

# **Foxwood Homeowners Association, Inc.**

**Financial Statements**

**September 30, 2020 and 2019**

# Foxwood Homeowners Association, Inc.

September 30, 2020 and 2019

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**Independent Auditors' Report**

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To the Board of Managers  
Foxwood Homeowners Association, Inc.

We have audited the accompanying financial statements of Foxwood Homeowners Association, Inc., which comprise the balance sheets as of September 30, 2020 and 2019 and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foxwood Homeowners Association, Inc. as of September 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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**Independent Auditors' Report**

**Supplementary Information**

We have audited the financial statements of Foxwood Homeowners Association, Inc. as of and for the year ended September 30, 2020, and have issued our report thereon December 18, 2020 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Required Supplementary Information**

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. Our opinion on the basic financial statements is not affected by the omission of this supplementary information.



DeMilia & Honigman LLP  
Ossining, New York  
December 18, 2020

# Foxwood Homeowners Association, Inc.

## Balance Sheets

September 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Cash	\$ 370,720	\$ 323,457
Prepaid Expenses	43,278	40,485
Truck, net of depreciation	31,324	30,283
<b>Total Assets</b>	<b>\$ 445,322</b>	<b>\$ 394,225</b>
<b>Liabilities and Members' Equity</b>		
Accounts payable and accrued expenses	\$ 30,426	\$ 17,655
Paving Project Payable	328,500	-
<b>Total Liabilities</b>	<b>358,926</b>	<b>17,655</b>
<b>Members' Equity</b>		
Undesignated	86,396	376,570
<b>Total Liabilities and Members' Equity</b>	<b>\$ 445,322</b>	<b>\$ 394,225</b>

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

# Foxwood Homeowners Association, Inc.

## Statements of Operations

For the Years Ended September 30, 2020 and 2019

	2020	2019
<b>Revenue</b>		
Association fees	\$ 771,000	\$ 771,000
Interest income	3,729	2,901
Other revenue	155	2,540
<b>Total revenue</b>	<b>774,884</b>	<b>776,441</b>
<b>Expenses</b>		
Operating Expenses	188,052	187,074
Administrative	56,131	52,058
Repairs and maintenance	436,595	456,526
Property taxes	1,689	1,676
Corporate Taxes	355	411
<b>Total expenses</b>	<b>682,822</b>	<b>697,745</b>
<b>Income from operations</b>	<b>92,062</b>	<b>78,696</b>
Depreciation	(4,486)	(1,122)
Major Repairs - Paving	(328,500)	(22,280)
Major Repairs - Carpentry	(29,500)	-
Major Repairs - Drainage	(10,000)	-
Major Repairs - Pool Steps	(9,750)	-
<b>Net Income (Loss)</b>	<b>\$ (290,174)</b>	<b>\$ 55,294</b>

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

# Foxwood Homeowners Association, Inc.

## Statements of Changes in Members' Equity

For the Years Ended September 30, 2020 and 2019

	Total	Undesignated
<b>Balance as of Year End 2018</b>	321,276	\$ 321,276
Net Income (Loss)	55,294	55,294
<b>Balance as of Year End 2019</b>	376,570	376,570
Net Income (Loss)	(290,174)	(290,174)
<b>Balance as of Year End 2020</b>	<u>\$ 86,396</u>	<u>\$ 86,396</u>

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

# Foxwood Homeowners Association, Inc.

## Statements of Cash Flows

For the Years Ended September 30, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss) for the period	\$ (290,174)	\$ 55,294
Depreciation	4,486	1,122
Changes in prepaid expenses	(2,793)	(269)
Changes in accounts payable and accrued expenses	12,771	(4,600)
Changes in major projects payable	328,500	-
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>52,790</b>	<b>51,547</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of truck	(5,527)	(31,405)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>OTHER ACTIVITIES:</b>		
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>47,263</b>	<b>20,142</b>
Cash and cash equivalents at beginning of period	323,457	303,315
<b>Cash and cash equivalents at end of period</b>	<b>\$ 370,720</b>	<b>\$ 323,457</b>
<b>Supplemental disclosure of cash flow data</b>		
Corporation Taxes Paid	355	411
Cash and cash equivalents consist of the following:		
Cash: Operating	362,102	166,325
Cash: Reserve	8,618	157,132
<b>Total Cash</b>	<b>\$ 370,720</b>	<b>\$ 323,457</b>

