UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended April 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________ to ________

Commission File Number 1-4702

AMREP CORPORATION

(Exact name of Registrant as specified in its charter)

Oklahoma	59-0936128
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
850 West Chester Pike, Suite 205, Havertown, PA	19083
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (610) 487-0905

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.10 par value	**AXR**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 31, 2022, which was the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the Common Stock held by non-affiliates of the registrant was $46,091,272. Such aggregate market value was computed by reference to the closing sale price of the registrant's Common Stock as quoted on the New York Stock Exchange on such date. For purposes of making this calculation only, the registrant has defined affiliates as including all directors and executive officers and certain persons related to them. In making such calculation, the registrant is not making a determination of the affiliate or non-affiliate status of any holders of shares of Common Stock.

As of July 10, 2023, there were 5,254,909 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

As stated in Part III of this annual report on Form 10-K, portions of the registrant's definitive proxy statement to be filed within 120 days after the end of the fiscal year covered by this annual report on Form 10-K are incorporated herein by reference.

All references to the Company in this annual report on Form 10-K include the Registrant and its subsidiaries. Many of the amounts and percentages presented in this annual report on Form 10-K have been rounded for convenience of presentation. All references in this annual report on Form 10-K to 2023 and 2022 mean the Company's fiscal years ended April 30, 2023 and 2022, unless the context otherwise indicates.

PART I

Item 1. Business

AMREP Corporation was organized in 1961 as an Oklahoma corporation and, through its subsidiaries, is primarily engaged in two business segments: land development and homebuilding. The Company has no foreign sales or activities outside the United States. The Company conducts a substantial portion of its business in Rio Rancho, New Mexico ("Rio Rancho") and certain adjoining areas of Sandoval County, New Mexico. Rio Rancho is the third largest city in New Mexico with a population of approximately 108,000.

Land Development

As of April 30, 2023, the Company owned approximately 17,000 acres in Sandoval County, New Mexico. The Company offers for sale both developed and undeveloped real property to national, regional and local homebuilders, commercial and industrial property developers and others. Activities conducted or arranged by the Company include land and site planning, obtaining governmental and environmental approvals ("entitlements"), installing utilities and storm drains, ensuring the availability of water service, building or improving roads necessary for land development and constructing community amenities. The Company develops both residential lots and sites for commercial and industrial use as demand warrants. Engineering work is performed by both the Company's employees and outside firms, but development work is generally performed by outside contractors. The Company also provides limited landscaping services, generally servicing homebuilders and homeowners' associations.

The Company markets land for sale or lease both directly and through brokers. With respect to residential development, the Company generally focuses its sales efforts on a limited number of homebuilders, with 95% of 2023 developed residential land sale revenues having been made to four homebuilders. The number of new construction single-family residential starts in Rio Rancho by the Company, the Company's customers and other builders was 585 in 2023 and 876 in 2022. The development of residential, commercial and industrial properties requires, among other things, financing or other sources of funding, which may not be available.

The Company opportunistically acquires land, focusing primarily in New Mexico, after completion of market research, soil tests, environmental studies and other engineering work, a review of zoning and other governmental requirements, discussions with homebuilders or other prospective end-users of the property and financial analysis of the project and estimated development costs.

The continuity and future growth of the Company's real estate business, if the Company pursues such growth, will require that the Company acquire new properties in New Mexico or expand to other markets to provide sufficient assets to support a meaningful real estate business. The Company competes with other owners and developers of land that offer for sale developed and undeveloped residential lots and sites for commercial and industrial use.

The following table presents information on the large land development projects of the Company in New Mexico as of April 30, 2023:

	Developed[1]		Under Development[2]		
	Residential Lots	Commercial / Industrial Acres	Residential Acres	Commercial / Industrial Acres	Undeveloped[3] Acres
Lomas Encantadas	103	—	198	6	—
Hawk Site	89	—	103	129	—
Hawk Adjacent	—	—	44	—	—
Enchanted Hills/ Commerce Center	—	29	—	—	—
Papillon	—	—	—	—	308
Paseo Gateway	—	—	—	—	290
La Mirada	—	—	7	2	—

Lomas Encantadas is located in the eastern section of Unit 20 in Rio Rancho. Hawk Site and Hawk Adjacent are located in the northern section of Unit 25 in Rio Rancho. Enchanted Hills/Commerce Center is located in the eastern section of Unit 20 in Rio Rancho. Papillon is located in the northern section of Unit 25 in Rio Rancho. Paseo Gateway is located in the southern section of Unit 20 in Rio Rancho. La Mirada is located in Albuquerque, New Mexico.

The following table presents information on certain small residential land development projects of the Company in New Mexico as of April 30, 2023:

	Developed[1] Lots	Under Development[2] Acres	Location
Lavender Fields	15	—	Bernalillo County, New Mexico
Vista Entrada	6	—	Eastern section of Unit 20 in Rio Rancho
Tierra Contenta	30	—	Santa Fe, New Mexico
GeoPark	—	8	Santa Fe, New Mexico
Northern Meadows J-1	—	3	Southern section of Unit 22 in Rio Rancho

In addition to the property listed in the tables above, as of April 30, 2023, the Company held undeveloped property in Sandoval County, New Mexico of approximately 16,000 acres in high contiguous ownership areas and low contiguous ownership areas. High contiguous ownership areas may be suitable for special assessment districts or city redevelopment areas that may allow for development under the auspices of local government. Low contiguous ownership areas may require the purchase of a sufficient number of adjoining lots to create tracts suitable for development or may be offered for sale individually or in small groups.

Infrastructure Reimbursement Mechanisms. A portion of the Lomas Encantadas subdivision and a portion of the Enchanted Hills subdivision are subject to a public improvement district. The public improvement district reimburses the Company for certain on-site and off-site costs of developing the subdivisions by imposing a special levy on the real property owners within the district. The Company has accepted discounted prepayments of amounts due under the public improvement district.

[1] Developed lots/acreage are any tracts of land owned by the Company that have been entitled with infrastructure work that is substantially complete.

[2] Acreage under development is real estate owned by the Company for which entitlement or infrastructure work is currently being completed. However, there is no assurance that the acreage under development will be developed because of the nature and cost of the approval and development process and market demand for a particular use. In addition, the mix of residential and commercial acreage under development may change prior to final development. The development of this acreage will require significant additional financing or other sources of funding, which may not be available.

[3] There is no assurance that undeveloped acreage will be developed because of the nature and cost of the approval and development process and market demand for a particular use. Undeveloped acreage is real estate that can be sold “as is” (e.g., where no entitlement or infrastructure work has begun on such property).

The Company instituted private infrastructure reimbursement covenants in Lavender Fields and on a portion of the property in Hawk Site. Similar to a public improvement district, the covenants are expected to reimburse the Company for certain on-site and off-site costs of developing the subject property by imposing an assessment on the real property owners subject to the covenants. The Company has accepted discounted prepayments of amounts due under the private infrastructure reimbursement covenants.

Impact fees are charges or assessments payable by homebuilders to local governing authorities in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. The Company receives credits, allowances and offsets applicable to impact fees in connection with certain off-site costs incurred by the Company in developing subdivisions, which the Company generally sells to homebuilders.

Commercial Property. Out of the eight commercial lots in the La Mirada subdivision, the Company sold four of the commercial lots in 2023 and two of the commercial lots in 2022. As of April 30, 2023, the Company is in the process of constructing a 2,800 square foot single tenant building on a commercial lot in the La Mirada subdivision and a 2,800 square foot single tenant building on a commercial lot in Unit 10 in Rio Rancho. In 2022, the Company also sold approximately 1.8 acres of commercial property in the Enchanted Hills/Commerce Center subdivision.

Mineral Rights. The Company owns certain minerals and mineral rights in and under approximately 55,000 surface acres of land in Sandoval County, New Mexico.

Other Real Estate Interests. The Company owns an approximately 160-acre property in Brighton, Colorado planned for 410 homes. In 2022, the Company sold its approximately 5-acre property in Parker, Colorado and 143,000 square foot warehouse and office facility located in Palm Coast, Florida.

Homebuilding

In fiscal year 2020, the Company commenced operations in New Mexico of its internal homebuilder, Amreston Homes. The Company offers a variety of home floor plans and elevations at different prices and with varying levels of options and amenities to meet the needs of homebuyers. The Company focuses on selling single-family detached and attached homes. The Company selects locations for homebuilding based on available land inventory and completion of a feasibility study. The Company utilizes internal and external sales brokers for home sales. Model homes are generally used to showcase the Company’s homes and their design features. The Company provides built-to-order homes where construction of the homes does not begin until the customer signs the purchase agreement and speculative (“spec”) homes for homebuyers that require a home within a short time frame. Sales contracts with homebuyers generally require payment of a deposit at the time of contract signing and sometimes additional deposits upon selection of certain options or upgrade features for their homes. Sales contracts also typically include a financing contingency that provides homebuyers with the right to cancel if they cannot obtain mortgage financing at specified interest rates within a specified period. Contracts may also include other contingencies, such as the sale of an existing home.

The construction of homes is conducted under the supervision of the Company’s on-site construction field managers. Most construction work is performed by independent subcontractors under contracts that establish a specific scope of work at an agreed-upon price. Although the Company does not yet have sufficient historical experience to observe any seasonal effect on sales and construction activities, the Company does expect some seasonality in sales and construction activities which can affect the timing of closings. But any such seasonal effect on sales is expected to be relatively insignificant compared to the effect of the timing of opening of a property for sale and the subsequent timing of closings.

The housing industry in New Mexico is highly competitive. Numerous national, regional and local homebuilders compete for homebuyers on the basis of location, price, quality, reputation, design and community amenities. This competition with other homebuilders could reduce the number of homes the Company delivers or cause the Company to accept reduced margins to maintain sales volume. The Company also competes with resales of existing homes and available rental housing. Increased competitive conditions in the residential resale or rental market could decrease demand for new homes or unfavorably impact pricing for new homes.

Materials and Labor

During 2023 and 2022, the Company experienced supply chain constraints, increases in the prices of building materials, shortages of skilled labor and delays in municipal approvals and inspections in both the land development business segment and homebuilding business segment, which caused delays in construction and the realization of revenues and increases in cost of revenues. Generally, construction materials for the Company’s operations are available from numerous sources. However, the cost and availability of certain building materials, especially lumber, steel, concrete, copper and petroleum-based materials, is influenced by changes in local and global commodity prices and capacity as well as government regulation, such as government-imposed tariffs or trade restrictions on supplies such as steel and lumber. The ability to consistently source qualified labor at reasonable prices remains challenging as labor supply growth has not kept pace with construction demand. To partially protect against changes in construction costs, labor and materials costs are generally established prior to or near the time when related sales contracts are signed with homebuilders or homebuyers. However, the Company cannot determine the extent to which necessary building materials and labor will be available at reasonable prices in the future.

Regulatory and Environmental Matters

The Company's operations are subject to extensive regulations imposed and enforced by various federal, state and local governing authorities. These regulations are complex and include building codes, land zoning and other entitlement restrictions, health and safety regulations, labor practices, marketing and sales practices, environmental regulations and various other laws, rules and regulations. The applicable governing authorities frequently have broad discretion in administering these regulations. The Company may experience extended timelines for receiving required approvals from municipalities or other government agencies that can delay anticipated development and construction activities.

Government restrictions, standards and regulations intended to reduce greenhouse gas emissions or potential climate change impacts may result in restrictions on land development or homebuilding in certain areas and may increase energy, transportation or raw material costs, which could reduce the Company's profit margins and adversely affect the Company's results of operations. Weather conditions and natural disasters can harm the Company. The occurrence of natural disasters or severe weather conditions can adversely affect the cost or availability of materials or labor, delay or increase costs of land development or damage homes or land development under construction. These matters may result in delays, may cause the Company to incur substantial compliance, remediation, mitigation and other costs, and can prohibit or severely restrict land development and homebuilding activity in environmentally sensitive areas.

Human Capital Resources

As of April 30, 2023, the Company employed 28 full-time employees. The Company believes the people who work for the Company are its most important resource and are critical to the Company's continued success. The Company focuses significant attention on attracting and retaining talented and experienced individuals to manage and support the Company's operations. The Company strives to reward employees through competitive industry pay, benefits and other programs; instill the Company's culture with a focus on ethical behavior; and enhance employees' performance through investments in technology, tools and training to enable employees to operate at a high level. The Company's employees are not represented by any union. The Company considers its employee relations to be good. The Company offers employees a broad range of company-paid benefits, and the Company believes its compensation package and benefits are competitive with others in the industry. All employees are expected to exhibit and promote honest, ethical and respectful conduct in the workplace. All employees must adhere to a code of conduct that sets standards for appropriate ethical behavior.

AVAILABLE INFORMATION

The Company maintains a website at www.amrepcorp.com. The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge through the Company's website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission. The information found on the Company's website is not part of this or any other report that the Company files with, or furnishes to, the Securities and Exchange Commission.

In addition to the Company's website, the Securities and Exchange Commission maintains an Internet site that contains the Company's reports, proxy and information statements, and other information that the Company electronically files with, or furnishes to, the Securities and Exchange Commission at www.sec.gov.

Item 1A. Risk Factors

As a smaller reporting company, the Company has elected not to provide the disclosure under this item.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The executive offices of the Company are located in approximately 1,400 square feet of leased space in an office building in Havertown, Pennsylvania. The offices of the Company's real estate business are located in approximately 5,400 square feet of space in a 7,000 square foot office building in Rio Rancho owned by the Company. In addition, real estate inventory and investment properties are described in Item 1 of Part I of this annual report on Form 10-K with certain mortgages associated with such real estate described in Item 7 of Part II of this annual report on Form 10-K. The Company believes its facilities are adequate for its current requirements.

Item 3. Legal Proceedings

The Company and its subsidiaries are involved in various pending or threatened claims and legal actions arising in the ordinary course of business. While the ultimate results of these matters cannot be predicted with certainty, management believes that they will not have a material adverse effect on the Company's consolidated financial position, liquidity or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

Information about the Company's Executive Officers

Set forth below is certain information concerning persons who are the current executive officers of the Company.

Christopher V. Vitale, age 47, has been a director of the Company since 2021 and has been President and Chief Executive Officer of the Company since 2017. From 2014 to 2017, Mr. Vitale was Executive Vice President, Chief Administrative Officer and General Counsel of the Company and, from 2013 to 2014, he was Vice President and General Counsel of the Company. Prior to joining the Company, Mr. Vitale held various legal positions at Franklin Square Holdings, L.P., a national sponsor and distributor of investment products, from 2011 to 2013 and at WorldGate Communications, Inc., a provider of digital voice and video phone services and video phones, from 2009 to 2011. Prior to joining WorldGate, Mr. Vitale was an attorney with the law firms of Morgan, Lewis & Bockius LLP and Sullivan & Cromwell LLP.

Adrienne M. Uleau, age 55, has been Vice President, Finance and Accounting of the Company since March 2020. From August 2018 to March 2020, Ms. Uleau was Controller of the Company. Prior to joining the Company, Ms. Uleau had been Controller of United Tectonics Corp., a construction services company, from 2016 to August 2018. From 2014 to 2016, Ms. Uleau was Financial Manager of Cushman and Wakefield. Prior to 2014, Ms. Uleau held various accounting positions.

The executive officers are elected or appointed by the board of directors of the Company or its appropriate subsidiary to serve until the appointment or election of their successors or their earlier death, resignation or removal.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock is traded on the New York Stock Exchange under the symbol "AXR". On July 7, 2023, there were 260 holders of record of the common stock.

The Company's common stock is often thinly traded. As a result, large transactions in the Company's common stock may be difficult to execute in a short time frame and may cause significant fluctuations in the price of the Company's common stock. Among other reasons, the stock is thinly traded due to the fact that four of the Company's shareholders beneficially owned approximately 55.8% of the outstanding common stock as of July 17, 2023 according to available information. The average trading volume in the Company's common stock on the New York Stock Exchange over the thirty-day trading period ending on April 30, 2023 was 8,540 shares per day.

The Company is an Oklahoma corporation and the anti-takeover provisions of its certificate of incorporation and of Oklahoma law generally prohibit the Company from engaging in "business combinations" with an "interested shareholder," as those terms are defined therein, unless the holders of at least two-thirds of the Company's then outstanding common stock approve the transaction. Consequently, the concurrence of the Company's largest shareholders would generally be needed for any "interested shareholder" to acquire control of the Company, even if a change in control would be beneficial to the Company's other shareholders.

Equity Compensation Plan Information

See Item 12, which incorporates such information by reference from the Company's Proxy Statement for its 2023 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission.

