

FORTY-SIXTH AMENDMENT TO OFFERING PLAN
FOR
BRYANT GARDENS
BRYANT AND MAMARONECK AVENUES
WHITE PLAINS, NEW YORK

The purpose of this Forty-Sixth Amendment is to modify and supplement the Offering Plan – A Plan to Convert to Co-operative Ownership premises located at Bryant and Mamaroneck Avenues, White Plains, New York, dated September 15, 1980 as amended by the filing of forty-five prior amendments.

The Plan is hereby amended as follows:

1. **Extension of Offering.** The term of the offering made by the Plan is hereby extended for an additional twelve (12) month period commencing on the date this Forty-Sixth Amendment is accepted for filing by the Department of Law.

2. **Financial Disclosure.** The following information is provided in accordance with the regulations of the Attorney General of the State of New York:

a. The identity of shares owned by sponsor or its designees, including holders of unsold shares, and the apartment to which such shares are allocated, are set forth in the Schedule of Unsold Shares annexed hereto as Exhibit A.

b. The aggregate monthly maintenance payments for all shares owned by the undersigned holders of unsold shares is \$18,281.02.

c. The aggregate monthly rents received from tenants of all units owned by the undersigned holders of unsold shares is \$13,249.87.

d. The sponsor or holders of unsold shares have no financial obligations to the Apartment Corporation which will become due within twelve months from the date of this amendment, other than payment of maintenance.

e. *None of the unsold shares has been pledged as collateral for any loan or otherwise* represents security for financing arrangements.

f. The maintenance payments due from sponsor or holders of unsold shares are funded by the monthly rents received from tenants of units owned by sponsor or holders of unsold shares or if insufficient, from sales of units or other assets of Sponsor or holders of unsold shares or by capital calls on each of the holders of Unsold Shares to cover any shortfalls between rental income received and maintenance owed to the Corporation or other costs associated with the units owned by the holders of Unsold Shares.

g. The sponsor and holders of unsold shares are current on all financial obligations under the Plan. Sponsor and holders of unsold shares were current on all such obligations during the year prior to the filing of this amendment.

h. Sponsor or principals of sponsor, as individual holders of unsold shares or as general partner or principal of sponsor, own more than ten (10%) percent of the shares of the following buildings which have been converted to cooperative or condominium ownership:

31 Pondfield Road, Bronxville, New York
27-47 North Central Avenue, Hartsdale, New York
17 North Chatsworth Avenue, Larchmont, New York
Sadore Lane Gardens, Yonkers, New York

The offering plans for these buildings are on file with the Department of Law and are available for public inspection.

i. The sponsor, principals of sponsor and holders of unsold shares, as individual holders of unsold shares or as general partner or principal of the sponsor, are current in their financial obligations in other cooperatives, condominiums or homeowners associations in which they own shares or units as an individual, general partner or principal.

j. The sponsor relinquished control of the Board of Directors on December 1, 1983. As of the date hereof, the total of unsold shares held by the Sponsor, principals of Sponsor or holders of unsold shares aggregates approximately 5.21% of the outstanding shares of the Corporation.

3. **Maintenance.** By Resolution of the Board of Directors of the Corporation adopted at a meeting duly held on October 20, 2020, after reviewing a projected budget of building operations for the calendar year 2021, the per share monthly maintenance charges was fixed at \$3.469 per share representing a 3% increase over the prior year. In addition, the Corporation increased the monthly rental of a private garage to \$75.00 per month.

4. **Election of Officers and Directors.** At a meeting of the Shareholders held on May 15, 2019 a quorum was not present accordingly the following officers and directors remained elected.

Louis J. Bruno President

Rose Hogan Vice President

Michael J. Flynn, Treasurer

Michael Magrone, Vice President

Natasha Eaton, Vice President

Brandon Pastor, Secretary

Kaiser Vallice, Vice President

Subsequent to the meeting three of the Directors left office, Michael Flynn, Michael Magrone and Brandon Pastor. In accordance with Section 4 of the By-Laws, the Board of Directors appointed John Carlucci, Caitlin Faughman and Kristy Amendola to fill the vacant seats on the Board.

