

GLENMORE COMMUNITY ASSOCIATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Glenmore Community Association, Inc.
Keswick, Virginia

We have audited the accompanying consolidated financial statements of Glenmore Community Association, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of revenues, expenses, and changes in members' equity and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Glenmore Community Association, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The combining schedules and supplementary schedules of expenses are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Glenmore Community Association, Inc.'s 2014 financial statements, and our report dated July 24, 2015, expressed an unmodified opinion on those audited financial statements. Due to an accounting error, the 2014 consolidated financial statements have been restated. In our opinion, the restated summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Robinson, Tanner, Cox Associates

Charlottesville, Virginia

August 2, 2016

GLENMORE COMMUNITY ASSOCIATION, INC.

Consolidated Balance Sheet
As of December 31, 2015
With Comparative Amounts for 2014

Assets	2015	Restated 2014
Cash, including interest bearing deposits:		
Available for operations	\$ 426,657	\$ 348,408
Designated for reserves	429,324	414,814
Receivables:		
Dues and assessments, net	1,801	8,385
Accounts and accrued revenue	33,658	51,449
Prepaid income taxes	-	69
Prepaid insurance	8,788	7,152
Property and equipment, less accumulated depreciation	<u>1,203,646</u>	<u>1,241,678</u>
Total assets	<u><u>\$ 2,103,874</u></u>	<u><u>\$ 2,071,955</u></u>
Liabilities and Members' Equity		
Liabilities:		
Accounts payable and accrued expenses	\$ 33,132	\$ 28,579
Deferred income taxes payable	145	1,173
Revenue billed in advance	15,774	14,568
Mortgage loan payable	<u>783,741</u>	<u>811,145</u>
Total liabilities	<u><u>\$ 832,792</u></u>	<u><u>\$ 855,465</u></u>
Members' Equity:		
Designated:		
Future major repairs and replacements:		
Common area improvements	\$ 261,322	\$ 337,011
Storm emergency	22,500	39,373
Controlled access and security	73,502	27,996
Equestrian parcel	72,000	-
Contingency	-	10,434
Undesignated	<u>841,758</u>	<u>801,676</u>
Total members' equity	<u><u>\$ 1,271,082</u></u>	<u><u>\$ 1,216,490</u></u>
Total liabilities and members' equity	<u><u>\$ 2,103,874</u></u>	<u><u>\$ 2,071,955</u></u>

The accompanying notes to financial statements are an integral part of this statement.

GLENMORE COMMUNITY ASSOCIATION, INC.

Consolidated Statement of Revenues, Expenses and Changes in Members' Equity
Year Ended December 31, 2015
With Comparative Amounts for 2014

	2015	Restated 2014
Revenues:		
Member assessments		
Annual dues	\$ 736,988	\$ 672,149
Special assessments	-	251,985
Late fees	1,456	1,562
Interest	832	1,147
Impact fees	10,800	8,800
Equestrian center:		
Operations	326,558	102,480
Gain on sale of assets	5,191	4,084
Other	5,470	3,404
Total revenues	\$ 1,087,295	\$ 1,045,611
Expenses:		
Administration	\$ 37,278	\$ 31,596
Animal control	756	1,790
Common area maintenance	133,107	133,447
Contingency	200	3,828
Crime safety	15,267	15,970
Depreciation	45,510	19,395
Expenditures from reserves	28,191	2,150
Gatehouse	182,416	169,112
Interest	32,794	11,211
Professional services, insurance and taxes	45,028	23,169
Provision for uncollectible dues	(1,817)	1,300
Residential area maintenance	16,586	12,056
Road resurfacing and repair	100,618	216,336
Storm emergency cleanup	22,396	16,921
Water resources	51,250	44,824
Equestrian center operations	323,122	95,865
Total expenses	\$ 1,032,702	\$ 798,970
Excess (deficiency) of revenues over expenses	\$ 54,593	\$ 246,641
Members' equity, beginning of year (as restated)	\$ 1,216,489	\$ 969,849
Members' equity, end of year	\$ 1,271,082	\$ 1,216,490

The accompanying notes to financial statements are an integral part of this statement.

