

**WASHINGTON SQUARE  
SOUTHEAST APTS., INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**WASHINGTON SQUARE SOUTHEAST APTS., INC.**

**TABLE OF CONTENTS**

**JUNE 30, 2023 AND 2022**

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>Balance Sheets</b>	<b>2</b>
<b>Statements of Loss</b>	<b>3</b>
<b>Statements of Retained Earnings (Deficit)</b>	<b>4</b>
<b>Statements of Cash Flows</b>	<b>5-6</b>
<b>Notes to Financial Statements</b>	<b>7-14</b>
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION</b>	<b>15</b>
<b>Schedule of Budget with Actual Operating Amounts</b>	<b>16-17</b>
<b>Schedule of Repairs and Maintenance</b>	<b>18</b>
<b>Schedules to the Balance Sheet</b>	<b>19</b>

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Balance Sheets

As of June 30,

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in Banks and on Hand	579,118	692,751
Cash in Operating Account	34,483	319,357
Tenants' Accounts Receivable	359,270	383,714
Allowance for Uncollectible Accounts	(299,485)	(295,849)
Miscellaneous Accounts Receivable	9,249	2,008
Mortgagee Escrow Deposits	160,021	49,369
Prepaid Expenses	128,009	200,161
<b>Total Current Assets</b>	<u>970,665</u>	<u>1,351,511</u>
 <b>FUNDS</b>		
Reserve for Replacements:		
Investments - at cost	<u>1,170,560</u>	<u>1,956,197</u>
 <b>PROPERTY AND EQUIPMENT -</b>		
<b>Net Book Value</b>	<u>9,495,123</u>	<u>8,803,390</u>
 <b>TOTAL ASSETS</b>		
	<u><u>11,636,348</u></u>	<u><u>12,111,098</u></u>

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	366,933	278,288
Accounts Payable - Improvements	27,724	129,815
Accrued Interest Payable	37,213	37,881
Rents Received in Advance	46,212	25,605
Deposits and Exchanges Payable	256,561	254,120
Mortgage and Loan Payable - Amortization payments due within one year	162,840	158,345
<b>Total Current Liabilities</b>	<u>897,483</u>	<u>884,054</u>
<b>LONG-TERM LIABILITIES</b>		
Apartment Waiting List Deposits	75,100	75,100
First Mortgage Payable (due after one year)	1,967,830	2,002,842
Second Mortgage Payable (due after one year)	2,882,684	2,939,949
Third Mortgage Payable (due after one year)	649,569	638,712
Fourth Mortgage Payable (due after one year)	2,430,779	2,430,779
Improvement Loan Payable (due after one year)	3,150,574	3,221,561
Less: Unamortized Debt Issuance Costs	(148,654)	(154,847)
<b>Total Long-Term Liabilities</b>	<u>11,007,882</u>	<u>11,154,096</u>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common Stock \$100.00 par value; Authorized, Issued and Outstanding 5,843 1/2 Shares	584,350	584,350
Paid-in and Donated Capital	1,436,968	1,386,147
Retained Earnings (Deficit)	(3,460,895)	(3,853,746)
Appropriated Retained Earnings:		
Reserve for Replacements	1,170,560	1,956,197
<b>Total Stockholders' Equity (Deficit)</b>	<u>(269,017)</u>	<u>72,948</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u><u>11,636,348</u></u>	<u><u>12,111,098</u></u>

*See accompanying notes and auditors' report*

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Statements of Loss

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>
<b>INCOME</b>		
Carrying Charges - Net of Vacancies and Uncollectible Charges	1,902,307	1,895,381
Assessment Income	172,288	172,416
Parking Income	172,200	171,850
Professional Apartments	194,328	188,668
Laundry Room Income	15,600	15,600
Appliance Charges	91,333	95,326
Surcharge Income	247,369	231,160
Security Locker Income	19,470	0
Movie Production Income	16,000	0
Antenna/Cable Income	31,452	0
Interest Income	44,638	10,560
Miscellaneous Income	12,375	18,491
<b>Total Income</b>	<u>2,919,360</u>	<u>2,799,452</u>
<b>EXPENSES</b>		
Administrative Expenses	219,103	199,595
Maintenance Expenses	947,838	867,635
Utilities Expenses	605,949	555,732
Taxes, Insurance and Ground Rent	597,235	435,425
Financial Expenses	505,275	463,108
Interest Expense - Debt Issuance Costs	6,193	6,193
<b>Total Expenses Before Depreciation</b>	<u>2,881,593</u>	<u>2,527,688</u>
<b>NET INCOME BEFORE DEPRECIATION</b>	37,767	271,764
Depreciation	<u>(430,553)</u>	<u>(392,642)</u>
<b>NET LOSS FOR THE YEAR</b>	<u>(392,786)</u>	<u>(120,878)</u>

