

CRESTWOOD VILLAGE CO-OP, INC.

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2017

AND

INDEPENDENT AUDITOR'S REPORT

CRESTWOOD VILLAGE CO-OP, INC.

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

*To the Board of Trustees
Crestwood Village Co-Op, Inc.
92 Fairway Lane
Whiting, New Jersey 08759*

Report on the Financial Statements

We have audited the accompanying financial statements of Crestwood Village Co-Op, Inc. which comprise the balance sheet as of June 30, 2017, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, 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 auditor considers 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.

MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crestwood Village Co-Op, Inc. as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

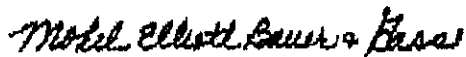
We have previously audited Crestwood Village Co-Op, Inc.'s June 30, 2016 financial statements, and our report dated September 2, 2016 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Co-Op's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 13 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



MOHEL ELLIOTT BAUER & GASS, P.A.
Certified Public Accountants

August 31, 2017
Lakewood, New Jersey

CRESTWOOD VILLAGE CO-OP, INC.

BALANCE SHEET

JUNE 30, 2017

(WITH COMPARATIVE TOTALS FOR 2016)

	Operating Fund	Replacement Fund	Plant Fund	Total
	2017	2017	2017	2017
	2016	2016	2016	2016
ASSETS				
Cash, including interest bearing deposits	\$ 716,222	\$ 471,644	\$ -	\$ 1,187,866
Investments – Note 11	-	821,780	-	821,780
Assessments receivable	172,745	-	-	172,745
Accounts receivable - other	23,224	-	-	23,224
Accrued interest receivable	30,152	6,346	-	36,498
Prepaid expenses – Note 10	4,048	(4,048)	-	-
Interfund balances	107,558	-	-	107,558
Other assets	62,529	-	5,276,923	5,339,452
Property and equipment, net – Notes 2 and 3				
Total assets	\$ 1,116,478	\$ 1,295,722	\$ 5,276,923	\$ 7,689,123
LIABILITIES AND MEMBERS' EQUITY				
Liabilities:				
Accounts payable and accrued expenses	\$ 19,803	\$ -	\$ -	\$ 19,803
Payroll and payroll taxes payable	2,669	-	-	2,669
Assessments received in advance	61,273	-	-	61,273
Real estate tax and tax deductions payable	46,665	-	-	46,665
Estate escrow liability	73,383	-	-	73,383
Total liabilities	203,793	-	-	203,793
Members' equity:				
Members' equity:				
Members' equity – authorized, issued and outstanding – 1,016 certificates	14,686,900	-	-	14,686,900
Additional paid-in capital	252,400	-	-	252,400
Fund balance – Note 2	660,285	1,295,722	(9,409,977)	(7,453,970)
Total members' equity	912,685	1,295,722	5,276,923	7,485,330
Total liabilities and members' equity	\$ 1,116,478	\$ 1,295,722	\$ 5,276,923	\$ 7,689,123

The accompanying notes are an integral part of these financial statements

CRESTWOOD VILLAGE CO-OP, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	Operating Fund	Replacement Fund	Plant Fund	Total
	2017	2016	2016	2016
REVENUES				
Membership assessments -- Note 2	\$ 2,609,412	\$ 441,576	\$	\$ 3,050,988
Investment income - Note 11	520	14,353		14,873
Clubhouse rental income	1,600			1,600
Other income - Note 9	89,352			89,352
Capital depreciation assessment		82,680		82,680
Total revenues	2,700,884	538,609	-	3,239,493
EXPENSES				
Real estate taxes	\$ 705,650	\$	\$	\$ 705,650
Insurance	222,582			222,582
Street lighting	17,646			17,646
Legal expense	16,995			16,995
Auditing and accounting expense	11,600			11,600
Clubhouse expense	75,324			75,324
Office and administration	270,047			270,047
Depreciation	14,333		251,858	266,191
Maintenance costs -- Note 6	1,243,733			1,243,733
Replacement fund expenditures -- Note 8		7,500		7,500
Total expenses	2,577,910	7,500	251,858	2,837,268
Excess (deficiency) of revenues over expenses before transfers	122,974	531,109	(251,858)	402,225
Transfers - Note 7	(6,841)	(624,776)	631,617	-
Excess (deficiency) of revenues over expenses after transfers	116,133	(93,667)	379,759	399,813
Fund balance -- beginning of year	544,152	1,389,389	(9,789,736)	(7,856,195)
Fund balance -- end of year	\$ 660,285	\$ 1,295,722	\$ (9,409,977)	\$ (7,856,195)

