NAGLE APARTMENTS CORP.

Financial Statements and
Supplementary Information for the
Years Ended December 31, 2025 and 2024

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

NAGLE APARTMENTS CORP.

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PRISAND, MELLINA, UNTERLACK & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
NAGLE APARTMENTS CORP.
31 and 37 Nagle Avenue
14 Bogardus Place
New York, NY 10040

Opinion

We have audited the accompanying financial statements of NAGLE APARTMENTS CORP., which comprise the balance sheets (with supporting schedules) as of December 31, 2025 and 2024, and the related statements of revenues and expenses (with supporting schedules), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NAGLE APARTMENTS CORP. 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 NAGLE APARTMENTS CORP. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NAGLE APARTMENTS CORP.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

131 Sunnyside Blvd., Suite 106
Plainview, New York 11803
www.pmucpa.com
tel: 516-348-7800
fax: 516-348-7801

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 NAGLE APARTMENTS CORP.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NAGLE APARTMENTS CORP.'s ability to continue as a going concern for a reasonable period of time.

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

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 2, NAGLE APARTMENTS CORP. has omitted the supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Plainview, New York
May 15, 2026

NAGLE APARTMENTS CORP.
BALANCE SHEETS
AS OF DECEMBER 31,

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 161,819	$ -
Accounts receivable	143,908	146,854
Prepaid expenses	85,843	67,980
Escrows and voluntary escrows	6,731	6,668
Total Current Assets	398,301	221,502
Reserve Fund: (Note 3)	6,232	134,586
Total Current Assets and Reserve Fund	404,533	356,088
Property and Improvements: (Notes 2 and 4)		
Land	316,950	316,950
Buildings	1,796,050	1,796,050
Building improvements and equipment	6,367,813	6,339,417
Total	8,480,813	8,452,417
Accumulated depreciation	(4,879,266)	(4,661,464)
Net Property and Improvements	3,601,547	3,790,953
Other Assets:		
Cash - security deposits	50,591	50,591
Cash - restricted (Notes 2 and 5)	10,000	10,000
Total Other Assets	60,591	60,591
Total Assets	$ 4,066,671	$ 4,207,632

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
BALANCE SHEETS
AS OF DECEMBER 31,

	2025	2024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Cash overdraft	$ -	$ 1,364
Accrued mortgage and line of credit interest	6,788	7,374
Mortgage payable - current portion (Note 5)	187,301	180,959
Accounts payable and accrued expenses	213,557	238,765
Due to stockholders - real estate tax abatements	71,411	62,040
Insurance financing payable	65,046	47,511
Building improvements payable	9,321	-
Accrued wages and payroll taxes	1,818	4,176
Advance maintenance	538	13,866
Total Current Liabilities	555,780	556,055
Long-Term and Other Liabilities:		
Mortgage payable - net of current portion (Note 5)	1,903,038	2,090,339
Line of credit payable (Note 5)	120,000	120,000
Unamortized debt issuance costs (Note 2)	(74,584)	(82,435)
Net Long-Term Debt	1,948,454	2,127,904
Deferred revenue from capital assessments (Notes 2 and 4)	213,064	90,639
Security deposits payable	50,591	50,591
Total Long-Term and Other Liabilities	2,212,109	2,269,134
Total Liabilities	2,767,889	2,825,189
Stockholders' Equity:		
Common stock - $1.00 par value, 15,000 shares authorized, 12,120 shares issued	12,120	12,120
Paid-in capital in excess of par value	175,880	175,880
Paid-in capital from treasury stock (Note 6)	2,942,491	2,942,491
Additional paid-in capital	21,277	21,277
Accumulated deficit	(1,829,327)	(1,745,666)
Treasury stock - at cost (Note 6)	(23,659)	(23,659)
Total Stockholders' Equity	1,298,782	1,382,443
Total Liabilities and Stockholders' Equity	$ 4,066,671	$ 4,207,632