Due to the risks associated with the COVID-19 pandemic, the Annual Meeting of Shareholders scheduled to be held December of 2020 has been postponed for six (6) months or until such time that it is safe to hold the meeting.

5. **Financial Statements.** The financial statements for Bryant Gardens Corp. for the year ended December 31, 2019, prepared by Bloom and Streit, LLP, Certified Public Accountants, are attached hereto as Exhibit B.

6. **Budget.** Attached hereto as Exhibit C is the budget for the fiscal year ending December 31, 2021 prepared by the Apartment Corporation's accountant and adopted by the Board of Directors. This budget is contained herein for informational purposes only, and the sponsor, principals of sponsor or holders of unsold shares do not in any way adopt such budget as their own or make any representation as to the adequacy, accuracy or completeness of same or any item shown therein and none should be implied. Robert Orlofsky as agent for the sponsor, principals of sponsor and holders of unsold shares has reviewed the budget and has no knowledge of any matter which would render the budget materially incorrect; however, Robert Orlofsky as such agent has not prepared the budget and has not independently verified the information or estimates contained therein.

7. **Capital Projects.** The Corporation continues to move forward with a five year plan to repair and waterproof the exterior brick facades. Out of fifteen (15) buildings, seven (7) of the buildings have been completed. The project is being financed from the Bryant Gardens Corp Reserve Fund that has a current balance of \$3,083,000. The Bryant Gardens Reserve fund is investing in the United States Treasury Bills and bank Certificate of Deposits that are fully FDIC insured.

8. **Minimum Income and Credit Score Requirements.** The Corporation has adopted a minimum annual gross income requirement for purchasers as follows:

Studio Apartment	\$ 50,000
One Bedroom Apartment	\$ 60,000
Two Bedroom Apartment	\$ 70,000
Three Bedroom Apartment	\$100,000


The Corporation also requires purchasers to have a minimum FICO credit score of 740.

9. **No Other Material Changes in Plan.** There have been no material changes in the Plan, except as set forth in this Forty-Sixth Amendment. The Plan, as amended hereby, does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact.

AFF PROPERTY, LLC, SHARYN ORLOFSKY, ROBERT ORLOFSKY and ROZLEN ASSOCIATES, the owners of all unsold shares of the Apartment Corporation, have authorized the submission of this Forty-Sixth Amendment by the undersigned.

Dated: July 12, 2021

By: ROBERT ORLOFSKY, for the holders of all unsold shares



Robert Orlofsky

EXHIBIT B
FINANCIAL STATEMENT

BRYANT GARDENS CORP.
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

BRYANT GARDENS CORP.
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DECEMBER 31, 2019 AND 2018

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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA
WILLIAM J. RANK, CPA, CFP
MARK COHEN, CPA
LORI LERMAN, CPA

INDEPENDENT AUDITORS' REPORT

**To the Board
BRYANT GARDENS CORP.**

We have audited the accompanying financial statements of Bryant Gardens Corp., which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of loss, retained earnings (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bryant Gardens Corp., as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14, the entity has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that accounting principles generally accepted in the United States of America has determined is required to supplement, although not required to be a part of, 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.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
March 18, 2020

BRYANT GARDENS CORP.

Balance Sheets

As of December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	58,327	62,592
Cash in Bank - Security Deposits	68,694	59,214
Cash in Bank - Reserve Fund	518,136	190,802
Investments - Reserve Fund	3,490,187	5,605,721
Tenants' Accounts Receivable	16,168	28,109
Mortgagee Escrow Deposits	296,039	385,416
Total	4,447,551	6,331,854
Less: Allocated to Funds and Deposits (see below)	<u>(4,077,017)</u>	<u>(5,855,737)</u>
Total Current Assets	<u>370,534</u>	<u>476,117</u>
FUNDS		
Contingency Reserve:		
Allocated from Current Assets (see above)	<u>4,008,323</u>	<u>5,796,523</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>7,728,313</u>	<u>7,037,029</u>
OTHER ASSETS		
Security Deposits (see above)	68,694	59,214
Investment in National Cooperative Bank	<u>109,053</u>	<u>109,053</u>
Total Other Assets	<u>177,747</u>	<u>168,267</u>
TOTAL ASSETS	<u>12,284,917</u>	<u>13,477,936</u>

