

COMMONWEALTH TERRACE COOPERATIVE, INC.

FINANCIAL REPORT

JUNE 30, 2017 AND 2016

C O N T E N T S

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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, 2017 and 2016, 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 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.

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, 2017 and 2016, 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
Minneapolis, Minnesota
December 13, 2017

COMMONWEALTH TERRACE COOPERATIVE, INC.

BALANCE SHEETS

JUNE 30,	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 795,670	\$ 741,176
Resident accounts receivable, net of allowance	25,209	18,398
Due from vendor	2,312	15,211
Supplies inventory	8,900	8,900
Prepaid expenses	28,434	27,184
Total current assets	860,525	810,869
INVESTMENTS	1,079,789	993,921
EQUIPMENT, net	158,585	102,954
Total assets	\$ 2,098,899	\$ 1,907,744
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 114,398	\$ 80,605
Accrued expenses	23,575	26,359
Patronage refund payable	154,560	77,047
Prepaid rents	41,376	45,862
Security deposits	425,816	424,190
Total current liabilities	759,725	654,063
IMPROVEMENT RESERVES	720,284	720,284
Total liabilities	1,480,009	1,374,347
MEMBERS' EQUITY	618,890	533,397
Total liabilities and members' equity	\$ 2,098,899	\$ 1,907,744

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,	2017	2016
RENTAL INCOME		
Gross potential rent	\$ 4,857,216	\$ 4,729,680
Less: vacancy loss	(86,947)	(71,700)
<i>Total rental income</i>	4,770,269	4,657,980
OTHER INCOME		
Surcharges	64,348	62,392
Vending concessions	25,514	32,151
Late fees and penalties	7,471	8,659
Service fees	40,207	34,693
Investment income and realized losses	9,709	1,374
Leases and rents	25,389	23,857
Repair charges	15,077	16,720
Miscellaneous	9,518	16,277
<i>Total other income</i>	197,233	196,123
<i>Total income</i>	4,967,502	4,854,103
EXPENSES		
General and administrative	553,199	532,214
Maintenance	1,088,236	1,111,740
Utilities	505,851	495,189
Other expenses	415,373	407,967
University of Minnesota fee	2,239,664	2,193,691
Patronage refund	154,560	77,047
Income taxes	1,602	3,190
<i>Total expenses</i>	4,958,485	4,821,038
<i>Excess (deficit) of revenue over expenses before other comprehensive income</i>	\$ 9,017	\$ 33,065
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on investments	76,476	(36,255)
<i>Total other comprehensive income (loss)</i>	76,476	(36,255)
<i>Excess (deficit) of revenue over expense</i>	\$ 85,493	\$ (3,190)

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, 2017 AND 2016

	Excess of revenue over expenses before other comprehensive income	Accumulated other comprehensive income (loss)	Total
	<hr/>	<hr/>	<hr/>
BALANCE, June 30, 2015	\$ 511,834	\$ 24,753	\$ 536,587
Excess of revenue over expenses before other comprehensive income	33,065	-	33,065
Other comprehensive loss	-	(36,255)	(36,255)
BALANCE, June 30, 2016	544,899	(11,502)	533,397
Excess of revenue over expenses before other comprehensive income	9,017	-	9,017
Other comprehensive income	-	76,476	76,476
BALANCE, June 30, 2017	\$ 553,916	\$ 64,974	\$ 618,890

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

COMMONWEALTH TERRACE COOPERATIVE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficit) of revenue over expenses	\$ 85,493	\$ (3,190)
Adjustments to reconcile excess of revenue over expenses net cash provided		
Depreciation	36,134	30,227
Unrealized gain (loss) on investments	76,476	36,255
Loss on sale of investments	14,128	49,552
Bad debts	14,314	10,929
Net change in operating assets and liabilities:		
Resident accounts receivable	(10,347)	(18,398)
Due from University of Minnesota	-	39,486
Other receivables	2,121	(2,447)
Prepaid expenses	(1,250)	2,971
Accounts payable	33,793	(24,967)
Accrued expenses	(2,784)	21,617
Patronage refund payable	77,513	(3,124)
Prepaid rents	(4,486)	45,862
Member security deposits	1,626	19,520
<i>Net cash provided by operating activities</i>	322,731	204,293
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(91,765)	(27,446)
Purchases of investments	(509,433)	(501,169)
Sales of investments	332,961	450,567
<i>Net cash used by investing activities</i>	(268,237)	(78,048)
<i>Increase in cash</i>	54,494	126,245
Cash, beginning of year	741,176	614,931
<i>Cash, end of year</i>	\$ 795,670	\$ 741,176

