Glen Oaks Village Owners, Inc.

FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

Glen Oaks Village Owners, Inc.
Contents
For the Years Ended December 31, 2018 and 2017

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Glen Oaks Village Owners, Inc., which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of income and comprehensive (loss) 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.

Auditors' 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, 2018 and 2017, 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.

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 revenues 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 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.

Omission of Required Supplementary Information about Future Major Repairs and Replacements
Management has omitted the 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.

Laufer LLP

Laufer LLP
April 2, 2019

Glen Oaks Village Owners, Inc.
Balance Sheets
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	$ 3,008,760	$ 2,181,543
Cash in Name of Agent - Tenant Security	238,793	242,229
Investments - Reserve Fund	15,529,844	15,824,905
Tenant - Shareholders Receivable - Net	195,946	162,815
Notes Receivable - Short-Term	9,233	6,904
Rent Receivables	31,592	34,122
Prepaid Expenses	1,929,012	1,800,800
Fuel and Supply Inventories	905,328	690,166
Sundry Receivables	66,077	38,875
Total Current Assets	21,914,585	20,982,359
Property and Equipment		
Land	17,761,880	17,761,880
Buildings	87,202,136	87,202,136
Building Improvements	49,366,876	48,238,517
Furniture, Fixtures, and Equipment	1,092,079	980,382
Transportation Equipment	1,761,517	1,659,606
	157,184,488	155,842,521
Less: Accumulated Depreciation	(118,794,620)	(116,612,702)
Total Property and Equipment	38,389,868	39,229,819
Notes Receivable - Homestead Program - Long-Term	171,500	179,000
Notes Receivable - Long-Term	911,999	782,200
Total Assets	$ 61,387,952	$ 61,173,378

Glen Oaks Village Owners, Inc.
Balance Sheets
December 31, 2018 and 2017

	2018	2017
Liabilities and Shareholders' Equity		
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 1,669,337	$ 1,411,774
Mortgage Interest Payable	95,973	106,685
Mortgage Payable - Current Portion	2,248,679	1,996,922
Deferred Revenue	309,172	307,712
Security Deposits Payable	269,964	273,635
Total Current Liabilities	4,593,125	4,096,728
Long-Term Liabilities		
Mortgage Payable Long-Term, Net of Unamoritzed Loan Origination Costs of $48,185 and $55,413, Respectively	16,690,024	19,053,618
Total Long-Term Liabilities	16,690,024	19,053,618
Total Liabilities	21,283,149	23,150,346
Shareholders' Equity		
Capital Stock - $1 Par Value; 400,000 Shares Authorized, 387,479 Issued and Oustanding	387,479	387,479
Capital in Excess of Par Value	110,337,265	107,124,762
Treasury Stock	(2,846,062)	(2,846,062)
Accumulated Deficit	(68,815,359)	(69,190,050)
Accumulated Other Comprehensive Income:		
Net Unrealized Gain on Investments	1,041,480	2,546,903
Total Shareholders' Equity	40,104,803	38,023,032
Total Liabilities and Shareholders' Equity	$ 61,387,952	$ 61,173,378

Glen Oaks Village Owners, Inc.
Statements of Income and Comprehensive (Loss) Income
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues	$ 27,424,594	$ 27,053,099
Expenses	(24,777,652)	(23,466,156)
Income Before Depreciation	2,646,942	3,586,943
Depreciation	(2,181,918)	(2,160,440)
Operating Income	465,024	1,426,503
Provision for Taxes	(90,333)	(27,796)
Net Income	374,691	1,398,707
Other Comprehensive (Loss) Income		
Net Unrealized (Loss) Gain on Investments	(1,505,423)	1,054,850
Total Comprehensive (Loss) Income	$ (1,130,732)	$ 2,453,557

Glen Oaks Village Owners, Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2018 and 2017