	<u>2019</u>	<u>2018</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	232,385	244,428
Accounts Payable - Capital Improvements	39,381	219,788
Accrued Interest	51,170	52,354
Real Estate Tax Rebate Due to Stockholders	35,046	39,416
Rents Received in Advance	44,590	46,874
Security Deposits	68,694	59,214
Auto Loans - Amortization Payments due within one year	0	17,652
Mortgage Payable - Amortization Payments due within one year	<u>325,804</u>	<u>313,273</u>
Total Current Liabilities	<u>797,070</u>	<u>992,999</u>
LONG-TERM LIABILITIES		
Auto Loans Payable - Net of Payments due within one year	0	41,857
Mortgage Payable - Net of Payments due within one year	13,210,285	13,536,089
Less: Unamortized Debt Issuance Costs	<u>(131,805)</u>	<u>(147,464)</u>
Total Long-Term Liabilities	<u>13,078,480</u>	<u>13,430,482</u>
STOCKHOLDERS' DEFICIT		
Common Stock \$1.00 par value; 120,000 shares authorized, 113,065 shares issued and 112,435 shares outstanding	113,065	113,065
Paid-in Capital	2,950,482	2,950,482
Retained Earnings (Deficit)	<u>(4,510,606)</u>	<u>(3,865,518)</u>
Total	<u>(1,447,059)</u>	<u>(801,971)</u>
Less: Treasury Stock - 630 Shares	<u>(143,574)</u>	<u>(143,574)</u>
Total Stockholders' Deficit	<u>(1,590,633)</u>	<u>(945,545)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>12,284,917</u>	<u>13,477,936</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Loss

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
INCOME		
Carrying Charges	4,411,658	4,325,105
Garage Income	118,780	119,036
Professional Apartments	26,928	26,928
Rental Income	42,194	31,791
Laundry Room Income	31,200	31,200
Storage Units	22,140	22,179
Investment Income	118,072	55,544
Miscellaneous Income	1,369	824
Total Income	<u>4,772,341</u>	<u>4,612,607</u>
EXPENSES		
Administrative Expenses	312,609	239,248
Maintenance Expenses	1,581,913	1,523,685
Utilities Expenses	595,216	614,736
Taxes and Insurance Expenses	1,819,336	1,741,251
Financial Expenses	608,883	533,727
Prepayment Penalty	0	461,645
Interest Expense - Debt Issuance Costs	15,659	82,762
Total Expenses Before Depreciation	<u>4,933,616</u>	<u>5,197,054</u>
NET LOSS BEFORE DEPRECIATION	(161,275)	(584,447)
Depreciation	<u>(483,813)</u>	<u>(444,849)</u>
NET LOSS FOR THE YEAR	<u>(645,088)</u>	<u>(1,029,296)</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.
Statements of Retained Earnings (Deficit)
For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(3,865,518)	(2,836,222)
Net Loss for the Year	<u>(645,088)</u>	<u>(1,029,296)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u>(4,510,606)</u>	<u>(3,865,518)</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.**Statements of Cash Flows****For the Year Ended December 31,**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Net Loss	(645,088)	(1,029,296)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	483,813	444,849
Prepayment Penalty	0	461,645
Interest Expense - Debt Issuance Costs	15,659	82,762
Revenue allocated to financing activities	(313,273)	(336,309)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	11,941	(7,327)
Mortgagee Escrow Accounts	89,377	11,474
Prepaid Expenses	0	1,227
Increase (Decrease) in operating liabilities:		
Accounts Payable	(12,043)	61,713
Accrued Interest Payable	(1,184)	20,744
Rents Received in Advance	(2,284)	26,198
Deposits and Exchanges	5,110	(13,315)
Net cash used by operating activities	<u>(367,972)</u>	<u>(275,635)</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(1,355,504)	(869,084)
Purchase of NCB Stock	0	(109,053)
Purchase of Investments	(3,588,949)	(8,577,776)
Proceeds from Sale of Investments	5,704,483	3,222,055
Net cash provided (used) by investing activities	<u>760,030</u>	<u>(6,333,858)</u>
Cash Flows From Financing Activities		
Net Proceeds from Mortgage Refinancing	0	14,000,000
Payoff of Mortgage Payable	0	(6,928,265)
Payment of Prepayment Penalty	0	(461,645)
Payment of Deferred Financing Expenses	0	(156,599)
Payments and Payoff of Auto Loans	(59,509)	(16,907)
Portion of Carrying Charges applied to Amortization of Mortgage	313,273	336,309
Amortization of Mortgage	(313,273)	(336,309)
Net cash (used) provided by financing activities	<u>(59,509)</u>	<u>6,436,584</u>
Increase (Decrease) in Cash and Cash Equivalents (carryforward)	332,549	(172,909)

