
10 PARK AVE. TENANTS' CORP.

Financial Statements and
Supplementary Information for the
Years Ended December 31, 2024 and 2023

Prisand, Mellina, Unterlack & Co., LLP
Certified Public Accountants

10 PARK AVE. TENANTS' CORP.

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Jayson Prisand, CPA
Robert A. Mellina, CPA
Evan J. Unterlack, CPA
David V. Agoglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
10 PARK AVE. TENANTS' CORP.
10 Park Avenue
New York, NY 10016

Opinion

We have audited the accompanying financial statements of 10 PARK AVE. TENANTS' CORP., which comprise the balance sheets (with supporting schedules) as of December 31, 2024 and 2023, and the related statements of revenues and expenses (with supporting schedules), changes in stockholders' equity, 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 10 PARK AVE. TENANTS' 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 10 PARK AVE. TENANTS' 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 10 PARK AVE. TENANTS' 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 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 10 PARK AVE. TENANTS' 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 10 PARK AVE. TENANTS' 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

As discussed in Note 2, 10 PARK AVE. TENANTS' CORP. has omitted the supplementary information on 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.

Prinsel, Mellin, Waterlock & Co., LLP

Plainview, New York
July 21, 2025

10 PARK AVE. TENANTS' CORP.
BALANCE SHEETS
AS OF DECEMBER 31,

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,684,857	\$ 1,608,517
Accounts receivable	605,799	437,905
Prepaid expenses	96,293	85,998
Total Current Assets	2,386,949	2,132,420
Reserve Fund: (Note 3)	1,245,359	1,319,826
Total Current Assets and Reserve Fund	3,632,308	3,452,246
Property and Improvements: (Notes 2 and 4)		
Land	2,484,089	2,484,089
Building	3,945,233	3,945,233
Building improvements and equipment	13,260,602	12,966,632
Total	19,689,924	19,395,954
Accumulated depreciation	(9,453,737)	(9,030,932)
Net Property and Improvements	10,236,187	10,365,022
Other Assets and Deferred Charges:		
Cash - security deposits	289,574	267,517
Cash - restricted (Notes 2 and 5)	100,000	100,000
Deferred commercial rents (Note 2)	284,162	230,583
Deferred leasing costs (Note 6)	228,936	249,445
Total Other Assets and Deferred Charges	902,672	847,545
Total Assets	\$ 14,771,167	\$ 14,664,813

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
BALANCE SHEETS
AS OF DECEMBER 31,

	2024	2023
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accrued mortgage interest	\$ 26,222	\$ 26,595
Mortgage payable - current portion (Note 5)	156,114	150,790
Accounts payable and accrued expenses	269,377	282,041
Due to stockholders - real estate tax abatements	201,583	126,437
Advance maintenance	39,538	73,984
Building improvements payable	8,810	14,911
Real estate tax payable	-	28,608
Total Current Liabilities	701,644	703,366
Long-Term and Other Liabilities:		
Mortgage payable - net of current portion (Note 5)	10,450,498	10,606,612
Unamortized debt issuance costs (Note 2)	(108,867)	(123,883)
Net Long-Term Debt	10,341,631	10,482,729
Security deposits payable	338,509	316,452
Total Long-Term and Other Liabilities	10,680,140	10,799,181
Total Liabilities	11,381,784	11,502,547
Stockholders' Equity:		
Common stock - \$1.00 par value, 100,000 shares authorized,		
83,573 shares issued and outstanding	83,573	83,573
Additional paid-in capital	3,760,159	3,760,159
Accumulated deficit	(454,349)	(681,466)
Total Stockholders' Equity	3,389,383	3,162,266
Total Liabilities and Stockholders' Equity	\$ 14,771,167	\$ 14,664,813

