

BRYANT GARDENS CORP.
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

BRYANT GARDENS CORP.
TABLE OF CONTENTS
DECEMBER 31, 2022 AND 2021

	Page
INDEPENDENT AUDITORS' REPORT	1
Balance Sheets	2
Statements of Loss	3
Statements of Retained Earnings (Deficit)	4
Statements of Cash Flows	5-6
Notes to Financial Statements	7-15
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	16
Schedule of Budget with Actual Operating Amounts	17-18
Detailed Schedule of Repairs	19



BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

MARK COHEN, CPA
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LORI B. LERMAN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board
BRYANT GARDENS CORP.

Opinion

We have audited the accompanying financial statements of Bryant Gardens Corp., which comprise the balance sheets as of December 31, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bryant Gardens Corp., as of December 31, 2022 and 2021, 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.

Basis for Opinion

We have 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bryant Gardens Corp., 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.

Emphasis of Matter

As discussed in Note 13, 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.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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, including omissions, 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 generally accepted auditing standards, 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 Bryant Gardens Corp.'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 evaluating 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 Bryant Gardens Corp.'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.

Bloom and Streit LLP
BLOOM AND STREIT LLP
Certified Public Accountants
March 7, 2023

BRYANT GARDENS CORP.

Balance Sheets

As of December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	45,188	26,594
Cash in Bank - Money Market Account	2,764	2,756
Cash in Bank - Security Deposits	55,678	57,388
Cash in Bank - Reserve Fund	379,064	982,105
Investments - Reserve Fund	1,696,000	1,750,000
Tenants' Accounts Receivable	19,616	24,014
Mortgagee Escrow Deposits	750,761	672,799
Prepaid Expenses	9,374	16,904
Total	<u>2,958,445</u>	<u>3,532,560</u>
Less: Allocated to Funds and Deposits (see below)	<u>(2,130,742)</u>	<u>(2,789,493)</u>
Total Current Assets	<u>827,703</u>	<u>743,067</u>
FUNDS		
Contingency Reserve:		
Allocated from Current Assets (see above)	<u>2,075,064</u>	<u>2,732,105</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>7,712,303</u>	<u>7,532,689</u>
OTHER ASSETS		
Security Deposits (see above)	55,678	57,388
Investment in National Cooperative Bank	109,053	109,053
Total Other Assets	<u>164,731</u>	<u>166,441</u>
TOTAL ASSETS	<u>10,779,801</u>	<u>11,174,302</u>

	<u>2022</u>	<u>2021</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts Payable	244,839	277,095
Accounts Payable - Capital Improvements	77,232	0
Accrued Interest	47,292	48,645
Real Estate Tax Rebate Due to Stockholders	26,130	28,643
Rents Received in Advance	40,734	46,841
Security Deposits	55,678	57,388
Mortgage Payable - Amortization Payments due within one year	374,113	357,856
Total Current Liabilities	<u>866,018</u>	<u>816,468</u>
LONG-TERM LIABILITIES		
Mortgage Payable - Net of Payments due within one year	12,136,008	12,510,122
Less: Unamortized Debt Issuance Costs	(84,825)	(100,485)
Total Long-Term Liabilities	<u>12,051,183</u>	<u>12,409,637</u>
STOCKHOLDERS' DEFICIT		
Common Stock \$1.00 par value; 120,000 shares authorized, 113,065 shares issued and 112,620 shares outstanding	113,065	113,065
Paid-in Capital	2,989,897	2,989,897
Retained Earnings (Deficit)	(5,100,362)	(5,014,765)
Total	<u>(1,997,400)</u>	<u>(1,911,803)</u>
Less: Treasury Stock - 445	(140,000)	(140,000)
Total Stockholders' Deficit	<u>(2,137,400)</u>	<u>(2,051,803)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>10,779,801</u>	<u>11,174,302</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Loss

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
INCOME		
Carrying Charges	4,781,678	4,682,548
Garage Income	158,619	158,809
Rental Income	27,347	26,797
Laundry Room Income	31,200	31,200
Storage Units	23,270	23,090
Interest and NCB Dividend Income	61,694	46,159
PPP Loan Proceeds	0	163,990
Miscellaneous Income	11,185	9,714
Total Income	<u>5,094,993</u>	<u>5,142,307</u>
EXPENSES		
Administrative Expenses	217,284	235,867
Maintenance Expenses	1,304,416	1,419,175
Utilities Expenses	785,970	678,752
Taxes and Insurance Expenses	1,874,074	1,838,361
Financial Expenses	564,132	579,740
Interest Expense - Debt Issuance Costs	15,660	15,660
Total Expenses Before Depreciation	<u>4,761,536</u>	<u>4,767,555</u>
NET INCOME BEFORE DEPRECIATION	333,457	374,752
Depreciation	<u>(419,054)</u>	<u>(502,118)</u>
NET LOSS FOR THE YEAR	<u>(85,597)</u>	<u>(127,366)</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Retained Earnings (Deficit)

