

300 WEST 23RD STREET CONDOMINIUM

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2009 AND 2008

300 WEST 23RD STREET CONDOMINIUM

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Balance Sheet.....	2
Statement of Operations and Members' Equity.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements.....	5 - 6
SUPPLEMENTARY INFORMATION	
Schedule of Common Property Improvements.....	7

MICHAEL A. ROZYCKI, CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT

629 FIFTH AVENUE, SUITE 109
PELHAM, NY 10803
Phone 914.654.0663
Fax 914.654.0936

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, 2009 and 2008 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, I express no such opinion. 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.

The Schedule of Common Property Improvements on page 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Association has not presented supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be a part of, the basic financial statements generally accepted in the United States of America.



Pelham, New York
April 16, 2010

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

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets:		
Cash	\$ 185,879	\$ -
Receivables, unit-owners	25,770	56,741
Receivables, 300 West 23rd Street Owners Corp. (Note 3)	-	121,502
Unexpired insurance premiums	<u>14,030</u>	<u>13,511</u>
Total current assets	225,679	191,754
Receivable, unit-owner	<u>16,872</u>	<u>17,872</u>
	<u>\$ 242,551</u>	<u>\$ 209,626</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 61,111	\$ 61,649
Common charge revenue received in advance	30,155	-
Other payables	<u>-</u>	<u>8,430</u>
Total current liabilities	91,266	70,079
Commitments and contingencies (Note 3)		
MEMBERS' EQUITY		
Members' equity, undesignated	<u>151,285</u>	<u>139,547</u>
	<u>\$ 242,551</u>	<u>\$ 209,626</u>

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Residential common charges	\$ 610,791	\$ 655,451
Commercial common charges	105,327	107,644
Other unit owner fees	11,575	6,235
	<u>727,693</u>	<u>769,330</u>
Expenses:		
Salaries	282,247	279,567
Payroll tax expense	25,913	25,633
Employee benefits	43,000	43,000
Workers compensation insurance	11,271	15,069
Uniforms	4,234	7,337
Heating oil	108,048	148,578
Electricity for common areas	18,000	18,000
Supplies	1,814	23,102
Repairs and maintenance	40,998	12,689
Elevators	26,480	24,379
Major repairs and replacements	-	7,647
Licenses and permits	190	1,130
Insurance	64,930	67,128
Management fee	69,000	66,615
Professional fees	8,100	8,547
Administrative	4,302	4,428
Telephone and communications	6,751	5,413
Franchise taxes	197	301
Other	480	6,141
	<u>715,955</u>	<u>764,704</u>
Net income (loss) for the year	11,738	4,626
Members' Equity:		
Members' Equity, beginning of year	139,547	134,921
Members' Equity, end of year	<u>\$ 151,285</u>	<u>\$ 139,547</u>

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM**STATEMENT OF CASH FLOWS**

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Cash Flows From Operating Activities</u>		
Net income (loss) for the year	\$ 11,738	\$ 4,626
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables, unit-owners	30,971	117,522
Receivables, other	1,000	-
Receivables, 300 WEST 23RD STREET OWNERS CORP.	121,502	(40,258)
Unexpired insurance premiums	(519)	3,425
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(538)	(78,531)
Common charge revenue received in advance	30,155	-
Other payables	<u>(8,430)</u>	<u>(6,784)</u>
Net increase (decrease) in cash	185,879	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	\$ <u><u>185,879</u></u>	\$ <u><u>-</u></u>

Supplemental Disclosure

Cash paid for:

Franchise taxes	\$ <u><u>350</u></u>	\$ <u><u>296</u></u>
-----------------	----------------------	----------------------

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 retail 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 use in future years. Amounts due from unit owners are deemed fully collectible by the Association. Accordingly, no amount has been established for uncollectible accounts.

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 2009 and 2008. The Condominium is subject to the New York State franchise tax at prevailing corporate tax rates.

Subsequent Events - The Association has evaluated events and transactions that occurred between December 31, 2009 and April 16, 2010, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

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

Amounts due to the Corporation at December 31, 2009 and 2008 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)

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

4. Excess Condominium Expense Reimbursements

In May 1996, the Association and the commercial unit owner entered into a settlement wherein certain revisions were made to the operating budget of the Condominium with respect to the common elements and allocation of common expenses. Pursuant to the settlement agreement, the Corporation is to reimburse the Association for certain expenses in excess of its residential common charges.

Expenses in excess of residential unit common charges for the years ended December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Wages	\$ 207,821	\$ 188,515
Payroll tax expense	17,168	12,228
Employee benefits	94,767	97,217
Gas	4,871	6,320
Electricity	<u>198,786</u>	<u>258,607</u>
Totals	<u>\$ 523,413</u>	<u>\$ 562,887</u>

5. Future Major Repairs and Replacements

The Association has not conducted a formal 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. The study is not required by governing law or the By-laws of the Association. The Board of Managers reviews the condition of the building's systems on a continual basis and intends to repair or replace elements of the common property as the need arises.

When additional replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular common charges, authorize special assessments, or delay major repairs and replacements until funds are available. The effect on future common charge assessments has not been determined at this time.

6. Employee's Pension Plan

Substantially all of the Association's employees are covered by a multiemployer pension plan through Building Service Local 32B-J Pension Fund. The Association's contributions to the plan for 2009 and 2008 totaled \$35,880 and \$27,168, respectively. Information as to the Association's portion of accumulated plan benefits and plan assets is not determinable. The Association's contributions to the Plan, as well as the wages it pays its employees, are determined through contract with the Union.

7. Condominium Budget Revision

In May 2009, the Board of Directors of 300 WEST 23RD STREET OWNERS CORP. and the Board of Managers of the 300 WEST 23RD STREET CONDOMINIUM mutually agreed to re-allocate repairs and maintenance that are the sole responsibility of 300 WEST 23RD STREET OWNERS CORP. directly to the Corporation's operating budget rather than allocate them through the common charge of the Condominium. The 2008 Statement of Operations in these financial statements has been restated to reflect this change. There is no effect on net income as a result of this change.

SUPPLEMENTARY INFORMATION

300 WEST 23RD STREET CONDOMINIUM
SCHEDULE OF COMMON PROPERTY IMPROVEMENTS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Common Property Improvements</u>		
Planter	\$ -	\$ 4,135
Security system CCTV	<u>-</u>	<u>3,512</u>
	<u>\$ -</u>	<u>\$ 7,647</u>