

**WESTCHESTER GARDENS OWNERS INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**WESTCHESTER GARDENS OWNERS INC.**

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

## INDEPENDENT AUDITORS' REPORT

### **To the Board WESTCHESTER GARDENS OWNERS INC.**

We have audited the accompanying financial statements of Westchester Gardens Owners Inc., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of 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 Westchester Gardens Owners Inc., 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**  
**Certified Public Accountants**  
**March 26, 2018**

# WESTCHESTER GARDENS OWNERS INC.

## Balance Sheets

As of December 31,

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in Operating Account	19,345	29,264
Cash in Bank - Money Market Accounts	279,238	372,727
Cash in Bank - Investment Account	153,512	110,730
Investments - Certificates of Deposit	610,000	750,000
Tenants' Accounts Receivable	12,911	8,931
Mortgage Escrow Deposits	131,716	140,053
Prepaid Expenses	18,515	18,204
Total	<u>1,225,237</u>	<u>1,429,909</u>
Less: Allocated to Funds (see below)	<u>(1,042,750)</u>	<u>(1,233,000)</u>
<b>Total Current Assets</b>	<u>182,487</u>	<u>196,909</u>
<b>FUNDS</b>		
Contingency Reserve:		
Reserve for Replacements (see above)	<u>1,042,750</u>	<u>1,233,000</u>
<b>PROPERTY AND EQUIPMENT -</b>		
<b>Net Book Value</b>	<u>5,411,835</u>	<u>5,222,692</u>
<b>OTHER ASSETS</b>		
Investment in National Cooperative Bank	<u>9,649</u>	<u>12,305</u>
<b>Total Other Assets</b>	<u>9,649</u>	<u>12,305</u>
<b>TOTAL ASSETS</b>	<u><u>6,646,721</u></u>	<u><u>6,664,906</u></u>

	<u>2017</u>	<u>2016</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	65,683	56,528
Accounts Payable - Capital Improvements	39,778	0
Accrued Interest	13,513	13,775
Star Credit Due to Stockholders	53,928	57,629
Rents Received in Advance	4,107	4,817
Security Deposits	17,007	15,057
Mortgage Payable - Amortization payments due within one year	83,091	79,947
<b>Total Current Liabilities</b>	<u>277,107</u>	<u>227,753</u>
<b>LONG-TERM LIABILITIES</b>		
First Mortgage Payable - Net of Payments due within one year	4,035,645	4,118,735
Less: Unamortized Debt Issuance Costs	(48,812)	(55,320)
<b>Total Long-Term Liabilities</b>	<u>3,986,833</u>	<u>4,063,415</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock \$1.00 par value; 50,815 shares authorized issued and outstanding	50,815	50,815
Paid-in Capital	4,864,060	4,864,060
Retained Earnings (Deficit)	(2,532,094)	(2,541,137)
<b>Total Stockholders' Equity</b>	<u>2,382,781</u>	<u>2,373,738</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>6,646,721</u>	<u>6,664,906</u>

*See accompanying notes and auditors' report*

# WESTCHESTER GARDENS OWNERS INC.

## Statements of Income

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
<b>INCOME</b>		
Carrying Charges - Net of Uncollectable Charges	1,267,100	1,254,552
Parking Income	73,260	73,260
Laundry Room Income	10,800	10,800
Storage Income	5,112	4,772
Sublet Fees	1,470	4,620
Interest/Dividend Income	10,286	7,496
Verizon Fios Cable Fee	0	2,925
Miscellaneous Income	785	538
<b>Total Income</b>	<u>1,368,813</u>	<u>1,358,963</u>
<b>EXPENSES</b>		
Administrative Expenses	57,961	56,731
Maintenance Expenses	358,684	310,664
Utilities Expenses	148,857	154,517
Taxes and Insurance Expenses	494,562	491,879
Financial Expenses	160,539	164,001
Interest - Debt Issuance Costs	6,508	6,508
<b>Total Expenses Before Depreciation</b>	<u>1,227,111</u>	<u>1,184,300</u>
<b>NET INCOME BEFORE DEPRECIATION</b>	141,702	174,663
Depreciation	<u>(132,659)</u>	<u>(131,307)</u>
<b>NET INCOME FOR THE YEAR</b>	<u>9,043</u>	<u>43,356</u>

