

**Fifth Avenue Committee, Inc.
and Subsidiaries**

Consolidated Financial Statements

June 30, 2022

Independent Auditors' Report

Board of Directors
Fifth Avenue Committee, Inc. and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements..

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We did not audit the financial statements of 588 Park Place Housing Development Fund Corporation, FAC Advance Housing Development Fund Corporation, FAC Center Local Development Corp, FAC Renaissance HDFC, FAC Homeownership HDFC, 50th Street HDFC, 573 Warren St HDFC, 551 Warren St LP, FAC Renaissance LP, FAC Sunset Park LP, FAC 6309 Fourth Ave LP, FAC Solar LLC and Neighbors Helping Neighbors, Inc., (collectively the "Subsidiaries") which statements reflect total assets constituting \$91,744,487 of consolidated total assets as of June 30, 2022 and total revenue constituting \$6,105,615 of consolidated total revenue for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for these entities is based solely on the reports of other auditors. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 38 through 47 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, which insofar as it relates to the Subsidiaries, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

December 23, 2022

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Financial Position June 30, 2022

ASSETS

Current Assets

Cash	\$ 10,434,361
Restricted cash	7,492,236
Grants receivable	2,741,025
Accounts receivable	3,460,654
Prepaid expenses	262,537
Advances to unconsolidated affiliates	745,198
Total Current Assets	<u>25,136,011</u>

Investment in unconsolidated affiliates	335,114
Property, plant and equipment, net	201,400,026
Property held for sale	656,989
Right to use asset	1,382,565
Other assets	<u>1,227,867</u>
	<u>\$ 230,138,572</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 8,265,918
Accrued expenses	4,330,954
Mortgages and notes payable, current portion	60,262,729
Tenants' deposits payable	<u>286,142</u>
Total Current Liabilities	73,145,743

IDA funds	98,541
Refundable grants payable	896,250
Lease liabilities	1,385,688
Other payables	4,002,054
Mortgages and notes payable, net of current portion and unamortized debt issuance costs	<u>115,223,635</u>
Total Liabilities	<u>194,751,911</u>

Net Assets

Without donor restriction	8,049,015
With donor restriction	<u>460,938</u>
	8,509,953

Non-controlling Limited Partners' interest in consolidated affiliates	<u>26,876,708</u>
Total Net Assets	<u>35,386,661</u>

\$ 230,138,572

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended June 30, 2022

	Without Donor Restriction		Total		Total
	Undesignated	For Profit Subsidiaries	Without Donor Restriction	With Donor Restriction	
SUPPORT AND REVENUE					
Government grants	\$ 4,855,625	\$ 189,034	\$ 5,044,659	\$ -	\$ 5,044,659
Contributions - corporations	925,973	-	925,973	649,000	1,574,973
Contributions - foundations and trusts	4,443,368	-	4,443,368	413,902	4,857,270
Contributions - individuals	305,056	-	305,056	-	305,056
Special events income	316,122	-	316,122	-	316,122
In-kind contributions	86,904	-	86,904	-	86,904
Management and reimbursable fees	232,328	-	232,328	-	232,328
Development and marketing fees	700,943	-	700,943	-	700,943
Program services	240,752	-	240,752	-	240,752
Rental income	777,531	4,863,175	5,640,706	-	5,640,706
Interest income	(520,098)	274	(519,824)	-	(519,824)
Subcontract income	365,278	28,875	394,153	-	394,153
Gain on forgiveness of debt	533,300	-	533,300	-	533,300
Other revenue	25,485	269,701	295,186	-	295,186
Net assets released from restrictions	945,275	-	945,275	(945,275)	-
Total Support and Revenue	<u>14,233,842</u>	<u>5,351,059</u>	<u>19,584,901</u>	<u>117,627</u>	<u>19,702,528</u>
EXPENSES					
Program services	11,681,937	3,234,048	14,915,985	-	14,915,985
Management and general	1,985,113	2,006,491	3,991,604	-	3,991,604
Fundraising	900,152	-	900,152	-	900,152
Total Expenses	<u>14,567,202</u>	<u>5,240,539</u>	<u>19,807,741</u>	<u>-</u>	<u>19,807,741</u>
Change in Net Assets from Operations	(333,360)	110,520	(222,840)	117,627	(105,213)
OTHER CHANGES					
Capital contributions	-	107	107	-	107
Distributions	-	(6,439)	(6,439)	-	(6,439)
Non-controlling interest in income of consolidated affiliates	-	1,147,368	1,147,368	-	1,147,368
Change in Net Assets	(333,360)	1,251,556	918,196	117,627	1,035,823
NET ASSETS					
Beginning of year	<u>6,635,962</u>	<u>494,857</u>	<u>7,130,819</u>	<u>343,311</u>	<u>7,474,130</u>
End of year	<u>\$ 6,302,602</u>	<u>\$ 1,746,413</u>	<u>\$ 8,049,015</u>	<u>\$ 460,938</u>	<u>\$ 8,509,953</u>

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses Year Ended June 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
PERSONNEL				
Salaries	\$ 5,984,722	\$ 453,721	\$ 528,546	\$ 6,966,989
Contributed services - salaries	86,904	-	-	86,904
Payroll taxes and fringe benefits	1,737,250	178,858	145,467	2,061,575
Total Personnel	<u>7,808,876</u>	<u>632,579</u>	<u>674,013</u>	<u>9,115,468</u>
OTHER THAN PERSONNEL				
Administrative	18,668	3,199	3,671	25,538
Consultants	1,101,930	269,872	47,507	1,419,309
Wage subsidy	-	55,442	-	55,442
Repairs and maintenance	37,233	837,743	-	874,976
Office supplies and printing	40,277	37,511	5,517	83,305
Telephone and postage	54,570	81,069	2,062	137,701
Utilities	55,769	6,998	1,845	64,612
Professional fees	95,637	55,990	-	151,627
Occupancy	401,155	127,339	33,637	562,131
Miscellaneous	-	682,097	-	682,097
Meetings and events	-	2,126	577	2,703
Marketing	73,700	7,344	10,435	91,479
Conference, travel, and training	40,543	21,943	874	63,360
Contractual services	56,479	429,283	1,411	487,173
Staff outing	19,805	-	-	19,805
Dues and subscriptions	8,495	5,500	340	14,335
Software and support	165,153	36,231	4,497	205,881
Insurance	394,627	18,776	1,506	414,909
Equipment, furniture and fixtures	10,212	60,639	356	71,207
Fees and bank charges	148,187	13,824	6,886	168,897
Program expenses	774,533	2,163	520	777,216
Publications and books	-	24	1,499	1,523
Management fees	244,095	211,757	-	455,852
Bad debts	-	291,448	2,000	293,448
Interest and debt issuance costs	912,160	110	28	912,298
Property taxes	61,770	-	-	61,770
Direct fundraising expense	-	-	99,689	99,689
Write down of investment	-	11,734	-	11,734
Depreciation and amortization	2,392,111	88,863	1,282	2,482,256
Total Other Than Personnel	<u>7,107,109</u>	<u>3,359,025</u>	<u>226,139</u>	<u>10,692,273</u>
 Total Expenses	 <u>\$14,915,985</u>	 <u>\$ 3,991,604</u>	 <u>\$ 900,152</u>	 <u>\$ 19,807,741</u>

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Cash Flows Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets from operations	\$ (105,213)
Adjustments to reconcile change in net assets from operations to net cash from operating activities	
Depreciation and amortization	2,482,256
Amortization of debt issuance costs	11,586
Bad debts	293,448
PPP loan forgiveness	(533,300)
Changes in operating assets and liabilities	
Grants receivable	(41,474)
Accounts receivable	(687,545)
Prepaid expenses	14,910
Right to use asset	(1,382,565)
Other assets	(225,644)
Accounts payable	3,955,017
Accrued expenses	941,002
Tenants' deposits payable	14,609
Refundable grants payable	(25,000)
Lease liability	1,559,744
Other payables	1,637,116
Grants payable, subsidiary	(5,341)
Net Cash from Operating Activities	<u>7,903,606</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Advances to unconsolidated affiliates	(415,186)
Purchase of investments	(69,017)
Purchases of property, plant and equipment	<u>(33,926,207)</u>
Net Cash from Investing Activities	<u>(34,410,410)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions from members	3,806,684
Payment of debt issuance costs	(48,685)
Proceeds from notes and mortgage payable	26,432,568
Mortgage and note principal payments	<u>(249,920)</u>
Net Cash from Financing Activities	<u>29,940,647</u>
Net Change in Cash and Restricted Cash	3,433,843

CASH AND RESTRICTED CASH

Beginning of year	<u>14,492,754</u>
End of year	<u>\$ 17,926,597</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash Paid for:

Interest and capitalized interest	\$ 2,951,781
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See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status

Fifth Avenue Committee, Inc. ("FAC") is a comprehensive community development not-for-profit corporation and chartered member of the NeighborWorks America network based in South Brooklyn, New York. FAC's mission is to advance economic, social, and racial justice through integrated, community-centered affordable housing, grassroots organizing and policy advocacy, and transformative education, training and services that build the power to shape our community's future. Formed in 1978, FAC reaches over 5,500 low- and moderate-income New Yorkers annually with its diverse programs and services. To achieve its mission, FAC develops and manages affordable housing and community facilities; creates economic opportunities and ensures access to economic stability; connects families with public benefits, tax preparation assistance and legal, financial, and credit counseling; provides student-centered adult education and literacy and bridge programming classes; organizes community members, tenants, and public housing residents; connects homeowners and tenants with solar; and combats displacement caused by gentrification.

The following entities are included in the consolidated financial statements:

Entities in which FAC is the sole member:

LEAP, Inc., d.b.a. Brooklyn Workforce Innovations, ("LEAP") is a not-for-profit organization that works to empower low and moderate-income individuals by creating living-wage employment opportunities and access to career paths. LEAP creates stable, long-term employment through job-training and placement programs.

FAC Center Local Development Corporation ("FAC LDC") was incorporated in May 2006 under Section 402 of the New York Not-For-Profit Corporation Law and Article XI of the Private Housing Finance Law of the State of New York. FAC LDC holds title to and manages the following projects: 182 Fourth Avenue and 621 DeGraw Street, a commercial building that serves as the headquarters of FAC, and FAC affiliates and provides additional space which has been rented to other not-for-profit organizations.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

1. Organization and Tax Status *(continued)*

Neighbors Helping Neighbors, Inc. (“NHN”) is a not-for-profit HUD-certified counseling agency whose mission is to promote racial justice while empowering low- and moderate-income New Yorkers to fight for, secure, and maintain quality housing and build financial assets. NHN was incorporated on December 31, 1990.

Sunset Garden LLC (“Sunset”) was established on February 21, 2012 to own and operate real estate and related activity at 219 34th Street in Sunset Park, Brooklyn. Sunset Garden LLC had no activity in fiscal 2020. The parcel is utilized by the community as a community garden and chicken coop.

FAC AT Member LLC (the “LLC”) was formed on December 17, 2012. The LLC currently is inactive with no financial activity and may be used in future real estate projects.

FAC Solar LLC (“FAC Solar”) was formed on July 1, 2019. The LLC entered into a Power Purchase Agreement (PPA) for solar energy creation on FAC owned and/or managed affordable housing and community facility roofs to extend the affordability of projects by lowering maintenance costs, lowering the utility expenses of low- and moderate-income tenants and reducing greenhouse gas emissions.

The following entities are corporations of which FAC is the sole member. These entities all act as nominee deed holders for various properties and as such have no financial activity: *FAC HDFC d/b/a FAC Renaissance HDFC, 575 Fifth Avenue HDFC, FAC Sunset Park HDFC, FAC 6309 Fourth Avenue HDFC, FAC Fulton Street HDFC and FAC Cluster HDFC.*

FAC Renaissance HDFC is a not-for-profit New York State corporation incorporated on December 28, 2015. In June 2016, FAC closed a real estate transaction assuming the assets and liabilities from two limited partnerships, Fifth Avenue Corridor LP and South Brooklyn Mutual LP which included 13 buildings, comprised of 82 apartments and 9 commercial storefronts. The properties have undergone moderate rehabilitation which included much needed upgrades to heating and electrical systems as well as implementation of energy conservation measures.

