

Greythorne By Marrano Condominium Inc.

Financial Statements

As of December 31, 2021

(With Comparative Totals as of December 31, 2020)

Together With

Independent Accountant's Review Report

Greythorne By Marrano Condominium Inc.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Managers
Greythorne by Marrano Condominium, Inc.
Williamsville, NY 14221

We have reviewed the accompanying financial statements of Greythorne By Marrano Condominium, Inc, which comprise the balance sheet as of December 31, 2021, and the related statements of revenues and expenses and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Condominium's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Greythorne By Marrano Condominium Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in Schedules I is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

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Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted required supplementary information about future 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 conclusion on the basic financial statements is not affected by this missing information.

Report on Summarized Comparative Information

We have previously reviewed Greythorne By Marrano Condominium Inc.'s 2020 financial statements, and our report dated January 13, 2022 stated that based on our procedures, we were not aware of any material modifications that should be made to the financial statements from which the summarized comparative information was derived in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Allied CPAs, P.C.

Tonawanda, New York
February 17, 2022

GREYTHORNE BY MARRANO CONDOMINIUM INC.
BALANCE SHEET
AS OF DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS

	Operating Fund	Reserve Fund	2021	2020
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 57,144	\$ 237,930	\$ 295,074	\$ 268,667
Assessment receivable	-	-	-	5,322
Special assessment receivable	10,878	-	10,878	3,880
Working capital receivable	-	-	-	100
Prepaid expenses	-	-	-	3,252
Interfund balances	11,036	(11,036)	-	-
TOTAL ASSETS	\$ 79,058	\$ 226,894	\$ 305,952	\$ 281,221

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts payable	\$ 3,931	\$ -	\$ 3,931	\$ 4,109
Prepaid assessments and advances	14,937	-	14,937	48,365
TOTAL LIABILITIES	18,868	-	18,868	52,474

FUND BALANCES

	60,190	226,894	287,084	228,747
TOTAL LIABILITIES AND FUND BALANCES	\$ 79,058	\$ 226,894	\$ 305,952	\$ 281,221

See independent accountant's review report
and notes to the financial statements

GREYTHORNE BY MARRANO CONDOMINIUM INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2021 Total</u>	<u>2020 Total</u>
<u>REVENUE:</u>				
Assessment income	\$ 565,447	\$ 38,878	\$ 604,325	\$ 559,735
Assessment income- sponsor	-	-	-	58,500
Interest income	-	43	43	140
Miscellaneous	319	-	319	-
TOTAL REVENUE	<u>565,766</u>	<u>38,921</u>	<u>604,687</u>	<u>618,375</u>
<u>EXPENSES:</u>				
GENERAL AND ADMINISTRATIVE:				
Management	16,162	-	16,162	12,470
Insurance	6,456	-	6,456	8,681
Professional fees	6,907	-	6,907	4,145
Miscellaneous	10,781	-	10,781	1,502
TOTAL GENERAL AND ADMINISTRATIVE	<u>40,306</u>	<u>-</u>	<u>40,306</u>	<u>26,798</u>
UTILITIES:				
Electric	1,607	-	1,607	1,571
Water	34,761	-	34,761	77,103
Telephone	1,272	-	1,272	1,231
TOTAL UTILITIES	<u>37,640</u>	<u>-</u>	<u>37,640</u>	<u>79,905</u>
REPAIRS AND MAINTENANCE:				
Landscaping	353,688	-	353,688	318,507
Snow plowing	80,606	-	80,606	93,703
Repairs and maintenance	34,110	-	34,110	3,065
TOTAL REPAIRS AND MAINTENANCE	<u>468,404</u>	<u>-</u>	<u>468,404</u>	<u>415,275</u>
TOTAL EXPENSES	<u>546,350</u>	<u>-</u>	<u>546,350</u>	<u>521,978</u>
EXCESS OF REVENUES OVER EXPENSES	19,416	38,921	58,337	96,397
FUND BALANCE - BEGINNING	<u>18,374</u>	<u>210,373</u>	<u>228,747</u>	<u>132,350</u>
Transfer	22,400	(22,400)	-	-
FUND BALANCE - ENDING	<u>\$ 60,190</u>	<u>\$ 226,894</u>	<u>\$ 287,084</u>	<u>\$ 228,747</u>

