

**SILVERTON GLENN ASSOCIATION, INC.**

**SILVERTON GLENN TOWNHOMES  
VICTOR, ONTARIO COUNTY, NEW YORK**

**AMENDMENT NO. 5 TO THE OFFERING PLAN**

This Amendment is made for the following purposes:

1. To extend the offering.
2. Update the budget.
3. Disclose new management company.

***Status of Offering and Updated Budget***

Sponsor is presently developing Silverton Glenn Townhomes, Phases I thru IV, consisting of 93 Townhome Lots. Of the 93 Townhome Lots in Silverton Glenn Townhomes, 15 Townhome Lots are currently under construction. As of April 1, 2016, 46 Townhome Lots have been transferred, 15 Townhome Lots are under contract to be sold, and 32 Townhome Lots are being offered for sale.

The updated budget for Silverton Glen Townhomes is attached as Exhibit 5A-1. The Certification as to Adequacy in attached as Exhibit 5A-2.

The Financial Statement for the Association for the fiscal year ending April 30, 2015 is attached as Exhibit 5A-3.

In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or relative of principals of the Sponsor.

The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

### *New Management Company*

The Sponsor has retained Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440, realtyperformancegroup.com, as the new management company for Silverton Glenn Townhomes. Realty Performance Group, Inc. is a full service real estate management firm, providing maintenance, construction, and brokerage services to real estate owners, associations since 1989. Realty Performance Group, Inc. specializes in condominium, apartment complexes and townhome management. Currently, Realty Performance Group, Inc. has an extensive portfolio of properties, numbering in excess of 35, throughout Monroe County and the surrounding region. There is no relationship, financial or otherwise, between the Sponsor and Realty Performance Group, Inc.

### *Financial Disclosure*

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

1. As of April 1, 2016, Townhome Lots 52, 60-67, 75-99, and 104-115 have been transferred; the Sponsor owns each of the remaining Townhome Lots in the subdivision. Of the Townhome Lots owned by the Sponsor, Lots 29, 30, 32, 33, 36, 53-56, 59, 68-71 and 74 are under contract to be sold. Each remaining Townhome Lot is being offered for sale.
2. The monthly maintenance or common charge per Townhome Lot in Phases I thru IV is \$185.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 4 below.
3. No Townhome Lot is being rented by the Sponsor.
4. The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
5. The Townhome Lots of the subdivision will be sold free of the lien of all building loan mortgages. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.

7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.

*No Further Changes*

As of the date of this Amendment, there are no further changes to the documentation provided in the Offering Plan, as amended, known to the Sponsor.

Dated as of April 1, 2016

S&J Morrell, Inc., Sponsor

Exhibit 5A-1

**Budget**  
**Silverton Glenn Townhomes Projected Schedule of Receipts and Expenses**  
**for Operations Commencing May 1, 2016**

	Full Occupancy (93 Units)	Notes
<b><u>PROJECTED INCOME</u></b>		
MAINTENANCE CHARGES		
\$/ unit / month based on 93 units	185.00	1
TOTAL INCOME	206,460.00	
<b><u>PROJECTED EXPENSES</u></b>		
ADMINISTRATIVE		
Legal	1,500	2
Audit	1,500	3
Office Exp.	1,500	4
Insurance	46,200	5
Management	15,180	6
CONTRACTED SERVICES		
Landscape/Grounds	65,000	7
Snow removal	30,000	8
Refuse	10,044	9
REPAIRS AND MAINTENANCE		
Buildings	1,000	10
Grounds	1,000	11
Supplies	1,000	12
TAXES		
Property taxes	1063	13
Federal/State income taxes	100	14
RESERVE FUND		
Driveway Sealing	2,728	15
Driveways Resurfacing	5,627	16
Roofing	19,530	17
Siding/Gutters/Trim	0	18
Painting/Staining	3,488	19
TOTAL OPERATING/RESERVE	\$206,460.00	