Entities which FAC wholly owns:

FAC Red Hook Homes, Inc. was formed on April 29, 2005, as a for-profit corporation in New York State. It was created for the purpose of developing, constructing, and reselling affordable, mixed income cooperative housing units to qualified buyers in the Red Hook section of Brooklyn.

FAC, owns the general partner in several Limited Partnerships as follows:

575 Fifth Avenue, Inc. is the general partner of Supportive Slope Limited Partnership with a .01% interest. Supportive Slope Limited Partnership was created in 2008 to operate as a 49-unit low-income affordable housing building for formerly homeless individuals with special needs and other low-income community residents in South Park Slope, Brooklyn.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (*continued*)

551 Warren Street 1, Inc. is the general partner of 551 Warren Street 1 Limited Partnership, with a .01% interest. 551 Warren Street 1 Limited Partnership was established in 1999 to develop and operate 68 single occupancy supportive housing units and 1 superintendent unit in Brooklyn for formerly homeless and low-income adults.

FAC Renaissance GP, Inc. is the general partner of FAC Renaissance Limited Partnership, with a .01% interest. In November 2016, FAC closed a real estate transaction assuming the assets and liabilities from four HDFC's, South Brooklyn Mutual HDFC, 76 Fifth Avenue HDFC, 320-322 Bergen Street HDFC and FAC HDFC d/b/a FAC Renaissance. At closing, ownership of eight buildings, comprising sixty-four apartments and two commercial storefronts were transferred to FAC Renaissance Limited Partnership. The properties have undergone moderate and substantial rehabilitations including much-needed upgrades to heating and electrical systems as well as the implementation of energy conservation measures.

FAC Sunset Park GP, Inc. is the general partner of FAC Sunset Park Limited Partnership, with a .01% interest. The FAC Sunset Park Limited Partnership was created in September 2014 to redevelop the existing Sunset Park Library into a 50-unit mixed-use, mixed income housing development in Sunset Park, Brooklyn. The development is expanding and upgrading the public library facility and provides 100% deeply affordable housing in a neighborhood with increased displacement pressure due to gentrification. The project closed construction financing on June 28, 2018. The residential portion of the project is now complete and expected to receive a temporary certificate of occupancy from the city in late summer/early fall with the library portion to follow

FAC 6309 Fourth Avenue GP is the general partner of FAC 6309 Fourth Avenue LP, with a .01% interest. FAC 6309 Fourth Avenue LP was formed in late 2015, and construction financing closed November 26, 2019. This 100% affordable senior housing project involving 84 units in three buildings is now in the construction phase and scheduled for completion by December 2022.

Northeastern Towers Annex GP LLC is the general partner of Northeastern Towers Annex LP and was incorporated on July 21, 2016. Northeastern Towers Annex LP was formed on December 9, 2016. It was formed for the purpose operating a future 100% affordable senior housing project producing 159 units of affordable housing in the Jamaica, Queens area of New York City. The project closed construction in June 2018 and is now fully occupied. A ribbon cutting for the property was held in July 2021. The project completed permanent loan conversion in May 2022.

FAC Brownsville Apartments GP is the general partner of FAC Brownsville apartments LP and was incorporated on January 18, 2019. FAC Brownsville Apartments LP was formed on January 18, 2019 for the purpose of developing and eventually operating scattered site new construction project that will result in affordable rental apartments in mixed use buildings and include a community facility or retail space.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

1. Organization and Tax Status *(continued)*

Other entities included are:

FAC Atlantic Terrace, Inc. is a member of Atlantic Terrace 12, LLC, with a 33.33% interest. Atlantic Terrace 12, LLC was established on November 7, 2005 to sponsor and develop an 80 unit affordable, mixed-income, mixed-use homeownership project in the Fort Greene section of Brooklyn, New York, as well as manage parking and retail condominiums on site. FAC is the sole stockholder of FAC Atlantic Terrace, Inc.

588 Park Place Housing Development Fund Corporation was incorporated on January 29, 2004 under Section 402 as a Not-For-Profit Corporation and Article XI of the Private Housing Finance Law of New York State. It was created for the purpose of acquiring and rehabilitating a multiple-dwelling building in Brooklyn, New York under the New York State Homeless Housing Assistance Program and is home to formerly homeless and low-income families. FAC is the guarantor of the enforcement notes with the New York Department of housing and Preservation owed by 588 Park Place Housing Development Fund Corporation.

FAC Advance Housing Development Fund Corporation was incorporated in 2009 under Section 402 as a Not-For-Profit Corporation and Article XI of the Private Housing Finance Law of New York State. It was created to develop and manage three buildings in Brooklyn, New York for the purpose of offering affordable rental housing to community residents. FAC is the guarantor of enforcement notes with the New York Department of Housing Preservation and Development owned by FAC Advance HDFC. It is also the sole member of FAC Gowanus Green, LLC, which in turn has a 25% interest in Gowanus Green Partners, LLC, a real estate developer in the Gowanus section of Brooklyn, New York, which will re-develop the Public Place site.

50th Street Housing Development Fund Corporation was formed on September 25, 1995, pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-For-Profit Corporation Law of New York State. It owns, operates and provides support services to the tenants of apartment buildings located at 329 50th Street (24 apartments) and at 345 50th Street (24 apartments), Brooklyn, New York under the confines of the regulatory agreements with the New York City Department of Housing Preservation and Development. The regulatory agreements require it to serve homeless and low-income tenants from the Brooklyn, New York area. The corporation closed on construction financing in the fall of 2022 to undergo a tenant-in-place moderate rehabilitation.

FAC Homeownership Housing Development Fund Corporation was formed on June 19, 1998, pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-For-Profit Corporation Law of New York State. It owns and operates an apartment building located at 713 Third Avenue in Brooklyn, New York under the confines of the regulatory agreements with the New York City Department of Housing Preservation and Development. The regulatory agreements require it to serve low-income tenants from the Brooklyn, New York area. The building contains 6 residential apartments.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (continued)

573 Warren Street Housing Development Fund Corporation was formed on January 6, 1993, pursuant to Article XI of the Private Housing Finance Law and Section 402 of the Not-For-Profit Corporation Law of New York State. It owns and operates an affordable supportive housing apartment building (14 apartments) located at 573 Warren Street, Brooklyn, New York under the confines of the regulatory agreements with the City of New York and the New York State Office of Mental Health. The regulatory agreements require it to serve low income formerly homeless tenants that qualify as needing mental health assistance from the Brooklyn, New York area.

Tax Status

FAC, LEAP, FAC Center LDC, NHN and 588 Park Place HDFC are exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and are not considered to be a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code and therefore, are exempt from Federal, State and City corporate income taxes. The Limited Partnerships and the limited liability corporations are for profit domestic limited partnerships and limited liability company's and file Federal, State and local tax returns. No provision or benefit for income taxes has been included in these financial statements since taxable income or loss of the Limited Partnerships and limited liability company's pass through to and is reported by the partners and members individually. These Limited Partnerships except for Atlantic Terrace 12, LLC, are eligible for low-income housing tax credits from the New York State Division of Housing and Community Renewal as established under the program as described in section 42 of the Internal Revenue Code. FAC Advance HDFC and FAC Renaissance HDFC are exempt from Federal income taxes under section 501 (c) (4) of the Internal Revenue Code and are exempt from Federal, State and City corporate income taxes.

FAC and consolidated entities operate the following programs:

Affordable Housing and Community Facilities Development (Overview)

Since its founding, FAC has developed over 1,200 affordable homes, revitalized more than 30 storefronts, and built over 50,000 square feet of community space. FAC currently has 133 units of new affordable housing in construction and a development pipeline of nearly 1,700 units representing an investment of more than \$850 million in Brooklyn. All FAC's new developments are designed to LEED, Enterprise Green Community or Passive House standards. FAC also owns and/or manages 667 residential buildings in South/Central Brooklyn and Jamaica, Queens that are home to over 800 very low, low- and moderate-income families and has 31 small business and nonprofit tenants. Over 85% of our commercial tenants are MWBE's. A significant portion of FAC affordable housing is set aside for special populations including seniors, formerly homeless and survivors of domestic violence.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (*continued*)

The **FAC Sunset Park Library and Affordable Housing project**, is a partnership between FAC, the Brooklyn Public Library (BPL) and the New York City Department of Housing Preservation and Development (HPD) and with LITHC financing from New York State Homes and Community Renewal (HCR). The project is the first in NYC to pair the creation of affordable homes with a public library. The project includes 50 units of deeply affordable housing and a renovated and expanded public library facility in one of the most heavily used public library branches in NYC. The project closed on construction financing on June 28, 2018. Construction of the housing portion of the project is now complete, and a temporary certificate of occupancy from the City of New York was received on September 30, 2022.

Senior housing and universal Pre-K project 6309 4th Avenue in Brooklyn. In partnership with the Lutheran Synod, FAC is constructing a new building on the corner of 63rd Street and 4th Avenue in Sunset Park, Brooklyn. The project includes 76 apartments and a pre-kindergarten facility with 5 classrooms (90 seats) on the ground and cellar floors. Two adjacent townhomes on 63rd Street will also be rehabilitated for an additional 8 homes for seniors. With a total of 84 new affordable apartments, the project will meet the need for deeply affordable housing for very low and extremely low-income senior citizens (age 62+). A temporary certificate of occupancy was received on December 22, 2022.

Northeastern Towers Annex in Jamaica, Queens is FAC's first affordable housing development in Queens. FAC partnered with the Northeastern Conference of Seventh Day Adventists and Mega Contracting to add an annex to an existing senior housing development. The annex consists of 159 new affordable apartments for seniors on the southern portion of the property, adjacent to an existing 110 apartment senior housing building (a refinanced Section 202 building) and includes a senior center open to the public. Now fully occupied, the project closed construction financing in June 2018. A ribbon cutting for the project was held in July 2021 and FAC completed permanent loan conversion for the building in May 2022.

Three separate **Brownsville projects** include: a scattered site new construction project that will result in more than 80 affordable rental apartments in mixed use buildings and a community facility or retail space.

FAC Renaissance is a preservation project that has preserved 146 existing units of low-income rental housing and 11 storefronts in 21 buildings for local businesses in Gowanus, Carrol Gardens, Park Slope and South Park Slope, Brooklyn. Twenty buildings have been completed construction, with the final building, 332 Bergen Street, slated for completion in 2022.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (*continued*)

Gowanus Green is a planned mixed-use affordable housing and community development project in Carroll Gardens, Brooklyn. The 5.8-acre, City-owned property, formerly known as Public Place, is located on the site of a former manufactured gas plant (brownfield) and adjacent to NYC's first US EPA Superfund site – the Gowanus Canal. The site is slated to be redeveloped into a 100% affordable housing development with 950 homes with set asides for special populations, a public park and a public school with retail and community facility space. FAC is working with partners The Hudson Companies, The Jonathan Rose Companies and the Bluestone Organization to co-develop the property. The project is in the pre-development phase. After legal challenges and other delays, the project was approved as part of the Gowanus Areawide Rezoning in November 2021.

Organizing and Advocacy

FAC's organizing and advocacy programs empower low-income residents through social justice and tenant rights campaigns. In Fiscal Year 2022 ("FY22"), these programs helped prevent over 200 evictions. Campaigns empower traditionally marginalized groups, such as rent stabilized and public housing residents, and immigrants. In FY22 FAC continued its leadership of Turning the Tide, climate justice campaign with local partners as well as the Gowanus Neighborhood Coalition for Justice ("GNCJ"). GNCJ is a broad-based coalition that advocates for equitable development and rezoning outcomes that secured significant wins in FY22 through the Points of Agreement ("POA") as part of the Gowanus area-wide rezoning's passage including over \$200 million committed by the City of New York to address capital needs at local public housing developments in addition to investment in local sewage infrastructure and to participate in the first community led rezoning oversight task force.

