

COMMONWEALTH TERRACE COOPERATIVE, INC.

FINANCIAL REPORT

JUNE 30, 2016

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenue and expenses	4
Statements of changes in members' equity	5
Statements of cash flows	6
Notes to the financial statements	7
SUPPLEMENTARY INFORMATION	
Independent auditor's report on supplementary information	14
Schedules of expenses	15
Schedules of cash and accrued expenses	17
Schedule of equipment and depreciation	18
Schedule of improvement reserves	19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Commonwealth Terrace Cooperative, Inc.
Falcon Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Commonwealth Terrace Cooperative, Inc. which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of revenue and expenses, changes in members' equity, 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.

Auditor's 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Commonwealth Terrace Cooperative, Inc. as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted an estimate on the remaining lives and replacement costs of the common property and, therefore, has not presented supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement 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 the missing information.

Boyum & Barescheer, PLLP

Boyum & Barescheer PLLP
Minneapolis, Minnesota
January 27, 2017

COMMONWEALTH TERRACE COOPERATIVE, INC.

BALANCE SHEETS

JUNE 30,	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 741,176	\$ 614,931
Resident accounts receivable, net of allowance	18,398	-
Due from University of Minnesota	-	50,415
Due from vendor	15,211	12,764
Supplies inventory	8,900	8,900
Prepaid expenses	27,184	30,155
Total current assets	810,869	717,165
INVESTMENTS	993,921	1,029,126
EQUIPMENT, net	102,954	105,735
Total assets	\$ 1,907,744	\$ 1,852,026
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 80,605	\$ 105,572
Accrued expenses	26,359	4,742
Patronage refund payable	77,047	80,171
Prepaid rents	45,862	-
Member security deposits	424,190	404,670
Total current liabilities	654,063	595,155
IMPROVEMENT RESERVES	720,284	720,284
Total liabilities	1,374,347	1,315,439
MEMBERS' EQUITY	533,397	536,587
Total liabilities and members' equity	\$ 1,907,744	\$ 1,852,026

The Notes to Financial Statements are an integral part of these statements.

COMMONWEALTH TERRACE COOPERATIVE, INC.

STATEMENTS OF REVENUE AND EXPENSES

YEARS ENDED JUNE 30,	2016	2015
RENTAL INCOME		
Gross potential rent	\$ 4,729,680	\$ -
Less: vacancy loss	(71,700)	-
<i>Total rental income</i>	4,657,980	-
OTHER INCOME		
Management fee	-	2,203,950
Surcharges	62,392	57,903
Vending concessions	32,151	32,400
Late fees and penalties	8,659	8,007
Service fees	34,693	33,715
Investment income and realized losses	1,374	49,279
Unrealized gain (loss) on investments	(36,255)	(54,843)
Leases and rents	23,857	22,499
Repair charges	16,720	16,433
Miscellaneous	16,277	8,805
Transfer from reserve	-	30,000
<i>Total other income</i>	159,868	2,408,148
<i>Total income</i>	4,817,848	2,408,148
EXPENSES		
General and administrative	532,214	511,180
Maintenance	1,111,740	910,207
Utilities	495,189	525,682
Other expenses	407,967	379,664
University of Minnesota fee	2,193,691	-
Patronage refund	77,047	80,171
Income taxes	3,190	2,491
<i>Total expenses</i>	4,821,038	2,409,395
<i>Excess (deficit) of revenue over expenses</i>	\$ (3,190)	\$ (1,247)

The Notes to Financial Statements are an integral part of these statements.

COMMONWEALTH TERRACE COOPERATIVE, INC.

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

YEARS ENDED JUNE 30, 2016 AND 2015	
BALANCE, June 30, 2014	\$ 537,834
Deficit of revenue over expenses	(1,247)
BALANCE, June 30, 2015	536,587
Deficit of revenue over expenses	(3,190)
<i>BALANCE, June 30, 2016</i>	\$ 533,397

The Notes to Financial Statements are an integral part of these statements.