Dividend Policy

The Company has paid no cash dividends on its common stock since fiscal year 2008. The Company may consider dividends from time-to-time in the future in light of conditions then existing, including earnings, financial condition, cash position, capital requirements and other needs. No assurance is given that there will be any such future dividends declared.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a description of the Company's business, refer to Item 1 of Part I of this annual report on Form 10-K. As indicated in Item 1, the Company, through its subsidiaries, is primarily engaged in two business segments: land development and homebuilding. The Company has no foreign sales. The following provides information that management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and accompanying notes.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United States of America. The Company discloses its significant accounting policies in the notes to its audited consolidated financial statements.

The preparation of such financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of those financial statements as well as the amounts reported in the financial statements and accompanying notes. Areas that require significant judgments and estimates to be made include: (1) land sale cost of revenues, net calculations, which are based on land development budgets and estimates of costs to complete; (2) cash flows, asset groupings and valuation assumptions in performing asset impairment tests of long-lived assets and assets held for sale; (3) actuarially determined defined benefit pension obligations and other pension plan accounting and disclosures; (4) risk assessment of uncertain tax positions; and (5) the determination of the recoverability of net deferred tax assets. Actual results could differ from those estimates.

There are numerous critical assumptions that may influence accounting estimates in these and other areas. Management bases its critical assumptions on historical experience, third-party data and various other estimates that it believes to be reasonable under the circumstances. The most critical assumptions made in arriving at these accounting estimates include the following:

- land sale cost of revenues, net are incurred throughout the life of a project, and the costs of initial sales from a project frequently must include a portion of costs that have been budgeted based on engineering estimates or other studies, but not yet incurred;

- when events or changes in circumstances indicate the carrying value of an asset may not be recoverable, a test for asset impairment may be required. Asset impairment determinations are based upon the intended use of assets, the grouping of those assets, the expected future cash flows and estimates of fair value of assets. For real estate projects under development, an estimate of future cash flows on an undiscounted basis is determined using estimated future expenditures necessary to complete such projects and using management's best estimates about sales prices and holding periods. Testing of long-lived assets includes an estimate of future cash flows on an undiscounted basis using estimated revenue streams, operating margins, administrative expenses and terminal values. The estimation process involved in determining if assets have been impaired and in the determination of estimated future cash flows is inherently uncertain because it requires estimates of future revenues and costs, as well as future events and conditions. If the excess of undiscounted cash flows over the carrying value of a particular asset group is small, there is a greater risk of future impairment and any resulting impairment charges could be material;

- defined benefit pension obligations and other pension plan accounting and disclosures are based upon numerous assumptions and estimates, including the expected rate of investment return on pension plan assets, the discount rate used to determine the present value of liabilities, and certain employee-related factors such as turnover, retirement age and mortality;

- the Company assesses risk for uncertain tax positions and recognizes the financial statement effects of a tax position when it is more likely than not that the position will be sustained upon examination by tax authorities; and

- the Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized. In making this determination, the Company projects its future earnings (including currently unrealized gains on real estate inventory) for the future recoverability of net deferred tax assets.

RESULTS OF OPERATIONS

Year Ended April 30, 2023 Compared to Year Ended April 30, 2022

For 2023, the Company had net income of $21,790,000, or $4.11 per diluted share, compared to net income of $15,862,000, or $2.21 per diluted share, in 2022. As discussed in more detail below, during 2023, the Company recognized a non-cash income tax benefit of $16,071,000 as a result of a worthless stock deduction related to its former fulfillment services business and a non-cash pre-tax pension settlement general and administrative expense of $7,597,000 due to (a) the Company’s defined benefit pension plan paying certain lump sum payouts of pension benefits to former employees and (b) the transfer of nearly all remaining pension benefit liabilities to an insurance company through an annuity purchase.

During 2023 and 2022, the Company has experienced supply chain constraints, increases in the prices of building materials, shortages of skilled labor and delays in municipal approvals and inspections in both the land development business segment and homebuilding business segment, which caused delays in construction and the realization of revenues and increases in cost of revenues. In addition, in response to inflation, the Federal Reserve increased benchmark interest rates during 2023 and 2022 and has signaled it expects additional future interest rate increases, which has resulted in a significant increase in mortgage interest rates during 2023 and 2022, impacting home affordability and consumer sentiment and tempering demand for new homes and finished residential lots. The rising cost of housing due to increases in average sales prices in recent years and the recent increases in mortgage interest rates, coupled with general inflation in the U.S. economy and other macroeconomic factors, have placed pressure on overall housing affordability and have caused many potential homebuyers to pause and reconsider their housing choices. Given the affordability challenges described above and the resulting impact on demand, the Company has increased sales incentives on certain homes classified as homebuilding model inventory or homebuilding construction in process, opportunistically leased completed homes and slowed the pace of housing starts and land development projects. The Company believes these conditions will continue to impact the land development and homebuilding industries for at least the remainder of calendar year 2023.

Future economic conditions and the demand for land and homes are subject to continued uncertainty due to many factors, including the recent increase in mortgage interest rates, higher inflation, low supplies of new and existing home inventory available for sale, ongoing disruptions from supply chain challenges and labor shortages, the ongoing impact of the COVID-19 pandemic and government directives, and other factors. While construction and land costs remain elevated, the Company has been able to offset these cost increases through land and home price increases in 2023 and 2022 due to a strong pricing environment, which may not continue. The Company’s past performance may not be indicative of future results.

Revenues. The following presents information on revenues (dollars in thousands):

	Year Ended April 30,			
	2023	2022	Increase (decrease)	
Land sale revenues	$ 30,659	$ 36,200	$ (5,541)	(15)%
Home sale revenues	16,691	13,565	3,126	23 %
Building sales and other revenues	1,326	9,161	(7,835)	(86)%
Total	$ 48,676	$ 58,926	(10,250)	(17)%

- The change in land sale revenues for 2023 compared to 2022 was primarily due to a decrease in revenue of developed commercial land and undeveloped land offset in part by an increase in revenue of developed residential land. The Company’s land sale revenues consist of (dollars in thousands):

	Year Ended April 30, 2023		
	Acres Sold	Revenue	Revenue Per Acre[1]
Developed			
Residential	46.5	$ 25,651	$ 552
Commercial	3.8	4,832	1,272
Total Developed	50.3	30,483	606
Undeveloped	10.8	176	16
Total	61.1	$ 30,659	502

	Year Ended April 30, 2022		
	Acres Sold	Revenue	Revenue Per Acre[1]
Developed			
Residential	47.6	$ 21,973	$ 462
Commercial	7.7	6,054	786
Total Developed	55.3	28,027	507
Undeveloped	1,233.5	8,173	7
Total	1,288.8	$ 36,200	28

The changes in the revenue per acre of developed residential land, developed commercial land and undeveloped land for 2023 compared to 2022 were primarily due to the location and mix of lots sold. The Company sold 1,196 acres of contiguous undeveloped land in Sandoval County, New Mexico in 2022, representing $7,107,000 of revenue, to one purchaser. The Company does not expect the sale of a significant amount of undeveloped land in 2022 to be indicative of the sale of such undeveloped land in the future.

- The change in home sale revenues for 2023 compared to 2022 was primarily due to an increase in average selling prices offset in part by a decrease in the number of homes sold as a result of decreases in demand (including from the affordability challenges described above), supply chain constraints, shortages of skilled labor and delays in municipal approvals and inspections. The Company's home sale revenues consist of (dollars in thousands):

	Year Ended April 30,	
	2023	2022
Homes sold	32	41
Average selling price	$ 525	$ 331

As of April 30, 2023, the Company had 18 homes in production, including 10 homes under contract, which homes under contract represented $5,640,000 of expected home sale revenues when closed, subject to customer cancellations and change orders. As of April 30, 2022, the Company had 38 homes in production, including 17 homes under contract, which homes under contract represented $8,713,000 of expected home sale revenues when closed, subject to customer cancellations and change orders.

- Building sales and other revenues consist of (in thousands):

	Year Ended April 30,	
	2023	2022
Sales of buildings	$ —	$ 8,439
Oil and gas royalties	146	276
Landscaping revenues	585	—
Miscellaneous other revenues	595	446
Total	$ 1,326	$ 9,161

[1] Revenues per acre may not calculate precisely due to the rounding of revenues to the nearest thousand dollars.

Sales of buildings during 2022 consisted of revenues from the sale of a 4,338 square foot, single tenant retail building in the La Mirada subdivision and from the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida. The Company does not expect the sale of the warehouse and office facilities located in Palm Coast, Florida to be indicative of future sales of such properties since the Company has no other similar properties. Landscaping revenues consisted of landscaping services, generally servicing homebuilders and homeowners' associations, provided by the Company.

Miscellaneous other revenues for 2023 primarily consisted of extension fees for purchase contracts, forfeited deposits and residential rental revenues. Miscellaneous other revenues for 2022 primarily consisted of rent received from a tenant at a building in Palm Coast, Florida and tenants at a shopping center in Albuquerque, New Mexico, a non-refundable option payment and proceeds from the sale of equipment.

Cost of Revenues. The following presents information on cost of revenues (dollars in thousands):

	Year Ended April 30,			
	2023	2022	Increase (decrease)	
Land sale cost of revenues, net	$ 17,379	$ 17,645	$ (266)	(2)%
Home sale cost of revenues	12,037	10,237	1,800	18 %
Building sales and other cost of revenues	361	4,387	(4,026)	(92)%
Total	$ 29,777	$ 32,269	(2,492)	(8)%

- Land sale cost of revenues, net consist of (in thousands):

	Year Ended April 30,	
	2023	2022
Land sale cost of revenues	$ 22,477	$ 21,198
Less:		
Public improvement district reimbursements	(759)	(558)
Private infrastructure covenant reimbursements	(626)	(184)
Payments for impact fee credits	(3,713)	(2,811)
Land sale cost of revenues, net	$ 17,379	$ 17,645

Land sale gross margins were 42% for 2023 compared to 51% for 2022. The change in gross margin was primarily due to the location, size and mix of property sold (including the sale of 1,233.5 acres in 2022 versus 10.8 acres in 2023 of undeveloped land with a low associated land sale cost of revenues) offset in part by lower than estimated costs in 2022 associated with certain completed projects. As a result of many factors, including the nature and timing of specific transactions and the type and location of land being sold, revenues, average selling prices and related gross margin from land sales can vary significantly from period to period and prior results are not necessarily a good indication of what may occur in future periods.

- The change in home sale cost of revenues for 2023 compared to 2022 was primarily due to location, size of homes, increases in the prices of building materials and shortages of skilled labor. Despite such increase in home sale cost of revenues, home sale gross margins were 28% for 2023 compared to 25% for 2022. The change in gross margin was primarily due to the location and mix of homes sold and to operational efficiencies.

- Building sales and other cost of revenues for 2023 consisted of cost of goods sold for landscaping services. Building sales and other cost of revenues for 2022 consisted of expenses associated with the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida and the sale of a 4,338 square foot, single tenant retail building in the La Mirada subdivision.

General and Administrative Expenses. The following presents information on general and administrative expenses (dollars in thousands):

	Year Ended April 30,			
	2023	2022	Increase (decrease)	
Operations				
Land development	$ 2,843	$ 3,258	$ (415)	(13)%
Homebuilding	1,016	878	138	16 %
Corporate	1,613	1,218	395	32 %
Operations Total	$ 5,472	$ 5,354	118	2 %
Pension settlement	$ 7,597	$ —	7,597	*(a)*

(a) Percentage not meaningful.

- The change in land development general and administrative expenses for 2023 compared to 2022 was primarily due to a refund of certain property taxes. The Company did not record any non-cash impairment charges on real estate inventory or investment assets in 2023 or 2022. Due to volatility in market conditions and development costs, the Company may experience future impairment charges.

- The change in homebuilding general and administrative expenses for 2023 compared to 2022 was primarily due to expansion of the Company's homebuilding operations.

- The change in corporate general and administrative expenses for 2023 compared to 2022 was primarily due to increases in pension benefit expenses, payroll and professional services offset in part by decreases in office rent and expenses and depreciation.

- The pension settlement general and administrative expense was due to (a) the Company's defined benefit pension plan paying certain lump sum payouts of pension benefits to former employees and (b) the transfer of nearly all remaining pension benefit liabilities to an insurance company through an annuity purchase. No such pension settlement general and administrative expense was incurred in 2022.

Interest Income (Expense). Interest income (expense), net increased to $8,000 for 2023 from $2,000 for 2022. Interest and loan costs of $57,000 and $224,000 were capitalized in real estate inventory for 2023 and 2022.

Other Income. Other income of $1,803,000 for 2023 consisted of the sale of all of the Company's minerals and mineral rights in and under approximately 147 surface acres of land in Brighton, Colorado. Other income of $261,000 for 2022 primarily consisted of $185,000 received in connection with the bankruptcy of a warranty provider, $45,000 of debt forgiveness with respect to a note payable and $30,000 received from a life insurance policy for a retired executive of the Company.

Income Taxes. The Company had a benefit for income taxes of $14,149,000 for 2023 compared to a provision for income taxes of $5,704,000 for 2022. The benefit for income taxes for 2023 was primarily due to the income tax benefit related to the Company's worthless stock deduction offset in part by income taxes for the amount of income before income taxes during the year. The provision for income taxes for 2022 correlated to the amount of income before income taxes during the year. Refer to Note 13 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding the Company's worthless stock deduction.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $19,993,000 and $15,721,000 as of April 30, 2023 and April 30, 2022. AMREP Corporation is a holding company that conducts substantially all of its operations through subsidiaries. As a holding company, AMREP Corporation is dependent on its available cash and on cash from subsidiaries to pay expenses and fund operations. The Company's liquidity is affected by many factors, including some that are based on normal operations and some that are related to the real estate industry and the economy generally.

The Company's primary sources of funding for working capital requirements are cash flow from operations, bank financing for specific real estate projects, a revolving line of credit and existing cash balances. Land and homebuilding properties generally cannot be sold quickly, and the ability of the Company to sell properties has been and will continue to be affected by market conditions. The ability of the Company to generate cash flow from operations is primarily dependent upon its ability to sell the properties it has selected for disposition at the prices and within the timeframes the Company has established for each property. The development of additional lots for sale, construction of homes or pursuing other real estate projects may require financing or other sources of funding, which may not be available on acceptable terms (or at all). If the Company is unable to obtain such financing, the Company's results of operations could be adversely affected.

The Company expects the primary demand for funds in the future will be for the development and acquisition of land, construction of home and commercial projects and general and administrative expenses. The development and acquisition of land and construction of home and commercial projects is generally required to satisfy delivery obligations of developed land or finished homes to customers. Further, the Company regularly evaluates property available for purchase from third parties for possible acquisition and development by the Company. To the extent the sources of capital described above are insufficient to meet its needs, the Company may conduct public or private offerings of securities, dispose of certain assets or draw on existing or new debt facilities. The Company believes that it has adequate cash, bank financing and cash flows from operations to provide for its anticipated spending in fiscal year 2024.

COVID-19. Any epidemic, pandemic or similar serious public health issue, and the measures undertaken by governmental authorities to address it, could significantly disrupt or prevent the Company from operating its business in the ordinary course for an extended period. As a result, the impact of such public health issues and the related governmental actions could materially impact the Company's financial position, results of operations and cash flows. For instance, in March 2020, the World Health Organization declared COVID-19 a global pandemic, resulting in extraordinary and wide-ranging actions taken by public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, including quarantines, shelter-in-place orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. These restrictions had an adverse impact on the Company beginning in the spring of 2020. As effective treatment and mitigation measures for COVID-19 advanced, economic activity gradually resumed and demand for new homes improved significantly. The effects of the pandemic on economic activity, combined with the strong demand for new homes, caused many disruptions to the Company's supply chain and shortages in certain building components and materials, as well as labor shortages. These conditions caused construction cycles to lengthen and while the Company's business is now fully functioning, some of those conditions continue to impact the Company's operations and financial performance.

There is continuing uncertainty regarding how long COVID-19 and its resultant effect on the economy will continue to impact the Company's supply chain and operations. The Company's operational and financial performance could be impacted by a resurgence in the pandemic and any containment or mitigation measures put in place as a result of the resurgence, all of which are highly uncertain, unpredictable and outside the Company's control. If COVID-19 or any of its variants continues to have a significant negative impact on the economy, or if a new pandemic emerges, the Company's results of operations and financial condition could be adversely impacted.