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
SUPPORTING SCHEDULES - BALANCE SHEETS
AS OF DECEMBER 31,

	2025	2024
Accounts Receivable:		
Maintenance - Stockholders (Note 2)	$ 106,389	$ 87,515
Garage income (Note 7)	26,454	45,600
Electricity submetering (billed in subsequent year)	10,865	10,739
Laundry income	200	3,000
Total Accounts Receivable	$ 143,908	$ 146,854
Prepaid Expenses:		
Insurance	$ 66,636	$ 49,773
Fuel	18,173	18,173
Real estate tax	1,034	34
Total Prepaid Expenses	$ 85,843	$ 67,980
Escrows and Voluntary Escrows:		
Mortgage and line of credit reserve	$ 6,731	$ 6,668

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
REVENUES		
Maintenance - Stockholders	$ 1,255,418	$ 1,211,017
Garage income (Note 7)	143,400	155,200
Electricity submetering	89,905	87,943
Stockholders' parking (Note 7)	89,198	65,200
Cable television income	80,637	80,340
Sublet, late and other fees	37,612	24,630
Rental income (Note 6)	16,589	24,285
Laundry income	13,200	12,000
Interest and dividends	963	1,461
Total Revenues	1,726,922	1,662,076
EXPENSES		
Administrative expenses	108,959	96,173
Operating expenses	794,756	749,392
Repairs and maintenance	166,622	160,050
Taxes	421,137	419,037
Financial expenses	92,413	99,697
Total Expenses	1,583,887	1,524,349
Income from operations before other items and depreciation expense	143,035	137,727
Prior years' water and sewer credits	37,670	38,278
Capital assessments - net of deferral (Notes 2 and 4)	8,736	159,720
Prior years' garage income (Note 7)	(34,750)	-
Credit losses - rental income (Note 6)	(20,550)	-
INCOME BEFORE DEPRECIATION EXPENSE	134,141	335,725
Depreciation expense	(217,802)	(218,715)
Net (Loss) Income For The Year	$ (83,661)	$ 117,010

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Administrative Expenses:		
Management fee	$ 57,000	$ 57,000
Professional fees	32,301	22,182
Other administrative	19,058	16,391
Telephone and communications	600	600
Total Administrative Expenses	$ 108,959	$ 96,173
Operating Expenses:		
Utilities		
Electricity and gas	$ 122,979	$ 115,657
Gas - heat and fuel	96,579	99,308
Water and sewer	55,077	53,875
	274,635	268,840
Payroll		
Wages	179,975	174,883
Union benefits (Note 8)	77,978	75,098
Payroll taxes	14,282	15,261
Workers' compensation and disability insurance	5,660	10,373
	277,895	275,615
Other		
Insurance	136,937	105,114
Cable television	94,764	89,276
Submetering billing services	6,971	5,754
Miscellaneous operating and permits	3,554	4,793
	242,226	204,937
Total Operating Expenses	$ 794,756	$ 749,392

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
SUPPORTING SCHEDULES - STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Repairs and Maintenance:		
Elevator maintenance and repairs	$ 43,532	$ 41,710
Boiler, heating and water treatment	27,585	19,298
Painting, plastering and flooring	21,500	28,350
Materials and supplies	19,904	11,271
Exterminating	19,347	13,337
Grounds and landscaping	14,784	22,475
Plumbing	11,294	21,574
Equipment	6,190	-
Doors, locks and windows	1,791	1,633
Electrical and intercom	695	402
Total Repairs and Maintenance	$ 166,622	$ 160,050

	2025	2024
Taxes:		
New York City real estate tax (Note 9)	$ 417,687	$ 415,587
Corporation taxes (Note 10)	3,450	3,450
Total Taxes	$ 421,137	$ 419,037

	2025	2024
Financial Expenses:		
Mortgage interest (Note 5)	$ 74,996	$ 81,141
Line of credit interest (Note 5)	9,566	10,705
Amortization of debt issuance costs (Note 2)	7,851	7,851
Total Financial Expenses	$ 92,413	$ 99,697

