

300 WEST 23RD STREET CONDOMINIUM

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2007 AND 2006

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
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	7
SUPPLEMENTARY INFORMATION	
Schedules of Common Property Improvements, Repairs and Maintenance.....	8

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, 2007 and 2006 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
March 21, 2008



300 WEST 23RD STREET CONDOMINIUM

BALANCE SHEET

December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash	\$ -	\$ 506
Receivables, unit-owners	174,263	141,008
Receivables, 300 WEST 23RD STREET OWNERS CORP. (Note 3)	81,244	74,802
Unexpired insurance premiums	<u>16,936</u>	<u>17,243</u>
Total current assets	272,443	233,559
Receivable, unit-owner	<u>17,872</u>	<u>18,872</u>
	<u>\$ 290,315</u>	<u>\$ 252,431</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 140,180	\$ 91,955
Other payables	<u>15,214</u>	<u>11,614</u>
Total current liabilities	155,394	103,569
Commitments and contingencies (Note 3)		
MEMBERS' EQUITY		
Members' equity, undesignated	<u>134,921</u>	<u>148,862</u>
	<u>\$ 290,315</u>	<u>\$ 252,431</u>

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Residential common charges	\$ 865,631	\$ 743,949
Commercial common charges	111,360	102,285
	976,991	846,234
Expenses:		
Salaries	274,087	264,893
Payroll tax expense	25,133	24,200
Employee benefits	43,000	46,314
Workers compensation insurance	19,572	17,864
Uniforms	2,363	4,641
Fuel	138,621	98,384
Electricity for common areas	18,000	18,000
Supplies	15,154	9,424
Repairs and maintenance	202,062	180,767
Elevators	24,811	22,089
Major repairs and replacements	56,465	8,400
Licenses and permits	210	233
Insurance	63,962	57,245
Management fee	66,615	66,615
Professional fees	15,165	8,837
Administrative	6,706	11,885
Telephone and communications	4,473	5,068
Franchise taxes	592	52
Other	-	1,323
	976,991	846,234
Net income (loss) for the year	-	-
Members' Equity:		
Uncollectible office rent from prior years	(13,941)	-
Members' Equity, beginning of year	148,862	148,862
Members' Equity, end of year	\$ 134,921	\$ 148,862

See Accompanying Notes to Financial Statements

300 WEST 23RD STREET CONDOMINIUM

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Cash Flows From Operating Activities</u>		
Net income (loss) for the year	\$ -	\$ -
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables, unit-owners	(32,255)	81,450
Receivables, other	(13,941)	5,439
Receivables, 300 WEST 23RD STREET OWNERS CORP.	(6,442)	(11,457)
Unexpired insurance premiums	307	(4,660)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	48,225	(81,880)
Other payables	3,600	11,614
Net increase (decrease) in cash	(506)	506
Cash, beginning of year	506	-
Cash, end of year	\$ -	\$ 506

Supplemental Disclosure

Cash paid for:

Franchise taxes	\$ 295	\$ 305
-----------------	--------	--------

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 2007 and 2006. 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, 2007 and 2006 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, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Wages	\$ 175,185	\$ 163,082
Payroll tax expense	10,721	8,640
Employee benefits	104,529	78,638
Gas	4,933	6,427
Electricity	<u>215,393</u>	<u>232,454</u>
Totals	<u>\$ 510,761</u>	<u>\$ 489,241</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.

Please refer to the supplementary information on page 8 for a schedule of current capital improvement projects.

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 2007 and 2006 totaled \$25,380 and \$23,731, 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.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

My report on my audit of the basic financial statements of 300 WEST 23RD STREET CONDOMINIUM for the years ending December 31, 2007 and 2006 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Common Property Improvements, Repairs and Maintenance on page 8 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
March 21, 2008

Michael A. Rozycki, CPA, PLLC

300 WEST 23RD STREET CONDOMINIUM
SCHEDULES OF COMMON PROPERTY IMPROVEMENTS, REPAIRS AND MAINTENANCE
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Common Property Improvements</u>		
Energy saving light bulbs	\$ 16,800	\$ 8,400
Boiler mixing valves	16,040	-
Oil lines and pre-heater	15,606	-
Boiler steam clean	8,019	-
	<u>56,465</u>	<u>8,400</u>
	<u>\$ 56,465</u>	<u>\$ 8,400</u>

<u>Repairs and Maintenance</u>		
Plumbing	\$ 109,951	\$ 54,135
Boiler and heating system	25,424	24,833
Painting and plastering, water damage	44,785	55,683
Doors, locks and windows	6,063	15,876
Exterminating	4,523	4,697
Intercom and electrical	9,513	7,191
Architect and engineering for repairs	1,200	3,750
Cleaning and housekeeping	222	3,793
Floors, carpet cleaning	-	8,528
Miscellaneous	381	2,281
	<u>202,062</u>	<u>180,767</u>
	<u>\$ 202,062</u>	<u>\$ 180,767</u>