

**TO ALL TENANTS OF RYERSON TOWERS, INC.
NOTICE OF APPLICATION FOR RENTAL INCREASE**

NEW YORK CITY DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT

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In the Matter of the Application of
Ryerson Towers, Inc.,

**FOR CARRYING CHARGE
INCREASE**

for an increase of the maximum average
monthly carrying charges from the present
maximum average monthly carrying charges of
\$172.42 per room to \$184.50 per room (7%) in the
first year, from \$184.50 per room to \$207.01 per
room (12.2%) in the second year, the second
increase to be based on then current
finances, pursuant to the provisions of Article 2
of the Private Housing Finance Law.

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TO: ALL TENANT-STOCKHOLDERS OF RYERSON TOWERS, INC.:

PLEASE TAKE NOTICE, that upon the annexed application of Ryerson Towers, Inc.
("Ryerson"), the Department of Housing Preservation and Development of the City of New York
will be requested to approve an increase in the maximum average monthly carrying charges,
inclusive of utilities, in the housing development of Ryerson of \$172.42 per room to \$184.50 per
room (7%) in the first year, from \$184.50 per room to \$207.01 per room (12.2%) in the second year,
the second increase to be based upon on the financial circumstances as determined by the Board of
Directors of Ryerson at that time.

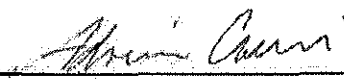
PLEASE TAKE FURTHER NOTICE that a public hearing will be held at _____.m. on
_____ day, the _____ day of _____, 2015 at the Community Room, 309 Lafayette
Avenue, Brooklyn, New York as designated by HPD in the attached cover letter from HPD and at

that time evidence will be introduced in support of said application by the undersigned. Interested parties may appear in person to comment or may provide written comments to HPD.

YOU MAY APPEAR IN PERSON OR BY ATTORNEY.

Dated: Brooklyn, New York
December 17, 2014

Ryerson Towers, Inc.

By: 
Adrian Griffith, President

Kagan Lubic Lepper
Finkelstein & Gold, LLP
Attorneys for Ryerson Towers, Inc.
200 Madison Avenue, 24th floor
New York, New York 10016-4001
(212) 252-0300

NEW YORK CITY DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT

-----X

In the Matter of the Application of
Ryerson Towers, Inc.,

APPLICATION

for an increase of the maximum average
monthly carrying charges from the present
maximum average monthly carrying charges of
\$172.42 per room to \$184.50 per room (7%) in the
first year, from \$184.50 per room to \$207.01 per
room (12.2%) in the second year, the second
increase to be based on then current
finances, pursuant to the provisions of Article 2
of the Private Housing Finance Law.

-----X

TO: THE CITY OF NEW YORK DEPARTMENT OF HOUSING PRESERVATION AND
DEVELOPMENT ("HPD");

Applicant, Ryerson Towers, Inc., by its attorneys, Kagan Lubic Lepper Finkelstein & Gold,
LLP, respectfully shows and alleges that:

1. Ryerson Towers, Inc. ("Ryerson"), is a mutual housing company duly organized under the City-Aided Limited Profit Housing Companies Law pursuant to Article 2 of the Private Housing Finance Law of the State of New York on July 26, 1961. Ryerson owns and operates a limited profit housing development on the premises known as 309 Lafayette Avenue in the Borough of Brooklyn, City and State of New York. The Ryerson development contains 329 apartments comprised of 1,466.5 rental rooms (1,461.5 excluding the rent-free staff apartment).
2. The development was completed, and occupancy thereof commenced on or about April 26, 1962.
3. The corporation receives the maximum tax exemption (shelter rent) provided by law.

4. The present average monthly carrying charges, including utilities, are \$172.42 per rental room.

5. There is at present monthly rental income from the following professional tenants:

a. Dental Office \$1,708.88

b. Medical Office \$2,200.00

TOTAL \$3,908.88 ANNUAL \$46,906.56

6. There are currently issued and outstanding 30,920 shares of common stock having a par value of \$34.25 per share.

7. The total assessed value of the land and improvements of the development for fiscal year July 1, 2014 - June 30, 2015, is \$8,680,500.00 consisting of an assessed value of \$787,500.00 for the land and \$7,893,000.00 for the improvements. The transition assessed valuation of the land and improvements for fiscal year July 1, 2014 - June 30, 2015 is \$6,899,760.00 consisting of \$787,500.00 for the land and \$6,112,260.00 for the improvements.

8. It has been more than six years since HPD's last order (dated July 11, 2008) granting Ryerson an increase in the maximum carrying charges per room.

9. The carrying charges, as presently fixed, are insufficient to cover payments which must be made by the applicant to meet all its expenses as described by Section 31 of the Private Housing Finance Law. It is the judgment of the directors and officers of Ryerson that a proposed carrying charge increase is in the best interest of Ryerson and that it will be adequate to enable Ryerson to meet all of its financial commitments as prescribed by Section 31 of the Private Housing Finance Law.

10. It is also the judgment of the directors and officers of Ryerson that the proposed increases are in the best interests of Ryerson and its tenant-shareholders, and if leave to adopt them is approved as requested, it will enable Ryerson to satisfy its responsibilities to provide its tenant-shareholders with safe and sanitary housing accommodations, to meet the financial obligations of the applicant, and to prevent the deterioration of the financial position of Ryerson.

11. The insufficiency of the presently authorized maximum carrying charges to cover the payments authorized under Section 31 of the Private Housing Finance Law is due to changes and conditions or causes beyond the control of Ryerson.