	2025	2024
Depreciation Expense:		
Building improvements	$ 207,737	$ 208,650
Building equipment	10,065	10,065
Total Depreciation Expense	$ 217,802	$ 218,715

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
COMMON STOCK		
Balance - January 1,	$ 12,120	$ 12,120
Transactions during the year	-	-
Balance - December 31,	$ 12,120	$ 12,120
PAID-IN CAPITAL IN EXCESS OF PAR VALUE		
Balance - January 1,	$ 175,880	$ 175,880
Transactions during the year	-	-
Balance - December 31,	$ 175,880	$ 175,880
PAID-IN CAPITAL FROM TREASURY STOCK (NOTE 6)		
Balance - January 1,	$ 2,942,491	$ 2,942,491
Transactions during the year	-	-
Balance - December 31,	$ 2,942,491	$ 2,942,491
ADDITIONAL PAID-IN CAPITAL		
Balance - January 1,	$ 21,277	$ 21,277
Transactions during the year	-	-
Balance - December 31,	$ 21,277	$ 21,277
ACCUMULATED DEFICIT		
Balance - January 1,	$ (1,745,666)	$ (1,862,676)
Net (loss) income for the year	(83,661)	117,010
Balance - December 31,	$ (1,829,327)	$ (1,745,666)
TREASURY STOCK - AT COST (NOTE 6)		
Balance - January 1,	$ (23,659)	$ (23,659)
Transactions during the year	-	-
Balance - December 31, (300 shares)	$ (23,659)	$ (23,659)

The accompanying notes are an integral part of this statement.

NAGLE APARTMENTS CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the year	$ (83,661)	$ 117,010
Adjustments to reconcile net (loss) income to cash provided by operating activities:		
Revenue allocated to financing activities	(8,736)	(159,720)
Depreciation expense	217,802	218,715
Amortization of debt issuance costs	7,851	7,851
Decrease (increase) in accounts receivable	2,946	(80,492)
(Increase) in prepaid expenses	(17,863)	(8,708)
(Increase) in escrows and voluntary escrows	(63)	(69)
(Decrease) in accounts payable and accrued expenses	(25,208)	(622)
Increase in other current liabilities	10,634	12,813
Total Adjustments	187,363	(10,232)
Cash Provided By Operating Activities	103,702	106,778
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in reserve fund	128,354	(17,687)
(Increase) in building improvements and equipment	(28,396)	(159,720)
Increase (decrease) in building improvements payable	9,321	(16,664)
Cash Provided (Used) By Investing Activities	109,279	(194,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amortization of mortgage payable	(180,959)	(174,831)
Increase in deferred revenue from capital assessments	122,425	90,639
Capital assessments - net of deferral	8,736	159,720
Cash (Used) Provided By Financing Activities	(49,798)	75,528
Net increase (decrease) in cash, cash equivalents and restricted cash	163,183	(11,765)
Cash, cash equivalents and restricted cash at beginning of year	8,636	20,401
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 171,819	$ 8,636
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 85,148	$ 92,430
Income taxes paid - net of refunds	$ 3,450	$ 3,450

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

Note 1 - **ORGANIZATION**

On May 20, 1980, Nagle Apartments Corp. (the "Corporation") was formed in order to acquire the property located at 31 Nagle Avenue, 37 Nagle Avenue and 14 Bogardus Place, New York, New York. The Corporation acquired the land and building on August 3, 1982. It is a qualified Cooperative Housing Corporation under Section 216(b)(1) of the Internal Revenue Code and contains 111 residential units and two superintendent's apartments. The primary purpose of the Corporation is to manage the operations of the property and maintain the common elements.

