

AMENDMENT No. 20  
TO THE CONDOMINIUM OFFERING PLAN OF  
***VILLAGE VISTAS CONDOMINIUM***  
Liberty Avenue  
Port Jefferson, New York 11777

Dated: December 17, 2019

The Offering Plan accepted for filing on or about July 5, 2007 as amended by Amendment No. 1 dated July 28, 2008, Amendment No. 2 dated October 10, 2008, Amendment No. 3 dated April 27, 2009, Amendment No. 4 dated November 5, 2009, Amendment No. 5 dated August 12, 2010, Amendment No. 6 dated March 30, 2011, Amendment No. 7 dated September 30, 2011, Amendment No. 8 dated February 16, 2012, Amendment No. 9 dated August 2, 2012, Amendment No. 10 dated January 23, 2013, Amendment No. 11 dated July 11, 2013, Amendment No. 12 dated January 27, 2014, Amendment No. 13 dated January 15, 2015, Amendment No. 14 dated January 12, 2016, Amendment No. 15 dated May 31, 2016, Amendment No. 16 dated February 6, 2017, Amendment No. 17 dated February 5, 2018, Amendment No. 18 dated March 5, 2018 and Amendment No. 19 dated February 21, 2019 is hereby further amended as follows:

**I. STATUS OF SALES**

The Sponsor has closed title to forty-two (42) Homes out of the forty-three (43) Homes offered in the Condominium. The Untitled Home is Home no. 43.

**II. AGGREGATE MONTHLY OBLIGATIONS**

The collection of Condominium Common Charges commenced on January 1, 2017. Sponsor's obligation for Condominium Common Charges on unclosed Homes is limited to the Common Charges levied by the Board of Managers based on the percentage of common interest of the unclosed Homes. The estimated monthly Condominium Common Charges payable by the Sponsor is approximately \$492.00 (\$492.00 per Home per month x 1 unclosed Homes).

**III. FINANCIAL OBLIGATIONS TO THE CONDOMINIUM**

The Sponsor has no financial obligations to the Condominium which will become due within the next 12 months, other than actual Condominium expenses as set forth above.

**IV. UNSOLD HOMES SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS**

The unclosed Homes are not encumbered by any mortgage or other financial commitments.

**V. MEANS OF PAYMENT OF SPONSOR OBLIGATIONS**

The actual Condominium expenses and loan payments required of Sponsor, as set forth above, are being paid from the proceeds of sales of Homes at this and other projects, the construction loan and Sponsor's equity contributions.

**VI. STATUS OF CURRENT FINANCIAL OBLIGATIONS OF SPONSOR**

Sponsor is current on all financial obligations to the Condominium under the terms of the Offering Plan. In addition, Sponsor has been current on all such financial obligations since the closing of title to the first Home.

**VII. LIST AND STATUS OF SPONSOR'S OTHER PUBLIC OFFERINGS**

The Sponsor is not the Sponsor of any other prior public offerings. Principals of the Sponsor however, are also Principals of the Sponsors of the following Offering Plans:

Bayport Meadow Estates Condominium I, Bayport, New York, - CD13-0180  
Bayport Meadow Estates Condominium II, Bayport, New York - CD16-0050

Copies of the Offering Plans for the above projects are on file with the New York State Department of Law located at 28 Liberty Street, 21<sup>st</sup> Floor, New York, New York 10005 and are available for public inspection.

The Sponsors of these other projects are current on their financial obligations with respect to such other projects.

**VIII. BOARD OF MANAGERS**

The Sponsor will retain control of the Board of Managers of the Condominium until all of the Homes in the Condominium have been conveyed. The current Members of the Board of Managers are as follows:

Demetrius A. Tsunis – President and Sponsor Representative  
Alexa Zamek – Vice President and Sponsor Representative  
Alex Tsnuis – Secretary and Sponsor Representative  
Victor Visconti - Director and Homeowner  
Mike Marks - Director and Homeowner

**IX. CONDOMINIUM BUDGET**

The Condominium Budget dated January 1, 2020 is annexed hereto as Exhibit "A". The budget has been revised from that set forth in Amendment No. 19 to reflect increased expenses for electric, insurance, landscaping, refuse removal, and snow removal, decreased expenses for accounting, cable for clubhouse, clubhouse cleaning, fire alarm monitor, gas for clubhouse, pool maintenance, supplies, and water, removal of the Christmas decoration expense, and added expenses for cable – fire alarm panel, cable for homeowners, and social expenses resulting in a net increase in Common Charges of \$98 per Home per month. A Certification of Adequacy of such Budget is annexed hereto as Exhibit "B".

