UNITED MUTUAL HOUSES, L.P.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

UNITED MUTUAL HOUSES, L.P.
DECEMBER 31, 2023 AND 2022

CONTENTS

A GARY AARONSON CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT
42 WEST 38TH STREET
SUITE 1003
NEW YORK, NEW YORK 10018
(212) 684-5770
A GARY AARONSON, CPA
FAX (212) 684-4853

Independent Auditor's Report

To the Partners of United Mutual Houses, L.P.

Opinion

I have audited the accompanying financial statements of United Mutual Houses, L.P., a New York Limited Partnership, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Mutual Houses, L.P. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of United Mutual Houses, L.P. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 United Mutual Houses, L.P.'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

My 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 my 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, I:

- 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 United Mutual Houses, L.P.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Mutual Houses, L.P.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Supplementary Information

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of operating expenses and excess income analysis are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

New York, New York
May 28, 2024

UNITED MUTUAL HOUSES, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
RENTAL PROPERTY		
Building	$ 5,697,166	$ 5,697,166
Equipment	23,641	23,641
Furniture and fixture	665	665
	5,721,472	5,721,472
Less: accumulated depreciation	(4,681,754)	(4,470,888)
TOTAL RENTAL PROPERTY	1,039,718	1,250,584
OTHERS ASSETS		
Cash	84,178	96,907
Deposits Held in Trust		
Tenant security deposits	21,109	20,830
Restricted Cash and Funded Reserves		
Tax and insurance escrow	5,079	12,424
Replacement reserve	401,384	352,470
Operating reserve	159,495	146,751
Total Restricted Cash and Funded Reserves	565,958	511,645
Accounts receivable - tenants	10,475	35,689
Prepaid expenses	40,239	34,792
Total Other Assets	721,959	699,863
TOTAL ASSETS	$ 1,761,677	$ 1,950,447

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

UNITED MUTUAL HOUSES, L.P.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

LIABILITIES AND PARTNERS' CAPITAL

	2023	2022
LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE		
Mortgages payable	$ 1,557,210	$ 1,579,979
Less: debt issuance costs	(10,683)	(12,220)
	1,546,527	1,567,759
OTHER LIABILITIES		
Due to LESPMHA	402,574	402,574
Accounts payable	59,036	58,991
Due to affiliate	49,047	49,047
Accrued expenses	150,235	136,953
Accrued interest	138,296	125,294
Prepaid rent	1,263	1,795
Tenants security deposits payable	21,109	20,830
Total Other Liabilities	821,560	795,484
TOTAL LIABILITIES	2,368,087	2,363,243
PARTNERS' CAPITAL	(606,410)	(412,796)
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 1,761,677	$ 1,950,447

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

UNITED MUTUAL HOUSES, L.P.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
Residential rental income	$ 248,215	$ 242,319
Vacancy Loss	(1,253)	-
Commercial rent	144,000	144,000
Net Rental Income	390,962	386,319
Other Revenue		
Laundry income	4,028	3,655
Interest income	1,467	212
Total Revenues	396,457	390,186
OPERATING EXPENSES		
Administrative	66,352	59,314
Utilities	91,601	91,442
Professional fees	25,270	14,167
Property Management fees	33,034	31,127
Repairs and maintenance	73,930	54,136
Property insurance	48,265	43,641
Total Operating Expenses	338,452	293,827
Net Income before Financial Expenses	58,005	96,359
FINANCIAL EXPENSES		
Mortgage interest	36,720	38,486
Other interest	4,033	4,026
Total Financial Expenses	40,753	42,512
Net Income before Depreciation	17,252	53,847
Depreciation	210,866	211,833
NET LOSS	$ (193,614)	$ (157,986)

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

UNITED MUTUAL HOUSES, L.P.
STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	General Partner	Limited Partner	Total
Partners' Capital January 1, 2022	$ (352)	$ (254,458)	$ (254,810)
Net loss 2022	(16)	(157,970)	(157,986)
Partners' Capital December 31, 2022	(368)	(412,428)	(412,796)
Net loss 2023	(19)	(193,595)	(193,614)
Partners' Capital December 31, 2023	$ (387)	$ (606,023)	$ (606,410)

