

RIDGEWOOD ASSOCIATES, INC.

**INTERIM FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

RIDGEWOOD ASSOCIATES, INC.
TABLE OF CONTENTS
February 29, 2016 and February 28, 2015

	<u>Page(s)</u>
Independent Auditors' Review Report	1-2
Financial Statements	
Balance Sheets	3
Statements of Income	4
Statements of Cash Flows	5
Statements of Stockholders' Equity	6
Notes to Financial Statements	7-12
Supplementary Information	
Schedule of Funds	13
Schedules of Income	14
Schedules of Expenses	15-16

Independent Auditors' Review Report

Board of Directors,
Ridgewood Associates, Inc.

We have reviewed the accompanying interim financial statements of Ridgewood Associates, Inc. (a New York Corporation) which comprise the Balance Sheets as of February 29, 2016 and February 28, 2015, and the related Statements of Income, Cash Flows and Stockholders' Equity for the six months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the interim 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.

Auditors' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

The supplementary information included in the accompanying Schedules of Funds, Income and Expenses is presented only for purpose of additional analysis and is not a required part of the financial statements. The information is the representation of management. We have not audited or reviewed such information and, accordingly, we do not express an opinion, a conclusion, or provide any assurance on it.

Respectfully Submitted,

Bildner & Giannascio

BILDNER & GIANNASCO
Certified Public Accountants

Jericho, New York
April 29, 2016

RIDGEWOOD ASSOCIATES, INC.**BALANCE SHEETS****February 29, 2016 and February 28, 2015**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 311,226	\$ 446,332
Tenants' Accounts Receivable	145,900	97,904
Other Accounts Receivable	2,700	2,700
Prepaid Expenses	176,129	133,166
Construction Deposits	-	17,149
<u>TOTAL CURRENT ASSETS</u>	<u>635,955</u>	<u>697,251</u>
<u>RESERVE FUNDS</u>	<u>1,065,987</u>	<u>1,371,777</u>
<u>NET PROPERTY AND EQUIPMENT</u>	<u>2,420,766</u>	<u>1,899,978</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,122,708</u>	<u>\$ 3,969,006</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>2016</u>	<u>2015</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 95,887	\$ 158,121
Accrued Operating Expenses	114,481	98,110
Due To Shareholders	304,281	246,935
Prepaid Income	57,057	33,034
Applicant Deposits - Move In/ Out	3,600	5,600
<u>TOTAL CURRENT LIABILITIES</u>	<u>575,306</u>	<u>541,800</u>
<u>LEASE SECURITY DEPOSIT</u>	<u>4,000</u>	<u>4,000</u>
<u>TOTAL LIABILITIES</u>	<u>579,306</u>	<u>545,800</u>
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock, - 15,000 Shares Authorized, 12,572.8 Shares Issued - \$100 Par Value	1,257,280	1,257,280
Additional Paid-In Capital	2,435,050	2,435,050
Appropriated Retained Earnings	1,065,987	1,371,777
Retained Earnings (Deficit)	(1,202,901)	(1,628,887)
Treasury Stock	(12,014)	(12,014)
<u>TOTAL STOCKHOLDERS' EQUITY</u>	<u>3,543,402</u>	<u>3,423,206</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 4,122,708</u>	<u>\$ 3,969,006</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIDGEWOOD ASSOCIATES, INC.**STATEMENTS OF INCOME****For the Six Months Ended February 29, 2016 and February 28, 2015**

