
BROADWAY 98 CONDOMINIUM

Financial Statements and
Supplementary Information for the
Years Ended December 31, 2022 and 2021

Prisand, Mellina, Unterlack & Co., LLP
Certified Public Accountants

BROADWAY 98 CONDOMINIUM

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Jayson Prisand, CPA
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David V. Agoglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers and Unit-Owners of
BROADWAY 98 CONDOMINIUM
240 West 98th Street
New York, NY 10025

Opinion

We have audited the accompanying financial statements of BROADWAY 98 CONDOMINIUM, which comprise the balance sheets (with supporting schedules) as of December 31, 2022 and 2021, and the related statements of revenues and expenses (with supporting schedules), changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BROADWAY 98 CONDOMINIUM as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits 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 BROADWAY 98 CONDOMINIUM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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, that raise substantial doubt about BROADWAY 98 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 BROADWAY 98 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 BROADWAY 98 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

As discussed in Note 2, BROADWAY 98 CONDOMINIUM has omitted the supplementary information on 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 opinion on the basic financial statements is not affected by this missing information.

Richard Mellin, Unterbach + Co., LLP

Plainview, New York
March 28, 2023

**BROADWAY 98 CONDOMINIUM
BALANCE SHEETS
AS OF DECEMBER 31,**

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 146,763	\$ 161,544
Accounts receivable	14,823	4,251
Prepaid expenses	88,749	82,314
Total Current Assets	250,335	248,109
Reserve Fund: (Note 3)	1,668,830	1,298,006
Total Current Assets and Reserve Fund	1,919,165	1,546,115
 Property and Improvements: (Notes 2 and 4)		
Building improvements and equipment	10,353,674	10,057,213
Accumulated depreciation	(1,476,125)	(1,103,628)
Net Property and Improvements	8,877,549	8,953,585
 Other Assets:		
Security deposits	4,500	2,500
Total Assets	\$ 10,801,214	\$ 10,502,200

The accompanying notes are an integral part of this statement.

**BROADWAY 98 CONDOMINIUM
BALANCE SHEETS
AS OF DECEMBER 31,**

	2022	2021
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 122,715	\$ 113,915
Building improvements payable	91,936	-
Advance common charges and assessments	30,074	36,928
Accrued wages and payroll taxes	20,022	15,626
Accrued income taxes	-	17,228
Total Current Liabilities	264,747	183,697
Other Liabilities:		
Security deposits payable	4,500	2,500
Total Liabilities	269,247	186,197
Members' Equity:		
Capital contributions (Note 5)	5,956,010	5,949,046
Fund balance	4,575,957	4,366,957
Total Members' Equity	10,531,967	10,316,003
Total Liabilities and Members' Equity	\$ 10,801,214	\$ 10,502,200

The accompanying notes are an integral part of this statement.

**BROADWAY 98 CONDOMINIUM
SUPPORTING SCHEDULES - BALANCE SHEETS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents:		
Operating account	\$ 146,763	\$ 161,544
Accounts Receivable:		
Common charges, assessments and other unit-owner fees (Note 2)	\$ 14,241	\$ 3,579
Accrued interest	582	-
Due from vendors	-	672
Total Accounts Receivable	<u>\$ 14,823</u>	<u>\$ 4,251</u>
Prepaid Expenses:		
Insurance	\$ 64,340	\$ 63,394
Fuel	15,124	15,124
Income taxes	4,725	-
Service contracts	4,560	3,796
Total Prepaid Expenses	<u>\$ 88,749</u>	<u>\$ 82,314</u>

The accompanying notes are an integral part of this statement.