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents (carryforward)	332,549	(172,909)
Cash and Cash Equivalents at Beginning of Year	<u>312,608</u>	<u>485,517</u>
Cash and Cash Equivalents at End of Year (see below)	<u>645,157</u>	<u>312,608</u>
Represented by:		
Cash in Operating Account	58,327	62,592
Cash in Bank - Security Deposits	68,694	59,214
Cash in Bank - Reserve Account	<u>518,136</u>	<u>190,802</u>
Cash and Cash Equivalents (as above)	<u>645,157</u>	<u>312,608</u>
 Supplemental Disclosure:		
Taxes Paid	<u>19,200</u>	<u>19,474</u>
Interest Paid	<u>610,067</u>	<u>974,628</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 1

Organization

Bryant Gardens Corp., a 409 unit Cooperative Housing Corporation (the Corporation), acquired land, buildings and improvements (the Property) from Bryant Gardens Associates (the Sponsor), on September 15, 1981 and commenced operations on that date. The common real property included in this acquisition consists of parking facilities, public hallways, roofs, sidewalks and professional office space. All of the cooperative's outstanding stock is owned by the residential tenants of the buildings. The primary purpose of the cooperative is to manage the operations of the buildings and maintain the common elements.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from tenant-stockholders, including maintenance charges and special assessments, be recognized as revenue in the statements of loss.

For purposes of the statement of cash flows, the cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Tenant-stockholders are subject to monthly charges to provide funds for the cooperative's operating expenses, future capital acquisitions, and major repairs and replacements. Tenants' Accounts Receivable at the balance sheet date represent various fees due from tenant-stockholders. The cooperative's policy is to retain legal counsel and place liens on the shares of stock of tenant-stockholders whose assessments are delinquent. Any excess charges at year end are retained by the cooperative for use in the succeeding year.

Property and equipment is being carried at cost. Depreciation of the buildings, improvements and equipment is being computed from the date of acquisition by various methods over periods from ten to forty years.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 2

Summary of Significant Accounting Policies - continued

Costs incurred in obtaining long-term financing, included under mortgage payable on the balance sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related debt agreement. The amortization of these costs are being recognized as interest expense-debt issuance costs on the statements of loss.

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 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.

The cooperative accounts for certain revenue items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to any portion of maintenance charges and special assessments allocated for mortgage amortization and capital improvements which are being accounted for as contributions to additional paid-in capital for income tax purposes whereas such items are recognized as revenue for financial reporting.

Note 3

Concentrations of Credit Risk

The cooperative maintains various bank and money market accounts that at times may exceed insured credit limits. The cooperative has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances. However, should any of these institutions fail, the cooperative could suffer a loss.

The cooperative has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Land	572,960	572,960
Buildings	5,255,727	5,255,727
Building Equipment	<u>12,514,600</u>	<u>11,339,503</u>
	18,343,287	17,168,190
Less: accumulated depreciation	<u>10,614,974</u>	<u>10,131,161</u>
Total Property and Equipment	<u>7,728,313</u>	<u>7,037,029</u>

Capital Improvements completed during the years ended December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Asbestos Project	41,050	-0-
Attic Insulation	299,000	-0-
Basement Upgrades	5,560	66,716
Bike Racks/Benches	15,383	-0-
Brick Ties	18,000	-0-
Children's Playground	-0-	37,564
Exterior Brick Wall Repairs	34,450	317,194
Garbage Units	19,740	-0-
Hallway Lights	60,043	-0-
Heat Exchanges	149,559	-0-
Hot Water System Upgrade	15,780	67,077
Irrigation System	-0-	310,334
Parking Lot Paving	-0-	199,860
Pipe Insulation	51,650	-0-
Storage Units	15,400	-0-
Underground Heating Main	-0-	77,152
Waterproofing	<u>449,483</u>	<u>-0-</u>
	1,175,098	1,075,897

Depreciation expense for the year ended December 31, 2019 and 2018 was \$483,813 and \$444,849, respectively.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 5

Auto Loans Payable

During the year ended December 31, 2017, the cooperative purchased two vehicles. The first, a 2017 GMC, was purchased for approximately \$49,000. The purchase was financed with a loan payable over 60 months with interest of 3.99%. The loan required monthly payments of \$725 and was set to mature August 30, 2022. During the year ended December 31, 2019, the loan was paid off in full.

The second vehicle, a 2018 Jeep Wrangler, was purchased for approximately \$41,000. The purchase was financed with a loan payable over 48 months with interest of 3.99%. The loan required monthly payments of \$746 and was set to mature December 20, 2021. During the year ended December 31, 2019, the loan was paid off in full.

Note 6

Mortgage Payable

In May 2018, the cooperative refinanced their previous mortgage for a new mortgage in the amount of \$14,000,000. The mortgage requires monthly payments of \$76,945 applied first to interest at a rate of 4.39% and the remainder to the reduction of principal based on a 25-year amortization schedule. The mortgage matures June 1, 2028 at which time a balloon payment of approximately \$10,233,000 is due and payable.

Principal maturities of the mortgage are as follows:

2020	325,804
2021	342,306
2022	357,856
2023	374,113
2024	389,586
Thereafter	11,746,424

As part of the aforementioned refinancing, the cooperative has paid closing costs of approximately \$157,000.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 6

Mortgage Payable - continued

As part of the aforementioned refinancings, the cooperative was required to purchase shares of NCB's Class B1 stock. Class B1 shares earn a patronage dividend payable in cash and Class B2 stock, as determined by NCB. Class B1 shares are redeemable by NCB upon satisfactory repayment of all loans made to or guaranteed by eligible customers. Class B2 shares are non-redeemable, non-transferable, and pay no dividends. As of December 31, 2019 and 2018, the cooperative owned approximately 1,091 Class B1 shares. The cooperative owned approximately 412 and 309 Class B2 shares at December 31, 2019 and 2018, respectively. Cash dividends of \$6,829 and \$0 were received during the years ended December 31, 2019 and 2018, respectively.

Note 7

Reserve Fund

The proceeds from all of the mortgage refinancings have been added to the cooperative's existing investments to establish a reserve fund which has been and will be used to finance capital improvements such as hallway, maintenance office and laundry renovations, new entrances, roof/window/garage door replacements, landscaping upgrades, danfoss valve replacement, signage, siding, boilers, gas conversion, parking lots, charging stations and other assorted property improvements. During December 31, 2019 and 2018, the cooperative incurred capital improvement costs of approximately \$1,125,000 and \$1,038,000 related to the aforementioned items. As of December 31, 2019 and 2018, the cooperative maintained a balance in the reserve fund of approximately \$4,008,000 and \$5,797,000, respectively.