Active campaigns and efforts include:

- 1) ***Gowanus Neighborhood Coalition for Justice ("GNCJ")*** is led by FAC with broad representation of local residents and stakeholders to elevate the priorities of low and moderate-income residents, industrial businesses and environmental advocates, and the neighborhood-based organizations that serve them. The coalition's five overarching principles are to advance racial, economic, and environmental justice as part of planned future public and private land use actions in Gowanus. In November 2021, after over five years of organizing and advocacy, the coalition achieved a major victory, securing significant funding and other commitments from the City of New York as part of the Gowanus area-wide rezoning memorialized in the Points of Agreement ("POA") and in support of all three of GNCJ's top demands.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (*continued*)

1) **Gowanus Neighborhood Coalition for Justice (*continued*)**

This includes protecting and preserving local public housing with the allocation of \$200 million for capital repairs at Wyckoff Gardens and Gowanus Houses NYCHA developments; \$174 million for sewer infrastructure upgrades and additional onsite requirements for stormwater management in Gowanus to help prevent combined sewer overflow events; as well as commitments to regular reporting and NYC senior agency staff participation in a community-controlled Gowanus Rezoning Oversight Task Force to hold the City accountable to its commitments. The agreement also includes a number of other priorities such as resources and amenities for local NYCHA developments and critical climate adaptations and resiliency measures for the community

2) **Grassroots member-led organizing campaigns** at FAC includes our work with low-income, mostly women immigrant tenants to advocate for housing justice at the city and state levels. Members of the group travel to Albany to meet with legislators, plan and carry out actions locally and educate others to protect and strengthen their right to quality and affordable housing

3) FAC is member of **Stabilizing NYC**, a citywide initiative that organizes tenants in buildings owned or threatened by predatory equity firms and speculative landlords who seek to displace low and moderate income rent stabilized tenants as part of their business model.

4) **Turning the Tide (“T3”)** is a climate justice initiative focused on engaging and empowering South Brooklyn’s low-income public housing residents in the climate movement, and on informing significant resilience and sustainability investments at NYCHA and in the low-lying, coastal neighborhoods of Red Hook and Gowanus.

5) **120 5th Avenue (Key Food) Campaign** - FAC led a successful community coalition over 18 months that secured a commitment for a full-service community supermarket to replace the beloved 5th Avenue Key Food. The owners of the local Key Food decided to sell their property to a developer though time remains on the Butler Street Urban Renewal Plan which provided a mechanism for community input. The coalition’s advocacy resulted in the project being more deeply affordable – providing 25% affordable housing for a non-MIH project with at least 10% of the units at 40% of AMI – and providing a mechanism for community input on minimizing the project’s impact. In FY22, the coalition continues to be in contact with the developer to ensure that the community benefits are realized and is awaiting the results of the RFP to identify a community-oriented supermarket. Construction on this privately owned new residential and commercial project has begun.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (*continued*)

- 6) **BrooklynSpeaks** is a coalition founded by FAC and several local civic and community-based organization focused on ensuring that the Atlantic Yards/Pacific Park \$6+ billion dollar project is accountable to the local community and delivers on promised public benefits in a timely fashion. In June of 2014, BrooklynSpeaks entered into an agreement with NYS Empire State Development Corporation for the developer to deliver 2,250 affordable housing units by 2025 or face significant financial penalties and to create the Atlantic Yards Local Development Corporation with local representation to oversee and monitor the project. BrooklynSpeaks continues to be active to ensure the project is publicly accountable and held a series of community conversations in late 2021/early 2022 to inform future advocacy.

Adult Education and Literacy Programs

Offering a range of classes, including English for Speakers of Other Languages (“ESOL”), Adult Basic Education (“ABE”), High School Equivalency (“HSE”), Family Literacy Classes and Bridge Programming at local public schools and churches, this program served over 350 students in FY22. Per the NYS Department of Education, the program performs in the top quartile of adult education programs state-wide. The New American Bridge Program served 81 immigrant students with barriers to employment in FY22, 70 of whom have successfully secured living wage employment through the program as of June 30, 2022. The Bridge program is a partnership with FAC nonprofit workforce development affiliate, Brooklyn Workforce Innovations (“BWI”)’s Red Hook on the Road CDL program and Brooklyn Networks tele-data cable installation programs. Adult Education also expanded its Digital Literacy instruction in FY22, helping to safely and securely connect more students to online tools, resources and knowledge. Across all Adult Education’s programs in FY22, 194 students secured an industry credential to help them reach their educational and professional goals; 247 made demonstrated educational gains. FAC Adult Education also launched an online banking course in FY22 that served 57 students. Participants received tailored digital literacy training designed to help them take advantage of online banking tools to manage their finances.

Community Services

Community Services provides a range of free services including benefits access (SNAP, unemployment insurance, Medicare/aid and more), tax preparation, financial and legal counseling and (in 2020, 2021 and 2022) emergency COVID-19 relief (i.e., emergency rental assistance, vaccine and testing access and information) to over 1,000 very-low and low-income New Yorkers annually. FAC’s Community Services helps low-income individuals gain economic and housing stability and build their assets. In FY22, Community Services screened and connected 754 new households with one or more benefits such as food stamps, health insurance, rental subsidies and supports and unemployment insurance. The program connected 118 people to legal services, provided 157 with financial coaching services (first time service recipients), and 212 with free tax preparation services.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

1. Organization and Tax Status (continued)

Workforce Development

FAC affiliate BWI assists over 900 jobless and working poor New Yorkers each year by offering sector-based job training and direct placement services. These programs provide access to living-wage employment and careers, placement and supports (i.e., resume development, interview, and soft skill development). FAC's New American Bridge Program served 81 immigrant students with barriers to employment and together with BWI, helped 70 to secure living wage employment as of June 30, 2022.

FAC Solar and Barrio Solar

In 2022, FAC continued to advance our efforts to install over 225,000 kW of solar power on FAC owned and managed affordable housing and community facility buildings in Phase 1 as part of reducing our greenhouse gas emissions, reducing maintenance expenses to contribute to permanent affordability and reduce utility expenses for low and moderate-income tenants living in FAC properties. FAC also launched Barrio Solar with FAC HUD certified housing counseling affiliate, Neighbors Helping Neighbors, and partner Solar One, to assist LMI homeowners in New York City to reduce their utility costs, reduce greenhouse gas emissions and increase the value of their asset by providing support and solar down payment assistance.

COVID-19

COVID-19 has amplified long-standing inequities. In FY22, we continued to partner with the City of New York and others to share information about and improve access to COVID vaccines and testing. We distributed 1,557 masks as well as 60 hotspots and 99 laptops to digitally disconnected residents. We also facilitated weekly food delivery to 30 households in need of emergency food relief and assisted hundreds of tenants to apply for Emergency Rental Assistance (ERAP).

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives of property and equipment and the collectability of accounts receivable. Accordingly, actual results could differ from those estimates.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Principles of Consolidation

The consolidated financial statements include the accounts of FAC, entities for which it is the sole member and subsidiaries which it has a controlling interest through wholly owned general partners, limited partnerships, and control of voting rights by the FAC board or ownership of more than 50% interest. All significant inter-company accounts and transactions have been eliminated. Collectively, the entities are referred to as the Corporation. All material intercompany transactions and balances have been eliminated in consolidation.

Non-Controlling Limited Partners' Interests

Non-Controlling Limited Partners' Interest in the Corporation's consolidated statement of activities represents the profits or losses of the Limited Partnerships allocated to limited partners for that period. Limited Partners' Interest in the Corporation's consolidated statement of financial position represents the undistributed profits or losses and capital of the Limited Partnerships.

Change in Accounting Principle

Leases

The Corporation adopted FASB Topic 842, Leases, using the effective date method with July 1, 2021 as the date of initial adoption, with certain practical expedients available.

The Corporation elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing whether the contracts contain leases under the new standard, whether classification of capital leases or operating leases would be different in accordance with the new guidance, or whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Corporation elected the hindsight practical expedient to determine the lease term for existing leases. The election of the hindsight practical expedient resulted in the shortening of lease terms for certain existing leases and the useful lives of corresponding leasehold improvements.

As a result of the adoption of the new lease accounting guidance, on July 1, 2021, the Corporation recognized a lease liability of \$1,385,688, that represents the present value of the remaining operating lease payments, and a right of use ("ROU") asset of \$1,382,565, that represents the operating lease liability, adjusted for accrued rent.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation

The Corporation reports information regarding financial position and activities according to two classes of net assets: without and with donor restrictions.

Without donor restrictions – consist of resources available for the general support of the Corporation's operations. Net assets without donor restrictions may be used at the discretion of the Corporation's management and Board of Directors.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Corporation to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2022, the Corporation has no net assets with donor restrictions that are perpetual in nature.

Fair Value Measurements

The Corporation follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with a maturity of three months or less at the time of purchase.

Significant concentrations

The Corporation may, at times, maintain cash balances in financial institutions in excess of federally insured limits. The Corporation has not experienced any losses on its deposits.

Allowance for Doubtful Accounts

The collectability of receivables is based on a combination of factors. When management is aware of a customer's inability to meet its financial obligation, an allowance for the potential bad debt to reduce the receivable to the estimated realizable value is recorded. Past due status is based on how recently payments have been received. The Corporation determined that at June 30, 2022, no allowance was necessary.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Investment in Unconsolidated Affiliates

Investments in which the Corporation does not exercise significant influence and holds less than 20% interest are accounted for under the cost method.

Debt Issuance Costs

Debt issuance costs are reported on the consolidated statement of financial position as a direct deduction from the face amount of the debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the effective interest method. The Corporation reflects amortization of debt issuance costs within interest and finance costs.

Property, Plant and Equipment

Property, plant, and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by related costs and accumulated depreciation. The resulting gains or losses are reflected in the consolidated statement of activities.

The useful lives of property, plant, and equipment are summarized as follows:

Buildings	40 years
Furniture and equipment	5 - 10 years
Leasehold improvements	10 years

Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewals.

Investment in Real Estate

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest charges, and any estimated proceeds from the eventual disposition of the real estate is less than its carrying amount, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the year ended June 30, 2022.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Capitalized Mortgage Interest

The Corporation capitalizes mortgage interest incurred for financing of its properties during the development period until the property is placed in service or is available for resale. Interest incurred after the property is placed in service is expensed when incurred. For the year ended June 30, 2022, approximately \$2,000,000 of construction interest was capitalized.

Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program services, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain expenses are attributable to more than one program or supporting function and have been allocated in reasonable ratios determined by management. The more significant expenses that are allocated include salaries, payroll taxes and employee benefits and professional fees, which are allocated based on estimates of time and effort and full time equivalent.

Contributions

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence or nature of any donor imposed stipulations.

Revenue Recognition

The Corporation records earned revenues on an accrual basis. In addition, the Corporation records as revenue the following types of contributions, when they are received unconditionally at their fair value: cash, promises to give (contributions receivable), grants receivable, certain contributed services and gifts of other assets. Conditional contributions and grants are recognized as revenue when the conditions on which they depend have been substantially met. The Corporation also raises funds through special events.

Event revenues, net of related costs with a direct-benefit to donors, are recorded as contributions without donor restrictions since such funds can be used for general operations unless there are donor-imposed restrictions. Costs to generate donations with or without donor restriction and grants are expensed as incurred.

Rental income is recognized as it accrues. Advance receipts of rental income are deferred and classified as liabilities until earned or recouped. All leases between the Corporation and the tenants of the property are operating leases of one to two years.

Fees received for management, development and marketing, and program services are recognized as the services are performed or expenditures are incurred.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

2. Summary of Significant Accounting Policies *(continued)*

Donated Professional Services

Contributions of nonfinancial assets are recorded as income and expenses at the time the items are received, which is also the time they are placed into service. Contributed services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated professional services are reflected in the accompanying consolidated statement of activities at their fair value at the time the services are rendered estimated based on current rates of services provided by the vendor.

Accounting for Uncertainty in Income Taxes

The Corporation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Corporation had no uncertain tax positions that would require financial statement recognition or disclosure. The Corporation is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2019.

Advertising Costs

Advertising costs are expensed as incurred. Such costs were \$68,949 and \$50,388 for 2022 and 2021.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is December 22, 2022.

3. Related Party Transactions

Advances to Non-Consolidated Affiliates

Advances to affiliates of \$745,198 are non-interest bearing and have no specific date of repayment.

Limited Partnerships

The Corporation, through its wholly owned subsidiaries, is a general partner in several limited partnerships. U.S. GAAP guidance requires the Corporation to consolidate these limited partnerships in the consolidated financial statements. Furthermore, the Corporation has provided various guarantees of operating deficits, credit adjustment advances, fee guarantee advances and has a purchase option of certain limited partners' interest at the end of stated periods.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

3. Related Party Transactions *(continued)*

Limited Partnerships (continued)

The Corporation has consolidated the Limited Partnerships as required by U.S. GAAP by the inclusion of the assets, liabilities, partners' capital and results of operations of these partnerships to provide the user of the consolidated financial statements meaningful information about the financial position and results of operations of the Corporation.

