

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

Consolidated Financial Statements and  
Uniform Guidance Schedules  
Together With Independent Auditors' Reports

June 30, 2024

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

Consolidated Financial Statements and  
Uniform Guidance Schedules  
Together With Independent Auditors' Reports

June 30, 2024

<b>TABLE OF CONTENTS</b>	<b>Page</b>
Independent Auditors' Report	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-38
<b>SUPPLEMENTARY INFORMATION</b>	
Consolidating Schedules of Financial Position	39-43
Consolidating Schedules of Activities	44-48
<b>UNIFORM GUIDANCE REPORTS AND SCHEDULES</b>	
Schedule of Expenditures of Federal Awards	49
Notes to Schedule of Expenditures of Federal Awards	50
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	
Schedule of Findings and Questioned Costs	56

## **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 consolidated financial statements of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation"), a not-for-profit organization, which comprise the consolidated statement of financial position as of June 30, 2024, 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, 2024, and the results of its operations and its cash flows for the year 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller general of the United States. 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 Center Local Development Corp, FAC Renaissance HDFC, 50<sup>th</sup> Street HDFC, 573 Warren St HDFC, FAC Sunset Park HDFC, 551 Warren St LP, FAC Renaissance LP, FAC Sunset Park LP, FAC Solar LLC and Neighbors Helping Neighbors, Inc., (collectively the "Subsidiaries") which statements reflect total assets constituting \$80,870,814 of consolidated total assets as of June 30, 2024 and total revenue constituting \$6,747,303 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 GAAS and *Government 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 Corporation's ability to continue as a going concern for a reasonable period of time.

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

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the 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. The accompanying Schedule of Expenditures of Federal Awards on page 48 as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”) 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

December 27, 2024

## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidated Statement of Financial Position June 30, 2024

#### ASSETS

Current Assets	
Cash	\$ 10,371,690
Restricted cash	2,968,657
Grants receivable	2,955,645
Accounts receivable, net	3,062,018
Prepaid expenses	330,333
Advances to affiliates	3,353,569
Total Current Assets	23,041,912
Investments	10,587,412
Property, plant and equipment, net	220,362,246
Property held for sale	660,001
Right of use asset, net	1,063,439
Other assets	7,939,276
	\$ 263,654,286

#### LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 8,446,411
Accrued expenses	15,298,107
Mortgages and notes payable, current portion, net	2,777,386
Grants payable, subsidiary	20,090
Tenants' deposits payable	313,796
Operating lease liabilities, current portion	494,259
Total Current Liabilities	27,350,049
IDA funds	98,541
Refundable grants payable	831,250
Operating lease liability	560,180
Other payables	3,762,197
Mortgages and notes payable, net of current portion and unamortized debt issuance costs	142,211,284
Total Liabilities	174,813,501
Net Assets	
Without donor restriction	20,934,151
With donor restriction	377,601
	21,311,752
Non-controlling Limited Partners' interest in consolidated affiliates	67,529,033
Total Net Assets	88,840,785
	\$ 263,654,286

See notes to consolidated financial statements

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

Consolidated Statement of Activities  
Year Ended June 30, 2024

	<u>Without Donor Restriction</u>		Total		
	Undesignated	For Profit Subsidiaries	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>					
Government grants	\$ 5,227,612	\$ 191,764	\$ 5,419,376	\$ -	\$ 5,419,376
Contributions - corporations	1,645,720	-	1,645,720	305,000	1,950,720
Contributions - foundations and trusts	12,505,408	-	12,505,408	1,070,000	13,575,408
Contributions - individuals	412,208	-	412,208	-	412,208
Special events income	484,560	-	484,560	-	484,560
In-kind contributions	99,724	-	99,724	-	99,724
Management and reimbursable fees	406,290	-	406,290	-	406,290
Development and marketing fees	1,038,167	-	1,038,167	-	1,038,167
Program services	245,586	-	245,586	-	245,586
Rental income	786,940	9,342,659	10,129,599	-	10,129,599
Interest income	377,664	18,321	395,985	-	395,985
Subcontract income	78,047	59,951	137,998	-	137,998
Other revenue	(353,337)	266,761	(86,576)	-	(86,576)
Net assets released from restrictions	1,455,558	-	1,455,558	(1,455,558)	-
Total Support and Revenue	<u>24,410,147</u>	<u>9,879,456</u>	<u>34,289,603</u>	<u>(80,558)</u>	<u>34,209,045</u>
<b>EXPENSES</b>					
Program services	15,599,746	13,419,702	29,019,448	-	29,019,448
Management and general	2,148,491	1,618,290	3,766,781	-	3,766,781
Fundraising	1,282,105	-	1,282,105	-	1,282,105
Total Expenses	<u>19,030,342</u>	<u>15,037,993</u>	<u>34,068,335</u>	<u>-</u>	<u>34,068,335</u>
Change in Net Assets from Operations	5,379,805	(5,158,537)	221,268	(80,558)	140,710
<b>OTHER CHANGES</b>					
Capital contributions	-	161,904	161,904	-	161,904
Non-controlling interest in income of consolidated affiliates	-	9,172,621	9,172,621	-	9,172,621
Change in Net Assets	5,379,805	4,175,988	9,555,793	(80,558)	9,475,235
<b>NET ASSETS</b>					
Beginning of year	<u>7,035,035</u>	<u>4,343,323</u>	<u>11,378,358</u>	<u>458,159</u>	<u>11,836,517</u>
End of year	<u>\$ 12,414,840</u>	<u>\$ 8,519,311</u>	<u>\$ 20,934,151</u>	<u>\$ 377,601</u>	<u>\$ 21,311,752</u>