12. Ryerson hereby submits the following exhibits and schedules prepared by Tyrone Anthony Sellers, CPA, in support of its application:

- Exhibit A - Application for Rent/Carrying Charge Increase w/ Schedules A-F
- Exhibit B - Resolution signed by Ryerson's Secretary of the Board of Directors indicating Board approval for said carrying charge increase
- Exhibit C - Current schedule of maintenance charges, surcharges and other costs and expenses
- Exhibit D - Financial statements for fiscal years ended June 30, 2014 and 2013

WHEREFORE, Ryerson respectfully requests that a public hearing, pursuant to notice as required by law, be directed at which the applicant may submit evidence in support of its application, and that an order be issued by the Department of Housing Preservation and Development, approving an increase of seven percent (7%) percent of the maximum monthly apartment carrying charges of the development in the sum of \$12.08 from \$172.42 per average rental room per month to \$184.50 per average rental room per month, inclusive of utilities, for the first year, twelve point two percent (12.2%) in the sum of \$22.51 from \$184.50 per average

rental room per month to \$207.01 per average rental room per month, inclusive of utilities, depending on the financial circumstances of Ryerson as determined by its Board, for the second year, or by such other amount that the New York City Department of Housing Preservation and Development shall determine to be sufficient to cover the applicant's expenses contemplated and prescribed by Section 31 of the Private Housing Finance law, effective July 1, 2015.

Dated: Brooklyn, New York
December 7, 2014

Ryerson Towers, Inc.

By: Adrian Griffith
Adrian Griffith, President

Kagan Lubic Lepper
Finkelstein & Gold, LLP
Attorneys for Ryerson Towers, Inc.
200 Madison Avenue, 24th floor
New York, New York 10016-4001
(212) 252-0300

VERIFICATION

STATE OF NEW YORK)
) ss.:
COUNTY OF KINGS)

ADRIAN GRIFFITH, being duly sworn, deposes and says:

Deponent is the President of Ryerson Towers, Inc., the applicant in the foregoing application and has read said application, and the contents of said application by said applicant subscribed are true to the knowledge of deponent, except as to those matters therein stated to be alleged on information and belief, and as to those matters, deponent believes the same to be true. The reason this verification is not made by the applicant in person is that applicant is a domestic cooperative corporation. Your deponent is an officer thereof, to wit its President, and the above-stated is from personal knowledge, from the books and records of Ryerson Towers, Inc., and from conversations and consultations with the Corporation's agents, employees and professionals.


Adrian Griffith, President

Sworn to before me /
this /7/ day of December, 2014

MARY A. DUNN
Commissioner of Deeds
City of New York, No. 2-10812
Certificate Filed in Kings County
Commission Expires November 1, 2016

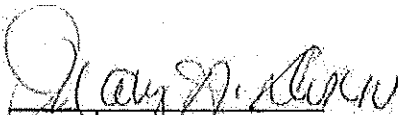

Notary Public

EXHIBIT "A"

TYRONE ANTHONY SELLERS
Certified Public Accountant

115-03 Farmers Blvd.
St. Albans, NY 11412
Tel (718) 341-8770
Fax (718) 341-4632

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Ryerson Towers, Inc.
Brooklyn, NY

I have compiled the accompanying budget statement of actual income and expense of Ryerson Towers Inc. for the year ended June 30, 2014, included in the accompanying prescribed form. I have not audited or reviewed the budget statement included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the budget statement is in accordance with basis of accounting prescribed by the City of New York Department of Housing Preservation and Development.

Management is responsible for the preparation and fair presentation of the budget statement included in the form in accordance with the basis of accounting prescribed by the City of New York Department of Housing Preservation and Development, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the budget statement.

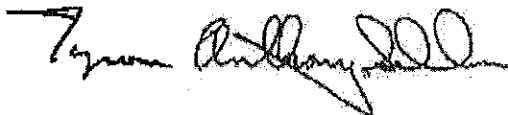
My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of a budget statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the budget statement.

I have also compiled the accompanying proposed budget statement of income and expense of Ryerson Towers Inc. for the years ending June 30, 2015, 2016 and 2017, included in the accompanying prescribed form, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast prescribed by the City of New York Department of Housing Preservation and Development that is the representation of management and does not include an evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying information or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying budget statement and information included in the accompanying prescribed form are presented in accordance with the requirements of the City of New York Housing Preservation and Development, and are not intended to be a complete presentation of Ryerson Towers Inc.'s assets and liabilities.

This report is intended solely for the information and use of Ryerson Towers, Inc., New Bedford Management Company, and New York City Department of Housing Preservation and Development, and is not intended to be and should not be used by anyone other than these specified parties.



St. Albans, New York
November 24, 2014

City of New York
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
DIVISION OF HOUSING SUPERVISION
MITCHELL-LAMA PROGRAM

APPLICATION FOR RENT/CARRYING CHARGE INCREASE

☒ Cooperative
☐ Rental

Development Name: Ryerson Towers, Inc.

