

FOXWOOD CONDOMINIUM I
FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

FOXWOOD CONDOMINIUM I
SEPTEMBER 30, 2017 & 2016
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Fund Balances	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Statements of Repairs & Maintenance	9



GROSSBACH ZAINO & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Board of Managers of
Foxwood Condominium I
Pleasantville, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Foxwood Condominium I (Entity) which comprise the balance sheets as of September 30, 2017 and 2016 and the related statements of revenues, expenses and changes in fund balances, 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 the 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 statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the 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 the procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 above present fairly, in all material respects, the financial position of Foxwood Condominium I as of September 30, 2017 and 2016 and the results of its operations, changes in its fund balance and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Statement of Repairs and Maintenance on Page 9 is presented for purposes of additional analysis and is not required part of the financial statements. The 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 the 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 taken as a whole

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 7, the Board of Managers has omitted the information about the estimates of future costs of 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 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 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 missing information.

Grossbach, Zaino, & Associates, CPA's PC

Grossbach Zaino & Associates, CPA's, PC
Rye Brook, NY
February 12, 2018

FOXWOOD CONDOMINIUM I
BALANCE SHEETS
FOR THE YEARS ENDED SEPTEMBER 30,

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash In Checking	\$ 57,284	\$ 51,100
Cash in Savings	114,086	87,655
Total Cash	171,370	138,755
OTHER ASSETS		
Due From Unit Owners	3,194	4,027
Total Current Assets	3,194	4,027
TOTAL ASSETS	\$ 174,564	\$ 142,782
LIABILITIES & FUND BALANCE		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 15,580	\$ 15,294
Prepaid Assessments	1,004	-
TOTAL LIABILITIES	16,584	15,294
FUND BALANCE		
Undesignated	157,980	127,488
TOTAL FUND BALANCE	157,980	127,488
TOTAL LIABILITIES & FUND BALANCE	\$ 174,564	\$ 142,782

The Accompanying Notes and Independent Auditors Report are an Integral Part of the Financial Statements.

FOXWOOD CONDOMINIUM I
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED SEPTEMBER 30,

	2017	2016
REVENUES		
Maintenance Assessments	\$ 461,440	\$ 461,440
Assessment income	(1,143)	990
Interest Income	571	290
Other	10,138	3,410
TOTAL REVENUE	471,006	466,130
EXPENSES		
Foxwood Homeowners Association Fees	197,303	197,303
	197,303	197,303
Administrative Expenses:		
Income Taxes	81	71
Professional Fees	10,371	3,478
Office Related	4,127	188
Total Administrative Expenses	14,579	3,737
Common Area Expenses Specific to Condominium I:		
Maintenance and Repairs	102,905	36,266
Landscaping Maintenance	1,105	7,089
Heating Related Repairs & Maintenance	3,647	18,518
Total Common Area Expenses Specific to Condominium I	107,657	61,873
Utility Expenses:		
Fuel Oil	87,194	86,758
Electricity	11,922	11,298
Water	21,859	34,452
Total Utility Expenses	120,975	132,508
TOTAL EXPENSES	440,514	395,421
Excess of Revenues Over Expenses	30,492	70,709
Beginning Fund Balance	127,488	56,779
Ending Fund Balance	\$ 157,980	\$ 127,488

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FOXWOOD CONDOMINIUM I
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Revenues over Expenses	\$ 30,492	\$ 70,709
Adjustments To Reconcile Excess Of Revenues Over Expenses To Net Cash Provided By Operating Activities:		
(Increase)/Decrease in:		
Due From Unit Owners	833	(2,385)
	833	(2,385)
(Decrease)/Increase in:		
Accounts Payable and Accrued Expenses	286	(7,765)
Prepaid Assessments	1,004.00	(547)
	1,290.00	(8,312)
Net Cash Provided by Operating Activities	32,615	60,012
CASH AT BEGINNING OF YEAR	138,755	78,743
CASH AT END OF YEAR	\$ 171,370	\$ 138,755
 <i>SUPPLEMENTAL DISCLOSURES:</i>		
INCOME TAX PAID	\$ 81	\$ 71
INTEREST PAID	\$ -	\$ -

The Accompanying Notes and Independent Auditors Report are an Integral Part of the Financial Statements.