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation and Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 326, *Financial Instruments - Credit Losses,* provides guidance on the accounting for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. What was previously identified as bad debt expense or allowance for doubtful accounts is now known as credit losses and allowance for credit losses. Under the standard, disclosures are required to provide the 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 Corporation that are subject to the guidance in FASB ASC 326 include receivables. The standard's adoption was not considered material to the financial statements and primarily resulted in new, enhanced disclosures only.

Property and Improvements

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

Future Major Repairs and Replacements

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

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Debt Issuance Costs

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

Revenue Recognition and Accounts Receivable

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

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

Maintenance and assessments receivable at the balance sheet date are stated at the amounts expected to be collected from the stockholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-stockholders whose assessments are unreasonably delinquent. Any excess assessments at year end are retained by the Corporation for use in future years. As of December 31, 2025 and 2024, the Corporation's accounts receivable from stockholders were $106,389 and $87,515, respectively. Based upon past experience and other factors, the Corporation considers all accounts receivable at December 31, 2025 to be collectible. Accordingly, no allowance for credit losses is required.

Deferred Revenue (Contract Liability) From Capital Assessments Received In Advance

The Corporation recognizes capital assessment revenue from members as the related performance obligations are satisfied. A deferred revenue (contract liability) from capital assessments received in advance is recorded when the Corporation has received payment in advance of the satisfaction of the performance obligations related to a capital assessment. As of December 31, 2025 and 2024, the Corporation's deferred revenue (contract liability) from capital assessments received in advance were $213,064 and $90,639, respectively. See Note 4 for additional information.

Income Taxes

The Corporation accounts for certain income items differently for financial reporting and income tax purposes. The principal differences are permanent in nature and relate to assessments used for capital improvements and any portion of maintenance charges used for mortgage amortization, which are accounted for as revenue for financial reporting purposes and as contributions to additional paid-in capital for income tax purposes.

Note 2 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Statements of Cash Flows

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

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

	2025	2024
Cash (overdraft) and cash equivalents	$ 161,819	($ 1,364)
Restricted cash (Note 5)	10,000	10,000
Balance - December 31,	$ 171,819	$ 8,636

Note 3 - **RESERVE FUND**

During 2025 and 2024, the following transactions have taken place in the Corporation's reserve fund.

	2025	2024
Balance - January 1,	$ 134,586	$ 116,899
Transfers from operations and escrow accounts	457,010	559,109
Interest and dividends - net of service charges	901	1,392
Transfers (to) operations and escrow accounts	(586,265)	(542,814)
Balance - December 31,	$ 6,232	$ 134,586

The reserve fund is held as follows:

	2025	2024
Apple Bank for Savings - Savings Account (Note 5)	$ 6,142	$ 6,101
Bank United Money Market	90	128,485
Balance - December 31,	$ 6,232	$ 134,586

Note 4 - PROPERTY AND IMPROVEMENTS, CAPITAL ASSESSMENTS AND SUBSEQUENT EVENT

Property and Improvements

During 2025 and 2024, the following building improvements and equipment have been capitalized.

	2025	2024
Facade restoration (FISP) - consulting	$ 28,396	$ 134,269
Elevator modernization	-	25,451
Total	$ 28,396	$ 159,720

During 2026, the Corporation anticipates spending approximately $1,000,000 on a façade restoration project mandated under New York City's Façade Inspection and Safety Program ("FISP") (formerly known as Local Law 11). This project is subject to change orders and consulting fees as the work progresses and will be paid for with the aforementioned capital assessments. The Corporation also anticipates performing an elevator modernization project. However, as of the date of issuance of the accompanying financial statements, a firm cost estimate for this project was not available.

Capital Assessments

During 2023, the Corporation approved a capital assessment of approximately $140,000 to pay for a portion of the aforementioned facade restoration project. Stockholders had the option of paying their proportionate share of the assessment in one installment of $11.8443 per share of outstanding stock during February 2024, or they could pay it over twelve installments of $1.0358 per share of outstanding stock, per month from February 1, 2024 through January 31, 2025. During 2025 and 2024, the Corporation billed $6,427 and $136,578, respectively, of this assessment.

