

PATRICIA GARDENS OWNERS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

PATRICIA GARDENS OWNERS, INC.

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

INDEPENDENT AUDITORS' REPORT

To the Board PATRICIA GARDENS OWNERS, INC.

We have audited the accompanying financial statements of Patricia Gardens Owners, Inc., 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 Patricia Gardens Owners, Inc., 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 11, 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
February 28, 2019

PATRICIA GARDENS OWNERS, INC.

Balance Sheets

As of December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash in Banks	36,025	97,641
Cash in Operating Account	25,917	6,747
Tenants' Accounts Receivable	13,190	14,180
Mortgagee Escrow Deposits	77,374	83,696
Prepaid Expenses	37,147	22,053
Total Current Assets	<u>189,653</u>	<u>224,317</u>
RESERVE FOR CONTINGENCIES		
Cash and Money Funds	<u>572,793</u>	<u>575,039</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>1,941,865</u>	<u>1,984,665</u>
OTHER ASSETS		
Investment in NCB Stock	<u>8,990</u>	<u>8,990</u>
Total Other Assets	<u>8,990</u>	<u>8,990</u>
TOTAL ASSETS	<u><u>2,713,301</u></u>	<u><u>2,793,011</u></u>

	<u>2018</u>	<u>2017</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	34,388	24,720
Accrued Interest on Mortgage	10,051	10,257
Rents Received in Advance	6,479	1,727
Exchanges Payable	9,243	10,077
First Mortgage Payable - Amortization payments due within one year	<u>64,971</u>	<u>62,506</u>
Total Current Liabilities	<u>125,132</u>	<u>109,287</u>
LONG-TERM LIABILITIES		
Security Deposits	17,326	14,379
First Mortgage Payable (Due after one year)	2,990,667	3,055,638
Less: Unamortized Debt Issuance Costs	<u>(40,986)</u>	<u>(46,841)</u>
Total Long-Term Liabilities	<u>2,967,007</u>	<u>3,023,176</u>
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock \$1.00 par value; Authorized, 35,000 shares, Issued and Outstanding 33,282	33,282	33,282
Paid-in Capital	1,444,908	1,444,908
Retained Earnings (Deficit)	(1,904,528)	(1,865,142)
Appropriated Retained Earnings: Reserve for Contingencies	<u>47,500</u>	<u>47,500</u>
Total Stockholders' Equity (Deficit)	<u>(378,838)</u>	<u>(339,452)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>2,713,301</u>	<u>2,793,011</u>

See accompanying notes and auditors' report

PATRICIA GARDENS OWNERS, INC.

Statements of (Loss) Income

For the years ended December 31,

	<u>2018</u>	<u>2017</u>
INCOME		
Carrying Charge	674,296	662,856
Parking Income	16,560	16,740
Rental Income	0	16,200
Sublet Income	660	660
Laundry Room Income	4,800	4,800
NCB Dividend	1,956	5,079
Interest Income	6,138	2,384
Miscellaneous Income	2,639	2,566
Total Income	<u>707,049</u>	<u>711,285</u>
EXPENSES		
Administrative Expenses	55,159	50,269
Utilities Expenses	99,312	80,356
Maintenance Expenses	164,718	134,019
Taxes and Insurance Expenses	234,656	239,763
Financial Expenses	119,455	121,834
Interest Expense - Debt Issuance Costs	5,855	5,855
Total Expenses Before Depreciation	<u>679,155</u>	<u>632,096</u>
NET INCOME BEFORE DEPRECIATION	27,894	79,189
Depreciation Expense	<u>(67,280)</u>	<u>(67,367)</u>
NET (LOSS) INCOME FOR THE YEAR	<u>(39,386)</u>	<u>11,822</u>

See accompanying notes and auditors' report

PATRICIA GARDENS OWNERS, INC.

Statements of Retained Earnings (Deficit)

For the years ended December 31,

	<u>2018</u>	<u>2017</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(1,865,142)	(1,876,964)
Net (Loss) Income for the Year	<u>(39,386)</u>	<u>11,822</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(1,904,528)</u></u>	<u><u>(1,865,142)</u></u>

See accompanying notes and auditors' report

PATRICIA GARDENS OWNERS, INC.

Statements of Cash Flows

For the years ended December 31,

	2018	2017
Cash Flows From Operating Activities		
Net (Loss) Income	(39,386)	11,822
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation	67,280	67,367
Interest Expense - Debt Issuance Costs	5,855	5,855
Revenue allocated to financing activities	(62,506)	(60,136)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	990	(4,268)
Mortgagee Escrow Deposits	6,322	27,722
Prepaid Expenses	(15,094)	(396)
Increase (Decrease) in operating liabilities:		
Accounts Payable	9,668	(11,869)
Accrued Interest Payable	(206)	(198)
Rents Received in Advance	4,752	1,125
Deposits and Exchanges	2,113	(2,411)
Net cash (used) provided by operating activities	(20,212)	34,613
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(24,480)	0
Cash Flows From Financing Activities		
Sale of NCB Stock	0	3,365
Increase (Decrease) in Reserve Funds	2,246	(1,954)
Portion of Carrying Charges applied to Monthly Amortization of Mortgage	62,506	60,136
Monthly Amortization of Mortgage	(62,506)	(60,136)
Net cash provided by financing activities	2,246	1,411
(Decrease) Increase in Cash and Cash Equivalents (carryforward)	(42,446)	36,024

See accompanying notes and auditors' report

PATRICIA GARDENS OWNERS, INC.