**BROADWAY 98 CONDOMINIUM
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,**

	2022	2021
REVENUES		
Common charges	\$ 2,962,605	\$ 2,848,659
Storage and bike fees	61,750	-
Rental income (Note 6)	46,800	46,800
Energy surcharge (Note 5)	42,732	-
Laundry income	27,600	27,600
Other unit-owner fees	21,811	20,861
	3,163,298	2,943,920
 EXPENSES		
Administrative expenses	166,256	146,764
Operating expenses	2,329,814	2,233,056
Repairs and maintenance	258,865	294,135
Provision for income taxes (Note 2)	6,083	30,219
	2,761,018	2,704,174
 Excess of revenues over expenses before other items and depreciation expense	402,280	239,746
Transfer fees (Note 2)	148,313	161,315
Prior year's income tax accrual adjustments	25,927	-
Interest and dividends	4,977	2,025
	581,497	403,086
 Excess of revenues over expenses before depreciation expense	581,497	403,086
Depreciation expense	(372,497)	(347,720)
 EXCESS OF REVENUES OVER EXPENSES	\$ 209,000	\$ 55,366

The accompanying notes are an integral part of this statement.

BROADWAY 98 CONDOMINIUM
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2022</u>	<u>2021</u>
Administrative Expenses:		
Management fee	\$ 95,108	\$ 92,108
Other administrative	41,429	27,428
Professional fees	22,853	21,009
Telephone and communications	6,866	6,219
	<u>166,256</u>	<u>146,764</u>
Total Administrative Expenses	<u>\$ 166,256</u>	<u>\$ 146,764</u>
 Operating Expenses:		
Utilities		
Gas - heat	\$ 245,401	\$ 224,382
Water and sewer	111,396	109,703
Electricity and gas	63,978	50,325
	<u>420,775</u>	<u>384,410</u>
 Payroll		
Wages	1,251,937	1,157,338
Union benefits (Note 7)	351,460	407,752
Payroll taxes	103,598	92,753
Workers' compensation and disability insurance	30,330	30,975
	<u>1,737,325</u>	<u>1,688,818</u>
 Other		
Insurance	164,628	152,492
Permits and miscellaneous operating	7,086	7,336
	<u>171,714</u>	<u>159,828</u>
Total Operating Expenses	<u>\$ 2,329,814</u>	<u>\$ 2,233,056</u>

The accompanying notes are an integral part of this statement.

BROADWAY 98 CONDOMINIUM
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021
Repairs and Maintenance:		
Elevator maintenance and repairs	\$ 75,691	\$ 55,768
Plumbing	63,577	57,840
Materials and supplies	38,308	33,121
Uniforms	23,915	19,254
Painting, plastering and flooring	10,387	72,946
Electrical and intercom	8,621	18,952
Exterminating	8,183	7,969
Heating and boiler	7,494	16,703
Water treatment service	6,062	4,097
Grounds maintenance	5,819	4,839
Doors, locks and windows	4,707	1,317
Exterior	4,400	980
Equipment	1,701	349
	\$ 258,865	\$ 294,135
Total Repairs and Maintenance	\$ 258,865	\$ 294,135

The accompanying notes are an integral part of this statement.

**BROADWAY 98 CONDOMINIUM
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31,**

	2022	2021
CONTRIBUTED CAPITAL (NOTE 5)		
Balance - January 1,	\$ 5,949,046	\$ 5,936,322
Working capital contributions	6,964	12,724
Balance - December 31,	\$ 5,956,010	\$ 5,949,046
 FUND BALANCE		
Balance - January 1,	\$ 4,366,957	\$ 4,311,591
Excess of revenues over expenses	209,000	55,366
Balance - December 31,	\$ 4,575,957	\$ 4,366,957

The accompanying notes are an integral part of this statement.

**BROADWAY 98 CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 209,000	\$ 55,366
Adjustments to reconcile excess of revenues over expenses to cash provided by operating activities:		
Depreciation expense	372,497	347,720
(Increase) decrease in accounts receivable	(10,572)	13,819
(Increase) in prepaid expenses	(6,435)	(3,978)
(Decrease) increase in accounts payable and accrued expenses	(10,886)	11,410
Net change in security deposits transactions	-	(5,000)
Total Adjustments	344,604	363,971
Cash Provided By Operating Activities	553,604	419,337
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in reserve fund	(370,824)	(127,640)
(Increase) in building improvements and equipment	(296,461)	(268,240)
Increase (decrease) in building improvements payable	91,936	(76,250)
Cash (Used) By Investing Activities	(575,349)	(472,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Working capital contributions	6,964	12,724
Net (decrease) in cash and cash equivalents	(14,781)	(40,069)
Cash and cash equivalents at beginning of year	161,544	201,613
Cash and Cash Equivalents at End of Year	\$ 146,763	\$ 161,544
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -
Income taxes paid (refunded) - net	\$ 2,109	\$ (4,321)

