

HARTSDALE GARDENS OWNERS CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

HARTSDALE GARDENS OWNERS CORP.

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ROGER BERMAN, CPA
WILLIAM J. RANK, CPA, CFP
MARK COHEN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board HARTSDALE GARDENS OWNERS CORP.

We have audited the accompanying financial statements of Hartsdale Gardens Owners Corp., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of loss, retained earnings (deficit), 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.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 Hartsdale Gardens Owners Corp., as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12, the entity has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that accounting principles generally accepted in the United States of America has determined is required to supplement, although not required to be a part of, 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 this missing information.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
July 3, 2018

HARTSDALE GARDENS OWNERS CORP.

Balance Sheets

As of December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	4,911	19,086
Cash in Bank - Money Market Accounts	254,731	253,832
Cash in Bank - Investment Account	52,970	86,725
Investments - Certificates of Deposit	250,000	400,000
Tenants' Accounts Receivable	5,045	4,572
Mortgage Escrow Deposits	121,764	125,835
Prepaid Expenses	12,898	13,541
Total	<u>702,319</u>	<u>903,591</u>
Less: Allocated to Funds (see below)	<u>(554,773)</u>	<u>(738,000)</u>
Total Current Assets	<u>147,546</u>	<u>165,591</u>
FUNDS		
Contingency Reserve:		
Reserve for Replacements (see above)	<u>554,773</u>	<u>738,000</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>2,086,283</u>	<u>2,168,057</u>
OTHER ASSETS		
Investment in National Cooperative Bank	<u>13,527</u>	<u>18,304</u>
Total Other Assets	<u>13,527</u>	<u>18,304</u>
TOTAL ASSETS	<u><u>2,802,129</u></u>	<u><u>3,089,952</u></u>

	<u>2017</u>	<u>2016</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts Payable	32,379	30,510
Accrued Interest	11,957	12,184
Star Credit Due to Stockholders	22,479	20,839
Rents Received in Advance	8,596	1,792
Exchanges Payable	1,495	0
Security Deposits	14,721	13,071
Mortgage Payable - Amortization payments due within one year	71,188	68,474
Total Current Liabilities	<u>162,815</u>	<u>146,870</u>
LONG-TERM LIABILITIES		
First Mortgage Payable - Net of Payments due within one year	3,544,870	3,616,058
Less: Unamortized Debt Issuance Costs	<u>(57,436)</u>	<u>(64,691)</u>
Total Long-Term Liabilities	<u>3,487,434</u>	<u>3,551,367</u>
STOCKHOLDERS' EQUITY (DEFICIENCY)		
Common Stock \$1.00 par value; 33,137 shares authorized; issued and outstanding, 32,772 and 33,137 shares, respectively	33,137	33,137
Paid-in Capital	3,637,095	3,637,095
Retained Earnings (Deficit)	<u>(4,358,779)</u>	<u>(4,278,517)</u>
Total	(688,547)	(608,285)
Less: Treasury Stock, 365 shares and -0- shares, respectively	<u>(159,573)</u>	<u>0</u>
Total Stockholders' Equity (Deficiency)	<u>(848,120)</u>	<u>(608,285)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)	<u>2,802,129</u>	<u>3,089,952</u>

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Statements of Loss

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
INCOME		
Carrying Charges - Net Uncollectable Charges	825,455	808,032
Parking Income	60,390	59,950
Rental Income	61,325	52,825
Laundry Room Income	11,100	17,273
Storage Income	4,938	6,008
Interest/Dividend Income	8,066	5,116
Real Estate Tax Abatements	0	23,974
Miscellaneous Income	383	1,978
Total Income	<u>971,657</u>	<u>975,156</u>
EXPENSES		
Administrative Expenses	51,903	71,967
Maintenance Expenses	243,356	226,409
Utilities Expenses	127,194	115,656
Taxes and Insurance Expenses	398,431	342,362
Financial Expenses	142,006	145,022
Interest Expense - Debt Issuance Costs	7,255	7,255
Total Expenses Before Depreciation	<u>970,145</u>	<u>908,671</u>
NET INCOME BEFORE DEPRECIATION	1,512	66,485
Depreciation	<u>(81,774)</u>	<u>(78,147)</u>
NET LOSS FOR THE YEAR	<u>(80,262)</u>	<u>(11,662)</u>