**X. FINANCIAL STATEMENT**

Annexed hereto as Exhibit "C" is the Financial Statement for the eight months ending December 31, 2018. The Financial Statement for the years ending April 30, 2017 and April 30, 2018 were included in Amendment No. 19 and are annexed hereto as Exhibit "D". The Board of Managers has elected to provide Financial Statements going forward based on calendar year.

**XI. REAL ESTATE TAXES**

The Sponsor has paid the approximate amount of \$687.98 for the 2019 real estate taxes on the then unclosed Homes. The Sponsor is current on its payments of real estate taxes.

**XII. EXTENSION OF OFFERING PLAN**

This Plan may be used for twelve (12) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

**XIII. NO MATERIAL CHANGES**

Other than as set forth above, there are no material changes which affect the offering or property.

***LIBERTY MEADOWS, LLC***  
SPONSOR

**Village Vista 2020 Budget**

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	TOTAL
Accounting	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Cable - Fire Alarm Panel	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$2,160
Cable Clubhouse	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$276
Cable Homeowners	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$3,876	\$46,512
Clubhouse Cleaning	\$175	\$175	\$175	\$350	\$350	\$350	\$350	\$350	\$350	\$175	\$175	\$175	\$3,150
Electric/Clubhouse/Street	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$7,500
Fire Alarm Monitor	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Gas Clubhouse	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$3,400
Insurance	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$2,833	\$34,000
Landscaping (AMC)	\$0	\$0	\$0	\$4,373	\$4,373	\$4,373	\$4,373	\$4,373	\$4,373	\$4,373	\$4,373	\$0	\$34,987
Landscaping (Other)	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0	\$8,000
Management Fee	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Misc.	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Pool Maintenance	\$0	\$0	\$0	\$0	\$2,268	\$2,268	\$2,268	\$2,268	\$2,268	\$0	\$0	\$0	\$11,340
Refuse Removal	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$821	\$9,855
Repairs/Maint	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Snow	\$8,436	\$8,436	\$8,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,308
Supplies	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Water	\$50	\$0	\$0	\$600	\$0	\$0	\$1,500	\$0	\$0	\$7,000	\$0	\$0	\$9,150
Contingency	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Reserves	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$10,000
<b>Total Expense</b>	<b>\$21,728</b>	<b>\$21,678</b>	<b>\$21,678</b>	<b>\$19,390</b>	<b>\$26,058</b>	<b>\$21,058</b>	<b>\$22,558</b>	<b>\$21,058</b>	<b>\$21,058</b>	<b>\$25,615</b>	<b>\$18,615</b>	<b>\$13,242</b>	<b>\$253,738</b>

**Monthly HOA Fee**

**\$492**

**SCHIFFER MANAGEMENT GROUP**  
**PO Box 998, Melville, New York 11747**  
631-288-4343    realtymr@aol.com

**CERTIFICATION OF ADEQUACY**

Department of Law  
120 Broadway 23rd Street  
New York, NY 10271

Tuesday, November 26, 2019

**Village Vistas Condominium**

Gentlepeople:

The Sponsor of the Offering Plan to convert the captioned property to co-operative ownership has retained me to review the Schedule containing projections of income and expenses for the current year of operation as a Condominium.. My experience in this field includes the management of properties with many similarities to the captioned property as well as thirty five (35) years' experience in managing condominium and cooperative property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 Insofar as applicable to the Schedule..

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected current year of Condominium operation.

I certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the current year Condominium operation.
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the current year of Condominium operation.