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(5,014,765)	(4,887,399)
Net Loss for the Year	<u>(85,597)</u>	<u>(127,366)</u>
RETAINED EARNINGS (DEFICIT) - End of Period	<u>(5,100,362)</u>	<u>(5,014,765)</u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Cash Flows

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Net Loss	(85,597)	(127,366)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	419,054	502,118
Interest Expense - Debt Issuance Costs	15,660	15,660
Revenue allocated to financing activities	(357,857)	(342,306)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	4,398	296
Mortgagee Escrow Accounts	(77,962)	(178,698)
Prepaid Expenses	7,530	(16,904)
Increase (Decrease) in operating liabilities:		
Accounts Payable	(32,256)	38,343
Accrued Interest Payable	(1,353)	(1,294)
Rents Received in Advance	(6,107)	10,331
Deposits and Exchanges	(4,223)	5,864
Net cash used by operating activities	<u>(118,713)</u>	<u>(93,956)</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(521,436)	(431,999)
Purchase of Investments	(5,196,000)	(3,750,000)
Proceeds from Sale of Investments	5,250,000	4,599,376
Net cash (used) provided by investing activities	<u>(467,436)</u>	<u>417,377</u>
Cash Flows From Financing Activities		
Gain on Sale of Treasury Stock	0	48,333
Loss on Sale of Treasury Stock	0	(8,918)
Purchase of Treasury Stock	0	(49,698)
Sale of Treasury Stock	0	183,272
Portion of Carrying Charges applied to Amortization of Mortgage	357,857	342,306
Amortization of Mortgage	(357,857)	(342,306)
Net cash provided by financing activities	<u>0</u>	<u>172,989</u>
(Decrease) Increase in Cash and Cash Equivalents (carryforward)	(586,149)	496,410

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Statements of Cash Flows

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
(Decrease) Increase in Cash and Cash Equivalents (carryforward)	(586,149)	496,410
Cash and Cash Equivalents at Beginning of Year	<u>1,068,843</u>	<u>572,433</u>
Cash and Cash Equivalents at End of Year (see below)	<u><u>482,694</u></u>	<u><u>1,068,843</u></u>
Represented by:		
Cash in Operating Account	45,188	26,594
Cash in Bank - Money Market Account	2,764	2,756
Cash in Bank - Security Deposits	55,678	57,388
Cash in Bank - Reserve Account	<u>379,064</u>	<u>982,105</u>
Cash and Cash Equivalents (as above)	<u><u>482,694</u></u>	<u><u>1,068,843</u></u>
Supplemental Disclosure:		
Taxes Paid	<u><u>0</u></u>	<u><u>0</u></u>
Interest Paid	<u><u>565,485</u></u>	<u><u>581,034</u></u>

See accompanying notes and auditors' report

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

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.

The cooperative classifies its marketable debt securities as "held to maturity" since it has the positive intent and ability to hold the securities to maturity. Securities classified as "held to maturity" are carried at amortized cost.

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.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

Note 2

Summary of Significant Accounting Policies - continued

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.

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.

Tenant-stockholders are subject to monthly assessments to provide funds for the cooperative's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The cooperative's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund (reserve fund) assessments are satisfied when these funds are expended for their designated purpose.

The cooperative recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance) is recognized when the cooperative has the right to receive payment in advance of the satisfaction of performance obligations related to replacement (reserve) assessments.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

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.

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Land	572,960	572,960
Buildings	5,255,727	5,255,727
Building Equipment	<u>13,949,970</u>	<u>13,351,302</u>
	19,778,657	19,179,989
Less: accumulated depreciation	<u>12,066,354</u>	<u>11,647,300</u>
Total Property and Equipment	<u>7,712,303</u>	<u>7,532,689</u>

Capital Improvements completed during the years ended December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Heat Lines	57,266	-0-
Apartment Renovation	194,261	-0-
Doors	-0-	11,867
Excavation	44,863	-0-
Waterproofing	291,028	416,632
Storage Lockers	<u>11,250</u>	<u>-0-</u>
	598,668	428,499

Depreciation expense for the years ended December 31, 2022 and 2021 was \$419,054 and \$502,118, respectively.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

Note 5

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:

2023	374,113
2024	389,586
2025	408,807
2026	427,379
2027	446,795
2028 (including payoff)	10,463,441

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

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, 2022 and 2021, the cooperative owned approximately 1,091 Class B1 shares. The cooperative owned approximately 3,701 and 2,062 Class B2 shares at December 31, 2022 and 2021, respectively. Cash dividends of \$46,277 and \$44,815 were received during the years ended December 31, 2022 and 2021, respectively.