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
SUPPORTING SCHEDULES - BALANCE SHEETS
AS OF DECEMBER 31,

	2024	2023
Cash and Cash Equivalents:		
Operating accounts	\$ 65,899	\$ 191,245
Tax escrow - self-controlled	874,977	1,031,345
Working capital account	743,981	385,927
Total Cash and Cash Equivalents	\$ 1,684,857	\$ 1,608,517
Accounts Receivable:		
Maintenance - Apartments (Note 2)	\$ 299,564	\$ 211,885
Commercial income - net of an allowance for doubtful accounts of \$109,515 in 2024 and \$0 in 2023) (Notes 2 and 6)	293,735	226,020
Due from vendor	12,500	-
Total Accounts Receivable	\$ 605,799	\$ 437,905
Prepaid Expenses:		
Insurance	\$ 91,017	\$ 81,364
Service contract	2,898	2,767
Corporation taxes	2,378	1,867
Total Prepaid Expenses	\$ 96,293	\$ 85,998

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
REVENUES		
Maintenance - Apartments	\$ 5,389,927	\$ 5,133,263
Commercial income (Note 6)	958,590	863,411
Operating assessments (Note 7)	532,922	513,852
Sublet, storage, late charges and miscellaneous	235,373	205,044
Interest and dividends	87,529	64,243
Laundry income	30,000	34,925
Total Revenues	7,234,341	6,814,738
EXPENSES		
Administrative expenses	252,471	342,227
Operating expenses	2,529,816	2,400,163
Repairs and maintenance	238,935	314,571
Taxes	3,160,121	3,027,181
Financial expenses	326,632	330,112
Total Expenses	6,507,975	6,414,254
Operating income before other items and depreciation and amortization	726,366	400,484
Commercial rents - straight-line adjustments (Note 2)	53,579	81,528
Bad debt expense - commercial income (Notes 2 and 6)	(109,515)	-
Capital assessment (Note 4)	-	150,232
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	670,430	632,244
Depreciation and amortization	(443,313)	(481,639)
Net Income For The Year	\$ 227,117	\$ 150,605

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
Administrative Expenses:		
Professional fees	\$ 113,218	\$ 188,746
Management fee	95,000	96,017
Other administrative and telephone	44,253	57,464
Total Administrative Expenses	<u><u>\$ 252,471</u></u>	<u><u>\$ 342,227</u></u>
Operating Expenses:		
Utilities		
Steam - heat	\$ 430,864	\$ 371,198
Water and sewer	233,971	205,920
Electricity and gas	54,729	65,510
	<u><u>719,564</u></u>	<u><u>642,628</u></u>
Payroll		
Wages	1,105,278	1,077,535
Union benefits (Note 8)	414,339	402,244
Payroll taxes	87,024	88,671
Workers' compensation and disability insurance	22,615	24,384
	<u><u>1,629,256</u></u>	<u><u>1,592,834</u></u>
Other		
Insurance	173,312	154,805
Permits and miscellaneous operating	7,684	9,896
	<u><u>180,996</u></u>	<u><u>164,701</u></u>
Total Operating Expenses	<u><u>\$ 2,529,816</u></u>	<u><u>\$ 2,400,163</u></u>

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
Repairs and Maintenance:		
Painting, plastering and flooring	\$ 56,333	\$ 80,496
Elevator contract and repairs	50,477	52,773
Plumbing and heating	44,985	76,792
Materials and supplies	28,132	40,168
Doors, locks and windows	21,233	24,850
Exterminating	13,305	10,721
Uniforms	10,811	11,780
Equipment, compactor and other repairs	9,295	2,792
Grounds and plants	2,464	5,820
Electrical and intercom	1,200	2,918
Water treatment	700	2,991
Exterior repairs	-	2,470
 Total Repairs and Maintenance	 <u><u>\$ 238,935</u></u>	 <u><u>\$ 314,571</u></u>
 Taxes:		
New York City real estate tax (Note 9)	\$ 3,144,484	\$ 3,009,514
Corporation taxes (Note 10)	15,637	17,667
 Total Taxes	 <u><u>\$ 3,160,121</u></u>	 <u><u>\$ 3,027,181</u></u>
 Financial Expenses:		
Mortgage interest (Note 5)	\$ 311,616	\$ 315,096
Amortization of debt issuance costs (Note 2)	15,016	15,016
 Total Financial Expenses	 <u><u>\$ 326,632</u></u>	 <u><u>\$ 330,112</u></u>
 Depreciation and Amortization:		
Building	\$ 31,218	\$ 78,905
Building improvements and equipment	391,586	382,225
Amortization of deferred leasing commissions	20,509	20,509
 Total Depreciation and Amortization	 <u><u>\$ 443,313</u></u>	 <u><u>\$ 481,639</u></u>

