LESMHA LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LESMHA LIMITED PARTNERSHIP
DECEMBER 31, 2025 AND 2024

C O N T E N T S

Independent Auditor's Report

To the Partners of Lesmha Limited Partnership

Opinion

We have audited the accompanying financial statements of Lesmha Limited Partnership, a New York Limited Partnership, which comprise the balance sheets as of December 31, 2025 and 2024, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lesmha Limited Partnership as of December 31, 2025 and 2024, 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 Lesmha Limited Partnership 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 Lesmha Limited Partnership'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 Lesmha Limited Partnership'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 Lesmha Limited Partnership'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of certain income and 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

New York, New York
May 13, 2026

LESMHA LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
Current Assets		
Cash	$ 30,165	$ 258,200
Tenants accounts receivable	76,326	78,872
Prepaid expense	162,092	133,663
Total Current Assets	268,583	470,735
Deposits Held In Trust		
Tenants' security deposits	52,292	49,200
Restricted Deposits and Funded Reserves		
Replacement reserve - HTFC	888,620	829,099
Operating reserve - HTFC	296,303	274,408
Total Restricted Deposits and Funded Reserves	1,184,923	1,103,507
Rental Property		
Land	5	5
Buildings	3,898,740	3,898,740
Building improvements	725,395	725,395
Equipment	104,319	104,319
	4,728,459	4,728,459
Less accumulated depreciation	(4,249,782)	(4,222,058)
Total Rental Property	478,677	506,401
Other Asset		
Predevelopment costs	73,504	-
Account receivable - deferred	39,714	37,847
Total Other Assets	113,218	37,847
TOTAL ASSETS	$ 2,097,693	$ 2,167,690

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

LESMHA LIMITED PARTNERSHIP
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

LIABILITIES AND PARTNERS' DEFICIT

	2025	2024
Liabilities:		
Current Liabilities		
Accounts payable	$ 15,450	$ 11,168
Accrued expenses	34,202	48,267
Prepaid rent	13,674	12,744
Total Current Liabilities	63,326	72,179
Deposit Liabilities		
Tenant security deposit - commercial	20,259	19,669
Tenants security deposits payable	52,292	49,200
Total Deposit Liabilities	72,551	68,869
Long-Term Liabilities		
Mortgage payable	2,928,161	2,928,161
Total Long-Term Liabilities	2,928,161	2,928,161
Total Liabilities	3,064,038	3,069,209
Partners' Deficit	(966,345)	(901,519)
TOTAL LIABILITIES AND PARTNERS' DEFICIT	$ 2,097,693	$ 2,167,690

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

LESMHA LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Rental income - residential	$ 637,947	$ 617,318
Rental income - commercial	87,113	88,405
Total Rental Income	725,060	705,723
Interest income	47,325	53,271
Other income	10,999	42,304
TOTAL REVENUES	783,384	801,298
EXPENSES		
Administrative	41,037	53,794
Utilities	154,607	145,006
Professional fees	23,661	48,778
Management fees	73,071	67,094
Repairs and maintenance	269,019	260,794
Taxes and insurance	258,641	191,823
Investment service fees	450	452
Depreciation	27,724	28,939
TOTAL EXPENSES	848,210	796,680
NET (LOSS) INCOME	$ (64,826)	$ 4,618

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

LESMHA LIMITED PARTNERSHIP
STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	General Partner	Limited Partner	Total
Partners' Capital (deficit) January 1, 2024	$ (27,846)	$ (878,291)	$ (906,137)
Net Income 2024	46	4,572	4,618
Partners' Capital (deficit) December 31, 2024	(27,800)	(873,219)	(901,519)
Net loss 2025	(648)	(64,178)	(64,826)
Partners' Capital (deficit) December 31, 2025	$ (28,448)	$ (937,897)	$ (966,345)

