GLEN OAKS VILLAGE OWNERS, INC.

FINANCIAL STATEMENTS
For The Years Ended December 31, 2016 and 2015

GLEN OAKS VILLAGE OWNERS, INC.

CONTENTS

Landau Arnold Laufer LLP
Certified Public Accountants and Business Advisors

March 28, 2017

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Glen Oaks Village Owners, Inc.
Glen Oaks, New York 11004

Report on the Financial Statements
We have audited the accompanying financial statements of Glen Oaks Village Owners, Inc., which comprise the balance sheets as of December 31, 2016 and 2015 and the related statements of operations and comprehensive income, changes in shareholders' 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 of 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.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Glen Oaks Village Owners, Inc., as of December 31, 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 the supplementary information on future major repairs & 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.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of income and schedules of expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Glen Oaks Village Owners, Inc.'s 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 audit 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.

Very truly yours,

Landau Arnold Laufer

Landau Arnold Laufer LLP

GLEN OAKS VILLAGE OWNERS, INC.
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Current Assets		
Cash & Cash Equivalents	$ 2,605,852	$ 2,111,435
Cash in Name of Agent - Tenant Security	239,339	236,547
Investments - Reserve Fund	12,323,509	11,212,722
Tenant - Shareholders Receivable - Net	135,573	133,479
Notes Receivable - Short-Term	6,904	24,843
Rent Receivables	34,122	60,800
Prepaid Expenses	1,793,288	1,838,993
Fuel & Supply Inventories	729,923	668,581
Sundry Receivables	39,030	51,758
Total Current Assets	17,907,540	16,339,158
Property & Equipment		
Land	17,754,014	17,754,014
Buildings	87,202,136	87,202,136
Building Improvements	47,001,045	45,678,134
Furniture, Fixtures & Equipment	960,009	943,810
Transportation Equipment	1,518,316	1,425,236
	154,435,520	153,003,330
Less: Accumulated Depreciation	(114,452,262)	(111,586,710)
Total Property & Equipment	39,983,258	41,416,620
Other Assets		
Deferred Mortgage Cost - Net	62,641	69,869
Notes Receivable - Homestead Program - Long-Term	179,000	179,000
Notes Receivable - Long-Term	1,187,626	1,743,179
Total Other Assets	1,429,267	1,992,048
Total Assets	$ 59,320,065	$ 59,747,826

GLEN OAKS VILLAGE OWNERS, INC.
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
Liabilities & Shareholders' Equity		
Liabilities		
Current Liabilities		
Accounts Payable & Accrued Expenses	$ 1,488,193	$ 1,623,446
Mortgage Interest Payable	116,779	126,271
Mortgage Payable - Current Portion	1,996,922	1,877,853
Deferred Revenue	315,743	250,886
Security Deposits Payable	268,920	266,143
Total Current Liabilities	4,186,557	4,144,599
Long-Term Liabilities		
Mortgage Payable Long-Term	21,105,953	23,102,876
Total Long-Term Liabilities	21,105,953	23,102,876
Total Liabilities	25,292,510	27,247,475
Shareholders' Equity		
Capital Stock - $1 Par Value Per Share Authorized - 400,000		
Shares Issued & Outstanding At 12/31/16 & 12/31/15 - 387,600	387,479	387,479
Capital in Excess of Par Value	105,448,450	102,990,345
Treasury Stock	(2,711,670)	(2,234,563)
Accumulated Deficit	(70,588,757)	(69,737,617)
Accumulated Other Comprehensive Income:		
Net Unrealized Gain on Investments	1,492,053	1,094,707
Total Shareholders' Equity	34,027,555	32,500,351
Total Liabilities & Shareholders' Equity	$ 59,320,065	$ 59,747,826

See accompanying notes to the financial statements.

GLEN OAKS VILLAGE OWNERS, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Total Income (Schedule A)	$ 25,519,576	$ 25,784,042
Total Expenses (Schedule B)	(23,448,782)	(24,073,763)
Operating Income Before Depreciation & Amortization	2,070,794	1,710,279
Depreciation	(2,865,552)	(4,548,375)
Amortization	(7,228)	(7,228)
Net (Loss) Before Provision for Taxes	(801,986)	(2,845,324)
Provision for Taxes	(49,154)	(67,526)
Net (Loss)	(851,140)	(2,912,850)
Other Comprehensive Income		
Net Unrealized Gain (Loss) on Investments	397,346	(480,761)
Total Other Comprehensive Income (Loss)	397,346	(480,761)
Total Comprehensive (Loss)	$ (453,794)	$ (3,393,611)

See accompanying notes to the financial statements.

