

# EAST RIVER HOUSING CORPORATION

## ANNUAL MEETING

DECEMBER 6, 2021



**EAST RIVER HOUSING CORPORATION**

**BOARD OF DIRECTORS**

GARY ALTMAN	ELLEN GENTILVISO
MICHELE AMAR	DOV GOLDMAN
STEVEN BARBIERI	LARRY GOLDMAN
REUVEN BELL	RICHARD KENNY
RACHEL EHRENPREIS	JOHN SOTOMAYOR

DIANA WONG

**OFFICERS**

GARY ALTMAN .....	PRESIDENT
ELLEN GENTILVISO .....	VICE-PRESIDENT
SHULIE WOLLMAN .....	VICE-PRESIDENT (NON-VOTING)
DOV GOLDMAN .....	SECRETARY
MICHELE AMAR .....	TREASURER

**HOUSE COMMITTEE**

JEFF SUPER .....	CHAIRPERSON
THOMAS SKIBICKI .....	VICE-CHAIRPERSON
SOHAILA ABDULALI	CHRISTINE ALFERIS
CARMEN ALVELO	ANTHONY BROWNIE
LEO HOENIG	TED PENDER
JACLYN PITULA	TIMOTHY RUCKER

CHRISTINE VASQUEZ

# EAST RIVER HOUSING CORPORATION



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Dear Cooperators,

Attached you will find the Annual Report of East River Housing Corporation for the year ending June 30, 2021. The still ongoing COVID-19 Pandemic with its ever-changing variants has caused immense human suffering and tragedy to so many families in our world. It has, as we are all aware, also caused economic and societal devastation to endless businesses, city and state governments (in the tens of billions of dollars), family finances and so many other entities that we always took for granted in our daily routines of life. Coops like ours have not been spared from this turmoil. Apartment sales which show increasing signs of improving were few and far between resulting in a very substantial revenue shortfall in flip taxes and our year end bottom line. As a result of the ongoing Pandemic our loss prior to depreciation was greatly affected. Depreciation represents capital improvement/additions that have long-term benefits that are being amortized (expensed) over a period of time. The Pandemic itself could never have been anticipated nor its ultimate effect on so many expense estimates such as the additional cost of vital PPE, sanitizing and supplies for our staff and cooperators. No matter the cost this is money we are going to spend. No dollar amount can be put on the health and safety of our Cooperators and staff.

Recently, we have started to see a turnaround in our immediate financial situation and things are looking, at the moment, more promising than the Fiscal year that has ended. Apartment sales are picking up and more open houses are being held each week. Sale prices while still lower than Pre-COVID levels are also starting to rebound. Achieving the health successes and sanitizing protocols, instituted by our Management team and Board of Directors, would not have been possible without the incredible work of our Maintenance, Porter, Boiler Plant and Security Staff. Our Director of Maintenance, Bob Wescott along with his deputy Eddie Velazquez must be commended for their leadership and for the dedication and devotion that their Porter and Maintenance staff perform every day. So many of our staff have been with us 20, 30 and even over 35 years that they are family. Jimmy Ritchie, our Chief Engineer and his team makes sure that our state-of-the-art boiler facility is providing us with heat and hot water. We burn clean, highly energy efficient natural gas all year round. The doors to our Management staff are always open to any cooperator who seeks assistance or information on any coop related matter. Our new office in Building 1 at 453 FDR Drive is open for any cooperator to visit or conduct business.

This past year we sadly lost our former President and Board member Martin Pulver. Professor Pulver was a kind, caring, and devoted member of your Board for many years. He was a friend to so many and will be missed. Our after-business hours maintenance worker being dispatched directly by a top-rated answering service, has proven very successful and cost effective. Cooperators have been calling the usual Maintenance Department number at 212.677.5744 and been greeted by a pleasant receptionist who takes down all the pertinent information and immediately relays it to a special dedicated cell phone always carried by the maintenance personnel on duty. He then promptly goes up to the cooperator's apartment to perform the needed service, or if it is beyond his scope of duties, (i.e. air conditioner installation or removal) prepares a ticket for

the morning. If he is on a current service call, he calls the cooperator and lets them know he will be there soon. When not on a call, maintenance staff will be available in the Maintenance office.

As previously reported, our new ten year \$40 million, 2.875% mortgage closed in February. This has allowed us in these very trying times to cover the cost, without burdening all cooperators with assessments or vastly greater increases, of the \$5 million Local Law 11 Building Façade mandate, the cost of the ongoing and expensive building underground almost 70 year old sewer and condensation line repairs, the moving costs to our new rent free office in Building 1, the replacement of one of our original 1955 rooftop water tanks (Buildings 1 and 2) which we have nurtured and carefully repaired for as long as possible, and the loss that East River incurred this fiscal year ending June 30 due to COVID causing reduced flip-tax revenue. In the future to ease the burden to cooperators major capital improvements such as roofs or elevators may have to be funded through limited time assessments.

**It must reiterated that before we pay one dollar for producing heat and hot water, insurance, building repair and sanitizing supplies, electricity and payroll, social security and union benefits for our maintenance, porters, boiler room, security and management staff, we must first allocate over \$10 million a year for city imposed real estate taxes. Just adding in water and sewage usage charges brings us close to \$12 million a year (over 40% of our budget).**

On the plus side, we have received a one-time PPE loan of just over a million dollars and we have applied to have this loan turned into a grant.