Pension Plan. The Company has a defined benefit pension plan for which accumulated benefits were frozen and future service credits were curtailed as of March 1, 2004. Under generally accepted accounting principles, the Company's defined benefit pension plan was overfunded as of April 30, 2023 by $747,000, with $1,030,000 of assets and $283,000 of liabilities, and was overfunded as of April 30, 2022 by $90,000, with $18,054,000 of assets and $17,964,000 of liabilities. The pension plan liabilities were determined using a weighted average discount interest rate of 4.51% per year as of April 30, 2023 and 3.97% per year as of April 30, 2022, which are based on the FTSE Pension Discount Curve as of such dates as it corresponds to the projected liability requirements of the pension plan. The pension plan is subject to minimum IRS contribution requirements, but these requirements can be satisfied by the use of the pension plan's existing credit balance. No cash contributions to the pension plan were required during 2023 or 2022 and the Company did not make any contributions to the pension plan during 2023 or 2022. The Company recognized a non-cash pre-tax pension settlement general and administrative expense of $7,597,000 during 2023 due to (a) the Company's defined benefit pension plan paying certain lump sum payouts of pension benefits to former employees and (b) the transfer of nearly all remaining pension benefit liabilities to an insurance company through an annuity purchase.

Cash Flow. The following presents information on the cash flows for the Company (dollars in thousands):

	Year Ended April 30,			
	2023	2022	Increase (decrease)	
Net cash provided by operating activities	$ 6,389	$ 15,476	$ (9,087)	(59)%
Net cash used in investing activities	(131)	(1,195)	1,064	89 %
Net cash used in financing activities	(1,986)	(23,361)	21,375	91 %
Increase (decrease) in cash and cash equivalents	$ 4,272	$ (9,080)	13,352	*(a)*

(a) *Percentage not meaningful.*

- Operating Activities. The net cash provided by operating activities for 2023 was primarily due to cash generated from business operations and a reduction real estate inventory offset in part by an increase in investment assets and other assets and a reduction in accounts payable and accrued expenses, notes payable and income taxes payable. The net cash provided by operating activities for 2022 was primarily due to cash generated from business operations offset in part by an increase in real estate inventory and investment assets and other assets and a reduction in accounts payable and accrued expenses and income taxes payable.

- Investing Activities. The net cash used in investing activities for each of 2023 and 2022 was primarily due to an increase in capital expenditures of property and equipment, including the acquisition in 2022 of a 7,000 square foot office building in Rio Rancho from which the Company's real estate business now operates

- Financing Activities. The net cash used in financing activities for 2023 was primarily due to principal debt repayments. The net cash used in financing activities for 2022 was primarily due to the Company's share repurchase activity and principal debt repayments offset in part by the proceeds from debt financing. Notes payable decreased from $2,030,000 as of April 30, 2022 to $44,000 as of April 30, 2023, primarily due to principal debt repayments. Refer to Note 6 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding each of the Company's notes payable. Refer to Note 15 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding the Company's share repurchase activity. The Company does not expect the Company's share repurchase activity to be indicative of its future activity in this area.

Asset and Liability Levels. The following presents information on certain assets and liabilities (dollars in thousands):

	April 30, 2023	April 30, 2022	Increase (decrease)	
Real estate inventory	$ 65,625	$ 67,249	$ (1,624)	(2)%
Investment assets, net	13,747	9,017	4,730	52 %
Other assets	3,249	1,882	1,367	73 %
Deferred income taxes, net	12,493	958	11,535	*(a)*
Prepaid pension costs	747	90	657	*(a)*
Accounts payable and accrued expenses	4,851	6,077	(1,226)	(20)%
Income taxes receivable (payable), net	41	(3,648)	3,689	*(a)*

(a) Percentage not meaningful.

- Real estate inventory consists of (dollars in thousands):

	April 30, 2023	April 30, 2022	Increase (decrease)	
Land inventory in New Mexico	$ 59,361	$ 59,374	$ (13)	*(a)*
Land inventory in Colorado	3,445	3,434	11	*(a)*
Homebuilding model inventory	1,171	1,135	36	3 %
Homebuilding construction in process	1,648	3,306	(1,658)	(50)%
Total	$ 65,625	$ 67,249		

(a) Percentage not meaningful.

Refer to Note 2 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding real estate inventory. From April 30, 2022 to April 30, 2023, the change in land inventory in New Mexico was primarily due to land development activity and the acquisition and sale of land, the change in homebuilding model inventory was primarily due to the sale of homes offset in part by the completion of homes not yet sold and the change in homebuilding construction in process was primarily due to supply chain constraints, shortages of skilled labor and delays in municipal approvals and inspections causing construction cycle time to lengthen.

- Investment assets, net consist of (dollars in thousands):

	April 30,			
	2023	2022	Increase (decrease)	
Land held for long-term investment	$ 8,961	$ 9,017	$ (56)	(1)%
Owned real estate leased or intended to be leased	4,802	—	4,802	*(a)*
Less accumulated depreciation	(16)	—	(16)	*(a)*
Owned real estate leased or intended to be leased, net	4,786	—	4,786	*(a)*
Total	$ 13,747	$ 9,017		

(a) Percentage not meaningful.

Land held for long-term investment represents property located in areas that are not planned to be developed in the near term and that has not been offered for sale in the normal course of business.

Owned real estate leased or intended to be leased represents homes and buildings leased or intended to be leased to third parties. As of April 30, 2023, eight homes are leased to residential tenants and two buildings under construction have been leased to commercial tenants. Given the impact on demand as a result of affordability challenges described in Note 16 to the consolidated financial statements contained in this annual report on Form 10-K, the Company has opportunistically leased completed homes. Depreciation associated with owned real estate leased or intended to be leased was $16,000 for 2023; there was no such depreciation in 2022.

- From April 30, 2022 to April 30, 2023:
  - The change in other assets was primarily due to an increase in prepaid expenses related to a land development cash collateralized performance guaranty and stock compensation.
  - The change in deferred income taxes, net was primarily due to the income tax effect of the Company's worthless stock deduction offset in part by the income tax effect of the amount of income before income taxes during the year. Refer to Note 13 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding the Company's worthless stock deduction and refer to Note 11 to the consolidated financial statements contained in this annual report on Form 10-K for detail regarding the pension settlement general and administrative expense.
  - The change in accounts payable and accrued expenses was primarily due to the payment of invoices offset in part by an increase in customer deposits.
  - The change in taxes (receivable) payable, net was primarily due to the payment of taxes offset by the elimination of the current year tax provision.
  - The change in prepaid pension costs was primarily due to the funding levels of the Company's frozen defined benefit pension plan. The Company recorded, net of tax, other comprehensive income of $5,743,000 for 2023 and $50,000 for 2022 reflecting the change in accrued pension costs during each period net of the related deferred tax and unrecognized prepaid pension amounts.

Off-Balance Sheet Arrangements. As of April 30, 2023 and April 30, 2022, the Company did not have any off-balance sheet arrangements (as defined in Item 303(a)(4)(ii) of Regulation S-K).

Recent Accounting Pronouncements. Refer to Note 1 to the consolidated financial statements contained in this annual report on Form 10-K for a discussion of recently issued accounting pronouncements.

IMPACT OF INFLATION

The Company's operations can be impacted by inflation. Inflation can cause increases in the cost of land, materials, services, interest rates and labor. Unless such increased costs are recovered through increased sales prices or improved operating efficiencies, operating margins will decrease. The Company's homebuilding segment as well as homebuilders that are customers of the Company's land development business segment face inflationary concerns that rising housing costs, including interest costs, may substantially outpace increases in the incomes of potential purchasers and make it difficult for them to purchase a new home or sell an owned home. If this situation were to exist, the demand for homes produced by the Company's homebuilding segment could decrease and the demand for the Company's land by homebuilder customers could decrease. Although the rate of inflation has been historically low in recent years, it increased significantly in 2023 and 2022 and the Company has and is experiencing significant increases in the prices of labor and certain materials as a result of this increase and increased demand for new homes. Inflation may also increase the Company's financing costs. While the Company attempts to pass on to its customers increases in costs through increased sales prices, market forces may limit the Company's ability to do so. If the Company is unable to raise sales prices enough to compensate for higher costs, or if mortgage interest rates increase significantly, the Company's revenues, gross margins and net income could be adversely affected.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking", including statements contained in this annual report on Form 10-K and other filings with the Securities and Exchange Commission, reports to the Company's shareholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, other written or oral statements, which constitute forward-looking statements, may be made by or on behalf of the Company. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and contingencies that are difficult to predict. All forward-looking statements speak only as of the date of this annual report on Form 10-K or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on behalf of the Company are qualified by the cautionary statements in this section. Many of the factors that will determine the Company's future results are beyond the ability of management to control or predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements.

The forward-looking statements contained in this annual report on Form 10-K include, but are not limited to, statements regarding (1) the Company's ability to finance its future working capital, land development, acquisition of land, homebuilding, commercial projects, general and administrative expenses and capital expenditure needs, (2) the Company's expected liquidity sources, including the availability of bank financing for projects and the utilization of existing bank financing, (3) anticipated development of the Company's real estate holdings, (4) the development and construction of possible future commercial properties to be marketed to tenants, (5) the designs, pricing and levels of options and amenities with respect to the Company's homebuilding operations, (6) the amount and timing of reimbursements under, and the general effectiveness of, the Company's public improvement districts and private infrastructure reimbursement covenants, (7) the number of planned residential lots in the Company's subdivisions, (8) estimates of the Company's exposure to warranty claims, estimates of the cost to complete of common land development costs and the estimated relative sales value of individual parcels of land in connection with the allocation of common land development costs, (9) the sale of a significant amount of undeveloped land in 2022 and the sale of the warehouse and office facilities located in Palm Coast, Florida not being indicative of future operating results and the Company's share repurchase activity not being indicative of future financing activities, (10) estimates and assumptions used in determining future cash flows of real estate projects, (11) the conditions resulting in homebuyer affordability challenges persisting through calendar year 2023, (12) the backlog of homes under contract and in production, the dollar amount of expected sale revenues when such homes are closed and homes and buildings leased or intended to be leased to third parties, (13) the effect of recent accounting pronouncements, (14) contributions by the Company to the pension plan, the amount of future annual benefit payments to pension plan participants payable from plan assets, the appropriateness of valuation methods to determine the fair value of financial instruments in the pension plan and the expected return on assets in the pension plan, (15) the timing of recognizing unrecognized compensation expense related to shares of common stock issued under the AMREP Corporation 2016 Equity Compensation Plan, (16) the Company's belief that its compensation package and benefits offered to employees are competitive with others in the industry, (17) the future issuance of deferred stock units to directors of the Company, (18) the future business conditions that may be experienced by the Company, including the pace of the Company's housing starts and land development projects, (19) the dilution to earnings per share that outstanding options to purchase shares of common stock of the Company may cause in the future, (20) the adequacy of the Company's facilities, (21) the materiality of claims and legal actions arising in the normal course of the Company's business, (22) projections of future earnings for the future recoverability of deferred tax assets and state net operating losses that are not expected to be realizable, (23) the duration, effect and severity of any pandemic and (24) the measures that governmental authorities may take to address a pandemic which may precipitate or exacerbate one or more of the above-mentioned or other risks and significantly disrupt or prevent the Company from operating in the ordinary course for an extended period of time. The Company undertakes no obligation to update or publicly release any revisions to any forward-looking statement to reflect events, circumstances or changes in expectations after the date of such forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not required.

Item 8. Financial Statements and Supplementary Data

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Because of the inherent limitations of internal control over financial reporting, including the possibilities of human error and the circumvention or overriding of controls, material misstatements may not be prevented or detected on a timely basis. Accordingly, even internal controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Furthermore, projections of any evaluation of the effectiveness of internal controls to future periods are subject to the risk that such controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of internal control over financial reporting as of April 30, 2023 based upon the criteria set forth in a report entitled "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on its assessment, management has concluded that, as of April 30, 2023, internal control over financial reporting was effective.

This annual report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to such attestation pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report on internal control over financial reporting in this annual report on Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of AMREP Corporation and Subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of AMREP Corporation and Subsidiaries (the "Company") as of April 30, 2023, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the year ended April 30, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2023, and the results of its operations and its cash flows for the year ended April 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Common Land Sale Cost of Revenues

Critical Audit Matter Description

As described in Notes 1, 2, and 8 to the consolidated financial statements, the Company records common land sale cost of revenues based upon an allocation of certain common development costs associated with the entire project. Common development costs include the installation of utilities and roads and can be based upon estimates to complete. The allocation of these costs is based upon the estimates. These estimates and cost allocations are reviewed on a regular basis until a project is substantially completed, and may be revised and reallocated as necessary on the basis of current estimates.

We identified common land sale cost of revenues as a critical audit matter because of the significant estimates and assumptions management makes in allocating common land costs to individual parcels of real estate once sold. Performing audit procedures to evaluate the reasonableness of these estimates and assumptions requires a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the critical audit matter included, among other things, the following:

- Testing significant assumptions used to develop the estimated costs to complete the land development projects.
- Testing completeness and accuracy of the underlying data and allocation calculations.
- Testing rollforward of land held for development including detailed testing of cost of sales and additions. This includes testing the actual development costs to supporting documentation including underlying contracts.
- Testing the reasonableness of the assumptions utilized in the allocation of common development costs.

/s/ Baker Tilly US, LLP

Baker Tilly US, LLP
We have served as the Company's auditor since 2022.
Philadelphia, Pennsylvania
July 25, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
AMREP Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of AMREP Corporation and Subsidiaries (the "Company") as of April 30, 2022, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the one year in the period ended April 30, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2022, and the results of its operations and its cash flows for the one year in the period ended April 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from audit of the financial statements for the year ended April 30, 2022 that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allocation of common development costs

For the year ended April 30, 2022, the Company's land sale cost of revenues includes all direct acquisition costs and other costs specifically identified with the land and an allocation of common development costs associated with its land development projects. As discussed in Note 1 to the consolidated financial statements, common development costs are allocated based on the estimated relative sales value of the individual parcels of land being sold to the total expected sales value for the unsold parcels of land in the applicable portion of the subdivision. At the time of the closings of the sales of individual land parcels, certain common development costs may not yet be incurred. To recognize the appropriate amount of cost of revenues, the Company estimates the total remaining common development costs associated with its land development projects. Estimates may be affected by changes to zoning laws, land development requirements and the cost of labor, material, and subcontractors.

Auditing the Company's allocation of common development costs associated with its land development projects was complex and subject to sensitive management assumptions.

To test the Company's allocation of common development costs associated with its land development projects, our audit procedures included, among others, testing the significant assumptions used to develop the estimated costs to complete the land development projects and testing the completeness and accuracy of the underlying data and allocation calculations. To test the reasonableness of the assumptions utilized in the allocation of common development costs, we compared the estimated land development costs to actual costs of similar communities developed by the Company; agreed the actual development costs to supporting documentation, including underlying contracts; tested the estimated relative selling prices by comparing to actual current selling prices; and reviewed margins disaggregated by project for reasonableness.

