

STEEPLECHASE COMMUNITY
SERVICES ASSOCIATION, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

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DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Steeplechase Community Services Association, Inc.
Pittsburgh, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Steeplechase Community Services Association, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of revenues, expenses, and accumulated excess of revenues over expenses and other changes in fund balances, comprehensive income 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.

Auditor's 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.

Emphasis of a Matter

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note F are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion on the financial statements is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Steeplechase Community Services 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 Summarized Comparative Information

We have previously reviewed the Steeplechase Community Services Association Inc.'s December 31, 2014 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Schedules of Selected Expenses on page 11 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 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 12 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 basic 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 basic 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.

Stengels, Bies & Company, Inc.

Pittsburgh, Pennsylvania
October 28, 2016

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.

BALANCE SHEETS

DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	<u>Audit 2015</u>			<u>Review 2014</u>
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,747	\$ 3,357	\$ 7,104	\$ 9,700
Marketable securities	-	229,554	229,554	198,656
Amounts due from members	5,949	-	5,949	2,806
Due from the Replacement Fund	6,871	-	6,871	1,946
 TOTAL ASSETS	 <u>\$ 16,567</u>	 <u>\$ 232,911</u>	 <u>\$ 249,478</u>	 <u>\$ 213,108</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 9,983	\$ -	\$ 9,983	\$ 3,292
Accrued income tax	-	90	90	139
Prepaid member assessments	11,131	-	11,131	8,849
Due to the Operating Fund	-	6,871	6,871	1,946
 TOTAL LIABILITIES	 21,114	 6,961	 28,075	 14,226

FUND BALANCES

Accumulated excess (deficit) of revenue over expenses	(4,547)	231,885	227,338	199,020
Accumulated other comprehensive income (loss):				
Unrealized loss on marketable securities	-	(5,935)	(5,935)	(138)
 TOTAL FUND BALANCES (DEFICIT)	 (4,547)	 225,950	 221,403	 198,882
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 16,567</u>	 <u>\$ 232,911</u>	 <u>\$ 249,478</u>	 <u>\$ 213,108</u>

The accompanying notes are an integral part of these financial statements.

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND ACCUMULATED EXCESS OF
REVENUES OVER EXPENSES AND OTHER CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	Audit 2015			Review 2014
	Operating Fund	Replacement Fund	Total	Total
<u>REVENUES</u>				
Member assessments	\$ 215,685	\$ 36,140	\$ 251,825	\$ 250,889
Capitalization fees	-	17,811	17,811	9,706
Investment income	34	5,263	5,297	4,934
Other income	10,341	-	10,341	5,300
TOTAL REVENUES	226,060	59,214	285,274	270,829
<u>EXPENSES</u>				
Administrative expenses	72,650	-	72,650	75,706
Maintenance expenses	144,683	27,599	172,282	163,339
Utilities	2,824	-	2,824	3,119
Miscellaneous	8,518	-	8,518	16,173
Income tax	-	682	682	592
TOTAL EXPENSES	228,675	28,281	256,956	258,929
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(2,615)	30,933	28,318	11,900
BEGINNING ACCUMULATED EXCESS (DEFICIT) OF REVENUES OVER EXPENSES AND OTHER CHANGES IN FUND BALANCES	(1,932)	200,952	199,020	187,120
ENDING ACCUMULATED EXCESS (DEFICIT) OF REVENUES OVER EXPENSES AND OTHER CHANGES IN FUND BALANCES	\$ (4,547)	\$ 231,885	\$ 227,338	\$ 199,020

The accompanying notes are an integral part of these financial statements.

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

		Audit 2015		Review 2014
	Operating Fund	Replacement Fund	Total	Total
Excess (deficit) of revenues over expenses	\$ (2,615)	\$ 30,933	\$ 28,318	\$ 11,900
Net change in unrealized gains (losses) on investments	-	-	\$ 5,797	4,353
COMPREHENSIVE INCOME (LOSS)	<u>\$ (2,615)</u>	<u>\$ 30,933</u>	<u>\$ 34,115</u>	<u>\$ 16,253</u>

The accompanying notes are an integral part of these financial statements.