We live in a beautiful cooperative with so many kind and caring people. We and the Board once again promise to do all in our power to keep it this way in the most affordable manner while maintaining our fiscal responsibility and integrity. East River Housing Co-op with our gardens, parks, buildings, and staff is a hidden treasure in our city.

We wish everyone a very happy holiday season and pray for a better year to come. May the coming year be a blessed one for you and your family.

Gary Altman, President  
Shulie Wollman, General Manager

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Financial Statements  
and Supplemental Information  
(Together with Independent Auditors' Reports)**

**Years Ended June 30, 2021 and 2020**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

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## INDEPENDENT AUDITORS' REPORT

To the Tenant-Stockholders  
East River Housing Corporation  
New York, N.Y.

We have audited the accompanying financial statements of East River Housing Corporation (the "Cooperative"), which comprise the balance sheets as of June 31, 2021 and 2020, and the related statements of revenues and expenses and changes in accumulated deficit, changes in stockholders' deficit 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 audits. We conducted our audits 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 the Cooperative as of June 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Omission of Required Supplementary Information about Future Major Repairs and Replacements**

As discussed in Note 11 to the financial statements, management has omitted information about the estimates of future costs of 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 this missing information.

*Marks Paneth LLP*

Woodbury, New York  
December 3, 2021



**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Balance Sheets  
June 30, 2021 and 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 7,928,380	\$ 1,428,826
Restricted cash	575,109	-
Total cash, cash equivalents and restricted cash	8,503,489	1,428,826
Receivables:		
Tenant-stockholders	1,114,334	1,027,858
Commercial tenants, net of allowance for doubtful accounts of \$50,000 at June 30, 2021 and 2020	329,387	346,766
Due from Hillman Housing Corporation (affiliate)	786,454	-
Other	88,094	172,609
Total receivables	2,318,269	1,547,233
Prepaid expenses and other assets	858,027	763,850
Security deposits - vendors	39,832	39,832
Security deposits - commercial tenants	169,403	169,403
Real and personal property, net	17,951,557	17,802,176
<b>TOTAL ASSETS</b>	<b>\$ 29,840,577</b>	<b>\$ 21,751,320</b>

**LIABILITIES AND STOCKHOLDERS' DEFICIT**

**Liabilities**

Accounts payable and accrued expenses	\$ 1,644,178	\$ 3,805,735
Line of credit payable	-	4,511,746
Security deposits	113,971	196,106
Due to tenant-stockholders - real property tax abatements, net	1,350,000	1,356,000
Due to Hillman Housing Corporation (affiliate)	-	1,471
Rents received in advance	148,184	109,148
Security deposits payable - commercial tenants	169,403	169,403
Loan payable - Paycheck Protection Program	1,030,995	-
Mortgage payable, net	39,003,357	23,423,273
Total Liabilities	43,460,088	33,572,882

**Stockholders' Deficit**

Common stock - \$100 par value, authorized 50,000 shares, 45,659.375 shares issued and 45,634.375 and 45,584.375 shares outstanding at June 30, 2021 and 2020, respectively	4,565,938	4,565,938
Additional paid-in capital	7,669,038	7,567,656
Accumulated deficit	(25,109,303)	(22,004,602)
Less: Treasury stock, at cost - 25.00 and 75.00 shares at June 30, 2021 and 2020, respectively	(745,184)	(1,950,554)
Total Stockholders' Deficit	(13,619,511)	(11,821,562)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 29,840,577</b>	<b>\$ 21,751,320</b>

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Statements of Revenues and Expenses**  
**and Changes in Accumulated Deficit**  
**For the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Carrying charges - apartments - net of tax abatements (including electricity and sublet fees)	\$ 20,746,204	\$ 18,820,555
Apartment resale fees	2,207,425	2,890,925
Commercial rent - store and offices (including electricity and real estate taxes)	2,060,982	2,438,726
Parking rent, net of parking expenses	897,047	896,336
Other income	505,752	643,551
Laundry room	244,320	165,440
<b>Total Revenues</b>	<b>26,661,730</b>	<b>25,855,533</b>
<b>EXPENSES</b>		
Real estate taxes	10,499,461	10,421,725
Utilities and fuel	3,935,644	3,991,066
Labor	3,302,121	3,165,156
Repairs and maintenance	3,278,381	3,129,014
Payroll overhead	2,068,827	1,981,052
Insurance	1,314,098	1,237,962
Security guards	986,033	1,098,270
Mortgage interest (including amortization of deferred financing costs of \$115,556 and \$25,107 for the years ended June 30, 2021 and 2020, respectively)	1,177,968	1,097,791
Management	1,087,275	911,490
Legal and accounting	188,761	304,824
State and city corporation taxes	154,979	195,399
Senior care	57,200	57,200
Other interest	302,330	25,341
Conduit	14,641	14,340
Website	3,498	502
<b>Total Expenses</b>	<b>28,371,217</b>	<b>27,631,132</b>
<b>EXCESS OF EXPENSES OVER REVENUES BEFORE DEPRECIATION</b>	<b>(1,709,487)</b>	<b>(1,775,599)</b>
Depreciation	1,395,214	1,403,194
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>(3,104,701)</b>	<b>(3,178,793)</b>
<b>ACCUMULATED DEFICIT - Beginning of Year</b>	<b>(22,004,602)</b>	<b>(18,825,809)</b>
<b>ACCUMULATED DEFICIT - End of Year</b>	<b>\$ (25,109,303)</b>	<b>\$ (22,004,602)</b>