Address (es): 309 Lafayette Avenue

Borough: Brooklyn No. of Separate Buildings: 1

Tax Block/Lot (s): Block 1933 / Lot 60

Apartment Breakdown:	No. Units	No. Rooms
Residential Apartments	326	1455.5
Professional Apts	2	6
Rent-free Staff Apt	1	5
Other:		
Total:		

No. of Commercial Spaces/Type:	None
No. of boilers - 2 boilers	
Heating Fuel: Gas & Oil	Oil Type: 2
No. of Elevators: 4	

Tax Exemption:	() 80% A.V.
	(X) Taxes = 10% Shelter Rent
	() Other:

No. of Housing Co. Employees:

Superintendents	1
Handyman	2
Security Guards	0
Office Staff	1
Other: Porters	5
Total:	9

Management Co.: Name New Bedford Management Company

Address 210 East 23rd Street, 5th Floor
New York, NY 10010

Phone 212-874-8123

Site Manager Dahlia Harrison

Fire Insurance: Coverage \$92,747,500

Carrier Admiral Indemnity

See Accountant's Compilation Report.

Development: Ryerson Towers, Inc.Reserve Bank Accounts:

Bank Name	Account No.	Current Balance	Check if HPD Signature is Required
HSBC Bank	610-037536	\$ 4.24	
HSBC Bank	675-814316	\$ 309,173.81	
Total		\$ 309,178.05	

Average Rent/Carrying Charges per Room per Month (Including Utilities):Current (Gross Annual Rent / C.C. / No. of Rental Rooms / 12 =) \$ 172.42Proposes Increase(s):

	% Increase	New Rent/ C.C. Per Room Per Month
First Year	7.00%	184.60
Second Year	12.20%	207.01
Third Year	0.00%	207.01

Application Prepared By:

Name Tyrone A. Sellers, CPA

Title Certified Public Accountant

Firm Tyrone Anthony Sellers, CPA

Telephone No. 718-341-8770

Date September 3, 2014

See Accountant's Compilation Report.

Development: Ryerson Towers, Inc.

SCHEDULE A: PROJECTED INCOME AND EXPENSES INCLUDING PROPOSED RENT/CARRYING CHARGE INCREASES

Note: Proposed rent/carrying charge increases must be sufficient so that total income equals or exceeds total expenses.

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
INCOME:				
1. Gross Residential Rents (Including Utilities)	3,011,520	3,222,400	3,615,637	3,615,637
2. Surcharge Retention	118,248	118,248	118,248	118,248
3. Other Income (Schedule B)	466,741	556,521	558,342	561,431
4. Total Gross Income	3,596,509	3,898,169	4,292,227	4,295,316
5. Vacancy/Loss	(40,928)	(40,028)	(42,429)	(44,975)
6. TOTAL INCOME	3,555,581	3,858,141	4,249,798	4,250,341
EXPENSES				
7. Operating Expenses (Schedule C)	2,002,870	1,772,725	1,807,326	1,937,815
8. Utility Costs (Schedule D)	1,007,982	1,048,337	1,090,712	1,135,234
9. Real Estate Taxes	240,949	265,044	291,548	320,703
10. Interest & Amortization (Schedule E)	435,252	495,966	516,204	516,204
11. Actual Allocation to Reserves (Schedule F)	-	147,615	159,412	159,412
12. TOTAL EXPENSES	3,687,053	3,729,687	3,865,202	4,069,368
13. NET CASH FLOW	(131,472)	126,455	384,596	180,973
14. Reserve Account Balances (Total)	309,178	323,733	338,288	352,843

NOTE: ANY PROJECTIONS ON SCHEDULES A, B, C AND D WHICH DIFFER SIGNIFICANTLY FROM WHAT WOULD BE EXPECTED DUE TO NORMAL COST INFLATION SHOULD BE EXPLAINED ON AN ATTACHED SHEET.

See Accountant's Compilation Report.

Development: Ryerson Towers, Inc.SCHEDULE B: OTHER INCOME

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
1. Professional Apts.	45,630	46,998	49,819	52,808
2. Commercial Spaces	-	-	-	-
3. Garage	-	-	-	-
4. Parking Spaces	61,200	61,200	61,200	61,200
5. Community Room	11,700	12,000	12,000	12,000
6. Swimming Pool	-	-	-	-
7. Air Conditioner	32,237	33,000	33,000	33,000
8. Washing Machines	156	400	400	500
9. Laundry Rooms	25,200	26,000	26,000	26,000
10. Other Vending Machines	-	-	-	-
11. Tenant Television	-	-	-	-
12. Roof Rentals	-	-	-	-
13. NET CASH FLOW	176,123	179,598	182,419	185,508
14. Assessments	186,579	269,502	269,502	269,502
15. Other Tenant Charges	87,869	91,421	91,421	91,421
16. Miscellaneous Income	14,170	15,000	15,000	15,000
TOTAL OTHER INCOME	466,741	555,521	558,342	561,431

See Accountant's Compilation Report.

Development: Ryerson Towers, Inc.SCHEDULE C: OPERATING EXPENSES

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
Supplies	165,212	150,000	150,000	150,000
Extermination	19,206	20,000	20,000	20,000
Painting and Decorating	109,001	-	-	100,000
Landscaping	10,343	11,000	11,000	11,000
Repairs and Maintenance				
Plumbing	135,004	70,000	70,000	70,000
Electrical	22,543	20,000	20,000	20,000
Heating System	92,873	85,000	90,000	90,000
Roof	-	-	-	-
Carpentry	-	-	-	-
Masonry	-	-	-	-
Other	89,159	75,000	75,000	75,000
Elevator				
Contract	-	-	-	-
Repairs	37,778	40,000	40,000	40,000
Personnel				
Maintenance Salaries	421,298	433,937	446,955	460,363
Security Salaries	-	-	-	-
Office Salaries	27,058	27,870	28,708	29,567
Other Salaries	-	-	-	-
Payroll Taxes	42,759	44,042	45,383	46,724
Employee Benefits	162,612	167,490	172,515	177,690
Security Contract	195,258	201,116	207,149	213,384
Legal	38,423	30,000	30,000	30,000
Accounting	14,000	15,000	15,000	15,000
Management Fee	109,000	112,270	115,638	119,107
Insurance	179,551	180,000	180,000	180,000
Office Expenses	51,507	50,000	50,000	50,000
Other	90,285	40,000	40,000	40,000
TOTAL	2,002,870	1,772,725	1,807,326	1,937,815

See Accountant's Compilation Report.