*See accompanying notes and auditors' report*

**WASHINGTON SQUARE SOUTHEAST APTS., INC.**

**Statements of Retained Earnings (Deficit)**

**For the Year Ended June 30,**

	<u>2023</u>	<u>2022</u>
<b>RETAINED EARNINGS (DEFICIT) - Beginning of Year</b>	(3,853,746)	(4,225,360)
Net Loss for the Year	(392,786)	(120,878)
Change in Reserve for Replacements	<u>785,637</u>	<u>492,492</u>
<b>RETAINED EARNINGS (DEFICIT) - End of Year</b>	<u>(3,460,895)</u>	<u>(3,853,746)</u>

*See accompanying notes and auditors' report*

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Statements of Cash Flows

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Net Loss	(392,786)	(120,878)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	430,553	392,642
Interest Expense - Debt Issuance Costs	6,193	6,193
Revenue allocated to financing activities	(80,211)	(75,537)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable - Net Allowance	28,080	(16,572)
Miscellaneous Accounts Receivable	(7,241)	17,826
Mortgagee Escrow Deposits	(110,652)	7,901
Prepaid Expenses	72,152	(58,554)
Increase (Decrease) in operating liabilities:		
Accounts Payable	88,645	(38,564)
Accrued Interest Payable	(668)	(635)
Rents Received in Advance	20,607	15,899
Exchanges Payable	2,441	77,956
Apartment Deposits	0	0
<b>Net cash provided by operating activities</b>	<u>57,113</u>	<u>207,677</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property and Equipment	(1,224,377)	(965,153)
<b>Net cash used by investing activities</b>	<u>(1,224,377)</u>	<u>(965,153)</u>
<b>Cash Flows From Financing Activities</b>		
Increase in Reserve Funds	785,637	492,492
Amortization of First Mortgage	(36,901)	(34,895)
Amortization of Second Mortgage	(54,167)	(51,223)
Amortization of Third Mortgage	10,857	10,581
Amortization of Improvement Loan	(67,701)	(64,567)
Additions to Paid-In Capital	50,821	9,628
Portion of Carrying Charges applied to Amortization of Mortgages	80,211	75,537
<b>Net cash provided by financing activities</b>	<u>768,757</u>	<u>437,553</u>
<b>Decrease in Cash and Cash Equivalents (carryforward)</b>	(398,507)	(319,923)

*See accompanying notes and auditors' report*

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Statements of Cash Flows

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>
<b>Decrease in Cash and Cash Equivalents (brought forward)</b>	(398,507)	(319,923)
Cash and Cash Equivalents at Beginning of Year	<u>1,012,108</u>	<u>1,332,031</u>
<b>Cash and Cash Equivalents at End of Year (see below)</b>	<u>613,601</u>	<u>1,012,108</u>
<b>Represented by:</b>		
Cash in Banks and On Hand	579,118	692,751
Cash in Operating Account	<u>34,483</u>	<u>319,357</u>
<b>Cash and Cash Equivalents (as above)</b>	<u>613,601</u>	<u>1,012,108</u>
<b>Supplemental Disclosure:</b>		
Interest Paid	<u>434,323</u>	<u>442,399</u>

*See accompanying notes and auditors' report*



# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 1

#### **Organization**

Washington Square Southeast Apts., Inc. is a cooperative housing corporation incorporated in the State of New York on October 7, 1964. The cooperative is a Mitchell-Lama housing company and is supervised by The City of New York Department of Housing Preservation and Development. The cooperative owns the building located at 505 LaGuardia Place, New York, New York and consists of 174 residential and two commercial units. The primary purpose of the cooperative is to manage the operations of the building and maintain the common elements.

### Note 2

#### **Summary of Significant Accounting Policies**

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from tenant-stockholders, including maintenance charges and special assessments, be recognized as revenue in the statements of loss.