GLEN OAKS VILLAGE OWNERS, INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Total	Capital Stock	Capital in Excess	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income
2015						
Beginning Balance	$ 32,010,399	$ 387,479	$ 98,925,347	$ (2,053,128)	$(66,824,767)	$ 1,575,468
Transactions with Owners						
Purchased Units	(181,435)	-	-	(181,435)	-	-
Excess Proceeds	4,064,998	-	4,064,998	-	-	-
Total Transactions with Owners	3,883,563	-	4,064,998	(181,435)	-	-
Comprehensive (Loss)						
Net (Loss)	(2,912,850)	-	-	-	(2,912,850)	-
Other Comprehensive (Loss)	(480,761)	-	-	-		(480,761)
Total Comprehensive (Loss)	(3,393,611)	-	-	-	(2,912,850)	(480,761)
Ending Balance	$ 32,500,351	$ 387,479	$102,990,345	$ (2,234,563)	$(69,737,617)	$ 1,094,707
2016						
Beginning Balance	$ 32,500,351	$ 387,479	$102,990,345	$ (2,234,563)	$(69,737,617)	$ 1,094,707
Transactions with Owners						
Purchased Units	(477,107)	-	-	(477,107)	-	-
Excess Proceeds	2,458,105	-	2,458,105	-	-	-
Total Transactions with Owners	1,980,998	-	2,458,105	(477,107)	-	-
Comprehensive (Loss) Income						
Net (Loss)	(851,140)	-	-	-	(851,140)	-
Other Comprehensive Income	397,346	-	-	-	-	397,346
Total Comprehensive (Loss) Income	(453,794)	-	-	-	(851,140)	397,346
Ending Balance	$ 34,027,555	$ 387,479	$105,448,450	$ (2,711,670)	$(70,588,757)	$ 1,492,053

See accompanying notes to the financial statements.

GLEN OAKS VILLAGE OWNERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities		
Net (Loss)	$ (851,140)	$ (2,912,850)
Adjustments to Reconcile Changes in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation	2,865,552	4,548,375
Amortization	7,228	7,228
(Increase) Decrease in Operating Assets:		
Cash in Name of Agent - Tenant Security	(2,792)	10,185
Tenant - Shareholders Receivable - Net	(2,094)	32,332
Rent Receivable	26,678	(4,162)
Prepaid Expenses	45,705	(70,583)
Fuel & Supply Inventories	(61,342)	89,901
Sundry Recevivable	12,728	(23,708)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable & Accrued Liabilities	(135,253)	(77,375)
Mortgage Interest Payable	(9,492)	(8,965)
Deferred Revenue	64,857	(62,793)
Security Deposits Payable	2,777	(10,440)
Net Cash Provided By Operating Activities	1,963,412	1,517,145
Cash Flows From Investing Activities		
Purchase of Plant & Equipment	(1,432,190)	(1,531,489)
Purchase of Investments	(713,441)	(1,545,337)
Net Cash (Used In) Investing Activities	(2,145,631)	(3,076,826)
Cash Flows From Financing Activities		
Repayment of Long-Term Debt	(1,877,854)	(1,773,579)
Proceeds from Sale of Treasury Stock	2,458,105	4,064,998
Purchase of Treasury Stock	(477,107)	(181,435)
Receipts from Notes Receivable - Homestead Program	-	5,000
Receipts from Notes Receivable - Long-Term	573,492	252,937
Net Cash Provided By Financing Activities	676,636	2,367,921
Net Increase In Cash & Cash Equivalents	494,417	808,240
Cash & Cash Equivalents - Beginning of Year	2,111,435	1,303,195
Cash & Cash Equivalents - End of Year	$ 2,605,852	$ 2,111,435
Supplemental Disclosures of Cash Flow Information		
Cash Paid For Interest	$ 1,547,327	$ 1,661,620
Cash Paid For Income Taxes	49,154	67,526

See accompanying notes to the financial statements.

1. Nature of Organization

SB Investors, Ltd., a Florida limited partnership, as Sponsor, and Glen Oaks Village Owners, Inc., a New York corporation, (the "Company") entered into a Contract of Sale (the "Contract"), dated February 25, 1980, to sell, transfer and convey fee and leasehold title to the land and buildings known as Glen Oaks Village, located in the Glen Oaks area of Queens County in the City and State of New York (the "Property").