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Statements of Changes in Stockholders' Deficit**  
**For the Years Ended June 30, 2021 and 2020**

	<u>Common Stock</u>	<u>Additional Paid- In Capital</u>	<u>Accumulated Deficit</u>	<u>Treasury Stock</u>	<u>Total Stockholders' Deficit</u>
Balance - July 1, 2019	\$ 4,565,938	\$ 7,470,907	\$ (18,825,809)	\$ (1,723,870)	\$ (8,512,834)
Purchase of Treasury Stock	-	96,749	-	(743,429)	(646,680)
Sale of Treasury Stock	-	-	-	516,745	516,745
Excess of expenses over revenues	-	-	(3,178,793)	-	(3,178,793)
Balance - June 30, 2020	4,565,938	7,567,656	(22,004,602)	(1,950,554)	(11,821,562)
Sale of Treasury Stock	-	101,382	-	1,205,370	1,306,752
Excess of expenses over revenues	-	-	(3,104,701)	-	(3,104,701)
Balance - June 30, 2021	<u>\$ 4,565,938</u>	<u>\$ 7,669,038</u>	<u>\$ (25,109,303)</u>	<u>\$ (745,184)</u>	<u>\$ (13,619,511)</u>

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of expenses over revenues	\$ (3,104,701)	\$ (3,178,793)
Adjustments to reconcile excess of expenses over revenues to net cash used in operating activities:		
Depreciation	1,395,214	1,403,194
Amortization of deferred financing costs	115,556	25,107
Changes in operating assets and liabilities:		
Receivables: Tenant-stockholders	(86,476)	(260,064)
Receivables: Commercial tenants	17,379	335,262
Receivables: Other	84,515	(41,692)
Receivables: Hillman Housing Corporation (affiliate)	(786,454)	18,442
Prepaid expenses and other assets	(94,177)	(397,501)
Accounts payable and accrued expenses	(2,161,560)	1,965,159
Security deposits payable	(82,135)	(93,159)
Due to tenant-stockholders - real property tax abatements	(6,000)	99,000
Due to Hillman Housing Corporation (affiliate)	(1,471)	1,471
Rents received in advance	39,036	(9,192)
Net Cash Used in Operating Activities	<u>(4,671,274)</u>	<u>(132,766)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of real and personal property	<u>(1,544,593)</u>	<u>(1,038,181)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Mortgage refinance proceeds	40,000,000	-
Repayment of mortgage principal	(23,500,000)	-
Repayment of line of credit	(4,511,746)	-
Payments of deferred financing costs	(1,035,471)	-
Sale of treasury stock	1,306,752	516,745
Proceeds from loan - Paycheck Protection Program	1,030,995	-
Purchase of treasury stock	<u>-</u>	<u>(646,680)</u>
Net Cash Provided by (Used in) Financing Activities	<u>13,290,530</u>	<u>(129,935)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<u>7,074,663</u>	<u>(1,300,882)</u>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>1,428,826</u>	<u>2,729,708</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year</b>	<u>\$ 8,503,489</u>	<u>\$ 1,428,826</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	<u>\$ 1,268,909</u>	<u>\$ 1,076,824</u>
Income taxes	<u>\$ 184,106</u>	<u>\$ 157,400</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
Deferred finance costs removed from the books	<u>\$ 76,726</u>	<u>\$ -</u>
Fully depreciated real and personal property written off	<u>\$ -</u>	<u>\$ 107,885</u>

See Notes to Financial Statements.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 1: ORGANIZATION**

History of the Cooperative

East River Housing Corporation (the "Cooperative"), a cooperative housing corporation, was incorporated in the State of New York on November 28, 1950. The Cooperative is located in New York City and owns residential apartments and commercial space.

Through February 6, 1997, the Cooperative was organized and operated as a government regulated residential real estate corporation. Effective February 7, 1997, the Cooperative was reconstituted as a private cooperative governed by and subject to New York State Business Corporation Law.

On December 22, 1998, the Board of Directors (the "Board") of the Cooperative passed resolutions to transfer all of the issued and outstanding shares of the Cooperative's stock, which had been held in the name of the directors as nominees, to the stockholders of the Cooperative.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Management and Allocated Expenses

The Cooperative is one of two housing corporations, the other being Hillman Housing Corporation ("Hillman"), which are situated in a common community and whose operations were managed by common management. Certain expenses common to these two housing corporations including, but not limited to payroll, fuel and management expenses, are paid for by the Cooperative and then allocated and charged to Hillman, generally based on each housing corporation's pro rata share of the number of dwelling units. During the years ended June 30, 2021 and 2020, common expenses of \$1,902,285 and \$3,418,636, respectively, were allocated to Hillman (see note 13). As of September 1, 2020, the Cooperative is no longer managing Hillman Housing Corporation and the only shared expenses are related to the boiler room.

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Management and Allocated Expenses (continued)

The Cooperative operates a heat and hot water facility ("Boiler Plant"), which supplies steam service to Hillman and Amalgamated Dwellings, Inc. ("ADI"), another cooperative. Pursuant to a November 29, 2012 agreement (the "Agreement"), ADI is responsible for 7.75% of certain costs relative to the supply of steam services provided by the Cooperative. Hillman was responsible for 26.02% of the Boiler Plant costs. The Agreement expires on September 15, 2031, unless further extended or terminated earlier, as provided for in the Agreement. The amounts due from ADI as of June 30, 2021 and 2020 were \$88,094 and \$172,609, respectively, and are reflected as other receivables on the balance sheets.