/s/ Marcum LLP

Marcum LLP
We served as the Company's auditor from 2017 to 2022.
Philadelphia, Pennsylvania
July 21, 2022

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
APRIL 30, 2023 AND 2022
(Amounts in thousands, except share and per share amounts)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 19,993	$ 15,721
Real estate inventory	65,625	67,249
Investment assets, net	13,747	9,017
Other assets	3,249	1,882
Income taxes receivable	41	—
Deferred income taxes, net	12,493	958
Prepaid pension costs	747	90
TOTAL ASSETS	$ 115,895	$ 94,917
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued expenses	$ 4,851	$ 6,077
Notes payable	44	2,030
Income taxes payable	—	3,648
TOTAL LIABILITIES	4,895	11,755
SHAREHOLDERS' EQUITY:		
Common stock, $.10 par value; shares authorized – 20,000,000; shares issued – 5,254,909 at April 30, 2023 and 5,240,309 at April 30, 2022	526	524
Capital contributed in excess of par value	32,686	32,383
Retained earnings	76,618	54,828
Accumulated other comprehensive income (loss), net	1,170	(4,573)
TOTAL SHAREHOLDERS' EQUITY	111,000	83,162
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 115,895	$ 94,917

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

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Year Ended April 30,	
	2023	2022
REVENUES:		
Land sale revenues	$ 30,659	$ 36,200
Home sale revenues	16,691	13,565
Building sales and other revenues	1,326	9,161
Total revenues	48,676	58,926
COSTS AND EXPENSES:		
Land sale cost of revenues, net	17,379	17,645
Home sale cost of revenues	12,037	10,237
Building sales and other cost of revenues	361	4,387
General and administrative expenses Operations	5,472	5,354
Pension settlement	7,597	—
Total costs and expenses	42,846	37,623
Operating income	5,830	21,303
Interest income , net	8	2
Other income	1,803	261
Income before income taxes	7,641	21,566
(Benefit) provision for income taxes	(14,149)	5,704
Net income	$ 21,790	$ 15,862
Basic earnings per share	$ 4.13	$ 2.21
Diluted earnings per share	$ 4.11	$ 2.21
Weighted average number of common shares outstanding – basic	5,282	7,170
Weighted average number of common shares outstanding – diluted	5,307	7,193

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

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	Year Ended April 30,	
	2023	2022
Net income	$ 21,790	$ 15,862
Other comprehensive income, net of tax:		
Pension settlement	7,597	—
Income tax effect	(2,354)	—
Pension settlement, net of tax	5,243	—
Decrease in pension liability	615	75
Income tax effect	(115)	(25)
Decrease in pension liability, net of tax	500	50
Other comprehensive income	5,743	50
Total comprehensive income	$ 27,533	$ 15,912

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

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in thousands)

	Common Stock		Capital Contributed in Excess of	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Par Value	Earnings	Income (Loss)	Total
Balance, May 1, 2021	7,323	$ 730	$ 45,072	$ 47,710	$ (4,623)	$ 88,889
Issuance of restricted common stock	13	1	149	—	—	150
Issuance of deferred common share units	—	—	90	—	—	90
Reclassification of common stock settled from deferred common share units	—	2	(2)	—	—	—
Repurchase of common stock	(2,096)	(209)	(12,951)	(8,744)	—	(21,904)
Issuance of option to purchase common stock	—	—	25	—	—	25
Net income	—	—	—	15,862	—	15,862
Other comprehensive income	—	—	—	—	50	50
Balance, April 30, 2022	5,240	$ 524	$ 32,383	$ 54,828	$ (4,573)	$ 83,162
Issuance of restricted common stock	15	2	162	—	—	164
Issuance of deferred common stock units	—	—	90	—	—	90
Compensation related to issuance of option to purchase common stock	—	—	51	—	—	51
Net income	—	—	—	21,790	—	21,790
Other comprehensive income	—	—	—	—	5,743	5,743
Balance, April 30, 2023	5,255	$ 526	$ 32,686	$ 76,618	$ 1,170	$ 111,000

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

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year Ended April 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 21,790	$ 15,862
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	63	225
Amortization of debt issuance costs	—	84
Non-cash credits and charges:		
Stock-based compensation	238	217
Deferred income tax provision	(13,762)	1,766
Net periodic pension cost	(283)	(490)
Pension settlement	7,597	—
Gain on debt forgiveness	—	(45)
Changes in assets and liabilities:		
Real estate inventory and investment assets	(3,122)	(7,295)
Other assets	(1,191)	113
Accounts payable and accrued expenses	(1,251)	1,486
Taxes (receivable) payable, net	(3,690)	3,553
Net cash provided by operating activities	6,389	15,476
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from corporate-owned life insurance policy	—	92
Capital expenditures of property and equipment	(131)	(1,287)
Net cash used in investing activities	(131)	(1,195)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt financing	50	6,857
Principal debt payments	(2,036)	(8,264)
Payments for debt issuance costs	—	(50)
Repurchase of common stock	—	(21,904)
Net cash used in financing activities	(1,986)	(23,361)
Increase (decrease) in cash and cash equivalents	4,272	(9,080)
Cash and cash equivalents, beginning of year	15,721	24,801
Cash and cash equivalents, end of year	$ 19,993	$ 15,721
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes refunded, net	$ 134	$ 3
Interest paid	$ 57	$ 203

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Organization and principles of consolidation

The consolidated financial statements include the accounts of AMREP Corporation, an Oklahoma corporation, and its subsidiaries (collectively, the "Company"). The Company, through its subsidiaries, is primarily engaged in two business segments: land development and homebuilding. The Company has no foreign sales. All intercompany accounts and transactions have been eliminated in consolidation.

The consolidated balance sheets are presented in an unclassified format since the Company has substantial operations in the real estate industry and its operating cycle is greater than one year. Certain 2022 balances in these financial statements have been reclassified to conform to the current year presentation with no effect on the net income or shareholders' equity. To better align with industry practice, the Company reclassified public improvement district reimbursements, private infrastructure covenant reimbursements and a portion of miscellaneous other revenues representing payment for impact fee credits within building sales and other revenues for 2022 as a reduction to land sale cost of revenues in these financial statements to conform to the current year presentation with no effect on net income or shareholders' equity.

Fiscal year

The Company's fiscal year ends on April 30. All references to 2023 and 2022 mean the fiscal years ended April 30, 2023 and 2022, unless the context otherwise indicates.

Revenue recognition

The Company accounts for land sale revenues, home sale revenues and building sales and other revenues in accordance with Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Land sale revenues: Revenues and cost of revenues from land sales are recognized when the parties are bound by the terms of a contract, consideration has been exchanged, title and other attributes of ownership have been conveyed to the buyer by means of a closing and the Company is not obligated to perform further significant development of the specific property sold. In general, the Company's performance obligation for each of these land sales is fulfilled upon the delivery of the land, which generally coincides with the receipt of cash consideration from the counterparty.

Land sale cost of revenues, net includes all direct acquisition costs and other costs specifically identified with the property, including pre-acquisition costs and capitalized real estate taxes and interest, and an allocation of certain common development costs associated with the entire project. Common development costs include the installation of utilities and roads, and may be based upon estimates of cost to complete. The allocation of costs is based on the estimated relative sales value of the individual parcels of land being sold to the total expected sales value for the unsold parcels of land in the applicable portion of the subdivision. Estimates and cost allocations are reviewed on a regular basis until a project is substantially completed, and are revised and reallocated as necessary on the basis of current estimates. Amounts received from public improvement districts, private infrastructure covenants and payments for impact fee credits reduce the amount of land sale cost of revenues.

Home sale revenues: Revenues and cost of revenues from home sales are recognized at the time each home is delivered and title and possession are transferred to the buyer. The Company's performance obligation to deliver a home is generally satisfied in less than one year from the date a binding sale agreement is signed. In general, the Company's performance obligation for each home sale is fulfilled upon the delivery of the completed home, which generally coincides with the receipt of cash consideration from the counterparty. If the Company's performance obligations are not complete upon the home closing, the Company defers a portion of the home sale revenues related to the outstanding obligations and subsequently recognizes that revenue upon completion of such obligations. As of April 30, 2023 and April 30, 2022, deferred home sale revenues and costs related thereto were immaterial.

Forfeited customer deposits for homes are recognized in home sale revenues in the period in which the Company determines that the customer will not complete the purchase of the home and the Company has the right to retain the deposit. In order to promote sales of homes, the Company may offer homebuyers sales incentives. These incentives vary by type and amount on a community-by-community and home-by-home basis. Incentives are reflected as a reduction in home sale revenues.

Home construction and related costs are capitalized as incurred within real estate inventory under the specific identification method on the balance sheet and are charged to home sale cost of revenues on the consolidated statement of operations when the related home is sold.

The Company offers homeowners a comprehensive third-party warranty on each home. Homes are generally covered by a ten-year warranty for qualified and defined structural defects, one year for defects and products used and two years for electrical, plumbing, heating, ventilation and air conditioning parts and labor. Estimates of the Company's exposure to warranty claims are included within accrued expenses at the time home sale revenues are recognized

Building sales and other revenues: Revenues and cost of revenues from building sales and other consist of sales of buildings, oil and gas royalties and miscellaneous other revenues.

Sales of buildings consist of building sales in New Mexico and Florida. Revenues from these building sales are recognized when the parties are bound by the terms of a contract, consideration has been exchanged, title and other attributes of ownership have been conveyed to the buyer by means of a closing and the Company is not obligated to perform further significant development of the specific property sold. In general, the Company's performance obligation for each of these building sales is fulfilled upon the delivery of the property, which generally coincides with the receipt of cash consideration from the counterparty. Building sales and other cost of revenues includes all direct acquisition costs and other costs specifically identified with the property, including pre-acquisition and acquisition costs, if applicable, closing and selling costs and construction costs.

Oil and gas royalties are recognized at the time of receipt of cash by the Company as such amounts are unknown with any degree of certainty prior to receipt.

Landscaping revenues consist of landscaping services, generally servicing homebuilders and homeowners' associations, provided by the Company.

Miscellaneous other revenues primarily include extension fees for purchase contracts and rental payments and additional rent from tenants pursuant to leases with respect to property or buildings of the Company. Base rental payments are recognized as revenue monthly over the term of the lease. Additional rent related to the reimbursement of real estate taxes, insurance, repairs and maintenance, and other operating expenses is recognized as revenue in the period the expenses are incurred.

Cash and cash equivalents

Cash equivalents consist of highly liquid investments that have an original maturity of ninety days or less when purchased and are readily convertible into cash. Restricted cash consists of cash deposits with a bank that are restricted due to subdivision improvement agreements with a governmental authority. The Company did not have any restricted cash as of April 30, 2023 or April 30, 2022.

Long-lived assets

Long-lived assets consist of real estate inventory and investment assets and are accounted for in accordance with Accounting Standards Codification ("ASC") 360-10. A substantial majority of the Company's real estate assets are located in Rio Rancho, New Mexico ("Rio Rancho") and certain adjoining areas of Sandoval County, New Mexico. As a result of this geographic concentration, the Company has been and will be affected by changes in economic conditions in that region.

Real estate inventory: Real estate inventory includes land and improvements on land held for development or sale. The cost basis of the land and improvements includes all direct acquisition costs including development costs, certain amenities, capitalized interest, capitalized real estate taxes and other costs. Interest and real estate taxes are not capitalized unless active development is underway. Real estate inventory held for development or sale is stated at accumulated cost and is evaluated and reviewed for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable.

Investment assets, net: Investment assets, net consist of (i) land held for long-term investment, which represents property located in areas that are not planned to be developed in the near term and that has not been offered for sale in the normal course of business, and (ii) owned real estate leased or intended to be leased, which represents homes and buildings leased or intended to be leased to third parties. Investment assets are stated at the lower of cost or net realizable value. Depreciation of investment assets (other than land) is provided principally by the straight-line method at various rates calculated to amortize the book values of the respective assets over their estimated useful lives, which generally are 10 to 40 years for buildings and improvements. Land is not subject to depreciation.

Impairment of long-lived assets: Long-lived assets are evaluated and tested for impairment when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Asset impairment tests are based upon the intended use of assets, expected future cash flows and estimates of fair value of assets. The evaluation of long-lived assets includes an estimate of future cash flows on an undiscounted basis using estimated revenue streams, operating margins and general and administrative expenses. The estimation process involved in determining if assets have been impaired and in the determination of estimated future cash flows is inherently uncertain because it requires estimates of future revenues and costs, as well as future events and conditions. If the excess of undiscounted cash flows over the carrying value of a project is small, there is a greater risk of future impairment and any resulting impairment charges could be material. Due to the subjective nature of the estimates and assumptions used in determining future cash flows, actual results could differ materially from current estimates and the Company may be required to recognize impairment charges in the future.

Leases

Right-of-use assets and lease liabilities are recorded on the balance sheet for all leases with an initial term over one year. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Right-of-use assets are classified within other assets and the corresponding lease liability is included in accounts payable and accrued expenses in the balance sheet.

Share-based compensation

The Company accounts for awards of restricted stock, stock options and deferred stock units in accordance with ASC 718-10, which requires that compensation cost for all stock awards be calculated and amortized over the service period (generally equal to the vesting period). Compensation expense for awards of restricted stock, stock options and deferred stock units are based on the fair value of the awards at their grant dates. To estimate the grant-date fair value of stock options, the Company uses the Black-Scholes option-pricing model. The Black-Scholes model estimates the per share fair value of an option on its date of grant based on the following: the option's exercise price; the price of the underlying stock on the date of grant; the estimated dividend yield; a "risk-free" interest rate; the estimated option term; and the expected volatility. For the "risk-free" interest rate, the Company uses a U.S. Treasury bond due in a number of years equal to the option's expected term. To estimate expected volatility, the Company analyzes the historic volatility of the Company's common stock.

Income taxes

Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured by using currently enacted tax rates expected to apply to taxable income in the years in which those differences are expected to reverse. The Company provides a valuation allowance against deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized.

Earnings per share

Basic earnings per share is based on the weighted average number of common shares outstanding during each year. Unvested restricted shares of common stock are not included in the computation of basic earnings per share, as they are considered contingently returnable shares. Unvested restricted shares of common stock are included in diluted earnings per share if they are dilutive. Deferred stock units are included in both basic and diluted earnings per share computations. Stock options are not included in the computation of basic earnings per share. Stock options are included in diluted earnings per share if they are not anti-dilutive and are in-the-money.

Pension plan

The Company recognizes the over-funded or under-funded status of its defined benefit pension plan as an asset or liability as of the date of the plan's year-end statement of financial position and recognizes changes in that funded status in the year in which the changes occur through comprehensive income.

Comprehensive income

Comprehensive income is defined as the change in equity during a period from transactions and other events from non-owner sources. Total comprehensive income is the total of net income or loss and other comprehensive income or loss that, for the Company, consists of the minimum pension liability net of the related deferred income tax effect.

Management's estimates and assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant judgments and estimates that affect the financial statements include, but are not limited to, (i) land sale cost of revenues, net calculations, which are based on land development budgets and estimates of costs to complete; (ii) cash flows, asset groupings and valuation assumptions in performing asset impairment tests of long-lived assets and assets held for sale; (iii) actuarially determined benefit obligations and other pension plan accounting and disclosures; (iv) risk assessment of uncertain tax positions; and (v) the determination of the recoverability of net deferred tax assets. The Company bases its significant estimates on historical experience and on various other assumptions that management believes are reasonable under the circumstances. Actual results could differ from these estimates.

Recent accounting pronouncements

There are no new accounting standards or updates to be adopted that the Company currently believes might have a significant impact on its consolidated financial statements.

(2) REAL ESTATE INVENTORY

Real estate inventory consists of (in thousands):

	April 30, 2023	April 30, 2022
Land inventory in New Mexico	$ 59,361	$ 59,374
Land inventory in Colorado	3,445	3,434
Homebuilding model inventory	1,171	1,135
Homebuilding construction in process	1,648	3,306
Total	$ 65,625	$ 67,249

Land inventory in New Mexico represents land and improvements on land in New Mexico held for development or sale. Land inventory in Colorado represents an approximately 160 acre property in Brighton, Colorado. Homebuilding model inventory represents costs for residential homes that are completed and ready for sale. Homebuilding construction in process represents costs for residential homes being built.

Interest and loan costs of $57,000 and real estate taxes of $79,000 were capitalized in real estate inventory for the year ending April 30, 2023. Interest and loan costs of $224,000 and real estate taxes of $28,000 were capitalized in real estate inventory for the year ending April 30, 2022.

(3) INVESTMENT ASSETS, NET

Investment assets, net consist of (in thousands):

	April 30, 2023	April 30, 2022
Land held for long-term investment	$ 8,961	$ 9,017
Owned real estate leased or intended to be leased	4,802	—
Less accumulated depreciation	(16)	—
Owned real estate leased or intended to be leased, net	4,786	—
Total	$ 13,747	$ 9,017

As of April 30, 2023, eight homes are leased to residential tenants and two buildings under construction have been leased to commercial tenants. Depreciation associated with owned real estate leased or intended to be leased was $16,000 for 2023; there was no such depreciation in 2022.

(4) OTHER ASSETS

Other assets consist of (in thousands):

	April 30, 2023	April 30, 2022
Prepaid expenses	$ 1,536	$ 366
Miscellaneous assets	362	249
Property	1,251	1,247
Equipment	366	240
Less accumulated depreciation of property and equipment	(266)	(220)
Property and equipment, net	1,351	1,267
Total	$ 3,249	$ 1,882

Prepaid expenses as of April 30, 2023 primarily consist of a land development cash collateralized performance guaranty, stock compensation, insurance and corporate income and real estate taxes. Prepaid expenses as of April 30, 2022 primarily consist of insurance, stock compensation, real estate taxes and utility deposits. Amortized lease cost for right-of-use assets associated with the leases of office facilities was $25,000 and $70,000 for 2023 and 2022. In 2022, the Company acquired a 7,000 square foot office building in Rio Rancho from which its real estate business now operates. Depreciation expense associated with property and equipment was $46,000 and $24,000 for 2023 and 2022.