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



# Foxwood Homeowners Association, Inc.

## Notes to the Financial Statements

September 30, 2020

### Note 1. Summary of Significant Accounting Policies

Foxwood Homeowners Association, Inc. (the "Association") was incorporated in the State of New York, on October 1, 1977. The Association is responsible for the operation and maintenance of the common property within the development known as Foxwood Condominiums located in Pleasantville, New York. The complex is comprised of 254 condominium units divided as follows; Foxwood I Condominium 65 units, Foxwood II Condominium 88 units, and Foxwood III Condominium 101 units (the "Foxes"). In accordance with its by-laws, a Board of Managers governs the Association.

Property and equipment are stated at cost. Expenditures which represent improvements to property are capitalized, while repairs and maintenance are charged to operations. Depreciation is computed using rates adequate to depreciate the cost of applicable assets over their expected useful lives.

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 maintenance 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 members, 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 18, 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 September 30, 2019 financial statements to conform to the September 30, 2020 financial statement presentation.

# Foxwood Homeowners Association, Inc.

## Notes to the Financial Statements

September 30, 2020

### Note 2. Management Agreement

The Corporation is obligated under an annual agreement for the management of the property which amounted to \$31,093 in 2020 and \$27,966 in 2019.

### Note 3. Commitments

The Association has a contract with a real estate management company to perform the accounting services for the four entities. The contract automatically renews every three years, unless either sides gives notices of termination. The current monthly fee as of September 30, 2020 is \$2,330.

The Association also has an outside company to manage and perform property maintenance, grounds maintenance and snow removal. The property maintenance annual agreement amount to \$205,920 and expires September 30, 2025. The grounds maintenance annual agreement amounted to \$151,731 and expires December 20, 2025. The annual snow removal agreement amounts to \$47,725 and expires April 15, 2025. The snow contract contains certain contingencies depending upon the number of snow storms and amounts of accumulations. The property contract is paid in twelve monthly installments and the grounds and snow removal contracts are paid over nine and five months, respectively, over the respective seasons. The contracts are subject to applicable sales taxes.

At September 30, 2020, future minimum payments for the property, grounds and snow maintenance services are as follows:

2021	\$411,843
2022	411,843
2023	422,139
2024	432,699
2025	443,511

Property, grounds and snow maintenance amounted to \$348,324 and \$360,661, for the years ended September 30, 2020 and 2019, respectively.

### Note 4. Foxwood Condominiums - Annual Association Fees

The Foxes paid association fees for common area charges and insurance for the years ended September 30, 2020 and 2019 as follows:

	2020	2019
Foxwood Condominium I	\$197,303	\$197,303
Foxwood Condominium II	267,118	267,118
Foxwood Condominium III	<u>306,579</u>	<u>306,579</u>
	<u>\$771,000</u>	<u>\$771,000</u>

# Foxwood Homeowners Association, Inc.

## Schedules of Expenses - Supplementary Information

For the Years Ended September 30, 2020 and 2019

	2020	2019
<b>Operating Expenses</b>		
Electricity and Gas	\$ 9,432	\$ 8,623
Water	1,312	1,795
Insurance	127,997	146,035
Payroll and Related Expenses	49,311	30,621
<b>Total Operating Expenses</b>	<b>188,052</b>	<b>187,074</b>
<b>Administrative Expenses</b>		
Management	31,093	27,966
Office Expenses	14,938	13,950
Legal fees	6,600	6,600
Accounting fees	3,500	3,542
<b>Total Administrative Expenses</b>	<b>56,131</b>	<b>52,058</b>
<b>Repairs and Maintenance</b>		
Supplies	7,769	10,294
Exterminating	2,426	3,309
Property Maintenance	162,654	174,957
Pool	38,768	39,846
Electrical	3,976	4,740
Vehicle	921	3,573
Snow removal	45,469	47,725
Landscaping & Grounds	140,202	137,979
Cleaning	22,109	18,962
Security	4,670	11,964
Other repairs and maintenance	7,631	3,177
<b>Total Repairs and Maintenance</b>	<b>436,595</b>	<b>456,526</b>
<b>Additional Expenses</b>		
Property taxes	1,689	1,676
Corporate Taxes	355	411
<b>Total Expenses</b>	<b>\$ 682,822</b>	<b>\$ 697,745</b>

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