For purposes of the statements of cash flows, the cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Tenant-stockholders are subject to monthly charges to provide funds for the cooperative's operating expenses, future capital acquisitions, and major repairs and replacements. Tenants' Accounts Receivable at the balance sheets date represent various fees due from tenant-stockholders. Any excess charges at year end are retained by the cooperative for use in the succeeding year .

Property and equipment is being carried at cost. Depreciation of the buildings is being computed by the straight-line method over its estimated useful life at the rate of 2% per annum. Building and maintenance equipment is being depreciated over estimated useful lives from seven to twenty-seven and one-half years.

Costs incurred in obtaining long-term financing, included under mortgage payable on the balance sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related debt agreement. The amortization of these costs is being recognized as interest expense-debt issuance costs on the statements of loss.

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 2 Summary of Significant Accounting Policies - continued

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.

The cooperative accounts for certain revenue items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to any portion of maintenance charges and special assessments allocated for mortgage amortization and capital improvements which are being accounted for as contributions to additional paid-in capital for income tax purposes whereas such items are recognized as revenue for financial reporting.

Shareholders are subject to monthly assessments to provide funds for the cooperative's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The cooperative's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund (reserve fund) assessments are satisfied when their funds are expended for their designated purpose.

The cooperative recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance) is recognized when the cooperative has the right to receive payment in advance of the satisfaction of performance obligations related to replacement (reserve) assessments.

### Note 3 Concentration of Credit Risk

The cooperative maintains various bank and money market accounts that at times may exceed insured credit limits. The cooperative has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances.

The cooperative has investments in money funds which are not bank deposits or F.D.I.C. insured and are not guaranteed by the brokerage house. These funds are subject to investment risks including possible loss of the principal amount invested.

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 4 Property and Equipment

Property and Equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Building	4,564,322	4,564,322
Building Equipment	13,518,257	12,395,971
Furniture and Fixtures	238	238
Maintenance Equipment	<u>10,109</u>	<u>10,109</u>
	18,092,926	16,970,640
Less: accumulated depreciation	<u>8,597,803</u>	<u>8,167,250</u>
Total Property and Equipment	<u>9,495,123</u>	<u>8,803,390</u>

Depreciation expense was \$430,553 and \$392,642 for the years ended June 30, 2023 and 2022, respectively.

### Note 5 Mortgages Payable

On December 18, 2015, the cooperative restructured and refinanced all its existing debt.

The prior first mortgage was with the New York City Housing Development Corporation ("HDC") and was for \$1,935,618 and was scheduled to mature January 31, 2035. This mortgage was self-amortizing, requiring monthly payments of \$12,234 which included principal and interest at a rate of 6.5% per annum. The balance due at the time of the refinancing was \$1,603,124.

The prior second mortgage, which is now the fourth mortgage, is also with the HDC and is for \$2,420,779 and is scheduled to mature January 1, 2048. There is no accrual of interest on this mortgage and there are no payments required during the term of the mortgage.

The new first mortgage is still with HDC and is for \$2,180,000 and is scheduled to mature January 31, 2048. This mortgage is self-amortizing requiring interest only for the first two years. As of February 2018, monthly payments of \$12,515 which includes principal and interest at a rate of 5.6% per annum are due. This mortgage requires that after the first two years, \$2,100 per month is to be deposited into a building reserve fund with HDC.

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 5

#### Mortgages Payable - continued

The new second mortgage is also with HDC and is for \$3,200,000. The mortgage is scheduled to mature January 1, 2048. This mortgage is self-amortizing requiring interest only for the first two years. As of February 2018, monthly payments of \$18,371 which includes principal and interest at a rate of 5.6% per annum are due.

The new third mortgage is a reverse mortgage which bears interest at a fixed rate of 2.58% and is scheduled to mature January 1, 2048. Payments are made based upon one percent of the loan and interest accrues and is compounded monthly. On maturity, the entire principal amount of the loan, plus all deferred and accrued interest in the approximate amount of \$1,026,000 will be due and payable.

A new improvement loan is also with HDC, is for \$3,450,000, began December 1, 2019, and is expected to mature January 1, 2048. The mortgage is self-amortizing requiring monthly payments of \$18,540 which include principal and interest at a rate of 4.75% per annum.

In connection with the restructuring and refinancing of the mortgages, deferred financing costs of approximately \$173,000 are being amortized over the life of the mortgages.

In accordance with the terms of the restructuring, the cooperative must remain in the Mitchell-Lama program until January 1, 2048.

