

*NAGLE APARTMENTS CORP.*  
*(A Cooperative Housing Corporation)*

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*1998 Annual Report*

**NAGLE APARTMENTS CORP.****CONTENTS**

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**PRISAN-NEWMAN**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Directors and Shareholders  
NAGLE APARTMENTS CORP.  
31, 37 Nagle Avenue  
14 Bogardus Place  
New York, NY 10040

We have audited the accompanying balance sheet of NAGLE APARTMENTS CORP. as of December 31, 1998 and 1997, and the related statements of operations (with supporting schedules), changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAGLE APARTMENTS CORP. as of December 31, 1998 and 1997, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

NAGLE APARTMENTS CORP. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

Our audits were conducted for the purpose of forming an opinion on the financial statements referred to above. The budget information included in the comparative data on page 15 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

*Prisan - Newman*

February 17, 1999

## NAGLE APARTMENTS CORP.

## BALANCE SHEET

December 31,	1998	1997
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents:		
Operating account	\$ 956	\$ 12,817
Working capital money market account	<u>19,870</u>	<u>125,747</u>
	<u>20,826</u>	<u>138,564</u>
Receivables:		
Maintenance - apartments	17,233	41,329
Garage income	7,219	-
Rental income	3,482	2,008
Due from insurance company	<u>1,042</u>	<u>4,667</u>
	<u>28,976</u>	<u>48,004</u>
Prepaid expenses:		
Real estate tax	29,575	29,335
Water and sewer	19,842	18,926
Fuel inventory	2,826	6,422
Corporate taxes	353	1,681
Insurance	-	<u>7,509</u>
	<u>52,596</u>	<u>63,873</u>
Escrows:		
Mortgage escrow	23,525	11,131
Receivership escrow	-	<u>63,518</u>
	<u>23,525</u>	<u>74,649</u>
Total Current Assets	<u>125,923</u>	<u>325,090</u>
Property and Improvements: (Note 2 and 3)		
Land	316,950	316,950
Building	1,796,050	1,796,050
Building improvements	<u>347,647</u>	<u>217,541</u>
Total	2,460,647	2,330,541
Less: accumulated depreciation	( 961,267)	( 903,990)
Net Property and Improvements	<u>1,499,380</u>	<u>1,426,551</u>
Other Assets:		
Notes receivable (Note 4)	59,238	62,358
Unamortized mortgage costs	<u>6,000</u>	<u>-</u>
Total Other Assets	<u>65,238</u>	<u>62,358</u>
Total Assets	<u>\$ 1,690,541</u>	<u>\$ 1,813,999</u>

The accompanying notes are an integral part of this statement.

**NAGLE APARTMENTS CORP.****BALANCE SHEET**

<b>December 31,</b>	<b>1998</b>	<b>1997</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 39,883	\$ 98,690
Building improvements payable	27,703	51,066
Accrued mortgage interest	12,000	12,167
Due to shareholders - real estate tax abatements	5,655	-
Advance maintenance	473	5,316
Due to receiver	<u>-</u>	<u>64,246</u>
Total Current Liabilities	<u>85,714</u>	<u>231,485</u>
Long-Term Liabilities:		
Mortgage payable (Note 6)	1,800,000	1,825,000
Security deposits payable	<u>14,187</u>	<u>4,951</u>
Total Long-Term Liabilities	<u>1,814,187</u>	<u>1,829,951</u>
Total Liabilities	<u>1,899,901</u>	<u>2,061,436</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock - \$1.00 par value, 15,000 shares authorized, 12,120 shares issued		
	12,120	12,120
Paid-in capital in excess of par value	175,880	175,880
Paid-in capital from treasury stock (Note 7)	73,623	46,252
Accumulated deficit	( 425,512)	( 452,760)
Less: Treasury stock at cost (855 shares) (Note 7)	<u>( 45,471)</u>	<u>( 28,929)</u>
Total Stockholders' Equity	<u>( 209,360)</u>	<u>( 247,437)</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,690,541</u>	<u>\$ 1,813,999</u>

The accompanying notes are an integral part of this statement.

