

Woods of Wimbledon Civic
Association, Inc.

REVIEWED FINANCIAL
STATEMENTS –
CASH RECEIPTS AND
DISBURSEMENTS BASIS

For the Years Ended
December 31, 2015 and 2014

Prepared by:

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Woods of Wimbledon Civic Association, Inc.

**Reviewed Financial Statements –
Cash Receipts and Disbursements Basis**

**For the Years Ended
December 31, 2015 and 2014**

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GRIFFING & COMPANY, P.C.
Certified Public Accountants & Consultants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Woods of Wimbledon Civic Association, Inc.
Houston, Texas

We have reviewed the accompanying statements of cash receipts and disbursements of Woods of Wimbledon Civic Association, Inc. (the "Association") for the years ended December 31, 2015 and 2014. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion on the Financial Statements

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in NOTE A.

Required Supplementary Information

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our reviews of the basic financial statements are not affected by that missing information.

Griffing & Company, P.C.
GRIFFING & COMPANY, P.C.
Sugar Land, Texas

July 18, 2016

WOODS OF WIMBLEDON CIVIC ASSOCIATION, INC.
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Cash Receipts:		
Maintenance Fees	64,601	\$63,505
Late Fees	1,700	1,433
Interest	124	203
Attorney Fee Income	-	1,715
Unapplied Cash Payment Income	(500)	-
Transfer Fees	2,000	2,600
Total Cash Receipts	67,925	69,456
Cash Disbursements:		
Trash Pickup	36,409	35,520
Insurance: Directors & Officers Liability	1,808	1,712
Insurance: Fidelity & Crime	721	691
Insurance: Property	2,069	1,989
Landscaping	4,552	4,798
Mosquito Control	1,516	2,177
Bank Charges	-	31
Accounting	4,348	3,123
Legal: Collection Related	204	1,767
Legal: Governance Matters	1,980	3,031
Utilities: Electricity	7,453	8,332
Utilities: Water	983	1,002
Office Supplies	-	364
Quickbooks Fees	373	346
Postage	247	438
Post Office Box	134	132
National Night Out	75	-
Printing and Reproduction	116	274
Computer and Internet	-	47
Meeting Room Fees	90	-
Federal Income Tax	97	-
Total Cash Disbursements	63,175	65,774
Increase (Decrease) in Cash	4,750	3,682
Cash, Beginning of Year	89,031	85,349
Cash, End of Year	93,781	\$89,031

See accompanying notes and independent accountant's review report

**WOODS OF WIMBLEDON CIVIC ASSOCIATION, INC.
NOTES TO THE STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Woods of Wimbledon Civic 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 Board of Directors (the "Board"), which is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statements.

Nature of Operations

Woods of Wimbledon Civic Association, Inc. was incorporated on December 1, 1978 in the State of Texas to promote the civic, cultural and general welfare of the residents of the Woods of Wimbledon Subdivision located in Harris County, Texas. The Association was previously registered as the Woods of Wimbledon Maintenance Corporation and was established to provide maintenance and beautification of the common areas within the subdivision. Complete operating language is set forth in the articles of incorporation and the by-laws of the Association. The Association continues to promote the civic, cultural and general welfare of the Woods of Wimbledon community. The Association also provides trash pickup and common area maintenance for the residents of the subdivision.

An annual homeowner's assessment, as set by the Board, is determined at the end of each calendar year for the following calendar year. The annual dues are debated in an open forum of the members of the community and agreed upon by a voting method set forth in the corporate by-laws. Fees are assessed to each lot owner in the community annually. The annual fees are based on previous years' operating expenses, future capital improvements, and other factors deemed necessary to perform the services of the Association. Annual homeowner fees provide the sole funding for expenses of the Association. The Association collected a minimum of \$500 per home annually for the years ending December 31, 2015 and 2014, with the exception of fees being pursued for collection or fees deemed uncollectable by counsel for the Association. The Woods of Wimbledon community consists of 127 residential units as of December 31, 2015 and 2014.

**WOODS OF WIMBLEDON CIVIC ASSOCIATION, INC.
NOTES TO THE STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Cash

At December 31, 2013, the Association maintained three separate bank accounts. One account is the operating account and is used to receive the annual fees and pay monthly expenses, a second account is used for a contingency fund to serve as a buffer for emergency, non-routine expenses that might be incurred but were not anticipated during the budgeting process, and the third account is a capital reserve fund used to set aside money to repair, maintain and replace the community's brick wall. On March 25, 2014, the contingency fund was closed due to excessive bank fees and the funds transferred to the capital reserve fund. As of December 31, 2015 and 2014, the Association's bank account balances were as follows:

	<u>2015</u>	<u>2014</u>
Operating	\$ 11,994	\$ 7,369
Capital reserve fund	<u>81,787</u>	<u>81,662</u>
Total	<u>\$ 93,781</u>	<u>\$ 89,031</u>

Income Taxes

The Association has elected to take advantage of the tax benefits provided by IRC 528 by filing form 1120-H with the Internal Revenue Service. IRC 528 exempts from income tax any dues or assessments received by qualified homeowners' associations from property owner-members of the organization, where these dues and assessments are used for the maintenance and improvement of its property. Income that is not exempt is taxed at a flat rate of 30%. Total tax paid was \$97 in 2015 for calendar years 2014 and 2013 and \$-0- in 2014.

Interest and penalties assessed by income taxing authorities are included in administrative expenses. The Association paid no interest or penalties related to income taxes for the years ended December 31, 2015 and 2014.

As of December 31, 2015, the tax years that remain subject to examination by taxing authorities begin with the year ended December 31, 2012.

WOODS OF WIMBLEDON CIVIC ASSOCIATION, INC.
NOTES TO THE STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE B - CONCENTRATION OF CREDIT RISK

The Association maintains cash balances in different accounts at one financial institution located in Houston, Texas. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, except for non-interest bearing accounts. The Association had no uninsured cash balances as of December 31, 2015 and 2014.

The Association is engaged to promote the civic, cultural, and general welfare of the residents in the community of Woods of Wimbledon, located in Harris County, Texas. The credit risk is concentrated because the majority of revenues come from the individuals that reside in this community.

NOTE C - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2016, the date the financial statements were available to be issued. No events subsequent to December 31, 2015 have come to management's attention that require adjustment to or disclosure in the accompanying financial statements.