(5) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of (in thousands):

	April 30, 2023	April 30, 2022
Land development and homebuilding operations		
Accrued expenses	$ 1,028	$ 1,238
Trade payables	1,870	3,026
Customer deposits	1,319	1,357
	4,217	5,621
Corporate operations	634	456
Total	$ 4,851	$ 6,077

(6) NOTES PAYABLE

The following tables present information on the Company's notes payable in effect as of April 30, 2023 (dollars in thousands):

(data as of April 30) Loan Identifier	Lender	Principal Amount Available for New Borrowings 2023	Outstanding Principal Amount 2023	Outstanding Principal Amount 2022
Revolving Line of Credit	BOKF	$ 4,177	$ —	$ —
La Mirada	BOKF	—	—	2,030
Equipment Financing	DC	—	44	—
Total		$ 4,177	$ 44	$ 2,030

(data as of April 30, 2023) Loan Identifier	Interest Rate	Mortgaged Property Book Value	Scheduled Maturity
Revolving Line of Credit	8.03 %	$ 1,721	August 2025
La Mirada	8.03 %	8,210	June 2024
Equipment Financing	2.35 %	43	June 2028

(data for year ended April 30) Loan Identifier	Principal Repayments 2023	Principal Repayments 2022	Capitalized Interest and Fees 2023	Capitalized Interest and Fees 2022
Revolving Line of Credit	$ —	$ —	$ —	$ —
La Mirada	2,030	3,468	57	193
Equipment Financing	7	—	—	—
Total	$ 2,037	$ 3,468	$ 57	$ 193

As of April 30, 2023, the Company and each of its subsidiaries were in compliance with the financial covenants contained in the loan documentation for the then outstanding notes payable. Additional information regarding each of the above notes payable is provided below.

- Revolving Line of Credit. In February 2021, AMREP Southwest Inc. ("ASW"), a subsidiary of the Company, entered into a Loan Agreement with BOKF, NA dba Bank of Albuquerque ("BOKF"). The Loan Agreement is evidenced by a Revolving Line of Credit Promissory Note and is secured by a Line of Credit Mortgage, Security Agreement and Fixture Filing, between ASW and BOKF, with respect to a 298-acre property within the Paseo Gateway subdivision located in Rio Rancho. BOKF has agreed to lend up to $5,750,000 to ASW on a revolving line of credit basis for general corporate purposes, including up to $250,000 dedicated for use in connection with a company credit card. The outstanding principal amount of the loan may be prepaid at any time without penalty. Interest on the outstanding principal amount of the loan is payable monthly at the annual rate equal to the one-month secured overnight financing rate as administered by the CME Group Benchmark Administration Limited plus a spread of 3.15%, adjusted monthly.

  ASW made certain representations and warranties in connection with this loan and is required to comply with various covenants, reporting requirements and other customary requirements for similar loans, including ASW and its subsidiaries having at least $3.0 million of unencumbered and unrestricted cash, cash equivalents and marketable securities in order to be entitled to advances under the loan. The loan documentation contains customary events of default for similar financing transactions, including: ASW's failure to make principal, interest or other payments when due; the failure of ASW to observe or perform its covenants under the loan documentation; the representations and warranties of ASW being false; the insolvency or bankruptcy of ASW; and the failure of ASW to maintain a net worth of at least $32 million. Upon the occurrence and during the continuance of an event of default, BOKF may declare the outstanding principal amount and all other obligations under the loan immediately due and payable. ASW incurred customary costs and expenses and paid certain fees to BOKF in connection with the loan.

- La Mirada. In June 2021, Wymont LLC ("Wymont"), a subsidiary of the Company, acquired a 15-acre property in Albuquerque, New Mexico comprising the La Mirada subdivision. In June 2021, Wymont entered into a Development Loan Agreement with BOKF. The Development Loan Agreement is evidenced by a Non-Revolving Line of Credit Promissory Note and is secured by a Mortgage, Security Agreement and Financing Statement, between Wymont and BOKF, with respect to the acquired property. Pursuant to a Guaranty Agreement entered into by ASW in favor of BOKF, ASW guaranteed Wymont's obligations under each of the above agreements. BOKF has agreed to lend up to $7,375,000 to Wymont on a non-revolving line of credit basis to partially fund the acquisition and development of the acquired property. The outstanding principal amount of the loan may be prepaid at any time without penalty. Interest on the outstanding principal amount of the loan is payable monthly at the annual rate equal to the London Interbank Offered Rate for a thirty-day interest period plus a spread of 3.0%, adjusted monthly, subject to a minimum interest rate of 3.75%. Generally, BOKF is required to release the lien of its mortgage on any commercial lot within the acquired property upon Wymont making a principal payment equal to the net sales proceeds with respect to the sale of such lot. BOKF is required to release the lien of its mortgage on any residential lot within the acquired property upon Wymont making a principal payment equal to $60,600 per such released lot.

  Wymont and ASW made certain representations and warranties in connection with this loan and are required to comply with various covenants, reporting requirements and other customary requirements for similar loans. The loan documentation contains customary events of default for similar financing transactions, including: Wymont's failure to make principal, interest or other payments when due; the failure of Wymont or ASW to observe or perform their respective covenants under the loan documentation; the representations and warranties of Wymont or ASW being false; the insolvency or bankruptcy of Wymont or ASW; and the failure of ASW to maintain a net worth of at least $32 million. Upon the occurrence and during the continuance of an event of default, BOKF may declare the outstanding principal amount and all other obligations under the loan immediately due and payable. Wymont incurred customary costs and expenses and paid certain fees to BOKF in connection with the loan.

- Equipment Financing. In June 2022, Rioscapes LLC ("Rioscapes"), a subsidiary of the Company, entered into a Loan Contract-Security Agreement with Deere & Company ("DC"). The loan is secured by a security interest in certain construction equipment. DC lent $50,000 to Rioscapes on a non-revolving line of credit basis to fund the acquisition of the construction equipment. ASW guaranteed Rioscapes's obligations under the loan. The principal is payable monthly based on a 72-month amortization and the outstanding principal amount of the loan may be prepaid at any time without penalty. Interest on the outstanding principal amount of the loan is payable monthly at the annual rate equal to 2.35%. Rioscapes made certain representations and warranties in connection with this loan and is required to comply with various covenants, reporting requirements and other customary requirements for similar loans. The loan documentation contains customary events of default for similar financing transactions, including: Rioscapes's failure to make principal, interest or other payments when due; the failure of Rioscapes to observe or perform its covenants under the loan documentation; the representations and warranties of Rioscapes being false; the insolvency or bankruptcy of Rioscapes or ASW; the merger by Rioscapes or ASW into another entity; and the sale by Rioscapes or ASW of substantially all of their assets. Upon the occurrence and during the continuance of an event of default, DC may declare the outstanding principal amount and all other obligations under the loan immediately due and payable. Rioscapes incurred customary costs and expenses and paid certain fees to DC in connection with the loan.

- Letter of Credit and Loan Reserves. As of April 30, 2023, the Company had (a) a letter of credit outstanding under its Revolving Line of Credit in the principal amount of $1,323,000 in favor of a municipality guarantying the completion of improvements in a subdivision being constructed by the Company and (b) $250,000 reserved under its Revolving Line of Credit for credit card usage. As of April 30, 2023, the Company had loan reserves outstanding under its note payable for La Mirada in the aggregate principal amount of $2,364,000 in favor of a municipality guarantying the completion of improvements in a subdivision being constructed by the Company. The amounts under the letter of credit and loan reserves are not reflected as outstanding principal in notes payable.

The following table summarizes the notes payable scheduled principal repayments subsequent to April 30, 2023 (in thousands):

Fiscal Year	Scheduled Payments
2024	$ 8
2025	8
2026	8
Thereafter	20
Total	$ 44

The following table presents information on the Company's notes payable in effect during 2023 or 2022 and terminated prior to April 30, 2023 (in thousands):

Loan Identifier	Lender	Original Maximum Available Principal Amount	Outstanding Principal Amount April 30, 2023	Outstanding Principal Amount April 30, 2022
Lomas Encantadas U2B P3	BOKF	$ 2,400	$ —	$ 410
Hawk Site U37	SLFCU	3,000	—	—
Hawk Site U23 U40	BOKF	2,700	—	30
Lavender Fields – acquisition	Seller	1,838	—	1,749
Lavender Fields – development	BOKF	3,750	—	1,293

Additional information regarding each of the above terminated notes payable is provided below:

- Lomas Encantadas U2B P3. In September 2020, Lomas Encantadas Development Company LLC ("LEDC"), a subsidiary of the Company, entered into a Development Loan Agreement with BOKF. The Development Loan Agreement was evidenced by a Non-Revolving Line of Credit Promissory Note and was secured by a Mortgage, Security Agreement and Financing Statement, between LEDC and BOKF with respect to certain planned residential lots within the Lomas Encantadas subdivision located in Rio Rancho. The loan was scheduled to mature in September 2023.The outstanding principal amount of the loan was prepaid without penalty and the loan was terminated in January 2022.

- Hawk Site U37. In February 2020, Mountain Hawk East Development Company LLC ("MHEDC"), a subsidiary of the Company, entered into a Business Loan Agreement with Sandia Laboratory Federal Credit Union ("SLFCU"). The Business Loan Agreement was evidenced by a Promissory Note, and was secured by a Line of Credit Mortgage, between MHEDC and SLFCU, with respect to certain planned residential lots within the Hawk Site subdivision located in Rio Rancho. The loan was scheduled to mature in August 2022. The outstanding principal amount of the loan was prepaid without penalty and the loan was terminated in October 2021.

- Hawk Site U23 U40. In January 2021, Mountain Hawk West Development Company LLC ("MHWDC"), a subsidiary of the Company, entered into a Development Loan Agreement with BOKF. The Development Loan Agreement was evidenced by a Non-Revolving Line of Credit Promissory Note and was secured by a Mortgage, Security Agreement and Financing Statement, between MHWDC and BOKF, with respect to certain planned residential lots within the Hawk Site subdivision located in Rio Rancho. The loan was scheduled to mature in July 2023.The outstanding principal amount of the loan was prepaid without penalty and the loan was terminated in April 2022.
- Lavender Fields. In June 2020, Lavender Fields, LLC ("LF"), a subsidiary of the Company, acquired 28 acres in Bernalillo County, New Mexico comprising the Meso AM subdivision, which has been developed into 82 finished residential lots.

  - Acquisition. The acquisition included $1,838,000 of deferred purchase price, of which $919,000 was payable on or before June 2021 and $919,000 was payable on or before June 2022. The deferred purchase price was evidenced by a non-interest bearing Promissory Note and was secured by a Mortgage, Security Agreement and Fixture Filing with respect to the acquired property. In May 2021, LF and the holder of the promissory note evidencing the deferred purchase price agreed to reduce the deferred purchase price by $45,000 and the remaining outstanding deferred purchase price of $1,704,000 was fully paid by LF.

  - Development. In June 2020, LF entered into a Development Loan Agreement with BOKF. The Development Loan Agreement was evidenced by a Non-Revolving Line of Credit Promissory Note and was secured by a Mortgage, Security Agreement and Financing Statement, between LF and BOKF with respect to the acquired property. The loan was scheduled to mature in June 2024. The outstanding principal amount of the loan was prepaid without penalty and the loan was terminated in April 2022.

(7) REVENUES

Land sale revenues. Land sale revenues are sales of developed residential land, developed commercial land and undeveloped land to multiple customers.

Home sale revenues. Home sale revenues are from homes constructed and sold by the Company in the Albuquerque, New Mexico metropolitan area.

Building sales and other revenues. Building sales and other revenues consist of (in thousands):

	Year Ended April 30, 2023	2022
Sales of buildings	$ —	$ 8,439
Oil and gas royalties	146	276
Landscaping revenues	585	—
Miscellaneous other revenues	595	446
Total	$ 1,326	$ 9,161

Sales of buildings during 2022 consist of revenues from the sale of a 4,338 square foot, single tenant retail building in the La Mirada subdivision and from the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida.

In January 2023, the Company sold certain minerals and mineral rights in and under approximately 147 surface acres of land in Brighton, Colorado that were leased to a third party. The Company owns certain minerals and mineral rights in and under approximately 55,000 surface acres of land in Sandoval County, New Mexico.

Landscaping revenues consist of landscaping services, generally servicing homebuilders and homeowners' associations, provided by the Company.

Miscellaneous other revenues for 2023 primarily consist of extension fees for purchase contracts, forfeited deposits and residential rental revenues. Miscellaneous other revenues for 2022 primarily consist of rent received from a tenant at a building in Palm Coast, Florida and tenants at a shopping center in Albuquerque, New Mexico, a non-refundable option payment and proceeds from the sale of equipment.

Major customers. Substantially all of the land sale revenues were received from four customers during 2023 and four customers during 2022. There were no outstanding receivables from these customers as of April 30, 2023 or April 30, 2022. There were three customers that each contributed in excess of 10% of the Company's revenues during 2023. The revenues from each such customer during 2023 are as follows: $7,763,000, $6,810,000 and $6,182,000, with each of these revenues reported in the Company's land development business segment. There were four customers that each contributed in excess of 10% of the Company's revenues during 2022. The revenues for each such customer during 2022 are as follows: $10,982,000, $7,107,000, $6,750,000 and $6,445,000,with each of these revenues reported in the Company's land development business segment.

(8) COST OF REVENUES

Land sale cost of revenues, net consist of (in thousands):

	Year Ended April 30, 2023	2022
Land sale cost of revenues	$ 22,477	$ 21,198
Less:		
Public improvement district reimbursements	(759)	(558)
Private infrastructure covenant reimbursements	(626)	(184)
Payments for impact fee credits	(3,713)	(2,811)
Land sale cost of revenues, net	$ 17,379	$ 17,645

Land sale cost of revenues, net includes all direct acquisition costs and other costs specifically identified with the property and an allocation of certain common development costs associated with the entire project. Amounts received from public improvement districts, private infrastructure covenants and payments for impact fee credits reduce the amount of land sale cost of revenues. A portion of the Lomas Encantadas subdivision and a portion of the Enchanted Hills subdivision in Rio Rancho are subject to a public improvement district. The public improvement district reimburses the Company for certain on-site and off-site costs of developing the subdivisions by imposing a special levy on the real property owners within the district. The Company has accepted discounted prepayments of amounts due under the public improvement district. The Company instituted private infrastructure reimbursement covenants on various land development projects. Similar to a public improvement district, the covenants are expected to reimburse the Company for certain on-site and off-site costs of developing the subject property by imposing a special levy on the real property owners subject to the covenants. The Company has accepted discounted prepayments of amounts due under the private infrastructure reimbursement covenants. Impact fees are charges or assessments payable by homebuilders to local governing authorities in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. The Company receives credits, allowances and offsets applicable to impact fees in connection with certain off-site costs incurred by the Company in developing subdivisions, which the Company generally sells to homebuilders.

Home sale cost of revenues includes costs for residential homes that were sold.

Building sales and other cost of revenues for 2023 consist of expenses associated with the cost of goods sold for landscaping services. Building sales and other cost of revenues for 2022 consist of expenses associated with the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida and the sale of a 4,338 square foot, single tenant retail building in the La Mirada subdivision.

(9) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of (in thousands):

	Year Ended April 30,	
	2023	2022
Land development	$ 2,843	$ 3,258
Homebuilding	1,016	878
Corporate	1,613	1,218
Total	$ 5,472	$ 5,354
Pension settlement	$ 7,597	$ —

(10) FAIR VALUE MEASUREMENTS

The FASB's accounting guidance defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The FASB's guidance classifies the inputs to measure fair value into the following hierarchy:

Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs for the asset or liability are unobservable and reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no transfers between Levels 1, 2 or 3 during 2023 or 2022.

The Financial Instruments Topic of the FASB Accounting Standards Codification requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. The Topic excludes all nonfinancial instruments from its disclosure requirements. Fair value is determined under the hierarchy discussed above. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company. The following methods and assumptions are used in estimating fair value disclosure for financial instruments: the carrying amounts of cash and cash equivalents and trade payables approximate fair value because of the short maturity of these financial instruments; and debt that bears variable interest rates indexed to prime or LIBOR also approximates fair value as it reprices when market interest rates change.

(11) BENEFIT PLANS

Pension plan

The Company has a defined benefit pension plan for which accumulated benefits were frozen and future service credits were curtailed as of March 1, 2004. Under generally accepted accounting principles, the Company's defined benefit pension plan was overfunded as of April 30, 2023 by $747,000, with $1,030,000 of assets and $283,000 of liabilities and as of April 30, 2022 by $90,000, with $18,054,000 of assets and $17,964,000 of liabilities. The pension plan liabilities were determined using a weighted average discount interest rate of 4.51% per year as of April 30, 2023 and 3.97% per year as of April 30, 2022, which are based on the FTSE Pension Discount Curve as of such dates as it corresponds to the projected liability requirements of the pension plan.

The Company funds the pension plan in compliance with IRS funding requirements. The pension plan is subject to minimum IRS contribution requirements, but these requirements can be satisfied by the use of the pension plan's existing credit balance. No cash contributions to the pension plan were required or made during 2023 or 2022. Pension assets and liabilities are measured at fair value (measured in accordance with the guidance described in Note 10) and are subject to fair value adjustment in certain circumstances (for example, when there is evidence of impairment). There were no impairments resulting in a change in fair value during 2023 or 2022.

The Company recognized a non-cash pre-tax pension settlement general and administrative expense of $7,597,000 during 2023 due to (a) the Company's defined benefit pension plan paying certain lump sum payouts of pension benefits to former employees and (b) the transfer of nearly all remaining pension benefit liabilities to an insurance company through an annuity purchase. There were no such charges in 2022.

Net periodic pension cost for 2023 and 2022 was comprised of the following components (in thousands):

	Year Ended April 30,	
	2023	2022
Interest cost on projected benefit obligation	$ 603	$ 503
Expected return on assets	(1,123)	(1,535)
Plan expenses	106	150
Recognized net actuarial loss	372	392
Net periodic pension cost	$ (42)	$ (490)
Settlement	7,597	-
Net periodic pension cost after settlement	7,555	(490)

Assumptions used in determining net periodic pension cost and the pension benefit obligation were:

	Year Ended April 30,	
	2023	2022
Discount rate used to determine net periodic pension cost	3.97 %	2.48 %
Discount rate used to determine pension benefit obligation	N/A	3.97 %
Expected long-term rate of return on assets used for pension cost on assets	7.75 %	7.75 %

The expected return on assets for the pension plan is based on management's expectation of long-term average rates of return to be achieved by the underlying investment portfolio. In establishing this assumption, management considers historical and expected returns for the asset classes in which the pension plan is invested, as well as current economic and market conditions.

The actuarial gain of $1,667,000 for 2023 is a plan experience gain. The actuarial gain of $2,414,000 for 2022 consists of a gain from a change in discount rate gain of $2,360,000, other assumption losses of $76,000 and plan experience gains of $130,000. The following table sets forth changes in the pension plan's benefit obligation and assets, and summarizes components of amounts recognized in the Company's balance sheet (in thousands):

	April 30,	
	2023	2022
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 17,964	$ 21,578
Service cost	106	150
Interest cost	603	503
Actuarial gain	(1,667)	(2,414)
Benefits paid	(1,366)	(1,853)
Settlement	(15,357)	-
Benefit obligation at end of year	$ 283	$ 17,964
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 18,054	$ 21,102
Actual return on plan assets	(103)	(1,239)
Company contributions	—	—
Benefits paid	(1,366)	(1,703)
Plan expenses	(198)	(106)
Settlement	(15,357)	—
Fair value of plan assets at end of year	$ 1,030	$ 18,054
Overfunded status	$ 747	$ 90

The funded status of the pension plan is equal to the net liability recognized in the balance sheets. The following table summarizes the amounts recorded in accumulated other comprehensive income (loss), which have not yet been recognized as a component of net periodic pension costs (in thousands):

	Year Ended April 30,	
	2023	2022
Pretax accumulated comprehensive income (loss)	$ 138	$ (8,350)

The following table summarizes the changes in accumulated other comprehensive income (loss) related to the pension plan for the years ended April 30, 2023 and 2022 (in thousands):

	Pension Benefits	
	Pretax	Net of Tax
Accumulated comprehensive loss, May 1, 2021	$ 8,426	$ 4,623
Net actuarial gain	316	214
Amortization of net loss	(392)	(264)
Accumulated comprehensive loss, April 30, 2022	$ 8,350	$ 4,573
Net actuarial loss	(372)	(302)
Amortization of net loss	(243)	(198)
Settlement	(7,597)	(5,243)
Accumulated comprehensive income (loss), April 30, 2023	$ 138	$ (1,170)

The Company recognizes the known changes in the funded status of the pension plan in the period in which the changes occur through other comprehensive income, net of the related income tax effect. The Company recorded, net of tax, other comprehensive income of $5,743,000 and $50,000 in 2023 and 2022 to account for the net effect of changes to the pension liability.

The amount of benefit payments in future fiscal years to pension plan participants payable from plan assets is expected to be as follows: 2024 - $283,000.

The asset allocation for the pension plan by asset category was as follows:

	April 30, 2023	April 30, 2022
Equity securities	— %	57 %
Fixed income securities	—	38
Cash and cash equivalents	100	5
Total	100 %	100 %

As of April 30, 2023, the pension plan assets are held in cash and cash equivalents due to the amount of pension plan liabilities. The pension plan holds no securities of the Company.

The Company has adopted the disclosure requirements in ASC 715, which requires additional fair value disclosures consistent with those required by ASC 820. The following is a description of the valuation methodologies used for pension plan assets measured at fair value: common stock – valued at the closing price reported on a listed stock exchange; corporate bonds, debentures and government agency securities – valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flow; and U.S. Treasury securities – valued at the closing price reported in the active market in which the security is traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth by level within the fair value hierarchy the pension plan's assets at fair value as of April 30, 2023 and 2022 (in thousands):

2023:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,030	$ 1,030	$ —	$ —
Total assets at fair value	$ 1,030	$ 1,030	$ —	$ —

2022:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 791	$ 791	$ —	$ —
Investments at fair value:				
Equity securities	10,348	10,348	—	—
Fixed income securities	6,915	6,915	—	—
Total assets at fair value	$ 18,054	$ 18,054	$ —	$ —

Simple IRA

The Company provides a Simple IRA plan as a retirement plan for eligible employees. Under the Simple IRA plan, eligible employees may contribute a portion of their pre-tax yearly salary, up to the maximum contribution limit for Simple IRA plans as set forth under the Internal Revenue Code of 1986, as amended, with the Company matching such contributions on a dollar-for-dollar basis up to 3% of each contributing employee's annual pre-tax compensation. The Company's employer contribution was $74,000 and $55,000 for 2023 and 2022.

Equity compensation plan

The AMREP Corporation 2016 Equity Compensation Plan (the " Equity Plan") authorizes stock-based awards of various kinds to non-employee directors and employees covering up to a total of 500,000 shares of common stock of the Company. The Equity Plan will expire by its terms on, and no award will be granted under the Equity Plan on or after, September 19, 2026. As of April 30, 2023, the Company has issued 108,961 shares of common stock of the Company under the Equity Plan and has reserved for issuance 110,266 shares of common stock of the Company under the Equity Plan upon exercise of issued and outstanding deferred common share units and an option to purchase shares, resulting in 280,773 shares of common stock of the Company available for issuance under the Equity Plan.

Shares of restricted common stock that are issued under the Equity Plan ("restricted shares") are considered to be issued and outstanding as of the grant date and have the same dividend and voting rights as other common stock. Compensation expense related to the restricted shares is recognized over the vesting period of each grant based on the fair value of the shares as of the date of grant. The fair value of each grant of restricted shares is determined based on the trading price of the Company's common stock on the date of such grant, and this amount will be charged to expense over the vesting term of the grant. Forfeitures are recognized as reversals of compensation expense on the date of forfeiture.

The restricted share award activity for 2023 and 2022 was as follows:

Restricted share awards	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested as of May 1, 2021	29,000	$ 6.18
Granted during 2022	13,000	11.50
Vested during 2022	(20,500)	6.61
Forfeited during 2022	—	—
Non-vested as of April 30, 2022	21,500	8.98
Granted during 2023	14,600	11.17
Vested during 2023	(9,833)	8.09
Forfeited during 2023	—	—
Non-vested as of April 30, 2023	26,267	10.53

The Company recognized non-cash compensation expense related to the vesting of restricted shares of common stock net of forfeitures of $144,000 and $102,000 for 2023 and 2022. As of April 30, 2023, there was $104,000 of unrecognized compensation expense related to restricted shares of common stock previously issued under the Equity Plan which had not vested, which is expected to be recognized over the remaining vesting term not to exceed three years.

In November 2021, the Company granted Christopher V. Vitale, the President and Chief Executive Officer of the Company, an option to purchase 50,000 shares of common stock of the Company under the Equity Plan with an exercise price of $14.24 per share, which was the closing price on the New York Stock Exchange on the date of grant. The option will become exercisable for 100% of the option shares on November 1, 2026 if Mr. Vitale is employed by, or providing service to, the Company on such date. Subject to the definitions in the Equity Plan, in the event (a) Mr. Vitale has a termination of employment with the Company on account of death or disability, (b) the Company terminates Mr. Vitale's employment with the Company for any reason other than cause or (c) of a change in control, then the option will become immediately exercisable for 100% of the option shares. The option has a term of ten years from the date of grant and terminates at the expiration of that period. The option automatically terminates upon: (i) the expiration of the three month period after Mr. Vitale ceases to be employed by the Company, if the termination of his employment by Mr. Vitale or the Company is for any reason other than as hereinafter set forth in clauses (ii), (iii) or (iv); (ii) the expiration of the one year period after Mr. Vitale ceases to be employed by the Company on account of Mr. Vitale's disability; (iii) the expiration of the one year period after Mr. Vitale ceases to be employed by the Company, if Mr. Vitale dies while employed by the Company; or (iv) the date on which Mr. Vitale ceases to be employed by the Company, if the termination is for cause. If Mr. Vitale engages in conduct that constitutes cause after Mr. Vitale's employment terminates, the option immediately terminates. Notwithstanding the foregoing, in no event may the option be exercised after the date that is immediately before the tenth anniversary of the date of grant. Except as described above, any portion of the option that is not exercisable at the time Mr. Vitale has a termination of employment with the Company immediately terminates. The fair value of the option was $252,000 as of the date of grant using the Black-Scholes fair value option valuation model. The following assumptions were used for determining the fair value of the option: expected volatility of 38.04%; average risk-free interest rate of 1.46%; dividend yield of 0%; and expected life of 7.5 years. As of April 30, 2023, the option has not been exercised, cancelled or forfeited.

The Company recognized non-cash compensation expense related to the option of $51,000 and $25,000 during 2023 and 2022. As of April 30, 2023, the option was out-of-the-money and therefore was not included in "weighted average number of common shares outstanding – diluted" when calculating diluted earnings per share. The option could be dilutive to earnings per share in the future. As of April 30, 2022, the option was out-of-the-money and therefore was not included in "weighted average number of common shares outstanding – diluted" when calculating diluted earnings per share.

On December 31, 2022 and 2021, each non-employee member of the Company's Board of Directors was issued the number of deferred common share units of the Company under the Equity Plan equal to $30,000 divided by the closing price per share of Common Stock reported on the New York Stock Exchange on such date. Based on the closing price per share of $11.55 and $15.20 on December 31, 2022 and 2021, the Company issued a total of 7,791 and 5,919 deferred common share units to members of the Company's Board of Directors. Each deferred common share unit represents the right to receive one share of Common Stock within 30 days after the first day of the month to follow such director's termination of service as a director of the Company.

Director compensation non-cash expense, which is recognized for the annual grant of deferred common share units ratably over the director's service in office during the calendar year, was $90,000 for each of 2023 and 2022. At April 30, 2023 and 2022, there was $30,000 of accrued compensation expense related to the deferred stock units expected to be issued in December of the following fiscal year.

(12) OTHER INCOME

Other income of $1,803,000 for 2023 primarily consists of the sale of all of the Company's minerals and mineral rights in and under approximately 147 surface acres of land in Brighton, Colorado. Other income of $261,000 for 2022 primarily consists of $185,000 received in connection with the bankruptcy of a warranty provider, $45,000 of debt forgiveness with respect to a note payable and $30,000 earned from a life insurance policy for a retired executive of the Company.

(13) INCOME TAXES

Worthless Stock Deduction

Palm Coast Data Holdco, Inc., a subsidiary of the Company, had previously been the owner of the Company's fulfillment services business. During 2023, the Company converted Palm Coast Data Holdco, Inc. to a limited liability company and made an election to treat the limited liability company as a disregarded entity for U.S. federal income tax purposes. This resulted in a worthless stock deduction for tax purposes. As a result of the worthless stock deduction, the Company incurred an operating tax loss of $62,180,000, yielding an income tax benefit of $13,058,000 for U.S. federal corporate income taxes and an income tax benefit of $3,013,000 for New Mexico state corporate income taxes. The Company expects its operations to generate sufficient taxable income to fully utilize the tax benefit of this tax loss. The full tax benefit expected from the Company's worthless stock deduction was accrued during 2023 and reflected as a reduction to the Company's (benefit) provision for income taxes and an increase in deferred income taxes, net without any valuation allowance.

The Company did not provide a valuation allowance against deferred tax assets, net with respect to the worthless stock deduction due to the Company's belief that it is more likely than not based upon the available evidence that such deferred tax assets will be realized. In making this determination, the Company projected its future earnings (including currently unrealized gains on real estate inventory) for the future recoverability of such deferred tax assets. While the Company believes that it has utilized a reasonable method to make this valuation allowance determination, should factors and conditions differ materially from those used by the Company in making such determination (including if the Company does not generate sufficient future taxable income to fully utilize the tax benefit of the tax loss included in deferred income taxes, net), the actual realization of deferred tax assets could differ materially from the reported amounts.

This tax loss may be subject to audit and possible adjustment by the U.S. Internal Revenue Service ("IRS"), which could result in a reversal of none, part or all of the income tax benefit or could result in a benefit higher than the amount recorded. If the IRS rejects or reduces the amount of the income tax benefit related to the worthless stock deduction, the Company may have to pay additional cash income taxes, which would adversely affect the Company's results of operations, financial condition and cash flows. The Company cannot guarantee what the ultimate outcome or amount of the tax benefit the Company will receive, if any. Under federal income tax law, net operating losses have an unlimited carryforward period and the deductibility of such federal net operating losses is limited to 80% of taxable income in any year during the carryforward period.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, the Company's ability to utilize net operating loss carryforwards or other tax attributes in any taxable year may be limited if the Company experiences an "ownership change." A Section 382 "ownership change" generally occurs if one or more shareholders or groups of shareholders who own at least 5% of the Company's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws in the United States. It is possible that any future ownership changes could have a material effect on the use of the Company's net operating loss carryforwards or other tax attributes.

Provision for Income Taxes and Deferred Income Tax Asset

The provision (benefit) for income taxes consists of the following (in thousands):

	Year Ended April 30, 2023	2022
Current:		
Federal	$ —	$ 2,876
State and local	35	1,062
	35	3,938
Deferred:		
Federal	(10,555)	1,333
State and local	(3,629)	433
	(14,184)	1,766
Total (benefit) provision for income taxes	$ (14,149)	$ 5,704

The components of the net deferred income taxes are as follows (in thousands):

	April 30, 2023	2022
Deferred income tax assets:		
State tax loss carryforwards	$ 2,921	$ 4,199
U.S. federal NOL carryforward	10,010	—
Accrued pension costs	—	9
Vacation accrual	9	14
Real estate basis differences	3,233	3,441
Other	284	230
Total deferred income tax assets	16,457	7,893
Deferred income tax liabilities:		
Depreciable assets	(19)	—
Deferred gains on investment assets	(2,474)	(2,387)
Prepaid pension costs	(576)	(363)
Other	(43)	(36)
Total deferred income tax liabilities	(3,112)	(2,786)
Valuation allowance for realization of certain deferred income tax assets	(852)	(4,149)
Net deferred income tax asset	$ 12,493	$ 958

A valuation allowance is provided when it is considered more likely than not that certain deferred tax assets will not be realized. The valuation allowance relates primarily to deferred tax assets, including net operating loss carryforwards, in states where the Company either has no current operations or its operations are not considered likely to realize the deferred tax assets due to the amount of the applicable state net operating loss or its expected expiration date. The $3,297,000 decrease in the valuation allowance in 2023 is due to a reevaluation of state net operating losses expected to be realizable.

The Company has federal net operating loss carryforwards of $47,670,000, which do not have an expiration. The Company has state net operating loss carryforwards of $55,930,000 that expire beginning in the fiscal year ending April 30, 2038.

The following table reconciles taxes computed at the U.S. federal statutory income tax rate from continuing operations to the Company's actual tax provision (in thousands):

	Year Ended April 30, 2023	2022
Computed tax provision at statutory rate	$ 1,614	$ 4,526
Increase (reduction) in tax resulting from:		
Deferred tax rate changes	105	(453)
Change in valuation allowances	(3,297)	183
State income taxes, net of federal income tax effect	(2,222)	1,095
Permanent items	(13,057)	—
Other	2,708	353
Actual tax (benefit) provision	$ (14,149)	$ 5,704

The Company is subject to U.S. federal income taxes and various state and local income taxes. Tax regulations within each jurisdiction are subject to interpretation and require significant judgment to apply. Federal tax returns prior to the fiscal year ended April 30, 2018 are no longer subject to examination due to the expiration of the statute of limitations. State tax returns prior to the fiscal year ended April 30, 2020 are no longer subject to examination due to the expiration of the applicable statutes of limitations.

ASC 740 clarifies the accounting for uncertain tax positions, prescribing a minimum recognition threshold a tax position is required to meet before being recognized, and providing guidance on the derecognition, measurement, classification and disclosure relating to income taxes. The Company has no unrecognized tax benefits for 2023 and 2022.