### Footnotes to Projected Budget

1. The Sponsor has made this estimate of operating income and expense. This estimate is based upon the first twelve-(12) months of operation of the Association commencing on or about May 1, 2016. This estimate is based on Phase I, Phase II, and Phase III consisting of 93 units. The estimate cannot be construed as an assurance of final expenses, and it is based on information available at the time.
2. Routine legal expenses are for occasional advice and for the annual audit certification letter by retained Association counsel. It is assumed that any collection fees expensed for delinquent accounts will be passed on to the unit owner per the Declaration and therefore will be reimbursed to the Association. This estimate is provided by Woods Oviatt Gilman LLP, 700 Crossroads Bldg., 2 State Street, Rochester, New York 14614, 585-987-2800.
3. Audit fees for annual audit as projected by Bonn, Dioguardi & Ray LLP (Michael Boychuck) 70 Linden Oaks Office Park, Rochester, NY 14625, 585-381-9660. Fee includes the full audit, published audit statements to the Board of Directors, Owners, and preparation of all tax returns.
4. Office expenses include postage, copies, printing, payment cards or coupons, envelopes, supplies, long distance phone. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440, realtyperformancegroup.com.
5. Insurance is based on estimates by First Niagara Risk Management with an address of 777 Canal View Boulevard, Suite 100, Rochester, New York 14623. \*First Niagara to send breakdown\*

For all Phase I have included a blanket building limit of \$19,280,000, 26 buildings with a total of 93 units. Property deductible of \$1,000, Non-Owned/Hired Auto Liability, Broadened General Liability endorsement, Employee Dishonesty coverage for \$250,000 over the \$10,000 included in the Crime Expanded Coverage endorsement.

The annual premium estimated for this exposure is as follows:

Estimate of Values & Premium	Total Project
Annual Estimated Premium with Cincinnati:	\$42,450.00
Building	\$37,200,000

Liability per Occurrence	\$ 1,000,000
Liability Aggregate	\$ 2,000,000
Non-Owned/Hired Auto	\$ 1,000,000
Directors & Officers Liability	\$ 1,000,000
Employee Dishonesty	\$ 250,000
Property Expanded Coverage Plus	Included
Crime Expanded Coverage	Included
Broadened General Liability Endorsement	Included
PPP Estimate \$5,000,000 Umbrella	\$ 950.00

Coverage would be 100% Co-Insurance, Replacement Cost, Agreed Value, Special Form Perils, Ice damming deductible would be \$1000 per unit.

Optional umbrella limits with Cincinnati \$750 per million up to \$5,000,000.

Homeowners are reminded to obtain additional insurance, at their own expense, to cover fire and casualty losses to contents of the home, and liability coverage for accidents occurring within the home.

6. Management fees estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440, [realtyperformancgroup.com](http://realtyperformancgroup.com). This includes all accounting services including collection of monthly fees, paying all bills, annual budget preparation, attendance at monthly meetings, site inspections, fund management and periodic reserve fund studies, site supervision of contracted work, drafting maintenance bid specifications and bid procurement, delinquent account monitoring and collections, annual management letter, rules enforcement, provide professional advice guiding and reporting to a volunteer Board of Directors. (refer to the management contract)
7. This is based on bids from R.M. Landscape, Inc., 293 Peck Road, Hilton, New York 14468, 585-943-8043. Services include landscape management of 93 units, turf mowing, bed maintenance, tree & shrub care, weekly clean up, spring and fall clean-up, estimate includes all applicable tax.
8. Snow removal seasonal contract is for the driveways and private roads servicing the townhomes. The estimate is for 18 trips per unit per season at a rate of \$300.00 based on prior year contracts. Estimate is provided by John Welch Enterprise, Inc., 1723 NY-444, Victor, NY 14564, 585-924-4488.



9. Refuse is quoted by Youngblood Disposal Service, 35 Deep Rock Road, Rochester, NY 14624, 585-254-7081. Service is quoted for weekly pick-up of refuse and the recycling blue box.
10. Buildings maintenance is a category for routine repairs that is projected by Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
11. Grounds maintenance includes occasional driveway repairs; storm clean-up of tree debris, maintenance of the creek area, occasional plant replacement, and so on as based on the experience of Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
12. Supplies are for materials not supplied by other contractors and used by day workers in completing outside maintenance and repairs. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
13. Estimates of School, State, Town, County taxes on vacant parcels of common areas of the Association are noted on the site plans. This information is based on the assessment provided by the Victor Town Assessor.
14. Estimates of NYS Income tax to be paid by a not-for-profit corporation.
15. Sealing maintenance is projected to occur at 3-year intervals. 102,300 sq. ft. at .08 cents per sq. foot for quality sealer hand brushed is  $\$8,184.00 / 3 \text{ years} = \$2,728.00$  per year allocation. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
16. Driveways are private. Useful life expectancy is 20 years. With the project fully completed with 93 units, topcoat of drive 102,300 sq. ft. x \$1.10 per sq. ft. is  $\$112,530.00 / 20 \text{ years} = \$5,626.50$  per year allocation to resurface in the future. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.
17. Roofing materials have a projected life of 25 years. Replacement estimates are based on approximately 30 square of roofing per townhome.

