

WESTCHESTER GARDENS OWNERS INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

WESTCHESTER GARDENS OWNERS INC.

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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 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 Westchester 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 5, 2019

WESTCHESTER GARDENS OWNERS INC.

Balance Sheets

As of December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	33,876	19,345
Cash in Bank - Money Market Accounts	20,588	279,238
Cash in Bank - Investment Account	122,135	153,512
Investments - Certificates of Deposit	745,810	610,000
Tenants' Accounts Receivable	15,201	12,911
Mortgage Escrow Deposits	132,030	131,716
Prepaid Expenses	10,885	18,515
Total	<u>1,080,525</u>	<u>1,225,237</u>
Less: Allocated to Funds (see below)	<u>(888,533)</u>	<u>(1,042,750)</u>
Total Current Assets	<u>191,992</u>	<u>182,487</u>
 FUNDS		
Contingency Reserve:		
Reserve for Replacements (see above)	<u>888,533</u>	<u>1,042,750</u>
 PROPERTY AND EQUIPMENT -		
Net Book Value	<u>5,429,198</u>	<u>5,411,835</u>
 OTHER ASSETS		
Investment in National Cooperative Bank	<u>9,649</u>	<u>9,649</u>
Total Other Assets	<u>9,649</u>	<u>9,649</u>
 TOTAL ASSETS		
	<u>6,519,372</u>	<u>6,646,721</u>

	<u>2018</u>	<u>2017</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	91,472	65,683
Accounts Payable - Capital Improvements	0	39,778
Accrued Interest	13,240	13,513
Star Credit Due to Stockholders	53,540	53,928
Rents Received in Advance	6,997	4,107
Security Deposits	18,507	17,007
Mortgage Payable - Amortization payments due within one year	<u>86,358</u>	<u>83,091</u>
Total Current Liabilities	<u>270,114</u>	<u>277,107</u>
LONG-TERM LIABILITIES		
First Mortgage Payable - Net of Payments due within one year	3,949,287	4,035,645
Less: Unamortized Debt Issuance Costs	<u>(42,304)</u>	<u>(48,812)</u>
Total Long-Term Liabilities	<u>3,906,983</u>	<u>3,986,833</u>
STOCKHOLDERS' EQUITY		
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)	<u>(2,572,600)</u>	<u>(2,532,094)</u>
Total Stockholders' Equity	<u>2,342,275</u>	<u>2,382,781</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>6,519,372</u>	<u>6,646,721</u>

See accompanying notes and auditors' report

WESTCHESTER GARDENS OWNERS INC.

Statements of (Loss) Income

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
INCOME		
Carrying Charges - Net of Uncollectable Charges	1,279,771	1,267,100
Parking Income	73,260	73,260
Laundry Room Income	10,800	10,800
Storage Income	2,075	5,112
Sublet Fees	0	1,470
Interest/Dividend Income	11,139	10,286
Miscellaneous Income	318	785
Total Income	<u>1,377,363</u>	<u>1,368,813</u>
EXPENSES		
Administrative Expenses	57,320	57,961
Maintenance Expenses	359,895	358,684
Utilities Expenses	180,707	148,857
Taxes and Insurance Expenses	511,714	494,562
Financial Expenses	157,364	160,539
Interest - Debt Issuance Costs	6,508	6,508
Total Expenses Before Depreciation	<u>1,273,508</u>	<u>1,227,111</u>
NET INCOME BEFORE DEPRECIATION	103,855	141,702
Depreciation	<u>(144,361)</u>	<u>(132,659)</u>
NET (LOSS) INCOME FOR THE PERIOD	<u>(40,506)</u>	<u>9,043</u>

See accompanying notes and auditors' report

WESTCHESTER GARDENS OWNERS INC.

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(2,532,094)	(2,541,137)
 Net (Loss) Income for the Period	 <u>(40,506)</u>	 <u>9,043</u>
 RETAINED EARNINGS (DEFICIT) - End of Year	 <u><u>(2,572,600)</u></u>	 <u><u>(2,532,094)</u></u>

See accompanying notes and auditors' report

WESTCHESTER GARDENS OWNERS INC.