See notes to consolidated financial statements

## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidated Statement of Functional Expenses Year Ended June 30, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<b>PERSONNEL</b>				
Salaries	\$ 7,789,690	\$ 660,592	\$ 743,923	\$ 9,194,205
Contributed services - salaries	99,724	-	-	99,724
Payroll taxes and fringe benefits	2,061,794	263,730	220,193	2,545,717
Total Personnel	<u>9,951,208</u>	<u>924,322</u>	<u>964,116</u>	<u>11,839,646</u>
<b>OTHER THAN PERSONNEL</b>				
Administrative	153,923	15,742	15,411	185,077
Consultants	970,993	261,420	51,352	1,283,765
Wage subsidy	6,315	-	-	6,315
Repairs and maintenance	34,900	1,337,644	-	1,372,544
Office supplies and printing	69,876	40,476	7,819	118,171
Telephone and postage	75,385	100,608	4,109	180,102
Utilities	1,423,069	13,555	4,113	1,440,737
Professional fees	624,891	127,773	-	752,664
Occupancy	457,044	30,451	7,273	494,768
Miscellaneous	384,616	-	-	384,616
Meetings and events	24,742	32,845	597	58,184
Advertising	91,787	42,855	29,830	164,472
Conference, travel, and training	137,456	69,131	8,213	214,800
Contractual services	-	19,310	-	19,310
Dues and subscriptions	17,537	1,704	2,346	21,587
Software and support	159,049	19,355	10,886	189,290
Insurance	842,950	38,256	2,868	884,074
Equipment, furniture and fixtures	37,811	122,676	1,830	162,317
Fees and bank charges	149,323	21,084	16,581	186,988
Program expenses	228,744	33,960	5,842	268,546
Publications and books	25,343	-	-	25,343
Sub-contract expense	33,000	-	-	33,000
Bad debts	-	350,154	8,000	358,154
Interest and debt issuance costs	5,660,845	40,228	-	5,701,073
Property taxes	162,217	-	-	162,217
Direct fundraising expense	3,003	-	140,919	143,922
Write down of investment	-	6,255	-	6,255
Depreciation and amortization	7,293,421	116,977	-	7,410,398
Total Other Than Personnel	<u>19,068,240</u>	<u>2,842,459</u>	<u>317,989</u>	<u>22,228,689</u>
Total Expenses	<u>\$ 29,019,448</u>	<u>\$ 3,766,781</u>	<u>\$ 1,282,105</u>	<u>\$ 34,068,335</u>

See notes to consolidated financial statements



## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidated Statement of Cash Flows Year Ended June 30, 2024

#### **CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets from operations	\$ 140,710
Adjustments to reconcile change in net assets from operations to net cash from operating activities	
Depreciation and amortization	7,410,398
Amortization of debt issuance costs	300,212
Non cash lease expense	493,401
Bad debts	358,154
Changes in operating assets and liabilities	
Grants receivable	116,849
Accounts receivable	156,040
Prepaid expenses	(56,616)
Other assets	(1,699,240)
Accounts payable	2,494,768
Accrued expenses	2,415,337
Tenants' deposits payable	(3,780)
Refundable grants payable	(40,000)
Operating lease liability	(550,487)
Other payables	(2,965,696)
Grants payable, subsidiary	20,090
Net Cash from Operating Activities	<u>8,590,140</u>