Real and Personal Property

Real and personal property is stated at cost less accumulated depreciation, except for land which is carried at cost. Depreciation of real and personal property is computed by various methods over the following estimated useful lives: buildings - 39 years, building and parking lot improvements - 15 to 39 years and, furniture and equipment - 5 to 7 years. Significant renovations or improvements that extend the life of the real estate are capitalized. Replacements and betterments are capitalized. Expenditures for minor replacements, maintenance, and repairs are charged to operations. It is the Cooperative's policy, in the year that it occurs, to write off assets that become fully depreciated whether or not the assets have been disposed of during the year.

Concentration of Credit Risk

Financial instruments that are potentially subject to credit risk include cash accounts held with financial institutions. The Federal Deposit Insurance Corporation insures the Cooperative's bank accounts up to a maximum of \$250,000 in each bank. From time to time, the Cooperative maintains cash balances at institutions that are in excess of the federally insured amounts. Cash deposits of approximately \$8,337,000 and \$1,391,000 in one bank exceeded the federally insured limit as of June 30, 2021 and 2020, respectively.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, (Topic 606) *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. The pronouncement requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The two permitted transition methods under the guidance are the full retrospective approach or a cumulative effect adjustment to the opening retained earnings in the year of adoption. The Cooperative adopted this ASU as of July 1, 2020. The Cooperative analyzed the provisions of this ASU and has applied the cumulative effect approach and determined that no adjustment was needed as the pattern of revenue recognition is substantially the same as prior GAAP.

Revenue from tenant-stockholders and commercial tenants is recognized when earned in accordance with the terms of the related lease, or when services have been rendered, as applicable. Carrying and rental charges received in advance of due dates are deferred until earned.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition (continued)

Revenue from carrying charges is reported net of real property tax abatements received from the New York City Department of Finance which has been credited to stockholders' accounts.

Apartment resale fees are recognized as revenue when the closing of the apartment sale transaction occurs.

Cash and Cash Equivalents

The Cooperative considers liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash

As of February 12, 2021, the Cooperative had classified as restricted, certain cash from the mortgage refinance with New York Community Bank (Note 6) in an interest-bearing account.

In November 2016, the FASB issued Accounting Standards Update 2016-18, *Statement of Cash Flows* (Topic 230) *Restricted Cash*, a new standard for presenting restricted cash on the statement of cash flows.

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same such amounts shown in the statements of cash flows for the years ended June 30,

	<u>2021</u>	<u>2020</u>
Cash and Equivalents	\$ 7,928,380	\$ 1,428,826
Restricted cash	<u>575,109</u>	<u>-</u>
Total cash, equivalents and restricted cash shown in the balance sheet and statement of cash flows	<u>\$ 8,503,489</u>	<u>\$ 1,428,826</u>

Security Deposits - Commercial Tenants

Included in security deposits for commercial tenants are any payments of money, including the final month's rent paid-in advance, which is given to the Cooperative by the commercial tenants in order to protect the Cooperative against non-payment of rent, damage due to breach of the lease or damage to the leased premises, common areas, major appliances and furnishings.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Receivables

Tenant receivables consist of stockholder rent receivables which are recorded at the invoice amount and do not bear interest. The Cooperative believes that all receivables owed by stockholders are fully collectible and no allowance for doubtful accounts is required as of June 30, 2021 and 2020.

Commercial receivables are recorded at net realizable value, representing the carrying amount less an allowance for uncollectible amounts. The Cooperative uses the allowance method to account for uncollectible accounts receivable balances. Under the allowance method, an estimate of uncollectible receivable balances is made based on historical experience and review of individual account receivable balances. At both June 30, 2021 and 2020, management has recorded an allowance for doubtful accounts in the amount of \$50,000.

Income Taxes

The Cooperative's income tax policies provide that those portions of carrying charges that are applicable to capital improvements, as determined by the Board, and mortgage amortization, will be accounted for as contributions to the additional paid-in capital of the Cooperative for income tax reporting purposes. Such amounts are recognized as revenue for financial reporting purposes. This accounting practice results in a permanent difference between financial and tax reporting revenue.

The Cooperative has adopted the provisions of Accounting Standards Codification Topic 740 "Income Taxes - Accounting for Uncertainties," which provides standards for establishing and classifying any tax provisions for uncertain tax positions. Any accrued interest and penalties related to unrecognized tax benefits would be recognized as income tax expense.

Debt Issuance Costs

The Cooperative presents debt issuance costs as a direct deduction from the carrying amount of the related indebtedness and amortizes these costs over the term of the related liability using the straight-line method which approximates the effective interest rate method. The Cooperative records debt issuance costs for its mortgage and line of credit as an asset net against the mortgage payable on its balance sheets. Amortization of the costs is reported as a component of interest expense.



**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a right-of-use asset (“ROU”) and lease liability for all leases that have a duration of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases today. The ROU will be amortized over the life of the lease and the lease liability will be reduced by lease payments not allocated to interest expense using an appropriate discount rate. For lessors, accounting for leases under the new standard will be substantially the same as existing guidance for sales-type leases, direct financing leases, and operating leases, but eliminates current real estate specific provisions and changes the treatment of initial direct costs. For example, the current standard allows legal costs associated with reviewing a lease to be deferred, however, under the new standard they will not be considered as initial direct costs and expensed when incurred. The new standard will be effective for the Cooperative for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. ASU No. 2016-02 must be applied using a modified retrospective approach. The Cooperative is currently assessing the impact Topic 842 will have on the financial statements. The new standard must be applied using a modified retrospective approach.