**NAGLE APARTMENTS CORP.****STATEMENT OF OPERATIONS**

<b>Year Ended December 31,</b>	<b>1998</b>	<b>1997</b>
<b>REVENUE</b>		
Maintenance	\$ 620,228	\$ 620,228
Garage income	42,782	43,895
Laundry	8,393	4,851
Late and other fees	6,942	5,104
Shareholder interest income	5,023	466
Workers' compensation dividend	1,043	-
Interest income	<u>875</u>	<u>5,581</u>
Total Revenue	<u>685,286</u>	<u>680,125</u>
<b>COST OF OPERATIONS</b>		
Administrative expenses	Schedule 1 62,656	122,766
Operating expenses	Schedule 2 217,785	199,549
Repairs and maintenance	Schedule 3 73,663	43,153
Taxes	Schedule 4 110,293	109,797
Mortgage interest	<u>145,333</u>	<u>147,333</u>
Total Cost Of Operations	<u>609,730</u>	<u>622,598</u>
<b>Income from operations before special items and depreciation expense</b>	75,556	57,527
Garage settlement income	22,000	-
Receiver's commission and legal fees	-	( 64,246)
Unsold unit expenses	Schedule 5 ( <u>13,031</u> )	( <u>30,389</u> )
<b>INCOME (LOSS) BEFORE DEPRECIATION EXPENSE</b>	84,525	( 37,108)
Depreciation expense	Schedule 6 ( <u>57,277</u> )	( <u>52,329</u> )
Net Income (Loss) For The Year	<u>\$ 27,248</u>	<u>(\$ 89,437)</u>

The accompanying notes are an integral part of this statement.

**NAGLE APARTMENTS CORP.****SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS**

<b>Year Ended December 31,</b>	<b>1998</b>	<b>1997</b>
<b>Administrative Expenses:</b>		
	<u>Schedule 1</u>	
Professional fees	\$ 24,790	\$ 90,685
Management fee	21,000	22,340
Other administrative	14,227	5,662
Telephone and communications	<u>2,639</u>	<u>4,079</u>
Total Administrative Expenses	<u>\$ 62,656</u>	<u>\$ 122,766</u>
<b>Operating Expenses:</b>		
	<u>Schedule 2</u>	
Energy		
Water and sewer	\$ 39,105	\$ 34,636
Fuel	26,437	30,180
Gas	21,947	9,706
Electricity	<u>13,504</u>	<u>13,944</u>
	<u>100,993</u>	<u>88,466</u>
Payroll		
Wages	74,993	68,293
Union benefits	10,016	8,448
Payroll taxes	6,108	5,745
Workers' compensation and disability insurance	<u>2,938</u>	<u>3,885</u>
	<u>94,055</u>	<u>86,371</u>
Other		
Insurance	14,850	18,920
Permits and miscellaneous operating	<u>7,887</u>	<u>5,792</u>
	<u>22,737</u>	<u>24,712</u>
Total Operating Expenses	<u>\$ 217,785</u>	<u>\$ 199,549</u>
<b>Repairs and Maintenance:</b>		
	<u>Schedule 3</u>	
Materials and supplies	\$ 19,387	\$ 11,713
Painting, plastering and flooring	15,480	2,370
Elevator contract and repair	11,155	9,730
Heating and boiler repairs	10,594	5,269
Equipment repair	8,058	2,706
Grounds and plant maintenance	3,361	3,254
Exterminating	2,809	2,490
Intercom and miscellaneous	2,321	2,757
Doors, locks and windows	303	1,480
Electrical repair	<u>195</u>	<u>1,384</u>
Total Repairs and Maintenance	<u>\$ 73,663</u>	<u>\$ 43,153</u>

The accompanying notes are an integral part of this statement.