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	Audit 2015			Review 2014
	Operating Fund	Replacement Fund	Total	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Excess (deficit) of revenue over expenses	\$ (2,615)	\$ 30,933	\$ 28,318	\$ 11,900
Adjustments to reconcile to net cash provided by operating activities:				
<u>(Increase) Decrease in assets</u>				
Amounts due from members	(3,143)	-	(3,143)	(2,153)
Prepaid income tax	-	-	-	53
<u>Increase (Decrease) in liabilities</u>				
Accounts payable	6,691	-	6,691	(22,198)
Accrued income tax	-	(49)	(49)	139
Prepaid member assessments	2,282	-	2,282	1,216
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,215	30,884	34,099	(11,043)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of marketable securities	-	(36,695)	(36,695)	(29,090)
NET CASH USED BY INVESTING ACTIVITIES	-	(36,695)	(36,695)	(29,090)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Interfund borrowings and transfers	(4,925)	4,925	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(4,925)	4,925	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,710)	(886)	(2,596)	(40,133)
Cash and cash equivalents, beginning of year	5,457	4,243	9,700	49,833
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,747</u>	<u>\$ 3,357</u>	<u>\$ 7,104</u>	<u>\$ 9,700</u>

The accompanying notes are an integral part of these financial statements.

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(WITH COMPARATIVE INFORMATION FOR DECEMBER 31, 2014)

NOTE A - ORGANIZATION

The homeowners' association was organized in 1984 as a non-profit corporation for the purpose of operating and maintaining the common areas of Steeplechase Community Services Association, Inc., a single-family townhouse community located in Whitehall Borough, six miles outside of the City of Pittsburgh, Pennsylvania. The Association is still expanding due to completion of additional units by the developer. It consisted of 300 and 293 units at December 31, 2015 and 2014.

NOTE B – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 28, 2016, the date the financial statements were available to be issued.

NOTE C - ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements.

Comparative Financial Statement Information

The financial statements include certain prior-year summarized comparative information in total but not by fund. Prior-year information is not provided in all cases for the notes to financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2014, from which summarized information was derived.

Cash and Cash Equivalents

For purposes of balance sheet classification and the statement of cash flows, the Association considers all interest bearing accounts that are due on demand and any certificates of deposit with original maturities of three months or less, and that do not contain material early withdrawal penalties, to be cash equivalents.

Marketable Securities

Marketable securities consisted of the following at December 31, 2015 and 2014:

	2015			
	<u>Cost Basis</u>	<u>Value</u>	<u>Gain</u>	<u>Loss</u>
Bond mutual funds and ETFs	<u>\$ 235,488</u>	<u>\$ 229,554</u>	<u>\$ 99</u>	<u>\$ (6,034)</u>
	2014			
	<u>Cost Basis</u>	<u>Value</u>	<u>Gain</u>	<u>Loss</u>
Bond mutual funds and ETFs	<u>\$ 198,794</u>	<u>\$ 198,656</u>	<u>\$ 2,010</u>	<u>\$ (2,148)</u>

Net accumulated unrealized gain (loss) on marketable securities have been included in accumulated other comprehensive income (loss).

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. It is the Association's policy to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.

Capitalization fees

Members are required to pay two months of member assessments at the initial purchase of a unit.

Property and equipment

Real property and common areas received from the developer and related improvements to such property are not reflected as fixed assets on the Association's financial statements. That common real property is directly associated with the units and requires membership approval before disposition.

Personal property acquired by the Association is capitalized at cost and depreciated over its estimated useful life.

Estimates

The preparation of financial statements in conformity with accounting principals 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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE D - INCOME TAXES

The Association qualifies and has elected to be taxed as a tax-exempt homeowners' association under Internal Revenue Code Section 528. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose. Net nonexempt function income, such as interest income, is taxed at 30% by the federal government. The Association is not subject to Pennsylvania income tax.

The Association's tax filings are generally subject to examination by the Internal Revenue Service for three years after the returns are filed, and the Association's federal income tax returns for 2014, 2013 and 2012 remain open to examination. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

NOTE E - MANAGEMENT AGREEMENT

The Association currently has a management agreement with Community Management Professionals, LLC. The contract renews for successive periods until terminated by either party. Community Management Professionals, LLC. provides management services and off-site administrative and accounting services.

NOTE F - FUTURE MAJOR REPAIRS AND REPLACEMENTS

In March 2013, Miller Dodson Associates completed a study for funding beginning in 2015. The funding requirement was calculated under both a component method and a cash flow analysis method. The component analysis method ensures a regular accumulation of segregated funds for each item in the study. The cash flow analysis method assumes the capability to use any funds on hand for replacements as the needs arise and does not segregate funds on an individual basis. The component method calculates the 2015 annual funding requirement to be \$7,888. The cash flow analysis method calculates the 2015 annual funding requirement to be \$9,975.