The Company has elected to include interest and penalties in its income tax expense. The Company had no accrued interest or penalties as of April 30, 2023 and 2022.

(14) LEASE COMMITMENTS

The Company leases an office and office equipment in Pennsylvania and office equipment in New Mexico. The leases are generally non-cancelable operating leases with an initial term of two to five years. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. The lease agreements do not contain any residual value guarantees or material restrictive covenants. As of April 30, 2023, right-of-use assets and lease liabilities were $93,000 and $95,000. As of April 30, 2022, right-of-use assets and lease liabilities were $118,000 and $117,000. Total operating lease expense was $56,000 and $30,000 for 2023 and 2022.

Remaining operating lease payments subsequent to April 30, 2023 are $26,000 in fiscal year 2024, $27,000 in fiscal year 2025, $29,000 in fiscal year 2026 and $9,000 in subsequent years. Remaining operating lease payments had imputed interest resulting in a present value of lease liabilities of $83,000. For 2023, the weighted average remaining lease term and weighted average discount rate of the Company's operating leases were 3.34 years and 5.50%. For 2022, the weighted average remaining lease term and weighted average discount rate of the Company's operating leases were 4.34 years and 5.50%. The lease contracts for the Company generally do not provide a readily determinable implicit rate. For these contracts, the Company estimated the incremental borrowing rate based on information available upon the adoption of ASU 2016-02. The Company applied a consistent method in periods after the adoption of ASU 2016-02 to estimate the incremental borrowing rate.

(15) STOCK REPURCHASES

In March 2022, the Company repurchased 2,096,061 shares of common stock of the Company at a price of $10.45 per share in a privately negotiated transaction. As of the date of the repurchase, the repurchased shares were retired and returned to the status of authorized but unissued shares of common stock.

(16) RISKS AND UNCERTAINTIES

During 2023 and 2022, the Company has experienced supply chain constraints, increases in the prices of building materials, shortages of skilled labor and delays in municipal approvals and inspections in both the land development business segment and homebuilding business segment, which caused delays in construction and the realization of revenues and increases in cost of revenues. In addition, in response to inflation, the Federal Reserve increased benchmark interest rates during 2023 and 2022 and has signaled it expects additional future interest rate increases, which has resulted in a significant increase in mortgage interest rates during 2023 and 2022, impacting home affordability and consumer sentiment and tempering demand for new homes and finished residential lots. The rising cost of housing due to increases in average sales prices in recent years and the recent increases in mortgage interest rates, coupled with general inflation in the U.S. economy and other macroeconomic factors, have placed pressure on overall housing affordability and have caused many potential homebuyers to pause and reconsider their housing choices. Given the affordability challenges described above and the resulting impact on demand, the Company has increased sales incentives on certain homes classified as homebuilding model inventory or homebuilding construction in process, opportunistically leased completed homes and slowed the pace of housing starts and land development projects. The Company believes these conditions will continue to impact the land development and homebuilding industries for at least the remainder of calendar year 2023.

Future economic conditions and the demand for land and homes are subject to continued uncertainty due to many factors, including the recent increase in mortgage interest rates, higher inflation, low supplies of new and existing home inventory available for sale, ongoing disruptions from supply chain challenges and labor shortages, the ongoing impact of the COVID-19 pandemic and government directives, and other factors.

(17) INFORMATION ABOUT THE COMPANY'S OPERATIONS IN DIFFERENT INDUSTRY SEGMENTS

The following tables set forth summarized data relative to the industry segments in which the Company operated for the periods indicated (in thousands):

	Land Development	Homebuilding	Corporate	Consolidated
2023(a)				
Revenues	$ 34,404	$ 14,272	$ —	$ 48,676
Net income (loss)	$ 13,331	$ 3,348	$ 5,111	$ 21,790
Capital expenditures	$ 118	$ 13	$ —	$ 131
Total assets as of April 30, 2023	$ 95,457	$ 6,105	$ 14,333	$ 115,895
2022(a)				
Revenues	$ 40,827	$ 11,201	$ 6,898	$ 58,926
Net income (loss)	$ 15,322	$ 1,626	$ (1,086)	$ 15,862
Capital expenditures	$ 1,272	$ 15	$ —	$ 1,287
Total assets as of April 30, 2022	$ 86,991	$ 5,631	$ 2,295	$ 94,917

(a) Revenue information provided for each segment may include amounts classified as building sales and other revenues in the accompanying consolidated statements of operations. Corporate is net of intercompany eliminations.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Vice President, Finance and Accounting, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this annual report on Form 10-K. As a result of such evaluation, the Chief Executive Officer and Vice President, Finance and Accounting have concluded that such disclosure controls and procedures were effective as of April 30, 2023 to provide reasonable assurance that the information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Vice President, Finance and Accounting, as appropriate, to allow timely decisions regarding disclosure. The Company believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

The report called for by Item 308(a) of Regulation S-K is incorporated herein by reference to Management's Annual Report on Internal Control Over Financial Reporting, included in Part II, "Item 8. Financial Statements and Supplementary Data" of this annual report on Form 10-K.

No change in the Company's system of internal control over "financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information set forth under the headings "Election of Director", "The Board of Directors and its Committees" and "Delinquent Section 16(a) Reports" in the Company's Proxy Statement for its 2023 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission (the "Proxy Statement") is incorporated herein by reference. In addition, information concerning the Company's executive officers is included in Part I above under the caption "Information about the Company's Executive Officers."

Item 11. Executive Compensation

The information set forth under the headings "Compensation of Executive Officers" and "Compensation of Directors" in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth under the headings "Common Stock Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information set forth under the headings "The Board of Directors and its Committees" and "Transactions with Related Persons" in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information set forth under the subheadings "Audit Fees" and "Pre-Approval Policies and Procedures" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) 1. Financial Statements. The following consolidated financial statements and supplementary financial information are filed as part of this annual report on Form 10-K:

AMREP Corporation and Subsidiaries:

- Management's Annual Report on Internal Control Over Financial Reporting
- Report of Independent Registered Public Accounting Firm dated July 25, 2023 – Baker Tilly US, LLP (PCAOB ID #23)
- Report of Independent Registered Public Accounting Firm dated July 21, 2022 – Marcum LLP (PCAOB ID #688)
- Consolidated Balance Sheets – April 30, 2023 and 2022
- Consolidated Statements of Operations for the Years Ended April 30, 2023 and April 30, 2022
- Consolidated Statements of Comprehensive Income for the Years Ended April 30, 2023 and April 30, 2022
- Consolidated Statements of Shareholders' Equity for the Years Ended April 30, 2023 and April 30, 2022
- Consolidated Statements of Cash Flows for the Years Ended April 30, 2023 and April 30, 2022
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules.

Financial statement schedules not included in this annual report on Form 10-K have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits.

The exhibits filed in this annual report on Form 10-K are listed in the Exhibit Index.

(b) Exhibits. See (a)3 above.

(c) Financial Statement Schedules. See (a)2 above.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMREP CORPORATION
(Registrant)

Dated: July 25, 2023

By: /s/ Adrienne M. Uleau
Name: Adrienne M. Uleau
Title: Vice President, Finance and Accounting

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Christopher V. Vitale Christopher V. Vitale	President, Chief Executive Officer and Director (Principal Executive Officer)	July 25, 2023
/s/ Adrienne M. Uleau Adrienne M. Uleau	Vice President, Finance and Accounting (Principal Financial Officer and Principal Accounting Officer)	July 25, 2023
/s/ Edward B. Cloues, II Edward B. Cloues, II	Director	July 25, 2023
/s/ Robert E. Robotti Robert E. Robotti	Director	July 25, 2023
/s/ Albert V. Russo Albert V. Russo	Director	July 25, 2023

EXHIBIT INDEX

NUMBER	**ITEM**
3.1	Certificate of Incorporation, as amended. (Incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q filed September 14, 2016)
3.2	By-laws, as amended. (Incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q filed December 12, 2022)
4.1 (b)	Description of the Company's Securities Registered Pursuant to Section 12 of the Exchange Act.
10.2	Business Loan Agreement, dated as of February 3, 2020, between Sandia Laboratory Federal Credit Union and Mountain Hawk East Development Company LLC. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed February 3, 2020)
10.3	Promissory Note, dated February 3, 2020, by Mountain Hawk East Development Company LLC in favor of Sandia Laboratory Federal Credit Union. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed February 3, 2020)
10.4	Line of Credit Mortgage, dated as of February 3, 2020, between Sandia Laboratory Federal Credit Union and Mountain Hawk East Development Company LLC. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed February 3, 2020)
10.5	Commercial Guaranty, dated as of February 3, 2020, made by AMREP Southwest Inc. for the benefit of Sandia Laboratory Federal Credit Union. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed February 3, 2020)
10.6	Promissory Note, dated as of June 15, 2020, between MesoAM LLC and Lavender Fields, LLC. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.7	Mortgage, Security Agreement and Fixture Filing, dated as of June 15, 2020, by Lavender Fields, LLC. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.8	Development Loan Agreement, dated as of June 19, 2020, between BOKF, NA dba Bank of Albuquerque and Lavender Fields, LLC. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.9	Non-Revolving Line of Credit Promissory Note, dated June 19, 2020, by Lavender Fields, LLC in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.10	Mortgage, Security Agreement and Financing Statement, dated as of June 19, 2020, between BOKF, NA dba Bank of Albuquerque and Lavender Fields, LLC. (Incorporated by reference to Exhibit 10.5 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.11	Guaranty Agreement, dated as of June 19, 2020, made by AMREP Southwest Inc. for the benefit of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.6 to Registrant's Current Report on Form 8-K filed June 19, 2020)
10.12	Development Loan Agreement, dated as of September 22, 2020, between BOKF, NA dba Bank of Albuquerque and Lomas Encantadas Development Company, LLC. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed September 23, 2020)
10.13	Non-Revolving Line of Credit Promissory Note, dated September 22, 2020, by Lomas Encantadas Development Company, LLC in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed September 23, 2020)
10.14	Mortgage, Security Agreement and Financing Statement, dated as of September 22, 2020, between BOKF, NA dba Bank of Albuquerque and Lomas Encantadas Development Company, LLC. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed September 23, 2020)
10.15	Guaranty Agreement, dated as of September 22, 2020, made by AMREP Southwest Inc. for the benefit of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed September 23, 2020)
10.16	Development Loan Agreement, dated as of January 21, 2021, between BOKF, NA dba Bank of Albuquerque and Mountain Hawk West Development Company LLC. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed January 25, 2021)
10.17	Non-Revolving Line of Credit Promissory Note, dated January 21, 2021, by Mountain Hawk West Development Company LLC in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed January 25, 2021)

10.18 Mortgage, Security Agreement and Financing Statement, dated as of January 21, 2021, between BOKF, NA dba Bank of Albuquerque and Mountain Hawk West Development Company LLC. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed January 25, 2021)

10.19 Guaranty Agreement, dated as of January 21, 2021, made by AMREP Southwest Inc. for the benefit of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed January 25, 2021)

10.20 Loan Agreement, dated as of February 3, 2021, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed February 3, 2021)

10.21 First Modification Agreement, dated January 25, 2022, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc., to Loan Agreement, dated as of February 3, 2021. (Incorporated by reference to Exhibit 10.29 to Registrant's Annual Report on Form 10-K filed July 21, 2022)

10.22 Second Modification Agreement, dated April 13, 2022, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc., to Loan Agreement, dated as of February 3, 2021. (Incorporated by reference to Exhibit 10.30 to Registrant's Annual Report on Form 10-K filed July 21, 2022)

10.23 Third Modification Agreement, dated August 15, 2022, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed August 16, 2022)

10.24(b) Fourth Modification Agreement, dated February 4, 2023, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc.

10.25 Revolving Line of Credit Promissory Note, dated February 3, 2021, by AMREP Southwest Inc. in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed February 3, 2021)

10.26 First Amended and Restated Revolving Line of Credit Promissory Note, dated August 15, 2022, by AMREP Southwest Inc. in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed August 16, 2022)

10.27 Line of Credit Mortgage, Security Agreement and Fixture Filing, dated as of February 3, 2021, between BOKF, NA dba Bank of Albuquerque and AMREP Southwest Inc. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed February 3, 2021)

10.28 Development Loan Agreement, dated as of June 24, 2021, between BOKF, NA dba Bank of Albuquerque and Wymont LLC. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed June 25, 2021)

10.29 Non-Revolving Line of Credit Promissory Note, dated June 24, 2021, by Wymont LLC in favor of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed June 25, 2021)

10.30 Mortgage, Security Agreement and Financing Statement, dated as of June 24, 2021, between BOKF, NA dba Bank of Albuquerque and Wymont LLC. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed June 25, 2021)

10.31 Guaranty Agreement, dated as of June 24, 2021, made by AMREP Southwest Inc. for the benefit of BOKF, NA dba Bank of Albuquerque. (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K filed June 25, 2021)

10.32(a) AMREP Corporation 2016 Equity Compensation Plan. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed September 16, 2016)

10.33(a) Form of Deferred Stock Unit Agreement under the 2016 Equity Compensation Plan. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed September 16, 2016)

10.34(a) Form of Restricted Stock Award Agreement under the 2016 Equity Compensation Plan. (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K filed September 16, 2016)

10.35(a) Employment Agreement, dated November 1, 2021, by and between AMREP Corporation and Christopher V. Vitale. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed November 2, 2021)

10.36(a) Stock Option Grant, dated as of November 1, 2021, delivered by AMREP Corporation to Christopher V. Vitale. (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed November 2, 2021)

16.1 Letter, dated September 12, 2022, from Marcum LLP. (Incorporated by reference to Exhibit 16.1 to Registrant's Current Report on Form 8-K filed September 14, 2022)

21(b) Subsidiaries of Registrant.

23.1(b)	Consent of Baker Tilly US, LLP.
23.2(b)	Consent of Marcum LLP.
31.1(b)	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2(b)	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934.
32(b)	Certification required by Rule 13a-14(b) under the Securities Exchange Act of 1934.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)

(a) Management contract or compensatory plan or arrangement in which directors or officers participate.
(b) Filed herewith.

Exhibit 4.1

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following summary of the capital stock of AMREP Corporation (the "Company") does not purport to be complete and is qualified in its entirety by reference to the Company's certificate of incorporation, as amended from time to time, and the Company's by-laws, as amended from time to time, each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit is a part, and certain provisions of Oklahoma law.

Authorized Capital Stock

The Company is authorized to issue a total of 20,000,000 shares of capital stock, consisting entirely of common stock, par value $.10 per share. As of July 10, 2023, there were 5,254,909 shares of common stock issued and outstanding.

Common Stock

General. Each share of the Company's common stock has the same rights and privileges. Holders of the Company's common stock do not have any preferences or any preemptive, conversion or exchange rights. All of the Company's outstanding shares of common stock are fully paid and nonassessable. The Company's common stock is listed on the New York Stock Exchange under the symbol "AXR."

Voting Rights. The holders of the Company's common stock are entitled to vote upon all matters submitted to a vote of the Company's shareholders and are entitled to one vote for each share of common stock held. The Company's certificate of incorporation and by-laws do not provide for cumulative voting.

Dividends. The holders of the Company's common stock are entitled to participate ratably in dividends payable in cash, stock or otherwise, as may be declared by the Company's board of directors out of any funds legally available for the payment of dividends.

Liquidation and Distribution. If the Company voluntarily or involuntarily liquidates, dissolves or wind-ups, or upon any distribution of the Company's assets, the holders of the Company's common stock will be entitled to receive all of the assets remaining after payment of liabilities and amounts owed to creditors, equally and ratably in proportion to the number of shares of common stock held by them.

Certain Charter and By-law Provisions; Oklahoma Law

Some sections of the Company's certificate of incorporation and by-laws and provisions of Oklahoma law may discourage certain transactions involving a change in control of the Company.

Special Meetings. The Company's by-laws provide that special meetings of the Company's shareholders may be called only by the chairman of the board, the president or a majority of the members of the board of directors. This provision may make it more difficult for shareholders to take actions opposed by the board of directors.

Classified board of directors. The Company's certificate of incorporation and by-laws contain provisions that classify the Company's board of directors into three classes, with one class being elected each year. Because the Company's certificate of incorporation and by-laws do not otherwise provide, Section 1027 of the Oklahoma General Corporation Act permits the removal of any member of the Company's board of directors only for cause. These provisions could impede a merger, takeover or other business combination involving the Company or discourage a potential acquirer from making a tender offer for the Company's common stock.