#### **CASH FLOWS FROM INVESTING ACTIVITIES**

Investment in unconsolidated affiliates	(10,587,412)
Advances to unconsolidated affiliates	201,357
Purchases of property, plant and equipment	<u>(6,938,285)</u>
Net Cash from Investing Activities	<u>(17,324,340)</u>

#### **CASH FLOWS FROM FINANCING ACTIVITIES**

Contributions from members	20,800,952
Mortgage and note principal payments	<u>(17,712,998)</u>
Net Cash from Financing Activities	<u>3,087,954</u>
Net Change in Cash and Restricted Cash	(5,646,246)

#### **CASH AND RESTRICTED CASH**

Beginning of year	<u>18,986,593</u>
End of year	<u>\$ 13,340,347</u>

#### **SUPPLEMENTAL CASH FLOW INFORMATION**

##### **Cash Paid for:**

Interest	\$ 5,397,206
----------	--------------

See notes to consolidated financial statements

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 1. Organization and Tax Status

Fifth Avenue Committee, Inc. (“FAC”) is a comprehensive community development 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 in New York City 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 serves over 6,500 low- and moderate-income New Yorkers annually. We build and maintain safe, affordable, and sustainable housing and community facilities. We foster community-driven power through organizing, advocacy and leadership development. And we transform the lives of individuals and families, through financial stability, asset building, education and employment services.

The following entities are included in FAC’s 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 is rented to other not-for-profit organizations.

*Neighbors Helping Neighbors, Inc.* (“NHN”) is a not-for-profit HUD-approved housing 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 2024. The parcel is utilized by the community as a community garden.

*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 June 1, 2019. The LLC entered into a Power Purchase Agreement (PPA) for rooftop solar energy creation on FAC owned and/or managed affordable housing and community facilities. Solar helps to extend the affordability of our housing by lowering property maintenance costs and utility expenses for low- and moderate-income tenants. It also helps to reduce greenhouse gas emissions.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 1. Organization and Tax Status (*continued*)

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, FAC Cluster HDFC, FAC 341 10<sup>th</sup> Street HDFC, and FAC Affordable Housing LLC.*

*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, with 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 sole owner:

*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.

*551 Warren Street I, Inc.* was the general partner of 551 Warren Street I Limited Partnership, with a .01% interest. 551 Warren Street I 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. On December 18, 2023, the limited partner of 551 Warren Street I Limited Partnership transferred its interests to 551 Warren Street I, Inc. Subsequently on the same date, ownership of the property was transferred to 551 Warren Street HDFC. FAC and Community Access are each control 50% owner of 551 Warren Street HDFC.

*FAC Renaissance GP, Inc.* is the general partner of FAC Renaissance Limited Partnership, with a .01% interest. In November of 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.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 1. Organization and Tax Status (*continued*)

*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 includes the expansion and creation of modern public library facility and provides 100% deeply affordable housing in a neighborhood with increased displacement pressure due to gentrification. The project converted to permanent financing in May 2023 and the new library opened in November 2023.

*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 is a 100% affordable senior housing project with 84 units and 90 Universal Pre-K seats. Construction and lease-up of the project is complete. The project converted to its permanent financing in June 2024. The construction of the UPK classrooms in the ground floor condo owned by the Metropolitan New York Synod is being undertaken by the New York City School Construction Authority and is expected to begin in early 2025.

*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 converted to permanent financing 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 three mixed use buildings, one of which is to include a community facility or retail space.

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, NY, as well as manage parking and retail condominiums on site. FAC is the sole stockholder of FAC Atlantic Terrace, Inc.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 1. Organization and Tax Status (*continued*)

*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. On June 28<sup>th</sup>, 2024, 588 Park Place HDFC was acquired by JOE FAC Infinity to rehabilitate the units as part of a larger 5 corporation, 12 building, 102-unit repositioning, rehabilitation project. During the construction phase of JOE FAC Infinity, FAC and the Joint Operating Entity (JOE) are equal owners of JOE FAC Infinity.

*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.

*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 December 2022 and is now undergoing 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.

*FAC Gowanus Green LLC* is organized as a limited liability company with Fifth Avenue Committee as the sole member. It also has a 25% interest in Gowanus Green Partners LLC, a real estate developer in the Gowanus section of Brooklyn, New York, which will develop the Public Place site.

*Gowanus Green Building D LLC* is part of the overall Gowanus Green project and is one of the first buildings in the predevelopment stage.

