

Edgemont at Tarrytown Condominium

**Financial statements and additional information
November 30, 2013 and 2012**

Edgemont at Tarrytown Condominium

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SHEER & JAMPOL, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To: The Board of Managers
and unit-owners of
Edgemont at Tarrytown Condominium:

We have audited the accompanying financial statements of Edgemont at Tarrytown Condominium, which comprise the balance sheets as of November 30, 2013 and 2012 and the related statements of revenues and expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based upon our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edgemont at Tarrytown Condominium as of November 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

SHEER & JAMPOL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

February 25, 2014
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Other Matters

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12 thru 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except where indicated "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of the America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

As more fully discussed in Note 4, Management has omitted the information about the estimates of 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 the missing information

Sheer & Jampol, L.L.P.

SHEER & JAMPOL, L.L.P.
Elmsford, NY
February 25, 2014

Edgemont at Tarrytown Condominium

Balance sheet

November 30,	2013	2012
Assets		
Current assets		
Cash - Hudson Valley Bank - operating account	\$ 11,603	\$ 13,574
Merrill Lynch Bank USA	208,045	105,719
Cash and equivalents	Note 2 & 7	219,648
Member common charges and assessment receivable	7,573	11,496
Accrued interest receivable	238	289
Prepaid expenses	Schedule 1	35,622
Total current assets	263,081	159,273
Fixed assets		
Machinery, equipment, furniture and fixtures	114,425	116,353
Accumulated depreciation	(37,475)	(64,766)
Total fixed assets	Note 2	76,950
Other assets		
Investments - held by Merrill Lynch	Notes 2 & 7 Schedule 2	135,000
		128,870
Total assets	\$	475,031
		\$ 339,730
Liabilities & members' equity		
Current liabilities		
Accounts payable and accrued expenses	Schedule 3	\$ 38,805
Prepaid member common charges and assessments		6,620
Total current liabilities		45,425
Members' equity		
Beginning balance		301,668
Excess of revenues over revenues (expenses over revenues)		127,938
Members' equity - ending balance		429,606
Net unrealized gain on marketable securities	Note 2	0
		63
Total members' equity		429,606
		301,731
Total liabilities and members' equity	\$	475,031
		\$ 339,730

See independent auditors' report and accompanying notes to the financial statement.

Edgemont at Tarrytown Condominium

Statement of revenues and expenses

Year ended				
November 30,			2013	2012
Revenues				
Member				
Common charges	Note 2	\$	1,021,937	\$ 968,662
Reserve replenishment	Notes 2 & 6		177,685	177,685
Miscellaneous income			9,781	14,102
Total member revenue			1,209,403	1,160,449
Other				
Interest and dividend income			2,955	3,431
Total other revenues			2,955	3,431
Total revenues			1,212,358	1,163,880
Expenses				
Operating expenses	Schedule 4		549,049	543,222
Maintenance expenses	Schedule 5		210,029	257,366
Administrative expenses	Schedule 6		180,221	149,344
Taxes	Schedule 7		(351)	2,219
Major repairs and replacements	Schedule 8		133,365	256,029
Financial expenses	Schedule 9		778	74
Total expenses			1,073,091	1,208,254
Excess of revenues over expenses				
(expenses over revenues) before				
Depreciation			139,267	(44,374)
Depreciation			(11,329)	(9,225)
Excess of revenues over expenses				
(expenses over revenues)		\$	127,938	\$ (53,599)

See independent auditors' report and accompanying notes to the financial statement.

