

TUDOR ARMS OWNERS CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

TUDOR ARMS OWNERS CORPORATION

TABLE OF CONTENTS

DECEMBER 31, 2025 AND 2024

	Page
INDEPENDENT AUDITORS' REPORT	1
Balance Sheets	2
Statements of (Loss) Income	3
Statements of Retained Earnings (Deficit)	4
Statements of Cash Flows	5-6
Notes to Financial Statements	7-14
Schedule of Budget with Actual Operating Amounts	15-16
Detailed Schedule of Repairs and Improvements	17



BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

MARK COHEN, CPA
WILLIAM J. RANK, CPA, CFP
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INDEPENDENT AUDITORS' REPORT

**To the Board
TUDOR ARMS OWNERS CORPORATION**

Opinion

We have audited the accompanying financial statements of Tudor Arms Owners Corporation, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of (loss) income, retained earnings (deficit) 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 Tudor Arms Owners Corporation, as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Tudor Arms Owners Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Tudor Arms Owners Corporation'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 Tudor Arms Owners Corporation'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 evaluating 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 Tudor Arms Owners Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of budget with actual operating amounts and detailed schedule of repairs and improvements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" is the responsibility of the entity's 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 our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future 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.

Bloom and Streit LLP

BLOOM AND STREIT LLP
Certified Public Accountants
March 4, 2026

TUDOR ARMS OWNERS CORPORATION

Balance Sheet

As of December 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	20,427	26,274
Cash in Bank - Investment Account	66,173	81,625
Investments - Certificates of Deposit - at amortized cost	947,568	391,288
Tenants' Accounts Receivable	1,332	2,295
Mortgage Escrow Deposits	38,159	33,385
Prepaid Expenses	71,237	69,008
Total Current Assets	<u>1,144,896</u>	<u>603,875</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>2,941,951</u>	<u>2,723,175</u>
OTHER ASSETS		
Investment in National Cooperative Bank	7,182	7,182
Total Other Assets	<u>7,182</u>	<u>7,182</u>
TOTAL ASSETS	<u>4,094,029</u>	<u>3,334,232</u>

	<u>2025</u>	<u>2024</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	40,727	19,202
Accrued Interest	16,955	8,372
Star Credit Due to Stockholders	6,206	8,961
Rents Received in Advance	17,302	26,754
Security Deposits	8,125	9,250
Mortgage Payable - Amortization payments due within one year (net of unamortized debt issuance costs)	7,736	2,534,041
Total Current Liabilities	<u>97,051</u>	<u>2,606,580</u>
LONG-TERM LIABILITIES		
Mortgage Payable - Net of Payments due within one year	3,421,550	0
Less: Unamortized Debt Issuance Costs	(111,115)	0
Total Long-Term Liabilities	<u>3,310,435</u>	<u>0</u>
STOCKHOLDERS' EQUITY		
Common Stock \$1.00 par value; 32,125 shares authorized and issued; 31,525 outstanding	32,125	32,125
Paid-in Capital	3,705,600	3,705,600
Retained Earnings (Deficit)	(2,976,182)	(2,935,073)
Total	<u>761,543</u>	<u>802,652</u>
Less: Treasury Stock - 600 Shares	(75,000)	(75,000)
Total Stockholders' Equity	<u>686,543</u>	<u>727,652</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>4,094,029</u></u>	<u><u>3,334,232</u></u>

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Statements of (Loss) Income

For the Year Ended December 31,

	<u>2025</u>	<u>2024</u>
INCOME		
Carrying Charges	769,963	716,244
Fuel Assessment	0	22,383
Parking Income	26,400	26,400
Laundry Room Income	8,100	8,100
Storage Income	2,736	2,817
Transfer Fees	10,860	9,015
Interest Income	8,957	21,296
NCB Dividend Income	1,258	1,238
Exercise Room Fees	3,621	2,288
Miscellaneous Income	27	1,763
Total Income	<u>831,922</u>	<u>811,544</u>
EXPENSES		
Administrative Expenses	56,480	53,660
Maintenance Expenses	218,491	210,317
Utilities Expenses	128,847	113,800
Taxes and Insurance Expenses	236,089	224,143
Financial Expenses	151,938	100,208
Interest Expense - Debt Issuance Costs	16,539	11,141
Total Expenses Before Depreciation	<u>808,384</u>	<u>713,269</u>
NET INCOME BEFORE DEPRECIATION	23,538	98,275
Depreciation	<u>(64,647)</u>	<u>(64,647)</u>
NET (LOSS) INCOME FOR THE YEAR	<u>(41,109)</u>	<u>33,628</u>

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Statements of Retained Earnings (Deficit)