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

Notes to Consolidated Financial Statements  
June 30, 2024

### **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, are exempt and 588 Park Place HDFC was 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 limited liability corporations are for profit domestic limited partnerships and limited liability corporations and file Federal and State 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 corporations 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 or New York City Housing Preservation and Development as established under the program as described in section 42 of the Internal Revenue Code. FAC Advance HDFC, FAC Renaissance HDFC and 551 Warren Street 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 1,402 affordable homes, revitalized more than 30 storefronts, and built over 120,000 square feet of community space. FAC's affordable housing development and preservation pipeline includes over 2,000 units representing an investment of nearly \$1 billion in Brooklyn. All FAC's new developments are designed to LEED, Enterprise Green Community or Passive House standards. FAC owns and/or manages 47 residential buildings with 740 units in South/Central Brooklyn and Jamaica, Queens that are home to 1,140 very low-, low- and moderate-income residents and has 32 small business and nonprofit tenants. Over 75% of our commercial tenants are small, local, minority and/or women owned businesses. A significant portion of FAC affordable housing is set aside for special populations including seniors, individuals who are formerly homeless and survivors of domestic violence.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 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 and lease up of the housing portion of the project is now complete. The project converted to permanent financing in May 2023 and the renovated library opened in November 2023.

**Senior housing and universal Pre-K project 6309 4<sup>th</sup> Avenue in Brooklyn.** In partnership with the Lutheran Synod, FAC has constructed a new building on the corner of 63rd Street and 4th Avenue in Sunset Park, Brooklyn. The new building 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 were also rehabilitated for an additional 8 homes for seniors. With a total of 84 new affordable apartments, the project meets the need for deeply affordable housing for very low- and extremely low-income senior citizens (age 62+). The project closed on construction financing in November 2019. Construction and lease up of the housing are complete. The project converted to its permanent financing in June 2024. The New York School Construction Authority is responsible for the fit out of the onsite Pre-K facility expected to be completed in 2025.

**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 Development 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 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.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 1. Organization and Tax Status (*continued*)

**50<sup>th</sup> Street Preservation Project** is a preservation project for two FAC-owned buildings with a total of 48 units in Sunset Park, Brooklyn. The buildings are restricted for residents at or below 60% of AMI and include set asides for formerly homeless residents. Renovations include updates and energy efficiency improvements that will help reduce management costs and improve the quality of life for tenants. It includes all new kitchens and baths, new roofs, parapet walls and bulkhead repairs, solar arrays, façade improvements, new windows, improved insulation, boiler repairs and updates, as well as upgrades to interior and exterior shared spaces and access to free broadband for tenants. The work is being completed in phases to minimize the need for off-site resident relocation during the construction process. All construction is scheduled to be completed in early 2025.

**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 a range of environmental, accountable development, social justice and tenant rights campaigns. FAC leads and participates in local, city and statewide campaigns, and advocates at the federal level for policy changes. Campaigns empower traditionally marginalized groups, such as rent stabilized and public housing residents, and immigrants. In FY24, these programs helped 338 tenants avoid eviction. FAC also continued its leadership of local environmental and climate justice and accountable development campaigns.

Active campaigns and efforts include:

- 1) Supporting the Gowanus Oversight Task Force (GOTF) to hold the City of New York accountable for the 56 Points of Agreement (POA) or 'City Commitments' related to the 2021 Gowanus Areawide rezoning and supporting local public housing residents as the comprehensive modernization of their apartments advances. This includes \$240+ million in capital repairs for local public housing developments in Gowanus, over \$170 million investments in public infrastructure and for the City of New York to report on a quarterly basis to the first community-controlled oversight task force, the Gowanus Oversight Task Force.



## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 1. Organization and Tax Status (*continued*)

