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OFFICE OF THE ATTORNEY GENERAL

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DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

December 27, 2017

Wegman Family (Canandaigua), Llc Xv
c/o Woods Oviatt Gilman, Llp
Attention: Paula Lapin, Esq.
700 Crossroads Bldg, 2 State Street
Rochester, NY 14614

RE: Villas At Cheshire Glen Hoa (The)
File Number: H 080022 Amendment No: 14
Date Amendment Filed: 12/18/2017 Filing Fee: \$225.00
Receipt Number: 144347

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,

Deborah Dorlen

Deborah Dorlen
Assistant Attorney General

THE VILLAS AT CANANDAIGUA

AMENDMENT NO. 14

This is the fourteenth amendment to the Offering Plan for The Villas at Canandaigua Homeowners Association Inc. The main purpose of this amendment is to extend the term of the offering.

1. Sixty-six lots in Phase I and II have been sold by Sponsor, constituting all lots in those phases. Phase III construction has commenced. Thirteen lots have been sold in Phase III. The remaining lots owned by Sponsor in Phase III are as follows: 170 A-D, 150 A-D, 140 A-D, 130 A-D.

2. The Sponsor transferred control of the HOA Board of Directors to the home owners on December 24, 2014.

3. The Sponsor has paid the most recent real property taxes for the current year on the lots it owns. The 2017 County tax bills totaled \$5,370 and the 2017/18 School tax bills totaled \$7,018. The assessor has separately assessed all of the individual lots in Phase I, Phase II, and Phase III.

4. There are no homes occupied by the Sponsor or by tenants.

5. Sponsor's obligations over the next twelve months will be for HOA assessments on any completed homes it owns and for real estate taxes on unsold and undeveloped lots/units.

6. The aggregate monthly association charge for all lots owned by Sponsor in Phases I, II and III is \$0.

7. All unsold units subject to the Offering Plan are subject to three mortgages held by Genesee Regional Bank, on which there is a total current principal balance outstanding of \$390,719. (1) Construction Revolver Loan, balance of \$300,618, interest only 5.75% rate, matures 12/2/17. The approximate monthly payment is \$1,500. (2) Site/Development Phase 3 Loan, balance of \$64,135, interest only, 5.75% rate, matures 2/11/18. The approximate monthly payment is \$320 and (3) Clubhouse Loan, balance of \$25,966, interest only, 5.50% rate, matures 2/11/18. Approximate monthly payment is \$125. Genesee Regional Bank is located at 190 Linden Oaks, Rochester, New York 14625.

8. Sponsor's obligations set forth above will be funded from projected sales and, if necessary, from other funds of Sponsor.

9. The Sponsor is current on all financial obligations relating to the HOA and under the construction loans, and has been since the date of the last amendment. Neither the Sponsor nor the principals of Sponsor have any interests in any other cooperative, condominium or homeowners associations, except that Jay Wegman is a principal in the Gardens at Fieldstone (File number H10-0009). Mr. Wegman is current on all of his obligations to this HOA.

10. The amount of the reserve fund is \$121,874. There is no working capital fund. As per the offering plan, the Sponsor contributes to the reserve fund only for completed units which it owns (i.e. those with a Certificate of Occupancy).

11. Financial statements for the year ending March 2017 are attached as Exhibit A. The budget for April 1, 2017 is attached as Exhibit B.

12. All material changes of facts and circumstances affecting the property or the Offering Plan are included in this Amendment.

WEGMAN FAMILY (CANANDAIGUA) LLC XV
Sponsor

***THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.***

**FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

EXHIBIT A

***THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.***

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
The Villas at Canandaigua Homeowners Association, Inc.

We have audited the accompanying financial statements of The Villas at Canandaigua Homeowners Association, Inc., which comprise the balance sheets as of March 31, 2017 and 2016, 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 The Villas at Canandaigua Homeowners Association, Inc. as of March 31, 2017 and 2016, 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.

Prior Period Adjustment

As discussed in Note 5 to the financial statements, certain errors in the prior period were discovered in the current year. Accordingly, amounts reported for the operating fund have been adjusted to the financial statements now presented. Our opinion is not modified with respect to this matter.

