

**RYEVIEW CONDOMINIUM  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**RYEVIEW CONDOMINIUM**  
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**BLOOM AND STREIT LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022 and 2021 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 08, 2023

# RYEVIEW CONDOMINIUM

## Balance Sheets

As of December 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in Operating Account	1,042	2,574
Cash in Bank - Money Market Account	105,136	167,778
Unit Owners' Charges Receivable	110	773
Prepaid Expenses	9,430	7,383
<b>Total Current Assets</b>	<u>115,718</u>	<u>178,508</u>
<b>TOTAL ASSETS</b>	<u>115,718</u>	<u>178,508</u>
<b>LIABILITIES AND OWNERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	18,150	39,490
Accrued Interest on Note	565	625
Common Charges Received in Advance	0	704
Loan Payable - Amortization Payments due within one year	31,490	30,126
<b>Total Current Liabilities</b>	<u>50,205</u>	<u>70,945</u>
<b>LONG-TERM LIABILITIES</b>		
Loans Payable - Net of Payments due within one year	249,432	280,926
<b>Total Long-Term Liabilities</b>	<u>249,432</u>	<u>280,926</u>
<b>OWNERS' DEFICIT</b>		
Retained Earnings (Deficit)	(183,919)	(173,363)
<b>Total Owners' Deficit</b>	<u>(183,919)</u>	<u>(173,363)</u>
<b>TOTAL LIABILITIES AND OWNERS' DEFICIT</b>	<u>115,718</u>	<u>178,508</u>

*See accompanying notes and  
accountants' compilation report*

# RYEVIEW CONDOMINIUM

## Statements of Revenues and Expenses

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Common Charges, Net of Credits	167,891	166,891
Special Assessment	43,325	43,325
Fuel Surcharge	15,000	0
Sublet Fee Income	6,300	6,300
Interest and Miscellaneous Income	3,308	1,590
<b>Total Revenues</b>	<u>235,824</u>	<u>218,106</u>
<b>EXPENSES</b>		
Management Fee	24,000	24,000
Legal Expenses	1,000	0
Accounting	3,500	3,500
Telephone	1,745	2,707
Office and Administrative Expenses	1,324	1,239
Fuel Oil	39,373	30,984
Electricity and Gas	8,289	7,178
Water	9,075	10,494
Landscaping	16,798	26,862
Snow Removal	6,530	9,985
Janitorial and Security Services	21,727	22,957
Repairs and Maintenance	33,141	20,067
Major Repairs-Roofing, Brickwork, Balconies, Gas Work, Intercoms	41,979	55,049
Exterminator	753	753
Supplies	666	790
Insurance	27,916	26,332
Interest Expense	13,129	14,433
Taxes and Licenses	98	97
<b>Total Expenses</b>	<u>251,043</u>	<u>257,427</u>
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<u>(15,219)</u>	<u>(39,321)</u>

*See accompanying notes and  
accountants' compilation report*

# RYEVIEW CONDOMINIUM

## Statements of Retained Earnings (Deficit)

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>RETAINED EARNINGS (DEFICIT) - Beginning of Year</b>	(173,363)	(134,042)
Excess of Expenses over Revenues	(15,219)	(39,321)
Working Capital Contributions	<u>4,663</u>	<u>0</u>
<b>RETAINED EARNINGS (DEFICIT) - End of Year</b>	<u><u>(183,919)</u></u>	<u><u>(173,363)</u></u>

*See accompanying notes and  
accountants' compilation report*

# RYEVIEW CONDOMINIUM

## Statements of Cash Flows

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Excess of Expenses over Revenues	(15,219)	(39,321)
Adjustments to reconcile excess of expenses over revenues to net cash used by operating activities:		
Decrease (Increase) in operating assets:		
Revenue allocated to financing activities	(30,130)	(28,828)
Due from Unit Owners	663	2,486
Prepaid Expenses	(2,047)	(280)
Increase (Decrease) in operating liabilities:		
Accounts Payable	(21,340)	26,039
Accrued Interest on Loan	(60)	(58)
Common Charges Received in Advance	(704)	(191)
<b>Net cash used by operating activities</b>	<u>(68,837)</u>	<u>(40,153)</u>
<b>Cash Flows From Financing Activities</b>		
Capital Contributions	4,663	0
Portion of Carrying Charges applied to Amortization of Loan	30,130	28,828
Amortization of Loan	(30,130)	(28,828)
<b>Net cash provided by financing activities</b>	<u>4,663</u>	<u>0</u>
<b>Decrease in Cash and Cash Equivalents</b>	(64,174)	(40,153)
Cash and Cash Equivalents at Beginning of Year	<u>170,352</u>	<u>210,505</u>
<b>Cash and Cash Equivalents at End of Year (see below)</b>	<u>106,178</u>	<u>170,352</u>
<b>Represented by:</b>		
Cash in Operating Account	1,042	2,574
Cash in Bank - Money Market Account	105,136	167,778
<b>Cash and Cash Equivalents (as above)</b>	<u>106,178</u>	<u>170,352</u>
<b>Supplemental Disclosure:</b>		
Interest Paid	13,189	14,491
Taxes Paid	<u>98</u>	<u>97</u>

