Foxwood Homeowners Association, Inc.

Financial Statements

September 30, 2021 and 2020

Foxwood Homeowners Association, Inc.

September 30, 2021 and 2020

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Independent Auditors' Report

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, 2021 and 2020 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, 2021 and 2020, 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, 2021, and have issued our report thereon December 07, 2021 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

DeMilia & Honigman LLP
Ossining, New York
December 07, 2021

Foxwood Homeowners Association, Inc.

Balance Sheets

September 30, 2021 and 2020

		2021		2020
Assets				
Cash	$	96,987	$	370,720
Prepaid Expenses		47,502		43,278
Truck, net of depreciation		26,838		31,324
Total Assets	$	171,327	$	445,322
Liabilities and Members' Equity				
Accounts payable and accrued expenses	$	48,367	$	30,426
Paving Project Payable		-		328,500
Total Liabilities		48,367		358,926
Members' Equity				
Undesignated		122,960		86,396
Total Liabilities and Members' Equity	$	171,327	$	445,322

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

Foxwood Homeowners Association, Inc.

Statements of Operations

For the Years Ended September 30, 2021 and 2020

	2021	2020
Revenue		
Association fees	$ 771,000	$ 771,000
Interest income	78	3,729
Other revenue	3,290	155
Total revenue	774,368	774,884
Expenses		
Operating Expenses	211,265	188,052
Administrative	55,037	56,131
Repairs and maintenance	561,161	436,595
Property taxes	1,701	1,689
Corporate Taxes	354	355
Total expenses	829,518	682,822
Income from operations	(55,150)	92,062
Depreciation	(4,486)	(4,486)
Assessments for Major Repairs	128,500	-
Major Repairs - Paving	-	(328,500)
Major Repairs - Carpentry	(32,300)	(29,500)
Major Repairs - Drainage	-	(10,000)
Major Repairs - Pool Steps	-	(9,750)
Net Income (Loss)	$ 36,564	$ (290,174)

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, 2021 and 2020

	Total	Undesignated
Balance as of Year End 2019	376,570	$ 376,570
Net Income (Loss)	(290,174)	(290,174)
Balance as of Year End 2020	86,396	86,396
Net Income (Loss)	36,564	36,564
Balance as of Year End 2021	$ 122,960	$ 122,960

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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	$ 36,564	$ (290,174)
Depreciation	4,486	4,486
Changes in prepaid expenses	(4,224)	(2,792)
Changes in accounts payable and accrued expenses	17,941	12,770
Changes in major projects payable	(328,500)	328,500
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(273,733)	52,790
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of truck	-	(5,527)
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	(273,733)	47,263
Cash and cash equivalents at beginning of period	370,720	323,457
Cash and cash equivalents at end of period	$ 96,987	$ 370,720
Supplemental disclosure of cash flow data		
Corporation Taxes Paid	354	355
Cash and cash equivalents consist of the following:		
Cash: Operating	38,344	362,102
Cash: Reserve	58,643	8,618
Total Cash	$ 96,987	$ 370,720

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

Foxwood Homeowners Association, Inc.

Notes to the Financial Statements

September 30, 2021

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.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Association believes that its revenue transactions are not within the scope of Topic 606 because their revenue transactions are not with customers but with owners who elect a board to represent them, have voting rights as well as other incidents of ownership. Accordingly, the Association has concluded that Topic 606 is not applicable to these financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB" or "the Board") issued its highly-anticipated leasing standard in ASU 2016-02 ("ASC 842" or "the new standard") for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use ("ROU") assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. No adjustments to the financial statements for the years ended September 30, 2021 and 2020 were required.

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 07, 2021, 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, 2020 financial statements to conform to the September 30, 2021 financial statement presentation.

Note 2. Management Agreement

The Corporation is obligated under an annual agreement for the management of the property which amounted to $28,702 in 2021 and $31,093 in 2020.

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, 2021 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, 2021, future minimum payments for the property, grounds and snow maintenance services are as follows:

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

Property, grounds and snow maintenance amounted to $433,553 and $348,324, for the years ended September 30, 2021 and 2020, respectively.

Foxwood Homeowners Association, Inc.

Notes to the Financial Statements

September 30, 2021

Note 4. Foxwood Condominiums - Annual Association Fees

The Foxes paid association fees for common area charges and insurance for the years ended September 30, 2021 and 2020 as follows:

	2021	2020
Foxwood Condominium I	$197,303	$197,303
Foxwood Condominium II	267,118	267,118
Foxwood Condominium III	306,579	306,579
	$771,000	$771,000

Note 5. Contingencies

In 2020, a worldwide pandemic emerged which is known as the Coronavirus (COVID-19.) COVID-19 has caused the New York metropolitan area to significantly curtail its economic and social activities. As of the date of issuance of the accompanying financial statements, the financial and operational impacts of COVID-19 on the Association and its owners were uncertain and cannot be reasonably estimated.

Foxwood Homeowners Association, Inc.

Schedules of Expenses - Supplementary Information

For the Years Ended September 30, 2021 and 2020

	2021	2020
Operating Expenses		
Electricity and Gas	$ 10,628	$ 9,432
Water	3,020	1,312
Insurance	148,510	127,998
Payroll and Related Expenses	49,107	49,311
Total Operating Expenses	211,265	188,053
Administrative Expenses		
Management	28,702	31,093
Office Expenses	16,235	14,938
Legal fees	6,600	6,600
Accounting fees	3,500	3,500
Total Administrative Expenses	55,037	56,131
Repairs and Maintenance		
Boiler	8,344	1,278
Supplies	23,064	7,769
Exterminating	2,538	2,426
Property Maintenance	205,912	162,654
Pool	50,570	38,768
Electrical	7,098	3,976
Vehicle	1,552	921
Snow removal	67,658	45,469
Landscaping & Grounds	159,983	140,202
Cleaning	25,480	22,109
Security	542	4,670
Other repairs and maintenance	8,420	6,353
Total Repairs and Maintenance	561,161	436,595
Additional Expenses		
Property taxes	1,701	1,689
Corporate Taxes	354	355
Total Expenses	$ 829,518	$ 682,823

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