

**INDIAN LAKE PROPERTY  
OWNERS ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2021, 2020, AND 2019**

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Indian Lake Property Owners Association, Inc.

### Qualified Opinion

We have audited the accompanying financial statements of Indian Lake Property Owners Association, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of December 31, 2021, 2020, and 2019, and the related statements of support, revenue, and expenses-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Indian Lake Property Owners Association, Inc. as of December 31, 2021, 2020, and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

### Basis for Qualified Opinion

We did not obtain sufficient appropriate audit evidence about the Organization's basis in some of its major property and equipment purchased or acquired prior to 2014 because the original cost basis, current and accumulated depreciation, and effects on net assets could not be determined for the years ended December 31, 2021, 2020, and 2019. We were unable to obtain sufficient appropriate audit evidence about property and equipment by other auditing procedures.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Indian Lake Property Owners Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Indian Lake Property Owners Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Indian Lake Property Owners Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indian Lake Property Owners Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Fick, Eggemeyer, & Williamson*

Fick, Eggemeyer, & Williamson CPAs  
Saint Louis, Missouri  
October 27, 2022

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2021, 2020, AND 2019

	ASSETS		
	2021	2020	2019
CURRENT ASSETS			
Cash and cash equivalents	\$ 351,244	\$ 653,020	\$ 284,959
Certificates of deposit	53,465	-	187,590
Total current assets	404,709	653,020	472,549
NONCURRENT ASSETS			
Certificates of deposit	-	51,183	51,183
Property and equipment, net of accumulated depreciation	190,608	215,542	248,000
Total noncurrent assets	190,608	266,725	299,183
Total assets	<u>\$ 595,317</u>	<u>\$ 919,745</u>	<u>\$ 771,732</u>
	LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES			
Payroll taxes and employee insurance	\$ 1,019	\$ 2,295	\$ 8,806
Total current liabilities	1,019	2,295	8,806
CURRENT LIABILITIES			
None	-	-	-
Total current liabilities	-	-	-
Total liabilities	1,019	2,295	8,806
NET ASSETS			
Without donor restriction	594,298	917,450	762,926
With donor restriction	-	-	-
Total net assets	594,298	917,450	762,926
Total liabilities and net assets	<u>\$ 595,317</u>	<u>\$ 919,745</u>	<u>\$ 771,732</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF SUPPORT, REVENUES, AND EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor restriction	With Donor restriction	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 9,580	\$ -	\$ 9,580
Dues and assessments	373,679	-	373,679
Building permits and other fees	86,334	-	86,334
Rent - Hall, Boat dock, and Marina	22,875	-	22,875
Other	15,912	-	15,912
	<hr/>	<hr/>	<hr/>
Total support and revenue	508,380	-	508,380
Net assets released from restrictions			
Satisfaction of restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total	508,380	-	508,380
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Program	682,230	-	682,230
	<hr/>	<hr/>	<hr/>
Total program expenses	682,230	-	682,230
	<hr/>	<hr/>	<hr/>
Support expenses			
General and administrative	149,882	-	149,882
Fundraising	5,663	-	5,663
	<hr/>	<hr/>	<hr/>
Total support expenses	155,545	-	155,545
	<hr/>	<hr/>	<hr/>
Total expenses	837,775	-	837,775
	<hr/>	<hr/>	<hr/>
Changes in net assets from operations	(329,395)	-	(329,395)
	<hr/>	<hr/>	<hr/>
<b>INVESTMENT ACTIVITIES</b>			
Interest income	6,243	-	6,243
	<hr/>	<hr/>	<hr/>
Total investment activities	6,243	-	6,243
	<hr/>	<hr/>	<hr/>
Changes in net assets	(323,152)	-	(323,152)
	<hr/>	<hr/>	<hr/>
Net assets - beginning of year	917,450	-	917,450
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 594,298	\$ -	\$ 594,298
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF SUPPORT, REVENUES, AND EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor restriction	With Donor restriction	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,303	\$ -	\$ 1,303
Dues and assessments	611,493	-	611,493
Building permits and other fees	78,977	-	78,977
Rent - Hall, Boat dock, and Marina	19,770	-	19,770
Insurance proceeds	21,781	-	21,781
Other	14,109	-	14,109
	<hr/>	<hr/>	<hr/>
Total support and revenue	747,433	-	747,433
Net assets released from restrictions			
Satisfaction of restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total	747,433	-	747,433
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program	431,215	-	431,215
	<hr/>	<hr/>	<hr/>
Total program expenses	431,215	-	431,215
	<hr/>	<hr/>	<hr/>
Support expenses			
General and administrative	161,584	-	161,584
Fundraising	5,953	-	5,953
	<hr/>	<hr/>	<hr/>
Total support expenses	167,537	-	167,537
	<hr/>	<hr/>	<hr/>
Total expenses	598,752	-	598,752
	<hr/>	<hr/>	<hr/>
Changes in net assets from operations	148,681	-	148,681
INVESTMENT ACTIVITIES			
Interest income	5,843	-	5,843
	<hr/>	<hr/>	<hr/>
Total investment activities	5,843	-	5,843
	<hr/>	<hr/>	<hr/>
Changes in net assets	154,524	-	154,524
Net assets - beginning of year	762,926	-	762,926
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 917,450	\$ -	\$ 917,450
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF SUPPORT, REVENUES, AND EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor restriction	With Donor restriction	Total
SUPPORT AND REVENUE			
Contributions	\$ 2,610	\$ -	\$ 2,610
Dues and assessments	468,123	-	468,123
Building permits and other fees	63,394	-	63,394
Rent - Hall, Boat dock, and Marina	16,090	-	16,090
Advertising	2,808	-	2,808
Other	10,349	-	10,349
	<hr/>	<hr/>	<hr/>
Total support and revenue	563,374	-	563,374
Net assets released from restrictions			
Satisfaction of restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total	563,374	-	563,374
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program	590,872	-	590,872
	<hr/>	<hr/>	<hr/>
Total program expenses	590,872	-	590,872
	<hr/>	<hr/>	<hr/>
Support expenses			
General and administrative	128,002	-	128,002
Fundraising	5,564	-	5,564
	<hr/>	<hr/>	<hr/>
Total support expenses	133,566	-	133,566
	<hr/>	<hr/>	<hr/>
Total expenses	724,438	-	724,438
	<hr/>	<hr/>	<hr/>
Changes in net assets from operations	(161,064)	-	(161,064)
INVESTMENT ACTIVITIES			
Interest income	6,468	-	6,468
	<hr/>	<hr/>	<hr/>
Total investment activities	6,468	-	6,468
	<hr/>	<hr/>	<hr/>
Changes in net assets	(154,596)	-	(154,596)
Net assets - beginning of year	917,522	-	917,522
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 762,926	\$ -	\$ 762,926
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent auditors' report



INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program	General and Administrative	Fundraising	Total
Auto	\$ 14,847	\$ 4,294	\$ -	\$ 19,141
Building permit deposit returns	20,800	-	-	20,800
Contractors	12,067	2,646	-	14,713
Depreciation	297,083	-	-	297,083
Dues and subscriptions	989	1,988	-	2,977
Equipment rental	4,227	237	-	4,464
Insurance	27	57,883	-	57,910
Lake restoration	135,087	-	-	135,087
Legal fees	-	10,858	-	10,858
Other	5,933	777	-	6,710
Office	156	979	-	1,135
Payroll taxes	8,838	2,458	-	11,296
Postage and delivery	-	1,318	1,318	2,636
Property and other taxes	282	8,680	-	8,962
Repairs and maintenance	8,870	850	-	9,720
Salaries	108,675	31,797	4,345	144,817
Special projects	-	1,803	-	1,803
Supplies and materials	55,971	9,295	-	65,266
Telephone	1,300	3,425	-	4,725
Uniforms	2,696	-	-	2,696
Utilities	4,382	10,594	-	14,976
Total	<u>\$ 682,230</u>	<u>\$ 149,882</u>	<u>\$ 5,663</u>	<u>\$ 837,775</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program	General and Administrative	Fundraising	Total
Auto	\$ 9,683	\$ 1,657	\$ -	\$ 11,340
Building permit deposit returns	14,370	-	-	14,370
Contractors	-	20,420	-	20,420
Depreciation	180,449	-	-	180,449
Dues and subscriptions	929	1,065	-	1,994
Equipment rental	1,366	767	-	2,133
Insurance	-	45,358	-	45,358
Legal fees	-	28,967	-	28,967
Other	4,468	745	-	5,213
Office	562	980	-	1,542
Payroll taxes	11,509	2,287	-	13,796
Postage and delivery	-	903	904	1,807
Property and other taxes	-	9,149	-	9,149
Repairs and maintenance	13,795	445	-	14,240
Salaries	134,927	28,329	5,049	168,305
Supplies and materials	48,340	5,967	-	54,307
Telephone	2,189	3,998	-	6,187
Uniforms	4,683	-	-	4,683
Utilities	3,945	10,547	-	14,492
Total	<u>\$ 431,215</u>	<u>\$ 161,584</u>	<u>\$ 5,953</u>	<u>\$ 598,752</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program	General and Administrative	Fundraising	Total
Auto	\$ 7,061	\$ 3,779	\$ -	\$ 10,840
Building permit deposit returns	11,200	-	-	11,200
Contractors	1,580	2,022	-	3,602
Depreciation	351,733	-	-	351,733
Dues and subscriptions	870	811	-	1,681
Equipment rental	1,654	-	-	1,654
Insurance	-	36,318	-	36,318
Legal fees	568	19,006	-	19,574
Other	19,363	842	-	20,205
Office	-	1,863	-	1,863
Payroll taxes	10,076	2,266	-	12,342
Postage and delivery	-	989	989	1,978
Property and other taxes	-	8,880	-	8,880
Repairs and maintenance	10,286	851	-	11,137
Salaries	120,369	27,545	4,575	152,489
Supplies and materials	44,871	7,596	-	52,467
Telephone	2,514	4,055	-	6,569
Uniforms	3,950	-	-	3,950
Utilities	4,777	11,179	-	15,956
Total	<u>\$ 590,872</u>	<u>\$ 128,002</u>	<u>\$ 5,564</u>	<u>\$ 724,438</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in net assets	\$ (323,152)	\$ 154,524	\$ (154,596)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:			
Depreciation	297,083	180,449	351,733
Changes in assets and liabilities:			
Increase (decrease) in payroll taxes and employee insurance	(1,276)	(6,511)	5,365
Net cash provided by (used in) operating activities	(27,345)	328,462	202,502
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of certificates of deposits	-	187,590	51,880
Reinvestment of interest on certificate of deposit	(2,282)	-	-
Purchases of property and equipment	(272,149)	(147,991)	(312,273)
Net cash provided by (used in) investing activities	(274,431)	39,599	(260,393)
CASH FLOWS FROM FINANCING ACTIVITIES			
None	-	-	-
Net cash provided by (used in) financing activities	-	-	-
Net increase (decrease) in cash	(301,776)	368,061	(57,891)
Cash and cash equivalents - beginning of year	653,020	284,959	342,850
Cash and cash equivalents - end of year	<u>\$ 351,244</u>	<u>\$ 653,020</u>	<u>\$ 284,959</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Indian Lake Property Owners Association, Inc. (the “Organization”) is a Missouri nonprofit corporation. The Organization was incorporated on August 13, 1962, and its mission is to provide maintenance of roads, lake, dam, and other facilities and security for the benefit of the community residents. The Organization is supported by annual membership dues and assessments charged to the property owners.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly causing a reclassification of beginning net assets without donor restrictions to net assets restricted by donors.

Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include certificates of deposit, property and equipment, payroll taxes, and employee insurance. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with the modified cash basis of accounting. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Academy or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of support, revenue, and expenses-modified cash basis.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit held at banks with original maturities in excess of three months are reported at cost, which approximates fair market value, and are not considered cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. The Organization generally capitalizes assets with a cost of \$1,000 or more. Depreciation of property and equipment is computed using the Modified Cost Recovery System (MACRS) including the election to expense under Internal Revenue Code Section 179 resulting in material differences from computed depreciation on estimated useful lives. Currently, assets are depreciated over the useful lives of five to thirty-nine years. Expenditures for repairs and maintenance are recorded to operating expenses as incurred.

Due to the inability to obtain sufficient appropriate audit evidence, the cost basis for some of the Organization's major property and equipment acquired prior to 2014 were not able to be determined for the years ended December 31, 2021, 2020, and 2019. Insurance replacement values and values determined by the local county assessor's office were used to determine the value of property and equipment acquired prior to 2014. The estimated 300 acres where the Organization's lake is located is not included in the assessor's estimated value of land. Depreciation expense for the year ended December 31, 2021, 2020, and 2019 was estimated to be \$297,083, \$180,449, and \$351,733, respectively. As with the inherent limitation of estimates, actual results of value could vary.

Please refer to the Basis for Qualified Opinion section of the Independent Auditors' Report for further information.

Contributed Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist special projects. No amounts have been recognized in the statements of support, revenue, and expenses-modified cash basis because the criteria for recognition have not been satisfied.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the restriction, is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of support, revenue, and expenses-modified cash basis as net assets released from restrictions.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations

The statements of support, revenue, and expenses-modified cash basis reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(4) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2021, 2020, and 2019, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed for 2018 and prior are closed.