SUPPLEMENTAL INFORMATION:

Cash paid for interest	\$ 3,647	\$ 3,768
Cash paid for income taxes	1,602	-

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.

Recently issued accounting pronouncements:

In May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 605), which provides guidance for accounting for revenue from contracts with customers. The new guidance outlines a single comprehensive model for companies to use in accounting for revenue from contracts with customers. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It can be adopted using either a retrospective approach or 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 not have a material impact 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 not have a material impact on its financial statements.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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, 2017, the Cooperative's cash at two single financial institutions exceeded the FDIC insured limit of \$250,000 by approximately \$364,000 and \$300. 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.

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 \$4,000 and \$464 has been established for 2017 and 2016, respectively.

Due from vendor:

Due from vendor represents amounts owed by vendors. Based on management's evaluation of uncollected amounts at the end of each year, potential bad debts are provided for on the allowance method. An allowance of \$10,778 and \$- has been established for 2017 and 2016, respectively.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Investments:

The Cooperative makes investments in money market funds, certificates of deposit, preferred stock, mutual funds 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, 2017 the market value exceeded the cost of the investments by \$51,936, and at June 30, 2016 the cost of investments exceeded market value by \$23,494.

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 Cooperative 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.

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, 2017 and 2016.

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.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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. The NAV as provided by the trustee is a readily determinable fair value.

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

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, 2017, the Cooperative has a net operating loss carryover to offset future taxable income of approximately \$14,000. The loss carryovers expire in varying amounts beginning in 2026. For the years ended June 30, 2017 and 2016, the Cooperative had state taxes due of \$1,022 and \$2,610, respectively, and a minimum fee payable to the state of Minnesota of \$580 and \$580, 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.

COMMONWEALTH TERRACE COOPERATIVE, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

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 \$1,000 and \$999 for the years ended June 30, 2017 and 2016, 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 \$29,199 and \$28,980 to this plan for the year ended June 30, 2017 and 2016, respectively.

Reclassifications:

Certain reclassifications have been made to the 2016 financial statements to conform to the presentation in the 2017 financial statements.

Subsequent events:

In preparing these financial statements, the Cooperative has evaluated subsequent events and transactions for potential recognition or disclosure through December 13, 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, 2017 and 2016:

Investments at Fair Value as of

June 30, 2017	Level 1	Level 2	Level 3	Total
Money market funds	\$ 120,091	\$ -	\$ -	\$ 120,091
Stocks, options and ETFs	199,274	-	-	199,274
Unit investment trust	-	225,926	-	225,926
Mutual funds	534,498	-	-	534,498
<i>Total investments at fair value</i>	\$ 853,863	\$ 225,926	\$ -	\$ 1,079,789

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>	\$ 753,779	\$ 240,142	\$ -	\$ 993,921

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 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, prior to June 30, 2015. The reserves are as follows:

JUNE 30,	2017	2016
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,	2017	2016
Office equipment	\$ 91,839	\$ 91,839
Maintenance equipment	183,730	151,761
Community center equipment	44,522	44,522
Capital improvements	199,019	169,021
	519,110	457,143
Less: accumulated depreciation	(360,525)	(354,189)
<i>Equipment, net</i>	\$ 158,585	\$ 102,954

Depreciation expense related to fixed assets amounted to \$36,134 and \$30,227 for the years ended June 30, 2017 and 2016, 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, 2017 and 2016, and our report thereon dated December 13, 2017, which expressed an unmodified opinion on those financial statements appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 15 to 19 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
December 13, 2017