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

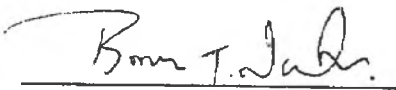
I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the current year of Condominium operation.

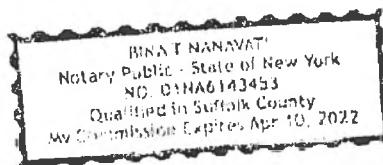
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

  
\_\_\_\_\_  
Joseph Gill Schiffer President  
The Schiffer Management Group

Sworn to before me this  
26 day of Nov., 2019

  
\_\_\_\_\_  
Notary Public



**VILLAGE VISTAS CONDOMINIUM  
FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED  
DECEMBER 31, 2018**

**EXHIBIT "C"**

**VILLAGE VISTAS CONDOMINIUM  
FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED DECEMBER 31, 2018**

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# ROSENBLATT, LEVITTAN, VULPIS, GOETZ & CO. LLP

CERTIFIED PUBLIC ACCOUNTANTS/

Members: New York State Society of CPAs, American Institute of CPAs

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Harvey Levine  
Marvin Heitner

## INDEPENDENT AUDITOR'S REPORT

The Board of Managers and Members  
Village Vistas Condominium  
Port Jefferson, New York

We have audited the accompanying financial statements of Village Vistas Condominium, which comprise the balance sheet as of December 31, 2018, and the related statements of revenues and expenses, changes in members' equity, and cash flows for the eight months 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 on 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 Village Vistas Condominium as of December 31, 2018, and the results of its operations and its cash flows for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

***Omission of Required Supplementary Information about Future Major Repairs and Replacements***

Management has omitted the supplementary information about future major repairs and replacements of common property 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, who 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.

*Rosenblatt, Levittan, Vulpis, Goetz & Co. LLP*  
Rosenblatt, Levittan, Vulpis, Goetz & Co. LLP  
New Hyde Park, New York

July 2, 2019

**VILLAGE VISTAS CONDOMINIUM  
BALANCE SHEET  
DECEMBER 31, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 43,707
Cash, Designated for Working Capital	25,656
Cash, Designated as Reserves	28,614
Accounts Receivable	2,007
Prepaid Insurance	<u>5,431</u>
Total Assets	<u>\$ 105,415</u>

**LIABILITIES AND MEMBERS' EQUITY**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 29,806
Common Charges Received in Advance	37,672
Income Taxes Payable	<u>96</u>
Total Liabilities	<u>67,574</u>

**MEMBERS' EQUITY**

Operating Fund (Deficit)	(42,957)
Working Capital Fund (Note 5)	37,281
Reserve Fund (Note 6)	<u>43,517</u>
Total Members' Equity	<u>37,841</u>
Total Liabilities and Members' Equity	<u>\$ 105,415</u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
STATEMENTS OF REVENUES AND EXPENSES  
FOR THE EIGHT MONTHS ENDED DECEMBER 31, 2018**

**REVENUES**

Common Charges	\$ 119,224
Other	<u>3,046</u>

Total Revenues	122,270
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**EXPENSES**

Insurance	21,845
Landscaping	18,007
Snow Removal	7,740
Sprinkler Maintenance	1,531
Recreational Cleaning and Maintenance	13,008
General Repairs and Maintenance	1,686
Trash Removal	5,746
Electric and Gas	7,863
Water	10,675
Cable	1,479
Management Fees	12,000
Security	1,626
Miscellaneous	135
Accounting	4,750
Office and Postage	<u>511</u>

Total Expenses	<u>108,602</u>
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Excess of Revenues over Expenses Before Provision for Income Taxes	13,668
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Provision for Income Taxes	<u>99</u>
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Excess of Revenues over Expenses	<u>\$ 13,569</u>
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See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
FOR THE EIGHT MONTHS ENDED DECEMBER 31, 2018**

