

Foxwood Condominium I

Financial Statements

September 30, 2023 and 2022

Foxwood Condominium I

September 30, 2023 and 2022

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Auditors' Report	1 - 3
Balance Sheets	4
Statements of Operations	5
Statements of Changes in Members' Equity	6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 9
Schedules of Expenses - Supplementary Information	10

DEMILIA AND HONIGMAN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1270 PLEASANTVILLE ROAD

BRIARCLIFF MANOR, NY 10510

TEL. (914) 762-0230

WWW.DHCPAS.BIZ

FAX (914) 762-3260

Independent Auditors' Report

To the Board of Managers
Foxwood Condominium I

Opinion

We have audited the accompanying financial statements of Foxwood Condominium I, 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 Condominium I 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 Condominium I 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 Condominium I'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.

DEMILIA AND HONIGMAN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1270 PLEASANTVILLE ROAD

BRIARCLIFF MANOR, NY 10510

TEL. (914) 762-0230

WWW.DHCPAS.BIZ

FAX (914) 762-3260

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 Condominium I'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 Condominium I'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 Condominium I as of and for the year ended September 30, 2023, and have issued our report thereon December 03, 2023 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.

DEMILIA AND HONIGMAN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1270 PLEASANTVILLE ROAD

BRIARCLIFF MANOR, NY 10510

TEL. (914) 762-0230

WWW.DHCPAS.BIZ

FAX (914) 762-3260

Independent Auditors' Report

Required Supplementary Information

The Condominium 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 cursive, with the letters "D", "H", and "M" being particularly prominent.

DeMilia & Honigman LLP
Briarcliff Manor, New York
December 03, 2023

Foxwood Condominium I

Balance Sheets

September 30, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 333,064	\$ 238,249
Accounts receivable	2,998	-
Total Assets	\$ 336,062	\$ 238,249
Liabilities and Members' Equity		
Accounts payable and accrued expenses	\$ 6,867	\$ 9,325
Security Deposits Payable	2,956	2,956
Income Received in Advance	7,076	6,744
Total Liabilities	16,899	19,025
Members' Equity		
Undesignated	319,163	219,224
Total Liabilities and Members' Equity	\$ 336,062	\$ 238,249

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

Foxwood Condominium I

Statements of Operations

For the Years Ended September 30, 2023 and 2022

	2023	2022
Revenue		
Common charges	\$ 499,883	\$ 461,440
Capital Contribution	6,831	3,800
Interest income	1,861	691
Other revenue	7,312	2,669
Total revenue	515,887	468,600
Expenses		
Operating Expenses	397,569	361,829
Administrative	5,351	4,785
Repairs and maintenance	48,641	159,642
Corporate Taxes	-	182
Total expenses	451,561	526,438
Income from operations	64,326	(57,838)
Assessments for Major Repairs	102,908	-
Major - Exterior	(34,600)	-
Major - Paving	-	(5,230)
Major - Oil Tank Replacement	(32,695)	-
Net Income (Loss)	\$ 99,939	\$ (63,068)

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

Foxwood Condominium I

Statements of Changes in Members' Equity

For the Years Ended September 30, 2023 and 2022

	Total	Undesignated
Balance as of Year End 2021	282,292	\$ 282,292
Net Income (Loss)	(63,068)	(63,068)
Balance as of Year End 2022	219,224	219,224
Net Income (Loss)	99,939	99,939
Balance as of Year End 2023	<u>\$ 319,163</u>	<u>\$ 319,163</u>

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

Foxwood Condominium I

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	\$ 99,939	\$ (63,068)
Changes in receivables	(2,998)	-
Changes in prepaid common charges	332	551
Changes in accounts payable and accrued expenses	(2,458)	(207)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	94,815	(62,724)
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	94,815	(62,724)
Cash and cash equivalents at beginning of period	238,249	300,972
Cash and cash equivalents at end of period	\$ 333,064	\$ 238,248
Supplemental disclosure of cash flow data		
Corporation Taxes Paid	-	182
Cash and cash equivalents consist of the following:		
Cash: Operating	139,453	47,573
Cash: Reserve	193,611	190,675
Total Cash	\$ 333,064	\$ 238,248

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

Foxwood Condominium I

Notes to the Financial Statements

September 30, 2023

Note 1. Summary of Significant Accounting Policies

Nature of the organization: Foxwood Condominium I (the "Condominium") was formed in the State of New York, on October 1, 1977. The Condominium consists 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.

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, if applicable.

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.

Foxwood Condominium I

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 owners, 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 03, 2023, 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. Capital Contribution

The Condominium requires a capital contribution of 2 months of common charges upon the sale of a unit.

Note 3. 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 Condominium and its owners were uncertain and cannot be reasonably estimated.

Note 4. Assessment

In November 2022 the Association declared an assessment of \$160,000 to provide funds for capital projects. Owners had an option to prepay the full assessment, and twelve (12) owners prepaid. The remaining owners will be billed over eighteen (18) months, with the assessment scheduled to expire in May 2024.

Foxwood Condominium I

Schedules of Expenses - Supplementary Information

For the Years Ended September 30, 2023 and 2022

	2023	2022
Operating Expenses		
Electricity and Gas	\$ 11,775	\$ 12,002
Water	27,672	29,611
Fuel costs	112,961	122,912
Insurance	4,999	-
HOA Fees	240,162	197,303
Total Operating Expenses	397,569	361,828
Administrative Expenses		
Office Expenses	1,506	1,285
Accounting fees	3,845	3,500
Total Administrative Expenses	5,351	4,785
Repairs and Maintenance		
Boiler	10,589	80,299
Plumbing	4,388	8,581
Supplies	9,423	3,791
Exterminating	6,069	4,980
Doors, Locks, and Glass	428	54
Electrical	3,354	10,476
Crawl space cleaning	-	13,435
Dryer vent cleaning	4,474	4,704
Cleaning	-	1,050
Landscaping & Grounds	2,575	21,603
Other repairs and maintenance	7,341	10,669
Total Repairs and Maintenance	48,641	159,642
Additional Expenses		
Corporate Taxes	-	182
Total Expenses	\$ 451,561	\$ 526,437

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