Pursuant to the terms, covenants and conditions of the Contract and that certain Offering Plan (the "Plan") to convert the Property to Cooperative Ownership, dated October 24, 1980, as amended, the Company acquired (i) fee title to 134 separate buildings, (ii) all of Sponsor's right, title and interest in the leasehold estate (the "Ground Lease") covering the buildings and the entire parcel of land on which the buildings are located, and (iii) fee title to the land.

The Property was conveyed to the Company on April 14, 1981. The facility contains 2,904 residential apartment units on approximately 110 acres of land.

2. Summary of Significant Accounting Policies

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Cash & Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents consist of short-term, highly liquid investments available for current use with an initial maturity of three months or less.

Investment – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses on investments are reported in the statement of operations and comprehensive income.

Maintenance Assessments – Tenant-shareholders are subject to monthly assessments to provide funds for the Company's operating expenses, future capital acquisitions, and major repairs and replacements. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. Tenant-shareholder receivables are stated net of an allowance for uncollectible accounts. The allowance is determined by management review of receivables. An allowance of $30,000 has been determined necessary for uncollectible accounts as of December 31, 2016 and 2015. Any excess assessments at year end are retained by the Company for use in the succeeding year.

Note Receivables – Notes are stated at unpaid principal balance and are recognized on the date that they are originated. Interest is recognized over the term of the note and is calculated using the simple-interest method. Management considers a note impaired when based on current information or factors (such as payment history), it is probable that the principal and interest payments will not be collected according to the loan agreement. Management does not consider any loan to be impaired and all notes are fully collectible at December 31, 2016 and 2015.

Inventory – Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

Property & Equipment – Property and equipment are capitalized at cost. Major expenditures for property and those that substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided at rates based on the following useful lives:

Class	Life in Years
Buildings	35
Building Improvements	15 – 35
Equipment	5
Transportation Equipment	3

For financial reporting the Property and Equipment acquired from SB Investors, Ltd., are being carried at cost. Depreciation is recorded on the straight-line method using the useful lives as detailed above.

For tax purposes, the acquisition of the property is being reported as an exchange pursuant to Section 351 and all regulations thereunder of the Internal Revenue Code.

Income Taxes – The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto, may be subject to federal tax.

Income tax liability that may result from the above is not reflected in the attached financial statements. If the position of the Internal Revenue Service is sustained by the courts, such liability will be reflected in future financial statements. Provisions for state income taxes are appropriately reflected.

The Company's federal and state income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed. The Corporation's federal and state income tax returns for 2013, 2014 and 2015 remain open to examination.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Date of Management's Review – The Company has evaluated events and transactions for potential recognition or disclosure through March 28, 2017, the date the financial statements were available to be issued.

3. Purchase of Apartments

On or about February 9, 1994, the Company was assigned all of the rights in the unsold shares held by GOV Corp. GOV Corp. had previously acquired 64,063 shares allocated to various sponsor owned apartments as a result of a foreclosure of American Savings Bank's security interest in the shares and proprietary leases. GOV Corp.'s shares represented approximately 16.5% of the total shares of the Company and were allocated to 435 units of which 414 were occupied/rent regulated units and 21 were unoccupied units. On or about February 9, 1994, GOV Corp. assigned to the Company any and all of its rights with respect to these unsold shares, including any claims to any surplus upon the transfer or sale of the shares.

As of December 31, 2016, a total of 173 units were occupied/rent regulated units and 7 were unoccupied units.

The Company took title to the shares of Coronet Realty Company, effective February 10, 1993. Coronet Realty Company had defaulted by failing to pay maintenance and other charges in the sum of $61,312. The secured party with respect to these shares was Ensign Savings Bank under the Receivership of the Resolution Trust Corporation. The original stock and leases respecting such shares were returned to the Company by the Resolution Trust Corporation in 1993. The former Coronet shares represent approximately 4.8% of the total shares in the Company. These shares totaled 134 units of which 119 were occupied/rent regulated units and 15 were unoccupied units.

As of December 31, 2016, a total of 41 units were still occupied/rent regulated units and 1 was an unoccupied unit.

4. Concentration of Credit Risk

Regional Concentration – The Company's business activity is to operate as a cooperative housing corporation as described in Note 1, "Nature of Organization." As such, the Company's sole source of revenue is from its tenant-shareholders. Under the provisions of the Financial Accounting Standards Board, *Accounting Standards Codification 825-10-50-21*, the Company is exposed to a regional concentration of credit risk if a significant portion of their tenant-shareholders did not pay their monthly maintenance charges. If a tenant-shareholder defaults in their obligation to the Company, the Company has substantial rights. Among these rights, the Company may terminate the lease of the lessee; take possession of the apartment and at its option re-let so as to recover any deficiency for unpaid rent or other charges.