	<u>Operating Fund (Deficit)</u>	<u>Working Capital Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
Members' Equity - May 1, 2017	\$ 2,898	\$ 19,892	\$ 45,014	\$ 67,804
Reserve Fund Contributions	(14,903)	-	14,903	-
Working Capital Contributions	-	2,271	-	2,271
Prior Period Adjustments (Note10)	(17,115)	-	(16,400)	(33,515)
Deficiency of Revenues over Expenses	<u>(27,406)</u>	<u>-</u>	<u>-</u>	<u>(27,406)</u>
Members' Equity - April 30, 2018	(56,526)	22,163	43,517	9,154
Working Capital Contributions		15,118	-	15,118
Excess of Revenues over Expenses	<u>13,569</u>	<u>-</u>	<u>-</u>	<u>13,569</u>
Members' Equity - December 31, 2018	<u>\$ (42,957)</u>	<u>\$ 37,281</u>	<u>\$ 43,517</u>	<u>\$ 37,841</u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
STATEMENTS OF CASH FLOWS  
FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2018**

	<u><b>2018</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Excess of Revenues over Expenses	\$ 13,569
Adjustments to Reconcile Excess of Revenues over Expenses to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	1,747
Due from Sponsor	53,525
Prepaid Insurance	(5,431)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Expenses	(8,009)
Common Charges Received in Advance	<u>12,079</u>
Net Cash Provided by Operating Activities	67,480
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Increase in Cash, Designated for Working Capital	(13,760)
Increase in Cash, Designated as Reserves	<u>(28,614)</u>
Net Cash Used in Investing Activities	(42,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Working Capital Contributions	<u>15,119</u>
Net Increase in Cash	40,225
Cash at Beginning of Period	<u>3,482</u>
Cash at End of Period	<u><u>\$ 43,707</u></u>
<b>SUPPLEMENTAL DISCLOSURE</b>	
Income Taxes Paid	<u><u>\$ 99</u></u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED DECEMBER 31, 2018**

**NOTE 1 – NATURE OF ORGANIZATION**

Village Vistas Condominium (the "Condominium"), an over 55 community, was registered in the State of New York on July 5, 2007. The Condominium is responsible for the operation and maintenance of the recreational and common area facilities. The Condominium consists of 43 homes located in 22 buildings in Port Jefferson, New York on approximately 18.45 acres of land. Under the offering plan, the Sponsor will remain in control of the Condominium until all of the homes in the community have been sold. As of December 31, 2018, the Sponsor has closed title to 37 homes.

**NOTE 2 – DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through July 2, 2019, the date that the financial statements were available to be issued.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The Condominium's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Condominium maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

**Operating Fund** - This fund is used to account for financial resources available for the general operations of the Condominium.

**Working Capital Fund** - This fund is used to account for financial resources available for working capital purposes at the discretion of the Board.

**Reserve Fund** - This fund is used to accumulate financial resources designated for future repairs and replacements.

**Common Charges**

Condominium members are subject to monthly common charges to provide funds for the Condominium's operating expenses. Condominium members could also be subject to special assessments for future capital acquisitions, and major repairs and replacements, if necessary. The Condominium commenced collecting common charges on March 1, 2017. Accounts receivable at December 31, 2018 consists of common charges and working capital due from condominium members. No amounts were considered uncollectible at December 31, 2018.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2018**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

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 at cost and depreciates it using the straight-line method.

**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 reported period. Actual results could differ from those estimates.

**Income Taxes**

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the eight months ended December 31, 2018, the Condominium elected to file its income tax returns as a homeowners' association in accordance with Internal Revenue Code Section 528. Under Section 528, the Condominium was not taxed on uniform assessments to members and other income received from Condominium members solely as a function of their membership in the Association. The Condominium was taxed at a rate of 30% on its investment income and other non-exempt function income. The Condominium is also required to file a New York State Franchise tax return.

The Condominium's federal and state income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed. The Condominium continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

**Concentration of Credit Risk**

The Condominium maintains its cash balances with financial institutions located in New York. The balances were fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018, the Condominium's cash balances did not exceed the FDIC limit.



**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2018**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. At December 31, 2018, the Condominium had no assets or liabilities subject to fair value measurements.

