



## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Cutty's Okoboji Resort Club  
Spirit Lake, Iowa

### **Opinion**

We have audited the accompanying financial statements of Cutty's Okoboji Resort Club (the Club), an Iowa nonprofit organization, which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities 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 the Club as of September 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Club and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Club's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 misstatement, 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 when it 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.

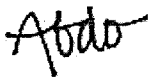
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Club'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 Club'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 Statement of Activities - Budget and Actual (Unaudited) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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.



**Abdo**  
Minneapolis, Minnesota  
November 16, 2023



Cutty's Okoboji Resort Club  
Spirit Lake, Iowa  
Statements of Financial Position  
September 30, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Undesignated		
Cash and cash equivalents	\$ 165,202	\$ 213,295
Designated		
Capital improvement funds		
Cash and cash equivalents	343,844	658,427
Certificates of deposits	15,217	14,758
Deluxe marketing funds		
Cash and cash equivalents	27,084	25,173
Certificates of deposits	57,035	55,323
Interest receivable	175	26
Resort dues receivable, net of allowance for doubtful accounts of \$3,298,000 and \$2,996,000 for 2023 and 2022, respectively	287,653	281,403
Other receivables	506	-
Prepaid expenses	95,079	61,094
Resale inventory	29,657	29,917
Ownerships for resale, net of valuation allowance of \$90,400 and \$90,400 for 2023 and 2022, respectively	143,991	143,991
<b>Total Current Assets</b>	<b>1,165,443</b>	<b>1,483,407</b>
<b>Property and Equipment</b>		
Land and improvements	2,337,349	1,965,121
Buildings and improvements	1,731,330	1,688,877
Equipment	1,571,497	1,387,264
Construction in progress	-	57,543
<b>Total Property and Equipment</b>	<b>5,640,176</b>	<b>5,098,805</b>
Less: Accumulated depreciation	(3,207,799)	(2,993,498)
<b>Net Property and Equipment</b>	<b>2,432,377</b>	<b>2,105,307</b>
<b>Total Assets</b>	<b>\$ 3,597,820</b>	<b>\$ 3,588,714</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 36,144	\$ 38,568
Prepaid dues	1,112	1,112
Payroll tax and sales tax payable	13,836	13,935
Accrued wages	35,570	36,214
Accrued paid time off	52,669	47,171
Accrued property taxes	50,545	49,451
Unearned income	840,352	783,945
<b>Total Liabilities</b>	<b>1,030,228</b>	<b>970,396</b>
<b>Net Assets</b>		
Without donor restriction		
Board designated (Note 5)	443,180	753,681
Operating	2,124,412	1,864,637
<b>Total Net Assets</b>	<b>2,567,592</b>	<b>2,618,318</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,597,820</b>	<b>\$ 3,588,714</b>