The Limited Partnerships for which the Corporation is the general partner are consolidated in the accompanying consolidated financial statements. The non-controlling limited partners' interest at June 30, 2022 are as follows:

For Profit Affiliates	Percent of Non- Controlling Ownership	Non-Controlling Interest
Supportive Slope LP	99.99%	\$ (1,151,429)
551 Warren Street 1 LP	99.99	3,283,433
Atlantic Terrace 12, LLC	66.67	1,495,659
FAC Renaissance LP	99.99	10,123,474
FAC Sunset Park LP	99.99	2,829,724
Northeastern Towers Annex LP	99.99	7,962,444
FAC 6309 Fourth Avenue, LP	99.99	2,332,979
FAC Brownsville LP	99.99	424
		\$ 26,876,708

In connection with the inclusion of these Limited Partnerships', the change in non-controlling limited partners' interest for the year ended June 30, 2022 is as follows:

Inclusion of Limited Partners' non-controlling interest as of July 1, 2021	\$ 23,839,972
Equity Adjustments of LP's non-controlling interests	3,813,016
Non-controlling Limited Partners' Interest in losses of consolidated affiliates	(776,280)
Non controlling Limited Partners' interest in consolidated affiliates as of June 30, 2022	\$ 26,876,708

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

4. Restricted Cash

In accordance with the limited partnerships' regulatory agreements, the limited partnerships are required to maintain certain reserve accounts. The Operating Reserve account is funded from the partners' capital contributions and surplus cash as defined in the limited partnerships' agreements. The Replacement Reserve is required to fund future repairs and replacements as well as capital projects. The Social Service Reserve is to be used for bridging any delays in receipt of any Section 8 rental assistance payments and/or Social Service subsidiaries.

The following is a reconciliation of the cash, cash equivalents and restricted cash reported on the consolidated statement of financial position to the statement of cash flows at June 30, 2022:

Cash	\$ 10,434,361
Restricted cash	<u>7,492,236</u>
	<u>\$ 17,926,597</u>

The following reserve amounts are included in restricted cash on the accompanying consolidated statement of financial position at June 30, 2022:

Replacement reserve	\$ 1,004,568
Operating reserves	5,738,427
Social service reserve	<u>749,241</u>
	<u>\$ 7,492,236</u>

5. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2022:

Land	\$ 1,780,839
Buildings	71,600,857
Furniture and equipment	1,629,976
Leashold improvements	3,877,654
Construction in progress	<u>145,226,816</u>
	224,116,142
Accumulated depreciation and amortization	<u>(22,716,116)</u>
	<u>\$ 201,400,026</u>

Depreciation and amortization expense for the year ended June 30, 2022 was \$2,482,256.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

6. Property Held for Sale

Property held for sale consists of residential affordable and mixed income co-operative units developed using a combination of government grants and mortgage financing. Upon completion, these properties will be sold, in accordance with the terms of the government grants, to qualified buyers in the Red Hook section of Brooklyn, New York. No depreciation is recorded on properties held for sale.

In 2018, two units were sold to unrelated parties for a total of \$1,490,000. In 2021, one unit was sold to an unrelated party for a total of \$734,054. The remaining co-op unit is being rented and then is expected to be sold in 2023.

The value for these properties amounted to \$656,989 for the year ended June 30, 2022.

7. IDA Funds

The Corporation operated an IDA program for eligible individuals who were interested in saving money towards future educational expenses or entrepreneurial projects. The Corporation matched participants' contributions on a 3:1 or 2:1 basis, with specific limitations, for a period of 1 to 3 1/2 years. At June 30, 2022, the Corporation has a liability of \$98,541 for future participant matching funds. The Corporation has stopped participating in this program and management is making its best effort to return the unspent funds as outlined in the funding agreement.

8. Refundable Grants Payable

During 2008, the Corporation received a \$745,000 recoverable grant from the Federal Home Loan Bank to be used to support affordable housing in the Supportive Slope Project. This project is a single occupancy residential facility with 49 units in the Park Slope Section of Brooklyn. The grantor requires the Corporation to sponsor the project and that the project remain affordable for a 15 year period ending 2025, at which time the conditions will have been satisfied. The Corporation loaned these funds to Supportive Slope Limited Partnership, a consolidated entity, at 0% interest rate and payable on the fiftieth (50th) anniversary of the receipt of a certificate of occupancy for the project. On April 29, 2014, a certificate of occupancy was issued by the City of New York. Accordingly, the amount due from the consolidated affiliated companies is eliminated upon consolidation. However, the \$745,000 due to Federal Home Loan Bank from the Corporation is included within refundable grants payable in the accompanying consolidated statement of financial position.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable

Mortgages and notes payable consists of the following at June 30, 2022:

Fifth Avenue Committee, Inc.

FAC has three lines of credit. The first line of credit is with JPMorgan Chase Bank for \$3,000,000, bears a variable interest rate of Adjusted SOFR Rate plus 3.00% per annum above said rate and expires on January 7, 2023. The outstanding borrowing under this line is \$0 at June 30, 2022. The second line of credit is with NeighborWorks Capital in the amount of \$1,800,000 and bears interest at 5.00%. This line has an outstanding principal balance of \$457,262 at June 30, 2022. The third line of credit is with Wells Fargo Bank in the amount of \$500,000 and matures on June 28, 2024 and carries an interest rate of 2% each quarter. At June 30, 2022, the outstanding balance was \$500,000.

\$ 957,262

588 Park Place HDFC

588 Park Place HDFC obtained two mortgages on May 25, 2005 (project awards) from New York State Homeless Housing and Assistance Corporation for an original amount of \$1,425,694 and \$41,506 (total \$1,467,200). The purpose of the proceeds was to fund the development of the building. The mortgages secure the land and building, do not require the payment of interest or principal and will be completely forgiven on May 25, 2035 if the Corporation complies with the terms of the regulatory agreements. There are no principal maturities due in the next five years if the Corporation continues to comply with the regulatory agreements. In addition, on May 25, 2005, the Corporation obtained a mortgage from New York City Department of Housing Preservation and Development for a maximum amount of \$709,186, of which, \$243,743 has been drawn down as of June 30, 2022. The purpose of the proceeds was to fund the development of the building.

1,710,943

50th Street HDFC

On May 31, 1996, the land and building were transferred to the Corporation by New York City Department of Housing Preservation and Development at an appraised value of \$1,407,000 in order to provide housing to low income residents of the Brooklyn, NY Area. The enforcement lien secures the land and building, does not require the payment of interest or principal and will be completely forgiven on May 31, 2028 if the Corporation is in compliance with the terms of the regulatory agreements. There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

9. Mortgages and Notes Payable (*continued*)

50th Street HDFC (continued)

On June 30, 2008, the Corporation obtained a mortgage from New York City Department of Housing Preservation and Development for a maximum amount of \$1,645,496 in order to fund renovation costs.

The mortgage secures the land and building of the Corporation and does not require the monthly payment of principal or interest if the Corporation is in compliance with the regulatory agreements. The mortgage matures on June 30, 2033, when a balloon payment is due.

There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements.

On June 1, 2011, the Corporation received a drawdown of a capital loan from New York City Department of Housing Preservation and Development for an original amount of \$68,617. The loan payable requires monthly payments of \$335 which are applied towards principal and interest at a fixed rate of 2%. The loan payable is self-amortizing and matures in June 2033. Amount of principal outstanding at June 30, 2022 was \$37,363.

\$ 3,088,237

FAC Center Local Development Corporation

FAC LDC has two mortgage notes with the Low Income Investment Fund. The first note has an interest rate of 8%, requires monthly payments of interest and principal, matures on June 1, 2026 and has an outstanding principal balance of \$295,682 at June 30, 2022. The second note has an interest rate of 6.7%, requires monthly payments of interest and principal, matures on June 1, 2036 and has an outstanding principal balance of \$2,909,550 at June 30, 2022. Both loans are collateralized by the FAC Center properties at 621 DeGraw Street and 182 4th Avenue.

3,164,432

Supportive Slope LP

Supportive Slope LP has a mortgage with the New York City Department of Housing Preservation and Development. The note accrues interest at 1% per annum. The note requires no monthly payments of principal and interest and it matures on May 14, 2040. The mortgage is collateralized by the Partnership's investment in real estate.

6,883,444

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable (continued)

551 Warren Street 1 LP

551 Warren Street 1 LP has a non-interest-bearing mortgage note is held by the New York City Housing Preservation and Development Fund. The note will mature on May 1, 2031. The real property of the Partnership is collateral for the loan.

\$ 5,660,566

FAC Advance HDFC

FAC Advance HDFC obtained a note payable for pre-development loan financing from Local Initiatives Support Corporation ("LISC"). The loan was modified on March 1, 2017 to reflect a principal balance of \$194,658 that required monthly payments of principal and interest at a fixed interest rate of 7% and matured on January 1, 2020. The loan was amended effective December 1, 2020 with a new maturity of October 1, 2022. The outstanding principal balance was \$11,895 on June 30, 2022. On May 20, 2016, the corporation obtained a permanent mortgage with the Community Preservation Corporation (CPC) collateralized by the premises at 31 St. Marks Place, 258 51st Street and 237 Fifth Avenue, Brooklyn, New York (the "premises"). The mortgage payable in the amount of \$1,225,000 requires monthly payments of principal and interest at a fixed annualized rate of 5.65% and matures on June 1, 2046. The outstanding principal balance was \$1,113,594 on June 30, 2022. On May 20, 2016, the corporation converted construction financing to a permanent loan with the NYC Department of Housing, Preservation and Development. The mortgage payable in the amount of \$1,853,840 requires monthly payments of principal and interest at a fixed annualized rate of 1% and matures on June 1, 2046. The outstanding principal balance was \$1,826,881 on June 30, 2022.

2,789,663

Atlantic Terrace 12, LLC

Atlantic Terrace 12, LLC has two enforcement notes with the New York City Department of Housing Preservation and Development that are secured by real property located at 212 South Oxford Street in the Fort Greene section of Brooklyn. The enforcement notes may be forgiven if Atlantic Terrace 12, LLC complies with certain requirements as outlined in the respective agreements. The enforcement notes shall not bear interest and mature on May 11, 2026.

1,892,396

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable (continued)

Northeastern Towers Annex LP

Northeastern Towers Annex LP has five construction loans, four entered into on June 26, 2018, and one entered into on February 19, 2021.

HDC has committed \$23,550,000 for construction and permanent financing of the Project. The note accrues interest at 5.10% per annum, during the construction period and requires monthly interest payments. The note, after permanent loan conversion, requires no monthly payments of principal and interest. At permanent loan conversion on May 5, 2022, the note carries interest at 5.575% and matures on August 31, 2061. For the fiscal year ended June 30, 2022, interest expense amounted to \$1,056,980. There was no accrued interest expense for the fiscal year ended June 30, 2022. The mortgage is collateralized by the Partnership's investment in real estate.

HDC has committed \$8,745,000 for construction and permanent financing of the Project. The note accrues interest at 3.26% per annum, during the construction period and requires monthly interest payments of 1.25% on the principal. The note, after permanent loan conversion on May 5, 2022, requires no monthly payments of principal and requires interest only payment representing a rate 1% on the principal. The note matures on August 31, 2061. For the fiscal year ended June 30, 2022, interest expense amounted to \$284,063. There was no accrued interest expense for the fiscal year ended June 30, 2022. The mortgage is collateralized by the Partnership's investment in real estate.

HPD has committed \$14,448,712 for construction and permanent financing of the Project. The note accrues interest at 3.26% per annum, during the construction period and requires monthly interest payments of 0.25% on the principal. The note, after permanent loan conversion on May 5, 2022, carries an interest at 3.01% per annum compounded monthly inclusive of servicing fee, requires no monthly payments of principal and only requires interest only payment representing a rate 0.25% on the principal. The note matures on May 5, 2062. For the fiscal year ended June 30, 2022, interest expense amounted to \$438,421. There was \$1,107,590 accrued interest expense at June 30, 2022. The mortgage is collateralized by the Partnership's investment in real estate.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

9. Mortgages and Notes Payable *(continued)*

Northeastern Towers Annex LP (continued)

HPD has committed \$4,000,000 for construction and permanent financing of the Project. The note accrues interest at 3.26% per annum. During the construction period the note requires monthly interest payments of 0.25% on the principal, compounded monthly. The note, after permanent loan conversion on May 5, 2022, carries an interest at 3.01% per annum compounded monthly inclusive on servicing fee, requires no monthly payments of principal and only requires interest only payment representing a rate 0.25% on the principal. The note matures on May 5, 2062. For the year fiscal year ended June 30, 2022, interest expense amounted \$62,304. There was \$124,342 accrued interest expense at June 30, 2022. The mortgage is collateralized by the Partnership's investment in real estate.

