

460 OLD TOWN ROAD OWNERS CORP
(a cooperative housing corporation)
D/B/A STONY HOLLOW

FINANCIAL STATEMENTS

DECEMBER 31, 2019

460 OLD TOWN ROAD OWNERS CORP.
(a cooperative housing corporation)
D/B/A STONY HOLLOW

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
460 Old Town Road Owners Corp.
(a cooperative housing corporation)
Port Jefferson Station, NY 11776

We have audited the accompanying financial statements of 460 Old Town Road Owners Corp. (a cooperative housing corporation) which comprise the balance sheets as of December 31, 2019 and December 31, 2018, and the related statements of revenues and expenses, changes in stockholders' equity 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from 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 auditor's judgment, 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 auditor considers 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 460 Old Town Road Owners Corp. (a cooperative housing corporation) as of December 31, 2019 and December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 15-16, which is the responsibility of the Corporations management, is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information 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.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted the supplementary information about future major repairs and replacements that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such omitted 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 the omitted supplementary information. *(See Note 10 for the accompanying notes to the financial statements)*

October 13, 2020



McGuire & Company, CPA's, LLP

460 OLD TOWN ROAD OWNERS CORP.

(a cooperative housing corporation)

D/B/A STONY HOLLOW

BALANCE SHEET

AS OF DECEMBER 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 1,188,673	\$ 1,256,079
Tenant-shareholders' receivable	33,915	51,022
Prepaid expenses	10,087	4,773
Property tax escrow funds	<u>224,461</u>	<u>373,052</u>
Total current assets	<u>1,457,136</u>	<u>1,684,926</u>
PROPERTY, IMPROVEMENTS AND EQUIPMENT:		
Land	3,584,869	3,584,869
Building, building improvements and equipment	<u>33,615,638</u>	<u>33,137,112</u>
	37,200,507	36,721,981
Less: Accumulated depreciation	<u>30,763,162</u>	<u>30,568,145</u>
Total property, improvements and equipment	<u>6,437,345</u>	<u>6,153,836</u>
OTHER ASSETS:		
Other Asset	345,423	318,021
Security deposit	<u>12,680</u>	<u>12,680</u>
Total other asset	<u>358,103</u>	<u>330,701</u>
Total assets	<u>\$ 8,252,584</u>	<u>\$ 8,169,463</u>

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BALANCE SHEET (continued)

AS OF DECEMBER 31, 2019 and 2018

LIABILITIES

	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 163,143	\$ 249,556
Maintenance fees received in advance	101,599	80,076
First Mortgage payable - current portion (Note 5)	95,369	91,029
Second Mortgage payable - current portion (Note 5)	15,933	15,229
Third Mortgage payable - current portion (Note 5)	<u>2,400</u>	<u>2,400</u>
Total current liabilities	378,444	438,290
LONG TERM LIABILITIES:		
First Mortgage payable, net of current portion (Note 5)	10,679,467	10,761,544
Second Mortgage payable, net of current portion (Note 5)	1,835,069	1,849,599
Third Mortgage payable, net of current portion (Note 5)	<u>128,100</u>	<u>130,500</u>
Total long term liabilities	<u>12,642,636</u>	<u>12,741,643</u>
Total liabilities	<u>13,021,080</u>	<u>13,179,933</u>
STOCKHOLDERS' EQUITY		
Common stock par value \$.10 per share; authorized 250,000 shares; 225,445 shares issued and outstanding at December 31, 2019 and December 31, 2018	22,545	22,545
Contributed capital in excess of par value	24,395,522	24,395,522
Accumulated deficit	<u>(29,186,563)</u>	<u>(29,428,537)</u>
Total stockholders' equity	<u>(4,768,496)</u>	<u>(5,010,470)</u>
Total liabilities and stockholders' equity	<u>\$ 8,252,584</u>	<u>\$ 8,169,463</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORT

460 OLD TOWN ROAD OWNERS CORP.
(a cooperative housing corporation)
D/B/A STONY HOLLOW
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES:		
Maintenance fees	\$ 3,611,092	\$ 3,549,082
Less: Star program exemptions	<u>(214,324)</u>	<u>(228,387)</u>
Net maintenance fees	3,396,768	3,320,695
Laundry room income	85,124	89,386
Other income <i>(See Supplemental Information)</i>	<u>145,910</u>	<u>112,083</u>
Total revenue	<u>3,627,802</u>	<u>3,522,164</u>
EXPENSES: <i>(See Supplemental Information)</i>		
Administrative expenses	135,599	156,803
Operating expenses	1,322,079	1,131,689
Taxes and insurance	880,180	840,045
Financial expenses	<u>905,426</u>	<u>912,696</u>
Total expenses	<u>3,243,284</u>	<u>3,041,233</u>
Excess (deficiency) of revenues over expenses before other income and depreciation	384,518	480,931
OTHER INCOME/EXPENSES:		
Patronage refund dividends <i>(Note 6)</i>	45,670	36,094
Loss on disposal of fixed assets	-	(869)
Interest income	<u>6,803</u>	<u>3,861</u>
Total other income	<u>52,473</u>	<u>39,086</u>
Excess (deficiency) of revenues over expenses before depreciation	436,991	520,017
Depreciation expense	<u>(195,017)</u>	<u>(205,350)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 241,974</u>	<u>\$ 314,667</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORTS

460 OLD TOWN ROAD OWNERS CORP.

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**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018**

	Number of Shares	Common Stock Amount	Capital Contributed In excess of Par value	Treasury Shares	Stock Amount	Accumulated Deficit	Total
Balances at January 1, 2018	225,445	\$ 22,545	\$ 24,395,522	\$ -	\$ -	\$ (29,743,204)	\$ (5,325,137)
Excess of revenues over expenses for the year ended December 31, 2018	-	-	-	-	-	314,667	314,667
Balances at December 31, 2018	225,445	22,545	24,395,522	-	-	(29,428,537)	(5,010,470)
Excess of revenues over expenses for the year ended December 31, 2019	-	-	-	-	-	241,974	241,974
Balances at December 31, 2019	225,445	\$ 22,545	\$ 24,395,522	\$ -	\$ -	\$ (29,186,563)	\$ (4,768,496)

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORTS

460 OLD TOWN ROAD OWNERS CORP.
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STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses	\$ 241,974	\$ 314,667
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:		
Depreciation	195,017	205,350
loss on disposal of fixed assets	-	869
Net changes in assets and liabilities:		
decrease in tenant-shareholders' receivable	17,107	57,370
(Increase) decrease in prepaid expenses	(5,314)	22,940
(Increase) in other asset	(27,402)	(21,656)
(Increase) decrease in property tax escrow funds	148,591	(209,615)
Increase (decrease) in accounts payable and accrued expenses	(86,413)	131,759
Increase in maintenance fees received in advance	21,523	18,491
Total adjustments	<u>68,092</u>	<u>(711)</u>
Net cash provided by operating activities	<u>505,083</u>	<u>520,175</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Improvements & Equipment	<u>(478,526)</u>	<u>(186,225)</u>
Net cash (used) by investing activities	<u>(478,526)</u>	<u>(186,225)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on first, second, and third mortgages	(111,834)	(104,530)
Amortization of mortgage refinancing costs	<u>17,871</u>	<u>17,871</u>
Net cash provided by financing activities	<u>(93,963)</u>	<u>(86,659)</u>
Net increase (decrease) in cash	(67,406)	247,291
Cash and cash equivalents at beginning of year	<u>1,256,079</u>	<u>1,008,788</u>
Cash and cash equivalents at end of year	<u>\$ 1,188,673</u>	<u>\$ 1,256,079</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Corporate taxes	\$ 2,276	\$ 2,266
Interest	<u>\$ 887,555</u>	<u>\$ 894,825</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORTS

460 OLD TOWN ROAD OWNERS CORP.
(a cooperative housing corporation)
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NOTES TO FINANCIAL STATEMENTS

Note 1- NATURE OF ORGANIZATION:

Organization

460 Old Town Road Owners Corp. (the "Corporation") is a cooperative housing corporation incorporated in the State of New York on August 5, 1985. The Corporation owns the premises located at 460 Old Town Road in Port Jefferson Station, New York. The apartment complex consists of 375 residential units in 25 separate buildings. The primary purpose of Corporation is to manage the operations of the property and maintain the common elements.

As of December 31, 2019, the Corporation had 225,445 shares of its common stock issued and outstanding. As of December 31, 2018, the Corporation had 225,445 shares of its common stock issued and outstanding.