Development: Ryerson Towers, Inc.SCHEDULE D: UTILITY EXPENSES

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
Heating Fuel: Gas	287,610	296,238	305,125	314,279
Oil	64,734	66,676	68,676	70,736
Electricity	436,640	449,739	463,231	477,128
Gas	16,671	17,171	17,686	18,217
Water and Sewer	202,327	218,513	235,994	254,874
TOTAL UTILITIES	1,007,982	1,048,337	1,080,712	1,135,234

SCHEDULE E: INTEREST AND AMORTIZATION (DEBT SERVICE)

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
Mitchell-Lama Debt Service	-	-	-	-
Article 8A Loan Debt Service	161,976	129,900	119,208	119,208
Other Debt Service	273,276	368,066	396,996	396,996
TOTAL DEBT SERVICE	435,262	495,966	516,204	516,204

SCHEDULE F: ACTUAL ALLOCATION TO RESERVES

	ACTUAL 2014 LAST FISCAL YEAR ENDED	PROJECTIONS		
		YEAR ONE	YEAR TWO	YEAR THREE
Painting Reserve (\$25/Room)	-	36,388	36,388	36,388
Replacement Reserve (\$10/Room)	-	14,555	14,555	14,555
Contingency (3% Gross Rents)	-	98,672	108,469	108,469
TOTAL	-	147,615	159,412	159,412

See Accountant's Compilation Report.

EXHIBIT "B"

RYERSON TOWERS INC.
309 LAFAYETTE AVENUE
Brooklyn, N.Y. 11238

Board of Directors

Adrian Griffith, PRESIDENT
Bernard Chase, VICE PRESIDENT
Heather Spencer, SECRETARY
Darrel Byer, TREASURER
Jean Beard, ASSISTANT TREASURER
Jose Vazquez, ASSISTANT SECRETARY
Denise Peterson, MEMBER
Taina DeLesline-Taitt, MEMBER
Dennis McDougale, MEMBER

Proposed Carrying Charge Increase Associated With the Mortgage and Capital Projects Loan
Certification of Adoption of Resolution

A Board of Directors Meeting was called to order on December 3, 2014. The members present were;

Adrian Griffith, President
Bernard Chase, Vice president
Darrel Byer, Treasurer
Jean Beard, Assistant Treasurer
Heather Spencer, Secretary
Jose Vazquez, Assistant Secretary
Taina DeLesline-Taitt, Member
Dennis McDougale, Member
Denise Peterson, Member
Dahlia Harrison, Site Manager, New Bedford Management Corp.
Thomas Thibodeaux, New Bedford Management Corp.
Jack Lepper, Counsel, Kagin Lubic Lepper Finkelstein & Gold, LLP

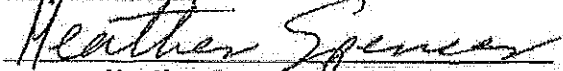
I, **Heather Spencer**, Secretary of Ryerson Towers Corp., do hereby certify that at a Meeting of the Board of Directors held on December 3, 2014 at which a quorum was present, it was resolved by Ryerson Towers Incorporated;

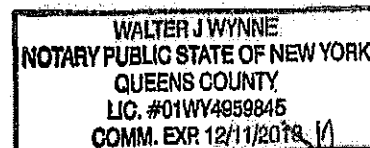
To modify the resolution dated June 16, 2014 to provide for a carrying charge increase for 2 years beginning July 2015 pending New York City Housing Preservation Department (HPD) approval.

Breakdown:

- 7% for 2015
- 12.2% for 2016

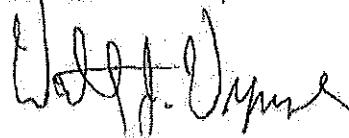
Duly Submitted,


Heather Spencer, Secretary
(Corporate Seal)



STATE OF NEW YORK, COUNTY OF Brooklyn

On the 4th day of December, 2014 before me personally came Heather Spencer who, being duly sworn did depose and say that she is the Secretary of Ryerson Towers, that the seal affixed to said instrument is such corporate seal, and that it was so affixed by order of the Board of Directors of said corporation and that she/He signed His/her name thereto by like order.



**RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2014 AND 2013**

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

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TYRONE ANTHONY SELLERS
Certified Public Accountant

TYRONE ANTHONY SELLERS

Certified Public Accountant

115-03 Farmers Blvd.
St. Albans, NY 11412
Tel (718) 341-8770
Fax (718) 341-4632

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Ryerson Towers, Inc.
Brooklyn, New York

Report on the Financial Statements

I have audited the accompanying balance sheets of Ryerson Towers, Inc. as of June 30, 2014 and 2013, and the related statements of revenue, expenses and accumulated 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ryerson Towers, Inc. as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplemental Information

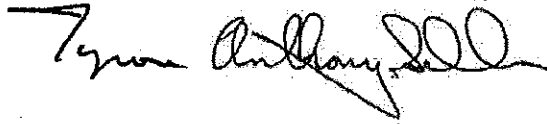
My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenue and expenses on pages 12-13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Member

American Institute of Certified Public Accountants

New York State Society of Certified Public Accountants

The supplementary information on Page 14 is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in black ink, appearing to read "Tyrone Anthony Sellers". The signature is fluid and cursive, with the last name "Sellers" being particularly prominent.

