

THIRTY-SIXTH AMENDMENT  
TO THE OFFERING PLAN - A PLAN  
TO CONVERT TO COOPERATIVE OWNERSHIP  
PREMISES AT  
221 EAST 76TH STREET  
NEW YORK, NEW YORK

The offering plan - a plan to convert to cooperative ownership premises at 221 East 76th Street, New York, New York dated April 15, 1982, as amended, is hereby further amended as follows:

1 Updated financial Information

This Amendment is presented pursuant to the requirements of the Department of Law and contains the following up-to-date information regarding the building subject to the offering Plan:

- a. Annexed hereto as Exhibit A is the list of Unsold Shares and the Apartments to which they are allocated, all of which are held by Lee Pokoik and Gary Pokoik, the hereinafter collectively referred to as "Holder of Unsold Shares".
- b. The aggregate maintenance of all Apartments owned by the Holder of Unsold Shares is \$5,073.25. The monthly maintenance is shown on the annexed Exhibit "A".
- c. The aggregate monthly rents received from tenants of the Apartments owned the Holder of Unsold Shares is \$5,804.83.
- d. The Holder of Unsold Shares does not have any financial obligations to the Apartment Corporation which will become due within the twelve month (12) months from the date of this Amendment other than the payment of maintenance.
- e. The Unsold Shares have not been used as collateral and are not subject to a loan commitment.

f. The means by which the payments/obligations disclosed in subparagraph (b) above will be funded are as follows:

(1) Rents received from tenants of Apartments owned by Sponsor/Holder of Unsold Shares

(2) Projected sales of Unsold Apartments.

(3) Other assets of the holder of Unsold Shares

g. The Holder of Unsold Shares is current and was current during the year prior to the filing of this amendment on all of its financial obligations under the Offering Plan including all monthly maintenance

h. The following is a list of all other buildings in which the principals of the Holder of Unsold Shares have more than a ten (10%) percent ownership interest in shares or Apartments:

a. 69-10 Yellowstone Boulevard  
Forest Hills, New York

b. 99-45 67th Road  
Forest Hills, New York

i. The Holder of Unsold Shares is current in all of its financial obligations in all other cooperatives that it has an ownership interest of more than ten (10%) percent of the shares or apartments. The offering Plans for the aforementioned buildings are on file with the Department of Law and are available for public inspection.

j. The Holder of Unsold Shares does not control the Board of Directors of the Apartment Corporation. The current members of the Board of Directors are: ????

Tanya Walker  
Jonathan Pokoik\*  
Vanessa Breslaw  
Diane Schadoff  
Daniell Valenti

\* Director related to Holder of Unsold Shares.

2. Financial Statement

Annexed is a copy of the Independent Auditors Report (“Report”) for the period ending December 31, 2012 & 2011. The 2012 Report discloses that expenses of operation exceeded income by \$18,138.00 and by \$2,387.00 in 2011. No projected budget was available for inclusion in this amendment.

3. Sales Prices and Maintenance

The current Sales Prices and monthly maintenance for the apartments are shown on the annexed Schedule “A”.

4. Except as set forth herein there are no material changes to the terms and conditions of the Offering Plan.

Dated: January 22, 2014

Lee Pokoik and Gary Pokoik  
Holder of Unsold Shares

Exhibit A

<u>Apts.</u>	<u>Shares</u>	<u>Maintenance</u>	<u>Sales Price</u>
2C	183	\$ 952.21	\$540,000
3D	182	947.01	545,000
3E	139	723.26	385,000
6A	199	1,035.46	555,000
6B	148	770.09	385,000
6F	124	645.22	385,000
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6	975	\$5,073.25	

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## Independent Auditors' Report

221 EAST 76<sup>TH</sup> ST. OWNERS CORP.  
221 East 76<sup>th</sup> Street  
New York, NY 10021

We have audited the accompanying balance sheets of 221 East 76<sup>th</sup> St. Owners Corp. as of December 31, 2012, and 2011, and the related statement of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note D, the Company has not performed any estimates of the remaining useful lives and replacement costs of the common property and, therefore, has not presented the estimated future costs of major repairs and replacements that is required by the American Institute of Certified Public Accountants as a supplement to, although is not required to be part of, the basic financial statements. We have applied certain limited procedures which consisted principally of inquiries of management regarding the method of measurement of such information. However, we did not audit the information and do not express any opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 221 East 76<sup>th</sup> St. Owners Corp. as of December 31, 2012, 2011 and the result of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.



