

Stone Ridge at Rye Condominium Association, Inc.

Financial Statements

October 31, 2018 and 2017

Stone Ridge at Rye Condominium Association, Inc.

October 31, 2018 and 2017

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Compilation Report

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, 2018 and 2017, statements of operations, and statements of changes in members' equity 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.

A handwritten signature in black ink, appearing to read 'L. Honigman', is written over a horizontal line.

Lawrence S Honigman, CPA, P.C.
Ossining, New York
December 28, 2018

Stone Ridge at Rye Condominium Association, Inc.

Balance Sheets (Unaudited)

October 31, 2018 and 2017

	2018	2017
Assets		
Cash	\$ 76,534	\$ 25,765
Accounts receivable	741	-
Total Assets	\$ 77,275	\$ 25,765
Liabilities and Members' Equity		
Accounts payable and accrued expenses	\$ 13,999	\$ 3,063
Total Liabilities	13,999	3,063
Members' Equity		
Members' Capital	5,179	5,179
Undesignated	58,097	17,523
Total Members' Equity	63,276	22,702
Total Liabilities and Members' Equity	\$ 77,275	\$ 25,765

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, 2018 and 2017

	2018	2017
Revenue		
Common Charges	\$ 75,077	\$ 75,077
Assessments	31,282	31,280
Interest income	340	363
Other revenue	125	-
Total revenue	106,824	106,720
Expenses		
Operating Expenses	18,343	21,134
Administrative	17,133	17,939
Repairs and maintenance	73,849	51,563
Corporate Taxes	125	94
Total expenses	109,450	90,730
Income from operations	(2,626)	15,990
Assessments for Major Repairs	43,200	55,000
Major Repairs - Paving	-	(80,800)
Net Income (Loss)	\$ 40,574	\$ (9,810)

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, 2018 and 2017

	Total	Capital	Undesignated
Balance as of Year End 2016	32,512	\$ 5,179	\$ 27,333
Net Income (Loss)	(9,810)	-	(9,810)
Balance as of Year End 2017	22,702	5,179	17,523
Net Income (Loss)	40,574	-	40,574
Balance as of Year End 2018	\$ 63,276	\$ 5,179	\$ 58,097

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, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ 40,574	\$ (9,810)
Changes in receivables	(741)	-
Changes in accounts payable and accrued expenses	10,936	(831)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	50,769	(10,641)
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	50,769	(10,641)
Cash and cash equivalents at beginning of period	25,765	36,406
Cash and cash equivalents at end of period	\$ 76,534	\$ 25,765
Supplemental disclosure of cash flow data		
Corporation Taxes Paid	125	94
Cash and cash equivalents consist of the following:		
Cash: Operating	5,280	5,351
Cash: Reserve	71,254	20,414
Total Cash	\$ 76,534	\$ 25,765

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, 2018

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. In accordance with the Association's governing documents, the portion of maintenance charges needed to pay the mortgage amortization is treated as capital contributions.

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 tenant/stockholders, if any, may be excluded from taxation if certain elections are made. In addition, the state and city assess a tax based on capital.

The Association has evaluated events and transactions that occurred through December 28, 2018, 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, 2017 financial statements to conform to the October 31, 2018 financial statement presentation.

Note 2. Management Agreement

The Corporation is obligated under an annual agreement for the management of the property which amounted to

Stone Ridge at Rye Condominium Association, Inc.

Notes to the Financial Statements

October 31, 2018

\$13,200 in 2018 and \$13,200 in 2017.

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 2018 and 2017 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, 2018 and 2017

	2018	2017
Operating Expenses		
Electricity and Gas	\$ 2,609	\$ 2,824
Water	1,991	2,002
Insurance	13,743	16,308
Total Operating Expenses	18,343	21,134
Administrative Expenses		
Management	13,200	13,200
Office Expenses	1,333	2,179
Legal fees	-	210
Accounting fees	2,600	2,350
Total Administrative Expenses	17,133	17,939
Repairs and Maintenance		
Plumbing	255	-
Carpentry	-	2,880
Building Supplies	639	3,196
Exterminating	1,224	1,546
Painting and Plastering	6,249	3,704
Signage	1,589	-
Electrical	7,204	1,835
Fence	5,270	-
Sprinkler	1,586	1,404
Landscaping	37,794	30,462
Roof	6,832	1,031
Janitorial	188	-
Garbage removal	5,019	5,030
Other repairs and maintenance	-	475
Total Repairs and Maintenance	73,849	51,563
Additional Expenses		
Corporate Taxes	125	94
Total Expenses	\$ 109,450	\$ 90,730

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