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and notes to the financial statements

GREYTHORNE BY MARRANO CONDOMINIUM INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2021 Total</u>	<u>2020 Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Excess of revenues over expenses	\$ 19,416	\$ 38,921	\$ 58,337	\$ 96,397
Adjustments to reconcile excess of revenues over expenses to net cash flows from operating activities:				
Decrease (Increase) in:				
Due to/from fund	25,577	(25,577)	-	-
Assessment receivable	5,322	-	5,322	(4,327)
Special assessment receivable	(6,998)	-	(6,998)	(3,880)
Working capital receivable	100	-	100	-
Prepaid expenses	3,252	-	3,252	(246)
Accounts payable	(178)	-	(178)	(7,561)
Prepaid assessments	(33,428)	-	(33,428)	(28,329)
Income tax payable	-	-	-	(13)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>13,063</u>	<u>13,344</u>	<u>26,407</u>	<u>52,041</u>
Net change in cash and cash equivalents	13,063	13,344	26,407	52,041
Cash and cash equivalents, beginning	<u>44,081</u>	<u>224,586</u>	<u>268,667</u>	<u>216,626</u>
Cash and cash equivalents, ending	<u>\$ 57,144</u>	<u>\$ 237,930</u>	<u>\$ 295,074</u>	<u>\$ 268,667</u>

See independent accountant's review report
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GREYTHORNE BY MARRANO CONDOMINIUM INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 – Nature of Activities

Greythorne By Marrano Condominium Inc. (the Condominium) is a statutory condominium association organized pursuant to Article 9-B of the Real Property Law of the State of New York as amended, commonly known as the New York State Condominium Act responsible for the management and maintenance of condominium common property, located on approximately 34.40 acres in Amherst, New York. The Condominium began operations in December 2007. The Condominium consists of 117 residential units, 11 of which are owned by the Sponsor. Each unit owner is a member of the Condominium.

Note 2 – Summary of Significant Accounting Policies

Method of Accounting

The Condominium prepares its financial statements in conformity with fund accounting, which requires that funds, such as operating funds and funds designed for future major repairs and replacements, be classified separately for accounting and reporting purposes.

Operating Fund

This fund is used to account for financial resources available for the general operation of the Condominium. Disbursements from the fund may be made only for their designated purposes.

Reserve Fund

This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from the fund may be made only for their designated purposes.

Inter-fund Balances

These balances, generally, arise when cumulatively through the balance sheet date one fund pays expenses or receives revenue of another, or has otherwise borrowed from the other.

Basis of Accounting

The Condominium's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). An accrual basis financial statement gives effect to all revenue billed but not collected, expenses incurred but not yet paid, and expenses prepaid but not yet incurred.

Cash and Equivalents

For the purposes of the Statement of Cash Flows, the Condominium considers all unrestricted highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Condominium maintains cash deposits and investments with financial institutions that have Federal Deposit Insurance Corporation (FDIC) coverage. At various times, deposits with these financial institutions may exceed federally insured limits. The Condominium has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk with respect to cash.

Assessment Receivable

Assessment receivables are recorded at the amount the Condominium expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with the unit owners having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end are immaterial.

Real and Common Property

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Condominium's financial statements because those properties are owned by the individual unit owners in common and not by the Condominium. The Condominium capitalizes personal property to which it has title at cost. Any repairs or improvements paid by the Condominium have not been capitalized, and have been expensed for income tax purposes under special rules for condominium associations.

See independent accountant's review report
and notes to the financial statements

GREYTHORNE BY MARRANO CONDOMINIUM INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Condominium recognizes their revenue from contracts using the following five step process: 1) Identify the contract(s) with a customer, 2) Identify the performance obligations in the contract, 3) Determine the transaction price, 4) Allocate the transaction price to the performance obligations in the contract, and 5) Recognize revenue as the Condominium satisfies a performance obligation. The majority of the Condominium's revenue is recognized at a point in time based on receipt of assessment income. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the Condominium's contracts do not contain variable consideration and contract modifications are generally minimal.

