

EAST RIVER HOUSING CORPORATION

ANNUAL MEETING

DECEMBER 14, 2022



EAST RIVER HOUSING CORPORATION

BOARD OF DIRECTORS

GARY ALTMAN	ELLEN GENTILVISO
MICHELE AMAR	STEVEN BARBIERI
REUVEN BELL	RACHEL EHRENPREIS
DOV GOLDMAN	RICHARD KENNY
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
CHRISTINE ALFERIS	CARMEN ALVELO
IBTISAM AMER	ANTHONY BROWNIE
LEO HOENIG	JACLYN PITULA
TIMOTHY RUCKER	CHRISTINE VASQUEZ

EAST RIVER HOUSING CORPORATION



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Dear Cooperators,

It is again our honor to present to you on behalf of the Board of Directors and Management, the annual report of East River Housing Corporation for the fiscal year ending June 30, 2022.

We begin on a very sad note. Earlier this year our esteemed and highly respected Board Member Larry Goldman passed away. For many years Larry served our co-op so ably and unselfishly first on the House Committee and then for a long period of time on the Board. We greatly miss his wisdom, kindness, friendship, advice and counsel.

While the still ongoing and seemingly never ending COVID Pandemic has altered many aspects of our daily lives, and while many things have slowly returned to the “new normal”, we still maintain the sanitary protocols instituted in our co-op almost 3 years ago. While we here at East River were not spared the economic turmoil of the past years, we are happy to report that during the past fiscal year we saw a turnaround and are pleased to show a profit on our audited and certified financial statements. This was achieved by tight prudent budgeting, increased but always fluctuating flip-tax revenue and the forgiveness of our one-time PPP loan of 1 million dollars. In our budget for the current fiscal year we have further reduced our flip-tax estimate as while this revenue is very welcome it depends on market forces such as people’s desires to sell due to retirement, job or personal relocation and sadly death.

It must be 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).

While we hope for another profitable year, there are several forces which will be a strain on our budget. One is the astounding increase in the cost of natural gas and oil (which we must still use whenever ConEdison has the whim and demands we switch from natural gas to oil for periods ranging from hours to several days). Heating oil is over \$5 a gallon (we once paid \$0.29 a gallon) and natural gas has more than doubled. In no way will this increased cost affect the delivery of heat and hot water to all our apartments. The second area of concern is our legal expenses due to ongoing, but sadly necessary litigation with Hillman Housing Corporation whose outstanding billing owed to us totals just over \$1,000,000. We have held discussions with their Board representatives to try and avoid needless attorney expenses for both our coops. Our relationship goes back over half a century and we hope for a time when these issues will be resolved, and we can once again be on friendly terms with our neighboring co-op where many of us have friends and family. But this cannot be allowed to happen on the backs of East River Cooperators who at times lay out money for boiler room expenses, fuel and manpower months in advance of being paid back in whole, or in part. Additionally, since the breakup over 2 years ago Hillman has not

paid us back for the accrued vacation and sick time of our then shared employees and has not paid us one penny in late fees, as per the boiler room contract, or their share of real estate taxes on the boiler plant. We again reiterate that we hope these issues can soon be resolved, and we wishfully hope Hillman likewise has a desire to do so, but it is East River which is out this money which is in litigation right now.

Inflation has also greatly affected every one of us individually and especially our co-op whose expenditures range from goods and services to labor to taxes to energy to city-imposed mandates and insurance. We hope to keep future carrying charge increase as small as possible and under the rate of inflation.

We have been meeting weekly with ClickPay to soon begin offering this service to give our cooperators more options on how to pay their monthly carrying charges. For those currently on ACH, the changeover should be seamless.

The Board and Management are also working on improved security features in our buildings and these will be fully implemented after the Local Law 11 façade work is completed and the scaffolding removed in the coming months. The safety of our cooperators is of paramount importance but we all can do our part by not holding the door for people you do not know and if you see something, say something. Everyone should be prepared to have and use their lobby key at all entrances to our buildings.

The overall beauty of our buildings and grounds could not be achieved without the dedication of Management, the Board and fellow Cooperators. While there are always areas that could use improvement, we are committed to seeing that occur within budgetary limits. But the most credit must go to our incredible 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 our 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.