Management

The operations of the Corporation are overseen by a Board of Directors consisting of tenant-shareholders who are elected to fixed terms of office. The Board of Directors has retained a managing agent to assist in this function. *(See Note 9, Commitments)*

Note 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States

b. Recognition of Assets and Depreciation Policy:

Additions to property and equipment are recorded at cost. Major repairs and improvements are capitalized, while general repairs and maintenance are expensed as incurred. Depreciation commences once the respective asset has been placed into service and is computed using the straight-line method over the estimated useful life of each respective asset.

c. Amortization:

Amortization of mortgage refinancing costs is computed on the straight-line method over a term of fifteen years which represents the term of each mortgage.

d. Tenant-shareholders' Receivable:

Tenant-shareholders' receivable as reported in the accompanying financial statements represent arrears due from tenant-shareholders for monthly maintenance fees and other charges.

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NOTES TO FINANCIAL STATEMENTS

Note 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: *(continued)*

e. Maintenance Fees:

Tenant-shareholders occupy their units pursuant to proprietary leases and are subject to monthly maintenance fees to provide funds for the Corporation's operating expenses and working capital requirements. Maintenance fees reported in the accompanying financial statements as assessments received in advance are not recognized as revenue but are deferred until they are earned. The Corporation retains excess operating funds at the end of each year of operation for use in future operating periods.

f. Pervasiveness 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 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.

g. Reclassifications:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

h. Concentration of Credit Risk:

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents.

Under the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that was signed into law on July 21, 2010, the Federal Deposit Insurance Corporation (FDIC) will permanently insure all accounts at each financial institution up to \$250,000 in the aggregate.

The Corporation has funds on deposit in four financial institutions. At December 31, 2019, the corporation has deposits in excess of the federal depository insurance coverage in the amount of \$1,059,607.

i. Subsequent Events:

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the accompanying financial statements. Subsequent events have been evaluated through October 13, 2020, the date the financial statements were available to be issued.

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Note 3- CASH AND CASH EQUIVALENTS:

As of December 31, 2019, and December 31, 2018, cash and cash equivalents consisted of the following:

<u>Cash</u>	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 0	\$ 2,000
Cash in checking accounts	329,604	666,397
Cash in money market account	552,428	283,200
Cash in Mortgage reserve money market account (Note 6)	<u>306,641</u>	<u>304,481</u>
Total cash and cash equivalents	<u>\$1,188,673</u>	<u>\$1,256,078</u>

Beginning in 2018, the Corporation set up a snow reserve account for snow removal. As of December 31, 2019, this account had a balance of \$258,575 and is included in the money market balance listed above.

Note 4- RECENT ACCOUNTING PRONOUNCEMENTS:

The Financial Accounting Standards Board (“FASB”) has issued certain accounting standards updates as of December 31, 2019 that will become effective in subsequent periods. Management believes that none of those updates would have significantly affected the Corporation’s financial accounting measures or disclosures and they have been in effect during the fiscal years ended December 31, 2019 or December 31, 2018, and it does not believe that any of those pronouncements will have a significant impact on the Corporation’s financial statements at the time that they become effective.

Note 5- MORTGAGE NOTES PAYABLE:

On December 18, 2008, the Corporation refinanced its then existing mortgages with National Consumer Cooperative Bank (“NCB”). The Corporation closed on a new \$11,550,000 loan with NCB secured by a first mortgage encumbering the property owned by the Corporation. The new mortgage bears interest at the rate of 6.82% per annum and matures on January 1, 2024. On the maturity date, a balloon payment of the remaining unpaid principal and interest will become due. The mortgage note calls for monthly payments of principal and interest of \$70,270 over the fifteen-year term of the mortgage. This mortgage is referred to as the “First Mortgage” in the accompanying financial statements.

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NOTES TO FINANCIAL STATEMENTS

Note 5- MORTGAGE NOTES PAYABLE: *(continued)*

In addition to securing the refinancing, the Corporation entered into a revolving line of credit agreement (“Third Mortgage”) with NCB whereby the Corporation can draw down a maximum of \$500,000 to fund certain extraordinary expenditures. As of December 31, 2019, the balance of the mortgage was \$130,500.

The term of the third mortgage is co-terminus with the first mortgage. The interest rate is equal to the Index plus three and twenty-five hundredths (3.25%) making this a viable interest loan subject to monthly fluctuations. The loan agreement calls for principal payments of not less than \$200 per month.

On September 25, 2009, the Corporation secured an additional mortgage, (“Second Mortgage”) with NCB in the amount of \$2,000,000. The same encumbrances that exist in the first mortgage applies to this mortgage as well. This new mortgage bears interest at the rate of 6.75% per annum and matures on January 1, 2024 at which time a balloon payment of the remaining unpaid principal and interest is due. The mortgage note calls for monthly principal and interest payments of \$12,067 over the fifteen-year term of the mortgage.

In conjunction with the refinancing, the Corporation incurred refinancing costs of \$199,385 on the First Mortgage and \$68,683 on the Second Mortgage. Both costs are being amortized over the fifteen-year term of those mortgages. The unamortized balance of these refinancing costs as of December 31, 2019 and December 31, 2018, was \$74,169 and \$92,040 respectively. Amortization of these costs was \$17,871 for the year ended December 31, 2019 and \$17,871 for December 31, 2018.

During the year ended December 31, 2019 and December 31, 2018, the Corporation incurred interest expenses of \$751,614 and \$757,880, respectively, on the first mortgage, \$128,723 and \$129,835, respectively, in interest expense on the second mortgage, and \$7,444 and \$7,110, respectively, in interest expense on the third mortgage.

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NOTES TO FINANCIAL STATEMENTS

Note 5- MORTGAGE NOTES PAYABLE: *(continued)*

Principal maturities of the mortgage notes payable during the first five years ended December 31, 2019 are as follows:

	<u>First Mortgage</u>	<u>Second Mortgage</u>	<u>Third Mortgage</u>
2020	\$ 95,369	\$ 15,933	\$ 2,400
2021	104,335	17,430	2,400
2022	111,782	18,661	2,400
2023	119,761	25,801	2,400
Thereafter	<u>10,397,866</u>	<u>1,793,068</u>	<u>120,900</u>
Total	10,829,113	1,870,893	130,500
Less: Unamortized debt issuance costs	<u>54,277</u>	<u>19,891</u>	<u>-</u>
Long-term debt,			
less unamortized debt issuance costs	10,774,836	1,851,002	130,500
Less: current portion	<u>\$ 95,369</u>	<u>\$ 15,933</u>	<u>2,400</u>
Total long-term debt, less current portion	<u><u>10,679,467</u></u>	<u><u>1,835,069</u></u>	<u><u>128,100</u></u>

Amortization of the debt issue costs is reported as amortization expense in the statement of revenue and expenses under financial expenses.

Pursuant to the terms of the first mortgage agreement with NCB, the Corporation must maintain funds on deposit with NCB in an amount equal to at least ten percent (10%) of the aggregate amount paid in the prior year to the Corporation by its tenant-shareholders pursuant to the proprietary leases. As of December 31, 2019, the funds deposited totaled \$306,641 and were maintained in a money market account with NCB. As of December 31, 2019, the Corporation must deposit \$33,036 to be compliant.

Beginning in 2009, the Corporation began to escrow funds for the payments of property taxes in a self-managed escrow account. As of December 31, 2019, and December 31, 2018, this account had a balance of \$224,461 and \$373,052 respectively.

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Note 6- NCB COMMON STOCK:

NCB (National Consumer Cooperative Bank) pays patronage dividends to its shareholders/customers in proportion to the amount of business done with the NCB. This dividend is paid partially in cash and partially in stock. This stock is currently nontransferable, not redeemable, and pays no dividend. During the year ended December 31, 2019, NCB awarded a patronage dividend of \$45,670 to the Corporation. This dividend was comprised of a cash dividend of \$18,268 and 274.02 shares of NCB's Class B-2 non-voting common stock with a stated value of \$27,402. As of December 31, 2019, the Corporation is holding 3,454.23 shares of NCB Class B-2 non-voting common stock with a stated value of \$345,423.

Note 7- FORECLOSED UNIT TRANSACTIONS:

There Organization did not foreclose on any units during the years ending December 31, 2019 and December 31, 2018.

Note 8- SPECIAL ASSESSMENT:

There were no special assessments issued in 2019 or 2018.

Note 9- COMMITMENTS:

The Corporation was under contractual agreement with Fairfield Property Services, LP for the performance of management services. The agreement was amended in 2017 to add an additional year until October 31, 2018 with a Corporation option to continue for an addition two years until October 31, 2020. The Corporation elected not to extend the contract and signed an agreement with NAI Long Island through October 31, 2019 in the annual amount of \$90,000. Thereafter, the contract will continue from month to month with 3% annual increases.

Fees for management services paid to Fairfield Property Services, LP and Accredited Property Management (previously known as NAI Long Island) for the year ended December 31, 2019 and December 31, 2018, were \$88,975 and \$95,283, respectively.