The accompanying notes are an integral part of these financial statements

CRESTWOOD VILLAGE CO-OP, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	Operating Fund	Replacement Fund	Plant Fund	Total
	2017	2017	2017	2016
Cash flows from operating activities:				
Excess (deficiency) of revenues over expenses after transfers	\$ 116,133	\$ (93,667)	\$ 379,759	\$ 399,813
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Depreciation and amortization	18,652	8,929	251,858	260,874
(Increase) decrease in:				
Assessments receivable	49,584		49,584	(119,842)
Accounts receivable – other	(3,506)		(3,506)	4,428
Accrued interest receivable		2,372	2,372	-
Prepaid expenses	330		330	1,022
Other assets	(107,558)			-
Interfund balances	(9,953)	9,953	(107,558)	-
Increase (decrease) in:				
Accounts payable and accrued expenses	(31,063)		(31,063)	26,352
Payroll and payroll taxes payable	2,669		2,669	(3,408)
Assessments received in advance	(73,342)		(73,342)	66,315
Estate escrow account	(5,331)		(5,331)	19,635
Real estate tax and tax deductions payable	(2,214)		(2,214)	(25,679)
Net cash provided (used) by operating activities	<u>(45,599)</u>	<u>(72,413)</u>	<u>631,617</u>	<u>629,510</u>
Cash flows from investing activities:				
Purchase of property and equipment	(12,698)		(631,617)	(452,580)
Purchase of investments		(200,000)		-
Maturity/sale of investments		120,450		-
Reduction of note receivable				26,977
Net cash provided (used) by investing activities	<u>(12,698)</u>	<u>(79,550)</u>	<u>(631,617)</u>	<u>(425,603)</u>
Net increase (decrease) in cash and cash equivalents	(58,297)	(151,963)	-	203,907
Cash and cash equivalents at beginning of year	774,519	623,607	-	1,194,219
Cash and cash equivalents at end of year	<u>\$ 716,222</u>	<u>\$ 471,644</u>	<u>\$ -</u>	<u>\$ 1,398,126</u>
Supplemental disclosure:				
Income taxes paid	-	-	-	-

The accompanying notes are in integral part of these financial statements

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – ORGANIZATION

Crestwood Village Co-Op, Inc., was incorporated on May 10, 1965, in the State of New Jersey. The Co-Op is responsible for the operation and maintenance of the common property within the development. The development consists of 1,016 residential units located on approximately 189.6 acres in Manchester Township, New Jersey.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting – The Co-Op's legal documents provide certain guidelines to govern the Co-Op's financial activities. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Co-Op by such documents, the accounts of the Co-Op are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various functions are classified for accounting and reporting purposes into funds established according to their nature and purpose.

The assets, liabilities and fund balances of the Co-Op are reported in the following fund groups:

Operating Fund - The operating fund represents the portion of expendable funds that are available for the general operations of the Co-Op.

Replacement Fund – The purpose of the replacement fund is to accumulate funds over the lives of the assets which are part of the common elements so that at the time of their replacement sufficient amounts have been accumulated.

Plant Fund – The plant fund represents the Corporation's investment in land and buildings – dwelling units. The maintenance building and furniture and equipment are reflected in the operating fund.

Property and Equipment – Depreciation is computed on a straight-line basis over the estimated lives of the assets.

Membership Assessments - Members are subject to monthly assessments to provide funds for the operating expenses and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Co-Op considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Reclassifications – Certain reclassifications have been made to the 2016 financial statements to conform with the 2017 presentation.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events - The Co-Op has evaluated subsequent events through August 31, 2017, the date the financial statements were available to be issued.

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment is carried at cost and consists of the following:

	2017	2016	Estimated Useful Life (Years)
Land	\$ 544,400	\$ 544,400	-
Buildings – dwelling units	14,142,500	14,142,500	40
Dwelling unit improvements	4,069,660	3,747,138	27.5
Clubhouse renovations/improvements	372,279	329,342	20
Roads, driveways and parking lots	1,976,961	1,710,803	20
Maintenance building and improvements	148,098	148,098	10-40
Furniture and equipment	254,215	241,517	5
	21,508,113	20,863,798	
Less: accumulated depreciation	(16,168,661)	(15,898,151)	
	\$ 5,339,452	\$ 4,965,647	

NOTE 4 – INCOME TAXES

The Corporation is qualified to prepare its tax returns pursuant to the provisions of subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income.

The Cooperative is incorporated pursuant to Title 15 of the New Jersey Statutes and, therefore, is not liable for New Jersey corporation business income tax.

NOTE 5 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Co-Op's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations. FWH Associates, PA, conducted a study dated March 2014 to estimate the remaining useful lives and the replacement costs of the common property components. The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimate of replacement costs considering amounts previously accumulated in the replacement fund. The table included in the unaudited supplementary information on future major repairs and replacements is based on the study.

