

# **Stone Ridge at Rye Condominium Association, Inc.**

## **Financial Statements**

**October 31, 2019 and 2018**

# Stone Ridge at Rye Condominium Association, Inc.

October 31, 2019 and 2018

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**LAWRENCE S. HONIGMAN, P.C.**

CERTIFIED PUBLIC ACCOUNTANT  
500 EXECUTIVE BOULEVARD  
SUITE 302  
OSSINING, NEW YORK 10562

TEL. (914) 762-0230

FAX (914) 762-3260

**Compilation Report**

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To the Board of Managers  
Stone Ridge at Rye Condominium Association, Inc.

Management is responsible for the accompanying financial statements of Stone Ridge at Rye Condominium Association, Inc., which comprise the balance sheets as of October 31, 2019 and 2018, statements of operations, statements of changes in members' equity, 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. I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The association has not presented the information about the estimates of future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to 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. My opinion on the basic financial statements is not affected by the omission of this supplementary information.



Lawrence S Honigman, CPA, P.C.  
Ossining, New York  
December 26, 2019

# Stone Ridge at Rye Condominium Association, Inc.

## Balance Sheets (Unaudited)

October 31, 2019 and 2018

	2019	2018
<b>Assets</b>		
Cash	\$ 98,679	\$ 76,534
Accounts receivable	853	741
<b>Total Assets</b>	<b>\$ 99,532</b>	<b>\$ 77,275</b>
<b>Liabilities and Members' Equity</b>		
Accounts payable and accrued expenses	\$ 28,215	\$ 13,999
Major Repairs Payable	21,400	-
<b>Total Liabilities</b>	<b>49,615</b>	<b>13,999</b>
<b>Members' Equity</b>		
Members' Capital	5,179	5,179
Undesignated	44,738	58,097
<b>Total Members' Equity</b>	<b>49,917</b>	<b>63,276</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 99,532</b>	<b>\$ 77,275</b>

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

# Stone Ridge at Rye Condominium Association, Inc.

## Statements of Operations (Unaudited)

For the Years Ended October 31, 2019 and 2018

	2019	2018
<b>Revenue</b>		
Common Charges	\$ 75,077	\$ 75,077
Assessments	31,282	31,282
Interest income	1,078	340
Other revenue	250	125
<b>Total revenue</b>	<b>107,687</b>	<b>106,824</b>
<b>Expenses</b>		
Operating Expenses	20,112	18,343
Administrative	19,565	17,133
Repairs and maintenance	68,526	73,849
Corporate Taxes	75	125
<b>Total expenses</b>	<b>108,278</b>	<b>109,450</b>
<b>Income from operations</b>	<b>(591)</b>	<b>(2,626)</b>
Assessments for Major Repairs	64,850	43,200
Major Repairs - Roof	(66,400)	-
Major Repairs - Crawl Space Electrical	(11,218)	-
<b>Net Income (Loss)</b>	<b>\$ (13,359)</b>	<b>\$ 40,574</b>

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

# Stone Ridge at Rye Condominium Association, Inc.

## Statements of Changes in Member's Equity (Unaudited)

For the Years Ended October 31, 2019 and 2018

	Total	Members' Capital	Undesignated
<b>Balance as of Year End 2017</b>	22,702	\$ 5,179	\$ 17,523
Net Income (Loss)	40,574	-	40,574
<b>Balance as of Year End 2018</b>	63,276	5,179	58,097
Net Income (Loss)	(13,359)	-	(13,359)
<b>Balance as of Year End 2019</b>	\$ 49,917	\$ 5,179	\$ 44,738

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

# Stone Ridge at Rye Condominium Association, Inc.

## Statements of Cash Flows (Unaudited)

For the Years Ended October 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss) for the period	\$ (13,359)	\$ 40,574
Changes in receivables	(112)	(741)
Changes in accounts payable and accrued expenses	14,216	10,936
Changes in major repairs payable	21,400	-
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>22,145</b>	<b>50,769</b>
<b>OTHER ACTIVITIES:</b>		
Net cash increase (decreases) in cash and cash equivalents	22,145	50,769
Cash and cash equivalents at beginning of period	76,534	25,765
<b>Cash and cash equivalents at end of period</b>	<b>\$ 98,679</b>	<b>\$ 76,534</b>
<b>Supplemental disclosure of cash flow data</b>		
Corporation Taxes Paid	75	125
<b>Cash and cash equivalents consist of the following:</b>		
Cash: Operating	1,347	5,280
Cash: Reserve	97,332	71,254
<b>Total Cash</b>	<b>\$ 98,679</b>	<b>\$ 76,534</b>

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

# **Stone Ridge at Rye Condominium Association, Inc.**

## **Notes to the Financial Statements**

**October 31, 2019**

### **Note 1. Summary of Significant Accounting Policies**

Nature of the organization: Stone Ridge at Rye Condominium Association, Inc. (the "Association") was incorporated in the State of New York on July 1, 1991, and is responsible for the operation and maintenance of the common property within the development located in Rye, New York, which is comprised of 18 residential condominium units.