*See accompanying notes and accountants' compilation report*

# RYEVIEW CONDOMINIUM

## Notes to Financial Statements

December 31, 2022 and 2021

**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, 2022 and 2021

### 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.

Unit owners are subject to monthly assessments to provide funds for the condominium's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The condominium's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund (reserve fund) assessments are satisfied when these funds are expended for their designated purpose.

The condominium recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance) is recognized when the condominium has the right to receive payment in advance of the satisfaction of performance obligations related to replacement (reserve) assessments.

### 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 31, 2020, the condominium refinanced a 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. Principal maturities of the mortgage are as follows:

2023	31,490
2024	32,885
2025	34,404
2026	35,962
2027	37,590

# RYEVIEW CONDOMINIUM

## Notes to Financial Statements

December 31, 2022 and 2021

**Note 5**

**Common Charges**

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

**Note 6**

**Special Assessment**

In order to fund the loan payments as described in Note 4, the condominium approved an assessment equal to \$36.32 per share per month beginning October 2020 and lasting for the duration of the note.

**Note 7**

**Fuel Surcharge**

Effective July 2022, the condominium approved a fuel surcharge of \$2,500 per month to offset increased fuel costs. The surcharge is expected to run through December 31, 2023.

**Note 8**

**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, 2022 and 2021

**Note 8**

**Income Taxes - continued**

As of December 31, 2022, the condominium has available federal net operating loss carryforwards to apply to future taxable income of approximately \$197,000. These net operating loss carryforwards consist of carryforwards of approximately \$28,000 which expire in 2037 and carryforwards of approximately \$154,000 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 9**

**Future Major Repairs and Replacements**

The condominium has not conducted an official CIRA 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 10**

**Subsequent Events**

Management has evaluated subsequent events through February 08, 2023, 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, 2022</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2022</u>	Actual Year Ended <u>Dec. 31, 2021</u>
<b>REVENUES</b>			
Common Charges, Net of Credits	167,891	167,891	166,891
Special Assessment	43,325	43,325	43,325
Fuel Surcharge	0	15,000	0
Sublet Fee Income	6,000	6,300	6,300
Interest and Miscellaneous Income	1,000	3,308	1,590
<b>Total Revenues</b>	<u>218,216</u>	<u>235,824</u>	<u>218,106</u>
<b>EXPENSES</b>			
Management Fee	24,000	24,000	24,000
Legal Expenses	1,000	1,000	0
Accounting	3,500	3,500	3,500
Telephone	2,000	1,745	2,707
Office and Administrative Expenses	1,856	1,324	1,239
Fuel Oil	30,000	39,373	30,984
Electricity and Gas	8,000	8,289	7,178
Water	10,000	9,075	10,494
Landscaping	22,000	16,798	26,862
Snow Removal	0	6,530	9,985
Janitorial and Security Services	22,000	21,727	22,957
Repairs and Maintenance	20,000	33,141	20,067
Major Repairs - Brickwork, Roofing, Balconies	0	2,384	31,357
Major Repairs - Gas Work	0	18,894	23,692
Exterminator	1,000	753	753
Supplies	1,500	666	790
Insurance	28,000	27,916	26,332
Loan Payments	43,260	43,259	43,261
Taxes and Licenses	100	98	97
<b>Total Expenses</b>	<u>218,216</u>	<u>260,472</u>	<u>286,255</u>
<b>NET DEFICIT FOR THE YEAR</b>	<u>0</u>	<u>(24,648)</u>	<u>(68,149)</u>

*See accompanying notes and  
accountants' compilation report*