## NAGLE APARTMENTS CORP.

## SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS

<u>Year Ended December 31,</u>	<u>1998</u>	<u>1997</u>
<b>Taxes:</b>	<u>Schedule 4</u>	
New York City real estate tax	\$ 107,836	\$ 109,407
Corporation tax	<u>2,457</u>	<u>390</u>
Total Taxes	<u>\$ 110,293</u>	<u>\$ 109,797</u>
<b>Unsold Unit Expenses:</b>	<u>Schedule 5</u>	
Rental income	\$ 28,592	\$ 24,753
Maintenance on unsold units	( <u>41,623</u> )	( <u>55,142</u> )
Total Unsold Unit Expenses	<u>(\$ 13,031)</u>	<u>(\$ 30,389)</u>
<b>Depreciation Expense:</b>	<u>Schedule 6</u>	
Building	\$ 51,316	\$ 49,053
Building improvements	<u>5,961</u>	<u>3,276</u>
Total Depreciation Expense	<u>\$ 57,277</u>	<u>\$ 52,329</u>

The accompanying notes are an integral part of this statement.



**NAGLE APARTMENTS CORP.****STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

<b>Year Ended December 31,</b>	<b>1998</b>	<b>1997</b>
<b>COMMON STOCK</b>		
Balance - January 1,	\$ 12,120	\$ 12,120
Transactions during the year	<u>-</u>	<u>-</u>
Balance - December 31,	<u>\$ 12,120</u>	<u>\$ 12,120</u>
<b>PAID-IN CAPITAL IN EXCESS OF PAR VALUE</b>		
Balance - January 1,	\$ 175,880	\$ 175,880
Transactions during the year	<u>-</u>	<u>-</u>
Balance - December 31,	<u>\$ 175,880</u>	<u>\$ 175,880</u>
<b>PAID-IN CAPITAL FROM TREASURY STOCK</b>		
Balance - January 1,	\$ 46,252	\$ -
Sale of 130 and 685 shares of treasury stock in excess of cost	<u>27,371</u>	<u>46,252</u>
Balance - December 31,	<u>\$ 73,623</u>	<u>\$ 46,252</u>
<b>ACCUMULATED DEFICIT</b>		
Balance - January 1,	(\$ 452,760)	(\$ 363,323)
Net income (loss) for the year	<u>27,248</u>	<u>(89,437)</u>
Balance - December 31,	<u>(\$ 425,512)</u>	<u>(\$ 452,760)</u>
<b>TREASURY STOCK</b>		
Balance - January 1, (775 and 960 shares)	(\$ 28,929)	(\$ 43,528)
Acquisition of 210 and 500 shares at cost	( 18,447)	( 32,825)
Sale of 130 and 685 shares at cost	<u>1,905</u>	<u>47,424</u>
Balance - December 31, (855 and 775 shares)	<u>(\$ 45,471)</u>	<u>(\$ 28,929)</u>

The accompanying notes are an integral part of this statement.

## NAGLE APARTMENTS CORP.

## STATEMENT OF CASH FLOWS

Year Ended December 31,	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) for the year	\$ 27,248	(\$ 89,437)
<u>Adjustments to reconcile net income to cash provided by operating activities:</u>		
Depreciation and amortization	57,277	52,329
Decrease in receivables	581	94,497
Decrease in prepaid expenses	11,277	9,395
Decrease (increase) in escrow accounts	51,124	( 35,048)
(Decrease) increase in accounts payable	( 58,807)	32,203
Decrease in other current liabilities	( 59,651)	( 37,389)
Increase in security deposits payable	<u>5,286</u>	<u>3,536</u>
Total Adjustments	<u>7,087</u>	<u>119,523</u>
Cash Provided By Operating Activities	<u>34,335</u>	<u>30,086</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in utility deposits	-	4,410
Proceeds from notes receivable	3,120	448
Increase in building improvements	( 130,106)	( 122,036)
(Decrease) increase in building improvements payable	<u>( 23,363)</u>	<u>44,220</u>
Cash Used By Investing Activities	<u>( 150,349)</u>	<u>( 72,958)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in unamortized mortgage costs	( 6,000)	-
Decrease in mortgage payable	( 25,000)	( 25,000)
Acquisition of treasury stock	-	( 2,206)
Proceeds from sale of treasury stock	<u>29,276</u>	<u>30,870</u>
Cash (Used) Provided By Financing Activities	<u>( 1,724)</u>	<u>3,664</u>
Net change in cash and cash equivalents	( 117,738)	( 39,208)
Cash and cash equivalents at beginning of year	<u>138,564</u>	<u>177,772</u>
Cash and cash equivalents at end of year	<u>\$ 20,826</u>	<u>\$ 138,564</u>

