

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2017

AND

INDEPENDENT AUDITOR'S REPORT

GREENBRIAR II HOMEOWNERS' ASSOCIATION
FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

***To the Board of Trustees
Greenbriar II Homeowners' Association, Inc.***

We have audited the accompanying financial statements of Greenbriar II Homeowners' Association, Inc. (the "Association") which comprise the balance sheet as of June 30, 2017, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

The Board of Trustees' Responsibility for the Financial Statements

The Board of Trustees' (the "Board") 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 Greenbriar II Homeowners' Association, Inc. as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N
C E R T I F I E D P U B L I C A C C O U N T A N T S

Report on Summarized Comparative Information

We have previously audited Greenbriar II Homeowners' Association, Inc.'s June 30, 2016 financial statements, and we expressed unmodified opinion on those financial statements in our report dated August 11, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 10 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 11 - 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association'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.



MOHEL ELLIOTT BAUER & GASS, P.A.
Certified Public Accountants

August 28, 2017
Lakewood, New Jersey

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**BALANCE SHEET
JUNE 30, 2017**

	<u>Operating Fund</u>	<u>Weather Emergency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 13,296	\$ 40,000	\$ 24,915	\$ 38,211
Investments			760,286	800,286
Assessments receivable, net of allowance for doubtful accounts of \$73,106	502			502
Accrued interest receivable		3	4,573	4,576
Accounts receivable - other	13,654			13,654
Prepaid insurance	19,257			19,257
Prepaid expenses	11,758			11,758
Prepaid federal income tax	552			552
Interfund balances	<u>22,026</u>	<u>(3)</u>	<u>(22,023)</u>	<u>-</u>
Total assets	<u>\$ 81,045</u>	<u>\$ 40,000</u>	<u>\$ 767,751</u>	<u>\$ 888,796</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 14,165		\$ 2,672	\$ 16,837
Accrued payroll and payroll taxes	6,128			6,128
Assessments received in advance	41,230			41,230
Security deposit	2,000			2,000
Deferred Comcast revenue	<u>10,800</u>			<u>10,800</u>
Total current liabilities	<u>74,323</u>	<u>-</u>	<u>2,672</u>	<u>76,995</u>
FUND BALANCES				
	<u>6,722</u>	<u>40,000</u>	<u>765,079</u>	<u>811,801</u>
Total liabilities and fund balances	<u>\$ 81,045</u>	<u>\$ 40,000</u>	<u>\$ 767,751</u>	<u>\$ 888,796</u>

The accompanying notes are an integral part of these financial statements

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017**

	<u>Operating Fund</u>	<u>Weather Emergency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUES				
Maintenance fees	\$ 931,415	\$ -	\$ 112,585	\$ 1,044,000
Comcast revenue	23,232			23,232
Late fees	1,390			1,390
Office rental	24,000			24,000
R & A Committee	12,189			12,189
Interest income	17,529			17,529
Newspaper revenue	9,000			9,000
Membership fees	48,400			48,400
Miscellaneous	1,810			1,810
Maintenance garage rent	6,000			6,000
Other rent	3,600			3,600
Total revenues	<u>1,078,565</u>	<u>-</u>	<u>112,585</u>	<u>1,191,150</u>
EXPENSES				
Administrative	334,937			334,937
Common area - operations	440,965			440,965
Swimming pool	27,322			27,322
Clubhouse	166,307			166,307
Unit maintenance	34,098			34,098
Bus	30,920			30,920
Replacement fund expenditures			189,778	189,778
Total expenses	<u>1,034,549</u>	<u>-</u>	<u>189,778</u>	<u>1,224,327</u>
Excess (deficiency) of revenues over expenses before interfund transfer	44,016	-	(77,193)	(33,177)
Interfund transfer	<u>(40,000)</u>	<u>40,000</u>		<u>-</u>
Excess (deficiency) of revenues over expenses after interfund transfer	4,016	40,000	(77,193)	(33,177)
Fund balance - beginning of year	2,706	-	842,272	844,978
Fund balance - end of year	<u>\$ 6,722</u>	<u>\$ 40,000</u>	<u>\$ 765,079</u>	<u>\$ 811,801</u>

The accompanying notes are an integral part of these financial statements

GREENBRIAR II HOMEOWNERS' ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017