Note 6

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, apartment and laundry renovations, new entrances, roof/window/garage door replacements, landscaping upgrades, danfoss valve replacement, signage, siding, boilers, gas conversion, waterproofing, parking lots, charging stations and other assorted property improvements. During December 31, 2022 and 2021, the cooperative incurred capital improvement costs of approximately \$599,000 and \$428,000 related to the aforementioned items.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

Note 6

Reserve Fund - continued

As of December 31, 2022 and 2021, the cooperative maintained a balance in the reserve fund of approximately \$2,075,000 and \$2,732,000, respectively.

Note 7

Treasury Stock

On August 31, 1997, 185 shares of stock were recorded as treasury stock due to an 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 2020, an additional 260 shares of stock at a costs basis of \$130,000 was added as treasury stock due to the acquisition of an additional unit. 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.

During the year ended December 31, 2021, the cooperative sold the 260 shares that were acquired in 2020 for approximately \$223,000. The loss from the sale of approximately \$8,000 is reflected on the balance sheets as part of paid in capital at December 31, 2021.

The cooperative also sold the shares that were acquired in 1997 for approximately \$52,000. The gain from the sale of approximately \$48,000 is reflected on the balance sheets as part of paid in capital at December 31, 2021. The remaining apartments are rented and the income from the apartment is shown on the statements of income as rental income.

Note 8

PPP Loan Proceeds

On March 17, 2021, the cooperative was granted a loan from National Cooperative Bank, N.A. in the amount of \$163,990, pursuant to the Paycheck Protection Plan (the "PPP") under Division A Title 1 of the CARES Act, which was enacted March 27, 2020.

The loan which was in the form of a note dated March 17, 2021, issued by the borrower. The note, bearing interest at a rate of 1% per annum, which approximates the effective interest rate, was expected to mature in March 2026. If any amounts were owed after applying for forgiveness, then monthly payments of principal and interest would begin ten months after the borrower's covered period for the use of the loan proceeds.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

Note 8

PPP Loan Proceeds - continued

The note could be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred before February 15, 2020.

The cooperative used the entire loan proceeds for qualifying expenses, and under the terms of the PPP, certain amounts of the loan could be forgiven if they are used for qualifying expenses as described in the CARES Act.

As of December 15, 2021, the full amount of the loan was forgiven. As such, the amount of the forgiveness is recognized on the Statements of Loss as PPP Loan Proceeds.

Note 9

Real Estate Taxes - Tax Abatements

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during 2022 and 2021. 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 10

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2022 and 2021. The cooperative participated in this multi-employer plan, for the years ended December 31, 2022 and 2021 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 2026 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, 2022 and 2021

Note 11

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 beginning January 1, 2021 and 2020. The certified zone status for the plan for 2021 and 2020 was green.

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended December 31, 2022 and 2021. 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>2022</u>	<u>2021</u>
Pension Contributions	34,372	27,534
Health Contributions	144,480	118,512

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

Note 12

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.

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.

BRYANT GARDENS CORP.

Notes to Financial Statements

December 31, 2022 and 2021

Note 12

Income Taxes - continued

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. This law was subsequently modified under the CARES Act, which was enacted March 27, 2020. Under the CARES Act, the 80% taxable income limitation is delayed until years beginning after December 31, 2020.

The 80% limitation will apply to any net operating loss arising in a year beginning after December 31, 2017 and deducted for a year beginning after December 31, 2020. Additionally, the Act provides that for losses arising in 2018, 2019 and 2020, such loss shall be a net operating loss carryback to each of the prior five taxable years. Additionally, as is the case under pre-2018 law, the taxpayer may make an election to waive the carryback and instead treat losses arising in these years as net operating loss carryovers.

As of December 31, 2022, the cooperative has available federal net operating loss carryforwards to apply to future taxable income of approximately \$9,403,000. These net operating loss carryforwards consist of carryforwards of approximately \$5,332,000 which expire beginning in 2023 and continuing through 2037 and carryforwards of approximately \$4,071,000 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 13

Future Major Repairs and Replacements

The cooperative has not conducted an official CIRA 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, 2022 and 2021

Note 14

Contingencies

The cooperative is a party to various claims in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, the cooperative believes the final outcome of such matters will not have a material adverse effect on the cooperative's financial position, results of operations or cash flows.