**Note 2 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support, revenue, and expenses-modified cash basis. Accordingly, certain costs have been allocated between fundraising, general and administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

**Note 3 - CONCENTRATION OF CREDIT RISK**

The Organization maintains various deposit accounts and certificates of deposit at the Bank of Sullivan, First Community National Bank, and PNC Bank. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. As of December 31, 2021, 2020, and 2019, the carrying balance of cash deposits and certificates of deposits totaled \$402,321, \$703,200, and \$515,239, respectively. Bank balances totaled \$404,317, \$832,764, and \$530,301, respectively. Of the bank balances, \$0, \$262,188, and \$0, respectively, were uninsured.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

**Note 4 - PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2021, 2020, and 2019 as follows:

	2021	2020	2019
Road improvements	\$ 1,168,643	\$ 1,168,643	\$ 1,168,643
Building and improvements	121,680	121,680	121,680
Other improvements	605,560	353,165	194,296
Spillway	306,206	306,206	306,206
Equipment	290,117	426,174	431,646
Sewer system	15,000	15,000	15,000
Total depreciable property and equipment	2,507,206	2,390,868	2,237,471
Accumulated depreciation	(2,331,171)	(2,189,899)	(2,009,450)
Depreciable property and equipment, net	176,035	200,969	228,021
Lots	14,573	14,573	19,979
Total property and equipment	<u>\$ 190,608</u>	<u>\$ 215,542</u>	<u>\$ 248,000</u>

**Note 5 - LEASES AS LESSOR**

- I. In September 1996, the Organization entered into a 30-year lease agreement with The Lakeshore Marina, LLC (the “lessor”) for the use of part of its property to be used as a marina. No annual lease payments are required during the first 5 years. Required annual lease payments of \$500 are due years 6 through 10, \$550 year 11, and an additional \$50 per year thereafter, provided however, the annual payment does not exceed \$1,000. The lease agreement expires on September 2026 and provides the lessor with an irrevocable option to renew the lease for an additional 30 year period, for the same annual fee of \$1,000.
- II. The Organization has lease agreements with several property owners for the use of boat slips at the dock. Annual agreements commence in January and end in December of each year. Required annual lease payments are \$400, per boat slip. The Organization has an estimated total of 52 boat slips available for lease.

Future minimum lease payments receivable are as follows:

For the years ending December 31,

2022	\$ 1,000
2023	1,000
2024	1,000
2025	1,000
2026	1,000
Total	<u>\$ 5,000</u>

Rent received under these lease agreements for each of the years ended December 31, 2021, 2020, and 2019 was \$22,875, \$19,770, and \$16,090.



INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
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**Note 6 - CONTINGENCIES**

The Organization is routinely a party to numerous legal proceedings, including private and civil litigations, arising from the ordinary conduct of its regular business activities. Matters mainly involve collecting past membership dues and damages from the destruction of property. These legal proceedings are at varying stages of adjudication, arbitration, or investigation, and may consist of a variety of claims. Ultimately, the resolution of any proceedings, if any, are uncertain and inherently difficult to predict, and would not have a material effect on the financial position of the Organization as of December 31, 2021, 2020, and 2019.

In 2018, the Indian Hills Civic Association (the “Association”) asserted claims against the Organization for the refund of unlawful charges for boat stickers and bridge assessments. In April 2020, trial in this matter was concluded and the Organization prevailed in the claims against it. The Association made several attempts to appeal the court’s decision. Subsequent to the year ended December 31, 2021, the final appeal to the Missouri Supreme Court was denied, signaling the end of the lawsuit.

**Note 7 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets at December 31, 2021, 2020, and 2019:

Financial assets at year-end:	2021	2020	2019
Cash and cash equivalents	\$ 351,244	\$ 653,020	\$ 284,959
Certificates of deposit	53,465	-	187,590
Total financial assets at year-end	<u>404,709</u>	<u>653,020</u>	<u>472,549</u>
Less amounts not available for general expenditures within one year:			
Net assets with period restrictions in excess of one year	-	-	-
Net assets with purpose restrictions	-	-	-
Total amounts not available to meet general expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 404,709</u>	<u>\$ 653,020</u>	<u>\$ 472,549</u>

**Note 8 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 27, 2022, the date which the financial statements were available for issue, and noted the following reportable events.

In February 2022, the lawsuit involving claims against the Organization for unlawful charges for boat stickers and bridge assessments, as described in Note 6, concluded after the Missouri Supreme Court denied the Association’s final appeal.

On July 1, 2022, the Organization amended the lease agreement, described in Note 5, with The Lakeshore Marina, LLC. Certain details of the agreement were modified however, no changes were made to the agreement’s annual fee or the original termination date of September 27, 2026.