

RYEVIEW CONDOMINIUM
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

RYEVIEW CONDOMINIUM
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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, 2019 and 2018 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 24, 2020

RYEVIEW CONDOMINIUM

Balance Sheets

As of December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	1,672	2,608
Cash in Bank - Money Market Account	1,713	1,663
Unit Owners' Charges Receivable	1,396	1,346
Prepaid Expenses	7,146	7,478
Total Current Assets	<u>11,927</u>	<u>13,095</u>
TOTAL ASSETS	<u>11,927</u>	<u>13,095</u>
LIABILITIES AND OWNERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	26,898	44,923
Accrued Interest on Note	707	778
Common Charges Received in Advance	78	6
Loan Payable - Amortization Payments due within one year	15,197	14,360
Total Current Liabilities	<u>42,880</u>	<u>60,067</u>
LONG-TERM LIABILITIES		
Loan Payable - Net of Payments due within one year	152,555	142,757
Total Long-Term Liabilities	<u>152,555</u>	<u>142,757</u>
OWNERS' EQUITY (DEFICIT)		
Retained Earnings (Deficit)	(183,508)	(189,729)
Total Owners' Equity (Deficit)	<u>(183,508)</u>	<u>(189,729)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY (DEFICIT)	<u>11,927</u>	<u>13,095</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Revenues and Expenses

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
REVENUES		
Common Charges	167,891	151,254
Special Assessments	27,619	23,145
Sublet Fee Income	6,650	6,650
Flip Fee Income	3,438	1,188
Interest and Miscellaneous Income	3,016	1,321
Total Revenues	<u>208,614</u>	<u>183,558</u>
EXPENSES		
Management Fee	24,000	24,000
Legal Expenses	875	0
Accounting	3,500	3,500
Telephone	1,098	952
Office and Administrative Expenses	1,839	2,780
Fuel Oil	43,471	39,618
Electricity and Gas	5,823	5,117
Water	6,451	5,695
Landscaping and Snow Removal	26,544	23,405
Janitorial and Security Services	16,231	17,002
Repairs and Maintenance	15,216	17,564
Major Repairs - Hallways, Wall, Balconies	19,156	117,988
Exterminator	1,366	2,072
Supplies	1,529	3,780
Insurance	25,113	24,949
Interest Expense	10,107	9,523
Taxes and Licenses	74	96
Total Expenses	<u>202,393</u>	<u>298,041</u>
EXCESS OF REVENUES OR EXPENSES	<u>6,221</u>	<u>(114,483)</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(189,729)	(75,246)
Excess of Revenues or Expenses	<u>6,221</u>	<u>(114,483)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u>(183,508)</u>	<u>(189,729)</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Cash Flows

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Excess of Revenues or Expenses	6,221	(114,483)
Adjustments to reconcile excess of revenues or expenses to net cash used by operating activities:		
Decrease (Increase) in operating assets:		
Revenue allocated to financing activities	(14,365)	(13,549)
Due from Unit Owners	(50)	882
Prepaid Expenses	332	(156)
Increase (Decrease) in operating liabilities:		
Accounts Payable	(18,025)	19,920
Accrued Interest on Loan	(71)	(67)
Common Charges Received in Advance	72	(1,240)
Net cash used by operating activities	<u>(25,886)</u>	<u>(108,693)</u>
Cash Flows From Financing Activities		
Proceeds from Loan	25,000	0
Portion of Carrying Charges applied to Amortization of Loan	14,365	13,549
Amortization of Loan	(14,365)	(13,549)
Net cash provided by financing activities	<u>25,000</u>	<u>0</u>
Decrease in Cash and Cash Equivalents	(886)	(108,693)
Cash and Cash Equivalents at Beginning of Year	<u>4,271</u>	<u>112,964</u>
Cash and Cash Equivalents at End of Year (see below)	<u><u>3,385</u></u>	<u><u>4,271</u></u>
Represented by:		
Cash in Operating Account	1,672	2,608
Cash in Bank - Money Market Account	1,713	1,663
Cash and Cash Equivalents (as above)	<u><u>3,385</u></u>	<u><u>4,271</u></u>
Supplemental Disclosure:		
Interest Paid	<u>10,178</u>	<u>9,590</u>
Taxes Paid	<u>74</u>	<u>96</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2019 and 2018

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.

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, 2019 and 2018

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 and state 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 and is co-terminus with the first note. As of December 31, 2019 and 2018 \$25,000 and \$0, respectively, 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 and 11% effective January 1, 2019.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2019 and 2018

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 beginning September 2017 and lasting for the duration of the term of the first note.

The condominium approved an additional assessment equal to \$3.75 per share per month beginning January 2019 and lasting for the duration of the second 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 24, 2020, 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 Year Ended <u>Dec. 31, 2019</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2019</u>	Actual Year Ended <u>Dec. 31, 2018</u>
REVENUES			
Common Charges	167,891	167,891	151,254
Special Assessments	27,000	27,619	23,145
Loan Proceeds - Major Repairs	20,000	19,156	0
Sublet Fee Income	6,500	6,650	6,650
Flip Fee Income	3,000	3,438	1,188
Interest and Miscellaneous Income	3,000	3,016	1,321
Total Revenues	227,391	227,770	183,558
EXPENSES			
Management Fee	24,000	24,000	24,000
Legal	1,000	875	0
Auditing	3,500	3,500	3,500
Telephone	1,000	1,098	952
Office and Administrative Expenses	2,191	1,839	2,780
Fuel Oil	42,000	43,471	39,618
Gas and Electricity	6,000	5,823	5,117
Water	6,000	6,451	5,695
Landscaping and Snow Removal	25,000	26,544	23,405
Janitorial and Security Services	16,000	16,231	17,002
Repairs and Maintenance	25,000	15,216	17,564
Major Repairs - Hallways, Wall, Balconies	20,000	19,156	117,988
Exterminator	1,500	1,366	2,072
Supplies	2,000	1,529	3,780
Insurance	25,000	25,113	24,949
Loan Payments	27,000	24,472	23,072
Licenses and Taxes	200	74	96
Total Expenses	227,391	216,758	311,590
NET SURPLUS (DEFICIT)			
FOR THE YEAR	0	11,012	(128,032)

*See accompanying notes and
accountants' compilation report*