

EAST RIVER HOUSING CORPORATION

ANNUAL MEETING

NOVEMBER 20, 2023



**EAST RIVER HOUSING CORPORATION**

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# 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, 2023.

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 two fiscal years we are pleased to show a profit on our audited and certified financial statements. This was achieved by tight prudent budgeting and increased but always fluctuating flip-tax revenue. In our budget for the current fiscal year we have maintained our conservative 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 almost \$11 million a year for city imposed real estate taxes. Just adding in water and sewage usage charges brings us to \$12 million a year (about 40% of our budget).

While we work towards 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 Con Edison has the whim and demands we switch from natural gas to oil for periods ranging from hours to several days). 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 well over \$1,000,000. We have held discussions with their Board representatives to try to come to an agreement 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 3 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 be resolved, and we wishfully hope Hillman likewise has a desire to do so, but it is East River Cooperators who are out this money as litigation wears on.

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

The ClickPay service which we began earlier this year has been a huge success. We urge every cooperator if they haven't already done so to sign up for this service.

Beginning in late April when the Bldg. 4 gas issue arose we have worked non-stop to get the entire building back up and running. Our Management and staff, our contractor and our excellent retained plumbing company have done an amazing job. We have kept the cooperators in Bldg. 4 and when warranted all Cooperators updated through over 50 communications. The job is ahead of schedule and unfortunately much of any delay is waiting for the Department of Buildings and Con Ed to fit us in for inspections in light of their citywide busy schedules. All 21 apartment lines are either finished and awaiting various stages of required inspection before the gas is turned on or in various stages of demolition to prepare for the new gas line. In a few weeks we will know the full extent of the asbestos remediation cost and will inform cooperators, as we have reported and said we would, of the need to extend the assessment to cover this originally unknown and thus impossible to foresee cost. We expect the end result to be a reasonable number of assessed months.

When we finish the gas line project our engineer is now informing us that our next major immediate capital expense will be the full replacement of our four Building roofs after over 33 years of life on our 20-year guaranteed life span roofs. As we learn in the future more about this upcoming project we will keep everyone updated.

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 and Boiler Room staff. Our Director of Maintenance, Bob Wescott retired this year and his deputy Eddie Velazquez has seamlessly assumed the role. Eddie's intricate knowledge of our property and his ability to repair and find solutions to all arising issues is of great benefit to us all. We have an outstanding Porter, Maintenance and Boiler Room staff. 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 make 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. Our Security Supervisor, Thomas Cleveland is involved and on top of all issues affecting the safety of all Cooperators. The doors to our Management office are always open to any cooperator who seeks assistance or information on any coop related matter.

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 Coop 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

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

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

**Years Ended June 30, 2023 and 2022**



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

**Table of Contents**

	<u><i>Page(s)</i></u>
Independent Auditors' Report	1 – 2
<b>Financial Statements</b>	
Balance Sheets - June 30, 2023 and 2022	3
Statements of Revenues and Expenses and Changes in Accumulated Deficit For the Years Ended June 30, 2023 and 2022	4
Statements of Changes in Stockholders' Deficit For the Years Ended June 30, 2023 and 2022	5
Statements of Cash Flows For the Years Ended June 30, 2023 and 2022	6
Notes to Financial Statements	7 – 17
<b>Supplemental Information</b>	
Independent Auditors' Report on Supplementary Information	18
Schedules of Prepaid Expenses and Other Assets, Net	19
Schedules of Other Income	19
Schedules of Utilities and Fuel Expenses	19
Schedules of Labor Expenses	20
Schedules of Payroll Overhead	20
Schedules of Repairs and Maintenance Expenses	20
Schedules of Management Expenses	20



## 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 sheets as of June 30, 2023 and 2022, 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 (collectively referred to as 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, 2023 and 2022, 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.