\$ 72,727,526

FAC Sunset Park LP

The first position mortgage was from Bank of New York Mellon and is comprised of both a Building Loan (\$10,696,309) and a Project Loan (\$1,730,875) totaling \$12,427,184, with \$8,712,889 drawn as of June 30, 2022. The loan was originally due on the sooner of the expiration of the permanent rate lock commitment and May 21, 2021, with the option to extend for 6 months for a fee of .25% of the mortgage amount. The Partnership is currently in negotiation with the lender to extend the loan further.

The second position mortgage was provided by NYC Department of Housing Preservation and Development in the amount of \$8,750,000 of which \$8,131,707 had been drawn effective June 30, 2022. The loan has an interest rate of 2.75% and originally matured on May 29, 2021 (with an option for an additional 6-month extension). .25% of the outstanding balance of the mortgage is payable each month with the balance (2.5%) of the interest deferred and compounded monthly. The Partnership is currently in negotiation with the lender to extend the loan further.

The third position mortgage was provided by NYC Department of Housing Preservation and Development in the amount of \$3,655,000 (comprised entirely of Reso-A funds) of which \$3,655,000 had been drawn as of June 30, 2022. The loan has an interest rate of 2.75% and originally matured on May 29, 2021 (with an option for an additional 6-month extension) .25% of the outstanding balance of the mortgage is payable each month with the balance (3.01%) of the interest deferred and compounded monthly. The Partnership is currently in negotiation with the lender to extend the loan further.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable (continued)

FAC Sunset Park LP (continued)

A fourth position enforcement note was provided by NYC Department of Housing Preservation and Development in the amount of \$8,539,999 with a 0% interest and repayable upon any Default, Prohibited Transfer and/or Prohibited Refinancing during the Construction period. At permanent closing, \$2,531,986 of that amount will be forgiven. The remainder, \$6,008,013 will be an enforcement note (with \$4,368,172 on the LIHTC financed apartments and \$1,639,841 on the SLIC financed apartments) accruing at 3.01% compounded monthly for a term of 60 years. The balance of principal and interest will be payable up to the amount of any Resale Profit during the 60 years. The (balance of the) Enforcement Note will be forgiven at the 60th Anniversary of the permanent loan closing.

\$ 20,499,596

FAC Renaissance HDFC

City of New York Department of Housing Preservation and Development ("NYC HPD") mortgage in the amount of \$3,406,138. The mortgage was previously a construction loan for construction and converted into a permanent loan in December 2020 and became the second mortgage. Interest is due monthly at .25% and matures December 1, 2050.

New York City Housing Development and Corporation ("NYC HDC") mortgage in the amount of \$2,931,385. The mortgage is the result of the consolidation of the remaining mortgages associated with the closing of the SBMLP and FACLP properties. The mortgage provides for, among other matters, 0% interest and no payments of principal until the permanent conversion of the construction loans, see note 9. Beginning with conversion date until the sixth anniversary interest of 1% and a .25% service fee shall accrue. Beginning after the sixth anniversary date, interest of .5% plus the .25% service shall be due monthly, and the remaining .5% interest shall accrue until maturity. Maturity is on the thirtieth (30) anniversary of the first pay date. The first pay date is defined as the permanent conversion date. Thus, the loan will be due on November 24, 2050. The outstanding principal at June 30, 2022, was \$2,931,385 and accrued interest was \$0.

City of New York Department of Housing Preservation and Development ("NYC HPD") mortgage in the amount of \$1,695,551. The mortgage is the result of the assumption of a mortgage associated with the SBMLP property. The mortgage provides for, among other matters, 0% interest and no payments of principal until maturity. Maturity is on the thirtieth anniversary, June 15, 2046. The outstanding principal at June 30, 2022 was \$1,695,551.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable *(continued)*

FAC Renaissance HDFC (continued)

A Sponsor Loan with FAC, which was subsequently assigned to HSBC Bank N.A. on June 15, 2016. The funds were provided by the Federal Home Loan Bank of New York's Affordable Housing Program ("AHP"). The loan is evidenced by notes in the amount of \$1,417,500. The purpose of the sponsor loan is to have funds available for construction. The loan matures on the fifteen-year anniversary of the date the first loan converts to permanent financing, May 16, 2034, and it bears no interest. The loan can be prepaid from available cash flow. At June 30, 2022, the outstanding principal balance was \$1,417,500.

New York City Pension Fund, (PENY & CO., LLC), first mortgage in the amount of \$5,469,061. The mortgage was assigned from Local Initiatives Support Corporation ("LISC"). LISC provided a construction loan which was converted into permanent financing in December 2020. The mortgage has a 4.86% interest rate. Monthly payments of principal and interest are required until maturity, December 1, 2050. At June 30, 2022, the outstanding principal was \$5,343,716. The mortgage is serviced by the Community Preservation Corporation.

\$ 14,527,415

FAC 6309 Fourth Avenue LP

FAC 6309 Fourth Avenue LP has three construction loans all entered into on November 27, 2019. The first position mortgage is from JP Morgan Chase and is comprised of both a Building Loan (\$24,397,245) and Project Loan (\$3,603,195), totaling \$28,000,440, with \$15,750,511 drawn as of June 30, 2022. The loan has an interest rate of 1.85% plus LIBOR and matures on April 27, 2023 (with an option for an additional 6-month extension).

The second position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of \$11,676,840 (comprised entirely of HOME funds), of which \$11,592,480 had been drawn as of June 30, 2022. The loan has an interest rate of 3.00% and matures on April 27, 2023 (with an option for an additional 6-month extension). 0.25% of the outstanding balance of the mortgage is payable each month with the balance (2.75%) of the interest deferred and compounded monthly.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable *(continued)*

FAC 6309 Fourth Avenue LP (continued)

The third position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of \$6,000,000 (comprised entirely of Reso. A funds), of which \$4,489,699 had been drawn as of June 30, 2022. The loan has an interest rate of 3.00% and matures on October 27, 2022 (with an option for an additional 6-month extension). 0.25% of the outstanding balance of the mortgage is payable each month with the balance (2.75%) of the interest deferred and compounded monthly.

\$ 31,832,690

FAC Renaissance LP

FAC Renaissance LP has three construction loans. TD Bank holds a first position mortgage on FAC Renaissance LP that includes both a Building Loan and Project Loan. The loan was originally made on November 23, 2016, for a total of \$12,162,943 (\$2,035,905 Project Loan and \$10,127,038 Building Loan). The loan was extended 4 times. The current extension was signed on November 2, 2020, and changes the loan amounts. The Building Loan is \$5,010,936 and the Project Loan \$35,841. The loan extension goes through May 1, 2023. The loan interest rate is the greater of 3.25% or the Loan Index (monthly ICE LIBOR) plus 2.75%. The balance at June 30, 2022, was \$5,219,990 for the Building Loan and \$30,404 for the Project Loan.

The second construction loan is with the New York City Department of Housing Preservation and Development, in the amount of \$1,696,075 and carries an interest rate of .25%. The loan was originated November 23, 2016 and was extended and amended November 2, 2020. At June 30, 2022, the outstanding principal and interest was \$1,696,075 and the loan has a maturity date of May 1, 2023.

The third is a construction loan the New York City Department of Housing Preservation and Development which originated on November 2, 2020, in the amount of \$880,000 and carries an interest rate of 0.25%. At June 30, 2022, the outstanding principal and interest was \$196,723. The loan has a maturity date of May 1, 2023.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

9. Mortgages and Notes Payable *(continued)*

FAC Renaissance LP (continued)

On November 23, 2016, and in consideration for the residential properties, the Partnership entered into the following three mortgages:

Substitute Mortgage A with HPD in the amount of \$136,000. This mortgage was originally made to FAC HDFC for 332 Bergen Street on June 12, 1997 and was then amended on November 23, 2016, and spread to be over all 8 properties in FAC Renaissance LP. It also extended the loan until 60 years after the permanent conversion of FAC Renaissance LP. The mortgage has a .25% servicing fee during construction (and 2.5% as of disbursement) and requires payment of the servicing fee during construction and no payments of principal or interest until maturity. At June 30, 2022, the outstanding balance, including interest, was \$136,000.

Mortgage with HPD in the amount of \$356,655. This mortgage combined two mortgages that were made to 76 Fifth Avenue HDFC and 332 Bergen Street on August 13, 1992 and June 12, 1997 and was amended on November 23, 2016, where the two loans were merged and the loan spread over all 8 properties in FAC Renaissance LP. The mortgage has a 0% interest during construction and then a 2.5% mortgage as of loan conversion and requires no payments of principal or interest until maturity. Interest shall accrue annually. The mortgage matures the earlier of the sixtieth-year anniversary of the Permanent Conversion date, or the expiration of the regulatory agreement with HPD. At June 30, 2022, the outstanding principal was \$356,655.

Mortgage with Housing Trust Fund Corporation (“HTFC”) in the amount of \$1,040,000. This loan was originally made on July 3, 1997 for 320-322 Bergen Street HDFC and was amended on November 23, 2016 and spread over all 8 properties in FAC Renaissance LP. The mortgage has a 1% interest rate and requires no payments of principal or interest until March 20, 2030. Then after the mortgage shall have a 0% interest until maturity. Interest shall accrue annually. The mortgage and all unpaid interest shall be due on the thirtieth anniversary of the permanent conversion of the construction loans with HPD and no later than November 23, 2048. At June 30, 2022, the outstanding principal was \$1,040,000.

There is a Sponsor Loan from Fifth Avenue Committee for \$80,340 dated November 23, 2016. It has an interest rate of 2.5% and requires no payment of principal or interest. The loan runs through 60 years after permanent conversion of FAC Renaissance LP. The balance at June 30, 2022 was \$80,340.

\$ 9,504,844

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

9. Mortgages and Notes Payable (continued)

FAC Brownsville Apartments LP

FAC Brownsville Apartments LP received a \$250,000 5% pre-development loan for a term of two years from initial disbursement, with an optional no-cost 6 months extension. The loan was drawn down in three payments - \$100,000 (amount deposited was minus a \$2,650 origination fee on February 12, 2019; \$50,000 on February 14, 2019 and \$100,000 on May 15, 2020.

\$ 247,350
\$ 175,486,364

Total minimum required principal loan payments for years ending June 30 are payable as follows:

2023	\$ 60,262,729
2024	588,529
2025	860,345
2026	376,420
2027	318,043
Thereafter	<u>113,398,341</u>
	175,486,364

Unamortized debt issuance costs	<u>(838,963)</u>
	<u>\$ 174,647,401</u>

The underlying property for each of the mortgages serves as collateral.

10. Net Assets With Donor Restriction - FAC and LEAP

Changes in net assets with donor restrictions for the year ended June 30, 2022 consisted of the following:

Purpose/Restriction	Balance, June 30, 2021	Additions	Releases	Balance, June 30, 2022
Fifth Avenue Committee, Inc.				
Organizing	\$ 13,637	\$ 183,902	\$ (142,592)	\$ 54,947
Sunset Park Bridge Program	74,976	-	(74,976)	-
Community Development	-	75,000	(37,500)	37,500
Gowanus Oversight Task Force	-	150,000	-	150,000
Non-profit Housing Recovery	155,600	254,000	(299,600)	110,000
Administration	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>
Total	<u>250,213</u>	<u>662,902</u>	<u>(560,668)</u>	<u>352,447</u>

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

10. Net Assets With Donor Restriction - FAC and LEAP (continued)

Purpose/Restriction	Balance, June 30, 2021	Additions	Releases	Balance, June 30, 2022
LEAP, Inc.				
Workforce Collaboration	\$ 93,098	\$ 205,000	\$ (189,607)	\$ 108,491
Woodworker Training	-	40,000	(40,000)	-
CDL Training	-	150,000	(150,000)	-
Made in NY Training Program	-	5,000	(5,000)	-
Total	<u>93,098</u>	<u>400,000</u>	<u>(384,607)</u>	<u>108,491</u>
	<u>\$ 343,311</u>	<u>\$ 1,062,902</u>	<u>\$ (945,275)</u>	<u>\$ 460,938</u>

11. Retirement Plan

FAC and LEAP have Simplified Employee Pension Plans, which are defined contribution plans. LEAP made contributions of \$91,989 for the year ended June 30, 2022. FAC made contributions of \$137,109 for the year ended June 30, 2022.

