

**RYEVIEW CONDOMINIUM
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

RYEVIEW CONDOMINIUM
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DECEMBER 31, 2024 AND 2023

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RYEVIEW CONDOMINIUM

Balance Sheets

As of December 31,

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	575	4,447
Cash in Bank - Money Market Accounts	31,379	71,820
Investments - Certificates of Deposit - at amortized cost	30,118	62,483
Unit Owners' Charges Receivable	824	1,199
Prepaid Expenses	9,557	8,890
Total Current Assets	<u>72,453</u>	<u>148,839</u>
TOTAL ASSETS	<u>72,453</u>	<u>148,839</u>
LIABILITIES AND OWNERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	11,248	10,219
Accrued Interest on Note	816	940
Common Charges Received in Advance	1,445	1,400
Loan Payable - Amortization Payments due within one year	<u>34,404</u>	<u>32,885</u>
Total Current Liabilities	<u>47,913</u>	<u>45,444</u>
LONG-TERM LIABILITIES		
Loans Payable - Net of Payments due within one year	<u>182,134</u>	<u>216,542</u>
Total Long-Term Liabilities	<u>182,134</u>	<u>216,542</u>
OWNERS' DEFICIT		
Retained Earnings (Deficit)	<u>(157,594)</u>	<u>(113,147)</u>
Total Owners' Deficit	<u>(157,594)</u>	<u>(113,147)</u>
TOTAL LIABILITIES AND OWNERS' DEFICIT	<u>72,453</u>	<u>148,839</u>

See accompanying notes and accountants' compilation report

RYEVIEW CONDOMINIUM

Statements of Revenues and Expenses

For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>
REVENUES		
Common Charges, Net of Credits	186,359	186,359
Special Assessment - Reserve Contribution	30,000	15,000
Special Assessment	43,325	43,325
Fuel Surcharge	0	15,000
Sublet Fee Income	6,412	5,776
Flip Fee Income	0	1,228
Interest and Miscellaneous Income	7,040	3,601
Total Revenues	<u>273,136</u>	<u>270,289</u>
EXPENSES		
Management Fee	24,000	24,000
Legal Expenses	335	1,250
Accounting	4,200	4,000
Telephone	1,125	296
Office and Administrative Expenses	1,710	2,879
Fuel Oil	32,085	34,879
Electricity and Gas	10,871	9,557
Water	7,973	7,704
Landscaping	19,438	15,057
Snow Removal	4,497	2,872
Janitorial and Security Services	26,500	23,096
Repairs and Maintenance	25,735	29,126
Major Repairs-Parking Lots/Driveways	111,737	0
Exterminator	1,311	776
Supplies	2,444	1,362
Insurance	33,316	30,366
Interest Expense	10,306	12,199
Taxes and Licenses	0	98
Total Expenses	<u>317,583</u>	<u>199,517</u>
EXCESS OF EXPENSES OR REVENUES	<u>(44,447)</u>	<u>70,772</u>

See accompanying notes and accountants' compilation report

RYEVIEW CONDOMINIUM

Statements of Retained Earnings (Deficit)

For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(113,147)	(183,919)
Excess of Expenses or Revenues	<u>(44,447)</u>	<u>70,772</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u>(157,594)</u>	<u>(113,147)</u>

See accompanying notes and accountants' compilation report

RYEVIEW CONDOMINIUM

Statements of Cash Flows

For the Years Ended December 31,

	2024	2023
Cash Flows From Operating Activities		
Excess of Expenses or Revenues	(44,447)	70,772
Adjustments to reconcile excess of expenses or revenues to net cash (used) provided by operating activities:		
Decrease (Increase) in operating assets:		
Revenue allocated to financing activities	(32,889)	(31,495)
Unit Owners' Charges Receivable	375	(1,089)
Prepaid Expenses	(667)	540
Increase (Decrease) in operating liabilities:		
Accounts Payable	1,029	(7,931)
Accrued Interest on Note	(124)	375
Common Charges Received in Advance	45	1,400
Net cash (used) provided by operating activities	(76,678)	32,572
Cash Flows From Investing Activities		
Purchase of Investments	(142,118)	(87,483)
Proceeds from Maturities of Investments	174,483	25,000
Net cash provided (used) by investing activities	32,365	(62,483)
Cash Flows From Financing Activities		
Portion of Carrying Charges applied to Amortization of Loan	32,889	31,495
Amortization of Loan	(32,889)	(31,495)
Net cash provided by financing activities	0	0
Decrease in Cash and Cash Equivalents	(44,313)	(29,911)
Cash and Cash Equivalents at Beginning of Year	76,267	106,178
Cash and Cash Equivalents at End of Year (see below)	31,954	76,267
Represented by:		
Cash in Operating Account	575	4,447
Cash in Bank - Money Market Accounts	31,379	71,820
Cash and Cash Equivalents (as above)	31,954	76,267
Supplemental Disclosure:		
Interest Paid	10,430	11,824
Taxes Paid - State	0	98