	Total	Capital Stock	Capital in Excess of Par Value	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income
December 31, 2016	$ 34,027,555	$ 387,479	$ 105,448,450	$ (2,711,670)	$ (70,588,757)	$ 1,492,053
Transactions with Owners						
Purchased Units	(134,392)	-	-	(134,392)	-	-
Excess Proceeds	1,676,312	-	1,676,312	-	-	-
Total Transactions with Owners	1,541,920	-	1,676,312	(134,392)	-	-
Net Income	1,398,707	-	-	-	1,398,707	-
Other Comprehensive Income	1,054,850	-	-	-	-	1,054,850
December 31, 2017	$ 38,023,032	$ 387,479	$ 107,124,762	$ (2,846,062)	$ (69,190,050)	$ 2,546,903
Transactions with Owners						
Purchased Units	-	-	-	-	-	-
Excess Proceeds	3,212,503	-	3,212,503	-	-	-
Total Transactions with Owners	3,212,503	-	3,212,503	-	-	-
Net Income	374,691	-	-	-	374,691	-
Other Comprehensive Loss	(1,505,423)	-	-	-	-	(1,505,423)
December 31, 2018	$ 40,104,803	$ 387,479	$ 110,337,265	$ (2,846,062)	$ (68,815,359)	$ 1,041,480

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

Glen Oaks Village Owners, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Net Income	$ 374,691	$ 1,398,707
Adjustments to Reconcile Net Income		
to Net Cash Provided by Operating Activities:		
Depreciation	2,181,918	2,160,440
Interest Expense - Amortization of Loan Origination Costs	7,228	7,228
(Increase) Decrease in Operating Assets:		
Cash in Name of Agent - Tenant Security	3,436	(2,890)
Tenant - Shareholders Receivable - Net	(33,131)	(27,242)
Rent Receivables	2,530	-
Prepaid Expenses	(128,212)	(7,512)
Fuel and Supply Inventories	(215,162)	39,757
Sundry Recevivables	(27,202)	155
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	257,563	(76,419)
Mortgage Interest Payable	(10,712)	(10,094)
Deferred Revenue	1,460	(8,031)
Security Deposits Payable	(3,671)	4,715
Net Cash Provided By Operating Activities	2,410,736	3,478,814
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(1,341,967)	(1,407,001)
Purchase of Investments	(1,210,362)	(2,446,546)
Receipts from Notes Receivable - Homestead Program	7,500	-
Receipts from Notes Receivable	47,872	405,426
Issuance of Note Receivable	(180,000)	-
Net Cash Used In Investing Activities	(2,676,957)	(3,448,121)
Cash Flows From Financing Activities		
Repayment of Mortgage Payable	(2,119,065)	(1,996,922)
Proceeds from Sale of Treasury Stock	3,212,503	1,676,312
Purchase of Treasury Stock	-	(134,392)
Net Cash Provided By (Used In) Financing Activities	1,093,438	(455,002)
Net Increase (Decrease) In Cash and Cash Equivalents	827,217	(424,309)
Cash and Cash Equivalents - Beginning of Year	2,181,543	2,605,852
Cash and Cash Equivalents - End of Year	$ 3,008,760	$ 2,181,543
Supplemental Disclosures of Cash Flow Information		
Cash Paid For Interest	$ 1,198,828	$ 1,417,562
Cash Paid For Income Taxes	$ 56,038	$ 27,796

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 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 accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents – For purposes of the statements of cash flows, cash and cash equivalents consist of short-term, highly liquid investments available for current use with initial maturities 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 statements of income and comprehensive (loss) 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, 2018 and 2017. 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 effective-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 at December 31, 2018 and 2017. The Company believes that the carrying amounts of note receivables at December 31, 2018 and 2017 approximate fair value.

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

Property and Equipment – Property and equipment are capitalized at cost. Major expenditures for property and equipment 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
Furniture and Fixtures	5 – 15
Transportation Equipment	3

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 (the "Code").