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

LESMHA LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Net (loss) income	$ (64,826)	$ 4,618
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation	27,724	28,939
Bad debts	228	5,132
Decrease (Increase) in operating assets:		
Tenants accounts receivable	2,318	(34,955)
Account receivable - deferred	(1,867)	(4,164)
Prepaid expenses	(28,429)	(24,310)
Other receivable	-	12,000
Increase (Decrease) in operating liabilities:		
Accounts payable	4,282	(11,321)
Accrued expenses	(14,065)	16,487
Prepaid rent	930	5,134
Tenant security deposit	3,092	697
Tenant security deposit - commercial	590	573
Net cash used in operating activities	(70,023)	(1,170)
Cash flows from investing activities:		
Payment of predevelopment costs	(73,504)	-
Net cash used in investing activities	(73,504)	-
Net Decrease in Cash and Restricted Cash	(143,527)	(1,170)
Cash and Restricted Cash - Beginning of the Year	1,410,907	1,412,077
Cash and Restricted Cash - End of the Year	$ 1,267,380	$ 1,410,907
Supplemental disclosure of cash flow information:		
Cash paid during the years for interest	$ -	$ -

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

LESMHA LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - ORGANIZATION

LESMHA Limited Partnership (the "Partnership") was formed as a limited partnership under the laws of the State of New York on February 23, 1993 for the purpose of operating a rental housing project (the "Project"). The project consists of two buildings located in New York City, New York. The Partnership was organized to develop, construct, own, maintain and operate thereon 48 multi-family residential units for rental to low income tenants. The Project consists of two buildings, which are located at 195-199 E 2nd street and 8-12 Avenue B in the lower east side of Manhattan, New York.

The Partnership has one general partner, LESMHA, Inc., which owns a 1 percent interest, and one limited partner, Second and B Housing Development Fund Corporation, which owns a 99 percent interest.

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 accepted in the United States of America.

Capitalization and Depreciation

Land, buildings, improvements, and equipment 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 lives of the assets for 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:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalization and Depreciation (Continued)

	Estimated Life	Method
Land	-	None
Buildings and Improvements	15-27.5 Years	Straight-line
Equipment	5.0 Years	Straight-line

The land and buildings are pledged as collateral for the 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 charges, 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, 2025 and 2024.

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.

Rental Income and Prepaid Rents

Residential rental income is recognized as it accrues. Rental payments received in advance are deferred until earned. Commercial rental income is recognized using the

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rental Income and Prepaid Rents (Continued)

straight-line method under which contractual rent increases are recognized equally over the lease term. The commercial rental income recorded on the straight-line method in excess of the rents billed is recognized as account receivable-deferred. All leases between the Partnership and the tenants of the property are operating leases.

Tenant Accounts Receivable

Tenant accounts receivable 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. There was no allowance for doubtful accounts as of December 31, 2025 and 2024.

The Partnership writes off receivables when there is information that indicates the tenant is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Partnership's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending December 31, 2025 and 2024.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affected the reported amounts of assets and liabilities and disclosures 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.

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, 2025 and 2024, based on current incremental borrowing rates for similar types of borrowing arrangements.

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 a 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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

includes laundry, vending and pet 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.

Recently Adopted Accounting Pronouncements

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.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Partnership that are subject to the guidance in FASB ASC 326 were tenant accounts receivable.

The Partnership adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE 3 - MORTGAGES PAYABLE

The Partnership has two outstanding mortgage obligations which are described below:

NOTE 3 - MORTGAGES PAYABLE (Continued)

<u>CPC Mortgage</u>

A mortgage note payable in the amount of $635,000 was payable to the Community Preservation Corp. The note required monthly payments of $5,755 including interest. The note beared an interest rate of 10.9 percent. The final payment was made on January 1, 2023. As of December 31, 2023, CPC mortgage was fully paid.

<u>HTFC Mortgage</u>

A non-interest bearing mortgage payable in the amount of $2,998,224 is payable to the New York State Housing Trust Fund Corp (HTFC). The mortgage note requires no monthly payments but the balance was due in December 2007 and can be extended for an additional 99 years at the discretion of HTFC. The balance due at December 31, 2025 and 2024 was $2,928,161.