For the Year Ended December 31,

	<u>2025</u>	<u>2024</u>
RETAINED EARNINGS (DEFICIT) - Beginning of Year	(2,935,073)	(2,968,701)
Net (Loss) Income for the Year	<u>(41,109)</u>	<u>33,628</u>
RETAINED EARNINGS (DEFICIT) - End of Year	<u><u>(2,976,182)</u></u>	<u><u>(2,935,073)</u></u>

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Statements of Cash Flows

For the Year Ended December 31,

	2025	2024
Cash Flows From Operating Activities		
Net (Loss) Income	(41,109)	33,628
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation	64,647	64,647
Interest Expense - Debt Issuance Costs	16,539	11,141
Revenue allocated to financing activities	(53,948)	(76,104)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	963	29,447
Mortgage Escrow Deposits	(4,774)	5,926
Prepaid Expenses	(2,229)	(11,432)
(Decrease) Increase in operating liabilities:		
Accounts Payable	21,525	3,197
Accrued Interest	8,583	(251)
Star Credit Due to Stockholders	(2,755)	(1,064)
Rents Received in Advance	(9,452)	(4,734)
Security Deposits	(1,125)	(1,500)
Net cash (used) provided by activities	(3,135)	52,901
Cash Flows From Investing Activities		
Purchase of Property and Equipment	(283,423)	0
Purchase of Investments - Certificates of Deposit	(947,568)	(791,288)
Maturities of Investments - Certificates of Deposit	391,288	789,685
Net cash used by investing activities	(839,703)	(1,603)
Cash Flows From Financing Activities		
Portion of Carrying Charges applied to Amortization of Mortgage	74,630	76,104
Amortization Payments on Mortgage	(74,630)	(76,104)
Proceeds from Refinance of Mortgage	3,450,000	0
Payoff of Mortgage	(2,499,006)	0
Mortgage Financing Costs	(129,455)	0
Net cash provided by financing activities	821,539	0
(Decrease) Increase in Cash and Cash Equivalents (carryforward)	(21,299)	51,298

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Statements of Cash Flows

For the Year Ended December 31,

	<u>2025</u>	<u>2024</u>
(Decrease) Increase in Cash and Cash Equivalents (brought forward)	(21,299)	51,298
Cash and Cash Equivalents at Beginning of Year	<u>107,899</u>	<u>56,601</u>
Cash and Cash Equivalents at End of Year (see below)	<u><u>86,600</u></u>	<u><u>107,899</u></u>
Represented by:		
Cash in Operating Account	20,427	26,274
Cash in Bank - Investment Account	<u>66,173</u>	<u>81,625</u>
Cash and Cash Equivalents (as above)	<u><u>86,600</u></u>	<u><u>107,899</u></u>
Supplemental Disclosure:		
Interest Paid	<u>143,355</u>	<u>91,625</u>
Taxes Paid - State	<u>650</u>	<u>650</u>

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 1

Organization

Tudor Arms Owners Corporation, a Cooperative Housing Corporation, was incorporated in the State of New York on January 26, 1983. The cooperative owns and operates an apartment building located at 31 West Pondfield Road, Bronxville, New York, consisting of 56 residential 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 on the statements of (loss) income.

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

The cooperative classifies its marketable debt securities as "held to maturity" since it has the positive intent and ability to hold the securities to maturity. Securities classified as "held to maturity" are carried at amortized cost, including accrued interest.

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.

The cooperative assesses collectability by reviewing individual shareholder accounts receivable with known disputes or collectability issues. The cooperative's policy is to retain legal counsel and place liens on the shares of tenant-stockholders whose charges are delinquent. The cooperative also considers payment history, unit owner specific information and current market conditions (such as the effects of inflation).

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 2

Summary of Significant Accounting Policies - continued

Property and equipment is being carried at cost. Depreciation of the building is being computed by the straight line method over an estimated useful life of 30 years. Building improvements and equipment are depreciated on the straight line method over estimated lives that range from 7 to 27.5 years.

Costs incurred in obtaining long-term financing, included under mortgage payable on the balance sheet, 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) income.

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.

Tenant-stockholders are subject to monthly charges that provide funds for the cooperative's operating expenses and major repairs and replacements, and the 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 ongoing annual charges are satisfied over time on a daily pro-rata basis using the input method.

The cooperative also recognizes revenues from non-member customers that generate additional funds for the cooperative's operating expenses and major repairs and replacements. The revenue from these ancillary operations is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The cooperative's performance obligations related to these other revenue sources are satisfied over time on a daily pro-rata basis using the input method.

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 2

Summary of Significant Accounting Policies - continued

The performance obligations related to special assessments and replacement fund (reserve fund) assessments are satisfied when these funds are expended for their designated purpose at transaction amounts expected to be collected using the input method. The cooperative recognizes revenue from special assessments and replacement fund (reserve fund) assessments 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.