Edgemont at Tarrytown Condominium

Statement of cash flows

Year ended November 30,	2013	2012
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues)	\$ 127,938	\$ (53,599)
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to cash flows from operating activities:		
Depreciation	11,329	9,225
Changes in assets and liabilities:		
Member common charges receivable	3,923	(2,030)
Accrued interest receivable	51	128
Prepaid expenses and miscellaneous receivables	(7,427)	1,101
Accounts payable and accrued expenses	11,498	(71,881)
Certiorari refunds due to unit owners	0	(7,017)
Prepaid member assessments	(4,072)	2,195
Net cash provided (used) by operating activities	143,240	(121,878)
Cash flows from investing activities		
Purchase and sale of common area property and equipment (net)	(36,692)	0
(Redemption) purchase of investments - net	(6,130)	22,592
Net unrealized (gain) loss on marketable securities	(63)	2,408
Net cash (used) provided by investing activities	(42,885)	25,000
Net increase (decrease) in cash	100,355	(96,878)
Cash at beginning of year	119,293	216,171
Cash at end of year	\$ 219,648	\$ 119,293
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 1,080	\$ 578
Interest paid	\$ 0	\$ 74

See independent auditors' report and accompanying notes to the financial statement.

Edgemont at Tarrytown Condominium

Notes to financial statements

November 30, 2013 and 2012

NOTE 1 - HISTORY AND ORGANIZATION

Edgemont at Tarrytown Condominium (the "Condominium") is a membership organization which has been organized under Article 9B of the Real Property Law of the State of New York, to maintain and preserve the common areas in the development including but not limited to the recreational facilities, roadways, walkways and natural and landscaped areas. A purchaser of a home in the development will automatically assume the rights and obligations of membership in the Condominium upon closing title. The Condominium consists of 188 homeowners. It is located between Benedict Avenue, Martling Avenue, and Prospect Avenue in the Village of Tarrytown, Town of Greenburgh in Westchester County, New York.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The books and records of the Corporation are maintained on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Fixed assets, repairs and maintenance - Repairs and maintenance are charged to income and betterments that extend the useful life of, or substantially improve the assets owned by the Condominium, are capitalized. The estimated useful lives of the machinery, equipment, furniture and fixtures range from five to twelve years. Depreciation is computed using the straight line method for financial statements and income tax purposes.

Cash, cash equivalents and investments - For purposes of the Statement of Cash Flows, cash and cash equivalents include all bank deposits, including bank money market accounts, money market mutual funds which maintain a constant \$1.00 value and certificates of deposit with an original maturity date of three months or less. Certain investments in debt and equity securities must be classified into one of three categories. Debt securities that the Condominium has the positive intent and ability to hold to maturity are classified as "held-to-maturity" and are reported at amortized cost. Debt securities not so classified and marketable equity securities are classified as either "trading" or "available-for-sale" and are recorded at fair market value with unrealized gains and losses included in earnings, or stockholders' equity respectively.

Revenues from members - Common charges, reserve replenishment charges and other charges are based upon an annual budget determined by the Board of Managers ("the Board"). Unit owners are billed monthly based upon their respective ownership. A special assessment for the pool restoration was adopted after approval by a unit owner vote and was imposed based upon all members' respective ownership. The Condominium retains excess operating funds, if any, at the end of the operating year, and applies such excess to future operations, including major repairs and replacements. No common charges or assessments were considered uncollectable at November 30, 2013.

Edgemont at Tarrytown Condominium

Notes to financial statements

November 30, 2013 and 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates - The preparation of financial statements with GAAP requires management to use judgment in the application of accounting policies including making estimates and assumptions there that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to intangible assets and liabilities, depreciable lives, revenue recognition and the recoverability of trade accounts receivable. Application of these assumptions requires the exercise of judgment as to future uncertainties and as a result, actual results could differ from these estimates.

Subsequent events - In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through February 25, 2014, the date that the financial statements were available to be issued.

NOTE 3 - INCOME TAXES

Condominiums may be taxed as regular corporations or elect to be taxed as homeowners' associations. For the year ended November 30, 2012, the Condominium was taxed as a homeowner's association on its nonexempt function income, such as interest earnings, at a flat rate of 30%. Exempt income that consists primarily of member common charges and assessments is not taxable. It is anticipated that the Condominium will make a similar election for 2013.