Bruce D. Edwards & Co., LLP

Rochester, New York
June 30, 2017

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**BALANCE SHEETS
MARCH 31, 2017 AND 2016**

ASSETS

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 147,139	\$ 97,206
Accounts receivable from homeowners	1,183	2,691
Prepaid expenses	<u>1,495</u>	<u>2,420</u>
Total assets	<u>\$ 149,817</u>	<u>\$ 102,317</u>

LIABILITIES AND FUND BALANCES

	<u>2017</u>	<u>2016</u>
Liabilities		
Accounts payable	\$ 1,417	\$ 18,916
Advance payments from homeowners	5,001	1,270
Due to sponsor	755	755
Accrued income taxes	<u>140</u>	<u>116</u>
Total liabilities	<u>7,313</u>	<u>21,057</u>
Fund balances		
Operating	19,970	(83)
Major maintenance	121,874	80,683
Club house	<u>660</u>	<u>660</u>
Total fund balances	<u>142,504</u>	<u>81,260</u>
	<u>\$ 149,817</u>	<u>\$ 102,317</u>

See accompanying notes and independent auditors' report.

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016**

	2017				2016			
	Operating Fund	Major Maintenance Fund	Club House Fund	Total	Operating Fund	Major Maintenance Fund	Club House Fund	Total
Revenues								
Common charges	\$ 214,854	\$ 40,912	\$ 0	\$ 255,766	\$ 173,702	\$ 25,536	\$ 0	\$ 199,238
Interest	0	279	0	279	77	0	0	77
Other	932	0	0	932	9,507	0	0	9,507
Total revenues	215,786	41,191	0	256,977	183,286	25,536	0	208,822
Expenses								
Management fees	16,704	0	0	16,704	13,510	0	0	13,510
Insurance	34,472	0	0	34,472	36,601	0	0	36,601
Administrative expenses	2,417	0	0	2,417	3,379	0	0	3,379
Legal and professional	3,401	0	0	3,401	5,752	0	0	5,752
Landscaping	45,094	0	0	45,094	44,280	0	0	44,280
Trash removal	10,550	0	0	10,550	8,856	0	0	8,856
Snow removal	31,400	0	0	31,400	10,953	0	0	10,953
Repairs and maintenance	35,095	0	0	35,095	36,045	538	0	36,583
Utilities	13,209	0	0	13,209	13,670	0	0	13,670
Property taxes	3,251	0	0	3,251	1,520	0	0	1,520
Income taxes	140	0	0	140	116	0	0	116
Total expenses	195,733	0	0	195,733	164,684	538	0	165,222
Excess of revenues over expenses	20,053	41,191	0	61,244	18,602	24,998	0	43,600
Fund balances - beginning of year as previously stated	(83)	80,683	660	81,260	0	55,683	0	55,683
Prior period adjustment	0	0	0	0	(18,025)	0	0	(18,025)
Fund balances - beginning of year resumed	(83)	80,683	660	81,260	(18,025)	55,683	0	37,660
Transfers	0	0	0	0	(660)	0	660	0
Fund balances - end of year	\$ 19,970	\$ 121,874	\$ 660	\$ 142,504	\$ (83)	\$ 80,683	\$ 660	\$ 81,260

See accompanying notes and independent auditors' report.

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 61,244	\$ 43,600
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners	1,508	(2,691)
Due from sponsor	0	27,422
Increase (decrease) in:		
Accounts payable	(17,499)	(5,131)
Advance payments from homeowners	3,731	(6,377)
Due to sponsor	0	755
Accrued income taxes	24	47
	49,933	55,205
Net cash provided by operating activities	49,933	55,205
Cash and cash equivalents - beginning of year	97,206	42,001
Cash and cash equivalents - end of year	\$ 147,139	\$ 97,206
 Supplemental disclosure of cash flow information:		
Correction to beginning fund balance	\$ 18,025	\$ 0
Cash paid for income taxes	\$ 116	\$ 69

See accompanying notes and independent auditors' report.

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 1: SUMMARY OF OPERATIONS

The Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law on July 22, 2008, for the purpose of maintaining the common areas (consisting of a pool, clubhouse, fences, exteriors, asphalt, grounds and lawns) of one hundred thirty-two residential townhomes (of which eighty-two are sold), in Canandaigua, New York. The homeowners elect a board of directors who hire an independent property management firm to manage 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. The club house fund is to be used for club house expenses.