**Recent Accounting Pronouncements**

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting and or disclosure of financial information by the Condominium.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which creates Topic 606 and supersedes Topic 605, *Revenue Recognition*. Topic 606 was subsequently amended by ASU No. 2016-10, *Identifying Performance Obligations and Licensing* and by ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients*. The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the terms of ASU 2015-14 the standard is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods after December 15, 2019. Management intends to adopt the new guidance during the next fiscal year. Management is finalizing its evaluation on whether the implementation of this ASU will result in accounting changes for the revenue streams within the scope of this ASU. Management does not expect the adoption of this ASU to have a material impact on the Condominium's financial statements other than additional disclosure requirements.

In November 2016, FASB issued ASU No. 2016-18, *Restricted Cash*, which requires that a statement of cash flows explain the change in the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For nonpublic entities, these amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The amendments in this Update should be applied retrospectively to each period presented. Management does expect to adopt this ASU in its next fiscal year.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2018**

**NOTE 4 – DUE FROM SPONSOR**

Under the terms of the offering plan, when billing of the homeowners commences, the Sponsor is liable for common charges, special assessments, real estate taxes and individual utility costs of all homes to which title has not been transferred to a purchaser. Until that time, the Sponsor was obligated to pay all of the expenses of the Condominium including reserves. The balance due from the Sponsor after adjustments for amounts contributed as of December 31, 2018 was reduced to zero pursuant to the prior period adjustments referenced in Note 10 and after other adjustments as agreed to between the Sponsor and the Condominium's Board of Managers.

**NOTE 5 – WORKING CAPITAL FUND**

In accordance with the Condominium's governing documents, each condominium member is required to pay a special assessment equal to two months regular assessments upon the member's initial entrance into the Condominium. These assessments are to be used for working capital purposes at the discretion of the Condominium's Board of Managers. While the Sponsor is in control of the Board of Managers of the Condominium, the working capital fund cannot be used to reduce the Sponsor's obligation.

At December 31, 2018, the Condominium had segregated \$37,281 working capital purposes. During the eight months ended December 31, 2018, the Condominium borrowed from its working capital cash account to pay for operating expenses.

**NOTE 6 – RESERVE FUND**

In accordance with the Condominium's governing documents, a reserve fund has been established to finance future major repairs and replacements. At December 31, 2018, \$43,517 was designated for this purpose, respectively. The reserve fund will be funded by the Sponsor upon receipt of their obligation.

The Condominium has not conducted a study to determine the 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, nor has the Board of Managers developed a plan to fund those needs. When funds are required for major repairs and replacements, the Condominium plans to borrow, increase maintenance assessments or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

**NOTE 7 – RELATED PARTIES**

Approximately 11% of the charges collected were received from an entity owned by the Sponsor. At December 31, 2018, this entity had ownership of seven units.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDING DECEMBER 31, 2018**

**NOTE 8 – COMMITMENT**

On January 1, 2018, the Condominium entered into a seven-year contract with a cable provider. The initial twelve months of this contract are discounted and billed to the Condominium for 33 of the 43-unit development. Effective January 1, 2019, the billing will include all 43 units in the development with no rate increase for the duration of the contract.

**NOTE 9 – SPECIAL RISK FACTOR**

Pursuant to the offering plan, the Sponsor will endeavor in good faith, to sell homes in the Condominium. However, the Sponsor is retaining the right to rent rather than sell the homes. This plan may not result in the creation of a Condominium in which a majority of the homes are owned by owner-occupants or investors unrelated to the Sponsor. As a result, purchasers may never gain control of the Board of Managers under the terms of the offering plan.

**NOTE 10 – PRIOR PERIOD ADJUSTMENTS**

Prior Period Adjustment Reserve Fund

Reserve fund equity was reduced by \$16,400 as a result of a decrease in required reserve fund contributions, as described in Note 4.

Prior Period Adjustment Operating Fund

Operating fund equity was reduced as landscaping and snow invoices totaling \$17,115 previously deemed to be the responsibility of the Sponsor, were incurred subsequent to March 1, 2017, as described in Note 4.

