

SUNSET GREEN HOUSING CORP.

FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

SUNSET GREEN HOUSING CORP.

TABLE OF CONTENTS

MARCH 31, 2022 AND 2021

	Page
INDEPENDENT AUDITORS' REPORT	1
Balance Sheets	2
Statements of Loss	3
Statements of Retained Earnings (Deficit)	4
Statements of Cash Flows	5-6
Notes to Financial Statements	7-13
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	14
Schedule of Budget with Actual Operating Amounts	15-16
Schedule of Repairs and Maintenance	17



BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

MARK COHEN, CPA
WILLIAM J. RANK, CPA, CFP
LORI B. LERMAN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board
SUNSET GREEN HOUSING CORP.

Opinion

We have audited the accompanying financial statements of Sunset Green Housing Corp., which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of loss, retained earnings (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sunset Green Housing Corp., as of March 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sunset Green Housing Corp., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 11, the entity has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that accounting principles generally accepted in the United States of America has determined is required to supplement, although not required to be a part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunset Green Housing Corp.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunset Green Housing Corp.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
July 21, 2022

SUNSET GREEN HOUSING CORP.

Balance Sheets

As of March 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank and on Hand	76,559	52,700
Cash in Operating Account	0	24,997
Tenants' Accounts Receivable	31,791	24,235
Prepaid Expenses	52,858	55,434
Total Current Assets	<u>161,208</u>	<u>157,366</u>
 FUNDS		
Operating Escrow and Reserves		
Cash and Equivalents	<u>2,284,091</u>	<u>2,415,108</u>
Total Funds	<u>2,284,091</u>	<u>2,415,108</u>
 PROPERTY AND EQUIPMENT -		
Net Book Value	<u>959,389</u>	<u>954,167</u>
 TOTAL ASSETS		
	<u>3,404,688</u>	<u>3,526,641</u>

	<u>2022</u>	<u>2021</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	218,498	225,835
Accrued Interest on Mortgage	9,992	10,206
Rents Received in Advance	9,173	6,285
Due to Stockholders - Real Estate Tax Credits	19,785	23,061
Exchanges Payable	61,444	36,654
Mortgage Payable - Amortization payments due within one year	<u>60,832</u>	<u>58,265</u>
Total Current Liabilities	<u>379,724</u>	<u>360,306</u>
LONG-TERM LIABILITIES		
Mortgage Payable (due after one year)	2,663,092	2,723,924
Less: Unamortized Debt Issuance Costs	<u>(25,607)</u>	<u>(30,999)</u>
Total Long-Term Liabilities	<u>2,637,485</u>	<u>2,692,925</u>
STOCKHOLDERS' EQUITY		
Common Stock \$10.00 par value; Authorized 17,500 shares; Issued and Outstanding 15,070 Shares	150,700	150,700
Paid-in Capital	958,010	958,010
Retained Earnings (Deficit)	(2,640,688)	(2,680,579)
Appropriated Retained Earnings:		
Reserve for Replacement	1,879,057	2,007,879
Reserve for Painting and Decorating	<u>40,400</u>	<u>37,400</u>
Total Stockholders' Equity	<u>387,479</u>	<u>473,410</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>3,404,688</u>	<u>3,526,641</u>

See accompanying notes and auditors' report

SUNSET GREEN HOUSING CORP.

Statements of Loss

For the Years Ended March 31,

	<u>2022</u>	<u>2021</u>
INCOME		
Carrying Charges - Net of Vacancy Loss	853,772	849,547
Garage and Parking Income	14,766	15,390
Laundry Room Income	5,830	4,844
Appliance Charges	16,363	15,702
Interest Income	2,844	3,046
Surcharge Income	26,733	20,097
Real Estate Tax Refund	0	14,000
Miscellaneous Income	7,377	2,169
Total Income	<u>927,685</u>	<u>924,795</u>
EXPENSES		
Administrative Expenses	61,367	66,534
Utilities Expenses	323,276	242,338
Maintenance Expenses	201,688	211,468
Taxes and Insurance Expenses	248,000	243,906
Financial Expenses	120,081	122,548
Interest - Debt Issuance Costs	5,392	5,392
Total Expenses Before Depreciation	<u>959,804</u>	<u>892,186</u>
NET (LOSS) INCOME BEFORE DEPRECIATION	(32,119)	32,609
Depreciation	<u>(53,812)</u>	<u>(54,565)</u>
NET LOSS FOR THE YEAR	<u>(85,931)</u>	<u>(21,956)</u>

See accompanying notes and auditors' report

SUNSET GREEN HOUSING CORP.

