



Discoverer

October 2021

The Lake Don Pedro Owners' Association • 5182 Fuentes De Flores • La Grange CA 95329

FREE

Dear Don Pedro Community,

Lately there have been several instances of vandalism at our Open Natural Parks. This not only causes unnecessary expenses and manhours to deal with, but it's also not the behavior that we expect in our community. We have requested that the Sheriff's Department check these areas while on patrol, but we need our community's support to stop this behavior.

If you know anyone who has participated in this vandalism – convince them that they must cease. If you see anyone committing vandalism – please report it to the Association office. info@LDPOA.com, 209 852-2312 or 5182 Fuentes de Flores, La Grange, CA 95329. We will keep such reports confidential and only share information, if necessary, with the Sheriff's investigation. If the vandalism continues the Association must seek to prosecute.

Pam Hatler
Office Manager



LAKE DON PEDRO OWNERS' ASSOCIATION

ANNUAL MEMBER'S MEETING & ELECTION BOARD MEETING

..... CHANGE

DUE TO THE LACK OF A QUORUM OF DIRECTORS AVAILABLE ON 10/9

THE MEETING HAS BEEN RE-SCHEDULED TO:

SATURDAY, OCTOBER 30TH, 2021

10:00 AM

AT THE HACIENDA

SAVE THE DATES



The Lake Don Pedro
Owners' Association
Presents:



**The 2021 Annual
Christmas Arts & Gift Show**

November 20th & 21st

10:00 am - 5:00 pm

**At The Hacienda
5182 Fuentes de Flores
La Grange, CA 95329**

Calling all Vendors!

**For an Application Packet
e-mail Maria Navarro at: madjnav@yahoo.com
or call 209-874-2870**

Hurry and don't wait – spaces will go fast!

LAKE DON PEDRO OWNERS ASSOCIATION Balance Sheet As of August 31, 2021 ACCRUAL BASIS (Quickbooks data converted to Fund Accounting Format - Not Reviewed by CPA)			
	Operations Fund	Replacement Fund	Total Funds
ASSETS			
Checking & Savings			
Petty Cash	1,049.26		1,049.26
BAC - Operating	419,401.37		419,401.37
Reserve - BAC (savings)		608,832.38	608,832.38
Assessments Receivable, less Allowance for Doubtful Accounts (\$159,775.64-117,322.91)	42,452.73		42,452.73
Prepaid Insurance	14,875.34		14,875.34
Undeposited Funds (received but not deposited)	1,274.26		1,274.26
Total Assets	\$479,052.96	\$608,832.38	\$1,087,885.34
LIABILITIES			
Accounts Payable	5,515.71		5,515.71
Refundable Deposits	13,133.50		13,133.50
Payroll Liabilities (Employer P/R Taxes)	1.96		1.96
Workers Comp	2,978.26		2,978.26
Accrued ACC Legal Expense	27,000.00		27,000.00
Other Liabilities	11,755.75		11,755.75
Total Liabilities	60,385.18		60,385.18
FUND BALANCE	418,667.78	608,832.38	1,027,500.16
Total Liabilities and Fund Balance	\$479,052.96	\$608,832.38	\$1,087,885.34