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
COMMON STOCK		
Balance - January 1,	\$ 83,573	\$ 83,573
Transactions during the year	-	-
Balance - December 31,	<u>\$ 83,573</u>	<u>\$ 83,573</u>
ADDITIONAL PAID-IN CAPITAL		
Balance - January 1,	\$ 3,760,159	\$ 3,760,159
Transactions during the year	-	-
Balance - December 31,	<u>\$ 3,760,159</u>	<u>\$ 3,760,159</u>
ACCUMULATED DEFICIT		
Balance - January 1,	\$ (681,466)	\$ (832,071)
Net income for the year	227,117	150,605
Balance - December 31,	<u>\$ (454,349)</u>	<u>\$ (681,466)</u>

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	<u>\$ 227,117</u>	<u>\$ 150,605</u>
Adjustments to reconcile net income to cash provided by operating activities:		
Revenue allocated to financing activities	-	(150,232)
Depreciation and amortization	443,313	481,639
Amortization of debt issuance costs	15,016	15,016
(Increase) in accounts receivable	(167,894)	(120,635)
(Increase) in prepaid expenses	(10,295)	(6,224)
(Increase) in deferred commercial rents	(53,579)	(81,528)
(Decrease) increase in accounts payable and other current liabilities	(944)	60,264
Net change in security deposits transactions	-	(98,065)
Total Adjustments	<u>225,617</u>	<u>100,235</u>
Cash Provided By Operating Activities	<u>452,734</u>	<u>250,840</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in reserve fund	74,467	136,443
(Increase) in building improvements and equipment	(293,970)	(346,475)
(Decrease) in building improvements payable	(6,101)	(59,940)
Cash (Used) By Investing Activities	<u>(225,604)</u>	<u>(269,972)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amortization of mortgage payable	(150,790)	(147,319)
Capital assessment	-	150,232
Cash (Used) Provided By Financing Activities	<u>(150,790)</u>	<u>2,913</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	76,340	(16,219)
Cash, cash equivalents and restricted cash at beginning of year	<u>1,708,517</u>	<u>1,724,736</u>
Cash, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 1,784,857</u>	<u>\$ 1,708,517</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 311,989	\$ 315,460
Income taxes paid - net of refunds	\$ 16,148	\$ 17,505

The accompanying notes are an integral part of this statement.

10 PARK AVE. TENANTS' CORP.

Notes to Financial Statements

Note 1 - ORGANIZATION

10 PARK AVE. TENANTS' CORP. (the "Corporation") was incorporated in New York State on July 7, 1972. The Corporation is a qualified Cooperative Housing Corporation under Section 216(b)(1) of the Internal Revenue Code. The Property is located at 10 Park Avenue, New York, New York and contains 268 residential apartments, one residential manager's apartment, and several commercial and professional spaces. The primary purpose of the Corporation is to manage the operations of the Property and maintain the common elements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in accordance 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.

Property and Improvements

Property and improvements are stated at cost. The building is fully depreciated. Building improvements and equipment are depreciated on the straight-line method over estimated lives which range from seven to twenty-seven and one-half years. Maintenance and repairs that do not increase the useful life of an asset are expensed as incurred.

Future Major Repairs and Replacements

The Corporation's governing documents do not require the accumulation of funds in advance of actual need to finance estimated future major repairs and replacements. Consistent with general practice in New York City, the Corporation has not promulgated a study to determine the remaining useful lives of the components of the building and estimates of the costs of major repairs and replacements that may be required. When funds are required for major repairs and replacements, the Corporation has the right to utilize available cash reserves and/or borrow, increase maintenance, implement special assessments, or delay repairs and replacements until funds are available.