Income Taxes – The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the 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, in excess of expenses properly attributable thereto, may be subject to federal tax.

Deferred taxes represent the tax effects of differences between the financial reporting and tax bases of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse. The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Income tax expense consists of the tax payable for the period and the change during the period in deferred tax assets and liabilities, net of any valuation allowance.

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 Company's federal and state income tax returns for 2015, 2016 and 2017 remain open to examination.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review – The Company has evaluated events and transactions for recognition or disclosure through April 2, 2019 the date the financial statements were available for issuance.

3. Purchase of Apartments

In February 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. In addition, in February 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, 2018, a total of 179 units were occupied/rent regulated units and 4 were vacant.

As of December 31, 2017, a total of 173 units were occupied/rent regulated units and 7 were vacant.

The Company took title to the shares of Coronet Realty Company, effective February 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, 2018, a total of 65 units were still occupied/rent regulated units and 0 were vacant.

As of December 31, 2017, a total of 41 units were still occupied/rent regulated units and 1 was vacant.

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 ("FASB"), *Accounting Standards Codification ("ASC") 825*, the Company is exposed to a regional concentration of credit risk if a significant portion of its tenant-shareholders do not pay their monthly maintenance charges. If a tenant-shareholder defaults in its 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 – At December 31, 2018, the Company had $3,096,189 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' classifications are as follows, as of December 31:

2018

	Fair Value	Cost	Unrealized Gains, Net
Equities	$ 1,574,787	$ 1,497,158	$ 77,629
Mutual Funds – Equities	5,550,161	5,086,962	463,199
Mutual Funds – Money Market	1,087,113	1,087,113	-
Mutual Funds – Fixed Income	1,689,648	1,671,686	17,962
Mutual Funds – Mixed Allocation	5,628,135	5,145,445	482,690
Total	$ 15,529,844	$ 14,488,364	$ 1,041,480

2017

	Fair Value	Cost	Unrealized Gains, Net
Equities	$ -	$ -	$ -
Mutual Funds – Equities	5,270,752	3,978,523	1,292,229
Mutual Funds – Money Market	2,959,990	2,959,990	-
Mutual Funds – Fixed Income	1,680,655	1,634,279	46,376
Mutual Funds – Mixed Allocation	5,913,508	4,705,210	1,208,298
Total	$ 15,824,905	$ 13,278,002	$ 2,546,903

Investment income consists of the following for the years ending December 31:

	2018	2017
Interest, Dividends and Capital Gains	$ 1,206,845	$ 780,432

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.

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 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 following tables summarize the valuation of the Company's investments using the U.S. GAAP fair value hierarchy as described above as of December 31:

2018

	Level 1	Level 2	Level 3	Total
Equities	$ 1,574,787	$ -	$ -	$ 1,574,787
Mutual Funds – Equities	5,550,161	-	-	5,550,161
Mutual Funds – Money Market	1,087,113	-	-	1,087,113
Mutual Funds – Fixed Income	1,689,648	-	-	1,689,648
Mutual Funds – Mixed Allocation	5,628,135	-	-	5,628,135
Total	$ 15,529,844	$ -	$ -	$ 15,529,844

2017

	Level 1	Level 2	Level 3	Total
Equities	$ -	$ -	$ -	$ -
Mutual Funds – Equities	5,270,752	-	-	5,270,752
Mutual Funds – Money Market	2,959,990	-	-	2,959,990
Mutual Funds – Fixed Income	1,680,655	-	-	1,680,655
Mutual Funds – Mixed Allocation	5,913,508	-	-	5,913,508
Total	$ 15,824,905	$ -	$ -	$ 15,824,905

7. Notes Receivable – Homestead Program – Long-Term

The Company sold certain rent-regulated apartments, which it owned, to the occupants of these apartments. The Company received notes from the buyers. These notes require no interest or principal payments, during their life; the principal is 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 from the Homestead Improvement Program. The balances of these notes are $171,500 and $179,000 as of December 31, 2018 and 2017, respectively.

