

Southwinds Homeowners Association
2014 Annual Financial Report and 2015 Budget (FINAL)

| | 2014 Budget | 2014 Actual | Var | 2015 Accruals | 2015 Approved Budget |
|--|-------------|-------------|-----|---------------|----------------------|
|--|-------------|-------------|-----|---------------|----------------------|

Cash Assets (Balance Forward from Prior Year)

| | | | | | |
|--|------------------|------------------|--------------|-----------------|------------------|
| Beginning Cert of Deposit | \$ - | \$ - | \$ - | | \$ 12,000 |
| Note 1: Additions: Pond Spillway | 12,000 | 12,000 | - | | 13,000 |
| Note 2: Additions: New General Reserve | - | - | - | 1,000 | 2,000 |
| Withdrawals | - | - | - | | |
| Ending Cert of Deposit | \$ 12,000 | \$ 12,000 | \$ - | \$ 3,000 | \$ 15,000 |
| Begining Checking | \$ 16,435 | \$ 20,520 | 4,085 | | \$ 11,627 |
| Less: CD Reserve (Spillway) | 10,920 | 10,920 | - | | |
| Less: CD 2014 Spillway Addition | 1,080 | 1,080 | - | | |
| Total Checking | 4,435 | 8,520 | 4,085 | | 11,627 |
| Plus (Less) Operating Surplus (Deficit) | (1,705) | 3,107 | 4,812 | | 112 |
| Ending Cash (including CD) | \$ 2,730 | \$ 11,627 | 8,897 | | \$ 11,739 |
| Total Ending Cash Assets | \$ 14,730 | \$ 23,627 | | | \$ 26,739 |

| | | | | | |
|---|-----------|--|--|----------------------------|------------|
| Actual Checking A/O 10/31/14 | \$ 12,984 | | | | |
| Projected Checking at 11/30/14 | 12,552 | | | | |
| Projected Checking at 12/31/14 | 11,627 | | | Less 2016 Ins paid Jan'16 | \$ (4,456) |
| Projected Checking at 1/31/15 (Liab Ins Paid) | 7,541 | | | Projected Checking 1/31/16 | \$ 7,283 |

Operating Budget

| | | | | | |
|---|-------------------|------------------|----------------|--|------------------|
| Income | | | | | |
| Dues per property | \$ 250 | \$ 250 | - | | \$ 250 |
| Total Dues (2014 budget based on 58 Homes) | 14,500 | 14,792 | 292 | | 14,500 |
| Fees | | | | | |
| Total Income | \$ 14,500 | \$ 14,792 | 292 | | \$ 14,500 |
| Expense | | | | | |
| Non-discretionary Expenses | | | | | |
| Note 3: 2014 Property Liab Insurance (2014 paid 1/15/14; 2015 due Jan '15) | \$ 4,200 | \$ 4,086 | (114) | | \$ 4,326 |
| Directors Liability Ins (pd in advance..expect 2015 paid in Dec'14) | 925 | 925 | - | | 925 |
| Legal Entity Fees ST of CT registration (pd in advance..expect 2015 paid in Dec'14) | 50 | 50 | - | | 50 |
| Legal and accounting fees | | | | | |
| Main - entryways & open space | 2,200 | 1,819 | (381) | | 2,400 |
| Note 4: Utilities (Entranceway) | - | - | - | | - |
| Post Office Box | 80 | 84 | 4 | | 90 |
| Admin - postage & supplies | 100 | - | (100) | | 100 |
| Property Taxes | 300 | 811 | 511 | | 997 |
| Web site/domain name Fees | 150 | 80 | (70) | | - |
| Total Non-discretionary Expenses | \$ 8,005 | \$ 7,854 | (151) | | \$ 8,888 |
| Committee Expenses | | | | | |
| Note 5: Entranceway Tree Pruning / Landscape (Eppard) | \$ 500 | - | (500) | | \$ 500 |
| Note 6: South Winds Drive Entrance Lighting (Bonnano) | 500 | - | (500) | | 1,000 |
| Open Space Discretionary Improvements (Bonnano) | | | | | 1,000 |
| Note 1: Spillway Reserve | 1,080 | 1,080 | - | | 1,000 |
| Note 2: New General Reserve | - | - | - | | 2,000 |
| Pond Treatment (completed 2014) | 5,200 | 3,831 | (1,369) | | - |
| Note 7: Pond Syphoning (permits/pump, etc) | 1,000 | - | (1,000) | | - |
| Dock Replacement | - | - | - | | - |
| Note 8: Contingency | 1,000 | 0 | (1,000) | | - |
| Total Committee Expenses | \$ 9,280 | \$ 4,911 | (4,369) | | \$ 5,500 |
| Total Expenses | \$ 17,285 | \$ 12,765 | (4,520) | | \$ 14,388 |
| Net Surplus (Deficit) excluding Reserve Accruals | \$ (1,705) | \$ 3,107 | 4,812 | | \$ 112 |

Notes to financial statement

- (1) Additional \$1,000 in 2015 towards Dam Spillway Replacement Reserve;
This amount in addition to the \$12,000 current balance will provide a total Reserve of \$13,000;
The Board purchased a CD for \$12,000 in 2014 and intends to increase the CD to \$13,000 in 2015. The funds are segregated from HOA general funds and accrue interest;
HOA voted to continue accruing \$1,000/year towards Spillway Replacement at Dec '12 and Dec '13 annual meetings.
- (2) Board recommends establishing a General Reserve for future major improvement projects (eg permanent entranceway lighting). These funds would be segregated from HOA general funds and accrue interest;
- (3) Property liability includes dam liab. insurance; quote does not include terrorism insurance;
Insurance is paid in advance in December or January for the subsequent year (approx. \$5,000 is needed in December to pay insurance for subsequent year);
NOTE: we are not insured for dam repair in the event of failure.
- (4) No utilities have ever been incurred. There was a prior arrangement with certain homeowners where annual dues were waived in exchange for utility access but said arrangement was terminated by those homeowners.
- (5) Budget includes \$500 for tree/shrub trimming at entranceways and along Southwinds and Birch Mill Trail drives;
- (6) Budget includes \$1,000 for power connection from Bell's property to provide lighting at Southwinds Drive entrance;
- (7) No funds are budgeted in 2015 to pursue a temporary partial "Syphoning-Down" of the pond. It was expected that a winter freeze might help mitigate weed growth in the temporarily exposed shoreline areas. Pond would only be drawn down approx. 2 feet and allowed to refill in springtime.
- (8) No funds were budgeted in 2015 for Contingency Expense (board doesn't have discretionary power to spend a contingency)