Funds are being accumulated in the replacement fund based upon estimated costs for repairs and replacement of common property components. However, actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Co-Op may be required to increase regular assessments, pass special assessments or delay major repairs and replacements until funds are available.

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 6 – MAINTENANCE COSTS

	2017	2016
Insurance	\$ 21,600	\$ 26,207
Materials, service and other costs	1,185,551	1,146,102
Depreciation of maintenance building	4,319	4,319
Bus operation	85,386	85,386
	1,296,856	1,262,014
Less fees billed to members and appliance sales	(53,123)	(45,313)
	\$ 1,243,733	\$ 1,216,701

NOTE 7 - TRANSFERS

	Operating Fund	Replacement Fund	Plant Fund
Replacement fund expenditures	\$ 9,748	\$ (624,776)	\$ 615,028
Audit video system paid for by bingo	(16,589)		16,589
	\$ (6,841)	\$ (624,776)	\$ 631,617

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 8 – REPLACEMENT FUND EXPENDITURES

	<u>2017</u>	<u>2016</u>
Roof replacement	\$ 20,660	\$ 11,080
Vinyl siding, soffits, fascias, rakes and gutters	176,250	248,530
Road, driveway repairs and parking lot	199,263	83,286
Alarm system	24,034	
Crawlspace repairs	90,994	28,422
Dryer vents	34,618	10,925
Sidewalk replacement and concrete work	66,895	19,100
Removal of retaining wall		1,000
Building repairs - 30D Flood		10,444
Building repairs - Unit 115B		26,673
Furniture and fixtures	9,748	13,120
Survey	7,500	
Other	2,314	
	<u>632,276</u>	<u>452,580</u>
Transfer to plant fund	(615,028)	(439,460)
Transfer to operating fund	<u>(9,748)</u>	<u>(13,120)</u>
	<u>\$ 7,500</u>	<u>\$ -</u>

NOTE 9 – OTHER INCOME

	<u>2017</u>	<u>2016</u>
Municipal service agreement	\$ 12,260	\$ 12,472
Certificate change fees	2,125	4,125
Crestwood residents club - bingo	19,539	
Other	15,905	7,289
Late fee income	7,773	8,055
Document preparation fees-resales	<u>31,750</u>	<u>45,750</u>
	<u>\$ 89,352</u>	<u>\$ 77,691</u>

NOTE 10 – PREPAID EXPENSES

	<u>2017</u>	<u>2016</u>
Prepaid insurance	\$ 20,368	\$ 23,760
Prepaid health insurance	4,938	3,416
Prepaid other	<u>4,846</u>	<u>3,306</u>
	<u>\$ 30,152</u>	<u>\$ 30,482</u>

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 11 – INVESTMENTS

Investments in securities are presented in the financial statements at cost.

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Operating fund	\$	\$	\$ -	\$ -
Replacement fund	821,780	820,715	751,159	764,361
	\$ 821,780	\$ 820,715	\$ 751,159	\$ 764,361

Investments are composed of the following:

	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	\$ 201,763	\$ 191,250	\$	\$
Municipal bonds	470,267	479,465	601,409	616,521
Preferred/Fixed rate cap securities	149,750	150,000	149,750	147,840
	\$ 821,780	\$ 820,715	\$ 751,159	\$ 764,361

Investment income is composed of the following:

	2017	2016
Interest income	\$ 23,802	\$ 29,830
Amortization of premium	(8,929)	(13,475)
Total investment income	\$ 14,873	\$ 16,355

The Co-Op reports its investments under the provision of Financial Accounting Standards Board ASC 320-10 Investments - Debt and Equity Securities. In accordance with this statement the Co-op has classified securities as held to maturity.

Securities classified as held to maturity are stated at cost adjusted for amortization of premiums and accretion of discounts. The Co-op has the positive intent and ability to hold these securities to maturity. Realized gains and losses for securities classified as held to maturity are reported in the statement of revenues and expenses based on the adjusted cost of the specific security sold.

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 12 - FAIR VALUE MEASUREMENTS

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the organization is required to measure at fair value.

The following table summarizes the levels in the fair value hierarchy of the organization's investments at June 30:

	<u>2017</u> <u>Totals</u>	<u>Level 1</u>	<u>Level 2</u>
June 30, 2017:			
Certificates of deposit	\$ 201,763	\$	\$ 201,763
Municipal bonds	470,267		470,267
Preferred/Fixed rate cap securities	<u>149,750</u>		<u>149,750</u>
	<u>\$ 821,780</u>	<u>\$ -</u>	<u>\$ 821,780</u>
	<u>2016</u> <u>Totals</u>		
June 30, 2016:			
Municipal bonds	\$ 601,409	\$	\$ 601,409
Preferred/Fixed rate cap securities	<u>149,750</u>		<u>149,750</u>
	<u>\$ 751,159</u>	<u>\$ -</u>	<u>\$ 751,159</u>

(Continued)

CRESTWOOD VILLAGE CO-OP, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017 AND 2016

NOTE 13 - UNCERTAINTY IN INCOME TAXES

The Co-Op regularly reviews and evaluates its uncertain tax positions taken in previously filed tax returns. The Co-Op believes that in the event of an examination by taxing authorities, the organization's positions would prevail based upon the technical merits of such positions. Therefore, the Co-Op has concluded that no tax benefits or liabilities are required to be recognized in accordance with FIN 48.