GLENMORE COMMUNITY ASSOCIATION, INC.

Consolidated Statement of Cash Flows
Year Ended December 31, 2015
With Comparative Amounts for 2014

	2015	Restated 2014
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ 54,593	\$ 246,641
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used for) operating activities:		
Depreciation	45,510	19,395
Provision for uncollectible dues and write-offs	(1,817)	1,300
Proceeds from sale of assets	8,858	14,275
Gain on sale of assets	(5,191)	(4,084)
(Increase) decrease in:		
Dues and assessments receivable	8,400	(7,756)
Accounts receivable and accrued revenue	17,791	(7,532)
Prepaid insurance	(1,636)	(7,152)
Prepaid income taxes	69	1,103
Increase (decrease) in:		
Accounts payable and accrued expenses	4,553	(7,200)
Deferred income taxes payable	(1,028)	1,173
Revenue received in advance	<u>1,206</u>	<u>14,568</u>
Net cash provided by (used for) operating activities	<u>\$ 131,308</u>	<u>\$ 264,731</u>
Cash flows from Investing activities:		
Purchase of real property	\$ -	\$ (1,243,285)
Purchase of other fixed assets	<u>(11,145)</u>	<u>(395)</u>
Net cash provided by (used for) investing activities	<u>\$ (11,145)</u>	<u>\$ (1,243,680)</u>
Cash flows from financing activities:		
Mortgage loan proceeds	\$ -	\$ 820,000
Principal payments on mortgage loan	<u>(27,404)</u>	<u>(8,855)</u>
Net cash provided by (used for) financing activities	<u>\$ (27,404)</u>	<u>\$ 811,145</u>
Net increase (decrease) in cash	\$ 92,759	\$ (167,804)
Cash at beginning of year	<u>763,222</u>	<u>931,026</u>
Cash at end of year	<u>\$ 855,981</u>	<u>\$ 763,222</u>
Supplemental Disclosure		
Income taxes paid	-	-
Interest paid	32,794	-

The accompanying notes to financial statements are an integral part of this statement.

GLENMORE COMMUNITY ASSOCIATION, INC.

Notes to Consolidated Financial Statements
As of December 31, 2015

NOTE 1-FINANCIAL REPORTING ENTITY:

Nature of Activities:

Glenmore Community Association, Inc. is a non-stock Virginia corporation and consists of 835 residential lots of which 796 are dues eligible in a planned unit development located in Albemarle County, Virginia. The Association is responsible for the preservation, operation and maintenance of the common property and roads within the Glenmore development, and also provides certain security services for the development. On August 29, 2014 the Association purchased the Glenmore Equestrian Center.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accounts and records of the Association are maintained on the accrual basis of accounting. The Association does not utilize fund accounting for internal or external financial reporting.

Cash

For purposes of cash flows, cash includes cash in banks, including interest earning deposits.

Member Assessments

Association members (property owners) are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent dues receivable from members less an allowance for uncollectible accounts of \$0. The Association's policy is to retain legal counsel and place liens on the development properties whose assessments are substantially delinquent. Receivables are considered delinquent when amounts have not been received within 30 days of their due dates. Late payment fees are assessed on delinquent accounts. Receivables are written off when all collection efforts have been exhausted.

The Association computes its allowance for uncollectible accounts based on specific account analysis and other considerations.

Construction Impact Fees

Effective January 1, 2012 the Association began the assessment of a one-time "impact fee" of \$500 per lot on lots developed in the Leake and Livengood sections of the Glenmore Community. In the event the lot is owned by a developer or builder for sale to a third party, the payment of this fee may be deferred until the settlement of the sale of the improved lot or occupancy of the house, whichever occurs first. This fee increased to \$1,000 per lot on January 1, 2013 and increases at the rate of \$100 per year beginning January 1, 2014 through January 1, 2019. After January 1, 2019 the fee will increase annually based on the National Highway Construction Cost Index issued by the Federal Highway Administration, or its equivalent.

