

Foxwood Condominium III

Financial Statements

September 30, 2021 and 2020

Foxwood Condominium III

September 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Managers
Foxwood Condominium III

We have audited the accompanying financial statements of Foxwood Condominium III, 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 Condominium III 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 Condominium III as of and for the year ended September 30, 2021, and have issued our report thereon December 06, 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 LLP
Ossining, New York
December 06, 2021

Foxwood Condominium III

Balance Sheets

September 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 595,191	\$ 573,445
Accounts receivable	10,347	744
Total Assets	\$ 605,538	\$ 574,189
Liabilities and Members' Equity		
Accounts payable and accrued expenses	\$ 13,352	\$ 74,528
Security Deposits Payable	3,651	-
Income Received in Advance	4,465	2,193
Total Liabilities	21,468	76,721
Members' Equity		
Undesignated	584,070	497,468
Total Liabilities and Members' Equity	\$ 605,538	\$ 574,189

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

Foxwood Condominium III

Statements of Operations

For the Years Ended September 30, 2021 and 2020

	2021	2020
Revenue		
Common charges	\$ 685,534	\$ 685,534
Working capital contribution	2,193	2,981
Interest income	3,667	6,304
Other revenue	8,533	4,516
Total revenue	699,927	699,335
Expenses		
Operating Expenses	541,049	539,245
Administrative	6,533	8,155
Repairs and maintenance	52,493	83,320
Corporate Taxes	-	525
Total expenses	600,075	631,245
Income from operations	99,852	68,090
Major - Carpentry	-	(63,895)
Major - Gutters	(3,800)	-
Major - Dryer vents	(450)	(1,300)
Major - Paving and stone work	(9,000)	(51,096)
Net Income (Loss)	\$ 86,602	\$ (48,201)

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

Foxwood Condominium III

Statements of Changes in Members' Equity

For the Years Ended September 30, 2021 and 2020

	Total	Undesignated
Balance as of Year End 2019	545,669	\$ 545,669
Net Income (Loss)	(48,201)	(48,201)
Balance as of Year End 2020	497,468	497,468
Net Income (Loss)	86,602	86,602
Balance as of Year End 2021	<u>\$ 584,070</u>	<u>\$ 584,070</u>

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

Foxwood Condominium III

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	\$ 86,602	\$ (48,201)
Changes in receivables	(9,603)	1,523
Changes in prepaid common charges	2,272	564
Changes in security deposits	3,651	-
Changes in accounts payable and accrued expenses	(61,176)	41,655
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	21,746	(4,459)
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	21,746	(4,459)
Cash and cash equivalents at beginning of period	573,445	577,904
Cash and cash equivalents at end of period	\$ 595,191	\$ 573,445
Supplemental disclosure of cash flow data		
Corporation Taxes Paid	-	525
Cash and cash equivalents consist of the following:		
Cash: Operating	154,874	146,273
Cash: Reserve	440,317	427,172
Total Cash	\$ 595,191	\$ 573,445

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

Foxwood Condominium III

Notes to the Financial Statements

September 30, 2021

Note 1. Summary of Significant Accounting Policies

Nature of the organization: Foxwood Condominium III (the "Condominium") was formed in the State of New York, on October 1, 1977. The Condominium consist of 101 units and is one of three entities that make up Foxwood Condominiums in Pleasantville, NY. The other two entities, Foxwood Condominiums I and II (Fox I and Fox II) consist of 65 and 88 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 III

Notes to the Financial Statements

September 30, 2021

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 owners, if any, may be excluded from taxation if certain elections are made. In addition, the state assess a tax based on capital.

The Association has evaluated events and transactions that occurred through December 06, 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. Capital Contribution

The Association 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.

Foxwood Condominium III

Schedules of Expenses - Supplementary Information

For the Years Ended September 30, 2021 and 2020

	2021	2020
Operating Expenses		
Electricity and Gas	\$ 19,926	\$ 17,992
Water	47,817	46,782
Fuel costs	166,727	167,892
HOA Dues	306,579	306,579
Total Operating Expenses	541,049	539,245
Administrative Expenses		
Office Expenses	723	505
Accounting fees	3,500	3,500
Consulting fees	2,310	-
Engineer fees	-	4,150
Total Administrative Expenses	6,533	8,155
Repairs and Maintenance		
Boiler	6,154	13,965
Plumbing	10,024	8,112
Supplies	9,448	47,991
Exterminating	7,816	3,080
Electrical	570	867
Chimney	1,578	-
Landscaping & Grounds	13,772	8,239
Janitorial	325	-
Other repairs and maintenance	2,806	1,066
Total Repairs and Maintenance	52,493	83,320
Additional Expenses		
Corporate Taxes	-	525
Total Expenses	\$ 600,075	\$ 631,245

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