LINDSAY PARK HOUSING CORP.

FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2022 and 2021

LINDSAY PARK HOUSING CORP.

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Marin &
Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINKI, CPA

Independent Auditor's Report

To: The Board of Directors and Shareholders of Lindsay Park Housing Corp.

Opinion

We have audited the financial statements of Lindsay Park Housing Corp., which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of operations, accumulated 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 Lindsay Park Housing Corp. as of June 30, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Lindsay Park 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 Lindsay Park 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 generally accepted auditing standards 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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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 Lindsay Park 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 evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Lindsay Park 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.

Omission of Required Supplementary Information

Management has omitted the information about the estimates of future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement 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 the missing information.

December 6, 2022

Marin & Montanye LLP

LINDSAY PARK HOUSING CORP. EXHIBIT A

BALANCE SHEETS

As of June 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash in banks – Schedule 1	$ 36,918,818	$ 34,111,595
Receivables:		
Shareholders' arrears	9,663,801	8,148,284
Less: Allowance for uncollectible accounts – (Note 5)	(7,498,637)	(6,662,406)
Commercial rent and laundry	10,562	49,770
First loan proceeds	2,173,404	98,858
Due from Title Company, Escrowed Funds	-0-	40,750
Prepaid Expenses:		
Insurance	1,423,754	1,287,785
Real estate taxes	568,376	528,166
Service contracts	28,976	59,155
Interest expense – insurance loan	18,984	11,072
TOTAL CURRENT ASSETS	43,308,038	37,673,029
FUND		
Capital Repair and Replacement Reserve Fund – Schedule 2	19,541,369	18,715,245
PROPERTY AND EQUIPMENT		
Land	3,465,335	3,465,335
Buildings	43,313,260	43,313,260
Building improvements and equipment	79,781,809	70,133,940
Less: Accumulated depreciation	(72,902,285)	(70,662,094)
NET PROPERTY AND EQUIPMENT	53,658,119	46,250,441
OTHER ASSETS		
Cash – Security deposits	124,959	121,659
Utility and commercial deposits	2,900	2,900
Unamortized lease costs	69,917	74,275
Unamortized J-51 abatement costs	18,000	18,000
TOTAL OTHER ASSETS	215,776	216,834
TOTAL ASSETS	$ 116,723,302	$ 102,855,549

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP. EXHIBIT A

BALANCE SHEETS

As of June 30, 2022 and 2021

LIABILITIES AND STOCKHOLDERS' DEFICIT

	2022	2021
CURRENT LIABILITIES		
Accounts payable and accrued expenses – Schedule 3	$ 4,138,997	$ 2,963,842
Resale and community room deposits payable	1,607,567	1,243,644
Prepaid occupancy income	444,585	406,033
Tax exemptions payable	203,449	93,355
Deferred Section 99-h grant income – current portion – (Note 6)	218,182	218,182
Deferred WAP grant income – current portion – (Note 6)	441,390	441,390
Insurance loans payable	947,622	868,056
TOTAL CURRENT LIABILITIES	8,001,792	6,234,502
LONG TERM AND OTHER LIABILITIES		
First mortgage payable – (Note 7)	34,130,903	27,999,240
Third mortgage payable – (Note 7)	110,763,885	109,876,849
Less: Unamortized debt issuance costs – (Note 2)	(1,777,467)	(1,834,039)
Section 99-h – advances – (Note 6)	6,000,000	6,000,000
Less: Grant income recognized – prior – (Note 6)	(4,363,640)	(4,145,458)
Deferred grant income – current	(218,182)	(218,182)
Deferred grant – Weatherization Assistance Program (WAP) – (Note 6)	12,138,232	12,138,232
Less: Grant income recognized – prior – (Note 6)	(4,763,334)	(4,321,944)
Deferred grant income – current	(441,390)	(441,390)
Rent security deposits held	144,501	141,379
Applicant deposits payable	385,100	377,850
PPP Loan – (Note 8)	-0-	1,005,035
TOTAL LONG TERM AND OTHER LIABILITIES	151,998,608	146,577,572
TOTAL LIABILITIES	160,000,400	152,812,074
STOCKHOLDERS' DEFICIT		
Capital Stock – Issued 248,937 shares at $50 par value	12,446,850	12,446,850
Contributed Capital	300	300
Additional equity contributed – (Note 11)	4,059,305	3,793,755
Accumulated Deficit	(59,783,553)	(66,197,430)
TOTAL STOCKHOLDERS' DEFICIT	(43,277,098)	(49,956,525)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$116,723,302	$102,855,549