The Condominium implemented the provisions of the FASB Codification Section 740 ("ASC Section 740") "Accounting for Uncertainty in Income Taxes" (formerly, FASB Interpretation No. 48), which clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return. ASC Section 740 sets forth a threshold for financial statement recognition, measurement and disclosure of tax positions taken or expected to be taken on a tax return. Each of the Condominium's federal and New York State tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service and the New York State Department of Taxation and Finance. Management has evaluated the adoption of ASC Section 740 and determined that there is no impact on the Condominium's financial statement.

Edgemont at Tarrytown Condominium

Notes to financial statements

November 30, 2013 and 2012

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

While the Condominium has not conducted a 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, it has developed long range plans for capital and major maintenance expenditures. The Condominium has imposed charges to fund certain needs and evaluates these needs on an annual basis. If additional funds are needed to meet future needs for major repairs and replacements, the Condominium has the right to borrow funds, increase common charges, pass special assessments or delay major repairs and replacements until funds are available. Certain major assessments are subject to unit owners' approval. The effect on future operations cannot be determined at this time. Neither New York State law nor the Condominium documents require the accumulation of monies for future repairs and replacements or capital improvements. (See Note 10).

NOTE 5 - PENSION PLAN

The Condominium maintains a SEP plan which covers eligible full time employees. Pension contributions for the year-ended November 30, 2013 and 2012 were approximately \$8,007 and \$6,725 respectively.

NOTE 6 - SPECIAL ASSESSMENT - RESERVE REPLENISHMENT

The Condominium adopted a special charge of approximately \$177,685 and \$177,685 payable within the years ended November 30, 2013 and 2012 respectively. This money will be used to fund major maintenance and budgeted repairs, non-budgeted emergency repairs and to replenish the reserve account.

NOTE 7 - CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are maintained with several financial institutions. Deposits held with banks may exceed the \$250,000 of Federal Deposit Insurance Corporation ("FDIC") insurance provided on such deposits. The Condominium continually monitors its deposits in the financial institutions and does not anticipate any financial losses.

The money market mutual funds are not bank deposits and are not insured by the FDIC or any other governmental agency. They are instead covered by the Securities Investor Protection Corporation ("SIPC"), a federally mandated United States non-profit corporation that protects investors if a broker-dealer becomes insolvent.

Edgemont at Tarrytown Condominium

Notes to financial statements

November 30, 2013 and 2012

NOTE 8 - CONTINGENCIES

The Condominium has been named as a defendant in two lawsuits filed by one resident unit owner. The first alleges property damage. This was settled in 2013. The second alleges several torts against the resident unit owner and remains active. In addition, the Condominium was named as a defendant in a "slip and fall" lawsuit. The Condominium has referred the lawsuit to its insurance carrier. The Condominium believes that the resulting liability, if any, will be within policy limits.

NOTE 9 - SUBSEQUENT EVENT

The Condominium adopted a 3% common charge increase effective December 1, 2013.

NOTE 10 - ROOF PROJECT

The Condominium will start a major roof project which will result in future assessments.

SUPPLEMENTARY INFORMATION

Edgemont at Tarrytown Condominium

Supporting schedules Balance sheet

November 30, 2013 2012

Schedule 1

Prepaid expenses

Insurance	\$ 34,271	\$ 28,165
Real estate taxes	31	30
Income taxes	1,320	0

Total prepaid expenses	\$ 35,622	\$ 28,195
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Schedule 2

Other investments - held by Merrill Lynch

19,000 Structured Assets Securities - Series 2003 5.75% - due 4/25/33 - available for sale	\$ 0	\$ 17,828
35,000 Countrywide Alternative Loan Trust - Series 2003 5.25% - due 11/25/33 - available for sale	35,000	36,042
Certificates of deposit (held to maturity) -		
25,000 Apple Bank for Savings - 0.30% - due 12/27/12	0	25,000
25,000 Banco Popular - 0.40% - due 03/12/13	0	25,000
25,000 GE Capital Retail Bank - 0.45% - due 05/21/13	0	25,000
25,000 Bank of Baroda - 0.35% due 1/6/14	25,000	0
25,000 Fifth Third Bank - 0.30% due 2/14/14	25,000	0
25,000 Bank of India NY - 0.45% due 4/16/14	25,000	0
25,000 Fifth Third Bank - 0.35% due 5/21/14	25,000	0

