

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

**Financial Statements
and Supplemental Information**

Years Ended December 31, 2010 and 2009

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Table of Contents

December 31, 2010 and 2009

	<u><i>Page</i></u>
Independent Auditors' Report	1
Financial Statements	
Balance Sheets - As of December 31, 2010 and 2009	2
Statements of Revenues and Expenses and Accumulated Deficit - For the Years Ended December 31, 2010 and 2009	3
Statements of Cash Flows - For the Years Ended December 31, 2010 and 2009	4
Notes to Financial Statements	5 – 11
Supplemental Information	
Independent Auditors' Report on Supplemental Information	12
Prepaid Expenses and Other Assets	13
Other Income	13
Utilities and Fuel Expenses	13
Labor Expenses	13
Payroll Overhead, Insurance and Other Expenses	14
Repairs and Maintenance Expenses	14
Management Expenses	14

Independent Auditors' Report

To the Stockholders and Board of Directors
Hillman Housing Corporation
New York, New York

We have audited the accompanying balance sheets of Hillman Housing Corporation (the "Cooperative") as of December 31, 2010 and 2009, and the related statements of revenues and expenses and accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hillman Housing Corporation as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 7 to the financial statements, the Cooperative has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented the information on future major repairs and replacements that is required by accounting principles generally accepted in the United States of America to supplement, although not required to be a part of, the basic financial statements.

Marks Paneth & Shron LLP

New York, New York
June 3, 2011

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Balance Sheets

December 31,

ASSETS

	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 405,525	\$ 290,225
Receivables:		
Tenant-stockholders, net of credit	142,924	136,321
Commercial tenants	69,174	62,296
Other receivable	211,246	168,220
Total Receivables	<u>423,344</u>	<u>366,837</u>
Prepaid expenses and other assets	284,546	284,000
Security deposits held for the benefit of commercial tenants	174,583	173,770
Real and personal property	<u>7,706,014</u>	<u>8,161,504</u>
TOTAL ASSETS	<u><u>\$ 8,994,012</u></u>	<u><u>\$ 9,276,336</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Accounts payable and accrued expenses	\$ 1,060,382	\$ 806,520
Due to affiliated housing company	47,500	20,513
Rents received in advance	79,468	72,258
Security deposits payable	174,583	173,770
Certificate of indebtedness	10,643	10,643
Mortgages and loans payable	9,024,942	9,035,944
Total Liabilities	<u>10,397,518</u>	<u>10,119,648</u>
Stockholders' Equity		
Common stock - \$100 par value, authorized 25,000 shares, issued and outstanding 16,463.70 shares at December 31, 2010	1,646,370	1,646,370
Additional paid-in capital	5,473,571	4,921,004
Accumulated deficit	(8,523,447)	(7,401,173)
Less: Treasury stock, at cost - 33.75 shares	-	(9,513)
Total Stockholders' Equity	<u>(1,403,506)</u>	<u>(843,312)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 8,994,012</u></u>	<u><u>\$ 9,276,336</u></u>

See Accompanying Notes to Financial Statements.

HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)

Statements of Revenues and Expenses
and Accumulated Deficit

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
Revenues		
Carrying charges - apartments	\$ 6,818,039	\$ 6,433,481
Commercial rent - store and offices	336,079	340,835
Parking rent, net	513,737	596,500
Apartment resale fees	1,066,250	941,850
Other rents	21,180	23,104
Other income	594,506	597,368
Total Revenues	<u>9,349,791</u>	<u>8,933,138</u>
Expenses		
Utilities and fuel	2,612,280	2,264,050
Labor	1,028,886	1,015,799
Real estate taxes	2,931,788	2,736,045
Legal and audit	148,600	89,644
Payroll overhead, insurance and other expenses	840,222	837,333
Repairs and maintenance	992,342	872,924
Management	382,807	417,617
Mortgage Interest	394,784	390,668
Outside security services	509,288	507,817
Senior care	20,750	8,300
State and city corporation taxes	61,000	67,200
Total Expenses	<u>9,922,747</u>	<u>9,207,397</u>
Expenses Over Revenue Before Depreciation and Amortization	(572,956)	(274,259)
Depreciation	527,340	541,531
Amortization of refinancing costs	<u>21,978</u>	<u>6,955</u>
Deficiency of Revenues Over Expenses	(1,122,274)	(822,745)
Accumulated deficit - beginning of year	<u>(7,401,173)</u>	<u>(6,578,428)</u>
Accumulated deficit - end of year	<u>\$ (8,523,447)</u>	<u>\$ (7,401,173)</u>

