150 BURNS APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

150 BURNS APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors and Shareholders of
150 Burns Apartment Corp.

Opinion

We have audited the accompanying financial statements of 150 Burns Apartment Corp., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of revenues, expenses, accumulated deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 150 Burns Apartment Corp. as of December 31, 2024 and 2023, 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 150 Burns Apartment 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 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 150 Burns Apartment Corp.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 150 Burns Apartment 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, that raise substantial doubt about 150 Burns Apartment 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 about Future Major Repairs and Replacements

Management has omitted supplementary information about future 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Raphael Goldberg Nikpour & Rosenthal CPA's PLLC

Woodbury, New York
May 5, 2025

150 BURNS APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

BALANCE SHEETS

December 31,	2024	2023
ASSETS		
Cash and cash equivalents	$ 1,097,198	$ 1,116,142
Maintenance receivable	56,181	56,166
Prepaid expenses	44,394	43,415
Fixed assets, at cost (net of accumulated depreciation)		
Land	384,323	384,323
Building improvements	938,386	865,980
Total Assets	$ 2,520,482	$ 2,466,026
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits payable	$ 2,000	$ 6,500
Accounts payable	33,457	53,054
Mortgage payable	1,803,846	1,838,444
Total Liabilities	1,839,303	1,897,998
Commitments and Contingencies (Note 8)		
Stockholders' Equity:		
Capital stock - 35,000 shares authorized, issued and outstanding 13,075 shares, $1 par value	13,075	13,075
Additional paid-in capital	1,676,544	1,676,544
Accumulated deficit	(1,008,440)	(1,121,591)
Total Stockholders' Equity	681,179	568,028
Total Liabilities and Stockholders' Equity	$ 2,520,482	$ 2,466,026

The accompanying notes are an integral part of these financial statements.

150 BURNS APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF REVENUES AND EXPENSES AND ACCUMULATED DEFICIT

Year ended December 31,	2024	2023
Revenues:		
Maintenance revenue	$ 804,114	$ 725,537
Assessment revenue	66,813	64,198
Interest and dividend income	30,220	20,614
Laundry income	4,500	1,635
Antenna income	31,980	31,980
Storage income	15,847	14,100
Miscellaneous	52,326	46,453
Total Revenues	1,005,800	904,517
Expenses:		
Corporation taxes	1,150	1,150
Dues and licenses	7,010	2,469
Insurance expense	121,527	96,761
Interest expense	66,478	67,781
Management fee	32,826	31,563
Office expense	25,313	19,739
Professional fees	12,725	4,017
Real estate taxes	282,097	268,831
Repairs, maintenance and supplies	43,290	101,492
Water and sewer tax	17,565	15,840
Payroll and related expenses	98,988	94,862
Telephone expense	528	489
Cable TV expense	31,985	30,398
Utilities	88,982	112,397
Legal settlement	19,000	-
Total Expenses	849,464	847,789
Excess of Revenues over Expenses before Depreciation	156,336	56,728
Depreciation	(43,185)	(40,179)
Excess of Revenues over Expenses	113,151	16,549
Accumulated Deficit, beginning of year	(1,121,591)	(1,138,140)
Accumulated Deficit, end of year	$ (1,008,440)	$ (1,121,591)

The accompanying notes are an integral part of these financial statements.

150 BURNS APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF CASH FLOWS

Year ended December 31,	2024	2023
Cash Flows from Operating Activities:		
Excess of revenues over expenses before depreciation	$ 156,336	$ 56,728
Adjustments to reconcile the excess of revenues over expenses before depreciation to cash provided by operating activities:		
Amortization of mortgage costs	9,705	9,705
(Increase) in assets:		
Maintenance receivable	(15)	(5,442)
Prepaid expenses	(979)	(20,370)
Increase (decrease) in liabilities:		
Security deposit shareholder	(4,500)	(1,000)
Accounts payable	(19,597)	13,895
Net Cash Provided by Operating Activities	140,950	53,516
Cash Flows from Investing Activities:		
Acquisition of fixed assets	(115,591)	(126,617)
Net Cash Used in Investing Activities	(115,591)	(126,617)
Cash Flows from Financing Activities:		
Mortgage amortization	(44,303)	(42,999)
Net Cash Used in Financing Activities	(44,303)	(42,999)
Net Decrease in Cash and Cash Equivalents	(18,944)	(116,100)
Cash and Cash Equivalents at Beginning of Year	1,116,142	1,232,242
Cash and Cash Equivalents at End of Year	$ 1,097,198	$ 1,116,142
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Mortgage interest	$ 56,882	$ 58,186
Corporate tax	500	2,106

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION

150 Burns Apartment Corp. ("the apartment corporation") was incorporated on May 27, 1983. The corporation was formed to acquire the land and building at 150 Burns Street, Forest Hills, New York, and to own and operate the same primarily for the purpose of providing dwellings for shareholders of the corporation. The apartment corporation qualifies as a co-op corporation under section 216 of the Internal Revenue Code. The term "cooperative housing corporation" means a corporation:

1. "having one and only one class of stock outstanding,
2. each of the stockholders of which is entitled, solely by reason of ownership of stock in the corporation, to occupy for dwelling purposes a house, or an apartment in a building, owned or leased by such corporation.
3. no stockholder of which is entitled (either conditionally and unconditionally) to receive any distribution not out of earnings and profits of the corporation except on a complete or partial liquidation of the corporation, and
4. Either 80% or more of the gross income is derived from tenant-stockholders; 80% or more of the total square footage of the Coop's property is used as available for use by the shareholders for residential purposes; and 90% or more of the Coop's total expenditures are used for the acquisition, construction, management, maintenance or care of the corporation property for the benefit of the shareholders."

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of Accounting** – The Corporation prepares its financial statements on the accrual basis of accounting, thus recognizing revenue when earned rather than when received and expenses when incurred rather than when paid.

B. **Cash and Cash Equivalents** - for purposes of the statement of cash flows, the Company considers all highly liquid debt instruments to be cash equivalents.

C. **Shareholder Maintenance** - Tenant-shareholders are subject to monthly maintenance charges to provide funds for the Corporation's operating expenses, future capital acquisitions, and major repairs and replacements. 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 substantially delinquent. Any excess maintenance charges at year end are retained by the Corporation for use in future years.

D. **Depreciation** – is computed using the straight-line or accelerated method using Federal Tax Guidelines which are consistent with estimated useful lives.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. **Mortgage Acquisition Costs** - Mortgage acquisition costs consist of fees incurred in connection with a real estate mortgage and are being amortized on a straight-line basis over the term of the mortgage, which approximates the effective interest method.

F. **Use of 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.

G. **Income Taxes -** Although the Company reflected a tax loss for the period ended December 31, 2024 and 2023, it is however subject to New York State and City taxes based on state and local tax provisions.

H. **Accounting for Uncertainties –** The Company reviewed the provisions of ASC 740, "Accounting for Uncertainty in Income Taxes". ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Corporation's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained upon examination by the applicable tax authority. Tax positions that are not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year and is applied to all open tax years as of the effective date.

   Based on its continued analysis, the Board of Directors has determined that the adoption of ASC 740 is not applicable to the Corporation's financial statements as there are no positions taken that would require recording a tax expense. However, the Board of Director's conclusions regarding ASC 740 may be subject to review and adjustment at a later date based on the on-going analysis of tax laws, regulations and interpretations thereof and other factors.

I. **Subsequent Events** – The FASB issued guidance in ASC 855 (Subsequent Events). ASC 855 established general standards for accounting and disclosures of events occurring subsequent to the balance sheet date but prior to issuance of the financial statements. The Corporation has evaluated subsequent events through May 5, 2025, the date on which the Financial Statements were issued.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. **Simplifying the Presentation of Debt Issuance Costs** - The Corporation adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-13"). This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being reported as an asset. As a result of the adoption of this ASU, total assets and liabilities were decreased by $67,122 and $76,827 at December 31, 2024 and 2023, respectively.

K. **Revenue Recognition** - Revenue is measured based on consideration specified in a contract with a customer, and excludes any abatements and amounts collected on behalf of third parties. The Corporation recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer, net of applicable provisions for any abatements and amounts collected on behalf of third parties. Maintenance charges and other ancillary services are offered by the Corporation throughout the course of the year and disaggregated revenue by type is depicted on the face of the statement of revenues, expenses and accumulated deficit. Shareholders are subject to monthly maintenance charges to provide funds for the Corporation's operating expenses, repairs and replacements. No maintenance fees receivable at December 31, 2024 or 2023, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

   The Corporation records a contract asset when it has a right to payment from a customer that is conditional on events other than the passage of time. The Corporation also records a contract liability when a customer prepays but the Corporation has not fulfilled its performance obligation. The Corporation did not have any material unsatisfied performance obligations, contract modifications, contract assets or liabilities as of December 31, 2024 or 2023, except prepaid assets and shareholder receivables.

NOTE 3 - FIXED ASSETS

2024	Cost	Accumulated Depreciation	Net Book Value
Land	$ 384,323		384,323
Buildings	2,007,230	$2,007,230	-
Building improvements	1,964,565	1,026,179	938,386
Total Fixed Assets	$4,356,118	$3,033,409	$1,322,709

2023	Cost	Accumulated Depreciation	Net Book Value
Land	$ 384,323		384,323
Buildings	2,007,230	$2,007,230	-
Building improvements	1,848,974	982,994	865,980
Total Fixed Assets	$4,240,527	$2,990,224	$1,250,303

NOTE 4 - MORTGAGE NOTE PAYABLE

On November 18, 2021, the Corporation refinanced its mortgage with Investors Bank in the amount of $2,000,000. The mortgage provides for monthly payments in the amount of $8,432, applied first to interest at an annual rate of 3.0% and the balance to the reduction of principal. A revolving line of credit was secured in the amount of $500,000 to be used for daily operations and capital improvements. At December 31, 2024, no funds have been borrowed.

Principal maturities during the next five years are as follows:

Year ending December 31:	Amount
2025	$ 45,683
2026	47,073
2027	48,504
2028	49,980
2029	51,500
Thereafter:	1,628,228
Less: unamortized deferred mortgage costs	1,870,968
Total:	(67,122)
	$ 1,803,846

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Coop has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The Board has also not developed a plan to fund those needs. When replacement funds are needed to meet future needs for major repairs and replacements, the Coop has the right to increase regular assessments, pass special assessments, borrow, utilize existing funds from reserve accounts or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

NOTE 6 - PREPAID EXPENSES

Prepaid expenses are comprised of:

	2024	2023
Insurance	$ 43,588	$ 41,959
Corporate taxes	806	1,456
	$ 44,394	$ 43,415

NOTE 7 -COOP TAX ABATEMENTS

As a result of revisions to Section 467(a) of the New York Real Property Tax Law, certain shareholders of the Cooperative units are eligible for partial abatements of their real estate taxes. These amounts are being credited to the eligible shareholders.

For the years ended December 31, 2024 and 2023, an assessment was passed to approximate this credit.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

In 2024, the Company engaged Orsid Realty Corp. to manage the building at the rate of $32,826 per annum. The agreement provides for the management agent to be in charge of (a) collecting all rents and other charges (b) maintaining the building premises adequately, (c) entering into building contracts, (d) purchasing supplies, (e) managing all building personnel, (f) procuring insurance, etc.

NOTE 9 – OFF BALANCE SHEET RISK

The Corporation maintained its cash accounts with at least one financial institution which, at times, may exceed federally insured limits.

NOTE 10 – INCOME TAXES

Cooperatives are required to file Federal Tax Form 1120-C which requires cooperatives to allocate income and deductions between patronage and nonpatronage business. Nonpatronage income is defined as income that merely enhances the overall profitability of the cooperative, and is incidental to the cooperative's operation. Patronage income is from an activity that is an integral part of the cooperative's business. The Corporation considers all of its income to be patronage income.

As of December 31, 2024, the Corporation has federal tax loss carryovers of approximately $478,574, which if not utilized will expire as follows:

Year ending December 31,	
2024 - 2040	$ 296,909
Indefinite	181,665
Total	$ 478,574

Since the Corporation does not anticipate significant taxable income, no related deferred tax asset accounts have been reflected in the accompanying financial statements. The Corporation's tax returns for years before 2021 are no longer subject to examination by the taxing authorities.

NOTE 11 – LEGAL SETTLEMENT

The Coop Corporation settled a water damage claim with a Board Member.