The prior year financial statements may include reclassifications in order to conform to the current year presentation in accordance with Generally Accepted Accounting Principles (GAAP).

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. However, should any of these institutions fail, the cooperative could suffer a loss. The balances in these accounts, at any given time, may exceed the federally insured limits established by the Federal Deposit Insurance Corporation (FDIC) of \$250,000 per institution.

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

Note 4

Investments

The following investments were held by the cooperative as of December 31:

Fixed Income:	<u>2025</u>	<u>2024</u>
Amortized Cost	947,568	391,288
Fair Value	955,159	394,804

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 4

Investments - continued

The following investments were held as of December 31, 2025:

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due Within One Year	947,568	955,159
Due In One to Five Years	0	0
Due After Five Years	<u>0</u>	<u>0</u>
Total	947,568	955,159

The cooperative measures expected credit losses on held to maturity debt securities on a collective basis by major security type.

These securities are either explicitly or implicitly guaranteed by the US government, are highly rated by major rating agencies and have a long history of no credit losses. As a result, no allowance for credit losses was recorded on held to maturity securities as of December 31, 2025 and 2024.

Note 5

Property and Equipment

Property and Equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Land	1,284,000	1,284,000
Building	3,312,626	3,312,626
Building Improvements	2,061,208	1,777,785
Equipment	<u>21,720</u>	<u>21,720</u>
	6,679,554	6,396,131
Less: accumulated depreciation	<u>3,737,603</u>	<u>3,672,956</u>
Total Property and Equipment	<u>2,941,951</u>	<u>2,723,175</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$64,647 each year.

Note 6

Debt Service

First Mortgage Payable

On August 26, 2015, the cooperative refinanced their mortgage with NCB (National Cooperative Bank) in the amount of \$3,150,000. The mortgage was payable in monthly installments of \$14,714, including interest at the rate of 3.82% per annum, based on a 30 year amortization period.

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 6

Debt Service

First Mortgage Payable - continued

On June 26, 2025, the mortgage was refinanced for a new \$3,450,000 mortgage with Morgan Stanley. The mortgage requires constant monthly payments of approximately \$18,313, including interest at the rate of 5.72%, based on a 40 year amortization period. The note will mature July 1, 2035, at which time a balloon payment of approximately \$3,181,000 will be due and payable.

Although the cooperative refinanced their mortgage with Morgan Stanley, they are still in possession of the NCB stock that the cooperative was required to purchase in connection with the 2015 refinance with NCB. The cooperative owns shares of both NCB's Class B1 and B2 stock. Class B1 shares earn a patronage dividend payable in cash and in Class B2 stock, as determined by NCB. Class B1 shares are redeemable by NCB upon satisfactory repayment of all loans made to or guaranteed by eligible customers. Class B2 shares are non-redeemable, non-transferable, and pay no dividends. At December 31, 2025, and 2024, the cooperative owned 72 Class B1 shares and 1,362 Class B2 shares.

Principal maturities of the mortgage are as follows:

2026	20,682
2027	21,913
2028	22,655
2029	24,568
2030	26,031
Thereafter	3,326,383

As part of the June 2025 refinancing, the cooperative paid closing costs of approximately \$129,000, which are being amortized over the life of the mortgage.

Note 7

Treasury Stock

The cooperative owns one apartment with 600 shares. Costs to acquire the apartment of approximately \$75,000 are reflected as Treasury Stock at December 31, 2025 and 2024.

Note 8

Carrying Charges

Pursuant to meetings of the Board of Directors, the cooperative approved increased of 7.5% effective January 1, 2025 and 2% effective January 1, 2024. The increases were necessary to offset higher operating costs and to present balanced budgets.

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 9

Fuel Assessment

For the year ended December 31, 2024, the Board of Directors approved fuel assessments of \$400 per unit to offset the increase costs of fuel.

Note 10

Real Estate Taxes/Tax Abatements

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during 2025 and 2024. The abatements, which include Star, Veterans and Senior Citizens are passed on to the stockholders by direct payment or as a credit against carrying charges. Any undistributed abatements as of the fiscal year end have been included on the balance sheets as Star Credit Due to Stockholders. As the abatements benefit the stockholders, the real estate tax expense reflected in these financial statements is gross of all the aforementioned tax abatements.

Note 11

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2025 and 2024. The cooperative participated in this multi-employer plan, for the years ended December 31, 2025 and 2024 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 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 January 1, 2024 and 2023 and the certified zone status was green each year.

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 11

Benefits - continued

In addition to the Pension Fund, the cooperative also participated in a Health Fund for the year ended December 31, 2025 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 32BJ North 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.

The cooperative made the following contributions to the plans:

	<u>2025</u>	<u>2024</u>
Pension Contributions	5,100	4,800
Health Contributions	22,440	21,792
All Other Contributions	1,465	2,320

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

Note 12

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. New York State Franchise tax is calculated by utilizing special tax rates available to cooperative housing corporations based on the cooperative's capital base.

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.

TUDOR ARMS OWNERS CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

Note 12

Income Taxes - continued

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 December 31, 2025, the cooperative has available federal net operating loss carryforwards to apply to future taxable income of approximately \$1,751,000. These net operating loss carryforwards consist of carryforwards of approximately \$897,000 which expire beginning in 2026 and continuing through 2037 and carryforwards of approximately \$854,000 which were incurred in 2018 and thereafter. New York State substantially limits the use of these net operating loss carryforwards.

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's tax filings are subject to audit by various taxing authorities. The cooperative's federal and state income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the cooperative believes that its estimates are appropriate based on current facts and circumstances.

Note 13

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 14

Subsequent Events

Management has evaluated subsequent events through March 4, 2026, 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.

TUDOR ARMS OWNERS CORPORATION

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	12 Months	12 Months
	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
RECEIPTS			
Carrying Charges	769,963	769,963	716,244
Fuel Assessment	0	0	22,383
Parking Income	26,400	26,400	26,400
Laundry Room Income	8,100	8,100	8,100
Storage Income	2,700	2,736	2,817
Transfer Fees	10,000	10,860	9,015
Interest and NCB Dividend Income	10,000	10,215	22,534
Exercise Room Income	2,000	3,621	2,288
Miscellaneous Income	2,000	27	1,763
Total Receipts	831,163	831,922	811,544
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	36,000	36,000	36,000
Legal Expense - Net Rebilled Charges	500	0	0
Auditing	6,720	6,720	6,720
Telephone and Intercom	3,300	3,370	3,040
Office and Administrative Expenses	7,693	10,390	7,900
Total Administrative Expenses	54,213	56,480	53,660
MAINTENANCE EXPENSES			
Payroll	78,000	79,844	75,176
Janitorial Services	35,000	35,755	35,252
Supplies	13,000	12,176	15,764
Repairs (see schedule)	45,000	48,934	46,503
Elevator Maintenance and Repairs	12,000	20,267	11,425
Exterminating	10,000	12,600	15,935
Landscaping, Grounds and Tree Services	10,000	8,915	10,262
Total Maintenance Expenses	203,000	218,491	210,317
UTILITIES EXPENSES			
Gas Heat/Oil	91,000	94,051	78,486
Electricity and Gas	21,000	19,316	20,167
Water	16,000	15,480	15,147
Total Utilities Expenses	128,000	128,847	113,800

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION

Schedule of Budget with Actual Operating Amounts

	Budget	Actual	Actual
	Year Ended	12 Months	12 Months
	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2025</u>	<u>Dec. 31, 2024</u>
TAXES AND INSURANCE			
Real Estate Taxes	133,000	136,614	129,822
Payroll Taxes	6,300	6,419	6,056
Licenses and Permits	1,000	950	1,352
Insurance	61,000	62,451	57,351
Union Welfare and Pension Fund	29,000	29,005	28,912
Franchise Taxes	650	650	650
Total Taxes and Insurance	<u>230,950</u>	<u>236,089</u>	<u>224,143</u>
FINANCIAL EXPENSES			
Interest on Mortgage	<u>154,000</u>	<u>151,938</u>	<u>100,208</u>
Total Financial Expenses	<u>154,000</u>	<u>151,938</u>	<u>100,208</u>
CONTRIBUTIONS TO EQUITY AND RESERVES			
Amortization of Mortgage	55,000	53,948	76,104
Contingency Reserve	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Total Contributions to Equity and Reserves	<u>61,000</u>	<u>59,948</u>	<u>82,104</u>
Total Expenditures	<u>831,163</u>	<u>851,793</u>	<u>784,232</u>
NET (DEFICIT) SURPLUS FOR THE YEAR	<u>0</u>	<u>(19,871)</u>	<u>27,312</u>

See accompanying notes and auditors' report

TUDOR ARMS OWNERS CORPORATION
Detailed Schedule of Repairs and Improvements

For the Year Ended December 31,

	2025	2024
REPAIRS AND MAINTENANCE		
Boiler and Burners	3,234	2,799
Plumbing and Pipes	16,661	16,751
Electrical and Intercoms	2,849	8,264
Painting, Plastering and Carpentry Work	1,100	2,700
Roofing and Waterproofing	6,448	1,626
Window Repairs, Fencing and Gates	15,092	5,568
Locks	1,318	1,640
Engineers and Architects	0	2,500
Truck Expenses	1,325	1,275
General	907	3,380
Total Repairs and Maintenance	48,934	46,503

See accompanying notes and auditors' report