Statements of Retained Earnings (Deficit)

For the Years Ended March 31,

	<u>2022</u>	<u>2021</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(2,680,579)	(2,655,039)
Net Loss for the Year	(85,931)	(21,956)
Allocation to/Release from Reserve for Replacements	171,866	42,662
Payment to Reserves		
Reserve for Replacements	(43,044)	(43,246)
Reserve for Painting and Decorating	<u>(3,000)</u>	<u>(3,000)</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(2,640,688)</u></u>	<u><u>(2,680,579)</u></u>

See accompanying notes and auditors' report

SUNSET GREEN HOUSING CORP.

Statements of Cash Flows

For the Years Ended March 31,

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Net Loss	(85,931)	(21,956)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	53,812	54,565
Interest Expense - Debt Issuance Costs	5,392	5,392
Revenue allocated to financing activities	(58,265)	(55,806)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(7,556)	28,839
Operating Escrow Deposits	131,017	(3,432)
Prepaid Expenses	2,576	16,948
Increase (Decrease) in operating liabilities:		
Accounts Payable	(7,337)	15,717
Accrued Interest on Mortgage	(214)	(205)
Rents Received in Advance	2,888	(5,398)
Due to Stockholders	(3,276)	(2,086)
Exchanges Payable	24,790	(6,357)
Net cash provided by operating activities	<u>57,896</u>	<u>26,221</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(59,034)	(42,662)
Net cash used by investing activities	<u>(59,034)</u>	<u>(42,662)</u>
Cash Flows From Financing Activities		
Portion of Carrying Charges applied to Amortization of Mortgage	58,265	55,806
Amortization of Mortgage	(58,265)	(55,806)
Net cash provided (used) by financing activities	<u>0</u>	<u>0</u>
Decrease in Cash and Cash Equivalents	(1,138)	(16,441)
Cash and Cash Equivalents at Beginning of Year	<u>77,697</u>	<u>94,139</u>
Cash and Cash Equivalents at End of Year (see next page)	<u><u>76,559</u></u>	<u><u>77,698</u></u>

See accompanying notes and auditors' report

SUNSET GREEN HOUSING CORP.

Statements of Cash Flows

For the Years Ended March 31,

	<u>2022</u>	<u>2021</u>
Represented by:		
Cash in Bank and on Hand	76,559	52,700
Cash in Operating Account	<u>0</u>	<u>24,997</u>
Cash and Cash Equivalents	<u>76,559</u>	<u>77,697</u>
Supplemental Disclosure:		
Interest Paid	<u>119,045</u>	<u>122,753</u>

See accompanying notes and auditors' report

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 1

Organization

Sunset Green Housing Corp. is a cooperative housing corporation incorporated in the State of New York in 1957. The cooperative was organized pursuant to the Limited-Profit Housing Companies Law of the State of New York with the approval of the Commissioner of Housing of the State of New York and is supervised by the State of New York Division of Homes and Community Renewal (HCR). The cooperative, which is located in Yonkers, New York, consists of 70 residential apartments. The primary purpose of the cooperative is to manage the operations of the building and maintain the common elements.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from tenant-stockholders, including maintenance charges and special assessments, be recognized as revenue in the statements of loss.

For purposes of the statements of cash flows, the cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

Tenant-stockholders are subject to monthly charges to provide funds for the cooperative's operating expenses, future capital acquisitions, and major repairs and replacements. Tenants' Accounts Receivable at the balance sheets date represent various fees due from tenant-stockholders. Any excess charges at year end are retained by the cooperative for use in the succeeding year.