As of the date of this report, the Partnership has not received a written extension of the mortgage due date. Preliminary conversations with HTFC indicate that the mortgage will be extended in accordance with its terms. The accompanying financial statements do not include any financial impact if the extension is not granted.

All of the loans are collateralized by the mortgages on the real estate.

NOTE 4 - TRANSACTION WITH AFFILIATES AND RELATED PARTIES

Management fees are paid to the Lower East Side People's Mutual Housing Association, Inc. (PMHA). Effective January 1, 2024, the fee was increased to 10% from 8% of the monthly rental collection. Total management fees incurred in 2025 and 2024 are $73,071 and $67,094 respectively. PMHA is an affiliate of the General Partner.

The Partnership also reimburses PMHA for superintendent and porter service provided as well as some office expenses. The total reimbursement including fringe benefits was $109,011 and $128,672 in 2025 and 2024 respectively.

As of December 31, 2025 and 2024, the amounts owed to PMHA for management fees and reimbursements were $15,410 and $14,168 respectively and included in accounts payable in the accompanying financial statements.

LESMHA LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 - TENANT ACCOUNTS RECEIVABLE

Tenant accounts receivable consists of the following:

	2025	2024
Tenant accounts receivable	$ 81,458	$ 84,004
Less: allowance for doubtful accounts	(5,132)	(5,132)
	$ 76,326	$ 78,872

NOTE 6 - FUNDED RESERVES

Funds held at CPC

The Partnership was required to make monthly deposits into the escrow and replacement reserve accounts, which were under the control of CPC. The Partnership is no longer required to make monthly deposits since the Partnership fully paid off CPC mortgage in January 2023. The escrow and replacement accounts were closed and the balance were transferred to the Partnership's operating bank account.

HTFC Reserves:

Under a regulatory agreement with HTFC, the Partnership is required to deposit 1.5 percent of the annually budgeted gross rents into an operating reserve account as well as any excess income as defined in the agreement. Deposits should be made on a monthly basis. During 2025 and 2024, total payments were made into the operating reserve account in the amounts of $10,445 and $10,286 respectively.

Under this agreement the Partnership is also required to make monthly deposits of $2,009 into a replacement reserve account. During 2025 and 2024, total payments were made into the replacement reserve account in the amounts of $24,100 and $24,108 respectively.

The following shows the activity in such accounts for the years ended December 31, 2025 and 2024.

NOTE 6 - FUNDED RESERVES (Continued)

	2025	2024
Replacement Reserve		
Balance beginning of year	$ 829,099	$ 764,954
Additions	24,100	24,108
Withdrawals (fees)	(154)	(156)
Investment income	35,575	40,193
Balance end of the year	$ 888,620	$ 829,099
Operating Reserve		
Balance beginning of year	$ 274,408	$ 251,344
Additions	10,445	10,286
Withdrawals (fees)	(300)	(300)
Investment income	11,750	13,078
Balance end of the year	$ 296,303	$ 274,408

The replacement and operating reserves are invested in money market accounts in a brokerage firm. Balances are insured up to $500,000 (with a limit of $250,000 for cash) by the Security Investor Protection Corporation. The brokerage firm maintains additional insurance to cover any significant credit risk on cash, cash equivalents and securities held by the broker. This insurance does not cover any loss on market value of all cash, cash equivalents and securities held but losses due to the action of the brokerage firm. The Partnership has not experienced any losses in such accounts. The Partnership believes it is not exposed to any significant credit risk on cash, cash equivalents and securities.

NOTE 7 - REAL ESTATE TAXES

As of December 31, 2012, the Partnership has fully used all of its J-51 abatements. The Partnership still continues to receive a partial J-51 exemption, which help reduce the total real estate taxes charged by New York City. All real estate taxes for 2025 and 2024 were paid.

LESMHA LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 - COMMERCIAL LEASE

The Partnership has entered into a lease agreement for the commercial space. The lease commended in December 2021 and expires in November 2031. The first year rent is $72,000 with an increase of 3%. The deferred rent receivable as of December 31, 2025 and 2024 is $39,714 and $37,847 respectively was included in account receivable-deferred on the accompanying financial statements.

