

LAKE TAHOE PARK ASSOCIATION

COMPILED BASIS FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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SITKOFF / O'NEIL

ACCOUNTANCY CORPORATION

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Lake Tahoe Park Association
Tahoe City, California

Management is responsible for the accompanying financial statements of Lake Tahoe Park Association (a members' association), which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of revenue, expenses and changes in fund balances for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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 elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Sitkoff/O'Neil Accountancy Corporation
February 8, 2019

**LAKE TAHOE PARK ASSOCIATION
MANAGER'S COMMENTARY TO THE 2018 AND 2017 FINANCIAL STATEMENTS**

Balance Sheets:

Cash in banks increased by ~\$76,000 between 2017 year-end and 2018 year-end due to revenue over operating expenses and disbursements for capital improvements, as outlined below. \$258,000 of Association funds were held in higher interest-bearing accounts at year-end.

Piers/Bulkheads/Improvements increased by \$40,000 due to completion of the piers and the catwalks.

Deferred Wedding fees and deposits decreased by \$4,000 due to large party/wedding events held in 2018, but paid in 2017.

Total Fund Balances increased in 2018 by \$106,000, from revenue over operating expenses plus an adjustment for depreciation expense.

Statements of Revenues and Expenses:

1. **Membership Assessments** in 2018 increased by \$37,000 due to collection of several delinquent assessments.
2. **2016 Special Assessment** receipts continue to be collected when delinquent accounts are paid.
3. **Kayak/Paddleboard Rentals and Keycard** receipts increased by \$5,000 and \$1,400, respectively, due to increased fees.
4. **First Year Membership Assessment** receipts in 2018 were higher by \$42,000 due to an active real estate market.
5. **Late Charges and Miscellaneous Income** increased over 2017 due to the collection of delinquent assessments.
6. **Legal and Professional fees** decreased in 2018 by \$5,500, due to less time required on member dispute resolution and review of agreements, applications and policies.
7. **Meeting expense** was lower by \$2,700 in 2018 since the number of candidates to fill open board positions did not require an additional mailing of ballots.
8. **Salaries and Wages and Payroll Taxes** decreased in 2018 by \$23,000 and \$3,400, respectively, due to the General Manager and the Park Manager roles being consolidated into the Association Manager role.
9. **Regular Operating Expenses** are fairly consistent from year-to-year, since the Park is continually well maintained.

LAKE TAHOE PARK ASSOCIATION
BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
CASH IN BANK, OPERATING	\$ 17,111	\$ 22,400
CASH IN BANK, SAVINGS	106,181	25,068
CASH IN BANK, CREDIT UNION	152,759	151,930
PREPAID TAXES	1,657	1,657
PROPERTY AND EQUIPMENT	114,195	111,495
PLAYGROUND	19,620	19,620
RESTROOMS	137,993	131,057
PIERS/BULKHEADS/IMPROVEMENTS	354,839	314,977
FENCE	72,385	79,426
ACCUMULATED DEPRECIATION	(201,861)	(185,182)
TOTAL ASSETS	\$ 774,879	\$ 672,448

LIABILITIES AND FUND BALANCES

LIABILITIES

DEFERRED ASSESSMENTS	\$ 127	\$ 429
DEFERRED WEDDING FEES	-	3,000
WEDDING/BUOY DEPOSITS	-	1,300
TOTAL LIABILITIES	127	4,729

FUND BALANCES

TOTAL FUND BALANCES	774,752	667,719
TOTAL LIABILITIES AND FUND BALANCES	\$ 774,879	\$ 672,448

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

LAKE TAHOE PARK ASSOCIATION
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<u>REVENUE</u>		
MEMBERSHIP ASSESSMENTS	\$ 243,686	\$ 206,674
SPECIAL ASSESSMENT	2,600	8,600
BUOY RENTAL	64,076	61,170
FIRST YEAR MEMBERSHIP ASSESSMENT	92,500	51,000
KAYAK A-FRAME RENTAL	17,140	11,933
KEYCARD SALES	7,425	6,050
WEDDING/PARTY FEE	4,000	3,000
RENTAL INCOME	1,840	1,840
LATE CHARGES	6,596	2,511
INTEREST/MISC. INCOME	944	3,780
TOTAL REVENUE	440,807	356,558
<u>EXPENSES</u>		
ACCOUNTING	22,000	22,150
BANKCARD FEES	1,080	743
BUOY REPAIR AND MAINTENANCE	12,472	11,198
CONSULTING	-	1,813
CORPORATION TAXES	30	80
DUES	1,100	1,200
EQUIPMENT LEASE	1,000	4,000
GASOLINE REIMBURSEMENT	243	302
INSURANCE	35,345	29,085
LANDSCAPING	2,851	2,186
LEGAL AND PROFESSIONAL	19,444	25,111
MEETING EXPENSE	5,393	8,083
OFFICE EXPENSE	354	863
OPERATING SUPPLIES	7,512	7,101
PAYROLL PROCESSING	5,989	6,348
PAYROLL TAXES	15,664	19,065
PENSION PLAN EXPENSE	3,053	2,617
PRINTING AND POSTAGE	1,038	2,055
PROPERTY TAXES	1,021	1,850
REPAIRS AND MAINTENANCE	5,931	4,883
SALARIES AND WAGES	147,159	170,093
STATE LANDS LEASE	2,104	2,104
TELEPHONE/INTERNET	3,925	3,149
TRASH REMOVAL	4,429	3,906
UNIFORMS	1,227	1,104
UTILITIES	8,687	9,034
WEB PAGE	1,004	1,042
TOTAL EXPENSES	310,055	341,165
SUBTOTAL REVENUE OVER EXPENSES	\$ 130,752	\$ 15,393
<u>NON-CASH CHANGES</u>		
DEPRECIATION EXPENSE	23,719	22,292
ADJUSTMENT FOR RETIRED PIER ASSETS	-	55,908
REVENUE OVER (UNDER) EXPENSES	\$ 107,033	\$ (62,807)

LAKE TAHOE PARK ASSOCIATION
 STATEMENTS OF FUND BALANCES
 AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
BALANCE - BEGINNING OF YEAR	\$ 667,719	\$ 730,526
REVENUE OVER (UNDER) EXPENSES	107,033	(62,807)
BALANCE - END OF YEAR	\$ 774,752	\$ 667,719
FUND BALANCES CONSIST OF THE FOLLOWING:		
NON-RESTRICTED CASH	\$ 276,051	\$ 199,398
	276,051	199,398
PROPERTY, EQUIPMENT AND OTHER ASSETS NET OF LIABILITIES	498,701	468,321
	\$ 774,752	\$ 667,719

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT