

**FOXWOOD CONDOMINIUM I**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

# FOXWOOD CONDOMINIUM I

## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Members' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 8
SUPPLEMENTARY INFORMATION	
Schedules of Repairs and Maintenance	9



**GROSSBACH ZAINO & ASSOCIATES, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To The Board of Managers of  
Foxwood Condominium I

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Foxwood Condominium I (the "Condominium") which comprise the balance sheets as of September 30, 2018 and 2017, and the related statements of revenues, expenses and 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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits 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 Condominium'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 Condominium'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, 2018 and 2017, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information 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**

Management 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*

Rye Brook, New York  
February 11, 2019

**FOXWOOD CONDOMINIUM I  
BALANCE SHEETS  
SEPTEMBER 30,**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 230,088	\$ 171,370
Common charges and other receivables	<u>1,114</u>	<u>3,194</u>
Total current assets	<u>231,202</u>	<u>174,564</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 231,202</u></u>	<u><u>\$ 174,564</u></u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 15,293	\$ 15,580
Prepaid common charges	<u>1,004</u>	<u>1,004</u>
Total current liabilities	<u>16,297</u>	<u>16,584</u>
<b>MEMBERS' EQUITY</b>		
Members' equity	<u>214,905</u>	<u>157,980</u>
Total members' equity	<u>214,905</u>	<u>157,980</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u><u>\$ 231,202</u></u>	<u><u>\$ 174,564</u></u>

See notes to financial statements.

**FOXWOOD CONDOMINIUM I**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDED SEPTEMBER 30,**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Common charges	\$ 461,440	\$ 461,440
Special assessment refunds	-	(1,143)
Interest income	270	571
Other income	8,784	10,138
	<u>470,494</u>	<u>471,006</u>
<b>TOTAL REVENUES</b>		
<b>EXPENSES</b>		
Homeowners association fees	197,303	197,303
Fuel costs	85,912	87,194
Electric	11,476	11,922
Water and sewer charges	29,598	21,859
Repairs and maintenance	84,620	106,552
Landscaping and tree work	4,306	1,105
Professional fees	46	10,371
Office administration	74	4,127
Corporation taxes	234	81
	<u>413,569</u>	<u>440,514</u>
<b>TOTAL EXPENSES</b>		
<b>EXCESS OF REVENUES OVER EXPENSES</b>	56,925	30,492
<b>MEMBERS' EQUITY - BEGINNING OF YEAR</b>	<u>157,980</u>	<u>127,488</u>
<b>MEMBERS' EQUITY - END OF YEAR</b>	<u><u>\$ 214,905</u></u>	<u><u>\$ 157,980</u></u>

See notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 56,925	\$ 30,492
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
(Increase) decrease in assets:		
Common charges and other receivables	2,080	833
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(287)	286
Prepaid common charges	-	1,004
	<u>58,718</u>	<u>32,615</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>58,718</u>	<u>32,615</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	58,718	32,615
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>171,370</u>	<u>138,755</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 230,088</u></u>	<u><u>\$ 171,370</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Income taxes paid	<u><u>\$ 234</u></u>	<u><u>\$ 81</u></u>

See notes to financial statements.



**FOXWOOD CONDOMINIUM I**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - NATURE OF ORGANIZATION**

Foxwood Condominium I (the "Condominium") was incorporated in the State of New York, on October 1, 1977. The Condominium consist of 65 units and is one of three entities that make up Foxwood Condominiums in Pleasantville, NY. The other two entities, Foxwood Condominiums II and III (Fox II and Fox III) consist of 88 and 101 units, respectively. In addition, there is Foxwood Homeowners Association, Inc. (FHA) which the Condominium pays a proportionate fee to for the general common area maintenance and insurance of Foxwood Condominiums. The Condominium 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 the Condominium.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents

The Condominium considers highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Common Charges and Other Receivables

The Condominium unit owners are subject to monthly common charges to provide funds for the Condominium's direct operating expenses, future capital acquisitions and major repairs and replacements. In addition, a portion of these common charges are paid to the FHA for the common area maintenance and insurance. Common charges and other receivables at the balance sheet date represent amounts due from the unit holders. The Condominium's policy is to retain legal counsel to pursue collection of common charges that are delinquent 90 days or more. Any excess charges at year-end are retained by Condominium for use in the succeeding year.

Property and Equipment

The Condominium 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 the Condominium's financial statements because those properties are owned by the individual unit owners in common and not by Condominium.

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.



**FOXWOOD CONDOMINIUM I**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Reclassifications

Certain accounts in the September 30, 2017 financial statements have been reclassified to conform to the September 30, 2018 presentation. Such reclassifications have no effect on previously reported excess of revenues over expenses.

Date of Management's Review

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through February 11, 2019, the date the financial statements were available to be issued.

**NOTE 3 - COMMON CHARGES AND ASSOCIATION FEES**

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

During the years ended September 30, 2018 and 2017, the Condominium collected common charges from its unit holders and remitted a portion to the FHA for the purpose of maintaining the common areas and insurance of the property.

In fiscal years 2018 and 2017, the Condominium paid \$197,303 to the FHA for association fees, which represents 25.59% of the FHA annual budget.

**NOTE 4 - INCOME TAXES**

Under the Internal Revenue Code, homeowner associations, can elect to be taxed either as a homeowner association, if certain tests are met, or as regular corporation. Under that election, the Condominium is taxed on nonexempt function income, such as interest earnings, at a flat rate of 30%. Exempt function income, which consists of primarily of member charges, is not taxable. In fiscal years 2018 and 2017, the Condominium elected to be taxed as a homeowner association. The Condominium may elect either method for any year and will generally select the method that results in the lowest tax due.

The Condominium follows ASC 740-10 "Income Taxes" regarding uncertain tax positions. The Condominium recognizes the effect of income tax positions only if those are more likely than not of being sustained. Management has determined that the Condominium had no uncertain tax positions as of September 30, 2018 that would require recognition or disclosure in the financial statements.

The Condominium is subject to routine audits, at September 30, 2018, there are no audits in progress. The Condominium is no longer subject to income tax examinations for years prior to September 30, 2014.

**FOXWOOD CONDOMINIUM I**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE 5 - CONCENTRATION OF CREDIT RISK**

The Condominium maintains its cash and cash equivalents at financial institutions in the New York metropolitan area. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At September 30, 2018, the Condominium had no cash and cash equivalents in excess of FDIC insurance.

**NOTE 6 - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Condominium has not conducted a study to determine the remaining useful lives of the components of common property and estimates of costs of major repairs and replacements that may be required in the future, nor has the Condominium developed a plan to fund those needs. When funds are required for major repairs and replacements, the Condominium plans to borrow, increase common charges, utilize its existing credit line, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

The board of managers have developed an internal plan to estimate the costs of major repairs and replacements that may be required in the future.

**FOXWOOD CONDOMINIUM I  
SCHEDULES OF REPAIRS AND MAINTENANCE  
FOR THE YEARS ENDED SEPTEMBER 30,**

	2018	2017
<b>REPAIRS AND MAINTENANCE</b>		
Exterminating	\$ 3,140	\$ 2,228
Other repairs and maintenance	376	28,269
Materials and supplies	230	618
Plumbing repairs	2,901	8,264
Electrical repairs	819	-
Dryer repairs	-	4,188
Masonry	26,500	22,000
Sewer and septic maintenance	2,749	3,178
Sump pump	1,500	3,566
Major repairs and improvements	39,987	30,594
HVAC Repairs	6,418	3,647
<b>TOTAL REPAIRS AND MAINTENANCE</b>	<b>\$ 84,620</b>	<b>\$ 106,552</b>