

**Silverwood Plantation Homeowners
Association, Inc.
Financial Statements
For the One Month and Ten Months
Ended October 31, 2018**

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

November 9, 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 October 31, 2018, and the related statement of revenues, expenses and cash flows - tax basis actual and budget for the one month and ten months ended October 31, 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
October 31, 2018

Assets

Current Assets

Renasant Bank - Operating Account	\$	173,436.86		
Monthly Fees Receivable		13,893.87		
Total Current Assets	\$			187,330.73

Fixed Assets

Clubhouse		141,509.98		
Security Gates and Cameras		53,999.93		
Furniture, Fixtures & Equipment		24,949.47		
Accumulated Depreciation		(220,097.98)		
Net Fixed Assets				361.40

Board Designated Assets

Renasant Bank - Road Fund		89,544.24		
Renasant Bank - Drainage Fund		10,320.22		
Renasant Bank - Gate Fund		5,261.39		
Total Board Designated Assets				105,125.85

Total Assets	\$			292,817.98
				292,817.98

Silverwood Plantation Homeowners Association, Inc.
Statement of Assets, Liabilities and Equity
Tax Basis
October 31, 2018

Liabilities and Equity

Current Liabilities

Prepaid Dues	\$ 29,416.61	
Total Current Liabilities		\$ 29,416.61

Equity

Retained Earnings	142,332.21	
Developer's Contributions	163,430.15	
Y-T-D Net Income	<u>(42,360.99)</u>	
Total Equity		<u>263,401.37</u>

**Total Liabilities and
Equity**

\$ 292,817.98

Silverwood Plantation Homeowners Association, Inc.
Statement of Revenues and Expenses - Actual and Budget
Tax Basis
For the One Month and Ten Months Ended October 31, 2018

	One Month Actual	Ten Months Actual	Annual Budget
Recurring Revenue			
Monthly Fee Revenue	\$ 19,344.00	\$ 207,558.00	\$ 205,920.00
Interest Income	89.11	1,099.23	200.00
Lamp posts, lens and panels	20.00	280.00	0.00
Late Fees Assessed	150.00	2,897.40	2,000.00
Gate Cards and Decals	390.00	2,830.00	2,000.00
Total Recurring Revenue	<u>19,993.11</u>	<u>214,664.63</u>	<u>210,120.00</u>
Common\Recurring Expenses			
Club House			
Gas	36.94	894.94	1,323.00
Water	65.91	443.85	662.00
Electricity	137.03	1,101.18	1,985.00
Cleaning	400.00	3,600.00	5,200.00
Pest Control	75.00	750.00	300.00
Maintenance and Supplies	329.55	5,656.44	5,250.00
Tennis Courts			
Electricity	278.22	2,235.74	3,859.00
Maintenance	0.00	433.82	1,000.00
Gate and Guard House			
Electricity	89.51	801.17	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	701.86	7,165.51	9,924.00
Treatment	0.00	3,700.81	3,500.00
Maintenance	1,406.42	1,613.42	3,000.00
Common Grounds			
Lawn Care	2,012.50	20,125.00	24,150.00
Pruning and Tree Removal	500.00	6,415.00	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	113.46	562.83	1,103.00
Electricity	1,040.47	10,628.97	12,128.00
Maintenance	196.19	3,632.53	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 Ten Months Ended October 31, 2018

	One Month Actual	Ten Months Actual	Annual Budget
Administrative			
Accounting Fees	790.00	8,375.00	10,000.00
Legal Expenses	171.17	13,104.51	2,700.00
Lein Fees	0.00	60.00	0.00
Accounting Fees - Collections	70.00	700.00	1,000.00
Covenant Software	180.00	1,080.00	0.00
Office Supplies and Expenses	38.33	838.40	1,100.00
Return Check Fees	0.00	30.00	0.00
Copying and Printing	161.31	1,593.04	1,300.00
Postage	183.15	577.55	600.00
Administrative Support	1,183.37	11,833.70	14,200.00
Grounds Support	1,480.00	4,300.00	0.00
Telephone	414.48	4,226.67	4,410.00
Website	0.00	0.00	100.00
Social Activities	0.00	1,130.90	1,600.00
General			
Insurance	0.00	12,341.00	11,700.00
Insurance - Deductible	18.00	1,549.00	0.00
Property Taxes	0.00	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	1,791.80	0.00
Write Offs and Bad Debts	2,214.46	2,228.91	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>14,466.51</u>	<u>152,617.79</u>	<u>191,203.00</u>
Recurring Income (Loss)	<u>5,526.60</u>	<u>62,046.84</u>	<u>18,917.00</u>

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 Ten Months Ended October 31, 2018

	One Month Actual	Ten Months Actual	Annual Budget
Non-Recurring Revenue			
Covenant Fees Assessed	857.90	12,501.85	0.00
Insurance Deductible Assessed	0.00	955.00	0.00
Insurance Claims	0.00	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	799.68	5,936.25	0.00
Covenant Violations - Waived or Written Off	0.00	(5,517.15)	0.00
Total Non-Recurring Revenue	<u>1,657.58</u>	<u>16,505.14</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	0.00	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>0.00</u>	<u>120,912.97</u>	<u>18,917.00</u>
Net Non-Recurring Revenue (Expense)	<u>1,657.58</u>	<u>(104,407.83)</u>	<u>(18,917.00)</u>
Net Income	<u>\$ 7,184.18</u>	<u>\$ (42,360.99)</u>	<u>\$ 0.00</u>

See Accountant's Compilation Report

**Silverwood Plantation Homeowners
Statement of Cash Flows
Tax Basis
For the One Month and Ten Months Ended October 31, 2018**

	For the Month Ended <u>October 31, 2018</u>	For the Year Ended <u>October 31, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 7,095.07	\$ 77,452.75
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	179.18	1,791.80
Decrease (Increase) in Operating Assets:		
Accounts Receivable	1,597.47	(10,565.18)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	0.00	(312.35)
Unearned Revenue	<u>(3,337.00)</u>	<u>521.29</u>
Total Adjustments	<u>(1,560.35)</u>	<u>(8,564.44)</u>
Net Cash Provided By (Used in) Operating Activities	5,534.72	68,888.31
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	0.00	(120,912.97)
Interest and Dividends Earned	<u>89.11</u>	<u>1,099.23</u>
Net Cash Provided By (Used In) Investing Activities	<u>89.11</u>	<u>(119,813.74)</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	5,623.83	(50,925.43)
CASH AT BEGINNING OF PERIOD	<u>272,938.88</u>	<u>329,488.14</u>
CASH AT END OF PERIOD	<u>\$ 278,562.71</u>	<u>\$ 278,562.71</u>