The 2016 budget includes \$36,140 in Replacement Fund assessments for future major repairs and replacements. This amount is significantly more than the funding requirements of the reserve study. However, funds are being accumulated in the Replacement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from estimated future amounts, and the variations may be material. Therefore, amounts accumulated in the Replacement 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, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

The Association used \$6,871 from the Operating Fund for Replacement Fund purposes as of December 31, 2015. The Association intends to repay this amount, and therefore, has reflected it as an interfund loan.

The Association used \$1,946 from the Operating Fund for Replacement Fund purposes as of December 31, 2014. The Association intends to repay this amount, and therefore, has reflected it as an interfund loan

SUPPLEMENTARY INFORMATION

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.
SCHEDULES OF SELECTED EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	Audit 2015	Review 2014
<u>ADMINISTRATIVE EXPENSES</u>		
Social functions	\$ 2,009	\$ 2,001
Welcome committee	954	314
Annual owners' meeting	350	5,434
Contributions	1,600	1,080
Bank charges	180	-
Other association expenses	440	751
Website expense	700	-
Insurance	3,773	3,672
Stenographic	600	600
Collection costs	865	135
Other office services	2,737	3,444
Newsletter copies	409	1,091
Postage	2,291	2,011
Newsletter postage	720	720
Stationery & printing	2,170	2,062
Committee expenses	280	-
Accountant	2,595	2,450
Legal	-	609
Management	49,977	49,332
	<u>\$ 72,650</u>	<u>\$ 75,706</u>
<u>MAINTENANCE EXPENSES</u>		
Lawns	\$ 80,966	\$ 76,009
Shrub purchase and care	18,395	16,443
Landscape improvements	6,333	16,436
Chemical applications	8,741	10,887
Other land	9,201	1,240
Utility repair	2,070	2,213
Snow removal	18,800	18,320
Miscellaneous maintenance	177	391
	<u>144,683</u>	<u>141,939</u>
<u>Replacement Fund expenses</u>		
Roads, parking and drives	15,850	16,975
Landscape improvements	9,536	-
Professional fees	2,213	-
Electric utility repairs	-	4,425
	<u>27,599</u>	<u>21,400</u>
	<u>\$ 172,282</u>	<u>\$ 163,339</u>

The accompanying notes are an integral part of these financial statements.

STEEPLECHASE COMMUNITY SERVICES ASSOCIATION, INC.

SUPPLEMENTAL INFORMATION

ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

The following table is based on the study referred to in Note F of the financial statements and presents significant information about the components of common property.

<u>Component</u>	<u>Estimated Remaining Useful Lives at Time of Study (Years)</u>	<u>Estimated Replacement Cost at Time of Study</u>
Asphalt driveways, mill & overlay (20%)	0-8	\$ 96,830
Asphalt road mill & overlay (Paddock)	10	22,707
Asphalt pavement, seal coating	3	14,063
Asphalt curb (20%)	0-40	9,470
Concrete parking (6%)	6-60	10,180
Concrete mailbox pads (6%)	3-30	4,560
Asphalt mailbox repair	12	1,920
Mailbox cluster	10	28,800
Concrete curb (20%) (Hennig)	9-45	7,050
Site light head (standard)	10	9,000
Site light pole, 18' hi	16	36,000
Landscape light, ent. Monument	4	1,320
Flood light, ent. Monument	10	2,000
Split rail fence (wood)	9	1,350
Segmental retaining wall	73	2,700
Reset segmental retaining wall (10%)	10	210
Entry monument sign, painted	6	1,400
Entry monument, brick tuckpoint (20%)	0	133
Entry monument brick repair (10%)	20	360
Stormwater mgmt (10% allowance)	8	3,500
Retention area (allowance)	20	5,000
		<u>\$ 258,553</u>

The accompanying notes are an integral part of these financial statements.