Statements of Revenues, Expenses and Changes in Fund Balances August 2021 ACCRUAL BASIS (Quickbooks data converted to Fund Accounting Format - Not Reviewed by CPA)							
	Operations Fund Current Month	Replacement Fund Current Month	Operations Fund To Date	Replacement Fund Year To Date	Total Funds Year To Date	Annual Budget	
REVENUES							
Assessments	0.00	0.00	282,200.00	30,000.00	312,200.00	312,200.00	
Plan Check Income	150.00		250.00		250.00	0.00	
Apartment Rental	1,325.00		2,775.00		2,775.00	5,000.00	
Hall Rental	216.00		604.00		604.00	500.00	
Office Rental	532.00		1,064.00		1,064.00	6,000.00	
Interest Income - Receivables	348.58		352.02		352.02	5,000.00	
Interest Income - Bank	3.66	86.95	6.83	176.63	183.46	1,000.00	90.61
Other Income	463.10		1,151.45		1,151.45	2,000.00	
Late Fees	5,690.08		5,690.08		5,690.08	5,500.00	
Fines	500.00		1,000.00		1,000.00	0.00	
Transfer Fees	2,800.00		6,020.00		6,020.00	21,000.00	12,115.37
Total Revenues	12,028.42	86.95	301,113.38	30,176.63	331,290.01	358,200.00	331,290.01
EXPENSES							
Bad Debt Expense	1,000.00		2,000.00		2,000.00	12,000.00	
Board Expenses	0.00		0.00		0.00	500.00	
Copier Costs	203.25		406.50		406.50	2,500.00	
Office Supplies	304.01		692.51		692.51	3,000.00	
Office Salaries	6,104.00		11,822.50		11,822.50	55,000.00	
Travel / Mileage	0.00		53.20		53.20	0.00	
Legal	0.00		0.00		0.00	3,000.00	
Accounting	2,045.00		2,045.00		2,045.00	5,400.00	
Discoverer Expenses	502.00		1,004.00		1,004.00	11,000.00	
Computer / Internet	658.79		1,267.63		1,267.63	8,000.00	
Election	0.00		0.00		0.00	7,000.00	
Collections	0.00		0.00		0.00	4,000.00	
Public Relations	0.00		0.00		0.00	500.00	
Postage & Delivery	265.00		659.84		659.84	2,000.00	
Merchant Fees	810.62		2,085.85		2,085.85	4,000.00	
Insurance	2,975.07		5,950.14		5,950.14	36,000.00	
Taxes / License / Filing Fees	0.00		0.00		0.00	8,000.00	
Workers Comp Insurance	537.89		886.99		886.99	1,600.00	
Hacienda Maintenance Salary	4,256.00		8,288.00		8,288.00	58,000.00	
Pool Monitor Salary	3,594.50		3,766.75		3,766.75	6,000.00	
Janitorial Salary	1,560.88		2,839.63		2,839.63	15,000.00	
Payroll Tax Expense	1,418.54		2,433.46		2,433.46	14,000.00	
Salary Expenses - Other	362.00		1,294.00		1,294.00	8,000.00	
Electric (Hacienda)	2,979.07		6,027.99		6,027.99	20,500.00	
Electric (Well)	373.61		1,123.92		1,123.92	4,000.00	
Electric (El Prado)	91.12		182.50		182.50	1,000.00	
Electric (Barn)	15.50		24.56		24.56	100.00	
Water (El Prado)	212.00		424.00		424.00	1,700.00	
Reserve Study	0.00		0.00		0.00	300.00	
Propane	0.00		95.00		95.00	1,000.00	
Trash Removal	421.31		421.31		421.31	4,500.00	
Office Telephone	279.76		756.89		756.89	3,500.00	
Hacienda Miscellaneous Expense	0.00		142.80		142.80	0.00	
Hacienda Maintenance Supplies	399.44		982.61		982.61	5,000.00	
Hacienda Maintenance Repairs	833.48		1,215.91		1,215.91	2,000.00	
Reserve Project Expenses	0.00		0.00		0.00	0.00	
Hacienda Landscaping	0.00		0.00		0.00	0.00	
Septic Maintenance	0.00		157.11		157.11	300.00	
Well Water & Septic Testing	2,014.06		2,228.89		2,228.89	6,000.00	
Maintenance Equipment	0.00		0.00		0.00	500.00	
Well Maintenance	0.00		0.00		0.00	500.00	
Hacienda - Security	136.21		253.21		253.21	1,500.00	
Pool Maintenance	298.50		844.36		844.36	2,000.00	
Small Apartment (B)	0.00		0.00		0.00	400.00	
Large Apartment (A)	0.00		0.00		0.00	400.00	
Pest & Weed Control	0.00		147.00		147.00	1,000.00	
Janitorial Supplies	389.09		649.84		649.84	2,000.00	
General Park Maintenance	456.26		499.02		499.02	2,000.00	
Covid-19 payroll expenses	0.00		0.00		0.00	0.00	
Payroll Expenses	0.00		310.00		310.00	3,500.00	
Total Expenses	35,494.96	0.00	63,982.92	0.00	63,982.92	328,200.00	
Excess (Deficiency) of Revenues Over Expenses	-23,466.54	86.95	237,130.46	30,176.63	267,307.09		267,307.09
Board-Approved Interfund Reclassifications and Transfers	(2,500.00)	2,500.00	(32,500.00)	32,500.00			-23,379.59
Timing Adjustment from 6/30/21							62,676.63
Fund Balance (Deficit) Beginning of Fiscal Year							
Fund Balance (Deficit) Month End	\$ (25,966.54)	\$ 2,586.95	\$ 204,630.46	\$ 62,676.63	\$ 267,307.09		267,307.09

**LAKE DON PEDRO OWNERS' ASSOCIATION
Board of Directors
Minutes of General Meeting
Wednesday, August 11, 2021**

EXECUTIVE SESSION – Member Disciplinary Items, Personnel

I. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Phyllis Cotta called the meeting to order at 6:20 pm. Board Members present: VP Doug McLain, Treasurer-Jesse Forgues, Secretary, Dennis Dias, Directors, Mike Rash, Becky Temple & Larry King

II. EXECUTIVE SESSION REPORT – Phyllis Cotta, President

August 11, 2021 Executive Meeting Report:

Discussed Fine Assessments for properties that are out of compliance
Personnel Issues.