### ***Basis for Opinion***

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Change in Accounting Principle***

As discussed in Note 2 to the financial statements, the Cooperative changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

### ***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.

### ***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.

**Mayer Hoffman McCann CPAs**  
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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  
November 15, 2023

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

**Balance Sheets  
As of June 30,**

**ASSETS**

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 3,540,618	\$ 6,243,318
Restricted cash	575,529	575,247
Total cash, cash equivalents and restricted cash	4,116,147	6,818,565
Receivables:		
Tenant-stockholders	1,682,200	1,176,307
Commercial tenants, net of allowance for doubtful accounts of \$50,000 at both June 30, 2023 and 2022	415,134	431,334
Due from Hillman Housing Corporation	1,339,137	1,002,555
Other	154,322	146,790
Total receivables	3,590,793	2,756,986
Prepaid expenses and other assets	945,232	937,161
Security deposits - vendors	41,881	39,832
Security deposits - commercial tenants	171,653	169,403
Real and personal property, net	25,457,314	23,003,578
<b>TOTAL ASSETS</b>	<b>\$ 34,323,020</b>	<b>\$ 33,725,525</b>

**LIABILITIES AND STOCKHOLDERS' DEFICIT**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,916,038	\$ 2,618,504
Security deposits	124,654	60,772
Due to tenant-stockholders - real property tax abatements, net	1,350,000	1,302,000
Rents received in advance	181,912	150,779
Security deposits payable - commercial tenants	172,453	169,403
Mortgage payable, net	39,253,843	39,155,987
<b>Total Liabilities</b>	42,998,900	43,457,445
<b>Stockholders' Deficit</b>		
Common stock - \$100 par value, authorized 50,000 shares, 45,659,375 shares issued and outstanding at both June 30, 2023 and 2022	4,565,938	4,565,938
Additional paid-in capital	7,698,496	7,698,496
Accumulated deficit	(20,940,314)	(21,996,354)
<b>Total Stockholders' Deficit</b>	(8,675,880)	(9,731,920)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 34,323,020</b>	<b>\$ 33,725,525</b>

See Notes to Financial Statements.

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

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

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Carrying charges - apartments - net of tax abatements (including electricity and sublet fees)	\$ 23,839,010	\$ 22,748,783
Apartment resale fees	3,889,885	4,886,580
Commercial rent - store and offices (including electricity and real estate taxes)	1,992,813	1,765,770
Parking rent, net of parking expenses	916,299	899,248
Other income	766,616	741,340
Laundry room	244,320	244,320
<b>Total Revenues</b>	<u>31,648,943</u>	<u>31,286,041</u>
<b>EXPENSES</b>		
Real estate taxes	10,747,587	10,459,531
Utilities and fuel	4,401,738	4,009,467
Labor	3,354,331	3,166,424
Repairs and maintenance	2,960,026	2,809,426
Payroll overhead	2,067,074	2,039,423
Insurance	1,314,415	1,272,400
Mortgage interest (including amortization of deferred financing costs of \$97,857 and \$95,723 for the years ended June 30, 2023 and 2022, respectively)	1,247,857	1,245,723
Management	1,228,941	1,102,800
Security guards	908,958	869,877
Legal and accounting	649,364	319,241
Senior care	31,200	57,200
Conduit	15,243	14,942
Website	1,815	4,296
Other interest	201	931
State and city corporation taxes	92,402	111,577
<b>Total Expenses</b>	<u>29,021,152</u>	<u>27,483,258</u>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME AND DEPRECIATION</b>	2,627,791	3,802,783
Gain on extinguishment of debt - SBA PPP loan	-	1,030,995
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION</b>	2,627,791	4,833,778
Depreciation	<u>(1,571,751)</u>	<u>(1,720,829)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,056,040	3,112,949
<b>ACCUMULATED DEFICIT - Beginning of Year</b>	<u>(21,996,354)</u>	<u>(25,109,303)</u>
<b>ACCUMULATED DEFICIT - End of Year</b>	<u>\$ (20,940,314)</u>	<u>\$ (21,996,354)</u>

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

**Statements of Changes in Stockholders' Deficit**  
**For the Years Ended June 30, 2023 and 2022**

	<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, 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	4,565,938	7,698,496	(21,996,354)	-	(9,731,920)
Excess of revenues over expenses	-	-	1,056,040	-	1,056,040
Balance - June 30, 2023	<u>\$ 4,565,938</u>	<u>\$ 7,698,496</u>	<u>\$ (20,940,314)</u>	<u>\$ -</u>	<u>\$ (8,675,880)</u>

See Notes to Financial Statements.

