Glenwild Community Association, Inc.

Year Ended December 31, 2025

Financial Statements
With Supplementary Information

And

Independent Accountant's Review Report

Glenwild Community Association, Inc.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
Glenwild Community Association, Inc.
Park City, Utah

We have reviewed the accompanying financial statements of Glenwild Community Association, Inc. (a Utah corporation), which comprise the balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Glenwild Community Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

The Association has declined to implement ASC 606, *Revenue from Contracts with Customers*, because it believes it would be unnecessarily confusing to the Association's management, owners and any other users of the financial statements. Accounting principles generally accepted in the United States of America require revenue to be recognized in accordance with ASC 606. The impact of this departure has not been determined. The Association has chosen to follow revenue recognition prior to ASC 606 guidance (FASB ASC 972-605, *Real Estate-Common Interest Realty Associations, Revenue Recognition*).

Accountant's Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Repairs, Replacements, and Future Acquisitions on page 11 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. The information is the responsibility of management. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited Glenwild Community Association, Inc.'s December 31, 2024 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statement from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
May 27, 2026

Glenwild Community Association, Inc.

Balance Sheet
December 31, 2025
With Comparative Totals for December 31, 2024

	12/31/2025			12/31/2024
	Operating Fund	Reserve Fund	Total	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 130,476	$ 1,013,669	$ 1,144,145	$ 467,095
Accounts receivable	48,118	43,326	91,444	39,595
Current portion of investments	-	2,736,612	2,736,612	2,757,349
Prepaid expenses	8,583	-	8,583	6,529
Prepaid income taxes	31,165	-	31,165	10,813
Homeowners construction escrow	356,650	-	356,650	288,650
Total current assets	574,992	3,793,607	4,368,599	3,570,031
Fixed assets, at cost	21,598	-	21,598	58,310
Less: accumulated depreciation	(18,336)	-	(18,336)	(51,785)
Net fixed assets	3,262	-	3,262	6,525
Investments, net of current portion	-	2,564,800	2,564,800	2,444,939
Total assets	$ 578,254	$ 6,358,407	$ 6,936,661	$ 6,021,495
LIABILITIES AND FUND BALANCE				
Current liabilities				
Accounts payable	$ 42,476	$ -	$ 42,476	$ 85,180
Accrued liabilities	15,750	-	15,750	-
Income taxes payable	3,128	-	3,128	2,480
Homeowners construction escrow	356,650	-	356,650	288,650
Prepaid dues	7,073	-	7,073	13,520
Total current liabilities	425,077	-	425,077	389,830
Fund balance				
Fund balance	153,177	6,356,986	6,510,163	5,514,298
Accumulated other comprehensive income	-	1,421	1,421	117,367
Total fund balance	153,177	6,358,407	6,511,584	5,631,665
Total liabilities and fund balance	$ 578,254	$ 6,358,407	$ 6,936,661	$ 6,021,495

Glenwild Community Association, Inc.

Statement of Revenues, Expenses, and Changes in Fund Balance
Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	12/31/2025			12/31/2024
	Operating Fund	Reserve Fund	Total	Total
REVENUE				
Annual assessments	$ 1,435,600	$ -	$ 1,435,600	$ 1,309,500
Reinvestment fees	756,340	-	756,340	677,250
Interest income	-	259,333	259,333	172,647
Rental income	39,996	-	39,996	39,081
Design review and road impact fees	67,250	-	67,250	71,000
Community fees and fines	112,016	-	112,016	58,785
Broadband income	13,613	-	13,613	13,216
Gain on sale of asset	5,000	-	5,000	1,000
Total revenue	2,429,815	259,333	2,689,148	2,342,479
EXPENSES				
Salaries and wages	714,355	-	714,355	655,805
Contract labor	236,118	-	236,118	224,889
Road maintenance	-	126,771	126,771	54,155
General maintenance	112,396	-	112,396	92,527
Professional and management fees	96,712	-	96,712	100,064
Community enhancements	-	87,477	87,477	116,237
Utilities	73,042	-	73,042	62,526
Insurance	57,291	-	57,291	54,517
Payroll tax and fees	54,425	-	54,425	53,920
Office	44,191	-	44,191	48,992
Miscellaneous	29,570	-	29,570	23,270
Social committee expenses	26,023	-	26,023	28,291
Income and property taxes	23,981	-	23,981	32,872
Automobile	7,669	-	7,669	6,100
Depreciation	3,262	-	3,262	3,262
Total expenses	1,479,035	214,248	1,693,283	1,557,427
Revenues over expenses excess	950,780	45,085	995,865	785,052
Other comprehensive income				
Unrealized gains / (losses) on investments arising during the year	-	(115,946)	(115,946)	72,627
Total other comprehensive income	$ 950,780	$ (70,861)	$ 879,919	$ 857,679

