
**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

**FINANCIAL STATEMENTS
(Audited)**

**For the Year Ended
April 30, 2023**

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

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To the Board of Directors
Crooked River Ranch Club and
Maintenance Association
Crooked River Ranch, Oregon

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Crooked River Ranch Club and Maintenance Association (a not-for-profit Corporation) which comprise the balance sheet as of April 30, 2023 and the related statements of income and changes in Association equity, and cash flows 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 financial position of Crooked River Ranch Club and Maintenance Association as of April 30, 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Crooked River Ranch Club and Maintenance Association 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.

Responsibilities of Management 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.

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 the

CAPSTONE CERTIFIED PUBLIC ACCOUNTANTS, LLC

698 NW York Dr, Bend, OR 97703 phone: 541-382-5099 fax: 541-388-1056
735 SW 9th St, Redmond 97756 phone: 541-548-3569 fax: 541-548-3580
PO Box 1563, Sisters, OR 97759 phone: 541-549-1237 fax: 541-549-4465

Organization'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 misstatements, whether due to fraud or error, and to issue an auditor's 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 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 the Organization'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 the Organization'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited", is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked “unaudited” has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 8 and as allowed by Oregon Revised Statute 94.783, management has elected to omit the Supplementary Information of Future Major Repairs and Replacements 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Capstone Certified Public Accountants, L.L.C.
Redmond, Oregon
September 6, 2023

**CROOKED RIVER RANCH CLUB AND MAINTENANCE
ASSOCIATION**

(A Not-For-Profit Corporation)

BALANCE SHEET

(See Independent Auditors' Report)

April 30,	2023
ASSETS	
Current assets:	
Cash and cash equivalents (Notes 1 and 7):	
Operating cash on hand in checking and investment accounts	\$ 1,336,217
Capital reserve plan cash in checking interest bearing accounts and certificates of deposit	<u>1,552,214</u>
Total cash and cash equivalents	2,888,431
Dues receivable (Note 2)	301,506
Less allowance for uncollectible dues	<u>114,394</u>
Net dues receivable	187,112
Other receivables	6,444
Inventories (Note 3)	<u>107,176</u>
Total current assets	3,189,163
Right of use assets - operating	161,514
Property and equipment - at cost (Note 4)	6,739,294
Less accumulated depreciation	<u>4,451,925</u>
Net property and equipment	<u>2,287,369</u>
Total assets	<u>\$ 5,638,046</u>

The accompanying notes are an integral part of the financial statements.

**CROOKED RIVER RANCH CLUB AND MAINTENANCE
ASSOCIATION**

(A Not-For-Profit Corporation)

BALANCE SHEET

(See Independent Auditors' Report)

April 30,	2023
LIABILITIES AND ASSOCIATION EQUITY	
Current liabilities:	
Accounts payable	\$ 115,298
Deferred dues revenue (Note 1)	20,670
Unredeemed gift certificates / golf credit book	44,805
Other current liabilities (Note 1)	195,154
Lease liabilities - operating - short-term	<u>73,840</u>
Total current liabilities	449,767
Lease liabilities - operating - long-term	<u>87,674</u>
Total liabilities	537,441
Association equity:	
Undesignated for operations	3,548,391
Designated for capital reserve plan	<u>1,552,214</u>
Total association equity	<u>5,100,605</u>
Total liabilities and association equity	<u>\$ 5,638,046</u>

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

STATEMENTS OF INCOME AND CHANGES IN ASSOCIATION EQUITY
(See Independent Auditors' Report)

For the Year Ended April 30,	2023
Revenues:	
Membership dues	\$ 1,570,835
Fee income	1,691,599
Merchandise sales	219,013
Rental income	61,352
Interest income	17,635
Miscellaneous	17,895
	<hr/>
Total revenues	3,578,329
Less cost of goods sold	141,001
	<hr/>
Gross profit	3,437,328
Expenses:	
Bank charges	56,907
Community relations	44,584
Cleaning	10,725
Interest expense	19
Legal services	15,567
Office and insurance	153,532
Personnel	1,526,904
Repair and maintenance	400,044
Road materials	150,898
Professional services	23,711
Federal, state and local taxes	195,553
Utilities	205,404
Operating leases	77,370
Depreciation	186,934
	<hr/>
Total expenses	3,048,152
Net income from operations	389,176
Association equity, beginning of year	4,711,429
	<hr/>
Association equity, end of year	\$ 5,100,605
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