Business Conditions

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Cooperative could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Cooperative’s business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Cooperative cannot predict the extent to which its financial condition and results of operations will be affected.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 3: REAL AND PERSONAL PROPERTY**

The following is a summary of the components of real and personal property:

	June 30,	
	2021	2020
Land	\$ 1,723,024	\$ 1,723,024
Buildings	18,283,505	18,283,505
Building improvements	35,598,904	34,101,562
Furniture and equipment	3,240,666	3,193,415
Parking lot improvements	461,829	461,829
	59,307,928	57,763,335
Less: accumulated depreciation	(41,356,371)	(39,961,159)
Total	\$ 17,951,557	\$ 17,802,176

**NOTE 4: STOCKHOLDER LOANS**

As part of the reconstitution in 1997 (Note 1), the Cooperative instituted a Substitute SCRIE Program to provide benefits to all stockholders who became eligible for the Senior Citizen Rent Increase Exemption ("SCRIE") program benefits within the first two years after the effective date of the reconstitution. The Substitute SCRIE Program benefits consist of deferral of the payment of carrying charges payable by a participating stockholder which are attributable to the increase in real estate taxes over a base year amount. The deferral of payments are treated as a loan to the stockholder, which is repayable only upon the sale or transfer of the shares of stock and accompanying proprietary lease owned by the stockholder.

The loans do not bear interest. A participating stockholder is required to enter into an agreement with the Cooperative evidencing this loan and its terms and to execute a UCC-1 financing statement. Each participant in the Substitute SCRIE Program is charged an annual \$25 processing fee by the Cooperative. As of June 30, 2021 and 2020, the outstanding loans to stockholders under the Substitute SCRIE Program, which are included in receivables from tenant-stockholders, were approximately \$76,000 and \$73,000, respectively.

**NOTE 5: DUE TO STOCKHOLDERS – REAL PROPERTY TAX ABATEMENTS**

The Cooperative receives the benefit of certain real property tax abatements (STAR, SCRIE and Veteran) (the "Abatements") earned by certain stockholders who are entitled to these benefits. The Cooperative applies these Abatements to reduce the benefitting stockholders' monthly carrying charges over a ten-month period from March to December. As of June 30, 2021 and 2020, Abatements that will be applied to future monthly carrying charges amounted to \$1,350,000 and \$1,356,000, respectively.

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 6: MORTGAGE PAYABLE, NET AND LINE OF CREDIT PAYABLE**

On July 29, 2015, the previous Mortgage was paid in full using the \$23,500,000 of proceeds the Cooperative obtained in a refinancing with New York Community Bank. The new mortgage note required monthly payments of interest only, at a rate of 3.50% per annum and matured on August 1, 2023, at which time, the entire principal balance was due. The Cooperative had the option once in each year to make a single prepayment of up to \$2,000,000, without penalty. The note had the option to be prepaid in full subject to a prepayment premium.

The Mortgage was secured by all real and personal property as well as substantially all assets of the Cooperative and contained certain restrictions, including those related to the transfer of more than three apartments to a single stockholder and the incurrence of additional debt securing the Cooperative's property.

On February 12, 2021, the previous Mortgage was paid in full using the \$40,000,000 of proceeds the Cooperative immediately obtained in refinancing with New York Community Bank. The new mortgage note requires monthly payments of interest only, at a rate of 2.875% per annum and matures on March 1, 2031, at which time, the entire principal balance is due. The Cooperative has the option once in each year to make a single prepayment of up to 15% of the outstanding mortgage balance, without penalty. The Cooperative paid a \$235,000 prepayment penalty to close its previous mortgage which is included in other interest on the statement of changes in revenues and expenses.

Also on July 29, 2015, the Cooperative obtained a \$5,000,000 line of credit ("LOC"). The interest rate on the LOC was adjusted daily to a rate which was equal to the sum of the highest prime rate as published in The New York Times each day, plus 100 basis points, with a minimum interest rate of 4.25% and a maximum interest rate of 16%, per annum. The LOC was due to expire on August 1, 2023. The outstanding balance on the LOC as of June 30, 2020 was \$4,511,746, of which was the entire amount was paid off during the year ended June 30, 2021 as a result of the mortgage refinance. Interest expense on the LOC totaled \$250,184 for the year ended June 30, 2020.

On February 12, 2021, the Cooperative obtained a \$7,500,000 line of credit. The interest rate on the LOC is adjusted daily to a rate equal to the sum of the highest prime rate as published by The New York Times each day, plus 50 basis points, with a minimum interest rate of 3.75% and a maximum interest rate of 16% per annum. The LOC expires on March 1, 2031. There was no balance due on the LOC as of June 30, 2021. Interest expense on the LOC totaled \$119,849 for the year ended June 30, 2021.

The Mortgage is secured by all real and personal property as well as substantially all assets of the Cooperative and contained certain restrictions.