**NOTE 11 – CHANGE IN FINANCIAL YEAR**

The Board of Directors has decided to change the financial year to calendar year ended December 31<sup>st</sup>, going forward. The change was to coincide with the budget process for the Condominium. Therefore, this statement is for the eight months ending December 31, 2018. The previous audited statement was for the year ended April 30, 2018.

**VILLAGE VISTAS CONDOMINIUM  
FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**VILLAGE VISTAS CONDOMINIUM  
FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

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# ROSENBLATT, LEVITTAN, VULPIS, GOETZ & CO. LLP

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## INDEPENDENT AUDITOR'S REPORT

The Board of Managers and Members  
Village Vistas Condominium  
Port Jefferson, New York

We have audited the accompanying financial statements of Village Vistas Condominium, which comprise the balance sheets as of April 30, 2018 and 2017, and the related statements of revenues and expenses, changes in members' equity, 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 on 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 Village Vistas Condominium as of April 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Omission of Required Supplementary Information about Future Major Repairs and Replacements***

Management has omitted the supplementary information about future major repairs and replacements of common property 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, who 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.

  
Rosenblatt, Levittan, Vulpis, Goetz & Co. LLP  
New Hyde Park, New York

December 20, 2018

**VILLAGE VISTAS CONDOMINIUM  
BALANCE SHEETS  
APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,482	\$ 4,805
Cash, Designated for Working Capital	11,896	9,546
Accounts Receivable	3,754	1,644
Due from Sponsor (Note 4)	53,525	118,977
Prepaid Insurance	<u>-</u>	<u>11,909</u>
Total Assets	<u>\$ 72,657</u>	<u>\$ 146,881</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 37,814	\$ 58,039
Common Charges Received in Advance	25,593	20,950
Income Taxes Payable	<u>96</u>	<u>88</u>
Total Liabilities	<u>63,503</u>	<u>79,077</u>
<b>MEMBERS' EQUITY</b>		
Operating Fund (Deficit)	(56,526)	2,898
Working Capital Fund (Note 5)	22,163	19,892
Reserve Fund (Note 6)	<u>43,517</u>	<u>45,014</u>
Total Members' Equity	<u>9,154</u>	<u>67,804</u>
Total Liabilities and Members' Equity	<u>\$ 72,657</u>	<u>\$ 146,881</u>

See auditor's report and accompanying notes.



**VILLAGE VISTAS CONDOMINIUM  
STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Common Charges	\$ 179,726	\$ 30,029
Sponsor Contributions	-	100,600
Other	<u>4,036</u>	<u>-</u>
Total Revenues	183,762	130,629
<b>EXPENSES</b>		
Insurance	48,357	33,911
Landscaping	40,146	21,723
Snow Removal	52,202	27,095
Sprinkler Maintenance	6,262	-
Recreational Cleaning and Maintenance	19,549	-
Trash Removal	5,319	4,760
Electric and Gas	8,230	5,823
Water	8,219	8,467
Cable	1,821	-
Management Fees	12,000	3,000
Security	228	-
Miscellaneous	3,091	1,562
Accounting	4,750	3,750
Legal	-	2,009
Consulting	347	-
Office and Postage	<u>511</u>	<u>513</u>
Total Expenses	<u>211,032</u>	<u>112,613</u>
Excess (Deficiency) of Revenues over Expenses Before Provision for Income Taxes	(27,270)	18,016
Provision for Income Taxes	<u>136</u>	<u>104</u>
Excess (Deficiency) of Revenues over Expenses	<u>\$ (27,406)</u>	<u>\$ 17,912</u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM**  
**STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>Operating Fund</u>	<u>Working Capital Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
Members' Equity - May 1, 2016	\$ -	\$ 13,126	\$ 30,000	\$ 43,126
Reserve Fund Contributions	(15,014)	-	15,014	-
Working Capital Contributions	-	6,766	-	6,766
Excess of Revenues over Expenses	<u>17,912</u>	<u>-</u>	<u>-</u>	<u>17,912</u>
Members' Equity - April 30, 2017	2,898	19,892	45,014	67,804
Reserve Fund Contributions	(14,903)	-	14,903	-
Working Capital Contributions	-	2,271	-	2,271
Prior Period Adjustment	(17,115)	-	(16,400)	(33,515)
Deficiency in Revenues over Expenses	<u>(27,406)</u>	<u>-</u>	<u>-</u>	<u>(27,406)</u>
Members' Equity (Deficit) - April 30, 2018	<u>\$ (56,526)</u>	<u>\$ 22,163</u>	<u>\$ 43,517</u>	<u>\$ 9,154</u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenues over Expenses	\$ (27,406)	\$ 17,912
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by (Used in) Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,110)	(1,644)
Due from Sponsor	15,769	15,000
Prepaid Insurance	11,909	(4,176)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(4,057)	(47,319)
Common Charges Received in Advance	4,643	20,950
Corporate Taxes Payable	<u>8</u>	<u>(14)</u>
Net Cash Provided by (Used in) Operating Activities	(1,244)	709
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Cash, Designated for Working Capital	(2,350)	(2,670)
	<u>-</u>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Working Capital Contributions	<u>2,271</u>	<u>6,766</u>
Net Increase (Decrease) in Cash	(1,323)	4,805
Cash at Beginning of Year	<u>4,805</u>	<u>-</u>
Cash at End of Year	<u>\$ 3,482</u>	<u>\$ 4,805</u>
<b>SUPPLEMENTAL DISCLOSURE</b>		
Income Taxes Paid	<u>\$ 127</u>	<u>\$ 32</u>