We want to acknowledge the hard work and dedication of our small Management staff and our Board. No project or initiative could have been implemented or planned without the members of the Board, Management, union staff and many times concerned shareholders putting in countless hours of their time and effort.

We would also like to extend a thank you to the members of our House Committee who meet monthly, try to mediate grievances among cooperators, do site surveys and make suggestions to our Board and Management.

We live in a beautiful cooperative with so many kind and caring people. We and the Board and Management 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, 2022 and 2021



**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.

Opinion

We have audited the financial statements of East River Housing Corporation (the "Cooperative"), which comprise the balance sheet as of June 30, 2022, and the related statements of revenues and expenses and changes in accumulated deficit, changes in stockholders' deficit and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cooperative as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Financial Statements

The financial statements of the Cooperative as of and for the year ended June 30, 2021 were audited by another auditor whose report dated December 3, 2021 expressed an unmodified opinion on those statements.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 12 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.



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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann CPAs

Woodbury, New York
December 8, 2022

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Balance Sheets
June 30, 2022 and 2021

ASSETS

	2022	2021
Cash and cash equivalents	\$ 6,243,318	\$ 7,928,380
Restricted cash	575,247	575,109
Total cash, cash equivalents and restricted cash	6,818,565	8,503,489
Receivables:		
Tenant-stockholders	1,176,307	1,114,334
Commercial tenants, net of allowance for doubtful accounts of \$50,000 at both June 30, 2022 and 2021	431,334	329,387
Due from Hillman Housing Corporation	1,002,555	786,454
Other	146,790	88,094
Total receivables	2,756,986	2,318,269
Prepaid expenses and other assets	937,161	858,027
Security deposits - vendors	39,832	39,832
Security deposits - commercial tenants	169,403	169,403
Real and personal property, net	23,003,578	17,951,557
TOTAL ASSETS	\$ 33,725,525	\$ 29,840,577

LIABILITIES AND STOCKHOLDERS' DEFICIT

Liabilities

Accounts payable and accrued expenses	\$ 2,618,504	\$ 1,644,178
Security deposits	60,772	113,971
Due to tenant-stockholders - real property tax abatements, net	1,302,000	1,350,000
Rents received in advance	150,779	148,184
Security deposits payable - commercial tenants	169,403	169,403
Loan payable - Paycheck Protection Program	-	1,030,995
Mortgage payable, net	39,155,987	39,003,357
Total Liabilities	43,457,445	43,460,088

Stockholders' Deficit

Common stock - \$100 par value, authorized 50,000 shares, 45,659.375 shares issued and 45,659.375 and 45,634.375 shares outstanding at June 30, 2022 and 2021, respectively	4,565,938	4,565,938
Additional paid-in capital	7,698,496	7,669,038
Accumulated deficit	(21,996,354)	(25,109,303)
Less: Treasury stock, at cost - 25.00 shares at June 30, 2021	-	(745,184)
Total Stockholders' Deficit	(9,731,920)	(13,619,511)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT

	\$ 33,725,525	\$ 29,840,577
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EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Statements of Revenues and Expenses
and Changes in Accumulated Deficit
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUES		
Carrying charges - apartments - net of tax abatements (including electricity and sublet fees)	\$ 22,748,783	\$ 20,746,204
Apartment resale fees	4,886,580	2,207,425
Commercial rent - store and offices (including electricity and real estate taxes)	1,765,770	2,060,982
Parking rent, net of parking expenses	899,248	897,047
Other income	741,340	505,752
Laundry room	244,320	244,320
Total Revenues	<u>31,286,041</u>	<u>26,661,730</u>
EXPENSES		
Real estate taxes	10,459,531	10,499,461
Utilities and fuel	4,009,467	3,935,644
Labor	3,166,424	3,302,121
Repairs and maintenance	2,809,426	3,278,381
Payroll overhead	2,039,423	2,068,827
Insurance	1,272,400	1,314,098
Mortgage interest (including amortization of deferred financing costs of \$95,723 and \$115,556 for the years ended June 30, 2022 and 2021, respectively)	1,245,723	1,177,968
Management	1,102,800	1,087,275
Security guards	869,877	986,033
Legal and accounting	319,241	188,761
Senior care	57,200	57,200
Conduit	14,942	14,641
Website	4,296	3,498
Other interest	931	302,330
State and city corporation taxes	111,577	154,979
Total Expenses	<u>27,483,258</u>	<u>28,371,217</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE OTHER INCOME AND DEPRECIATION	3,802,783	(1,709,487)
Gain on extinguishment of debt - SBA PPP loan	<u>1,030,995</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE DEPRECIATION	4,833,778	(1,709,487)
Depreciation	<u>(1,720,829)</u>	<u>(1,395,214)</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	3,112,949	(3,104,701)
ACCUMULATED DEFICIT - Beginning of Year	<u>(25,109,303)</u>	<u>(22,004,602)</u>
ACCUMULATED DEFICIT - End of Year	<u>\$ (21,996,354)</u>	<u>\$ (25,109,303)</u>