The Co-Op's federal information returns are generally subject to examination by the Internal Revenue Service for three years, including the years ended June 30, 2017, 2016 and 2015.

NOTE 14 - COMMITMENT - MAINTENANCE SERVICES

Crestwood Village Co-Op, Inc. has entered into a contract with Stanley Contracting Co., Inc. to provide maintenance services for the period January 1, 2011 until June 30, 2016. Compensation for these services was \$974,000 per annum payable in twelve (12) equal monthly payments of \$81,166.66. The contract was renewed for an additional five years for the period July 1, 2016 until June 30, 2021. Compensation for these services will be as follows:

Fiscal year ended:

June 30, 2017	\$	985,440
June 30, 2018		997,146
June 30, 2019		1,009,059
June 30, 2020		1,021,089
June 30, 2021		<u>1,033,330</u>
	\$	<u>5,046,064</u>

These annual amounts are payable in twelve (12) equal monthly payments.

NOTE 15 - RETIREMENT PLAN

Effective July 1, 2001, Crestwood Village Co-Op, Inc. established a 401(k) defined contribution pension plan that covers its eligible employees. The Corporation makes annual contributions to the plan based on employee compensation. The Corporation's contributions for 2017 and 2016 amounted to \$3,058 and \$2,712, respectively.

SUPPLEMENTARY INFORMATION

CRESTWOOD VILLAGE CO-OP, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS
(Unaudited)
JUNE 30, 2017

FWH Associates, PA, conducted a study dated March 2014 to estimate the remaining useful lives and the replacement costs of the components of common property.

The following table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Site work	1 to 32	\$ 1,630,660
Recreational: shuffle board, bocce, etc.	15	44,196
Miscellaneous	2 to 25	28,250
Friendship hall: exterior	12 to 14	61,292
Friendship hall: interior	1 to 30	96,642
Friendship hall: mechanical	1 to 9	165,630
Maintenance: exterior	14	29,350
Maintenance: interior	6 to 14	11,450
Maintenance: mechanical	8 to 9	2,925
Residential buildings	1 to 40	<u>7,635,382</u>
		<u>\$ 9,705,777</u>

The study presents a reserve study funding plan projected thirty year cash flow. The required average annual contribution per year utilizing the full funding analysis is as follows:

<u>Fiscal Year</u>	<u>Average Annual Contribution</u>
2013	\$ 390,444
2014	\$ 409,380
2015	\$ 429,235
2016	\$ 450,053
2017	\$ 471,880
2018 - 2042	\$ 494,766 - 1,106,779

The Board of Trustees has funded \$441,576 in the 2016 - 2017 budget, which represents 98.12% of the amount recommended by the study. In addition, \$82,680 was collected in capital depreciation assessments (resale revenue) and investment income of \$14,353 which represents an additional 21.56% or a total of \$538,609 or 119.68% of the amount recommended by the study.

CRESTWOOD VILLAGE CO-OP, INC.
SCHEDULE OF OPERATING REVENUES AND EXPENSES
AS COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2017

	<u>Actual</u>	<u>(Unaudited) Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Membership assessments	\$ 3,050,988	\$ 3,050,988	\$ -
Investment income	520		520
Clubhouse and recreation income	1,600		1,600
Other income	<u>89,352</u>		<u>89,352</u>
Total revenues	<u>3,142,460</u>	<u>3,050,988</u>	<u>91,472</u>
EXPENSES			
Real estate taxes	705,650	746,609	40,959
Insurance	222,582	275,000	52,418
Street lighting	17,646	20,000	2,354
Legal expense	16,995	13,000	(3,995)
Audit and accounting expense	11,600	11,000	(600)
Clubhouse expenses	75,324	85,360	10,036
Office and administration	270,047	233,900	(36,147)
Replacement fund assessment	441,576	441,576	-
Depreciation	14,333		(14,333)
Maintenance costs	<u>1,243,733</u>	<u>1,221,126</u>	<u>(22,607)</u>
Total expenses	<u>3,019,486</u>	<u>3,047,571</u>	<u>28,085</u>
Excess of revenues over expenses	<u>\$ 122,974</u>	<u>\$ 3,417</u>	<u>\$ 119,557</u>