See auditor's report and accompanying notes.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**NOTE 1 – NATURE OF ORGANIZATION**

Village Vistas Condominium (the "Condominium"), an over 55 community, was registered in the State of New York on July 5, 2007. The Condominium is responsible for the operation and maintenance of the recreational and common area facilities. The Condominium consists of 43 homes located in 22 buildings in Port Jefferson, New York on approximately 18.45 acres of land. Under the offering plan, the Sponsor will remain in control of the Condominium until all of the homes in the community have been sold. As of April 30, 2018, the Sponsor has closed title to 37 homes.

**NOTE 2 – DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through December 20, 2018, the date that the financial statements were available to be issued.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fund Accounting

The Condominium's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Condominium maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Condominium.

Working Capital Fund – This fund is used to account for financial resources available for working capital purposes at the discretion of the Board.

Reserve Fund – This fund is used to accumulate financial resources designated for future repairs and replacements.

Common Charges

Condominium members are subject to monthly common charges to provide funds for the Condominium's operating expenses. Condominium members could also be subject to special assessments for future capital acquisitions, and major repairs and replacements, if necessary. The Condominium commenced collecting common charges on March 1, 2017. Accounts receivable at April 30, 2018 consists of common charges and working capital due from condominium members. No amounts were considered uncollectible at April 30, 2018.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

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 at cost and depreciates it using the straight-line method.

**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 reported period. Actual results could differ from those estimates.

**Income Taxes**

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year ended April 30, 2018, the Condominium was taxed as a regular corporation and filed Form 1120. As a regular corporation, the Condominium was taxed at regular corporate rates and net operating losses may be carried forward to offset future years' income. For the year ended April 30, 2017, the Condominium elected to file its income tax returns as a homeowners' association in accordance with Internal Revenue Code Section 528. Under Section 528, the Condominium was not taxed on uniform assessments to members and other income received from Condominium members solely as a function of their membership in the Association. The Condominium was taxed at a rate of 30% on its investment income and other non-exempt function income. The Condominium is also required to file a New York State Franchise tax return.

The Condominium's federal and state income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed. The Condominium continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

**Concentration of Credit Risk**

The Condominium maintains its cash balances with financial institutions located in New York. The balances were fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At April 30, 2018 and 2017, the Condominium's cash balances did not exceed the FDIC limit.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value. At April 30, 2018 and 2017, the Condominium had no assets or liabilities subject to fair value measurements.