Debt Issuance Costs

In accordance with FASB ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs related to a recognized debt liability are required to be presented in the accompanying balance sheets as a direct deduction from the carrying amount of the debt liability. Debt issuance costs are being amortized over the life of the related debt obligation on the straight-line basis. The amortization of debt issuance costs is reported as a financial expense in the Statements of Revenues and Expenses.

Notes to Financial Statements

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition and Accounts Receivable

In accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, the Corporation recognizes revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those goods or services.

Stockholders are subject to monthly maintenance and operating assessments based on their respective share ownership in order to provide funds for the Corporation's operating expenses. Such amounts are recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Corporation's performance obligations related to its maintenance and operating assessments are satisfied over time on a daily pro-rata basis. Capital assessments, if any, provide funds for the Corporation's capital improvements and to replenish the reserve fund. The performance obligations related to capital assessments are satisfied when the funds are expended for their designated purpose.

Maintenance and assessments receivable at the balance sheet date are stated at the amounts expected to be collected from the stockholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-stockholders whose assessments are unreasonably delinquent. Any excess assessments at year end are retained by the Corporation for use in future years. As of December 31, 2024 and 2023, the Corporation's accounts receivable from stockholders were \$299,564 and \$211,885, respectively. Based upon past experience and other factors, the Corporation considers all residential accounts receivable at December 31, 2024 to be collectible. Accordingly, no allowance for doubtful accounts is required.

Commercial Income and Accounts Receivable

In accordance with ASU No. 2016-02, *Leases* (Topic 842), the Corporation has classified its commercial leases as operating leases and recognizes commercial revenues on the straight-line basis over the term of each lease. Any difference between the straight-line rents and the rents received is recorded as deferred revenue.

Accounts receivable at the balance sheet date represent past due amounts for rent and escalations from commercial tenants. During 2024, the Corporation wrote off \$109,515 of prior years' arrears from one commercial tenant as a bad debt expense. As of December 31, 2024 and 2023, the Corporation's accounts receivable from commercial tenants of \$293,735 and \$226,020, respectively, were stated at the net estimated realizable value. See Note 6 for additional information.

Income Taxes

The Corporation accounts for certain income items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to any portion of maintenance charges used for mortgage amortization, which are accounted for as revenue for financial reporting purposes and as contributions to additional paid-in capital for income tax purposes. Additionally, the Corporation does not recognize straight line adjustments to commercial revenues for income tax purposes.

10 PARK AVE. TENANTS' CORP.

Notes to Financial Statements

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statements of Cash Flows

The Corporation considers all highly liquid investments (not allocated to the reserve fund) with a maturity of three months or less at the date of purchase to be cash equivalents.

In accordance with Accounting Standards Update 2016-18, *Statement of Cash Flows: Restricted Cash* ("ASU 2016-18"), the Corporation includes restricted cash and restricted cash equivalents with cash and cash equivalents in the beginning and end of period total amounts shown in the Statements of Cash Flows. The following table presents a reconciliation of cash, cash equivalents and restricted cash reported within the Balance Sheets that sum to the total of the same such amounts in the Statements of Cash Flows.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,684,857	\$ 1,608,517
Restricted cash (Note 5)	<u>100,000</u>	<u>100,000</u>
Balance - December 31,	<u><u>\$ 1,784,857</u></u>	<u><u>\$ 1,708,517</u></u>

Note 3 - RESERVE FUND

During 2024 and 2023, the following transactions have taken place in the Corporation's reserve fund.