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CPA, EA

May 28, 2013

**221 EAST 76TH ST. OWNERS CORP.**  
**Balance Sheet**  
**December 31, 2012 and 2011**

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash	\$ 12,987	\$ 21,316
Prepaid Expenses	4,343	7,818
Shareholder Maintenance Receivable	2,488	8,822
Total Current Assets	<u>19,818</u>	<u>37,956</u>
Fixed Assets		
Land	115,399	115,399
Building and Other Assets	1,405,552	1,405,552
Less: Accumulated Depreciation	<u>(1,181,109)</u>	<u>(1,139,505)</u>
Total Fixed Assets	<u>339,842</u>	<u>381,446</u>
<b>Total Assets</b>	<b><u>359,660</u></b>	<b><u>419,402</u></b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Liabilities		
Accrued Expenses	9,576	\$ 10,261
Line of Credit (Note C)	83,897	83,897
State and Local Taxes Payable	3,759	3,074
Total Liabilities	<u>97,232</u>	<u>97,232</u>
Stockholders' Equity		
Common Stock, \$1 par value		
6,370 shares authorized and issued	6,370	6,370
Paid in Capital	1,211,145	1,211,145
Retained Earnings	<u>(955,087)</u>	<u>(895,345)</u>
Total Stockholders' Equity	<u>262,428</u>	<u>322,170</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>359,660</u></b>	<b><u>419,402</u></b>

See accompanying notes to Financial Statements

**221 EAST 76TH ST. OWNERS CORP.**  
**Statement of Income and Retained Earnings**  
**For the Years Ending December 31, 2012 and 2011**

	<u>For the year ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
<b><u>REVENUES</u></b>		
Maintenance Income	\$ 408,004	\$ 405,360
Assessment Income	0	0
Real Estate Tax Abatement	28,204	27,639
Laundry Income	4,777	960
Total Revenue	<u>440,985</u>	<u>433,959</u>
<b><u>EXPENSES</u></b>		
Water and Sewer	15,276	16,402
Fuel	39,110	38,175
Repairs	21,723	18,577
Utilities	9,317	8,282
Salaries - Superintendent and Doorman	83,592	84,398
Insurance	16,130	6,882
Interest Expense	3,188	3,329
Professional Fees	17,219	11,644
Management Fees	18,000	18,000
Payroll Taxes	9,898	17,168
Real Estate Taxes	191,703	182,803
Maintenance and Supplies	17,567	14,255
Exterminator	1,185	1,992
State and Local Taxes	2,021	3,585
Elevator Maintenance	6,318	5,767
Permits and Dues	1,665	0
Miscellaneous	5,211	5,087
Total Expenses	<u>459,123</u>	<u>436,346</u>
<b>(LOSS) FROM OPERATIONS BEFORE DEPRECIATION</b>	<b>(18,138)</b>	<b>(2,387)</b>
<b>DEPRECIATION</b>	<b>(41,604)</b>	<b>(41,156)</b>
<b>(LOSS) BEFORE PROVISION FOR FEDERAL INCOME TAXES</b>	<b>(59,742)</b>	<b>(43,543)</b>
<b>PROVISION FOR FEDERAL INCOME TAXES</b>	<b>0</b>	<b>0</b>
<b>NET LOSS</b>	<b>(59,742)</b>	<b>(43,543)</b>
<b>RETAINING EARNINGS (DEFICIT) AT BEGINNING OF YEAR</b>	<b>(895,345)</b>	<b>(851,802)</b>
<b>RETAINING EARNINGS (DEFICIT) AT END OF YEAR</b>	<b>(955,087)</b>	<b>(895,345)</b>