See Notes to Financial Statements.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Statements of Changes in Stockholders' Deficit
For the Years Ended June 30, 2022 and 2021

	<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, 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	4,565,938	7,669,038	(25,109,303)	(745,184)	(13,619,511)
Sale of Treasury Stock	-	29,458	-	745,184	774,642
Excess of revenues over expenses	-	-	3,112,949	-	3,112,949
Balance - June 30, 2022	<u>\$ 4,565,938</u>	<u>\$ 7,698,496</u>	<u>\$ (21,996,354)</u>	<u>\$ -</u>	<u>\$ (9,731,920)</u>

See Notes to Financial Statements.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses (expenses over revenues)	\$ 3,112,949	\$ (3,104,701)
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash provided by (used in) operating activities:		
Depreciation	1,720,829	1,395,214
Amortization of deferred financing costs	95,723	115,556
Gain on extinguishment of debt - SBA PPP loan	(1,030,995)	-
Changes in operating assets and liabilities:		
Receivables: Tenant-stockholders	(61,973)	(86,476)
Receivables: Commercial tenants	(101,947)	17,379
Receivables: Hillman Housing Corporation	(216,101)	(786,454)
Receivables: Other	(58,696)	84,515
Prepaid expenses and other assets	(79,134)	(94,177)
Accounts payable and accrued expenses	427,852	(2,161,560)
Security deposits payable	3,706	(82,135)
Due to tenant-stockholders - real property tax abatements	(48,000)	(6,000)
Due to Hillman Housing Corporation	-	(1,471)
Rents received in advance	2,595	39,036
Net Cash Provided by (Used in) Operating Activities	3,766,808	(4,671,274)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of real and personal property	(6,226,374)	(1,544,593)
CASH FLOWS FROM FINANCING ACTIVITIES:		
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	774,642	1,306,752
Proceeds from loan - Paycheck Protection Program	-	1,030,995
Net Cash Provided by Financing Activities	774,642	13,290,530
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,684,924)	7,074,663
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year	8,503,489	1,428,826
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of year	\$ 6,818,565	\$ 8,503,489
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 1,246,764	\$ 1,268,909
Income taxes	\$ 84,100	\$ 184,106
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Deferred finance costs removed from the books	\$ -	\$ 76,726
Real and personal property included accounts payable	\$ 546,476	\$ -

See Notes to Financial Statements.

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

**Notes to Financial Statements
June 30, 2022 and 2021**

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 prior to September 1, 2020. Certain expenses common to those two housing corporations including, but not limited to payroll, fuel, boiler plant costs and management and other 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, 2022 and 2021, common and/or boiler expenses of \$1,380,148 and \$1,902,285, respectively, were allocated to Hillman (see note 14). The amounts due from Hillman as of June 30, 2022 and 2021 were \$1,002,555 and \$786,454, respectively, and are reflected as due from Hillman Housing on the balance sheets.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Notes to Financial Statements
June 30, 2022 and 2021

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 in the community. Pursuant to certain agreements (the "Agreement"), ADI is responsible for 7.75% of certain costs relative to the supply of steam services provided by the Cooperative, and Hillman is responsible for 26.02% of the Boiler Plant costs. The Agreements expire on September 15, 2031, unless further extended or terminated earlier, as provided for in the Agreements. The amounts due from ADI as of June 30, 2022 and 2021 were \$79,112 and \$88,094, respectively, and are reflected as other receivables on the balance sheets. The amounts due from Hillman are previously noted.