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(4,278,517)	(4,266,855)
Net Loss for the Year	<u>(80,262)</u>	<u>(11,662)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u>(4,358,779)</u>	<u>(4,278,517)</u>

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Net Loss	(80,262)	(11,662)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Depreciation	81,774	78,147
Interest - Debt Issuance Costs	7,255	7,255
Revenue allocated to financing activities	(68,474)	(65,468)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(473)	(14)
Mortgage Escrow Deposits	4,071	(17,745)
Prepaid Expenses	643	52,458
Increase (Decrease) in operating liabilities:		
Accounts Payable	1,869	16,557
Accrued Interest	(227)	(216)
Star Credit Due to Stockholders	1,640	(56,750)
Rents Received in Advance	6,804	1,499
Exchanges Payable	1,495	0
Security Deposits	1,650	(825)
Net cash (used) provided by operating activities	<u>(42,235)</u>	<u>3,236</u>
Cash Flows From Investing Activities		
Redemption of NCB Stock	4,777	0
Purchase of Investments - Certificates of Deposit	(250,000)	(650,000)
Maturities of Investments - Certificates of Deposit	400,000	750,000
Purchase of Property and Equipment	0	(132,391)
Net cash provided (used) by investing activities	<u>154,777</u>	<u>(32,391)</u>
Cash Flows From Financing Activities		
Purchase of Treasury Stock	(159,573)	0
Portion of Carrying Charges applied to Amortization of Mortgage	68,474	65,468
Amortization Payments on Mortgage	(68,474)	(65,468)
Net cash used by financing activities	<u>(159,573)</u>	<u>0</u>
Decrease in Cash and Cash Equivalents (carryforward)	(47,031)	(29,155)

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
Decrease in Cash and Cash Equivalents (brought forward)	(47,031)	(29,155)
Cash and Cash Equivalents at Beginning of Year	<u>359,643</u>	<u>388,798</u>
Cash and Cash Equivalents at End of Year (see below)	<u><u>312,612</u></u>	<u><u>359,643</u></u>
Represented by:		
Cash in Operating Account	4,911	19,086
Cash in Bank - Money Market Accounts	254,731	253,832
Cash in Bank - Investment Account	<u>52,970</u>	<u>86,725</u>
Cash and Cash Equivalents (as above)	<u><u>312,612</u></u>	<u><u>359,643</u></u>
Supplemental Disclosure:		
Interest Paid	<u>142,233</u>	<u>145,238</u>
Taxes Paid	<u>2,200</u>	<u>2,418</u>

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 1

Organization

Hartsdale Gardens Owners Corp., a Cooperative Housing Corporation, was incorporated in the State of New York in February 1981. The cooperative owns and operates an apartment building located at 27 North Central Avenue, Hartsdale, New York, consisting of 73 residential units. The primary purpose of the cooperative is to manage the operations of the building and maintain the common elements.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from tenant-stockholders, including maintenance charges and special assessments, be recognized as revenue in the statements of loss.

For purposes of the statements of cash flows, the cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents

The cooperative classifies its marketable debt securities as "held to maturity" since it has the positive intent and ability to hold the securities to maturity. Securities classified as "held to maturity" are carried at amortized cost.

Tenant-stockholders are subject to monthly charges to provide funds for the cooperative's operating expenses, future capital acquisitions, and major repairs and replacements. Tenants' Accounts Receivable at the balance sheets date represent various fees due from tenant-stockholders. The cooperative's policy is to retain legal counsel and place liens on the shares of stock of tenant-stockholders whose assessments are delinquent. Any excess charges at year end are retained by the cooperative for use in the succeeding year.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 2

Summary of Significant Accounting Policies - continued

Property and equipment is being carried at cost. Depreciation of the building is being computed by the straight line method over an estimated useful life of 30 years. Building improvements and equipment are depreciated on the straight line method over estimated lives that range from 15 to 27.5 years.