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP. EXHIBIT B

STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

For The Years Ended June 30, 2022 and 2021

		2022	2021
INCOME			
Rent Income			
Maintenance charges		$ 32,668,958	$ 32,665,919
Less: Vacancy loss		(572,764)	(514,285)
Superintendent's apartments		(74,282)	(74,282)
Professional and commercial – (Note 9)		793,380	798,910
Parking		692,593	697,098
Community rooms		45,325	-0-
Total Rent Income		33,553,210	33,573,360
Other Income			
Interest		144,485	316,606
Laundry		183,043	196,125
Appliances		91,185	100,690
Air conditioners		285,705	318,920
Surcharge		1,135,138	602,766
Grant – (Note 6)		659,572	659,572
Sundry		331,403	187,214
Total Other Income		2,830,531	2,381,893
TOTAL INCOME		36,383,741	35,955,253
EXPENSES			
Administrative and management	Schedule 4	2,183,077	1,537,145
Operating	Schedule 5	13,435,646	13,361,747
Repairs and maintenance	Schedule 6	6,000,953	4,370,224
Taxes, insurance and benefits	Schedule 7	6,153,621	6,170,339
Financial	Schedule 8	957,054	954,432
Depreciation and amortization	Schedule 9	2,244,548	1,250,703
TOTAL EXPENSES		30,974,899	27,644,590
INCOME FROM OPERATIONS BEFORE PPP LOAN INTEREST ANDFORGIVENESS		$ 5,408,842	$ 8,310,663
Interest expense on PPP loan		(10,274)	-0-
PPP loan forgiveness – (Note 8)		1,015,309	-0-
NET INCOME		6,413,877	8,310,663
Beginning Accumulated Deficit		(66,197,430)	(74,508,093)
Ending Accumulated Deficit		$ (59,783,553)	$ (66,197,430)

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP.

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2022 and 2021

EXHIBITS C & D

EXHIBIT C

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 6,413,877	$ 8,310,663
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	2,244,548	1,250,703
Mortgage interest expense related to amortization of debt issuance costs	56,572	56,572
Deferred grant income – recognized	(659,572)	(659,572)
Increase in provision for bad debt	836,231	-0-
Increase in receivables	(3,510,105)	(623,477)
Increase in prepaid expenses	(153,912)	(97,707)
Increase in security deposits	(3,300)	-0-
Increase (Decrease) in accounts payable and accrued expenses	1,397,496	(305,051)
Increase (Decrease) in rent, resale and community room deposits payable	374,295	(284,577)
Interest income – restricted Reserve Fund and investments	(7,966)	(103,110)
Total Adjustments	574,287	(766,219)
CASH PROVIDED BY OPERATING ACTIVITIES	6,988,164	7,544,444
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,641,998)	(9,893,121)
(Increase) Decrease in investments	(2,407,024)	716,000
(Increase) Decrease in Reserve Fund	(17,784)	42,000
CASH USED BY INVESTING ACTIVITIES	(12,066,806)	(9,135,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from first mortgage	6,131,663	8,864,503
Proceeds from third mortgage	887,036	887,037
PPP Loan proceeds (forgiveness)	(1,005,035)	1,005,035
Additional equity contributions	265,550	139,650
CASH PROVIDED BY FINANCING ACTIVITIES	6,279,214	10,896,225
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,200,572	9,305,548
Cash, cash equivalents and restricted cash at beginning of year	23,860,036	14,554,488
Cash, cash equivalents and restricted cash at end of year	$ 25,060,608	$ 23,860,036

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

EXHIBIT D

	2022	2021
Cash paid during the year:		
Interest	$ 13,445	$ 10,823

Non-Cash Investing and Financing Activities:
Additions to property and equipment accrued were $42,601 and $36,730 for the years ended June 30, 2022 and 2021, respectively.

See Notes to Financial Statements.

1. ORGANIZATION

Lindsay Park Housing Corp. ("the Corporation") is a Limited Profit Housing Corporation organized and existing under Article II of the Private Housing Finance Law of the State of New York. The housing complex is built on a 22-acre site with seven twenty-two story apartment towers containing 2,702 apartments, seven superintendent's apartments, two supermarkets, and a commercial building containing stores and offices. The primary purpose of the Corporation is to manage the operations of Lindsay Park Housing Corp. and maintain the common elements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Depreciation

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated lives of the assets. During the year ended June 30, 2016, the buildings became fully depreciated.

Amortization of Lease Costs

Lease costs are being amortized over the lives of the respective leases.

Amortization of Debt Issuance Costs

Costs incurred in obtaining long-term financing, included under mortgages payable on the balance sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the term of the related debt agreement, as applicable.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance charges to provide funds for the Corporation's operating expenses, future capital acquisitions, and repairs and replacements. An operating assessment is recognized as income when the related performance obligation (the purpose of the assessment) is satisfied. The performance obligations, relating to capital assessments, are satisfied and recorded as income when these funds are expended for their designated purpose. In accordance with FASB ASC 606, a capital assessment that is not expended in the current year will be deferred to subsequent years and will only be recognized as income when the performance obligation is satisfied.

Shareholder Maintenance - Accounts Receivable

Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose maintenance charges are delinquent. Any excess maintenance charges at year end are retained by the Corporation for use in future years.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Fair Value Measurement

FASB ASC 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date.

The three levels are defined as follows:

Level 1 - Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 - Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate asset backed securities, and swap agreements.

Level 3 - Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

3. INVESTMENTS

The Corporation's certificates of deposit and treasury securities are recorded at cost plus accrued interest which approximates fair value and have been categorized based upon a fair value hierarchy (Note 2).

As of June 30, 2022, the investments are as follows:

	Cost	Accrued Interest	Level 1 Fair Value
Merrill Lynch – Certificates of Deposit	$ 7,857,000	$ 3,905	$ 7,860,905
Merrill Lynch - United States Treasuries	$ 11,183,910	$ 4,061	$11,187,971

As of June 30, 2021, the investments were as follows:

	Cost	Accrued Interest	Level 1 Fair Value
Merrill Lynch – Certificates of Deposit	$16,622,000	$ 11,886	$16,633,886

4. STATEMENTS OF CASH FLOWS

The following tables provide a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that adds to the total of the same amounts as shown on the statements of cash flows as of June 30, 2022 and 2021.

