

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

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

July 13, 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 June 30, 2018, and the related statement of revenues, expenses and cash flows - tax basis actual and budget for the one month and six months ended June 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
June 30, 2018

Assets

Current Assets

Renasant Bank - Operating Account	\$ 185,144.40	
Monthly Fees Receivable	18,502.43	
Total Current Assets		\$ 203,646.83

Fixed Assets

Clubhouse	141,509.98	
Security Gates and Cameras	53,999.93	
Furniture, Fixtures & Equipment	24,949.47	
Accumulated Depreciation	(219,381.26)	
Net Fixed Assets		1,078.12

Board Designated Assets

Renasant Bank - Road Fund	85,050.77	
Renasant Bank - Drainage Fund	21,810.57	
Renasant Bank - Gate Fund	19,593.10	
Total Board Designated Assets		126,454.44

Total Assets

\$ 331,179.39

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

Liabilities and Equity

Current Liabilities

Prepaid Dues	\$ 45,149.22	
Total Current Liabilities		\$ 45,149.22

Equity

Retained Earnings	142,332.21	
Developer's Contributions	163,430.15	
Y-T-D Net Income	<u>(19,732.19)</u>	
Total Equity		<u>286,030.17</u>

**Total Liabilities and
Equity**

\$ 331,179.39

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

	One Month Actual	Six Months Actual	Annual Budget
Recurring Revenue			
Monthly Fee Revenue	\$ 19,890.00	\$ 130,182.00	\$ 205,920.00
Interest Income	112.06	746.33	200.00
Lamp posts, lens and panels	40.00	160.00	0.00
Late Fees Assessed	183.60	2,102.40	2,000.00
Gate Cards and Decals	100.00	1,270.00	2,000.00
Total Recurring Revenue	<u>20,325.66</u>	<u>134,460.73</u>	<u>210,120.00</u>
Common\Recurring Expenses			
Club House			
Gas	39.49	739.39	1,323.00
Water	19.00	111.00	662.00
Electricity	118.31	482.94	1,985.00
Cleaning	300.00	1,900.00	5,200.00
Pest Control	75.00	450.00	300.00
Maintenance and Supplies	894.25	2,720.01	5,250.00
Tennis Courts			
Electricity	240.21	980.54	3,859.00
Maintenance	129.75	433.82	1,000.00
Gate and Guard House			
Electricity	84.18	417.83	1,985.00
Gate Cards and Decals	0.00	0.00	1,500.00
Maintenance	390.00	5,672.55	10,000.00
Lakes			
Electricity	724.32	4,288.87	9,924.00
Treatment	0.00	2,220.27	3,500.00
Maintenance	0.00	207.00	3,000.00
Common Grounds			
Lawn Care	2,012.50	12,075.00	24,150.00
Pruning and Tree Removal	715.00	4,315.00	1,000.00
Planting and Supplies	8,818.02	8,859.02	3,000.00
Lamp Posts, Lens and Panels	0.00	341.00	0.00
Water Irrigation	19.00	153.38	1,103.00
Electricity	1,082.22	6,367.09	12,128.00
Maintenance	1,759.00	3,096.12	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 Six Months Ended June 30, 2018

	One Month Actual	Six Months Actual	Annual Budget
Administrative			
Accounting Fees	790.00	5,215.00	10,000.00
Legal Expenses	5,083.01	9,107.95	2,700.00
Lein Fees	7.00	53.00	0.00
Accounting Fees - Collections	70.00	420.00	1,000.00
Covenant Software	0.00	540.00	0.00
Office Supplies and Expenses	14.45	689.72	1,100.00
Return Check Fees	0.00	30.00	0.00
Copying and Printing	121.09	922.66	1,300.00
Postage and Mail Box Rental	0.00	161.45	600.00
Administrative Support	1,183.37	7,100.22	14,200.00
Telephone	412.46	2,523.16	4,410.00
Website	0.00	0.00	100.00
Social Activities	0.00	1,076.19	1,600.00
General			
Insurance	0.00	12,341.00	11,700.00
Insurance - Deductible	72.00	955.00	0.00
Property Taxes	0.00	0.00	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	1,075.08	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>25,352.81</u>	<u>98,500.71</u>	<u>191,203.00</u>
Recurring Income (Loss)	<u>(5,027.15)</u>	<u>35,960.02</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 Six Months Ended June 30, 2018

	One Month Actual	Six Months Actual	Annual Budget
Non-Recurring Revenue			
Covenant Violation Assessed	1,380.00	9,650.00	0.00
Insurance Deductible Assessed	72.00	955.00	0.00
Gate Damage	0.00	790.00	0.00
Return Check Fees	0.00	10.00	0.00
Legal Fees Assessed	1,199.99	4,049.18	0.00
Covenant Violations - Waived or Written Off	(640.00)	(640.00)	0.00
Total Non-Recurring Revenue	<u>2,011.99</u>	<u>14,814.18</u>	<u>0.00</u>
Non-Recurring Expense			
Capital Expenditure - Road Maintenance	28,500.00	28,500.00	0.00
Capital Expenditure - Drainage Maintenance	0.00	10,500.00	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>28,500.00</u>	<u>70,506.39</u>	<u>18,917.00</u>
Net Non-Recurring Revenue (Expense)	<u>(26,488.01)</u>	<u>(55,692.21)</u>	<u>(18,917.00)</u>
Net Income	<u>\$ (31,515.16)</u>	<u>\$ (19,732.19)</u>	<u>\$ 0.00</u>

See Accountant's Compilation Report

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

	For the Month Ended <u>June 30, 2018</u>	For the Year Ended <u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (3,127.22)	\$ 50,027.87
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	179.18	1,075.08
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(530.06)	(15,173.74)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	0.00	(312.35)
Unearned Revenue	<u>487.00</u>	<u>16,253.90</u>
Total Adjustments	<u>136.12</u>	<u>1,842.89</u>
Net Cash Provided By (Used in) Operating Activities	(2,991.10)	51,870.76
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(28,500.00)	(70,506.39)
Interest and Dividends Earned	<u>112.06</u>	<u>746.33</u>
Net Cash Provided By (Used In) Investing Activities	<u>(28,387.94)</u>	<u>(69,760.06)</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	(31,379.04)	(17,889.30)
CASH AT BEGINNING OF PERIOD	<u>342,977.88</u>	<u>329,488.14</u>
CASH AT END OF PERIOD	<u>\$ 311,598.84</u>	<u>\$ 311,598.84</u>