Costs incurred in obtaining long-term financing, included under mortgage payable on the balance sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related debt agreement. The amortization of these costs are being recognized as interest expense-debt issuance costs on the statements of loss.

The cooperative accounts for certain revenue items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to any portion of maintenance charges and special assessments allocated for mortgage amortization and capital improvements which are being accounted for as contributions to additional paid-in capital for income tax purposes whereas such items are recognized as revenue for financial reporting.

The preparation of financial statements in conformity 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.

Note 3

Concentration of Credit Risk

The cooperative maintains various bank and money market accounts that at times may exceed insured credit limits. The cooperative has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances. However, should any of these institutions fail, the cooperative could suffer a loss.

The cooperative has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Land	858,440	858,440
Building	3,433,760	3,433,760
Building improvements	<u>2,341,723</u>	<u>2,341,723</u>
	6,633,923	6,633,923
Less: accumulated depreciation	<u>4,547,640</u>	<u>4,465,866</u>
Total Property and Equipment	<u>2,086,283</u>	<u>2,168,057</u>

Depreciation expense for the years ended December 31, 2017 and 2016 is \$81,774 and \$78,147, respectively.

Note 5

Debt Service

First Mortgage Payable

On November 30, 2015, the cooperative refinanced their mortgage with NCB (National Cooperative Bank) in the amount of \$3,750,000. The mortgage is payable in monthly installments of \$17,559, including interest at the rate of 3.84% per annum, based on a 30 year amortization period. The note will mature November 1, 2025, at which time a balloon payment of approximately \$2,978,000 will be due.

In conjunction with the mortgage, the cooperative was required to purchase shares of NCB's Class B1 and B2 stock. Class B1 shares earn a patronage dividend payable in cash and in Class B2 stock, as determined by NCB. Class B1 shares are redeemable by NCB upon satisfactory repayment of all loans made to or guaranteed by eligible customers. Class B2 shares are non-redeemable, non-transferable, and pay no dividends. Additional shares were purchased during 2014 in order to draw on the line of credit and in 2015 to refinance. At December 31, 2017 and 2016, the cooperative owned 135 and 183 Class B1 shares and 322 and 233 Class B2 shares, respectively.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 5 **Debt Service - continued**

Principal maturities of the mortgage are as follows:

2018	71,188
2019	74,009
2020	76,563
2021	79,978
2022	83,147
Thereafter	3,231,173

As part of the newer refinancings, the cooperative paid closing costs of approximately \$72,500, which are being amortized over the life of the mortgage.

Note 6 **Sponsor Ownership**

At December 31, 2017 and 2016, the Sponsor owned twenty (20) residential units, or approximately 27% of the total residential units. Carrying charges received from the Sponsor's residential units aggregated approximately \$226,000 and \$219,000 for the years ended December 31, 2017 and 2016, respectively. As of these dates, the Sponsor was current in the payment of carrying charges.

Note 7 **Treasury Stock**

During the year ended December 31, 2017, the cooperative acquired the title to unit 37-6F. The financial statements reflect the treasury stock at cost in the amount of \$159,573 which includes all the cost incurred to acquire these shares.

Note 8 **Carrying Charges**

Pursuant to meetings of the Board of Directors, the cooperative approved an increase of 3% effective January 1, 2017 and 2% effective January 1, 2016. These increases were necessary to offset higher operating costs and to present a balanced budget. An additional maintenance surcharge in effect for calendar year 2016 was eliminated effective January 1, 2017.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 9

Real Estate Taxes/Tax Abatements

During the year ended December 31, 2017, the Town of Greenburgh revalued the property values. As a result of these revaluations, the cooperative's real estate taxes increased approximately 26% and 29% for the town and school taxes, respectively. The cooperative has appealed the increase in their property valuation and is currently involved in certiorari proceedings.