**NOTE 4 – DUE FROM SPONSOR**

Under the terms of the offering plan, when billing of the homeowners commences, the Sponsor is liable for common charges, special assessments, real estate taxes and individual utility costs of all homes to which title has not been transferred to a purchaser. Until that time, the Sponsor was obligated to pay all of the expenses of the Condominium including reserves. The balance due from the Sponsor after adjustments for amounts contributed as of April 30, 2018 and 2017 was \$53,525 and \$118,977, respectively. Subsequent to April 30, 2018, the Sponsor paid the balance in full.

Since the paving of the development was not completed until December 2017, the portion of the reserve fund contribution allocable to paving (per the offering plan) reduced the required contribution for all years prior to April 30, 2018 and therefore reduced the Sponsor obligation to make such contributions by \$16,400.

The sponsor obligation was also reduced by \$49,282. This was a result of payments and billing of common charges for sponsor owned units as well as reimbursements of certain expenses to the Condominium from the sponsor. In addition, certain snow removal costs were originally deemed to be the responsibility of the sponsor were actually shared expenses incurred subsequent to March 1, 2017, the date the condominium began collecting common charges.

**NOTE 5 – WORKING CAPITAL FUND**

In accordance with the Condominium's governing documents, each condominium member is required to pay a special assessment equal to two months regular assessments upon the member's initial entrance into the Condominium. These assessments are to be used for working capital purposes at the discretion of the Condominium's Board of Managers. While the Sponsor is in control of the Board of Managers of the Condominium, the working capital fund cannot be used to reduce the Sponsor's obligation.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**NOTE 5 – WORKING CAPITAL FUND (Continued)**

At April 30, 2018 and 2017, the Condominium segregated \$22,163 and \$19,892 for working capital purposes. During the years ended April 30, 2018 and 2017, the Condominium borrowed from its working capital cash account to pay for operating expenses. At April 30, 2018 the balance borrowed from the working capital account totaled \$10,267. These funds will be replenished into the working capital cash account during 2018.

**NOTE 6 – RESERVE FUND**

In accordance with the Condominium's governing documents, a reserve fund has been established to finance future major repairs and replacements. At April 30, 2018 and 2017, \$43,517 and \$45,014 was designated for this purpose, respectively. The reserve fund will be funded by the Sponsor upon receipt of their obligation.

The Condominium has not conducted a study to determine the 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, nor has the Board of Managers developed a plan to fund those needs. When funds are required for major repairs and replacements, the Condominium plans to borrow, increase maintenance assessments or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

**NOTE 7 – RELATED PARTIES**

The managing agent for the Condominium for periods through December 31, 2017 was an affiliate of the Sponsor. At January 1, 2018, the Condominium retained Catherine Properties LLC to serve as managing agent. The initial Board of Managers consists of three managers designated by the Sponsor. Management fees during the year ended April 30, 2018 and 2017 were \$12,000 and \$3,000, respectively.

Approximately 21% and 23% of the April 30, 2018 and 2017 common charges were received from an entity owned by the Sponsor. At April 30, 2018 and 2017, the sponsor owned 6 units and 10 units, respectively.

**NOTE 8 – COMMITMENT**

On January 1, 2018, the Condominium entered into a seven-year contract with a cable provider. The initial twelve months of this contract are discounted and billed to the Condominium for 33 of the 43-unit development. Effective January 1, 2019, the billing will include all 43 units in the development with no rate increase for the duration of the contract.

**VILLAGE VISTAS CONDOMINIUM  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

**NOTE 9 – SPECIAL RISK FACTOR**

Pursuant to the offering plan, the Sponsor will endeavor in good faith, to sell homes in the Condominium. However, the Sponsor is retaining the right to rent rather than sell the homes. This plan may not result in the creation of a Condominium in which a majority of the homes are owned by owner-occupants or investors unrelated to the Sponsor. As a result, purchasers may never gain control of the Board of Managers under the terms of the offering plan.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

Prior Period Adjustment Reserve Fund

Reserve fund equity was reduced by \$16,400 as a result of a decrease in required reserve fund contributions as described in Note 4.

Prior Period Adjustment Operating Fund

Landscape and snow invoices totaling \$17,115 previously deemed to be the responsibility of the sponsor, were incurred subsequent to March 1, 2017 as described in Note 4.