

300 WEST 23RD STREET CONDOMINIUM

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2005 AND 2004

300 WEST 23RD STREET CONDOMINIUM

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INDEPENDENT AUDITOR'S REPORT

The Board of Managers and Unit Owners
300 WEST 23RD STREET CONDOMINIUM

I have audited the accompanying balance sheet of 300 WEST 23RD STREET CONDOMINIUM as of December 31, 2005 and 2004 and the related statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Association's Board of Managers and management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 300 WEST 23RD STREET CONDOMINIUM and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Pelham, New York
February 8, 2006



300 WEST 23RD STREET CONDOMINIUM**BALANCE SHEET**

December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current assets:		
Cash	\$ -	\$ 14,093
Receivables, unit-owners	221,458	101,634
Receivables, other	5,439	14,593
Receivables, 300 WEST 23RD STREET OWNERS CORP. (Note 3)	63,345	135,544
Unexpired insurance premiums	<u>12,583</u>	<u>11,563</u>
Total current assets	302,825	277,427
Receivable, unit-owner	<u>19,872</u>	<u>23,872</u>
	<u>\$ 322,697</u>	<u>\$ 301,299</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 173,835	\$ 80,463
Prepaid common charges	<u>-</u>	<u>71,974</u>
Total current liabilities	173,835	152,437
Commitments and contingencies (Note 3)		
MEMBERS' EQUITY		
Members' equity, undesignated	<u>148,862</u>	<u>148,862</u>
	<u>\$ 322,697</u>	<u>\$ 301,299</u>

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues:		
Residential common charges	\$ 875,617	\$ 886,890
Commercial common charges	<u>101,944</u>	<u>98,680</u>
	<u>977,561</u>	<u>985,570</u>
Expenses:		
Salaries	251,413	244,133
Payroll tax expense	22,620	21,967
Employee benefits	52,827	52,827
Workers compensation insurance	17,170	17,723
Uniforms	5,002	4,418
Fuel	88,765	78,948
Electricity for common areas	18,000	18,000
Supplies	12,157	9,968
Repairs and maintenance	198,650	153,637
Elevators	24,644	24,448
Major repairs and replacements	121,892	165,371
Licenses and permits	1,122	185
Insurance	60,906	65,859
Management fee	66,615	64,991
Professional fees	16,905	8,947
Administrative	10,873	5,536
Telephone and communications	5,988	5,886
Franchise taxes	364	226
Other	<u>1,648</u>	<u>2,028</u>
	<u>977,561</u>	<u>945,098</u>
Net income (loss) for the year	-	40,472
Members' Equity:		
Members' Equity, beginning of year	<u>148,862</u>	<u>108,390</u>
Members' Equity, end of year	<u><u>\$ 148,862</u></u>	<u><u>\$ 148,862</u></u>

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Cash Flows From Operating Activities</u>		
Net income (loss) for the year	\$ -	\$ 40,472
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables, unit-owners	(115,824)	(52,566)
Receivables, other	9,154	-
Receivables, 300 WEST 23RD STREET OWNERS CORP.	72,199	(75,454)
Unexpired insurance premiums	(1,020)	(1,274)
Prepaid expenses	-	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	93,372	(25,128)
Due to 300 WEST 23RD STREET OWNERS CORP.	-	54,504
Prepaid common charges	<u>(71,974)</u>	<u>71,974</u>
Net increase (decrease) in cash	(14,093)	12,528
Cash, beginning of year	<u>14,093</u>	<u>1,565</u>
Cash, end of year	\$ <u>-</u>	\$ <u>14,093</u>

Supplemental Disclosure

Cash paid for:

Franchise taxes	\$ <u>269</u>	\$ <u>226</u>
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See Accompanying Notes to Financial Statements

**300 WEST 23RD STREET CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS**

1. Nature of Organization

300 WEST 23RD STREET CONDOMINIUM (the "Association") was organized pursuant to Article 9B of the Real Property Law of the State of New York for the purpose of operating and maintaining the common property located at 300 West 23rd Street, New York, New York. The condominium is comprised of a residential unit, a commercial unit and a professional office.

The Condominium's residential unit is owned by the cooperative housing corporation known as 300 WEST 23RD STREET OWNERS CORP. It comprises the 220 residential apartments in the building. The financial statements of 300 WEST 23RD STREET OWNERS CORP. should be read in conjunction with these financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation - The financial statements have been prepared on the accrual basis of accounting 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.

Use of 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 certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Cash Equivalents - The Association considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents for purposes of the Statement of Cash Flows.

Accounts Receivable, Common Charges - Association members are subject to monthly common charges based on an annual budget determined by the Board of Managers to provide funds for the Associations' operating expenses and major repairs and replacements to the common property. Any excess operating funds at year end are retained by the Association for the use in future years.

Property and Equipment - Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Associations' financial statements because those properties are owned by the individual unit owners in common and not by the Association.

Income Taxes - For Federal income tax purposes, condominium associations may elect to be taxed as either homeowners associations or as regular corporations. The 300 WEST 23RD STREET CONDOMINIUM has elected to be taxed as a homeowners association for 2005 and 2004. The Condominium is subject to the New York State franchise tax at prevailing corporate tax rates.

3. Due To/From 300 WEST 23RD STREET OWNERS CORP.

Amounts due to the Corporation at December 31, 2005 and 2004 consist primarily of insurance premiums paid on behalf of the Condominium under the terms of the cooperative's underlying mortgage. The amounts due from the Corporation are for additional common charges and expenses in excess of residential common charges. (See Note 4)

