

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION  
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Review Letter

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION

FINANCIAL STATEMENTS

AND

REVIEW LETTER

30 JUNE 2017

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*Accounting  
Financial  
Ltd.*

7 August 2016

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Board of Directors  
Apple Mountain Lake South, POA  
P.O. Box 171  
Linden, VA 22642

We have reviewed the accompanying balance sheet of Apple Mountain Lake South POA ("AMLSPOA") as of 30 June 2017 and the related statements of income and expenses, stockholder equity and cash flows for the year then ended. A review includes primarily applying analytical procedures to AMLSPOA's financial data and making inquiries of AMLSPOA management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

AMLSPOA Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining relevant internal controls.

Our responsibility is to conduct our review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Richard C. Foote, CPA  
President

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION

Balance Sheet

For the Year Ended 30 June 2017

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents	\$ 76,588
Member Dues Receivable (less provision for uncollectible accounts)	<u>9,995</u>

Total

<b>TOTAL ASSETS</b>	<b><u>\$ 86,583</u></b>
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**LIABILITIES AND ASSOCIATION EQUITY**

**CURRENT LIABILITIES:**

Accounts Payable	<u>\$ 0</u>
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**ASSOCIATION EQUITY**

Beginning Balance	80,478
Net Gain for Fiscal Year 6/30/16	<u>6,105</u>

Total	<u>86,583</u>
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<b>TOTAL LIABILITIES AND ASSOCIATION EQUITY</b>	<b><u>\$ 86,583</u></b>
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See accompanying notes and independent accountant's review report



APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION  
Statement of Revenue and Expenses  
For the Year Ended 30 June 2017

<b>REVENUE</b>	
Road Maintenance Fees	\$ 18,806
CCC Road Fees	4,772
Special Assessment Fees	1,149
ATV Registration Fees	165
Late Fees, Disclosure Packet	995
Other	<u>1,813</u>
Total	27,700
<b>EXPENSES</b>	
Accounting Fees	900
Bank Fees	7
Bad Debt Expense	182
Dues and Subscriptions	269
Insurance	732
Legal Fees	1,417
License and Filing Fees	28
Office Supplies and Expenses	463
Postage and P.O. Box Fee	335
Reserve Study	2,370
Road Maintenance	15,010
Taxes and Licenses	<u>25</u>
Total	21,738
OPERATING GAIN	5,962
NON-OPERATING ITEMS	-
Interest Income	143
GAIN BEFORE INCOME TAXES	6,105
PROVISION FOR INCOME TAXES	<u>0</u>
NET GAIN	<u>\$ 6,105</u>

See accompanying notes and independent accountant's review report.

**APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION**  
**Statement of Association Equity**  
**For the Year Ended 30 June 2017**

	REVENUE
	Road Maintenance Fees
	C.V. Road Fees
	Special Assessment Fees
	A/V Registration Fees
	Fees, Discharge Proctor
<b>BEGINNING BALANCE</b>	<b>\$ 80.478</b>
Net Gain	<u>6.105</u>
<b>ENDING BALANCE</b>	<b><u>\$ 86.583</u></b>

See accompanying notes and independent accountant's review report.

**APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Gain	\$ 6,105
Adjustments to Reconcile Net Loss to	
Net Cash (used) by Operating Activities:	
(Decrease) in Accounts Receivable	<u>3,079</u>
Net Cash provided by Operating Activities	<u>9,184</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>67,404</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 76,588</u>

See accompanying notes and independent accountant's review report.

APPLE MOUNTAIN LAKE SOUTH PROPERTY OWNERS ASSOCIATION

Notes to Financial Statements  
For the Year Ended 30 June 2017

1. The Apple Mountain Lake South Property Owners Association (the "Association") was incorporated, on 6 September 1979, as a non-stock corporation under the laws of the Commonwealth of Virginia. The purposes of the Association are to promote the health, safety, and general welfare of the owners of real property situated in the subdivision known as Apple Mountain Lake South located in Warren County, Virginia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association prepares its financial statements on an accrual basis in accordance with generally accepted accounting principles in the United States of America. Road maintenance fees and other forms of income are recognized as they become due or are earned, and expenses or other obligations are recognized as they are incurred.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Income Taxes

The Association has elected to file its Federal return, for the year ended 30 June 2017, using Internal Revenue Service Form 1120. As of 30 June 2017, the Association owed no Federal and Virginia income taxes.

3. ASSOCIATION EQUITY

Basis of Accounting

The Association's Articles of Incorporation, By-Laws and other governing documents contain no provisions with respect to the dissolution of the Association. Accordingly, in the event of dissolution of the Association, its net assets will be distributed in accordance with the then effective dissolution provisions of the Virginia Nonstock Corporation Act.