12. Operating Leases

At June 30, 2022, the Corporation leases commercial office space under the terms of various operating leases which expire in various years through 2029. Rent expense for the year ended June 30, 2022 was \$608,804.

Future minimum required annual lease payments for the years ending June 30 are as follows:

2023	\$ 436,383
2024	329,123
2025	341,447
2026	356,502
2027	347,264
Thereafter	<u>226,566</u>
	<u>\$ 2,037,285</u>

13. Concentrations of Credit Risk

Financial instruments which potentially subject the Corporation to significant concentrations of credit risk consist principally of cash and cash equivalents and accounts and grants receivable. The Corporation maintains its cash and cash equivalents with various financial institutions, which at times, may be in excess of federally insured limits. At June 30, 2022 and 2021, \$4,450,026 and \$3,400,144 of cash was maintained with an institution in excess of Federal Deposit Insurance Corporation limits. The Corporation has not experienced any losses on its cash accounts.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2022

14. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial date, comprise the following:

Cash	\$ 10,434,361
Grants receivable	2,741,025
Accounts receivable, net	<u>3,460,654</u>
	16,636,040

Amounts Unavailable for General Expenditure:

Restricted by donors with timing and purpose restrictions	<u>(460,938)</u>
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Financial Assets at Year End Available to Meet Cash

Needs for General Expenditure Within One Year	<u>\$ 16,175,102</u>
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As part of the Corporation's liquidity management, the Corporation monitors the status and collectability of its accounts receivable on a regular basis. In addition, the Corporation has lines of credit with various lenders which can be used to finance short-term working capital needs (see Note 9).

15. Risks and Uncertainties

The Corporation's operations and financial performance may be affected by the recent COVID-19 outbreak, which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Corporation may experience a disruption in operations as well as a decline in revenue activities. Economic uncertainty is related to the potential reduction and/or delays in federal, state and local grant funding, and reductions in contributions related to a decrease in discretionary income of potential donors. The outbreak may adversely affect the Corporation's activities, financial condition, results of operations, and cash flows. Management is closely monitoring the impact of COVID-19 and believes that the Corporation is taking appropriate actions to mitigate the negative impact. However, management is unable to estimate the financial impact, if any, related to this matter.

16. Litigation

The Corporation may periodically become a party to litigation that arose in the normal course of business. Management does not believe the ultimate outcome of these claims will have a material adverse effect on the financial statements.

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**Fifth Avenue Committee, Inc.
and Subsidiaries**

Supplementary Information

June 30, 2022

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position June 30, 2022

	Non-Profit Corporations	HDFCs	Limited Partnerships	Other Entities	Total	Eliminations	Consolidated Total
ASSETS							
Current Assets							
Cash	\$ 5,188,580	\$ 318,981	\$ 4,845,124	\$ 81,676	\$ 10,434,361	\$ -	\$ 10,434,361
Restricted cash	100,067	623,671	6,768,498	-	7,492,236	-	7,492,236
Grants receivable	2,875,340	-	-	-	2,875,340	(134,315)	2,741,025
Accounts receivable	1,893,243	1,028,440	541,170	74,129	3,536,982	(76,328)	3,460,654
Prepaid expenses	32,923	117,175	112,369	70	262,537	-	262,537
Advances to affiliates	3,233,857	145,034	-	126,000	3,504,891	(2,759,693)	745,198
Total Current Assets	<u>13,324,010</u>	<u>2,233,301</u>	<u>12,267,161</u>	<u>281,875</u>	<u>28,106,347</u>	<u>(2,970,336)</u>	<u>25,136,011</u>
Investment in unconsolidated affiliates	-	271,117	-	295,465	566,582	(231,468)	335,114
Mortgage receivable from affiliated company	745,000	-	-	-	745,000	(745,000)	-
Property, plant and equipment, net	4,652,241	20,043,520	177,142,913	129,626	201,968,300	(568,274)	201,400,026
Property held for sale	-	-	-	656,989	656,989	-	656,989
Right to use assets	1,382,565	-	-	-	1,382,565	-	1,382,565
Other assets	452,914	175,158	600,339	2,995	1,231,406	(3,539)	1,227,867
	<u>\$ 20,556,730</u>	<u>\$ 22,723,096</u>	<u>\$ 190,010,413</u>	<u>\$ 1,441,779</u>	<u>\$ 234,732,018</u>	<u>\$ (4,593,446)</u>	<u>\$ 230,138,572</u>
LIABILITIES AND NET ASSETS							
Current Liabilities							
Accounts payable	\$ 930,959	\$ 279,839	\$ 6,649,755	\$ 607,693	\$ 8,468,246	\$ (202,328)	\$ 8,265,918
Accrued expenses	760,604	45,757	3,350,093	174,500	4,330,954	-	4,330,954
Mortgages and notes payable, current portion	653,603	133,648	59,475,478	-	60,262,729	-	60,262,729
Loans payable, affiliated companies	-	-	871,000	-	871,000	(871,000)	-
Grants payable, subsidiary	5,289	-	-	-	5,289	(5,289)	-
Tenants' deposits payable	145,155	138,831	-	5,695	289,681	(3,539)	286,142
Due to related parties	-	1,161,571	1,044,579	257,161	2,463,311	(2,463,311)	-
Total Current Liabilities	<u>2,495,610</u>	<u>1,759,646</u>	<u>71,390,905</u>	<u>1,045,049</u>	<u>76,691,210</u>	<u>(3,545,467)</u>	<u>73,145,743</u>
IDA funds	98,541	-	-	-	98,541	-	98,541
Refundable grants payable	896,250	-	-	-	896,250	-	896,250
Lease liabilities	1,385,688	-	-	-	1,385,688	-	1,385,688
Other payables	184,643	1,285,044	1,316,039	1,216,328	4,002,054	-	4,002,054
Mortgages and notes payable, net of current portion and unamortized debt financing costs	3,468,091	21,982,610	89,772,934	-	115,223,635	-	115,223,635
Total Liabilities	<u>8,528,823</u>	<u>25,027,300</u>	<u>162,479,878</u>	<u>2,261,377</u>	<u>198,297,378</u>	<u>(3,545,467)</u>	<u>194,751,911</u>
Net Assets (Deficit)							
Without donor restriction	11,566,969	(2,304,204)	653,827	(819,598)	9,096,994	(1,047,979)	8,049,015
With donor restriction	460,938	-	-	-	460,938	-	460,938
	<u>12,027,907</u>	<u>(2,304,204)</u>	<u>653,827</u>	<u>(819,598)</u>	<u>9,557,932</u>	<u>(1,047,979)</u>	<u>8,509,953</u>
Non-controlling Limited Partners' interest in consolidated affiliates	-	-	26,876,708	-	26,876,708	-	26,876,708
Total Net Assets (Deficit)	<u>12,027,907</u>	<u>(2,304,204)</u>	<u>27,530,535</u>	<u>(819,598)</u>	<u>36,434,640</u>	<u>(1,047,979)</u>	<u>35,386,661</u>
	<u>\$ 20,556,730</u>	<u>\$ 22,723,096</u>	<u>\$ 190,010,413</u>	<u>\$ 1,441,779</u>	<u>\$ 234,732,018</u>	<u>\$ (4,593,446)</u>	<u>\$ 230,138,572</u>

See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Non-Profit Corporations
June 30, 2022

	Fifth Avenue Committee, Inc.	Leap, Inc.	* FAC Center Local Development Corp.	* Neighbors Helping Neighbors	Total
ASSETS					
Current Assets					
Cash	\$ 1,867,915	\$ 2,988,782	\$ 177,273	\$ 154,610	\$ 5,188,580
Restricted cash	-	-	100,067	-	100,067
Grants receivable	1,607,448	1,267,892	-	-	2,875,340
Accounts receivable	692,675	139,640	266,484	794,444	1,893,243
Prepaid expenses	13,008	12,167	1,418	6,330	32,923
Advances to affiliates	<u>3,173,395</u>	<u>60,462</u>	<u>-</u>	<u>-</u>	<u>3,233,857</u>
Total Current Assets	7,354,441	4,468,943	545,242	955,384	13,324,010
Mortgage receivable from affiliated company	745,000	-	-	-	745,000
Property, plant and equipment, net	283,555	478,296	3,884,615	5,775	4,652,241
Right to use asset	-	1,382,565	-	-	1,382,565
Other assets	<u>87,866</u>	<u>70,873</u>	<u>117,828</u>	<u>176,347</u>	<u>452,914</u>
	<u>\$ 8,470,862</u>	<u>\$ 6,400,677</u>	<u>\$ 4,547,685</u>	<u>\$ 1,137,506</u>	<u>\$ 20,556,730</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	\$ 509,217	\$ 301,558	\$ 27,532	\$ 92,652	\$ 930,959
Accrued expenses	435,990	291,609	18,251	14,754	760,604
Mortgages and notes payable, current portion	457,262	-	196,341	-	653,603
Grants payable, subsidiary	5,289	-	-	-	5,289
Tenants' deposits payable	<u>76,980</u>	<u>-</u>	<u>68,175</u>	<u>-</u>	<u>145,155</u>
Total Current Liabilities	1,484,738	593,167	310,299	107,406	2,495,610
IDA funds	98,541	-	-	-	98,541
Refundable grants payable	896,250	-	-	-	896,250
Lease liabilities	-	1,385,688	-	-	1,385,688
Other payables	612	-	9,975	174,056	184,643
Mortgages and notes payable, net of current portion and unamortized debt financing costs	<u>500,000</u>	<u>-</u>	<u>2,968,091</u>	<u>-</u>	<u>3,468,091</u>
Total Liabilities	<u>2,980,141</u>	<u>1,978,855</u>	<u>3,288,365</u>	<u>281,462</u>	<u>8,528,823</u>
Net Assets					
Without donor restriction	5,138,274	4,313,331	1,259,320	856,044	11,566,969
With donor restriction	<u>352,447</u>	<u>108,491</u>	<u>-</u>	<u>-</u>	<u>460,938</u>
Total Net Assets	<u>5,490,721</u>	<u>4,421,822</u>	<u>1,259,320</u>	<u>856,044</u>	<u>12,027,907</u>
	<u>\$ 8,470,862</u>	<u>\$ 6,400,677</u>	<u>\$ 4,547,685</u>	<u>\$ 1,137,506</u>	<u>\$ 20,556,730</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of HDFCs June 30, 2022

