

## Example of Costs Based On Data From Cooperative X\*

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### Abstract

The accounting of revenues and expenses related to the operation and maintenance of real estate in housing cooperatives is regulated by statutory provisions as well as internal cooperative regulations. The Act on Housing Cooperatives defines the general principles for charging fees covering the costs of operating and maintaining both individual properties and cooperative-owned assets, but it does not specify detailed rules for fee calculation or accounting procedures. These issues are therefore regulated by the cooperative's statute and internal regulations adopted by cooperative bodies, most often the supervisory board.

The purpose of this paper is to analyze the legal and organizational framework governing the settlement of operating costs, revenues, and expenditures related to property maintenance and repair funds in housing cooperatives. Particular attention is paid to the role of internal regulations in shaping accounting practices and the requirement to maintain separate records for individual properties. The analysis demonstrates that effective and compliant cost and revenue accounting in housing cooperatives requires the integration of statutory requirements with internally adopted rules and procedures.

**Keywords :** housing cooperatives, property management, operating costs, cost settlement, accounting regulations

### Introduction

Housing cooperatives are not only part of the extensive history of the social economy, but also part of the history of ideas and a beautiful chapter in the culture of our society [Świder J., 2014]. Housing cooperatives share their ideological foundations with other major branches of cooperativism: food, agricultural, savings and loan, worker cooperatives, etc. Some of them, by changing their ownership structure, have achieved enormous financial success in the capitalist reality. However, housing cooperatives established before and during the political transformation, which have achieved their primary goal of building houses or apartments, are now struggling with the problem of settling the costs of maintaining common property used by current and former members of the cooperative. This is particularly true of the attitude of people who, when purchasing cooperative ownership rights to a flat, resign from their membership in the cooperative.

Cooperatives as a form of activity have a long tradition in Poland and have operated in various socio-economic conditions [Iwan B., 2005]. This article is an attempt to justify the legitimacy of charging non-members maintenance fees, using the example of one of the housing cooperatives in Kielce.

The amendment to the Cooperative Act, in force since 2007, allows housing cooperatives to operate in the broadly understood economic turnover. Housing cooperatives have become a kind of entrepreneur, conducting business activities, building and renting residential and commercial premises, generating costs and revenues, i.e., achieving financial results.

Therefore, it is extremely important for every cooperative to have a properly constructed and functioning Company Chart of Accounts (ZPK), which enables the correct classification of economic operations and contributes to the effective management of a given entity [Niemczyk R., 2011].

The importance of cooperatives in EU countries is not measured solely by their turnover and economic initiatives. The way in which economic players interact with each other and organize themselves to ensure further growth and development plays an important role [Chmielewska M., 2009].

In cooperatives, despite the varying scale of their activities, there are generally no fundamental differences in the structure of total costs [Wasilewski M., Chmielewska M., 2006a]. In these cooperatives, the concept of full cost accounting was adopted for calculations. Until now, variable cost accounting, which is more useful for day-to-day management of production efficiency, has not been used in the management of these cooperatives. In order to improve management, it is necessary to introduce a controlling procedure for information purposes, which should contribute to improving the efficiency of the cooperative's operations. In this regard, it is important to determine the relationship between own and external sources of financing. The degree of indebtedness of cooperatives is relatively high (40-50%), but with a downward trend [Wasilewski M., Chmielewska M., 2006b]. This means that cooperative managers, bearing in mind the interests of their members, often take out loans, incurring additional financial costs. This is because they cannot, at least formally, maximize profits, which are the cheapest source of equity capital.