	<u>2016</u>	<u>2015</u>
<u>OPERATING REVENUE</u>	\$ 1,670,666	\$ 1,562,640
<u>OPERATING EXPENSES</u>	<u>1,661,507</u>	<u>1,718,025</u>
<u>OPERATING INCOME (LOSS)</u>	<u>9,159</u>	<u>(155,385)</u>
<u>OTHER INCOME</u>		
Financial Income	<u>61,295</u>	<u>114,872</u>
<u>TOTAL OTHER INCOME</u>	<u>61,295</u>	<u>114,872</u>
<u>NET INCOME (LOSS) BEFORE DEPRECIATION</u>	70,454	(40,513)
<u>DEPRECIATION</u>	<u>57,736</u>	<u>55,149</u>
<u>NET INCOME (LOSS) FOR PERIOD</u>	<u>\$ 12,718</u>	<u>\$ (95,662)</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIDGEWOOD ASSOCIATES, INC.**STATEMENTS OF CASH FLOWS**

For the Six Months Ended February 29, 2016 and February 28, 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss) for Period	\$ 12,718	\$ (95,662)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	57,736	55,149
<u>Changes in Assets and Liabilities:</u>		
<u>(Increase) Decrease In:</u>		
Tenants' Accounts Receivable	(41,085)	10,911
Other Accounts Receivable	282,393	-
Assessment Receivable	2,700	288,030
Prepaid Expenses	(27,220)	8,749
<u>Increase (Decrease) In:</u>		
Accounts Payable	19,949	83,102
Deposits	-	(17,149)
Accrued Operating Expenses	(24,965)	(11,745)
Applicant Deposits - Move In/ Out	(2,000)	-
Due to Shareholders	(159,374)	(189,432)
Prepaid Income	(8,007)	16,184
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>112,845</u>	<u>148,137</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(218,675)	-
Decrease (Increase) in Reserve Funds	176,748	(92,541)
<u>NET CASH (USED) BY INVESTING ACTIVITIES</u>	<u>(41,927)</u>	<u>(92,541)</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>70,918</u>	<u>55,596</u>
<u>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</u>	<u>240,308</u>	<u>390,736</u>
<u>CASH AND CASH EQUIVALENTS, END OF PERIOD</u>	<u>\$ 311,226</u>	<u>\$ 446,332</u>
Supplemental Disclosure of Cash Flow Information:		
Income Taxes Paid	<u>\$ 15,100</u>	<u>\$ 3,693</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIDGEWOOD ASSOCIATES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY

For the Six Months Ended February 29, 2016 and February 28, 2015

	<u>COMMON</u> <u>STOCK</u>	<u>PAID-IN</u> <u>CAPITAL</u>	<u>APPROPRIATED</u> <u>RETAINED</u> <u>EARNINGS</u>	<u>RETAINED</u> <u>EARNINGS</u> <u>(DEFICIT)</u>	<u>TREASURY</u> <u>STOCK</u>	<u>TOTAL</u> <u>STOCKHOLDERS'</u> <u>EQUITY</u>
<u>BALANCE AT SEPTEMBER 1, 2015</u>	\$ 1,257,280	\$ 2,435,050	\$ 1,242,735	\$ (1,392,367)	\$ (12,014)	\$ 3,530,684
<u>NET INCOME FOR PERIOD</u>	-	-	-	12,718	-	12,718
<u>APPROPRIATION OF RETAINED EARNINGS</u>	-	-	61,295	(61,295)	-	-
<u>APPROPRIATION OF RETAINED EARNINGS RESTORED</u>	-	-	(238,043)	238,043	-	-
<u>BALANCE AT FEBRUARY 29, 2016</u>	<u>\$ 1,257,280</u>	<u>\$ 2,435,050</u>	<u>\$ 1,065,987</u>	<u>\$ (1,202,901)</u>	<u>\$ (12,014)</u>	<u>\$ 3,543,402</u>
<u>BALANCE AT SEPTEMBER 1, 2014</u>	\$ 1,257,280	\$ 2,435,050	\$ 1,279,236	\$ (1,440,684)	\$ (12,014)	\$ 3,518,868
<u>NET (LOSS) FOR PERIOD</u>	-	-	-	(95,662)	-	(95,662)
<u>APPROPRIATION OF RETAINED EARNINGS</u>	-	-	114,593	(114,593)	-	-
<u>APPROPRIATION OF RETAINED EARNINGS RESTORED</u>	-	-	(22,052)	22,052	-	-
<u>BALANCE AT FEBRUARY 28, 2015</u>	<u>\$ 1,257,280</u>	<u>\$ 2,435,050</u>	<u>\$ 1,371,777</u>	<u>\$ (1,628,887)</u>	<u>\$ (12,014)</u>	<u>\$ 3,423,206</u>

The accompanying notes to the financial statements are an integral part of this statement.

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

1- COMPANY BACKGROUND

The Housing Company is a Private Cooperative consisting of 372 units located in Maspeth, New York.

As of October 30, 2000, pursuant to shareholder approval and consent of the Attorney General's office, the Corporation ceased being a Limited Dividend Housing Company. As a result, the Corporation is no longer supervised by the New York State Division of Housing and Community Renewal.

Included in the agreement to become a Private Corporation, doing business under the Business Corporation Law, the Corporation was obligated to have a Capital Improvement (Replacement) Reserve in the amount of \$255,000.

Additionally, the Corporation is required to fund its Capital Improvement Reserve as follows:

- 10% of Apartment Sales Proceeds for the first year.
- 8% of Apartment Sales Proceeds for the second year.
- 7% of Apartment Sales Proceeds for the third and fourth years.
- 6% of Apartment Sales Proceeds for the fifth year.
- 3% thereafter.

The source of this reserve contribution is from a portion of transfer fees charged against vacating shareholders in the amount of \$350 per share.

Additionally, the Corporation is required to make an additional reserve fund contribution in an amount equal to three times the monthly maintenance charges. The source of this reserve contribution is being funded by a one-time levy against incoming shareholders.

2- BASIS OF PRESENTATION

The accompanying unaudited financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. Operating results for the six months ended February 29, 2016 are not necessarily indicative of the results that may be expected for the year ending August 31, 2016. These unaudited financial statements should be read in conjunction with the audited financial statements and footnotes.

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The more significant management estimates are the useful lives for property and equipment, accrued expenses, and various contingencies. Actual results could differ from those estimates. Changes in facts and circumstances may result in revised estimates, which are recorded in the period in which they become known.

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents include all highly liquid debt instruments with an original maturity of three months or less. Cash equivalents consist primarily of money market accounts.

Property and Equipment

Property and Equipment are stated at cost. Major renewals and betterments are capitalized; normal maintenance and repairs are charged to operations.

Depreciation is provided by charges to operations over the estimated useful lives of the property and equipment using the straight-line method. The estimated useful lives are as follows:

Building	27 ½ -50 Years
Building Equipment-Fixed	10-30 Years
Building Equipment-Portable	10 Years
Office Furniture and Equipment	5-10 Years
Maintenance Equipment	10 Years
Playground	10 Years
Miscellaneous Fixed Assets	27 ½ Years

Impairment of Long-Lived Assets

The Corporation reviews long-lived assets for impairment at the facility level annually or if events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the assets compared to their carrying value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value, based on discounted estimated future cash flows.

Fair Value of Financial Instruments

The Corporation has estimated the fair value of financial instruments using available market information and other valuation methodologies in accordance with FASB ASC 820-10 (formerly SFAS No. 157), "Disclosures about Fair Value of Financial Instruments." Management of the Corporation believes that the fair value of financial instruments, consisting of cash, accounts receivable, accounts payable, and accrued liabilities, approximates carrying value due to the immediate or short-term maturity associated with these instruments.

Recognition of Revenue and Expenses

Revenue and related costs are recognized in the period in which the revenue is earned or the cost incurred.