Banking Concentration – During the year ended December 31, 2016, the Company has maintained cash balances in excess of the federal depository insurance coverage ("FDIC") in its banking institutions. A potential risk of loss exists for amounts held in excess of FDIC insurable limits. The Company believes it mitigates its risks by investing in or through major financial institutions.

5. Investments in Marketable Securities (Investments-Reserve Fund)

The investments-reserve fund consist of investments in various mutual funds and money market accounts. Dividends and other distributions are reinvested.

Investments are as follows:

2016

	Market Value	Cost
The Vanguard Group – Mutual Funds	$ 252,377	$ 230,060
Fidelity Investments – Mutual Funds	10,793,905	9,324,169
Money Market Accounts	1,277,227	1,277,227
Total	$ 12,323,509	$ 10,831,456

2015

	Market Value	Cost
The Vanguard Group – Mutual Funds	$ 249,290	$ 226,478
Fidelity Investments – Mutual Funds	9,068,705	7,996,810
Money Market Accounts	1,894,727	1,894,727
Total	$ 11,212,722	$ 10,118,015

Investment Income consists of the following:

	2016	2015
Interest and Dividends	$ 334,451	$ 507,347

6. **Fair Value:**

FASB ASC 820, Fair Value Measurement, establishes a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted 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 FASB ASC 820 are summarized as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan can 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 asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Although the degree of judgment exercised by the Plan in determining fair value is greatest for investments categorized in Level 3, the inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with those investments.

The Company's investments in marketable securities at fair value as of December 31, 2016 and 2015 are classified as Level 1.

The Company has a number of note receivables, none of which are held for trading purposes. The Company estimates that the fair value of the note receivables at December 31, 2016 and 2015 do not differ materially from the aggregate carrying values of its note receivables recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the current rates offered by the Company for notes of the same remaining maturities as well as using market information. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The Company's note receivables at fair value as of December 31, 2016 and 2015 are classified as Level 2.

7. <u>Notes Receivable – Homestead Program – Long-Term</u>

The Company sold certain rent-regulated apartments, which it owned, to the occupants of these apartments. The Company received notes receivable from the buyer. These notes require no interest or principal payments during their life. The principal comes due upon sale or transfer of the apartment. The Company will allow one transfer to a family member during the term of the note. The Company also has notes receivables due to a Homestead Improvement Program. The balances of these notes were $179,000 and $179,000 as of December 31, 2016 and 2015, respectively.

8. <u>Mortgage Payable</u>

On August 1, 1995 the Company refinanced its mortgage and loan payable. The mortgage was in two pieces as follows:

Principal amount - $36,682,393 at an interest rate of 6% per annum, maturing on August 1, 2020.

Principal amount - $14,050,000 at an interest rate of 6.879% per annum, maturing on August 1, 2020.

These mortgages were refinanced on August 1, 2005. Proceeds of the new mortgage were used to satisfy both outstanding mortgage loans. The following are the pertinent items of the new loan:

Principal Amount:	$39,000,000
Monthly Payment:	$276,491
Interest Rate:	5.875%
Term:	20 years
Maturity Date:	September 1, 2025

Scheduled principal payments during the next five calendar years and thereafter are approximately as follows:

2017	$ 1,996,922
2018	2,119,065
2019	2,248,679
2020	2,383,433
2021	2,532,006
Thereafter	11,822,770
	23,102,875
Less: Current Portion	(1,996,922)
Total Long-Term	$ 21,105,953

Interest expense was $1,430,548 and $1,535,349 for the years ended December 31, 2016 and 2015, respectively.

9. Mortgage Refinancing Costs

Mortgage refinancing costs were incurred August 2005, in the amount of $144,556 including bank fees, title costs, legal fees, survey & search costs and mortgage tax. These costs will be amortized over the life of the mortgage beginning September 2005 for a period of twenty years. Amortization expense approximated $7,228 and $7,228 for the years ended December 31, 2016 and 2015.

Scheduled amortization for the next five calendar years and thereafter are approximately as follows:

2017	$ 7,228
2018	7,228
2019	7,228
2020	7,228
2021	7,228
Thereafter	26,501
Total Long-Term	$ 62,641

10. Treasury Stock

The Company on occasion has purchased apartments on the open market for its own administrative use as well as resale. Four such units were acquired and are being used as administrative office space for management and sales personnel.