The accompanying notes are an integral part of this statement.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 1 - THE ASSOCIATION

During February 2008, BROADWAY 98 CONDOMINIUM (the "Condominium") commenced operations in accordance with the terms of an Offering Plan to create condominium ownership for the property located at 240 West 98th Street and 241 West 97th Street, New York, New York. The Condominium consists of 166 residential units, two professional units, four retail units, a storage unit and the superintendent's unit. The primary purpose of the entity is to manage the operations of the Property and maintain the common elements.

As of December 31, 2022, Weinreb Associates (the "Sponsor") owned the commercial unit and 54 residential units, or approximately 38.45% of the common interest in the property, and was responsible for a similar percentage of the Condominium's common charges and assessments. As of December 31, 2022, the Sponsor was current on its financial obligations to the Condominium.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in accordance with generally accepted accounting principles 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.

Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs when market prices are not readily available or are unreliable (Level 3). Generally accepted accounting principles define fair value as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs to the valuation methodology include quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or other significant observable inputs.

Level 3 inputs to the valuation methodology are unobservable inputs for the asset or liability which reflect management's assumptions about the factors market participants would use in determining fair value and are based on the best information available.

As of December 31, 2022, \$850,523 of the Condominium's investments in certificates of deposit were valued using Level 2 inputs. See Note 3 for additional information.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of Assets

The Condominium capitalizes major replacements of common property, building equipment, furniture and fixtures at cost and depreciates such items using the straight-line method over estimated useful lives ranging from five to twenty-seven and one-half years.

Future Major Repairs and Replacements

The Condominium's governing documents do not require the accumulation of funds in advance of actual need to finance estimated future major repairs and replacements. Consistent with general practice in New York City, the Condominium has not promulgated a study to determine the remaining useful lives of the components of the building and estimates of the costs of major repairs and replacements that may be required. When funds are required for major repairs and replacements, the Condominium has the right to utilize available cash reserves, increase common charges, implement special assessments, or delay repairs and replacements until funds are available.

Revenue Recognition and Accounts Receivable

In accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, the Condominium recognizes revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Condominium expects to be entitled in exchange for those goods or services.

Members are subject to monthly common charges and operating assessments based on their respective ownership in order to provide funds for the Condominium's operating expenses. Such amounts are recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Condominium's performance obligations related to its common charges and operating assessments are satisfied over time on a daily pro-rata basis. Capital assessments, if any, provide funds for the Condominium's building improvements and equipment and to replenish the reserve fund. The performance obligations related to capital assessments are satisfied when the funds are expended for their designated purpose.

Common charges and assessments receivable at the balance sheet date are stated at the amounts expected to be collected from the members. The Condominium's policy is to retain legal counsel and place liens on the units of members whose assessments are unreasonably delinquent. Any excess assessments at year end are retained by the Condominium for use in future years. As of December 31, 2022 and 2021, the Condominium's accounts receivable from members were \$14,241 and \$3,579, respectively. Based upon past experience and other factors, the Condominium considers all accounts receivable at December 31, 2022 to be collectible. Accordingly, no allowance for doubtful accounts is required.

Transfer Fees

The Condominium charges a transfer fee equal to 5% of the gross profit on the resale of a unit. Transfer fees are recorded as revenue for both financial reporting and tax purposes. During 2022 and 2021, the Condominium recorded transfer fees of \$148,313 and \$161,315, respectively, from the sale of four and three residential units, respectively.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Condominium associations may be taxed either as a homeowners' association or as a regular corporation. For the year ended December 31, 2022, the Condominium has elected to be taxed as a homeowners' association. As a homeowners' association, the Condominium's net non-exempt function income is taxed at a special Federal tax rate.

