

350 Bleecker Street Apartment Corp.
Financial Statements
December 31, 2024 and 2023

350 Bleecker Street Apartment Corp.
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December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors and Shareholders of

350 Bleecker Street Apartment Corp.

Opinion

We have audited the accompanying financial statements of 350 Bleecker Street Apartment Corp. (the "Corporation") which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of revenues and expenses, changes in shareholders' equity 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 the Corporation 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Corporation 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 the Board of Directors for the Financial Statements

The Board of Directors (the "Board") 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, the Board is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits 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 auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 the Corporation's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Board, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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

The Board 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, 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.

Report on Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 16 through 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Board, and except for the portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



New York, New York

June 3, 2025

350 Bleecker Street Apartment Corp.**Balance Sheets****December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 1,403,714	\$ 1,912,849
Certificates of deposits - reserves	1,120,000	480,000
Investments - reserves	395,713	392,204
Restricted cash - deposits	57,500	52,500
Due from shareholders	9,543	17,836
Due from commercial tenant	46,688	56,707
Prepaid expenses	42,190	44,864
Property and equipment, net	<u>6,078,115</u>	<u>6,123,533</u>
Total Assets	<u><u>\$ 9,153,463</u></u>	<u><u>\$ 9,080,493</u></u>
Liabilities and Shareholders' Equity		
Liabilities		
Accounts payable and accrued expenses	\$ 63,560	\$ 87,264
Capital improvements payable	15,256	15,256
Due to shareholders - real estate tax abatements	115,737	118,924
Maintenance charges received in advance	52,403	46,865
Deposits payable	65,100	60,100
Mortgage payable	5,300,000	5,300,000
Less: unamortized financing costs, net	<u>(102,220)</u>	<u>(114,998)</u>
Total Liabilities	<u>5,509,836</u>	<u>5,513,411</u>
Commitment (Note 14)		
Shareholders' Equity		
Capital stock: \$1 par value per share, 20,000 shares authorized, 17,262 issued and outstanding	17,262	17,262
Additional paid-in capital	10,781,175	10,781,175
Accumulated deficit	<u>(7,154,810)</u>	<u>(7,231,355)</u>
Total Shareholders' Equity	<u>3,643,627</u>	<u>3,567,082</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 9,153,463</u></u>	<u><u>\$ 9,080,493</u></u>

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

350 Bleecker Street Apartment Corp.
Statements of Revenues and Expenses
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Maintenance charges	\$ 2,725,369	\$ 2,726,317
Less: designated for reserves	(125,000)	(200,000)
Commercial rent	341,224	339,061
Operating assessments	348,382	333,574
Other income	126,944	142,415
Sublet fees	41,388	48,600
Laundry income	16,648	22,611
	<u>3,474,955</u>	<u>3,412,578</u>
Operating Expenses		
Real estate taxes	2,020,617	1,935,713
Mortgage interest	265,000	254,682
Payroll and related	558,117	552,552
Electric, gas and heating	99,726	115,288
Water and sewer	38,134	51,432
Maintenance, repairs and service contracts	184,371	157,530
Insurance	99,878	77,208
Management fees	68,696	66,695
Professional fees	37,491	72,774
Corporation taxes	6,626	5,714
Office and administration	34,207	30,994
	<u>3,412,863</u>	<u>3,320,582</u>
Excess of Operating Revenues over Operating Expenses	62,092	91,996
Other Items		
Maintenance charges designated for reserves	125,000	200,000
Transfer fees	52,700	103,140
Depreciation	(150,469)	(176,044)
Interest - amortization of financing costs	(12,778)	(13,235)
	<u>(12,778)</u>	<u>(13,235)</u>
Excess of Revenues over Expenses	<u>\$ 76,545</u>	<u>\$ 205,857</u>

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

350 Bleecker Street Apartment Corp.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2024 and 2023

	Capital Stock	Additional Paid in Capital	Accumulated Deficit	Total Shareholders' Equity
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balances - December 31, 2022	\$ 17,254	\$ 10,726,183	\$ (7,437,212)	\$ 3,306,225
Issuance of shares	8	54,992	-	55,000
Excess of revenues over expenses - 2023	<u>-</u>	<u>-</u>	<u>205,857</u>	<u>205,857</u>
Balances - December 31, 2023	17,262	10,781,175	(7,231,355)	3,567,082
Excess of revenues over expenses - 2024	<u>-</u>	<u>-</u>	<u>76,545</u>	<u>76,545</u>
Balances - December 31, 2024	<u>\$ 17,262</u>	<u>\$ 10,781,175</u>	<u>\$ (7,154,810)</u>	<u>\$ 3,643,627</u>

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

350 Bleecker Street Apartment Corp.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Excess of revenues over expenses	\$ 76,545	\$ 205,857
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Depreciation and amortization	163,247	189,279
Changes in assets and liabilities		
Due from shareholders	8,293	15,342
Due from commercial tenant	10,019	(2,076)
Prepaid expenses	2,674	(1,786)
Accounts payable and accrued expenses	(23,704)	28,694
Due to shareholders - real estate tax abatements	(3,187)	7,711
Maintenance charges received in advance	5,538	7,199
Deposits payable	5,000	-
Net Cash Provided by Operating Activities	<u>244,425</u>	<u>450,220</u>
Cash Flows from Investing Activities		
Additions to property and equipment	(105,051)	(228,325)
Capital improvements payable	-	6,956
Purchase of certificates of deposits	(1,120,000)	(480,000)
Maturities of certificates of deposits	480,000	-
Purchase of investments	(395,713)	(392,204)
Redemption of investments	392,204	-
Net Cash Used in Investing Activities	<u>(748,560)</u>	<u>(1,093,573)</u>
Cash Flows from Financing Activities		
Proceeds from mortgage refinance	-	1,000,000
Financing costs	-	(127,776)
Deposit - mortgage refinance	-	50,000
Issuance of shares	-	55,000
Net Cash Provided by Financing Activities	<u>-</u>	<u>977,224</u>
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	<u>(504,135)</u>	<u>333,871</u>
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>1,965,349</u>	<u>1,631,478</u>
Cash, Cash Equivalents and Restricted Cash - End of Year	<u>\$ 1,461,214</u>	<u>\$ 1,965,349</u>
Cash and cash equivalents	\$ 1,403,714	\$ 1,912,849
Restricted cash - deposits	57,500	52,500
Cash, Cash Equivalents and Restricted Cash - End of Year	<u>\$ 1,461,214</u>	<u>\$ 1,965,349</u>
Supplemental Disclosure		
Cash paid during the year for		
Interest expense	<u>\$ 265,000</u>	<u>\$ 246,288</u>

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

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 1 Organization

350 Bleecker Street Apartment Corp. (the "Corporation"), a cooperative housing corporation, began operations in 1985 under the laws of the State of New York, to provide housing to shareholders on a cooperative basis. The purposes of the Corporation are to own the property (consisting of 140 residential units, some of which have been combined) located at 350 Bleecker Street in the Borough of Manhattan, to enter into proprietary leases for the apartments, to provide for the maintenance of the common elements, and to manage the operations of the building.

Note 2 Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements
Allowance for Credit Losses

In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through excess of revenues over expenses. What was previously identified as bad debt expense or allowance for doubtful accounts is now known as credit losses and allowance for credit losses. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Corporation that are subject to the guidance in FASB ASC 326 were receivables. The FASB delayed adoption of the standard for private companies until January 1, 2023. The Corporation adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Basis of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires the use of the accrual basis of accounting under which revenues are recognized when earned (rather than when the cash is received) and expenses are recognized when incurred (rather than when the cash is paid).

Estimates

The preparation of financial statements in conformity with GAAP requires the Board of Directors (the "Board") to make certain estimates and assumptions that may 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.

Note 2 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents includes all highly liquid investments acquired with a maturity of three months or less to be cash equivalents.

Restricted Cash - Deposits and Deposits Payable

Restricted cash - deposits and deposits payable represent monies collected by the Corporation to cover potential costs that may be incurred as a result of shareholder moves and alterations that are generally maintained in a separate interest-bearing account. These amounts are returned to shareholders, less the cost of any damages, after the completion of the move or alteration.

Investments - Debt Securities

The Corporation classifies its debt securities as held to maturity if it has the positive intent and ability to hold the securities to maturity and reports them in the financial statements at amortized cost. Unrealized gains and losses related to changes in fair value are not recorded in the financial statements, as investments are intended to be held until maturity. Since the investments are held at amortized cost, they are not included in the fair value hierarchy (Levels 1, 2, or 3).

In accordance with ASC 326, Financial Instruments – Credit Losses, the Corporation evaluates its debt securities for expected credit losses. U.S. Treasury Bills are backed by the U.S. government and are therefore considered to have minimal credit risk. Accordingly, no allowance for credit losses has been recorded for these securities.

However, the Corporation monitors its debt securities on an ongoing basis and if economic conditions on the financial health of the issuing institutions change, the Corporation will re-evaluate and adjust the allowance for credit losses as necessary.

Maintenance Charges and Operating Assessment/Due from Shareholders

Shareholders are subject to monthly charges based upon the annual budget. The purpose of maintenance charges and operating assessments is to provide funds for operating expenses and reserves. Monthly maintenance charges and operating assessments represent multiple performance obligations which, on a standalone basis, are not considered separate and distinct and therefore have been deemed to be a single performance obligation. Revenue is recognized as the performance obligation is satisfied at transaction amounts expected to be collected. The performance obligation for maintenance charges and operating assessments are satisfied over time on a daily pro-rata basis using the input method. Any excess of revenues over expenses at year end are retained by the Corporation for use in the succeeding year.

Note 2 Summary of Significant Accounting Policies (Continued)

Maintenance Charges and Operating Assessment/Due from Shareholders (Continued)

Due from shareholders at the balance sheet dates represent maintenance and other charges due from shareholders. According to the by-laws, the Corporation shall, at all times, have a first lien upon the shares of each shareholder to secure the payment by such shareholder. The Board's intention is to reacquire shares of stock relating to severely delinquent units and sell them to recover the delinquent fees. All tenant-shareholders' receivables have been deemed collectible at both December 31, 2024 and 2023 and, accordingly, no allowance for credit losses was deemed necessary.

Property and Equipment

Property and equipment are stated at cost. Expenditures which represent improvements to property are capitalized, while repairs and maintenance are charged to operations. Depreciation is computed using rates adequate to depreciate the cost of applicable assets over their expected useful lives.

Financing Costs

Financing costs incurred related to the mortgage totaling approximately \$128,000 were deferred and are being amortized on a straight-line basis (which approximates the yield method) over the term of the mortgage.

Commercial Rent/Due from Commercial Tenant

The commercial rent lease is classified as an operating lease in accordance with GAAP. Free rent, advance rent, scheduled rent increases, and deferred rent are required to be recognized on a straight-line basis over the terms of the lease. On a periodic basis, the Board evaluates the collectability of amounts due from the commercial tenant.

Transfer Fees

It is the Corporation's policy to charge transfer fees to shareholders upon the resale of shares applicable to their apartments equal to 2% of the gross sales price of the unit. Transfer fees are recognized as revenue as the performance obligation is satisfied at transaction amounts expected to be collected. The performance obligation for transfer fees is satisfied on the closing date of the apartment when the shares are legally acquired.

Subsequent Events

The Board has evaluated events and transactions that occurred through the date of the auditors' report, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 2 Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of revenues and expenses or shareholders' equity.

Note 3 Concentration of Credit Risk/FDIC Insurance

The Corporation maintains cash balances at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). At times during the year, account balances may exceed insured levels. The Corporation has not experienced any losses accounts as of the date of the auditors' report.

Note 4 Certificates of Deposits - Reserves

At December 31, 2024 and 2023, the Corporation held several certificates of deposit for liquidity and investment return purposes. The certificates of deposit are classified as held-to-maturity and are recorded at cost which approximated fair value. The certificates of deposit bore interest at rates ranging from 4.40% to 5.35% at December 31, 2024, and 5.25% to 5.30% at December 31, 2023. The certificates of deposit held at December 31, 2024, are scheduled to mature at various dates through 2026.

The Corporation evaluates expected credit losses based on historical data, current financial conditions, and reasonable and supportable forecasts. Given that all certificates of deposit are held with high-quality banks and institutions and have been assessed for creditworthiness, the Corporation has determined that expected credit losses, if any, are immaterial as of the balance sheet date. Accordingly, no allowance for credit losses has been recorded for the certificates of deposits.

Note 5 Investments - Reserves

At December 31, 2024 and 2023, the Corporation held investments in U.S. Treasury Bills ("Bills") for liquidity and investment return purposes. The Bills are classified as held-to-maturity and are recorded at amortized cost, which approximated fair value. The Bills bore interest rates of approximately 5.00% and 4.00%, respectively, for years ended December 31, 2024 and 2023. The Bills were purchased at a discount (zero coupon) and recorded at adjusted cost which approximated fair value. At December 31, 2024, the Bills matured in March 2025.

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 6 Property and Equipment

Property and equipment consisted of the following, at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 2,779,843	\$ 2,779,843
Building	10,542,862	10,542,862
Improvements, equipment and furniture and fixtures	<u>6,375,324</u>	<u>6,270,273</u>
	19,698,029	19,592,978
Less: Accumulated depreciation	<u>13,619,914</u>	<u>13,469,445</u>
Total	<u>\$ 6,078,115</u>	<u>\$ 6,123,533</u>

Additions to property and equipment were as follows for the years ended December 31,:

	<u>2024</u>	<u>2023</u>
Roof garden	\$ 41,264	\$ -
Roof	34,310	-
Garage	14,596	-
Elevator	10,452	-
Other projects	4,429	-
Backflow preventor	-	134,555
Security project	-	34,187
Engineer & architect, capital	-	32,088
Furniture and fixtures	-	14,045
Lobby	<u>-</u>	<u>13,450</u>
	<u>\$ 105,051</u>	<u>\$ 228,325</u>

Note 7 Mortgage/Line of Credit

Indebtedness consisted of a \$4,300,000 mortgage note payable to National Consumer Cooperative Bank ("NCB"). The mortgage was secured by the property, required payments of interest only at the fixed rate of 3.67% per annum, and matured February 1, 2023.

In addition, the Corporation had available a \$500,000 line of credit with NCB. The line of credit was secured by a second mortgage on the property, bore interest at the greater of 4.5%, or one-month LIBOR plus 3.75%, and matured on February 1, 2023. The Corporation was also required to pay a facilities maintenance fee of \$1,250 per annum if no monies had been drawn on the line of credit.

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 7 Mortgage/Line of Credit (Continued)

On February 14, 2023, the Corporation refinanced the above-mentioned mortgage plus additional proceeds with Valley National Bank ("Valley") for \$5,300,000. The mortgage is secured by the property, requires monthly payments of interest only, commencing April 1, 2023, at the fixed rate of 5.00% per annum, and matures March 1, 2033. The mortgage has a prepayment penalty as defined in the mortgage agreement.

In addition, the Corporation obtained a \$500,000 revolving line of credit. Commencing April 1, 2023, monthly interest on the unpaid principal amount at the greater of 5.25% or the bank's announced prime rate and maturing on March 1, 2033. At December 31, 2024, the prime rate was 7.50%. As of December 31, 2024 and 2023, the Corporation had \$500,000 available on this line of credit.

Note 8 Issuance of Shares

During the year ended December 31, 2023, the Corporation issued 8 shares, associated with hallway space for \$55,000. These transactions have been recorded in the statements of changes in shareholders' equity.

Note 9 Commercial Rent

The Corporation is the lessor under a master lease agreement for the rental of its commercial space and parking garage. The lease, which expires July 31, 2060, requires minimum rent of \$86,000 per annum. The Corporation is also entitled to additional rents based on a percentage of the increase in real estate taxes and certain operating expenses in excess of base amounts. For both years ended December 31, 2024 and 2023, these additional rents totaled approximately \$255,000 and \$250,000, respectively.

Note 10 Real Estate Abatements

Pursuant to various real estate tax abatement programs, certain shareholders are entitled to real estate tax abatements. The abatements are credited against the real estate tax due on the property, and the Corporation is required to pass on the abatements to the eligible shareholders. For the years ended December 31, 2024 and 2023, abatements received by the Corporation totaled \$239,205 and \$234,595, respectively, which are not reflected in the accompanying statements of revenues and expenses.

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 11 Charges Designated for Reserves

The Corporation has designated a portion of maintenance charges to reserves for the years ended December 31:

2023	\$200,000 (\$11.59 per share)
2024	\$125,000 (\$ 7.24 per share)
2025	\$ 75,000 (\$ 4.34 per share)

Revenue is recognized as the performance obligation is satisfied at transaction amounts expected to be collected. As the maintenance charges designated for capital improvements are for the explicit purpose of replenishing the capital reserves, the performance obligation for these charges and are satisfied when the charges are imposed.

Note 12 Corporate Taxes

The Corporation is subject to taxation as a cooperative corporation for federal, state, and local purposes. A cooperative corporation is required to classify its income and expenses as patronage or nonpatronage. Expenses attributable to producing patronage income cannot be deducted from nonpatronage income. As a result, nonpatronage income in excess of allocable expenses is subject to income tax, even if the Corporation generates an overall taxable loss. The Board believes there is substantial authority to classify all its activity as patronage, and accordingly, for the years ended December 31, 2024 and 2023, no provision for income tax is required.

At December 31, 2024 and 2023, the Corporation had a net operating loss carryover of approximately \$1,100,000 and \$1,210,000, respectively, which may be used to offset future taxable income. The federal net operating loss carryforwards at December 31, 2024, will expire between the years 2025 and 2034 for losses incurred prior to January 1, 2018 (approximately \$980,000). Net operating losses incurred starting January 1, 2018 (approximately \$120,000) do not expire. In addition, for net operating losses incurred starting January 1, 2021, the deduction of such losses will be limited to 80% of taxable income. The Corporation is unable to determine the future benefit, if any, of the loss carryover and accordingly, a valuation allowance has been provided to offset any potential future benefit.

350 Bleecker Street Apartment Corp.
Notes to the Financial Statements
December 31, 2024 and 2023

Note 12 Corporate Taxes (Continued)

In addition to taxes based on income, New York State and New York City calculate tax based on alternative and minimum tax bases, of which the applicable taxes have been recorded in the accompanying financial statements.

The Corporation evaluates its tax provisions and accruals and believes that they are appropriate based upon current facts and circumstances. The Corporation's income tax returns are subject to examination by taxing authorities for a period of three years from the filing date of the tax returns. As of the date of the auditors' report of these financial statements, there are no tax examinations in progress.

Note 13 Future Major Repairs and Replacements/Reserves

The Corporation's governing documents do not require that funds be accumulated for future major repairs and replacements/reserves. The Corporation has not presented a study of the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements/reserves that may be required in the future. The Board designated maintenance charges of \$125,000 and \$200,000 for the years ended December 31, 2024 and 2023 for reserves.

When replacement funds are needed to meet future needs for major repairs and replacements/reserves, the Corporation has the right to utilize available cash, increase maintenance charges, impose special assessments, borrow, and delay repairs and replacements until the funds are available or, any combination of these. The effect on future charges to shareholders has not been determined at this time.

Note 14 Subsequent Event/Commitment

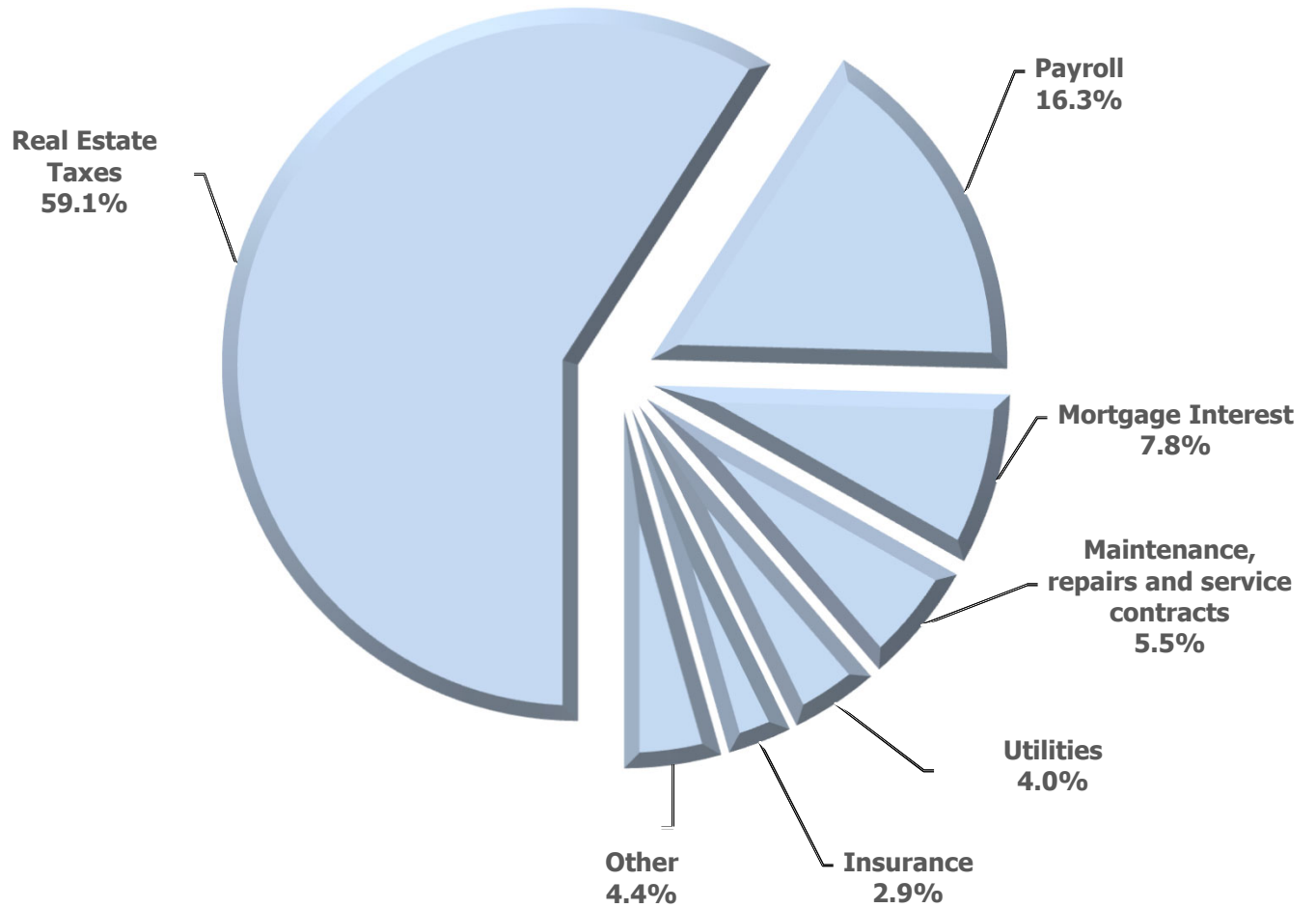
Subsequent to the year ended December 31, 2024, the Corporation entered into a contract for repairs to the building's garage (as mandated by New York City Local Law 126), totaling approximately \$211,000, plus other costs in connection with the project. The work is anticipated to begin in 2025, therefore, no amounts have been recorded in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

350 Bleecker Street Apartment Corp.
Actual vs. Budget
For the Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget (Unaudited)</u>
Operating Revenues		
Maintenance charges	\$ 2,725,369	\$ 2,725,685
Less: designated for reserves	(125,000)	(125,000)
Commercial rent	341,224	335,000
Operating assessments	348,382	329,004
Other income	126,944	108,000
Sublet fees	41,388	25,000
Laundry income	16,648	16,000
	<u>3,474,955</u>	<u>3,413,689</u>
Operating Expenses		
Real estate taxes	2,020,617	2,021,572
Mortgage interest	265,000	268,681
Payroll	438,613	387,800
Payroll taxes	35,062	30,700
Pension and welfare	66,781	89,384
Other payroll related expenses	17,661	17,797
Electric, gas and heating	99,726	96,514
Water and sewer	38,134	47,032
Building supplies	20,597	40,000
Elevator maintenance	25,195	22,500
Other repairs and maintenance	138,579	142,350
Insurance	99,878	92,650
Management fees	68,696	68,686
Professional fees	37,491	52,000
Corporation taxes	6,626	7,000
Office and administration	34,207	26,819
	<u>3,412,863</u>	<u>3,411,485</u>
Excess of Operating Revenues over Operating Expenses	<u>\$ 62,092</u>	<u>\$ 2,204</u>

**350 Bleecker Street Apartment Corp.
Operating Expense Analysis by Percentage
For the Year Ended December 31, 2024**



350 Bleecker Street Apartment Corp.
Schedule of Increases in Shareholders' Cost Basis
December 31, 2024

Special assessments and the portion of maintenance charges designated for capital improvements/reserves, and the portion of maintenance charges applicable to the payment of principal on the mortgage indebtedness, can increase a shareholders' cost basis in their stock of the corporation. These increases, on a per share basis, are as follows, for the years ended December 31:

2024	\$ 7.24
2023	11.59
2022	24.68
2021	15.72
2020	12.18
2019	7.54
2018	8.70
2017	9.92
2016	9.74
2015	9.74
2014	9.74
2013	9.28
2012	4.65
2011 - 2003	-
2002	1.82
2001	1.55
2000	7.92