

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

CONTENTS

	<u>Page</u>
FINANCIAL STATEMENTS	
Accountant's report .....	1
Balance sheet .....	2
Statement of revenues, expenses, and changes in fund balances .....	3
Statement of cash flows .....	4
Notes to financial statements .....	5-6
SUPPLEMENTARY INFORMATION	
Major repairs and replacements of common area property .....	7
Operating fund: comparison of actual revenues and expenses to budget.....	8-10

**JERRY M. LEABMAN**  
*Certified Public Accountant*  
**32 Bonwood Drive**  
**Mashpee, MA 02640**  
**339-224-0412**

To the Board of Trustees  
1105 Massachusetts Avenue Condominium Trust  
Cambridge, Massachusetts

I have reviewed the accompanying balance sheet of 1105 Massachusetts Avenue Condominium Trust as of June 30, 2023, and the related statements of revenues, expenses, and changes in fund balances and the statement of cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the Trust's financial data and making inquiries of 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, I do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair representation 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 representation of financial statements that are free from material misstatement whether due to fraud or error.

**Account's Responsibility**

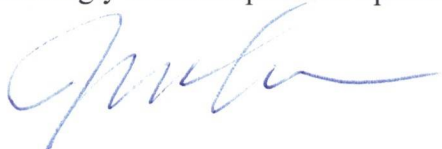
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require me to perform procedures to obtain limited assurance as a basis of reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion .

**Accountant's Conclusion**

Based upon my review, I am 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 contained on pages 7, 8, 9, and 10 is presented only for information purposes and is not a required part of the basic financial statements. This information is the responsibility of management. I have not audited or reviewed this information and accordingly do not express an opinion, conclusion, nor provide and assurance on it.



October 1, 2023

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
BALANCE SHEET  
June 30, 2023

Current Assets	
Cash	\$175,967
Money market account	52,048
Total cash and money market funds	228,015
Investments: Fidelity money market and CD fund	828,327
Accounts receivable	26,802
Prepaid expenses	18,962
Total current assets	1,102,106
Rental apartment improvements	\$21,650
Less: accumulated depreciation	820
	20,830
Total Assets	\$1,122,936
Current Liabilities	
Accounts payable and accrued expenses	\$27,620
Prepaid unit owner condominium fees	44,676
Total current liabilities	72,296
Commitments (Note 8)	
Line of credit (Note 9)	
Fund Balances	
Operating (Note 5)	238,840
Reserve (Note 6)	811,800
Total fund balances	1,050,640
Total Liabilities and Fund Balances	\$1,122,936

See accountant's review report and notes to financial statements

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED June 30, 2023

	Operating Fund	Reserve Fund	Total
<b>Revenues</b>			
Monthly assessment	\$493,572	\$0	\$469,932
Parking fees	237,400	0	237,400
Special assessment	0	233,279	233,279
Late charges	693	0	693
Legal charges	3,526		3,526
Miscellaneous	4,916	0	4,916
Rental income	41,306	0	41,306
Move in-out charges	6,375	0	6,375
Storage charges	300	0	300
Laundry income	7,390	0	7,390
Investment income	0	19,894	19,894
<b>Total Revenues</b>	<b>795,478</b>	<b>253,173</b>	<b>1,048,651</b>
<b>Expenses</b>			
Repairs and maintenance	172,822	0	172,822
Utilities	145,860	0	145,860
Operating	209,795	0	209,795
Administrative	62,057	0	62,057
Major repairs and replacements	118,628	23,965	142,593
<b>Total Expenses</b>	<b>709,162</b>	<b>23,965</b>	<b>733,127</b>
<b>Excess of Revenues Over (Under) Expenses</b>	<b>86,316</b>	<b>229,208</b>	<b>315,524</b>
<b>Net Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Fund Balance</b>	<b>86,316</b>	<b>229,208</b>	<b>315,524</b>
<b>Fund Balance at June 30, 2022</b>	<b>152,524</b>	<b>582,592</b>	<b>735,116</b>
<b>Fund Balance at June 30, 2023</b>	<b>238,840</b>	<b>811,800</b>	<b>1,050,640</b>

See accountant's review report and notes to financial statements

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED June 30, 2023

Increase (Decrease) in Cash and Money Market Accounts From:

Operating Activities	
Collections from unit owners and miscellaneous sources	\$837,861
Interest and dividend income	19,894
Laundry	7,390
Rent income	41,306
Operating expenses	(627,072)
Major repairs and replacements to common area	(142,593)
	136,786
Investing Activities	
Increase in investments: Fidelity money market and CD fund	(366,490)
Net Decrease in Cash and Money Market Accounts	(229,704)
Total Cash and Money Market Accounts at June 30, 2022	457,719
Total Cash and Money Market Accounts at June 30, 2023	\$228,015

Reconciliation of Excess of Revenues Over Expenses to Net Cash Provided By:

Operating Activities	
Excess of revenues over (under) expenses	\$315,524
Add non-cash expense: depreciation expense	787
	316,311
Decrease in accounts receivable	(3,467)
Decrease in prepaid expenses	1,988
Decrease in accounts payable and accrued expenses	(37,325)
Decrease in prepaid unit owner condominium fees	(140,721)
	136,786
Investing Activities	
Increase in investments: Fidelity money market and CD fund	(366,490)
Net Decrease in Cash and Money Market Accounts	(229,704)
Total Cash and Money Market Accounts at June 30, 2022	457,719
Total Cash and Money Market Accounts at June 30, 2023	\$228,015

See accountant's review report and notes to financial statements

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

1. General Background

- a. The Trust was formed in 1974 under Chapter 183A of the Massachusetts General Laws for the purpose of operating and maintaining the common areas of the condominium complex.
- b. The membership of the Trust is comprised of the owners of the units located in the building complex.
- c. In addition to areas normally accessible to all unit owners, common area property generally consists of exterior walls, roofs, and heating, plumbing, and electrical components that service at least one unit and other common areas.
- d. Assessments to unit owners are based upon the percentage ownership of each condominium unit as defined in the Master Deed of the Trust.
- e. When funds are needed to meet major capital repairs and replacements to the common area property, the Trust has the right to increase monthly operating assessments, pass special assessments, or delay repairs and replacements until the funds are available.

2. Significant Accounting Policies

- a. The accrual basis of accounting is used for the recognition of revenues and expenses.
- b. Expenditures incurred for major repairs and replacements of the Trust's common area property, such as roofs, drainage systems, heating systems, plumbing systems, masonry, etc., are recorded as an expense in the current operating period.

3. Income Taxes

The Trust is, except for income that is unrelated to the Trust's primary purpose ("business income"), exempt from taxation. The unrelated business income (interest and rental income, etc.) is subject to state and federal taxation.

4. Special Assessment

On September 23, 2021, the Board of Trustees approved a special assessment of \$700,000 payable in three installments over an eighteen-month period, commencing December 1, 2021, followed by payments on June 1, 2023, and December 1, 2023. The proceeds are to be used for major repairs and replacements of common area property. The final installment of \$233,279 was assessed in the current fiscal year

5. Operating Fund

The Operating Fund is used for the payment of normal and recurring operating expenditures and major repairs and replacements expenditures of the Trust.

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JUNE 30, 2023

6. Reserve Fund

- a. The Reserve Fund balance of \$811,800 on June 30, 2023, consists of funds designated by the Board of Trustees to be used for future major repairs and replacements as well as operating needs
- b. The Trust has the right to increase monthly operating assessments, pass special assessments, or delay major repairs and replacements until funds are available.
- c. On September 23, 2021, the Board of Trustees approved a special assessment of \$700,000 payable in three installments over an eighteen-month period, commencing December 1, 2021, followed by payments on June 1, 2023, and December 1, 2023. The final installment of \$233,279 was assessed in the current fiscal year

7. Major Repairs and Replacements of Common Area Property

Total combined expenditures of \$142,593 from the operating fund and reserve fund for major repairs and replacements of the Trust's common area property were incurred in the current fiscal year.

8. Commitments

- a. The Trust is obligated under a lease to the Trowbridge Trust for the garage located at 1105 Massachusetts Avenue. The lease requires annual payments of \$30,000 per year through the year 2075 and subsequently \$1 per year through the year 2129. The Trust is responsible for maintenance costs associated with the garage.
- b. The Trust has a contract for property management services with its present property management company, ELN Management Company, at \$2,958 per month through August 31, 2023, and \$3,041 per month from September 1, 2023, through August 31, 2024.