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

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

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenues over expenses	\$ 1,056,040	\$ 3,112,949
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	1,571,751	1,720,829
Amortization of deferred financing costs	97,857	95,723
Gain on extinguishment of debt - SBA PPP loan	-	(1,030,995)
Changes in operating assets and liabilities:		
Receivables: Tenant-stockholders	(505,893)	(61,973)
Receivables: Commercial tenants	16,200	(101,947)
Receivables: Hillman Housing Corporation	(336,582)	(216,101)
Receivables: Other	(7,532)	(58,696)
Prepaid expenses and other assets	(8,071)	(79,134)
Security deposits - vendors	(2,049)	-
Security deposits - commercial tenants	(2,250)	-
Accounts payable and accrued expenses	(155,990)	427,852
Security deposits payable	63,882	3,706
Security deposits payable - commercial tenants	3,050	-
Due to tenant-stockholders - real property tax abatements	48,000	(48,000)
Rents received in advance	31,133	2,595
Net Cash Provided by Operating Activities	1,869,546	3,766,808
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of real and personal property	(4,571,964)	(6,226,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Sale of treasury stock	-	774,642
<b>NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(2,702,418)	(1,684,924)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year</b>	6,818,565	8,503,489
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - end of year</b>	<u>\$ 4,116,147</u>	<u>\$ 6,818,565</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ 1,150,201	\$ 1,246,764
Income taxes	<u>\$ 90,000</u>	<u>\$ 84,100</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
Real and personal property included accounts payable	\$ -	\$ 546,476
Fully depreciated real and personal property written off	<u>\$ 382,530</u>	<u>\$ -</u>

See Notes to Financial Statements.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**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, 2023 and 2022, common and/or boiler expenses of \$1,528,068 and \$1,380,148, respectively, were allocated to Hillman (see note 14). The amounts due from Hillman as of June 30, 2023 and 2022 were \$1,339,137 and \$1,002,555, 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, 2023 and 2022**

**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, 2023 and 2022 were \$109,833 and \$79,112, 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 \$3,871,000 and \$6,698,000 in one bank exceeded the federally insured limit as of June 30, 2023 and 2022, 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 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, 2023 and 2022**

**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.

Revenue from commercial tenants is recognized on a straight-line basis over the terms of the respective leases.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,540,618	\$ 6,243,318
Restricted cash	575,529	575,247
Total cash, cash equivalents and restricted cash shown in the balance sheets and statements of cash flows	<u>\$ 4,116,147</u>	<u>\$ 6,818,565</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, 2023 and 2022.



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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**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, 2023 and 2022, 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.

Recently Adopted Accounting Pronouncements – Adopted

In February 2016, the FASB issued guidance ASC 842, *Leases* to increase transparency and comparability among organizations by, requiring the recognition of right-of-use assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for the Cooperative beginning July 1, 2022.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

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

Recently Issued Accounting Pronouncement – Not Yet Adopted

In June 2016, the FASB issued ASU-2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, which adds a new Topic 326 to the Codification and removes the thresholds that companies apply to measure credit losses on financial instruments measured at amortized cost, such as loans, receivables, and held-to-maturity debt securities. Under current GAAP, companies generally recognize credit losses when it is probable that the loss has been incurred. The revised guidance will remove all recognition thresholds and will require companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life. The new standard is effective for annual periods beginning after December 15, 2022. The Cooperative is currently evaluating the impact Topic 326 will have on its financial statements.

**NOTE 3: REAL AND PERSONAL PROPERTY**

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

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<u>          </u>	<u>          </u>
Land	\$ 1,723,024	\$ 1,723,024
Buildings	18,283,504	18,283,504
Building improvements	45,736,697	42,250,024
Furniture and equipment	3,512,580	3,362,397
Parking lot improvements	467,931	461,829
	<u>69,723,736</u>	<u>66,080,778</u>
Less: accumulated depreciation	<u>(44,266,422)</u>	<u>(43,077,200)</u>
Total	<u>\$ 25,457,314</u>	<u>\$ 23,003,578</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.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE 4: STOCKHOLDER LOANS (continued)**

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, 2023 and 2022, the outstanding loans to stockholders under the Substitute SCRIE Program, which are included in receivables from tenant-stockholders, were approximately \$35,000 for both years.

**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, 2023 and 2022, Abatements that will be applied to future monthly carrying charges amounted to \$1,350,000 and \$1,302,000, respectively.

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

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.

On February 12, 2021, the Cooperative obtained a \$7,500,000 line of credit ("LOC"). 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, 2023 and 2022, there was no outstanding balance due on the LOC.

