

BRYANT GARDENS CORP.
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

BRYANT GARDENS CORP.
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DECEMBER 31, 2018 AND 2017

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

INDEPENDENT AUDITORS' REPORT

To the Board BRYANT GARDENS CORP.

We have audited the accompanying financial statements of Bryant Gardens Corp., which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of (loss) income, 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 Bryant Gardens Corp., as of December 31, 2018 and 2017, 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 14, 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
March 22, 2019

BRYANT GARDENS CORP.

Balance Sheets

As of December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	62,592	42,301
Cash in Bank - Security Deposits	59,214	67,896
Cash in Bank - Reserve Fund	190,802	375,320
Investments - Reserve Fund	5,605,721	250,000
Tenants' Accounts Receivable	28,109	20,782
Mortgagee Escrow Deposits	385,416	396,890
Prepaid Expenses	0	1,227
Total	<u>6,331,854</u>	<u>1,154,416</u>
Less: Allocated to Funds and Deposits (see below)	<u>(5,855,737)</u>	<u>(693,216)</u>
Total Current Assets	<u>476,117</u>	<u>461,200</u>
FUNDS		
Contingency Reserve:		
Allocated from Current Assets (see above)	<u>5,796,523</u>	<u>625,320</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>7,037,029</u>	<u>6,405,981</u>
OTHER ASSETS		
Security Deposits (see above)	59,214	67,896
Investment in National Cooperative Bank	109,053	0
Total Other Assets	<u>168,267</u>	<u>67,896</u>
TOTAL ASSETS	<u>13,477,936</u>	<u>7,560,397</u>

	<u>2018</u>	<u>2017</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	244,428	182,715
Accounts Payable - Capital Improvements	219,788	12,975
Accrued Interest	52,354	31,610
Real Estate Tax Rebate Due to Stockholders	39,416	44,049
Rents Received in Advance	46,874	20,676
Security Deposits	59,214	67,896
Auto Loans - Amortization Payments due within one year	17,652	17,652
Mortgage Payable - Amortization Payments due within one year	313,273	449,874
Total Current Liabilities	<u>992,999</u>	<u>827,447</u>
LONG-TERM LIABILITIES		
Auto Loans Payable - Net of Payments due within one year	41,857	58,764
Mortgage Payable - Net of Payments due within one year	13,536,089	6,664,062
Less: Unamortized Debt Issuance Costs	(147,464)	(73,627)
Total Long-Term Liabilities	<u>13,430,482</u>	<u>6,649,199</u>
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock \$1.00 par value; 120,000 shares authorized, 113,065 shares issued and 112,435 shares outstanding	113,065	113,065
Paid-in Capital	2,950,482	2,950,482
Retained Earnings (Deficit)	(3,865,518)	(2,836,222)
Total	<u>(801,971)</u>	<u>227,325</u>
Less: Treasury Stock - 630 Shares	(143,574)	(143,574)
Total Stockholders' Equity (Deficit)	<u>(945,545)</u>	<u>83,751</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>13,477,936</u>	<u>7,560,397</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.**Statements of (Loss) Income****For the Year Ended December 31,**