See Accompanying Notes to Financial Statements.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Statements of Cash Flows

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficiency of revenues over expenses	\$ (1,122,274)	\$ (822,745)
Adjustments to reconcile deficiency of revenues over expenses to net cash (used)/ provided by operating activities		
Depreciation and amortization	549,318	548,486
Changes in assets and liabilities:		
Receivables	(56,507)	(83,380)
Prepaid expenses and other assets	(22,524)	2,724
Accounts payable and accrued expenses	253,862	242,795
Due to affiliated housing company	26,987	28,583
Rents received in advance	7,210	36,751
Total adjustments	<u>758,346</u>	<u>775,959</u>
Net Cash Used in Operating Activities	<u>(363,928)</u>	<u>(46,786)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for capital improvements	<u>(71,848)</u>	<u>(69,962)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Mortgages and loans principal payments	(211,004)	(201,966)
Loans payable-bank	200,000	300,000
Net proceeds from sale of treasury stock	562,080	-
Net Cash Provided by Financing Activities	<u>551,076</u>	<u>98,034</u>
 NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	115,300	(18,714)
 CASH AND CASH EQUIVALENTS - beginning of year	<u>290,225</u>	<u>308,939</u>
 CASH AND CASH EQUIVALENTS - end of year	<u>\$ 405,525</u>	<u>\$ 290,225</u>
 SUPPLEMENTAL INFORMATION TO STATEMENT OF CASH FLOWS:		
Cash paid during the year for:		
Interest	<u>\$ 394,784</u>	<u>\$ 390,668</u>
 Income taxes	<u>\$ 71,353</u>	<u>\$ 62,721</u>

See Accompanying Notes to Financial Statements.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History of the Cooperative

Hillman Housing Corporation (the "Cooperative"), a cooperative housing corporation, was incorporated in the State of New York on November 5, 1945. The Cooperative is located in New York City, consisting of residential and commercial units.

Until February 6, 1997, the Cooperative 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 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 for the tenant-stockholders of the Cooperative.

Management / Allocated Expenses

The Cooperative is one of two housing companies, the other being East River Housing Corporation ("East River"), which are situated in a common community, whose operations are managed by a common management company. Certain expenses common to the two housing companies such as payroll, fuel, management expenses, etc. are paid for by the Cooperative and then allocated, based generally on the number of dwelling units, to itself and East River. During the years ended December 31, 2010 and 2009, common expenses of \$3,261,089 and \$3,048,467, respectively, were allocated.

Concentration of Credit Risk

Financial instruments which potentially subject the Cooperative to concentrations of credit risk consist principally of periodic temporary investments of excess cash. Cash held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Beginning December 31, 2010 and through December 31, 2012, all noninterest-bearing transaction accounts are fully insured at all FDIC-insured institutions. At December 31, 2010 and 2009, substantially all of the Cooperative's cash and cash equivalents were on deposit at one New York bank, of which \$0 and \$161,731, respectively, were uninsured.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Real and Personal Property

Real and personal property are recorded at cost and consist of:

	December 31,	
	2010	2009
Land	\$ 1,444,210	\$ 1,444,210
Building	7,681,798	7,681,798
Building improvements	11,254,101	11,228,673
Furniture and equipment	1,681,718	1,700,576
Parking lot improvements	169,621	169,621
	22,231,448	22,224,878
Less: Accumulated depreciation	14,525,434	14,063,374
	\$ 7,706,014	\$ 8,161,504

Depreciation of real and personal property is computed by various methods over the following estimated useful lives: building – 40 years, building improvements – 10 to 40 years and, furniture and equipment – 5 to 12 years. Depreciation expense for the years ended December 31, 2010 and 2009 were \$527,340 and \$541,531, respectively.