During 2023, the Corporation approved a second capital assessment of approximately $873,000 to pay for an elevator modernization project. This assessment is being billed to the stockholders over seven years at a rate of $0.8794 per share of outstanding stock, per month from February 1, 2024 to January 31, 2031. During 2025 and 2024, the Corporation billed $124,734 and $113,781, respectively, of this assessment.

During 2025 and 2024, a portion of the aforementioned capital assessments was recorded as revenue and a portion was deferred (Note 2). During 2026, it is anticipated that the deferred portion of the capital assessments as of December 31, 2025 ($213,064) will be recognized as revenue as the Corporation's building improvements projects progress.

Subsequent to year end, during January 2026, the Corporation approved a capital assessment of approximately $1,218,000 ($103.05 per share of stock) to pay the remainder of the façade restoration project. Stockholders had the option of paying their proportionate share of the assessment in one installment with a 5% discount ($97.90 per share of outstanding stock) by February 28, 2026, or they could pay it over twelve installments at a rate of $8.59 per share of outstanding stock, per month from March 1, 2026 through February 28, 2027.

Note 5 - MORTGAGE PAYABLE AND LINE OF CREDIT

Mortgage Payable

The mortgage payable, in the original principal amount of $3,000,000, is held by Apple Bank for Savings. It requires monthly installments of $21,373, applied first to interest at a rate of 3.45% per annum with the balance as a reduction of principal. The loan is secured by the land and buildings owned by the Corporation. It has a fifteen year, self-amortizing term, which is scheduled to mature on July 1, 2035.

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

Mortgage payments due over the next five years are allocated as follows:

Year	Principal	Interest	Total
2026	$ 187,301	$ 69,174	$ 256,475
2027	193,866	62,609	256,475
2028	200,661	55,814	256,475
2029	207,695	48,780	256,475
2030	214,975	41,500	256,475

Pursuant to the loan documents, the Corporation is required to maintain a reserve account, in a minimum amount of $10,000, with Apple Bank for Savings for the duration of the loan term. As of December 31, 2025, this account had a balance of $16,142, which was allocated as $10,000 of restricted cash and $6,142 of unrestricted reserve cash (Note 3).

Line of Credit

The Corporation has an unsecured revolving line of credit, in a maximum draw amount of $500,000, with Apple Bank for Savings. When funds are drawn, payments consisting of interest only will be required based on an interest rate equal to the greater of the 30-day SOFR (formerly LIBOR) plus 3.50% per annum, or 5.00%. The line of credit is scheduled to mature upon the earlier to occur of July 1, 2034, or the repayment or refinancing of the mortgage payable. During 2023, the Corporation drew $120,000 of proceeds from the line of credit. As of December 31, 2025, this amount was outstanding.

Note 6 - TREASURY STOCK AND RENTAL INCOME

The following schedule summarizes the Corporation's acquisition and sale of treasury stock shares.

Acquisitions:

	Shares	Cost
Through 2000	1,780	$ 113,254
2002	1,545	150,000
	3,325	$ 263,254

Notes to Financial Statements

Note 6 - **TREASURY STOCK AND RENTAL INCOME** (continued)

Sales:

	Shares	Gross Sales Price	Selling/Renovation Closing Costs	Acquisition Costs	Gain on Sales
1997 - 2008	1,995	$ 1,201,700	$ 106,043	$ 158,368	$ 937,289
2009	105	276,000	30,865	8,280	236,855
2010	275	672,000	120,584	21,687	529,729
2011	270	673,390	198,052	21,292	454,046
2012	105	245,000	70,190	8,280	166,530
2013	140	350,000	106,498	11,040	232,462
2016	135	422,000	25,774	10,646	385,580
	3,025	$ 3,840,090	$ 658,006	$ 239,593	$ 2,942,491

Any gains on sales are recorded as paid-in capital from treasury stock. As of December 31, 2025 and 2024, the Corporation held 300 shares of treasury stock appurtenant to three apartments, which are available to rent. Revenue from the treasury stock apartments is treated as rental income. Maintenance is reduced accordingly. It is the Board of Directors' intent to sell the treasury stock apartments as they become available for sale. During 2025, one of the rental apartments became vacant and the outstanding arrears balance from the former rental tenant of $20,550 was written off as a credit loss. As of December 31, 2025, two of the treasury stock apartments were rented.