## **Legal and statutory regulations concerning persons who are not members of the Cooperative**

Housing cooperatives operate on the basis of the following regulations: the Act of December 15, 2000 on housing cooperatives (Journal of Laws 2001 No. 4 item 27) and their own statutes. As business entities, they are subject to entry in the National Court Register, specifying their scope of activity as:

1. Management of real estate constituting the property of the Cooperative or acquired on the basis of the Act as the property of its members,
2. Reconstruction, construction of sanitary, water supply and rainwater drainage systems,
3. Development, purchase and sale of real estate on their own account,
4. Management of real estate not constituting its property or the property of its members on the basis of an agreement concluded with the owner (co-owners) of such real estate,
5. Construction or acquisition of single-family houses or other buildings for the purpose of transferring ownership of these houses or buildings to members.

In the selected Cooperative, the scope of the statutes has been expanded to include the statement that the subject of its activity is: Organizing and developing common property in such a way that each member of the cooperative can function independently, taking into account the possibility of concluding contracts for the supply of water and other utilities and sewage collection.

The Act and the statutes define the rights and obligations of members and non-members of the Cooperative, establish and delegate powers to individual bodies, determine the types of legal titles to premises and the rules for transforming legal titles to premises, and also lay down the rules of management [Act of December 15, 2000].

A natural person becomes a member of the Cooperative after submitting a written membership declaration and paying the registration fee and declared shares. One of the rights of Members is the right to request the conclusion of an agreement to transfer the ownership of a premises to which the member has a cooperative ownership right to a residential or commercial premises. In addition to this right, they also have the right to use, together with other cohabitants, all common facilities, areas, and services provided by the Cooperative. The obligations of members and non-member users, in the context of the purpose of the article, include:

1. compliance with the provisions of the statutes, regulations, and other resolutions of the Cooperative's bodies,
2. paying fees related to the operation and maintenance of real estate constituting the Cooperative's property and covering the Cooperative's other liabilities in a timely manner,
3. caring for the good of the Cooperative and respecting and securing its property,

Among the above statutory obligations, owners who are not members must comply with the statutes and regulations, pay fees related to the operation and maintenance of the Cooperative's property on time, and cover the Cooperative's other liabilities.

It should be added that the above provisions of the statutes and any other provisions may be amended by resolutions of the General Meeting. A member also has the right to withdraw from the Cooperative at any time by giving notice to the Management Board of the Cooperative.

The provisions of the statutes and the Act specify the rights and obligations of both members and non-members. It should be emphasized that members are almost always aware of their rights and obligations, including when they leave the Cooperative and enter into a relationship with it as non-members.

The statutes of the selected cooperative, which constitute the rules of the Cooperative's economy, specify, directly or by referring to executive regulations, the rules for covering the costs of operation and maintenance of the property. Pursuant to § 90, members of the Cooperative who have cooperative rights to premises are obliged to participate in covering the costs related to the operation and maintenance of real estate in parts constituting the property of the cooperative by paying fees in accordance with the provisions of the statutes. On the other hand, members of the Cooperative who are owners of premises are obliged to participate in covering the costs related to the operation and maintenance of their premises, the operation and maintenance of common property and property constituting the property of the cooperative by paying fees in accordance with the provisions of the statutes.

The statutes also stipulate that owners of premises who are not members of the cooperative are obliged to contribute to the costs of operating and maintaining their premises, operating and maintaining the cooperative's common property, which is intended for shared use by persons residing in the cooperative's housing stock [Act of December 15, 2000].

A natural person becomes a member of the Cooperative after submitting a written membership declaration and paying the registration fee and declared shares. One of the rights of Members is the right to request the conclusion of an agreement to transfer ownership of the premises to which the member has cooperative ownership rights to residential or commercial premises. In addition to this right, they also have the right to use, together with other residents, all common facilities, areas, and services provided by the Cooperative. The obligations of members and non-member users, in the context of the purpose of this article, include:

1. complying with the provisions of the statutes, regulations, and other resolutions of the Cooperative's bodies,
2. paying fees related to the operation and maintenance of real estate constituting the Cooperative's property and covering the Cooperative's other liabilities in a timely manner,
3. caring for the good of the Cooperative and respecting and securing its property,

Among the above statutory obligations, owners who are not members must comply with the statutes and regulations, pay fees related to the operation and maintenance of the Cooperative's property on time, and cover the Cooperative's other liabilities.