Amortization

Amortization of financing costs is computed using the straight-line method over the term of the loan. Amortization expense for the years ended December 31, 2010 and 2009 were \$21,978 and \$6,955, respectively.

Income Taxes

The Cooperative's income tax policies provide that those portions of maintenance charges 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, whereas, such items 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. The Cooperative is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2007.

For the years ended December 31, 2010 and 2009, contributions to additional paid-in capital for income tax reporting purposes were \$211,002 and \$201,966, respectively, consisting only of mortgage amortization for both years.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Cooperative considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Subsequent Events

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the balance sheet through June 3, 2011, the date the financial statements were available to be issued.

NOTE 2: TENANT-STOCKHOLDERS RECEIVABLES

As part of the reconstitution in 1997, the Cooperative instituted a "Substitute SCRIE Program" to provide benefits to all tenant-stockholders who became eligible for SCRIE Program benefits within the first two years after the effective date of the reconstitution. These "Substitute SCRIE Program" benefits consist of deferral of payment of carrying charges payable by a participating tenant-stockholder. The deferral of payments are treated as a loan to the tenant-stockholder, which is repayable only upon the sale or transfer of the shares of stock and accompanying proprietary lease owned by the tenant-stockholder.

The loans, which do not bear interest, are payable only when the stock and proprietary lease of the participant are sold or transferred. A participating tenant-stockholder is required to enter into an agreement with the Cooperative to this effect and to execute a UCC-1 financing statement to secure the loan. Each participant in the "Substitute SCRIE Program" is charged an annual \$25 processing fee by the Cooperative. At December 31, 2010 and 2009, the outstanding loans to tenant-stockholders under the "Substitute SCRIE Program", and included in receivables from tenant-stockholders in the accompanying balance sheets, were approximately \$41,000 and \$34,000, respectively.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 3: MORTGAGES AND LOANS PAYABLE

The Cooperative's mortgage was restructured on August 1, 2003. The new mortgage, payable to Amalgamated Bank of New York ("ABNY"), is for a ten-year term, maturing on September 1, 2013. The mortgage requires monthly payments of \$34,512, to be applied first to interest at the fixed rate of 4.4% per annum and the balance to reduction of the outstanding principal balance, using a thirty-year amortization schedule. The mortgage is collateralized by the land and buildings owned by the Cooperative. The restructuring of the mortgage loan was subject to the Cooperative paying a prepayment consideration fee in the amount of \$172,298.

ABNY converted a revolving line of credit, previously extended to the Cooperative, into an unsecured term loan at a fixed rate of 4.4% per annum with a new ten-year term maturing on September 1, 2013, using a thirty-year amortization schedule. This loan requires monthly payments of \$14,021.

During 2007, the Cooperative obtained an unsecured revolving credit line from ABNY for five years in the amount of \$500,000. As of December 31, 2010, \$500,000 is outstanding at a rate of 2.25% per annum.

In April 2010, the Cooperative obtained a line of credit from ABNY for one year in the amount of \$500,000. Interest payments are due monthly at a rate of 7% per annum. The note is collateralized by 20 ¼ shares not yet issued by the cooperative on a commercial unit being converted to residential space. As of December 31, 2010, \$200,000 is outstanding.

The amount of annual principal payments due to ABNY in each of the next five fiscal years and in the aggregate thereafter, are as follows:

<u>December 31,</u>	<u>First Mortgage</u>	<u>Second Mortgage</u>	<u>Loan</u>
2011	\$ 156,165	\$ 63,446	\$ 200,000
2012	163,177	66,294	500,000
2013	170,503	69,271	-
2014	178,159	72,381	-
2015	186,158	75,631	-
Thereafter	<u>5,067,198</u>	<u>2,056,559</u>	<u>-</u>
	<u>\$ 5,921,360</u>	<u>\$ 2,403,582</u>	<u>\$ 700,000</u>

On April 14, 2011 the Cooperative repaid the remaining \$200,000 outstanding balance on the one year line of credit obtained from ABNY in April 2010.