- 2) *Grassroots member-led organizing campaigns* at FAC and in partnership with our HUD approved housing counseling affiliate, Neighbors Helping Neighbors (NHN). This work entails leadership development, grassroots organizing and policy advocacy in partnership with low income, mostly women immigrant tenants. Campaigns advocate for housing justice at the city, state and national levels and support the grassroots tenant group *Brooklyn Tenants United/Inquilinos Unidos de Brooklyn*. Members of the group 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 coalition's advocacy also resulted in greater affordability for the housing portion of the project— at least 25% for a non-MIH project with at least 10% of the units at 40% of AMI. In FY23, it was announced that the community-oriented supermarket would be Lidl. Construction on this privately owned new residential and commercial project is expected to be completed in 2025.
- 6) *BrooklynSpeaks* is a coalition founded by FAC and several local civic and community-based organizations focused on ensuring that the over 6 billion-dollar Atlantic Yards/Pacific Park project is accountable to the local community and delivers on promised public benefits in a timely fashion. The coalition negotiated a deal in 2014 with NYS ESD that holds the developer to a May 2025 deadline to build all 2,250 units of affordable housing or pay liquidated damages of \$2K a month for every unit not built into NYC's Affordable Housing Trust Fund, or \$1.7m monthly. The coalition held legislative briefings in FY2024 marking the 20<sup>th</sup> anniversary of Atlantic Yards first being announced to call out the fact that nearly 40% of the affordable homes remain unbuilt and at risk of not meeting the May 2025 construction completion deadline given the default of the current owner, Greenland USA, on its EB5 debt.

In total, over 1,600 LMI New Yorkers participated in grassroots organizing campaigns and advocacy efforts in FY24.

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

Notes to Consolidated Financial Statements  
June 30, 2024

### **1. Organization and Tax Status (*continued*)**

#### ***Community Development Programs***

In addition to organizing and advocacy, FAC provides a range of direct services and supports to low- and moderate-income residents throughout Brooklyn and New York City. We offer student-centered adult education and workforce bridge programs, benefits access, financial coaching, legal and other service referrals. We also provide workforce development, first-time homebuyer supports and housing counseling to help homeowners avoid foreclosure in partnership with our non-profit affiliates, Brooklyn Workforce Innovations and Neighbors Helping Neighbors.

#### ***Adult Education and Literacy Programs***

FAC's Adult Education department offers a range of classes, including English for Speakers of Other Languages ("ESOL"), Adult Basic Education (ABE), High School Equivalency (HSE), Digital Literacy, and Workforce Bridge Programming at local public schools and churches. In FY 24, 1,336 students enrolled in one or more of these programs and classes. The Bridge program is a partnership with FAC's nonprofit workforce development affiliate, Brooklyn Workforce Innovations (BWI)'s Red Hook on the Road Commercial Driver's License (CDL), Brooklyn Networks tele-data cable installation, and Brooklyn Woods carpentry programs. Per the NYS Department of Education, the program performs in the top quartile of adult education programs state-wide.

#### ***Community Services***

Community Services provides a range of free services including public benefits access (SNAP, unemployment insurance, Medicare/aid and more), tax preparation, financial coaching, and legal, housing and health referrals to over 1,100 very low and low-income New Yorkers annually. The program helps low-income individuals gain economic and housing stability and build their assets. In FY24, Community Services connected 498 households with one or more public benefits. The program connected 81 people to legal services, provided financial coaching to 275, and 230 received free tax preparation services.

#### ***Workforce Development***

FAC affiliate BWI assists over 900 New Yorkers each year through sector-based job training and direct placement services. These programs provide access to industry recognized credentials, living-wage employment and career paths, placement and supports (i.e., resume development, interview, and soft skill development). FAC's Bridge Programs that we carry out in partnership with BWI, provide sector-based workforce development training with integrated and contextualized English language and other supports to unemployed and underemployed immigrants and residents. The program enrolled 555 students with barriers to employment in FY24. In partnership with BWI, 279 of those participants earned an industry credential and 106 secured living wage employment.

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

Notes to Consolidated Financial Statements

June 30, 2024

### **1. Organization and Tax Status (*continued*)**

#### ***FAC Solar and Barrio Solar***

In 2024, FAC continued our work to install over 234,000 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 continued Barrio Solar in partnership with our HUD approved housing counseling affiliate, Neighbors Helping Neighbors (NHN), and nonprofit partner Solar One. Barrio Solar assists LMI homeowners in NYC to reduce their utility costs, reduce greenhouse gas emissions and increase the value of their homes by providing supports and solar down payment assistance.

### **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. Accordingly, actual results could differ from those estimates. Significant estimates include the useful lives of property and equipment and the collectability of accounts receivable.

#### ***Adoption of New Accounting Pronouncement***

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on July 1, 2023, expanded the Corporation's required disclosures for its expected credit losses for accounts and grants receivable but did not have a material effect on its financial statements.

#### ***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 intercompany accounts and transactions have been eliminated in consolidation. Collectively, the entities are referred to as the Corporation.