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

UNITED MUTUAL HOUSES, L.P.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities:		
Net loss	$ (193,614)	$ (157,986)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	210,866	211,833
Non cash interest expense due to amortization of debt issuance costs	1,537	1,537
Increase (Decrease) in operating asset:		
Accounts receivable - tenants	25,214	(16,456)
Prepaid expenses	(5,447)	(3,480)
(Decrease) (Increase) in operating liabilities:		
Accounts payable	45	850
Accrued expenses	13,282	39,966
Accrued interest	13,002	13,002
Prepaid rent	(532)	1,795
Tenant security deposit payable	279	310
Net Cash provided by Operating Activities	64,632	91,371
Cash Flows from Financing Activities:		
Principal payments of mortgage	(22,769)	(21,004)
Net Cash used in Financing Activities	(22,769)	(21,004)
Net Increase in Cash and Restricted Cash	41,863	70,367
Cash and Restricted Cash - Beginning of Year	629,382	559,015
Cash and Restricted Cash - End of Year	$ 671,245	$ 629,382
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 22,188	$ 23,947

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

NOTE 1 - ORGANIZATION

United Mutual Houses, L.P. ("the Partnership") is a limited partnership formed under the laws of the State of New York pursuant to a Limited Partnership Agreement and Certificate of Limited Partnership dated May 27, 1999. The Partnership has been formed for the purpose of constructing and operating a low-income housing rental project. The project consists of 30 units located in New York City, New York.

The project received an allocation of low-income housing tax credits from the Department of Housing and Community Renewal (DHCR) under section 42 of the Internal Revenue Code of 1986, as amended.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America.

Risks and Uncertainties

The Partnership is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where property is located or by changes in federal low-income housing subsidies or the demand for such housing.

Capitalization and Depreciation

Building, improvements, equipment and furniture are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method for financial reporting purposes. The estimated service life of the assets for

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalization and Depreciation (Continued)

depreciation purposes may be different from their actual economic useful lives. The fixed assets being depreciated over the estimated life of tax basis do not result in a material difference from GAAP basis. For financial statement purposes, the following estimated useful lives are used.

	Estimated useful lives	Method
Building and improvements	10-27.5 Years	Straight-line
Equipment	5.0 Years	Straight-line
Furniture	7.0 Years	Straight-line

The land and building are pledged as collateral for all mortgages payable.

Impairment

The Partnership reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest changes, by the rental property including any estimated proceeds from the eventual disposition of the real estate are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the years ended December 31, 2023 and 2022.

Rental Income and Prepaid Rent

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable - Tenants

Tenant accounts receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Estimates

The preparation of the financial statements in conformity with the accounting principles generally accepted in the United States of America 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.

Debt Issuance Costs and Amortization

Debt issuance costs are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. The debt issuance costs are being offset against the mortgage payable and the amortization of debt issuance costs is included in mortgage interest expense.

Fair Values of Financial Instruments

The Partnership's financial instruments consist primarily of cash, accounts receivable, reserve deposits, accounts payable and debt instruments. The carrying values of cash, accounts receivable, reserve deposits and accounts payable are considered to be representative of their respective fair values. The carrying values of the Partnership's debt instruments approximate their fair values as of December 31, 2023 and 2022, based on current incremental borrowing rates for similar types of borrowing arrangements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a Partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect provision for income taxes and the Partnership has no other tax positions, which must be considered for disclosure.