STATEMENT OF CASH FLOWS
(See Independent Auditors' Report)

For the Year Ended April 30,	2023
Operating activities:	
Membership dues	\$ 1,551,496
Fee income	1,695,153
Merchandise sales	219,013
Rental income	61,352
Interest income	17,635
Miscellaneous	17,895
Cost of goods sold	(164,080)
Bank charges	(56,907)
Community relations	(44,584)
Cleaning	(10,725)
Interest	(19)
Legal services	(15,567)
Office and insurance	(299,479)
Personnel	(1,526,904)
Repair and maintenance	(386,840)
Road materials	(150,898)
Professional services	(23,711)
Local and state taxes	(195,553)
Utilities	(205,404)
Operating leases	(77,370)
Net cash provided by operating activities	404,503
Investing activities:	
Acquisition of property and equipment	(227,675)
Cash used in investing activities	(227,675)
Net increase in cash and cash equivalents	176,828
Cash and cash equivalents, beginning of year	2,711,603
Cash and cash equivalents, end of year	\$ 2,888,431

The accompanying notes are an integral part of the financial statements.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

STATEMENT OF CASH FLOWS - Continued
(See Independent Auditors' Report)

For the Year Ended April 30,	2023
Reconciliation of net income to cash provided by operating activities:	
Net income from operations	\$ 389,176
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	186,934
Allowance for doubtful accounts adjustment	6,843
Changes in operating assets and liabilities	
Decrease (Increase) in current assets:	
Dues receivable	(26,182)
Inventories	(23,079)
Increase (decrease) in current liabilities:	
Accounts payable	13,204
Deferred dues revenues	(977)
Unredeemed gift certificates / golf credit book	4,531
Other current liabilities	(139,503)
Net cash provided by operating activities	\$ 404,503

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS
(See Independent Auditors' Report)

1 - Significant Accounting Policies

Organization and nature of activities

The Crooked River Ranch Club and Maintenance Association (the Association) was incorporated May 4, 1972 as a domestic not-for-profit corporation under the applicable laws of the State of Oregon. Its members are property owners of Crooked River Ranch, an unincorporated area in Oregon. The Association's Board of Directors is the local governing and reviewing authority for the Association's activities. The development consists of 2,646 residential units and 6 commercial units on approximately 12,000 acres located in both Jefferson and Deschutes counties. The Association owns, operates, and maintains the common properties and facilities of the Association.

The Association also conducts unrelated business operations not originally included with the incorporation of the Association. The unrelated activities include an 18-hole golf course and pro shop, which serves members to the golf course and is open to the general public for recreational use. The Association also leases common area real estate and structures to local merchants and maintains a recreational vehicle park.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of accounting

The Association prepares its financial statements on the accrual basis.

Association equity represents the Association's accumulated resources of cash and cash equivalents, investment in land, buildings, and equipment net of liabilities. The Association equity may be "designated" by the Board of Directors at any time. Board designated funds were \$1,552,214 for the year ending April 30, 2023.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS
(See Independent Auditors' Report)

1 - Significant Accounting Policies

Contract Receivables

Contract receivables are recorded when invoices are issued and presented in the balance sheet net of allowance for doubtful accounts. Outstanding balances are written off when they are deemed to be uncollectible.

Revenue recognition

Primary revenues of the Organization are either recognized at a point in time when the services are provided and the performance obligations are satisfied or over the applicable service period and are categorized as follows:

Point in Time -

Revenues from fee income and merchandise sales are recognized in the period in which the activities occur.