9. Line of Credit

On July 13, 2021, the Trust obtained a 3.25% fixed interest rate, 7-year term loan with a 2 year draw down period, interest only payments, followed by a 5-year principal and interest payments period. A maximum principal amount of \$150,000 may be outstanding during the 2 years drawn down period with all advances to be made at the sole discretion of the lender.

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
 SUPPLEMENTARY INFORMATION  
 MAJOR REPAIRS AND REPLACEMENTS OF COMMON AREA PROPERTY  
 FOR THE YEAR ENDED June 30, 2023

	Operating Fund	Reserve Fund	Total
Garage doors	\$0	\$3,100	\$3,100
Exterior waterproofing	25,900	0	25,900
Parking deck	0	14,655	14,655
Elevator	0	6,210	6,210
Plumbing	92,728	0	92,728
	118,628	23,965	142,593

See accountant's review report and notes to financial statements



1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
 SUPPLEMENTARY INFORMATION  
 OPERATING FUND  
 COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGET (continued)  
 FOR THE YEAR ENDED June 30, 2023

	Actual	Budget
Operating Fund: Revenues		
Monthly assessment	\$493,572	\$492,845
Parking fees	237,400	235,200
Late charges	693	0
Legal charges	3,526	0
Miscellaneous	4,916	0
Rental income	41,306	720
Move in-out charges	6,375	0
Storage charges	300	1,200
Laundry income	7,390	10,000
	<u>795,478</u>	<u>739,965</u>
Operating Fund: Repairs and Maintenance Expenses		
Rental unit repairs	0	0
Appliances	3,790	4,000
Electrical repairs	2,456	4,000
Elevator maintenance	21,006	16,500
Exterminating	1,088	2,000
Garage expenses	0	2,500
Heating repairs	0	500
Plumbing repairs and supplies	15,602	15,000
Roof repairs	4,186	3,500
Snow removal	9,754	18,000
Miscellaneous maintenance and supplies	10,942	5,000
Miscellaneous repairs and maintenance	43,878	20,000
Cleaning	43,142	41,000
Permits and licenses	799	800
Smoke detection service	16,179	8,000
Parking lot repairs	0	6,000
Painting	0	3,000
	<u>172,822</u>	<u>149,800</u>

See accountant's review report and notes to financial statements

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
 SUPPLEMENTARY INFORMATION  
 OPERATING FUND  
 COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGET (continued)  
 FOR THE YEAR ENDED June 30, 2023

	Actual	Budget
Operating Fund: Utilities Expenses		
Electricity	\$42,388	\$40,000
Gas	19,035	15,000
Water and sewer	84,437	70,000
	145,860	125,000
 Operating Fund: Operating Expenses		
Superintendent's expenses	0	500
Insurance	99,038	93,180
Employee insurance	0	6,000
Employee uniforms	0	500
Cleaning-maintenance services	65,888	59,000
Federal and state income taxes	13,827	2,000
Laundry tokens	1,042	900
Rent - garage	30,000	30,000
	209,795	192,080
 Operating Fund: Administrative Expenses		
Accounting fees	2,500	2,650
Legal and collection fees	4,305	5,000
Management fees	36,500	36,500
Telephone	6,540	6,800
Office expenses	5,812	8,000
Professional fees	0	0
Other administrative expenses	190	700
Legal - other collections	5,423	0
Depreciation expense, rental apartment	787	0
	62,057	59,650

See accountant's review report and notes to financial statements

1105 MASSACHUSETTS AVENUE CONDOMINIUM TRUST  
 SUPPLEMENTARY INFORMATION  
 OPERATING FUND  
 COMPARISON OF ACTUAL REVENUES AND EXPENSES TO BUDGET (continued)  
 FOR THE YEAR ENDED June 30, 2023

	Actual	Budget
Operating Fund: Major Repairs and Replacements of Common Area Property		
Exterior waterproofing	\$25,900	\$30,434
Carpets	0	6,384
Plumbing	92,728	90,000
Mezzanine tile	0	50,000
	118,628	176,818
 Total Operating Fund Expenses	 709,162	 703,348
 Total Operating Fund Revenues Over (Under) Expenses	 86,316	 36,617
 Net Transfers From Operating Fund to Reserve Fund	 0	 (36,617)
 Net Increase (Decrease) in Operating Fund Balance	 \$86,316	 \$0

See accountant's review report and notes to financial statements