	*	*	*	*	*	*	Total
	588 Park Place	FAC Renaissance HDFC	FAC Advance HDFC	FAC Homeownership HDFC	50th Street HDFC	573 Warren St HDFC	
ASSETS							
Current Assets							
Cash	\$ 58,121	\$ 18,342	\$ 20,653	\$ 23,815	\$ 134,570	\$ 63,480	\$ 318,981
Restricted cash	178,624	-	18,971	-	276,399	149,677	623,671
Accounts receivable	16,763	1,022,958	8,645	1,532	21,945	(43,403)	1,028,440
Prepaid expenses	9,863	42,211	20,263	901	20,989	22,948	117,175
Advances to unconsolidated affiliates	-	5,034	-	-	-	140,000	145,034
Total Current Assets	<u>263,371</u>	<u>1,088,545</u>	<u>68,532</u>	<u>26,248</u>	<u>453,903</u>	<u>332,702</u>	<u>2,233,301</u>
Investment in unconsolidated affiliates	-	-	271,117	-	-	-	271,117
Property, plant and equipment, net	1,121,873	13,556,479	2,761,140	439,635	2,017,894	146,499	20,043,520
Other assets	<u>9,661</u>	<u>68,495</u>	<u>69,088</u>	<u>3,263</u>	<u>26,763</u>	<u>(2,112)</u>	<u>175,158</u>
	<u>\$ 1,394,905</u>	<u>\$ 14,713,519</u>	<u>\$ 3,169,877</u>	<u>\$ 469,146</u>	<u>\$ 2,498,560</u>	<u>\$ 477,089</u>	<u>\$ 22,723,096</u>
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	\$ 9,116	\$ 125,143	\$ 30,215	\$ 82,409	\$ 32,956	\$ -	\$ 279,839
Accrued expenses	41,639	-	-	2,580	-	1,538	45,757
Mortgages and notes payable, current portion	-	91,175	39,170	-	3,303	-	133,648
Tenants' deposits payable	9,661	71,704	33,235	3,263	20,968	-	138,831
Due to related parties	<u>60</u>	<u>107,443</u>	<u>1,074,346</u>	<u>-</u>	<u>(20,278)</u>	<u>-</u>	<u>1,161,571</u>
Total Current Liabilities	<u>60,476</u>	<u>395,465</u>	<u>1,176,966</u>	<u>88,252</u>	<u>36,949</u>	<u>1,538</u>	<u>1,759,646</u>
Other payables	400,000	542,593	330,000	-	8,329	4,122	1,285,044
Mortgages and notes payable, net of current portion and unamortized debt financing costs	<u>1,710,943</u>	<u>14,436,240</u>	<u>2,750,493</u>	<u>-</u>	<u>3,084,934</u>	<u>-</u>	<u>21,982,610</u>
Total Liabilities	<u>2,171,419</u>	<u>15,374,298</u>	<u>4,257,459</u>	<u>88,252</u>	<u>3,130,212</u>	<u>5,660</u>	<u>25,027,300</u>
Net Assets (Deficit) Without Donor Restriction	<u>(776,514)</u>	<u>(660,779)</u>	<u>(1,087,582)</u>	<u>380,894</u>	<u>(631,652)</u>	<u>471,429</u>	<u>(2,304,204)</u>
	<u>\$ 1,394,905</u>	<u>\$ 14,713,519</u>	<u>\$ 3,169,877</u>	<u>\$ 469,146</u>	<u>\$ 2,498,560</u>	<u>\$ 477,089</u>	<u>\$ 22,723,096</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Limited Partnerships June 30, 2022

	*	*	*	Northeastern Towers Annex LP	*	*	*	*	Total
	551 Warren St LP	Atlantic Terrace 12 LLC	Supportive Slope LP	Northeastern Towers Annex LP	* FAC Sunset Park LP	* FAC Renaissance LP	* FAC 6309 Fourth Ave LP	* FAC Brownsville Apartments LP	Total
ASSETS									
Current Assets									
Cash	\$ 1,376,054	\$ 223,672	\$ 45,380	\$ 271,166	\$ 886,281	\$ 455,556	\$ 1,554,748	\$ 32,267	\$ 4,845,124
Restricted cash	4,055,057	-	182,302	-	-	2,531,139	-	-	6,768,498
Accounts receivable	(12,535)	122,288	42,114	191,362	5,775	155,843	36,323	-	541,170
Prepaid expenses	4,295	9,584	8,322	-	-	90,168	-	-	112,369
Total Current Assets	<u>5,422,871</u>	<u>355,544</u>	<u>278,118</u>	<u>462,528</u>	<u>892,056</u>	<u>3,232,706</u>	<u>1,591,071</u>	<u>32,267</u>	<u>12,267,161</u>
Property, plant and equipment, net	3,520,947	4,306,945	8,508,795	80,856,443	23,588,084	18,863,919	37,257,183	240,597	177,142,913
Other assets	<u>37,749</u>	<u>259,875</u>	<u>30,781</u>	<u>-</u>	<u>-</u>	<u>271,934</u>	<u>-</u>	<u>-</u>	<u>600,339</u>
	<u>\$ 8,981,567</u>	<u>\$ 4,922,364</u>	<u>\$ 8,817,694</u>	<u>\$ 81,318,971</u>	<u>\$ 24,480,140</u>	<u>\$ 22,368,559</u>	<u>\$ 38,848,254</u>	<u>\$ 272,864</u>	<u>\$ 190,010,413</u>
LIABILITIES AND NET ASSETS (DEFICIT)									
Current Liabilities									
Accounts payable	\$ 49,089	\$ 293,291	\$ 1,553,584	\$ 382,701	\$ 95,875	\$ -	\$ 4,249,701	\$ 25,514	\$ 6,649,755
Accrued expenses	(11,849)	-	787,248	245,500	-	2,329,194	-	-	3,350,093
Mortgages and notes payable, current portion	-	-	-	-	20,499,596	7,143,192	31,832,690	-	59,475,478
Loans payable, affiliated companies	-	-	745,000	-	26,000	98,000	2,000	-	871,000
Due to related parties	-	493,300	-	-	41,268	407,803	102,208	-	1,044,579
Total Current Liabilities	<u>37,240</u>	<u>786,591</u>	<u>3,085,832</u>	<u>628,201</u>	<u>20,662,739</u>	<u>9,978,189</u>	<u>36,186,599</u>	<u>25,514</u>	<u>71,390,905</u>
Other payables	-	-	-	-	987,393	-	328,646	-	1,316,039
Mortgages and notes payable, net of current portion and unamortized debt financing costs	<u>5,660,566</u>	<u>1,892,396</u>	<u>6,883,444</u>	<u>72,727,526</u>	<u>-</u>	<u>2,361,652</u>	<u>-</u>	<u>247,350</u>	<u>89,772,934</u>
Total Liabilities	<u>5,697,806</u>	<u>2,678,987</u>	<u>9,969,276</u>	<u>73,355,727</u>	<u>21,650,132</u>	<u>12,339,841</u>	<u>36,515,245</u>	<u>272,864</u>	<u>162,479,878</u>
Net Assets (Deficit)									
Without donor restriction	328	747,718	(153)	800	284	(94,756)	30	(424)	653,827
Non-controlling Limited Partners' interest in consolidated affiliates	<u>3,283,433</u>	<u>1,495,659</u>	<u>(1,151,429)</u>	<u>7,962,444</u>	<u>2,829,724</u>	<u>10,123,474</u>	<u>2,332,979</u>	<u>424</u>	<u>26,876,708</u>
Total Net Assets (Deficit)	<u>3,283,761</u>	<u>2,243,377</u>	<u>(1,151,582)</u>	<u>7,963,244</u>	<u>2,830,008</u>	<u>10,028,718</u>	<u>2,333,009</u>	<u>-</u>	<u>27,530,535</u>
	<u>\$ 8,981,567</u>	<u>\$ 4,922,364</u>	<u>\$ 8,817,694</u>	<u>\$ 81,318,971</u>	<u>\$ 24,480,140</u>	<u>\$ 22,368,559</u>	<u>\$ 38,848,254</u>	<u>\$ 272,864</u>	<u>\$ 190,010,413</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Other Entities June 30, 2022

	FAC Red Hook Homes, Inc.	Northeastern Towers Annex Manager LLC	Northeastern Towers Annex Developer LLC	FAC 6309 Fourth Avenue MM LLC	* FAC Solar, LLC	General Partners	Total
ASSETS							
Current Assets							
Cash	\$ 51,493	\$ -	\$ 26,897	\$ -	\$ 2,549	\$ 737	\$ 81,676
Accounts receivable	66,129	-	-	-	8,000	-	74,129
Prepaid expenses	-	-	-	-	70	-	70
Advances to unconsolidated affiliates	126,000	-	-	-	-	-	126,000
Total Current Assets	243,622	-	26,897	-	10,619	737	281,875
Investment in affiliated companies	-	-	-	-	-	74,829	74,829
Investment in unconsolidated affiliates	-	295,465	-	-	-	-	295,465
Property, plant and equipment, net	-	-	129,626	-	-	-	129,626
Property held for sale	656,989	-	-	-	-	-	656,989
Other assets	2,995	-	-	-	-	-	2,995
	<u>\$ 903,606</u>	<u>\$ 295,465</u>	<u>\$ 156,523</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 75,566</u>	<u>\$ 1,441,779</u>
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	\$ 587,406	\$ -	\$ 65	\$ 25	\$ 20,197	\$ -	\$ 607,693
Accrued expenses	174,500	-	-	-	-	-	174,500
Tenants' deposits payable	5,695	-	-	-	-	-	5,695
Due to related parties	100,000	100	157,061	-	-	-	257,161
Total Current Liabilities	867,601	100	157,126	25	20,197	-	1,045,049
Other payables	-	295,465	-	2,300	-	918,563	1,216,328
Total Liabilities	867,601	295,565	157,126	2,325	20,197	918,563	2,261,377
Net assets (deficit) Without Donor Restrictions	<u>36,005</u>	<u>(100)</u>	<u>(603)</u>	<u>(2,325)</u>	<u>(9,578)</u>	<u>(842,997)</u>	<u>(819,598)</u>
	<u>\$ 903,606</u>	<u>\$ 295,465</u>	<u>\$ 156,523</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 75,566</u>	<u>\$ 1,441,779</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities Year Ended June 30, 2022

	Non-Profit Corporations	HDFCs	Limited Partnerships	Other Entities	Total	Eliminations	Consolidated Total
SUPPORT AND REVENUE							
Government grants	\$ 4,855,625	\$ 189,034	\$ -	\$ -	\$ 5,044,659	\$ -	\$ 5,044,659
Contributions - corporations	1,574,973	-	-	-	1,574,973	-	1,574,973
Contributions - foundations and trusts	4,857,270	-	-	-	4,857,270	-	4,857,270
Contributions - individuals	305,056	-	-	-	305,056	-	305,056
Special events income	316,122	-	-	-	316,122	-	316,122
In-kind contributions	86,904	-	-	-	86,904	-	86,904
Management and reimbursable fees	1,434,576	-	-	-	1,434,576	(1,202,248)	232,328
Development and marketing	978,513	-	-	-	978,513	(277,570)	700,943
Program services	375,732	-	-	-	375,732	(134,980)	240,752
Rental income	1,487,865	2,195,409	2,768,895	29,858	6,482,027	(841,321)	5,640,706
Interest income	(519,923)	66	-	33	(519,824)	-	(519,824)
Subcontract income	755,711	-	-	28,875	784,586	(390,433)	394,153
Gain on forgiveness of debt	533,300	-	-	-	533,300	-	533,300
Other revenue	39,645	139,328	127,186	420	306,579	(11,393)	295,186
Total Support and Revenue	<u>17,081,369</u>	<u>2,523,837</u>	<u>2,896,081</u>	<u>59,186</u>	<u>22,560,473</u>	<u>(2,857,945)</u>	<u>19,702,528</u>
EXPENSES							
Salaries	7,203,582	-	-	-	7,203,582	(118,868)	7,084,714
Contributed services - salaries	86,904	-	-	-	86,904	-	86,904
Payroll taxes and fringe benefits	2,114,327	-	-	-	2,114,327	(32,651)	2,081,676
Administrative	13,301	3,014	-	2,000	18,315	(74,106)	(55,791)
Consultants	797,624	14,500	-	-	812,124	(25,449)	786,675
Repairs and maintenance	105,939	330,305	433,279	7,277	876,800	(878)	875,922
Office supplies and printing	117,706	7,529	-	-	125,235	(34,521)	90,714
Telephone and postage	148,895	1,760	1,703	-	152,358	(10,565)	141,793
Utilities	97,289	558,157	382,739	38,032	1,076,217	(9,850)	1,066,367
Professional fees	125,062	87,588	152,430	3,000	368,080	(38,537)	329,543
Occupancy	1,450,125	-	-	-	1,450,125	(841,321)	608,804
Miscellaneous	3,897	(5,441)	(53,806)	651,536	596,186	(288,963)	307,223
Meetings and events	21,577	-	-	-	21,577	-	21,577
Marketing	105,257	-	-	-	105,257	-	105,257
Conference, travel, and training	66,621	-	-	421	67,042	-	67,042
Contractual services	513,182	-	-	-	513,182	-	513,182
Dues and subscriptions	7,480	175	-	-	7,655	-	7,655
Software and support	189,752	7,193	8,936	-	205,881	-	205,881
Insurance	84,783	196,306	188,794	-	469,883	(8,736)	461,147
Equipment, furniture and fixtures	89,157	-	-	-	89,157	(10,060)	79,097
Fees and bank charges	91,086	13,603	8,802	1,041	114,532	-	114,532
Program expenses	927,467	-	-	-	927,467	(134,980)	792,487
Publication and books	8,203	-	-	-	8,203	-	8,203
Management and development fees	49,296	589,031	720,399	3,500	1,362,226	(1,202,248)	159,978
Bad debts	102,652	67,638	123,158	-	293,448	-	293,448
Interest and debt issuance costs	228,523	452,845	160,825	73,842	916,035	-	916,035
Property taxes	-	28,694	32,878	198	61,770	-	61,770
Direct fundraising expense	99,864	11,734	-	-	111,598	-	111,598
Depreciation and amortization	283,367	771,549	1,453,552	-	2,508,468	(26,212)	2,482,256
Total Expenses	<u>15,134,970</u>	<u>3,136,180</u>	<u>3,613,689</u>	<u>780,847</u>	<u>22,665,686</u>	<u>(2,857,945)</u>	<u>19,807,741</u>
Change in Net Assets Before Other Changes	1,946,399	(612,343)	(717,608)	(721,661)	(105,213)	-	(105,213)
OTHER CHANGES							
Capital contributions	-	-	107	-	107	-	107
Distributions	-	-	(6,439)	-	(6,439)	-	(6,439)
Non-controlling interest in losses of consolidated affiliates	-	-	776,280	-	776,280	371,088	1,147,368
Change in Net Assets	<u>\$ 1,946,399</u>	<u>\$ (612,343)</u>	<u>\$ 52,340</u>	<u>\$ (721,661)</u>	<u>\$ 664,735</u>	<u>\$ 371,088</u>	<u>\$ 1,035,823</u>