See accompanying notes and accountants' compilation report

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2024 and 2023

Note 1

Organization

Ryevew Condominium is an unincorporated association organized for the purpose of maintaining and preserving the common property of the condominium, which is located at 100 Theodore Fremd, Rye, New York. The condominium is comprised of twenty-six residential apartments and was incorporated August 1, 1988.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from unit owners, including common charges and special assessments, be recognized as revenue in the statements of revenues and expenses.

For purposes of the statements of cash flows, the condominium considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The condominium classifies its marketable debt securities as "held to maturity" since it has the positive intent and ability to hold the securities to maturity. Securities classified as "held to maturity" are carried at amortized cost, including accrued interest.

The condominium's real property consists of the building and the land upon which the building is constructed. Title to this property is held by the individual unit owners of the condominium. Accordingly, the value of the real property is not recognized as an asset on the condominium's financial statements. Major renewals or betterments are charged to the property accounts (at cost) while replacement, maintenance, and repairs, which do not improve or extend the life of the respective assets are expensed currently.

Unit owners are subject to monthly charges to provide funds for the condominium's operating expenses, future capital acquisitions, and major repairs and replacements. Unit Owners' Charges Receivable at the balance sheets date represent various fees due from unit owners. Any excess charges at year end are retained by the condominium for use in the succeeding year.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2024 and 2023

Note 2

Summary of Significant Accounting Policies - continued

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unit owners are subject to monthly charges that provide funds for the condominium's operating expenses and major repairs and replacements, and the revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The condominium's performance obligations related to its ongoing annual charges are satisfied over time on a daily pro-rata basis using the input method.

At times, the condominium also recognizes revenues from non-member customers that generate additional funds for the condominium's operating expenses and major repairs and replacements. The revenue from these ancillary operations is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The condominium's performance obligations related to these other revenue sources are satisfied over time on a daily pro-rata basis using the input method.

The performance obligations related to special assessments and replacement fund (reserve fund) assessments are satisfied when these funds are expended for their designated purpose at transaction amounts expected to be collected using the input method. The condominium recognizes revenue from special assessments and replacement fund (reserve fund) assessments as the related performance obligations are satisfied. A contract liability (assessments received in advance) is recognized when the condominium has the right to receive payment in advance of the satisfaction of performance obligations related to replacement (reserve) assessments.

Note 3

Concentration of Credit Risk

The condominium has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2024 and 2023

Note 4

Investments

The condominium held the following investments as of December 31:

Fixed Income:	<u>2024</u>	<u>2023</u>
Amortized Cost	30,118	62,483
Fair Value	30,128	62,520

The maturities of the investments as of December 31, 2024 are as follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due Within One Year	30,118	30,128
Due One-Five Years	0	0
Due After Five Years	<u>0</u>	<u>0</u>
Total	30,118	30,128

The condominium measures expected credit losses on held to maturity debt securities on a collective basis by major security type. These securities are either explicitly or implicitly guaranteed by the US Government, are highly rated by major rating agencies and have a long history of no credit losses. As a result, no allowance for credit losses was recorded on held to maturity securities as of December 31, 2024 and 2023.

Note 5

Loan Payable

On August 31, 2020, the condominium refinanced a previous promissory note with a new promissory note in the amount of \$350,000. The loan requires monthly payments of \$3,610, applied first to interest at a rate of 4.375% and the remainder to principal. The note is self-amortizing and is set to mature August 15, 2030. Principal maturities of the mortgage are as follows:

2025	34,404
2026	35,962
2027	37,590
2028	39,278
2029	41,069
Thereafter	28,235

Note 6

Common Charges

The board of managers approved an 11% increase in carrying charges effective January 1, 2023.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2024 and 2023

Note 7

Special Assessments

Special Assessment - Reserve Contribution

Beginning July 1, 2023, the board of managers implemented an assessment of \$2,500 per month to replenish the reserve fund from prior major repairs and improvements. The assessment was payable monthly from July 2023 through December 2024.

