

RYEVIEW CONDOMINIUM
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

RYEVIEW CONDOMINIUM
TABLE OF CONTENTS
DECEMBER 31, 2020 AND 2019

	Page
ACCOUNTANTS' COMPILATION REPORT	1
Balance Sheets	2
Statements of Revenues and Expenses	3
Statements of Retained Earnings (Deficit)	4
Statements of Cash Flows	5
Notes to Financial Statements	6-9
Schedule of Budget with Actual Operating Amounts	10



ROGER BERMAN, CPA
WILLIAM J. RANK, CPA, CFP
MARK COHEN, CPA
LORI LERMAN, CPA

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, 2020 and 2019 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
February 03, 2021

RYEVIEW CONDOMINIUM

Balance Sheets

As of December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	4,776	1,672
Cash in Bank - Money Market Account	205,729	1,713
Unit Owners' Charges Receivable	3,259	1,396
Prepaid Expenses	7,103	7,146
Total Current Assets	<u>220,867</u>	<u>11,927</u>
TOTAL ASSETS	<u>220,867</u>	<u>11,927</u>
LIABILITIES AND OWNERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	13,451	26,898
Accrued Interest on Note	683	707
Common Charges Received in Advance	895	78
Loan Payable - Amortization Payments due within one year	28,821	15,197
Total Current Liabilities	<u>43,850</u>	<u>42,880</u>
LONG-TERM LIABILITIES		
Loans Payable - Net of Payments due within one year	311,059	152,555
Total Long-Term Liabilities	<u>311,059</u>	<u>152,555</u>
OWNERS' DEFICIT		
Retained Earnings (Deficit)	(134,042)	(183,508)
Total Owners' Deficit	<u>(134,042)</u>	<u>(183,508)</u>
TOTAL LIABILITIES AND OWNERS' DEFICIT	<u>220,867</u>	<u>11,927</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Revenues and Expenses

For the Year Ended December 31,

	<u>2020</u>	<u>2019</u>
REVENUES		
Common Charges	167,891	167,891
Special Assessments	31,545	27,619
Sublet Fee Income	6,300	6,650
Flip Fee Income	1,143	3,438
Interest and Miscellaneous Income	4,335	3,016
Total Revenues	<u>211,214</u>	<u>208,614</u>
EXPENSES		
Management Fee	24,000	24,000
Legal Expenses	1,500	875
Accounting	3,500	3,500
Telephone	2,560	1,098
Office and Administrative Expenses	2,276	1,839
Fuel Oil	24,172	43,471
Electricity and Gas	6,454	5,823
Water	8,677	6,451
Landscaping and Snow Removal	21,900	26,544
Janitorial and Security Services	16,989	16,231
Repairs and Maintenance	8,740	15,216
Major Repairs - Hallways, Wall, Balconies	0	19,156
Exterminator	753	1,366
Supplies	3,548	1,529
Insurance	25,445	25,113
Interest Expense	11,137	10,107
Taxes and Licenses	97	74
Total Expenses	<u>161,748</u>	<u>202,393</u>
EXCESS OF REVENUES OR EXPENSES	<u>49,466</u>	<u>6,221</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2020</u>	<u>2019</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(183,508)	(189,729)
Excess of Revenues or Expenses	<u>49,466</u>	<u>6,221</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u>(134,042)</u>	<u>(183,508)</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Statements of Cash Flows

For the Year Ended December 31,

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Excess of Revenues or Expenses	49,466	6,221
Adjustments to reconcile excess of revenues or expenses to net cash provided (used) by operating activities:		
Decrease (Increase) in operating assets:		
Revenue allocated to financing activities	(20,003)	(14,365)
Due from Unit Owners	(1,863)	(50)
Prepaid Expenses	43	332
Increase (Decrease) in operating liabilities:		
Accounts Payable	(13,447)	(18,025)
Accrued Interest on Loan	(24)	(71)
Common Charges Received in Advance	817	72
Net cash provided (used) by operating activities	<u>14,989</u>	<u>(25,886)</u>
Cash Flows From Financing Activities		
Proceeds from Loan	350,000	0
Proceeds from Line of Credit	0	25,000
Payoff of Loan	(132,869)	0
Payoff of Line of Credit	(25,000)	0
Portion of Carrying Charges applied to Amortization of Loan	20,003	14,365
Amortization of Loan	(20,003)	(14,365)
Net cash provided by financing activities	<u>192,131</u>	<u>25,000</u>
Increase (Decrease) in Cash and Cash Equivalents	207,120	(886)
Cash and Cash Equivalents at Beginning of Year	<u>3,385</u>	<u>4,271</u>
Cash and Cash Equivalents at End of Year (see below)	<u>210,505</u>	<u>3,385</u>
Represented by:		
Cash in Operating Account	4,776	1,672
Cash in Bank - Money Market Account	205,729	1,713
Cash and Cash Equivalents (as above)	<u>210,505</u>	<u>3,385</u>
Supplemental Disclosure:		
Interest Paid	<u>11,161</u>	<u>10,178</u>
Taxes Paid	<u>97</u>	<u>74</u>