Revenue Recognition

The Partnership's primary revenue stream is rent charge for residential units under leases. The Partnership records revenue for such leases at gross potential rent. The rental value of vacancies and other concessions are stated separately to present net rental income on the accrual basis. Subsidy revenue for low-income eligible tenants is provided under a Section 8 housing assistance payment contract. This contract requires tenants to contribute a portion of the contract rent based on formulas prescribed by the Department of Housing and Urban Development (HUD). The difference from the calculated subsidy and the contract rent is paid by the tenant. Subsidy income is considered part of the lease and is not considered a contribution under ASC 958. This standard indicates that government payments to specifically identified participants are to be considered exchange transactions and potentially subject to ASC 606. The Partnership believes that such both rental and subsidy income streams are exempted from compliance with ASC 606 due to their inclusion under current and future lease standards. Revenue streams subject to ASC 606 include: tenant reimbursement of consumption-based costs paid by the Partnership on behalf of the tenant, such as utilities and other monthly fees. Additional revenue includes laundry, vending, pet and parking fees as well as damages. Such fees are ancillary to the lease process and are recognized as revenue at the point in time such fees are incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases* ("FASB ASC 842") to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements. The Partnership adopted FASB ASC 842 effective January 1, 2022. However, there is no adjustment necessary as of January 1, 2022 to be recognized under FASB ASC 842. With respect to tenant leases, FASB ASC 842 did not have a material impact on the financial statements as of December 31, 2022 and the year then ended. The Partnership has no other leases other than leases with tenants.

NOTE 3 - MORTGAGES PAYABLE

In August 2001, the Partnership paid off a construction loan from the Community Preservation Corporation (CPC) in the amount of $1,800,178 and replaced it with two long-term mortgages.

A first mortgage loan in the amount of $500,000 with CPC bears an interest rate of 8.22% and is payable over 30 years with a monthly payment of $3,746. The total outstanding under this mortgage as of December 31, 2023 and 2022 was $257,032 and $279,801 respectively. Final payment is due on September 1, 2031.

A second loan in the amount of $1,300,178 with the New York Housing Trust Fund Corporation (NYHTF) bears an interest rate of 1% with principal payable in August 2031. An annual interest payment is due by April 30 for the amount owed for the prior fiscal year. As of December 31, 2023 and 2022, the Partnership had borrowed $1,300,178 under the NYHTF mortgage. A total of $138,296 and $125,294 of accrued interest under the NYHTF mortgage was unpaid as of December 31, 2023 and 2022 respectively.

All of the loans are collateralized by mortgages on the real estate. Furthermore, the Partnership is required to adhere to a Regulatory Agreement that defines the use of the property.

NOTE 3 - MORTGAGES PAYABLE (CONTINUED)

Aggregate maturities of mortgages payable for the next five years are as follows:

2024	$ 24,912
2025	27,038
2026	29,346
2027	31,852
2028	34,571
Thereafter	1,409,491
	$ 1,557,210

As of December 31, 2023 and 2022,the net balances of the mortgages payable were as follows:

	2023	2022
Mortgage CPC	$ 257,032	$ 279,801
Mortgage NYSHTF	1,300,178	1,300,178
Total	1,557,210	1,579,979
Less: Unamortized debt issuance costs	(10,683)	(12,220)
Net mortgages payable	$ 1,546,527	$ 1,567,759

NOTE 4 - DEBT ISSUANCE COSTS

Costs incurred in connection with obtaining mortgages have been capitalized and are being amortized over the term of the mortgages. The unamortized debt issuance costs consist of the following:

	2023	2022
Debt issuance costs	$ 46,083	$ 46,083
Accumulated amortization	(35,400)	(33,863)
Net	$ 10,683	$ 12,220

NOTE 4 - DEBT ISSUANCE COSTS (CONTINUED)

Amortization of debt issuance costs of $1,537 in 2023 and 2022 is included in mortgage interest expense in the accompanying financial statements. Estimated amortization expense for each of the ensuing years through December 31, 2028 is $1,537. The debt issuance costs have been offset against the mortgage payable. (Note 3.)