III. APPROVAL OF MINUTES

Approval of minutes for the 7/7/21 Motion to approve minutes by Jesse Forgues, 2nd by Becky Temple. Passed Unanimous Approval of minutes for a El Prado Park meeting on 6/16/21. Motion by Dennis Dias, 2nd by Mike Rash. Becky Temple Abstained. Passed

IV. TREASURER'S REPORT

May Operating Account ending balance of \$207,605.79; May Reserve Savings Account balance of \$599,807.58. July Operating Account ending balance \$410,296.32, July r Reserve Savings Acct balance of \$606,245.43 June Financials have not been returned from CPA These are end of fiscal year numbers. Motion to approve May & July financials by Dennis Dias, 2nd Mike Rash. Motion passed - Unanimous

V. COMMITTEE REPORTS

- 1. FACILITIES** – Nothing to report- No community events scheduled
- 2. ACC** – July :4 permits approved, 8 letters sent, 2 pending, closed 5, 4 pending fine. 2 ongoing fines. August: 4 permits approved, 4 letters sent, 7 pending, 3 fine meetings, 2 ongoing fines.
- 3.PARKS** – El Prado Park business will be discussed in unfinished business.

VI. UNFINISHED BUSINESS-

El Prado Park update. The Park has remained cleaned. Several people have checked. Gravel work will begin soon. Tractor work to possibly begin this week with gravel delivery the following week. The next project suggested is porta potties, toddler playground, and shade covering. El Prado Committee will get estimates of these. Requested to update the picnic tables with painting. A suggested amount was \$60 for paint. Dennis Dias made motion to approve \$60 for paint. Jesse Forgues 2nd. Motion passed unanimous.

VII. NEW BUSINESS

Water Conservation at the Hacienda. Right now, the Hacienda facility uses low flow faucets, drip system for watering, hand waters the front lawn. Also, drought tolerant plants and established plants. Suggesting savings could be decorative concrete and artificial turf. Several members stated that seeing the water usage information of the facility that the Lake Don Pedro Owners Association uses much less water than most households.

VIII. OPEN FORUM

Discussion on temperature in gym, pool upkeep.

IX. NEXT MEETING DATE / ADJOURNED – MEETING ADJOURNED AT 7:08 PM

° Next scheduled Board Meeting- Wed. September 8, 2021 at 6:00 pm

Respectfully submitted

Chris Cox

Chris Cox, on behalf of Dennis Dias, Secretary

The foregoing minutes were approved by the Board of Directors on ___Sept. 8, 2021___

LDPOA Calendar of Events

For up to date info check our FaceBook page at: facebook.com/ldpoa
 For the Hacienda Calendar go to our website at: www.ldpoa.com
Office Schedule:
 Monday, Tuesday, Wednesday, Friday & Saturday from 9 am – 4:30 pm.
 Closed on Thursdays & Sundays.

October

LINE DANCING EXERCISE CLASS IS ONGOING

2
Saturday
 • Pavilion & Kitchen & Lounge Reserved
 • Apts A & B Reserved
 10/2 - 10/3

5
Tuesday
 • ACC COMMITTEE MEETS

6
Wednesday
 • Apts B Reserved
 10/6 - 10/9

9
Saturday
 • ANNUAL LDPOA MEMBERS' MEETING & ELECTION, 10 AM

16
Saturday
 • Apt A Reserved
 10/21-10/22
 • Lounge & Kitchen Reserved

23
Saturday
 • Apt B Reserved
 10/23-10/24
 • Pavilion, Lounge & Kitchen Reserved

31
Saturday
 • Lounge & Kitchen Reserved

November

6
Saturday
 • Lounge & Kitchen Reserved

9
Tuesday
 • ACC COMMITTEE MEETS

10
Wednesday
 • BOARD MEETING SCHEDULED

13
Saturday
 • Pavilion, Kitchen & Lounge Reserved

19
Friday
 • Apts B Reserved
 11/19 - 11/21

20
Saturday
 • Annual HOLIDAY CRAFT FAIR SAT/SUN

24
Wednesday
 • WED. - SAT., OFFICE CLOSED THANKSGIVING HOLIDAY

29
Monday
 • OFFICE RE-OPENS

THINGS HAVE LOOSENED UP FOR EVENTS & GATHERINGS. HOWEVER, UNVACCINATED PERSONS ARE STILL REQUIRED TO WEAR MASKS INDOORS AT PUBLIC OR COMMERCIAL ESTABLISHMENTS. SO, ANYONE WHO ENTERS OR USES THE HACIENDA FACILITIES WITHOUT A MASK IS ATTESTING THAT THEY ARE FULLY VACCINATED. WE CAN NOW RENT THE APARTMENTS AGAIN.