Glenwild Community Association, Inc.

Statement of Changes in Fund Balance
Year Ended December 31, 2025

	Fund balance		Accumulated Other Comprehensive	
	Operating	Reserve	Income / (loss)	Total
Balance, 12/31/2024	$ 132,497	$ 5,381,801	$ 117,367	$ 5,631,665
Revenues over expenses excess	950,780	45,085	(115,946)	879,919
Fund transfers	(930,100)	930,100	-	-
Balance, 12/31/2025	$ 153,177	$ 6,356,986	$ 1,421	$ 6,511,584

Glenwild Community Association, Inc.

Statement of Cash Flows
Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	12/31/2025			12/31/2024
	Operating Fund	Reserve Fund	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenues over expenses excess	$ 950,780	$ 45,085	$ 995,865	$ 785,052
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Fund transfers	(930,100)	930,100	-	-
Depreciation	3,262	-	3,262	3,262
Unrealized (gains) / losses on investments	-	115,946	115,946	(72,627)
Changes in current assets and liabilities:				
Accounts receivable	(51,850)	-	(51,850)	(1,587)
Prepaid expenses	(2,054)	-	(2,054)	(1,263)
Prepaid income taxes	(20,352)	-	(20,352)	(10,813)
Accounts payable	(42,704)	-	(42,704)	49,274
Income taxes payable	648	-	648	(6,922)
Prepaid dues	(6,447)	-	(6,447)	13,520
Net cash provided by (used in) operating activities	(83,067)	1,091,131	1,008,064	757,896
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	2,916,000	2,916,000	2,955,146
Cash purchases of investments, net	(290,263)	(2,993,462)	(3,283,725)	(3,511,835)
Net cash provided by (used in) investing activities	(253,552)	(77,462)	(331,014)	(501,319)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-	-
Net change in cash and cash equivalents	(336,619)	1,013,669	677,050	256,577
Cash and cash equivalents, beginning of year	467,095	-	467,095	210,518
Cash and cash equivalents, end of year	$ 130,476	$ 1,013,669	$ 1,144,145	$ 467,095

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	12/31/2025 Total	12/31/2024 Total
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ 43,685	$ 50,607

See independent accountant's review report and accompanying notes to financial statements.

1. NATURE OF ASSOCIATION

Glenwild Community Association, Inc. (the "Association") was incorporated as a non-profit corporation in the State of Utah for the purposes set forth in the Association's Articles of Incorporation and, in particular, to act as the Association under the Declarations of Covenants, Conditions, and Restrictions recorded August 2, 2000 in Summit County, Utah. The Association began operations in August 2000, and the Board of Trustees resolved to begin collecting dues effective January 1, 2001. The Association includes 194 residential units or lots located in Summit County, Utah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Date of Management's Review</u>

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 27, 2026, the date that the financial statements were available to be issued.

<u>Fund Accounting</u>

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:

> <u>Operating Fund</u>—this fund is used to account for financial resources available for the general operations of the Association.
>
> <u>Reserve Fund</u>—this fund is used to accumulate financial resources designated for future major repairs and replacements.

<u>Cash Equivalents</u>

The Association considers all highly-liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

<u>Member Dues, Assessments and Accounts Receivable</u>

Association members are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from association homeowners and accrued interest receivable from the United States Treasury Bills, Notes, and certificates of deposit. The Association's policy is generally to place liens on the units of members whose assessments are 60 days or more delinquent. Any prepaid assessments at year end are retained by the Association for use in the succeeding year. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Based on management's experience, the Association has elected to establish an allowance for doubtful accounts in the amount of $0 at December 31, 2025.

