

WESTGATE PARK CONDOMINIUM

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023, AND 2022**

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FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023, AND 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Managers and Unit Owners
Westgate Park Condominium
New York, New York

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Westgate Park Condominium (Association) which comprise the balance sheets as of December 31, 2023, and 2022 and the related statements of operations and changes in unit owners' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westgate Park Condominium as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Astorian Condominium and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about The Astorian Condominium's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Astorian Condominium's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Astorian Condominium's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted a statement of estimated future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Michael Winnick CPA

Massapequa, New York
May 20, 2024

WESTGATE PARK CONDOMINIUM

**BALANCE SHEETS
DECEMBER 31, 2023 AND 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash - operating fund	\$ 1,067	\$ 40,872
Cash - working capital fund	258,236	367,094
Cash- security	4,791	4,792
Accounts receivable	60,358	150,572
Prepaid expenses	867	867
TOTAL ASSETS	<u><u>\$325,319</u></u>	<u><u>\$564,197</u></u>

LIABILITIES AND UNIT OWNERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 95,805	\$ 195,776
Note payable -current	39,150	37,661
Move in deposits payable	6,000	6,150
Income taxes payable	325	119
Tax certiorari payable	30,476	30,476
Security payable	4,791	4,792
Common charges paid in advance	4,630	7,938
TOTAL CURRENT LIABILITIES	<u>181,177</u>	<u>282,912</u>
NOTE PAYABLE LONG TERM	<u>216,412</u>	<u>255,562</u>
TOTAL LIABILITIES	<u><u>397,589</u></u>	<u><u>538,474</u></u>
COMMITMENTS		
UNIT OWNERS' (DEFICIT) EQUITY	<u>(72,270)</u>	<u>25,723</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u><u>\$325,319</u></u>	<u><u>\$564,197</u></u>

See notes to financial statements

WESTGATE PARK CONDOMINIUM

**STATEMENTS OF OPERATIONS
AND CHANGES IN UNIT OWNERS' EQUITY
DECEMBER 31, 2023 and 2022**

	2023	2022
INCOME		
Common charges - operating fund	\$ 1,346,903	\$1,251,297
Laundry	21,170	28,200
Other income	26,003	111,159
TOTAL INCOME	1,394,076	1,390,656
EXPENSES		
Repairs and maintenance	613,463	672,157
Payroll	241,557	226,596
Electricity and gas - utilities	135,145	123,429
Insurance	175,920	100,240
Union	70,169	79,239
Water and sewer	70,495	58,410
Management fee	48,833	43,000
Supplies	34,636	42,352
Office expense	23,147	18,561
Payroll taxes	21,238	19,563
Telephone and internet	6,519	5,821
Professional fees	39,020	10,625
TOTAL EXPENSES	1,480,142	1,399,993
EXCESS OF EXPENSES OVER REVENUE FROM OPERATIONS	(86,066)	(9,337)
Interest expense - net	(11,321)	(12,363)
EXCESS OF EXPENSES OVER REVENUE BEFORE INCOME TAXES	(97,387)	(21,700)
Income taxes expense	(606)	(325)
EXCESS OF EXPENSES OVER REVENUE	(97,993)	(22,025)
UNIT OWNERS' EQUITY - beginning of year	25,723	47,748
UNIT OWNERS' (DEFICIT) EQUITY - end of year	\$ (72,270)	\$ 25,723

See notes to financial statements

WESTGATE PARK CONDOMINIUM

**STATEMENTS OF CASH FLOWS
DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit	\$ (97,993)	\$ (22,025)
Adjustments to reconcile net surplus to net cash provided by (used in) operating activities		
Increase (decrease) in cash flows from		
Accounts receivable	90,214	(16,018)
Prepaid expenses	-	63
Accounts payable	(99,971)	92,758
Move in deposits payable	(150)	500
Income tax payable	206	119
Common charges paid in advance	(3,308)	(7,241)
	(111,002)	48,156
 CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Reserve fund	108,858	13,611
 CASH FLOWS USED IN FINANCING ACTIVITIES		
Note payable	(37,661)	(36,204)
 NET (DECREASE) INCREASE IN CASH	(39,805)	25,563
 CASH - beginning of year	40,872	15,309
 CASH - end of year	\$ 1,067	\$ 40,872
 SUPPLEMENTAL DISCLOSURE INFORMATION		
Income taxes paid	\$ 400	\$ 325
Interest paid	\$ 14,346	\$ 13,994