Principles of Consolidation

The financial statements of the Association include Glenmore Farm, Inc., a Virginia stock corporation created on August 13, 2014 to hold certain assets of and operate the Glenmore Equestrian Center, which was purchased on August 29, 2014 and commenced operations on or about that date. The Association owns 100% of the common stock of Glenmore Farm, Inc. All significant intercompany transactions have been eliminated in the preparation of the consolidated financial statements.

GLENMORE COMMUNITY ASSOCIATION, INC.

Notes to Consolidated Financial Statements As of December 31, 2015 (Continued)

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Fixed Assets - Common Areas, Property and Equipment

The Association holds title to its common areas, roads and personal property (vehicles and equipment). Its policy for recognizing common property (including roads) in its balance sheet is determined by whether the property can be sold for cash while retaining the sale proceeds, or if the property is used to generate significant cash flows from members and nonmembers on the basis of usage. Since the Association common areas cannot be sold and such common areas do not contain amenities which generate significant cash flows from members and nonmembers for usage, the common areas and roads have not been capitalized and reported in the balance sheet.

The real estate, buildings and improvements of the Glenmore Equestrian Center have been capitalized and reported on the balance sheet. This property, although considered common area for property taxation purposes, generates significant cash flows through the operation of the equestrian center by Glenmore Farm, Inc., a wholly owned subsidiary company of the Association. This property can be resold upon approval by the members of the Association. This property is leased to Glenmore Farm, Inc. for a nominal monthly fee.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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.

Comparative Amounts

Comparative amounts for the prior year are presented for information purposes only. Certain prior year amounts in the Supplementary Schedule of Expenses have been reclassified to be comparable to the current year presentation. The Glenmore Community Association primary expense classifications changed significantly from 2014. The 2014 expenses have been reclassified to the 2015 major expense categories.

NOTE 3-DEPOSITS:

The Association requires all investments of cash to be in federally insured accounts or collateralized with U.S. Government securities. At December 31, 2015 all of the Association's cash funds were held in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Association's name. At December 31, 2015 no amounts of deposits were exposed to custodial risk.

GLENMORE COMMUNITY ASSOCIATION, INC.

Notes to Consolidated Financial Statements As of December 31, 2015 (Continued)

NOTE 4-ACCOUNTS RECEIVABLE:

At December 31, 2015 the Association was owed \$13,119 from Glenmore Country Club, LLC for its share of the gatehouse/security expenses.

At December 31, 2015 the Association was owed \$17,029 from various customers for services provided by the equestrian center. No amounts have been provided for estimated uncollectible amounts since management believes substantially all amounts owed will be collected.

NOTE 5-PROPERTY AND EQUIPMENT:

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20 years
Vehicles	5 to 7 years
Equipment	3 to 7 years
Fencing	7 to 15 years
Horses	3 to 7 years

A summary of fixed assets is as follows:

Land	\$	771,000
Buildings and improvements		307,285
Equipment - Association		41,274
Equipment - equestrian center		78,527
Fencing		70,645
Horses		12,500
 Total	\$	1,281,231
Accumulated depreciation		77,585
 Net fixed assets	\$	1,203,646

Depreciation expense was \$45,510 for 2015 and \$19,395 in 2014.

GLENMORE COMMUNITY ASSOCIATION, INC.

Notes to Consolidated Financial Statements
As of December 31, 2015 (Continued)

NOTE 6-LONG-TERM DEBT:

The following is a summary of long-term debt:

\$820,000 mortgage loan from Union Bank, dated August 29, 2014, interest at 4.05%, payable in monthly installments of \$5,016, maturity of August 29, 2019, secured by real estate comprising the Glenmore equestrian center. \$ 783,741

Amounts required to amortize long-term debt are as follows:

2016	\$ 28,459
2017	29,740
2018	30,985
2019	<u>694,557</u>
Total	<u>\$ 783,741</u>

Total interest expense was \$32,794 all of which was expensed.