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, 2023 and for the year then ended.

As of June 30, 2023 and 2022, the mortgage loan, net is comprised of the following:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Mortgage loan	\$ 40,000,000	\$ 40,000,000
Unamortized deferred financing costs	(746,157)	(844,013)
	\$ 39,253,843	\$ 39,155,987

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**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 as of June 30, 2022.

**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.

During the years ended June 30, 2023 and 2022, the Cooperative did not purchase any apartments. There were no shares sold during the year ended June 30, 2023. During the year ended June 30, 2022, 25 shares were sold, which resulted in \$29,458 being recorded as an increase to additional paid-in capital.

**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.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

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

The Cooperative leases space to commercial tenants pursuant to leases. As of June 30, 2023, 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, 2023, 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 \$1,992,813 and \$1,765,770 for the years ended June 30, 2023 and 2022, 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, 2023, are as follows:

<b>For The Years Ending June 30,</b>	
2024	\$ 1,369,000
2025	978,000
2026	971,000
2027	957,000
2028	961,000
Thereafter	<u>7,206,000</u>
	<u>\$ 12,442,000</u>

For the years ended June 30, 2023 and 2022, two tenants accounted for approximately 40% and 45%, respectively, of the total commercial rental income. One of these tenants accounted for approximately 34% and 33% of the commercial tenants accounts receivable at June 30, 2023 and 2022, respectively .

**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, 2023, there were 22 first-time sales of apartments and 17 second-time sales of apartments, resulting in apartment resale fees of \$3,889,885.

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.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**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, 2023 and 2022, 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.

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 100 percent funded on January 1, 2022. 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.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE 13: MULTI-EMPLOYER PENSION PLANS (continued)**

The Cooperative's contributions to the three plans above, for the years ended June 30, 2023 and 2022, were approximately \$446,000 and \$394,000, 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, 2021 and 2022	Red and Yellow, respectively
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, 2021 and 2022	Green
FIP/RP Status Implemented	N/A
Surcharge Imposed	None
Expiration Date of Collective Bargaining Agreement	April 30, 2024

**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.

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

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE 15: INCOME TAXES**

The Cooperative has approximately \$27,000,000 in net operating loss carryforwards ("NOLS") available for federal income tax purposes. These NOLS were generated in the years ended June 30, 2004 through June 30, 2021, from patronage and nonpatronage activities. NOLS generated prior to the year ended June 30, 2017, of which amounted to approximately \$20,000,000, may be carried forward for 20 years. Additionally, the NOLS generated after the year ended June 30, 2018 will be applied at only 80% of future income. NOLS generated thereafter are carried forward indefinitely. 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 \$6,200,000 and \$7,100,000 has been established during fiscal 2023 and 2022, respectively.

For the year ended June 30, 2023, 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, 2023, the Cooperative's state and city corporation taxes were based on the Cooperative's net capital base. For the years ended June 30, 2023 and 2022, the Cooperative's state and corporation taxes amounted to \$92,402 and \$111,577, respectively.

**NOTE 16: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 15, 2023, the date the financial statements were available to be issued. There were no additional subsequent events that require disclosure.



**SUPPLEMENTAL INFORMATION**



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY 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, 2023 and 2022, and our report thereon dated November 15, 2023, which contained an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information shown on pages 19 and 20 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 supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Mayer Hoffman McCann CPAs*

Woodbury, New York  
November 15, 2023

**Mayer Hoffman McCann CPAs**  
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 **KRESTON GLOBAL**

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

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

	<b>2023</b>	<b>2022</b>
<b>Schedules of Prepaid Expenses and Other Assets, Net</b>		
Deferred rent receivable	\$ 364,527	\$ 341,559
Unexpired insurance	361,062	425,493
Fuel inventory	134,584	151,331
Federal, state and city corporate taxes	69,637	6,244
Security contract	15,422	-
Consulting	-	12,534
<b>Total</b>	<b>\$ 945,232</b>	<b>\$ 937,161</b>
<b>Schedules of Other Income</b>		
Miscellaneous	\$ 251,559	\$ 259,056
Storage and bike room	227,206	233,006
Fitness room income, net of fitness expenses	180,384	161,995
Late fees	64,894	73,709
Interest income	42,573	13,574
<b>Total</b>	<b>\$ 766,616</b>	<b>\$ 741,340</b>
<b>Schedules of Utilities and Fuel Expenses</b>		
Electricity	\$ 1,804,685	\$ 1,772,078
Water and sewer	1,205,019	1,229,456
Natural gas	1,177,892	792,033
Fuel oil	133,113	136,122
Gas	81,029	79,778
<b>Total</b>	<b>\$ 4,401,738</b>	<b>\$ 4,009,467</b>

See Independent Auditors' Report on Supplementary Information.