The Cooperative must meet certain debt covenants as defined in the LOC. The Cooperative was in compliance with the debt covenants as of June 30, 2021 and for the year then ended.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 6: MORTGAGE PAYABLE, NET AND LINE OF CREDIT PAYABLE (continued)**

As of June 30, 2021 and 2020, the mortgage loan, net is comprised of the following:

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
Mortgage loan	\$ 40,000,000	\$ 23,500,000
Unamortized deferred financing costs	(996,643)	(76,727)
	\$ 39,003,357	\$ 23,423,273

**NOTE 7: SBA PAYCHECK PROTECTION PROGRAM**

On December 27, 2020, in response to the COVID-19 Pandemic, the federal government passed into law the Consolidated Appropriations Act of 2021 (“the Act”). Among many other provisions, the Act extends the Paycheck Protection Program (“PPP”) through March 31, 2021, modifies provisions and forgiveness of the PPP loans, and authorizes eligible businesses to a second draw of a PPP loan. Eligible entities must employ no more than 300 employees, have used or plan to use their first PPP loan for qualifying expenses, and have a 25% reduction in gross receipts in the current year and quarter relative to the same 2019 quarter. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made, or (b) \$2 million. The term of the loan is five years and bears interest at 1% per annum. If the proceeds from the loan are used for specific purposes, some or all of the loan can be forgiven, based on how much is spent between the eight and twenty-four-week period immediately following funding of the loan.

The Cooperative was approved for a PPP loan through an SBA authorized lender in the amount of \$1,030,995 on March 28, 2021. In accounting for the terms of the PPP loan, the Cooperative is guided by ASC 470 *Debt*, and ASC 450-30 *Gain Contingency*. Accordingly, it recorded the proceeds of the PPP loan of \$1,030,995 as debt and it will derecognize the liability when the loan is repaid or it believes forgiveness is reasonably certain. The Cooperative believes that the possibility of loan forgiveness is to be regarded as a contingent gain and therefore will not recognize the gain (and derecognize the loan) until all uncertainty is removed (i.e. all conditions for forgiveness are met). Commencing in October 2021, after a permitted six-month deferral, if the conditions of forgiveness are not satisfied, the loan is payable in 60 equal monthly payments in the amount of \$17,712 representing principal and interest computed on the outstanding balance provided that the final installment be in an amount equal to the then outstanding principal balance in September 2026. The balance outstanding as of June 30, 2021 was \$1,030,995.

**NOTE 8: TREASURY STOCK**

The Cooperative uses the par-value method to account for treasury stock. Any gain on the sale of treasury stock is accounted for as an increase to additional paid-in capital. Any loss is accounted for in the same manner, but only to the extent of any previously accumulated gains. The Cooperative accounts for any excess loss as an increase in accumulated deficit.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 8: TREASURY STOCK (continued)**

During the year ended June 30, 2021, the Cooperative did not purchase any apartments. During the year ended June 30, 2020, the Cooperative purchased one apartment for 25 shares of treasury stock. During the years ended June 30, 2021 and 2020, 50 and 25 shares were sold, which resulted in \$101,382 and \$96,749 being recorded as an increase to additional paid-in capital, respectively.

**NOTE 9: CARRYING CHARGES AND RENTS – APARTMENTS AND COMMERCIAL SPACE**

Carrying charges for apartments are based on a per room rate that was originally determined based on the attributes of the room (i.e. size, view, etc.), when the housing corporation was converted in the mid-1950s. Any increase in carrying charges is based on an annual budget determined by the Board of Directors.

The Cooperative leases space to commercial tenants pursuant to leases. As of June 30, 2021, the total leasable commercial space of approximately 40,000 square feet was occupied by 27 tenants, including three tenants that occupied approximately 86% of the total leasable area. As of June 30, 2021, 13 tenants out of the 28 commercial tenants have written lease agreements. The remaining tenants are occupying their space on a month-to-month basis.

Commercial rental income, including electricity and real estate taxes, amounted to \$2,060,982 and \$2,438,726 for the years ended June 30, 2021 and 2020, respectively.

Commercial tenant leases are classified as operating leases with varying expiration dates through 2039. These leases provide for minimum rentals together with tenant reimbursements of real estate taxes and certain other operating expenses.

The aggregate minimum future rental receipts, excluding tenant reimbursements on noncancellable operating leases in effect at June 30, 2021, are as follows:

<b>For The Years Ending June 30,</b>	
2022	\$ 1,438,000
2023	1,461,000
2024	1,331,000
2025	920,000
2026	917,000
Thereafter	<u>8,803,000</u>
	<u>\$ 14,870,000</u>

For the years ended June 30, 2021 and 2020, two tenants accounted for approximately 42% and 27%, respectively, of the total commercial rental income. One of these tenants accounted for approximately 31% of the commercial tenants accounts receivable at June 30, 2021.

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 10: APARTMENT RESALE FEES**

The Cooperative assesses its stockholders' fees on the resale of apartments ("flip tax"). Effective October 1, 2008, when shares are sold by the first-time stockholder of occupancy, the rate charged for flip tax is 20%. The second and any subsequent sales of the same apartment are charged flip tax at a rate of 5%.

For the year ended June 30, 2021, there were 12 first-time sales of apartments and 17 second-time sales of apartments, resulting in apartment resale fees of \$2,207,425.

For the year ended June 30, 2020, there were 14 first-time sales of apartments and 16 second-time sales of apartments, resulting in apartment resale fees of \$2,890,925.

**NOTE 11: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Cooperative's governing documents do not require the accumulation of funds to finance future major repairs and replacements. In addition, the Cooperative has not conducted a study to determine the remaining useful lives of the components of real and personal common property and current estimates of the costs of future major repairs and replacements. When replacement funds are needed to meet future needs for major repairs and replacements, the Cooperative has the right to utilize reserve funds, borrow, increase maintenance assessments, pass special assessments or delay major repairs and replacements until funds are available. The effects on future assessments have not been determined at this time.

