



## ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Welling Association  
Island Park, Idaho

Management is responsible for the accompanying financial statements of Welling Association, which comprise the comparative statement of financial position as of June 30, 2020 and 2019, and the related comparative statements of activities, change in fund balance, and cash flows for the period July 1, 2019 to June 30, 2020, and the related selected 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.

*Sutton & Simmons PLLC*

June 30, 2020

WELLING ASSOCIATION  
 COMPARATIVE STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash in Bank	\$ 57,845	\$ 60,498
Accounts Receivable	<u>1,500</u>	<u>1,913</u>
TOTAL CURRENT ASSETS	<u>59,345</u>	<u>62,411</u>
TOTAL ASSETS	\$ <u>59,345</u>	\$ <u>62,411</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Checks in Process	\$ <u>5,320</u>	\$ <u>4,416</u>
TOTAL CURRENT LIABILITIES	<u>5,320</u>	<u>4,416</u>
<u>NET ASSETS</u>		
Unrestricted Fund Balance	<u>54,025</u>	<u>57,995</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>59,345</u>	\$ <u>62,411</u>

See accompanying selected notes and accountant's compilation report.

WELLING ASSOCIATION  
 COMPARATIVE STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
 FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Annual Dues	\$ 4,250	\$ 4,150
Water & Sewer Fee	16,500	15,750
Interest	<u>123</u>	<u>82</u>
 TOTAL REVENUES	 <u>20,873</u>	 <u>19,982</u>
 EXPENSES		
Administrative Expenses		
Bookkeeping Labor	6,750	4,050
Legal & Accounting	500	500
Office & Postage	250	122
Taxes	<u>83</u>	<u>47</u>
Total Administrative Expenses	<u>7,583</u>	<u>4,719</u>
 Maintenance & Operations Expenses		
Maintenance Labor	7,500	4,500
Utilities	2,613	2,574
Liability Insurance	2,860	1,918
Water Tests	25	150
Uncollectible Write-Offs	<u>63</u>	<u>50</u>
Total Maintenance & Operations Expenses	<u>13,061</u>	<u>9,192</u>
 Capital Outlay		
New Dock/Boat Launch	2,135	4,367
General Repair & Maintenance	<u>2,064</u>	<u>0</u>
Total Capital Outlay	<u>4,199</u>	<u>4,367</u>
 TOTAL EXPENSES	 <u>24,843</u>	 <u>18,278</u>
 INCREASE (DECREASE) IN NET ASSETS	 (3,970)	 1,704
 NET ASSETS AT BEGINNING OF YEAR	 <u>57,995</u>	 <u>56,291</u>
 NET ASSETS AT END OF YEAR	 \$ <u>54,025</u>	 \$ <u>57,995</u>

See accompanying selected notes and accountant's compilation report.

WELLING ASSOCIATION  
 COMPARATIVE STATEMENT OF CASH FLOWS  
 FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (3,970)	\$ 1,704
Adjustment to Reconcile Increase (Decrease) in Net Assets to Cash Provided (Used) by Operations:		
(Increase) Decrease in:		
Accounts Receivables	413	7,728
Increase (Decrease) in:		
Checks in Process	<u>904</u>	<u>(623)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,653)</u>	<u>8,809</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,653)	8,809
CASH AND CASH EQUIVALENTS – BEGINNING	<u>60,498</u>	<u>51,689</u>
CASH AND CASH EQUIVALENTS – ENDING	\$ <u>57,845</u>	\$ <u>60,498</u>

See accompanying selected notes and accountant's compilation report.

WELLING ASSOICAITON  
SELECTED NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The association's books are maintained on an accrual basis. The accrual basis of accounting is defined as that method of accounting wherein expenditures are recorded at the time the liability is incurred and revenue is recorded when earned or, in the case of dues (assessments), they are accrued to properly reflect the assessment levied for the year. The Company does not use the encumbrance system of recording liabilities.

The Company has one operating fund. The operation fund is utilized for the maintenance, operation, debt retirement of long-term debt, and capital additions of the association.

The association has a calendar year end, but because its annual director and shareholder meetings fall in the middle of the year, interim financial statements are provided.

CASH

The association maintains both a checking and savings account. All deposits in favor of the association are made to the interest-bearing savings account. When checks drawn on the checking account exceed the account balance, the bank automatically transfers funds to cover the deficit. Accordingly, it is not uncommon, from a financial reporting perspective, for the association checking account to be overdrawn (checks in process), but from the bank's perspective, both the checking and savings account would have to be depleted before the account would be considered overdrawn.

REVENUE SOURCES

The primary revenue resource for the association is from annual dues and annual water and sewer fees. Dues are \$50 per year. If there is a cabin on the lot, then a \$250 water and sewer fee is also charged.

In 2008, a special assessment of \$1,000 per year was levied. This special assessment was for a five year period, beginning in 2008 and the final assessment being in 2012. Additionally, at the 2013 annual meeting, another \$1,000 special assessment was levied. A special \$1,000 assessment was, again, levied in 2015.