	Operating Fund	Weather Emergency Fund	Replacement Fund	Total
Cash flows from operating activities:				
Excess (deficiency) of revenues over expenses	\$ 4,016	\$ 40,000	\$ (77,193)	\$ (33,177)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities:				
Allowance for doubtful accounts	2,793			2,793
Interfund balances	(101,106)	3	101,103	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Assessments receivable	12,928			12,928
Accrued interest receivable	7,232		1,794	1,791
Accounts receivable - other	1,174	(3)		7,232
Prepaid insurance	(5,326)			1,174
Prepaid expenses	(552)			(5,326)
Prepaid federal income tax				(552)
Increase (decrease) in:				
Accounts payable and accrued expenses	(2,706)		2,672	(34)
Accrued payroll and payroll taxes	689			689
Federal income tax payable	(1,342)			(1,342)
Assessments received in advance	(10,802)			(10,802)
Deferred Comcast cable income	(4,800)			(4,800)
Net cash provided by (used in) operating activities:	(97,802)	40,000	28,376	(29,426)
Cash flows from investing activities:				
Purchase of investments		(40,000)	(275,000)	(315,000)
Sale/maturity of investments		(40,000)	250,576	250,576
Net cash provided by (used in) investing activities	-	(40,000)	(24,424)	(64,424)
Net increase (decrease) in cash and cash equivalents	(97,802)	-	3,952	(93,850)
Cash and cash equivalents, beginning of year	111,098	-	20,963	132,061
Cash and cash equivalents, end of year	\$ 13,296	\$ -	\$ 24,915	\$ 38,211
Supplemental disclosure:				
Income taxes paid				\$ 1,342

The accompanying notes are an integral part of these financial statements

GREENBRIAR II HOMEOWNERS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 1 - ORGANIZATION

Greenbriar II Homeowners' Association, (the "Association") is a homeowners' association incorporated in the State of New Jersey in January 24, 1978 and is located in Brick, New Jersey. The purpose of the Association is to provide for the preservation of the values and amenities in the community and for the maintenance of the common facilities. The Association consists of 600 residential fee-simple homes. Recreational facilities include a clubhouse, swimming pool, shuffleboard and bocce courts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting - The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts in accordance with the principles of fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund represents the portion of expendable funds that is available for the general operations of the Association.

Weather Emergency Fund - The purpose of this fund is to accumulate funds so that the Association will have the necessary resources to pay for snow removal in excess of budgeted amounts and maintenance of grounds due to storm related damages.

Replacement Fund - The purpose of the replacement fund is to accumulate funds over the lives of capital assets which are part of the common elements and/or the Association's responsibility to replace so that sufficient amounts are available to pay for their eventual replacement.

Recognition of Assets - The Association's property and common elements are owned by the Association to the extent that they are not part of the fee-simple ownership of the individual homes as described in the Association's documents. The Association's common elements consist of sidewalks, parking lots, access roads, recreational facilities and open areas.

The Association received the common elements referred to above in a nonmonetary transaction with the Developer. The use and disposition of these properties are restricted, or governed, by the Association's legal documents. Accordingly, no amounts have been reflected on the accompanying balance sheet for the common elements owned by the Association.

Cash and Cash Equivalents - Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Association places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation, (FDIC), insurance limit of \$250,000. As of June 30, 2017, the cash and cash equivalents were below the \$250,000 amount.

Investments - Investments include certificates of deposits with original maturities over 90 days. The Association intends to hold the investments until maturity.

(Continued)

GREENBRIAR II HOMEOWNERS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income - The Association's policy is to allocate all interest to the operating.

Assessments Receivable - The Association carries its assessments receivable net of allowance for doubtful accounts. On a periodic basis, the Board and management evaluate the assessments receivable and establish an allowance for doubtful accounts, based on a history of past write-offs and collections and current legal status of past due accounts.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interfund balances - Represents future Interfund cash transfers required to balance funds.

Subsequent Events - The Association has evaluated subsequent events through August 28, 2017, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments in securities are presented in the financial statements at amortized cost.