With the project fully completed with 93 units, or a total of 2,790 squares, or equivalent of 279,000 sq. feet of material x \$1.75 per sq. ft. of roof or  $\$488,250.00 / 25 \text{ years} = \$19,530.00$  per year allocation for future re-roofing. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.

18. The useful life of vinyl siding, brick fascia accents, aluminum gutters, aluminum and vinyl trim/fascia is 50 years and no projections are anticipated at this time for replacement. Routine maintenance is covered in the operations portion of the budget. Notwithstanding the above, in coming years common charges may be increased to cover these items.
19. Painting trim materials not wrapped in aluminum, front doors. Projected costs for the project fully completed with 93 units, based on current bids is \$150.00 per unit x 93 units = \$13,950.00/ 4years = \$3,487.50 per year. This estimate is provided by the Realty Performance Group, Inc., 1800 Hudson Avenue, Suite 100, Rochester, New York 14617, 585-225-7440.

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Exhibit 5A-2  
Budget Certification



♦ OFFICE ♦ RETAIL ♦ CONDOS ♦ HOA's ♦

March 31, 2016

Real Estate Financing Bureau  
New York State Department of Law  
120 Broadway  
New York, NY 10271

Re: Certification on Continuing Adequacy of Budget  
Silverton Glenn Homeowners Association, Inc. ("HOA")

STATE OF NEW YORK)  
COUNTY OF MONROE) SS: 205-60-0677

Gentlemen:

The undersigned, being duly sworn, deposes and says as follows:

The sponsor of the HOA Offering Plan retained me to review the current budget containing projections of income and expenses for the year of HOA operations, May 1, 2016 – April 30, 2017.

My experience in this field includes:

Over fifteen (15) years experience in the management of homeowners associations and condominiums. I have earned the CMCA (Certified Manager of Community Associations) and AMS (Association Management Specialist) designations from The National Board of Certification for Community Association Managers and Community Association Institute.

Realty Performance Group currently is the managing agent for forty homeowners associations and condominiums, totaling over 3,800 living units.

I understand that I am responsible for complying with Article 23-A of the General Business law and the regulations promulgated by the Department of Law in Part 22 insofar as it is applicable to the budget.

I have reviewed the budget contained in the Offering Plan and investigated the facts set forth in the budget and related schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential properties.

I certify that the projections in the current budget appear reasonable and adequate under existing circumstances, and the projected income and expenses for the 2016-2017 year of operations is complete and accurate.

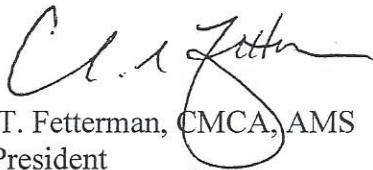
I certify that the Schedules:

- (i) Sets forth in detail the projected income and expense for the 2016-2017 year of HOA operation;
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the 2016-2017 year of HOA operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectations or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:  
(a) knew the truth, (b) with reasonable effort could have known the truth  
(c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 2016-2017 year of HOA operation.

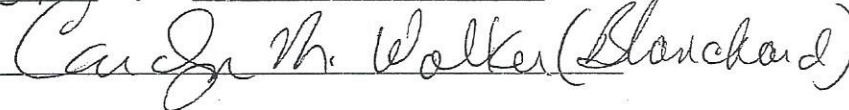
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

REALTY PERFORMANCE GROUP, INC.

  
Chad T. Fetterman, CMCA, AMS  
Vice President

Sworn to before me this

31 day of March, 2016.

  
Carolyn M. Walker (Blanchard)

CAROLYN M. WALKER  
Notary Public, State of New York  
No. 01WA6111382  
Qualified in Monroe County  
Commission Expires June 7, 2016



Exhibit 5A-3  
Financial Statement

***SILVERTON GLENN ASSOCIATION, INC.***

**FINANCIAL STATEMENTS  
APRIL 30, 2015 AND 2014**

# ***SILVERTON GLENN ASSOCIATION, INC.***

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**Bonn, Dioguardi & Ray LLP**  
Certified Public Accountants • Business & Financial Advisors

Kenneth Bonn Jr.  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and the Homeowners  
Silverton Glenn Association, Inc.