Property and equipment is being carried at cost. Depreciation of the building is being computed by the straight-line method over its estimated useful life at the rate of 2% per annum. Building and maintenance equipment is being depreciated over estimated useful lives ranging from five to twenty-seven and one-half years.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 2

Summary of Significant Accounting Policies - continued

Costs incurred in obtaining long-term financing, included under mortgage payable on the balance sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related debt agreement. The amortization of these costs are being recognized as interest expense-debt issuance costs on the statements of loss.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The cooperative accounts for certain revenue items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to any portion of maintenance charges and special assessments allocated for mortgage amortization and capital improvements which are being accounted for as contributions to additional paid-in capital for income tax purposes whereas such items are recognized as revenue for financial reporting.

Effective January 1, 2020 the cooperative adopted Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. The topic requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects consideration to which an entity expects to be entitled to in exchange for those goods or services. For purposes of this cooperative, the definition of customers includes the tenant-stockholders.

The new standard became effective beginning January 1, 2019. The guidance permitted two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). Adoption of this standard had no impact on the cooperative's financial position, results of operations or cash flows.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 3 Concentration of Credit Risk

The cooperative maintains various bank and money market accounts that at times may exceed insured credit limits. The cooperative has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

Note 4 Property and Equipment

Property and Equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Land	28,075	28,075
Building	1,041,317	1,041,317
Building Improvements	1,913,707	1,854,673
Furniture and Fixtures	15,097	15,097
Maintenance Equipment	<u>21,573</u>	<u>21,573</u>
	3,019,769	2,960,735
Less: accumulated depreciation	<u>2,060,380</u>	<u>2,006,568</u>
Total Property and Equipment	<u>959,389</u>	<u>954,167</u>

Depreciation expense for the years ending March 31, 2022 and 2021 was \$53,812 and \$54,565, respectively.

Note 5 Funds

New York State HCR requires that certain reserves be established to provide for future contingencies. Accordingly, retained earnings have been appropriated as follows as of March 31st:

	<u>2022</u>	<u>2021</u>
Replacements	1,879,057	2,007,879
Contingency	-0-	-0-
Painting and Decorating	<u>40,400</u>	<u>37,400</u>
	<u>1,919,457</u>	<u>2,045,279</u>

Note 6 Mortgages Payable

On December 29, 2016, the cooperative refinanced its existing mortgage in the National Cooperative Bank (NCB) in the amount of \$3,000,000. The new mortgage requires monthly payments of \$14,776 which includes the reduction of principal pursuant to a 30 year amortization schedule and interest at the rate of 4.26% per annum. The new mortgage is scheduled to mature on January 1, 2027 at which time the entire unpaid principal balance plus accrued interest will be due and payable.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 6

Mortgages Payable - continued

The cooperative's previous mortgage in the amount of \$1,400,000 was also held by NCB and had a principal balance of approximately \$1,180,700 at the time of refinancing. The old mortgage required monthly payments of \$8,430, which included principal and interest at the rate of 6.04% per annum.

Principal maturities of the new mortgage are as follows:

2023	60,832
2024	63,203
2025	66,296
2026	69,217
2027 (including payoff)	2,464,376

As part of the refinancing, the cooperative also obtained a Line of Credit in the amount of \$500,000. No amount was borrowed on the line of credit as of March 31, 2022 and 2021.

Note 7

Charges and Fees

Pursuant to an order from the Commissioner of HCR on December 15, 2016, the cooperative implemented a one-step monthly carrying charge increase, effective February 1, 2017, from \$202.22 per rental room to \$208.55 per rental room. In April 2022, HCR approved a two step increase in monthly carrying charges. The first is from \$208.55 to \$225.10 per rental room effective May 1, 2022 and the second is from \$225.10 to \$241.65 per rental room effective May 1, 2023. Each of these increases were required in order to offset substantially higher operating expenses, fund required capital improvements and provide for a balanced budget in future fiscal years.

Note 8

Real Estate Taxes - Tax Abatements

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during 2021 and 2020. The abatements, which include Star, Veterans, Senior Citizens and cooperative abatements (where applicable) have been passed on to the stockholders by direct payment or as a credit against carrying charges. Any undistributed abatements as of the fiscal year end have been included on the Balance Sheets in Current Liabilities as Due to Stockholders - Real Estate Tax Credits. As the abatements benefit the stockholders, the real estate tax expense reflected in these financial statements is gross of all the aforementioned tax abatements.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 9

Benefits

The cooperative participated in the Building Service 32BJ Pension Fund, Employer Identification Number 13-1879376, Plan 001, for the years ended March 31, 2022 and 2021. The cooperative participated in this multi-employer plan, for the years ended March 31, 2022 and 2021 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires April 20, 2022 and the cooperative has no intention of withdrawing from the plan.