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

4- CASH AND CASH EQUIVALENTS

Included in Cash and Cash Equivalents at February 29, 2016 is \$148,774 representing cash restricted for the payment of annual special multi-peril insurance, real estate taxes, and water and sewer charges. As of February 29, 2016, the Corporation is currently escrowing on a monthly basis the following amounts:

	<u>MONTHLY AMOUNT</u>	<u>BALANCE AT 02/29/2016</u>
Insurance	\$ -	\$ 109,237
Real Estate Taxes	48,445	47,870
Water and Sewer	<u>22,750</u>	<u>(8,333)</u>
	<u>\$ 71,195</u>	<u>\$ 148,774</u>

The Company has interest bearing deposits in various commercial banks which, at times, may exceed federally insured limits. These institutions are insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation to a maximum balance of \$250,000 and \$500,000, respectively. The company has not experienced any losses in such accounts.

5- TENANTS' ACCOUNTS RECEIVABLE

Financial instruments involving potential credit risk include accounts receivable. Of the accounts receivable balance outstanding as of February 29, 2016 and February 28, 2015, 100% is owed from the cooperative shareholders.

As a result of the agreement to become a Private Corporation, the Corporation has obligated itself to maintain an internal "SCRIE" program. Under this program, shareholders who are at least 62 years of age and who meet certain income requirements will forego paying any additional maintenance charges as a result of a maintenance increase that may be implemented. After "Going Private" this subsidy was satisfied upon the transfer of shareholders' equity.

6- PROPERTY AND EQUIPMENT

As of February 29, 2016 and February 28, 2015, the Company had the following property and equipment:

	<u>2016</u>	<u>2015</u>
Land	\$ 162,251	\$ 162,251
Building & Improvements	4,065,839	4,065,839
Building Equipment – Fixed	3,598,385	2,999,735
Building Equipment – Portable	125,598	125,598
Furniture and Fixtures	63,308	63,308
Maintenance Equipment	47,153	47,153
Playground	62,431	28,134
Miscellaneous Fixed Assets	<u>401,179</u>	<u>401,179</u>

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

6- PROPERTY AND EQUIPMENT - (Continued)

Total Property and Equipment	8,526,144	7,893,197
Less: Accumulated Depreciation	<u>6,105,378</u>	<u>5,993,219</u>
<u>Net Property and Equipment</u>	<u>\$ 2,420,766</u>	<u>\$ 1,899,978</u>

7- DUE TO SHAREHOLDERS

As the Corporation pays its real estate taxes for the 2015/2016 year, it will avail itself of the credits on a quarterly basis. As of February 29, 2016, the Corporation has claimed approximately \$304,000 in credits. These credits are reflected as a liability due to the shareholders. It is the Corporations intent to pass these credits through to the Shareholders as was done in the past.

8- MAINTENANCE AND ANNUAL ASSESSMENT

As per the Board's decision, a maintenance increase of 8% was implemented effective September 1, 2015. As per the Board's decision, the Company imposes an annual administrative assessment roughly equivalent to the STAR and Co-op Abatement. The purpose of this real estate tax assessment is to raise additional operating funds.

9- EMPLOYEE BENEFIT PLANS

The Company contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. The risks of participating in a multiemployer plan differ from those of a single-employer plan in the following respects: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (c) if the Company chooses to stop participating in the multiemployer plan, it may be required to pay the plan an amount based on the unfunded status of the plan, which is referred to as the withdrawal liability.

For the periods ending February 29, 2016 and February 28, 2015, the Company's participation in the multiemployer plan is outlined below:

Legal Name: Building Service 32BJ Pension Fund ("Plan")
Employer Identification Number: 13-1879376
Plan Number: 001
Collective Bargaining Agreement Expiration Date: April 20, 2018
Pension Protection Act Zone Status:
 Year Ended June 30, 2016 - Red (less than 65% funded)
 Year Ended June 30, 2015 - Red (less than 65% funded)

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

9- EMPLOYEE BENEFIT PLANS - (Continued)

Funding Improvement Plan/Rehabilitation Plan Status: Implemented

Surcharges Paid to Plan: None

Minimum Required Pension Contributions (per week/per employee):

