

**ROBIN HOOD LAKES
LOT OWNERS' ASSOCIATION
COMPILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

**ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Robin Hood Lakes Lot Owners' Association
Kunkletown, Pennsylvania

Management is responsible for the accompanying financial statements of Robin Hood Lakes Lot Owners' Association, which comprise the balance sheet as of December 31, 2023, and the related statements of revenues and expenses, and changes in 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.

Accounting principles generally accepted in the United States of America require that information about future major repairs and replacements of common property on page 10 be presented to supplement the basic financial statements. Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

J.H. Williams & Co., LLC

April 24, 2024

**ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2023**

	2023		
	Operating Fund	Replacement Fund	Total
Assets:			
Cash	\$ 56,644	\$ 50,910	\$ 107,554
Cash for improvements	33,178	-	33,178
Assessments receivable, net of allowance for doubtful accounts	127,407	-	127,407
Prepaid expenses	3,804	-	3,804
Other current assets	481	-	481
Total Assets	\$ 221,514	\$ 50,910	\$ 272,424
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 540	\$ -	\$ 540
Total Liabilities	540	-	540
Fund Balances:			
Undesignated	187,796	-	187,796
Designated for replacements	-	50,910	50,910
Designated for improvements	33,178	-	33,178
Total Fund Balances	220,974	50,910	271,884
Total Liabilities and Fund Balances	\$ 221,514	\$ 50,910	\$ 272,424

See accompanying notes to financial statements and independent accountant's compilation report.

ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	Operating Fund	Replacement Fund	Total
Revenues:			
Operating assessments	\$ 127,049	\$ -	\$ 127,049
Capital improvement fees	3,200	-	3,200
Bank interest income	-	80	80
Other income	<u>5,544</u>	<u>-</u>	<u>5,544</u>
Total Revenues	<u>135,793</u>	<u>80</u>	<u>135,873</u>
Expenses:			
Bank charges	946	-	946
Insurance	15,276	-	15,276
Landscaping	2,050	-	2,050
Management/administrative fees	5,428	-	5,428
Miscellaneous	3,397	-	3,397
Office	5,363	-	5,363
Legal & professional	19,024	-	19,024
Recreation	10,862	-	10,862
Repairs and maintenance	48,685	-	48,685
Road maintenance	20,073	-	20,073
Trash removal	1,073	-	1,073
Utilities	5,793	-	5,793
Real estate taxes	125	-	125
Wages	11,051	-	11,051
Payroll taxes	1,039	-	1,039
Payroll processing	<u>1,001</u>	<u>-</u>	<u>1,001</u>
Total Expenses	<u>151,186</u>	<u>-</u>	<u>151,186</u>
Excess (Deficiency) of Revenues over Expenses	(15,393)	80	(15,313)
Fund Balances – Beginning of Year	<u>225,360</u>	<u>61,837</u>	<u>287,197</u>
Interfund transfers	<u>11,007</u>	<u>(11,007)</u>	<u>-</u>
Fund Balance – End of Year	<u>\$ 220,974</u>	<u>\$ 50,910</u>	<u>\$ 271,884</u>

See accompanying notes to financial statements and independent accountant's compilation report.

**ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	
	Operating Fund	Replacement Fund
	Total	Total
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ (15,393)	\$ 80
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities:		
(Increase) decrease in assets:		
Assessments receivable	4,074	-
Prepaid expenses	419	-
Due (to) from other funds	(5,000)	5,000
Other assets	10,660	-
Increase (decrease) in liabilities:		
Accounts payable	(998)	-
Payroll & withholding taxes payable	(737)	-
Prepaid assessments	(1,860)	-
Total adjustments	6,558	5,000
Net cash provided by (used in) operating activities	(8,835)	5,080
Cash flows from financing activities:		
Interfund transfers	11,007	(11,007)
Net cash provided by (used in) financing activities	11,007	(11,007)
Net increase (decrease) in cash	2,172	(5,927)
Cash, beginning of year	54,472	56,837
Cash, end of year	\$ 56,644	\$ 50,910
Income Taxes paid	-	-
Interest Paid	-	-

See accompanying notes to financial statements and independent accountant's compilation report.

ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. NATURE OF ASSOCIATION:

Robin Hood Lakes Lot Owners' Association, the "Association", was incorporated on July 1, 1968, as a Pennsylvania non-profit, non-stock corporation. The Association is composed of 515 lots, of which 508 are billable and 7 are owned by the developer. It is located in Polk Township, Monroe County, Pennsylvania.

The Association has the authority and responsibility for the maintenance, regulation, and administration of certain private community facilities for the use, benefit, and enjoyment of the owners and lawful occupiers of lots in the development. In addition, the Association is to provide for the collection of such revenue as is necessary to effectuate the maintenance of the roads, two lakes, meeting hall, common areas, and other such facilities as may be established for the property owners. The Association has the authority to impose assessments upon its members to cover expenses incurred in this regard.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The Association uses fund accounting, which requires that funds, such as operating funds and restricted funds, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors. Disbursements from the restricted capital improvement and reserve funds generally may be made only for designated purposes with prior approval from the Board of Directors.

Property and equipment

It is the Association's policy not to recognize common property as assets on the balance sheet and not to recognize common personal property. Property and equipment are expensed as the cost is incurred and is not depreciated.