NOTE 7-INCOME TAXES:

The Association elected to be taxed as a Homeowner's Association under Section 528 of the Internal Revenue Code. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings, less expenses directly associated with the production of such income. Exempt function income, which consists primarily of member assessments, is not taxable. The Association utilizes the cash basis for income tax reporting.

Income tax expense consists of federal (\$130) and Virginia (\$26) at December 31, 2015. Income taxes payable consist of federal (\$130) and Virginia (\$15). The Association reports its income and expenses on a cash basis for income tax purposes. The effect of any timing differences between income reported for financial reporting purposes and taxable income is deemed to be not material and thus no deferred income tax liabilities are reported for the Association.

Glenmore Farm, Inc. files its income taxes separately from the Association. The Company had no taxable income for 2015 and has a net operating loss carryover of \$23,976 that can be used to offset future taxable income for a period of up to ten years.

NOTE 8-SPECIAL ASSESSMENTS:

In 2014, a special assessment of \$321 was made against 785 properties to provide funding for the purchase of the Glenmore Equestrian Center. There were no special assessments in 2015.

GLENMORE COMMUNITY ASSOCIATION, INC.

Notes to Consolidated Financial Statements As of December 31, 2015 (Continued)

NOTE 9-FUTURE MAJOR REPAIRS AND REPLACEMENTS:

The Association is required by law to have a reserve study performed at least once every five years, and to review reserve requirements annually. In October 2015, the Association's Board of Directors prepared a reserve study and incorporated its requirements as of December 31, 2015.

The reserve study was prepared by committees of the Board of Directors and others in the Glenmore community. This study estimated the replacement cost of significant common area assets and other items as deemed appropriate by the Board. The Association does not maintain a separate replacement fund, but reserves equity for the amounts required in the approved funding program. Actual expenditures for the major repairs and replacements may vary from the estimated amounts, and the variations may be significant. Therefore, amounts set aside or reserved at December 31, 2015 may not be adequate to meet future needs. If additional funds are needed, however, the Association's Board of Directors has the right to increase regular assessments or levy special assessments, or may delay major repairs and replacements until the funds are available. Inflation rates of 2.0% were used in the study.

NOTE 10-DATE OF MANAGEMENT'S REVIEW:

Subsequent events and transactions have been evaluated for potential recognition or disclosure through August 2, 2016, the date financial statements were available for issuance. There are no events that have occurred through that date which is required to be reported or disclosed.

NOTE 11-CORRECTION OF ACCOUNTING ERROR:

In 2014 depreciation expense for Glenmore Community Association was overstated by \$7,288. The prior year comparative amounts in the consolidated financial statements have been changed to reflect the correct amounts. The following summarizes the changes to the 2014 consolidated financial statements.

	Consolidated Total
Depreciation expense:	
As originally reported	\$ 26,683
As restated	<u>19,395</u>
Restated amount increase (decrease)	<u>\$ (7,288)</u>
Excess (deficiency) of revenue over expenses:	
As originally reported	\$ 239,353
As restated	<u>246,641</u>
Restated amount increase (decrease)	<u>\$ 7,288</u>
Members' equity:	
As originally reported	\$ 1,209,202
As restated	<u>1,216,490</u>
Restated amount increase (decrease)	<u>\$ 7,288</u>

GLENMORE COMMUNITY ASSOCIATION, INC.