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 and rental, net of expenses).

The Association's tax returns for the years ending 2014, 2015 and 2016 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 30, 2017, the date the financial statements were available to be issued.

See independent auditors' report.

***THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.***

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the years ended March 31, 2017 and 2016 were \$275 and \$255, respectively. The annual budget and assessments of owners are determined by the board of directors. The Association retains any year end operating surplus for use in the following year. As of April 1, 2017, monthly common charges increased to \$285.

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 all of the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts has not been established.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Crofton Perdue Associates, Inc. for management of its operations. The agreement provides for a monthly fee of \$18.50 per sold lot for the year ending March 31, 2018.

NOTE 5: PRIOR-PERIOD ADJUSTMENT

In preparing these financial statements, the Association determined that the fund balances were overstated as a result of certain accounts payable not being accrued in the prior year. Accordingly, an adjustment of \$18,025 was made during 2017 to adjust the fund balances as of the beginning of the year.

NOTE 6: SPONSOR ASSESSMENTS

The Sponsor is required to fund operating deficits until the last lot is sold.

See independent auditors' report.

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 7: 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 and management company determine 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.

NOTE 8: 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
The Villas at Canandaigua Homeowners Association, Inc.

We have audited the financial statements of The Villas at Canandaigua Homeowners Association, Inc. as of and for the years ended March 31, 2017 and 2016, and our report thereon dated June 30, 2017, 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.

Chris Dioguardi & Ray, LLP

Rochester, New York
June 30, 2017

**THE VILLAS AT CANANDAIGUA
HOMEOWNERS ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
MARCH 31, 2017**

The offering plan contained 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>
Roofs	25	\$ 434,000
Asphalt sealing	3	23,848
Asphalt resurface	20	327,906
Painting	5	30,000
Sidewalks	30	134,830

See independent auditors' report on supplemental information.

**Villas at Canadaigua
HOMEOWNERS ASSOCIATION**

**APPROVED BUDGET - 2017 / 2018 - 02/15/2017
4/1/17 thru 3/31/18**

	Approved Budget 2016 / 2017 82 Homes (\$275/mo)	Approved Budget 2017 / 2018 88 Homes (\$285/mo)	
INCOME			
HOA Maintenance Fees	\$ 270,600	\$ 300,960	
Late Fees	\$ 100	\$ 100	
Clubhouse Rental Fees	\$ 500	\$ 400	
Interest Income	\$ 100	\$ 100	
	\$ 271,300	\$ 301,560	
EXPENSES			
Audit / Legal	\$ 5,400	\$ 5,500	Combines audit and legal
Clubhouse	\$ 5,500	\$ 11,281	Furniture; clubhouse cleaning; rug cleaning; Solution One
Fertilization	\$ 6,282	\$ 4,100	Lawn chemicals
Insurance	\$ 32,266	\$ 34,700	Erie Insurance
Irrigation	\$ 3,000	\$ 2,500	Irrigation
Landscaping	\$ 50,272	\$ 54,477	Lakeview lawncare; shrubs/plants; miscellaneous
Management	\$ 17,712	\$ 19,600	Crofton Perdue
Office	\$ 2,300	\$ 3,500	Office expense plus committees
Pond	\$ 5,000	\$ 5,950	Aerator; chemicals; aerator install/removal
Pool	\$ 3,000	\$ 3,500	Pool supplies; open/close; furniture
Refuse	\$ 10,830	\$ 10,830	Waste Management
Repairs / Maintenance	\$ 17,700	\$ 8,742	Caulking; Crofton; Supplies; miscellaneous
Snow	\$ 43,951	\$ 39,400	Grassman contract plus \$2,400 in salting
Supplies	\$ 1,900	\$ 1,900	kitchen/bathroom; pool & clubhouse maintenance/repair
Taxes-Real Estate/Corporate	\$ 2,700	\$ 3,300	Corporate plus real estate taxes
Utilities	\$ 22,575	\$ 18,875	Phone; cable; electric; gas; water; sewer
TOTAL OPERATING	\$ 230,388	\$ 228,155	
TRANSFER TO RESERVE	\$ 40,912	\$ 73,405	24.34% of 2017-18 Budget
TOTAL EXPENSES	\$ 271,300	\$ 301,560	