It should be added that the above provisions of the Articles of Association and any other provisions may be amended by resolutions of the General Meeting. A member also has the right to withdraw from the Cooperative at any time by giving notice to the Management Board of the Cooperative.

The provisions of the statutes and the Act specify the rights and obligations of both members and non-members. It should be emphasized that members are almost always aware of their rights and obligations, including when they leave the Cooperative and enter into a relationship with it as non-members.

The statutes of the selected cooperative, which constitute the rules of the Cooperative's economy, specify, directly or by referring to executive regulations, the rules for covering the costs of operation and maintenance of the property. Pursuant to § 90, members of the Cooperative who have cooperative rights to premises are obliged to participate in covering the costs related to the operation and maintenance of real estate in parts constituting the property of the cooperative by paying fees in accordance with the provisions of the statutes. On the other hand, members of the Cooperative who are owners of premises are obliged to participate in covering the costs related to the operation and maintenance of their premises, the operation and maintenance of common property and

property constituting the property of the cooperative by paying fees in accordance with the provisions of the statutes. The statutes also stipulate that owners of premises who are not members of the cooperative are obliged to contribute to the costs of operating and maintaining their premises, operating and maintaining the cooperative's common property, which is intended for shared use by persons residing

in the cooperative's housing stock [Act of December 15, 2000]

In accordance with the Statutes, the costs of operating and maintaining common property are the general costs of SMDJ, water supply and sewage disposal, solid waste disposal, and contributions to the renovation fund. These costs are determined in proportion to the usable area of the premises (single-family house) or calculated per single-family house as a unit. The decision on the method of determination (calculation) is made by the Supervisory Board by way of a relevant resolution.

In relation to homeowners who are and are not members of the Cooperative, the regulations stipulate that the Cooperative is obliged to:

1. maintain in good condition the technical equipment shared by the entire complex of single-family houses and owned by the Cooperative, such as:
  - water supply network with structures
  - the sanitary sewage system (excluding connections) and related structures
  - the storm water drainage system (excluding connections) and related structures
2. developing common areas, sidewalks, and green areas
3. concluding agreements with relevant companies for municipal services such as:
  - cold water supply and sewage disposal
  - waste disposal
4. handling settlements for fees for perpetual usufruct of common property
5. handling settlements for taxes on real estate, land, and buildings of common property.

### **Costs of the Cooperative's property intended for common use**

Cost means the monetary value of the consumption of means of production and labor necessary to obtain a good (product) or service.

According to Niziński, Żurek, and Ligier [2011], cost is the monetary value of the justified consumption of human and objectified labor (past labor reflected in means of production and material objects or consumer goods) for the purpose of manufacturing a specific product.

In accordance with the Act on Housing Cooperatives, a cooperative remains the owner or co-owner of real estate and the user or co-user of land in perpetuity to the extent that this does not infringe on the separate ownership of premises or rights related thereto vested in its members.

In particular, the property of a cooperative includes (Article 40):

- 1) real estate used by the cooperative for manufacturing, construction, commercial, service, social, educational, cultural, administrative, and other activities, developed with buildings and other facilities,
- 2) real estate developed with technical infrastructure facilities, including technical infrastructure facilities and networks related to the functioning of buildings or housing estates, subject to Article 49 of the Civil Code,
- 3) undeveloped real estate.

In the justification for its decision of April 17, 2013, ref. no. I CSK 434/12, the Supreme Court indicated that the term "cooperative property intended for common use" should be understood as property and infrastructure elements whose use is necessary for the proper use of the real estate. The facts of the case in which the ruling in question was issued concerned an internal road providing access to a public road.

