued)

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Income Taxes

Income taxes are paid on income from sources which are not related to the nonprofit, membership purposes of the Association. Non-membership income on which the Association is subject to federal taxes includes interest earned on accumulated cash balances.

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.

Fair Values of Financial Instruments

The carrying amounts reported in the financial statements approximate their fair values.

NOTE B – ASSESSMENTS RECEIVABLE

Association members are subject to annual assessments to provide funds for the Association's operating expenses. Assessments receivable as of the balance sheet date represent fees due from lot owners. Assessments are enforceable by placing a lien against title to the individual residence of a delinquent property owner, and, ultimately through the process of foreclosure.

LAKELAND VILLAGE COMMUNITY CLUB
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2013 and 2012 (continued)

NOTE B – ASSESSMENTS RECEIVABLE –(continued)

The Board of Directors believes that such procedures will result in collection of the assessments receivable.

Accordingly, no allowance for uncollectible accounts has been provided.

Bad debt expense for the current year includes the removal of fines previously assessed that were not in accordance with the existing fine schedule.

NOTE C – OPERATING LEASES

The association leases office space on a month to month basis. The monthly rent expense is \$120 during the years ended March 31, 2013 and 2012.

NOTE D – MAJOR EXPENSES

During the year ending March 31, 2013, the following major expenses were incurred:

Repair Path	\$ 4,456
Six new picnic tables	4,573
Rebuild swim dock	6,941
Remove dangerous trees	<u>814</u>
	\$16,784