

Stone Ridge at Rye Condominium Association, Inc.

Financial Statements

October 31, 2020 and 2019

Stone Ridge at Rye Condominium Association, Inc.

October 31, 2020 and 2019

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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, 2020 and 2019, 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 14, 2020

Stone Ridge at Rye Condominium Association, Inc.

Balance Sheets (Unaudited)

October 31, 2020 and 2019

| | 2020 | 2019 |
|--|-----------------|------------------|
| Assets | | |
| Cash | \$ 2,111 | \$ 98,679 |
| Accounts receivable | 250 | 853 |
| Total Assets | \$ 2,361 | \$ 99,532 |
| Liabilities and Members' Equity | | |
| Accounts payable and accrued expenses | \$ 16,586 | \$ 28,215 |
| Major Repairs Payable | - | 21,400 |
| Total Liabilities | 16,586 | 49,615 |
| Members' Equity | | |
| Members' Capital | 5,179 | 5,179 |
| Undesignated | (19,404) | 44,738 |
| Total Members' Equity | (14,225) | 49,917 |
| Total Liabilities and Members' Equity | \$ 2,361 | \$ 99,532 |

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, 2020 and 2019

| | 2020 | 2019 |
|--|--------------------|--------------------|
| Revenue | | |
| Common Charges | \$ 75,077 | \$ 75,077 |
| Assessments | 31,282 | 31,282 |
| Interest income | 202 | 1,078 |
| Other revenue | 25 | 250 |
| Total revenue | 106,586 | 107,687 |
| Expenses | | |
| Operating Expenses | 20,515 | 20,112 |
| Administrative | 19,506 | 19,565 |
| Repairs and maintenance | 68,011 | 68,526 |
| Corporate Taxes | 92 | 75 |
| Total expenses | 108,124 | 108,278 |
| Income from operations | (1,538) | (591) |
| Assessments for Major Repairs | 27,000 | 64,850 |
| Major Repairs - Paving | (3,394) | - |
| Major Repairs - Roof | (86,210) | (66,400) |
| Major Repairs - Crawl Space Electrical | - | (11,218) |
| Net Income (Loss) | \$ (64,142) | \$ (13,359) |

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, 2020 and 2019

| | Total | Members' Capital | Undesignated |
|------------------------------------|--------------------|---------------------|--------------------|
| Balance as of Year End 2018 | 63,276 | \$ 5,179 | \$ 58,097 |
| Net Income (Loss) | (13,359) | - | (13,359) |
| Balance as of Year End 2019 | 49,917 | 5,179 | 44,738 |
| Net Income (Loss) | (64,142) | - | (64,142) |
| Balance as of Year End 2020 | \$ (14,225) | \$ 5,179 | \$ (19,404) |

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, 2020 and 2019

| | 2020 | 2019 |
|--|-----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) for the period | \$ (64,142) | \$ (13,359) |
| Changes in receivables | 603 | (112) |
| Changes in accounts payable and accrued expenses | (11,629) | 14,216 |
| Changes in major repairs payable | (21,400) | 21,400 |
| TOTAL CASH FLOWS FROM OPERATING ACTIVITIES | (96,568) | 22,145 |
| OTHER ACTIVITIES: | | |
| Net cash increase (decreases) in cash and cash equivalents | (96,568) | 22,145 |
| Cash and cash equivalents at beginning of period | 98,679 | 76,534 |
| Cash and cash equivalents at end of period | \$ 2,111 | \$ 98,679 |
| Supplemental disclosure of cash flow data | | |
| Corporation Taxes Paid | 92 | 75 |
| Cash and cash equivalents consist of the following: | | |
| Cash: Operating | 977 | 1,347 |
| Cash: Reserve | 1,134 | 97,332 |
| Total Cash | \$ 2,111 | \$ 98,679 |

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, 2020

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 14, 2020, 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, 2019 financial statements to conform to the October 31, 2020 financial statement presentation.

Note 2. Management Agreement

The Corporation is obligated under an annual agreement for the management of the property which amounted to \$15,000 in 2020 and \$14,700 in 2019.

Stone Ridge at Rye Condominium Association, Inc.

Notes to the Financial Statements

October 31, 2020

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 2020 and 2019 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, 2020 and 2019

| | 2020 | 2019 |
|--------------------------------------|-------------------|-------------------|
| Operating Expenses | | |
| Electricity and Gas | \$ 3,001 | \$ 3,301 |
| Water | 2,179 | 2,183 |
| Insurance | 15,335 | 14,628 |
| Total Operating Expenses | 20,515 | 20,112 |
| Administrative Expenses | | |
| Management | 15,000 | 14,700 |
| Office Expenses | 2,356 | 2,265 |
| Accounting fees | 2,150 | 2,600 |
| Total Administrative Expenses | 19,506 | 19,565 |
| Repairs and Maintenance | | |
| Plumbing | 5,638 | 1,213 |
| Building Supplies | - | 639 |
| Exterminating | 1,853 | 1,596 |
| Painting and Plastering | 11,108 | - |
| Electrical | 7,132 | 5,748 |
| Carpentry | 6,698 | 4,057 |
| Sprinkler | 1,223 | 1,266 |
| Grounds Maintenance, Snow and Trees | 23,382 | 40,531 |
| Roof | 271 | 4,481 |
| Garbage removal | 6,764 | 5,786 |
| Other repairs and maintenance | 3,942 | 3,209 |
| Total Repairs and Maintenance | 68,011 | 68,526 |
| Additional Expenses | | |
| Corporate Taxes | 92 | 75 |
| Total Expenses | \$ 108,124 | \$ 108,278 |

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