

**Silverwood Plantation Homeowners
Association, Inc.
Financial Statements
For the One Month and Nine Months
Ended September 30, 2018**

Wilson & Kessler CPA LLC
Certified Public Accountants
Post Office Box 1000
Springfield, GA 31329

October 15, 2018

To Management
Silverwood Homeowners Association Inc.
Rincon, GA

Management is responsible for the accompanying financial statements of Silverwood Plantation Homeowners Association, Inc (a corporation), which comprise the statement of assets, liabilities, and equity - tax basis as of September 30, 2018, and the related statement of revenues, expenses and cash flows - tax basis actual and budget for the one month and nine months ended September 30, 2018, and for determining that the tax basis of accounting is an acceptable financial reporting framework. 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.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Silverwood Plantation Homeowners Association Inc.

Wilson & Kessler

Wilson & Kessler CPA LLC

Silverwood Plantation Homeowners Association, Inc.
Statement of Assets, Liabilities and Equity
Tax Basis
September 30, 2018

Assets

Current Assets

Renasant Bank - Operating Account	\$ 171,379.14	
Monthly Fees Receivable	15,491.34	
Total Current Assets		\$ 186,870.48

Fixed Assets

Clubhouse	141,509.98	
Security Gates and Cameras	53,999.93	
Furniture, Fixtures & Equipment	24,949.47	
Accumulated Depreciation	(219,918.80)	
Net Fixed Assets		540.58

Board Designated Assets

Renasant Bank - Road Fund	88,418.29	
Renasant Bank - Drainage Fund	9,084.49	
Renasant Bank - Gate Fund	4,056.96	
Total Board Designated Assets		101,559.74

Total Assets

\$ 288,970.80

Silverwood Plantation Homeowners Association, Inc.
Statement of Assets, Liabilities and Equity
Tax Basis
September 30, 2018

Liabilities and Equity

Current Liabilities

Prepaid Dues	<u>\$ 32,753.61</u>	
Total Current Liabilities		\$ 32,753.61

Equity

Retained Earnings	142,332.21	
Developer's Contributions	163,430.15	
Y-T-D Net Income	<u>(49,545.17)</u>	
Total Equity		<u>256,217.19</u>

**Total Liabilities and
Equity**

\$ 288,970.80

Silverwood Plantation Homeowners Association, Inc.
Statement of Revenues and Expenses - Actual and Budget
Tax Basis
For the One Month and Nine Months Ended September 30, 2018

	One Month Actual	Nine Months Actual	Annual Budget
Recurring Revenue			
Monthly Fee Revenue	\$ 19,344.00	\$ 188,214.00	\$ 205,920.00
Interest Income	83.00	1,010.12	200.00
Lamp posts, lens and panels	20.00	260.00	0.00
Late Fees Assessed	225.00	2,747.40	2,000.00
Gate Cards and Decals	250.00	2,440.00	2,000.00
Total Recurring Revenue	19,922.00	194,671.52	210,120.00
Common\Recurring Expenses			
Club House			
Gas	41.24	858.00	1,323.00
Water	19.00	377.94	662.00
Electricity	132.16	964.15	1,985.00
Cleaning	500.00	3,200.00	5,200.00
Pest Control	75.00	675.00	300.00
Maintenance and Supplies	379.73	5,326.89	5,250.00
Tennis Courts			
Electricity	268.33	1,957.52	3,859.00
Maintenance	0.00	433.82	1,000.00
Gate and Guard House			
Electricity	106.43	711.66	1,985.00
Gate Cards and Decals	0.00	0.00	1,500.00
Maintenance	0.00	6,336.30	10,000.00
Lakes			
Electricity	750.59	6,463.65	9,924.00
Treatment	0.00	3,700.81	3,500.00
Maintenance	0.00	207.00	3,000.00
Common Grounds			
Lawn Care	2,012.50	18,112.50	24,150.00
Pruning and Tree Removal	600.00	5,915.00	1,000.00
Planting and Supplies	0.00	8,918.73	3,000.00
Lamp Posts, Lens and Panels	0.00	341.00	0.00
Water Irrigation	97.60	449.37	1,103.00
Electricity	1,090.47	9,588.50	12,128.00
Maintenance	117.86	3,436.34	2,000.00

See Accountant's Compilation Report

Silverwood Plantation Homeowners Association, Inc.
Statement of Revenues and Expenses - Actual and Budget
Tax Basis
For the One Month and Nine Months Ended September 30, 2018