LAKE DON PEDRO OWNERS' ASSOCIATION

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

YEARS ENDED JUNE 30, 2021 AND 2020

LEVY, ERLANGER & COMPANY LLP
 Certified Public Accountants
 San Francisco, California

LAKE DON PEDRO OWNERS' ASSOCIATION

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LEVY, ERLANGER & COMPANY LLP
 Certified Public Accountants
 290 KING STREET, SUITE 12
 San Francisco, CA 94107

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board Of Directors
Lake Don Pedro Owners' Association
 La Grange, California

We have reviewed the accompanying financial statements of **Lake Don Pedro Owners' Association** (the Association) which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in fund balances and cash flows, for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association 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 as a whole. Accordingly, we do not express such an opinion.

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. (Continued on next page)

Board Of Directors
Lake Don Pedro Owners' Association
 Independent Accountant's Review Report (Continued)

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

1

Future Major Repairs and Replacements

As further discussed in the notes to the financial statements, the Association has completed a study of its common area major components sufficient to assist the Board in planning for future major repairs and replacements. The reasonableness of the resulting replacement reserve funding plan is a function of the completeness of the major component list and the accuracy of the estimated quantity, useful and remaining lives, and replacement costs of those components.

Funds are being accumulated in the replacement fund based on estimated future costs for repair and replacement of common area property. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future component repair and replacement costs. The ability of the Association to fund its future requirements is dependent upon annual increases in that portion of the assessment which is allocated to the replacement fund, and/or special assessments. In the event that funds are not available when needed, the Board may, subject to the constraints of California law and the Association's governing documents, increase regular assessments, levy special assessments, and/or delay repair and replacement of common area major components until sufficient funds are available.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property 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, which 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.

Levy Elmer & Company LLP

August 4, 2021

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LAKE DON PEDRO OWNERS' ASSOCIATION

BALANCE SHEETS JUNE 30, 2021 AND 2020

	2021		2020	
	Operations Fund	Replacement Fund	Total Funds	Total Funds
ASSETS				
Cash and cash equivalents (Note 2)	\$ 349,598	\$ 603,656	\$ 953,254	\$ 881,960
Assessments receivable, less allowance for doubtful accounts of \$118,000 and \$113,000, respectively (Note 2)	3,981		3,981	879
Prepaid insurance	20,825		20,825	21,057
Other assets	4,534		4,534	4,720
Total assets	<u>\$ 378,938</u>	<u>\$ 603,656</u>	<u>\$ 982,594</u>	<u>\$ 908,616</u>
LIABILITIES				
Accounts payable	\$ 3,898	\$ -	\$ 3,898	\$ 4,544
Assessments paid in advance	169,722		169,722	158,251
Refundable deposits	9,954		9,954	10,337
Payroll taxes and benefits payable	5,910		5,910	5,214
Other liabilities	14,201		14,201	14,385
Contract liabilities - replacement reserve assessments paid in advance (Notes 2 and 4)		603,656	603,656	557,608
Future major repairs and replacements (Note 3)	-	-	-	-
Total liabilities	<u>203,685</u>	<u>603,656</u>	<u>807,341</u>	<u>750,339</u>
COMMITMENTS (NOTE 5)	-	-	-	-
FUND BALANCE (DEFICIT)	<u>175,253</u>	<u>-</u>	<u>175,253</u>	<u>158,277</u>
Total liabilities and fund balance	<u>\$ 378,938</u>	<u>\$ 603,656</u>	<u>\$ 982,594</u>	<u>\$ 908,616</u>

See independent accountant's review report and accompanying notes

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LAKE DON PEDRO OWNERS' ASSOCIATION