The Association has declined to implement ASC 606, *Revenue from Contracts with Customers*, because it believes it misstates the financial statements for management and the users of the financial statements. Accounting principles generally accepted in the United States of America require revenue to be recognized in accordance with ASC 606. The impact of this departure has not been determined. The Association has chosen to continue to follow revenue recognition prior to ASC 606 guidance (FASB ASC 972-605, *Real Estate-Common Interest Realty Associations, Revenue Recognition*).

Investments

The Association maintains a portion of its cash in investments that consist of United States Treasury Bills, Notes, and certificates of deposit. United States Treasury Bills and Notes are stated at amortized cost as held-to-maturity securities. The amortized cost represents the cost to purchase the security, adjusted for the accretion or amortization of discounts or premiums paid below or above par value, and accrued interest. The certificates of deposit are stated at fair value and are FDIC insured. Unrealized holdings gains and losses on available-for-sale securities are excluded from earnings and are reported as a separate component of accumulated other comprehensive income until realized.

Homeowners Construction Escrow

Homeowners are required to place an escrow amount with the Association whenever they will be doing a construction project on their home or property. The Association holds the funds until the project is complete. After evaluating whether the construction projects meet the Association's applicable rules and covenants, the Association will return the deposit to the homeowners.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes all property and equipment to which it has title or other evidence of ownership at cost. Property and improvements not capitalized largely consist of the gatehouse, road maintenance, trails, gate system, and security systems. The Association's vehicles and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Depreciation expense for the year ended December 31, 2025 was $3,262.

Impairment of Long-Lived Assets

The Association evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amounts of the assets may not be fully recoverable. The Association evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted future cash flows associated with them. When future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying amounts of the assets, the assets are adjusted to their fair values.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2025. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest, rental revenue, and other nonexempt income sources, is taxed at 30% by the federal government and at 4.55% by the State of Utah. Total income tax expense for the year ended December 31, 2025 was $32,872.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal and state income tax returns for December 31, 2025, 2024, 2023, and 2022 remain open to examination by the Internal Revenue Service or the State of Utah. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

Estimates

The preparation of financial statements in conformity 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.

Concentrations of Credit Risks

The Association maintains its cash balances at Zions Bancorporation, N.A., Axos Bank, N.A., and Charles Schwab & Co., Inc. Accounts at those institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. The Association's investments are made through a financial institution and are insured for certain losses by the Securities Investor Protections Corporation (SIPC) up to $500,000 per account, including up to $250,000 for cash in that account.

The Association maintains its cash in bank deposit accounts which at times may exceed federally insured limits. At December 31, 2025, the Association had $457,717 of uninsured FDIC balances and $5,794,897 of uninsured SIPC balances. The total uninsured SIPC balances are invested in United States Treasuries. While some opportunity risk remains due to the changing interest rates, these are considered safe and liquid investments. Further, these investments are backed by the United States Government and so would not be put at risk by the failure of any given financial institution. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and investments.

During the year ended December 31, 2025, expenses related to services provided by Vendor A and Vendor B, represented 52% and 15% of the Association's total expenses, respectively. At December 31, 2025, accounts payable due to Vendor A and Vendor C represented 83% and 17%, respectively, of the Association's total accounts payable.

3. INVESTMENTS

The following table provides the amortized cost, net of allowance for credit losses (ACL) for held-to-maturity debt securities, which are carried at cost, net of ACL, as of December 31, 2025:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities of U.S. Treasury	$ 4,767,316	$ 82,932	$ (268)	$ 4,849,980
Corporate bonds	450,000	1,432	-	451,432
Totals	$ 5,217,316	$ 84,364	$ (268)	$ 5,301,412

The amortized cost basis and fair value of debt securities at December 31, 2025 by contractual maturity, are as follows:

	Amortized Cost	Fair Value
Due in one year or less	$ 2,663,745	$ 2,736,612
Due after one to two years	2,553,571	2,564,800
Due after two to five years	-	-
	$ 5,217,316	$ 5,301,412

4. OPERATING LEASE

The Association is the lessor of office space and a common area under a non-cancelable operating lease. The lease requires monthly payments totaling $3,236 from January 1, 2024 through December 31, 2027. The lease includes an annual escalation in the monthly rent of 3% throughout the term of the lease. Future minimum payments to be received under the lease are as follows:

Year Ending December 31,	
2026	$ 41,196
2027	42,431
	$ 83,627

Rent income for the year ended December 31, 2025 was $39,996.