New York State Franchise and New York City Corporation taxes are calculated at the higher of tax based on net taxable income, capital base or prescribed minimum amounts.

The Condominium's tax returns for all years since 2019 remain open to examination by the respective taxing authorities. There are currently no tax examinations in progress.

Statements of Cash Flows

The Condominium considers all highly liquid investments (not allocated to the reserve fund) with a maturity of three months or less at the date of purchase to be cash equivalents.

Note 3 - RESERVE FUND

During 2022 and 2021, the following transactions have taken place in the Condominium's reserve fund.

	<u>2022</u>	<u>2021</u>
Balance - January 1,	\$ 1,298,006	\$ 1,170,366
Net transfers from (to) operations	218,416	(35,335)
Transfer fees (Note 2)	148,313	161,315
Interest and dividends - net of service charges	<u>4,095</u>	<u>1,660</u>
Balance - December 31,	<u>\$ 1,668,830</u>	<u>\$ 1,298,006</u>

The reserve fund is invested as follows:

Certificates of Deposit - held at Merrill Lynch*	\$ 850,000	\$ -
Signature Bank - Money Market Account	607,604	240,455
Merrill Lynch - Bank Deposit and Preferred Deposit Programs	<u>211,226</u>	<u>1,057,551</u>
Balance - December 31,	<u>\$ 1,668,830</u>	<u>\$ 1,298,006</u>

* As of December 31, 2022, the Condominium held six certificates of deposit in denominations of \$250,000 or less per banking institution. The certificates of deposit had an average yield of 4.49% with maturity dates ranging from March 27, 2023 to December 23, 2024.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 4 - PROPERTY AND IMPROVEMENTS

During 2022 and 2021, the Condominium capitalized the following building improvements and equipment.

	<u>2022</u>	<u>2021</u>
Plumbing upgrades	\$ 92,189	\$ -
Façade restoration - (FISP) (in progress)	74,156	-
Storage room improvements	68,673	-
Elevator upgrades	61,443	36,747
Roof restoration	-	213,450
Security cameras	-	<u>18,043</u>
Total	<u>\$ 296,461</u>	<u>\$ 268,240</u>

Note 5 - CAPITAL CONTRIBUTIONS AND ENERGY SURCHARGES

Working Capital Contributions

At the closing of title to each unit, the purchaser is required to make a non-refundable working capital contribution equal to one month of common charges. During 2022 and 2021, the Condominium recorded working capital contributions of \$6,964 and \$12,724, respectively, from the sale of five and nine residential units, respectively.

Energy Surcharges

During October 2021, the Condominium approved an energy surcharge equivalent to 1.5% of 2021's common charges. The energy surcharge was billed to the unit-owners over twelve monthly installments commencing January 1, 2022.

During 2022, the Condominium approved an energy surcharge equivalent to 1.5% of 2022's common charges. The energy surcharge will be billed to the unit-owners over twelve monthly installments commencing January 1, 2023. The Condominium will discontinue the energy surcharge if the cost of gas-heat decreases significantly.

Note 6 - RENTAL INCOME

During January 2012, the Condominium entered into a twenty year lease agreement for the rental of a portion of the common area. The lease initially provided for rental income of \$4,000 per month. During 2017, the rent was retroactively reduced to \$3,900 per month effective December 1, 2016.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 7 - UNION BENEFITS

Substantially all of the Condominium's employees are members of the Service Employees International Union ("SEIU") Local 32BJ and covered by a union sponsored, collectively bargained, multiemployer defined benefit pension, annuity and health insurance plan (the "Plan"). The union agreement expires on April 20, 2026. The Condominium makes contributions to the Plan based on the number of weeks worked by each employee covered under the union contract. During 2022 and 2021, the Condominium contributed \$351,460 and \$407,752, respectively, to the Plan of which \$80,993 and \$89,362, respectively, was for pension expense. The Condominium's contributions to the Plan were less than 5% of the Plan's total contributions.