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020
	Operations Fund	Replacement Fund	Total Funds	Total Funds
REVENUES				
Assessments (Notes 2 and 4)	\$ 267,200	\$ -	\$ 267,200	\$ 315,357
Bad debt recovery (expense)	(10,303)		(10,303)	(3,458)
Interest income (Note 2)	31		31	1,087
Rental income	15,733		15,733	30,293
Late charges and other income	57,907		57,907	41,964
Total revenues	330,568	-	330,568	385,243
EXPENSES				
<u>Administration</u>				
Insurance	35,932	-	35,932	40,837
Legal and accounting	6,120		6,120	8,380
Newsletter	11,979		11,979	12,072
Office, printing and postage	38,924		38,924	38,203
Reserve study	300		300	3,200
	93,255	-	93,255	102,692
<u>Maintenance and operations</u>				
Hacienda expenses	9,220	-	9,220	16,583
Janitorial services	12,751		12,751	18,402
Parks expense	2,196		2,196	492
Payroll, payroll taxes and benefits	147,060		147,060	150,174
Pool and spa maintenance	2,242		2,242	2,489
Septic maintenance and test	7,186		7,186	6,035
Other maintenance and operations	8,361		8,361	3,138
	189,016	-	189,016	197,313
EXPENSES (CONTINUED)				
<u>Utilities</u>				
Garbage collection	\$ 6,153	\$ -	\$ 6,153	\$ 4,561
Gas and electricity	22,624		22,624	24,210
Water and sewer	2,544		2,544	2,544
	31,321	-	31,321	31,315
<u>Major repairs and replacements</u>				
Apartment remodeling project	-	-	-	44,214
	-	-	-	44,214
Total expenses	313,592	-	313,592	375,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	16,976	-	16,976	9,709
FUND BALANCE (DEFICIT), BEGINNING OF YEAR (NOTE 4)				
	158,277	-	158,277	148,568
FUND BALANCE (DEFICIT), END OF YEAR (NOTE 4)				
	\$ 175,253	\$ -	\$ 175,253	\$ 158,277

See independent accountant's review report and accompanying notes

LAKE DON PEDRO OWNERS' ASSOCIATION

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021		2020	
	Operations Fund	Replacement Fund	Total Funds	Total Funds
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 16,976	\$ -	\$ 16,976	\$ 9,709
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Bad debt (recovery) expense	10,303	-	10,303	3,458
Decrease (increase) in assets:				
Assessments receivable	(13,405)		(13,405)	(2,677)
Other assets	186		186	(1,350)
Prepaid insurance	232		232	4,739
Increase (decrease) in liabilities:				
Accounts payable	(646)		(646)	(3,071)
Refundable deposits	(383)		(383)	(2,855)
Assessments paid in advance	11,471		11,471	(10,266)
Other liabilities	(184)		(184)	(1,328)
Payroll taxes and benefits payable	696		696	(535)
Contract liabilities - replacement reserve assessments paid in advance		46,048	46,048	(3,157)
Total adjustments	8,270	46,048	54,318	(17,042)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	25,246	46,048	71,294	(7,333)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	25,246	46,048	71,294	(7,333)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR				
	324,352	557,608	881,960	889,293
CASH AND CASH EQUIVALENTS, END OF YEAR				
	\$ 349,598	\$ 603,656	\$ 953,254	\$ 881,960
<u>Supplemental Disclosures</u>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

See independent accountant's review report and accompanying notes

LAKE DON PEDRO OWNERS' ASSOCIATION**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020****1. THE ASSOCIATION**

Lake Don Pedro Owners' Association (the Association) is a common interest development located in La Grange, California which consists of 3122 lots and certain common area property. The Association was organized as a nonprofit mutual-benefit corporation in August 1968 to provide for management, maintenance and architectural control of the individual units and the common area property. The Association is governed by a member-elected Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions (CC&Rs), by laws, and rules and regulations. Major decisions, as determined by the CC&Rs, are referred to the Association owners as a whole.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assessments. Association members are subject to annual assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The estimate of allowance for doubtful accounts, if any, is based, generally on amounts past due greater than 90 to 120 days.

Basis of presentation. The accompanying financial statements, and the Association's corporate income tax returns, have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents. For purposes of the statement of cash flows, the Association considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. Cash equivalents are classified with cash in the balance sheet.

Concentrations of credit risk. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Association maintains its financial instruments with what management believes to be high credit quality financial institutions and limits the amount of credit exposure to any one particular institution. Cash, cash equivalents and investments in excess of federal deposit insurance (FDIC) coverage limits as of June 30, 2021 totaled approximately \$704,000.

Contract liabilities - replacement reserve assessments paid in advance. The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability - replacement reserve assessments paid in advance is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

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 and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and the differences could be material.

Fund accounting. The Association's governing documents provide certain guidelines for governing its financial activities. To ensure the observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in two funds established according to their nature and purpose. The operations fund is used to account for the financial resources available for the general day-to-day operations of the Association. The replacement fund is used to accumulate financial resources designated for future major repairs and replacements.

Income taxes are paid on income from sources which are not related to the nonprofit, membership purposes of the Association. Nonmembership income, less related nonmembership expenses, subject to federal and California income taxes includes interest earned on cash and cash equivalents, and investments. (Continued on next page)

See independent accountant's review report

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For federal purposes, the Association has received exemption from tax under IRC Section 501(c)(7) and is subject to tax on net nonmembership income at 21%. California income taxes approximate 9% of taxable income.