Revenue is recognized when the services are rendered in an amount that reflects the consideration the Condominium expects to receive in exchange for those services. The Condominium accounts for revenue at established rates and enters into contracts with home owners that may include various combinations of services, which are generally capable of being distinct and accounted for as separate performance obligations. Contracts with home owners include multiple services. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgement.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Information

The accompanying financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Condominium's financial statements as of December 31, 2020 from which the summarized information was derived.

Note 3 – Member Assessments

Condominium members are subject to monthly assessments to provide funds for the Condominium's operating expenses, future capital acquisitions, and major repairs and replacements. The Board of Managers determines assessment requirements and allocations to operating and reserve funds which are based on current fiscal year needs and projected repairs and replacement costs. Assessments are recognized as revenue in the period in which they relate. No assurance exists as to the sufficiency of reserve funds to cover all necessary expenditures as they arise. Any excess assessments at year-end are retained by the Condominium for use in future years.

Note 4 – Future Major Repairs and Replacements

The Condominium's governing documents require funds to be accumulated for major repairs and replacements. Accumulated funds are held in separate accounts and are not, generally, available for operating purposes. The Board is funding the major repairs and replacements based on the estimated useful lives of the components considering amounts previously accumulated in the reserve funds.

Funds are being accumulated in the reserve based on estimates of future needs for repairs and replacements of common property. Actual expenditures may vary from estimated amounts, and the variations may be material; therefore, amounts accumulated in the reserve fund may not be adequate to meet all future needs for major repairs and replacements. The condominium has the right to increase regular replacement fund assessments, or levy special assessments for major repairs and replacements, if additional funds are needed.

GREYTHORNE BY MARRANO CONDOMINIUM INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 5 – Income Taxes

Homeowners' associations may elect to be taxed as regular corporations or as homeowners' associations. The Condominium elected to be taxed as a homeowners' association and filed form 1120H for the year ended December 31, 2021. Under Internal Revenue Code Sections 528, the Condominium is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Condominium property.

Note 6- Working Capital

A working capital fund has been established as part of the offering plan. Each unit is required to contribute \$100 to the fund upon purchase of the unit. The Board of Managers may use this fund as they determine. For the years ended December 31, 2021 and December 31, 2020, \$500 and \$200 was contributed to the fund respectively.

Note 7- Concentrations

Approximately 9% of assessment income for the years ending December 31, 2021 and December 31, 2020, respectively was attributable to the Sponsor. At December 31, 2021, the Sponsor owned 11 of the 117 residential units.

Note 8 - Subsequent Events

The Condominium has evaluated subsequent events through February 17, 2022, the date which the financial statements were available to be issued.

Subsequent to December 31, 2021, local, U.S. and world governments have encouraged self-isolation to curtail the spread of the coronavirus disease (Covid-19) pandemic, by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. In addition, global markets have seen significant declines. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial or other impacts to the Condominium, there is a reasonable possibility that the impact on the Condominium's financial position and results of future operations could be material.

GREYTHORNE BY MARRANO CONDOMINIUM INC.
SCHEDULE I- SCHEDULES OF CHANGES IN RESERVE FUND BALANCES
DECEMBER 31, 2021

<u>Description</u>	<u>Beginning Fund Balance</u>	<u>Additions to Fund Balance</u>	<u>Changes to Fund Balance</u>	<u>Ending Fund Balance</u>
Interest	\$ 615	\$ 82	\$ -	\$ 697
Roadway/Paving	-	13,943		13,943
Common Road	61,347	-	-	61,347
Asphalt Repairs	3,410	-	-	3,410
Water/Sewer Line	46,642	7,745	(22,400)	31,987
Gates/ Wall/ Fence	45,152	6,979	-	52,131
Contingency	50,436	9,018	-	59,454
Street Light	2,771	1,154	-	3,925
	<u>\$ 210,373</u>	<u>\$ 38,921</u>	<u>\$ (22,400)</u>	<u>\$ 226,894</u>

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