NOTE 4: COMMON STOCK AND TREASURY STOCK

As of December 31, 2009, the Cooperative held 33.75 shares of treasury stock allocated to one apartment. During the year ended December 31, 2010 the Cooperative sold the shares held in treasury for net proceeds of \$562,080. As of December 31, 2010 and 2009, common stock shares outstanding were 16,463.70.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 5: CARRYING CHARGES – APARTMENTS/COMMERCIAL RENT, STORES AND OFFICES

Carrying charges are based on an annual budget determined by the Board of Directors. Tenant-stockholders are billed monthly based on the number of rooms in their respective apartments.

In addition, the Cooperative leases space to commercial tenants. As of December 31, 2010, the Cooperative's total leasable commercial space of approximately 110,000 square feet was occupied by 7 tenants, including one tenant leasing garage space, which occupied approximately 87% of the gross leasable area.

Future minimum rentals under non-cancelable commercial operating and parking leases as of December 31, 2010 are:

2011	\$ 735,815
2012	711,035
2013	707,344
2014	708,744
2015	663,931
Thereafter	<u>5,362,883</u>
	<u>\$ 8,889,752</u>

NOTE 6: APARTMENT RESALE FEES

The Cooperative assesses resale fees. The rate is 20% on the first sale of the apartment and 5% for second and subsequent sales. For the year ended December 31, 2010, there were 9 first sales of apartments and 10 second and subsequent sales of apartments resulting in apartment resale fees of \$1,066,250.

In comparison, for the year ended December 31, 2009, there were 7 first sales of apartments and 9 second and subsequent sales of apartments resulting in apartment resale fee revenue of \$941,850.

NOTE 7: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Cooperative's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. In addition, the Cooperative has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Cooperative has the right to 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.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 8: COMMITMENT AND CONTINGENCIES

Substantially all of the Cooperative's employees are covered by a collective bargaining agreement, which expires in April 2014. In addition, the Cooperative's union employees are covered by a multiemployer pension plan. The information as to the Cooperative's portion of accumulated plan benefits and plan assets is not determinable. Under the Employee Retirement Income Security Act of 1974, as amended, an employer, upon withdrawal from a multiemployer plan, is required to continue to pay its proportionate share of the plan's unfunded vested benefits. The Cooperative has no intention of withdrawing from the multiemployer pension plan.

For the years ended December 31, 2010 and 2009, the Board of Directors has made required nondiscriminatory contributions to the multiemployer retirement plan in the amount of \$15,223 and \$20,539, respectively. The Cooperative does not administer or control the funds in any way.

The Cooperative has been involved in litigation involving two separate actions brought by a cooperator, Mel Hantz ("Hantz"). The first action, entitled Mel Hantz v. Hillman Housing Corporation, Supreme Court, New York County, Index No. 110152/08, was brought in July 2008. The complaint sought declaratory and injunctive relief and to overturn as arbitrary and capricious the decision made by the Cooperative's Board in 2005 to deny Hantz's request for permission to install a mini-split ductless central air conditioning system through the exterior wall of his apartment (the "First Complaint"). In December 2008, the Court granted the Cooperative's motion to dismiss the First Complaint, holding that the claims therein were time barred by the four-month statute of limitations applicable to decisions by a board of directors of a cooperative housing corporation. On January 6, 2009, judgment was entered dismissing the First Complaint.

A few months later, Hantz brought an Article 78 proceeding (the "New Petition"), entitled Mel Hantz v. Hillman Housing Corporation, Supreme Court, New York County, Index No. 106738/09, seeking again to compel the Cooperative to grant him permission to install the same central air conditioning system through the wall of his apartment. The Cooperative cross-moved to dismiss the New Petition. In June 2009, the court denied the cross-motion, after which the Cooperative obtained a stay of proceedings from the Appellate Division, First Department, and thereafter took an appeal. By Decision and Order, dated November 5, 2009, the Appellate Division reversed the lower court, and dismissed the New Petition.