**NOTE 12: MULTI-EMPLOYER PENSION PLANS**

A majority of the Cooperative's direct labor is supplied by union employees. The Cooperative contributes to the Building Service 32BJ Pension Fund ("32 BJ Plan") and The International Union of Operating Engineers ("IUOE") Local 30 Pension Fund ("Local 30 Plan") (collectively, the "Plans"), both of which are multi-employer non-contributory defined benefit pension plans. The Plans provide retirement benefits to eligible participants employed in the building service industry who are covered under collective bargaining agreements. The Plans are administered by Boards of Trustees ("Trustees") and are subject to the provisions of the Employee Retirement Income Security Act of 1974.

The Cooperative also participates in the National Rural Electric Cooperative Association Retirement Security Plan ("NRECA"), a defined benefit pension plan that is treated as a multi-employer plan for accounting purposes. This Plan is available to certain non-union employees who have met certain service requirements and became employed by the Cooperative before January 1, 2011. This Plan requires annual contributions by participating employees as well as the Cooperative.

For the NRECA Plan, a "Zone Status" determination is not required under the Pension Protection Act of 2006 ("PPA"). The actuary reports that the NRECA Plan was more than 90 percent funded on January 1, 2020. Because certain provisions of the PPA do not apply to the NRECA Plan, FIP/RP Status and surcharges imposed are not applicable.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 12: MULTI-EMPLOYER PENSION PLANS (continued)**

The risks of participating in multi-employer pension plans are different from single-employer plans in that: assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; if a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and if the Cooperative stops participating in the multi-employer plans, the Cooperative may be required to pay each plan an amount based on the underfunded status of each plan, referred to as a withdrawal liability. The Cooperative has no plans to withdraw from any of the three plans.

The Cooperative's contributions to the three Plans above, for the years ended June 30, 2021 and 2020, were approximately \$383,000 and \$443,000, respectively. The Cooperative has not contributed more than 5% of the total contribution to the Plans.

The Cooperative's participation in the Plans are outlined in the tables below:

Pension Plan	Building Service 32BJ Pension Fund
Employer Identification Number	13-1879376
Pension Plan Number	001
PPA Zone Status Plan Years Beginning July 1, 2018 and 2019	Red
FIP/RP Status Implemented	Yes
Surcharge Imposed	None
Expiration Date of Collective Bargaining Agreements	April 20, 2022

Pension Plan	IUOE Local 30 Pension Fund
Employer Identification Number	51-6045848
Pension Plan Number	001
PPA Zone Status Plan Years Beginning January 1, 2018 and 2019	Green
FIP/RP Status Implemented	N/A
Surcharge Imposed	None
Expiration Date of Collective Bargaining Agreements	April 30, 2024

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

The Cooperative is subject to various claims and legal proceedings that arise in the ordinary course of its business activities, including, but not limited to, actions against tenant-stockholders for outstanding carrying charges; tenant-stockholders' actions against the Cooperative relating to the Cooperative's policies and other matters. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Cooperative.

As described in Note 2, the Cooperative has entered into agreements to provide certain services to Hillman Housing Corporation and Amalgamated Dwellings, Inc.

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**Notes to Financial Statements  
June 30, 2021 and 2020**

**NOTE 14: INCOME TAXES**

The Cooperative has approximately \$31,000,000 in net operating loss carryforwards ("NOLS") available for federal income tax purposes. These NOLS were generated in the years ended June 30, 2000 through June 30, 2021, from patronage and nonpatronage activities. These NOLS expire in tax years ended June 30, 2022 through 2039. Because the future utilization of these NOLS tax is uncertain, a full valuation allowance has been established against the gross deferred tax assets and no related deferred tax asset has been reflected in the accompanying financial statements. A valuation allowance of approximately \$6,800,000 and \$6,500,000 has been established during fiscal 2021 and 2020, respectively.

The Cooperative is subject to federal, New York State and New York City income taxes on its nonpatronage income. For the years ended June 30, 2021 and 2020, the Cooperative's state and city corporation taxes were based on the Cooperative's net capital base and amounted to approximately \$155,000 and \$195,000, respectively.

**NOTE 15: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 3, 2021, the date the financial statements were available to be issued. There were no additional subsequent events that require disclosure.



## **SUPPLEMENTAL INFORMATION**

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**M A R K S P A N E T H**  
ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Tenant-Stockholders  
East River Housing Corporation  
New York, N.Y.

We have audited the financial statements of East River Housing Corporation (the "Cooperative") as of and for the years ended June 30, 2021 and 2020, and our report thereon dated December 3, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on pages 20 and 21, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Cooperative'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 audits 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.

*Marks Paneth LLP*

Woodbury, New York  
December 3, 2021

**EAST RIVER HOUSING CORPORATION  
(A COOPERATIVE HOUSING CORPORATION)**

**SUPPLEMENTAL INFORMATION  
As of and for the Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Schedules of Prepaid Expenses and Other Assets, Net</b>		
Unexpired insurance	\$ 386,346	\$ 313,457
Deferred rent receivable	347,248	327,919
Fuel inventory	99,161	90,376
Security contract	19,028	25,854
Federal corporate taxes	6,244	6,244
<b>Total</b>	<b>\$ 858,027</b>	<b>\$ 763,850</b>
<b>Schedules of Other Income</b>		
Storage and bike room	\$ 229,405	\$ 230,885
Miscellaneous	194,906	215,656
Fitness room income, net of fitness expenses	-	163,662
Late fees	70,757	33,348
Interest Income	10,684	-
<b>Total</b>	<b>\$ 505,752</b>	<b>\$ 643,551</b>
<b>Schedules of Utilities and Fuel Expenses</b>		
Electricity	\$ 1,755,205	\$ 1,803,995
Water and sewer	1,278,243	1,284,602
Natural gas	811,070	836,884
Gas	64,180	57,747
Fuel oil	26,946	7,838
<b>Total</b>	<b>\$ 3,935,644</b>	<b>\$ 3,991,066</b>