Note 7 - **GARAGE LEASE**

During August 2015, the Corporation leased the garage to a third party operator under a ten-year agreement which was originally set to expire on October 31, 2025. During September 2025, a new agreement was reached, which extended the lease term for ten years through September 30, 2035 and included an additional ten-year extension option through September 30, 2045. On a monthly basis, the Corporation receives a contractual base rent from the garage operator ($25,000 per month as of October 1, 2025 with annual increases of 3%) less credits of $250 per month for each resident stockholder who parks in the garage. The $250 monthly parking fees of the resident stockholders are directly billed by the Corporation and are separately reported on the Statements of Revenues and Expenses.

Over the next five years, the following minimum contractual base rents (before residential stockholder credits) are scheduled to be received.

Year	Amount
2026	$ 302,250
2027	311,318
2028	320,657
2029	330,277
2030	340,185

Note 8 - UNION BENEFITS AND SUBSEQUENT EVENT

Substantially all of the Corporation's employees are members of the Service Employees International Union ("SEIU") Local 32BJ and covered by a union sponsored, collectively bargained, multiemployer defined benefit pension, annuity and health insurance plan (the "Plan"). The union agreement expired on April 20, 2026. Subsequent to year end, during April 2026, the Realty Advisory Board on Labor Relations, Inc. and the SEIU Local 32BJ agreed in principle to a new agreement through April 20, 2030. During May 2026, it is anticipated that the agreement will be ratified by the union's members. The Corporation makes contributions to the Plan based on the number of weeks worked by each employee covered under the union contract. During 2025 and 2024, the Corporation contributed $77,978 and $75,098, respectively, to the Plan of which $14,400 per annum was for pension expense. The Corporation's contributions to the Plan were less than 5% of the Plan's total contributions.

Contributions to the Building Service 32BJ Pension Fund (Employer Identification Number 13-1879376, Plan 001) (the "Fund") are not segregated or otherwise restricted to provide benefits only to the Corporation's employees. The risks of participating in a multiemployer pension plan are different from a single-employer pension plan in the following aspects: 1) assets contributed to a multiemployer pension plan by one employer may be used to provide benefits to employees of other participating employers, 2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and 3) if the Corporation chooses to stop participating in its multiemployer pension plan, the Corporation may be required to pay the plan an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability.

In accordance with the Pension Protection Act of 2006, the Fund receives an annual certified zone status from its actuary, which summarizes its funding status. Plans in the "red zone" are generally less than 65% funded, plans in the "yellow zone" are 65% to 80% funded, and plans in the "green zone" are at least 80% funded. The Fund was considered to be in endangered status ("yellow zone") for the plan year beginning July 1, 2023. As part of the Fund's efforts to improve its funding situation, the Trustees of the Fund previously adopted a rehabilitation plan, which was incorporated into the collective bargaining agreement between the Realty Advisory Board On Labor Relations, Inc. and the SEIU Local 32BJ. As of July 1, 2024, the Fund emerged from endangered status and is currently in neither critical nor endangered status. Its most recently available certified zone status is "green". Information as to the Corporation's portion of the unfunded vested benefits and Plan assets has not been determined. The Corporation has no intention of withdrawing from the Plan.