	<u>2018</u>	<u>2017</u>
INCOME		
Carrying Charges	4,325,105	4,277,243
Garage Income	119,036	116,612
Professional Apartments	26,928	26,928
Rental Income	31,791	37,167
Laundry Room Income	31,200	31,200
Storage Units	22,179	20,943
Investment Income	55,544	2,240
Miscellaneous Income	824	5,966
Total Income	<u>4,612,607</u>	<u>4,518,299</u>
EXPENSES		
Administrative Expenses	239,248	254,140
Maintenance Expenses	1,523,685	1,166,687
Utilities Expenses	614,736	540,848
Taxes and Insurance Expenses	1,741,251	1,683,964
Financial Expenses	533,727	382,452
Prepayment Penalty	461,645	0
Interest Expense - Debt Issuance Costs	82,762	21,036
Total Expenses Before Depreciation	<u>5,197,054</u>	<u>4,049,127</u>
NET (LOSS) INCOME BEFORE DEPRECIATION	(584,447)	469,172
Depreciation	<u>(444,849)</u>	<u>(422,900)</u>
NET (LOSS) INCOME FOR THE YEAR	<u>(1,029,296)</u>	<u>46,272</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(2,836,222)	(2,882,494)
Net (Loss) Income for the Year	<u>(1,029,296)</u>	<u>46,272</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(3,865,518)</u></u>	<u><u>(2,836,222)</u></u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Net (Loss) Income	(1,029,296)	46,272
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation	444,849	422,900
Prepayment Penalty	461,645	0
Interest Expense - Debt Issuance Costs	82,762	21,036
Revenue allocated to financing activities	(336,309)	(426,991)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(7,327)	(8,096)
Mortgagee Escrow Accounts	11,474	(6,057)
Prepaid Expenses	1,227	2,462
Increase (Decrease) in operating liabilities:		
Accounts Payable	61,713	(6,679)
Accrued Interest Payable	20,744	(1,897)
Rents Received in Advance	26,198	11,068
Deposits and Exchanges	(13,315)	28,931
Net cash (used) provided by operating activities	<u>(275,635)</u>	<u>82,949</u>
Cash Flows From Investing Activities		
Purchase of Investments	(8,577,776)	(250,000)
Purchase of NCB Stock	(109,053)	0
Proceeds from Sale of Investments	3,222,055	0
Purchase of Property and Equipment	(869,084)	(320,741)
Net cash used by investing activities	<u>(6,333,858)</u>	<u>(570,741)</u>
Cash Flows From Financing Activities		
Net Proceeds from Mortgage Refinancing	14,000,000	0
Payoff of Mortgage Payable	(6,928,265)	0
Payment of Prepayment Penalty	(461,645)	0
Payment of Deferred Financing Expenses	(156,599)	0
Gain on Sale of Treasury Stock	0	22,077
Purchase of Treasury Stock	0	(212,300)
Sale of Treasury Stock	0	245,147
Proceeds from Auto Loans	0	79,316
Payments on Auto Loans	(16,907)	(2,900)
Portion of Carrying Charges applied to Amortization of Mortgage	336,309	426,991
Amortization of Mortgage	(336,309)	(426,991)
Net cash provided by financing activities	<u>6,436,584</u>	<u>131,340</u>
Decrease in Cash and Cash Equivalents (carryforward)	<u>(172,909)</u>	<u>(356,452)</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
Decrease in Cash and Cash Equivalents (carryforward)	(172,909)	(356,452)
Cash and Cash Equivalents at Beginning of Year	<u>485,517</u>	<u>841,969</u>
Cash and Cash Equivalents at End of Year (see below)	<u>312,608</u>	<u>485,517</u>
Represented by:		
Cash in Operating Account	62,592	42,301
Cash in Bank - Security Deposits	59,214	67,896
Cash in Bank - Reserve Account	<u>190,802</u>	<u>375,320</u>
Cash and Cash Equivalents (as above)	<u>312,608</u>	<u>485,517</u>
Supplemental Disclosure:		
Taxes Paid	<u>19,474</u>	<u>19,097</u>
Interest Paid	<u>974,628</u>	<u>384,349</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 1

Organization

Bryant Gardens Corp., a 409 unit Cooperative Housing Corporation (the Corporation), acquired land, buildings and improvements (the Property) from Bryant Gardens Associates (the Sponsor), on September 15, 1981 and commenced operations on that date. The common real property included in this acquisition consists of parking facilities, public hallways, roofs, sidewalks and professional office space. All of the cooperative's outstanding stock is owned by the residential tenants of the buildings. The primary purpose of the cooperative is to manage the operations of the buildings 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 statement of (loss) income.

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

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 sheet 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.

Property and equipment is being carried at cost. Depreciation of the buildings, improvements and equipment is being computed from the date of acquisition by various methods over periods from ten to forty years.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 2

Summary of Significant Accounting Policies - continued

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) income.

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.

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.

Note 3

Concentrations 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.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Land	572,960	572,960
Buildings	5,255,727	5,255,727
Building Equipment	<u>11,339,503</u>	<u>10,263,606</u>
	17,168,190	16,092,293
Less: accumulated depreciation	<u>10,131,161</u>	<u>9,686,312</u>
Total Property and Equipment	<u>7,037,029</u>	<u>6,405,981</u>

Capital Improvements completed during the years ended December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Exterior Brick Wall Repairs	317,194	-0-
Irrigation System	310,334	63,570
Parking Lot Paving	199,860	145,920
Underground Heating Main	77,152	-0-
Hot Water System Upgrade	67,077	-0-
Basement Upgrades	66,716	-0-
Trucks/Snow Plow	-0-	110,134
Children's Playground	<u>37,564</u>	<u>-0-</u>
	1,075,897	319,624

Depreciation expense for the year ended December 31, 2018 and 2017 was \$444,849 and \$422,900, respectively.

Note 5

Auto Loans Payable

During the year ended December 31, 2017, the cooperative purchased two vehicles. The first, a 2017 GMC, was purchased for approximately \$49,000. The purchase was financed with a loan payable over 60 months with interest of 3.99%. The loan requires monthly payments of \$725 and matures August 30, 2022.

