

**300 WEST 23RD STREET CONDOMINIUM**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2010 AND 2009**

## **300 WEST 23RD STREET CONDOMINIUM**

### **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheet.....	2
Statement of Operations and Members' Equity.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements.....	5 - 7
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Common Property Improvements.....	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, 2010 and 2009 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 28, 2011



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

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 106,303	\$ 185,879
Receivables, unit-owners	101,434	25,770
Unexpired insurance premiums	<u>14,360</u>	<u>14,030</u>
Total current assets	222,097	225,679
Receivable, unit-owner	<u>15,872</u>	<u>16,872</u>
	<u>\$ 237,969</u>	<u>\$ 242,551</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 65,629	\$ 61,111
Common charge revenue received in advance	<u>-</u>	<u>30,155</u>
Total current liabilities	65,629	91,266
Commitments and contingencies (Note 8)		
<b>MEMBERS' EQUITY</b>		
Members' equity, undesignated	<u>172,340</u>	<u>151,285</u>
	<u>\$ 237,969</u>	<u>\$ 242,551</u>

See Accompanying Notes to Financial Statements

**300 WEST 23RD STREET CONDOMINIUM**  
**STATEMENT OF OPERATIONS AND MEMBERS' EQUITY**  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Residential common charges	\$ 680,861	\$ 610,791
Commercial common charges	114,450	105,327
Other unit owner fees	20,841	11,575
Interest income	215	-
	<u>816,367</u>	<u>727,693</u>
<b>Expenses:</b>		
Salaries	286,667	282,247
Payroll tax expense	26,313	25,913
Employee benefits	43,667	43,000
Workers compensation insurance	11,584	11,271
Uniforms	6,032	4,234
Heating oil	156,080	108,048
Electricity for common areas	18,000	18,000
Supplies	-	1,814
Repairs and maintenance	29,511	40,998
Elevators	25,903	26,480
Major repairs and replacements	23,961	-
Licenses and permits	100	190
Insurance	72,685	64,930
Management fee	71,070	69,000
Professional fees	17,181	8,100
Administrative	1,586	4,302
Telephone and communications	4,660	6,751
Franchise taxes	312	197
Other	-	480
	<u>795,312</u>	<u>715,955</u>
<b>Net income for the year</b>	<b>21,055</b>	<b>11,738</b>
<b>Members' Equity:</b>		
Members' Equity, beginning of year	151,285	139,547
Members' Equity, end of year	<u>\$ 172,340</u>	<u>\$ 151,285</u>

See Accompanying Notes to Financial Statements

# 300 WEST 23RD STREET CONDOMINIUM

## STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Net income (loss) for the year	\$ 21,055	\$ 11,738
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables, unit-owners	(75,664)	30,971
Receivables, other	1,000	1,000
Receivables, 300 WEST 23RD STREET OWNERS CORP.	-	121,502
Unexpired insurance premiums	(330)	(519)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,518	(538)
Common charge revenue received in advance	(30,155)	30,155
Other payables	-	(8,430)
Net increase (decrease) in cash	(79,576)	185,879
Cash, beginning of year	185,879	-
Cash, end of year	\$ <u>106,303</u>	\$ <u>185,879</u>

### **Supplemental Disclosure**

Cash paid for:

Franchise taxes	\$ <u>355</u>	\$ <u>350</u>
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See Accompanying Notes to Financial Statements

# 300 WEST 23RD STREET CONDOMINIUM

## NOTES TO FINANCIAL STATEMENTS

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### 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 23<sup>rd</sup> 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 - Amounts due from unit owners are deemed fully collectible by the Association. It is the Association's policy to retain legal counsel and place liens against unit owners whose common charges and assessments are in arrears. 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.

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.

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 2010 and 2009. The Condominium is subject to the New York State franchise tax at prevailing corporate tax rates.

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

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

Amounts due to the Corporation at December 31, 2010 and 2009 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)

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, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Wages	\$ 207,376	\$ 207,821
Payroll tax expense	18,225	17,168
Employee benefits	101,125	94,767
Gas	4,806	4,871
Electricity	227,699	198,786
Totals	\$ <u>559,231</u>	\$ <u>523,413</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 2010 and 2009 totaled \$41,764 and \$36,018, 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.



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

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**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.

**8. Commitments and Contingencies**

The Association is subject to various legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. Although the outcome of legal proceedings and claims cannot be predicted with certainty, the Board of Managers and management estimate that any such matters would be resolved without a material adverse effect on the Association's future financial position or results of operations.

**9. Subsequent Events**

The Association has evaluated events and transactions that occurred between December 31, 2010 and April 28, 2011, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**300 WEST 23RD STREET CONDOMINIUM**  
**SCHEDULE OF COMMON PROPERTY IMPROVEMENTS**  
For the Years Ended December 31, 2010 and 2009

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	<u>2010</u>	<u>2009</u>
<b><u>Common Property Improvements</u></b>		
Elevator Chapter K-3 compliance testing	\$ <u>23,961</u>	\$ <u>-</u>
	\$ <u><u>23,961</u></u>	\$ <u><u>-</u></u>