Applicable Service Period -

Fees associated with membership dues and rental income are recognized on a monthly basis over the fiscal year. Deferred revenue results from the Organization receiving payments in advance of the period in which the dues and rental income is applicable. Accordingly, dues received for the next fiscal year are deferred until recognized as earned.

Budgetary reporting

The budget is prepared for the Association and the individual respective departments on the accrual basis of accounting and approved annually by the Board of Directors prior to the commencement of a new operating year. Line item adjustments and modifications may occur following the initial adoption of the budget by approved Board action which does not impact the overall operating budget expectations as initially adopted.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS
(See Independent Auditors' Report)

1 - Significant Accounting Policies - continued

Cash equivalents

The Association considers all liquid interest-earning investments with maturity of three months or less at the date of purchase to be cash equivalents.

Cash on hand and in banks	\$ 1,415,002
Certificates of deposit	<u>1,473,429</u>
	<u><u>\$ 2,888,431</u></u>

Dues receivable

Under the Association bylaws, the Board of Directors is authorized to assess dues to the property owners for management, maintenance and improvements of the Ranch. Dues are assessed and payable semi-annually and the Association is authorized to file liens against the real property of the owner for any unpaid dues assessed. Dues receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to dues receivable. Any recoveries of accounts previously deemed uncollectible are adjusted through current bad debt expense.

Inventories

Inventory, consisting of resale items in the golf pro shop and fuel inventory, are carried at the lower of cost or market value with cost determined principally by use of the first-in, first-out (FIFO) method.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

1 - Significant Accounting Policies - continued

Property and equipment

Property and equipment purchased is stated at historical cost, while contributed property is stated at the fair market value of the property at the date of the contribution. Additions, renewals, and betterments exceeding \$5,000 are capitalized whereas expenditures for maintenance and repairs are charged to expense as incurred. Gains and losses on the disposition of fixed assets are recorded as income or loss at the difference between the gross proceeds received and remaining net book value. Depreciation expense includes amortization for equipment purchased with a capital lease. Depreciation and amortization are computed for financial reporting purposes using the straight-line method over the estimated useful lives.

Management evaluated the Association's property and equipment during the fiscal year ending April 30, 2023. There were no impairment losses recorded for the year end. The property, equipment and improvements are tracked in-house using the QuickBooks Fixed Asset Management accounting program. Depreciation expense is also calculated using accounting software, over the estimated useful lives of such assets on a straight-line basis.

Donated services

The Association receives a substantial amount of services donated by its members and directors in carrying out the Association's community services and administration. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under ASC 958-605-15, *Accounting for Contributions Received and Contributions Made*.

Deferred dues revenue

Deferred dues revenue consists of Association and golf course membership dues collected in the current period and which relate to the subsequent fiscal year of the Association. Golf course membership dues are included in other current liabilities.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

1 - Significant Accounting Policies - continued

Income taxes

The Association is exempt from income taxes under section 501(c)(4) of the Internal Revenue Code. Therefore, no provision for federal income taxes on the income generated by the Association's activity has been recorded in the accompanying financial statements. In addition, the Internal Revenue Service has determined that the Association is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Association also operates a golf course and recreational vehicle park that generates rental and operating income. For income tax purposes, this income is considered unrelated business income and may generate income taxes. For the year ending April 30, 2023, these activities did generate taxable income due to net operating income and, in turn, income taxes have been reported and paid.

Departmental allocation of expenses

The cost of providing the Association's various program and supporting services have been summarized on a departmental basis. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates made by management.

Environmental costs

The Association may be subject to certain federal and state environmental laws and regulations in connection with its various operating activities. Environment expenditures, if applicable, are expensed or capitalized, as appropriate as they occur. Liabilities are generally recorded, on a non-discounted basis, when assessments and/or remedial efforts are probable, and the cost can be reasonably estimated.

Compensated absences

The Association accrues a liability for accumulated vacation leave and paid time off. Vacation earned can be carried over into the next year, but not more than one year's accrual. Accumulated vacation leave was \$48,525 at April 30, 2023. This liability is included in other current liabilities.