The second vehicle, a 2018 Jeep Wrangler, was purchased for approximately \$41,000. The purchase was financed with a loan payable over 48 months with interest of 3.99%. The loan requires monthly payments of \$746 and matures December 20, 2021.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 6

Mortgage Payable

On July 1, 2011, the cooperative consolidated their mortgages with NCB for a total amount of \$9,500,000. Commencing August 1, 2011 and continuing thereafter through July 1, 2021, monthly installments of \$67,612 were due, including interest at 5.16% per annum and reduction of principal based on an 18-year amortization schedule. The entire indebtedness of the loan was due and payable on July 1, 2021.

In May 2018, the cooperative refinanced their mortgage for a new mortgage in the amount of \$14,000,000. The mortgage requires monthly payments of \$76,945 applied first to interest at a rate of 4.39% and the remainder to the reduction of principal based on a 25-year amortization schedule. The mortgage matures June 1, 2028 at which time a balloon payment of approximately \$10,233,000 is due and payable.

Principal maturities of the mortgage are as follows:

2019	313,273
2020	325,804
2021	342,306
2022	357,856
2023	374,113
Thereafter	12,136,010

As part of the aforementioned refinancing, the cooperative has paid closing costs of approximately \$157,000.

As part of the aforementioned refinancings, the cooperative was required to purchase shares of NCB's Class B1 stock. Class B1 shares earn a patronage dividend payable in cash and 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. As of December 31, 2018 and 2017, the cooperative owned approximately 1,091 and -0- Class B1 shares, respectively. The cooperative owned approximately 309 Class B2 shares at both December 31, 2018 and 2017.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 7

Reserve Fund

The proceeds from all of the mortgage refinancings have been added to the cooperative's existing investments to establish a reserve fund which has been and will be used to finance capital improvements such as hallway, maintenance office and laundry renovations, new entrances, roof/window/garage door replacements, landscaping upgrades, danfoss valve replacement, signage, siding, boilers, gas conversion, parking lots, charging stations and other assorted property improvements. During December 31, 2018 and 2017, the cooperative incurred capital improvement costs of approximately \$869,000 and \$321,000 related to the aforementioned items. As of December 31, 2018 and 2017, the cooperative maintained a balance in the reserve fund of approximately \$5,797,000 and \$625,000, respectively.

Note 8

Treasury Stock

During the year ended August 31, 1997, 185 shares of stock were recorded as treasury stock due to an eviction of one of the cooperative's shareholders. In 2010, an additional 265 shares of stock, at a cost basis of \$27,304, was added as treasury stock due to another eviction of one of the cooperative's shareholders. In 2016, additional shares totaling 445 shares, at a cost basis of \$140,000 was added as treasury stock due to the acquisition of two units. During 2017, additional costs of approximately \$63,000 were added to treasury shares as one of the previous units obtained through eviction was officially purchased. This same unit was then sold for approximately \$112,500. Also in 2017, a new unit was purchased for 260 shares in the amount of \$149,300. This same unit was also sold for approximately \$155,000. The gain on the sale of both units is reflected on the balance sheets as part of Paid in Capital at December 31, 2017. All shares are recorded as treasury stock by the cooperative with a cost basis representing the unpaid carrying charges of the previous stockholder plus the cost of improvements to restore the apartment. The remaining apartments are rented and the income from the apartments is shown on the statements of income as rental income.

Note 9

Sponsor Ownership

As of December 31, 2018 and 2017, the Sponsor and its partners owned 5,855 shares which represents approximately 5% of the outstanding shares.

As of these dates, the Sponsor and its partners were current in the payment of carrying charges and garage charges.

Note 10

Future Professional Income

A portion of the cooperative's property is leased to one tenant under a lease for five years which expired on December 31, 2005. This lease continues to operate on a month-to-month basis until a new lease can be finalized.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 11

Real Estate Taxes - Tax Abatements

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during December 31, 2018 and 2017. 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 Sheet in Current Liabilities as Real Estate Tax Rebate 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 12

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2018 and 2017. The cooperative participated in this multi-employer plan, for the years ended December 31, 2018 and 2017 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 2022 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.

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, 2018 and December 31, 2017. 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.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 12

Benefits - continued

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended December 31, 2018 and 2017. 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 at December 31:

	<u>2018</u>	<u>2017</u>
Pension Contributions	26,222	24,507
Health Contributions	120,372	113,568

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

Note 13

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 statement. 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 had available federal net operating loss carryforwards to apply to future taxable income of approximately \$5,980,000. If not used, these carryforwards expire beginning in 2018 and continuing through 2037. New York State substantially limits the use of these net operating loss carryforwards.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2018 and 2017

Note 13

Income Taxes - continued

Beginning in 2018, the rules for federal net operating loss carryforwards have changed. These losses may be carried forward indefinitely, but may only be used to offset 80% of taxable income in each year. The net operating loss incurred in 2018 is approximately \$1,333,000.

