

**RYEVIEW CONDOMINIUM
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

RYEVIEW CONDOMINIUM
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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA
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ACCOUNTANTS' COMPILATION REPORT

To the Board
RYEVIEW CONDOMINIUM

Management is responsible for the accompanying financial statements of Ryevue Condominium, which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of revenues and expenses, retained earnings (deficit), and cash flows 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.

Supplementary Information

The accompanying schedule of budget with actual operating amounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of the financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
January 30, 2019

RYEVIEW CONDOMINIUM

Balance Sheets

As of December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	2,608	1,133
Cash in Bank - Money Market Account	1,663	111,831
Unit Owners' Charges Receivable	1,346	2,228
Prepaid Expenses	7,478	7,322
Total Current Assets	<u>13,095</u>	<u>122,514</u>
TOTAL ASSETS	<u>13,095</u>	<u>122,514</u>
LIABILITIES AND OWNERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts Payable	44,923	25,003
Accrued Interest on Note	778	845
Common Charges Received in Advance	6	1,246
Loan Payable - Amortization Payments due within one year	14,360	13,549
Total Current Liabilities	<u>60,067</u>	<u>40,643</u>
LONG-TERM LIABILITIES		
Loan Payable - Net of Payments due within one year	142,757	157,117
Total Long-Term Liabilities	<u>142,757</u>	<u>157,117</u>
OWNERS' EQUITY (DEFICIENCY)		
Retained Earnings (Deficit)	(189,729)	(75,246)
Total Owners' Equity (Deficiency)	<u>(189,729)</u>	<u>(75,246)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY (DEFICIENCY)	<u>13,095</u>	<u>122,514</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Revenues and Expenses

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
REVENUES		
Common Charges	151,254	148,780
Special Assessment	23,145	7,716
Sublet Fee Income	6,650	7,350
Flip Fee Income	1,188	1,767
Interest and Miscellaneous Income	1,321	952
Total Revenues	<u>183,558</u>	<u>166,565</u>
EXPENSES		
Management Fee	24,000	24,000
Legal Expenses	0	4,510
Accounting	3,500	3,500
Telephone	952	1,201
Office and Administrative Expenses	2,780	2,404
Fuel Oil	39,618	25,923
Electricity and Gas	5,117	5,007
Water	5,695	5,263
Landscaping and Snow Removal	23,405	27,420
Janitorial and Security Services	17,002	7,772
Repairs and Maintenance	17,564	22,866
Major Repairs - Hallways, Wall, Balconies	117,988	42,455
Exterminator	2,072	1,014
Supplies	3,780	2,751
Insurance	24,949	27,426
Interest Expense	9,523	4,223
Taxes and Licenses	96	2,196
Total Expenses	<u>298,041</u>	<u>209,931</u>
EXCESS OF EXPENSES OVER REVENUES	<u>(114,483)</u>	<u>(43,366)</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
RETAINED EARNINGS - Beginning of Year	(75,246)	(31,880)
Excess of Expenses over Revenues	<u>(114,483)</u>	<u>(43,366)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(189,729)</u></u>	<u><u>(75,246)</u></u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Cash Flows

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Excess of Expenses over Revenues	(114,483)	(43,366)
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	(13,549)	(4,334)
Due from Unit Owners	882	3,757
Prepaid Expenses	(156)	1,248
Increase (Decrease) in operating liabilities:		
Accounts Payable	19,920	(22,327)
Accrued Interest on Loan	(67)	845
Common Charges Received in Advance	(1,240)	1,246
Net cash used by operating activities	<u>(108,693)</u>	<u>(62,931)</u>
Cash Flows From Financing Activities		
Proceeds from Loan	0	175,000
Portion of Carrying Charges applied to Amortization of Loan	13,549	4,334
Amortization of Loan	(13,549)	(4,334)
Net cash provided by financing activities	<u>0</u>	<u>175,000</u>
(Decrease) Increase in Cash and Cash Equivalents	(108,693)	112,069
Cash and Cash Equivalents at Beginning of Year	<u>112,964</u>	<u>895</u>
Cash and Cash Equivalents at End of Year (see below)	<u><u>4,271</u></u>	<u><u>112,964</u></u>
Represented by:		
Cash in Operating Account	2,608	1,133
Cash in Bank - Money Market Account	1,663	111,831
Cash and Cash Equivalents (as above)	<u><u>4,271</u></u>	<u><u>112,964</u></u>
Supplemental Disclosure:		
Interest Paid	<u>9,590</u>	<u>3,378</u>
Taxes Paid	<u>96</u>	<u>88</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2018 and 2017

Note 1

Organization

Ryevue 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.

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.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2018 and 2017

Note 2

Summary of Significant Accounting Policies - continued

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.

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, 2027.

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, 2018, 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, 2018 and 2017

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 January 30, 2019, 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, 2018</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
	(Unaudited)		
REVENUES			
Common Charges	148,780	151,254	148,780
Special Assessment	8,000	23,145	7,716
Loan Proceeds - Major Repairs	0	0	42,455
Flip Fees	3,000	1,188	1,767
Interest and Miscellaneous Income	2,000	1,321	952
Total Revenues	<u>161,780</u>	<u>176,908</u>	<u>201,670</u>
EXPENSES			
Management Fee	24,000	24,000	24,000
Legal	3,000	0	4,510
Auditing	3,500	3,500	3,500
Telephone	1,400	952	1,201
Office and Administrative Expenses	1,480	2,780	2,404
Fuel Oil	27,000	39,618	25,923
Gas and Electricity	5,000	5,117	5,007
Water	6,000	5,695	5,263
Landscaping and Snow Removal	20,000	23,405	27,420
Janitorial and Security Services	8,000	17,002	7,772
Repairs and Maintenance	22,000	17,564	22,866
Major Repairs - Hallways, Wall, Balconies	0	117,988	42,455
Exterminater	1,500	2,072	1,014
Supplies	2,000	3,780	2,751
Insurance	28,000	24,949	27,426
Loan Payments	8,000	23,072	8,557
Licenses and Taxes	900	96	2,196
Total Expenses	<u>161,780</u>	<u>311,590</u>	<u>214,265</u>
NET DEFICIT			
FOR THE YEAR	<u>0</u>	<u>(134,682)</u>	<u>(12,595)</u>

*See accompanying notes and
accountants' compilation report*