	<u>2024</u>	<u>2023</u>
Balance - January 1,	\$ 1,319,826	\$ 1,456,269
Interest and dividends - net of service fees	59,218	39,000
Net transfers (to) operations primarily to pay for building improvements and equipment	(133,685)	(175,443)
Balance - December 31,	<u><u>\$ 1,245,359</u></u>	<u><u>\$ 1,319,826</u></u>
The reserve fund is held as follows:		
Israel Discount Bank of New York - Money Market Accounts	\$ 1,237,656	\$ 1,313,204
Apple Bank for Savings - Business Savings Account (Note 5)	7,452	6,376
Capital One Bank - Money Market Account	<u>251</u>	<u>246</u>
Balance - December 31,	<u><u>\$ 1,245,359</u></u>	<u><u>\$ 1,319,826</u></u>

Notes to Financial Statements**Note 4 - PROPERTY AND IMPROVEMENTS AND CAPITAL ASSESSMENTS****Property and Improvements**

During 2024 and 2023, the Corporation capitalized the following building improvements and equipment.

	<u>2024</u>	<u>2023</u>
Facade/exterior project - FISP	\$ 293,970	\$ 56,079
Terraces and roof replacement	-	133,645
Elevator modernization	-	80,590
Window project	-	52,022
Lobby/hallway improvements	-	15,302
HVAC/heat rejection equipment	-	8,837
 Total	 <u>\$ 293,970</u>	 <u>\$ 346,475</u>

Capital Assessments

During 2023, the Corporation implemented a capital assessment of \$150,232, or \$1.80 per share of stock, in order to pay for the terraces and roof replacement project.

During December 2024, the Corporation implemented a capital assessment of \$150,000, or \$1.79 per share of stock, in order to pay for capital projects. This assessment is being billed over twelve months from January 1, 2025 to December 31, 2025.

Note 5 - MORTGAGE PAYABLE AND LINE OF CREDIT**Mortgage Payable**

The mortgage payable, in the original principal amount of \$11,000,000, is held by Apple Bank for Savings ("Apple Bank"). It requires equal monthly payments of \$38,565, applied first to interest at a rate of 2.871% per annum with the balance as a reduction of principal based on a forty-year amortization schedule. The loan is secured by the land and building owned by the Corporation. It has a ten-year term, which is scheduled to mature on April 1, 2032.

The mortgage may be prepaid in whole, subject to a declining scale prepayment penalty as defined in the loan documents. However, the Corporation may also prepay up to 10% of the outstanding principal balance one time per annum, without penalty. During the last year of the term, the loan may be prepaid without penalty.

During the next five years, the following principal payments are required.

<u>Year</u>	<u>Amount</u>
2025	\$ 156,114
2026	160,719
2027	165,460
2028	169,518
2029	175,342

Notes to Financial Statements

Note 5 - MORTGAGE PAYABLE AND LINE OF CREDIT (continued)

Mortgage Payable (continued)

Pursuant to the loan documents, the Corporation is required to maintain a reserve account with Apple Bank, in a minimum amount of \$100,000, for the duration of the loan term. As of December 31, 2024, this account's balance of \$107,452 was allocated as \$100,000 of restricted cash (Note 2) and \$7,452 of unrestricted reserve cash (Note 3).

Line of Credit

The Corporation has a \$2,000,000 unsecured revolving line of credit with Apple Bank. Draws under the line of credit must be made in minimum amounts of \$10,000. When funds are drawn, interest will be charged at the greater of the Prime Rate plus 1.00% per annum, or 4.50%. The line of credit is scheduled to mature upon the earlier to occur of April 1, 2032, or the refinancing or repayment of the mortgage payable.

Note 6 - COMMERCIAL INCOME

As of December 31, 2024, the Corporation was the lessor of four professional and three commercial units with leases maturing between May 31, 2027 and February 28, 2037. The leases provide for annual increases of base rent and certain leases provide escalation clauses equal to a percentage of the increase in real estate tax over a defined base year as well as reimbursement for water and sewer usage.

During 2020, the Corporation signed lease modification agreements with two commercial tenants. The modification agreements reduced the original monthly rents to minimum amounts as defined. The minimum rent amounts are subject to change based on a calculation of the percentage of monthly gross sales ("POGS"). If the POGS are higher than the minimum scheduled rent, the tenants will pay the difference. On June 1, 2022, one of the two commercial tenants signed a new lease and the Corporation released any claims against the tenant through the commencement date of the new lease. During 2024, the Board of Directors determined that \$109,515 of prior years' arrears on the second modified commercial lease were not collectible.