**CROOKED RIVER RANCH CLUB
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(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

1 - Significant Accounting Policies - continued

Advertising costs

The Association expenses all non-direct advertising expenses as it is incurred. Advertising expense was \$24,703 for the years ended April 30, 2023.

Post Retirement Benefit Plan

On January 1, 2008 the Association adopted a SIMPLE IRA Plan covering all of its employees. The Association has agreed to match up to 3% of the employees' salary reduction contributions. The Association contributed \$22,376 for the year ended April 30, 2023.

Recently adopted accounting guidance

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective May 1, 2022 and recognized and measured leases existing at, or entered into after, May 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The Organization may enter into lease agreements from time to time. The Organization determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the balance sheet.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

1 - Significant Accounting Policies - continued

Leases – Continued

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, we use the incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The Association has made the election to use risk-free rates as the discount rate for operating right of use assets. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Association has made an accounting policy election to forgo applying the requirements for recognition to a short-term lease, 12 months or less, and alternatively, record the lease payments in the income statement on a straight-line basis over the term of the lease.

Date of Management's Review

Subsequent events have been evaluated through September 6, 2023, the date on which these financial statements were available to be issued. Management was unaware of any reportable material subsequent events that required disclosure.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

2 - Dues Receivable

Aged dues receivable as of April 30, 2023 consisted of:	Less than one year old	Greater than one year old	Total
Dues receivable	\$ 134,380	\$ 167,126	\$ 301,506
Allowance for uncollectible dues	<u>14,066</u>	<u>100,328</u>	<u>114,394</u>
Dues receivable, net	<u>\$ 120,314</u>	<u>\$ 66,798</u>	<u>\$ 187,112</u>

3 - Inventories

2023

Inventories consist of the following:

Fuel inventory	\$ 7,626
Pro Shop resale inventory	<u>99,550</u>
	<u>\$ 107,176</u>

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS - Continued
(See Independent Auditors' Report)

4 - Property and Equipment

	2023	Cost	Accumulated Depreciation	Net Book Value
Land		\$ 447,049	\$ -	\$ 447,049
Buildings, equipment and improvements -				
Administration		403,806	385,266	18,540
Pool		270,526	164,402	106,124
Rentals		99,963	72,339	27,624
RV Park		535,679	290,044	245,635
Pro Shop		354,540	217,475	137,065
Golf Maintenance		2,654,204	2,443,420	210,784
General Maintenance		322,902	159,299	163,603
Alternative exit easement		451,036	-	451,036
Roads		1,199,589	719,680	479,909
		<u><u>\$ 6,739,294</u></u>	<u><u>\$ 4,451,925</u></u>	<u><u>\$ 2,287,369</u></u>

Depreciation expense was \$186,934 for the year ended April 30, 2023.

**CROOKED RIVER RANCH CLUB
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NOTES TO FINANCIAL STATEMENTS – Continued
(See Independent Auditors' Report)

5 - Lease Obligations

The Association has a lease agreement that has remaining lease term expiring in June, 2025. The Association also enters into other short-term lease agreements from time to time and reports on the straight-line method as short-term lease cost.

The following summarizes the line items in the balance sheet which include amounts for operation leases as of April 30, 2023:

Operating lease right of use assets	161,514
Operating lease liabilities - current	73,840
Operating lease liabilities - long-term	87,674

The components of lease expense that are included in the statement of income is as follows for April 30, 2023:

Operating lease cost	\$ 75,810
Short-term lease cost	1,560

Supplemental Cash Flows Information:

Operating cash flows from operating leases	75,810
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Right-of-use assets obtained in 2023 in exchange for lease obligations:

Operating leases	-
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Weighted Average Remaining Lease Term

Operating leases	2.2 years
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Weighted Average Discount Rate

Operating leases	1.6%
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**CROOKED RIVER RANCH CLUB
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(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS – Continued
(See Independent Auditors' Report)

5 - Leases - Continued

Future minimum lease payments under non-cancellable leases as of April 30, 2023 were as follows:

Years ending April 30,	
2024	\$ 75,810
2025	75,810
2026	<u>12,635</u>
Total future minimum lease payments	164,255
Less imputed interest	<u>2,741</u>
Total	<u>\$ 161,514</u>