	<u>2017</u>	
	<u>Amortized Cost</u>	<u>Fair Market Value</u>
Replacement fund	\$ 760,286	\$ 760,057
Weather Emergency fund	40,000	40,016
	<u>\$ 800,286</u>	<u>\$ 800,073</u>

Investments are composed of the following:

	<u>2017</u>	
	<u>Amortized Cost</u>	<u>Fair Market Value</u>
Certificates of Deposit	\$ 800,286	\$ 800,073
	<u>\$ 800,286</u>	<u>\$ 800,073</u>

The association reports its investments under the provision of Financial Accounting Standards Board ASC 320-10 Investments - Debt and Equity Securities. In accordance with this statement the association has classified securities as held to maturity.

Securities classified as held to maturity are stated at cost adjusted for amortization of premiums and accretion of discounts. The Association has the positive intent and ability to hold these securities to maturity. Realized gains and losses for securities classified as held to maturity are reported in the statement of revenues and expenses based on the adjusted cost of the specific security sold.

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GREENBRIAR II HOMEOWNERS' ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2017**

NOTE 4 - RESALE CONTRIBUTIONS

Upon the acquisition of title to a unit, each new member of the Association must contribute a one-time, non-refundable resale working capital contribution of \$1,100. These contributions have been recorded as income in the operating fund.

NOTE 5 - ASSESSMENTS RECEIVABLE ALLOWANCE FOR DOUBTFUL ACCOUNTS

As of June 30, 2017, the Association had assessments receivable of \$73,608. Eight (8) units had receivables in excess of \$1,000 totaling \$73,106. The board has recorded an allowance for delinquent accounts in the amount of \$73,106 because it believes that not all of the receivables will be fully collectible.

The Association's policy is to retain legal counsel when necessary and pursue collection of delinquent accounts through the placement of liens and seeking of personal judgments where such means are economically sound.

NOTE 6 - REPLACEMENT FUND

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations.

An engineering study was conducted by Kipcon Inc. with a effective date of July 1, 2014 to estimate the remaining useful lives and the replacement costs of the common property components. The table included in the unaudited supplementary information on future replacements is based on this study.

The Board of Trustees has decided to fund in 2017 only 63 percent of the amount recommended by the study. Accordingly, \$112,585 has been included in the 2017 allocation. For that reason, and because actual expenditures may vary from estimated future expenditures and the variations may be material, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, or delay major repairs and replacements until funds are available.

The activity in the replacement fund for the year ended June 30, 2017 has been summarized as follows:

	Components of Fund Balance at 6/30/2016	Actual 2015/2016 Funding Contributions	Expenditures	Components of Fund Balance at 6/30/2017
Office	\$ 28,640	\$ 4,600	\$ (4,787)	\$ 28,453
Land - site work	81,864	22,900	(24,190)	80,574
Pool	114,145	8,600	(51,637)	71,108
Clubhouse	320,485	40,985	(100,800)	260,670
Bus	63,501	10,000	-	73,501
Truck	61,259	8,500	-	69,759
Irrigation & wells	163,177	17,000	(8,364)	171,813
Signage	6,201	-	-	6,201
Retaining walls	3,000	-	-	3,000
	<u>\$ 842,272</u>	<u>\$ 112,585</u>	<u>\$ (189,778)</u>	<u>\$ 765,079</u>

(Continued)

GREENBRIAR II HOMEOWNERS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(Continued)

JUNE 30, 2017

NOTE 7 - REPLACEMENT FUND EXPENDITURES

	<u>2017</u>
Boiler Project	\$ 57,733
Pool concrete work/resurfacing/repairs	51,636
Concrete work	15,182
Bathroom/fitness/library renovations	10,313
Exercise equipment	9,188
Well repairs	8,364
Recreational equipment	7,802
Clubhouse electrical/lighting	5,320
Auditorium lights	5,000
Clubhouse carpeting	4,260
Sprinkler system upgrades	3,998
Pool lights	3,410
Audio equipment	3,133
Office furniture	1,653
Entrance lights	1,600
Hvac	1,186
	<u>\$ 189,778</u>

NOTE 8 - FEDERAL INCOME TAXES

Under the Internal Revenue Code, associations may be taxed as a homeowners association at their election, or as a regular corporation. The Association may select either method in any year and will generally select the method that results in the lowest tax due. A method selected in one year affects only that year and the Association is free to select either method in future years. By filing as a regular corporation, the Association is generally taxed at a lower rate than by filing as a homeowners association.