The Association's tax filings are subject to audit by various taxing authorities: federal income tax returns for the previous three years remain open to examination by the Internal Revenue Service and California income tax returns for the previous four years remain open to examination by the Franchise Tax Board. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

Interest earned on operations and replacement funds, net of related income taxes, is retained in said respective funds. With the implementation of FASB ASC 606 new accounting guidance, reported replacement reserve interest income may be less than earned.

Membership in the Association is mandatory by virtue of unit ownership.

Real and personal common property acquired by the original owners from the developer is not recognized in the Association's financial statements, in accordance with prevalent industry practice, because it is commonly owned by the individual Association members and its disposition by the Board Of Directors is restricted. Similarly, major repairs, replacements and improvements to real and personal property are not recognized.

3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents, and California state law (Civil Code Section 5300), require that the Board Of Directors provide for the repair and replacement of Association common area major components. Accordingly, funds which comprise the replacement fund are not generally available for the payment of day-to-day operating expenses.

The Association has completed a study of its common area major components sufficient to assist the Board in planning for future major repairs and replacements. The reasonableness of the resulting reserve funding plan is a function of the completeness of the major component list, the accuracy of the estimated quantity, useful and remaining lives and current replacement costs of those components, and the reasonableness of significant funding assumptions, including but not limited to the projected major component cost increases (aka inflation) and interest earning rate(s) on replacement fund cash balances.

Funds are being accumulated in the replacement fund based on estimated future costs for repair and replacement of common area property. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material.

Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future component repair and replacement costs. The ability of the Association to fund its future requirements is dependent upon annual increases in that portion of the assessment which is allocated to the replacement fund, and/or special assessments. In the event that funds are not available when needed, the Board may, subject to the constraints of California law and the Association's governing documents, increase regular assessments, levy special assessments, and/or delay repair and replacement of common area major components until funds are available.

Additional information about future major repairs and replacements may be found in the annually-distributed pro forma operating budget and related assessment and reserve funding disclosure summary (pursuant to California Civil Code Section 5300).

4. FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) has issued new guidance that created Accounting Standards Codification (ASC) Topic 606. This new guidance supercedes the revenue recognition requirements in FASB ASC 972-605, Real Estate - Common Interest Realty Associations (CIRAs), Revenue Recognition, and now requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services (i.e. the accumulation of unspent replacement reserve cash and investments from assessment payments over time which are eventually to be used for common area major repairs and replacements).

The Association has adopted the new guidance as of July 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenues and contract liabilities - replacement reserve assessments paid in advance.

(Continued on next page)

See independent accountant's review report

4. FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (CONTINUED)

<u>2019-2020 Assessment Revenues Reconciliation</u>	Operations Fund	Replacement Fund	Total Funds
Assessment revenues <u>per budget</u>	\$ 272,200	\$ 40,000	\$ 312,200
Effects of applying <u>new guidance</u>			
Adjust revenues to equal expenses	-	3,157	3,157
Total effects of new guidance	-	3,157	3,157
Assessment revenues <u>per financial statements</u>	<u>\$ 272,200</u>	<u>\$ 43,157</u>	<u>\$ 315,357</u>

<u>2020-2021 Assessment Revenues Reconciliation</u>	Operations Fund	Replacement Fund	Total Funds
Assessment revenues <u>per budget</u>	\$ 267,200	\$ 45,000	\$ 312,200
Effects of applying <u>new guidance</u>			
Adjust revenues to equal expenses	-	(45,000)	(45,000)
Total effects of new guidance	-	(45,000)	(45,000)
Assessment revenues <u>per financial statements</u>	<u>\$ 267,200</u>	<u>\$ -</u>	<u>\$ 267,200</u>

The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance. The modified retrospective method of transition also requires disclosure of the effect of applying the new guidance on each item included in the 2019-2020 financial statements. The adoption of the new revenue recognition guidance resulted in the following changes to the 2019-2020 financial statements:

	Amounts That Would Have Been Reported	Effects Of Applying New Guidance	As Reported
Balance Sheet			
Contract liabilities - replacement reserve assessments paid in advance	\$ -	\$ 557,608	\$ 557,608
Total liabilities	\$ 192,731	\$ 557,608	\$ 750,339
Ending fund balances	\$ 715,885	\$ (557,608)	\$ 158,277
Statement Of Revenues, Expenses And Changes In Fund Balances			
Revenues			
Assessments	\$ 312,200	\$ 3,157	\$ 315,357
Interest income (Note 2)	1,087	-	1,087
Other revenues	68,799	-	68,799
Total revenues	382,086	3,157	385,243
Expenses			
Operating expenses	331,320	-	331,320
Replacement reserve expenses	44,214	-	44,214
Total expenses	375,534	-	375,534
Excess (deficiency) of revenues over expenses	6,552	3,157	9,709
Beginning fund balances	709,333	(560,765)	148,568
Ending fund balances	\$ 715,885	\$ (557,608)	\$ 158,277
Statement Of Cash Flows			
Excess (deficiency) of revenues over expenses	\$ 6,552	\$ 3,157	\$ 9,709
Change in contract liabilities - replacement reserve assessments paid in advance	\$ -	\$ (3,157)	\$ (3,157)

