

**Lakeland Village Community Club  
(A Washington Homeowners' Association)**

**COMPILED FINANCIAL STATEMENTS  
March 31, 2020**

**Olympic Tax & Business Consulting, LLC  
Certified Public Accountants**

## **TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <b>ACCOUNTANTS'<br/>COMPILATION REPORT</b> | <b>1</b>    |
| <br>                                       |             |
| <b>FINANCIAL STATEMENTS</b>                |             |
| Balance Sheet                              | 2           |
| Statement of Income and Fund Balance       | 3           |
| Statement of Cash Flows                    | 4           |
| Notes to Financial Statements              | 5-8         |

**OLYMPIC**  
**TAX & BUSINESS CONSULTING, LLC**

23211 NE State Route 2, Suite B, Belfair, WA 98528  
P.O. Box 2129, Belfair, WA 98528  
Phone: (360) 275-0998 Fax: (360) 275-2606  
Website: <https://www.olympictaxpros.com>

---

To the Board of Directors  
Lakeland Village Community Club  
PO Box 184  
Allyn, WA 98524

Management is responsible for the accompanying financial statements of Lakeland Village Community Club, a Washington Homeowners' Association, which comprise the balance sheet as of March 31, 2020, and the related statements of income, expense, and fund balance and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to Lakeland Village Community Club.

*Olympic Tax & Business Consulting, LLC*

Belfair, Washington  
October 23, 2020

Olympic Tax & Business Consulting, LLC  
Certified Public Accountants

**Lakeland Village Community Club**  
**A Washington Homeowners Association**  
**BALANCE SHEET**  
**March 31, 2020**

**Mar 31, 2020**

**ASSETS**

**Current Assets**

|                             |    |                |
|-----------------------------|----|----------------|
| Cash                        | \$ | 238,088        |
| Assessments Receivable      |    | 11,296         |
| Prepaid Insurance           |    | 3,383          |
| <b>Total Current Assets</b> |    | <b>252,767</b> |

**Land, Property & Equipment, at Cost**

|                           |  |               |
|---------------------------|--|---------------|
| Navy Easement Land        |  | 3,980         |
| Automobile                |  | 10,500        |
| Equipment                 |  | 48,336        |
| Community Improvements    |  | 150,584       |
| Office Equipment          |  | 1,352         |
| Accumulated Depreciation  |  | (167,125)     |
| <b>Total Fixed Assets</b> |  | <b>47,627</b> |

|                     |           |                |
|---------------------|-----------|----------------|
| <b>Total Assets</b> | <b>\$</b> | <b>300,394</b> |
|---------------------|-----------|----------------|

**LIABILITIES & FUND BALANCE**

**Current Liabilities**

|                                  |    |                |
|----------------------------------|----|----------------|
| Accounts & Payroll Taxes Payable | \$ | 5,666          |
| Prepaid Dues & Assessments       |    | 103,090        |
| Association Taxes Payable        |    | 139            |
| <b>Total Current Liabilities</b> |    | <b>108,895</b> |

|                     |  |         |
|---------------------|--|---------|
| <b>Fund Balance</b> |  | 191,499 |
|---------------------|--|---------|

|   |           |                |
|---|-----------|----------------|
| <b>Total Liabilities and Fund Balance</b> | <b>\$</b> | <b>300,394</b> |
|---|-----------|----------------|

**Lakeland Village Community Club**  
**A Washington Homeowners Association**  
**STATEMENT OF INCOME, EXPENSES, AND FUND BALANCE**  
**For the year ended March 31, 2019**