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 \$6,698,000 and \$8,337,000 in one bank exceeded the federally insured limit as of June 30, 2022 and 2021, 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, 2022 and 2021**

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

The Cooperative has classified certain cash from the mortgage refinance with New York Community Bank (Note 6) in an interest-bearing account as restricted cash.

The following table provides a reconciliation of cash, cash equivalents 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,243,318	\$ 7,928,380
Restricted cash	<u>575,247</u>	<u>575,109</u>
Total cash, cash equivalents and restricted cash shown in the balance sheets and statements of cash flows	<u>\$ 6,818,565</u>	<u>\$ 8,503,489</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 paid 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.

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 upon the sale of their respective apartment and no allowance for doubtful accounts is required as of June 30, 2022 and 2021.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Notes to Financial Statements
June 30, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables (continued)

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, 2022 and 2021, 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, 2022 and 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

In February 2016, the FASB issued 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, 2022 and 2021**

NOTE 3: REAL AND PERSONAL PROPERTY

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

	June 30,	
	2022	2021
	<u> </u>	<u> </u>
Land	\$ 1,723,024	\$ 1,723,024
Buildings	18,283,504	18,283,505
Building improvements	42,250,024	35,598,904
Furniture and equipment	3,362,397	3,240,666
Parking lot improvements	461,829	461,829
	<u>66,080,778</u>	<u>59,307,928</u>
Less: accumulated depreciation	<u>(43,077,200)</u>	<u>(41,356,371)</u>
Total	<u>\$ 23,003,578</u>	<u>\$ 17,951,557</u>

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, 2022 and 2021, the outstanding loans to stockholders under the Substitute SCRIE Program, which are included in receivables from tenant-stockholders, were approximately \$35,000 and \$76,000, respectively.

NOTE 5: DUE TO TENANT-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, 2022 and 2021, Abatements that will be applied to future monthly carrying charges amounted to \$1,302,000 and \$1,350,000, respectively.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Notes to Financial Statements
June 30, 2022 and 2021

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 for the year ended June 30, 2021.

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 was for \$4,511,746 and was paid off during the year ended June 30, 2021, as a result of the mortgage refinance.

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. As of June 30, 2022 and 2021, there was no outstanding balance due on the LOC. 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 financial covenants as of June 30, 2022 and for the year then ended.

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

**Notes to Financial Statements
June 30, 2022 and 2021**

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

As of June 30, 2022 and 2021, the mortgage loan, net is comprised of the following:

	June 30,	
	2022	2021
Mortgage loan	\$ 40,000,000	\$ 40,000,000
Unamortized deferred financing costs	(844,013)	(996,643)
	\$ 39,155,987	\$ 39,003,357

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 and the loan was funded on March 28, 2021 in the amount of \$1,030,995.

In accounting for the terms of the PPP loan, the Cooperative was guided by Accounting Standards Codification (“ASC”) 470, *Debt* and ASC 450-30, *Gain Contingency*. Accordingly, it recorded the proceeds of the PPP loan as debt and it will derecognize the liability when the loan is forgiven and legally released by the SBA. The Cooperative believed that the possibility of loan forgiveness was to be regarded as a contingent gain and therefore did not recognize the gain (and derecognize the loan) until all uncertainty was removed and the loan was legally released. On May 4, 2022, the PPP loan was forgiven by the SBA and legally released by the SBA lender. At that time, the Cooperative derecognized the liability of \$1,030,995 and recognized it as gain on extinguishment of debt, and included it as other income on the statement of revenues and expenses and changes in accumulated deficit.

