

FAIRVIEW OWNERS CORP
(A Cooperative Housing Corporation)
FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

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(A Cooperative Housing Corporation)
FINANCIAL STATEMENTS
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CERTIFIED PUBLIC ACCOUNTANTS

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AUDITORS' REPORT

To the board of directors
Fairview Owners Corp.

We have audited the accompanying balance sheets of Fairview Owners Corp., a Cooperative Housing Corporation, as of December 31, 2013 and 2012 and the related statement of revenues and expenses, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of 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, except for the effects noted below, the financial statements referred to above present fairly, in all material respects, the financial position of Fairview Owners Corp., as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 14, the Cooperative has not promulgated a study to determine the estimated remaining lives of the components of the building and current estimates of major repairs and replacements that may be required and therefore, has not presented such information that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be part of, the basic financial statements. In addition, the Cooperative records payments for note amortization as a direct charge to shareholders' equity. This method is in conformity with the income tax basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Had the payments been recorded as maintenance income, revenue would have increased by \$229,938 in 2013 and \$225,266 in 2012.


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
May 19, 2014

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
BALANCE SHEET
AS OF DECEMBER 31,

EXHIBIT A

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 54,973	\$ 59,558
Receivable from tenant/shareholders	77,431	106,053
Real estate tax escrow deposits (Note 6)	85,140	118,919
Cash security deposits (Note 11)	69,884	69,730
Prepaid expenses and other current assets (Note 7)	726,638	692,466
Total current assets	1,014,066	1,046,726
PROPERTY, AT COST (Notes 2,9)		
Building and building improvements	41,558,883	41,318,189
Pool furnishings, playground and other equipment	417,286	386,470
	41,976,169	41,704,659
Less: accumulated depreciation	32,488,490	31,342,463
	9,487,679	10,362,196
Land	850,000	850,000
Net property	10,337,679	11,212,196
OTHER ASSETS		
Unamortized loan cost (Note 9)	233,210	285,974
Cash & cash equivalents for future major repairs and replacement (Notes 8 and 14)	184,167	14,649
Other assets	4,560	4,560
	421,937	305,183
Total assets	\$ 11,773,682	\$ 12,564,105

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
BALANCE SHEET
AS OF DECEMBER 31,

EXHIBIT A

2013 **2012**

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses (Note 10)	\$ 2,047,566	\$ 1,988,664
Current portion of debt (Note 9)	243,922	229,944
Deposits & other payables (Note 11)	75,464	80,419
Total current liabilities	2,366,952	2,299,027

LONG-TERM LIABILITIES

Notes payable (Note 9)	9,636,481	9,866,419
Less: current portion	(243,922)	(229,944)
	9,392,559	9,636,475
Payment agreement (Note 16)	0	31,127
Total long-term liabilities	9,392,559	9,667,602

SHAREHOLDERS' EQUITY

Capital stock par value \$1 a share, 400,000 shares authorized, 341,550 issued and outstanding	341,550	341,550
Shareholders' assessment for loan amortization	2,355,158	2,125,220
Shareholders' assessment for major repairs and replacement of building	245,233	245,233
Capital paid in excess of par (Note 13)	28,778,353	28,769,075
Accumulated deficit	(31,706,123)	(30,883,602)
Total shareholders' equity	14,171	597,476
Total liabilities and shareholders' equity	\$ 11,773,682	\$ 12,564,105

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

EXHIBIT B

	2013	2012
INCOME:		
Tenant/shareholders:		
Maintenance (Note 3)	\$ 5,573,209	\$ 5,304,662
Less: payment for note amortization	(229,938)	(225,266)
	5,343,271	5,079,396
Parking	491,004	483,353
Laundry and sundry	170,697	153,735
Interest	18	22
Pool, net of expenses	(22,113)	(5,613)
Total income	5,982,877	5,710,893
EXPENSES:		
Administrative	272,768	236,717
Operating	1,650,015	1,667,151
Maintenance	1,871,729	1,822,729
Financial	1,812,093	1,997,310
Total expenses	5,606,605	5,723,907
SURPLUS/(DEFICIT) OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	376,272	(13,014)
DEPRECIATION AND AMORTIZATION	(1,198,793)	(1,179,551)
NET DEFICIENCY OF REVENUES OVER EXPENSES	(822,521)	(1,192,565)
DEFICIT - BEGINNING OF YEAR	(30,883,602)	(29,691,037)
DEFICIT - END OF YEAR	\$ (31,706,123)	\$ (30,883,602)

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

EXHIBIT C

	Capital Stock	Assessment for Loan Amortization	Assessment for Major Repairs & Building	Capital Paid in Excess of Par	Accumulated Deficit	Total
<i>EQUITY - January 1, 2013</i>	\$ 341,550	\$ 2,125,220	\$ 245,233	\$ 28,769,075	\$ (30,883,602)	\$ 597,476
Net deficiency of revenues over expenses					(822,521)	(822,521)
Payment for note amortization		229,938				229,938
Sponsor capital contribution				9,278		9,278
<i>EQUITY - December 31, 2013</i>	\$ 341,550	\$ 2,355,158	\$ 245,233	\$ 28,778,353	\$ (31,706,123)	\$ 14,171

	Capital Stock	Assessment for Loan Amortization	Assessment for Major Repairs & Building	Capital Paid in Excess of Par	Accumulated Deficit	Total
<i>EQUITY - January 1, 2012</i>	\$ 341,550	\$ 1,899,954	\$ 245,233	\$ 28,763,313	\$ (29,691,037)	\$ 1,559,013
Net deficiency of revenues over expenses					(1,192,565)	(1,192,565)
Payment for note amortization		225,266				225,266
Sponsor capital contribution				5,762		5,762
<i>EQUITY - December 31, 2012</i>	\$ 341,550	\$ 2,125,220	\$ 245,233	\$ 28,769,075	\$ (30,883,602)	\$ 597,476

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

EXHIBIT D

	2013	2012
<i>OPERATING ACTIVITIES</i>		
Net loss	\$ (822,521)	\$ (1,192,565)
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	1,198,793	1,179,551
Decrease (Increase) in receivables	28,622	(29,547)
Decrease in real estate escrow deposits	33,779	18,016
(Increase) Decrease in other current assets	(34,172)	61,233
Increase in operating payables	68,972	244,904
Net cash provided by operating activities	473,473	281,592
<i>INVESTING ACTIVITIES</i>		
Cash acquisition of improvements and equipm:	(413,058)	(401,194)
Shareholders' contribution for loan amortizatio	229,938	225,266
Transmittal (to) from the reserve	(65,000)	178,000
Net cash (used) provided by investing activities	(248,120)	2,072
<i>FINANCING ACTIVITIES</i>		
Amortization of loan	(229,938)	(225,266)
Net cash used by financing activities	(229,938)	(225,266)
(Decrease) increase in cash	(4,585)	58,398
Cash at beginning of year	59,558	1,160
<i>CASH AT END OF YEAR</i>	\$ 54,973	\$ 59,558
<i>Supplemental Cash Flow Information:</i>		
Cash paid for income taxes	\$ 10,735	\$ 10,240
Cash paid for interest	\$ 538,079	\$ 543,537

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

Note 1 - Organization

Fairview Owners Corp., a Cooperative Housing Corporation, (the Cooperative), was incorporated on March 28, 1984 under the laws of the State of New York. The Cooperative became effective on June 26, 1985 when the building began operations as a cooperative corporation and first issued proprietary leases. The Cooperative owns one fourteen story building containing three wings located at 61-20 Grand Central Parkway in Forest Hills, New York consisting of 422 residential apartments.

Note 2 - Summary of significant accounting policies

Cash and cash equivalents

For purposes of the statement of cash flows, cash equivalents are defined as highly liquid investments, which mature in three months or less at the time of purchase. Due to the short term nature of cash equivalents, the carrying value approximates fair value.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Fair value of financial instruments

Substantially all of the Cooperatives' financial instruments are carried at fair value or amounts approximating fair value. Assets, including cash and cash equivalents and certain other current assets are carried at fair value or contracted amounts which approximate fair value. Similarly, accounts payable and other liabilities are carried at fair value or contracted amounts approximating fair value.

Property

Property, consisting principally of a building and improvements, are carried at cost. Depreciation of the property was computed, whereby the building was depreciated on a straight-line basis principally over a forty year period, and the improvements principally over a twenty-seven year period. Capital expenditures for 2013 were expended both from the operating account as well as the capital reserve account. In 2013, a grant from the New York State Energy Research Development Authority ("NYSERDA") of \$110,240 was received as part of an energy project initiated by the Cooperative.

<p>FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012</p>
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Note 3 - Revenue

Maintenance charges are based on an annual budget determined by the board of directors. Tenant-shareholders are billed monthly based on their respective stock holdings. The Cooperative retains excess operating funds, if any, at the end of the operating year, for use in future operating periods. The board increased maintenance in January 2013 to \$1.257 a share per month. In January 2008, an additional special assessment of \$422,000 was charged. The assessment continued through 2013.

The revenue consisted of the following:

	<u>2013</u>	<u>2012</u>
Maintenance:	\$ 5,151,209	\$ 4,882,662
Assessment:	422,000	422,000
	<u>\$ 5,573,209</u>	<u>\$ 5,304,662</u>

The special assessment is being used to fund the major repairs and maintenance of Fairview Owners Corp.

Note 4 - Sponsor

At December 31, 2013, the sponsor, (Grandway Associates, ZooCare Realty LP) owned approximately twelve percent (12%) of the Cooperative's outstanding shares.

Note 5 - Management and related parties

The principal of the management company, Carlson Realty, Inc., is a shareholder.

FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Note 6 - Real estate tax escrow deposits

The Cooperative is required, pursuant to the terms of the first mortgage, to advance monthly payments to New York Urban, the escrow agent for the first mortgagee, in order for the escrow agent to make timely disbursements for real estate taxes on behalf of the Cooperative. The tax payment of \$150,447, due in January 2014, was prepaid in December 2013 (Note 7). The balance in the escrow account was \$85,140 at December 31, 2013 and \$118,919 at December 31, 2012.

Note 7 - Prepaid expenses and other current assets

A portion of the water and sewer charges are billed annually in July and covers the period July 1 to June 30. The entire amount of the bill was accrued including the prepayment. The insurance premiums are recorded at the anniversary of the policies.

	<u>2013</u>	<u>2012</u>
Prepaid health insurance	\$ 19,854	\$ 17,924
Water and sewer	200,561	189,928
Prepaid real estate taxes	150,447	179,716
Unexpired insurance premiums	328,005	304,898
Other current assets	27,771	0
	<u>\$ 726,638</u>	<u>\$ 692,466</u>

Note 8 - Cash in bank - for future major repairs and replacement

The sponsor, in accordance with the offering plan and an agreement with the Cooperative, established a fund to be used exclusively for making capital repairs, replacement and improvements to the building. The sponsor is required to make a contribution to the fund based on a formula of \$2 per sold share from the proceeds of the sales of each of the units. There were sales of 4,639 shares in 2013 and 2,881 shares in 2012 and corresponding deposits by the sponsor in the amount of \$9,278 in 2013 and \$5,762 in 2012 into the reserve fund.

FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Note 8 - Continued

The following is a historical summary of the activity in the cash accounts for future major repairs and replacement.

	<u>2013</u>	<u>2012</u>
Sponsor contributions on sales	\$ 1,429,353	\$ 1,420,075
Contributions from shareholders	245,233	245,233
Income earned	589,970	589,970
Expenditures for capital improvements	(5,540,221)	(5,525,221)
From mortgage refinancing	1,750,000	1,750,000
Note proceeds	1,600,000	1,600,000
Transfer to operating	(371,919)	(436,919)
NYSERDA grant (net)	498,260	388,020
Other expenses	(16,509)	(16,509)
Balances December 31,	<u>\$ 184,167</u>	<u>\$ 14,649</u>

Note 9 - Notes Payable

In November 2004, the mortgage, secured by the building, was refinanced for 15 years for \$9,000,000 with interest at 5.82% by John Hancock Mutual Life Insurance Company. Each month for the first ten years of the mortgage, the payment amount will be \$43,650 which consists of only interest. This amount will increase to \$52,922 for the remaining five years. The payments will be applied to interest first and then to principal. The principal balance of the mortgage was \$9,000,000 as of December 31, 2013 and December 31, 2012.

In September 2009, Fairview was granted a special loan agreement by Herald Bank in conjunction with the New York State Energy Research and Development Authority (NYSERDA). The cooperative received a seven year loan of \$1,600,000. The interest rate on the loan is 8.5%. NYSERDA will pay 6% and Fairview is responsible for the remaining 2%. The 6.5% interest on the life of the loan was prepaid in full by NYSERDA. Fairview is required to remain in full compliance with the NYSERDA energy agreement or the full interest would become due by Fairview. The monthly payment by Fairview is \$20,448 which will be applied to interest first and then to principal. The principal balance of the loan was \$636,481 as of December 31, 2013 and \$866,419 as of December 31, 2012.

FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Note 9 - Continued

The John Hancock mortgage was refinanced in 2004. The cost of the refinancing was \$766,094, which is being amortized over the fifteen year term of the mortgage. The cost of the 2009 Herald Bank loan was \$11,837. These costs are being amortized over the seven year life of the loan. The debt financing costs consist of the following:

	<u>2013</u>		<u>2012</u>
Brokerage fee	\$ 44,000	\$	44,000
Mortgage tax	63,388		63,388
Legal fees	35,464		35,464
Prepayment fee	588,528		588,528
Surveys and other costs	46,551		46,551
	<u>\$ 777,931</u>	\$	<u>777,931</u>
Accumulated amortization	544,721		491,957
Unamortized mortgage cost	<u>\$ 233,210</u>	\$	<u>285,974</u>

Aggregate principal payments for the following years succeeding December 31, 2013 are as follows:

Year		<u>Total Payments</u>
2014		243,922
2015		354,367
2016		284,300
2017		129,368
Thereafter		<u>8,624,524</u>
		9,636,481
Less: current portion		243,922
Long-term portion	\$	<u><u>9,392,559</u></u>

FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Note 10 - Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of:

	<u>2013</u>	<u>2012</u>
Mortgage interest	\$ 44,746	\$ 45,530
Unexpired insurance premiums	241,518	223,834
Water and sewer	1,362,876	1,060,967
Water and sewer - payment agreement	34,466	84,672
Capital expenditure accruals	46,306	327,579
Union benefit payments	29,241	27,036
Electric	65,550	66,935
Other invoices and accruals	222,863	152,111
	<u>\$ 2,047,566</u>	<u>\$ 1,988,664</u>

Note 11 - Deposits & other payables

Deposits & other payables consist of the following:

	<u>2013</u>	<u>2012</u>
Payroll tax liabilities	\$ 4,182	\$ 2,659
Tenant security deposits	69,884	69,730
Other	1,398	8,030
	<u>\$ 75,464</u>	<u>\$ 80,419</u>

<p>FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012</p>
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Note 12 - Income taxes

The Corporation is a Cooperative Housing Corporation under Section 216 of the Internal Revenue Code. Under this section real estate taxes and interest paid by the Cooperative are deductible for income tax purposes by the tenant-shareholders, based upon their pro-rata ownership of shares of the Cooperative. The Cooperative has available net operating tax loss carry-forwards in excess of \$15,000,000. These losses expire over 15 and 20 year periods, depending on the year the loss was incurred. Early losses have expired and additional losses will expire each year. In view of the taxable losses over the last 25 years and due to the structure and taxable cost basis of the building, this is not expected to have any material effect as no taxable income in the foreseeable future is expected.

Section 277 of the Internal Revenue Code provides that a membership organization that is operated primarily to furnish services to members is permitted to deduct expenses attributable to the furnishing of such services only to the extent of the income derived during the year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating that income. Accordingly, income from non-membership sources such as interest, commercial rentals, etc. in excess of expenses attributable thereto, may be subject to federal tax if the Internal Revenue Service were to successfully take the position that Section 277 applies to cooperative housing corporations. Recent tax court decisions have been in favor of co-ops as relating to interest income.

The Cooperative follows the policy of not applying the provisions of Section 277 when preparing its annual federal, New York State and New York City income tax returns. Accordingly, no provision for taxes, if any, that could result for the application of Section 277 to the Cooperative's net non-membership income has been reflected in the financial statements. The financial statements, however, do reflect both New York State and New York City provisions for taxes on other than an income basis.

Note 13 - Capital paid in excess of par

Capital in excess of par consists of:		2013	2012
Excess of book value over \$ 1 par value	\$	<u>27,324,000</u>	\$ <u>27,324,000</u>
Sponsor initial working capital		25,000	25,000
Sponsor contributions from share sales (Note 8)		1,429,353	1,420,075
	\$	<u><u>28,778,353</u></u>	\$ <u><u>28,769,075</u></u>

<p>FAIRVIEW OWNERS CORP. (A Cooperative Housing Corporation) NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012</p>
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Note 14 - Future major repairs and replacement

The Cooperative has not promulgated a study to determine the remaining useful lives of the components of the building and current estimates of costs of major repairs and replacements that may be required. When funds for these projects are required, the Cooperative has the right to borrow, including using lines of credit, utilize available funds from reserve accounts, increase maintenance charges, levy a special assessment, or delay the repairs or replacements until funds are available.

Note 15 - Pension plan

The Cooperative makes contributions to a collectively bargained, multi-employer pension plan in accordance with the provisions of negotiated labor contracts. Information from the plans' administrators is not available to permit the Cooperative to determine its relative position or estimate its future liability under the plans.

Note 16 - Contingencies

In 2009, the Cooperative entered into a payment agreement with the New York City Department of Environmental Protection to satisfy its outstanding water bill. After an initial deposit of \$37,762, the Cooperative agreed to make 60 monthly payments of \$7,056 to the NYC Water and Sewer Board. The payments commenced in March 2009. Interest was computed at an annual rate of 9%.

The minimum required payments for the following years succeeding December 31, 2013 are as follows:

<u>Year</u>	<u>Total Payments</u>
2014	\$ 34,466
	<u>34,466</u>
Less: current portion	34,466
Long-term portion	<u><u>0</u></u>

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

Note 17 - Concentration of Credit Risk

The Cooperative maintains various bank and money market accounts that, at times, may exceed federally insured credit limits. The Cooperative has not experienced any losses on such accounts.

In 2013, the maintenance received from the sponsor amounted to \$716,702. The sponsor owned 12% of the outstanding shares of the cooperative.

Note 18 - Subsequent Events

The management of the Cooperative has determined that there are no material subsequent events as of May 15, 2014 that need to be disclosed. These events could include but are not limited to any legal actions to which the cooperative is a major party or entering into any contracts that are not in the normal course of business.

SUPPLEMENTAL INFORMATION

The following schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subject to the audit procedures applied in the examination of the basic financial statements, and accordingly, we express no opinion on the schedules.

The unqualified opinion on the basic financial statements taken as a whole are in no way affected by the above paragraph.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<i>SCHEDULE A</i>	
	2013	2012
ADMINISTRATIVE:		
Management fees	\$ 110,000	\$ 110,000
Professional fees	53,056	31,494
Licenses and permits	9,552	9,270
Office and clerical	100,160	85,953
	\$ 272,768	\$ 236,717
OPERATING:		
Security	\$ 139,772	\$ 140,224
Fuel	341,532	401,500
Utilities - electric and gas	683,786	659,545
Water and sewer	484,925	465,882
	\$ 1,650,015	\$ 1,667,151
MAINTENANCE:		
Salaries and related costs:		
Building wages	\$ 912,854	\$ 910,434
Payroll taxes	77,193	77,965
Workers' statutory insurance	37,232	35,909
Union and pension	328,617	321,974
Repairs and maintenance-general	420,820	381,877
Repairs and maintenance-elevator	35,478	14,372
Repairs and maintenance-flood (recovery)	(40,263)	0
Janitorial and building supplies	99,798	80,198
	\$ 1,871,729	\$ 1,822,729
FINANCIAL:		
Interest on mortgages	\$ 538,079	\$ 543,537
Real estate taxes	908,313	1,053,179
Insurance - general	354,966	390,354
New York State & City corporation tax	10,735	10,240
	\$ 1,812,093	\$ 1,997,310

The accompanying notes are an integral part of these financial statements.

FAIRVIEW OWNERS CORP.
(A Cooperative Housing Corporation)
COMPARISON OF THE 2013 BUDGET TO
THE PRO FORMA RECEIPTS AND DISBURSEMENTS REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

	<i>SCHEDULE B</i>		
	BUDGET	PRO FORMA	VARIANCE
	2013	RECEIPTS AND	INCREASE
		DISBURSEMENTS	(DECREASE)
REVENUES:			
Maintenance	\$ 5,546,697	\$ 5,573,209	\$ 26,512
Garage rentals	492,000	491,004	(996)
Laundry	72,000	79,604	7,604
Pool	10,000	(22,113)	(32,113)
Miscellaneous	77,640	91,112	13,472
	6,198,337	6,212,815	14,478
EXPENSES:			
Labor and benefits	1,312,495	1,411,901	99,406
Electricity and gas	677,500	683,786	6,286
Fuel oil	400,000	341,532	(58,468)
Water and sewer	475,000	484,925	9,925
Building supplies	75,000	99,798	24,798
Repairs and maintenance	664,660	416,035	(248,625)
Security	147,000	139,772	(7,228)
Insurance	342,000	354,966	12,966
Management fees	110,000	110,000	0
Legal and audit fees	30,000	53,056	23,056
Real estate taxes	1,087,900	908,313	(179,587)
Corporate taxes	8,500	10,735	2,235
Miscellaneous	49,100	53,707	4,607
Mortgage Service	523,800	523,800	0
NYSERDA	245,382	244,217	(1,165)
Capital expenditures from operating	0	648,023	648,023
Contingency	50,000	0	(50,000)
	\$ 6,198,337	\$ 6,484,566	\$ 286,229
Deficit	\$ 0	\$ (271,751)	\$ (271,751)