**EAST RIVER HOUSING CORPORATION**  
**(A COOPERATIVE HOUSING CORPORATION)**

**SUPPLEMENTAL INFORMATION**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Schedules of Labor Expenses</b>		
Porters	\$ 1,731,773	\$ 1,543,285
Boiler room	860,718	795,618
Handymen	569,286	700,164
Supervisors	140,344	116,039
Playroom cleaning service	-	10,050
<b>Total</b>	<u>\$ 3,302,121</u>	<u>\$ 3,165,156</u>
<b>Schedules of Payroll Overhead</b>		
Union pension and welfare funds	\$ 1,388,793	\$ 1,359,786
Payroll taxes	374,161	399,666
Group life and major medical insurance	237,276	167,537
Retirement expenses	57,969	45,606
Payroll services	10,628	8,457
<b>Total</b>	<u>\$ 2,068,827</u>	<u>\$ 1,981,052</u>
<b>Schedules of Repairs and Maintenance Expenses</b>		
Building and apartment repairs	\$ 783,748	\$ 925,030
Janitorial supplies	507,166	439,843
Plumbing	368,986	255,447
Elevator	320,514	406,019
Painting and plastering	259,390	211,521
Heating and air conditioning	364,820	198,944
Gardening	194,000	216,102
Security	140,420	73,670
Exterminating	112,153	135,168
Claims paid	89,869	54,731
Electrical	69,030	100,868
Miscellaneous	23,675	37,681
Vehicle	23,522	35,160
Uniforms	21,088	19,840
Compactors	-	18,990
<b>Total</b>	<u>\$ 3,278,381</u>	<u>\$ 3,129,014</u>
<b>Schedules of Management Expenses</b>		
Salaries	\$ 809,592	\$ 659,824
Professional fees	106,496	91,648
Telephone / communication	84,674	68,165
Office supplies	31,153	16,884
Miscellaneous	28,061	45,217
Postage	18,334	15,738
Stationery and printing	8,965	14,014
<b>Total</b>	<u>\$ 1,087,275</u>	<u>\$ 911,490</u>

See Independent Auditors' Report on Supplemental Information.

**MINUTES OF THE 2020 ANNUAL MEETING OF STOCKHOLDERS**

**OF**

**EAST RIVER HOUSING CORPORATION**

The 2020 annual meeting of stockholders of East River Housing Corporation (the “Corporation”) was held virtually on the Zoom media platform as a result of the Covid-19 Pandemic, pursuant to notice annexed hereto, on Monday, December 21, 2020.

Gary Altman, President of the Corporation, acted as Chairperson at the meeting and Michael T. Reilly, Esq. of Norris McLaughlin, P.A., attorneys for the Corporation, acted as Secretary of the meeting.

The Chairperson called the meeting to order at 7:30 p.m. and presented the annexed agenda for the meeting which was accepted by voice vote on motion made and seconded.

The Chairperson welcomed all of the cooperators to the annual meeting. The minutes of the last duly held annual meeting were accepted by voice vote, on motion made and seconded.

Mr. Altman presented the President’s report, which recited the activities of the past year. The question and answer period then commenced and continued periodically until 8:00 p.m., during which period other items on the agenda were addressed. The nine candidates for the four positions on the Board, Michele Amar, Steven Barbieri, Lee Berman, Anthony Brownie, Dov Goldman, Denise Koller, Ayanna Quint, Matthew Schatz, and Diana Wong and the four candidates for the four positions on the House Committee, Christine Aliferis, Timothy Rucker, Jeffery Super, and Christine Vasquez, were introduced. There being no further nominations for the House Committee, the four candidates were elected by acclamation. Ballot voting for election to the Board of Directors proceeded. No in person voting occurred because of the Covid-19 pandemic and all voting occurred by directed proxies which were counted and processed by Norris McLaughlin P.A. Candidates and their designees were welcome to attend and observe virtually the counting process which occurred the following day on December 22, 2020.

Shulie Wollman, the General Manager, presented his report of the accomplishments and issues of the year. Jeffrey Super, Chair of the House Committee, introduced the House Committee members and thanked them for their services, and presented his report on the Committee’s activities.

The meeting, upon motion duly made and seconded, adjourned at 8:30 p.m. and was continued for the counting of the ballots and proxies on December 22, 2020.


Upon completion of the counting on December 22, 2020, the results of the election were as follows:

Board of Directors (Four Positions)

Michele Amar	514
Dov Goldman	505
Diana Wong	502
Steve Barbieri	485
Lee Berman	294
Denise Koller	255
Ayanna Quint	254
Anthony Brownie	247
Matthew Schatz	39

Accordingly: Michele Amar, Dov Goldman, Diana Wong and Steve Barbieri were elected to the Board of Directors for three year terms, and Christine Aliferis, Timothy Rucker, Jeffery Super, and Christine Vasquez were elected by acclamation to the House Committee.

Respectfully submitted



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Michael T. Reilly  
Secretary of the Meeting