NOTE 5 - ACCOUNTS RECEIVABLE - TENANTS

At December 31, 2023 and 2022, accounts receivable - tenants consist of the following:

	2023	2022
Accounts receivable - tenants	$ 11,529	$ 36,743
Less: Allowance for doubtful accounts	(1,054)	(1,054)
Net	$ 10,475	$ 35,689

NOTE 6 - DUE TO LESPMHA

The Lower East Side People's Mutual Housing Association (LESPMHA), an affiliate of the General Partner, loaned the Partnership $402,574 as of December 31, 2023 and 2022. The loan bears interest of one percent. As of December 31, 2023 and 2022, the total interest accrued on the loan was $62,083 and $58,057 respectively and included in accrued expenses in the accompanying financial statements.

NOTE 7 - PARTNERS' CAPITAL

The Partnership has one General Partner, UMH Corp., who has a 0.01 percent interest and one Limited Partners, United Mutual Corp., who has a 99.99 percent interest.

NOTE 8 - RESTRICTED ESCROW DEPOSITS AND RESERVES

According to the Partnership, loan and other regulatory agreements, the Partnership is required to maintain the following escrow deposits and reserves. The escrow and reserve accounts are held by CPC. The following shows the activity in such accounts during 2023 and 2022:

NOTE 8 - RESTRICTED ESCROW DEPOSITS AND RESERVES (CONTINUED)

	Beginning Balance January 1, 2023	Additions and Interest	Withdrawals and Transfers	Ending Balance December 31, 2023
Insurance Escrow	$ 3,466	$ 39,769	$ (45,624)	$ (2,389)
Taxes and Other	8,958	48,797	(50,287)	7,468
Replacement Reserve	352,470	48,914	-	401,384
Operating Reserve	146,751	12,744	-	159,495
	$ 511,645	$ 150,224	$ (95,911)	$ 565,958

	Beginning Balance January 1, 2022	Additions and Interest	Withdrawals and Transfers	Ending Balance December 31, 2022
Insurance Escrow	$ 7,849	$ 35,468	$ (39,851)	$ 3,466
Taxes and Other	1,632	50,308	(42,982)	8,958
Replacement Reserve	350,207	2,263	-	352,470
Operating Reserve	136,368	10,383	-	146,751
	$ 496,056	$ 98,422	$ (82,833)	$ 511,645

Under the NYHTF Regulatory Agreement, the Partnership was required to deposit $25,319 annually to the replacement reserves. As of December 31, 2023, the Partnership had made the required payments for 2023 and 2022.

Under the NYHTF Regulatory Agreement, the Partnership is required to deposit 3.0 percent of the annually budgeted gross rents into an operating reserve as well as any excess income as defined in the Agreement, up to the amount of one half of the annually budgeted gross rents. During 2023 and 2022, all required payments to the operating reserves have been made. Under the NYHTF Regulatory Agreement, deposits into the operating reserve may be suspended once the balance of the operating reserve is equal to 50 percent of the annual budgeted gross rent. As of December 31, 2023 and 2022, this requirement has not been met.

NOTE 9 - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Property management fees are paid to LESPMHA. The fee is 8.37% of the monthly rental collection. LESPMHA is an affiliate of the General Partner. The total fees incurred in 2023 and 2022 were $33,034 and $31,127 respectively. The Partnership also reimburses LESPMHA for superintendent service provided. The total cost reimbursed including fringe benefits and miscellaneous expenses was $60,379 in 2023 and $52,554 in 2022. The total amounts owed to LESPMHA for the property management fees and reimbursable expenses for the years ended December 31, 2023 and 2022 were $7,727 and $7,682 respectively and included in accounts payable in the accompanying financial statements.

The Partnership was required to pay an annual partnership management fee to General Partner until 2015 when the assignment of the limited partners interests was occurred. As of December 31, 2023 and 2022, the partnership management fees owed was $49,981 and included in accounts payable in the accompanying financial statements.

The Partnership has entered into a 15 year lease with LESPMHA in connection with leasing of 5,400 square feet on the first floor. The total annual rental is $87,570. In 2018, there was an amendment to the lease where LESPMHA is required to pay an annual rental of $120,000. In 2022, the lease was amended where LESPHMA is required to pay an annual rental of $144,000. LESPMHA is required to pay all taxes and utilities of the premises. The amount of rental income earned in 2023 and 2022 were $144,000.