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, 2022 and 2021**

NOTE 8: TREASURY STOCK (continued)

During the years ended June 30, 2022 and 2021, the Cooperative did not purchase any apartments. During the years ended June 30, 2022 and 2021, 25 and 50 shares were sold, which resulted in \$29,458 and \$101,382 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, 2022, the total leasable commercial space of approximately 40,000 square feet was occupied by 29 tenants, including three tenants that occupied approximately 85% of the total leasable area. As of June 30, 2022, 12 tenants out of the 29 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 \$1,765,770 and \$2,060,982 for the years ended June 30, 2022 and 2021, 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, 2022, are as follows:

For The Years Ending June 30,	
2023	\$ 1,476,000
2024	1,352,000
2025	960,000
2026	952,000
2027	937,000
Thereafter	<u>8,076,000</u>
	<u>\$ 13,753,000</u>

For the years ended June 30, 2022 and 2021, two tenants accounted for approximately 45% and 42%, respectively, of the total commercial rental income. One of these tenants accounted for approximately 33% and 31% of the commercial tenants accounts receivable at June 30, 2022 and 2021, respectively.

EAST RIVER HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Notes to Financial Statements
June 30, 2022 and 2021

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, 2022, there were 23 first-time sales of apartments and 31 second-time sales of apartments, resulting in apartment resale fees of \$4,886,580.

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.

NOTE 11: RELATED PARTY INCOME

The Cooperative leases commercial space to an employee of the Cooperative. The monthly rent collected for the leased unit is \$450 per month. For each of the years ended June 30, 2022 and 2021, rental income received from this related party totaled \$5,400.

NOTE 12: 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 13: 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.

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

**Notes to Financial Statements
June 30, 2022 and 2021**

NOTE 13: MULTI-EMPLOYER PENSION PLANS (continued)

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, 2021. Because certain provisions of the PPA do not apply to the NRECA Plan, FIP/RP Status and surcharges imposed are not applicable.

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, 2022 and 2021, were approximately \$394,000 and \$383,000, 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, 2020 and 2021	Red
FIP/RP Status Implemented	Yes
Surcharge Imposed	None
Expiration Date of Collective Bargaining Agreement	April 20, 2026

Pension Plan	IUOE Local 30 Pension Fund
Employer Identification Number	51-6045848
Pension Plan Number	001
PPA Zone Status Plan Years Beginning January 1, 2020 and 2021	Green
FIP/RP Status Implemented	N/A
Surcharge Imposed	None
Expiration Date of Collective Bargaining Agreement	April 30, 2024

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

**Notes to Financial Statements
June 30, 2022 and 2021**

NOTE 14: 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 the operations of the Cooperative.

The Cooperative is currently involved in litigation against Hillman, a former related cooperative, for outstanding claims and assessments. Hillman has asserted certain counterclaims against the Cooperative as well. Management and their counsel believe that the Cooperative has viable claims, and viable defenses to the counterclaims being presented by Hillman and intends to vigorously prosecute its claims and defend against Hillman's counterclaims. The litigation is currently pending and there is currently no probable outcome of this matter.

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

NOTE 15: INCOME TAXES

The Cooperative has approximately \$28,000,000 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, 2022, from patronage and nonpatronage activities. These NOLS expire in tax years ended June 30, 2023 through 2040. 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 \$7,100,000 and \$6,800,000 has been established during fiscal 2022 and 2021, respectively.

For the year ended June 30, 2022, the Cooperative was only subjected to city corporation taxes based on the Cooperative's net capital base. For Cooperative Housing Associations, the capital base rate is 0% for tax years beginning in and after 2021 for state purposes. For the year ended June 30, 2021, the Cooperative's state and city corporation taxes were based on the Cooperative's net capital base. For the years ended June 30, 2022 and 2021, the Cooperative's state and corporation taxes amounted to \$112,500 and \$155,000, respectively.

NOTE 16: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2022, 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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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 year ended June 30, 2022, and our report thereon dated December 8, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information shown on pages 20 and 21 as of and for the year ended June 30, 2022, 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on 2020 Supplemental Information

The supplemental information as of and for the year ended June 30, 2021 included on pages 20 and 21 was subjected to the auditing procedures applied in the June 30, 2021 audit of the basic financial statements by another auditor, whose report on such information dated December 3, 2021 stated that it was fairly stated in all material respects in relation to the June 30, 2021 financial statements as a whole.