FOXWOOD CONDOMINIUM I
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 & 2016

NOTE 1 – NATURE OF ORGANIZATION

Foxwood Condominium I (Fox I) consists of 65 units and was established in October 1977, in the State of New York. Fox I is one of three entities that make up Foxwood Condominiums in Pleasantville, NY. The other two entities are known as Foxwood Condominiums II & III (Fox II & Fox III) that consist of 88 and 101 units respectively. In addition, there is Foxwood Homeowners Association, Inc. (FHA) which Fox I pay a proportionate fee to for the general common area maintenance and insurance of Foxwood Condominiums. Fox I is responsible for the direct operation and maintenance of the common property within its development. In accordance with its by-laws a Board of Managers govern Fox I.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

Fox I maintains its accounts using fund and accrual accounting. Financial resources are classified for accounting and reporting purposes as operating funds. Fox I has not set up a separate replacement fund.

Depreciation

Capitalized equipment is depreciated over its estimated useful life using the straight line method of depreciation. At September 30, 2017 and 2016 there was no capitalized equipment.

Cash and Cash Equivalents

Fox I considers securities purchased with maturities of three months or less to be cash equivalents.

Maintenance Assessments

Fox I unit owners are subject to monthly maintenance assessments to provide funds for Fox I's direct operating expenses, repairs and replacements. In addition a portion of these maintenance assessments are paid to FHA for the common area maintenance and insurance. Amounts due from unit owners represent maintenance assessments receivable at September 30, 2017 and 2016. Fox I's policy is to retain legal counsel on those unit owners whose common assessments are delinquent 90 days or more. Any excess common assessments at year-end are retained by Fox I for use in the succeeding year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Homeowners' associations may be taxed either as homeowner associations or as regular corporations. In fiscal years 2017 and 2016, Fox I elected to be taxed as a homeowner association. Under that election, Fox I is taxed on its nonexempt function income, such as interest earnings, at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable. Fox I is liable for the minimum NYS franchise tax in fiscal years 2017 and 2016.

Fox I's tax filings are subject to examination by the Internal Revenue Service and/or New York State Taxation and Finance. The years open are fiscal years 2017, 2016 and 2015. In evaluating Fox I's tax provisions and accruals, management believes that its estimates are appropriate based on current facts and circumstances.

Property and Equipment

Fox I capitalizes all equipment to which it has title or other evidence of ownership with the exception of real property directly associated with the units. Real property and common areas acquired from the developer and related improvements to such property are not recorded in Fox I's financial statements because those properties are owned by the individual unit owners in common and not by Fox I.

Subsequent Events

In preparing the financial statements, Fox I has evaluated events and transactions for potential recognition or disclosure through February 12, 2018 the date the financial statements were available to be issued.

NOTE 3 – UNINSURED CASH BALANCES

Fox I has interest-bearing deposits and a checking account with a commercial bank. At September 30, 2017 and 2016, Fox I deposits did not exceed federal depository insurance coverage (FDIC).

NOTE 4 – MAINTENANCE ASSESSMENTS

Maintenance assessments are billed to the unit owners on the first of the month at which time revenue is recognized.

NOTE 5 – RELATED PARTY TRANSACTIONS

During the years ended September 30, 2017 and 2016, Fox I has collected maintenance assessments from its unit holders and remitted a portion to FHA for the purpose of maintaining the common areas and insurance of the property. On occasion, expenses have been paid and assessments receipted on behalf of the other associations.

In fiscal years 2017 and 2016 Fox I submitted 25.6% of the total budget of FHA or \$197,303 for common area maintenance and insurance.

NOTE 6 – PREPAID ASSESSMENTS

Prepaid assessments consist of fees received in advance of their due date.

NOTE 7 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

Fox, I has not conducted an outside study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future, however the board of managers developed an internal thirty-year plan to fund those needs. When funds are required for major repairs and replacements, Fox I plans to borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

FOXWOOD CONDOMINIUM I
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2017	2016
Common Area Expenses Specific to Fox 1 Condo		
REPAIRS & MAINTENANCE		
Exterminating	2,228	2,497
Normal Repairs & Maintenance	28,269	13,161
Materials / Supplies / Equip.	618	1,785
Plumbing Repairs	8,264	12,251
Electrical Repairs	0	444
Dryer	4,188	-
Masonry	22,000	92
Sewer / Septic Maintenance	3,178	4,360
Sump Pump	3,566	1,676
Lobby Improvements	30,594	-
TOTAL REPAIRS & MAINTENANCE	\$ 102,905	\$ 36,266
Landscaping & Treework		
Landscaping	300	1,613
Tree Work	805	5,476
TOTAL LANDSCAPING & TREWORK	\$ 1,105	\$ 7,089
Heating Related Repairs & Maintenance		
HVAC Repairs	3,647	18,518
TOTAL HEATING RELATED REPAIRS & MAINTENANCE	\$ 3,647	\$ 18,518

The Accompanying Notes and Independent Auditors Report are an Integral Part of the Financial Statements.