NOTE 10 - CONTINGENCIES

The Partnership does not believe there is any litigation pending or threatened against that, individually or in the aggregate, reasonably may be expected to have a material adverse effect on the Partnership.

The Partnership, as an owner of real estate, is subject to various Federal, state and local environmental laws. Compliance by the Partnership with existing laws has not had a material adverse effect on the Partnership. However, the Partnership cannot predict the impact of new or changed laws or regulation on its current properties.

NOTE 11 - CASH AND RESTRICTED CASH

The balances in cash and restricted cash as reflected in the statements of cash flows consists of the following:

	2023	2022
Operating Cash	$ 84,178	$ 96,907
Tenant Security Deposits	21,109	20,830
Restricted Deposits		
Replacement Reserve- CPC	401,384	352,470
Operating Reserve- CPC	159,495	146,751
Escrow- CPC	5,079	12,424
	$ 671,245	$ 629,382

The amounts included in replacement reserve, operating reserve and escrow represent the cash portion of these accounts.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Partnership maintains operating accounts at financial institutions which at times may exceed the FDIC limit of $250,000. At December 31, 2023 and 2022, there was no amount exceeding the FDIC limit. The Partnership has not experienced any losses in such account and believes it is not exposed to any significant credit risk.

The reserves and escrow are held at CPC, which is not covered by any insurance. A total amount held as of December 31, 2023 and 2022 was $565,958 and $511,645 respectively.

NOTE 13 - EXEMPTION FROM REAL ESTATE TAXES

The Partnership has a Real Estate Tax exemption under the New York City 420C program.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions occurring through May 28, 2024, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

SUPPLEMENTARY INFORMATION

UNITED MUTUAL HOUSES, L.P.
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Administrative Expenses		
Superintendent salary	$ 32,883	$ 32,266
Telephone	2,105	1,533
Office expenses	138	127
Miscellaneous	6,393	2,331
Monitoring fee	2,526	2,387
Licenses, permits and fees	1,636	880
Payroll taxes	4,745	4,702
Employee insurance	14,966	14,090
Worker's compensation	960	998
Total Administrative Expenses	$ 66,352	$ 59,314
Utility Expenses		
Gas	$ 27,557	$ 27,794
Electricity	14,591	17,869
Water and sewer	49,453	45,779
Total Utility Expenses	$ 91,601	$ 91,442
Professional fees		
Legal	$ 4,345	$ 1,967
Auditing	15,300	12,200
Consulting	5,625	-
Total Professional Fees	$ 25,270	$ 14,167
Property Management Fees	$ 33,034	$ 31,127
Repairs and Maintenance Expenses		
Repairs supplies	$ 9,517	$ 12,696
Repairs contract	45,368	26,395
Elevator contract	6,807	5,737
Security	3,258	1,935
Painting and Decorating	2,280	1,415
Miscellaneous	4,608	4,014
Exterminating	2,092	1,944
Total Repairs and Maintenance Expenses	$ 73,930	$ 54,136
Property Insurance Expenses	$ 48,265	$ 43,641

See independent auditor's report

UNITED MUTUAL HOUSES, L.P.
EXCESS INCOME ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Net loss	$ (193,614)
Add Non-cash expenses:	
Depreciation	210,866
Interest expense	40,753
	251,619
Deduct required reserve deposits	
CPC-operating	(11,603)
CPC-replacement	(25,319)
	(36,922)
Deduct other mortgage principal and interest payments	
CPC-mortgage interest payments	(22,188)
CPC-mortgage principal payments	(22,769)
	(44,957)
Deduct other items	
Interest income	(1,467)
	(1,467)
Excess Income before HTFC Debt Service	(25,341)
HTFC Debt Service Requirement	(13,002)
Excess Income	$ (38,343)

See independent auditor's report