The accompanying notes are an integral part of this statement.

**NAGLE APARTMENTS CORP.****STATEMENT OF CASH FLOWS**

<b>Year Ended December 31,</b>	<b>1998</b>	<b>1997</b>
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**SUPPLEMENTAL DISCLOSURES**

Interest paid	\$ 145,500	\$ 127,895
Corporation taxes paid	\$ 1,129	\$ 3,875

Cash and cash equivalents for the year ended December 31, 1997 have been restated to conform to the 1998 classification.

**NONCASH TRANSACTIONS**

At December 31, 1998 and 1997, the cost of treasury stock includes a credit of outstanding arrears in the amount of \$18,447 and \$30,619 respectively.

At December 31, 1997, the sale of treasury stock includes notes receivable in the amount of \$62,806.

The accompanying notes are an integral part of this statement.

**NAGLE APARTMENTS CORP.****Notes to Financial Statements**

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**Note 1 - ORGANIZATION**

On May 20, 1980, NAGLE APARTMENTS CORP. (the "Corporation") was formed in order to acquire the property at 31, 37 Nagle Avenue, 14 Bogardus Place, New York, New York. The Corporation acquired the land and building on August 3, 1982. It is a qualified Cooperative Housing Corporation under Section 216(b)(1) of the Internal Revenue Code and contains 111 apartments. The primary purpose of the Corporation is to manage the operations of the property and maintain the common elements.

At December 31, 1998 and 1997, Ellwood Gardens Company (the "Sponsor") owned 1,790 shares which represent 14.8% of the total shares issued.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Presentation and Use of Estimates**

The financial statements have been prepared in accordance with generally accepted accounting principles on the accrual basis. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Property and Improvements**

Property and improvements are stated at cost. The building is depreciated on the straight-line method over an estimated life of thirty-five years. Building improvements are depreciated on the straight-line method over estimated lives of twenty-seven and one-half years. Maintenance and repairs that do not increase the useful life of an asset are expensed as incurred.

**Revenue Recognition**

Shareholder maintenance is based on an annual budget determined by the Board of Directors. Shareholders are billed monthly based on their respective share ownership. This income is recognized when due and payable. The Corporation retains excess operating funds at the end of the operating year, if any, for use in future periods.

**Future Major Repairs and Replacements**

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not promulgated a study to determine the remaining useful lives of the components of the building and estimates of the costs of major repairs and replacements that may be required. When funds are required for major repairs and replacements, the Corporation has the right to utilize available cash reserves and/or borrow, increase maintenance and/or impose assessments, or delay repairs and replacements until funds are available.

**NAGLE APARTMENTS CORP.****Notes to Financial Statements**

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**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Statement of Cash Flows**

Cash and cash equivalents are stated at cost which approximates market. The Corporation considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash equivalents.

**Note 3 - PROPERTY AND IMPROVEMENTS**

Capitalized building improvements are summarized on the schedule below:

	<u>1998</u>	<u>1997</u>
Exterior restoration	\$ 78,930	\$ 79,230
Garage reinforcement	39,651	-
Asbestos removal and pipe insulation	11,525	39,730
Front door replacement	<u>-</u>	<u>3,076</u>
Total	<u>\$ 130,106</u>	<u>\$ 122,036</u>

**Improvement and Contract Commitments**

In addition to building improvements payable of \$27,703 at December 31, 1998, the Corporation had a commitment to complete an executed contract in progress in the amount of \$232,825 for garage reinforcements. Due to the nature of this contract, the preceding amount is subject to change orders as work progresses. An executed contract in the amount of \$8,000 for consultant costs will be incurred in connection with the garage reinforcements.

