

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

	2014 Budget	2014 Actual	Var	2015 Accruals	2015 Proposed Budget
Cash Assets (Balance Forward from Prior Year)					
Beginning Cert of Deposit	\$ -	\$ -	\$ -		\$ 12,000
Note 1: Additions: Pond Spillway	12,000	12,000	-	1,000	13,000
Note 2: Additions: Entryway Lighting	-	-	-	1,000	1,000
Withdrawals	-	-	-		
Ending Cert of Deposit	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 14,000</u>
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	<u>4,435</u>	<u>8,520</u>	<u>4,085</u>		<u>11,627</u>
Plus (Less) Operating Surplus (Deficit)	<u>(1,705)</u>	<u>3,107</u>	<u>4,812</u>		<u>112</u>
Ending Cash (Including CD)	<u>\$ 2,730</u>	<u>\$ 11,627</u>	<u>8,897</u>		<u>\$ 11,739</u>
Total Ending Cash Assets	<u>\$ 14,730</u>	<u>\$ 23,627</u>			<u>\$ 25,739</u>

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	<u>\$ 14,500</u>	<u>\$ 14,792</u>	<u>292</u>		<u>\$ 14,500</u>
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)	50	50	-		50
Legal and accounting fees					
Main - entryways & open space	2,200	1,819	(381)		2,400
Note 4 Utilities	-	-	-		-
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	<u>\$ 8,005</u>	<u>\$ 7,854</u>	<u>(151)</u>		<u>\$ 8,888</u>
Committee Expenses					
Open Space					
Note 5 Landscape & facilities	\$ 500	-	(500)		\$ 500
Note 6 Entrance Lighting	500	-	(500)		500
Note 1 Spillway Reserve	1,080	1,080	-		1,000
Note 2 Entrance Way Lighting Reserve	-	-	-		1,000
Pond Treatment (completed 2014)	5,200	3,831	(1,369)		-
Note 7 Pond Syphoning (permits/pump, etc)	1,000	-	(1,000)		1,000
Open Space Improvement					1,000
Dock Replacement					-
Note 8 Contingency	1,000	0	(1,000)		\$ 500
Total Committee Expenses	<u>\$ 9,280</u>	<u>\$ 4,911</u>	<u>(4,369)</u>		<u>\$ 5,500</u>
Total Expenses	<u>\$ 17,285</u>	<u>\$ 12,765</u>	<u>(4,520)</u>		<u>\$ 14,388</u>
Net Surplus (Deficit) excluding Reserve Accruals	<u>\$ (1,705)</u>	<u>\$ 3,107</u>	<u>4,812</u>		<u>\$ 112</u>

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 Reserve for permanent Entranceway Lighting estimated to cost \$6K;
The Board proposes reserving \$1,000 annually until this project is funded. 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 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 \$500 for short-term lighting solution (eg solar lights) at Southwinds Drive entrance;
- (7) Budget includes \$1,000 to pursue a temporary partial "Syphoning-Down" of the pond to determine if a winter freeze would 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) Budget includes \$500 for Contingency Expense (use to TBD at Board Meeting)