We have audited the accompanying financial statements of Silverton Glenn Association, Inc., which comprise the balance sheets as of April 30, 2015 and 2014, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year ended April 30, 2015 and the period from March 13, 2012 (date of incorporation) to April 30, 2014, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silverton Glenn Association, Inc. as of April 30, 2015 and 2014, and the results of its operations and its cash flows for the year ended April 30, 2015 and the period from March 13, 2012 (date of incorporation) to April 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

*Bruce D. DiGuardi & Co., LLP*

Rochester, New York  
July 29, 2015

**SILVERTON GLENN ASSOCIATION, INC.**

**BALANCE SHEETS**  
**APRIL 30, 2015 AND 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 9,820	\$ 6,579
Accounts receivable from homeowners	1,963	85
Accounts receivable from sponsor	4,489	6,333
Prepaid expenses	<u>350</u>	<u>0</u>
Total assets	<u>\$ 16,622</u>	<u>\$ 12,997</u>

**LIABILITIES AND FUND BALANCES**

	<u>2015</u>	<u>2014</u>
Liabilities		
Accounts payable	\$ 463	\$ 9,422
Advance payments from homeowners	1,155	181
Accrued income taxes	<u>14</u>	<u>3</u>
Total liabilities	<u>1,632</u>	<u>9,606</u>
Fund balances		
Operating	0	0
Major maintenance	<u>14,990</u>	<u>3,391</u>
Total fund balances	<u>14,990</u>	<u>3,391</u>
	<u>\$ 16,622</u>	<u>\$ 12,997</u>

See accompanying notes and independent auditors' report.



# SILVERTON GLENN ASSOCIATION, INC.

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED APRIL 30, 2015 AND FOR THE PERIOD FROM MARCH 13, 2012 (THE DATE OF INCORPORATION) TO APRIL 30, 2014

	2015			2014		
	Operating Fund	Major Maintenance Fund	Total	Operating Fund	Major Maintenance Fund	Total
<b>Revenues</b>						
Common charges	\$ 41,261	\$ 11,595	\$ 52,856	\$ 12,067	\$ 3,391	\$ 15,458
Sponsor contributions	20,413	0	20,413	16,179	0	16,179
Interest	0	4	4	0	0	0
<b>Total revenues</b>	<b>61,674</b>	<b>11,599</b>	<b>73,273</b>	<b>28,246</b>	<b>3,391</b>	<b>31,637</b>
<b>Expenses</b>						
Landscaping	24,777	0	24,777	16,323	0	16,323
Ground and building repairs	333	0	333	0	0	0
Management fees	5,178	0	5,178	1,611	0	1,611
Snow removal	12,433	0	12,433	3,010	0	3,010
Trash removal	3,664	0	3,664	1,147	0	1,147
Administrative expenses	368	0	368	298	0	298
Legal and professional fees	1,400	0	1,400	0	0	0
Insurance	12,973	0	12,973	5,297	0	5,297
Property taxes	534	0	534	557	0	557
Income taxes	14	0	14	3	0	3
<b>Total expenses</b>	<b>61,674</b>	<b>0</b>	<b>61,674</b>	<b>28,246</b>	<b>0</b>	<b>28,246</b>
Excess of revenues over expenses	0	11,599	11,599	0	3,391	3,391
Transfers	0	0	0	0	0	0
Fund balances - beginning of year	0	3,391	3,391	0	0	0
Fund balances - end of year	0	14,990	14,990	0	3,391	3,391

See accompanying notes and independent auditors' report.

# *SILVERTON GLENN ASSOCIATION, INC.*

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2015 AND FOR THE PERIOD FROM  
MARCH 13, 2012 (THE DATE OF INCORPORATION) TO APRIL 30, 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 11,599	\$ 3,391
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners	(1,878)	(85)
Accounts receivable from sponsor	1,844	(6,333)
Prepaid expenses	(350)	0
Increase (decrease) in:		
Accounts payable	(8,959)	9,422
Advance payments from homeowners	974	181
Accrued income taxes	11	3
Net cash and cash equivalents provided by operating activities	3,241	6,579
Cash and cash equivalents - beginning of year	<u>6,579</u>	<u>0</u>
Cash and cash equivalents - end of year	<u>\$ 9,820</u>	<u>\$ 6,579</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ 3</u>	<u>\$ 0</u>

See accompanying notes and independent auditors' report.

# **SILVERTON GLENN ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2015 AND 2014

### **NOTE 1: SUMMARY OF OPERATIONS**

On March 13, 2012, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of exteriors, asphalt, grounds and lawns) of ninety-three homes of which thirty-eight are sold, located in Victor, New York. The homeowners elect a board of directors who hire an independent property management firm to manage the Association. The sponsor is currently in control of the Association.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Fund Accounting - The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes.

Income Taxes - Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax exempt organization. Each year the Association will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, net of expenses).

The Association's tax returns for the years ending 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through July 29, 2015, the date the financial statements were available to be issued.

See independent auditors' report.



