

RYEVIEW CONDOMINIUM
FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

RYEVIEW CONDOMINIUM
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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA
WILLIAM J. RANK, CPA, CFP
MARK COHEN, CPA

ACCOUNTANTS' COMPILATION REPORT

To the Board
RYEVIEW CONDOMINIUM

Management is responsible for the accompanying financial statements of Ryeview Condominium, which comprise the balance sheets as of December 31, 2017 and 2016 and the related statements of revenues and expenses, retained earnings (deficit), cash flows and schedule of budget with actual operating amounts for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

BLOOM AND STREIT LLP
Certified Public Accountants
April 09, 2018

RYEVIEW CONDOMINIUM

Balance Sheets

As of December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	1,133	895
Cash in Bank - Money Market Account	111,831	0
Unit Owners' Charges Receivable	2,228	5,985
Prepaid Expenses	7,322	8,570
Total Current Assets	<u>122,514</u>	<u>15,450</u>
TOTAL ASSETS	<u>122,514</u>	<u>15,450</u>
LIABILITIES AND OWNERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts Payable	25,003	47,330
Accrued Interest on Note	845	0
Common Charges Received in Advance	1,246	0
Loans Payable - Amortization Payments due within one year	13,549	0
Total Current Liabilities	<u>40,643</u>	<u>47,330</u>
LONG-TERM LIABILITIES		
Loan Payable - Net of Payments due within one year	157,117	0
Total Long-Term Liabilities	<u>157,117</u>	<u>0</u>
OWNERS' EQUITY (DEFICIENCY)		
Retained Earnings (Deficit)	(75,246)	(31,880)
Total Owners' Equity (Deficiency)	<u>(75,246)</u>	<u>(31,880)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY (DEFICIENCY)	<u>122,514</u>	<u>15,450</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Revenues and Expenses

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
Common Charges	148,780	120,341
Special Assessment	7,716	0
Sublet Fee Income	7,350	0
Flip Fee Income	1,767	0
Interest and Miscellaneous Income	952	6,585
Total Revenues	<u>166,565</u>	<u>126,926</u>
EXPENSES		
Management Fee	24,000	21,300
Legal Expenses	4,510	650
Accounting	3,500	3,600
Telephone	1,201	1,226
Office and Administrative Expenses	2,404	783
Fuel Oil	25,923	33,240
Electricity and Gas	5,007	3,718
Water	5,263	6,697
Landscaping and Snow Removal	27,420	29,538
Janitorial and Cleaning Services	7,772	9,680
Repairs and Maintenance	22,866	27,192
Major Repairs - Balconies	42,455	0
Exterminator	1,014	1,498
Supplies	2,751	780
Insurance	27,426	27,672
Interest Expense	4,223	0
Taxes and Licenses	2,196	0
Total Expenses	<u>209,931</u>	<u>167,574</u>
EXCESS OF EXPENSES OVER REVENUES	<u>(43,366)</u>	<u>(40,648)</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
RETAINED EARNINGS - Beginning of Year	(31,880)	8,768
Excess of Expenses over Revenues	<u>(43,366)</u>	<u>(40,648)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(75,246)</u></u>	<u><u>(31,880)</u></u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Cash Flows

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Excess of Expenses over Revenues	(43,366)	(40,648)
Adjustments to reconcile excess of expenses over revenues to net cash used by operating activities:		
Decrease (Increase) in operating assets:		
Revenue allocated to financing activities	(4,334)	0
Due from Unit Owners	3,757	14,738
Prepaid Expenses	1,248	(2,428)
Increase (Decrease) in operating liabilities:		
Accounts Payable	(22,327)	24,003
Accrued Interest on Note	845	0
Common Charges Received in Advance	1,246	0
Net cash used by operating activities	<u>(62,931)</u>	<u>(4,335)</u>
Cash Flows From Financing Activities		
Proceeds from Mortgage Note	175,000	0
Portion of Carrying Charges applied to Amortization of Mortgage	4,334	0
Amortization of Mortgage	(4,334)	0
Net cash provided by financing activities	<u>175,000</u>	<u>0</u>
Increase (Decrease) in Cash and Cash Equivalents	112,069	(4,335)
Cash and Cash Equivalents at Beginning of Year	<u>895</u>	<u>5,230</u>
Cash and Cash Equivalents at End of Year (see below)	<u>112,964</u>	<u>895</u>
Represented by:		
Cash in Operating Account	1,133	895
Cash in Bank - Money Market Account	111,831	0
Cash and Cash Equivalents (as above)	<u>112,964</u>	<u>895</u>