The risks of participating in multi-employer plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, 2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and 3) if the cooperative chooses to stop participating in its multi-employer pension plan, the cooperative may be required to pay the plan an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability.

The zone status is based on information that the cooperative received from the plan and is certified by the plan's actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The most recent Pension Protect Act (PPA) zone status available is for the plan's year-end at June 30, 2020 and 2019. The certified zone status for the plan for each of these years was red and a rehabilitation plan has been implemented. This rehabilitation plan currently involves a surcharge to the cooperative.

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended March 31, 2022 and 2021. The fund provides health benefits (medical, surgical, hospital, prescription drugs, behavioral health, optical, dental) and life insurance coverage for eligible participants and their covered dependents. Retired employees are eligible for health benefits if they retire before age 65, but after age 62; accumulated 15 combined years of pension service credit; worked both 90 days immediately before retirement and at least 36 months of the 60 months before retiring; and are receiving an early or regular retirement pension from the Building Service 32BJ Pension Fund. These benefits continue for the retired employee and eligible dependents until they become eligible for Medicare, until age 65, or until the retiree's pension is suspended, whichever occurs first.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 9

Benefits - continued

The cooperative made the following contributions to the plans:

	<u>2022</u>	<u>2021</u>
Pension Contributions	9,339	8,728
Health Contributions	39,948	38,478

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

Note 10

Income Taxes

Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. Under Subchapter T, income from non-patronage sources in excess of expenses properly attributable thereto may be subject to tax. The cooperative believes that all of its income is patronage sourced. Accordingly, no provision for taxes, if any, that could result from the application of Subchapter T to the cooperative's income has been reflected in the accompanying financial statements. The cooperative is not subject to New York State Franchise tax.

Losses incurred in years prior to 2018, may be carried forward for twenty years from the year incurred and may be used to offset 100% of taxable income. Due to a change in the tax law, federal net operating losses incurred in 2018 and thereafter may be carried forward indefinitely, but may only be used to offset 80% of taxable income each year. This law was subsequently modified under the CARES Act, which was enacted March 27, 2020. Under the CARES Act, the 80% taxable income limitation is delayed until years beginning after December 31, 2020. The 80% limitation will apply to any net operating loss arising in a year beginning after December 31, 2017 and deducted for a year beginning after December 31, 2020. Additionally, the Act provides that for losses arising in 2018, 2019 and 2020, such loss shall be a net operating loss carryback to each of the prior five taxable years. Additionally, as is the case under pre-2018 law, the taxpayer may make an election to waive the carryback and instead treat losses arising in these years as net operating loss carryovers.

As of March 31, 2022, the cooperative has available federal net operating loss carryforwards to apply to future taxable income of approximately \$1,134,000. These net operating loss carryforwards consist of carryforwards of approximately \$674,000 which expire beginning in 2023 and continuing through 2037 and carryforwards of approximately \$460,000 which were incurred in 2019 and thereafter.

SUNSET GREEN HOUSING CORP.

Notes to Financial Statements

March 31, 2022 and 2021

Note 10 **Income Taxes - continued**

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the cooperative believes that its estimates are appropriate based on current facts and circumstances. The cooperative's tax filings are subject to audit by various taxing authorities. The cooperative's federal income tax returns for the last three years remain open to examination.

Note 11 **Future Major Repairs and Replacements**

The cooperative 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 cooperative may borrow, utilize available cash, increase carrying charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

Note 12 **Subsequent Events**

Management has evaluated subsequent events through July 21, 2022, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

**To the Board
SUNSET GREEN HOUSING CORP.**

We have audited the financial statements of Sunset Green Housing Corp. as of and for the years ended March 31, 2022 and 2021, and our report thereon dated July 21, 2022, which expressed an unqualified opinion on those financial statements, appears on Page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of budget with actual operating amounts and schedule of repairs and maintenance, which are the responsibility of the entity's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bloom and Streit LLP

**BLOOM AND STREIT LLP
Certified Public Accountants
July 21, 2022**

SUNSET GREEN HOUSING CORP.