See notes to financial statements

WESTGATE PARK CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

Westgate Park Condominium (Association) is a condominium association organized as a not-for-profit association for the purposes of maintaining and preserving common property. The Association consists of 168 residential sites located at 119 De Haven Drive, Yonkers, NY. The Association has been active since 1966.

Under condominium ownership, each unit owner possesses title to his unit and is entitled to exclusive use of it. In addition, each unit owner has an undivided interest (a percentage) as set forth in the Public Offering Statement in the common elements of the condominium. The financial statements do not include the cost of the individual units and the common elements of the condominium, except for units owned by the Association, if any.

Real estate taxes and mortgages applicable to the individual units are independently billed to and paid by each unit owner. These financial statements do not reflect such expenditures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis, in which income is recognized when earned and expenses are recognized when incurred.

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 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 reporting period. Actual results could differ from those estimates.

Cash

For purposes of the statements of cash flow, the Association considers all highly liquid investments purchased to be cash equivalents.

The Corporation maintains its cash in bank deposit accounts which at times may exceed federally insured limits. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Recognition of Assets

The Association adopted the following accounting principles which are stated in the audit and accounting guide for Common Interest Realty Association (CIRA) issued by the American Institute of Certified Public Accountants. These principles are described as the prevalent industry practices followed by condominiums for recognizing common real property as assets.

WESTGATE PARK CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Real property and common areas acquired from the developer and subsequent major repairs or improvements to such property are not recorded in the Association's financial statements as assets because those properties are owned by the individual unit owners in common and not by the Association. Personal property assets are recorded at cost and are depreciated over the useful life of the assets.

Capital Improvements

Capital improvements to the building and its components which are directly associated with the units will be recognized as nonoperating expenses for income tax purposes and for financial reporting purposes. Capital improvements not directly associated with the units and personal property acquired, if any, will be capitalized for both income tax purposes and financial reporting purposes.

Common Charges/Accounts Receivable

Unit owners are subject to monthly common charges to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements.

As of January 1, 2024, the board increase the monthly common charges by 8%. There was an increase for 2022 of 8%.

Accounts receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and in some instances place liens on the units of members whose common charges are unreasonably delinquent. The Association considers all unit owners' receivables at the balance sheet date to be collectible. Accordingly, no allowance for doubtful accounts is required. If any receivables become uncollectible, they will be charged to operations when that determination is made.

Income and Corporation Taxes

Certain condominiums may qualify as a "homeowners' association" within the meaning of IRS Code Section 528 and, therefore, can elect to be exempt from income tax on common charges. In order for a condominium to qualify as a "homeowner's association" under Internal Revenue Code Section 528(c), the condominium must qualify under, among others, the "Substantially Residential Test." Under this test, at least 85% of the square footage of all the units must be used for residential purposes.

The Association qualifies as a homeowners' association.

The Association is subject to New York State Franchise tax that is calculated on the greater of its capital base or income base.

Unit owners own legal title to their units. As such, the unit owners qualify to deduct New York City real estate taxes, which are billed separately to them. They will also qualify to deduct interest, within certain limitations, on debt used to acquire, construct, or substantially improve any qualified

WESTGATE PARK CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

residence. A qualified residence means (i) a principal residence and (ii) one secondary residence selected by the Unit Owner.

The Association has adopted the accounting pronouncement related to income taxes which requires that a tax position be recognized or derecognized on a “more than likely than not” threshold. This applies to positions taken or expected to be taken on the tax return. The Corporation does not believe its financial statements include any uncertain tax positions. Management believes it is no longer subject to income tax examinations for years ending prior to December 31, 2019.