Note 15

Subsequent Events

Management has evaluated subsequent events through March 7, 2023, 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, 2022 and 2021, and our report thereon dated March 7, 2023, 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 7, 2023**

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2022</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2022</u>	Actual Year Ended <u>Dec. 31, 2021</u>
RECEIPTS			
Carrying Charges	4,781,678	4,781,678	4,682,548
Garage Income	158,000	158,619	158,809
Rental Income	27,000	27,347	26,797
Laundry Income	31,200	31,200	31,200
Storage Units	24,000	23,270	23,090
Interest and NCB Dividend Income	50,000	61,694	46,159
PPP Loan Proceeds - Transfer from Reserve	0	0	115,000
Miscellaneous Income	10,000	11,185	9,714
Total Receipts	<u>5,081,878</u>	<u>5,094,993</u>	<u>5,093,317</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	113,000	112,867	112,867
Legal Expense	15,000	14,360	13,859
Auditing	13,500	13,500	13,500
Telecommunication Services/Software	30,000	27,893	29,896
Community Services	32,000	31,221	39,555
Office and Administrative Expenses	21,389	17,443	26,190
Total Administrative Expenses	<u>224,889</u>	<u>217,284</u>	<u>235,867</u>
MAINTENANCE EXPENSES			
Super and Maintenance Payroll	500,000	495,427	518,083
Supplies	90,000	92,252	79,432
Repairs (see schedule)	230,000	212,001	285,820
Major Repairs (see schedule)	0	0	49,500
Flooring Project	70,000	78,372	29,936
Exterminating and Trapping Services	30,000	31,954	25,410
Landscaping and Grounds	270,000	280,538	269,126
Tree Care	24,000	11,265	39,540
Snow Removal and Supplies	15,000	6,727	22,528
Security Services	75,000	71,207	74,597
Rubbish Removal	14,000	14,593	8,907
Miscellaneous Maintenance	10,000	10,080	16,296
Total Maintenance Expenses	<u>1,328,000</u>	<u>1,304,416</u>	<u>1,419,175</u>

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended Dec. 31, 2022 (Unaudited)	Actual Year Ended Dec. 31, 2022	Actual Year Ended Dec. 31, 2021
UTILITIES EXPENSES			
Gas Heat and Fuel Oil	442,000	521,475	400,007
Electricity and Gas	156,000	160,754	141,697
Water	130,000	103,741	137,048
Total Utilities Expenses	<u>728,000</u>	<u>785,970</u>	<u>678,752</u>
TAXES AND INSURANCE			
Real Estate Taxes	1,428,000	1,427,565	1,420,038
Payroll Taxes	46,000	45,980	48,094
Licenses and Permits	2,000	1,126	1,662
Insurance	218,000	216,039	212,340
Health and Welfare	184,000	183,364	156,227
Franchise Taxes	1,000	0	0
Total Taxes and Insurance	<u>1,879,000</u>	<u>1,874,074</u>	<u>1,838,361</u>
FINANCIAL EXPENSES			
Interest on Mortgage	564,132	564,132	579,740
Total Financial Expenses	<u>564,132</u>	<u>564,132</u>	<u>579,740</u>
CONTRIBUTIONS TO EQUITY			
Amortization of Mortgage	357,857	357,857	342,306
Total Contributions to Equity	<u>357,857</u>	<u>357,857</u>	<u>342,306</u>
Total Expenditures	<u>5,081,878</u>	<u>5,103,733</u>	<u>5,094,201</u>
NET DEFICIT FOR THE YEAR	<u>0</u>	<u>(8,740)</u>	<u>(884)</u>

See auditors' report on supplementary information

BRYANT GARDENS CORP.

Detailed Schedule of Repairs

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
REPAIRS		
Boiler and Burners	35,844	58,912
Plumbing and Pipes	73,096	95,514
Electrical Repairs	24,413	14,447
Painting, Plastering, Flooring and Carpentry Work	28,628	36,042
Roofing, Waterproofing and Gutter Work	11,493	21,349
Masonry, Paving, Excavation, Fencing, Gates, Doors and Locks	9,679	26,807
Window Capping and Repairs	12,804	12,465
Engineers, Architects and Consultants	2,900	8,550
Fire Inspection Fees	7,373	7,584
Charging Stations	4,135	3,490
General	1,636	660
Total Repairs	<u>212,001</u>	<u>285,820</u>

MAJOR REPAIRS

Painting - Common Areas	0	20,897
Painting - Gas Meter Rooms	0	28,603
Total Major Repairs	<u>0</u>	<u>49,500</u>

See auditors' report on supplementary information