Total investments	\$ 135,000	\$ 128,870
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Schedule 3

Accounts payable and accrued expenses

Insurance	\$ 4,184	\$ 2,914
Electricity and gas	5,019	3,801
Repairs and maintenance	10,431	6,813
Major repairs and replacements	6,225	0
Water	5,446	6,196
Professional fees	7,500	6,000
Pension	0	546
Federal corporate and New York State franchise taxes	0	630
Miscellaneous	0	407

Total accounts payable and accrued expenses	\$ 38,805	\$ 27,307
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See independent auditors' report.

Edgemont at Tarrytown Condominium

Supporting schedules Statement of revenues and expenses

November 30, 2013 2012

Schedule 4

Operating expenses

Energy

Electricity and gas	\$ 52,549	\$ 45,962
Total energy	52,549	45,962

Payroll

Payroll	321,673	315,486
Payroll taxes	28,792	29,815
Workers' compensation and disability insurance	11,346	10,776
Health and pension benefits	40,988	44,285
	Note 5	
Total payroll	402,799	400,362

Other

Exterminating	11,422	11,984
Water	72,861	76,239
Cleaning and rubbish removal	5,306	3,001
Miscellaneous	4,112	5,674
Total other	93,701	96,898

Total operating expenses	\$ 549,049	\$ 543,222
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Schedule 5

Maintenance expenses

Landscaping and grounds upkeep	\$ 103,010	\$ 126,849
Plumbing and heating	7,692	8,045
Electrical repairs	9,380	11,958
Interior repairs, painting and decorating	1,305	29,693
Building exterior repairs	18,312	11,008
Windows	7,889	13,977
Truck expense	2,706	1,625
Pool repairs and maintenance	13,839	7,370
Clubhouse	3,464	4,773
Supplies and equipment	42,432	42,068

Total maintenance expenses	\$ 210,029	\$ 257,366
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See independent auditors' report.

Edgemont at Tarrytown Condominium

Supporting schedules

Statement of revenues and expenses

Year ended November 30,	2013	2012
Schedule 6		
Administrative expenses		
Management fee	\$ 32,304	\$ 31,786
Legal fees	5,525	6,530
Accounting fees	7,500	6,000
Other professional fees, net of \$4,000 refund (2012)	0	(3,962)
Telephone	1,913	1,843
Insurance	118,908	91,726
Miscellaneous	14,071	15,421
Total administrative expenses	\$ 180,221	\$ 149,344
Schedule 7		
Taxes		
Real estate taxes	\$ 519	\$ 584
Federal income and New York State franchise taxes, net	Note 3 (870)	1,635
Total taxes	\$ (351)	\$ 2,219
Schedule 8		
Major repairs and replacements		
Retaining walls	\$ 13,520	\$ 26,984
Pool	0	27,650
Roof, gutters and chimney	89,810	117,160
Walkway	22,210	0
Clubhouse	0	14,533
Parking lot, roads	0	15,000
Exterior, decks, steps and patios	7,825	54,702
Total major repairs and replacements	\$ 133,365	\$ 256,029
Schedule 9		
Financial expenses		
Miscellaneous interest	\$ 778	\$ 74

See independent auditors' report.