Income taxes

The Association may elect to file Form 1120H as a homeowners' association under IRS Code Section 528 or file Form 1120 under IRS Code Section 277. Under the homeowners' association election, the Association is taxed on its net nonexempt function income at a flat rate of 30%. Exempt function income, which consists primarily of members' assessments, is not taxable. As a corporation filing under Section 277, the Association may be taxed only on net non-membership income, such as interest income, at regular federal corporate rates. Membership income may be excluded from taxation if certain elections are made. For the year ended December 31, 2023, the Association was taxed as a homeowners' association and filed Form 1120-H. There was no provision for income taxes for December 31, 2023. The Association is tax-exempt for Pennsylvania purposes.

ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Uninsured Cash Balances

The Association maintains its cash balances at financial institutions with local branch offices. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2023, the Association had no deposits in financial institutions in excess of the federally insured limit.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Association considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and 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 those estimates.

Revenue Recognition

The accrual basis of accounting has been used in preparing the financial statements. Under the accrual basis, revenue is recorded when earned and expenses are recorded when the liability is incurred. Accordingly, members' assessments are recorded as income in the year they become due.

Fund Accounting

The Association uses fund accounting, which classifies funds separately for accounting and reporting purposes. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, and revenues and expenditures.

Resources are allocated to each fund based upon the purpose for which they are to be spent. The Operating Fund is used to account for all normal ongoing operations of the Association. The Reserve Fund is used to account for the accumulation of funds required for the future repair and replacement of the Association's assets and expenditures for such items.

ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. MEMBER ASSESSMENTS:

Substantially all of the Association's revenue is derived from the property owners in Robin Hood Lakes Lot Owners Association. Any change in the ability of the property owners to continue to pay the Association's assessments would have a substantial effect on the financial condition of the Association. The Association has the right to place liens against the property of the owners who fail to pay assessments.

The Association's policy is to bill in January based on the approved budget and assess a late charge on any account that is unpaid on April 1. Interest at 1 ¼ % monthly is assessed on any account that is 30 days or more past due. The Association provides payment options. The fees associated with collection efforts are recorded in the account of the delinquent owner at the time it is turned over to the attorney or collection agency for collection efforts or filing of a lien. The Association's policy is to write off an account upon foreclosures, bankruptcy discharge, or agreement with the owner to accept a reduced amount in settlement of the outstanding balance.

Assessment revenue is recognized when assessments are due. Any amounts received in advance of the due date are deferred until due. The Financial Accounting Standards Board issued Accounting Standards Code 606 requiring the deferral of the recognition of income until the services are rendered. The Association has determined ASC Code 606 does not apply to the Association as no customer relationship exists as it is defined by the Code. The Association does not defer the recognition of any portion of revenue as a Contract Liability.

NOTE 4. MEMBERS' ASSESSMENTS RECEIVABLE:

Substantially all members' assessments receivable are ninety days or more past due.

At December 31, 2023, members' assessments receivable are as follows:

	<u>December 31, 2023</u>
Members' assessments receivable	\$ 217,407
Less: allowance for doubtful accounts	<u>(90,000)</u>
Net members' assessments receivable	\$ <u>127,407</u>

ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. RESERVE FOR FUTURE MAJOR REPAIRS AND REPLACEMENTS:

The Association's governing documents do not require the Association to fund a reserve for future major repairs and replacements. However, because the Board of Directors recognizes the importance of providing for future major repairs and replacements to common property, the Association has completed a study to determine the estimated remaining useful lives and estimated replacement costs of common property.

Since the study's recommended full funding is based upon estimated replacement costs that vary from actual replacement costs and the variations may be material, amounts accumulated in the replacement reserve may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 6. CAPITAL IMPROVEMENT FEE:

The Association charges a Capital Improvement fee equal to one year's assessment on properties resold. The amounts collected can be used for improvements to or replacement of the common elements in the community.

NOTE 7. MEMBERS' ASSESSMENTS COLLECTED IN ADVANCE:

Members' assessments collected in advance represent assessments pertaining to future years that were collected by the end of the current year.

NOTE 8. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated the effects of all subsequent events through April 24, 2024, the date the financial statements were available to be issued, to determine if events or transactions occurring through that date require potential adjustment or disclosure in the financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**ROBIN HOOD LAKES LOT OWNERS' ASSOCIATION
 REQUIRED SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
 REPAIRS AND REPLACEMENTS (UNAUDITED)
 DECEMBER 31, 2023**

FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association authorized Appletree Management to conduct a Reserve Fund Study for the Lot Owners Association common property. Studies of this nature are important to ensure that a community has sufficient funds for long-term, periodic capital expenditure requirements. Anticipating large expenditures over an extended period of time through a structured analysis and scheduling process assists the Association in meeting financial requirements without increasing the service fees above permitted maximums, borrowing the funds, or levying special financial assessments to the community.

The reserve study was completed in August, 2011, to estimate the useful lives and the replacement costs of the components of common property. Funding requirements assume an annual inflation rate of 3.2 percent and an interest rate of 2.5 percent on amounts funded for future major repairs and replacements, and that 100% of the replacement cost of items in the study will be paid for using amounts funded for future major repairs and replacements.

The following table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Roads	0	\$ 831,741
Community Center	0 to 13	217,410
Playground	3 to 13	30,023
Community Signage	13	8,000
Cinder Storage Building	0 to 18	39,450
Mailbox Areas	3 to 8	<u>49,750</u>
		<u>\$ 1,176,374</u>

The Reserve Fund balance at December 31, 2023 amounted to \$50,910. A detailed copy of the study is on file at the Administration's office.