No Cumulative Voting. The Oklahoma General Corporation Act provides that shareholders are not entitled to cumulate votes in the election of directors unless the Company's certificate of incorporation provides otherwise. The Company's certificate of incorporation does not expressly provide for cumulative voting. Under cumulative voting, minority shareholders holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors.

Amendment of By-laws. The Company's certificate of incorporation permits the Company's board of directors to adopt, amend and repeal the Company's by-laws. The Oklahoma General Corporation Act provides that shareholders are entitled to amend the Company's by-laws.

Certain Business Combinations and Transactions with "interested shareholders". The Company's certificate of incorporation prohibits the Company from:

1. engaging in a merger or consolidation with an "interested shareholder" or affiliate of an interested shareholder;
2. selling, leasing, exchanging, mortgaging, pledging or transferring assets valued in excess of $5 million to, or with, an interested shareholder or affiliate of an interested shareholder;
3. issuing to an interested shareholder or affiliate of an interested shareholder the Company's shares or shares of the Company's subsidiaries with a value in excess of $5 million;
4. adopting a plan or proposal for liquidation or dissolution advanced by an interested shareholder or affiliate of an interested shareholder; or
5. reclassifying, recapitalizing, entering into a merger or consolidation of the Company's subsidiaries, or entering into any other transaction that has the effect, directly or indirectly, of increasing the proportionate share of outstanding shares held by an interested shareholder or affiliate of an interested shareholder,

unless, in each case, such transaction is approved by the holders of at least two-thirds of the then outstanding shares of the Company's common stock. This provision, however, does not apply to any of the above transactions if:

(a) the shareholders would not receive cash or any other consideration (including retaining their common stock in a transaction in which the Company survives) in their capacities as shareholders and, before the transaction, at least 75% of the board of directors has approved the transaction, or

(b) the shareholders would receive cash or other consideration, and either (i) before the transaction, at least 75% of the board of directors approved the transaction, or (ii) all of the conditions set forth in the following subclauses (A) through (F) shall have been met:

(A) the price per share of the Company's common stock meets certain minimums as specified in the Company's certificate of incorporation;

(B) the consideration is cash or whatever form of consideration that the interested shareholder used to acquire the Company's common stock (or the largest block of the Company's common stock if acquired in a series of transactions);

(C) since becoming an interested shareholder and until the consummation of the proposed transaction there have been (1) no reduction in dividends and (2) appropriate increases to dividends to reflect any reclassifications, recapitalizations, reorganizations or any similar transactions, unless in the case of (1) or (2) the alternative has been approved by at least 75% of the Company's board of directors;

(D) since becoming an interested shareholder and until the consummation of the proposed transaction the interested shareholder has not become the beneficial owner of additional shares, except as the result of a dividend or stock split;

(E) since becoming an interested shareholder and until the proposed transaction the interested shareholder has not received benefit, directly or indirectly, of any loans, advances, guarantees pledges or other financial assistance or any tax credits or other tax advantages from the Company; and

(F) a proxy or information statement complying with the requirements of the Securities Exchange Act of 1934, as amended, describing the proposed transaction is mailed to the Company's other shareholders, regardless of whether such proxy or information statement is required under the Securities Exchange Act of 1934, as amended.

Under the Company's certificate of incorporation, an "interested shareholder" is defined, generally, as any person who or which (i) is the beneficial owner, directly or indirectly, of 10% or more of the Company's outstanding common stock; (ii) is an affiliate of the Company, and at any time within the two-year period immediately prior to the date of determination of "interested shareholder" status, was the beneficial owner, directly or indirectly, of 10% or more of the Company's then outstanding common stock; or (iii) is an assignee of or has otherwise succeeded to any shares of the Company's common stock which were at any time within the two-year period immediately prior to the date of determination of "interested shareholder" status beneficially owned by an interested shareholder, if such assignment or succession occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act.

Under the Oklahoma General Corporation Act, mergers, consolidations, and sales of substantially all of the assets of an Oklahoma corporation must generally be approved by a vote of the holders of a majority of the outstanding shares of stock entitled to vote thereon. The Company is subject to Section 1090.3 of the Oklahoma General Corporation Act, however, which restricts certain transactions between an Oklahoma corporation (or its majority owned subsidiaries) and a holder of 15% or more of the corporation's outstanding voting stock, together with affiliates or associates thereof (excluding persons who were 15% shareholders on September 1, 1991, or who become such by action of the corporation alone), which is referred to as an "interested shareholder." For a period of three years following the date that a shareholder became an interested shareholder, Section 1090.3 prohibits the following types of transactions between the corporation and the interested shareholder (unless certain conditions, described below, are met): (i) mergers or consolidations; (ii) sales, leases, exchanges or other transfers of 10% or more of the aggregate assets of the corporation; (iii) issuances or transfers by the corporation of any stock of the corporation that would have the effect of increasing the interested shareholder's proportionate share of the stock of any class or series of the corporation; (iv) receipt by the interested shareholder of the benefit, except proportionately as a shareholder of the corporation, of loans, advances, guarantees, pledges or other financial benefits provided by the corporation; and (v) any other transaction which has the effect of increasing the proportionate share of the stock of any class or series of the corporation that is owned by the interested shareholder. This restriction does not apply if: (1) before such person became an interested shareholder, the board of directors approved the transaction in which the interested shareholder becomes an interested shareholder or approved the business combination; or (2) upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding, those shares owned by (i) persons who are directors and also officers, and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (3) the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested shareholder. The Company may exempt the Company from the requirements of the statute by adopting an amendment to the Company's certificate of incorporation.

Transfer Agent and Registrar

The transfer agent and registrar for the Company's common stock is Continental Stock Transfer & Trust Company.

New York Exchange Listing

The Company's common stock is quoted on the New York Stock Exchange under the symbol "AXR."

Exhibit 10.24

FOURTH MODIFICATION AGREEMENT

BOKF, NA dba Bank of Albuquerque (the "Lender"); and AMREP Southwest Inc., a New Mexico corporation (the "Borrower"), agree:

1. Recitals. The following Recitals apply to this Fourth Modification Agreement (the "Agreement").

A. Borrower is indebted to Lender as evidenced by a Revolving Line of Credit Promissory Note dated February 3, 2021, in the original principal amount of Four Million and No/100 Dollars ($4,000,000.00), made by Borrower in favor of the Lender (the "Original Note"). In connection with the Original Note, Borrower and Lender entered into a Loan Agreement dated February 3, 2021 (the "Loan Agreement").

B. Payment and performance of the Original Note is secured by, among other things, a Line of Credit Mortgage, Security Agreement and Fixture Filing dated February 3, 2021, and recorded in the real property records of Sandoval County, New Mexico (the "Recording Office") on February 3, 2021, as Document No. 2021003917, made by Borrower in favor of Lender (the "Mortgage"). The Mortgage, the Loan Agreement and all other documents evidencing, guaranteeing or securing the Original Note are referred to in this Agreement as the "Loan Documents".

C. At the request of Borrower, Lender issued a reserve letter in favor of the City of Santa Fe, New Mexico, as evidenced by a Demand Promissory Note in the original principal amount of One Million Three Hundred Twenty-Two Thousand Seven Hundred Sixteen and 82/100 Dollars ($1,322,716.82), dated January 25, 2022, made by Borrower in favor of Lender (the "Demand Note"). The Demand Note is secured by the Mortgage. In connection with the Demand Note, Borrower and Lender entered into a First Modification Agreement dated January 25, 2022 (the "First Modification").

D. At the request of Borrower, Lender removed the semi-annual resting requirement in the Original Note, as evidenced by a Second Modification Agreement dated April 13, 2022 (the "Second Modification").

E. At the request of Borrower, Lender renewed and extended the maturity of the Original Note and increased the amount of credit available under the Original Note, as evidenced by a First Amended and Restated Revolving Line of Credit Promissory Note, dated August 15, 2022, in the original principal amount of Five Million, Seven Hundred Fifty Thousand and No/100 Dollars ($5,750,000.00) (the "First Restated Note"). In connection with the First Restated Note, Borrower and Lender entered into a Third Modification Agreement dated August 15, 2022 (the "Third Modification", and, together with the First Modification, the Second Modification and this Agreement, the "Modification Agreements").

F. Borrower has requested that Lender renew and extend the maturity of the Demand Note, to be evidenced by a First Amended and Restated Demand Promissory Note dated the same day as this Agreement, in the original principal amount of One Million, Three Hundred Twenty-Two Thousand Seven Hundred Sixteen and 82/100 Dollars ($1,322,716.82) (the "First Restated Demand Note"), and Lender is willing to do so, provided that, among other things, Borrower enters into this Agreement.

2. Definitions. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Loan Agreement and the Mortgage.

3. Required Payments. Concurrently with the execution of this Agreement, Borrower shall have paid to Lender: (i) all accrued unpaid interest due under the Original Note; (ii) recording fees and costs; lawyers' fees and costs; and all other fees and costs related to this Agreement; and (iii) a loan fee in the amount of Five Hundred and No/100 Dollars ($500.00).

4. Conditions Precedent. Before this Agreement becomes effective and any party becomes obligated under it, all of the following conditions shall have been satisfied in a manner acceptable to Lender in the exercise of Lender's sole and absolute discretion:

A. Lender shall have received such assurances as Lender may require that the validity and priority of the Mortgage has not been and shall not be impaired by this Agreement or the transactions contemplated by this Agreement, including but not by way of limitation, an ALTA Title Policy Endorsement New Mexico Form 80 dated as of the date of recording of this Agreement and endorsing the mortgagee policy of title insurance issued in connection with the Mortgage, providing that policy coverage has not been reduced or terminated by virtue of the recording of this Agreement, showing no matters of record since the recording of the Mortgage except as are acceptable to Lender in Lender's sole discretion.

B. Lender shall have received a fully executed and acknowledged original of this Agreement, a fully executed First Restated Demand Note and such other documents as Lender requires.

C. This Agreement shall have been recorded in the Recording Office.

5. Modification of Terms of Loan Documents. The Loan Documents are supplemented, amended and modified as follows:

A. Each reference in the Loan Documents to any of the Loan Documents is deemed to be a reference to the Loan Documents as amended and modified by this Agreement.

B. Each reference in the Loan Documents to the "Note" is deemed to be a reference to the First Restated Note and the First Restated Demand Note as amended and modified by this Agreement.

6. Ratification of Obligations Under Loan Documents. Borrower reasserts, ratifies and reaffirms all of Borrower's obligations under the Loan Documents. Borrower specifically acknowledges, agrees and represents that:

A. This Agreement is a legal, valid and binding obligation of Borrower and is enforceable against Borrower in accordance with its terms.

B. The covenants and obligations set forth in this Agreement benefit and are in the best interest of the Borrower.

C. The indebtedness evidenced by the First Restated Demand Note is valid and existing and is not subject to any defenses, offsets, claims or counterclaims.

D. No indulgence or part indulgence by Lender and nothing contained herein or in any other agreement among Borrower and/or Lender nor any other action or inaction by Lender, has waived or shall constitute a waiver of any default or Event of Default that may exist under the Loan Documents or an election of remedies by Lender or a waiver of any of the rights, remedies or recourse of Lender provided in any of the Loan Documents or otherwise afforded by law or in equity.

E. The Mortgage, as modified by the Modification Agreements, secures the Note, as modified by the Modification Agreements, the First Restated Note and the First Restated Demand Note.

7. Release. To the extent Borrower now has any claims, offsets, defenses to or counterclaims against the Lender or as to the repayment of all or a portion of the indebtedness evidenced by the First Restated Note or the transaction evidenced by the Loan Documents, whether known or unknown, fixed or contingent, the same are hereby forever irrevocably waived and released in their entirety by Borrower.

8. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby; and in lieu of such illegal, invalid or unenforceable provisions, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of Borrower and Lender and their respective successors, legal representatives and assigns.

10. Applicable Law. THIS AGREEMENT, AND EACH OTHER LOAN DOCUMENT, AND ALL MATTERS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW MEXICO, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. BORROWER AND LENDER HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF SANDOVAL, STATE OF NEW MEXICO AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. BORROWER AND LENDER EXPRESSLY

SUBMIT AND CONSENT TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS.

11. Waiver of Jury Trial. EACH OF BORROWER AND LENDER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH OF BORROWER AND LENDER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF BORROWER AND LENDER WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

BORROWER AND LENDER EXPRESSLY INTEND AND AGREE THAT THIS AGREEMENT EVIDENCES A MODIFICATION ONLY OF THE LOAN DOCUMENTS AND IS NOT A NOVATION.

[SIGNATURES ON NEXT PAGE]

Dated: Effective February 4, 2023.

"BORROWER"	AMREP SOUTHWEST INC., a New Mexico corporation By: /s/ Carey Plant Carey Plant, Vice President
"LENDER"	BOKF, NA dba BANK OF ALBUQUERQUE By: /s/ Jordan Herrington Jordan Herrington, Senior Vice President

STATE OF NEW MEXICO
COUNTY OF SANDOVAL

This instrument was acknowledged before me on May 25, 2023, by Carey Plant, Vice President of AMREP Southwest Inc., a New Mexico corporation.

/s/ Karen Lee Ward
Notary Public

My Commission Expires: 11/18/2025

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on May 31, 2023, by Jordan Herrington, Senior Vice President of BOKF NA, dba Bank of Albuquerque.

/s/ Annette A. Orona
Notary Public

My Commission Expires: 6/28/2026

Exhibit 21

SUBSIDIARIES OF REGISTRANT

Name	Jurisdiction of Organization
AMREP Corporation (Registrant)	Oklahoma
American Republic Investment Co.	Delaware
AMREP Southwest Inc.	New Mexico
Outer Rim Investments, Inc.	New Mexico
AMREPCO Inc.	Colorado
Las Fuentes Village II, LLC	New Mexico
Las Fuentes Village III, LLC	New Mexico
Lomas Encantadas Development Company, LLC	New Mexico
Hawksite 27 Development Company, LLC	New Mexico
Enchanted Hills Development Company, LLC	New Mexico
Southwest Mineral Company, LLC	New Mexico
Clean Slate Properties, LLC	New Mexico
Butterfly Holdings, LLC	New Mexico
Amreston Homes LLC	New Mexico
Amreston Construction LLC	New Mexico
Mountain Hawk East Development Company LLC	New Mexico
Mountain Hawk West Development Company LLC	New Mexico
Tierra Feliz Development Company LLC	New Mexico
Lavender Fields, LLC	New Mexico
Sol Oeste LLC	New Mexico
Pueblo del Sol, LLC	New Mexico
Wymont LLC	New Mexico
Arroyos LLC	New Mexico
Rioscapes, LLC	New Mexico
Resurrection Land Company, LLC	New Mexico
Corner Office, LLC	New Mexico
Roentgen Wellspring LLC	New Mexico
PCD ARIC Holdco LLC	Delaware

Certain subsidiaries have been omitted from this list. These subsidiaries, when considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X.

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement No. 333-141861 of AMREP Corporation on Form S-3 and in Registration Statement Nos. 333-213712 and 333-141344 of AMREP Corporation on Form S-8 of our report dated July 25, 2023, relating to the consolidated financial statements, which appears in this annual report on Form 10-K for the year ended April 30, 2023.

/s/ Baker Tilly US, LLP

Baker Tilly US, LLP
Philadelphia, Pennsylvania
July 25, 2023

Exhibit 23.2

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement No. 333-141861 of AMREP Corporation on Form S-3 and in Registration Statement Nos. 333-213712 and 333-141344 of AMREP Corporation on Form S-8 of our report dated July 21, 2022, with respect to our audit of the consolidated financial statements of AMREP Corporation as of April 30, 2022 and for the year ended April 30, 2022, which report is included in this Annual Report on Form 10-K of AMREP Corporation for the year ended April 30, 2023.

/s/ Marcum LLP

Marcum LLP
Philadelphia, Pennsylvania
July 25, 2023

Exhibit 31.1

CERTIFICATION

I, Adrienne M. Uleau, certify that:

1. I have reviewed this annual report on Form 10-K of AMREP Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: July 25, 2023

/s/ Adrienne M. Uleau
Adrienne M. Uleau
Vice President, Finance and Accounting
(Principal Financial Officer)

Exhibit 31.2

CERTIFICATION

I, Christopher V. Vitale, certify that:

1. I have reviewed this annual report on Form 10-K of AMREP Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: July 25, 2023

/s/ Christopher V. Vitale
Christopher V. Vitale
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AMREP Corporation (the “Company”) on Form 10-K for the period ended April 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adrienne M. Uleau
Adrienne M. Uleau
Vice President, Finance and Accounting
(Principal Financial Officer)
Date: July 25, 2023

/s/ Christopher V. Vitale
Christopher V. Vitale
President and Chief Executive Officer
(Principal Executive Officer)
Date: July 25, 2023