# **SILVERTON GLENN ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2015 AND 2014

### **NOTE 3: OWNERS' ASSESSMENTS**

Monthly assessments to owners for the year ended April 30, 2015 and the period from March 13, 2012 (the date of incorporation) to April 30, 2014 were \$155, of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors. The Association normally retains excess operating funds at the end of the operating year, if any, for use in future operating periods. As of May 1, 2015, monthly assessments will remain the same.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears. It is the opinion of management that the Association will ultimately prevail against the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts is not deemed necessary.

### **NOTE 4: COMMITMENTS**

The Association has entered into an agreement with Crofton Associates, Inc. for management of its operations. The agreement provides for a monthly fee of \$16 per sold unit until December 31, 2016. The fee will increase by three percent for each of the years ending December 31, 2017 and 2018.

### **NOTE 5: SPONSOR CONTRIBUTIONS**

The sponsor is required to fund operating deficits or pay assessments on unsold lots, whichever is less, until the last lot is sold or until September 14, 2027. The sponsor is also responsible for the portion of assessments allocated to the major maintenance fund on unsold units with a certificate of occupancy.

### **NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association has elected to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations.

The board of directors, in accordance with the offering plan, determines amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

See independent auditors' report.

# ***SILVERTON GLENN ASSOCIATION, INC.***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2015 AND 2014

### **NOTE 7: CONCENTRATIONS OF CREDIT RISK**

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

See independent auditors' report.



**Bonn, Dioguardi & Ray** LLP  
Certified Public Accountants • Business & Financial Advisors

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners  
Silverton Glenn Association, Inc.

We have audited the financial statements of Silverton Glenn Association, Inc. as of April 30, 2015, and for the period from March 13, 2012 (the date of incorporation) to April 30, 2014, and our report thereon dated July 29, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Bonn, Dioguardi & Ray, LLP*

Rochester, New York  
July 29, 2015

**SILVERTON GLENN ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION ON FUTURE  
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2015

The offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

The following unaudited table is based on the study and presents significant information about the components of common property.

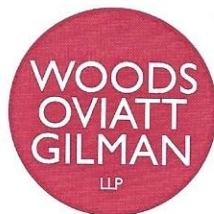
<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 7,209
Asphalt resurfacing	20	124,500
Roofing	30	920,700

Replacement and maintenance of siding, trim, gutters, doors, fascia, garage doors, downspouts, masonry and signs are not projected and will be paid from operations or special assessments.

See independent auditors' report on supplemental information.



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ATTORNEYS  
woodsoviatt.com

May 20, 2016

Mr. Jeff Morrell  
S&J Morrell, Inc.  
1501 Pittsford Victor Road, Suite 100  
Victor, New York 14564

Re: Silverton Glenn Association, Inc./Amendment No. 5

Dear Jeff:

Please be advised that the Office of the Attorney General formally accepted Amendment No. 5 to the Offering Plan for Silverton Glenn on May 5, 2016. A copy of the acceptance letter dated May 13, 2016 for your file is enclosed.

Also, enclosed is a copy of Amendment No. 5 to the Offering Plan. When having copies made, please feel free to save money and paper by having the instrument duplexed. This amendment must be placed inside the Offering Plan right behind the front cover. The Plan itself should be marked "This Plan has been amended. See inside front cover." The amendment should be given to all existing members, and to prospective members when the Plan is given to a prospective purchaser.

For all print ads, please be certain to include the following: "The complete offering terms are in an Offering Plan available from the Sponsor, File Number H120006."

Finally, this amendment extends the Plan for 12 months. The Plan is now in effect through May 4, 2017, unless a material change in the terms of the offering occurs.

Should you have any questions, please call.

Very truly yours,

WOODS OVIATT GILMAN LLP

Louis M. D'Amato  
Please direct responses to Rochester Office

LMD/cec  
Enclosures

cc: Daniel Bryson, Esq. (with enclosures)



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN  
ATTORNEY GENERAL

(212) 416-8246

DIVISION OF ECONOMIC JUSTICE  
REAL ESTATE FINANCE BUREAU

May 13, 2016

S&J Morrell, Inc.  
c/o Woods, Oviatt, Gilman, LLP  
Attention: Louis D'Amato, Esq.  
700 Crossroads Building, 2 State Street  
Rochester, NY 14614

RE: Silverton Glen Association, Inc.

File Number: H 120006

Date Amendment Filed: 05/05/2016

Receipt Number: 136090

Amendment No: 5

Filing Fee: \$225.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

RYAN RIDINGS

Assistant Attorney General