8. Notes Receivable

The Company issued notes receivable to tenant shareholders in connection with the sales of units owned by the Company. These notes are collateralized by mortgages on the units. The original balance of the notes range from $18,200 to $245,000. The notes are interest bearing and the monthly payments range between $98 and $1,315. The balances of these notes are $921,232 and $789,104 as of December 31, 2018 and 2017, respectively.

9. Mortgage Payable

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% per annum
Term:	20 years
Maturity Date:	September 1, 2025

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

For the year ending December 31,		
2019	$	2,248,679
2020		2,383,433
2021		2,532,006
2022		2,686,878
2023		2,851,223
Thereafter		6,284,669
		18,986,888
Less: Unamortized Loan Origination Costs		48,185
Total	$	18,938,703

Interest expense was $1,195,344 and $1,318,105 for the years ended December 31, 2018 and 2017, respectively. The interest expense included the amortization expense of loan origination costs of $7,228 and $7,228 for the years ended December 31, 2018 and 2017, respectively.

10. Treasury Stock

The Company has purchased apartments on the open market for administrative use, as well as resale. Four such units were acquired in 1965, which represent 668 shares, and are being used as administrative office space for management.

11. Future Major Repairs and 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 years ended December 31, 2018 and 2017, the total expense was $39,343 and $43,635, respectively.

For union employees, the Company contributes to multiemployer pension plans jointly administered by industry and union representatives. The risk of participating in U.S. multi-employer pension plans is different from single-employer pension plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits of employment to other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

• If the Company stops participating in some of its multi-employer pension plans, it may be required to pay those plans an amount based on the underfunded status of the entire plan.

The Company's participation in these plans for the years ended December 31, 2018 and 2017 is outlined in the following table. All information in the table is as of December 31 of the relevant year unless otherwise noted. The Plan Protection Act ("PPA") zone status column ranks the funded status of multiemployer pension plans depending upon a plan's current and projected funding. The zone status is based on information that the Company received from the plan. Among other factors, a plan is in the Red Zone (Critical) if it has a current funded percentage less than 65%. A plan is in the Yellow Zone (Endangered) or Orange Zone (Seriously Endangered) if it has a current funded percentage of less than 80%, or projects a credit balance deficit within seven years. A plan is in the Green Zone (Healthy) if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years. The Funding Improvement Plan ("FIP")/Rehabilitation Plan ("RP") status column indicates plans for which a FIP or RP is either pending or in place.

The following table contains information about the Company's multi-employer pension plans for the years ended December 31, 2018 and 2017:

Plan Name	Employer Identification Number – Plan Number	PPA Zone Status (plan year-end)		FIP/RP Status Pending/ Implemented	Company Contributions (as of December 31)		Expiration Date of Collective Bargain Agreement	Company Contributions > 5%	
		June 2018	June 2017		2018	2017		2018	2017
Building Service 32BJ Pension	13-1879376	Red as of July 1, 2018	Red as of July 1, 2017	Yes	$301,675	$271,892	April 20, 2022	No	No

The Company currently has no intention of withdrawing from the multi-employer pension plan.

13. Special Assessment

The Company collected special assessments in the amounts of $612,053 and $788,309 for School Tax Relief (STAR) credits and $100 and $69,000 for the replacement of windows for the years ended December 31, 2018 and 2017, respectively.