11. Future Major Repairs & Replacements

The Company has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. The Company, however, directs its maintenance department to provide it with periodic reports of needed repairs and replacements. Repairs and replacements are then funded on an annual basis in a comprehensive on-going building repair program. When funds are needed, the Company may borrow, utilize funds from the reserve account, increase maintenance, levy a special assessment, delay the repairs or replacement until funds become available or any combination of these.

12. Employee Benefit Plan

The Company sponsors a 401(k) defined contribution plan (the "Plan") for the benefit of all eligible employees. The Company contributes 3% of employees' compensation to the Plan. For the year ended December 31, 2016 and 2015 the total expense was $38,292 and $42,452, respectively.

The Company also contributes approximately $252,000 a year to the Building Service 32BJ Pension Fund for eligible bargaining unit employees.

13. Special Assessment

For the year ended December 31, 2016, the Company collected special assessments in the amount of $784,207 for School Tax Relief (STAR) credits and $62,340 for the replacement of windows throughout the Company.

14. Tax Loss Carryforward

On the Company's most recent tax return as of December 31, 2016, the federal and state net operating loss carryforwards for income tax purposes were approximately $60,504,956 and $68,105,783, respectively. If not utilized, the federal and state net operating loss carryforwards will begin to expire in tax year ending December 31, 2018 and will be fully expired in tax year ending December 31, 2035. Since the Company does not anticipate significant taxable income in future periods, the deferred tax asset accounts have been fully reserved in the accompanying financial statements. In evaluating the Company's ability to recover its deferred income tax assets the Company considers all available positive and negative evidence, including operating results, ongoing tax planning and forecasts of future taxable income. The valuation allowance will reduce the provision for income taxes if and when recognized.

GLEN OAKS VILLAGE OWNERS, INC.
SCHEDULES OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

SCHEDULE A

	2016	2015
Income		
Maintenance - Shareholders	$ 19,882,479	$ 19,724,560
Special Assessments	846,546	845,882
Apartment Rental Income	2,713,188	2,781,470
Capital Improvement Fund Contributions	87,250	96,350
Garage Rental Income	575,459	579,690
Maintenance Service Repair Income	40,359	91,017
Parking Permits	55,440	52,365
Laundry Income	78,757	94,316
Resale & Sublet Fees	573,514	514,672
Alteration Fee Income	26,250	20,000
Cable Income	78,660	63,030
Management of Rental Apartments	48,050	35,100
Late Charges & House Rule Violations	69,193	56,745
Investment Income	334,451	507,347
Interest from GOVO Issued Mortgages	48,120	105,984
Insurance Proceeds	7,847	175,595
Other Revenue	54,013	39,919
Total Income	$ 25,519,576	$ 25,784,042

See paragraph on supplementary information included in auditor's report.

GLEN OAKS VILLAGE OWNERS, INC. SCHEDULE B
SCHEDULES OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Expenses	2016	2015
Administrative & Management		
Office Salaries	$ 946,834	$ 1,046,671
Community Events & Contributions	45,669	33,545
Telephone	42,114	45,822
Legal Fees & Other Professional Fees	87,314	112,804
Auditing Fees	42,000	42,000
Information Technology Services	37,478	47,177
Licenses & Permits	84,691	32,758
Postage	41,840	41,381
Office Expenses	168,490	147,077
Miscellaneous	58,747	51,608
Total Administrative & Management	1,555,177	1,600,843
Operating Expenses		
Water & Sewer	2,078,338	2,025,038
Electric & Cooking Gas	673,608	714,195
Heating Costs	1,904,858	2,743,809
Exterminating Services	108,103	94,614
Protection Services	442,959	456,038
Sanitation Services - Bulk Pick-Up	75,614	68,233
Total Operating Expenses	5,283,480	6,101,927
Maintenance Services		
Salaries	3,531,128	3,575,586
Repairs & Maintenance	1,302,679	1,387,226
Landscaping & Grounds Maintenance	233,540	261,825
Vehicle Fleet Expense	161,340	162,772
Janitorial & Maintenance Supplies	46,491	47,835
Total Maintenance Services	5,275,178	5,435,244
Taxes, Insurance & Employee Benefits		
Real Estate Taxes	6,696,954	6,247,135
Payroll Taxes	458,441	476,509
Insurance	1,252,536	1,243,401
Employee Benefits - Union, Pension, Disability & Health Insurance	1,496,468	1,433,355
Total Taxes, Insurance & Employee Benefits	9,904,399	9,400,400
Financial		
Interest on Mortgage Payable	1,430,548	1,535,349
Total Financial	1,430,548	1,535,349
Total Expenses	$23,448,782	$24,073,763

See paragraph on supplementary information included in auditor's report.