Contributions to the Building Service 32BJ Pension Fund (Employer Identification Number 13-1879376, Plan 001) (the "Fund") are not segregated or otherwise restricted to provide benefits only to the Condominium's employees. The risks of participating in a multiemployer pension plan are different from a single-employer pension plan in the following aspects: 1) assets contributed to a multiemployer pension plan by one employer may be used to provide benefits to employees of other participating employers, 2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and 3) if the Condominium chooses to stop participating in its multiemployer pension plan, the Condominium may be required to pay the plan an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability.

In accordance with the Pension Protection Act of 2006, the Fund receives an annual certified zone status from its actuary, which summarizes its funding status. Plans in the "red zone" are generally less than 65% funded, plans in the "yellow zone" are 65% to 80% funded, and plans in the "green zone" are at least 80% funded. As of July 1, 2022, the Fund's most recently available certified zone status was "yellow". The Fund is considered to be in "endangered status" for the plan year beginning July 1, 2022. However, its actuary has determined that the Fund is expected to meet its funding goals in the future.

As part of the Fund's efforts to improve its funding situation, the Trustees of the Fund previously adopted a rehabilitation plan which terms have been incorporated into the collective bargaining agreement between the Realty Advisory Board On Labor Relations, Inc. and the SEIU Local 32BJ. The current union agreement (the "2022 Apartment Building Agreement") provides for increased employer contributions of \$4.00 per week per annum for each eligible employee. As of January 1, 2023, the contribution rate was \$130.75 per week per employee. Information as to the Condominium's portion of the unfunded vested benefits and Plan assets has not been determined and normally will not be calculated without a withdrawal from the Plan. The Condominium has no intention of withdrawing from the Plan.

Note 8 - CONCENTRATION OF CREDIT RISK

The Condominium maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. As of December 31, 2022, the Condominium held approximately \$509,700 of cash in excess of federally insured limits. The Condominium has not experienced any losses due to concentration of credit risk in such accounts.

BROADWAY 98 CONDOMINIUM

Notes to Financial Statements

Note 9 - CLAIMS OR LITIGATION

From time to time, claims or matters of litigation may arise in the ordinary conduct of the Condominium's business. In the opinion of management, claims or litigation outstanding against the Condominium as of December 31, 2022 are either without merit or the ultimate losses, if any, would not have a material adverse effect on the financial position or results of operations of the Condominium.

Note 10 - CONTINGENCIES

During March 2020, a worldwide pandemic emerged which is known as the Coronavirus ("COVID-19"). COVID-19 has caused the New York metropolitan area to significantly curtail its economic and social activities. As of the date of issuance of the accompanying financial statements, there has been no material adverse impact from COVID-19 on the Condominium. Any future impact on the Condominium and its members is uncertain and cannot be reasonably estimated.

Note 11 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through March 28, 2023, the date that the financial statements were available to be issued.

**SUPPLEMENTARY AND PROSPECTIVE
INFORMATION**



Jayson Prisand, CPA
Robert A. Mellina, CPA
Evan J. Unterlack, CPA
David V. Agoglia, CPA

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
ON SUPPLEMENTARY AND PROSPECTIVE INFORMATION**

To the Board of Managers and Unit-Owners of
BROADWAY 98 CONDOMINIUM
240 West 98th Street
New York, NY 10025

Our report on our audits of the basic financial statements of BROADWAY 98 CONDOMINIUM for the years ended December 31, 2022 and 2021 appears on Pages 1 and 2, and was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Comparative Schedule of Revenues and Expenditures - Budget, Historical and Forecast is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have compiled the accompanying operating budget forecast of BROADWAY 98 CONDOMINIUM for the year ending December 31, 2023, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecast or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Prisand, Mellina, Unterlack & Co., LLP

Plainview, New York
March 28, 2023 for Historical Statements
November 10, 2022 for Forecast