COMMONWEALTH TERRACE COOPERATIVE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficit) of revenue over expenses	\$ (3,190)	\$ (1,247)
Adjustments to reconcile excess of revenue over expenses net cash provided		
Depreciation	30,227	31,735
Unrealized loss on investments	36,255	54,843
Loss (gain) on sale of investments	49,552	(8,501)
Bad debts	10,929	-
Net change in operating assets and liabilities:		
Resident accounts receivable	(18,398)	-
Due from University of Minnesota	39,486	(28,996)
Other receivables	(2,447)	2,334
Prepaid expenses	2,971	4,223
Accounts payable	(24,967)	(9,924)
Accrued expenses	21,617	(1,402)
Patronage refund payable	(3,124)	(13,470)
Prepaid rents	45,862	-
Member security deposits	19,520	5,107
<i>Net cash provided by operating activities</i>	204,293	34,702
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(27,446)	(7,873)
Purchases of investments	(501,169)	(391,294)
Sales of investments	450,567	350,624
<i>Net cash used by investing activities</i>	(78,048)	(48,543)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in improvement reserves	-	50,349
<i>Net cash provided by financing activities</i>	-	50,349
<i>Increase in cash</i>	126,245	36,508
Cash, beginning of year	614,931	578,423
<i>Cash, end of year</i>	\$ 741,176	\$ 614,931
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 3,768	\$ 3,403
Cash paid for income taxes	-	20,363

The Notes to Financial Statements are an integral part of these statements.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of business:

Commonwealth Terrace Cooperative, Inc. (the Cooperative) is a Minnesota corporation providing 464 units of family rental housing to students who attend the University of Minnesota at its St. Paul campus. Residents may become members of the Cooperative.

Financial statement presentation:

This summary of significant accounting policies of the Cooperative is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Cooperative's management, which is responsible for their integrity and objectivity. These accounting policies conform to United States generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Use of estimates:

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 reported period. Actual results could differ from those estimates.

Basis of accounting:

The Cooperative uses the accrual basis of accounting for financial statement reporting. Revenue is recognized when earned and expenses are recognized when incurred.

Revenue recognition:

Revenues are recognized in the period in which the rentals or management fees are earned. Rental and management fee payments received in advance are deferred until earned. All leases between the Cooperative and the residents of the property are operating leases.

Concentration of credit risk:

The Cooperative maintains cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), which at times may exceed federally insured limits. At June 30, 2016, the Cooperative's cash in a single financial institution exceeded the FDIC insured limit of \$250,000 by approximately \$258,000. The Cooperative has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and equivalents.

Cash:

For purposes of the statement of cash flows, the Cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Resident accounts receivable:

Resident accounts receivable represent past due rent and special charges for cooperative unit rents. Based on management's evaluation of uncollected accounts at the end of each year, potential bad debts are provided for on the allowance method. Balances that are still outstanding after management has used reasonable collection efforts are written off. An allowance of \$464 and \$8,000 has been established for 2016 and 2015, respectively.

Investments:

The Cooperative makes investments in money market funds, certificates of deposit, preferred stock and government securities funds. The investments are presented in the financial statements at fair value. Unrealized appreciation or depreciation in the fair value of investments held at year-end is recognized in the statement of revenues and expenses. At June 30, 2016 cost exceeded the market value of the investments by \$23,494, and at June 30, 2015 the market value of investments exceeded cost by \$18,744.

Fair Value Measurements:

Accounting Standard Codification (ASC) 820 ("Fair Value Measurements") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to adjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Partnership has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the assets or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Money market funds: Investments in money market accounts are valued at cost, which approximates fair value.

Stocks, options and ETFs: Valued at the closing price reported on the active market on which the individual securities are traded.

Unit investment trust: Valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual Funds held by the Cooperative are open ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The Mutual Funds held by the Cooperative are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Equipment:

Equipment is stated at cost. The expenditures determined to represent additions and betterments are capitalized, while maintenance and repairs are charged to expense when incurred. Depreciation for financial reporting is computed utilizing straight-line methods over the estimated useful lives of the assets as follows:

Office, maintenance and community center equipment	3 - 7 years
Capital improvements	5 - 10 years

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Income taxes:

The Cooperative is a non-exempt cooperative and pays federal and state income taxes on income not distributed to members and patrons. The Cooperative is a non-exempt Cooperative and pays federal and state income taxes on its net income. At June 30, 2015, the Cooperative has a net operating loss carryover to offset future taxable income of approximately \$45,000. The loss carryovers expire in varying amounts beginning in 2026. For the years ended June 30, 2016 and 2015, the Cooperative had state taxes due of \$2,610 and \$1,921, respectively, and a minimum fee payable to the state of Minnesota of \$580 and \$570, respectively.

Gain or loss on marketable securities is recorded, for income tax purposes, when the security is sold. Deferred income taxes have not been provided for since financial statement income, after patronage refunds and taxable income, are basically the same.

Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements.

Security deposits:

Members are required to pay a security deposit upon execution of their lease. These deposits are placed in a restricted savings account and refunded, with interest, upon termination of the lease agreement. Any amounts not returned to the tenants due to lease violations are transferred to the general operating account.

Advertising:

Advertising is expensed as incurred. Advertising expense was \$999 and \$622 for the years ended June 30, 2016 and 2015, respectively.

