

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

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

January 11, 2019

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 December 31, 2018, and the related statement of revenues, expenses and cash flows - tax basis actual and budget for the one month and twelve months ended December 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
December 31, 2018

Assets

Current Assets

Renasant Bank - Operating Account	\$ 186,706.31	
Monthly Fees Receivable	11,029.68	
Total Current Assets		\$ 197,735.99

Fixed Assets

Clubhouse	141,509.98	
Security Gates and Cameras	53,999.93	
Furniture, Fixtures & Equipment	24,949.47	
Accumulated Depreciation	<u>(220,459.38)</u>	
Net Fixed Assets		0.00

Board Designated Assets

Renasant Bank - Road Fund	91,796.32	
Renasant Bank - Drainage Fund	12,794.23	
Renasant Bank - Gate Fund	<u>7,672.89</u>	
Total Board Designated Assets		<u>112,263.44</u>

Total Assets		<u>\$ 309,999.43</u>
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Silverwood Plantation Homeowners Association, Inc.
Statement of Assets, Liabilities and Equity
Tax Basis
December 31, 2018

Liabilities and Equity

Current Liabilities

Prepaid Dues	\$ 35,608.11	
Total Current Liabilities		\$ 35,608.11

Equity

Retained Earnings	142,332.21	
Developer's Contributions	163,430.15	
Y-T-D Net Income	<u>(31,371.04)</u>	
Total Equity		<u>274,391.32</u>

**Total Liabilities and
Equity**

\$ 309,999.43

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

	One Month Actual	Twelve Months Actual	Annual Budget
Recurring Revenue			
Monthly Fee Revenue	\$ 19,344.00	\$ 246,246.00	\$ 205,920.00
Interest Income	94.42	1,282.82	200.00
Lamp posts, lens and panels	0.00	300.00	0.00
Late Fees Assessed	90.00	3,122.40	2,000.00
Gate Cards and Decals	0.00	3,060.00	2,000.00
Total Recurring Revenue	<u>19,528.42</u>	<u>254,011.22</u>	<u>210,120.00</u>
Common\Recurring Expenses			
Club House			
Gas	132.41	1,088.70	1,323.00
Water	19.00	481.85	662.00
Electricity	66.17	1,244.91	1,985.00
Cleaning	400.00	4,500.00	5,200.00
Pest Control	75.00	900.00	300.00
Maintenance and Supplies	164.21	5,843.40	5,250.00
Tennis Courts			
Electricity	134.36	2,527.56	3,859.00
Maintenance	0.00	433.82	1,000.00
Gate and Guard House			
Electricity	92.60	970.37	1,985.00
Gate Cards and Decals	0.00	0.00	1,500.00
Maintenance	1,334.58	7,990.10	10,000.00
Lakes			
Electricity	699.02	8,399.58	9,924.00
Treatment	740.27	5,921.62	3,500.00
Maintenance	0.00	2,448.57	3,000.00
Common Grounds			
Lawn Care	2,012.50	24,150.00	24,150.00
Pruning and Tree Removal	0.00	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	161.39	835.66	1,103.00
Electricity	1,082.22	12,620.54	12,128.00
Maintenance	195.92	4,348.63	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 Twelve Months Ended December 31, 2018

	One Month Actual	Twelve Months Actual	Annual Budget
Administrative			
Accounting Fees	790.00	9,955.00	10,000.00
Legal Expenses	0.00	13,981.69	2,700.00
Lein Fees	7.00	67.00	0.00
Accounting Fees - Collections	70.00	840.00	1,000.00
Covenant Software	0.00	1,170.00	0.00
Office Supplies and Expenses	14.45	887.36	1,100.00
Return Check Fees	0.00	30.00	0.00
Copying and Printing	605.97	2,510.99	1,300.00
Postage	220.15	826.90	600.00
Administrative Support	1,183.37	14,200.44	14,200.00
Grounds Support	1,080.00	7,120.00	0.00
Telephone	417.17	5,058.16	4,410.00
Website	0.00	0.00	100.00
Social Activities	290.75	1,820.78	1,600.00
General			
Insurance	0.00	12,341.00	11,700.00
Insurance - Deductible	0.00	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	182.22	2,153.20	0.00
Write Offs and Bad Debts	0.00	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>12,170.73</u>	<u>178,620.54</u>	<u>191,203.00</u>
Recurring Income (Loss)	<u>7,357.69</u>	<u>75,390.68</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 Twelve Months Ended December 31, 2018

	One Month Actual	Twelve Months Actual	Annual Budget
Non-Recurring Revenue			
Covenant Fees Assessed	670.00	13,601.85	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	404.86	6,341.11	0.00
Covenant Violations - Waived or Written Off	(1,257.05)	(6,818.15)	0.00
Total Non-Recurring Revenue	<u>(182.19)</u>	<u>16,709.00</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	5,386.94	0.00
Capital Expenditure - Gate	0.00	31,506.39	0.00
Available for Non-Recurring Expense	<u>0.00</u>	<u>0.00</u>	<u>18,917.00</u>
Total Non-Recurring Expense	<u>0.00</u>	<u>123,470.72</u>	<u>18,917.00</u>
Net Non-Recurring Revenue (Expense)	<u>(182.19)</u>	<u>(106,761.72)</u>	<u>(18,917.00)</u>
Net Income	<u>\$ 7,175.50</u>	<u>\$ (31,371.04)</u>	<u>\$ 0.00</u>

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

	<u>For the Month Ended December 31, 2018</u>	<u>For the Year Ended December 31, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 7,081.08	\$ 90,816.86
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	182.22	2,153.20
Decrease (Increase) in Operating Assets:		
Accounts Receivable	1,834.71	(7,700.99)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	0.00	(312.35)
Unearned Revenue	<u>10,899.00</u>	<u>6,712.79</u>
Total Adjustments	<u>12,915.93</u>	<u>852.65</u>
Net Cash Provided By (Used in) Operating Activities	19,997.01	91,669.51
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	0.00	(123,470.72)
Interest and Dividends Earned	<u>94.42</u>	<u>1,282.82</u>
Net Cash Provided By (Used In) Investing Activities	<u>94.42</u>	<u>(122,187.90)</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	20,091.43	(30,518.39)
CASH AT BEGINNING OF PERIOD	<u>278,878.32</u>	<u>329,488.14</u>
CASH AT END OF PERIOD	<u>\$ 298,969.75</u>	<u>\$ 298,969.75</u>

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