St. Albans, New York
September 19, 2014

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

BALANCE SHEETS

AS OF JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Petty cash	\$ 100	\$ 100
Cash - management account	47,703	44,185
Cash - community room account	83,005	75,885
Cash - capital assessment account	99,690	333,688
Cash - payroll account	13,944	30,205
Investments	579,799	564,772
Maintenance receivable	162,492	174,644
Laundry income receivable	2,100	2,100
Prepaid expense	73,518	75,317
Total Current Assets	<u>1,062,351</u>	<u>1,300,896</u>
<u>Funded Reserves and Deposits</u>		
Operating escrow accounts	175,683	159,391
Replacement reserve account	309,174	309,174
Total Funded Reserves and Deposits	<u>484,857</u>	<u>468,565</u>
<u>Cash equity and applicants' deposits</u>	<u>63,658</u>	<u>64,906</u>
<u>Fixed Assets</u>		
Land	348,612	348,612
Land Improvements	31,086	13,136
Building and improvements	11,756,129	11,731,708
Equipment and furniture	79,375	78,261
Office equipment	19,374	19,374
Security equipment	18,564	18,564
Construction in progress	151,622	-
Total Fixed Assets	12,404,762	12,209,655
Accumulated depreciation	<u>(7,482,382)</u>	<u>(7,267,597)</u>
Net Fixed Assets	<u>4,922,380</u>	<u>4,942,058</u>
Net amortized costs	<u>6,756</u>	<u>7,535</u>
Total Assets	<u>\$ 6,540,002</u>	<u>\$ 6,783,960</u>

(continued)

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

BALANCE SHEETS

AS OF JUNE 30, 2014 AND 2013

<u>LIABILITIES AND PARTNERS' EQUITY</u>	<u>2014</u>	<u>2013</u>
<u>Current Liabilities</u>		
Current portion of mortgage payable and other loans	\$ 1,868,752	\$ 306,701
Accounts payable	233,047	162,461
Payroll taxes and employee benefits payable	14,295	13,619
Accrued water and sewer	51,444	48,261
Accrued real estate taxes	—	19,390
Prepaid maintenance income	14,818	27,601
Security deposits payable - commercial space	3,000	3,000
Capital assessment SCRJE - unapplied	194,488	194,458
STAR abatement - unapplied	32,392	16,276
Construction costs payable	79,023	79,023
Total Current Liabilities	<u>2,491,259</u>	<u>870,790</u>
<u>Equity and applicants' deposits payable</u>	<u>177,547</u>	<u>143,747</u>
<u>Long-term Liabilities</u>		
Mortgages and loan payable	4,213,686	4,520,564
Less - current portion	<u>(1,868,752)</u>	<u>(306,701)</u>
Net Long - term Liabilities	<u>2,344,934</u>	<u>4,213,863</u>
Total Liabilities	<u>5,013,740</u>	<u>5,228,400</u>
<u>Stockholders' Equity</u>		
Common capital stock - Class B par value, 30,920 shares authorized, issued and outstanding	1,059,010	1,059,010
Additional paid-in capital	2,011,660	1,704,782
Unrealized loss on investments	(903)	(4,956)
Accumulated Deficiency	<u>(1,543,505)</u>	<u>(1,203,276)</u>
Net Stockholders' Equity	<u>1,526,262</u>	<u>1,555,560</u>
Total Liabilities and Stockholders Equity	<u>\$ 6,540,002</u>	<u>\$ 6,783,960</u>

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
 (A COOPERATIVE HOUSING CORPORATION)
 STATEMENTS OF REVENUE, EXPENSES AND DEFICIT
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Revenue</u>		
Maintenance charges	\$ 2,710,356	\$ 2,743,219
Other rental income	335,129	330,126
Interest income	12,628	10,286
Other income	<u>197,955</u>	<u>113,274</u>
Total Revenue	<u>3,256,068</u>	<u>3,196,905</u>
<u>Expenses</u>		
Management and administrative expense	231,966	254,963
Professional services	84,265	68,548
Maintenance and operating expenses	1,287,675	1,128,418
Utilities	1,007,982	942,976
Taxes, insurance and employee benefits	640,459	632,274
Financial expenses	<u>128,385</u>	<u>139,585</u>
Total Expenses	<u>3,380,732</u>	<u>3,166,764</u>
(Deficiency)/excess of revenue over expenses before depreciation and amortization expenses	(124,664)	30,141
Depreciation expense and amortization	<u>215,565</u>	<u>349,104</u>
Deficiency of revenue over expenses	(340,229)	(318,963)
Accumulated Deficiency at beginning of year	<u>(1,203,276)</u>	<u>(884,313)</u>
Accumulated Deficiency at end of year	<u>\$ (1,543,505)</u>	<u>\$ (1,203,276)</u>