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	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
10 CASH				
10, OPER OPERATING CASH				
10475 - OPER-ALLIANCE-BANK OF NV	5,457.97	3,748.55		3,748.55
Total OPERATING CASH	5,457.97	3,748.55	0.00	3,748.55
10, RES RESERVE CASH				
11694 - AMERITRADE	202,898.33	232,910.88		232,910.88
Total RESERVE CASH	202,898.33	232,910.88	0.00	232,910.88
10 CASH Total	208,356.30	236,659.43	0.00	236,659.43
11 MEMBER RECEIVABLE				
11700 - ACCOUNTS RECEIVABLE	1,364.19	2,661.45		2,661.45
11710 - LATE FEES RECEIVABLE	70.00	120.00		120.00
11730 - MISC CHARGES RECEIVABLE	1,371.67	3,167.61		3,167.61
11 MEMBER RECEIVABLE Total	2,805.86	5,949.06	0.00	5,949.06
19 INTERFUND LOAN				
13200 - AMOUNT DUE FROM OPERATING	(1,945.96)	0.00		0.00
13300 - DUE FROM REPLACEMENT/REPAIR	0.00	6,220.48	650.48	6,870.96
22000 - AMOUNT DUE FROM RESERVES	1,945.96	(6,220.48)	(650.48)	(6,870.96)
Current Assets Total	211,162.16	242,608.49	0.00	242,608.49
Assets Total	211,162.16	242,608.49	0.00	242,608.49
22 MEMBER PREPAYMENTS				
20400 - PREPAID ASSESSMENTS	(8,848.74)	(11,131.38)		(11,131.38)
22 MEMBER PREPAYMENTS Total	(8,848.74)	(11,131.38)	0.00	(11,131.38)
23 ACCOUNTS PAYABLE				
20000 - ACCOUNTS PAYABLE	(3,292.03)	(8,806.49)	(1,176.57)	(9,983.06)
23 ACCOUNTS PAYABLE Total	(3,292.03)	(8,806.49)	(1,176.57)	(9,983.06)
24 ACCRUED EXPENSES				
20100 - ACCRUED INCOME TAX	(139.00)	0.00	(90.00)	(90.00)
24 ACCRUED EXPENSES Total	(139.00)	0.00	(90.00)	(90.00)
Current Liabilities Total	(12,279.77)	(19,937.87)	(1,266.57)	(21,204.44)
30 RESERVE FUND BALANCE				
33000 - RESERVE FUND BALANCE	(172,204.97)	(200,952.37)	0.75	(200,951.62)
84110 - ASSESSMENTS	(36,140.00)	(36,140.04)		(36,140.04)
84420 - INTEREST/DIVIDENDS	(4,892.65)	(5,263.64)		(5,263.64)
84710 - CAPITALIZATION FEES	(9,576.00)	(16,916.48)	158.48	(16,758.00)
84715 - CAPITALIZATION-NEW UNIT	(130.00)	(894.54)	(158.48)	(1,053.02)
85100 - INCOME TAX-RESERVES	592.00	731.00	(49.00)	682.00
85590 - PROFESSIONAL FEES	0.00	1,563.25	650.00	2,213.25
86410 - LANDSCAPE IMPROVEMENTS	0.00	9,536.00		9,536.00
87200 - ROADS/PARKING/DRIVES	16,975.00	15,850.00		15,850.00
87320 - ELECTRIC UTILITY REPAIRS	4,425.00	0.00		0.00
30 RESERVE FUND BALANCE Total	(200,951.62)	(232,486.82)	601.75	(231,885.07)
31 UNREALIZED GAIN/LOSS				
84450 - UNREALIZED (GAIN) LOSS - P&L	138.25	5,796.42	138.73	5,935.15
31 UNREALIZED GAIN/LOSS Total	138.25	5,796.42	138.73	5,935.15
Long Term Liabilities Total	(200,813.37)	(226,690.40)	740.48	(225,949.92)
32 OPERATING FUND BALANCE				