Note 8

Treasury Stock

During the year ended August 31, 1997, 185 shares of stock were recorded as treasury stock due to an eviction of one of the cooperative's shareholders. In 2010, an additional 265 shares of stock, at a cost basis of \$27,304, was added as treasury stock due to another eviction of one of the cooperative's shareholders. In 2016, additional shares totaling 445 shares, at a cost basis of \$140,000 was added as treasury stock due to the acquisition of two units. During 2017, additional costs of approximately \$63,000 were added to treasury shares as one of the previous units obtained through eviction was officially purchased. This same unit was then sold for approximately \$112,500. Also in 2017, a new unit was purchased for 260 shares in the amount of \$149,300. This same unit was also sold for approximately \$155,000. The gain on the sale of both units is reflected on the balance sheets as part of Paid in Capital at December 31, 2017. All shares are recorded as treasury stock by the cooperative with a cost basis representing the unpaid carrying charges of the previous stockholder plus the cost of improvements to restore the apartment. The remaining apartments are rented and the income from the apartments is shown on the statements of income as rental income.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 9

Sponsor Ownership

As of December 31, 2019 and 2018, the Sponsor and its partners owned 5,595 and 5,855 shares, respectively which represents approximately 5% of the outstanding shares.

As of these dates, the Sponsor and its partners were current in the payment of carrying charges and garage charges.

Note 10

Future Professional Income

A portion of the cooperative's property is leased to one tenant under a lease for five years which expired on December 31, 2005. This lease continues to operate on a month-to-month basis until a new lease can be finalized.

Note 11

Real Estate Taxes - Tax Abatements

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during 2019 and 2018. The abatements, which include Star, Veterans and Senior Citizens are passed on to the stockholders by direct payment or as a credit against carrying charges. Any undistributed abatements as of the fiscal year end have been included on the Balance Sheet in Current Liabilities as Real Estate Tax Rebate Due to Stockholders. As the abatements benefit the stockholders, the real estate tax expense reflected in these financial statements is gross of all the aforementioned tax abatements.

Note 12

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2019 and 2018. The cooperative participated in this multi-employer plan, for the years ended December 31, 2019 and 2018 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 2022 and the cooperative has no intention of withdrawing from the plan.

The risks of participating in multi-employer plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, 2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and 3) if the cooperative chooses to stop participating in its multi-employer pension plan, the cooperative may be required to pay the plan an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 12

Benefits - continued

The zone status is based on information that the cooperative received from the plan and is certified by the plan's actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The most recent Pension Protect Act (PPA) zone status available is for the plan's year-end at December 31, 2019 and December 31, 2018. The certified zone status for the plan for each of these years was red and a rehabilitation plan has been implemented. This rehabilitation plan currently involves a surcharge to the cooperative.

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended December 31, 2019 and 2018. The fund provides health benefits (medical, surgical, hospital, prescription drugs, behavioral health, optical, dental) and life insurance coverage for eligible participants and their covered dependents. Retired employees are eligible for health benefits if they retire before age 65, but after age 62; accumulated 15 combined years of pension service credit; worked both 90 days immediately before retirement and at least 36 months of the 60 months before retiring; and are receiving an early or regular retirement pension from the 32BJ North Pension Fund. These benefits continue for the retired employee and eligible dependents until they become eligible for Medicare, until age 65, or until the retiree's pension is suspended, whichever occurs first.

The cooperative made the following contributions to the plans at December 31:

	<u>2019</u>	<u>2018</u>
Pension Contributions	28,056	26,222
Health Contributions	128,856	120,372

The cooperative's contributions to the plan were not greater than 5% of the plan's total contributions.

Note 13

Income Taxes

Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. Under Subchapter T, income from non-patronage sources in excess of expenses properly attributable thereto may be subject to tax. The cooperative believes that all of its income is patronage sourced.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 13

Income Taxes - continued

Accordingly, no provisions for taxes, if any, that could result from the application of Subchapter T to the cooperative's income has been reflected in the accompanying financial statement. New York State Franchise tax is calculated by utilizing special tax rates available to cooperative housing corporations based on the cooperative's capital base.

Losses incurred in years prior to 2018, may be carried forward for twenty years from the year incurred and may be used to offset 100% of taxable income. Due to a change in the tax law, federal net operating losses incurred in 2018 and thereafter may be carried forward indefinitely, but may only be used to offset 80% of taxable income each year.

