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ATTORNEYS
woodsoviatt.com

June 13, 2019

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

Re: Silverton Glenn Association, Inc./Amendment No. 8

Dear Jeff:

Please be advised that the Office of the Attorney General formally accepted Amendment No. 8 to the Offering Plan for Silverton Glenn on May 23, 2019. A copy of the acceptance letter dated June 12, 2019 for your file is enclosed.

Also enclosed is a copy of Amendment No. 8 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 22, 2020, 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

A handwritten signature in blue ink, appearing to read "Louis", is written over the printed name.

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

LETITIA JAMES
ATTORNEY GENERAL

(212) 416-6040

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

June 12, 2019

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 Glenn Association, Inc.
File Number: H 120006
Date Amendment Filed: 05/23/2019
Receipt Number: 151416

Amendment No: 8
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 anywaiver 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,

Carol Stephens

Carol Stephens
Assistant Attorney General

SILVERTON GLENN ASSOCIATION, INC.

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

AMENDMENT NO. 8 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. Status of Offering and Updated Budget.
2. Financial Disclosure.

Section 1: Status of Offering and Updated Budget

1.1 Sponsor is presently developing Silverton Glenn Townhomes consisting of 102 Townhome Lots. Of the 102 Townhome Lots in Silverton Glenn Townhomes, 8 Townhome Lots are currently under construction. As of April 1, 2019, 83 Townhome Lots have been transferred, 4 Townhome Lots are under contract to be sold, and 15 Townhome Lots are being offered for sale.

1.2 The updated budget for Silverton Glen Townhomes is attached as Exhibit 8A-1. The Certification as to Adequacy in attached as Exhibit 8A-2.

1.3 The Financial Statement for the Association for the fiscal year ending April 30, 2018 is attached as Exhibit 8A-3.

1.4 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.

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

Section 2: Financial Disclosure

2.1 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:

- 2.1.1. As of April 1, 2019, Townhome Lots 25-38, 40, 42-44, 47, 48, 50, 52-101, and 103-116 have been transferred; the Sponsor owns each of the remaining Townhome Lots in the subdivision. Of the Townhome Lots

owned by the Sponsor, Lots 31, 43, 117, 118 are under contract to be sold. Townhome Lots 39, 41, 45, 46, 49, 51, 102, 119-126 are being offered for sale.

- 2.1.2. The monthly maintenance or common charge per Townhome Lot is \$190.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 2.1.4 below.
- 2.1.3. No Townhome Lot is being rented by the Sponsor.
- 2.1.4 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.
- 2.1.5 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.
- 2.1.6 The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
- 2.1.7 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.
- 2.1.8 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.

Section 4: No Further Changes

4.1 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, 2019

S&J Morrell, Inc., Sponsor

Exhibit 8A-1

**Silverton Glenn Townhomes Projected Schedule of Receipts and Expenses
for Operations Commencing June 1, 2019 and Ending May 31, 2020**

See Detail Attached

***Silverton Glenn
Association, Inc.***

OPERATING BUDGET

**Fiscal Year 2019-2020:
May 1, 2019 – April 30, 2020**

Dated: March 12, 2019

SILVERTON GLENN ASSOCIATION, INC.

**2019-2020 BUDGET
ASSUMPTIONS**

1. Assessment rates will increase to \$190.00 per unit per month for the year.
2. There is no delinquency loss in homeowner assessment payments.
3. The average cash balance in the investment accounts (insured money market account) throughout the fiscal year is \$70,000 and the account earns an average annual interest rate of .70% at M&T. All investment income is allocated to the long term replacement reserve fund.
4. Maintenance payroll reimbursement charges do not exceed \$3,360 for the year for repairs and maintenance items completed by RPG's floating maintenance employees (including mileage reimbursements and sales tax).
5. Trash removal contract with Casella Disposal includes weekly trash and recycling pick-up does not exceed \$10,920.
6. Maintenance supplies purchased by the maintenance staff to complete repairs at the property do not exceed \$600 for the year.
7. No more than \$3,600 is spent on subcontracted repairs and maintenance expenses, including building repairs, any deductibles on any insurance claims, etc.
8. The landscaping contract with R.M. Landscape, Inc. continues until 2019 including weekly lawn mowing, landscape bed edging, weekly bed maintenance (weeding) throughout the growing season, shrub trimming two complete times per season (plus weekly touch up pruning), spring and fall clean-ups, hard surface weed control (spraying Round Up as needed) does not exceed \$54,213.
9. The fertilization contract with One Step for the 2019 season including four (4) lawn applications does not exceed \$14,367.
10. No more than \$4,900 is spent on other landscaping which shrub/tree replacements, mowing of the slope as necessary, core aerations and over seeding, or other unanticipated landscaping needs.
11. The snow removal contract with Create-A-Scape expires after the 2018-2019 winter. The current contract is a seasonal contract, not a per run contract, for plowing at 3 inches accumulation.
12. No major legal issues arise during the year and an engineering study is done to parking.
13. The Association accountant fees do not exceed \$1,625.