Combining Balance Sheet Schedule
As of December 31, 2015

Assets	Glenmore Community Association	Glenmore Farm, Inc.	Intercompany Eliminations	Net Total
Cash, including interest bearing deposits:				
Available for operations	\$ 395,211	\$ 31,446	\$ -	\$ 426,657
Designated for reserves	429,324	-	-	429,324
Receivables:				
Dues and assessments, net	1,801	-	-	1,801
Accounts and accrued revenue	13,119	20,539	-	33,658
Note - Glenmore Farm, Inc.	20,000	-	(20,000)	-
Prepaid insurance	-	8,788	-	8,788
Investment in Glenmore Farm, Inc.	100,000	-	(100,000)	-
Property and equipment, less accumulated depreciation	1,129,929	73,717	-	1,203,646
Total assets	\$ 2,089,384	\$ 134,490	\$ (120,000)	\$ 2,103,874
Liabilities and Members' Equity				
Liabilities:				
Accounts payable and accrued expenses	\$ 28,762	\$ 4,370	\$ -	\$ 33,132
Deferred income taxes payable	145	-	-	145
Revenue billed/received in advance	933	14,841	-	15,774
Loan payable - Glenmore Community Association	-	20,000	(20,000)	-
Mortgage loan payable	783,741	-	-	783,741
Total liabilities	\$ 813,581	\$ 39,211	\$ (20,000)	\$ 832,792
Members' Equity:				
Designated:				
Future major repairs and replacements:				
Common area improvements	\$ 261,322	\$ -	\$ -	\$ 261,322
Storm emergency	22,500	-	-	22,500
Controlled access and security	73,502	-	-	73,502
Equestrian parcel	72,000	-	-	72,000
Undesignated	846,479	(4,721)	-	841,758
Capital stock	-	100,000	(100,000)	-
Total members' equity	\$ 1,275,803	\$ 95,279	\$ (100,000)	\$ 1,271,082
Total liabilities and members' equity	\$ 2,089,384	\$ 134,490	\$ (120,000)	\$ 2,103,874

GLENMORE COMMUNITY ASSOCIATION, INC.

Combining Schedule of Revenues, Expenses and Changes in Members' Equity
Year Ended December 31, 2015

	Glenmore Community Association	Glenmore Farm, Inc.	Intercompany Eliminations	Net Total
Revenues:				
Member assessments				
Annual dues	\$ 736,988	\$ -	\$ -	\$ 736,988
Special assessments	-	-	-	-
Late fees	1,456	-	-	1,456
Interest	832	-	-	832
Impact fees	10,800	-	-	10,800
Equestrian center:				
Operations	-	326,558	-	326,558
Gain on sales of assets	-	5,191	-	5,191
Other	5,510	-	(40)	5,470
Total revenues	\$ 755,586	\$ 331,749	\$ (40)	\$ 1,087,295
Expenses:				
Administration	\$ 37,278	\$ -	\$ -	\$ 37,278
Animal control	756	-	-	756
Common area maintenance	133,107	-	-	133,107
Contingency	200	-	-	200
Crime safety	15,267	-	-	15,267
Depreciation	27,756	17,754	-	45,510
Expenditures from reserves	28,191	-	-	28,191
Gatehouse	182,416	-	-	182,416
Interest	32,794	-	-	32,794
Professional services, insurance and taxes	45,028	-	-	45,028
Provision for uncollectible dues	(1,817)	-	-	(1,817)
Residential area maintenance	16,586	-	-	16,586
Road resurfacing and repair	100,618	-	-	100,618
Storm emergency cleanup	22,396	-	-	22,396
Water resources	51,250	-	-	51,250
Equestrian center operations - all other	-	323,162	(40)	323,122
Total expenses	\$ 691,826	\$ 340,916	\$ (40)	\$ 1,032,702
Excess (deficiency) of revenues over expenses	\$ 63,760	\$ (9,167)	\$ -	\$ 54,593
Members' equity, beginning of year, restated	\$ 1,212,043	\$ 104,446	\$ (100,000)	\$ 1,216,489
Members' equity, end of year	\$ 1,275,803	\$ 95,279	\$ (100,000)	\$ 1,271,082

GLENMORE COMMUNITY ASSOCIATION, INC.

