

**Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association**

**FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION**

**YEAR ENDED DECEMBER 31, 2016**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

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### *Independent Auditor's Report*

Board of Directors  
Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Remington Oaks Recreational Association d/b/a Oaks Landing Recreational Association, which comprise the statements of financial position as of December 31, 2016, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Remington Oaks Recreational Association d/b/a Oaks Landing Recreational Association as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Hauk Kruse and Associates, LLC*  
Certified Public Accountants  
Saint Louis, Missouri

July 24, 2017

**Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association  
Statement of Financial Position  
December 31, 2016**

**Assets**

Current Assets		
Cash and Cash Equivalents	\$ 140,058	
Accounts Receivable	8,112	
Prepaid Expenses	3,406	
Total Current Assets	<u>151,576</u>	
Non Current Assets		
Furniture & Equipment	74,392	
Capital Improvements	235,608	
Accumulated Depreciation	<u>(201,822)</u>	
Total Non Current Assets	<u>108,178</u>	
<b>Total Assets</b>	<b><u>\$ 259,754</u></b>	

**Liabilities**

Current Liabilities		
Accounts Payable	\$ 1,968	
Total Current Liabilities	<u>1,968</u>	
 Total Liabilities	 <u>1,968</u>	
 <b>Net Assets</b>	   <b>257,786</b>	
Unrestricted	257,786	
 <b>Total Liabilities and Net Assets</b>	   <b><u>\$ 259,754</u></b>	

The accompanying notes are an integral part of the financial statements

**Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association**  
Statement of Activities  
Year Ended December 31, 2016

	<u>Unrestricted</u>
<b>Revenue</b>	
Assessments	\$ 188,455
Free Use of Facility	195,460
Clubhouse Rentals	14,880
Other Income	7,303
Gain/ Loss Disposal of Assets	<u>250</u>
	<u>406,348</u>
<b>Expenses</b>	
Advertising	105
Depreciation	8,133
Insurance	8,126
Lease	2,573
Licences & Permits	1,347
Miscellaneous Expenses	2,234
Wages & Payroll Taxes	60,510
Printing, Postage and Shipping	625
Professional Fees	3,803
Repair and Maintenance	68,407
Rent	195,460
Supplies	5,071
Taxes	662
Utilities	<u>18,610</u>
	<u>375,666</u>
<b>Change in Net Assets</b>	<u><u>30,682</u></u>
<b>Beginning Net Assets</b>	227,104
<b>Ending Net Assets</b>	<u><u>\$ 257,786</u></u>

The accompanying notes are an integral part of the financial statements

**Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association**  
Statement of Cash Flows  
Year Ending December 31, 2016

Change in Net Assets	\$ 30,682
Adjustment to reconcile change in net assets to cash provided by (used in) operating activities:	
Depreciation	8,133
Decrease (Increase) in Operating Assets	
Receivables	(646)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	1,968
Net Cash Provided by Operating Activities	<u>40,137</u>
Change in Net Assets from Investing Activities	
Net Fixed Asset Transactions	<u>(24,807)</u>
Net Cash Used by Investing Activities	<u>(24,807)</u>
Change in Net Assets from Financing Activities	
Net Cash Used by Financing Activities	<u>-</u>
Change in Cash and Cash Equivalents	<u>15,330</u>
<b>Cash at Beginning of Period</b>	<b>124,728</b>
<b>Cash at End of Period</b>	<b><u>\$ 140,058</u></b>

Supplemental Disclosure of Cash Flow Information

Cash Paid During the Year for Income Taxes	-
Cash Paid During the Year for Interest Expense	-

The accompanying notes are an integral part of the financial statements

**Remington Oaks Recreational Association  
d/b/a Oaks Landing Recreational Association  
Notes to the Financial Statements**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION** – The Remington Oaks Recreational Association d/b/a Oaks Landing Recreational Association (the “Association”) is a Missouri nonprofit corporation created on November 16, 1987. The Association is currently a corporation but will be applying to be an exempt organization under Section 501(c)(4) of the Internal Revenue Code in 2017.

**NATURE OF BUSINESS** – The Association was established to provide recreational facilities to improve the quality of life and enhance the community for youths and families of Remington Oaks and Newport Landing subdivisions. Funding for the Association is primarily derived through assessments levied on the households of the subdivision.

**BASIS OF ACCOUNTING** - The Association’s policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**CASH AND CASH EQUIVALENTS** – The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**PROPERTY AND EQUIPMENT** – Property and equipment are recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Upon sale or retirement, the cost and the related accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss included in current income. Repair and maintenance charges that do not increase the useful lives of the assets are charged to expense as incurred.

**RESTRICTED AND UNRESTRICTED REVENUE** – Donations received by the Foundation are either for use at the Foundation’s discretion or carry donor-imposed restrictions that assign a specific use for the funds. Restricted funds are classified as “Temporarily Restricted” or “Permanently Restricted.” As the names imply, temporary restrictions can be lifted through the passage of time or satisfaction of imposed requirements, while permanent restrictions cannot. Upon satisfaction of the restrictions, the restricted funds are reclassified as unrestricted. As of December 31, 2016 no donor restricted funds have been received by the Association.

**INCOME TAXES** – The Association is expected to pay \$0 of income taxes for 2016. They currently have an overpayment of \$3,406 being applied to 2016’s taxes. The

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Association will be applying for exemption from State and Federal taxes under Section 501(c)(4) of the Internal Revenue Code and is expected to receive a full refund of the overpayment.

**USE OF ESTIMATES** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from estimated amounts.

**A. NET ASSET CLASSIFICATION**

As of December 31, 2016, the Association has not received any revenue with donor restrictions. As such, there were no permanently or temporarily restricted net assets.

**B. PROPERTY, LAND AND EQUIPMENT**

As of December 31, 2016 the major classes of depreciable assets and their related accumulated depreciation consist of the following:

Capital Improvements	\$ 235,608
Furniture & Equipment	74,392
Accumulated Depreciation	<u>(201,822)</u>
Land, Building, and Equipment, Net	<u>\$ 108,178</u>

All assets are presented at historical cost and are depreciated using the following guidelines:

<u>Asset Class</u>	<u>Years</u>
Computer and Equipment	5
Furniture and Equipment	7-10
Improvements	40

Depreciation for 2016 is \$8,133.

**C. RELATED PARTIES**

Related parties of the association include the home owners' associations for both the Newport Landing Subdivision and the Remington Oaks Subdivision. The building and land for the recreational facility is owned by the Remington Oaks Subdivision. The

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Association uses this asset at no cost and in return the Association maintains the facility and makes capital improvements as considered necessary by the board. The fair value assessed on the free use of facilities is estimated to be \$195,460. No other major transactions take place between the Association and its respective related parties.

**D. FUNCTIONAL CLASSIFICATION OF EXPENSES**

The Association has four major categories of expenses as shown below:

Clubhouse Maintenance	\$ 75,457
Supplies	4,443
Pool Maintenance	55,084
Management and General Expenses	<u>240,682</u>
<b>Total Expenses</b>	<b><u>\$ 375,666</u></b>

**E. SUBSEQUENT EVENTS**

In accordance with ASC 855, the Remington Oaks Recreational Association d/b/a Oaks Landing Recreational Association evaluated subsequent events through July 24, 2017 the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.