	2022	2021
Cash – Operating Account	$ 11,265,772	$11,585,387
Cash – Debit Card Account	2,231	1,274
Cash – Restricted – Equity Account	1,346,700	1,013,523
Cash – Money Market	2,303	2,781
Cash – Restricted Capital Assessment Accounts	445,936	446,168
Cash – Restricted First Sale Capital Assessment Account	458,357	387,392
Cash – Community Room Account	124,417	124,827
Cash – Restitution Account	733,105	732,697
Cash – Escrow Account	99,259	424,610
Cash – Merrill Lynch – Bank Deposit Program	3,391,862	2,759,050
Cash – Restricted Money Market	7,190,666	6,382,327
Total cash, cash equivalents and restricted cash as shown on the statements of cash flows	$ 25,060,608	$23,860,036

5. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

As of June 30, 2022, a provision for uncollectible accounts in the amount of $7,498,637 was established for arrears on past tenants. The allowance was established to present receivables at their net realizable value.

For the year ended June 30, 2022, bad debt expense totaled $872,406, which represents amounts deemed uncollectible.

6. GRANT INCOME

Section 99-h

During the year ended June 30, 2002, the Corporation was issued a grant in the form of a credit line of $6,000,000 to do rehabilitation and renovation work. The income generated by this grant is being amortized using the straight-line method over the estimated useful life of the capital improvements, 27.5 years. As of June 30, 2022, the balance of the deferred grant income was $1,636,360.

Grant income realized was $218,182 for each of the years ended June 30, 2022 and 2021.

Weatherization Assistance Program

During the year ended June 30, 2012, the Corporation received a grant from the New York State Division of Housing and Community Renewal Weatherization Assistance Program (WAP) to weatherize the dwelling units in the housing complex. The total cost for the scope of the work was $12,138,232, of which the Corporation was responsible for $500,007. The income generated by this grant is being amortized using the straight-line method over the estimated useful lives of the capital improvements, 27.5 years. As of June 30, 2022, the balance of the deferred grant income is $ 7,374,898.

Grant income realized was $441,390 for each of the years ended June 30, 2022 and 2021.

7. MORTGAGES PAYABLE

Mortgage Payable

On June 30, 2002, the Corporation restructured its existing mortgage held by the City of New York in the amount of $103,471,637 as follows:

PRINCIPAL AMOUNTS:	$ 30,323,409	Mitchell Lama principal
	8,555,879	Mitchell Lama principal
	63,612,173	Mitchell Lama arrears
	980,176	Mitchell Lama administrative charges
	$ 103,471,637	Total Principal

INTEREST: 2.50% per annum on $30,323,409 accruing from September 1, 2002 through May 1, 2042.
7.86% per annum on $28,762,386 accruing from July 1, 2002 through August 31, 2002.
4.75% per annum on $10,116,901 accruing from July 1, 2002 through August 31, 2002.

PAYMENTS AND MATURITY: $100,000 per month on the $30,323,409 including interest and principal commencing on May 1, 2003 through May 1, 2042.

The $74,408,430 payment due May 1, 2042 was comprised of the following:

$ 1,186,373	Due May 1, 2042 - remaining balance of $30,323,409.
71,342,643	Due May 1, 2042 - deferred without interest.
375,424	Due May 1, 2042 - interest deferred on the $28,762,386 for the period July 1, 2002 through August 2002 and deferred thereafter without any further interest accruing.
444,114	Due May 1, 2042 - interest deferred on the $30,323,409 for the period July 1, 2002 through April 30, 2003 and deferred thereafter without any further interest accruing.
79,700	Due May 1, 2042 - interest accrued on the $10,116,901 for the period July 1, 2002 through August 31, 2002 and deferred thereafter without any further interest accruing.
980,176	Due May 1, 2042 - Mitchell Lama administrative charges without interest accruing.
$ 74,408,430	Total payment due May 1, 2042

The Corporation received a gain on mortgage restructuring in the amount of $75,198,164 for the year ended June 30, 2002. This mortgage restructuring agreement met the criteria and requirements of a troubled debt restructuring. The present value of this loan was imputed using the prevailing effective interest rate of 5.54% as of June 30, 2002. The Mitchell Lama administrative charge by New York City does not need to reflect imputed interest, since the only significant modification in the original terms is an extension of the due date.

Interest was charged on the mortgage at an effective rate of 5.54% per annum, inclusive of monthly payments of $100,000 commencing May 1, 2003 and continuing through May 1, 2042. On January 1, 2009, the Corporation entered into an agreement with the City of New York which modified the terms of payment of the indebtedness to include a suspension of the monthly payments of $100,000 during the period commencing January 1, 2009. Said forbearance was to be continued until new terms were reached in connection with a pending mortgage loan with the City of New York.

7. MORTGAGES PAYABLE – (continued)

Mortgage Restructuring
On November 26, 2018, the Corporation restructured its existing mortgages held by the City of New York in the amount of $107,573,018, which represents $27,982,223 of outstanding principal portion and $79,590,795 of accrued and unpaid interest. The Corporation also negotiated three new mortgages with New York City Housing Development Corporation (“HDC”) to finance capital improvements.