*See accompanying notes and
accountants' compilation report*

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2020 and 2019

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, 2020 and 2019

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 Concentration of Credit Risk

The condominium has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

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 required monthly payments of \$1,928, applied first to interest at a rate of 5.75% and then to principal. The note was self-amortizing and was set to mature August 11, 2027.

The condominium also secured a second promissory note (line of credit) for \$175,000 which was co-terminus with the first note. As of December 31, 2019, \$25,000 had been borrowed on the second note.

On August 31, 2020, the condominium refinanced the previous promissory note with a new promissory note in the amount of \$350,000. The loan requires monthly payments of \$3,610, applied first to interest at a rate of 4.375% and the remainder to principal. The note is self-amortizing and is set to mature August 15, 2030. As part of the refinancing, the second promissory note was paid off in full.

Principal maturities of the mortgage are as follows:

2021	28,821
2022	30,126
2023	31,490
2024	32,885
2025	34,404

Note 5 Common Charges

The board of managers approved an 11% increase in carrying charges effective January 1, 2019.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2020 and 2019

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 which was refinanced August 31, 2020.

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, which was paid off on August 31, 2020 as part of the refinancing.

In October 2020, the condominium approved an assessment to fund the new loan payments. The assessment equals \$36.32 per share per month beginning October 2020 and lasting for the duration of the new note.

Note 7

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.

Losses incurred in years prior to 2018, may be carried forward for twenty years from the year incurred and may be used to offset 100% of taxable income. Due to a change in the tax law, federal net operating losses incurred in 2018 and thereafter may be carried forward indefinitely, but may only be used to offset 80% of taxable income each year. This law was subsequently modified under the CARES Act, which was enacted March 27, 2020. Under the CARES Act, the 80% taxable income limitation is delayed until years beginning after December 31, 2020. The 80% limitation will apply to any net operating loss arising in a year beginning after December 31, 2017 and deducted for a year beginning after December 31, 2020. Additionally, the Act provides that for losses arising in 2018, 2019 and 2020, such loss shall be a net operating loss carryback to each of the prior five taxable years. Additionally, as is the case under pre-2018 law, the taxpayer may make an election to waive the carryback and instead treat losses arising in these years as net operating loss carryovers.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2020 and 2019

Note 7

Income Taxes - continued

As of December 31, 2020, the condominium has available federal net operating loss carryforwards to apply to future taxable income of approximately \$143,000. These net operating loss carryforwards consist of carryforwards of approximately \$29,000 which expire beginning in 2021 and continuing through 2037 and carryforwards of approximately \$114,000 which were incurred in 2018 and thereafter. New York State and New York City substantially limit the use of these net operating loss carryforwards.

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 8

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 9

Subsequent Events

Management has evaluated subsequent events through February 03, 2021, 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, 2020</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2020</u>	Actual Year Ended <u>Dec. 31, 2019</u>
REVENUES			
Common Charges	167,891	167,891	167,891
Special Assessments	28,000	31,545	27,619
Loan Proceeds - Major Repairs	0	0	19,156
Sublet Fee Income	6,500	6,300	6,650
Flip Fee Income	3,000	1,143	3,438
Interest and Miscellaneous Income	3,000	4,335	3,016
Total Revenues	208,391	211,214	227,770
EXPENSES			
Management Fee	24,000	24,000	24,000
Legal Expenses	1,000	1,500	875
Accounting	3,500	3,500	3,500
Telephone	2,000	2,560	1,098
Office and Administrative Expenses	2,191	2,276	1,839
Fuel Oil	42,000	24,172	43,471
Electricity and Gas	6,000	6,454	5,823
Water	7,000	8,677	6,451
Landscaping and Snow Removal	25,000	21,900	26,544
Janitorial and Security Services	17,000	16,989	16,231
Repairs and Maintenance	20,000	8,740	15,216
Major Repairs - Hallways, Wall, Balconies	0	0	19,156
Exterminator	1,500	753	1,366
Supplies	3,000	3,548	1,529
Insurance	26,000	25,445	25,113
Loan Payments	28,000	31,140	24,472
Taxes and Licenses	200	97	74
Total Expenses	208,391	181,751	216,758
NET SURPLUS FOR THE YEAR			
	0	29,463	11,012

*See accompanying notes and
accountants' compilation report*