

**SHADOW WOOD COMMUNITY
ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2016 and 2015**

**SHADOW WOOD COMMUNITY
ASSOCIATION, INC.**

**BALANCE SHEETS
As of December 31, 2016 and 2015**

	Operating Fund	Replacement Fund	Totals	
			2016	2015
ASSETS				
Cash and cash equivalents	\$ 2,670,059	\$ 440,458	\$ 3,110,517	\$ 3,100,811
Investments	255,175	2,312,016	2,567,191	2,535,632
Accounts receivable-members, net	6,591	-	6,591	5,986
Other receivables	3,626	-	3,626	4,472
Prepaid expenses	19,280	-	19,280	29,544
Property and equipment, net of accumulated depreciation	803,131	-	803,131	797,174
TOTAL ASSETS	\$ 3,757,862	\$ 2,752,474	\$ 6,510,336	\$ 6,473,619
 LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 23,101	\$ 4,994	\$ 28,095	\$ 96,066
Assessments received in advance	2,738,823	-	2,738,823	2,634,212
Accrued expenses	49,247	-	49,247	53,641
Accrued payroll	19,700	-	19,700	26,900
Deposits payable	7,000	-	7,000	10,000
TOTAL LIABILITIES	2,837,871	4,994	2,842,865	2,820,819
FUND BALANCES	919,991	2,747,480	3,667,471	3,652,800
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,757,862	\$ 2,752,474	\$ 6,510,336	\$ 6,473,619

The accompanying notes are an integral part of these financial statements.
Read independent auditors' report.

**SHADOW WOOD COMMUNITY
ASSOCIATION, INC.**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Years Ended December 31, 2016 and 2015**

	Operating Fund	Replacement Fund	Totals	
			2016	2015
REVENUES				
Member assessments	\$ 3,172,562	\$ 197,906	\$ 3,370,468	\$ 3,306,320
Capital contributions	-	224,100	224,100	253,400
Assessment (Shadow Wood Covenant)	32,000	-	32,000	30,000
Interest income and late fees	11,902	34,044	45,946	51,595
Other income	16,451	-	16,451	19,743
	<u>3,232,915</u>	<u>456,050</u>	<u>3,688,965</u>	<u>3,661,058</u>
EXPENSES				
Compensation and benefits	1,610,616	-	1,610,616	1,483,300
Office and administrative	38,554	-	38,554	40,770
Operating and maintenance	559,694	-	559,694	567,468
Utilities	213,217	-	213,217	223,758
Outside services	460,392	-	460,392	431,770
Repairs and maintenance	227,954	-	227,954	293,674
Other operating expenses	77,512	-	77,512	76,391
Bad debts	(10,000)	-	(10,000)	2,268
Depreciation	96,707	-	96,707	90,233
Replacement	-	405,761	405,761	596,976
Total Operating Expenses	<u>3,274,646</u>	<u>405,761</u>	<u>3,680,407</u>	<u>3,806,608</u>
Excess (deficiency) of revenues over expenses	(41,731)	50,289	8,558	(145,550)
OTHER INCOME				
Gain on sale of property and equipment	14,297	-	14,297	1,520
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized loss on investments	(437)	(7,747)	(8,184)	4,212
Total excess (deficiency) of revenues over expenses	(27,871)	42,542	14,671	(139,818)
BEGINNING FUND BALANCE	<u>947,862</u>	<u>2,704,938</u>	<u>3,652,800</u>	<u>3,792,618</u>
ENDING FUND BALANCE	<u>\$ 919,991</u>	<u>\$ 2,747,480</u>	<u>\$ 3,667,471</u>	<u>\$ 3,652,800</u>

The accompanying notes are an integral part of these financial statements.
Read independent auditors' report.

**SHADOW WOOD COMMUNITY
ASSOCIATION, INC.**

**STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015**

	Operating Fund	Replacement Fund	Totals	
			2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Total excess (deficiency) of revenues over expenses	\$ (27,871)	\$ 42,542	\$ 14,671	\$ (139,818)
Adjustments to reconcile excess of revenues to net cash provided by operating activities:				
Depreciation	96,707	-	96,707	90,233
Gain on sale of property and equipment	(14,297)	-	(14,297)	(1,520)
Unrealized loss on investments	437	7,747	8,184	(4,212)
(Increase) decrease in:				
Accounts receivable-members, net	(605)	-	(605)	2,014
Other receivables	846	-	846	2,177
Prepaid expenses	10,264	-	10,264	(29,544)
Increase (decrease) in:				
Accounts payable	(69,698)	1,727	(67,971)	52,194
Assessments received in advance	104,611	-	104,611	(67,008)
Other accrued expenses	(14,594)	-	(14,594)	3,728
Net cash provided by operating activities	<u>85,800</u>	<u>52,016</u>	<u>137,816</u>	<u>(91,756)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in investment accounts	(2,508)	(37,235)	(39,743)	242,761
Proceeds from sale of property and equipment	14,600	-	14,600	11,700
Purchase of property and equipment	(102,967)	-	(102,967)	(112,358)
Net cash used by investing activities	<u>(90,875)</u>	<u>(37,235)</u>	<u>(128,110)</u>	<u>142,103</u>
Net change in cash and cash equivalents	(5,075)	14,781	9,706	50,347
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>2,675,134</u>	<u>425,677</u>	<u>3,100,811</u>	<u>3,050,464</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 2,670,059</u>	<u>\$ 440,458</u>	<u>\$ 3,110,517</u>	<u>\$ 3,100,811</u>

The accompanying notes are an integral part of these financial statements.
Read independent auditors' report.