- 14. The management contract with Realty Performance Group which auto renewed on April 30, 2018 provides for a management fee of \$1,265 per month for the twelve-month period from May 1, 2019 through April 30, 2020.**
- 15. Other administrative expenses include the typical copying and postage charges, the annual payment coupon preparation, and the association's share of answering service costs and Dally Record subscription costs, etc.**
- 16. The insurance policies continue with Cincinnati Insurance Company, including the package policy and the directors and officers' liability insurance policy.**
- 17. Real estate taxes do not exceed \$1,750.**
- 18. Income taxes do not exceed \$100.**
- 19. The yearly allocation to the reserve fund is \$38,051 including the anticipated return on the investment of the reserve funds.**
- 20. There projected expenses from the Reserve Fund include seal coating of those driveways that were top coated in 2018.**

SILVERTON GLENN ASSOCIATION, INC.

2019-2020 BUDGET

OPERATING INCOME:

Homeowner Assessments	\$190.00 /unit/month	\$232,560
Investment Income		490
Other Income		0
Total Operating Income		\$233,050

OPERATING EXPENSES:

Maintenance Payroll Reimbursements (RPG)		\$3,360
Trash Removal		10,920
Maintenance Supplies		600
Repairs and Maintenance		3,600
Landscape Contract		54,213
Fertilization Contract		14,367
Other Landscaping		4,900
Snow Removal		39,074
Legal and Professional		1,000
Accounting Fees		1,625
Management Fee		15,180
Other Administrative		810
Insurance		45,500
Real Estate Taxes		1,750
Income Taxes		100
Total Operating Expenses		\$196,999

NET OPERATING INCOME

\$36,051

Long Term Replacement Reserve

36,051

NET INCOME

\$0

Anticipated Reserve Expenditures, 2019-2020

\$3,000

Projected Ending Reserve Fund Balance

\$142,081

SILVERTON GLENN ASSOCIATION, INC.

2019-2020 BUDGET

DETAIL OF OPERATING INCOME:

HOMEOWNER ASSESSMENTS:

102 Units @ \$190.00 /month \$232,560
Assumes any loss due to delinquencies is offset by collections
of prior delinquencies.

INVESTMENT INCOME:

M&T Money Market fund	\$70,000	0.70%	490	
Totals	\$70,000			\$490

Note: Not operating budget items - added to Reserve Fund.

MISCELLANEOUS INCOME:

\$0

TOTAL OPERATING INCOME

\$233,050

DETAIL OF OPERATING EXPENSES:

MAINTENANCE PAYROLL REIMBURSEMENTS TO RPG:

Maintenance Payroll	\$35.00 /hr.avg.	8.00 hrs./month	\$3,360
---------------------	------------------	-----------------	---------

Charge rate above includes payroll taxes, medical insurance, holidays,
vacations, sick days, mileage, sales tax, etc.

