

**River Oaks Improvement Association  
Warrenville, IL 60555**

**Financial Statements**

**Cash Basis**

**February 28, 2021 and February 29, 2020**

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
River Oaks Improvement Association  
PO Box 144  
Warrenville, IL 60555

We have compiled the accompanying comparative cash basis Statement of Financial Position of River Oaks Improvement Association as of February 28, 2021 and February 29, 2020, and the related cash basis Statement of Activities for the periods then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United State of America.

Management 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 internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Kellie J Schiltz, CPA*

August 2, 2021

Kellie J Schiltz, CPA  
The Accounting Place, Inc.  
29W140 Butterfield Rd, Suite 101  
Warrenville, IL 60555

**River Oaks Improvement Association**  
**Statements of Financial Position**  
**February 28, 2021 and February 29, 2020**

	2021	2020
<b>ASSETS</b>		
Cash in Bank - Checking Undeposited Funds	\$ 18,432	\$ 17,035
<b>TOTAL ASSETS</b>	<b>\$ 18,432</b>	<b>\$ 17,035</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Homeowner's Deposits	\$ 985	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 985</b>	<b>\$ -</b>
<b>NET ASSETS</b>		
Unrestricted Fund Balance	17,035	24,898
Increase in Unrestricted Net Assets	412	(7,863)
<b>TOTAL NET ASSETS</b>	<b>\$ 17,447</b>	<b>\$17,035</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,432</b>	<b>\$ 17,035</b>

See the Independent Accountants' Compilation Report

**River Oaks Improvement Association**  
**Statements of Activities**  
**Years Ended February 28, 2021 and February 29, 2020**

	2021	2020
<b>UNRESTRICTED NET ASSET SUPPORT</b>		
<b>Support</b>		
Assessments	\$ 11,980	\$ 9,550
Insurance Reimbursement	0	0
<b>Total Support from Operations</b>	11,980	9,550
<b>Investment Income</b>		
Interest Income	0	0
<b>Total Investment Income</b>	0	0
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<b>11,980</b>	<b>9,550</b>
<b>EXPENSES</b>		
Annual Meeting	0	30
Annual Review	235	225
Block Party	0	
Electric	257	277
Insurance	529	529
Landscaping	10,467	9,760
News Letter	0	42
Property Maintenance	0	6,425
Postage & PO Box	70	115
State Corporate Fee	10	10
Software	0	0
<b>TOTAL EXPENSES</b>	<b>11,568</b>	<b>17,413</b>
<b>TOTAL INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	412	(7,863)
<b>BEGINNING NET ASSETS</b>	17,035	24,898
<b>ENDING NET ASSETS</b>	<b>\$ 17,447</b>	<b>\$ 17,035</b>

**River Oaks Improvement Association**  
**Notes to Financial Statements**  
**Cash Basis**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

River Oaks Improvement Association (Association) is a not for profit corporation formed for the purpose of maintaining and preserving the common property owned by the residents of the Dupage County subdivision known as River Oaks. The Association is governed by a Board of Directors elected by the owners of the sixty six lots in this subdivision as set forth in the subdivisions' Declarations of Covenants, Conditions, and Restrictions.

**Tax Status**

The Association is a nonprofit, non-stock organization incorporated on January 25, 1988 under the laws of the State of Illinois. As a homeowner association it can elect to file form 1120-H, U.S. Income Tax Return for Homeowner Associations. If it does not make this election, it must file form 1120, U.S. Corporate income Tax Return. This election is made annually by filing the form 1120-H.

Under the election to file the tax return as a homeowner association, membership dues, fees, and assessments are treated as exempt function income and therefore, not taxable.

**Principles of Accounting**

The Association reports its financial position and activities on the cash basis method of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

**Property and Improvements**

The Association has elected not to capitalize the cost of the common property or improvements made to such property. Therefore, such costs, if any, would be reported on the Statements of Activities.

**NOTE 2 - ASSESSMENTS**

The Board of Directors annually establishes a budget and related assessment amount, subject to approval of a majority of the members of the Association which the Board believes will provide sufficient funds annually to support the maintenance and improvement of the common property, as well as to provide a cash reserve should the need to utilize such reserve arise in the future. The assessment so determined is payable proportionately by each member of the Association in four equal installments. Any assessments received in excess of the

**River Oaks Improvement Association**  
**Notes to Financial Statements**  
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**NOTE 2 - ASSESSMENTS - continued**

expenditures for each year may be retained by the Board to be utilized to pay for such future improvements or major repairs as may be approved by the Board or which arise from situations not in direct control of the Board.

Prior to 2005, the Board raised the annual assessment from \$160 to \$240 per lot in order to build a fund to replace the retaining wall located on common property. On March 3, 2015 the board voted to decrease the annual assessment to \$180. For the years ending February 28, 2021 and February 29, 2020 the annual assessment per lot was \$180.