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of temporary cash investments. Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less when acquired. The Association maintains its temporary cash investment with high credit quality financial institutions. At times, such investments may exceed Federally insured limits.

Owners are subject to various charges and assessments to fund the Association's operations. In addition, the Association may periodically impose special assessments and/or designate a portion of common charges to provide funds for major repairs, replacements, and improvements. These charges and assessments are recognized as income by the Association when billed.

The Association considers all receivables to be fully collectible and, accordingly, an allowance for uncollectible accounts is deemed unnecessary.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Association to make certain estimates and assumptions that may 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.

The Condominium's governing documents do not require the accumulation of funds in advance of actual need to finance estimated future major repairs and replacements. Consistent with general practice in New York State, the Association has not promulgated a study to determine the remaining useful lives of the components of the building and estimates of the costs of major repairs and replacements that may be required. When funds are required for major repairs and replacements, the Association has the right to utilize available cash reserves, increase common charges, implement special assessments, or delay repairs and replacements until funds are available.

The Association generally is taxed only on nonmembership income, such as interest income and earnings from commercial operations. Earnings from owners, if any, may be excluded from taxation if certain elections are made. In addition, the state assesses a tax based on capital.

The Association has evaluated events and transactions that occurred through December 26, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Certain reclassifications have been made to the October 31, 2018 financial statements to conform to the October 31, 2019 financial statement presentation.

### **Note 2. Management Agreement**

The Corporation is obligated under an annual agreement for the management of the property which amounted to \$14,700 in 2019 and \$13,200 in 2018.



# **Stone Ridge at Rye Condominium Association, Inc.**

## **Notes to the Financial Statements**

**October 31, 2019**

### **Note 3. Member's Equity**

Undesignated amounts of members' equity consist of the cumulative excess of revenue over expenses which is currently being funded by the members' monthly assessments. In accordance with the offering plan, at each closing the purchaser of a unit is required to pay one months' common charges based on the actual common charges at the time of closing.

These funds will be accumulated to provide the Association with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Directors.

### **Note 4. Special Assessments**

Special assessments to members in 2019 and 2018 were utilized to subsidize the shortfall of regular members' assessments, to provide for a reserve and for various repairs. A capital assessment was declared to subsidize the paving and roofing projects.

### **Note 5. Legal Proceedings**

The Condominium has commenced a certiorari (real estate tax reduction) proceeding against various taxing municipalities. No provision for legal fees has been made as they are to be paid on a contingency fee basis.

# Stone Ridge at Rye Condominium Association, Inc.

## Schedules of Expenses (Unaudited)

For the Years Ended October 31, 2019 and 2018

	2019	2018
<b>Operating Expenses</b>		
Electricity and Gas	\$ 3,301	\$ 2,609
Water	2,183	1,991
Insurance	14,628	13,743
<b>Total Operating Expenses</b>	<b>20,112</b>	<b>18,343</b>
<b>Administrative Expenses</b>		
Management	14,700	13,200
Office Expenses	2,265	1,333
Accounting fees	2,600	2,600
<b>Total Administrative Expenses</b>	<b>19,565</b>	<b>17,133</b>
<b>Repairs and Maintenance</b>		
Plumbing	1,213	255
Building Supplies	639	639
Exterminating	1,596	1,224
Painting and Plastering	-	6,249
Signage	-	1,589
Electrical	5,748	7,204
Carpentry	4,057	-
Fence	-	5,270
Sprinkler	1,266	1,586
Grounds Maintenance, Snow and Trees	40,531	37,794
Roof	4,481	6,832
Janitorial	-	188
Garbage removal	5,786	5,019
Other repairs and maintenance	3,209	-
<b>Total Repairs and Maintenance</b>	<b>68,526</b>	<b>73,849</b>
<b>Additional Expenses</b>		
Corporate Taxes	75	125
<b>Total Expenses</b>	<b>\$ 108,278</b>	<b>\$ 109,450</b>

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