See independent accountant's review report

(Continued on next page)

5. COMMITMENTS

The Association enters into contracts for management and/or maintenance services in the normal course of its business operations. These contracts are generally cancelable on thirty to ninety days' advance notice.

6. COVID-19

In December 2019 a novel strain of coronavirus surfaced and has spread around the world, resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization in January 2020. The effect of this virus on the financial position and/or results of operations of the Association is unknown at this time.

7. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 4, 2021, the date that the financial statements were available to be issued.

See independent accountant's review report

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LAKE DON PEDRO OWNERS' ASSOCIATION**SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS****JUNE 30, 2021
(UNAUDITED)**

The following information on common area major components was compiled by Browning Reserve Group of Sacramento, California as of **March 2021** and has served as the basis for the current estimates of replacement reserve funding:

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2020/2021 Fully Funded Balance
01000 - Paving	118,665	3-25	1-18	37,470
02000 - Concrete	7,820	8-10	0-4	5,395
03000 - Painting: Exterior	27,121	8-10	1-2	23,947
03500 - Painting: Interior	3,192	5-5	3-3	1,277
04000 - Structural Repairs	89,423	20-30	1-17	39,857
04500 - Decking/Balconies	6,248	10-25	6-21	1,577
05000 - Roofing	123,289	10-30	1-13	86,247
08000 - Rehab	88,309	5-20	1-6	62,902
12000 - Pool	28,255	3-12	1-9	10,215
14000 - Recreation	1,409	5-5	5-5	235
18500 - Lakes / Ponds	5,000	5-5	0-0	5,000
19000 - Fencing	50,765	15-30	3-17	38,742
20000 - Lighting	26,817	15-30	4-8	19,666
22000 - Office Equipment	3,935	5-5	1-1	3,148
23000 - Mechanical Equipment	46,386	15-30	3-22	24,182
24000 - Furnishings	41,383	10-25	3-18	17,562
24500 - Audio / Visual	2,096	10-10	3-5	1,112
24600 - Safety / Access	25,799	6-10	2-3	17,477
25000 - Flooring	55,050	5-20	1-19	23,999
26000 - Outdoor Equipment	39,912	10-30	0-13	20,133
27000 - Appliances	23,340	10-25	1-20	10,611
28000 - Water System	27,157	6-20	5-19	2,999
30000 - Miscellaneous	49,535	15-20	0-13	22,723
Totals	\$890,906			\$476,474
Estimated Ending Balance				\$600,997
Percent Funded				126.1%

The Association has conducted a study to estimate the useful and remaining lives and current replacement costs of common property major components. Funding requirements consider an estimated **before-tax interest rate of 2-1/4%** on replacement fund cash balances and an annual **inflation rate of 2-1/2%** on major component replacement costs. The replacement fund **cash** and investment balances at June 30, 2021 totaled **\$603,656**. The estimated liability for major repairs and replacements at this date totaled approximately **\$476,000**. The portion of **2022** regular **assessments** budgeted to be allocated to the replacement fund totals **\$30,000**.

See independent accountant's review report and accompanying notes.



Lake Don Pedro Owners' Association
 Pam Hatler, Office Manager
 5182 Fuentes de Flores, La Grange, CA 95329

