

Foxwood Condominium III

Financial Statements

September 30, 2023 and 2022

Foxwood Condominium III

September 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Managers
Foxwood Condominium III

Opinion

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

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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 a large, looped initial "D" and "H".

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

Foxwood Condominium III

Balance Sheets

September 30, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 535,546	\$ 581,749
Accounts receivable	2,099	-
Total Assets	\$ 537,645	\$ 581,749
Liabilities and Members' Equity		
Accounts payable and accrued expenses	\$ 30,344	\$ 17,074
Security Deposits Payable	3,651	3,651
Income Received in Advance	9,850	5,375
Total Liabilities	43,845	26,100
Members' Equity		
Undesignated	493,800	555,649
Total Liabilities and Members' Equity	\$ 537,645	\$ 581,749

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

Foxwood Condominium III

Statements of Operations

For the Years Ended September 30, 2023 and 2022

	2023	2022
Revenue		
Common charges	\$ 734,047	\$ 685,534
Working capital contribution	7,121	-
Interest income	5,731	1,025
Other revenue	9,326	8,511
Total revenue	756,225	695,070
Expenses		
Operating Expenses	595,344	550,001
Administrative	12,053	18,465
Repairs and maintenance	76,699	85,297
Corporate Taxes	450	397
Total expenses	684,546	654,160
Income from operations	71,679	40,910
Assessments for Major Repairs	84,800	-
Major - Carpentry	-	(14,000)
Major - Gutters	(37,401)	-
Major - Pipe break	-	(17,356)
Major - Dryer vents	(29,976)	(20,265)
Major - Paving and stone work	(37,048)	-
Major - Footings and beams	-	(13,200)
Major - Entry stair and ramp	-	(4,510)
Major - Exterior	(85,725)	-
Major - Stone Wall	(28,178)	-
Net Income (Loss)	\$ (61,849)	\$ (28,421)

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, 2023 and 2022

	Total	Undesignated
Balance as of Year End 2021	584,070	\$ 584,070
Net Income (Loss)	(28,421)	(28,421)
Balance as of Year End 2022	555,649	555,649
Net Income (Loss)	(61,849)	(61,849)
Balance as of Year End 2023	<u>\$ 493,800</u>	<u>\$ 493,800</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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ (61,849)	\$ (28,421)
Changes in receivables	(2,099)	10,347
Changes in prepaid common charges	4,475	910
Changes in accounts payable and accrued expenses	13,270	3,722
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(46,203)	(13,442)
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	(46,203)	(13,442)
Cash and cash equivalents at beginning of period	581,749	595,191
Cash and cash equivalents at end of period	\$ 535,546	\$ 581,749
Supplemental disclosure of cash flow data		
Corporation Taxes Paid	450	397
Cash and cash equivalents consist of the following:		
Cash: Operating	77,877	129,690
Cash: Reserve	457,669	452,059
Total Cash	\$ 535,546	\$ 581,749

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

Foxwood Condominium III

Notes to the Financial Statements

September 30, 2023

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 did 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, 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 assess 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 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.

Note 4. Assessment

In November 2022, the Association declared an assessment of \$84,800 to provide funds for capital projects. The assessment began in December 2022 and concluded in September 2023.

Foxwood Condominium III

Schedules of Expenses - Supplementary Information

For the Years Ended September 30, 2023 and 2022

	2023	2022
Operating Expenses		
Electricity and Gas	\$ 19,010	\$ 18,444
Water	43,302	47,298
Fuel costs	159,884	177,680
HOA Dues	373,148	306,579
Total Operating Expenses	595,344	550,001
Administrative Expenses		
Office Expenses	2,653	1,145
Accounting fees	3,845	3,500
Architect fees	5,555	13,820
Total Administrative Expenses	12,053	18,465
Repairs and Maintenance		
Boiler	19,052	17,866
Plumbing	2,100	7,896
Supplies	19,916	15,550
Exterminating	11,358	10,477
Electrical	211	715
Sewer/Drains	8,117	4,909
Landscaping & Grounds	8,402	11,126
Janitorial	-	1,950
Garbage removal	4,155	-
Other repairs and maintenance	3,388	14,808
Total Repairs and Maintenance	76,699	85,297
Additional Expenses		
Corporate Taxes	450	397
Total Expenses	\$ 684,546	\$ 654,160

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