TRASH REMOVAL:

Contract with Youngblood Disposal			
Budget year cost including tax:	\$8.9000 /unit/month		
	\$910.00 /month		\$10,920

MAINTENANCE SUPPLIES:

\$50.00 /month	\$600
----------------	-------

REPAIRS & MAINTENANCE (SUBCONTRACTED):

Subcontracted repairs to roofs, siding, sidewalks, etc.
Routine building repairs \$300.00 /month average \$3,600

LANDSCAPE CONTRACT:

Contract with RM Landscape for the 2019 season
Based on 82 townhomes as of Spring 2019 needling service

Weekly Mowing & Trimming		24,590
Mechanical Edging		inc. above
Landscape Bed Edging		1,037
Mulch	99.5 yards	6,703
Weeding	28 visits	7,098
Shrub Trimming	2 visits	2,333
Tree Trimming		inc. above
Spring Clean-Up		972
Fall Clean-Up	1+ visits	778
Future units		10,703
		<hr/>

\$54,213

FERTILIZATION CONTRACT:

Contract with One Step
Lawn Applications \$140.85 /unit \$14,367

OTHER LANDSCAPING:

Shrub/Tree Replacements 1,000
Slope Mowing 1,400
Core Aeration/Over Seed 1,000
Pond Management 1,000
Misc. 500
Total \$4,900

SNOW REMOVAL:

Assumes contract with Create-A-Scape for 2019-2020
Based on 80 townhomes as of Fall 2018 needling service
Plowing driveways 21,600
Plowing private roads 5,616
Clearing around hydrants/mailboxes 2,160
Future units 8,078
Extras:
Loader work extra @ \$115.00 /hour 0 0
Salting roadways @ \$162.00 /run 10 1,620
Sub-Total 1,620
Total \$39,074

LEGAL & PROFESSIONAL:

Legal: Collections, etc. \$500
Professional: Engineering, etc. 500
Total \$1,000

ACCOUNTING FEES:

Annual audit/tax return \$1,625

MANAGEMENT FEE:

RPG Contract auto-renewed on 4/30/18
Fee for 61-72 units: \$ 1,025.00 /month
Fee for 73-102 units: \$ 1,265.00 /month
Total 15,180.00
Total \$15,180

OTHER ADMINISTRATIVE EXPENSES:

Answering Service allocation @ \$5.00 /month 60
Postage/Copies \$50.00 /month 600
Miscellaneous 150
Total \$810

INSURANCE:

Cincinnati Insurance Co. policy
Deductible: \$1,000
Ice damming deductible: \$1,000
Liability coverage: \$2,000,000
Directors/Officers: \$1,000,000
Umbrella Liability: \$1,000,000

Current Premiums:					
Current premium for property insurance:					\$43,550
Current premium for D&O insurance:					\$1,000
Current premium for umbrella coverage:					950
					<u>\$45,500</u>
Renewal: 5/1/2019					
Assumed inflation premium increase:					0.00%
New Premium:					
Renewal premium for property insurance:					\$43,550
Renewal premium for D&O:					\$1,000
Renewal premium for umbrella coverage:					950
					<u>\$45,500</u>
Downpayment (May):					
Property:	25.00%				\$10,888
D&O coverage:					\$1,000
Umbrella coverage:					950
					<u>\$12,838</u>
Monthly payments:					
		June-February	\$3,629	9	<u>\$32,663</u>
		Total			\$45,500
REAL ESTATE TAXES:					
County & School					\$1,750
INCOME TAXES:					
NYS Taxes			Assume	50	
Federal Taxes				50	
					<u>\$100</u>
TOTAL OPERATING EXPENSES					
					\$196,999
NET OPERATING INCOME					
					\$36,051
RESERVE TRANSFERS:					
LONG TERM REPLACEMENT RESERVE:					
Includes projected investment income of					\$490
Current Allocation	\$29.05 /unit/mo.				\$35,561
- If change by:	0.00 3.00%			0	
- new amount	<u>\$29.05 /unit/mo.</u>			<u>\$35,561</u>	
		Total			\$36,051
NET INCOME					
					<u><u>\$0</u></u>

SILVERTON GLENN ASSOCIATION, INC.