Year Ended December 31, 2012 \$86.75

Year Ended December 31, 2013 \$90.75

Year Ended December 31, 2014 \$94.75

Year Ended December 31, 2015 \$98.75

The information provided above is from the Plan's most current annual report for the year ended June 30, 2015. The Pension Protection Act Zone Status is the most recent zone status available, was provided to the Company by the Plan, and is certified by the Plan's actuary. The Company's contributions to the Plan are less than 5% of all employers' contributions to the Plan, and there have been no significant changes that would affect the comparability of the contributions for the periods ending February 29, 2016 and February 28, 2015. In addition, under the Collective Bargaining Agreement ("Agreement"), certain retired employees are eligible for health benefits as defined in the Agreement.

10- COMMITMENTS AND CONTINGENCIES

The Corporation has an agreement with Metro Management Development, Inc. for the management of The Corporation at the rate of \$3,300 per month. The agreement provides for the management agent to administer under the direction of the Board of Directors (a) collecting all rents and other charges, (b) entering into building contracts, (c) purchasing of supplies, (d) keeping the books and records of the Corporation and (e) procuring insurance, etc.

11- INCOME TAXES

The Company files its income tax returns in the U.S. Federal Jurisdiction. The Corporation has available, for income tax purposes, net operating loss carryforwards in the approximate amount of \$2,377,000 that may be offset against future taxable income. If not used, the carryforwards will expire at various dates through August 31, 2035. Since the Company is a Private Cooperative it is subject to all New York State and New York City Taxes in addition to Federal Corporation Taxes. Due to the net operating loss, New York State and City taxes are calculated on the capital tax basis. The Company is no longer subject to U.S. Federal, State and Local tax examination by tax authorities for years before 2012.

12- MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a study to determine the remaining useful lives of the components of the property and current estimates of the costs of the major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation has the right to increase maintenance, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

RIDGEWOOD ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
February 29, 2016 and February 28, 2015

13- SUBSEQUENT EVENTS

We have evaluated subsequent events through April 29, 2016, which is the date that the financial statements were available to be issued. There were no material subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

RIDGEWOOD ASSOCIATES, INC.

SCHEDULE OF FUNDS

February 29, 2016

RESERVE BALANCES -

AUGUST 31, 2015

\$ 1,242,735

ADDITIONS

Interest

665

Buyer's Levy

8,786

Seller's Levy

51,844

CHARGES AGAINST RESERVES

Additional Contributions

(237,704)

Administrative Charges

(339)

RESERVE BALANCES -

FEBRUARY 29, 2016

\$ 1,065,987

Cash in Chase Manhattan Bank, Money Market

\$ 842,976

Cash in Maspeth Savings

82,713

Chase - Capital Asset Reserve

140,298

TOTAL CASH

1,065,987

Accounts Receivable From Operations

-

TOTAL FUNDS

\$ 1,065,987

See Independent Auditor's Review Report.

RIDGEWOOD ASSOCIATES, INC.**SCHEDULES OF INCOME**

For the Six Months Ended February 29, 2016 and February 28, 2015

	<u>2016</u>	<u>2015</u>
<u>RENT INCOME</u>		
Apartments	\$ 1,515,337	\$ 1,402,180
Parking Lot Rental	15,815	13,174
Garages	37,862	37,295
<u>TOTAL RENT INCOME</u>	<u>\$ 1,569,014</u>	<u>\$ 1,452,649</u>
Laundry Commissions	\$ 12,394	\$ 16,200
Miscellaneous Tenant Charges	6,868	11,521
Air Conditioner	79,300	79,100
Dishwasher and Freezer	3,090	3,170
<u>TOTAL SERVICE INCOME</u>	<u>\$ 101,652</u>	<u>\$ 109,991</u>
<u>FINANCIAL INCOME</u>		
Interest Income	\$ 665	\$ 855
Transfer Fee Seller's Levy	51,844	98,362
Transfer Fee Buyer's Levy	8,786	15,655
<u>TOTAL FINANCIAL INCOME</u>	<u>\$ 61,295</u>	<u>\$ 114,872</u>
<u>OPERATING REVENUE</u>		
Rent Income	\$ 1,569,014	\$ 1,452,649
Service Income	101,652	109,991
<u>TOTAL OPERATING REVENUE</u>	<u>\$ 1,670,666</u>	<u>\$ 1,562,640</u>