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF EXPENSES

YEARS ENDED JUNE 30,	2017	2016
GENERAL AND ADMINISTRATIVE		
Salaries	\$ 355,314	\$ 351,732
Temporary help	10,000	8,000
Payroll taxes	28,061	28,369
Pension benefits	16,203	16,152
Medical benefits	61,031	57,597
Staff support	2,489	2,027
Office supplies	13,778	9,807
Postage	1,177	999
Telephone	17,406	15,345
Professional and consulting services	35,161	31,640
Printing and copying	9,579	7,110
Advertising	1,000	999
Marketing	2,000	2,437
<i>Total general and administrative</i>	\$ 553,199	\$ 532,214
MAINTENANCE		
Salaries	\$ 259,709	\$ 256,686
Payroll taxes	20,574	18,733
Pension benefits	12,994	12,828
Medical benefits	53,366	53,416
Pest control	8,503	8,233
Contract services	157,182	216,999
Contract cleaning	78,075	84,564
Uniforms cleaning	2,469	2,423
Maintenance supplies	83,138	107,582
Recycling and rubbish removal	50,092	49,842
Snow removal	53,723	49,413
Painting contract	147,949	106,016
General maintenance	32,050	28,016
Vehicle expense	6,059	3,986
Grounds maintenance	122,353	113,003
<i>Total maintenance</i>	\$ 1,088,236	\$ 1,111,740

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF EXPENSES

YEARS ENDED JUNE 30,	2017	2016
<i>(Continued)</i>		
UTILITIES		
Water and sewer	\$ 180,986	\$ 169,786
Gas	140,553	136,392
Electricity	184,312	189,011
<i>Total utilities</i>	\$ 505,851	\$ 495,189
OTHER EXPENSES		
Insurance	\$ 183,757	\$ 175,366
Ward Funds	6,220	2,757
Interest on security deposits	3,647	3,768
Community education and involvement	14,992	10,002
Printing	368	1,114
Community Center	2,572	2,297
Employee development	2,846	3,200
Board support	3,819	3,346
Miscellaneous	41,074	42,259
Depreciation	36,134	30,227
Cable television	119,944	133,631
<i>Total other expenses</i>	\$ 415,373	\$ 407,967

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULES OF CASH AND ACCRUED EXPENSES

JUNE 30,	2017	2016
CASH		
Sunrise checking	\$ 439,505	\$ 385,180
Sunrise savings	105,892	105,853
Western checking	19,592	19,788
Western savings	230,681	230,355
<i>Total cash</i>	\$ 795,670	\$ 741,176
OTHER RECEIVABLES		
Due from vendor	\$ 2,312	\$ 15,211
<i>Total miscellaneous receivables</i>	\$ 2,312	\$ 15,211
ACCRUED EXPENSES		
Accrued fees	\$ 22,588	\$ 27,351
Health flex payable	987	(992)
<i>Total accrued expenses</i>	\$ 23,575	\$ 26,359

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULE OF EQUIPMENT AND DEPRECIATION

	ASSETS			
	BALANCE			BALANCE
	06/30/16	Additions	Disposals	06/30/2017
Office equipment	\$ 91,839	\$ -	\$ -	\$ 91,839
Maintenance equipment	151,761	61,767	29,798	183,730
Community center equipment	44,522	-	-	44,522
Capital improvements	169,021	29,998	-	199,019
	\$ 457,143	\$ 91,765	\$ 29,798	\$ 519,110

	ACCUMULATED DEPRECIATION			
	BALANCE			BALANCE
	06/30/16	Additions	Disposals	06/30/2017
Office equipment	\$ 87,461	\$ 1,880	\$ -	\$ 89,341
Maintenance equipment	107,658	22,771	29,798	100,631
Community center equipment	42,244	1,922	-	44,166
Capital improvements	116,826	9,561	-	126,387
	\$ 354,189	\$ 36,134	\$ 29,798	\$ 360,525

Net book value: \$ 158,585

COMMONWEALTH TERRACE COOPERATIVE, INC.

SCHEDULE OF IMPROVEMENT RESERVES

	BALANCE					BALANCE
	06/30/2016	Additions	Disbursements	Transfers		06/30/2017
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