|   | <b>Mar 31, 2019</b>      |
|---|--------------------------|
| <b>Revenues</b>                         |                          |
| Assessments                             | \$ 182,053               |
| Interest Income                         | 563                      |
|   | <u>182,616</u>           |
| <b>Expenses</b>                         |                          |
| Utilities                               |                          |
| Communications                          | 1,476                    |
| Electricity                             | 12,444                   |
| Garbage                                 | 931                      |
| Sewer                                   | 1,338                    |
| Water                                   | 282                      |
|   | <u>16,471</u>            |
| <b>Administration</b>                   |                          |
| Bank Charges                            | 12                       |
| Depreciation Expense                    | 385                      |
| Insurance                               | 7,683                    |
| Office Expense                          | 2,727                    |
| Payroll Expense                         | 34,073                   |
| Postage and Delivery                    | 2,532                    |
| Printing                                | 1,369                    |
| Professional Fees                       | 18,244                   |
| Contract Services                       | 4,337                    |
| Rent                                    | 1,440                    |
| Special Events                          | 4,791                    |
| Taxes - Federal                         | 139                      |
| Travel                                  | 1,253                    |
|   | <u>78,985</u>            |
| <b>Maintenance &amp; Operations</b>     |                          |
| Depreciation Expense                    | 9,246                    |
| Equipment Maintenance                   | 4,275                    |
| Insurance                               | 11,525                   |
| Lake Maintenance                        | 10,900                   |
| Maintenance                             | 16,035                   |
| Payroll Expense                         | 36,253                   |
| Vehicle & Security Expense              | 3,635                    |
| Lein Expense                            | 1,634                    |
| Bad debt Expense                        | 398                      |
|   | <u>93,901</u>            |
| Total Expenses                          | 189,357                  |
| <b>Excess Revenues (Expenses)</b>       | <b>(6,741)</b>           |
| <b>Fund Balance - Beginning of Year</b> | <b>198,240</b>           |
| <b>Fund Balance - End of Year</b>       | <b>\$ <u>191,499</u></b> |

**LAKELAND VILLAGE COMMUNITY CLUB**  
**A Washington Homeowners Association**  
**STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2020**

|   | <b>March 31, 2020</b> |
|---|-----------------------|
| <b>Cash Flows From Operating Activities</b>   |                       |
| Excess revenues (expenses)  | \$ (6,741)            |
| <b>Adjustments to reconcile excess revenues to net cash provided by operating activities:</b> |                       |
| Depreciation  | 9,631                 |
| <b>(Increase) decrease in current assets</b>  |                       |
| Assessments receivable  | 1,369                 |
| Prepaid insurance   | 1,472                 |
| <b>Increase (decrease) in current liabilities</b>   |                       |
| Accounts/Payroll taxes payable  | 1,519                 |
| Prepaid dues and assessments  | 30,851                |
| Association taxes payable   | 139                   |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                       | <b>38,240</b>         |
| <b>Cash Flows Used by Investing Activities</b>  |                       |
| Purchase of equipment and improvements  | 302                   |
| <b>Net Cash Used by Investing Activities</b>  | <b>302</b>            |
| <b>Net Increase (Decrease) in Cash</b>  | <b>37,938</b>         |
| Cash - beginning of year  | 200,150               |
| <b>Cash - end of year</b>   | <b>\$ 238,088</b>     |
| <b>Supplemental Disclosures</b>   |                       |
| Cash paid during the year for income taxes  | \$ -                  |

**LAKELAND VILLAGE COMMUNITY CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2020**

**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 maturities of twelve months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost if purchased. Donated property and equipment are 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  
For the Years Ended March 31, 2020 (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. For the year ended March 31, 2020 depreciation expense is \$9,631 and accumulated depreciation is \$167,125.

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.



**LAKELAND VILLAGE COMMUNITY CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended March 31, 2020 (continued)**

**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.

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 deemed to be uncollectible.

**NOTE C – OPERATING LEASES**

The association leases office space on a month to month basis. The monthly rent expense is \$120 during the year ended March 31, 2020.

**NOTE D – MAJOR EXPENSES**

During the year ending March 31, 2020, expenses were incurred for improvements on the property and administrative equipment in the amount of \$302 and was capitalized.

**LAKELAND VILLAGE COMMUNITY CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended March 31, 2020 (continued)**

**NOTE E – RELATED PARTY TRANSACTIONS**

The Association had no related party transactions for the year ended March 31, 2020.

**NOTE F – SUBSEQUENT EVENTS**

The Association has reviewed subsequent events as of the date of these financial statements. The Association has no subsequent events as of October 23, 2020.

**NOTE G – RESERVE REPORT**

The Association has not performed a reserve study. Therefore, no reserve study is included with these financial statements.