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during December 31, 2017 and 2016. The abatements, which include Star, Veterans and Senior Citizens are passed on to the stockholders by direct payment or as a credit against carrying charges. Any undistributed abatements as of the fiscal year end have been included on the Balance Sheets in Current Liabilities as Star Credit Due to Stockholders. As the abatements benefit the stockholders, the real estate tax expense reflected in these financial statements is gross of all the aforementioned tax abatements.

Note 10

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2017 and 2016. The cooperative participated in this multi-employer plan, for the years ended December 31, 2017 and 2016 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 2018 and the cooperative has no intention of withdrawing from the plan.

The risks of participating in multi-employer plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer 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 cooperative chooses to stop participating in its multi-employer pension plan, the cooperative 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.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 10

Benefits - continued

The zone status is based on information that the cooperative received from the plan and is certified by the plan's actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The most recent Pension Protect Act (PPA) zone status available is for the plan's year-end at December 31, 2016 and 2015. The certified zone status for the plan for each of these years was red and a rehabilitation plan has been implemented. This rehabilitation plan currently involves a surcharge to the cooperative.

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended December 31, 2017 and 2016. The fund provides health benefits (medical, surgical, hospital, prescription drugs, behavioral health, optical, dental) and life insurance coverage for eligible participants and their covered dependents. Retired employees are eligible for health benefits if they retire before age 65, but after age 62; accumulated 15 combined years of pension service credit; worked both 90 days immediately before retirement and at least 36 months of the 60 months before retiring; and are receiving an early or regular retirement pension from the 32BJ North Pension Fund. These benefits continue for the retired employee and eligible dependents until they become eligible for Medicare, until age 65, or until the retiree's pension is suspended, whichever occurs first.

The cooperative made the following contributions to the plans:

	<u>2017</u>	<u>2016</u>
Pension Contributions	7,002	6,344
Health Contributions	32,448	30,264

The cooperative's contributions to the plan were not greater than 5% of the plan's total contributions.

Note 11

Income Taxes

Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. Under Subchapter T, income from non-patronage sources in excess of expenses properly attributable thereto may be subject to tax. The cooperative believes that all of its income is patronage sourced. Accordingly, no provisions for taxes, if any, that could result from the application of Subchapter T to the cooperative's income has been reflected in the accompanying financial statements.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 11

Income Taxes - continued

New York State Franchise tax is calculated by utilizing special tax rates available to cooperative housing corporations based on the cooperative's capital base.

As of December 31, 2017, the cooperative has available federal net operating loss carryforwards to apply to future taxable income in the approximate amount of \$1,140,000. Unless used, these net operating losses are set to expire from the year 2018 to 2037. Recently, New York State enacted changes to their rules with respect to net operating loss carryforwards that substantially limit their use.

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the cooperative's tax filings are subject to audit by various taxing authorities. The cooperative's federal and state income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the cooperative believes that its estimates are appropriate based on current facts and circumstances.

Note 12

Future Major Repairs and Replacements

The cooperative has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the cooperative may borrow, utilize available cash, increase carrying charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

Note 13

Subsequent Events

Management has evaluated subsequent events through July 3, 2018, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

**To the Board of Directors
HARTSDALE GARDENS OWNERS CORP.**

We have audited the financial statements of Hartsdale Gardens Owners Corp. as of and for the years ended December 31, 2017 and 2016, and our report thereon dated July 3, 2018, which expressed an unqualified opinion on those financial statements, appears on Page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of budget with actual operating amounts and detailed schedule of repairs and improvements, which are the responsibility of the entity's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bloom and Streit LLP