As of December 31, 2019, the cooperative has available federal net operating loss carryforwards to apply to future taxable income of approximately \$8,144,000. These net operating loss carryforwards consist of carryforwards of approximately \$5,853,000 which expire beginning in 2020 and continuing through 2037 and carryforwards of approximately \$2,291,000 which were incurred in 2018 and thereafter. New York State substantially limits the use of these net operating loss carryforwards.

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the cooperative's tax filings are subject to audit by various taxing authorities. The cooperative's federal and state income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the cooperative believes that its estimates are appropriate based on current facts and circumstances.

Note 14

Future Major Repairs and Replacements

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 may borrow, utilize available cash, increase carrying charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2019 and 2018

Note 15

Subsequent Events

Management has evaluated subsequent events through March 18, 2020, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

**To the Board
BRYANT GARDENS CORP.**

We have audited the financial statements of Bryant Gardens Corp. as of and for the years ended December 31, 2019 and 2018, and our report thereon dated March 18, 2020, which expressed an unqualified opinion on those financial statements, appears on Page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of budget with actual operating amounts and detailed schedule of repairs, which are the responsibility of the entity's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bloom and Streit LLP

**BLOOM AND STREIT LLP
Certified Public Accountants
March 18, 2020**

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2019</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2019</u>	Actual Year Ended <u>Dec. 31, 2018</u>
RECEIPTS			
Carrying Charges	4,411,658	4,411,658	4,325,105
Garage Income	118,500	118,780	119,036
Professional Apartments	27,500	26,928	26,928
Rental Income	41,000	42,194	31,791
Laundry Income	31,200	31,200	31,200
Storage Units	24,000	22,140	22,179
Investment Income	120,000	118,072	55,544
Miscellaneous Income	<u>2,000</u>	<u>1,369</u>	<u>824</u>
Total Receipts	<u>4,775,858</u>	<u>4,772,341</u>	<u>4,612,607</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	113,000	112,867	112,868
Legal Expense	14,000	21,062	13,496
Auditing	13,200	13,200	13,200
Telecommunication Services/Software	25,000	25,693	23,021
Community Services	50,000	110,572	50,904
Office and Administrative Expenses	<u>27,502</u>	<u>29,215</u>	<u>25,759</u>
Total Administrative Expenses	<u>242,702</u>	<u>312,609</u>	<u>239,248</u>
MAINTENANCE EXPENSES			
Super and Maintenance Payroll	530,000	534,196	509,493
Supplies	65,000	85,599	110,903
Repairs (see schedule)	240,000	349,620	358,813
Flooring Project	42,000	59,735	56,842
Exterminating and Trapping Services	20,000	30,962	34,214
Landscaping and Grounds	230,000	324,810	320,621
Tree Care	30,000	23,006	33,450
Snow Removal and Supplies	15,000	10,372	9,940
Security Services	64,000	142,145	54,915
Truck Expense	6,000	5,831	11,124
Miscellaneous Maintenance	<u>12,000</u>	<u>15,637</u>	<u>23,370</u>
Total Maintenance Expenses	<u>1,254,000</u>	<u>1,581,913</u>	<u>1,523,685</u>

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended Dec. 31, 2019 (Unaudited)	Actual Year Ended Dec. 31, 2019	Actual Year Ended Dec. 31, 2018
UTILITIES EXPENSES			
Gas Heat	336,000	363,507	372,532
Electricity and Gas	125,000	124,853	136,058
Water	108,000	106,856	106,146
Total Utilities Expenses	569,000	595,216	614,736
TAXES AND INSURANCE			
Real Estate Taxes	1,342,000	1,363,234	1,303,659
Payroll Taxes	45,000	47,475	44,141
Licenses and Permits	1,000	8,209	2,080
Insurance	216,000	214,553	218,617
Health and Welfare	164,000	166,665	153,280
Franchise Taxes	20,000	19,200	19,474
Total Taxes and Insurance	1,788,000	1,819,336	1,741,251
FINANCIAL EXPENSES			
Interest on Mortgage	608,883	608,883	533,727
Total Financial Expenses	608,883	608,883	533,727
CONTRIBUTIONS TO EQUITY			
Truck Loan Payments	0	0	16,907
Amortization of Mortgage	313,273	313,273	336,309
Total Contributions to Equity	313,273	313,273	353,216
Total Expenditures	4,775,858	5,231,230	5,005,863
NET DEFICIT FOR THE YEAR	0	(458,889)	(393,256)