5. RESERVE FUND

The Association's governing documents require funds to be accumulated for future major repairs, replacements and additions. Accumulated funds, which aggregate $6,358,407 at December 31, 2025, are held in separate accounts and are available for operating purposes, if necessary. The Association's Board of Trustees reviews balances on at least an annual basis and formally votes on whether to make transfers between operating fund and reserve fund.

In September 2019, the Association's Board of Trustees received a formal reserve study that estimated the remaining useful lives and replacement costs of the common property components. Amounts designated for major repairs, replacements, and future acquisitions may or may not be adequate to meet future needs as estimated at December 31, 2025. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs, replacements, and acquisitions until funds are available.

Fund balance designated for future major repairs, replacements, and future acquisitions have been allocated by the Board of Trustees to the components of common property. There were no special member assessments for future major repairs, replacements, and future acquisitions during the year ended December 31, 2025.

The estimation of the future repairs, replacements, and acquisition costs, especially large expenditures such as the road/drive materials, involve significant judgement.

6. PRIOR YEAR INFORMATION

The accompanying financial statements include certain 2024 summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. The financial information for the year ended December 31, 2024 is presented for comparative purposes only. The notes presented herein contain information relating to December 31, 2025 only.

SUPPLEMENTARY INFORMATION

Glenwild Community Association, Inc.

Repairs, Replacements, and Future Acquisitions (unaudited)
December 31, 2025

The Association's Board of Trustees received a formal reserve study in September 2019 that estimated the remaining useful lives and the replacement or acquisition cost of the components of common property and capital assets. Replacement costs were based on the estimated costs to repair or replace the assets at the date of this audit report. These estimated costs can fluctuate over time. These estimates were obtained from licensed contractors as well as other sources.

The Board of Trustees annually reviews and updates such estimates, using its best judgement in doing so. An updated formal study is performed roughly every five years, as deemed necessary.

Our capital expenditures have been grouped into categories, each of which contains several components and recurring large maintenance expenses. For example, planned Lifestyle Center expenses include painting the exterior, new roofing, replacing the AC and furnace, deck replacement, etc. Because each component has a different life cycle the "estimated useful life" for a given category is often a wide range, but the below total replacement costs include all components within each category *through 2035*, which was the end point of this most recent study.

By a large margin, the costliest planned capital expense is the renovation of the Association's road system. The timing of this project is still uncertain because there are many variables at play, but we currently estimate that this will occur in 2031.

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

Components	Estimated Useful Lives (years)	Estimated Remaining Useful Life Before Replacement (years)	Estimated Costs to Replace
Major repairs or replacements:			
Main Gatehouse	30-40	23-33	$ 1,000,000
East Gatehouse	30-40	27-37	500,000
Lifestyle Center	30-40	18-28	1,750,000
Gate Systems	10-15	1-3	430,000
Parks	15-20	8-13	100,000
Irrigation Replacement	15-20	1-3	300,000
Monument and other structures	25-30	18-23	650,000
Vehicles/Maintenance Equipment	8-12	2-5	200,000
Road Replacement	25-30	1-3	6,000,000
			$ 10,930,000

The nature of the above capital assets is such that it is difficult to estimate when the asset will need to be replaced, and in many instances sub-components within the asset category may require replacement at different points in time. Moreover, especially for larger repairs such as roads, it is anticipated that the repair/replacement projects could span over more than one year. The estimation of the costs above, especially large expenditures such as the road/drive materials, involve significant judgement.

The above amounts are separate from any discretionary capital spending which the Association might decide to pursue in the future.