Rates for various services from Lake Don Pedro Owners' Association

Hall and apartment rentals		Office rental information	
	<i>Member Non-Member</i>	Office 1	9x12 Leased \$162
Pavilion (43' x 80')	\$250* \$800	Office 2	11x12 Leased \$198
Lounge (47' x 21', 32' x 19')	\$ 25* \$300	Office 3	8x17 Leased \$204
Kitchen	\$50* \$100	Office 4	8.25x12.5 Available \$155
REFUNDABLE DEPOSITS FOR EVENT RENTALS:			
(Deposits will be refunded if there are no damages & clean up standards are met)			
Pavilion	\$100 \$500-1000**	Office Services	
Lounge	\$50 \$500-1000**	Fax - To receive	\$0.50 per page
Kitchen	\$50 \$250	Fax - To send	\$1.00 per page
RENTAL RATES FOR APARTMENTS			
(Deposits are refunded if there are no losses or damages and rental rules are followed)			
Apartment "A" (Upstairs, sleeps 8 people)			
	<i>Member Non-Member Season</i>	Copies	
Daily Rate	\$175 \$250 April - Sep	10 cents per page	
Weekly Rate	\$1,050 \$1,500	*Two member benefits: Free personal use of the Lounge once (1) per year & free personal use of the Pavilion once (1) every three (3) years. (Subject to availability.)	
Daily Rate	\$125 \$200 Oct.-Mar	Additional member bookings are charged at the stated rates. Deposits are required for all rentals and insurance for events over 50 people.	
Weekly Rate	\$700 \$1,200	**If alcohol will be served: • deposit is the higher amount • you must provide insurance. Security is recommended.	
Deposit	\$175 \$250	Note: If you are renting space for an event the following may be used (subject to availability) for no additional cost: courtyard, front lawn, lawn/fountain area, barbecue.	
Apartment "B" (Downstairs, sleeps 6 people)			
Daily Rate	\$150 \$180 April - Sep	NON-PROFIT ORGANIZATIONS: Will be allowed free use of the Pavilion twice per year and the Lounge twice per year (as scheduling permits). Each additional use will require a Use Fee of \$50 (Pavilion) and \$25 (Lounge) to cover utilities and maintenance.	
Weekly Rate	\$ 900 \$1,080	<u>Deposits, completed Use Agreement forms & insurance coverage are required each time.</u>	
Daily Rate	\$100 \$150 Oct. - Mar		
Weekly Rate	\$550 \$850		
Deposit	\$150 \$180		
Rev 02/15			



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Change of Address
 It is the responsibility of Lake Don Pedro property owners who have moved, or who will move soon, to send a change of address notice to keep important Association mailings and the Discoverer coming. Please use the form to the right.

Official Publication of the Lake Don Pedro Owners' Association
 Published at the beginning of each month

BOARD OF DIRECTORS

Phyllis Cotta Assoc. President
 Douglas McLain Vice President
 Dennis Dias Board Secretary
 Jesse Forgues Treasurer
 Becky Temple Director
 Mike Rash Director
 Larry King Director

Correspondence to the Board or Association should be sent to:
 info@ldpoa.com

Lake Don Pedro Owners' Association
 5182 Fuentes De Flores, La Grange, CA 95329
Administration office hours are:
 Mon, Tues, Wed, Fri - 9 am to 4:30 pm.
 (Answering machine on Noon - 2pm)
 Sat - 9am - 1pm
 Closed Sunday and Thursday

Office Hours: Mon, Tues, Wed, Fri. - 9am - 4:30pm
 Sat - 9am - 1pm; CLOSED Thursday & Sunday
 (Phones are silent Noon - 2pm)
Ph: 209 852-2312 • **Fax:** 209 852-2771
Email: info@ldpoa.com • **Web:** www.ldpoa.com

2021 Annual Dues are \$100 and are due July 1st

DID YOU MOVE IN THE LAST YEAR?
 Please make sure we have your correct mailing address!
 Contact the LDPOA office at 209-852-2312 or info@ldpoa.com

Accounts with unpaid Dues for 2021 will be charged a \$10 Late Fee on Aug. 1st
 On Sept. 1st monthly interest charges start to accrue on the unpaid dues

Accounts that have set up a Payment Plan can avoid further fees
 as long as payments are current.
We will work with you.

Important Information

- The General Board Meetings are regularly scheduled on the 2nd Wednesday of the month at 6:00
The next meeting is the annual members meeting and election scheduled for Saturday, October 9th at 10 am.
- **Attention: Do you have a special request for the Association?** Any party or group with a special request for the Association must submit the request to be approved at a Board Meeting and be present at the meeting in order to obtain approval.
- The ACC (Architectural Control & Compliance) Committee meets monthly to issue permits. **The next ACC meeting will be on Tuesday, October 5th.** Please send submissions to the LDPOA office by **Friday, October 1st** to assure being included on the ACC agenda.
- **Please Note:** Requests must be listed on the agenda in order to be considered at a board meeting. **The agenda is set one week before the meeting.**

Moving? Please notify the LDPOA!

You may contact us by: email info@ldpoa.com, our website at www.ldpoa.com
 by phone 209.852.2312 or mail at 5182 Fuentes de Flores, La Grange, CA 95329

Be sure to include the following information:

- *Owner's Name
- *Old Address
- *New Address
- Account or Lot #
- Multiple Lots?
- Phone and/or **Email:

* Indicates information required to update account
 ** If supplied a confirmation of change will be sent.