*See accompanying notes and auditors' report*

**WESTCHESTER GARDENS OWNERS INC.**

**Statements of Retained Earnings (Deficit)**

**For the Year Ended December 31,**

	<u>2017</u>	<u>2016</u>
<b>RETAINED EARNINGS (DEFICIT) - Beginning of Year</b>	(2,541,137)	(2,584,493)
 Net Income for the Year	 <u>9,043</u>	 <u>43,356</u>
 <b>RETAINED EARNINGS (DEFICIT) - End of Year</b>	 <u><u>(2,532,094)</u></u>	 <u><u>(2,541,137)</u></u>

*See accompanying notes and auditors' report*



# WESTCHESTER GARDENS OWNERS INC.

## Statements of Cash Flows

For the Year Ended December 31,

	2017	2016
<b>Cash Flows From Operating Activities</b>		
Net Income	9,043	43,356
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	132,659	131,307
Interest Expense - Debt Issuance Costs	6,508	6,508
Revenue allocated to financing activities	(79,946)	(76,477)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(3,980)	3,110
Mortgage Escrow Deposits	8,337	(6,225)
Prepaid Expenses	(311)	3,303
Increase (Decrease) in operating liabilities:		
Accounts Payable	9,155	15,895
Accrued Interest	(262)	(250)
Star Credit Due to Stockholders	(3,701)	(3,384)
Rents Received in Advance	(710)	1,917
Security Deposits	1,950	750
<b>Net cash provided by operating activities</b>	<b>78,742</b>	<b>119,810</b>
<b>Cash Flows From Investing Activities</b>		
Redemption of NCB Stock	2,656	0
Purchase of Investments - Certificates of Deposit	(610,000)	(1,000,000)
Maturities of Investments - Certificates of Deposit	750,000	1,000,000
Purchase of Property and Equipment	(282,024)	(37,184)
<b>Net cash used by investing activities</b>	<b>(139,368)</b>	<b>(37,184)</b>
<b>Cash Flows From Financing Activities</b>		
Portion of Carrying Charges applied to Amortization of Mortgage & Line of Credit	79,946	76,477
Amortization Payments on Mortgage	(79,946)	(76,477)
<b>Net cash provided by financing activities</b>	<b>0</b>	<b>0</b>
<b>(Decrease) Increase in Cash and Cash Equivalents (carryforward)</b>	<b>(60,626)</b>	<b>82,626</b>

*See accompanying notes and auditors' report*

# WESTCHESTER GARDENS OWNERS INC.

## Statements of Cash Flows

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
<b>(Decrease) Increase in Cash and Cash Equivalents (brought forward)</b>	(60,626)	82,626
Cash and Cash Equivalents at Beginning of Year	<u>512,721</u>	<u>430,095</u>
<b>Cash and Cash Equivalents at End of Year (see below)</b>	<u><u>452,095</u></u>	<u><u>512,721</u></u>
<b>Represented by:</b>		
Cash in Operating Account	19,345	29,264
Cash in Bank - Money Market Accounts	279,238	372,727
Cash in Bank - Investment Account	<u>153,512</u>	<u>110,730</u>
<b>Cash and Cash Equivalents (as above)</b>	<u><u>452,095</u></u>	<u><u>512,721</u></u>
<b>Supplemental Disclosure:</b>		
Interest Paid	<u>160,801</u>	<u>164,251</u>
Taxes Paid	<u>2,523</u>	<u>2,281</u>

*See accompanying notes and auditors' report*

# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

### Note 1

#### Organization

Westchester Gardens Owners Inc. is a cooperative housing corporation incorporated in the State of New York in January 1986. The cooperative owns and operates an apartment building located at 445 Gramatan Avenue, Mount Vernon, New York, consisting of 112 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 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.