Future minimum lease payments under the lease agreement following December 31, 2025 are as follows:

2026	$ 81,239
2027	83,676
2028	86,187
2029	88,772
2030	91,435
Thereafter	86,115
	$ 517,424

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Partnership maintains its cash in bank deposit accounts in a federal credit union which, at times, may exceed the NCUA federally insured limit. At December 31, 2025 and 2024, the total amounts exceeding the limit were $0 and $8,150 respectively. The Partnership has not experienced any losses in such accounts. The Partnership believes it is not exposed to any significant credit risk on cash.

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 regulations on its current properties.

LESMHA LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 - CASH AND RESTRICTED CASH

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

	2025	2024
Operating Cash	$ 30,165	$ 258,200
Restricted Deposits		
Replacement Reserve- HTFC	888,620	829,099
Operating Reserve- HTFC	296,303	274,408
Tenant Security Deposits	52,292	49,200
	$ 1,267,380	$ 1,410,907

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

NOTE 12 - PREDEVELOPMENT COSTS

In connection with the renovating buildings, the Partnership incurred architect fees in the amounts of $73,504 as of December 31, 2025, which is included in the prevelopment costs in the accompanying financial statements.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions occurring through May 13, 2026, 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

LESMHA LIMITED PARTNERSHIP
SCHEDULES OF CERTAIN INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Rental Income - Residential		
Residential income	$ 592,633	$ 568,245
Subsidy income	45,899	49,073
Vacancy loss	(585)	-
Total Rental Income - Residential	$ 637,947	$ 617,318
Rental Income - Commercial		
Commercial income	$ 80,740	$ 80,740
Real estate tax reimbursement	6,373	7,665
Total Rental Income - Commercial	$ 87,113	$ 88,405
Other Income		
Laundry	$ 4,384	$ 5,914
Other	6,615	36,390
Total Other Income	$ 10,999	$ 42,304
Administrative Expenses		
Licenses, permits, fees and taxes	$ 4,397	$ 8,521
Payroll taxes	8,699	8,342
Worker's compensation	2,611	2,258
Employee health insurance	20,909	25,348
Bad debts	228	5,132
Office expenses	2,178	2,514
Miscellaneous	2,015	1,679
Total Administrative Expenses	$ 41,037	$ 53,794
Utilities Expenses		
Electricity	$ 22,343	$ 21,063
Gas	69,438	64,674
Gas Water and sewer	62,826	59,269
Total Utilities Expenses	$ 154,607	$ 145,006

See independent auditor’s report

LESMHA LIMITED PARTNERSHIP
SCHEDULES OF CERTAIN INCOME AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Professional Fees		
Legal	$ 5,285	$ 13,803
Auditing	15,275	14,275
Professional- other	3,101	20,700
Total Professional Fees	$ 23,661	$ 48,778
Management Fees		
Property management	$ 73,071	$ 67,094
Repairs and Maintenance Expenses		
Repairs and maintenance payroll	$ 76,054	$ 91,639
Maintenance supplies	40,581	30,329
Repairs contract	96,922	86,817
Elevator	26,937	17,044
Painting/decorating	9,680	14,865
Intercom & Security	3,033	5,867
Inspection	10,799	10,087
Exterminating	5,013	4,146
Total Repair and Maintenance Expenses	$ 269,019	$ 260,794
Taxes and Insurance Expenses		
Insurance	$ 96,378	$ 83,685
Real estate taxes	162,263	108,138
Total Taxes and Insurance Expenses	$ 258,641	$ 191,823
Depreciation		
Depreciation	$ 27,724	$ 28,939

See independent auditor's report

LESMHA LIMITED PARTNERSHIP
EXCESS INCOME ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Net loss	$ (64,826)
Add non-cash expenses:	
Depreciation	27,724
Deduct required reserve deposits	
HTFC- replacement	(24,100)
HTFC- operating	(10,445)
Total required reserve deposits	(34,545)
Interest income on reserve accounts	(47,325)
Excess loss	$ (118,972)

See independent auditor’s report