According to the fixed asset register, the selected cooperative's assets include fixed assets with a total initial value of PLN 1,393,724.68. These are mainly land in the form of separate plots and segments of houses belonging to the Cooperative. In addition, the Cooperative's fixed assets include equipment intended for shared use by members

and homeowners who are not members of the Cooperative, such as water supply, sewage, and storm water drainage systems.

These sewage systems cover almost the entire area of houses built as part of the Cooperative's resources, as shown in the attached maps: The residents of individual houses, both members and non-members of the Cooperative, are connected to or served by the above sewage systems.

These networks require ongoing maintenance and repair, meter reading and billing for individual users, which is a source of costs in the Cooperative's economy.

According to Article 4 of the Act on Housing Cooperatives:

1) Members of the cooperative who have cooperative rights to premises are obliged to participate in covering the costs related to the operation and maintenance of the property in the parts attributable to their premises, the operation and maintenance of the property constituting the cooperative's assets by paying fees in accordance with the provisions of the statutes.

2) Owners of premises who are not members of the cooperative are obliged to contribute to the costs associated with the operation and maintenance of their premises, as well as the operation and maintenance of common property. They are also obliged to contribute to the expenses related to the operation and maintenance of the cooperative's property, which is intended for shared use by the residents of specific buildings or housing estates. They fulfill these obligations by paying fees on the same terms as members of the cooperative, subject to Article 5.

The decisive factor in determining the obligation to pay fees for the operation and maintenance of real estate owned by the Cooperative is not whether the persons actually use it, but only the fact that the real estate in question is intended for common use [Act of December 15, 2000].

Taking into account mutual obligations and the theory of cost accounting, the costs (of operating) common property (intended for common use) should include:

1. Indirect costs, i.e., overhead costs.
2. Direct costs, including:
  - a) - maintenance of common areas (cleaning, mowing, transport, etc.),
  - b) - perpetual usufruct of the Cooperative's common property land,
  - c) - property tax on the Cooperative's common property land and buildings,
  - d) - costs related to the management of the Cooperative's property,
  - e) - unbalanced water consumption,
  - f) - other costs related to the items listed in subparagraph b.

Operating costs include direct costs related to a given property and indirect costs in the form of common property and water consumption allocated on the basis of the settlement for a given house.

Indirect operating costs of common property are fixed costs incurred in connection with all activities in a given period, which are settled on a per-unit basis based on the agreed settlement keys. These costs remain fixed in total and are independent of the number of calculation units, but in unit terms they decrease with the number of these units.

Although the Housing Cooperatives Act does not define the term "operating costs" or explain the term "maintenance costs," both types of costs must be directly related to the property in question and cannot include other expenses. The operating and maintenance costs of a property certainly include: the costs of services provided to the property, such as water supply, energy supply, sewage collection, waste disposal, the costs of construction works, ongoing maintenance, ongoing repairs and renovations (including documentation and administrative costs), costs of maintenance and upkeep of technical installations and equipment located within the property, costs of maintaining green areas, cleaning roads, squares, and sidewalks (including employee remuneration expenses), property tax, fees for perpetual usufruct of land, as well as property management costs, the latter not being identical to all the costs of the cooperative's administration. However, some of the costs incurred by the Cooperative are not directly related to real estate, but concern the functioning of the Cooperative, i.e., for example, costs internal cooperative procedures and proceedings, costs related to the Cooperative's business activities.

The regulations of the selected cooperative also provide definitions of general costs, listing the following components:

1. Personnel costs, including:
  - a) Personnel payroll fund,
  - b) Social security contributions,
  - c) Non-personnel payroll fund,
  - d) Social security contributions,
  - e) Remuneration under contract of mandate,
  - f) Social security contributions,
  - g) Business trips, tickets, car allowances,
  - h) Employee training,
  - i) Other personal benefits related to occupational health and safety, medical examinations.
2. Cooperative office maintenance costs, including:
  - a) Purchase of equipment, tools, and supplies.
  - b) Depreciation of fixed assets.
  - c) Electricity, water.
  - d) Rent and central heating for office premises.
  - e) Insurance of fixed assets and equipment.
  - f) Office supplies and cleaning products.
  - g) Telephone and postal services.
  - h) IT services.
  - i) Contributions to the National Audit Union.
  - j) Expenses related to court registration.
  - k) Purchase of newspapers and publications.
  - l) Commissions and bank charges.
  - m) Costs of services related to the functioning of the Cooperative's office.
  - n) Other material costs and other costs related to the overall activity of the Cooperative (auditing, balance sheet examination).
3. Local government service costs, including:
  - a) Costs of materials.
  - b) Costs of organizing the General Meeting of Shareholders.
  - c) Other costs.

The above costs are costs of managing common property [Act of December 15, 2000].

Management costs, as indirect costs, are allocated to individual calculation units: houses or house areas.

Direct costs, i.e. those that can be directly attributed to the place where they were incurred, specified in the invoice or attachment to the invoice, related to common property, include :

- 1) Transport services,
- 2) Cleaning of common property areas
- 3) Maintenance of green areas
- 4) Perpetual usufruct of common property areas
- 5) Property tax on common property
- 6) Regulation of the legal status of land
- 7) Ongoing maintenance of common property
- 8) Other costs of common property.

In principle, cooperatives establish monthly fees, known as operating fees, by way of a resolution, which consist of the costs of operating the cooperative's common property and contributions to the renovation fund. The monthly maintenance fee and contributions to the renovation fund are calculated by the selected cooperative on the basis of an annual cost plan, taking into account the surplus or deficit obtained in the previous accounting period. The planned cost was divided by the total area of all single-family houses in the housing estate. The amount obtained was the annual rate per 1 m<sup>2</sup> of house area. The annual rate was divided into 12 months to obtain a monthly rate, which was multiplied by the area of the house to obtain the monthly cost of the maintenance fee and the renovation fund fee [Act of December 15, 2000].

## Cost and revenue plan

An example cost and revenue plan for the operation of a group of detached single-family houses belonging to a selected cooperative for the year 2024 is presented below :

**Table 1. Cost and revenue plan for the operation of a group of detached single-family houses**

Lp.	Specification	Costs	Execution 31.12.2024	%	Revenues	Result
		Plan for 2024			Plan for 2024	
1	Direct costs	22 500	21 956	98	22 500	
a	Building insurance	10 000	9 255	93	10 000	
b	Internal installation inspections	12 500	12 701	102	12 500	
c	Other direct costs					
2	Costs from the settlement of common property.	208 150	215 051	103		
3	Income from property management				139 600	
4	Benefits, increase in property value					
I	Total costs and revenues from current operations	230 650	237 007	103	162 100	
II	Perpetual usufruct of land	400	376	94	400	
III	Property tax - land	350	249	71	350	
IV	Property tax - buildings	1 450	1 433	99	1 450	
V	Water consumption	210 000	153 963	73	210 000	
VI	Waste disposal	51 900	50 338	97	51 900	
VII	Total operation	494 750	443 366	90	426 200	-68 550
VIII	Result from 2023					68 717
IX	Operating result					167

*Source : Own study based on data from cooperative X.*

The table above shows that the main operating costs are current operating costs and water consumption costs.

The costs and revenues from the operation of common property are also subject to planning. For 2024, the costs of common property were planned at PLN 208,150 and consisted of the following items :

**Table 2. Costs of operating common property**

Lp.	Specification	Plan for 2024	Execution 31.12.2024	%
I	Total direct costs	10 750	9 757	90,8
1	Maintenance of common areas (cleaning, mowing, transport)	2 000	1 728	86,4
2	Perpetual usufruct of land	3 600	3 566	99,1
3	Property tax	150	134	89,5
4	Field and court costs	3 000	3 710	124
5	Other costs	2 000	619	30,9
II	SMDJ overheads	200 500	182 530	91
III	Total costs	211 150	192 287	91,1
IV	Interest income. Other income	3 000	-22 764	- 759
V	Costs to be settled on the property.	208 150	215 051	103

Source: Own study based on data from cooperative X.