During 2023, the Corporation signed a lease modification agreement with a commercial tenant. The modification agreement reduced the original monthly rents by 50% for specific months in 2024 and 2025.

The Corporation anticipates receiving minimum contractual base rents from the existing leases over the next five years as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 806,984
2026	758,035
2027	720,873
2028	626,944
2029	642,156

Leasing commissions paid in connection with the commercial leases have been deferred and are being amortized over the term of each lease.

10 PARK AVE. TENANTS' CORP.

Notes to Financial Statements

Note 7 - OPERATING ASSESSMENTS

During 2024 and 2023, the Corporation implemented operating assessments of \$6.38 and \$6.15 per share of stock, respectively, which generated \$532,922 and \$513,852, respectively, for operating purposes. The Corporation's policy is to refund abatements granted under the New York City Cooperative Shareholder Real Estate Tax Abatement Program at approximately the same time as the assessments are charged to the stockholders. During 2025, a similar assessment is anticipated.

Note 8 - UNION BENEFITS

Substantially all of the Corporation's employees are members of the New York Hotel Trades Council and Hotel Association of New York City, Inc. and covered by a union sponsored, collectively bargained, multiemployer defined benefit pension, annuity and health insurance plan (the "Plan"). The union agreement expires on June 30, 2026. The Corporation makes contributions to the Plan based on a percentage of wages for each employee covered under the union contract. During 2024 and 2023, the Corporation contributed \$414,339 and \$402,244, respectively, to the Plan of which \$113,504 and \$109,806, 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 New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund (Employer Identification Number 13-1764242, Plan 001) (the "Fund") are not segregated or otherwise restricted to provide benefits only to the Corporation's employees. The risks of participating in a multiemployer pension plan are 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 January 1, 2024, the Fund's most recently available certified zone status was "green". As of January 1, 2024, the Plan was in neither critical status nor endangered status. The Corporation has no intention of withdrawing from the Plan.

Note 9 - REAL ESTATE TAX

New York City real estate tax has been originally assessed as follows:

<u>Fiscal Year</u>	<u>Taxable Valuation</u>	<u>Tax Rate</u>	<u>Tax</u>
2021/22	\$ 22,628,250	12.235%	\$ 2,768,566
2022/23	24,907,320	12.267%	3,055,381
2023/24	25,699,720	12.502%	3,212,979
2024/25	26,039,460	12.500%	3,254,933

10 PARK AVE. TENANTS' CORP.

Notes to Financial Statements

Note 9 - REAL ESTATE TAX (continued)

The Corporation routinely protests the assessed valuation of its Property for real estate taxation purposes. During 2023, a settlement was reached for the 2023/24 tax year, which resulted in approximately \$845,400 of current and future years benefits due to the reduced assessed valuation. Professional fees of \$89,318 were recorded in 2023. During 2024, a settlement was reached for the 2024/25 tax year, which resulted in approximately \$921,900 of current and future years benefits due to the reduced assessed valuation. Professional fees of \$96,796 were recorded in 2024. Currently, there are no "open" tax protests.

Note 10 - CORPORATION TAXES

In accordance with ASC 740, *Income Taxes*, the Corporation is required to disclose and recognize any material tax provisions resulting from uncertain tax positions.

Federal income tax is computed pursuant to Subchapter T of the Internal Revenue Code. Under Subchapter T, a Cooperative is required to classify its income and expenses as patronage or non-patronage sourced. Income is patronage sourced if it is derived from an activity that is so closely intertwined with the main cooperative effort that it may be characterized as directly related to, and inseparable from, the Cooperative's principal business activity, and thus facilitates the accomplishment of the Cooperative's business purpose. Income from non-patronage sources in excess of allocable expenses may be subject to tax. The Corporation believes that all of its income is effectively patronage sourced and if this position is subjected to examination and settlement by a taxing authority, there will not be a significant change in the Corporation's financial position or results of operations.