Combining Schedule of Cash Flows
Year Ended December 31, 2015

	Glenmore Community Association	Glenmore Farm, Inc.	Intercompany Eliminations	Net Total
Cash flows from operating activities:				
Excess (deficiency) of revenues over expenses	\$ 63,760	\$ (9,167)	\$ -	\$ 54,593
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used for) operating activities:				
Depreciation	27,756	17,754	-	45,510
Provision for uncollectible dues and write-offs	(1,817)	-	-	(1,817)
Net proceeds from sale of assets	-	8,858	-	8,858
Gain on sale of assets		(5,191)	-	(5,191)
(Increase) decrease in:				
Dues and assessments receivable	8,400	-	-	8,400
Accounts receivable and accrued revenue	21,190	(3,399)	-	17,791
Prepaid insurance	-	(1,636)	-	(1,636)
Prepaid income taxes	69	-	-	69
Increase (decrease) in:				
Accounts payable and accrued expenses	8,026	(3,473)	-	4,553
Deferred income taxes payable	145	(1,173)	-	(1,028)
Revenue billed in advance	933	273	-	1,206
Net cash provided by (used for) operating activities	\$ 128,462	\$ 2,846	\$ -	\$ 131,308
Cash flows from Investing activities:				
Purchase of fixed assets	\$ -	\$ (11,145)	\$ -	\$ (11,145)
Cash flows from financing activities:				
Principal payments on mortgage loan	\$ (27,404)	\$ -	\$ -	\$ (27,404)
Net increase (decrease) in cash	\$ 101,058	\$ (8,299)	\$ -	\$ 92,759
Cash at beginning of year		723,477	39,745	763,222
Cash at end of year	\$ 824,535	\$ 31,446	\$ -	\$ 855,981
Supplemental Disclosure				
Income taxes paid	\$ -	\$ -	\$ -	\$ -
Interest paid		32,794	-	32,794

GLENMORE COMMUNITY ASSOCIATION, INC.

Supplementary Schedule of Expenses

Year Ended December 31, 2015

With Comparative Amounts for 2014

	2015	Restated 2014
Administration		
Administration/minutes/communication	\$ 4,800	\$ 4,000
Administrative supplies and postage	1,145	753
Bookkeeping	7,200	6,000
Common area maintenance	9,600	8,000
Communications support	7,200	6,000
Compliance	2,400	2,000
Miscellaneous	1,127	1,916
Website and database	<u>3,806</u>	<u>2,927</u>
Total administration	<u>\$ 37,278</u>	<u>\$ 31,596</u>
Animal control		
Wild animal removal	<u>\$ 756</u>	<u>\$ 1,790</u>
Common area maintenance		
Irrigation line maintenance	\$ 1,966	\$ 12,850
Landscape maintenance	22,846	27,748
Multi-use trails	3,281	1,955
Rentals	1,032	885
Sign maintenance	11,916	6,469
Trash pickup	4,521	5,200
Tree maintenance and removal	7,925	5,125
Turf maintenance	76,785	73,215
Walking path maintenance	<u>2,835</u>	-
Total common area maintenance	<u>\$ 133,107</u>	<u>\$ 133,447</u>
Contingency		
	<u>\$ 200</u>	<u>\$ 3,828</u>
Crime safety		
Safety patrol	\$ 14,315	\$ 14,573
Vehicle maintenance	952	1,397
Total crime safety	<u>\$ 15,267</u>	<u>\$ 15,970</u>
Depreciation		
	<u>\$ 27,756</u>	<u>\$ 13,184</u>
Expenditures from reserves		
Darby Road planning and design	\$ 17,422	\$ -
Glenlochen Pond lights replacements	3,394	-
Tree replacements	7,375	2,150
Total expenditures from reserves	<u>\$ 28,191</u>	<u>\$ 2,150</u>

GLENMORE COMMUNITY ASSOCIATION, INC.

Supplementary Schedule of Expenses
 Year Ended December 31, 2015 (Continued)
 With Comparative Amounts for 2014