RESERVE FUND ANALYSIS

2019-2020 BUDGET

OPERATING RESERVE FUND: **\$4,104**

LONG TERM MAINTENANCE RESERVE FUND:

Projected Beginning Balance 5/1/19 **\$104,906**

Add: Projected Transfers **\$29.05 /unit/month** **35,561**

Add: Projected Earnings:

M&T Money Market fund **\$70,000** **0.70%** **490** **490**

Total Earnings **\$490**

Less: Projected Expenditures:

Resurface Driveways/Private Roadways **0**

Seal Coating **3,000**

Building Repairs **0**

Roofing **0**

Painting/Staining **0**

Misc. **0**

Total Expenditures **(3,000)**

Projected Ending Balance 4/30/20 **\$137,957**

TOTAL RESERVE FUNDS:

Projected Beginning Balance 5/1/19 **\$109,010**

Add: Projected Transfers **\$29.05 /unit/month** **35,561**

Add: Projected Earnings **490**

Less: Projected Expenditures **(3,000)**

Projected Ending Balance 4/30/20 **\$142,061**

SILVERTON GLENN ASSOCIATION, INC.

BUDGET COMPARISON

	DRAFT 2019-2020 <u>BUDGET</u>	CURRENT 2018-2019 <u>BUDGET</u>	PROJECTED ACTUAL <u>2018-2019</u>
Monthly assessment:	\$190	\$185	\$185
Percent change:	2.70%		
OPERATING INCOME:			
Homeowner Assessments	232,580	226,440	178,999
Late Charges	0	0	60
Investment Income	490	150	360
Misc. Income	0	0	0
Total Operating Income	<u>\$233,050</u>	<u>\$226,590</u>	<u>\$179,419</u>
OPERATING EXPENSES:			
Maintenance Payroll Reimbursements (RPG)	3,380	2,100	1,308
Trash Removal	10,920	10,920	7,687
Maintenance Supplies	600	900	148
Repairs & Maintenance (subcontracted)	3,800	3,600	3,892
Landscape Contract	54,213	57,877	49,805
Fertilization Contract	14,387	0	0
Other Landscaping	3,900	6,300	2,815
Snow Removal	39,074	37,930	31,098
Legal & Professional	1,000	1,500	0
Accounting Fees	1,625	1,575	1,680
Management Fee	15,180	15,180	15,681
Other Administrative Expenses	810	1,500	506
Insurance	46,500	46,500	33,869
Real Estate Taxes	1,750	1,750	1,468
State Income tax	50	50	50
Federal Income tax	50	50	50
Total Operating Expenses	<u>196,999</u>	<u>187,732</u>	<u>149,955</u>
NET OPERATING INCOME	\$36,051	\$38,858	\$29,464
Reserve Transfers	<u>36,051</u>	<u>38,858</u>	<u>30,182</u>
NET INCOME (LOSS)	\$0	\$0	(\$718)

Exhibit 8A-2
Budget Certification



◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

April 3, 2019

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 Association, Inc. ("HOA")

STATE OF NEW YORK)
COUNTY OF MONROE) SS: 052-54-6647

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, 2019 – April 30, 2020.

My experience in this field includes:

Over twenty (20) years experience in the management of homeowners associations and condominiums. I have earned the RPA (Real Property Administrator) and FMA (Facilities Management Administrator) designations from BOMI International. I am also a licensed New York State real estate broker.

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 2019-2020 year of operations is complete and accurate.

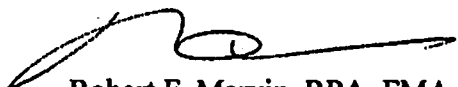
I certify that the Schedules:

- (i) Sets forth in detail the projected income and expense for the 2019-2019 year of HOA operation;
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the 2019-2019 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.

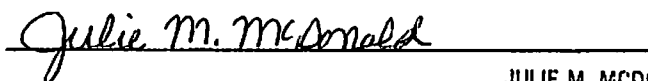
I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 2019-2019 year of HOA operation.

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.


Robert F. Marvin, RPA, FMA
President

Sworn to before me this
4th day of April, 2019.



JULIE M. McDONALD
Notary Public, State of New York
No. 01MC0976701
Qualified in Ontario County
Commission Expires July 1, 20 22

Exhibit 8A-3
Financial Statement

{7160830: }

SILVERTON GLENN ASSOCIATION, INC.

**FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017**

SILVERTON GLENN ASSOCIATION, INC.