Reclassifications

Certain items in the December 31, 2022, financial statements have been reclassified to conform to the December 31, 2023, presentation. These reclassifications had no effect on the Association’s previously reported net income.

3. RESERVE FUND

The reserve funds at December 31, 2023, and 2022 consists of the following:

	2023		2022
NCB Roof	\$ 237,186		\$ 295,971
NCB Assessment	2,539		2,515
Capital One	14,576		64,588
TWB Reserve	2,827		2,879
Orange Bank	1,108		1,141
Total	\$ 258,236		\$ 367,094

3. OWNERS’ ASSESSMENTS

Association members are subject to monthly assessments to provide funds for the Association’s operating expenses, future capital acquisitions, and major repairs and replacements.

The annual budget and assessments of owners are determined by the board of managers.

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association’s governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Association has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. The Association’s board

WESTGATE PARK CONDOMINIUM

NOTES TO FINANCIAL STATEMENTS

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS - Continued

also has not developed a plan to fund those needs. When funds are required to meet future needs for major repairs and replacements, the Association has the option to borrow, increase common charge assessments, pass special assessments or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

5. UNION AGREEMENT & PENSION PLAN

The Corporation, along with other residential building operators, is a participant in a collective bargaining agreement through December 31, 2023, covering all union employees.

Multi-Employer Pension Plan

The Association is a participant in a multi-employer defined benefit pension plan under the terms of the collective bargaining agreement covering all its union employees. Information in respect of the multi-employer plan providing pension benefits in which the Corporation participates is shown in the following table:

Name of Plan	Employer ID Number	Certified Zone Status		Improvement or Rehabilitation Plan	Surcharge Paid	Expiration Date of Collective Bargaining Agreement
		2023	2022			
Building Service 32BJ Pension Fund	13-1879376	Yellow	Yellow	Yes	No	September 30, 2026

Certified Zone Status (as defined by the Pension Protection Act) represents the level at which the Plan is funded. Plans in the red zone are less than 65% funded; plans in the yellow zone are less than 80% funded; and plans in the green zone are at least 80% funded. For the above Plan, the latest certified zone status is for the Plan’s year end of June 30, 2023.

WESTGATE PARK CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS

5. UNION AGREEMENT & PENSION PLAN - Continued

For the years ended December 31, 2023, and 2022 the Corporation’s contributions to the Plan were \$12,506 and \$14,650, respectively. The Association’s contributions are less than 1% of the Plan’s total contributions.

Other Post Retirement Plans Other Than Pensions

The Association is a participant in four multi-employer plans that provide benefits other than pensions to covered employees under the terms of the collective bargaining agreement. The health fund provides health benefits and life insurance coverage for eligible participants and their covered dependents. The legal services fund provides legal assistance in certain areas of the law for eligible participants and their spouses. The Thomas Shortman training, scholarship and safety fund provides safety training and scholarships for covered employees and certain dependents. The supplemental retirement savings plan (SRSP) is a defined contribution plan offered to covered employees as a supplement to social security and any pension plan. During the year ended December 31, 2023, and 2022, the Association contributed \$1,308 and \$1,560, respectively.

6. NOTE PAYABLE

On November 8, 2020, the Corporation signed a loan agreement with Mutual of Omaha secured by a security interest in all of the Borrower’s rights, title, and interest in the collateral of the Borrower including all assets and rights to collection and assessments of West Gate Park Condominium. The total loan was for \$400,000. The term of the loan is for ten years. The interest rate is 3.9% per annum. Monthly payments of principal and interest in the amount of \$4,048 are required.

Amortization maturities of the mortgage notes for each of the next five years are as follows:

Year ended December 31:

2024	\$	39,150
2025		40,754
2026		42,395
2027		44,102
2028		45,869
Thereafter		43,291
Total	\$	<u>255,561</u>

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 20, 2024, the date the financial statements were available to be issued.