BROADWAY 98 CONDOMINIUM

Comparative Schedule of Revenues and Expenditures - Budget, Historical and Forecast

	For The Year		Prior Year	Next Year
	January 1, 2022 - December 31, 2022		January 1, 2021 - December 31, 2021	January 1, 2023 - December 31, 2023
	Budget (Unaudited)	Actual	Actual	Forecast (Unaudited)
REVENUES				
Common charges (1)	\$ 2,962,600	\$ 2,962,605	\$ 2,848,659	\$ 3,021,900
Storage and bike fees	-	61,750	-	-
Rental income	46,800	46,800	46,800	46,800
Energy surcharges	42,700	42,732	-	45,000
Laundry income	27,600	27,600	27,600	27,600
Other unit-owner fees	-	21,811	20,861	-
TOTAL REVENUES	3,079,700	3,163,298	2,943,920	3,141,300
EXPENDITURES				
Management fee	94,900	95,108	92,108	97,700
Other administrative	32,600	41,429	27,428	32,400
Professional fees	32,700	22,853	21,009	36,600
Telephone and communications	7,800	6,866	6,219	7,800
Gas - heat	222,000	245,401	224,382	236,000
Water and sewer	129,000	111,396	109,703	115,000
Electricity and gas	52,000	63,978	50,325	65,000
Wages	1,176,800	1,251,937	1,157,338	1,196,700
Union benefits	446,600	351,460	407,752	462,400
Payroll taxes	96,900	103,598	92,753	99,900
Workers' compensation and disability	29,500	30,330	30,975	30,100
Insurance	172,300	164,628	152,492	182,300
Permits and miscellaneous operating	15,400	7,086	7,336	10,400
Repairs and maintenance	249,900	258,865	294,135	242,900
Income taxes	12,000	6,083	30,219	11,000
Contingency	309,000	-	-	315,100
TOTAL EXPENDITURES	3,079,400	2,761,018	2,704,174	3,141,300
Budgeted Surplus	\$ 300			\$ -
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS		402,280	239,746	
Transfer fees		148,313	161,315	
Prior year's income tax accrual adjustments		25,927	-	
Interest and dividends		4,977	2,025	
EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION EXPENSE		\$ 581,497	\$ 403,086	

(1) Common charges have been increased by 4.0% effective January 1, 2022 and 2.0% effective January 1, 2023.

See Independent Accountant's Compilation Report and Summary of Significant Accounting Policies and Forecast Assumptions.

BROADWAY 98 CONDOMINIUM

Summary of Significant Accounting Policies and Forecast Assumptions For The Year Ending December 31, 2023

The operating budget forecast presents, to the best of management's knowledge and belief, the Condominium's expected results of operations for the forecast period. Accordingly, the forecast reflects management's judgment as of November 10, 2022 the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The forecast has been prepared using generally accepted accounting principles that the Condominium expects to use when preparing its historical financial statements.

FORECAST ASSUMPTIONS

Revenues

Common charges are based on \$251,825 per month, which reflects a 2.0% increase effective January 1, 2023. Rental income is based upon current lease terms. An energy surcharge equivalent to approximately 1.5% of 2022's common charges will be billed to the unit-owners over twelve months commencing January 1, 2023. Laundry income is based upon a contract. Other unit-owner fees, transfer fees and interest and dividends have not been forecast in order to be conservative.

Expenditures

Payroll expenses and benefits are based upon a union contract and anticipated staffing requirements. Utilities are based upon rates set by the appropriate regulatory agencies. Gas - heat, water and sewer, and electricity and gas reflect recent experience regarding consumption and price. Repairs and maintenance is based upon historical experience and expected maintenance requirements. Insurance reflects anticipated renewal premiums. Other expenses are based upon historical experience or contracts.

Income Tax

The Condominium is subject to Federal income tax based on its net non-exempt function income. The Condominium is also subject to New York State Franchise tax and New York City Corporation tax calculated at the higher of tax based on net taxable income, capital base or prescribed minimum amounts.