STEEPLECHASE COMMUNITY ASSOCIATION
Grouping Schedule Report
LEADSHEETS

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	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
32000 - FUND BALANCE - OPERATING	(14,915.96)	17,288.95	(15,357.97)	1,930.98
32 OPERATING FUND BALANCE Total	(14,915.96)	17,288.95	(15,357.97)	1,930.98
(Profit)/Loss	16,846.94	(13,269.17)	15,884.06	2,614.89
Equity Total	1,930.98	4,019.78	526.09	4,545.87
Liabilities/Equity Total	(211,162.16)	(242,608.49)	0.00	(242,608.49)
40 REVENUE				
41100 - OPERATING ASSESSMENTS	(214,748.56)	(215,684.74)		(215,684.74)
40 REVENUE Total	(214,748.56)	(215,684.74)	0.00	(215,684.74)
41 INTEREST INCOME				
44110 - OPERATING INTEREST	(41.66)	(34.45)		(34.45)
41 INTEREST INCOME Total	(41.66)	(34.45)	0.00	(34.45)
42 OTHER INCOME				
47100 - RESALE CERTIFICATES	(1,800.00)	(2,500.00)		(2,500.00)
47250 - LATE PAYMENT FEES	(560.00)	(1,520.00)		(1,520.00)
47900 - MISCELLANEOUS	(2,940.00)	(6,370.00)	49.52	(6,320.48)
49999 - FUNDS CARRYOVER	0.00	(15,000.00)	15,000.00	0.00
42 OTHER INCOME Total	(5,300.00)	(25,390.00)	15,049.52	(10,340.48)
Sales Total	(220,090.22)	(241,109.19)	15,049.52	(226,059.67)
Revenue Total	(220,090.22)	(241,109.19)	15,049.52	(226,059.67)
50 ADMINISTRATIVE EXPESNES				
50400 - SOCIAL FUNCTIONS	2,001.12	2,009.04		2,009.04
50410 - WELCOME COMMITTEE	314.25	937.65	15.91	953.56
50420 - ANNUAL OWNERS' MEETING	5,433.53	2,999.25	(2,649.34)	349.91
50430 - CONTRIBUTIONS	1,080.00	1,600.00		1,600.00
50700 - FINANCIAL INST CHARGES	0.00	180.00		180.00
50900 - MISC ASSOCIATION EXPENSES	751.46	439.85		439.85
50910 - WEBSITE EXPENSE	0.00	700.00		700.00
52000 - INSURANCE	3,672.00	3,773.00		3,773.00
53800 - STENOGRAPHIC	600.00	800.00	(200.00)	600.00
53850 - COLLECTION COSTS	135.00	865.00		865.00
53900 - OTHER OFFICE SERVICES	3,444.00	2,737.25		2,737.25
53910 - NEWSLETTER COPIES	1,090.89	445.30	(35.95)	409.35
54200 - POSTAGE	2,011.48	2,291.20		2,291.20
54210 - NEWSLETTER POSTAGE	720.00	720.00		720.00
54300 - STATIONERY/PRINTING	2,061.61	2,170.00		2,170.00
54310 - COMMITTEE EXPENSES	0.00	279.55		279.55
55100 - ACCOUNTANT	2,450.00	2,595.00		2,595.00
55300 - LEGAL	608.70	0.00		0.00
55400 - MANAGEMENT	49,332.00	49,976.80		49,976.80
50 ADMINISTRATIVE EXPESNES Total	75,706.04	75,518.89	(2,869.38)	72,649.51
51 MAINTNENANCE EXPENSES				
68200 - LAWN MAINTENANCE	76,008.98	80,965.66		80,965.66
68400 - SHRUB/PURCHASE CARE	16,443.00	18,395.50		18,395.50
68410 - LANDSCAPE IMPROVEMENTS	16,435.80	6,332.95		6,332.95
68440 - CHEMICAL APPLICATIONS	10,886.53	8,741.37		8,741.37
68900 - OTHER LAND	1,240.00	5,601.09	3,600.00	9,201.09
73000 - UTILITY REPAIR	2,053.70	1,792.46	277.16	2,069.62
73200 - UTILITY REPAIRS - ELECTRIC	160.00	0.00		0.00
74100 - SNOW REMOVAL	18,320.00	18,800.00		18,800.00
75000 - MISCELLANEOUS MAINTENANCE	390.78	176.70		176.70
51 MAINTNENANCE EXPENSES Total	141,938.79	140,805.73	3,877.16	144,682.89

STEEPLECHASE COMMUNITY ASSOCIATION
Grouping Schedule Report
LEADSHEETS

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	Adjusted Balance Dec 31, 2014	Unadjusted Dec 31, 2015	Adjusting AJE	Adjusted Balance Dec 31, 2015
52 UTILITIES				
76100 - ELECTRIC	2,666.59	2,655.80	(13.88)	2,641.92
76300 - WATER	452.72	166.56	15.64	182.20
52 UTILITIES Total	<u>3,119.31</u>	<u>2,822.36</u>	<u>1.76</u>	<u>2,824.12</u>
53 MISCELLANEOUS EXPENSES				
77050 - CAPITAL IMPROVEMENTS(holiday dec)	8,000.00	6,283.04		6,283.04
77500 - CONTINGENCY FUND	8,173.02	2,410.00	(175.00)	2,235.00
53 MISCELLANEOUS EXPENSES Total	<u>16,173.02</u>	<u>8,693.04</u>	<u>(175.00)</u>	<u>8,518.04</u>
Operating Expenses Total	<u>236,937.16</u>	<u>227,840.02</u>	<u>834.54</u>	<u>228,674.56</u>
Expense Total	<u>236,937.16</u>	<u>227,840.02</u>	<u>834.54</u>	<u>228,674.56</u>
LEADSHEETS Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
(Profit)/Loss	<u>16,846.94</u>	<u>(13,269.17)</u>	<u>15,884.06</u>	<u>2,614.89</u>