Principal maturities of the mortgages are as follows:

	<u>First</u>	<u>Second</u>	<u>Rehab Loan</u>
2024	34,840	57,012	70,988
2025	41,263	60,570	74,434
2026	43,635	64,050	78,047
2027	46,142	67,730	81,837
2028	48,793	71,622	85,810
Thereafter	1,787,997	2,618,712	2,830,446

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 6

#### **Paid-in and Donated Capital**

Pursuant to a resolution of the stockholders for the housing corporation, a first sale capital assessment was approved by HUD on February 18, 2009 for all apartment transfers subsequent to that date. The proceeds from this assessment have been deposited into a separate reserve account and will be used to fund future capital improvements and major repairs. In 2018 the cooperative also received grant proceeds from NYSERDA (New York State Energy Research and Development Authority) of approximately \$139,000. These proceeds have been used to offset the cost of various energy upgrades to the cooperative. The cumulative amounts collected from all grants and the first sale capital assessment have been reflected as Paid-In and Donated Capital on the Balance Sheets of the cooperative.

### Note 7

#### **Charges and Assessments**

##### **Assessments**

Pursuant to a resolution of the Board of Directors on June 24, 2015, the cooperative approved a capital assessment specifically for the repayment of the loans referred to in Note 5. The assessment, which commenced January 1, 2016, is equal to \$2.50 per share per month and shall be payable over 360 months.

##### **Parking Income**

Pursuant to a resolution of the Board of Directors, the cooperative approved an increase in the monthly parking from \$150 to \$175 per space per month effective July 1, 2017.

##### **Carrying Charges**

Pursuant to a resolution of the Board of Directors, the cooperative approved a two step carrying charge increase of 2% effective September 1, 2019 and 2% effective September 1, 2020.

### Note 8

#### **Future Commercial Income**

A portion of the cooperative's property is leased to a commercial tenant. The previous lease, which expired December 2020 was renewed and will run for another four years. Base annual rents for the remaining term of this lease are as follows:

January 1, 2023 through December 31, 2023	197,200
January 1, 2024 through December 31, 2024	203,116

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 9

#### **Benefits**

The cooperative participated in the Building Service 32BJ Pension Fund, Employer Identification Number 13-1879376, Plan 001, for the years ended June 30, 2023 and 2022. The cooperative participated in this multi-employer plan, for the years ended June 30, 2023 and 2022 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires April 20, 2026 and the cooperative has no intention of withdrawing from the plan.

The risks of participating in multi-employer plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer 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 cooperative chooses to stop participating in its multi-employer pension plan, the cooperative 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.

The zone status is based on information that the cooperative received from the plan and is certified by the plan's actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The most recent Pension Protect Act (PPA) zone status available is for the plan's year-end beginning July 1, 2021 and 2020. The certified zone status for the plan for each of these years was yellow and red, respectively, and a rehabilitation plan was implemented. This rehabilitation plan currently involved a surcharge to the cooperative.

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the years ended June 30, 2023 and 2022. The fund provides health benefits (medical, surgical, hospital, prescription drugs, behavioral health, optical, dental) and life insurance coverage for eligible participants and their covered dependents. Retired employees are eligible for health benefits if they retire before age 65, but after age 62; accumulated 15 combined years of pension service credit; worked both 90 days immediately before retirement and at least 36 months of the 60 months before retiring; and are receiving an early or regular retirement pension from the Building Service 32BJ Pension Fund. These benefits continue for the retired employee and eligible dependents until they become eligible for Medicare, until age 65, or until the retiree's pension is suspended, whichever occurs first.

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 9

#### **Benefits - continued**

The cooperative made the following contributions to the plans:

	<u>2023</u>	<u>2022</u>
Pension Contributions	28,245	29,655
Health Contributions	113,460	90,580

The cooperative's contributions to the plan were not greater than 5% of the plan's total contributions.

### Note 10

#### **Income Taxes**

Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. Under Subchapter T, income from non-patronage sources in excess of expenses properly attributable thereto may be subject to tax. The cooperative believes that all of its income is patronage sourced. Accordingly, no provisions for taxes, if any, that could result from the application of Subchapter T to the cooperative's income has been reflected in the accompanying financial statements. The cooperative is not subject to New York State Franchise or New York City General Corporation Taxes.