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.

# WESTCHESTER GARDENS OWNERS INC.

## 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 35 years. Building improvements are depreciated on the straight line method over an estimated useful life of 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 income.

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

#### **Change in Accounting Principle**

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2015-03 (ASU 2015-03) which requires that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a deduction from the carrying amount of that debt liability.

### Note 4

#### **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.

# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

**Note 5**

**Property and Equipment**

Property and Equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	3,824,018	3,824,018
Building	3,086,857	3,086,857
Building improvements	<u>1,603,725</u>	<u>1,281,923</u>
	8,514,600	8,192,798
Less: accumulated depreciation	<u>3,102,765</u>	<u>2,970,106</u>
Total Property and Equipment	<u>5,411,835</u>	<u>5,222,692</u>

Depreciation expense was \$132,659 and \$131,307 for the years ended December 31, 2017 and 2016, respectively.

**Note 6**

**Mortgage Payable**

On July 14, 2015, the cooperative refinanced their mortgage in the total amount of \$4,300,000. The mortgage, is payable in monthly installments of \$20,061 including interest at a rate of 3.81%, per annum, based on a 30 year amortization period. The note matures on August 1, 2025, at which time a balloon payment of \$3,401,408 will be due.

In conjunction with the refinancings, 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.

During the year ended December 31, 2017 and 2016, NCB purchased back shares in the amount of \$2,656 and \$551, respectively. At December 31, 2017 and 2016, the cooperative owned approximately 96 and 123 Class B1 shares, respectively. At December 31, 2017 and 2016, the cooperative owned 483 and 333 Class B2 shares, respectively.

# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

**Note 6**

**Mortgage Payable - continued**

Principal maturities of the mortgage are as follows:

2018	83,091
2019	86,358
2020	89,325
2021	93,265
2022	96,933
2023 and thereafter	3,669,764

As part of the aforementioned refinancings, the cooperative has paid closing costs of approximately \$65,000, which are being amortized over the life of the new mortgage.

**Note 7**

**Sponsor Ownership**

At both December 31, 2017 and 2016, the Sponsor owned twenty six residential units, or approximately 22% of the total residential units, respectively.

Carrying charges received from the Sponsor's residential units aggregated approximately \$292,000 and \$278,000 for the year ended December 31, 2017 and 2016, respectively. As of that date, the Sponsor was current in the payment of carrying charges.

**Note 8**

**Charges**

In November 2015, the Board approved a 1.5% increase effective January 1, 2016. In November 2016, the Board approved a 1% increase effective January 1, 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, 2017 and 2016. The abatements, which include Star, Veterans and Senior Citizens (where applicable) 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.

# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

### 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.

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.

# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

**Note 10**      **Benefits - continued**

The condominium made the following contributions to the plans:

	<u>2017</u>	<u>2016</u>
Pension Contributions	10,503	9,823
Health Contributions	48,672	45,396

The condominium'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, such as interest and commercial rents, 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 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 \$1,333,000. Unless used, these net operating losses are set to expire beginning in 2022 and continuing through 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 believes that its estimates are appropriate based on current facts and circumstances. 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.



# WESTCHESTER GARDENS OWNERS INC.

## Notes to Financial Statements

December 31, 2017 and 2016

**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 March 26, 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  
WESTCHESTER GARDENS OWNERS INC.**

We have audited the financial statements of Westchester Gardens Owners Inc. as of and for the years ended December 31, 2017 and 2016, and our report thereon dated March 26, 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 actual repairs and maintenance, 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**  
**Certified Public Accountants**  
**March 26, 2018**