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<u>Cash Flows From Operating Activities</u>		
Deficiency of revenue over expenses	\$ (340,229)	\$ (318,963)
<u>Adjustments to reconcile deficiency of revenue over expenses to net cash used in operating activities</u>		
Depreciation	\$ 215,565	\$ 349,104
Decrease/(increase) in maintenance receivable	12,152	(7,428)
Decrease in other receivable	—	6,755
Decrease/(increase) in prepaid expenses	1,799	(1,809)
Increase in tax, w/s and insurance escrows	(16,292)	(25,788)
Increase in accounts payable	70,586	7,454
Increase payroll taxes and employee benefits	676	124
Increase/(decrease) in accrued water and sewer	3,183	(837)
Decrease in accrued real estate taxes	(19,390)	(24,023)
Decrease in prepaid maintenance income	(12,783)	(8,544)
Decrease in accrued mortgage interest payable	—	(2,102)
Increase in capital assessment SCRIB - unapplied	30	9,036
Increase in STAR abatement - unapplied	16,116	2,120
Total adjustments	271,642	304,062
Net cash used in operating activities	(68,587)	(14,901)
<u>Cash Flows From Investing Activities</u>		
Increase in investments	(15,027)	(133,628)
Unrealized gain/(loss) on investments	4,053	(8,090)
Acquisition of land improvements	(17,950)	(13,136)
Acquisition of fixed assets	(24,422)	—
Acquisition of office equipment	(1,114)	(6,872)
Increase in construction in progress	(151,622)	—
Net cash used in investing activities	(206,082)	(161,726)
<u>Cash Flows From Financing Activities</u>		
Payment of mortgages and loan payable	(306,878)	(303,511)
Shareholder receipts for mortgage amortization	306,878	303,511
Change in equity/applicants' deposits cash	1,248	4,256
Change in equity/applicants' deposits payable	33,800	19,920
Net cash provided by financing activities	35,048	24,176
Net decrease in cash	(239,621)	(152,451)
Cash balances at beginning of year	484,063	636,514
Cash balances at end of year	\$ 244,442	\$ 484,063
<u>Supplemental disclosure of cash flow information</u>		
Cash paid for interest	\$ 128,385	\$ 141,687

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Ryerson Towers, Inc. ("Ryerson") was incorporated for the purpose of providing residences for its shareholders by leasing to them, under proprietary leases, apartments in the building owned by Ryerson. On July 26, 1961, Ryerson acquired the land, building and improvements located at 309 Lafayette Avenue, Brooklyn, NY for said purposes.

A summary of Ryerson's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting – The accompanying financial statements were prepared on the accrual basis of accounting.

Capitalization and depreciation - Land and building and improvements are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives under the straight-line method. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

Building & Improvements	27.5 years	straight-line
Equipment and Fixtures	5-7 years	straight-line

Ryerson reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including the low income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized for the years ended June 30, 2014 and 2013.

Amortization - Financing costs were amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Income Taxes - Ryerson has a net operating loss carry forward of approximately \$2,613,748 hence, no provision for income taxes has been made.

Maintenance charges and prepaid maintenance charges - Maintenance charges are recognized for apartment rentals as it accrues. Advance receipts of maintenance charges are deferred and classified as liabilities until earned.

Subsequent events – Subsequent events have been evaluated through September 19, 2014, which is the date the financial statements were available to be issued.

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.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties - Ryerson is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property is located or by changes in affordable housing programs or the demand for such housing.

Cash and Cash Equivalents - Ryerson maintains its cash in bank deposit accounts which at times may exceed federally insured limits. Ryerson has not experienced any losses in such accounts. Ryerson believes it is not exposed to any significant credit risk on cash. For financial statement purposes, Ryerson considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments consist of money market and mutual funds, and are carried at fair market value. Market values as of June 30, 2014 and 2013 are summarized as follows:

	2014	2013
Merrill Lynch – Money Market Funds	\$ 139,015	\$ 136,651
Mutual Funds	440,784	428,121
Total	<u>\$ 579,799</u>	<u>\$ 564,772</u>

NOTE 2 – STOCKHOLDER'S EQUITY

Ryerson is authorized to issue 30,920 shares of common capital stock – class B at \$34.25 par value per share of which 30,920 have been issued and outstanding. Additional paid in capital represents recorded amounts paid for mortgage amortization. Accumulated deficiency represents the cooperative's deficiency from operations since the initial occupancy of the cooperative.

NOTE 3 – MAINTENANCE RECEIVABLE

Maintenance receivable as of June 30, 2014 and 2013 consist of the following:

	6/30/14	6/30/13
Due from Shareholders	\$ 346,600	\$ 352,377
Less allowance for doubtful accounts – previous shareholders	(184,108)	(177,733)
Net Maintenance Receivable	<u>\$ 162,492</u>	<u>\$ 174,644</u>

NOTE 4 – PENSION AND ANNUITY

Ryerson makes quarterly deposits with an employee union which acts as the plan administrator for the pension and annuity fund.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5 - MORTGAGES AND LOANS PAYABLE

Ryerson has a mortgage with Wells Fargo Bank. The mortgage agreement requires a monthly payment of principal and interest in the amount of \$21,952. The mortgage bears an annual interest rate of 5.4% and requires a balloon payment of \$1,694,785 at maturity, September 1, 2014. As of September 19, 2014, Ryerson is in negotiations with a financial institution to refinance the required balloon payment.