Special Assessment

In order to fund the loan payments as described in Note 5, the condominium approved an assessment equal to \$36.32 per share per month beginning October 2020 and lasting for the duration of the note.

Note 8

Fuel Surcharge

Effective July 2022, the condominium approved a fuel surcharge of \$2,500 per month to offset increased fuel costs. The surcharge ran through June 30, 2023.

Note 9

Income Taxes

The condominium is subject to Federal, New York State corporate income and franchise taxes. Under Internal Revenue Code Section 528, the condominium has an annual option to file its federal income tax return as a regular corporation or as a homeowners' association. Under this section, the condominium excludes from taxation exempt function income, which generally consists of revenue from uniform assessments to residential unit owners. Any applicable taxes have been included in these financial statements.

Losses incurred in years prior to 2018, may be carried forward for twenty years from the year incurred and may be used to offset 100% of taxable income. Due to a change in the tax law, federal net operating losses incurred in 2018 and thereafter may be carried forward indefinitely, but may only be used to offset 80% of taxable income each year. This law was subsequently modified under the CARES Act, which was enacted March 27, 2020. Under the CARES Act, the 80% taxable income limitation is delayed until years beginning after December 31, 2020.

The 80% limitation will apply to any net operating loss arising in a year beginning after December 31, 2017 and deducted for a year beginning after December 31, 2020. Additionally, the Act provides that for losses arising in 2018, 2019 and 2020, such loss shall be a net operating loss carryback to each of the prior five taxable years. Additionally, as is the case under pre-2018 law, the taxpayer may make an election to waive the carryback and instead treat losses arising in these years as net operating loss carryovers.

RYEVIEW CONDOMINIUM

Notes to Financial Statements

December 31, 2024 and 2023

Note 9

Income Taxes - continued

As of December 31, 2024, the condominium has available federal net operating loss carryforwards to apply to future taxable income of approximately \$222,000. These net operating loss carryforwards were incurred in 2018 and thereafter. New York State and New York City substantially limit the use of these net operating loss carryforwards.

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the condominium's tax filings are subject to audit by various taxing authorities. The condominium's federal and state income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the condominium believes that its estimates are appropriate based on current facts and circumstances.

Note 10

Future Major Repairs and Replacements

The condominium has not conducted an official CIRA study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the condominium may utilize available cash, increase common charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

Note 11

Subsequent Events

Management has evaluated subsequent events through January 27, 2025, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

RYEVIEW CONDOMINIUM

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2024</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2024</u>	Actual Year Ended <u>Dec. 31, 2023</u>
REVENUES			
Common Charges, Net of Credits	186,359	186,359	186,359
Special Assessment	43,325	43,325	43,325
Transfer from Reserves - Net	0	112,000	0
Fuel Surcharge	0	0	15,000
Sublet Fee Income	6,000	6,412	5,776
Flip Fee Income	0	0	1,228
Interest and Miscellaneous Income	5,000	7,040	3,601
Total Revenues	<u>240,684</u>	<u>355,136</u>	<u>255,289</u>
EXPENSES			
Management Fee	24,000	24,000	24,000
Legal Expenses	1,000	335	1,250
Accounting	4,200	4,200	4,000
Telephone	1,000	1,125	296
Office and Administrative Expenses	1,689	1,710	2,879
Fuel Oil	36,000	32,085	34,879
Electricity and Gas	10,000	10,871	9,557
Water	8,000	7,973	7,704
Landscaping	20,000	19,438	15,057
Snow Removal	4,000	4,497	2,872
Janitorial and Security Services	26,000	26,500	23,096
Repairs and Maintenance	26,000	25,735	29,126
Major Repairs - Parking Lots/Driveways	0	111,737	0
Exterminator	1,000	1,311	776
Supplies	1,500	2,444	1,362
Insurance	33,000	33,316	30,366
Loan Payments	43,195	43,195	43,694
Taxes and Licenses	100	0	98
Total Expenses	<u>240,684</u>	<u>350,472</u>	<u>231,012</u>
NET SURPLUS FOR THE YEAR	<u>0</u>	<u>4,664</u>	<u>24,277</u>

See accompanying notes and accountants' compilation report