Note 9 - REAL ESTATE TAX

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

Fiscal Year	Taxable Valuation	Tax Rate	Tax
2022/23	$ 3,270,910	12.267	$ 401,243
2023/24	3,312,850	12.502	414,173
2024/25	3,336,010	12.500	417,001
2025/26	3,386,890	12.439	421,295

The Corporation routinely protests the assessed valuation of its property used by New York City for real estate taxation purposes. During December 2025, a protest was settled to reduce the assessed valuation for the tax year 2025/26. This settlement resulted in a current year refund of $2,242 plus future benefits of approximately $9,000 due to reduced transitional assessed valuations. Legal fees of $2,242 were incurred to achieve the aforementioned refund and future benefits. In connection with this settlement, the assessed valuations for the tax years 2022/23, 2023/24 and 2024/25 were confirmed. Currently, there are no "open" tax protests.

Note 10 - **CORPORATION TAXES**

The Corporation is qualified to file its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant-cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the year ended December 31, 2025 is patronage income within the meaning of Subchapter T

For the year ended December 31, 2025, the Corporation sustained an operating loss and will not be liable for Federal income taxes. As of December 31, 2025, the corporation had approximately $3,338,200 of operating loss carryforwards for federal income tax purposes, which will expire in various years through 2037, and approximately $1,870,600 of operating loss carryforwards, which may be carried forward indefinitely until the loss is fully recovered. Such loss carryforwards are limited to 80% of the Corporation's taxable income in any one tax period. Since the future utilization of these carryforward losses is uncertain, no related deferred tac assets have been recognized in the accompanying financial statements.

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

The Corporation's tax returns for all years since 2022 remain open to examination by the respective taxing authorities. There are currently no tax examinations in progress.

Note 11 - **CONCENTRATION OF CREDIT RISK**

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses due to concentration of credit risk in such accounts.

Note 12 - **CLAIMS OR LITIGATIONS**

From time to time, claims or matters of litigation may arise in the ordinary conduct of the Corporation's business. In the opinion of management, claims or litigation outstanding against the Corporation at December 31, 2025 are either without merit or the ultimate losses, if any, would not have a material adverse effect on the financial position or results of operations of the Corporation.

Note 13 - **DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through May 15, 2026, the date that the financial statements were available to be issued.

SUPPLEMENTARY AND PROSPECTIVE INFORMATION

PRISAND, MELLINA, UNTERLACK & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT ON SUPPLEMENTARY AND PROSPECTIVE INFORMATION

To the Board of Directors and Stockholders of
NAGLE APARTMENTS CORP.
31 and 37 Nagle Avenue
14 Bogardus Place
New York, NY 10040

Our report on our audits of the basic financial statements of NAGLE APARTMENTS CORP. for the years ended December 31, 2025 and 2024 appears on Pages 1 and 2, and was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Comparative Schedule of Revenues and Expenditures - Budget, Historical and Forecast is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have compiled the accompanying operating budget forecast of NAGLE APARTMENTS CORP. for the year ending December 31, 2026, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecast or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Prisand, Mellina, Unterlack + Co., LLP

Plainview, New York
May 15, 2026 for Historical Statements
January 19, 2026 for Forecast

131 Sunnyside Blvd., Suite 106
Plainview, New York 11803
www.pmucpa.com
tel: 516-348-7800
fax: 516-348-7801

NAGLE APARTMENTS CORP.