See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Non-Profit Corporations Year Ended June 30, 2022

	Fifth Avenue Committee, Inc.	Leap, Inc.	* FAC Center Local Development Corp.	* Neighbors Helping Neighbors	Total
SUPPORT AND REVENUE					
Government grants	\$ 2,837,211	\$ 1,392,412	\$ -	\$ 626,002	\$ 4,855,625
Contributions - corporations	814,321	685,652	-	75,000	1,574,973
Contributions - foundations and trusts	1,317,652	3,254,000	-	285,618	4,857,270
Contributions - individuals	38,465	264,107	-	2,484	305,056
Special events income	179,790	122,600	-	13,732	316,122
In-kind contributions	-	86,904	-	-	86,904
Management and reimbursable fees	1,434,576	-	-	-	1,434,576
Development and marketing fees	978,513	-	-	-	978,513
Program services	157,487	193,075	-	25,170	375,732
Rental income	777,531	-	710,334	-	1,487,865
Interest income	30	(520,128)	175	-	(519,923)
Subcontract income	552,204	173,507	-	30,000	755,711
Gain on forgiveness of debt	-	533,300	-	-	533,300
Other revenue	28,854	-	2,767	8,024	39,645
Total Support and Revenue	<u>9,116,634</u>	<u>6,185,429</u>	<u>713,276</u>	<u>1,066,030</u>	<u>17,081,369</u>
EXPENSES					
Salaries	4,043,560	2,570,290	-	589,732	7,203,582
Contributed services - salaries	-	86,904	-	-	86,904
Payroll taxes and fringe benefits	1,325,079	699,001	-	90,247	2,114,327
Administrative	-	7,596	5,705	-	13,301
Consultants	591,411	178,844	-	27,369	797,624
Repairs and maintenance	17,052	28,436	57,891	2,560	105,939
Office supplies and printing	54,716	50,016	2,115	10,859	117,706
Telephone and postage	102,352	44,826	-	1,717	148,895
Utilities	34,053	41,474	21,762	-	97,289
Professional fees	55,442	57,240	5,880	6,500	125,062
Occupancy	762,410	641,873	-	45,842	1,450,125
Miscellaneous	-	1,148	-	2,749	3,897
Meetings and events	21,577	-	-	-	21,577
Marketing	55,147	50,110	-	-	105,257
Conference, travel, and training	22,780	43,841	-	-	66,621
Contractual services	508,778	-	4,404	-	513,182
Staff outing	2,052	-	-	-	2,052
Dues and subscriptions	-	6,430	-	1,050	7,480
Software and support	-	189,752	-	-	189,752
Insurance	46,730	16,013	14,201	7,839	84,783
Equipment, furniture and fixtures	67,622	21,535	-	-	89,157
Fees and bank charges	59,822	31,264	-	-	91,086
Program expenses	17,711	905,066	-	4,690	927,467
Publication and books	8,203	-	-	-	8,203
Management fees	-	-	49,296	-	49,296
Bad debts	101,652	1,000	-	-	102,652
Interest and debt issuance costs	3,875	-	224,648	-	228,523
Direct fundraising expense	64,155	35,709	-	-	99,864
Depreciation	38,953	82,843	160,884	687	283,367
Total Expenses	<u>8,005,132</u>	<u>5,791,211</u>	<u>546,786</u>	<u>791,841</u>	<u>15,134,970</u>
Change in Net Assets	<u>\$ 1,111,502</u>	<u>\$ 394,218</u>	<u>\$ 166,490</u>	<u>\$ 274,189</u>	<u>\$ 1,946,399</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of HDFCs Year Ended June 30, 2022

	*	*	*	*	*	*	Total
	588 Park Place	FAC Renaissance HDFC	FAC Advance HDFC	FAC Homeownership HDFC	50th Street HDFC	573 Warren St HDFC	
SUPPORT AND REVENUE							
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,034	\$ 189,034
Rental income	187,017	1,127,588	289,421	81,494	476,984	32,905	2,195,409
Interest income	34	30	2	-	-	-	66
Other revenue	737	171,100	-	25,000	(2,007)	(55,502)	139,328
Total Support and Revenue	<u>187,788</u>	<u>1,298,718</u>	<u>289,423</u>	<u>106,494</u>	<u>474,977</u>	<u>166,437</u>	<u>2,523,837</u>
EXPENSES							
Administrative	655	-	2,359	-	-	-	3,014
Consultants	14,500	-	-	-	-	-	14,500
Repairs and maintenance	35,483	190,599	35,691	14,033	54,499	-	330,305
Office supplies and printing	2,968	-	2,440	2,121	-	-	7,529
Telephone and postage	-	716	-	-	405	639	1,760
Utilities	43,074	290,494	33,930	26,568	124,364	39,727	558,157
Professional fees	9,486	60,688	7,140	4,410	5,729	135	87,588
Miscellaneous	-	(3,190)	-	-	-	(2,251)	(5,441)
Dues and subscriptions	-	-	-	-	-	175	175
Software and support	-	4,067	-	-	2,436	690	7,193
Insurance	13,814	92,107	19,900	7,027	28,926	34,532	196,306
Fees and bank charges	-	7,626	-	1,015	3,341	1,621	13,603
Management fees	76,387	211,131	52,170	32,665	126,475	90,203	589,031
Bad debts	7,878	43,889	-	-	14,300	1,571	67,638
Interest and debt issuance costs	2,437	357,351	91,811	624	651	(29)	452,845
Property taxes	-	13	-	28,681	-	-	28,694
Write down of investment	-	-	11,734	-	-	-	11,734
Depreciation and amortization	77,742	389,878	120,560	24,781	124,258	34,330	771,549
Total Expenses	<u>284,424</u>	<u>1,645,369</u>	<u>377,735</u>	<u>141,925</u>	<u>485,384</u>	<u>201,343</u>	<u>3,136,180</u>
Change in Net Assets	<u>\$ (96,636)</u>	<u>\$ (346,651)</u>	<u>\$ (88,312)</u>	<u>\$ (35,431)</u>	<u>\$ (10,407)</u>	<u>\$ (34,906)</u>	<u>\$ (612,343)</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Limited Partnerships Year Ended June 30, 2022

	*			Northeastern	*	*	*	FAC	
	551	Atlantic	Supportive	Towers	FAC	FAC	FAC	FAC	Total
	Warren St LP	Terrace 12 LLC	Slope LP	Annex LP	Sunset Park LP	Renaissance LP	6309	Brownsville	
							Fourth Ave LP	Apartments LP	
SUPPORT AND REVENUE									
Rental income	\$ 692,191	\$ 569,857	\$ 707,368	\$ -	\$ -	\$ 799,479	\$ -	\$ -	\$ 2,768,895
Other revenue	78,479	90	112,129	-	(115,841)	(8,748)	61,077	-	127,186
Total Support and Revenue	<u>770,670</u>	<u>569,947</u>	<u>819,497</u>	<u>-</u>	<u>(115,841)</u>	<u>790,731</u>	<u>61,077</u>	<u>-</u>	<u>2,896,081</u>
EXPENSES									
Repairs and maintenance	86,734	86,351	169,673	-	-	90,521	-	-	433,279
Telephone and postage	744	-	405	-	-	554	-	-	1,703
Utilities	118,876	24,351	111,200	-	-	127,425	887	-	382,739
Professional fees	22,414	22,575	40,914	-	33,885	32,542	100	-	152,430
Miscellaneous	14,400	(8,534)	1,638	3	(24,998)	(46,775)	10,460	-	(53,806)
Software and support	3,352	-	2,366	-	-	3,218	-	-	8,936
Insurance	53,575	15,168	47,337	-	-	72,714	-	-	188,794
Fees and bank charges	905	305	1,760	-	-	2,562	3,270	-	8,802
Management fees	206,855	36,482	327,271	-	-	149,791	-	-	720,399
Bad debts	-	91,996	-	-	-	31,162	-	-	123,158
Interest and debt issuance costs	518	-	73,918	-	-	86,389	-	-	160,825
Property taxes	-	16,081	12,414	-	2	4,381	-	-	32,878
Depreciation and amortization	172,043	108,194	566,912	-	-	606,403	-	-	1,453,552
Total Expenses	<u>680,416</u>	<u>392,969</u>	<u>1,355,808</u>	<u>3</u>	<u>8,889</u>	<u>1,160,887</u>	<u>14,717</u>	<u>-</u>	<u>3,613,689</u>
Change in Net Assets Before Other Changes	90,254	176,978	(536,311)	(3)	(124,730)	(370,156)	46,360	-	(717,608)
OTHER CHANGES									
Capital contributions	-	-	-	102	-	5	-	-	107
Distributions	-	(6,715)	-	-	276	-	-	-	(6,439)
Non-controlling interest in income and losses of consolidated affiliates	(90,245)	(117,991)	536,238	6	124,718	370,119	(46,353)	(212)	776,280
Change in Net Assets	<u>\$ 9</u>	<u>\$ 52,272</u>	<u>\$ (73)</u>	<u>\$ 105</u>	<u>\$ 264</u>	<u>\$ (32)</u>	<u>\$ 7</u>	<u>\$ (212)</u>	<u>\$ 52,340</u>

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Other Entities Year Ended June 30, 2022

	Red Hook Homes, Inc.	Northeastern Towers Annex Manager LLC	Northeastern Towers Annex Developer LLC	FAC 6309 Fourth Avenue MM LLC	* FAC Solar LLC	General Partners	Total
SUPPORT AND REVENUE							
Rental income	\$ 29,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,858
Interest income	-	-	-	-	-	33	33
Subcontract income	-	-	-	-	28,875	-	28,875
Other revenue	-	408	-	-	-	12	420
Total Support and Revenue	<u>29,858</u>	<u>408</u>	<u>-</u>	<u>-</u>	<u>28,875</u>	<u>45</u>	<u>59,186</u>
EXPENSES							
Administrative	-	-	-	-	-	2,000	2,000
Repairs and maintenance	7,277	-	-	-	-	-	7,277
Utilities	-	-	-	-	38,032	-	38,032
Professional fees	3,000	-	-	-	-	-	3,000
Miscellaneous	100	73	-	-	-	651,363	651,536
Conference, travel, and training	-	-	-	-	421	-	421
Fees and bank charges	870	25	-	25	-	121	1,041
Management fees	-	-	-	750	-	2,750	3,500
Interest and finance costs	-	-	-	-	-	73,842	73,842
Property taxes	-	-	-	-	-	198	198
Total Expenses	<u>11,247</u>	<u>98</u>	<u>-</u>	<u>775</u>	<u>38,453</u>	<u>730,274</u>	<u>780,847</u>
Change in Net Assets	<u>\$ 18,611</u>	<u>\$ 310</u>	<u>\$ -</u>	<u>\$ (775)</u>	<u>\$ (9,578)</u>	<u>\$ (730,229)</u>	<u>\$ (721,661)</u>

*Audited by other auditors
See independent auditors' report