Prepared by _____

STEEPLECHASE COMMUNITY ASSOCIATION
Adjusting Journal Entries

30863

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10/25/16

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
1	Adjusting	12/31/15					
		32000	FUND BALANCE - OPERATING		15,357.97		
		49999	FUNDS CARRYOVER	15,000.00			
		33000	RESERVE FUND BALANCE	0.75			
		53910	NEWSLETTER COPIES		35.95		
		53800	STENOGRAPHIC		100.00		
		76100	ELECTRIC		219.97		
		76100	ELECTRIC		11.77		
		50420	ANNUAL OWNERS' MEETING		2,649.34		
		77500	CONTINGENCY FUND		175.00		
		53800	STENOGRAPHIC		100.00		
		68900	OTHER LAND	3,600.00			
		47900	MISCELLANEOUS	50.00			
		47900	MISCELLANEOUS		0.75		
						(15,357.22)	
			To adjust beginning fund balance to actual				
2	Adjusting	12/31/15					
		84450	UNREALIZED (GAIN) LOSS - P&L	138.73			
		47900	MISCELLANEOUS	0.27			
		85100	INCOME TAX-RESERVES		139.00		
						(0.27)	
			To adjust gain/loss to actual				
3	Adjusting	12/31/15					
		85100	INCOME TAX-RESERVES	90.00			
		20100	ACCRUED INCOME TAX		90.00		
						0.00	
			To record accrued income tax				
4	Adjusting	12/31/15					
		73000	UTILITY REPAIR	277.16			
		85590	PROFESSIONAL FEES	650.00			
		76100	ELECTRIC	4.30			
		76300	WATER	15.64			
		76100	ELECTRIC	213.56			
		50410	WELCOME COMMITTEE	15.91			
		20000	ACCOUNTS PAYABLE		1,176.57		
						(526.57)	
			To record additional a/p at 12/31/15				
5	Adjusting	12/31/15					
		84710	CAPITALIZATION FEES	158.48			
		84715	CAPITALIZATION-NEW UNIT		158.48		
						0.00	

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
			To adjust intiation fees to actual				
5	Adjusting	12/31/15					
		13300	DUE FROM REPLACEMENT/REPAIR	650.48			
		22000	AMOUNT DUE FROM RESERVES		650.48		
						0.00	
			To adjust interfund loan to actual				
		TOTAL		20,865.28	20,865.28	(15,884.06)	

Janice M. Herrle

From: Janice M. Herrle
Sent: Tuesday, December 20, 2016 3:03 PM
To: judilewis7799@hotmail.com
Subject: SCH 2015 Audit
Attachments: SCH 2015 Audit.pdf

Hi Judi,

Attached is the 2015 audit draft. After you take a look at the report, will you please sign the fourth page and return that page to me. Fax or email will be fine! Thank you ☺



Janice M. Herrle, CMCA®, PCAM®
Vice President, Community Manager
Community Management Professionals, LLC
102 Broadway Street, Suite 500
Carnegie PA 15106
412-279-9280
Office Hours:
Monday - Thursday 8:00 AM to 4:00 PM
Friday 8:00 AM to NOON

MAILED
Dec 28, 2016

- The board of directors is collecting funds for future major repairs and replacements in conformity with Steeplechase Community Services Association's policy to fund for those needs based on a study conducted in March 2013. The board of directors believes the funds will adequately provide for future major repairs and replacements.
- The Association's allocation of expenses against exempt and nonexempt function income conforms with IRS rules, which require that the allocation be made "on a reasonable basis.
- We understand that management is responsible for the Association's choice of filing Form 1120-H and the consequences thereof.
- In regards to the consulting and tax preparation services performed by you, we have—
 - Assumed all management responsibilities.
 - Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.

President

Controller

Managing Agent