First Mortgage Payable
The terms of the senior mortgage are as follows:

Principal:	$47,840,500
Interest Rate:	Construction loan interest rate inclusive of 0.25% servicing fees is 4.05% during the construction period, no later than thirty-six (36) months after the loan closing date. Permanent loan interest rate inclusive of the servicing fees will be 4.75%, no later than thirty-six (36) months after the loan closing date (“Permanent Conversion Date”).
Monthly Payment:	Monthly payments of interest only during the construction period, which are accrued into the loan principal and are capitalized as construction costs. Fully amortizing monthly payments of principal and interest in the amount of $233,689 after the permanent conversion. As of June 30, 2022, funds totaling $34,130,903 have been advanced on this loan.
Maturity:	35 years from the permanent conversion date, prepayment is not allowed for the first ten years from the first principal payment date, but is allowed afterwards, subject to a premium as disclosed in the mortgage closing documents.

Second Mortgage Payable
The terms of the second mortgage are as follows:

Principal:	$2,315,000
Interest Rate:	Construction loan interest rate inclusive of 0.25% servicing fees is 4.55% during the construction period, no later than thirty-six (36) months after the loan closing date. Permanent loan interest rate inclusive of the servicing fees will be 4.75%, no later than thirty-six (36) months after the permanent conversion date.

7. MORTGAGES PAYABLE – (continued)

Monthly Payment:	Monthly payments of interest only during the construction loan. Fully amortizing monthly payments of principal and interest in the amount of $23,272 during the permanent loan.
	As of June 30, 2022, no advances have been made on this loan.
Maturity:	10 years from the permanent conversion date. This loan may not be prepaid prior to its maturity.

Third Mortgage Payable
The terms of the third mortgage are as follows:

Principal:	$107,573,018
Interest Rate:	Construction loan interest rate inclusive of 0.25% servicing fees is 3.17% on the assigned principal portion of $27,982,223 during the construction period, no later than thirty-six (36) months after the permanent conversion date. Permanent loan interest rate inclusive of the servicing fees will remain at 3.17%, no later than thirty-six (36) months after the permanent conversion date. The assigned interest portion of $79,590,794 shall bear interest at a rate of 0% per annum.
Monthly Payment:	No monthly payments towards principal or interest; simple interest, accrued and deferred only during the construction period. Monthly payments of principal and interest shall equal 1% from 50% of the Mortgagor's net cash flow after the permanent conversion. The remainder will defer and accrue (simple interest) and a balloon payment shall become due and payable at maturity.
Maturity:	35 years from the permanent conversion date.
	As of June 30, 2022, the outstanding principal balance of the third loan is $110,763,885.
	Interest expense was $943,609 for each of the years ended June 30, 2022 and 2021, which includes amortized debt issuance costs of $56,572 for each of the years.

Fourth Mortgage Payable
The terms of the fourth mortgage are as follows:

Principal:	$2,125,000
Interest Rate:	None
Monthly Payment:	No monthly payments towards principal or interest. At maturity, the loan shall be assigned to HPD and is expected to be forgiven in accordance with HPD's statutory authority.

7. MORTGAGES PAYABLE – (continued)

Fourth Mortgage Payable

Maturity:	35 years from the permanent conversion date.
Income Recognition:	The proceeds from this loan were escrowed by HDC and as applications for payment regarding approved work are sent, the funds will be released to the contractor performing the work. The capital projects will be capitalized and depreciated over 27.5 years. The funds will be recognized as income over a period of 27.5 years. As of June 30, 2022, no advances have been made.

The additional financing terms are as follows:

Building Reserve Fund

The loan shall provide for a Building Reserve Fund into which monthly payments in the amount of $67,725 shall be made commencing on the date of the Permanent Conversion and thereafter on the first day of each month until the First Loan is paid in full. The monthly Building Reserve Fund payment will be increased annually in accordance with any increase in the New York City Consumer Price Index. The Mortgage shall also provide for a capitalized Operating Reserve, which shall be paid to HDC on the date of the Permanent Conversion. An initial capitalized operating reserve was funded in the amount of $2,709,000.

Capitalized Operating

As a condition to the making of the loan, the First, Second and Third loans, shall require that the Corporation contribute funds towards a portion of the cost of rehabilitation (the "Borrower Equity Contribution"). The Borrower Equity Contribution is expected to be funded from (i) all or a portion of the proceeds from the Corporation's sale of 24 Boerum Street and (ii) the Project's cash flow from operations during the Scheduled Construction Period ("Cash Flow"). Commencing at Construction Loan Closing and continuing on the first business day of each month during the Scheduled Construction Period, the Corporation will contribute $209,240 to HDC monthly.

As of June 30, 2022, the two Reserve Funds totaled $19,541,369.

The loan notes are collateralized by the land and buildings owned by the Corporation.

8. PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On March 15, 2021, the Corporation entered into a U.S. Small Business Administration Guaranteed Loan in the amount of $1,005,035 with an interest rate of 1.00% per annum under the Coronavirus Aid Relief, Economic Security Act and Paycheck Protection Program. The Loan was to mature five (5) years from the date of the Loan. The Borrower may repay this Loan, in whole or in part, at any time without premium or penalty. Borrower may be entitled to the forgiveness of some or all of the Loan, pursuant to the Paycheck Protection Program. To apply for forgiveness, Borrower must comply with the related provisions of the Cares Act. On March 18, 2022, the $1,005,035 Payroll Protection Loan plus $10,274 in interest was forgiven in its entirety.

9. PROFESSIONAL AND COMMERCIAL INCOME

The Corporation has lease agreements with thirteen commercial tenants expiring on various dates.

As of June 30, 2022, monthly rents are as follows:

			Lease Expires
Suite A	$ 2,079	per month	month-to-month
Suite AA	1,172	per month	03/31/2023
Suite B	-0-	per month	Vacated 2/28/2022
Suite D	3,380	per month	month-to-month
Suite K, L, M	4,450	per month	12/31/2022
180 Union Ave	6,120	per month	10/31/2026
190 Union Ave	4,160	per month	11/30/2034
192 Union Ave	4,200	per month	month- to -month
194 Union Ave	3,087	per month	12/31/2024
196 Union Ave	3,028	per month	05/31/2023
198 Union Ave	5,250	per month	07/31/2031
204-208 Union Ave	14,264	per month	12/31/2039
21/21A Manhattan Ave.	12,112	per month	10/31/2026

Combined annual rentals over the next five years are as follows:

Year Ending June 30:	
2023	$ 588,928
2024	551,236
2025	518,550
2026	526,044
2027	387,854

Although not shown in combined annual rental income, it is anticipated that expiring leases will be renewed. Additionally, during the years ended June 30, 2022 and 2021, the Corporation recognized $ 32,530 and $60,346, respectively, in real estate tax escalation income.

Total professional and commercial income was $ 793,380 and $798,910 for the years ended June 30, 2022 and 2021, respectively.

10. CONTINGENCIES

During the year ended June 30, 2019, the Corporation entered into a contract with Xinos Construction Corp. for the rehabilitation of the Corporation's buildings in the amount of $42,181,447. As of June 30, 2022, the contract price with change orders was $48,616,603 and payments of $26,845,141 have been made towards this contract. A performance bond for this project was paid to Xinos Construction in the amount of $1,054,536. This project will be funded through the loans that were negotiated in November 2018 (Note 7).

10. CONTINGENCIES – (continued)

There are various legal proceedings against the Corporation. While it is not feasible to predict or determine the outcome of any of these cases, it is of the opinion that their outcome will not have any material adverse effect on the financial position of the Corporation. The claims have been deemed to be within the limits of the liability insurance policy and are being defended by the Corporation's attorney.

11. EQUITY INCREASE

Pursuant to a resolution adopted by the Board of Directors, the shareholders of the Corporation approved an increase in the par value of all shares from $25 to $50, effective May 1, 1997 through April 1, 2000. Current shareholders had the option of paying the increase in full during May of 1997 at an 8% discount or paying in installments over a three-year period beginning May 1, 1997. All funds generated by this increase in the par value of the shares have been segregated for use in connection with major capital improvement programs.

On January 27, 2006, the City of New York Department of Housing Preservation and Development ("HPD") approved the first sale capital assessment at an increase of 100%, so that effective February 26, 2006, the equity cost to incoming shareholders became 200% of the present cost. The outgoing shareholder will receive the equity refund in exactly the same amount as if the first sale capital assessment was not in effect. The additional amount paid by the incoming shareholder will become part of that shareholder's equity at move out. This assessment is necessary to pay for the Corporation's anticipated capital repair needs without extra expense to the present shareholders. As of June 30, 2022 additional equity collected from new shareholders amounted to $4,059,305.

12. INCOME TAXES

Under the Tax Cuts and Jobs Act passed into law on December 22, 2017, the carryforward of net operating losses ("NOL") generated for tax years beginning after December 31, 2017 no longer expire. However, these losses can only be used to offset 80% of taxable income in any one year. Losses incurred prior to years beginning January 1, 2018 can continue to be used to offset 100% of taxable income.

As of June 30, 2022, the Corporation had a total NOL of $66,994,070. The NOL of $36,733,298 will expire in various years through 2035. The remaining NOL of $30,260,772 generated from taxable losses subsequent to December 31, 2017 does not expire under present tax law.

It is believed that the Corporation will not benefit from any deferred tax benefits resulting from prior net operating losses, therefore no deferred tax assets have been recognized.

For the year ended June 30, 2022 the Corporation has incurred net income but due to permanent timing differences and net operating loss carryforwards is not subject to Federal income tax. The Corporation is a limited profit housing company and therefore is not subject to State or City tax.

The Corporation's Federal tax return is subject to examination by the applicable taxing authority for a period of three years after filing the return.

13. REAL ESTATE TAXES

The Corporation has been granted an 80% abatement on the assessed value of the corporate property, and a corresponding 80% abatement of real estate taxes due, providing such abatement shall not result in real estate taxes being reduced to less than 10% of annual shelter rent.

14. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a formal CIRA 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, but has conducted an Integrated Physical Needs Assessment in conjunction with the mortgage restructuring. This report is not included in these financial statements. However, a copy of this study is available at the management office. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation may have the right to borrow, utilize available cash, increase maintenance charges, pass special assessments or delay repairs and replacements until the funds are available, provided they have the approval of HPD. The effect on future assessments has not been determined at this time.

15. UNION BENEFITS

Substantially all of the Corporation's employees are members of the Service Employees International Union ("SEIU") Local 32BJ and covered by a union sponsored, collectively bargained, multiemployer defined benefit pension, annuity and health insurance plan (the "Plan"). The agreement is effective April 21, 2018 and will expire on April 20, 2022. The Corporation makes contributions to the Plan based on the number of weeks worked by each employee covered under the union contract. During the years ended June 30, 2022 and 2021, the Corporation contributed $1,429,822 and $1,406,907, respectively, to the Plan of which $325,279 and $302,032, respectively, was for pension expense. The Corporation's contributions to the Plan were less than 5% of the Plan's total contributions.

Contributions to the Building Service 32BJ Pension Fund, Employer Identification Number 13-1879376, (Plan 001) (the "Fund") are not segregated or otherwise restricted to provide benefits only to the Corporation's employees. The risk of participating in a multiemployer pension plan is different from a single-employer pension plan in the following aspects: 1) assets contributed to a multiemployer pension 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 Corporation chooses to stop participating in its multiemployer pension plan, the Corporation 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.

In accordance with the Pension Protection Act of 2006, the Fund receives an annual certified zone status from its actuary, which summarizes its funding status. Plans in the "red zone" are generally less than 65% funded, plans in the "yellow zone" are 65% to 80% funded, and plans in the "green zone" are at least 80% funded. As of the date of issuance of these financial statements, the Fund's most recently available certified zone status was "red" for the plan year ended June 30, 2022. The Fund is considered to be in critical status for the plan year beginning July 1, 2021 and ended June 30, 2022 and its actuary has determined that there will be a funding deficiency within the next two plan years. A Rehabilitation Plan aimed at restoring the Fund's financial health has been adopted. The Plan's Board of Trustees adopted a Rehabilitation Plan intended to enable the Plan to emerge from critical status over a 10-year period beginning July 1, 2013. This recovery is projected to be achievable through contribution increases (which were implemented in the last round of collective bargaining). Information as to the Corporation's portion of the unfunded vested benefits and Plan assets has not been determined. The Corporation has no intention of withdrawing from the Plan.

16. PETROLEUM CLEANUP

During the year ended June 30, 2010, the New York State Department of Environmental Conservation issued a stipulation which requires the Corporation to clean up and remove five discharges of petroleum which occurred in various locations at the Lindsay Park Housing complex. As of June 30, 2019, the Corporation had completed the process of correcting the petroleum discharges at all but one location and incurred costs of approximately $22,000,000, of which approximately $9,000,000 remained unpaid. On September 11, 2019, a settlement agreement was made with 410 LEX INC. (d/b/a ProTest Environmental) in the amount of $7,300,000 to satisfy the remaining unpaid invoices in the approximate amount of $9,000,000. The Corporation is still remediating this at one location and was required to install and monitor several monitoring wells.

17. CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash in bank deposit accounts in financial institutions whose balances, at times, may exceed federally insured limits. At June 30, 2022, the Corporation's cash balances exceeded the insured limit.

18. COVID-19 CORONAVIRUS

In early 2020, the COVID-19 Coronavirus spread in the United States. As a result, this may cause the Corporation to experience disruptions that could severely impact its ability to carry out its activities. The impact of the outbreak of the COVID-19 Coronavirus continues to rapidly evolve. The extent to which the COVID-19 Coronavirus may impact the Corporation will depend on future developments, which are highly uncertain and cannot be predicted with confidence. Due to any unknown factors that may come to light if this Coronavirus outbreak and any associated protective or preventative measures expand, as of the date of the auditor's report, the Corporation cannot reasonably estimate the impact to its activities, revenues, financial conditions or results of operations, however, such impact could be significantly negative.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 6, 2022, the date at which the financial statements became available for issuance. No events have occurred, except as discussed below, that would require adjustments to, or disclosure in the financial statements.

Marin &
Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD B. MONTANYE, CPA
PATRICIA A. PRUSINKI, CPA

Independent Accountant's Report
On Supplementary and Prospective Information

To: The Board of Directors and Shareholders of Lindsay Park Housing Corp.

We have audited the financial statements of Lindsay Park Housing Corp. as of and for the years ended June 30, 2022 and 2021, and our report thereon dated December 6, 2022, which expressed an unmodified opinion on those financial statements, appears on Pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supporting Schedules and Comparative Schedule of Income and Expenditures - Budget and Historical 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, except for the portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We have also compiled the accompanying forecast of Lindsay Park Housing Corp. for the year ended June 30, 2023, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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

The accompanying forecasted information and this report are intended solely for the information and use of the Board of Directors and Shareholders of Lindsay Park Housing Corp. and are not intended to be and should not be used by anyone other than these specified parties.

December 6, 2022 for Historical Statements

June 30, 2022 for Forecasted Statements

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LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULE – BALANCE SHEETS

As of June 30, 2022 and 2021

		2022	2021
CASH IN BANKS		Schedule 1	
JP Morgan Bank	– Operating Account	$11,265,772	$11,585,387
	– Debit Card Account	2,231	1,274
	– Equity Account	1,346,700	1,013,523
	– Money Market	2,303	2,781
	– Capital Assessment Accounts	445,936	446,168
	– First Sale Capital Assessment Account	458,357	387,392
	– Community Room Account	124,417	124,827
	– Restitution Account	733,105	732,697
	– Escrow Account	99,259	424,610
Merrill Lynch	– Bank Deposit Program	3,391,862	2,759,050
	– Certificates of Deposit	7,860,905	16,633,886
	– US Treasuries	11,187,971	-0-
TOTAL CASH IN BANKS		$36,918,818	$34,111,595

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULE – BALANCE SHEETS

SCHEDULE OF CAPITAL REPAIR AND REPLACEMENT RESERVE FUND ACTIVITY

July 1, 2021 to June 30, 2022

		Schedule 2
CAPITAL REPAIR AND REPLACEMENT RESERVE FUND **(1)**		
Beginning Balance – July 1, 2021		$ 8,147,909
Plus:	Allocated at $300 per unit per year	810,600
	Annual requirement of 3% of annual maintenance	977,840
Less:	Vacancy loss and bad debt expense	(608,939)
	Capital improvements	(1,149,760) **(1)**
	Required Balance – June 30, 2022	$ 8,177,650
Minimum required balance at June 30, 2022		$ 8,148,669 **(2)**
Consisting of:		
Investments – Due from NYC HDC		$ 12,350,703
Money Market Account		7,190,666
	Total Capital Repair and Replacement Reserve Fund	$ 19,541,369

(1) Excludes capital improvements funded from loan drawdowns.

(2) The minimum requirement set by HPD for the Capital Repair and Replacement Reserve Fund is equal to the greater of $1,000 per Dwelling Unit or 25% of the annual maintenance. Should a shortfall occur, the Corporation must deposit 3% of the monthly maintenance until the minimum balance is achieved.

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULE – BALANCE SHEETS

As of June 30, 2022 and 2021

	2022	2021
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	Schedule 3	
Property and equipment	$ 42,601	$ 36,730
Property and equipment – First Loan proceeds	2,173,404	98,858
Miscellaneous office and administrative	410	3,049
Telephone and communications	189	321
Legal	10,856	59,194
Auditing	12,217	800
Consulting	-0-	6,888
Exterminating	4,192	5,762
Security service	36,216	73,559
Water and sewer	59,173	56,694
Electricity	285,581	300,975
Gas – Cooking	15,577	13,153
Gas – Heating	49,653	103,283
Swimming pool	61,396	-0-
Permits and miscellaneous operating	-0-	3,389
Janitorial and maintenance supplies	81,901	65,405
Compactor supplies and repairs	6,696	22,238
Heating and plumbing	920,753	1,740,367
Painting	61,607	92,349
Repairs and maintenance	152,801	43,449
Uniforms	9,815	10,922
Elevator contract and repairs	5,636	-0-
Pipe privilege	6,010	-0-
Employee benefits	92,176	176,320
Other interest	50,137	50,137
TOTAL ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 4,138,997	$ 2,963,842

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULES – OPERATING EXPENSES

For The Years Ended June 30, 2022 and 2021

	2022	2021
ADMINISTRATIVE AND MANAGEMENT EXPENSES	Schedule 4	
Telephone and communications	$ 40,060	$ 37,950
Management fee	663,163	650,219
Legal fees	107,108	366,679
Auditing	80,604	86,439
Administrative and advertising	252,701	243,087
Consulting	167,035	152,771
Bad debt	872,406	-0-
TOTAL ADMINISTRATIVE AND MANAGEMENT EXPENSES	$ 2,183,077	$ 1,537,145
OPERATING EXPENSES	Schedule 5	
Superintendent's salary	$ 618,302	$ 541,378
Janitor's payroll	2,126,977	1,947,092
Exterminating	17,186	39,535
Security service	2,527,147	2,432,923
Water and sewer charges	2,445,237	2,729,798
Electricity	3,256,454	3,300,456
Gas – Cooking	271,209	223,003
Gas – Heating	1,926,610	2,061,849
Swimming pool	219,495	34,286
Permits and miscellaneous operating	27,029	51,427
TOTAL OPERATING EXPENSES	$13,435,646	$13,361,747
REPAIRS AND MAINTENANCE EXPENSES	Schedule 6	
Maintenance payroll	$ 782,677	$ 828,340
Supplies and maintenance materials	954,415	855,701
Heating and plumbing repairs	1,988,417	1,619,560
Painting and plastering	863,305	537,534
Electrical repairs	61,415	84,615
General repairs and maintenance	963,407	447,491
Less: Billed to shareholders	(139,382)	(232,134)
Elevators – contracts and repairs	280,585	251,680
Grounds	77,244	200
Special repairs – oil spill	-0-	24,850
– flood damage	160,561	191,236
– fire damage	38,037	26,123
Less: Insurance claim reimbursements	(29,728)	(264,972)
TOTAL REPAIRS AND MAINTENANCE EXPENSES	$ 6,000,953	$ 4,370,224

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULES – OPERATING EXPENSES

For The Years Ended June 30, 2022 and 2021

	2022	2021
TAXES, INSURANCE AND BENEFITS	Schedule 7	
New York City real estate taxes	$ 2,765,714	$ 3,094,008
Payroll taxes	300,334	262,676
Insurance – hazard	1,365,705	1,123,961
– payroll	286,036	276,777
Employee benefits	1,429,822	1,406,907
Pipe privilege	6,010	6,010
TOTAL TAXES, INSURANCE AND BENEFITS	$ 6,153,621	$ 6,170,339
FINANCIAL EXPENSES	Schedule 8	
Interest – Third loan payable – (includes amortized debt issuance costs)	943,609	943,609
– Insurance loan	13,445	10,823
TOTAL FINANCIAL EXPENSES	$ 957,054	$ 954,432
DEPRECIATION AND AMORTIZATION	Schedule 9	
Improvements and equipment	$ 2,240,190	$ 1,246,345
Amortization of lease costs	4,358	4,358
TOTAL DEPRECIATION AND AMORTIZATION	$ 2,244,548	$ 1,250,703

See Accountant's Report.