Statements of Cash Flows

For the years ended December 31,

	<u>2018</u>	<u>2017</u>
(Decrease) Increase in Cash and Cash Equivalents (brought forward)	(42,446)	36,024
Cash and Cash Equivalents at Beginning of Year	<u>104,388</u>	<u>68,365</u>
Cash and Cash Equivalents at End of Year (see below)	<u>61,942</u>	<u>104,389</u>
Represented by:		
Cash in Banks and On Hand	36,025	97,641
Cash in Operating Account	<u>25,917</u>	<u>6,747</u>
Cash and Cash Equivalents (as above)	<u>61,942</u>	<u>104,388</u>
Supplemental Disclosure:		
Interest Paid	<u>119,661</u>	<u>122,032</u>
Taxes Paid	<u>3,050</u>	<u>2,889</u>

See accompanying notes and auditors' report

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 1

Organization

Pursuant to a Plan to Convert to Cooperative Ownership dated June 29, 1984, and as amended, title to the land and building known as Patricia Gardens, Larchmont, New York, was conveyed by the sponsor to Patricia Gardens Owners, Inc. on February 12, 1985. Patricia Gardens Owners, Inc. is a cooperative housing corporation whose primary purpose is to manage the operations of its buildings, consisting of 65 residential apartments, and maintain common elements.

The sponsor elected to treat the transfer of the real property to the cooperative as an exchange in accordance with Section 351 of the Internal Revenue Code. As a result, the cooperative's tax basis of the land and the building is the same as in the hands of the sponsor on the date of transfer. The lower basis of the property will result in lower depreciation deductions for tax purposes, as compared with that shown in the financial statements.

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) income.

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.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 2

Summary of Significant Accounting Policies - continued

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. 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 is being computed by the straight-line method using a life of thirty-five years. Depreciation of building improvements is being computed by the straight-line method over periods from twenty-seven and one-half years to thirty-five 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) 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.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 3

Concentration of Credit Risk

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.

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Land	689,960	689,960
Building	1,713,000	1,713,000
Building Improvements	1,951,646	1,927,166
Furniture and Fixtures	<u>20,087</u>	<u>20,087</u>
	4,374,693	4,350,213
Less: accumulated depreciation	<u>2,432,828</u>	<u>2,365,548</u>
Total Property and Equipment	<u>1,941,865</u>	<u>1,984,665</u>

Depreciation expense for the years ending December 31, 2018 and 2017 was \$67,280 and \$67,367, respectively.

Note 5

Mortgages Payable

On November 30, 2006, the cooperative refinanced its previous mortgage with a new first mortgage held by National Consumer Cooperative Bank in the principal sum of \$2,100,000 and also obtained a secured Revolving Line of Credit in the available amount of \$350,000. Monthly payments in the amount of \$12,984.74 were required, which included principal and interest calculated at a rate of 6.29% per annum, pursuant to a thirty year amortization schedule. The mortgage would have matured on December 1, 2016, at which time the entire unpaid principal and accrued interest would have been due and payable.

On or about November 16, 2010, the cooperative borrowed \$175,000 from the secured Revolving Line of Credit. The proceeds were used to partially fund the exterior renovation project of the cooperative.

During 2014, the cooperative paid down \$1,200 on the Line of Credit for a balance of \$171,400 at December 31, 2014, during 2015 this line of credit was fully repaid during the refinance discussed below.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 5

Mortgages Payable - continued

On June 26, 2013, the cooperative secured a third mortgage with National Consumer Cooperative Bank in the principal amount of \$350,000. Monthly payments of interest only were due with a fixed rate of 4.25% per annum. The mortgage was to mature co-terminus with the then existing first mortgage on December 1, 2016 at which time the unpaid principal plus all accrued interest was to become due and payable. The proceeds of this third mortgage funded the electrical upgrade project in 2013 and the cooperative's Reserve for Contingencies.

On August 26, 2015, the cooperative refinanced its previous mortgages and line of credit with a new mortgage held by National Cooperative Bank (NCB) in the principal sum of \$3,250,000. The new mortgage which consolidated the prior two mortgages and line of credit previously held by NCB, requires monthly payments in the amount of \$15,180.64, which includes principal and interest calculated at a rate of 3.82% per annum pursuant to a thirty year amortization schedule. The mortgage matures on September 1, 2025 at which time the entire unpaid principal and accrued interest will be due and payable.