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

**SUPPLEMENTAL INFORMATION  
For the Years Ended June 30,**

	2023	2022
<b>Schedules of Labor Expenses</b>		
Porters	\$ 1,765,051	\$ 1,673,857
Boiler room	829,604	846,074
Handymen	627,544	514,375
Supervisors	132,132	132,118
<b>Total</b>	<b>\$ 3,354,331</b>	<b>\$ 3,166,424</b>
<b>Schedules of Payroll Overhead</b>		
Union pension and welfare funds	\$ 1,335,141	\$ 1,397,327
Payroll taxes	379,464	329,905
Group life and major medical insurance	235,034	231,945
Retirement expenses	104,015	68,461
Payroll services	13,420	11,785
<b>Total</b>	<b>\$ 2,067,074</b>	<b>\$ 2,039,423</b>
<b>Schedules of Repairs and Maintenance Expenses</b>		
Janitorial supplies	\$ 575,656	\$ 538,369
Building and apartment repairs	442,660	269,212
Plumbing	383,272	288,974
Elevator	345,820	360,644
Painting and plastering	264,232	265,082
Heating and air conditioning	202,580	224,616
Gardening	201,258	293,584
Security	169,600	178,952
Claims paid	146,393	116,972
Exterminating	122,585	104,585
Electrical	37,975	77,026
Vehicle	34,233	22,880
Uniforms	25,058	22,084
Miscellaneous	8,704	45,446
Compactors	-	1,000
<b>Total</b>	<b>\$ 2,960,026</b>	<b>\$ 2,809,426</b>
<b>Schedules of Management Expenses</b>		
Salaries	\$ 801,136	\$ 790,647
Professional fees	200,240	110,146
Telephone / communication	85,482	83,541
Miscellaneous	49,138	34,860
Postage	36,069	23,642
Office supplies	31,826	35,997
Stationery and printing	25,050	23,967
<b>Total</b>	<b>\$ 1,228,941</b>	<b>\$ 1,102,800</b>

See Independent Auditors' Report on Supplementary Information.

**MINUTES OF THE 2022 ANNUAL MEETING OF STOCKHOLDERS**

**OF**

**EAST RIVER HOUSING CORPORATION**

The 2022 Annual Meeting of Stockholders of East River Housing Corporation (the "Corporation") was held virtually on the Zoom media platform, pursuant to the notice annexed hereto, on December 14, 2022.

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 8:25 p.m., during which period other items on the agenda were addressed. There were five candidates for the three positions on the Board of Directors, Gary Altman, Carmen Alvelo, Rachel Ehrenpreis, Gary Shaw, Thomas Skibicki, and there were three candidates for the three positions on the House Committee, Ibtisam Amer, Anthony Brownie, and Cheryl David each of whom were duly introduced. There being no further nominations for the House Committee, the three candidates for the House Committee were elected by acclamation. Ballot voting for election to the Board of Directors proceeded. The voting occurred by directed proxies each of which were counted and processed by Norris McLaughlin P.A. The candidates and their designees were welcome to attend and observe virtually the counting process which occurred the following day on December 15, 2022.

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 9:00 p.m. and was continued for the counting of the ballots and proxies on December 15, 2022

Upon completion of the counting on December 15, 2022, the results of the election were as follows:

Board of Directors (Three Positions)

Gary Altman (482 votes)  
Carmen Alvelo (460 votes)  
Rachel Ehrenpreis (435 votes)  
Gary Shaw (138 votes)  
Thomas Skibicki (133 votes)

Accordingly: Gary Altman; Carmen Alvelo, and Rachel Ehrenpreis were elected to the Board of Directors for three year terms, and Ibtisam Amer, Anthony Brownie, and Cheryl David were elected by acclamation to the House Committee.

Respectfully submitted



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Michael T. Reilly  
Secretary of the Meeting