The column next to the planned data shows the performance as at December 31, 2024, i.e., the costs actually incurred and recorded in the Cooperative's accounting books.

The Cooperative is an accounting entity and is required by the Accounting Act to keep accounts in accordance with its principles using accounting accounts. The principle of true and fair view requires that all economic operations carried out in a given financial year be recorded in the accounts. The auditor verified the values of the costs indicated in the plans as incurred with the accounting records, as shown in the table below:

**Table 3. Verification of costs indicated in plans**

Lp.	Specification	Costs	Execution	Execution from accounts	Accounts
	<b>Plan na 2024</b>				
1	Direct costs	22 500,00	21 956,00	23 086,18	
a	Building insurance	10 000,00	9 255,00	8 476,52	501-00;
b	Internal installation inspections	12 500,00	12 701,00	13 480,66	501-01

c	Other direct costs				
2	<b>Costs from the settlement of common property</b>	<b>208 150,00</b>	<b>215 051,00</b>	<b>215 051,00</b>	<b>550; 531; 551; 750-01; 760; - 765-02</b>
3	Income from property management.				
4	Benefits, increase in property value				
I	Total costs and revenues from current operations	230 650,00	237 007,00	237 007,00	
II	Perpetual usufruct of land	400,00	376,00	375,60	501-08
III	Property tax - land	350,00	249,00	249,00	501-09
IV	Property tax - buildings	1 450,00	1 433,00	1 433,38	501-10
V	Water consumption	210 000,00	153 963,00	153 963,23	501-06
VI	Waste disposal	51 900,00	50 338,00	50 338,00	501-07
VII	Total operation	494 750,00	443 366,00	443 366,00	

Source : Own study based on data from cooperative X.

The column “Execution from accounts” contains the value of costs recorded in the accounts, and the type of accounts is specified in the column next to it. In two cases, the costs in the accounts had to be specified and corrected in order to lead to the execution of individual types of costs. The costs of building insurance in the amount of PLN 8,476.52 from account 501 - 00 were increased by PLN 779.00 (policy recorded in account 501 - 01), giving a total of PLN 9,255.00. In addition, internal inspections of installations recorded in account 501 - 01 in the amount of PLN 13,480.66, reduced by PLN 779.00 (policy), give a total of PLN 12,701.00. It follows that the costs disclosed as incurred correspond to the costs recorded in the accounting accounts.

The performance for a given year then forms the basis for plans for the next accounting period and for estimating the basic operating fee. The financial result, i.e., the profit or loss from one year's operations, increases or decreases the operating cost plans for the next accounting period.

### **Maintenance fee for property intended for shared use**

The method of calculating the maintenance fee for common property for 2024 described above is presented in the table below:

**Table 4. Calculation of the basic maintenance fee rate for 2024.**

Calculation of the basic service charge rate for 2024.
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1.	Planned costs for 2024	208 150,00
2.	Operating loss for 2023	68 717,00
3.	Costs to be settled for real estate	139 433,00
4.	Area of property to be settled	29 077,88
5.	Actual calculation	
	Costs to be settled	139 433,00
	to the surface area M2	29 077,88
	amounts to annually	4,80
	amounts to per month	0,40

Source : Own study based on data from cooperative X.

Ultimately, taking into account water consumption costs, property tax, waste disposal, installation inspections, home insurance, and the above-calculated costs of operating common property, persons with cooperative rights to the premises receive a statement of fees as follows:

**Table 5. Statement of fees**

Maintenance fee			
Name of the fee	u.m.	unit price	value
Cold water	22,64 m <sup>3</sup>	9,42	213,27
Costs of operating the cooperative's property	107,30 m <sup>2</sup>	0,40	42,92
Solid waste disposal	4,00 os	9,50	38,00
Property tax (land)	256,00 m <sup>2</sup>	0,05	12,80
Tax fee - house area	107,20 m <sup>2</sup>	0,05	5,36
Tax payment - basement	50,08 m <sup>2</sup>	0,03	1,50
Inspections of internal installations	107,20 m <sup>2</sup>	0,07	7,50
Home insurance	107,20 m <sup>2</sup>	0,09	9,65

Source : Own study based on data from cooperative X.