Principal maturities of the mortgage are as follows:

2019	64,971
2020	67,207
2021	70,182
2022	72,949
2023	75,825
Thereafter	2,698,221

Pursuant to the loan agreement with NCB, the cooperative was required to purchase shares of NCB Class B1 Capital Stock. This stock is reflected on the cooperative's balance sheet with a cost basis of \$8,990. For the year December 31, 2018 and 2017, the cooperative received \$1,956 and \$5,079, respectively in patronage dividends.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 6

Reserve Fund

The cooperative maintains a contingency reserve fund to be used for capital repairs, replacements and improvements, or for such other cooperative purposes as are determined by the Board. As of December 31, 2018 and 2017, specific funds held in the Reserve for Contingencies totaled \$572,793 and \$575,039, respectively.

The amount accumulated in the contingency fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the cooperative can increase regular carrying charges, pass special assessments, borrow needed funds, or delay major repairs and replacements until funds are available.

Note 7

Sponsor/Holder of Unsold Shares Ownership

As of December 31, 2018 and 2017, the sponsor/holder of unsold shares owned approximately 31% of the outstanding shares of the cooperative's stock, representing nineteen apartments. As of that date, the sponsor/holder of unsold shares was current in the payment of carrying charges.

The most recent Disclosure Statement filed with the Attorney General's Office (sixteenth amendment to the Cooperative Offering Plan) dated November 9, 1995, indicates that the aggregate monthly maintenance for all unsold shares is \$9,200. The aggregate monthly rents received from tenants residing in the apartments owned by the sponsor/holder of unsold shares is \$11,096. No subsequent amendments have been filed.

Note 8

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.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 8

Benefits - continued

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 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.

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:

	<u>2018</u>	<u>2017</u>
Pension Contributions	3,746	3,501
Health Contributions	17,196	16,224

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

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 9

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 and Veterans abatements (where applicable) have been 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 Exchanges Payable. 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

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. New York State Franchise taxes are 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 \$1,852,000. If not used, these carryforwards expire beginning in 2019 and continuing through 2037. New York State substantially limits the use of these net operating loss carryforwards.

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 \$102,000.

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.

PATRICIA GARDENS OWNERS, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 11

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 12

Subsequent Events

Management has evaluated subsequent events through February 28, 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
PATRICIA GARDENS OWNERS, INC.**

We have audited the financial statements of Patricia Gardens Owners, Inc. as of and for the years ended December 31, 2018 and 2017, and our report thereon dated February 28, 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, which is the responsibility of the entity's management, is presented for purposes of additional analysis and is 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
February 28, 2019**

PATRICIA GARDENS OWNERS, INC.

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	Year Ended	Year Ended
	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
	(Unaudited)		
RECEIPTS			
Carrying Charges	662,858	674,296	662,856
Parking Income	16,740	16,560	16,740
Rental Income	16,200	0	16,200
Sublet Income	0	660	660
Laundry Room Income	4,800	4,800	4,800
NCB Dividend	0	1,956	5,079
Interest and Miscellaneous Income	4,000	8,777	4,950
Total Receipts	<u>704,598</u>	<u>707,049</u>	<u>711,285</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	30,000	30,000	30,000
Legal Expense	500	3,965	1,480
Auditing	9,350	9,350	8,900
Telephone	2,000	2,080	2,199
Office and Administrative Expenses	6,000	9,764	7,690
Total Administrative Expenses	<u>47,850</u>	<u>55,159</u>	<u>50,268</u>
UTILITIES EXPENSES			
Heat	45,000	60,993	47,088
Electricity and Gas	15,500	13,083	12,838
Water	18,000	25,236	20,430
Total Utilities Expenses	<u>78,500</u>	<u>99,312</u>	<u>80,356</u>
MAINTENANCE EXPENSES			
Payroll and Additional Labor	86,000	79,996	83,496
Supplies	12,000	10,531	6,419
Repairs and Maintenance	22,000	24,520	25,872
Temporary Generator and Rental Installation	0	23,352	0
Landscaping and Trees	14,500	21,050	13,108
Exterminating	5,500	5,269	5,124
Total Maintenance Expenses	<u>140,000</u>	<u>164,718</u>	<u>134,019</u>

See auditors' report on supplementary information

PATRICIA GARDENS OWNERS, INC.

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>
TAXES AND INSURANCE			
Real Estate Taxes	175,000	165,533	169,642
Payroll Taxes	4,500	4,220	4,249
Insurance	50,000	39,801	42,139
Union Welfare and Pension Fund	21,500	22,052	20,844
Franchise Taxes	2,700	3,050	2,889
Total Taxes and Insurance	<u>253,700</u>	<u>234,656</u>	<u>239,763</u>
FINANCIAL EXPENSES			
Interest on Mortgage	<u>119,662</u>	<u>119,455</u>	<u>121,834</u>
Total Financial Expenses	<u>119,662</u>	<u>119,455</u>	<u>121,834</u>
CONTRIBUTIONS TO EQUITY			
Amortization of Mortgage	<u>62,506</u>	<u>62,506</u>	<u>60,136</u>
Total Contributions to Equity	<u>62,506</u>	<u>62,506</u>	<u>60,136</u>
Total Expenditures	<u>702,218</u>	<u>735,806</u>	<u>686,376</u>
NET SURPLUS (DEFICIT)			
FOR THE YEAR	<u><u>2,380</u></u>	<u><u>(28,757)</u></u>	<u><u>24,909</u></u>

See auditors' report on supplementary information