14. Income Taxes

Income taxes for the years ending December 31, 2018 and 2017, consist of the following:

	2018	2017
Current	$ 90,333	$ 27,796
Deferred	-	-
	$ 90,333	$ 27,796

Deferred income tax assets as of the years ending December 31, 2018 and 2017, consist of the following:

	2018	2017
Deferred Tax Asset:		
Net Operating Loss Carryforwards	$ 19,727,000	$ 27,502,000
Less: Valuation Allowance	(15,386,000)	(20,527,000)
	4,341,000	6,975,000
Deferred Tax Liabilities:		
Property and Equipment	(4,029,000)	(5,880,000)
Unrealized Holding Gains	(312,000)	(1,095,000)
Net	$ -	$ -

At December 31, 2018, the Company has estimated federal, state and local net operating loss carryforwards for income tax purposes of approximately $56,537,000, $62,838,000 and $58,007,000, respectively. If not utilized, the federal, state net and local 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, 2036. The Company does not anticipate significant taxable income in future periods; therefore, it is more likely than not that the deferred tax assets will be realized. As a result, the Company recorded a valuation allowance against its deferred tax assets. Effective January 1, 2018, the enacted corporate tax rates were reduced from 35% to 21%, as result, the company revalued its deferred tax assets and liabilities using the new tax rate.

Glen Oaks Village Owners, Inc.
Schedules of Revenues
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues		
Maintenance - Shareholders	$ 21,080,869	$ 20,643,400
Special Assessments	612,153	857,309
Apartment Rental Income	2,760,268	2,803,611
Capital Improvement Fund Contributions	77,750	91,250
Garage Rental Income	578,776	574,715
Maintenance Service Repair Income	117,605	118,440
Parking Permits	56,965	54,735
Laundry Income	134,432	109,344
Resale and Sublet Fees	482,934	530,126
Alteration Fee Income	22,050	28,650
Cable Income	84,944	77,240
Management of Rental Apartments	38,850	48,100
Late Charges and House Rule Violations	89,887	67,209
Investment Income	1,206,845	780,432
Interest from Company Issued Mortgages	36,158	52,157
Insurance Proceeds	11,485	-
Exterior Lighter Program Incentive	-	138,850
NCB Patronage Refund	21,169	58,678
Newsletter Advertising	-	7,580
Community Room Rental	4,075	5,725
Dog Park Membership Fees	5,960	4,250
Other Revenue	1,419	1,298
Total Income	$ 27,424,594	$ 27,053,099

Glen Oaks Village Owners, Inc.
Schedules of Expenses
For the Years Ended December 31, 2018 and 2017

Expenses	2018	2017
Administrative and Management		
Office Salaries	$ 1,015,260	$ 995,997
Community Events and Contributions	72,037	55,845
Telephone	40,687	39,967
Legal Fees and Other Professional Fees	85,265	113,093
Auditing Fees	29,330	36,670
Information Technology Services	49,905	38,993
Licenses and Permits	135,984	44,951
Postage	38,148	36,325
Office, Board and Committee Expenses	205,620	218,863
Miscellaneous	3,865	930
Total Administrative and Management	1,676,101	1,581,634
Operating Expenses		
Water and Sewer	2,064,559	2,065,119
Electric and Cooking Gas	635,828	682,087
Heating Costs	2,357,379	2,001,985
Exterminating Services	95,960	94,861
Protection Services	530,556	508,745
Sanitation Services - Bulk Pick-Up	109,097	77,040
Total Operating Expenses	5,793,379	5,429,837
Maintenance Services		
Salaries	3,732,797	3,604,178
Repairs and Maintenance	2,386,443	1,501,401
Landscaping and Grounds Maintenance	201,287	219,691
Vehicle Fleet Expense	216,237	145,881
Janitorial and Maintenance Supplies	38,904	44,213
Total Maintenance Services	6,575,668	5,515,364
Taxes, Insurance and Employee Benefits		
Real Estate Taxes	6,531,469	6,492,271
Payroll Taxes	456,007	458,066
Insurance	1,102,812	1,215,640
Employee Benefits - Union, Pension, Disability and Health Insurance	1,446,872	1,455,239
Total Taxes, Insurance and Employee Benefits	9,537,160	9,621,216
Financial		
Interest on Mortgage Payable	1,195,344	1,318,105
Total Financial	1,195,344	1,318,105
Total Expenses	$24,777,652	$23,466,156