Losses incurred in years prior to 2018, may be carried forward for twenty years from the year incurred and may be used to offset 100% of taxable income. Due to a change in the tax law, federal net operating losses incurred in 2018 and thereafter may be carried forward indefinitely, but may only be used to offset 80% of taxable income each year. This law was subsequently modified under the CARES Act, which was enacted March 27, 2020. Under the CARES Act, the 80% taxable income limitation is delayed until years beginning after December 31, 2020. The 80% limitation will apply to any net operating loss arising in a year beginning after December 31, 2017 and deducted for a year beginning after December 31, 2020. Additionally, the Act provides that for losses arising in 2018, 2019 and 2020, such loss shall be a net operating loss carryback to each of the prior five taxable years. Additionally, as is the case under pre-2018 law, the taxpayer may make an election to waive the carryback and instead treat losses arising in these years as net operating loss carryovers.

As of June 30, 2023, the cooperative has available federal net operating loss carryforwards to apply to future taxable income of approximately \$3,765,000. These net operating loss carryforwards consist of carryforwards of approximately \$1,881,000 which expire beginning in 2024 and continuing through 2038 and carryforwards of approximately \$1,884,000 which were incurred in 2019 and thereafter.

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Notes to Financial Statements

June 30, 2023 and 2022

**Note 10**

**Income Taxes - continued**

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the cooperative believes that its estimates are appropriate based on current facts and circumstances. The cooperative's tax filings are subject to audit by various taxing authorities. The cooperative's federal income tax returns for the last three years remain open to examination.

**Note 11**

**Future Major Repairs and Replacements**

The cooperative has not conducted an official 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. When replacement funds are needed to meet future needs for major repairs and replacements, the cooperative may borrow, utilize available cash, increase carrying charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

**Note 12**

**Subsequent Events**

Management has evaluated subsequent events through XXX (DATE THE REP LETTER IS SIGNED), 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.



**WASHINGTON SQUARE SOUTHEAST APTS., INC.****Schedule of Budget with Actual Operating Amounts**

	<b>Budget</b> <b>Year Ended</b> <b><u>June 30, 2023</u></b> <b>(Unaudited)</b>	<b>Actual</b> <b>Year Ended</b> <b><u>June 30, 2023</u></b>	<b>Actual</b> <b>Year Ended</b> <b><u>June 30, 2022</u></b>
<b>RECEIPTS</b>			
Carrying Charges	1,918,038	1,918,038	1,918,038
Vacancies and Uncollectible Charges	(16,000)	(15,731)	(22,657)
Equity Assessment	172,000	172,288	172,416
Parking Income	172,000	172,200	171,850
Professional Apartments	194,000	194,328	188,668
Laundry Room Income	15,600	15,600	15,600
Appliance Charges	95,000	91,333	95,326
Surcharge Income	245,000	247,369	231,160
Security Locker Income	20,000	19,470	0
Movie Production Income	0	16,000	0
Antenna/Cable Income	31,000	31,452	0
Interest Income	40,000	44,638	10,560
Miscellaneous Income	15,000	12,375	18,491
<b>Total Receipts</b>	<u>2,901,638</u>	<u>2,919,360</u>	<u>2,799,452</u>
<b>EXPENDITURES</b>			
<b>ADMINISTRATIVE EXPENSES</b>			
Management Fee	79,500	79,560	76,500
Legal Expenses	74,000	74,118	71,651
Auditing	16,800	17,400	16,800
Telephone Services and Building Link	15,000	16,695	9,530
Office and Administrative Expenses	28,667	31,330	25,114
<b>Total Administrative Expenses</b>	<u>213,967</u>	<u>219,103</u>	<u>199,595</u>
<b>MAINTENANCE EXPENSES</b>			
Superintendent's Payroll	95,000	93,580	98,490
Maintenance Payroll	278,000	313,725	246,314
Payroll Settlements	0	0	15,087
Supplies	45,000	52,934	36,757
Repairs and Maintenance	160,000	205,396	147,063
Major Repairs - Fire Restoration	0	0	86,988
Elevator Maintenance	24,000	23,746	21,383
Protection Service	178,000	179,766	168,788
Grounds and Landscaping	20,000	37,894	14,172
Exterminating and Rodent Services	36,000	40,797	32,593
<b>Total Maintenance Expenses</b>	<u>836,000</u>	<u>947,838</u>	<u>867,635</u>

*See accompanying notes and auditors' report*

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Schedule of Budget with Actual Operating Amounts