	2015	Restated 2014
Gatehouse		
Computer and software maintenance	\$ 116	\$ -
Equipment maintenance contract	532	2,986
Gatehouse maintenance and repairs	5,330	1,482
Guard contract	223,523	207,192
Guard contract reimbursement	(56,354)	(51,661)
Supplies	2,172	1,820
Utilities	<u>7,097</u>	<u>7,293</u>
Total gatehouse	<u>\$ 182,416</u>	<u>\$ 169,112</u>
Interest expense		
	<u>\$ 32,794</u>	<u>\$ 11,211</u>
Professional services, insurance and taxes		
Attorney and related professional services	\$ 24,666	\$ 7,086
Auditor	9,000	6,200
Federal and state income taxes	156	269
Insurance	9,746	8,171
License and other tax	<u>1,460</u>	<u>1,443</u>
Total professional services, insurance and taxes	<u>\$ 45,028</u>	<u>\$ 23,169</u>
Provision for uncollectible dues		
	<u>\$ (1,817)</u>	<u>\$ 1,300</u>
Residential area maintenance		
Leaf and limb removal	<u>\$ 16,586</u>	<u>\$ 12,056</u>
Road resurfacing and repair		
Road resurfacing and repair	<u>\$ 100,618</u>	<u>\$ 216,336</u>
Storm emergency cleanup		
Snow removal	<u>\$ 22,396</u>	<u>\$ 16,921</u>
Water resources		
Dam, pond and stream regulation	\$ 7,450	\$ -
Dams and pond maintenance	18,266	13,785
Pond utilities	5,781	5,146
Storm water infrastructure	<u>19,753</u>	<u>25,893</u>
Total water resources	<u>\$ 51,250</u>	<u>\$ 44,824</u>
Total expenses	<u>\$ 691,826</u>	<u>\$ 696,894</u>

GLENMORE COMMUNITY ASSOCIATION, INC.

Glenmore Farm, Inc.
 Supplementary Schedule of Expenses
 Year Ended December 31, 2015
 With Comparative Amounts for 2014

	<u>2015</u>	<u>2014</u>
Administration	\$ 15,611	\$ 981
Contract labor	60,643	31,572
Depreciation	17,754	6,211
Events	4,563	991
Horse care	73,972	24,392
Insurance	21,551	6,174
Interest expense	40	-
Payroll	108,430	17,652
Repairs and maintenance	16,605	4,180
Supplies	8,460	2,408
Taxes and licenses	1,362	2,499
Utilities	12,354	4,892
Other	<u>(429)</u>	<u>166</u>
 Total expenses	 <u>\$ 340,916</u>	 <u>\$ 102,118</u>

GLENMORE COMMUNITY ASSOCIATION, INC.

Supplementary Information on Future Major Repairs
and Replacements (Unaudited)
As of December 31, 2015

The Association's Board of Directors conducted a study in October 2015 to estimate the remaining useful lives and the replacement costs of the components of common property. These estimates were prepared from information obtained by various Association committees and individuals in the community. Replacement costs were based on the estimated costs to repair or replace the common property components as of the date of the study, or October 2015. These estimates do not take in to account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

Components	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost	Designated for Future Repairs and Replacements December 31, 2015
Common Area Improvements			
Roads	3-15	\$ 140,000	\$ 141,000
Walking paths	1	20,000	16,000
Fences	9	15,000	8,250
Landscape areas rebuilding	7	25,000	3,125
Storm water culverts and basins	2-11	48,000	35,880
Dams	9	40,000	28,750
Glen Lochan bridge	7	25,000	19,167
Fountains	4-9	27,500	9,150
Total common area improvements		\$ 340,500	\$ 261,322
Storm Emergency			
Snow	2	\$ 25,000	\$ 12,500
Wind damage	4	15,000	10,000
Total storm emergency		\$ 40,000	\$ 22,500
Controlled Access and Security			
Entry gates	2-4	\$ 10,000	\$ 5,714
License plate recognition system	5	18,000	6,750
Cameras	3	13,500	8,438
Generator	1	10,000	8,750
Security vehicle	2	25,000	18,750
Gatehouse walls/windows/door	8	24,000	17,600
Gatehouse HVAC	5	15,000	7,500
Total controlled access and security		\$ 115,500	\$ 73,502
Equestrian Parcel			
Fences	4-5	\$ 37,000	\$ 31,401
Barn roofs	5-10	48,000	31,999
Classroom building roof	27	6,000	600
Classroom HVAC	7	10,000	3,000
Ring lighting system	12	20,000	5,000
Total equestrian parcel		\$ 121,000	\$ 72,000
Total		\$ 617,000	\$ 429,324