

Schieveling Plantation Homeowner's Association, Inc.

Compiled Financial Statements

Year Ended December 31, 2015

**McCay, Kiddy & Associates, LLC
Certified Public Accountants and Advisors
1156 Bowman Road, Suite 100-A
Mount Pleasant, South Carolina 29464
843.881.4477
www.mccaykiddy.com**

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Independent Accountants' Compilation Report

To the Members and the Board of Directors of
Schieveling Plantation Homeowner's Association, Inc.

Management is responsible for the accompanying financial statements of Schieveling Plantation Homeowner's Association, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. 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 the 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.

McCay, Kiddy & Associates, LLC

Mount Pleasant, South Carolina

August 24, 2016

Schieveling Plantation Homeowner's Association, Inc.
Statement of Financial Position
December 31, 2015

Assets

Current assets	
Cash and cash equivalents	\$ 88,568
Accounts receivable	<u>36,629</u>
Total current assets	<u>125,197</u>
Total assets	<u><u>\$ 125,197</u></u>

Liabilities and fund balances

Current liabilities	
Accounts payable and accrued expenses	<u>\$ 750</u>
Total current liabilities	<u>750</u>
Fund balances	
Undesignated funds	
Operating fund	<u>124,447</u>
Total fund balances	<u>124,447</u>
Total liabilities and fund balances	<u><u>\$ 125,197</u></u>

See accompanying notes to financial statements and independent accountants' compilation report.

Schieveling Plantation Homeowner's Association, Inc.
Statement of Activities
Year Ended December 31, 2015

Revenues	
Assessments	\$ 73,250
Fines	225
Other income	<u>3,048</u>
Total revenues	<u>76,523</u>
Expenses	
Pool maintenance	10,100
Landscape maintenance	34,934
Clubhouse expenses	5,402
Insurance	6,822
Utilities	11,649
Miscellaneous	<u>2,322</u>
Total expenses	<u>71,229</u>
Change in fund balances	5,294
Fund balances, beginning of year	<u>119,153</u>
Fund balances, end of year	<u><u>\$ 124,447</u></u>

See accompanying notes to financial statements and independent accountants' compilation report.

Schieveling Plantation Homeowner's Association, Inc.
Statement of Cash Flows
Year Ended December 31, 2015

Cash Flows from Operating Activities:	
Change in fund balances	\$ 5,294
Adjustments to reconcile change in fund balances to net cash provided by operating activities	
Decrease in receivables	33,331
Decrease in accounts payable and accrued expenses	<u>(885)</u>
Net cash provided by operating activities	<u>37,740</u>
Net increase in cash and cash equivalents	37,740
Cash and cash equivalents at beginning of year	<u>50,828</u>
Cash and cash equivalents at end of year	<u><u>\$ 88,568</u></u>

See accompanying notes to financial statements and independent accountants' compilation report.

Schieveling Plantation Homeowner's Association, Inc. Notes to Financial Statements

Note A - Summary of Significant Accounting Policies and Practices

The summary of significant accounting policies of Schieveling Plantation Homeowner's Association, Inc. (the Association) is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of the Association's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business Activity

Schieveling Plantation Homeowner's Association, Inc. was established and incorporated in the state of South Carolina in May 2000. The Association is a statutory horizontal property association. It was formed to maintain and preserve the common property of Schieveling Plantation Homeowner's Association, Inc. The Association has 137 lot owners and covers approximately 86 acres.

Estimates

Management used estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Accounting Methods

The Association uses the accrual basis of accounting for the preparation of the financial statements. Accrual basis accounting is a generally accepted accounting principle which recognizes revenues when they are earned, or billed, rather than when they are received and expenses when they are incurred, rather than when they are paid.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting.

Recognition of Assets and Depreciation Policy

Real and personal common property acquired by the original homeowners from the developer is not recognized on the Association's financial statements because it is commonly owned by individual owners and its disposition by the Association's Board of Directors is restricted. Replacements and improvements to that common property are not recognized because their disposition is restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all short-term debt securities with an original maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable is made up of unpaid monthly Association fees including late penalty fees and insurance assessments. The Association uses the allowance method to determine uncollectible receivables when deemed necessary. The allowance is based on prior years' experience and management's analysis of specific accounts. At December 31, 2015, management deemed no allowance was necessary. During 2015, there were no charges to bad debt expense.

Schieveling Plantation Homeowner's Association, Inc.
Notes to Financial Statements

Income Taxes

The Association is a corporation under Code Section 528 of the Internal Revenue Service. Under this section, the Association may elect to file as a regular corporation using form 1120 or as a homeowner's association using form 1120H, whichever filing is most advantageous to the Association. This election is made annually, and once the election is made it cannot be changed without approval by the IRS for that year.

The Association has adopted ACS 740, Income Taxes, for uncertain tax positions. As of December 31, 2015, the Association's income tax filings for tax years 2012, 2013, and 2014 remain open to examination by federal and state taxing authorities.

Note B - Concentrations of Credit Risk

Investments

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash deposits. Balances are insured up to \$250,000 for cash, by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2015, the Association had no balances in excess of insured limits. The Association has not experienced any losses on such accounts.

Accounts Receivable

Operating accounts receivable consist entirely of assessments due from property owners. The Association has the authority to place liens against the property of any owner delinquent in his assessments. The liens are subordinated to first and second mortgages on the property. The potential risk of loss due to insufficient funds upon foreclosure will vary by property and market conditions. The Association bills dues on a yearly basis. For 2015, the dues were \$500.

Note C - Risks and Uncertainties

The Association is subject to claims and legal proceedings over a range of matters that may arise in the normal course of business activities. Management believes any liability that ultimately results from the resolution of such matters will not have a material effect on the financial condition of the Association.

Note D - Subsequent Events

The Association did not have any subsequent events through the report date, which is the date the financial statements were available to be issued, requiring recording in the financial statements or disclosure in the notes for the year ended December 31, 2015.