**BLOOM AND STREIT LLP
Certified Public Accountants
July 3, 2018**

HARTSDALE GARDENS OWNERS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2017</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2017</u>	Actual Year Ended <u>Dec. 31, 2016</u>
RECEIPTS			
Carrying Charges	832,274	825,455	808,032
Parking Income	60,000	60,390	59,950
Rental Income	50,000	61,325	52,825
Laundry Room Income	11,100	11,100	10,273
Laundry Room Decorating Allowance	0	0	7,000
Storage Income	5,000	4,938	6,008
Interest and Dividend income	6,000	8,066	5,116
Miscellaneous Income	1,000	383	1,978
Total Receipts	<u>965,374</u>	<u>971,657</u>	<u>951,182</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	30,000	30,000	30,000
Legal Expense	2,000	1,814	20,479
Auditing	8,700	8,700	8,700
Telephone and Beeper	4,000	3,188	4,008
Lease Commissions	1,500	1,625	1,825
Office and Administrative Expenses	6,194	6,576	6,955
Total Administrative Expenses	<u>52,394</u>	<u>51,903</u>	<u>71,967</u>
MAINTENANCE EXPENSES			
Super and Maintenance Payroll	112,000	116,843	110,849
Supplies	12,000	11,910	18,598
Repairs (see schedule)	56,000	63,756	55,119
Elevator Maintenance	14,000	16,720	13,190
Landscaping and Tree Work	12,000	16,028	5,519
Snow Removal	10,000	12,816	5,848
Exterminating	6,000	5,283	13,879
Rent Expense	0	0	3,407
Total Maintenance Expenses	<u>222,000</u>	<u>243,356</u>	<u>226,409</u>
UTILITIES EXPENSES			
Gas Heat	68,000	67,820	61,736
Electricity and Gas	22,000	21,847	21,297
Water	36,000	37,527	32,623
Total Utilities Expenses	<u>126,000</u>	<u>127,194</u>	<u>115,656</u>

See auditors' report on supplementary information

HARTSDALE GARDENS OWNERS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended Dec. 31, 2017 <u>(Unaudited)</u>	Actual Year Ended Dec. 31, 2017	Actual Year Ended Dec. 31, 2016
TAXES AND INSURANCE			
Real Estate Taxes	247,000	289,377	239,882
Payroll Taxes	9,000	9,307	8,927
Licenses and Permits	500	0	0
Insurance	55,000	56,306	52,742
Union Welfare and Pension Fund	41,000	41,241	38,393
NYS Franchise Taxes	2,000	2,200	2,418
Total Taxes and Insurance	<u>354,500</u>	<u>398,431</u>	<u>342,362</u>
FINANCIAL EXPENSES			
Interest on Mortgage	142,006	142,006	145,022
Total Financial Expenses	<u>142,006</u>	<u>142,006</u>	<u>145,022</u>
CONTRIBUTIONS TO EQUITY			
Amortization of Mortgage	68,474	68,474	65,468
Total Contributions to Equity	<u>68,474</u>	<u>68,474</u>	<u>65,468</u>
Total Expenditures	<u>965,374</u>	<u>1,031,364</u>	<u>966,884</u>
NET DEFICIT FOR THE YEAR	<u>0</u>	<u>(59,707)</u>	<u>(15,702)</u>

See auditors' report on supplementary information

HARTSDALE GARDENS OWNERS CORP.

Detailed Schedule of Repairs and Improvements

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
REPAIRS AND MAINTENANCE		
Boiler and Burners	17,848	13,137
Plumbing and Pipes	11,465	9,539
Electrical and Intercoms	7,478	6,641
Painting, Plastering and Carpentry Work	9,681	15,934
Roofing and Waterproofing	7,517	1,500
Fencing, Gates and Locks	2,567	2,674
Compactors and Refuse Removal	4,476	3,366
Engineers and Architects	900	0
General	1,824	2,328
Total Repairs and Maintenance	<u>63,756</u>	<u>55,119</u>
MAJOR REPAIRS AND IMPROVEMENTS		
Garage Doors	0	6,830
Irrigation System	0	17,786
Courtyard	0	45,975
Sdewalks/Pavers	0	54,500
Driveway	0	7,300
Total Major Repairs and Improvements	<u>0</u>	<u>132,391</u>

See auditors' report on supplementary information