6 - Concentration of Credit Risk

Financial instruments that potentially subject the Association to credit risk consist of cash and cash equivalents. The Association's policy is to place its cash and cash equivalents with high credit quality financial institutions. The Association maintains its cash in bank deposit accounts that, at times, may exceed the federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for both noninterest and interest-bearing accounts per financial institution. The Association's uninsured cash balances were \$171,135 at April 30, 2023. The Association has not experienced any losses in interest bearing accounts and believes it is not exposed to any significant credit risk on cash. Cash and cash equivalents are classified as investments that mature within three to eighteen months or less at the time of purchase.

7 - Pending Litigation

The Association is involved in various legal actions arising in the normal course of business and other incidences. In the opinion of management and legal counsel, the resolution of such matters that may not be favorable to the Association will not have a material effect upon the financial position of the Association due to insurance coverage in effect at the time of any litigation.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS – Continued
(See Independent Auditors' Report)

8 - Future Major Repairs and Replacements of Common Property

It is implied in the Association's by-laws that it is the responsibility of the Association for maintaining the common areas, and define the extent of such common areas. The by-laws allow the Board of Directors to include a provision in the annual budget for funding future repair and replacement costs. The by-laws also allow the Board of Directors to levy special assessments when existing funds are inadequate. Per Oregon Revised Statute (hereafter "ORS") 94.783, since the Association was organized prior to July 1, 1982 it is exempt from the required provisions of ORS 94.595 "*Reserve account for maintaining, repairing and replacing common property; reserve study; maintenance plan*". The Board has conducted an informal internal study to estimate the remaining useful lives and replacement costs of the real property common elements. Funds are being budgeted based on the Board's estimates of future needs for repairs and replacements. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts budgeted may not be adequate to meet all future needs for major repairs and replacements.

9 - Alternative Exit Easement

The Association entered into an agreement with Deschutes County, Jefferson County and Crooked River Ranch Special Road District for the construction, operation and maintenance of the Quail Road Extension Project. The Association also expended \$200,000 as part of the construction agreement. The amounts are capitalized as a non-depreciable asset representing the easement and right of way to which the Association benefits from the construction of the alternative exit.

10 - Revenue from Contracts

Revenue from contracts, the timing of revenue recognition, billings, and cash collections may result in accounts receivable (contract asset), deposits and deferred revenue (contract liabilities) on the statement of financial position.

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS – Continued
(See Independent Auditors' Report)

10 - Revenue from Contracts - continued

The following is the organization's revenue disaggregated according to the timing of the transfer of goods and services:

	<u>2023</u>
Revenue recognized at a point in time:	
Fee income	\$ 1,691,599
Merchandise sales	<u>219,013</u>
	<u><u>\$ 1,910,612</u></u>
Revenue recognized over service period:	
Membership dues	\$ 1,570,835
Rental income	<u>61,352</u>
	<u><u>\$ 1,632,187</u></u>

The following are the contract assets and contract liabilities for year ended April 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Contract assets:		
Dues receivable, net	\$ 187,112	\$ 167,773
	<u><u>\$ 187,112</u></u>	<u><u>\$ 167,773</u></u>
Contract liabilities:		
Deferred dues revenue	\$ 20,670	\$ 21,647
Unredeemed gift certificates / golf credit book	<u>44,805</u>	<u>40,274</u>
	<u><u>\$ 65,475</u></u>	<u><u>\$ 61,921</u></u>

SUPPLEMENTARY FINANCIAL INFORMATION

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION**
(A Not-For-Profit Corporation)

STATEMENTS OF OPERATIONS BY DEPARTMENT
(See Independent Auditors' Report)