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	Year Ended	Year Ended
	<u>Mar. 31, 2022</u>	<u>Mar. 31, 2022</u>	<u>Mar. 31, 2021</u>
	(Unaudited)		
RECEIPTS			
Carrying Charges	857,170	857,170	857,170
Vacancy (Loss)	(3,000)	(3,398)	(7,623)
Fuel Surcharge	20,000	0	0
Garage and Parking Income	16,000	14,766	15,390
Laundry Room Income	5,000	5,830	4,844
Appliance Charges	16,000	16,363	15,702
Surcharge Income	26,000	26,733	20,097
Real Estate Tax Refund	0	0	14,000
Miscellaneous Income	7,000	7,377	2,169
Total Receipts	944,170	924,841	921,749
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	34,000	34,134	32,980
Legal Expense	2,000	300	5,789
Auditing	14,100	14,100	13,800
Office and Administrative Expenses	13,024	12,833	13,965
Total Administrative Expenses	63,124	61,367	66,534
UTILITIES EXPENSES			
Fuel	120,000	194,250	114,980
Electricity	78,000	81,392	74,155
Water and Sewer	42,000	42,129	48,703
Gas	4,500	5,505	4,500
Total Utilities Expenses	244,500	323,276	242,338
MAINTENANCE EXPENSES			
Superintendent's Payroll	56,000	58,073	54,499
Maintenance Payroll	54,000	54,947	52,170
Supplies and Uniforms	10,000	10,048	15,320
Repairs and Maintenance	40,000	67,861	75,636
Elevator Maintenance	10,000	9,426	11,843
Exterminating	2,000	1,333	2,000
Total Maintenance Expenses	172,000	201,688	211,468

See auditors' report on supplementary information

SUNSET GREEN HOUSING CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Mar. 31, 2022</u> (Unaudited)	Actual Year Ended <u>Mar. 31, 2022</u>	Actual Year Ended <u>Mar. 31, 2021</u>
TAXES AND INSURANCE			
Real Estate Taxes	138,000	138,957	138,814
Payroll Taxes	8,000	9,323	11,920
Licenses and Permits	1,000	1,459	1,280
Insurance	45,000	47,109	42,775
Union Welfare and Pension Fund	51,000	51,152	49,117
Total Taxes and Insurance	<u>243,000</u>	<u>248,000</u>	<u>243,906</u>
FINANCIAL EXPENSES			
Interest on Mortgage	118,831	118,831	121,298
Interest on Credit Line - Facility Fee	1,250	1,250	1,250
Total Financial Expenses	<u>120,081</u>	<u>120,081</u>	<u>122,548</u>
CONTRIBUTIONS TO EQUITY AND RESERVES			
Amortization of Mortgage	58,265	58,265	55,806
Reserve for Replacements	40,200	40,200	40,200
Reserve for Painting and Decorating	3,000	3,000	3,000
Total Contributions to Equity and Reserves	<u>101,465</u>	<u>101,465</u>	<u>99,006</u>
Total Expenditures	<u>944,170</u>	<u>1,055,877</u>	<u>985,800</u>
NET DEFICIT FOR THE YEAR	<u>0</u>	<u>(131,036)</u>	<u>(64,051)</u>

See auditors' report on supplementary information

SUNSET GREEN HOUSING CORP.

Schedule of Repairs and Maintenance

For the Years Ended March 31,

	<u>2022</u>	<u>2021</u>
Boiler, Burners and Compactors	18,475	10,450
Plumbing, Pipes and Tanks	28,151	19,423
Electrical, Intercom and Antenna	1,763	919
Painting, Plastering and Carpentry Work	12,152	26,145
Apartment Restoration - Net Rebilled Charges	0	10,362
Locks, Keys and Equipment	5,138	4,110
Rubbish Removal	0	936
Garage Door	272	272
Grounds and Snow Removal	360	1,169
General	1,550	1,850
Total Repairs and Maintenance	<u>67,861</u>	<u>75,636</u>

See auditors' report on supplementary information