The Corporation has various other contract services including but not limited to lawn maintenance, snow removal, waste removal, pest control and swimming pool maintenance.

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NOTES TO FINANCIAL STATEMENTS

Note 10- FUTURE MAJOR REPAIRS AND REPLACEMENTS:

The Corporation 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 Corporation has the right to borrow, utilize available cash, increase maintenance charge, and pass special assessments or delay repairs and replacements until the funds are available.

Note 11- CORPORATE TAXES:

For the year ended December 31, 2019, the Corporation sustained a taxable loss for federal income tax purposes and reported no liability for federal income tax. The Corporation also has available net operating loss carryforwards from prior years for tax purposes totaling \$19,891,921. The loss carryforwards, if not used against taxable income will expire periodically through 2038. The Corporation is also subject to New York State franchise tax based on the higher of its net income, capital base, or New York source gross receipts. The provision for NYS franchise tax for the year ended December 31, 2019 and December 31, 2018, was \$2,276 and \$2,266, respectively

Note 12- LITIGATION:

There are currently two casualty claims pending against the Cooperative Corporation. The claims are being handled by the insurance carrier and the opinion of counsel is that there is more than sufficient insurance coverage for these claims.

Note 13- SUBSEQUENT EVENTS:

The Organization is currently in process of refinancing the mortgage notes payable referenced in note 5 above with NYCB. The terms of the proposed lending are \$15,000,000 First Mortgage Loan & \$2,000,000 Unsecured Revolving Line of Credit [total \$17,000,000], with an interest rate of 3.25% fixed for 10 years, and Prime +1.00% respectively.

460 OLD TOWN ROAD OWNERS CORP.
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SUPPLIMENTAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OTHER INCOME:		
Legal and late fee Income	\$ 14,315	\$ 27,949
Flip tax income	62,373	46,964
Parking income	-	2,275
Storage income	-	6,325
Pet Fee income	3,000	2,050
Additional Fee Income	58,243	17,220
Fine income	<u>7,979</u>	<u>9,300</u>
 Total other income	 <u>\$ 145,910</u>	 <u>\$ 112,083</u>
 ADMINISTRATIVE EXPENSES:		
Management fees	\$ 88,975	\$ 95,283
Audit fees	3,150	10,000
Accounting fees	5,000	5,000
Legal fees	16,566	12,628
Payroll processing fees	3,260	1,369
Stationary, printing, and postage	-	6,805
Office Supplies and miscellaneous administrative expenses	<u>18,648</u>	<u>25,718</u>
 Total administrative expenses	 <u>\$ 135,599</u>	 <u>\$ 156,803</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORTS

460 OLD TOWN ROAD OWNERS CORP.
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SUPPLIMENTAL INFORMATION (continued)
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING EXPENSES:		
Employee benefits	\$ 28,438	\$ 15,767
Cleaning	-	10,786
Electrical repairs	-	16,247
Exterminating	-	12,513
Landscaping/Grounds	121,126	99,266
Plumbing and Heating	45,190	118,701
Irrigation	11,884	-
Rubbish Removal	78,731	74,044
Repairs and maintenance	276,213	152,414
Snow Removal	62,507	62,665
Cesspool/sewer	123,086	66,534
Payroll	121,443	121,081
Electricity	67,479	55,125
Gas	207,788	185,244
Security/alarms/intercom	28,484	17,473
Telephone	50,357	21,664
Water	41,312	45,942
Cable	24,626	12,502
Pool expenses	10,544	8,511
Supplies	<u>22,871</u>	<u>35,210</u>
 Total operating expenses	 <u>\$ 1,322,079</u>	 <u>\$ 1,131,689</u>
 TAXES AND INSURANCE:		
Real estate taxes	\$ 738,981	\$ 697,218
Insurance	128,505	126,790
Payroll taxes	10,418	13,771
NYS franchise tax	<u>2,276</u>	<u>2,266</u>
 Total taxes and insurance	 <u>\$ 880,180</u>	 <u>\$ 840,045</u>
 FINANCIAL EXPENSES:		
Amortization of mortgage refinancing costs- First and Second mortgages	\$ 17,871	\$ 17,871
Mortgage interest- First, Second and Third Mortgages	<u>887,555</u>	<u>894,825</u>
 Total financial expenses	 <u>\$ 905,426</u>	 <u>\$ 912,696</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORTS