

**424 WEST 49<sup>TH</sup> STREET CONDOMINIUM**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

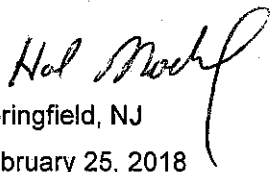
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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors of 424 West 49<sup>th</sup> Street Condominium

Management is responsible for the accompanying financial statements of 424 West 49<sup>th</sup> Street Condominium, which comprise the Balance sheet as of December 31, 2018, and the related statement of revenues and expenses and members' equity for the year then ended. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



Springfield, NJ

February 25, 2018

**424 WEST 49TH STREET CONDOMINIUM  
BALANCE SHEET  
DECEMBER 31, 2018**

**ASSETS**

**Current Assets**

Cash	\$ 7,126
Utility Deposit	230
Maintenance and Assessment Fees Receivable	<u>612</u>
<b>Total Current Assets</b>	<u><u>7,968</u></u>
<b>Total Assets</b>	<u><u>\$ 7,968</u></u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts Payable	\$ 6,036
Deferred Maintenance Fees	<u>3</u>
<b>Total Current Liabilities</b>	<u>6,039</u>
Members' Equity	<u>1,929</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 7,968</u></u>

See accountant's compilation report

**424 WEST 49TH STREET CONDOMINIUM  
STATEMENT OF REVENUE, EXPENSES AND MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Revenue**

Maintenance Dues and Assessments	\$ 58,648
Laundry Income	<u>727</u>
	59,375
 Operating Expenses (Exhibit 1)	 <u>73,108</u>
 Net Income (Loss) Before Taxes	 (13,733)
 Income Taxes	 <u>40</u>
 Net Income (Loss) After Taxes	 (13,773)
 Members' Equity (Deficit) January 1, 2018	 <u>15,702</u>
 Members' Equity (Deficit) December 31, 2018	 \$ <u><u>1,929</u></u>

See accountant's compilation report

**424 WEST 49TH STREET CONDOMINIUM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Cash Flows From Operating Activities**

Net Income (Loss) \$ (13,773)

Adjustments to reconcile net income to net cash provided by  
operating activities:

(Increase) Decrease in:

Maintenance receivable 2,365

Increase (decrease) in:

Deferred maintenance fees (499)

Accounts payable 4,482

Net Cash Provided by Operating Activities (7,425)

Net Increase (Decrease) in Cash

Cash at Beginning of Year 14,551

Cash End of Year \$ 7,126

**Supplemental Disclosures**

Interest Paid \$ 0

Income Taxes \$ 40

See accountant's compilation report

**424 WEST 49TH STREET CONDOMINIUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(See Accountant's Compilation Report)

**Note #1:        Organization**

424 West 49<sup>th</sup> Street Condominium is an unincorporated Homeowners Association organized as a not-for-profit homeowner association for the purpose of maintaining and preserving common property of the 424 West 49<sup>th</sup> Street Condominium. The 424 West 49<sup>th</sup> Street Condominium consists of 8 residential units.

**Note #2:        Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements reflect the assets, liabilities, revenues and expenses of the Association on the accrual basis of accounting. The Association's governing documents provide certain guidelines for its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. These financial statements, which require that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the replacement fund generally may be made only for designated purposes.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America 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 reported period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents consist primarily of cash and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

**Concentration of Credit Risk**

The Association maintains its cash balances in financial institutions located in New York City, New York. These deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

**424 WEST 49TH STREET CONDOMINIUM**  
**NOTES TO FINANCIAL STATEMENTS**  
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(See Accountant's Compilation Report)

**Income Taxes**

Condominium Association's may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a homeowners' association for the year ended December 31, 2018. Under that election, the Association is not taxed on income related to its exempt purpose, which is the management, maintenance and care of Association property. The Association is generally taxed only on its nonexempt function income (including interest income, rental income and other user fees), net of related expenses, at applicable federal and state corporate tax rates.

**Assessments**

Association unit owners are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from unit owners. Prepaid common charges are recorded as a liability at the balance sheet date; as such amounts are deferred from revenue recognition until the subsequent period for which they pertain. Any excess assessments at year end are retained by the Association for use in future years.

**Receivables and Credit Policies:**

Accounts receivable are stated at the amount billed to the unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly delinquent.

**Property and Equipment**

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual owners in common and not by the Association. It is the Association's responsibility to preserve and maintain the common areas. Property and equipment acquired by the Association is capitalized at cost and depreciated using straight line method over the estimated useful lives of the assets which range from 5 to 27.5 years.

**Maintenance and Repairs**

Consistent with the nature of the organization, normal operating expenses incurred for repairs and improvements to the common elements are included in the operating fund. Major capital repairs and replacements resulting from actions of the Board of Directors are included in expenses of the reserve fund.

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**Future Major Repairs and Replacements**

The Association governing documents provide that the board has the right to establish a reserve fund for the future replacement of or additions to the common elements. The current monthly assessment does not include a reserve fund for capital replacement, when funds are required to meet future needs for major repairs and replacements. The Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.



## **SUPPLEMENTAL INFORMATION**

424 West 49th Street Condominium  
Safeguard Realty Management  
120 W 31st Street 6th Flr  
New York, NY 10001

The additional information is presented for the purpose of additional analysis and is not a required part of basic financial statements. The additional information is the responsibility of the company's management.

February 25, 2019

**See Accountant's compilation**

**424 WEST 49TH STREET CONDOMINIUM  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Operating Expenses**

Salary	\$	3,325
Payroll taxes		371
Professional Fees		7,136
Elevator Repair and Svc		6,203
Repairs and Maint-Other		10,289
License, Permits and other Fees		6,775
Pest Control		2,090
Insurance		14,940
Water		3,078
Management Fees		5,940
Utilities		10,154
Supplies		1,882
Bank Charges and Miscellaneous		24
Cleaning and Maintenance		<u>901</u>
<b>Total Operating Expenses</b>	<b>\$</b>	<b><u><u>73,108</u></u></b>

Exhibit - 1

See Accountant's Compilation