

Foxwood Homeowners Association, Inc.

Financial Statements

September 30, 2023 and 2022

Foxwood Homeowners Association, Inc.

September 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Managers
Foxwood Homeowners Association, Inc.

Opinion

We have audited the accompanying financial statements of Foxwood Homeowners Association, Inc., which comprise the balance sheets as of September 30, 2023 and 2022 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.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foxwood Homeowners Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foxwood Homeowners Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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Independent Auditors' Report

Auditor's Responsibility for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foxwood Homeowners Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foxwood Homeowners Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

We have audited the financial statements of Foxwood Homeowners Association, Inc. as of and for the year ended September 30, 2023, and have issued our report thereon 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.

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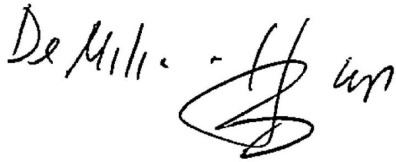
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Independent Auditors' Report

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.

A handwritten signature in black ink, appearing to read "DeMilia & Honigman". The signature is stylized and somewhat cursive, with the letters "D", "H", and "M" being particularly prominent.

DeMilia & Honigman LLP
Briarcliff Manor, New York

Foxwood Homeowners Association, Inc.

Balance Sheets

September 30, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 70,124	\$ 11,517
Prepaid Expenses	58,641	52,746
Truck, net of depreciation	17,865	22,351
Total Assets	\$ 146,630	\$ 86,614
Liabilities and Members' Equity		
Accounts payable and accrued expenses	\$ 50,077	\$ 68,120
Total Liabilities	50,077	68,120
Members' Equity		
Undesignated	96,553	18,494
Total Liabilities and Members' Equity	\$ 146,630	\$ 86,614

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

Foxwood Homeowners Association, Inc.

Statements of Operations

For the Years Ended September 30, 2023 and 2022

	2023	2022
Revenue		
Association fees	\$ 938,500	\$ 771,000
Interest income	2	2
Other revenue	2,234	1,642
Total revenue	940,736	772,644
Expenses		
Operating Expenses	236,296	229,918
Administrative	60,593	62,375
Repairs and maintenance	552,043	551,025
Property taxes	1,759	1,724
Total expenses	850,691	845,042
Income from operations	90,045	(72,398)
Depreciation	(4,486)	(4,486)
Major Repairs - Paving	-	(2,485)
Major Repairs - Drainage	(7,500)	(4,997)
Major Repairs -Staircases	-	(20,100)
Net Income (Loss)	\$ 78,059	\$ (104,466)

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, 2023 and 2022

	Total	Undesignated
Balance as of Year End 2021	122,960	\$ 122,960
Net Income (Loss)	(104,466)	(104,466)
Balance as of Year End 2022	18,494	18,494
Net Income (Loss)	78,059	78,059
Balance as of Year End 2023	<u>\$ 96,553</u>	<u>\$ 96,553</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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ 78,059	\$ (104,466)
Depreciation	4,486	4,486
Changes in prepaid expenses	(5,895)	(5,243)
Changes in accounts payable and accrued expenses	(18,043)	19,753
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	58,607	(85,470)
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	58,607	(85,470)
Cash and cash equivalents at beginning of period	11,517	96,987
Cash and cash equivalents at end of period	\$ 70,124	\$ 11,517

Supplemental disclosure of cash flow data

Cash and cash equivalents consist of the following:

Cash: Operating	64,540	5,915
Cash: Reserve	5,584	5,602
Total Cash	\$ 70,124	\$ 11,517

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

Foxwood Homeowners Association, Inc.

Notes to the Financial Statements

September 30, 2023

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 Association'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.

Foxwood Homeowners Association, Inc.

Notes to the Financial Statements

September 30, 2023

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, 2023 and 2022 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 , 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, 2022 financial statements to conform to the September 30, 2023 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 2023 and \$28,702 in 2022.

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, 2023 is \$2,391.83.

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, 2023, future minimum payments for the property, grounds and snow maintenance services are as follows:

2024	\$432,699
2025	\$443,511

Property, grounds and snow maintenance amounted to \$434,115 and \$440,255, for the years ended September 30, 2023 and 2022, respectively.

Foxwood Homeowners Association, Inc.

Notes to the Financial Statements

September 30, 2023

Note 4. Foxwood Condominiums - Annual Association Fees

The Foxes paid association fees for common area charges and insurance for the years ended September 30, 2023 and 2022 as follows:

	2023	2022
Foxwood Condominium I	\$233,776	\$197,303
Foxwood Condominium II	316,508	267,118
Foxwood Condominium III	363,216	306,579
Assitonal	<u>25,000</u>	<u>0</u>
	<u>\$938,500</u>	<u>\$771,000</u>

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, 2023 and 2022

	2023	2022
Operating Expenses		
Electricity and Gas	\$ 13,854	\$ 12,893
Water	1,114	506
Insurance	171,610	164,985
Payroll and Related Expenses	49,718	51,534
Total Operating Expenses	236,296	229,918
Administrative Expenses		
Management	28,702	28,702
Office Expenses	21,446	23,573
Legal fees	6,600	6,600
Accounting fees	3,845	3,500
Total Administrative Expenses	60,593	62,375
Repairs and Maintenance		
Boiler	157	-
Supplies	12,822	17,109
Exterminating	3,022	2,820
Garbage Sheds	10,450	-
Property Maintenance	211,060	205,912
Pool	49,671	54,824
Electrical	214	3,173
Vehicle	2,410	1,081
Snow removal	56,621	63,201
Landscaping & Grounds	166,434	171,142
Cleaning	26,068	25,035
Security	135	514
Other repairs and maintenance	12,979	6,214
Total Repairs and Maintenance	552,043	551,025
Additional Expenses		
Property taxes	1,759	1,724
Total Expenses	\$ 850,691	\$ 845,042

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