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE 8: COMMITMENT AND CONTINGENCIES (Continued)

The Cooperative billed Hantz for legal fees of \$168,220, included in other receivable on the accompanying balance sheet, incurred in the above two litigations, and subsequently, served a formal demand for payment of same, as "additional rent" under the terms of the parties' proprietary lease. Thereafter, Hantz commenced a new (third) action in Supreme Court, New York County, entitled Mel Hantz v. Hillman Housing Corporation, Index No. 103826-2010, seeking a declaration that he is not obligated to reimburse the Cooperative for those legal fees. On May 27, 2010, the Cooperative, by its attorneys, Rosenberg & Estis, P.C., served an answer that included a counterclaim seeking a declaration that the Cooperative is entitled to those legal fees as well as the legal fees incurred in this third action, as well as a counterclaim for a judgment for all legal fees incurred in all three cases. As of December 31, 2010, the court is still considering both claims and has not issued a decision. An additional \$43,026 of unbilled legal fees were incurred during the year ended December 31, 2010 and are included in other receivable on the accompanying balance sheet.

NOTE 9: INCOME TAXES

The Cooperative has approximately \$11,381,000 of operating loss carryforwards available for federal income tax purposes. Unused losses of \$586,000 incurred up to the December 31 1997 tax year expire in 15 years and \$10,795,000 losses incurred after the December 31, 1997 tax year, expire in 20 years. Because the future utilization of these tax carryforward losses is uncertain, no related deferred tax asset account has been reflected in the accompanying financial statements. The Cooperative's tax returns are subject to review by the respective taxing authorities.

SUPPLEMENTAL INFORMATION

Independent Auditors' Report on Supplemental Information

To the Stockholders and Board of Directors
Hillman Housing Corporation
New York, New York

Our report on our audits of the financial statements of Hillman Housing Corporation as of and for the year ended December 31, 2010 and 2009 appears on page 1. Those audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Marks Paneth & Shron LLP

New York, New York
June 3, 2011

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Supplemental Information

As of and For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
Prepaid Expenses and Other Assets		
Unexpired insurance	\$ 107,076	\$ 112,966
Mortgage refinancing costs	18,669	19,439
J-51 consulting	28,065	31,589
Fuel inventory	87,826	87,833
Security contract	8,729	8,455
Corporate taxes	24,181	13,718
Transfer taxes	10,000	10,000
	<u>\$ 284,546</u>	<u>\$ 284,000</u>
Other Income		
Air conditioning fees	\$ 221,280	\$ 220,946
Laundry room - net	39,000	39,000
Storage	66,198	65,751
Sublet fees	193,221	145,365
Construction	11,250	9,250
Miscellaneous - net	63,557	117,056
	<u>\$ 594,506</u>	<u>\$ 597,368</u>
Utilities and Fuel Expenses		
Electricity	\$ 1,093,104	\$ 961,690
Water and sewer	460,898	459,016
Fuel	1,021,678	806,525
Gas	36,600	36,819
	<u>\$ 2,612,280</u>	<u>\$ 2,264,050</u>
Labor Expenses		
Porters	\$ 534,024	\$ 524,580
Handymen	215,024	220,843
Boiler room	238,535	231,485
Supervisors	41,303	36,968
Painters	-	1,923
	<u>\$ 1,028,886</u>	<u>\$ 1,015,799</u>

**HILLMAN HOUSING CORPORATION
(A COOPERATIVE HOUSING CORPORATION)**

Supplemental Information

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
Payroll Overhead, Insurance and Other Expenses		
Payroll taxes	\$ 489,892	\$ 475,344
Retirement expense	15,223	20,539
	<u>505,115</u>	<u>495,883</u>
Claims paid	33,396	48,337
Liability, fire, compensation and other insurance	301,711	293,113
	<u>\$ 840,222</u>	<u>\$ 837,333</u>
Repairs and Maintenance Expenses		
Building repairs	\$ 379,671	\$ 257,544
Supplies	119,877	119,044
Incinerator	-	20,941
Elevator system	236,562	121,934
Painting and plastering	66,620	62,944
Exterminating	71,492	157,463
Uniforms	6,275	6,673
Gardening	70,112	72,638
Miscellaneous	41,733	53,743
	<u>\$ 992,342</u>	<u>\$ 872,924</u>
Management Expenses		
Management salaries	\$ 154,569	\$ 149,384
Office salaries	63,339	59,056
Office supplies, stationery, printing and postage	25,898	28,426
Other professional fees	86,883	98,782
Telephone	22,971	26,478
Miscellaneous	29,147	55,491
	<u>\$ 382,807</u>	<u>\$ 417,617</u>