LINDSAY PARK HOUSING CORP. EXHIBIT E

COMPARATIVE SCHEDULE OF INCOME AND EXPENDITURES – BUDGET, HISTORICAL AND FORECAST
Years Ended June 30, 2022, 2021 Historical) and Year Ending June 30, 2023 (Forecasted)

	2021/2022		2020/2021	2022/2023
	Budget Unaudited	Actual	Actual	Forecast
INCOME				
Maintenance charges	$ 32,664,729	$ 32,668,958	$ 32,665,919	$ 32,664,729
Less: Vacancy loss	(600,000)	(572,764)	(514,285)	(600,000)
Superintendents' apartments	(74,282)	(74,282)	(74,282)	(74,282)
Professional and commercial	700,000	793,380	798,910	730,000
Parking	700,000	692,593	697,098	700,000
Community rooms	-0-	45,325	-0-	45,000
Interest – operations	4,000	973	856	1,000
Laundry	180,000	183,043	196,125	180,000
Appliances	90,000	91,185	100,690	90,000
Air conditioners	200,000	285,705	318,920	285,000
Surcharge	500,000	1,135,138	602,766	820,000
Swimming pool	-0-	-0-	-0-	90,000
Late charges	50,000	-0-	-0-	25,000
Sundry including storage and wait list income	200,000	331,403	187,214	200,000
TOTAL INCOME **(1)**	34,614,447	35,580,657	34,979,931	35,156,447
EXPENDITURES				
Office and administrative	225,000	252,701	243,087	250,000
Telephone and communications	35,000	40,060	37,950	40,000
Management fee	663,300	663,163	650,219	676,425
Legal	350,000	107,108	366,679	300,000
Auditing	75,300	80,604	86,439	90,000
Consulting	65,000	167,035	152,771	160,000
Bad debt	350,000	872,406	-0-	500,000
Payroll	3,400,000	3,527,956	3,316,810	3,670,000
Exterminating	40,000	17,186	39,535	40,000
Security	2,500,000	2,527,147	2,432,923	2,600,000
Water and sewer charges	2,800,000	2,445,237	2,729,798	2,800,000
Electricity	3,500,000	3,256,454	3,300,456	3,585,000
Gas – Cooking	240,000	271,209	223,003	298,000
Gas – Heating	2,100,000	1,926,610	2,061,849	2,125,000
Swimming pool	300,000	219,495	34,286	300,000
Permits and miscellaneous operating	150,000	27,029	51,427	40,000
Heating and plumbing repairs	1,500,000	1,988,417	1,619,560	1,800,000
Electrical repairs	75,000	61,415	84,615	75,000
Supplies and maintenance materials	875,000	954,415	855,701	950,000
General repairs and maintenance	(550,000	(963,407	(447,491	975,000
Less: Billed to Shareholders	(	((139,382)	((232,134)	
Special repairs	100,000	198,598	242,209	100,000
Special repairs – Contingency	500,000	-0-	-0-	500,000
Less: Insurance claim reimbursements	-0-	(29,728)	(264,972)	-0-
Elevators – Contracts and repairs	300,000	280,585	251,680	290,000
Grounds	10,000	77,244	200	10,000
Painting and plastering	700,000	863,305	537,534	750,000
New York City real estate taxes	2,800,000	2,765,714	3,094,008	3,200,000
Payroll taxes	271,000	300,334	262,676	314,000
Insurance and insurance losses	1,600,000	1,651,741	1,400,738	1,725,000
Employee benefits	1,500,000	1,429,822	1,406,907	1,500,000
Pipe privilege	6,200	6,010	6,010	6,200
Allocation for reserves	1,791,000	1,788,440	1,788,349	1,790,000
Charged to reserves – Vacancy and bad	(550,000)	(608,939)	(514,285)	(550,000)
Purchase of capital improvements	-0-	1,149,760	696,425	-0-
Charged to reserves – Capital	-0-	(1,149,760)	(696,425)	-0-
Other interest	15,000	13,445	10,823	15,000
New loan interest and amortization (2)	1,806,989	-0-	-0-	-0-
Required Reserve funding per mortgage	1,520,274	2,510,877	2,510,877	2,510,877
TOTAL EXPENDITURES	32,164,063	31,477,120	29,235,219	33,435,502
SURPLUS (3)	$ 2,450,384	$ 4,103,537	$ 5,744,712	$ 1,720,945

(1) Does not reflect grant income of $659,572 for each of the years ended June 30, 2022 and 2021.
(2) Does not reflect deferred interest on third loan and mortgage nor amortized debt issuance costs.
(3) The 2022 and 2021 surplus was set aside into an operating reserve account to fund future operating deficits or capital improvements.

See Accountant's Compilation Report and Summary of Significant Accounting Policies and Assumptions.

LINDSAY PARK HOUSING CORP.

YEAR ENDING JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND FORECAST ASSUMPTIONS

NOTE A: The financial forecast presents, to the best of management's knowledge and belief, the company's expected results of operations for the forecast period. Accordingly, the forecast reflects its judgment, as of June 30, 2022, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. 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.

NOTE B: Basis of Accounting – The accompanying forecast is presented using the accrual basis of accounting. Income is recorded when earned and expenses are recorded when incurred.

NOTE C: Income Tax – The Corporation is subject to Federal income tax based on net income. The Corporation is a limited profit housing company and is not subject to New York State Franchise tax or New York City corporation tax.

NOTE D: Revenue – Maintenance charges have been computed based on $2,722,061 per month. Commercial rent and escalations are calculated based on current lease terms.

NOTE E: Expenses – Payroll expense is based on the current union contract. Heating gas expense is based on current contract rates. Utility increases are due to increases in rates. Real estate taxes are computed based on shelter rent.

NOTE F: The accompanying forecast does not include the following non-cash activities:

1. Grant income of $659,572 per annum.
2. Imputed or accrued mortgage interest.