The settlement for former members, on the other hand, only includes the item of operating costs of the cooperative's property, as follows:

**Table 6. Item of operating costs of the cooperative's property**

Maintenance fee			
Name of the fee	u.m.	unit price	value

Costs of operating the cooperative's property	110,00 m2	0,40	44,00
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Source : Own study based on data from cooperative X.

The maintenance fee is the same for owners and cooperative members, members and non-members of the Cooperative. This equality of fees is a consequence of the fact that in order to determine the obligation to pay fees for the operation and maintenance of real estate constituting the property of the Cooperative, it is not important whether they actually use it, but only the fact that the real estate in question is intended for common use. This issue was decided by the Supreme Court. In the opinion of the Court, the Cooperative is right in saying that the defendants, as owners of a single-family house who are not members of the Cooperative, are obliged to contribute to the expenses related to the operation and maintenance of these properties, which are the property of the Cooperative and are intended for common use by persons residing in specific buildings or housing estates, and that they should fulfill this obligation by paying fees on the same terms as members of the Cooperative, based on Article 4(4) of the Act on Housing Cooperatives. The Cooperative proved that it owns property within the meaning of Article 40 of the Act, which is intended for shared use by the residents of the housing estate. Contrary to the defendants' claims, the decisive factor in determining the existence of the obligation to pay fees for the operation and maintenance of real estate constituting the Cooperative's property is not whether they actually use it themselves, but only the fact that the real estate in question is intended for common use.

The accounting principles and accepted cost accounting principles in the Cooperative, as well as the judgments of the Supreme Court, indicate that the costs of operating and maintaining real estate certainly include: the costs of services provided to a given property, such as water supply, energy supply, sewage collection, waste disposal, construction costs, ongoing maintenance, ongoing repairs and renovations (including documentation and administrative costs), costs of maintenance and repair of installations and technical equipment located within the property, costs of maintaining green areas, cleaning roads, squares, sidewalks (including employee remuneration expenses), property tax, fees for perpetual usufruct of land, as well as property management costs, the latter not being identical to all the costs of the cooperative's administration. However, some of the costs incurred by the Cooperative are not directly related to real estate, but concern the functioning of the Cooperative, i.e., for example, the costs of internal cooperative procedures and proceedings, costs related to the Cooperative's economic activity.

The accounting records show that the costs of common property are essentially the cooperative's general costs in the form of salaries and derivatives, office maintenance expenses, and water consumption and waste disposal costs. These are management costs for a given period and are incurred regardless of the quantity of products produced, in this case the residents served. The Cooperative's costs in the calculation layout are presented in the table below :

**Table 7. Cooperative costs in the calculation layout**

501	Operating costs of housing resources	228 316,39
503	Business costs – other leases	1 300,39
531	Operating and maintenance costs – common property	9 757,43
536	Purchase of services subject to re-invoicing	603,07
550	Management costs - office	182 913,57
551	Local government operating costs	784,50

Source : Own study based on data from cooperative X.

The main cost groups are the costs of operating the housing stock, which include expenses related to the functioning of the housing complex directly related to them. Business costs are not included in the calculation of operating fees and constitute costs not related to property management costs. The costs of maintaining common property are direct costs related to the maintenance of water supply, sewage, and storm drainage systems.

Management costs are general, indirect costs related to the management of all housing resources and common property. These are indivisible costs that cannot be clearly attributed to specific calculation units.

The justification for considering the total management costs as the basis for calculating common property fees is the number of members of the cooperative, the number of employees and their tasks, and water consumption shortages.