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 14

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 15

Subsequent Events

Management has evaluated subsequent events through March 22, 2019, 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
BRYANT GARDENS CORP.**

We have audited the financial statements of Bryant Gardens Corp. as of and for the years ended December 31, 2018 and 2017, and our report thereon dated March 22, 2019, 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, 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
March 22, 2019**

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2018</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2018</u>	Actual Year Ended <u>Dec. 31, 2017</u>
RECEIPTS			
Carrying Charges	4,325,105	4,325,105	4,277,243
Garage Income	118,000	119,036	116,612
Professional Apartments	27,500	26,928	26,928
Rental Income	41,000	31,791	37,167
Laundry Income	31,200	31,200	31,200
Storage Units	22,000	22,179	20,943
Miscellaneous Income	5,000	824	5,966
Total Receipts	<u>4,569,805</u>	<u>4,557,063</u>	<u>4,516,059</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	116,000	112,868	112,872
Legal Expense	14,000	13,496	22,761
Auditing	13,200	13,200	12,900
Telecommunication Services/Software	21,000	23,021	22,215
Community Services	40,000	50,904	49,717
Office and Administrative Expenses	25,263	25,759	33,675
Total Administrative Expenses	<u>229,463</u>	<u>239,248</u>	<u>254,140</u>
MAINTENANCE EXPENSES			
Super and Maintenance Payroll	492,000	509,493	465,559
Supplies	64,000	110,903	65,137
Repairs (see schedule)	220,000	358,813	219,250
Flooring Project	56,000	56,842	35,417
Exterminating and Trapping Services	26,000	34,214	32,088
Landscaping and Grounds	200,000	320,621	202,852
Tree Care	30,000	33,450	20,678
Snow Removal and Supplies	14,000	9,940	14,558
Security Services	52,000	54,915	85,523
Truck Expense	9,000	11,124	8,797
Miscellaneous Maintenance	12,000	23,370	16,828
Total Maintenance Expenses	<u>1,175,000</u>	<u>1,523,685</u>	<u>1,166,687</u>

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	Year Ended	Year Ended
	Dec. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
	(Unaudited)		
UTILITIES EXPENSES			
Gas Heat	312,000	372,532	308,883
Electricity and Gas	135,000	136,058	133,571
Water	104,000	106,146	98,394
Total Utilities Expenses	<u>551,000</u>	<u>614,736</u>	<u>540,848</u>
TAXES AND INSURANCE			
Real Estate Taxes	1,304,000	1,303,659	1,277,100
Payroll Taxes	44,000	44,141	44,023
Licenses and Permits	2,000	2,080	727
Insurance	204,000	218,617	200,110
Health and Welfare	148,000	153,280	142,907
Franchise Taxes	20,000	19,474	19,097
Total Taxes and Insurance	<u>1,722,000</u>	<u>1,741,251</u>	<u>1,683,964</u>
FINANCIAL EXPENSES			
Interest on Mortgage	361,467	533,727	382,452
Total Financial Expenses	<u>361,467</u>	<u>533,727</u>	<u>382,452</u>
CONTRIBUTIONS TO EQUITY AND RESERVES			
Replacement Reserve	66,000	0	42,000
Truck Loan Payments	17,000	16,907	2,900
Amortization of Mortgage	447,875	336,309	426,991
Total Contributions to Equity and Reserves	<u>530,875</u>	<u>353,216</u>	<u>471,891</u>
Total Expenditures	<u>4,569,805</u>	<u>5,005,863</u>	<u>4,499,982</u>
NET (DEFICIT) SURPLUS FOR THE YEAR	<u>0</u>	<u>(448,800)</u>	<u>16,077</u>

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Detailed Schedule of Repairs

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
REPAIRS		
Boiler and Burners	52,369	23,349
Plumbing and Pipes	78,223	59,178
Electrical Repairs	39,233	29,283
Painting, Plastering, Flooring and Carpentry Work	45,829	38,674
Roofing, Waterproofing and Gutter Work	34,629	225
Paving, Excavation, Fencing, Gates and Signage	14,324	6,032
Masonry and Sidewalks	52,991	39,932
Window Capping and Repairs	17,894	8,362
Engineers, Architects and Consultants	8,150	800
General	15,171	13,415
Total Repairs	<u><u>358,813</u></u>	<u><u>219,250</u></u>

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