Statements of Cash Flows

For the Year Ended December 31,

	2018	2017
Cash Flows From Operating Activities		
Net (Loss) Income	(40,506)	9,043
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	144,361	132,659
Interest Expense - Debt Issuance Costs	6,508	6,508
Revenue allocated to financing activities	(83,091)	(79,946)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(2,290)	(3,980)
Mortgage Escrow Deposits	(314)	8,337
Prepaid Expenses	7,630	(311)
Increase (Decrease) in operating liabilities:		
Accounts Payable	25,789	9,155
Accrued Interest	(273)	(262)
Star Credit Due to Stockholders	(388)	(3,701)
Rents Received in Advance	2,890	(710)
Security Deposits	1,500	1,950
Net cash provided by operating activities	61,816	78,742
Cash Flows From Investing Activities		
Redemption of NCB Stock	0	2,656
Purchase of Investments - Certificates of Deposit	(1,370,810)	(610,000)
Maturities of Investments - Certificates of Deposit	1,235,000	750,000
Purchase of Property and Equipment	(201,502)	(282,024)
Net cash (used) by investing activities	(337,312)	(139,368)
Cash Flows From Financing Activities		
Portion of Carrying Charges applied to Amortization of Mortgage & Line of Credit	83,091	79,946
Amortization Payments on Mortgage	(83,091)	(79,946)
Net cash provided by financing activities	0	0
Decrease in Cash and Cash Equivalents (carryforward)	(275,496)	(60,626)

See accompanying notes and auditors' report

WESTCHESTER GARDENS OWNERS INC.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
Decrease in Cash and Cash Equivalents (brought forward)	(275,496)	(60,626)
Cash and Cash Equivalents at Beginning of Year	<u>452,095</u>	<u>512,721</u>
Cash and Cash Equivalents at End of Year (see below)	<u>176,599</u>	<u>452,095</u>
Represented by:		
Cash in Operating Account	33,876	19,345
Cash in Bank - Money Market Accounts	20,588	279,238
Cash in Bank - Investment Account	<u>122,135</u>	<u>153,512</u>
Cash and Cash Equivalents (as above)	<u>176,599</u>	<u>452,095</u>
Supplemental Disclosure:		
Interest Paid	<u>157,637</u>	<u>160,801</u>
Taxes Paid	<u>3,284</u>	<u>2,523</u>

See accompanying notes and auditors' report

WESTCHESTER GARDENS OWNERS INC.

Notes to Financial Statements

December 31, 2018 and 2017

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 (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.

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, 2018 and 2017

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 (loss) 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

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, 2018 and 2017

Note 4

Property and Equipment

Property and Equipment consists of the following at December 31:

	<u>2018</u>	<u>2017</u>
Land	3,824,018	3,824,018
Building	3,086,857	3,086,857
Building improvements	<u>1,765,449</u>	<u>1,603,725</u>
	8,676,324	8,514,600
Less: accumulated depreciation	<u>3,247,126</u>	<u>3,102,765</u>
Total Property and Equipment	<u>5,429,198</u>	<u>5,411,835</u>

Depreciation expense was \$144,361 and \$132,659 for the years ended December 31, 2018 and 2017, respectively.

Note 5

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, 2018 and 2017, NCB purchased back shares in the amount of \$-0- and \$2,656, respectively. At December 31, 2018 and 2017, the cooperative owned approximately 96 Class B1 shares. At December 31, 2018 and 2017, the cooperative owned 522 and 483 Class B2 shares, respectively.

WESTCHESTER GARDENS OWNERS INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 5

Mortgage Payable - continued

Principal maturities of the mortgage are as follows:

2019	86,358
2020	89,325
2021	93,265
2022	96,933
2023	100,745
2024 and thereafter	3,569,019

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 6

Sponsor Ownership

At both December 31, 2018 and 2017, 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 \$283,000 and \$281,000 for the year ended December 31, 2018 and 2017, respectively. As of that date, the Sponsor was current in the payment of carrying charges.

Note 7

Charges

In November 2016, the Board approved a 1% increase effective January 1, 2017. In November 2017, the Board approved a 1% increase effective January 1, 2018.

Note 8

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 (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, 2018 and 2017

Note 9

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 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.

WESTCHESTER GARDENS OWNERS INC.

Notes to Financial Statements

December 31, 2018 and 2017

Note 9

Benefits - continued

The condominium made the following contributions to the plans:

	<u>2018</u>	<u>2017</u>
Pension Contributions	11,238	10,503
Health Contributions	51,588	48,672

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

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, 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 had available federal net operating loss carryforwards to apply to future taxable income of approximately \$1,310,000. If not used, these carryforwards expire beginning in 2022 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 \$124,000.