See accompanying notes to Financial Statements

**221 EAST 76TH ST. OWNERS CORP.**  
**Statement of Cash Flows**  
**December 31, 2012 and 2011**

	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATION ACTIVITIES</b>		
Net Loss	\$ (59,742)	\$ (43,543)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	41,604	41,156
Decrease (Increase) in -		
Prepaid Expenses	3,475	(2,808)
Shareholder Maintenance Receivable	6,334	(92)
Improvements to Building	0	(5,893)
Accrued Expenses	685	(3,419)
Insurance Payable	0	(12,345)
State and Local Taxes	(685)	(1,390)
Net Cash Provided by Operating Activities	51,413	15,209
<b>Cash Flows from Financial Activities:</b>		
Line of Credit	0	0
Net Cash Provided by Financial Activities	0	0
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(8,329)</b>	<b>(28,334)</b>
<b>CASH AT THE BEGINNING OF YEAR</b>	<b>21,316</b>	<b>49,650</b>
<b>CASH AT THE END OF YEAR</b>	<b>12,987</b>	<b>21,316</b>
<b>SUPPLEMENTAL DISCLOSURES -</b>		
Cash paid during the year for taxes	2,021	3,585
Interest paid	3,188	3,329

See accompanying notes to Financial Statements



**221 EAST 76TH ST. OWNERS CORP.**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

The 221 East 76th St. Owners Corp. (The "Company") prepares its financial statement for reporting purposes on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America. Under this method of accounting, income is recognized when earned and expenses are recognized when incurred. For tax purposes, the tax returns are prepared on the cash basis of accounting. Under this method of accounting, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

**PROPERTIES AND DEPRECIATION**

The Company purchased the land and building, located at 221 East 76th Street on January 11, 1983. Building and building improvements are stated at cost and depreciated on the straight line method over an estimated useful life of 27.5 to 40 years. Other assets are also being depreciated on the straight line method but over shorter useful lives. Maintenance and repairs are expensed as incurred. Expenditures which significantly increase asset values or extend useful lives are capitalized.

**TAX STATUS**

Under Internal Revenue Code Section 216, the Company is considered a Cooperative Housing Company. Real estate taxes paid or incurred by the Company are therefore reverted to the tenant-stockholders. These expenses are deductible by them on their personal tax returns on a pro-rata basis, based upon the number of shares owned and the date of purchase.

**USE OF ESTIMATES**

The presentation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**221 EAST 76TH ST. OWNERS CORP.**

**Notes to Financial Statements**

**December 31, 2012 and 2011**

**NOTE B - NET OPERATING LOSS CARRYFORWARD**

As of December 31, 2011, the Company has not utilized net operating losses for Federal tax purposes in the amount \$617,253 which may be used to offset future taxable income, if any. Unless utilized, these losses in the amounts of \$36,096, \$25,039, \$47,990, \$50,119, \$44,456, \$40,410, \$20,548, \$50,415, \$31,068, \$40,645, \$41,076, \$58,366, \$40,097, AND \$58,698 will expire in 2012, 2013, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2030 respectively,

**NOTE C - OPERATING COSTS AND MAJOR REPAIRS AND REPLACEMENTS**

The corporation has incurred additional financing for the replacement costs of the building's systems and major components in accordance with the corporation's governing documents.

A secured Line of Credit in the amount of \$500,000 was established in March 2007 with Capital One Bank. The interest rate is based on the Bank's prime rate plus .50%. The interest rate as of December 31, 2012 is 3.75%. This is a revolving line of credit with minimum monthly-payments being interest only. At December 31, 2012, the balance is \$83,897.

**NOTE D - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Company does not require the accumulation of funds to be available for major repairs and replacements. The Company has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future. Should additional fund be required to meet future needs for major repairs and replacements, the Company has the right to borrow, increase maintenance charges, pass special assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.