

**166 TENANTS CORP.
FINANCIAL STATEMENTS
TO DECEMBER 31, 2015**

To the Stockholders of 166 Tenants Corp.
c/o Mr. Patrick Burke
166 East 78th Street – Apt. 2A
New York, NY 10021

Gentlemen:

We have compiled the accompanying balance sheets of 166 Tenants Corp. as of December 31, 2015 and 2014 and the related statements of net income and retained earnings and statements of cash flows and accompanying notes to financial statements for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to the presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

TANKLOW, HOLLENDER & COMPANY, LLP

February 8, 2016
New York, N. Y.

EXHIBIT "A"166 TENANTS CORP.
COMPARATIVE BALANCE SHEETS
AS AT DECEMBER 31,

	<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets			
Due from agent		\$ 13,432	\$ 29,489
Prepaid taxes		33,905	15,700
Investments - Smith Barney		<u>48,083</u>	<u>48,174</u>
Total Current Assets		<u>95,420</u>	<u>93,363</u>
Property and Building			
Land		126,327	126,327
Building		<u>738,514</u>	<u>738,514</u>
		864,841	864,841
Less: Accumulated depreciation		<u>590,586</u>	<u>567,391</u>
Total Property and Building		<u>274,255</u>	<u>297,450</u>
Other Assets			
Mortgage costs		3,525	3,525
Less: Accumulated amortization		<u>3,512</u>	<u>3,512</u>
		13	13
Security Deposits		<u>1,000</u>	<u>1,000</u>
Total Other Assets		<u>1,013</u>	<u>1,013</u>
<u>TOTAL ASSETS</u>		<u>\$ 370,688</u>	<u>\$ 391,826</u>

The appended letter and accompanying notes are an integral part of this statement.

EXHIBIT "A"166 TENANTS CORP.
COMPARATIVE BALANCE SHEETS
AS AT DECEMBER 31,

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>2015</u>	<u>2014</u>
Liabilities		
Accrued interest	\$ 1,378	\$ 1,497
Loan - Joseph Coleman	8,571	13,742
Mortgage Payable-RP&D Eberhart	<u>226,470</u>	<u>240,915</u>
Total Liabilities	<u>236,419</u>	<u>256,154</u>
Stockholders' Equity		
Capital stock	390,080	390,080
Paid in capital	111,776	111,776
Retained earnings (deficit)	<u>(367,587)</u>	<u>(366,184)</u>
Total Stockholders' Equity	<u>134,269</u>	<u>135,672</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 370,688</u>	<u>\$ 391,826</u>

The appended letter and accompanying notes are an integral part of this statement.

EXHIBIT "B"

166 TENANTS CORP.
STATEMENTS OF NET INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2014</u>
Owner/tenants		
Maintenance charges	\$ 167,523	\$ 212,058
Operating Expenses		
Schedule "B-1"	<u>169,512</u>	<u>171,787</u>
Net Operating Income (Loss)	<u>(1,989)</u>	<u>40,271</u>
Other Income		
Dividend income	4	4
Interest income	1	-
Laundry room income	<u>907</u>	<u>495</u>
Net Other Income	<u>912</u>	<u>499</u>
Provision for Income Taxes		
New York State Franchise Tax	150	-
New York State Metropolitan Transportation Tax	26	-
New York City Corporation Tax	<u>150</u>	<u>-</u>
Total Provision for Income Taxes	<u>326</u>	<u>-</u>
Net (Loss) for Period	(1,403)	40,770
Retained Earnings (Deficit) – Beginning	<u>(366,184)</u>	<u>(406,954)</u>
Retained Earnings (Deficit) – Ending	<u>\$ (367,587)</u>	<u>\$ (366,184)</u>

The appended letter and accompanying notes are an integral part of this statement.

SCHEDULE "B-1"

166 TENANTS CORP.
SUPPORTING SCHEDULE
FOR THE YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2014</u>
<u>Operating Expenses</u>		
Management fees	\$ 11,314	\$ 10,775
Superintendent	6,000	5,700
Depreciation	23,195	23,358
Fuel	-	-
Utilities	17,810	13,229
Insurance	7,445	13,179
Mortgage interest	17,200	19,327
Legal and accounting	4,275	7,245
Licenses and permits	467	447
Repairs and supplies	27,529	6,437
Taxes – real estate	51,935	64,947
Water and sewer charges	1,972	6,832
Miscellaneous expenses	<u>370</u>	<u>311</u>
Total Operating Expenses	<u>\$ 169,512</u>	<u>\$ 171,787</u>

The appended letter and accompanying notes are an integral part of this statement.

EXHIBIT "C"

166 TENANTS CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Net income (loss)	\$ (1,403)	\$ 40,770
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,195	23,358
(Increase) Decrease in prepaid taxes	(18,205)	494
(Increase) Decrease in security deposits	-	-
Increase (Decrease) in accrued expenses	(119)	(347)
Total Adjustments	<u>4,871</u>	<u>23,505</u>
Net cash provided (used) by operating activities	<u>3,468</u>	<u>64,275</u>
Cash Flows From Investing Activities:		
Building improvements	-	-
Net Cash Provided (used) by Investing Activities	-	-
Cash Flows From Financing Activities:		
Mortgage -RP & D Eberhart	-	240,915
Mortgage repayment	-	(295,000)
Mortgage repayment -RP & D Eberhart	(14,445)	-
Loan repayment-Joseph Coleman	(5,171)	(4,774)
Net Cash Provided (used) by Financing Activities	<u>(19,616)</u>	<u>(58,859)</u>
Net Increase (Decrease) in Cash Equivalents	(16,148)	5,416
Cash Equivalents – Beginning of Year	<u>77,663</u>	<u>72,247</u>
Cash Equivalents – End of Year	<u>\$ 61,515</u>	<u>\$ 77,663</u>
Cash and Cash Equivalents		
Due from agent	\$ 13,432	\$ 29,489
Investments – Smith Barney Money Fund	<u>48,083</u>	<u>48,174</u>
	<u>\$ 61,515</u>	<u>\$ 77,663</u>

The appended letter and accompanying notes are an integral part of this statement.

166 TENANTS CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

The company was formed on June 5, 1980 as a New York business corporation with authorized capital of 5,000 shares of \$1.00 par value and operates as a co-operative corporation.

Pursuant to the offering plan as amended, the corporation on July 1, 1982 acquired premises 166 East 78th Street, New York, New York for the sum of \$625,080 plus a reserve fund of \$60,000 and subject to a mortgage of \$295,000 and issued 4,240 shares of common stock to the co-op investors for \$390,080.

Accounting Policies

The company reports income on the accrual basis. The building is depreciated over a 25 year life.

Taxes

The corporation is subject to U.S. and New York State and City income taxes.

The corporation has incurred accumulated Federal operating losses of \$244,007 to December 31, 2015. These losses may be used to reduce taxes on future income.

Pass Through to Tenant Owners

The Internal Revenue code permits pass through of real estate taxes and mortgage interest to the tenant owners.

Loan - Joseph Coleman

On July 18, 2012 Joseph Coleman (owner-tenant of this corporation) loaned \$25,000 to the corporation to pay for repairs and improvements. The loan is to be repaid over a five year period with interest at a rate of 8% per annum.

Mortgage Payable-RP & D Eberhart

On March 31, 2014 a mortgage in the amount of \$250,000 was taken out from R P & D Eberhart to pay off the mortgage to Robert Silver. Interest is paid monthly at the rate of 7% per annum.