For the year ended June 30, 2017, the Association has elected to be taxed as a regular corporation. Under that election, the Corporation is taxed only on non-membership income, such as interest earnings, at regular Federal corporate tax rates. Income taxes of \$1,448 have been provided based on the excess of non-membership income over non-membership expenses.

The Association is incorporated pursuant to Title 15 of the New Jersey Statutes and, therefore, is not liable for New Jersey corporation business income tax.

The Association regularly reviews and evaluates its uncertain tax positions taken in previously filed tax returns. The Association believes that in the event of an examination by taxing authorities, the organization's positions would prevail based upon the technical merits of such positions. Therefore, the Association has concluded that no tax benefits or liabilities are required to be recognized.

The Association's federal information returns are generally subject to examination by the Internal Revenue Service for three years, including the years ended June 30, 2017, 2016 and 2015.

NOTE 9 - INTERFUND TRANSFER

The Board of Trustees have passed a motion to establish a Weather Emergency Fund, \$40,000 has been transferred from the Operating Fund to the Weather Emergency Fund for this purpose.

SUPPLEMENTARY INFORMATION

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS
(Unaudited)
JUNE 30, 2017**

Kipcon Incorporated conducted a study effective July 2014 to estimate the remaining useful lives and the replacement costs of components of common property. Replacement costs were based on the estimated costs to repair the common property components at the end of their useful lives.

The following table is based on the 2014 study and presents significant information about the components of common property.

<u>Components</u>	Estimated Remaining Useful Lives (Years) As of 2014 Study	Estimated Current Replacement Costs As of 2014 Study
Site work	1-15	\$ 2,241,383
Exterior	2-9	86,913
Interior	2-20	283,168
Electrical	4-10	36,687
Mechanical	1-29	351,730
Waterproofing	10-15	76,940
Special construction	1-23	<u>364,380</u>
		\$ <u>3,441,201</u>
Replacement fund balance as of June 30, 2017		\$ <u><u>765,079</u></u>
Replacement fund - as a percentage funded as of June 30, 2017		<u><u>22.23%</u></u>

**The schedule of future repairs and replacements indicates a annual
funding of \$179,978.**

See auditors' report

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**SCHEDULE OF TOTAL REVENUES, OPERATING EXPENSES
AND ALLOCATIONS TO FUNDS AS COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)**

	2017			2016
	Actual	(Unaudited) Budget	Variance Favorable (Unfavorable)	Actual
Revenues				
Maintenance fees	\$ 1,044,000	\$ 1,043,977	\$ 23	\$ 1,044,000
Comcast revenue	23,232	18,000	5,232	23,797
Late fees	1,390	3,000	(1,610)	1,445
Fines	-	-	-	1,170
Office rental	24,000	24,000	-	24,000
R & A Committee	12,189	10,000	2,189	23,880
Interest income	17,529	16,000	1,529	16,591
Newspaper revenue	9,000	9,000	-	8,850
Membership fees	48,400	33,000	15,400	44,000
Miscellaneous	1,810	5,000	(3,190)	3,948
Maintenance garage rent	6,000	12,400	(6,400)	6,000
Other rent	3,600	-	3,600	4,000
Total Revenues	1,191,150	1,174,377	16,773	1,201,681
Administrative Expenses				
Salaries	136,479	109,951	(26,528)	130,455
Payroll taxes	13,161	27,530	14,369	10,698
Payroll costs	2,834	-	(2,834)	1,906
Office expenses	18,831	15,000	(3,831)	18,558
Telephone	3,644	2,000	(1,644)	4,052
Accounting fees	1,175	500	(675)	1,395
Professional fees other	-	350	350	332
Audit expenses	6,285	5,700	(585)	6,285
Legal expense	14,069	17,000	2,931	17,568
Bad debts	11,697	-	(11,697)	12,271
Miscellaneous (computer maintenance)	3,000	3,000	-	3,788
Newspaper expense	375	300	(75)	669
Employee benefits	60,421	54,500	(5,921)	50,252
Insurance	61,518	66,000	4,482	66,058
Federal income taxes	1,448	-	(1,448)	1,342
Capital additions	-	1,500	1,500	-
Total administrative expenses	334,937	303,331	(31,606)	325,629

(Continued)

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**SCHEDULE OF TOTAL REVENUES, OPERATING EXPENSES
AND ALLOCATIONS TO FUNDS AS COMPARED TO BUDGET**

(Continued)

YEAR ENDED JUNE 30, 2017

(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016
	<u>Actual</u>	<u>(Unaudited) Amended Budget</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Common Area Expenses - Operations				
Recreation repairs and supplies	\$ 145	\$ 500	\$ 355	\$ 136
Area lighting	278	500	222	360
Sprinkler contract	49,466	47,500	(1,966)	41,487
Sprinkler equipment	2,600	5,500	2,900	2,739
Bocce/Shuffleboard Maintenance	-	350	350	-
Irrigation Electric	4,771	4,500	(271)	3,918
Uniforms	1,045	500	(545)	519
Snow removal	37,807	60,000	22,193	53,629
Community patrol	115,533	117,250	1,717	117,787
Equipment repairs and maintenance	5,018	3,000	(2,018)	1,663
Common Area Maintenance (Fence/Clearing)	5,598	42,950	37,352	84,803
Lawn/Landscape contract	212,740	198,000	(14,740)	191,773
Maintenance building repairs	4,025	3,000	(1,025)	11
Brick Township tax collector	69	75	6	29
Maintenance vehicle fuel	1,870	1,600	(270)	1,049
Total common area expense	440,965	485,225	44,260	499,903
Swimming Pool Operations				
Pool management contract	23,185	22,500	(685)	25,968
Pool supplies	4,137	2,000	(2,137)	3,655
Total swimming pool expense	27,322	24,500	(2,822)	29,623
Clubhouse Operations				
Clubhouse electric	20,453	21,500	1,047	18,693
Heating fuel	9,651	10,500	849	8,657
Custodial wages	85,252	80,500	(4,752)	91,289
Payroll taxes	4,546	23,150	18,604	8,767
Clubhouse supplies	17,622	20,707	3,085	14,637
Maintenance and repairs	21,821	22,000	179	13,021
Clubhouse security alarm	1,625	1,500	(125)	1,705
Water and sewer	5,337	7,000	1,663	5,907
Total clubhouse expense	166,307	186,857	20,550	162,676

(Continued)

GREENBRIAR II HOMEOWNERS' ASSOCIATION

**SCHEDULE OF TOTAL REVENUES, OPERATING EXPENSES
AND ALLOCATIONS TO FUNDS AS COMPARED TO BUDGET
(Continued)**

**YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)**

	2017			2016
	Actual	(Unaudited) Amended Budget	Variance Favorable (Unfavorable)	Actual
Unit Maintenance				
Painting expense	\$ 34,098	\$ 35,190	\$ 1,092	41,340
Total unit expense	<u>34,098</u>	<u>35,190</u>	<u>1,092</u>	<u>41,340</u>
Bus Operations			-	
Bus driver wages	22,364	14,800	(7,564)	21,198
Payroll taxes	2,333	6,690	4,357	1,879
Bus repairs and maintenance	2,869	2,600	(269)	1,824
Bus operations (fuel)	<u>3,354</u>	<u>2,600</u>	<u>(754)</u>	<u>2,318</u>
Total bus expenses	<u>30,920</u>	<u>26,690</u>	<u>(4,230)</u>	<u>27,219</u>
Total expenses	<u>1,034,549</u>	<u>1,061,793</u>	<u>27,244</u>	<u>1,086,390</u>
Replacement Fund Allocations				
Maintenance fees allocated to the replacement fund	<u>112,585</u>	<u>112,584</u>	<u>1</u>	<u>112,585</u>
Total allocations to the replacement fund	<u>112,585</u>	<u>112,584</u>	<u>1</u>	<u>112,585</u>
Total operating expenses and replacement fund allocations	<u>1,147,134</u>	<u>1,174,377</u>	<u>27,245</u>	<u>1,198,975</u>
Excess of revenues over expenses	\$ <u>44,016</u>	\$ <u>-</u>	\$ <u>44,018</u>	<u>2,706</u>
Monthly assessment per unit	\$ <u>145</u>	\$ <u>145</u>	\$ <u>-</u>	<u>145</u>

See auditors' report