The above costs are incurred in connection with the management of the common and own property of an organization with 156 members. Currently, there are exactly 156 members of the Cooperative, who are persons with cooperative rights to the house and title deeds. As of the date of this opinion, there are 11 members of the Cooperative with cooperative title to property. The number of members is steadily declining, having fallen by almost half since 2009 (from 280 to 156).

**Table 8. List of cooperative members**

Year	Total number of members
2019	280
2020	243
2021	231
2022	224
2023	202
2024	169
2025	156

*Source : Own study based on data from cooperative X.*

On the other hand, there are 70 people who are not members but pay maintenance fees, respecting the Cooperative's right to them. It follows from the above that the Cooperative owns common property in the form of water supply, sewage, and storm water drainage networks, which directly and indirectly meet the needs of 93% of people who have ownership rights to houses. The costs of the Cooperative's common property are generally incurred in connection with the operation of these networks and the billing of utilities: water, sewage, and garbage to individual homes.

Among these costs, the largest item in terms of value is salaries. The Cooperative carries out its tasks with 3 employees, with a total of 2 full-time positions. The staff consists of: 1 person performing the functions of the Management Board on a half-time basis, Accounting (keeping mandatory accounting records) on a half-time basis, and an administrative employee dealing with the day-to-day operations of the Cooperative.

An important cost factor in the Cooperative is unbalanced water consumption. According to the records for the second half of 2024, consumption on the main water meters is higher than that billed by the Cooperative:

**Table 9. Records for the second half of 2024**

Main water meter	Main consumption	Consumption billed	Difference
1	2883	2624	259
2	83	484	-401
3	940	685	255
4	809	394	415
5	400	337	63
6	447	277	170

7	594	498	96
8	1906	1440	466

Source : Own study based on data from cooperative X.

The difference means that the Cooperative bears the costs of consumption that cannot be attributed to any of the houses; this is known as unbalanced water consumption, which, according to the Regulations, constitutes a common property cost and is attributed to all residents of the housing estate.

## Conclusions

1. Like any economically separate entity pursuing a long-term goal, a cooperative, similar to a business entity, goes through certain stages in its life cycle. The Cooperative is in the final phase of its activity. It has already achieved its primary goal: it has built single-family houses and other buildings in order to transfer ownership of these houses and buildings to its members. It has gradually transferred and continues to transfer ownership rights to its members. It has also organized and developed the common property in such a way that each member of the cooperative can function independently, taking into account the possibility of concluding contracts for the supply of water and other utilities and sewage collection. The number of members with cooperative rights to housing is gradually decreasing, and the Cooperative is smoothly transferring single-family houses into ownership. Not all assets have been transferred to members yet. The current stage of the Cooperative's activity is the management (control, maintenance) of common property and its own assets. In particular, the Cooperative's tasks consist in maintaining the technical equipment common to the entire complex of single-family houses in proper condition, managing common areas, sidewalks, and green areas, concluding contracts with relevant companies for municipal services, handling settlements for fees for perpetual usufruct of common property, handling settlements for taxes on real estate, land, and buildings of common property. This management requires activities consisting of settling direct and indirect costs incurred in connection with this management.
2. The described method of calculating and settling the costs of operating common property (intended for common use) by settling them according to the usable floor space of the houses of members and non-members of the Cooperative should be considered adequate and reflecting the actual costs.
3. The costs of common property, i.e., infrastructure intended for common use, reflected in the maintenance fee for common property, constitute justified direct and indirect costs settled on the basis of the adopted calculation units. The direct costs of such property are the costs of cleaning, mowing, perpetual usufruct fees, property tax on such land, court fees and rent books, and postal fees. Indirect costs are the Cooperative's general costs and unbalanced water consumption. Overhead costs are incurred in connection with administration and management. The rules for calculating these costs are consistent with the principles of full cost accounting described in accounting theory and adopted for use in business practice.

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