**Note 4 - NOTES RECEIVABLE**

On sales of treasury stock shares appurtenant to three units, the Corporation financed notes receivable in the amount of \$62,806. During 1997 and 1998, principal payments of \$448 and \$3,120 respectively, were received reducing the outstanding notes receivable to \$59,238 at the balance sheet date.

Terms of the notes financed by the Corporation require equal monthly installments applied to interest at the rate of 8% per annum and the balance as a reduction of principal pursuant to seven, fifteen and twenty year amortization schedules.

**NAGLE APARTMENTS CORP.****Notes to Financial Statements**

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**Note 5 - SPONSOR SETTLEMENT AGREEMENT**

On January 29, 1997, the Corporation and the Sponsor entered into a settlement agreement dated as of September 1, 1996. In accordance with the agreement, the following occurred among other things:

1. Sponsor paid \$100,000 to the Corporation in reduction of the original purchase price of the property. The Corporation made a \$100,000 prepayment of the wrap-around mortgage reducing the principal amount to \$1,850,000. In addition, the wrap-around mortgage was extended and modified as discussed in Note 6.
2. The Corporation agreed that if the existing garage tenant's lease is modified to provide for additional annual base rent in excess of \$9,250 per month, the excess amount is to be paid to the Sponsor as additional interest on the wrap-around mortgage.
3. Sponsor transferred 130 shares of stock appurtenant to one apartment to the Corporation. In addition, Sponsor transferred nine units to 3114 Naglebog, LLC (an "investor"). Under the terms of the agreement, the investor is required to have sold all owned units by September 1, 2001.
4. Sponsor paid \$100,000 to the Corporation representing unpaid maintenance charges.

Accordingly, as of the date of the settlement agreement, all claims between the Sponsor and the Corporation have been resolved and as of January 31, 1997 the receivership of the property was terminated.

**Note 6 - MORTGAGE PAYABLE**

Pursuant to the settlement agreement between the Corporation and the Sponsor, the wrap-around mortgage payable to Ellwood Gardens Company and 20-20 Realty Corp. has been extended and modified as of September 1, 1996. The new principal balance of \$1,850,000 bears interest at the rate of 8% per annum. The Corporation has the right to prepay a maximum of \$25,000 in each year of the mortgage. Prepayments may be cumulative so that if such right is not exercised in any one or more loan years, the amount may be carried forward and added to the amount that may be prepaid in a future loan year. For the years ending December 31, 1998 and December 31, 1997, the Corporation paid down \$25,000 of the original mortgage in each year. The mortgage may be fully prepaid at any time after September 1, 2003. Terms of the loan require interest only payments on the outstanding principal balance. The loan matures August 31, 2006.

**Subsequent Event**

Subsequent to the balance sheet date, on January 29, 1999, the Corporation established a secured line of credit with National Cooperative Bank ("NCB") with a maximum draw of \$300,000. Terms of the loan require payments of interest only (on funds drawn from the credit line) for the first year at the rate of 3% over the Libor rate adjusted monthly. During the second year, monthly payments will include both interest and principal pursuant to a ten year amortization schedule. The loan matures on the earlier of any prepayment or refinancing of the first mortgage or August 31, 2006.

