LINDSAY PARK HOUSING CORP.

FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2023 and 2022

LINDSAY PARK HOUSING CORP.

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Marin &
Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

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, 2023 and 2022, 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, 2023 and 2022 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.

90 MERRICK AVENUE – SUITE 605, EAST MEADOW, NY 11554-1599 • (516) 625-3700 • (718) 347-8600 • FAX (516) 625-3881
www.marinmontanye.com

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 1, 2023

Marin & Montanye LLP

LINDSAY PARK HOUSING CORP. EXHIBIT A

BALANCE SHEETS

As of June 30, 2023 and 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash in banks – Schedule 1	$ 16,825,718	$ 17,869,942
Investments – Schedule 1	24,136,312	19,048,876
Total cash and investments	40,962,030	36,918,818
Receivables:		
Shareholders' arrears	11,411,478	9,663,801
Less: Allowance for uncollectible accounts – (Note 5)	(8,186,615)	(7,498,637)
Commercial rent and laundry	21,485	10,562
First loan proceeds	2,403,548	2,173,404
Sundry	10,359	-
Prepaid Expenses:		
Insurance	1,795,929	1,423,754
Real estate taxes	671,497	568,376
Service contracts	28,976	28,976
Interest expense – insurance loan	-	18,984
TOTAL CURRENT ASSETS	49,118,687	43,308,038
FUND		
Capital Repair and Replacement Reserve Fund – Schedule 2	18,116,572	19,541,369
TOTAL FUND	18,116,572	19,541,369
PROPERTY AND EQUIPMENT		
Land	3,465,335	3,465,335
Buildings	43,313,260	43,313,260
Building improvements and equipment	86,666,783	79,781,809
Less: Accumulated depreciation	(75,482,994)	(72,902,285)
NET PROPERTY AND EQUIPMENT	57,962,384	53,658,119
OTHER ASSETS		
Cash – Security deposits	124,959	124,959
Utility and commercial deposits	2,900	2,900
Unamortized lease costs	65,558	69,917
Unamortized J-51 abatement costs	18,000	18,000
Commercial leases – FASB ASC 842 adjustment – (Note 2)	209,810	-
TOTAL OTHER ASSETS	421,227	215,776
TOTAL ASSETS	$ 125,618,870	$ 116,723,302

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP. EXHIBIT A

BALANCE SHEETS

As of June 30, 2023 and 2022

LIABILITIES AND STOCKHOLDERS' DEFICIT

	2023	2022
CURRENT LIABILITIES		
Accounts payable and accrued expenses – Schedule 3	$ 4,420,698	$ 4,138,997
Resale and community room deposits payable	1,826,027	1,607,567
Prepaid occupancy income	448,186	444,585
Tax exemptions payable	290,931	203,449
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
TOTAL CURRENT LIABILITIES	7,645,414	8,001,792
LONG TERM AND OTHER LIABILITIES		
First mortgage payable – (Note 7)	37,718,364	34,130,903
Third mortgage payable – (Note 7)	111,650,922	110,763,885
Less: Unamortized debt issuance costs – (Note 2)	(1,720,895)	(1,777,467)
Section 99-h – advances – (Notes 6 and 7)	6,000,000	6,000,000
Less: Grant income recognized – prior – (Note 6)	(4,581,822)	(4,363,640)
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)	(5,204,724)	(4,763,334)
Deferred grant income – current	(441,390)	(441,390)
Rent security deposits held	144,501	144,501
Applicant deposits payable	379,350	385,100
TOTAL LONG TERM AND OTHER LIABILITIES	155,864,356	151,998,608
TOTAL LIABILITIES	163,509,770	160,000,400
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)	4,189,959	4,059,305
Accumulated Deficit	(54,527,009)	(59,783,553)
TOTAL STOCKHOLDERS' DEFICIT	(37,890,900)	(43,277,098)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 125,618,870	$ 116,723,302

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP. — EXHIBIT B

STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

For The Years Ended June 30, 2023 and 2022

		2023	2022
INCOME			
Rent Income			
Maintenance charges		$ 32,675,004	$ 32,668,958
Less: Vacancy loss		(562,974)	(572,764)
Superintendent's apartments		(74,282)	(74,282)
Professional and commercial leases – (Note 9)		821,062	793,380
Commercial leases – FASB ASC 842 – adjustment – (Notes 2 and 9)		209,810	-
Parking		693,704	692,593
Community rooms		59,125	45,325
Total Rent Income		33,821,449	33,553,210
Other Income			
Interest		898,837	144,485
Laundry		190,845	183,043
Appliances		89,010	91,185
Air conditioners		299,742	285,705
Surcharge		1,486,437	1,135,138
Swimming pool		116,570	-
Grant – (Note 6)		659,572	659,572
Sundry		483,285	331,403
Total Other Income		4,224,298	2,830,531
TOTAL INCOME		38,045,747	36,383,741
EXPENSES			
Administrative and management	Schedule 4	2,253,103	2,183,077
Operating	Schedule 5	15,109,860	13,435,646
Repairs and maintenance	Schedule 6	5,305,075	6,000,953
Taxes, insurance and benefits	Schedule 7	6,573,505	6,153,621
Financial	Schedule 8	962,593	957,054
Depreciation and amortization	Schedule 9	2,585,067	2,244,548
TOTAL EXPENSES		32,789,203	30,974,899
INCOME FROM OPERATIONS BEFORE PPP LOAN INTEREST AND FORGIVENESS		5,256,544	5,408,842
Interest expense on PPP loan		-	(10,274)
PPP loan forgiveness – (Note 8)		-	1,015,309
NET INCOME		5,256,544	6,413,877
Beginning Accumulated Deficit		(59,783,553)	(66,197,430)
Ending Accumulated Deficit		$ (54,527,009)	$ (59,783,553)

See Notes to Financial Statements.

LINDSAY PARK HOUSING CORP. EXHIBITS C & D

STATEMENTS OF CASH FLOWS EXHIBIT C

For The Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 5,256,544	$ 6,413,877
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	2,585,067	2,244,548
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	687,978	836,231
Increase in accounts receivables	(1,999,103)	(3,510,105)
Increase in prepaid expenses	(456,312)	(153,912)
Increase in security deposits	-	(3,300)
Increase (Decrease) in accounts payable and accrued expenses	(532,237)	1,397,496
Increase in rent, resale and community room deposits payable	212,710	374,295
Interest income – Reserve Fund and investments	(737,884)	(7,966)
FASB ASC 842 adjustment	(209,810)	-
Total Adjustments	(1,052,591)	574,287
CASH PROVIDED BY OPERATING ACTIVITIES	4,203,953	6,988,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(6,927,575)	(9,641,998)
Increase in investments	(4,794,706)	(2,407,024)
(Increase) Decrease in Reserve Fund	1,869,952	(796,123)
CASH USED BY INVESTING ACTIVITIES	(9,852,329)	(12,845,145)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from first mortgage	3,587,461	6,131,663
Proceeds from third mortgage	887,037	887,036
PPP Loan	-	(1,005,035)
Additional equity contributions	129,654	265,550
CASH PROVIDED BY FINANCING ACTIVITIES	4,604,152	6,279,214
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,044,224)	422,233
Cash, cash equivalents and restricted cash at beginning of year	17,869,942	17,447,709
Cash, cash equivalents and restricted cash at end of year	$ 16,825,718	$ 17,869,942

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION EXHIBIT D

	2023	2022
Cash paid during the year:		
Interest	$ 18,984	$ 13,445

Non-Cash Investing and Financing Activities:
Additions to property and equipment accrued were $-0- and $42,601 for the years ended June 30, 2023 and 2022, 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 statements 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.

Marketable Securities
The Corporation invests in debt securities. The Corporation's policy is to classify debt securities as held-to-maturity and record the carrying value at cost adjusted for amortization of premiums or discounts and accrued interest.

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.

Adoption of FASB ASC 842

Effective July 1, 2022, the Corporation adopted FASB ASC 842, Leases. The Corporation determines if an arrangement contains a lease at inception based on whether the Corporation has the right to control the asset during the contract period and other facts and circumstances. The Corporation elected to adopt the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

Under ASC 840, the original lease accounting standard, the Corporation was allowed to disclose their operating leases in the footnotes to financial statements. Under the new standard ASC 842, all leases that are longer than 12 months must be recorded on the balance sheets.

Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the lessee will exercise the option.

The Corporation adopted ASC 842 under the effective method approach and elected to adopt the package of practical expedients permitted under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

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.

Reclassification

Certain items in the 2022 financial statements have been reclassified to conform to current year classifications. Such reclassifications had no effect on previously reported net income.

3. INVESTMENTS

The Corporation's certificates of deposit are recorded at cost plus accrued interest which approximates fair value and have been categorized based upon a fair value hierarchy (Note 2). The Corporation's debt securities are classified as held-to-maturity with the carrying value recorded at cost adjusted for amortization of premiums or discounts and accrued interest

As of June 30, 2023, the investments are as follows:

Certificates of Deposit:	Cost	Accrued Interest	Level 1 Fair Value
Merrill Lynch – Certificates of Deposit	$ 5,122,000	$ 19,762	$ 5,141,762

Debt Securities Held To Maturity:	Face Value	Maturity	Carrying Value
Merrill Lynch – United States Treasuries	$ 19,173,000	Various	$ 18,994,550

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

Certificates of Deposit:	Cost	Accrued Interest	Level 1 Fair Value
Merrill Lynch – Certificates of Deposit	$ 7,857,000	$ 3,905	$ 7,860,905

Debt Securities Held To Maturity:	Face Value	Maturity	Carrying Value
Merrill Lynch – United States Treasuries	$ 11,183,910	Various	$ 11,187,971

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, 2023 and 2022.

	2023	2022
Cash – Operating Account	$ 9,504,517	$ 11,265,772
Cash – Debit Card Account	4,124	2,231
Cash – Restricted – Equity Account	1,316,800	1,346,700
Cash – Money Market	1,860	2,303
Cash – Restricted - Capital Assessment Accounts	453,642	445,936
Cash – Restricted First Sale Capital Assessment	845,513	458,357

4. STATEMENTS OF CASH FLOWS – (continued)

	2023	2022
Cash – Community Room Account	126,231	124,417
Cash – Restitution Account	746,571	733,105
Cash – Escrow Account	92,637	99,259
Cash – Merrill Lynch – Bank Deposit Program	3,733,823	3,391,862
Total cash, cash equivalents and restricted cash on the statements of cash flows	$ 16,825,718	$ 17,869,942

5. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

As of June 30, 2023, a provision for uncollectible accounts in the amount of $8,186,615 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, 2023, bad debt expense totaled $687,978, 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, 2023, the balance of the deferred grant income was $1,418,178.

Grant income realized was $218,182 for each of the years ended June 30, 2023 and 2022.

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, 2023, the balance of the deferred grant income is $6,933,508.

Grant income realized was $441,390 for each of the years ended June 30, 2023 and 2022.

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

7. MORTGAGES PAYABLE – (continued)

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.

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

7. MORTGAGES PAYABLE – (continued)

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, 2023, funds totaling $37,718,364 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.
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, 2023, 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.

7. MORTGAGES PAYABLE – (continued)

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, 2023, the outstanding principal balance of the third loan is $111,650,922.

Interest expense was $943,609 for each of the years ended June 30, 2023 and 2022, 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.
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, 2023, no advances have been made.

Fourth Mortgage Payable
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.

7. MORTGAGES PAYABLE – (continued)

Capitalized Operating
As a condition to the making of the loan, the First, Second and Third loans, shall require that the Corporation to 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, 2023, the two Reserve Funds totaled $18,116,572.

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 LEASES – (After the adoption of FASB ASC 842)

The Corporation has operating leases, which generate rental income from tenants and operating cash flows for the Corporation. Tenant leases generally have lease terms of sixteen years or less, with one or more renewal options available upon expiration of the initial lease term. Contractual rent increases for the renewal options are often fixed at the time of the initial lease agreement which may result in tenants being able to exercise their renewal options at amounts that are less than the fair value of the rent at the date of renewal. The professional and commercial leases are classified as operating leases in accordance with the provision of Financial Accounting Standards Board ("FASB") ASC 842 which requires the recognition of scheduled rent increases and deferred rent concessions, if any on a straight-line basis over the lease term.

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

As of June 30, 2023, monthly rents are as follows:

				Lease Expires
Suite A	$	-0-	per month	Vacated 10/1/2022
Suite AA		1,172	per month	Month-to-Month
Suite B		-0-	per month	Vacated 2/28/2022
Suite C		1,150	per month	7/31/2027
Suite D		4,021	per month	2/28/2031
Suite K, L, M		4,450	per month	Month-to-Month
180 Union Ave		6,120	per month	10/31/2026
190 Union Ave		4,264	per month	11/30/2034
192 Union Ave		4,200	per month	Month-to-Month
194 Union Ave		3,241	per month	12/31/2024
196 Union Ave		3,275	per month	5/31/2028

9. PROFESSIONAL AND COMMERCIAL LEASES – (After the adoption of FASB ASC 842) – (continued)

198 Union Ave	5,250	per month	7/31/2031
204-208 Union Ave	14,261	per month	12/31/2039
21/21A Manhattan Ave	12,113	per month	10/31/2026

The Corporation's operating leases are disclosed in the aggregate due to their consistent nature as professional and commercial leases. As of June 30, 2023, the undiscounted cash flows to be received from lease payments on our operating leases on an annual basis for the next five years and thereafter are as follows:

Year Ending June 30:	
2024	$ 653,472
2025	644,959
2026	635,939
2027	501,805
2028	425,447
Thereafter	3,438,251

Additionally, during the years ended June 30, 2023 and 2022, the Corporation recognized $44,716 and $32,530, respectively, in real estate tax escalation income.

Total professional and commercial lease income was $1,030,872 and $793,380 for the years ended June 30, 2023 and 2022, 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, 2023, the contract price with change orders was $48,616,603 and payments of $30,381,153 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).

There are two legal proceedings against the Corporation. While it is not feasible to predict or determine the outcome 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.

11. EQUITY INCREASE – (continued)

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, 2023 additional equity collected from new shareholders amounted to $4,188,959.

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, 2023, the Corporation had a total NOL of $60,748,997. The NOL of $30,488,225 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, 2023 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, 2022 and will expire on April 20, 2026. 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, 2023 and 2022, the Corporation contributed $1,714,196 and $1,429,822, respectively, to the Plan of which $373,978 and $325,279, 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 "yellow" for the plan year ended June 30, 2023. The Fund is considered to be in endangered status for the plan year beginning July 1, 2022, and its actuary has determined that the Plan is expected to emerge from endangered status within the statutory timeframe. A Rehabilitation Plan aimed at restoring the Fund's financial health has been adopted. 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, 2023, the Corporation's cash balances exceeded the insured limit.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 1, 2023, 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.

Marin &
Montanye LLP

CERTIFIED PUBLIC ACCOUNTANTS

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, 2023 and 2022, and our report thereon dated December 1, 2023, 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, 2024, 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 1, 2023 for Historical Statements

Marin & Montanye LLP

October 18, 2023 for Forecasted Statements

90 MERRICK AVENUE – SUITE 605, EAST MEADOW, NY 11554-1599 • (516) 625-3700 • (718) 347-8600 • FAX (516) 625-3881
www.marinmontanye.com

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULE – BALANCE SHEETS

As of June 30, 2023 and 2022

	2023	2022
CASH IN BANKS	Schedule 1	
JP Morgan Bank – Operating Account	$ 9,504,517	$ 11,265,772
– Debit Card Account	4,124	2,231
– Equity Account	1,316,800	1,346,700
– Money Market	1,860	2,303
– Capital Assessment Account	453,642	445,936
– First Sale Capital Assessment Account	845,513	458,357
– Community Room Account	126,231	124,417
– Restitution Account	746,571	733,105
– Escrow Account	92,637	99,259
Merrill Lynch – Bank Deposit Program	3,733,823	3,391,862
TOTAL CASH IN BANKS	16,825,718	17,869,942
INVESTMENTS		
Merrill Lynch – Certificates of Deposit	5,141,762	7,860,905
– U.S. Treasuries	18,994,550	11,187,971
TOTAL INVESTMENTS	24,136,312	19,048,876
TOTAL CASH IN BANKS AND INVESTMENTS	$ 40,962,030	$ 36,918,818

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, 2023

		Schedule 2	
CAPITAL REPAIR AND REPLACEMENT RESERVE FUND **(1)**			
Beginning Balance – July 1, 2022		$ 8,148,669	
Plus:	Allocated at $300 per unit per year	810,600	
	Annual requirement of 3% of annual maintenance	978,022	
Less:	Vacancy loss and bad debt expense	(978,022)	
	Capital improvements	(1,000,490)	**(1)**
	Required Balance – June 30, 2023	$ 7,958,779	
Minimum required balance at June 30, 2023		$ 8,150,181	**(2)**
Consisting of:			
Investments – Due from NYC HDC:			
Replacement Reserves		$ 12,648,532	
Construction Loan Mortgagor Equity		5,468,040	
	Total Capital Repair and Replacement Reserve Fund	$ 18,116,572	

(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.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULE – BALANCE SHEETS

As of June 30, 2023 and 2022

Schedule 3

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	2023	2022
Property and equipment	$ -	$ 42,601
Property and equipment – First Loan proceeds	2,403,548	2,173,404
Miscellaneous office and administrative	3,021	410
Telephone and communications	-	189
Legal	72,644	10,856
Audit	12,523	12,217
Consulting	2,566	-
Exterminating	-	4,192
Security service	44,195	36,216
Water and sewer	51,471	59,173
Electricity	343,293	285,581
Gas – Cooking	16,156	15,577
Gas – Heating	50,516	49,653
Swimming pool	2,602	61,396
Grounds	24,225	-
Janitorial and maintenance supplies	68,820	81,901
Compactor supplies and repairs	5,705	6,696
Heating and plumbing	796,412	920,753
Painting	-	61,607
Repairs and maintenance	169,209	152,801
Uniforms	-	9,815
Elevator contract and repairs	16,148	5,636
Pipe privilege	6,010	6,010
Special repairs	49,647	-
Payroll insurance	20,654	-
Employee benefits	201,208	92,176
NYS – ERAP	9,988	-
Other interest	50,137	50,137
TOTAL ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 4,420,698	$ 4,138,997

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULES – OPERATING EXPENSES

For The Years Ended June 30, 2023 and 2022

	2023	2022
ADMINISTRATIVE AND MANAGEMENT EXPENSES	Schedule 4	
Telephone and communications	$ 45,315	$ 40,060
Management fee	689,568	663,163
Professional fees	433,524	187,712
Administrative and advertising	265,147	252,701
Consulting	131,571	167,035
Bad debt	687,978	872,406
TOTAL ADMINISTRATIVE AND MANAGEMENT EXPENSES	$ 2,253,103	$ 2,183,077
OPERATING EXPENSES	Schedule 5	
Superintendent's salary	$ 630,053	$ 618,302
Janitor's payroll	2,240,983	2,126,977
Exterminating	18,863	17,186
Security service	2,669,523	2,527,147
Water and sewer charges	2,894,876	2,445,237
Electricity	3,969,980	3,256,454
Gas – Cooking	268,118	271,209
Gas – Heating	2,048,025	1,926,610
Swimming pool	359,090	219,495
Permits and miscellaneous operating	10,349	27,029
TOTAL OPERATING EXPENSES	$ 15,109,860	$ 13,435,646
REPAIRS AND MAINTENANCE EXPENSES	Schedule 6	
Maintenance payroll	$ 880,371	$ 782,677
Supplies and maintenance materials	940,745	954,415
Heating and plumbing repairs	1,354,273	1,988,417
Painting and plastering	630,028	863,305
Electrical repairs	94,892	61,415
General repairs and maintenance	931,201	963,407
Less: Billed to shareholders	(167,029)	(139,382)
Elevators – contracts and repairs	275,141	280,585
Grounds	24,225	77,244
Special repairs – oil spill	190,531	-
– flood damage	75,905	160,561
– fire damage	19,489	38,037
– contaminated waste removal	30,303	-
– oil spill remediation	25,000	-
Less: Insurance claim reimbursements	-	(29,728)
TOTAL REPAIRS AND MAINTENANCE EXPENSES	$ 5,305,075	$ 6,000,953

See Accountant's Report.

LINDSAY PARK HOUSING CORP.

SUPPORTING SCHEDULES – OPERATING EXPENSES

For The Years Ended June 30, 2023 and 2022

	2023	2022
TAXES, INSURANCE AND BENEFITS	Schedule 7	
New York City real estate taxes	$ 2,700,462	$ 2,765,714
Payroll taxes	305,086	300,334
Insurance – hazard	1,496,553	1,365,705
– payroll	351,198	286,036
Employee benefits	1,714,196	1,429,822
Pipe privilege	6,010	6,010
TOTAL TAXES, INSURANCE AND BENEFITS	$ 6,573,505	$ 6,153,621
FINANCIAL EXPENSES	Schedule 8	
Interest – Third loan payable – (includes amortized debt issuance costs)	943,609	943,609
– Insurance loans	18,984	13,445
TOTAL FINANCIAL EXPENSES	$ 962,593	$ 957,054
DEPRECIATION AND AMORTIZATION	Schedule 9	
Improvements and equipment	$ 2,580,709	$ 2,240,190
Amortization of lease costs	4,358	4,358
TOTAL DEPRECIATION AND AMORTIZATION	$ 2,585,067	$ 2,244,548

See Accountant's Report.

COMPARATIVE SCHEDULE OF INCOME AND EXPENDITURES – BUDGET, HISTORICAL AND FORECAST

Years Ended June 30, 2023, 2022 (Historical) and Year Ending June 30, 2024 (Forecasted)

	2022/2023		2021/2022	2023/2024
	Budget Unaudited	Actual	Actual	Forecast
INCOME				
Maintenance charges	$ 32,664,729	$ 32,675,004	$ 32,668,958	$ 32,675,004
Less: Vacancy loss	(600,000)	(562,974)	(572,764)	(600,000)
Superintendents' apartments	(74,282)	(74,282)	(74,282)	(74,282)
Professional and commercial	730,000	821,062	793,380	770,585
Parking	700,000	693,704	692,593	700,000
Community rooms	45,000	59,125	45,325	50,000
Interest – operations	1,000	453,682	80,590	20,000
Laundry	180,000	190,845	183,043	190,000
Appliances	90,000	89,010	91,185	90,000
Air conditioners	285,000	299,742	285,705	290,000
Surcharge	820,000	1,486,437	1,135,138	850,000
Swimming pool	90,000	116,570	-	120,000
Late charges	25,000	-	-	-
Sundry including storage and wait list income	200,000	483,285	331,403	400,000
TOTAL INCOME **(1) (2)**	35,156,447	36,731,210	35,660,274	35,481,307
EXPENDITURES				
Office and administrative	250,000	265,147	252,701	270,000
Telephone and communications	40,000	45,315	40,060	46,000
Management fee	676,425	689,568	663,163	710,000
Professional fees	390,000	433,524	187,712	395,000
Consulting	160,000	131,571	167,035	160,000
Bad debt	500,000	687,978	872,406	500,000
Payroll	3,670,000	3,751,407	3,527,956	3,790,000
Exterminating	40,000	18,863	17,186	20,000
Security	2,600,000	2,669,523	2,527,147	2,700,000
Water and sewer charges	2,800,000	2,894,876	2,445,237	3,000,000
Electricity	3,585,000	3,969,980	3,256,454	4,500,000
Gas – Cooking	298,000	268,118	271,209	285,000
Gas – Heating	2,125,000	2,048,025	1,926,610	2,395,000
Swimming pool	300,000	359,090	219,495	360,000
Permits and miscellaneous operating	40,000	10,349	27,029	25,000
Heating and plumbing repairs	1,800,000	1,354,273	1,988,417	1,650,000
Electrical repairs	75,000	94,892	61,415	95,000
Supplies and maintenance materials	950,000	940,745	954,415	950,000
General repairs and maintenance	975,000	(931,201	(963,407	900,000
Less: Billed to Shareholders	-	((167,029)	((139,382)	-
Special repairs	100,000	341,228	198,598	250,000
Special repairs – Contingency	500,000	-	-	500,000
Less: Insurance claim reimbursements	-	-	(29,728)	-
Elevators – Contracts and repairs	290,000	275,141	280,585	290,000
Grounds	10,000	24,225	77,244	30,000
Painting and plastering	750,000	630,028	863,305	750,000
New York City real estate taxes	3,200,000	2,700,462	2,765,714	2,833,603
Payroll taxes	314,000	305,086	300,334	340,000
Insurance and insurance losses	1,725,000	1,847,751	1,651,741	1,960,000
Employee benefits	1,500,000	1,714,196	1,429,822	1,895,000
Pipe privilege	6,200	6,010	6,010	6,200
Allocation for reserves	1,790,000	1,788,622	1,788,440	1,790,000
Charged to reserves – Vacancy and bad debt	(550,000)	(978,022)	(608,939)	(600,000)
Purchase of capital improvements	-	1,000,490	1,149,760	-
Charged to reserves – Capital improvements	-	(1,000,490)	(1,149,760)	-
Other interest	15,000	18,984	13,445	20,000
Required Reserve funding per mortgage (3)	2,510,877	209,240	2,510,877	-
TOTAL EXPENDITURES	33,435,502	30,280,367	31,477,120	32,815,803
SURPLUS **(4)**	$ 1,720,945	$ 6,450,843	$ 4,183,154	$ 2,665,504

(1) Does not reflect grant income of $659,572 for each of the years ended June 30, 2023 and 2022.
(2) Interest income reflects interest earned from operating accounts.
(3) Required reserve funding of $209,240 per month during the construction period of the loan (36 months).
(4) The 2023 and 2022 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, 2024

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 October 18, 2023, 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. Professional and 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.