Management agreements:

The University of Minnesota owns the housing properties which are operated by the Cooperative under a management agreement. The Cooperative receives a fee for managing the facilities which covers obtaining tenants, hiring employees to maintain the properties, contracting for services, collection of rents and other responsibilities. The Cooperative has no obligation for major renovation and replacement of the housing properties.

Retirement plans:

The Cooperative has a SEP savings plan in which the Cooperative contributes 6 percent of full-time employee's salaries to the fund. The Cooperative contributed \$28,980 and \$24,841 to this plan for the year ended June 30, 2016 and 2015, respectively.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

New accounting pronouncements:

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU No. 2014-09 supersedes the revenue recognition requirement in Topic 605, Revenue Recognition, and most industry-specific guidance. Under the requirements of ASU No. 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March through May 2016, amendments to ASU 2014-09 were issued, further clarifying the treatment of revenue recognition from contracts with customers. The Cooperative will be required to retrospectively adopt the guidance in ASU No. 2014-09, and the applicable amendments, for the years beginning after December 15, 2018. The Cooperative has not yet determined the impact of the adoption of ASU No. 2014-09 on its financial statements.

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2019 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Cooperative is currently evaluating the impact that the adoption of this guidance will have on the Cooperative's financial statements and anticipates the new guidance will impact its financial statements given the Cooperative has lease obligations, see Note 2.

Subsequent events:

In preparing these financial statements, the Cooperative has evaluated subsequent events and transactions for potential recognition or disclosure through January 27, 2017 the date the financial statements were available to be issued.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. FAIR VALUE MEASUREMENTS

The following tables set forth by level, within the fair value hierarchy, the Cooperative's assets at fair value as of June 30, 2016 and 2015:

**Investments at Fair Value as of
June 30, 2016**

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 177,295	\$ -	\$ -	\$ 177,295
Stocks, options and ETFs	107,715	-	-	107,715
Unit investment trust	240,142	-	-	240,142
Mutual funds	468,769	-	-	468,769
<i>Total investments at fair value</i>	\$ 993,921	\$ -	\$ -	\$ 993,921

**Investments at Fair Value as of
June 30, 2015**

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 98,347	\$ -	\$ -	\$ 98,347
Stocks, options and ETFs	39,114	-	-	39,114
Unit investment trust	325,741	-	-	325,741
Mutual funds	565,924	-	-	565,924
<i>Total investments at fair value</i>	\$ 1,029,126	\$ -	\$ -	\$ 1,029,126

NOTE 3. UNIVERSITY RESERVES

As owners of the land and buildings, the University of Minnesota maintains reserves for major renovation and replacement of the housing properties. The money for these reserves is obtained through rents charged to tenants of the buildings. The reserves are currently funded in accordance with the University's long-term planning.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. IMPROVEMENT RESERVES

Reserves for major expenditures have been established through funds received from the University of Minnesota. The reserves are as follows:

JUNE 30,	2016	2015
Utilities reserve	\$ 152,584	\$ 152,584
Rent loss reserve	185,655	185,655
Maintenance reserve	84,903	84,903
Exterior painting reserve	134,861	134,861
Snow removal reserve	99,557	99,557
Vehicle reserve	35,524	35,524
Capital improvements reserve	9,968	9,968
Administrative savings reserve	17,232	17,232
<i>Total reserves</i>	\$ 720,284	\$ 720,284

NOTE 5. EQUIPMENT

Equipment consists of the following:

JUNE 30,	2016	2015
Office equipment	\$ 91,839	\$ 91,839
Maintenance equipment	151,761	151,761
Community center equipment	44,522	44,522
Capital improvements	169,021	141,575
	457,143	429,697
Less: accumulated depreciation	(354,189)	(323,962)
<i>Equipment, net</i>	\$ 102,954	\$ 105,735

Depreciation expense related to fixed assets amounted to \$30,227 and \$31,735 for the years ended June 30, 2016 and 2015, respectively.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To The Board of Directors
Commonwealth Terrace Cooperative, Inc.
Falcon Heights, Minnesota

We have audited the financial statements of Commonwealth Terrace Cooperative, Inc. as of and for the years ended June 30, 2016 and 2015, and our report thereon dated January 27, 2017, which expressed an unmodified opinion on those financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14 to 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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 audits 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.