# WESTCHESTER GARDENS OWNERS INC.

## 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>
<b>RECEIPTS</b>			
Carrying Charges	1,277,027	1,277,027	1,264,380
Uncollectable Charges	(9,927)	(9,927)	(9,828)
Parking Income	73,500	73,260	73,260
Laundry Room Income	10,800	10,800	10,800
Storage Income	5,000	5,112	4,772
Sublet Fees	3,000	1,470	4,620
Miscellaneous Income	1,000	785	538
<b>Total Receipts</b>	1,360,400	1,358,527	1,348,542
<b>EXPENDITURES</b>			
<b>ADMINISTRATIVE EXPENSES</b>			
Management Fee	36,000	36,000	36,000
Legal Expense	3,000	3,349	2,139
Auditing	9,000	9,000	8,700
Telephone and Answering Service	3,500	3,562	3,451
Office and Administrative Expenses	6,615	6,050	6,441
<b>Total Administrative Expenses</b>	58,115	57,961	56,731
<b>MAINTENANCE EXPENSES</b>			
Payroll	155,000	155,468	150,320
Supplies	24,000	28,100	18,317
Repairs (see schedule)	110,000	115,815	75,371
Exterminating/Bed Bugs	8,000	6,162	24,287
Landscaping and Grounds	26,000	26,817	25,877
Tree Services	6,000	7,697	4,267
Snow Removal and Supplies	18,000	18,625	12,225
<b>Total Maintenance Expenses</b>	347,000	358,684	310,664
<b>UTILITIES EXPENSES</b>			
Fuel and Gas Heat	132,000	104,666	105,510
Electricity and Gas	22,000	21,043	20,379
Water	26,000	23,148	28,628
<b>Total Utilities Expenses</b>	180,000	148,857	154,517

*See auditors' report on supplementary information*

**WESTCHESTER GARDENS OWNERS INC.**

**Schedule of Budget with Actual Operating Amounts**

	<b>Budget Year Ended <u>Dec. 31, 2017</u> (Unaudited)</b>	<b>Actual Year Ended <u>Dec. 31, 2017</u></b>	<b>Actual Year Ended <u>Dec. 31, 2016</u></b>
<b>TAXES AND INSURANCE</b>			
Real Estate Taxes	360,000	356,875	357,520
Payroll Taxes	12,500	12,534	12,171
Licenses and Permits	1,000	100	1,290
Insurance	62,000	61,318	60,830
Union Welfare and Pension Fund	61,000	61,212	57,787
Franchise Taxes	2,300	2,523	2,281
<b>Total Taxes and Insurance</b>	<u>498,800</u>	<u>494,562</u>	<u>491,879</u>
<b>FINANCIAL EXPENSES</b>			
Interest on Mortgage	<u>160,539</u>	<u>160,539</u>	<u>164,001</u>
<b>Total Financial Expenses</b>	<u>160,539</u>	<u>160,539</u>	<u>164,001</u>
<b>CONTRIBUTIONS TO EQUITY AND RESERVES</b>			
Amortization of Mortgage	79,946	79,946	76,477
Contingency Reserve	<u>36,000</u>	<u>36,000</u>	<u>12,000</u>
<b>Total Contributions to Equity and Reserves</b>	<u>115,946</u>	<u>115,946</u>	<u>88,477</u>
<b>Total Expenditures</b>	<u>1,360,400</u>	<u>1,336,549</u>	<u>1,266,269</u>
<b>NET SURPLUS FOR THE YEAR</b>	<u>0</u>	<u>21,978</u>	<u>82,273</u>

*See auditors' report on supplementary information*

**WESTCHESTER GARDENS OWNERS INC.**

**Detailed Schedule of Repairs and Improvements**

**For the Year Ended December 31,**

	<u>2017</u>	<u>2016</u>
<b>REPAIRS AND MAINTENANCE</b>		
Boiler and Burners	5,628	5,649
Plumbing and Pipes	23,751	12,334
Electrical and Intercoms	22,067	12,319
Painting, Plastering and Carpentry Work	35,481	12,302
Roofing and Waterproofing	6,408	3,300
Paving, Excavation and Masonry	0	18,266
Gas Leak	7,846	0
Window Repairs	8,249	661
Locks	3,229	6,402
Truck Expenses	2,636	2,037
General	520	2,101
<b>Total Repairs and Maintenance</b>	<u>115,815</u>	<u>75,371</u>

*See auditors' report on supplementary information*