Mayer Hoffman McCann CPAs

Woodbury, New York
December 8, 2022



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

**SUPPLEMENTAL INFORMATION
As of and for the Years Ended June 30, 2022 and 2021**

	2022	2021
Schedules of Prepaid Expenses and Other Assets, Net		
Unexpired insurance	\$ 425,493	\$ 386,346
Deferred rent receivable	341,559	347,248
Fuel inventory	151,331	99,161
Consulting	12,534	-
Federal corporate taxes	6,244	6,244
Security contract	-	19,028
Total	\$ 937,161	\$ 858,027
Schedules of Other Income		
Miscellaneous	\$ 259,056	\$ 194,906
Storage and bike room	233,006	229,405
Fitness room income, net of fitness expenses	161,995	-
Late fees	73,709	70,757
Interest income	13,574	10,684
Total	\$ 741,340	\$ 505,752
Schedules of Utilities and Fuel Expenses		
Electricity	\$ 1,772,078	\$ 1,755,205
Water and sewer	1,229,456	1,278,243
Natural gas	792,033	811,070
Fuel oil	136,122	26,946
Gas	79,778	64,180
Total	\$ 4,009,467	\$ 3,935,644

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

**SUPPLEMENTAL INFORMATION
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Schedules of Labor Expenses		
Porters	\$ 1,673,857	\$ 1,731,773
Boiler room	846,074	860,718
Handymen	514,375	569,286
Supervisors	132,118	140,344
Total	<u>\$ 3,166,424</u>	<u>\$ 3,302,121</u>
Schedules of Payroll Overhead		
Union pension and welfare funds	\$ 1,397,327	\$ 1,388,793
Payroll taxes	329,905	374,161
Group life and major medical insurance	231,945	237,276
Retirement expenses	68,461	57,969
Payroll services	11,785	10,628
Total	<u>\$ 2,039,423</u>	<u>\$ 2,068,827</u>
Schedules of Repairs and Maintenance Expenses		
Janitorial supplies	\$ 538,369	\$ 507,166
Elevator	360,644	320,514
Gardening	293,584	194,000
Plumbing	288,974	368,986
Building and apartment repairs	269,212	783,748
Painting and plastering	265,082	259,390
Heating and air conditioning	224,616	364,820
Security	178,952	140,420
Claims paid	116,972	89,869
Exterminating	104,585	112,153
Electrical	77,026	69,030
Miscellaneous	45,446	23,675
Vehicle	22,880	23,522
Uniforms	22,084	21,088
Compactors	1,000	-
Total	<u>\$ 2,809,426</u>	<u>\$ 3,278,381</u>
Schedules of Management Expenses		
Salaries	\$ 790,647	\$ 809,592
Professional fees	110,146	106,496
Telephone / communication	83,541	84,674
Office supplies	35,997	31,153
Miscellaneous	34,860	28,061
Stationery and printing	23,967	8,965
Postage	23,642	18,334
Total	<u>\$ 1,102,800</u>	<u>\$ 1,087,275</u>

See Independent Auditors' Report on Supplemental Information.

MINUTES OF THE 2021 ANNUAL MEETING OF STOCKHOLDERS

OF

EAST RIVER HOUSING CORPORATION

The 2021 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 the notice annexed hereto, on December 6, 2021.

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. There were five candidates for the four positions on the Board of Directors, Reuven Bell, Ellen Gentilviso, Richard Kenny, Matthew Schatz, John Sotomayor, and there were two candidates for the two positions on the House Committee, Leo Hoenig and Thomas Skibicki each of whom were duly introduced. There being no further nominations for the House Committee, the two candidates for the House Committee 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 7, 2021.

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 7, 2021.

Upon completion of the counting on December 7, 2021, the results of the election were as follows:

Board of Directors (Four Positions)

John Sotomayor 468
Richard Kenny 460
Ellen Gentilviso 460
Reuven Bell 455
Matthew Schatz 122

Accordingly: John Sotomayor, Richard Kenny, Ellen Gentilviso and Reuven Bell were elected to the Board of Directors for three year terms, and Leo Hoenig and Thomas Skibicki were elected by acclamation to the House Committee.

Respectfully submitted



Michael T. Reilly
Secretary of the Meeting