See Independent Auditor's Review Report.

RIDGEWOOD ASSOCIATES, INC.**SCHEDULES OF EXPENSES**

For the Six Months Ended February 29, 2016 and February 28, 2015

	<u>2016</u>	<u>2015</u>
<u>ADMINISTRATIVE EXPENSES</u>		
Managing Agent's Fees	\$ 19,200	\$ 18,100
Office Salary	22,262	20,155
Professional Fees	17,102	18,471
Telephone	7,033	6,909
Miscellaneous Administrative Expenses	10,010	9,657
<u>TOTAL ADMINISTRATIVE EXPENSES</u>	<u>\$ 75,607</u>	<u>\$ 73,292</u>
 <u>OTHER OPERATING EXPENSE</u>		
Operating Payroll	\$ 161,545	\$ 160,726
Fuel	147,291	235,959
Electricity	176,930	205,842
Water and Sewer	136,591	124,476
Cooking Gas	6,391	5,417
Exterminating	7,992	6,649
Miscellaneous Operating Expenses	11,266	10,018
<u>TOTAL OTHER OPERATING EXPENSES</u>	<u>\$ 648,006</u>	<u>\$ 749,087</u>
 <u>MAINTENANCE EXPENSES</u>		
Maintenance Payroll	\$ 56,341	\$ 54,778
Grounds Supplies	4,907	5,108
Repairs Material and Supplies	25,929	30,043
Repairs Contract	127,111	145,785
Elevator Maintenance	24,164	32,685
<u>TOTAL MAINTENANCE EXPENSES</u>	<u>\$ 238,452</u>	<u>\$ 268,399</u>

See Independent Auditor's Review Report.

RIDGEWOOD ASSOCIATES, INC.
SCHEDULES OF EXPENSES - Continued
For the Six Months Ended February 29, 2016 and February 28, 2015

	<u>2016</u>	<u>2015</u>
<u>TAXES AND INSURANCE</u>		
Employees' Welfare, Pension, and Annuity Funds	\$ 90,809	\$ 84,219
Payroll Taxes	20,822	22,774
Real Estate Tax	470,668	444,847
Hazard Insurance	98,515	71,714
NYS and NYC Corporation Tax	18,628	3,693
	<u>699,442</u>	<u>627,247</u>
<u>TOTAL TAXES AND INSURANCE</u>	<u>\$ 699,442</u>	<u>\$ 627,247</u>
 <u>DEPRECIATION</u>		
Building	\$ 10,392	\$ 10,392
Building Equipment-Fixed	34,825	31,512
Building Equipment-Portable	363	642
Office Furniture and Equipment	588	621
Maintenance Equipment	273	417
Miscellaneous Fixed Assets	11,295	11,565
	<u>57,736</u>	<u>55,149</u>
<u>TOTAL DEPRECIATION</u>	<u>\$ 57,736</u>	<u>\$ 55,149</u>
 <u>OPERATING EXPENSES</u>		
Administrative Expenses	\$ 75,607	\$ 73,292
Other Operating Expenses	648,006	749,087
Maintenance Expenses	238,452	268,399
Taxes and Insurance	699,442	627,247
	<u>1,661,507</u>	<u>1,718,025</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 1,661,507</u>	<u>\$ 1,718,025</u>

See Independent Auditor's Review Report.