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Detailed Schedule of Repairs

For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
REPAIRS		
Boiler and Burners	42,822	52,369
Plumbing and Pipes	110,404	78,223
Electrical Repairs	67,676	39,233
Painting, Plastering, Flooring and Carpentry Work	23,904	45,829
Roofing, Waterproofing and Gutter Work	22,488	34,629
Paving, Excavation, Fencing, Gates and Signage	29,171	14,324
Masonry and Sidewalks	41,784	52,991
Window Capping and Repairs	3,331	17,894
Engineers, Architects and Consultants	6,130	8,150
General	1,910	15,171
Total Repairs	<u>349,620</u>	<u>358,813</u>

See auditors' report on supplementary information

EXHIBIT C

BUDGET

**BRYANT GARDENS CORP.
APPROVED OPERATING BUDGET
FOR THE YEAR ENDING DEC. 31, 2021**

	<u>PROPOSED</u>	
RECEIPTS		
CARRYING CHARGES - APTS	4,675,818	
GARAGES	162,000	
RENTAL INCOME	26,280	
PROFESSIONAL APARTMENTS	20,000	
LAUNDRY ROOM INCOME	31,200	
STORAGE UNITS	23,500	
INTEREST INCOME	50,000	
MISCELLANEOUS INCOME	4,500	
TOTAL RECEIPTS	4,993,298	4,993,298
EXPENDITURES		
ADMINISTRATIVE EXPENSES		
MANAGEMENT FEE	116,000	
LEGAL EXPENSES	18,000	
AUDITING	13,500	
TELECOMMUNICATIONS/SOFTWARE	30,000	
COMMUNITY SERVICES	50,000	
OFFICE AND ADMIN. EXPENSES	23,311	
TOTAL ADMINISTRATIVE EXPENSES	250,811	250,811
MAINTENANCE EXPENSES		
PAYROLL	550,000	
SECURITY	71,000	
SUPPLIES	90,000	
REPAIRS	220,000	
FLOORING AND CARPENTRY EXPENSES	35,000	
EXTERMINATING AND TRAPPING	30,000	
LANDSCAPING AND GROUNDS	210,000	
TREE CARE	30,000	
SNOW REMOVAL AND SUPPLIES	12,000	
TRUCK EXPENSES	5,000	
UNIFORMS AND RUBBISH REMOVAL	18,000	
TOTAL MAINTENANCE EXPENSES	1,271,000	1,271,000
UTILITIES EXPENSES		
GAS HEAT	360,000	
ELECTRICITY AND GAS	126,000	
WATER	148,000	
TOTAL UTILITIES EXPENSES	634,000	634,000

BRYANT GARDENS CORP.

TAXES AND INSURANCE

REAL ESTATE TAXES	1,445,000	
PAYROLL TAXES	49,000	
LICENSES AND PERMITS	1,500	
INSURANCE & WORKERS COMP	225,000	
UNION WELFARE AND PENSION FUND	175,000	
CORPORATE INCOME TAXES	20,000	
TOTAL TAXES AND INSURANCE		1,915,500

FINANCIAL EXPENSES

INTEREST ON MORTGAGE		564,131
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CONTRIBUTIONS TO EQUITY/RESERVES

AMORTIZATION OF MORTGAGE	357,856	
TOTAL CONTRIBUTIONS TO EQUITY		357,856

TOTAL EXPENDITURES		4,993,298
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NET SURPLUS(DEFICIT)		0
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NOTES:

3% INCREASE IN CARRYING CHARGES EFFECTIVE JANUARY 1, 2021
GARAGES FROM \$55/MO TO \$75/MO EFFECTIVE JANUARY 1, 2021