Ryerson has another mortgage with Wells Fargo Bank. The mortgage agreement requires a monthly payment of principal and interest in the amount of \$821. The mortgage bears an annual interest rate of 8% and requires a balloon payment of \$16,879 at maturity, September 1, 2014. As of September 19, 2014, Ryerson is in negotiations with a financial institution to refinance the required balloon payment.

Ryerson has an Article 8A loan with the New York City Housing Preservation and Development ("HPD") in the original amount of \$618,825. The HPD loan agreement requires a monthly payment of principal and interest in the amount of \$3,564. The mortgage bears an annual interest rate of 3% and matures May 31, 2018.

Ryerson has another Article 8A loan with the New York City Housing Preservation and Development ("HPD") in the amount of \$3,000,000. The cumulative draws to date amounted to \$2,808,991. Proceeds from the loan were used for capital improvements. The HPD loan agreement requires monthly payments of principal and interest of \$9,934.59. The loan bears an annual interest rate of 1% and matures June 1, 2038.

Annual principal payments due for the next five years and thereafter are as follows:

	Wells Fargo 5.4%	Wells Fargo 8%	HPD-8 ^a Loan #1	HPD-8 ^a Loan #2	Total
2015	\$ 1,715,535	\$ 18,169	\$ 38,638	\$ 96,410	\$ 1,868,752
2016	0	0	39,814	97,378	137,192
2017	0	0	41,025	98,356	139,381
2018	0	0	35,816	99,344	135,160
2019	0	0	-0-	100,342	100,342
Thereafter	0	0	-0-	1,832,859	1,832,859
Total	<u>\$ 1,715,535</u>	<u>\$ 18,169</u>	<u>\$ 155,293</u>	<u>\$ 2,324,689</u>	<u>\$ 4,213,686</u>

All fixed assets of Ryerson are collateral for the mortgage loans.

NOTE 6 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

Ryerson's governing documents require that funds be accumulated for future major repairs and replacements. Ryerson has been accumulating funds which are held in separate accounts and are not available for expenditures of normal operations. In 2004, Ryerson had engaged the services of Community Environment Center to conduct an Energy Use Assessment. The purpose of the assessment was to investigate and identify cost effective energy conservation measures, as well as operating and maintenance measures, and make recommendations for their implementation. The report on the findings included estimates of the contracting/replacement costs of those recommended findings. In addition, the Board of Directors had received estimates on replacement costs of other components of the property. This data is summarized on page 13.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 7 – FUNDED RESERVES AND DEPOSITS

Ryerson is required to maintain an operating escrow fund and a replacement reserve fund. The purpose of the operating escrow fund is to accumulate funds to make period disbursements for real estate taxes, water and sewer charges, and insurance. Also, included in the operating escrow accounts are accounts used to set aside funds for chimney and elevator repairs. The purpose of the replacement reserve fund is to accumulate reserves for future major repairs and replacements.

The following shows the activity in the operating escrow and replacement reserve funds for the years ended June 30, 2014 and 2013.

	Operating Escrow	Replacement Reserve Fund	Total
Beginning Balance 07/01/13	\$ 159,391	\$ 309,174	\$ 468,565
Deposits	579,984	-0-	579,984
Interest income	752	-0-	752
Withdrawal	(564,444)	-0-	(564,444)
Ending Balance 06/30/14	<u>\$ 175,683</u>	<u>\$ 309,174</u>	<u>\$ 484,857</u>

	Operating Escrow	Replacement Reserve Fund	Total
Beginning Balance 07/01/12	\$ 133,603	\$ 309,174	\$442,777
Deposits	105,723	-0-	105,723
Interest income	65	-0-	65
Withdrawal	(80,000)	-0-	(80,000)
Ending Balance 06/30/13	<u>\$ 159,391</u>	<u>\$ 309,174</u>	<u>\$ 468,565</u>

NOTE 8 – PREPAID EXPENSES

Prepaid expenses as of June 30, 2014 and 2013 consist of the following:

	6/30/14	6/31/13
Prepaid insurance premiums	\$ 69,985	\$ 75,317
Prepaid real estate taxes	3,533	-0-
Total Prepaid Expenses	<u>\$ 73,518</u>	<u>\$ 76,007</u>

NOTE 9 – CONTINGENCIES

Ryerson does not believe there is any litigation pending or threatened against it that, individually or in the aggregate, reasonable may be expected to have a material adverse effect on the financial statements. Ryerson, as an owner of real estate, is subject to various Federal, state and local environmental laws. Compliance by Ryerson with existing laws has not had a material adverse effect on the financial statements. However, Ryerson cannot predict the impact of new or changed laws or regulations on its current properties.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 10 – MANAGEMENT AGENT

Ryerson has a property management agreement with New Bedford Company ("New Bedford"). New Bedford is not related or affiliated with Ryerson or any of its Cooperative Owners. The monthly property fee, as of June 30, 2014, is \$9,083.33. For the year ended June 30, 2014, New Bedford earned property management fees of \$109,000.