	<b>Budget Year Ended <u>June 30, 2023</u> (Unaudited)</b>	<b>Actual Year Ended <u>June 30, 2023</u></b>	<b>Actual Year Ended <u>June 30, 2022</u></b>
<b>UTILITIES EXPENSES</b>			
Steam	178,000	173,677	177,336
Electricity	300,000	337,255	259,792
Water and Sewer	120,000	127,820	111,321
Water and Sewer - Prior Year Adjustments	0	(43,500)	0
Gas	10,000	10,697	7,283
<b>Total Utilities Expenses</b>	<u>608,000</u>	<u>605,949</u>	<u>555,732</u>
<b>TAXES, INSURANCE AND GROUND RENT</b>			
Real Estate Taxes	200,000	198,723	202,504
Real Estate Taxes - Shelter Rent Adjustments	0	0	(74,864)
Payroll Taxes	33,000	34,395	30,508
Licenses and Permits	5,000	9,130	4,017
Insurance	166,000	168,699	113,060
Ground Rent	35,400	35,400	35,400
Union Welfare and Pension Fund	145,000	150,888	124,800
<b>Total Taxes, Insurance and Ground Rent</b>	<u>584,400</u>	<u>597,235</u>	<u>435,425</u>
<b>FINANCIAL EXPENSES</b>			
Interest on First Mortgage	113,106	113,106	115,121
Interest on Second Mortgage	166,030	166,030	168,985
Interest on Third Mortgage	16,620	16,620	16,344
Interest on Improvement Loan	190,000	209,519	162,658
<b>Total Financial Expenses</b>	<u>485,756</u>	<u>505,275</u>	<u>463,108</u>
<b>CONTRIBUTIONS TO EQUITY AND RESERVES</b>			
Amortization of First Mortgage	36,901	36,901	34,895
Amortization of Second Mortgage	54,167	54,167	51,223
Reverse Amortization of Third Mortgage	(10,857)	(10,857)	(10,581)
Amortization of Improvement Loan	67,701	67,701	64,567
Reserve for Replacements	25,603	25,603	25,612
<b>Total Contributions to Equity and Reserves</b>	<u>173,515</u>	<u>173,515</u>	<u>165,716</u>
<b>Total Expenditures</b>	<u>2,901,638</u>	<u>3,048,915</u>	<u>2,687,211</u>
<b>NET (DEFICIT) SURPLUS FOR THE YEAR</b>	<u>0</u>	<u>(129,555)</u>	<u>112,241</u>

*See accompanying notes and auditors' report*

**WASHINGTON SQUARE SOUTHEAST APTS., INC.**

**Schedule of Repairs and Maintenance**

**For the Year Ended June 30,**

	<b>2023</b>	<b>2022</b>
Boiler and Burners	9,325	2,635
Plumbing, Pipes and Pumps	77,103	56,030
Electrical, Intercoms and Security Systems	30,357	31,510
Painting, Plastering and Carpentry Work	23,135	8,528
Masonry and Excavation	22,864	0
Locks, Doors and Appliances	28,765	20,627
Uniforms	4,291	3,990
Gas Line Repair	0	18,981
General	9,556	4,762
<b>Total Repairs and Maintenance</b>	<b>205,396</b>	<b>147,063</b>

*See accompanying notes and auditors' report*

# WASHINGTON SQUARE SOUTHEAST APTS., INC.

## Schedules to the Balance Sheet

June 30, 2023

### **Schedule "A-1" Cash in Banks and on Hand**

Wells Fargo Securities - Money Market Fund	3,631	
JPMorgan Chase - Equity Account	348,950	
JPMorgan Chase - First Sale Assessment Account	174,089	
JPMorgan Chase - Waiting List/Lottery Account	49,648	
Cash on Hand	<u>2,800</u>	
<b>Total Cash in Banks and on Hand</b>		<u><u>579,118</u></u>

### **Schedule "A-2" Mortgagee Escrow Deposits**

Real Estate Taxes	35,557	
Hazard Insurance	115,171	
Water and Sewer	<u>9,293</u>	
<b>Total Mortgagee Escrow Deposits</b>		<u><u>160,021</u></u>

### **Schedule "A-3" Prepaid Expenses**

Hazard Insurance	75,773	
Real Estate Taxes	<u>52,236</u>	
<b>Total Prepaid Expenses</b>		<u><u>128,009</u></u>

*See accompanying notes and auditors' report*