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

	For The Year January 1, 2025 - December 31, 2025		Prior Year January 1, 2024 - December 31, 2024	Next Year January 1, 2026 - December 31, 2026	
	Budget (Unaudited)	Actual	Actual	Forecast (Unaudited)	
REVENUES					
Maintenance - Stockholders (1)	$ 1,260,100	$ 1,255,418	$ 1,211,017	$ 1,278,000	(2)
Garage income	219,700	143,400	155,200	212,300	
Electricity submetering	90,000	89,905	87,943	85,000	
Stockholders' parking	80,300	89,198	65,200	90,000	
Cable television income	91,200	80,637	80,340	83,200	
Sublet, late and other fees	45,000	37,612	24,630	33,900	
Rental income	25,100	16,589	24,285	17,000	
Laundry income	12,000	13,200	12,000	13,200	
Interest and dividends	1,000	963	1,461	-	
Operating assessment	-	-	-	108,000	
TOTAL REVENUES	1,824,400	1,726,922	1,662,076	1,920,600	
EXPENDITURES					
Management fee	57,000	57,000	57,000	60,000	
Professional fees	52,500	32,301	22,182	48,500	
Other administrative and telephone	7,000	19,658	16,991	9,400	
Electricity and gas	122,000	122,979	115,657	130,800	
Gas - heat and fuel	105,000	96,579	99,308	124,300	
Water and sewer	55,000	55,077	53,875	26,300	
Wages and related costs	293,000	277,895	275,615	276,800	
Insurance	140,000	136,937	105,114	163,200	
Cable television	90,500	94,764	89,276	96,400	
Submetering billing service	6,000	6,971	5,754	6,200	
Miscellaneous operating and permits	2,500	3,554	4,793	2,000	
Repairs and maintenance	179,000	166,622	160,050	179,000	
New York City real estate tax	424,000	417,687	415,587	424,500	
Corporation taxes	3,500	3,450	3,450	3,500	
Mortgage interest and amortization	257,400	255,956	255,972	256,500	
Line of credit interest	9,600	9,566	10,705	9,000	
Contingency	-	-	-	82,300	
TOTAL EXPENDITURES	1,804,000	1,756,996	1,691,329	1,898,700	
Budgeted Surplus	$ 20,400			$ 21,900	
ACTUAL OPERATING LOSS		(30,074)	(29,253)		
Mortgage amortization		180,960	174,831		
Prior years' water and sewer credits		37,670	38,278		
Capital assessments - net of deferral		8,736	159,720		
Prior years' garage income		(34,750)	-		
Credit losses - rental income		(20,550)	-		
Amortization of debt issuance costs		(7,851)	(7,851)		
INCOME BEFORE DEPRECIATION EXPENSE		$ 134,141	$ 335,725		

(1) Maintenance has been increased by approximately 4% effective February 1, 2025 and 3% effective January 1, 2026.
(2) The 2026 forecast maintenance has been reduced by an estimated credit loss of $19,200.

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

Summary of Significant Accounting Policies and Forecast Assumptions
For The Year Ending December 31, 2026

The 2026 operating budget forecast was prepared by the Corporation's Finance Committee and the management company (collectively "Management") and approved by the Board of Directors. The operating budget forecast presents, to the best of management's knowledge and belief, the Corporation's expected results of operations for the forecast period. Accordingly, the forecast reflects management's judgment as of January 19, 2026, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FORECAST ASSUMPTIONS

Revenues

Maintenance is based on $108,100 per month, which reflects a 3.0% increase effective January 1, 2026 and is reported net of an anticipated credit loss of $19,200. Garage and rental income are based upon current lease term. An operating assessment of $108,000, or $9.14 per share of outstanding stock has been anticipated for 2026. The Corporation's policy is to refund abatements granted under the New York City Cooperative Shareholder Real Estate Tax Abatement Program at approximately the same time as the assessment is charged to the stockholders. Electricity submetering is based upon monthly consumption reports generated by an independent consultant. Laundry income is based upon a contract. Other fees and income are based upon historical experience or contracts.

Expenditures

Payroll expenses and benefits are based upon a union contract and anticipated staffing requirements. Utilities are based upon rates set by the appropriate regulatory agencies. Gas - heat reflects average consumption over several years and current market conditions for price. Real estate is computed based on the anticipated assessed valuation times an estimated tax rate. A 1.63% increase in real estate tax has been anticipated for 2026. Debt service is based upon the payments required by the Corporation's outstanding mortgage payable and line of credit. Repairs and maintenance is based upon historical experience and anticipated maintenance requirements. Insurance reflects anticipated renewal premiums. Other expenses are based upon historical experience or contracts.

Income Tax

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