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 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, 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 5, 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
WESTCHESTER GARDENS OWNERS INC.**

We have audited the financial statements of Westchester Gardens Owners Inc. as of and for the years ended December 31, 2018 and 2017, and our report thereon dated February 5, 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 and improvements/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

**BLOOM AND STREIT LLP
Certified Public Accountants
February 5, 2019**

WESTCHESTER 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>
RECEIPTS			
Carrying Charges	1,289,797	1,289,797	1,277,027
Uncollectable Charges	(10,026)	(10,026)	(9,927)
Parking Income	73,500	73,260	73,260
Laundry Room Income	10,800	10,800	10,800
Storage Income	4,700	2,075	5,112
Sublet Fees	2,000	0	1,470
Miscellaneous Income	1,000	318	785
Total Receipts	<u>1,371,771</u>	<u>1,366,224</u>	<u>1,358,527</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	36,000	36,000	36,000
Legal Expense	3,000	975	3,349
Auditing	9,000	9,000	9,000
Telephone and Answering Service	3,500	3,578	3,562
Office and Administrative Expenses	7,216	7,767	6,050
Total Administrative Expenses	<u>58,716</u>	<u>57,320</u>	<u>57,961</u>
MAINTENANCE EXPENSES			
Payroll	155,000	157,665	155,468
Supplies	20,000	17,524	28,100
Repairs (see schedule)	120,000	124,318	115,815
Exterminating/Bed Bugs	6,000	2,902	6,162
Landscaping and Grounds	35,000	36,222	26,817
Tree Services	4,000	1,831	7,697
Snow Removal and Supplies	20,000	19,433	18,625
Total Maintenance Expenses	<u>360,000</u>	<u>359,895</u>	<u>358,684</u>
UTILITIES EXPENSES			
Fuel and Gas Heat	130,000	133,052	104,666
Electricity and Gas	21,000	19,649	21,043
Water	27,000	28,006	23,148
Total Utilities Expenses	<u>178,000</u>	<u>180,707</u>	<u>148,857</u>

See auditors' report on supplementary information

WESTCHESTER 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	364,000	362,182	356,875
Payroll Taxes	12,500	12,488	12,534
Licenses and Permits	500	200	100
Insurance	66,000	68,274	61,318
Union Welfare and Pension Fund	65,000	65,286	61,212
Franchise Taxes	2,600	3,284	2,523
Total Taxes and Insurance	<u>510,600</u>	<u>511,714</u>	<u>494,562</u>
FINANCIAL EXPENSES			
Interest on Mortgage	157,364	157,364	160,539
Total Financial Expenses	<u>157,364</u>	<u>157,364</u>	<u>160,539</u>
CONTRIBUTIONS TO EQUITY AND RESERVES			
Amortization of Mortgage	83,091	83,091	79,946
Contingency Reserve	24,000	24,000	36,000
Total Contributions to Equity and Reserves	<u>107,091</u>	<u>107,091</u>	<u>115,946</u>
Total Expenditures	<u>1,371,771</u>	<u>1,374,091</u>	<u>1,336,549</u>
NET (DEFICIT) SURPLUS FOR THE YEAR	<u>0</u>	<u>(7,867)</u>	<u>21,978</u>

See auditors' report on supplementary information

WESTCHESTER GARDENS OWNERS INC.

Detailed Schedule of Repairs and Improvements

For the Year Ended December 31,

	<u>2018</u>	<u>2017</u>
REPAIRS AND MAINTENANCE		
Boiler and Burners	14,535	5,628
Plumbing and Pipes	36,278	23,751
Electrical and Intercoms	7,341	22,067
Painting, Plastering and Carpentry Work	16,433	35,481
Roofing and Waterproofing	16,462	6,408
Paving, Excavation and Masonry	896	0
Window Repairs	6,126	8,249
Locks	4,991	3,229
Truck Expenses	2,168	2,636
General	2,832	520
Major Repairs - Gas Leak	0	7,846
Major Repairs - Painting & Decorating	16,256	0
Total Repairs and Maintenance	<u>124,318</u>	<u>115,815</u>

See auditors' report on supplementary information