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Bonn, Dioguardi & Ray LLP
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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, 2018 and 2017, and the related statements of revenues, expenses and changes in fund balances and cash flows for the years then ended, 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, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Bruce, Buehler & Co., LLP

Rochester, New York
June 29, 2018

SILVERTON GLENN ASSOCIATION, INC.

BALANCE SHEETS
APRIL 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 70,433	\$ 49,924
Accounts receivable from homeowners	430	1,250
Due from sponsor	10,559	10,559
Prepaid expenses	<u>2,677</u>	<u>2,483</u>
Total assets	<u>\$ 84,099</u>	<u>\$ 64,216</u>

LIABILITIES AND FUND BALANCES

	<u>2018</u>	<u>2017</u>
Liabilities		
Accounts payable	\$ 338	\$ 7,573
Advance payments from homeowners	3,835	3,079
Accrued income taxes	<u>67</u>	<u>54</u>
Total liabilities	<u>4,240</u>	<u>10,706</u>
Fund balances		
Operating	4,104	0
Major maintenance	<u>75,755</u>	<u>53,510</u>
Total fund balances	<u>79,859</u>	<u>53,510</u>
	<u>\$ 84,099</u>	<u>\$ 64,216</u>

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017**

	2018			2017		
	Operating Fund	Major Maintenance Fund	Total	Operating Fund	Major Maintenance Fund	Total
Revenues						
Common charges	\$ 139,014	\$ 24,907	\$ 163,921	\$ 113,887	\$ 20,405	\$ 134,292
Sponsor contributions	0	0	0	15,007	0	15,007
Interest	0	178	178	0	34	34
Other	80	0	80	699	0	699
Total revenues	139,094	25,085	164,179	129,593	20,439	150,032
Expenses						
Landscaping	50,229	0	50,229	49,985	0	49,985
Grounds and building repairs	1,756	2,840	4,596	3,894	0	3,894
Management fees	14,399	0	14,399	12,300	0	12,300
Snow removal	27,728	0	27,728	27,667	0	27,667
Trash removal	7,485	0	7,485	6,807	0	6,807
Administrative expenses	401	0	401	699	0	699
Legal and professional fees	1,530	0	1,530	1,485	0	1,485
Insurance	29,941	0	29,941	25,212	0	25,212
Property taxes	1,454	0	1,454	1,490	0	1,490
Income taxes	67	0	67	54	0	54
Total expenses	134,990	2,840	137,830	129,593	0	129,593
Excess of revenues over expenses	4,104	22,245	26,349	0	20,439	20,439
Transfers	0	0	0	0	0	0
Fund balances - beginning of year	0	53,510	53,510	0	33,071	33,071
Fund balances - end of year	\$ 4,104	\$ 75,755	\$ 79,859	\$ 0	\$ 53,510	\$ 53,510

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 26,349	\$ 20,439
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	820	(381)
Due from sponsor	0	(10,559)
Prepaid expenses	(194)	(2,483)
Increase (decrease) in:		
Accounts payable	(7,235)	5,971
Due to sponsor	0	(7,948)
Advance payments from homeowners	756	2,769
Accrued income taxes	13	29
	<hr/>	<hr/>
Net cash and cash equivalents provided by operating activities	20,509	7,837
Cash and cash equivalents - beginning of year	<hr/> 49,924	<hr/> 42,087
Cash and cash equivalents - end of year	\$ <hr/> <u>70,433</u>	\$ <hr/> <u>49,924</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ <hr/> <u>54</u>	\$ <hr/> <u>25</u>

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

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 seventy-seven 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 2015, 2016 and 2017 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 affect 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 June 29, 2018, the date the financial statements were available to be issued.

See independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2018 AND 2017

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended April 30, 2018 and 2017 were \$185, 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, 2018, monthly assessments 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 Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$1,342 for the year ending April 30, 2019. The agreement may be extended at a fee equal to the greater of three percent or the increase in the consumer price index.

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, 2018 AND 2017

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.



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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, 2018 and 2017, and our report thereon dated June 29, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Ours 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
June 29, 2018

SILVERTON GLENN ASSOCIATION, INC.

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

APRIL 30, 2018

The amended 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	\$ 8,184
Asphalt resurfacing	20	112,530
Roofing	25	488,250
Painting/staining	4	13,950

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.