**NAGLE APARTMENTS CORP.****Notes to Financial Statements**

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**Note 7 - ACQUISITION AND SALE OF TREASURY STOCK**

The following schedule summarizes the acquisition and sales of treasury stock shares:

**Acquisition:**

	<u>Shares</u>	<u>Cost</u>
Prior to 1995	105	\$ 17,449
1995	595	24,174
1996	260	1,905
1997	500	32,825
1998	<u>210</u>	<u>18,447</u>
<b>Totals</b>	<b><u>1,670</u></b>	<b><u>\$ 94,800</u></b>

**Sales:**

	<u>Shares</u>	<u>Gross Sales Price</u>	<u>Selling &amp; Closing Costs</u>	<u>Acquisition Costs</u>	<u>Gain on Sales</u>
1997	685	\$ 120,500	\$ 26,824	\$ 47,424	\$ 46,252
1998	<u>130</u>	<u>30,000</u>	<u>724</u>	<u>1,905</u>	<u>27,371</u>
	<b><u>815</u></b>	<b><u>\$ 150,500</u></b>	<b><u>\$ 27,548</u></b>	<b><u>\$ 49,329</u></b>	<b><u>\$ 73,623</u></b>

At December 31, 1998, the Corporation holds 855 shares of treasury stock appurtenant to 2 vacant and 6 occupied apartments. The monthly shortfall on the eight apartments is approximately \$945.

**Note 8 - CORPORATION TAXES**

The Corporation has incurred net operating losses for tax purposes since the date of inception. As a result, such losses are available to be carried forward to future tax periods. Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. New York State Franchise tax and New York City Corporate Tax is calculated by utilizing special tax rates available to cooperative housing corporation based on the corporation's capital base.

**SUPPLEMENTARY INFORMATION**



## NAGLE APARTMENTS CORP.

## Comparative Data: Actual vs. Budget

	For The Year		Prior Year	Next Year
	January 1, 1998 - December 31, 1998		January 1, 1997 - December 31, 1997	January 1, 1999 - December 31, 1999
	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)
<b>REVENUE</b>				
Maintenance	\$ 620,200	\$ 620,228	\$ 620,228	\$ 620,230
Garage income	43,500	42,782	43,895	43,300
Laundry	5,700	8,393	4,851	8,100
Late and other fees	1,300	7,985	5,104	500
Shareholder interest income	-	5,023	466	4,600
Interest income	-	875	5,581	-
<b>TOTAL REVENUE</b>	<u>670,700</u>	<u>685,286</u>	<u>680,125</u>	<u>676,730</u>
<b>EXPENDITURES</b>				
Professional fees	36,020	24,790	90,685	17,000
Management fee	21,000	21,000	22,340	30,000
Other administrative	6,500	14,227	5,662	7,000
Telephone and communications	3,000	2,639	4,079	3,000
Water and sewer	37,850	39,105	34,636	40,500
Fuel	27,500	26,437	30,180	30,000
Gas and electricity	30,000	35,451	23,650	25,600
Wages	66,200	74,993	68,293	74,400
Union benefits	9,100	10,016	8,448	10,600
Payroll taxes	6,000	6,108	5,745	6,000
Workers' comp. & dbl insurance	3,500	2,938	3,885	3,800
Insurance	15,180	14,850	18,920	14,900
Permits and miscellaneous operating	3,000	7,887	5,792	4,800
Repairs and maintenance	38,765	73,663	43,153	52,050
Real estate tax	110,000	107,836	109,407	108,700
Corporation taxes	3,875	2,457	390	1,600
Mortgage interest and amortization	170,000	170,333	172,333	169,000
Line of credit interest and amortization	-	-	-	20,000
Contingency/reserve funding	18,500	-	-	37,200
<b>TOTAL EXPENDITURES</b>	<u>605,990</u>	<u>634,730</u>	<u>647,598</u>	<u>656,150</u>
Budgeted Surplus	64,710			20,580
<b>ACTUAL OPERATING INCOME</b>		50,556	32,527	
Add: Mortgage pay-down	25,000	25,000	25,000	25,000
Garage settlement income	-	22,000	-	-
Less: Receiver's commission and legal fees	-	-	( 64,246)	-
Unsold unit expenses	( 13,750)	( 13,031)	( 30,389)	( 10,235)
<b>INCOME (LOSS) BEFORE DEPRECIATION</b>	<u>\$ 75,960</u>	<u>\$ 84,525</u>	<u>(\$ 37,108)</u>	<u>\$ 35,345</u>