**CUTTY'S OKOBOJI RESORT CLUB  
OPERATING STATEMENTS & BUDGETS  
FOR PERIODS ENDING SEPT. 30**

REVENUE	2024 BUDGET	2023 BUDGET	2022 BUDGET	2021 BUDGET	2023 ACTUAL	2022 ACTUAL	2021 ACTUAL
RESORT CLUB DUES	\$ 1,182,000	\$ 1,182,000	\$ 1,105,000	\$ 1,105,000	\$ 1,166,392	\$ 1,121,097	1,107,535
DUES FOR IMPROVEMENTS	234,000	234,000	227,000	227,000	214,329	218,251	230,647
ROOM RECEIPTS	438,000	410,000	402,500	389,000	401,108	390,840	344,472
SITE RENTALS/UTILITY USAGE	405,000	300,000	285,000	233,000	287,875	270,839	252,719
SEASONAL & STORAGE RENT	327,900	306,000	293,000	273,000	312,865	293,503	269,700
SNACKBAR RECEIPTS	116,000	110,000	130,000	130,000	113,772	91,717	93,536
GROCERY, STORE & PROPANE	117,000	115,000	97,000	97,000	116,650	113,670	101,433
ACTIVITY RECEIPTS	5,000	7,000	7,000	7,000	4,540	3,392	4,020
PARKING PERMITS/FINES	1,000	1,000	1,000	1,000	595	1,076	1,398
EQUIP. RENT & COIN GAMES	11,000	11,000	10,000	10,000	10,416	10,866	10,194
TRANSFERS & SECURE KEYS	38,000	42,000	42,000	42,000	38,170	40,601	49,721
SERVICE FEES & MISC	28,000	28,000	25,000	25,000	28,510	26,683	27,684
INTEREST INCOME	14,000	14,000	18,000	11,000	15,174	9,995	19,778
MARKETING/OTHER			-	-	-	-	500
GAIN ON DISPOSAL OF ASSETS			-	-	250	500	-
VOLUNTEER SERVICE			-	-	27,647	23,375	22,015
<b>GROSS REVENUE</b>	<b>\$ 2,916,900</b>	<b>\$ 2,760,000</b>	<b>\$ 2,642,500</b>	<b>\$ 2,550,000</b>	<b>\$ 2,738,293</b>	<b>\$ 2,616,405</b>	<b>\$ 2,535,352</b>
<b>OPERATING EXPENSES</b>							
FOOD PURCHASES	\$ 95,000	\$ 90,000	\$ 90,000	\$ 90,000	99,701	\$ 80,788	77,729
STORE PURCHASES	55,000	60,000	60,000	52,000	56,202	52,409	50,360
OFFICE WAGES	290,000	270,000	250,000	250,000	288,009	246,245	217,098
MAINTENANCE/RANGER WAGES	340,000	350,000	340,000	350,000	323,515	340,991	323,146
HOUSEKEEPING WAGES	150,000	140,000	120,000	120,000	145,116	123,445	114,109
FOOD SERVICE WAGES	70,000	80,000	140,000	140,000	56,596	54,997	62,251
ACTIVITY WAGES	50,000	50,000	57,000	57,000	36,734	32,141	46,182
PAYROLL TAXES	72,000	71,000	74,000	74,160	68,208	65,216	64,108
EMPLOYEE INSURANCE	75,000	80,000	80,000	70,454	69,317	75,940	80,157
EMPLOYEE IRA PLAN	10,000	13,000	15,000	10,000	9,238	11,516	13,263
EMPLOYEE PTO PLAN	5,000	5,000	5,000	4,000	5,498	(8,949)	3,502
GROUP ACTIVITIES	7,000	10,000	10,000	10,000	4,748	12,711	4,782
GROUP ENTERTAINMENT	7,000	7,000	7,000	7,000	4,611	6,748	12,647
LODGE SUPPLIES & MAINT.	60,000	60,000	60,000	60,000	52,336	56,319	51,829
POOL SUPPLIES & MAINT.	30,000	20,000	20,000	20,000	24,589	23,460	18,701
GROUNDS MAINTENANCE	110,000	95,000	87,000	87,000	113,222	95,064	87,197
OFFICE, POST., PRtg. & BANK	62,000	56,000	48,000	40,000	63,356	55,634	50,857
PARKING	1,500	1,500	3,000	3,000	1,227	1,222	1,041
DEPRECIATION	225,000	217,000	215,000	215,000	227,649	216,834	216,356
GENERAL INSURANCE	120,000	112,000	100,000	100,000	117,760	111,393	100,568
PROPERTY TAXES & LICENSE	109,000	107,000	107,000	107,000	110,020	105,954	107,620
PROFESSIONAL FEES	20,000	12,000	12,000	10,000	15,255	11,802	10,606
TELEPHONE	3,000	3,500	3,000	3,000	3,173	3,405	2,702
UTILITIES	575,000	480,000	415,000	370,000	479,226	442,296	391,842
STAFF/VOLUNTEER EXP./TRAINING	8,000	10,000	6,000	6,000	5,518	14,940	6,363
DUES ALLOW.-WRITEOFFS	300,000	290,000	290,000	280,000	367,662	286,858	298,436
MARKETING/SALES	2,000	10,000	10,000	10,000	1,145	6,063	7,981
LOSS-DISPOSAL OF ASSETS		2,000	2,000	2,000	-	-	-
VOLUNTEER SERVICE					27,647	23,375	22,015
OWNERSHIP VALUATION ADJ					-	(600)	91,000
WEBSITE EXPENSE	20,000				11,740	28,749	
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 2,851,500</b>	<b>\$ 2,702,000</b>	<b>\$ 2,626,000</b>	<b>\$ 2,547,614</b>	<b>\$ 2,789,018</b>	<b>\$ 2,576,966</b>	<b>\$ 2,534,448</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 65,400</b>	<b>\$ 58,000</b>	<b>\$ 16,500</b>	<b>\$ 2,386</b>	<b>\$ (50,725)</b>	<b>\$ 39,439</b>	<b>\$ 904</b>