NOTE 11 – CONSTRUCTION

Ryerson entered into a construction contract with Skyline Restoration, an unrelated party, for its roof replacement project in the amount of \$397,150 plus changed orders of \$184,937 totaling \$582,087. Skyline Restoration was paid \$119,875 as a down payment towards the work. In addition, Skyline Restoration was paid \$14,385 for its performance bond. These costs are part of the construction in progress costs as of June 30, 2014. As of June 30, 2014, Skyline Restoration was due \$-0- for completed work.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
 (A COOPERATIVE HOUSING CORPORATION)
 SCHEDULES OF REVENUE AND EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Maintenance Charges</u>		
Gross potential maintenance charges	\$ 2,780,068	\$ 2,780,068
Special Assessments	186,803	181,559
Less - mortgage amortization	(306,878)	(303,511)
vacancy loss	(64,235)	(47,532)
Net maintenance charges	2,595,758	2,610,584
Surcharges	114,598	132,635
	<u>\$ 2,710,356</u>	<u>\$ 2,743,219</u>
<u>Other Rental Income</u>		
Gross professional commercial income	\$ 45,630	\$ 41,000
Less - vacancy loss	—	—
Net professional commercial income	45,630	41,000
Parking rents	60,440	59,040
Gas and electricity surcharge	229,059	230,086
	<u>\$ 335,129</u>	<u>\$ 330,126</u>
<u>Interest Income</u>		
Interest and dividend income	\$ 12,628	\$ 10,286
<u>Other Income</u>		
Air conditioners	\$ 32,027	\$ 33,807
Application fee	6,701	2,500
Laundry	25,200	24,296
Storage	7,321	7,125
Community room	11,700	11,600
Other tenant charges	6,655	8,443
Insurance claim	10,000	2,500
Other income	7,469	2,646
Appliance income	156	156
Repairs income	90,726	20,201
	<u>\$ 197,955</u>	<u>\$ 113,274</u>
<u>Management and Administrative Expenses</u>		
Administrative salary	\$ ✓ 27,058	\$ 29,485
Administrative expenses	✓ 29,427	31,221
Management fee	✓ 109,000	109,000
Telephone, internet and cable	✓ 10,706	10,134
Office expenses	✓ 8,817	9,831
Postage	✓ 2,557	3,131
Bad debt expenses	44,401	62,161
	<u>\$ 231,966</u>	<u>\$ 254,963</u>

(continued)

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON-TOWERS, INC.
 (A COOPERATIVE HOUSING CORPORATION)
 SCHEDULES OF REVENUE AND EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Professional Services</u>		
Legal fees	\$ ✓ 38,423	\$ 28,677
Architectural and engineering fees	22,342	15,871
Consultant fees	9,500	10,000
Accounting and Audit fees	✓ 14,000	14,000
	<u>\$ 84,265</u>	<u>\$ 68,548</u>
<u>Maintenance and Operating Expenses</u>		
Maintenance payroll	\$ ✓ 421,298	\$ 404,496
Exterminating	✓ 19,206	17,721
Materials and supplies	✓ 155,212	133,616
Repair contracts	✓ 322,109	236,634
Painting	✓ 109,001	69,085
Elevator	✓ 55,248	60,718
Grounds contract and supplies	✓ 10,343	12,630
Security fee	✓ 195,258	193,518
	<u>\$ 1,287,675</u>	<u>\$ 1,128,418</u>
<u>Utilities</u>		
Water and sewer	\$ ✓ 202,327	\$ 204,932
Electricity	✓ 436,640	423,460
Gas cooking	✓ 16,671	17,983
Gas heat	287,610	254,763
Oil heat	64,734	41,838
	<u>\$ 1,007,982</u>	<u>\$ 942,976</u>
<u>Taxes, Insurance and Employee Benefits</u>		
Real estate taxes	\$ ✓ 241,495	\$ 270,699
Insurance	✓ 179,551	150,500
Payroll taxes	✓ 42,759	49,067
Union pension and benefits	✓ 162,612	154,693
Licenses and permits	✓ 14,042	7,315
	<u>\$ 640,459</u>	<u>\$ 632,274</u>
<u>Financial Expenses</u>		
Interest on mortgages	\$ 99,349	\$ 108,493
Interest on Article 8A loans	29,036	31,092
	<u>\$ 128,385</u>	<u>\$ 139,585</u>
<u>Amortization and Depreciation Expenses</u>		
Amortization	\$ 779	\$ 779
Land Improvements	2,023	766
Building and improvements	197,306	335,534
Maintenance, furniture and office equipment	15,457	12,025
	<u>\$ 215,565</u>	<u>\$ 349,104</u>

The accompanying notes are integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

RYERSON TOWERS, INC.
(A COOPERATIVE HOUSING CORPORATION)

SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS

AS OF JUNE 30, 2014
(UNAUDITED)

Ryerson had engaged the services of Community Environmental Center to conduct an Energy Use Assessment. The purpose of the assessment was to investigate and identify cost effective energy conservation measures, as well as operating and maintenance measures, and make recommendations for their implementation. The report on the findings included estimates of the contracting/replacement costs of those recommended findings. Those estimates have been updated through June 30, 2014 with actual contracts or updated estimates for the replacement items. In addition, the Board of Directors had received estimates on replacement costs of other components of the property.

The estimate replacement costs have been summarized as follows:

<u>Components</u>	<u>Total Replacement Costs</u>	<u>Estimated Date of Completion</u>
Window and Terrace Door Replacement	\$ 1,653,375	Completed September 2008
Local Law 11 – Façade Repair	164,760	Completed June 2010
Balconies	1,300,000	Completed October 2010
Boiler Replacements	556,575	Completed February 2011
Chimney Lining	278,000	Completed February 2011
Roof Replacement	600,000	November 2014
Elevator Upgrade	1,400,000	December 2015
Plumbing System Upgrade	4,905,000	June 2016
Electrical	870,000	June 2017
General overall common areas	<u>350,000</u>	June 2017
Total	<u>\$ 12,077,710</u>	

TYRONE ANTHONY SELLERS
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