Boyum & Barescheer, PLLP

Boyum & Barescheer PLLP
Minneapolis, Minnesota
January 27, 2017

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF EXPENSES

YEARS ENDED JUNE 30,	2016	2015
GENERAL AND ADMINISTRATIVE		
Salaries	\$ 351,732	\$ 327,809
Temporary help	8,000	9,439
Payroll taxes	28,369	26,153
Pension benefits	16,152	12,500
Medical benefits	57,597	61,400
Staff support	2,027	1,775
Office supplies	9,807	8,394
Postage	999	1,321
Telephone	15,345	16,448
Professional and consulting services	31,640	35,522
Printing and copying	7,110	8,249
Advertising	999	622
Marketing	2,437	1,548
<i>Total general and administrative</i>	\$ 532,214	\$ 511,180
MAINTENANCE		
Salaries	\$ 256,686	\$ 238,164
Payroll taxes	18,733	17,720
Pension benefits	12,828	12,341
Medical benefits	53,416	57,474
Pest control	8,233	8,652
Contract services	216,999	85,738
Contract cleaning	84,564	70,509
Uniforms cleaning	2,423	2,222
Maintenance supplies	107,582	87,756
Recycling and rubbish removal	49,842	51,484
Snow removal	49,413	58,584
Painting contract	106,016	90,547
General maintenance	28,016	20,085
Vehicle expense	3,986	5,060
Grounds maintenance	113,003	103,873
<i>Total maintenance</i>	\$ 1,111,740	\$ 910,209

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF EXPENSES

YEARS ENDED JUNE 30,	2016	2015
<i>(Continued)</i>		
UTILITIES		
Water and sewer	\$ 169,786	\$ 158,614
Gas	136,392	201,958
Electricity	189,011	165,110
<i>Total utilities</i>	\$ 495,189	\$ 525,682
OTHER EXPENSES		
Insurance	\$ 175,366	\$ 172,952
Ward Funds	2,757	5,416
Interest on security deposits	3,768	3,403
Community education and involvement	10,002	13,892
Printing	1,114	923
Community Center	2,297	2,527
Employee development	3,200	3,500
Board support	3,346	3,373
Miscellaneous	42,259	14,645
Depreciation	30,227	31,735
Cable television	133,631	127,298
<i>Total other expenses</i>	\$ 407,967	\$ 379,664

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF CASH AND ACCRUED EXPENSES

JUNE 30,	2016	2015
CASH		
Sunrise checking	\$ 385,180	\$ 259,092
Sunrise savings	105,853	105,814
Western checking	19,788	19,956
Western savings	230,355	230,069
<i>Total cash</i>	\$ 741,176	\$ 614,931
OTHER RECIEVABLES		
Due from vendor	\$ 15,211	\$ 12,764
<i>Total other receivables</i>	\$ 15,211	\$ 12,764
ACCRUED EXPENSES		
Accrued fees	\$ 27,351	\$ 6,000
Income taxes	-	-
Health flex payable	(992)	(1,258)
<i>Total accrued expenses</i>	\$ 26,359	\$ 4,742

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULE OF EQUIPMENT AND DEPRECIATION

	ASSETS			
	BALANCE 06/30/15	Additions	Disposals	BALANCE 06/30/16
Office equipment	\$ 91,839	\$ -	\$ -	\$ 91,839
Maintenance equipment	151,761	-	-	151,761
Community center equipment	44,522	-	-	44,522
Capital improvements	141,575	27,446	-	169,021
	\$ 429,697	\$ 27,446	\$ -	\$ 457,143

	ACCUMULATED DEPRECIATION			
	BALANCE 06/30/15	Additions	Disposals	BALANCE 06/30/16
Office equipment	\$ 84,146	\$ 3,315	\$ -	\$ 87,461
Maintenance equipment	88,653	19,005	-	107,658
Community center equipment	40,254	1,990	-	42,244
Capital improvements	110,909	5,917	-	116,826
	\$ 323,962	\$ 30,227	\$ -	\$ 354,189

Net book value:

Office equipment	\$ 4,378
Maintenance equipment	44,103
Community center equipment	2,278
Capital improvements	52,195
	\$ 102,954

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULE OF IMPROVEMENT RESERVES

	BALANCE					BALANCE
	06/30/15	Additions	Disbursements	Transfers		06/30/16
Utility	\$ 152,584	\$ -	\$ -	\$ -	\$ -	\$ 152,584
Rent loss	185,655	-	-	-	-	185,655
Maintenance	84,903	-	-	-	-	84,903
Exterior painting	134,861	-	-	-	-	134,861
Snow removal	99,557	-	-	-	-	99,557
Vehicle	35,524	-	-	-	-	35,524
Capital improvements	9,968	-	-	-	-	9,968
Administrative savings	17,232	-	-	-	-	17,232
	\$ 720,284	\$ -	\$ -	\$ -	\$ -	\$ 720,284