	One Month Actual	Nine Months Actual	Annual Budget
Administrative			
Accounting Fees	790.00	7,585.00	10,000.00
Legal Expenses	730.22	12,933.34	2,700.00
Lein Fees	0.00	60.00	0.00
Accounting Fees - Collections	70.00	630.00	1,000.00
Covenant Software	0.00	900.00	0.00
Office Supplies and Expenses	23.43	800.07	1,100.00
Return Check Fees	0.00	30.00	0.00
Copying and Printing	179.38	1,431.73	1,300.00
Postage	48.30	394.40	600.00
Administrative Support	1,183.37	10,650.33	14,200.00
Grounds Support	1,720.00	2,820.00	0.00
Telephone	412.80	3,812.19	4,410.00
Website	0.00	0.00	100.00
Social Activities	25.95	1,130.90	1,600.00
General			
Insurance	0.00	12,341.00	11,700.00
Insurance - Deductible	0.00	1,531.00	0.00
Property Taxes	1,055.07	1,055.07	7,600.00
State Taxes	0.00	69.00	100.00
Federal Taxes	0.00	346.00	200.00
Registration Fee	0.00	30.00	0.00
Depreciation	179.18	1,612.62	0.00
Write Offs and Bad Debts	0.00	14.45	0.00
Drainage Fund	0.00	0.00	14,724.00
Road Repair Fund	0.00	0.00	12,600.00
Gate Fund	0.00	0.00	14,400.00
Total Recurring Expenses	<u>12,608.61</u>	<u>138,151.28</u>	<u>191,203.00</u>
Recurring Income (Loss)	<u>7,313.39</u>	<u>56,520.24</u>	<u>18,917.00</u>

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Silverwood Plantation Homeowners Association, Inc.
Statement of Revenues and Expenses - Actual and Budget
Tax Basis
For the One Month and Nine Months Ended September 30, 2018

	One Month Actual	Nine Months Actual	Annual Budget
Non-Recurring Revenue			
Covenant Fees Assessed	353.95	11,643.95	0.00
Insurance Deductible Assessed	0.00	955.00	0.00
Insurance Claims	1,829.19	1,829.19	0.00
Gate Damage	0.00	790.00	0.00
Return Check Fees	0.00	10.00	0.00
Legal Fees Assessed	171.17	5,136.57	0.00
Covenant Violations - Waived or Written Off	(374.18)	(5,517.15)	0.00
Total Non-Recurring Revenue	<u>1,980.13</u>	<u>14,847.56</u>	<u>0.00</u>
Non-Recurring Expense			
Capital Expenditure - Road Maintenance	0.00	28,500.00	0.00
Capital Expenditure - Sign	0.00	14,533.42	0.00
Capital Expenditure - Drainage Maintenance	1,540.00	26,941.68	0.00
Capital Expenditure - Tennis Court	0.00	16,602.29	0.00
Capital Expenditure - Clubhouse	0.00	2,829.19	0.00
Capital Expenditure - Gate	0.00	31,506.39	0.00
Available for Non-Recurring Expense	0.00	0.00	18,917.00
Total Non-Recurring Expense	<u>1,540.00</u>	<u>120,912.97</u>	<u>18,917.00</u>
Net Non-Recurring Revenue (Expense)	<u>440.13</u>	<u>(106,065.41)</u>	<u>(18,917.00)</u>
Net Income	<u>\$ 7,753.52</u>	<u>\$ (49,545.17)</u>	<u>\$ 0.00</u>

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**Silverwood Plantation Homeowners
Statement of Cash Flows
Tax Basis
For the One Month and Nine Months Ended September 30, 2018**

	For the Month Ended <u>September 30, 2018</u>	For the Year Ended <u>September 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 9,210.52	\$ 70,357.68
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	179.18	1,612.62
Decrease (Increase) in Operating Assets:		
Accounts Receivable	100.06	(12,162.65)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	0.00	(312.35)
Unearned Revenue	<u>(5,777.00)</u>	<u>3,858.29</u>
Total Adjustments	<u>(5,497.76)</u>	<u>(7,004.09)</u>
Net Cash Provided By (Used in) Operating Activities	3,712.76	63,353.59
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(1,540.00)	(120,912.97)
Interest and Dividends Earned	<u>83.00</u>	<u>1,010.12</u>
Net Cash Provided By (Used In) Investing Activities	<u>(1,457.00)</u>	<u>(119,902.85)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>	<u>0.00</u>
NET INCREASE (DECREASE) IN CASH	2,255.76	(56,549.26)
CASH AT BEGINNING OF PERIOD	<u>270,683.12</u>	<u>329,488.14</u>
CASH AT END OF PERIOD	<u><u>\$ 272,938.88</u></u>	<u><u>\$ 272,938.88</u></u>

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