

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

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2022**

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.

### 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, 2022, 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, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Indian Lake Property Owners Association, Inc. as of December 31, 2022, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### Basis for Opinion

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 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.

## **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.

## **Other Matters**

### *Other Information*

Management is responsible for the other information included in the annual report. The other information does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Fick, Eggemeyer & Williamson*

Fick, Eggemeyer & Williamson, CPAs

Saint Louis, Missouri

August 21, 2023

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 130,408
Certificates of deposit	<u>272,247</u>

Total current assets	<u>402,655</u>
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NONCURRENT ASSETS

None	<u>-</u>
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Total noncurrent assets	<u>-</u>
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Total assets	<u><u>\$ 402,655</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes and employee insurance	<u>\$ 2,143</u>
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Total current liabilities	<u>2,143</u>
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CURRENT LIABILITIES

None	<u>-</u>
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Total current liabilities	<u>-</u>
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Total liabilities	<u>2,143</u>
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NET ASSETS

Without donor restriction	400,512
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With donor restriction	<u>-</u>
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Total net assets	<u>400,512</u>
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Total liabilities and net assets	<u><u>\$ 402,655</u></u>
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See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor restriction	With Donor restriction	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 4,655	\$ -	\$ 4,655
Dues and assessments	357,407	-	357,407
Building permits and other fees	81,902	-	81,902
Rent - Hall, Boat dock, and Marina	22,400	-	22,400
Other	40,625	-	40,625
	<hr/>	<hr/>	<hr/>
Total support and revenue	506,989	-	506,989
Net assets released from restrictions			
Satisfaction of restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total	506,989	-	506,989
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Program	349,023	-	349,023
	<hr/>	<hr/>	<hr/>
Total program expenses	349,023	-	349,023
	<hr/>	<hr/>	<hr/>
Support expenses			
General and administrative	158,052	-	158,052
Fundraising	5,907	-	5,907
	<hr/>	<hr/>	<hr/>
Total support expenses	163,959	-	163,959
	<hr/>	<hr/>	<hr/>
Total expenses	512,982	-	512,982
	<hr/>	<hr/>	<hr/>
Changes in net assets from operations	(5,993)	-	(5,993)
	<hr/>	<hr/>	<hr/>
<b>INVESTMENT ACTIVITIES</b>			
Interest income	2,815	-	2,815
	<hr/>	<hr/>	<hr/>
Total investment activities	2,815	-	2,815
	<hr/>	<hr/>	<hr/>
Changes in net assets	(3,178)	-	(3,178)
	<hr/>	<hr/>	<hr/>
Net assets - beginning of year (restated)	403,690	-	403,690
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 400,512	\$ -	\$ 400,512
	<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, 2022

	Program	General and Administrative	Fundraising	Total
Auto	\$ 26,226	\$ 6,557	\$ -	\$ 32,783
Building permit deposit returns	3,990	-	-	3,990
Contractors	71,014	17,754	-	88,768
Capital outlay	28,101	-	-	28,101
Dues and subscriptions	1,142	2,121	-	3,263
Equipment rental	3,838	202	-	4,040
Insurance	-	50,126	-	50,126
Lake restoration	14,273	-	-	14,273
Legal fees	-	11,401	-	11,401
Other	3,704	412	-	4,116
Office	126	716	-	842
Payroll taxes	9,440	2,360	-	11,800
Postage and delivery	-	1,238	1,238	2,476
Property and other taxes	507	9,627	-	10,134
Repairs and maintenance	6,313	702	-	7,015
Salaries	119,813	31,121	4,669	155,603
Supplies and materials	51,943	9,166	-	61,109
Telephone	1,703	3,975	-	5,678
Uniforms	2,358	-	-	2,358
Utilities	4,532	10,574	-	15,106
Total	<u>\$ 349,023</u>	<u>\$ 158,052</u>	<u>\$ 5,907</u>	<u>\$ 512,982</u>

See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ (3,178)
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Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:

None	-
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Changes in assets and liabilities:

Increase (decrease) in payroll taxes and employee insurance	1,124
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Net cash provided by (used in) operating activities	<u>(2,054)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of certificates of deposit	<u>(218,782)</u>
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Net cash provided by (used in) investing activities	<u>(218,782)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

None	<u>-</u>
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Net cash provided by (used in) financing activities	<u>-</u>
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Net increase (decrease) in cash and cash equivalents	(220,836)
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Cash and cash equivalents - beginning of year	<u>351,244</u>
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Cash and cash equivalents - end of year	<u><u>\$ 130,408</u></u>
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See accompanying notes and independent auditors' report

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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, the lake, the 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.

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, 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 Organization 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. Currently, the Organization does not have any donor restricted net assets.

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.

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.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Contributed Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist with 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.

Revenue from Contracts with Customers

The Organization recognizes revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. No contracts with customers were in place during the current year.

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, 2022, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed for 2019 and prior are closed.

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.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**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 deposit accounts and certificates of deposit at various banking institutions. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. As of December 31, 2022, the Organization did not have any uninsured deposits.

**Note 4 - 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,

2023	\$ 1,000
2024	1,000
2025	1,000
2026	1,000
Total	<u>\$ 4,000</u>

Rent received under these lease agreements for the year ended December 31, 2022, was \$22,400.

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Note 5 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year-end:	
Cash and cash equivalents	\$ 130,408
Certificates of deposit	<u>272,247</u>
Total financial assets at year-end	<u>402,655</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	<u>-</u>
Total amounts not available to meet general expenditures	<u>-</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 402,655</u></u>

**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, 2022.

**Note 7 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 21, 2023, the date which the financial statements were available for issue, and noted the following reportable events.

## Other Information

INDIAN LAKE PROPERTY OWNERS ASSOCIATION, INC.  
OTHER INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Note 1 - PROPERTY AND EQUIPMENT**

Under the modified cash basis of accounting used by the Organization, property and equipment are not recorded as assets. At the time of purchase, assets are recorded as expenses in the statement of functional expenses-modified cash basis. Depreciation accounting is not considered applicable; however, management's estimate of accumulated depreciation has been provided in the summary of property and equipment.

**Note 2 - SUMMARY OF PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2022, as follows:

Road improvements	\$ 1,178,443
Building and improvements	121,728
Other improvements	605,651
Spillway	306,206
Equipment	330,098
Sewer system	15,000
Total depreciable property and equipment	<u>2,557,126</u>
Accumulated depreciation	<u>(2,424,577)</u>
Depreciable property and equipment, net	132,549
Lots	<u>14,573</u>
Total property and equipment	<u><u>\$ 147,122</u></u>