Supplemental Disclosure:

N/A

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2017 and 2015

Note 1

Organization

Ryevew Condominium is an unincorporated association organized for the purpose of maintaining and preserving the common property of the condominium, which is located at 100 Theodore Fremd, Rye, New York. The condominium is comprised of twenty-six residential apartments and was incorporated August 1, 1988.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from unit owners, including common charges and special assessments, be recognized as revenue in the statements of revenues and expenses.

The condominium's real property consists of the building and the land upon which the building is constructed. Title to this property is held by the individual unit owners of the condominium. Accordingly, the value of the real property is not recognized as an asset on the condominium's financial statements. Major renewals or betterments are charged to the property accounts (at cost) while replacement, maintenance, and repairs, which do not improve or extend the life of the respective assets are expensed currently.

For purposes of the statements of cash flows, the condominium considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2017 and 2015

Note 2 **Summary of Significant Accounting Policies - continued**

Unit owners are subject to monthly charges to provide funds for the condominium's operating expenses, future capital acquisitions, and major repairs and replacements. Unit Owners' Charges Receivable at the balance sheets date represent various fees due from unit owners. Any excess charges at year end are retained by the condominium for use in the succeeding year.

Note 3 **Income Taxes**

The condominium is subject to Federal, New York State and New York City corporate income and franchise taxes. Under Internal Revenue Code Section 528, the condominium has an annual option to file its federal income tax return as a regular corporation or as a homeowners' association. Under this section, the condominium excludes from taxation exempt function income, which generally consists of revenue from uniform assessments to residential unit owners. Any applicable taxes have been included in these financial statements.

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the condominium's tax filings are subject to audit by various taxing authorities. The condominium's federal, state and city income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the condominium believes that its estimates are appropriate based on current facts and circumstances.

Note 4 **Loan Payable**

On August 11, 2017, the condominium secured a promissory note in the amount of \$175,000 with The Westchester Bank. The loan requires monthly payments of \$1,928, applied first to interest at a rate of 5.75% and then to principal. The note is self-amortizing and matures August 11, 2017.

The condominium also secured a second promissory note for \$175,000. The second note is co-terminus with the first note and as of December 31, 2017, no amounts had been borrowed on the second note.

Note 5 **Common Charges**

The board of managers approved a 30% increase in carrying charges effective October 1, 2016.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2017 and 2015

Note 6

Special Assessment

In order to fund the loan payments as described in Note 4, the condominium approved an assessment equal to \$19.40 per share per month for the duration of the term of the note.

Note 7

Future Major Repairs and Replacements

The condominium has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the condominium may utilize available cash, increase common charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

Note 8

Subsequent Events

Management has evaluated subsequent events through April 9, 2018, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

RYEVIEW CONDOMINIUM

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	Year Ended	Year Ended
	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
	(Unaudited)		
REVENUES			
Common Charges	148,780	148,780	120,341
Special Assessment	8,000	7,716	0
Loan Proceeds - Major Repairs	0	42,455	0
Flip Fees	3,000	1,767	0
Interest and Miscellaneous Income	2,000	952	6,585
Total Revenues	161,780	201,670	126,926
EXPENSES			
Management Fee	24,000	24,000	21,300
Legal	3,000	4,510	650
Auditing	3,500	3,500	3,600
Telephone	1,400	1,201	1,226
Office and Administrative Expenses	1,480	2,404	783
Fuel Oil	27,000	25,923	33,240
Gas and Electricity	5,000	5,007	3,718
Water	6,000	5,263	6,697
Landscaping and Snow Removal	20,000	27,420	29,538
Super Services	8,000	7,772	9,680
Repairs and Maintenance	22,000	22,866	27,192
Major Repairs - Balconies	0	42,455	0
Exterminater	1,500	1,014	1,498
Supplies	2,000	2,751	780
Insurance	28,000	27,426	27,672
Loan Payments	8,000	8,557	0
Licenses and Taxes	900	2,196	0
Total Expenses	161,780	214,265	167,574
NET DEFICIT			
FOR THE YEAR	0	(12,595)	(40,648)

*See accompanying notes and
accountants' compilation report*