

CATSPA W PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF OPERATIONS
ACTUAL AND BUDGETED
FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

	Actual 2016	Budgeted 2016	Variance 2016	Actual 2015	Budgeted 2015	Variance 2015
REVENUES						
Yearly Assessments	\$19,195.00	\$19,175.00	\$ 20.00	\$19,195.00	\$19,195.00	\$ -0-
Prior Year Collections				1,080.00	1,000.00	80.00
Bank Interest	5.12	-0-	5.12	5.10	10.00	(4.90)
Late Payment Penalties	32.50	-0-	32.50	-0-		-0-
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Total Revenues	<u>\$19,232.62</u>	<u>\$19,175.00</u>	<u>\$ 57.62</u>	<u>\$20,280.10</u>	<u>\$20,205.00</u>	<u>\$ 75.10</u>
 EXPENSES						
Road Maintenance	\$ 19,668.47	\$ 16,500.00	\$ (3,168.47)	\$11,336.11	\$17,000.00	\$ 5,663.89
Miscellaneous incl Conference Calls	168.76	125.00	(43.76)	26.42	150.00	123.58
Printing and Mailing	--0--	350.00	350.00	53.80	555.00	501.20
Website	175.00	300.00	125.00	265.00	300.00	35.00
Insurance	754.00	800.00	46.00	-0-	1,000.00	1,000.00
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Total Expenses	<u>\$ 20,766.23</u>	<u>\$ 18,075.00</u>	<u>\$ (2,691.23)</u>	<u>\$11,681.33</u>	<u>\$19,005.00</u>	<u>\$ 7,323.67</u>
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Transfer to (from) Reserves	<u>\$ (1,533.61)</u>	<u>\$ 1,100.00</u>	<u>\$ (2,633.61)</u>	<u>\$ 8,598.77</u>	<u>\$ 1,200.00</u>	<u>\$ 7,398.77</u>

Please see Notes to Financial Statements

CATSPAW PROPERTY OWNERS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016

ASSETS

Current Assets

Cash in Bank	\$ 43,255.67	
Prepaid Expenses	853.00	
Unsold Mailbox and Investment in Parcel Box	<u>300.00</u>	
TOTAL ASSETS		\$ 44,408.67

LIABILITIES

Current Liabilities

Prepaid 2017 Assessments	<u>\$ 14,905.00</u>	
TOTAL LIABILITIES		<u>14,905.00</u>

MEMBERS' EQUITY

Beginning Accumulated Surplus	\$ 31,037.28	
Current Year Surplus (Deficit)	(2,633.61)	
Transfer to Reserves	<u>1,100.00</u>	
TOTAL MEMBERS' EQUITY		\$ <u>29,503.67</u>

Please see Notes to Financial Statements

CATSPAW PROPERTY OWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 – THE ASSOCIATION

Catspaw Property Owners' Association, Inc. is a property owners association organized as a non-profit North Carolina corporation. The Association began operations on August 31, 1996. The Association consists of 66 residential lots, 19 of which have houses.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles on the accrual basis, in which income is recognized when earned and expenses are recognized when incurred. The Association utilized the modified accrual basis in years before 2015. The Association reports annual financial information on a calendar year basis (the year end is December 31st). Members' Equity represents the accumulated excess or surplus of revenues over expenses, and consists of reserve funds that are intended to be used for unanticipated events, primarily related to unforeseen road maintenance expenses.

B. Association Annual Assessments/Accounts Receivable

Property owners are subject to yearly assessments to provide for the Association's operating expenses, primarily road maintenance and improvements. Any excess over budget is retained by the Association for use in future years. Unimproved lots (without a house) are assessed at 5/6 of the assessment for a lot improved with a residence. Assessments are billed in November, and due January 1st. Assessments are considered delinquent if not received by January 31st. The Association follows the procedures in North Carolina General Statutes Chapter 47F in filing a lien for unpaid assessments and collecting sums due. Receivables at the balance sheet date, if any, represent assessments due from property owners. The Association considers all property owners' receivables at the balance sheet date to be collectible. Accordingly, no allowance for doubtful accounts is required. If any receivables become uncollectible, they will be charged to operations when that determination is made.

C. Annual Budget

The Association is required to prepare a budget annually in accordance with the 2013 (current) Bylaws. The budget includes anticipated income and expenses, planned major roadway repair or replacement expenses, and a reserve for unanticipated events. Road maintenance and improvements are often delayed because of weather conditions; and accordingly budget variances may occur. In 2015, road maintenance was delayed because of bad weather at the end of the year. Of the \$5,663.89 unspent budgeted 2015 road maintenance expenses, \$3,158.67 was effectively spent in 2016 because of said weather delays. The maintenance of Walnut Gap Road from the public road entrance to the Catspaw gate is shared with the Walnut Gap Community. Shared road expenses for 2016 and 2015 were \$ 2,654.59 and \$ 1,571.80 respectively. In 2016, of the \$19,668.47 incurred for road maintenance, \$ 4,551.76 was spent on improving lower Walnut Gap Road.