The Corporation is subject to Federal income tax based on net taxable income. For the year ended December 31, 2024, the Corporation had taxable income after taking permanent differences between financial and tax reporting into account (Note 2). However, due to net operating losses from prior years, the Corporation is not currently liable for Federal income tax.

As of December 31, 2024, the Corporation had approximately \$3,598,500 of operating loss carryforwards for Federal income tax purposes, which will expire in various years through 2036, and approximately \$1,199,400 of operating loss carryforwards, which may be carried forward indefinitely until the loss is fully recovered. Such loss carryforwards are limited to 80% of the Corporation's taxable income in any one tax period. Since the future utilization of these tax carryforward losses is uncertain, no related deferred tax assets have been recognized in the accompanying financial statements.

New York State Franchise and New York City Corporation taxes are calculated at the higher of tax based on the Corporation's net taxable income, capital base or prescribed minimum amounts.

The Corporation's tax returns for all years since 2021 remain open to examination by the respective taxing authorities. There are currently no tax examinations in progress.

Note 11 - CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash and investment accounts at financial institutions with balances that normally exceed federally insured limits. As of December 31, 2024, the Corporation held approximately \$2,424,000 of cash in excess of federally insured limits. The Corporation has not experienced any losses due to concentration of credit risk in such accounts.

10 PARK AVE. TENANTS' CORP.

Notes to Financial Statements

Note 12 - CLAIMS OR LITIGATION

From time to time, claims or matters of litigation may arise in the ordinary conduct of the Corporation's business. In the opinion of management, claims or litigation outstanding against the Corporation as of December 31, 2024, are either without merit or the ultimate losses, if any, would not have a material adverse effect on the financial position or results of operations of the Corporation.

Note 13 - DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through July 21, 2025, the date the financial statements were available to be issued.

**SUPPLEMENTARY AND PROSPECTIVE
INFORMATION**



Jayson Prisand, CPA
Robert A. Mellina, CPA
Evan J. Unterlack, CPA
David V. Agoglia, CPA

**INDEPENDENT ACCOUNTANT'S COMPILED REPORT
ON SUPPLEMENTARY AND PROSPECTIVE INFORMATION**

To the Board of Directors and Stockholders of
10 PARK AVE. TENANTS' CORP.
10 Park Avenue
New York, NY 10016

Our report on our audits of the basic financial statements of 10 PARK AVE. TENANTS' CORP. for the years ended December 31, 2024 and 2023 appears on Pages 1 and 2, and was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Comparative Schedule of Revenues and Expenditures – Budget, Historical and Forecast is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have compiled the accompanying operating budget forecast of 10 PARK AVE. TENANTS' CORP. for the year ending December 31, 2025, and the Supplementary Schedule of Capital Contributions for the Years Ended December 31, 1986 to 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 a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecast or assumptions. Furthermore, 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. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Prisand, Mellina, Unterlack & Co., LLP

Plainview, New York
July 21, 2025 for Historical Statements
November 22, 2024 for Forecast

10 PARK AVE. TENANTS' CORP.

Comparative Schedule of Revenues and Expenditures - Budget, Historical and Forecast