For the Year Ended April 30, 2023

	Administration	Golf	RV Park	Rentals	Total
Revenues:					
Membership dues	\$ 1,348,440	\$ 222,395	\$ -	\$ -	\$ 1,570,835
Fee income	88,480	1,183,121	419,998	-	1,691,599
Merchandise sales	-	211,290	7,723	-	219,013
Rental income	4,666	6,424	-	50,262	61,352
Interest income	17,635	-	-	-	17,635
Miscellaneous	17,856	-	39	-	17,895
Total revenues	1,477,077	1,623,230	427,760	50,262	3,578,329
Less cost of goods sold	1,601	135,467	3,933	-	141,001
Gross profit	1,475,476	1,487,763	423,827	50,262	3,437,328
Expenses:					
Bank charges	14,516	28,308	14,083	-	56,907
Community relations	20,081	17,853	6,650	-	44,584
Cleaning	4,803	3,868	2,054	-	10,725
Interest	19	-	-	-	19
Legal services	15,567	-	-	-	15,567
Office and insurance	99,907	43,473	9,188	964	153,532
Personnel	715,966	686,882	115,602	8,454	1,526,904
Repair and maintenance	196,115	161,075	20,133	22,721	400,044
Road materials	150,898	-	-	-	150,898
Professional services	18,446	2,025	2,025	1,215	23,711
Federal, state and local taxes	15,293	136,349	25,059	18,852	195,553
Utilities	70,179	65,789	63,000	6,436	205,404
Operating leases	-	77,370	-	-	77,370
Depreciation	104,780	49,805	30,633	1,716	186,934
Total expenses	1,426,570	1,272,797	288,427	60,358	3,048,152
Net income from operations	\$ 48,906	\$ 214,966	\$ 135,400	(\$ 10,096)	\$ 389,176

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

**SCHEDULE OF OPERATIONS – ENTIRE RANCH
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS - UNAUDITED)**

For the Year Ended April 30, 2023

	Budget (unaudited)	Actual	Variance (unaudited)
Revenues:			
Membership dues	\$ 1,570,440	\$ 1,570,835	\$ 395
Fee income	1,550,200	1,691,599	141,399
Merchandise sales	203,300	219,013	15,713
Rental income	67,300	61,352	(5,948)
Interest income	750	17,635	16,885
Miscellaneous	9,200	17,895	8,695
Total revenues	3,401,190	3,578,329	177,139
Less cost of goods sold	125,500	141,001	15,501
Gross profit	3,275,690	3,437,328	161,638
Expenses:			
Bank charges	59,500	56,907	(2,593)
Community relations	61,425	44,584	(16,841)
Cleaning	12,150	10,725	(1,425)
Interest expense	-	19	19
Legal services	22,000	15,567	(6,433)
Office and insurance	135,267	153,532	18,265
Personnel	1,670,414	1,526,904	(143,510)
Repair and maintenance	377,204	400,044	22,840
Road materials	174,500	150,898	(23,602)
Professional services	26,900	23,711	(3,189)
Federal, state and local taxes	168,708	195,553	26,845
Utilities	207,681	205,404	(2,277)
Operating leases	77,370	77,370	-
Miscellaneous golf items	3,700	-	(3,700)
Depreciation	172,444	186,934	14,490
Total expenses	3,169,263	3,048,152	(121,111)
Net income from operations	\$ 106,427	\$ 389,176	\$ 282,749

**CROOKED RIVER RANCH CLUB
AND MAINTENANCE ASSOCIATION
(A Not-For-Profit Corporation)**

**SCHEDULE OF HOMEOWNERS DUES COMPARED TO
ADMINISTRATION COSTS (NON-GAAP - UNAUDITED)**

For the Year Ended April 30, 2023

Homeowner Dues Compared to Administration Costs for the Year Ended April 30, 2023

Number of Billable Lots	2,644
Annual Dues	\$ 510
Total Homeowner Dues	\$ 1,348,440

Costs:

Administration	\$ 384,425
Pool	69,273
General Maintenance	350,890
Roads	621,982

Total Administration Costs	<u><u>\$ 1,426,570</u></u>
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Cost per Homeowner:

Administration	\$ 145
Pool	26
General Maintenance	133
Roads	235
	<u><u>\$ 540</u></u>

Expenses exceeded dues by:	\$ (30)
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