

SUNSET GREEN HOUSING CORP.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

SUNSET GREEN HOUSING CORP.

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BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

ACCOUNTANTS' DISCLAIMER

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

The accompanying financial statements of Sunset Green Housing Corp. as of and for the periods ended September 30, 2023 and 2022, were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
November 17, 2023

SUNSET GREEN HOUSING CORP.

Balance Sheets

As of September 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank and on Hand	53,905	76,559
Cash in Operating Account	6,840	15,625
Tenants' Accounts Receivable	45,738	35,511
Prepaid Expenses	<u>93,673</u>	<u>63,832</u>
Total Current Assets	<u>200,156</u>	<u>191,527</u>
 FUNDS		
Operating Escrow and Reserves		
Cash and Equivalents	<u>1,417,093</u>	<u>2,307,391</u>
Total Funds	<u>1,417,093</u>	<u>2,307,391</u>
 PROPERTY AND EQUIPMENT -		
Net Book Value	<u>1,736,207</u>	<u>931,409</u>
 TOTAL ASSETS		
	<u><u>3,353,456</u></u>	<u><u>3,430,327</u></u>

	<u>2023</u>	<u>2022</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	209,839	220,739
Accrued Interest on Mortgage	9,969	10,190
Rents Received in Advance	4,113	14,384
Due to Stockholders - Real Estate Tax Credits	22,742	25,984
Exchanges Payable	40,079	61,444
Mortgage Payable - Amortization payments due within one year	<u>64,592</u>	<u>62,168</u>
Total Current Liabilities	<u>351,334</u>	<u>394,909</u>
LONG-TERM LIABILITIES		
Mortgage Payable (due after one year)	2,567,548	2,632,141
Less: Unamortized Debt Issuance Costs	<u>(17,519)</u>	<u>(22,911)</u>
Total Long-Term Liabilities	<u>2,550,029</u>	<u>2,609,230</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)	(1,736,824)	(2,619,316)
Appropriated Retained Earnings:		
Reserve for Replacement	1,035,307	1,894,894
Reserve for Painting and Decorating	<u>44,900</u>	<u>41,900</u>
Total Stockholders' Equity	<u>452,093</u>	<u>426,188</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>3,353,456</u></u>	<u><u>3,430,327</u></u>

See accountants' disclaimer

Substantially all disclosures required by accounting principles generally accepted in the United States are not included

SUNSET GREEN HOUSING CORP.

Statements of Income

For the Six Months Ended September 30,

	<u>2023</u>	<u>2022</u>
INCOME		
Carrying Charges - Net of Vacancy Loss\Uncollectable Charges	479,706	455,634
Garage and Parking Income	5,870	4,125
Laundry Room Income	3,265	2,400
Appliance Charges	8,250	8,711
Interest and Dividend Income	19,283	4,828
Surcharge Income	11,227	15,560
Miscellaneous Income	3,566	1,350
Total Income	<u>531,167</u>	<u>492,608</u>
EXPENSES		
Administrative Expenses	33,312	34,725
Utilities Expenses	96,867	127,373
Maintenance Expenses	71,932	76,487
Taxes and Insurance Expenses	146,923	125,401
Financial Expenses	57,903	59,237
Interest - Debt Issuance Costs	2,696	2,696
Total Expenses Before Depreciation	<u>409,633</u>	<u>425,919</u>
NET INCOME BEFORE DEPRECIATION	121,534	66,689
Depreciation	<u>(29,100)</u>	<u>(27,980)</u>
NET INCOME FOR THE PERIOD	<u>92,434</u>	<u>38,709</u>

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SUNSET GREEN HOUSING CORP.

Statements of Retained Earnings (Deficit)

For the Six Months Ended September 30,

	<u>2023</u>	<u>2022</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(2,588,557)	(2,640,688)
Net Income for the Period	92,434	38,709
Allocation to/Release from Reserve for Replacements	800,182	9,091
Payment to Reserves		
Reserve for Replacements	(39,383)	(24,928)
Reserve for Painting and Decorating	<u>(1,500)</u>	<u>(1,500)</u>
RETAINED EARNINGS (DEFICIT) - End of Period	<u><u>(1,736,824)</u></u>	<u><u>(2,619,316)</u></u>

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SUNSET GREEN HOUSING CORP.

Statements of Cash Flows

For the Six Months Ended September 30,

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Net Income	92,434	38,709
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	29,100	27,980
Interest Expense - Debt Issuance Costs	2,696	2,696
Revenue allocated to financing activities	(30,952)	(29,615)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(7,748)	(3,720)
Operating Escrow Deposits	794,951	(23,300)
Prepaid Expenses	(37,717)	(10,974)
Increase (Decrease) in operating liabilities:		
Accounts Payable	(40,752)	2,241
Accrued Interest on Mortgage	200	198
Rents Received in Advance	(3,585)	5,211
Due to Stockholders	6,539	6,199
Exchanges Payable	3,425	0
Net cash provided by operating activities	<u>808,591</u>	<u>15,625</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(800,183)	0
Net cash used by investing activities	<u>(800,183)</u>	<u>0</u>
Cash Flows From Financing Activities		
Portion of Carrying Charges applied to Amortization of Mortgage	30,952	29,615
Amortization of Mortgage	(30,952)	(29,615)
Net cash provided (used) by financing activities	<u>0</u>	<u>0</u>
Increase in Cash and Cash Equivalents	8,408	15,625
Cash and Cash Equivalents at Beginning of Year	<u>52,337</u>	<u>76,559</u>
Cash and Cash Equivalents at End of Period (see next page)	<u>60,745</u>	<u>92,184</u>

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SUNSET GREEN HOUSING CORP.

Statements of Cash Flows

For the Six Months Ended September 30,

	<u>2023</u>	<u>2022</u>
Represented by:		
Cash in Bank and on Hand	53,905	76,559
Cash in Operating Account	<u>6,840</u>	<u>15,625</u>
Cash and Cash Equivalents	<u>60,745</u>	<u>92,184</u>
 Supplemental Disclosure:		
Interest Paid	<u>57,078</u>	<u>59,039</u>

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SUNSET GREEN HOUSING CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Mar. 31, 2024</u>	Budget 6 Months <u>Sep. 30, 2023</u>	Actual 6 Months <u>Sep. 30, 2023</u>	Variance Favorable <u>(Unfavorable)</u>
RECEIPTS				
Carrying Charges	986,839	490,619	490,619	0
Vacancy Loss	(20,000)	(10,000)	(10,913)	(913)
Garage and Parking Income	12,000	6,000	5,870	(130)
Laundry Room Income	5,000	2,500	3,265	765
Appliance Charges	18,000	9,000	8,250	(750)
Surcharge Income	24,000	12,000	11,227	(773)
Utility Pass-Through	24,000	0	0	0
Miscellaneous Income	5,000	2,500	3,566	1,066
Total Receipts	<u>1,054,839</u>	<u>512,619</u>	<u>511,884</u>	<u>(735)</u>
EXPENDITURES				
ADMINISTRATIVE EXPENSES				
Management Fee	39,000	19,500	18,333	1,167
Legal Expense	3,000	1,500	711	789
Auditing	14,400	7,200	7,200	0
Office and Administrative Expenses	14,414	7,207	7,068	139
Total Administrative Expenses	<u>70,814</u>	<u>35,407</u>	<u>33,312</u>	<u>2,095</u>
UTILITIES EXPENSES				
Fuel	180,000	33,000	31,637	1,363
Electricity	84,000	48,000	47,924	76
Water and Sewer	30,000	15,000	14,906	94
Gas	6,000	3,000	2,400	600
Total Utilities Expenses	<u>300,000</u>	<u>99,000</u>	<u>96,867</u>	<u>2,133</u>
MAINTENANCE EXPENSES				
Superintendent's Payroll	50,000	25,000	21,892	3,108
Maintenance Payroll	48,000	24,000	24,692	(692)
Supplies	10,000	5,000	4,469	531
Repairs and Maintenance	46,000	23,000	12,236	10,764
Elevator Maintenance	14,000	7,000	7,385	(385)
Exterminating	4,000	2,000	1,258	742
Total Maintenance Expenses	<u>172,000</u>	<u>86,000</u>	<u>71,932</u>	<u>14,068</u>

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SUNSET GREEN HOUSING CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Mar. 31, 2024</u>	Budget 6 Months <u>Sep. 30, 2023</u>	Actual 6 Months <u>Sep. 30, 2023</u>	Variance Favorable (Unfavorable)
TAXES AND INSURANCE				
Real Estate Taxes	142,000	71,000	71,895	(895)
Payroll Taxes	10,000	5,000	4,289	711
Licenses and Permits	2,000	1,000	330	670
Insurance	84,000	42,000	43,695	(1,695)
Union Welfare and Pension Fund	52,000	26,000	26,714	(714)
Total Taxes and Insurance	<u>290,000</u>	<u>145,000</u>	<u>146,923</u>	<u>(1,923)</u>
FINANCIAL EXPENSES				
Interest on Mortgage	114,371	57,278	57,278	0
Interest on Credit Line	1,250	625	625	0
Total Financial Expenses	<u>115,621</u>	<u>57,903</u>	<u>57,903</u>	<u>0</u>
CONTRIBUTIONS TO EQUITY AND RESERVES				
Amortization of Mortgage	63,204	30,952	30,952	0
Reserve for Replacements	40,200	20,100	20,100	0
Reserve for Painting and Decorating	3,000	1,500	1,500	0
Total Contributions to Equity and Reserves	<u>106,404</u>	<u>52,552</u>	<u>52,552</u>	<u>0</u>
Total Expenditures	<u>1,054,839</u>	<u>475,862</u>	<u>459,489</u>	<u>16,373</u>
NET SURPLUS (DEFICIT) FOR THE PERIOD	<u>0</u>	<u>36,757</u>	<u>52,395</u>	<u>15,638</u>

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SUNSET GREEN HOUSING CORP.

Schedule of Repairs and Maintenance

For the Six Months Ended September 30,

	<u>2023</u>	<u>2022</u>
Boiler and Burners	3,413	10,211
Plumbing and Pipes	9,816	2,284
Electrical, Intercom and Antenna	593	1,161
Painting, Plastering and Carpentry Work	369	999
Apartment Restoration Rebilled to Shareholders	(5,342)	(6,211)
Appliances, Locks and Keys	0	1,976
Equipment and Fencing	722	0
Compactor and Incinerator	1,807	2,341
Garage Door	703	408
Consultants	155	0
Total Repairs and Maintenance	<u>12,236</u>	<u>13,169</u>

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