

**FOXWOOD CONDOMINIUM I**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**FOXWOOD CONDOMINIUM I**  
**SEPTEMBER 30, 2016 & 2015**  
**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, 2016 and 2015 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, 2016 and 2015 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

December 22, 2016

FOXWOOD CONDOMINIUM I  
BALANCE SHEETS

ASSETS	SEPTEMBER 30,	
	2016	2015
CURRENT ASSETS		
Cash in Checking	\$ 51,100	\$ 29,701
Cash in Savings	87,655	49,042
Total Cash	<u>138,755</u>	<u>78,743</u>
OTHER ASSETS		
Due From Unit Owners	<u>4,027</u>	<u>1,642</u>
Total Current Assets	<u>4,027</u>	<u>1,642</u>
TOTAL ASSETS	<u>\$ 142,782</u>	<u>\$ 80,385</u>
LIABILITIES & FUND BALANCE		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 15,294	\$ 23,059
Prepaid Assessments	<u>-</u>	<u>547</u>
TOTAL LIABILITIES	15,294	23,606
FUND BALANCE		
Undesignated	<u>127,488</u>	<u>56,779</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 142,782</u>	<u>\$ 80,385</u>

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,	
	2016	2015
<b>REVENUES</b>		
Maintenance Assessments	\$ 461,440	\$ 461,440
Assessment income	990	31,039
Interest Income	290	263
Other	3,410	7,782
<b>TOTAL REVENUE</b>	<b>466,130</b>	<b>500,524</b>
<b>EXPENSES</b>		
Foxwood Homeowners Association Fees	197,303	197,303
	197,303	197,303
Administrative Expenses:		
Income Taxes	71	504
Professional Fees	3,478	3,100
Office Related	188	100
<b>Total Administrative Expenses</b>	<b>3,737</b>	<b>3,704</b>
Common Area Expenses Specific to Condominium I:		
Maintenance and Repairs	36,266	36,201
Landscaping Maintenance	7,089	14,374
Heating Related Repairs & Maintenance	18,518	15,508
<b>Total Common Area Expenses Specific to Condominium I</b>	<b>61,873</b>	<b>66,083</b>
Utility Expenses:		
Fuel Oil	86,758	147,682
Electricity	11,298	13,625
Water	34,452	37,042
<b>Total Utility Expenses</b>	<b>132,508</b>	<b>198,349</b>
<b>TOTAL EXPENSES</b>	<b>395,421</b>	<b>465,439</b>
Excess of Revenues over Expenses	70,709	35,085
Beginning Fund Balance	56,779	21,694
Ending Fund Balance	<b>\$ 127,488</b>	<b>\$ 56,779</b>

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

FOXWOOD CONDOMINIUM I  
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED SEPTEMBER 30,	
CASH FLOW FROM OPERATING ACTIVITIES	2016	2015
Excess of Revenues over Expenses	\$ 70,709	\$ 35,085
Adjustments To Reconcile Excess Of Revenues Over Expenses To Net Cash Provided By Operating Activities:		
(Increase)/Decrease in:		
Prepaid Assets	-	2,794
Due From Unit Owners	(2,385)	(1,251)
	(2,385)	1,543
(Decrease)/Increase in:		
Accounts Payable and Accrued Expenses	(7,765)	(7,020)
Prepaid Assessments	(547)	58
	(8,312)	(6,962)
Net Cash Provided by Operating Activities	60,012	29,666
CASH AT BEGINNING OF PERIOD	78,743	49,077
CASH AT END OF PERIOD	\$ 138,755	\$ 78,743
 <i>SUPPLEMENTAL DISCLOSURES:</i>		
INCOME TAX PAID	\$ 71	\$ 437
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, 2016 & 2015

**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, 2016 and 2015 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, 2016 and 2015. 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 2016 and 2015, 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 2016 and 2015.

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 2016, 2015 and 2014. 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 December 22, 2016 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, 2016 and 2015, 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. In fiscal year 2014 the Fox I Board of Managers approved a number of improvement measures including painting of the buildings, replace the boiler that provides heat and hot water to Buildings 16-20-24 and upgrade boiler rooms equipment efficiency. This work requires an investment totaling \$124,500 of which was assessed beginning in July 2013. The unit owners had the choice to make a one lump payment in July 2013 and receive a 5% discount or pay the assessment over 24 monthly equal installments. Twenty one unit owners opted to take the discount yielding a discount of \$2,002. Therefore the total to be collected for the assessment will be \$124,500 less \$2,002 or \$122,498. There was no additional assessments in 2016 and 2015.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

During the years ended September 30, 2016 and 2015, 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 2016 and 2015 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 a 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, nor has the board of managers developed a 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 CONDOMINIUMS I  
SCHEDULE OF MAINTENANCE & REPAIRS

FOR THE YEAR ENDED  
SEPTEMBER 30,  
2016                      2015

Common Area Expenses Specific to Fox 1 Condo

Maintenance & Repairs

EXTERMINATING	2,497	8,292
NORMAL REPAIRS & MAINTENANCE	13,161	10,742
MATERIALS / SUPPLIES / EQUIP.	1,785	304
PLUMBING REPAIRS	12,251	2,020
ELECTRICAL REPAIRS	444	2,929
DRYER	-	4,212
MASONRY	92	2,567
SEWER / SEPTIC MAINTENANCE	4,360	3,512
SUMP PUMP	1,676	1,623
<b>TOTAL</b>	<b><u>36,266</u></b>	<b><u>36,201</u></b>

Landscaping & Treework

LANDSCAPING	1,613	4,281
TREE WORK	5,476	10,093
<b>TOTAL</b>	<b><u>7,089</u></b>	<b><u>14,374</u></b>

Heating Related Repairs & Maintenance  
HVAC Repairs

HVAC Repairs	18,518	15,508
<b>TOTAL</b>	<b><u>18,518</u></b>	<b><u>15,508</u></b>

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