	For The Year		Prior Year		Next Year
	January 1, 2024 - December 31, 2024		January 1, 2023- December 31, 2023		January 1, 2025 - December 31, 2025
	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	
REVENUES					
Maintenance - Apartments (1)	\$ 5,389,900	\$ 5,389,927	\$ 5,133,263	\$ 5,497,700	
Commercial income	826,500	958,590	863,411	902,000	
Operating assessments	537,100	532,922	513,852	554,200	
Sublet, storage, late charges and miscellaneous	171,500	235,373	205,044	208,700	
Laundry income	30,000	30,000	34,925	30,000	
TOTAL REVENUES	6,955,000	7,146,812	6,750,495	7,192,600	
EXPENDITURES					
Professional fees	98,100	113,218	188,746	107,200	
Management fee	95,000	95,000	96,017	96,700	
Other administrative and telephone	55,500	44,253	57,464	59,200	
Steam - heat	405,700	430,864	371,198	446,200	
Water and sewer	210,700	233,971	205,920	240,600	
Electricity and gas	62,400	54,729	65,510	61,300	
Wages and related costs	1,584,800	1,629,256	1,592,834	1,651,100	
Insurance	192,400	173,312	154,805	226,100	
Permits and miscellaneous operating	5,000	7,684	9,896	5,000	
Repairs and maintenance	359,500	238,935	314,571	323,900	
New York City real estate tax	3,128,000	3,144,484	3,009,514	3,132,600	
Corporation taxes	17,000	15,637	17,667	15,600	
Mortgage interest and amortization	462,700	462,406	462,415	462,700	
Transfers to reserve fund	278,200	-	-	358,200	
TOTAL EXPENDITURES	6,955,000	6,643,749	6,546,557	7,186,400	
Budgeted Surplus	\$ -			\$ 6,200	
ACTUAL OPERATING INCOME					
		503,063	203,938		
Mortgage amortization		150,790	147,319		
Interest and dividends		87,529	64,243		
Amortization of debt issuance costs		(15,016)	(15,016)		
OPERATING INCOME BEFORE OTHER ITEMS AND DEPRECIATION AND AMORTIZATION	\$ 726,366	\$ 400,484			

(1) Maintenance has been increased by 5% effective January 1, 2024 and by 2% effective January 1, 2025.

See Independent Accountant's Compilation Report and Summary of Significant Accounting Policies and Forecast Assumptions.

**Summary of Significant Accounting Policies and Forecast Assumptions
For The Year Ending December 31, 2025**

The operating budget forecast presents, to the best of management's knowledge and belief, the Corporation's expected results of operations for the forecast period. Accordingly, the forecast reflects management's judgment as of November 22, 2024 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 forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The forecast has been prepared using generally accepted accounting principles that the Corporation expects to use when preparing its historical financial statements.

FORECAST ASSUMPTIONS

Revenues

Maintenance is based on \$458,142 per month, which reflects a 2% increase effective January 1, 2025. Commercial income is based on current lease terms and anticipated escalations. During 2025, an operating assessment of \$554,200, or \$6.63 per share of stock, has been anticipated. The Corporation's policy is to refund abatements granted under the New York City Cooperative Shareholder Real Estate Tax Abatement Program at approximately the same time as the assessment is charged to the stockholders. Laundry income is based upon a contract. Other fees and income are based upon historical experience or contracts.

Expenditures

Payroll expenses and benefits are based upon a union contract and anticipated staffing requirements. Utilities are based upon rates set by the appropriate regulatory agencies and anticipated consumption. Real estate tax is computed based on the anticipated assessed valuation times an estimated tax rate. Debt service is based upon the payments required by the Corporation's mortgage payable. Repairs and maintenance is based upon historical experience and expected maintenance requirements. Insurance reflects anticipated renewal premiums. Other expenses are based upon historical experience or contracts.

Income Tax

The Corporation is subject to Federal income tax based on net taxable income. The Corporation is also subject to New York State Franchise tax and New York City Corporation tax calculated at the higher of tax based on net taxable income, capital base or prescribed minimum amounts.

10 PARK AVE. TENANTS' CORP.
SUPPLEMENTARY SCHEDULE OF CAPITAL CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 1986 TO 2024

<u>Year</u>	<u>Contributed Capital Per Share</u>
1986	\$ 0.69
1987	0.75
1988	0.69
1989	0.25
1990	0.01
1991	0.01
1992	0.01
1993	0.01
1994	0.01
1995	0.02
1996	0.02
1997	0.96
1998	0.87
1999	0.94
2000	4.02
2001	2.70
2002	1.89
2003	1.97
2004	0.98
2005	1.93
2006	1.20
2007	1.27
2008	5.66
2009	7.08
2010	7.56
2011	8.08
2012	8.22
2013	1.91
2014 - 2021	NONE
2022	1.14
2023	3.55
2024	1.81

The above amounts are additions to the cost basis of each stockholder's shares. The above schedule is based upon available information received from the Corporation's management and prior accountants. A tax advisor should be consulted before utilization of these amounts in the preparation of an income tax return.