Edgemont at Tarrytown Condominium

Statement of revenues, expenses and related budgets

Year ended November 30,	2013 Budget (unaudited)	2013 Actual	2012 Actual	2014 Budget (unaudited)
Revenues				
Common charges	\$ 1,021,936	\$ 1,021,937	\$ 968,662	\$ 1,052,593
Miscellaneous income	1,200	9,781	14,102	5,937
Total member revenues	1,023,136	1,031,718	982,764	1,058,530
Other				
Interest and dividend income	0	2,955	3,431	0
Total other revenues	0	2,955	3,431	0
Total revenues	\$ 1,023,136	\$ 1,034,673	\$ 986,195	\$ 1,058,530
Operating expenses				
Electricity and gas	\$ 52,200	\$ 52,549	\$ 45,962	\$ 56,500
Payroll and related payroll costs	434,492	402,799	400,362	452,581
Exterminating	11,500	11,422	11,984	12,500
Water	82,000	72,861	76,239	77,000
Cleaning and rubbish removal	7,500	5,306	3,001	5,000
Miscellaneous	1,300	4,112	5,674	5,100
Total operating expenses	588,992	549,049	543,222	608,681
Maintenance expenses				
Landscaping and grounds upkeep	128,000	103,010	126,849	121,000
Plumbing and heating	7,000	7,692	8,045	7,000
Electrical repairs	11,000	9,380	11,958	10,000
Interior repairs, painting and decorating	[]	1,305	29,693	[]
Building exterior repairs	[41,300]	18,312	11,008	[35,500]
Windows	[]	7,889	13,977	[]
Truck expense	3,500	2,706	1,625	11,500
Pool repairs and maintenance	10,500	13,839	7,370	11,500
Tennis court maintenance	700	0	0	1,000
Clubhouse	5,000	3,464	4,773	10,000
Supplies and equipment	42,700	42,432	42,068	34,200
Total maintenance expenses	\$ 249,700	\$ 210,029	\$ 257,366	\$ 241,700

See independent auditors' report.

Edgemont at Tarrytown Condominium

Supporting schedules Statement of revenues, expenses and related expense budgets

Year ended November 30,	2013 Budget (unaudited)	2013 Actual	2012 Actual	2014 Budget (unaudited)
Administrative expenses				
Management fee	\$ 32,318	\$ 32,304	\$ 31,786	\$ 32,838
Legal fees	12,500	5,525	6,530	15,000
Accounting fees	6,500	7,500	6,000	6,800
Other professional fees	4,000	0	(3,962)	4,000
Telephone	2,000	1,913	1,843	2,000
Insurance	98,800	118,908	91,726	131,000
Miscellaneous	15,400	14,071	15,421	15,100
Total administrative expenses	171,518	180,221	149,344	206,738
Taxes				
Real estate taxes	595	519	584	536
Federal income and New York State franchise taxes, net	2,000	(870)	1,635	700
Total taxes	2,595	(351)	2,219	1,236
Financial expenses				
Miscellaneous interest	0	778	74	0
Total expenses	1,012,805	939,726	952,225	1,058,355
Excess of operating revenues over operating expenses before depreciation and amortization	\$ 10,331	\$ 94,947	\$ 33,970	\$ 175

See independent auditors' report.

Edgemont at Tarrytown Condominium

Supporting schedules

Statement of revenues, expenses and related capital budgets

Year ended November 30,	2013 Budget (unaudited)	2013 Actual	2012 Actual	2014 Budget (unaudited)
Capital assessments				
Reserve replenishment	\$ 177,685	\$ 177,685	\$ 177,685	\$ 177,685
Total capital assessments	177,685	177,685	177,685	177,685
Major repairs and replacements				
Contingencies	50,000	0	0	50,000
Roof, gutters and chimney	85,000	89,810	117,160	122,000
Retaining walls	20,000	13,520	26,984	20,000
Pool	0	0	27,650	0
Walkway	8,000	22,210	0	10,000
Clubhouse	10,000	0	14,533	25,000
Steps	0	0	0	15,000
Parking lot, roads	0	0	15,000	0
Exterior, decks, steps and patios	25,000	7,825	54,702	0
Playground and recreational facilities	2,500	0	0	1,000
Total major repairs and replacements	200,500	133,365	256,029	243,000
(Deficiency) excess of budgeted capital assessments over budgeted capital expenditures	\$ (22,815)	\$ 44,320	\$ (78,344)	\$ (65,315) *

* Any deficiency will be paid from previously collected capital assessments

See independent auditors' report.