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

Notes to Consolidated Financial Statements

June 30, 2024

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

#### ***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.

#### ***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 consolidated statement of activities as net assets released from restrictions. At June 30, 2024, 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.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

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

#### ***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 credit loss to reduce the receivable to the estimated realizable value is recorded. Past due status is based on how recently payments have been received. Management bases the estimate on a combination of write-off history, aging analysis, current conditions, historical collection experience, a review of current status of accounts and grants receivable and reasonable and supportable forecasts to estimate future expected credit losses. The following table provides a roll-forward of the allowance for credit losses that is deducted from accounts receivable to present the net amount expected to be collected.

Balance at July 1, 2023	\$ 271,385
Provisions for expected credit losses	<u>143,715</u>
Balance at June 30, 2024	<u>\$ 415,100</u>

#### ***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.

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

Notes to Consolidated Financial Statements  
June 30, 2024

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

#### ***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, 2024.

#### ***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, 2024, approximately \$304,000 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 equivalents.

#### ***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.

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

Notes to Consolidated Financial Statements

June 30, 2024

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

#### ***Revenue Recognition (continued)***

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.

#### ***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, 2021.

#### ***Advertising Costs***

Advertising costs are expensed as incurred. Such costs were \$164,472 for the year ended June 30, 2024.

#### ***Operating Leases***

The Corporation leases various office space and equipment under operating lease agreements through March 2029. Operating leases are included in right of use operating lease asset and operating lease liability in the accompanying consolidated statements of financial position. Right of use asset represents the right of use of an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. Operating lease right of use asset and liability are recognized at the lease commencement date based on the present value of lease payments over the lease terms. The operating lease right of use asset includes any lease payments made and excludes lease incentives.

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

Notes to Consolidated Financial Statements

June 30, 2024

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

#### ***Operating Leases (continued)***

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease terms. The Corporation's lease agreements do not provide an implicit borrowing rate. The Corporation uses risk-free rates based on the information available at the commencement date in determining the present value of the lease payments. The Corporation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### ***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 27, 2024.

### **3. Related Party Transactions**

#### ***Advances to Affiliates***

Advances to affiliates of \$6,400,008 are non-interest bearing and are due on demand with 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.

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.



## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 3. Related Party Transactions *(continued)*

#### *Limited Partnerships (continued)*

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, 2024 are as follows:

For Profit Affiliates	Percent of Non- Controlling Ownership	Non- Controlling Interest
Supportive Slope LP	99.99%	\$ (2,744,741)
Atlantic Terrace 12, LLC	66.67	1,560,224
FAC Renaissance LP	99.99	11,899,490
FAC Sunset Park LP	99.99	7,908,321
Northeastern Towers Annex LP	99.99	31,279,823
FAC 6309 Fourth Avenue, LP	99.99	17,637,384
FAC Brownsville LP	99.99	(11,470)
		\$ 67,529,033

In connection with the inclusion of these Limited Partnerships', the change in non-controlling limited partners' interest for the year ended June 30, 2024 is as follows:

Inclusion of Limited Partners' non-controlling interest as of July 1, 2023	\$ 55,900,702
Equity Adjustments of LP's non-controlling interests	20,800,952
Non-controlling Limited Partners' Interest in losses of consolidated affiliates	(9,172,621)
Non controlling Limited Partners' interest in consolidated affiliates as of June 30, 2024	\$ 67,529,033

### 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.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 4. Restricted Cash (continued)

The following is a reconciliation of the cash and restricted cash reported on the consolidated statement of financial position to the consolidated statement of cash flows at June 30, 2024:

Cash	\$ 10,371,690
Restricted cash	<u>2,968,657</u>
	<u>\$ 13,340,347</u>

The following reserve amounts are included in restricted cash on the accompanying consolidated statement of financial position at June 30, 2024:

Replacement reserve	\$ 1,432,647
Operating reserves	<u>1,536,010</u>
	<u>\$ 2,968,657</u>

### 5. Investments

The Corporation's investments, are as follows at June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets Level 1
Money market funds, at cost	<u>\$ 10,381,457</u>

Investment return for the year ended June 30, 2024 consists of the following:

Dividends and interest	\$ 368,175
Unrealized gain	<u>4,444</u>
	<u>\$ 372,619</u>

### 6. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2024:

Land	\$ 6,120,904
Buildings	184,719,948
Furniture and equipment	2,816,608
Leashold improvements	7,951,833
Construction in progress	<u>51,899,211</u>
	253,508,504
Accumulated depreciation and amortization	<u>(33,146,258)</u>
	<u>\$ 220,362,246</u>

Depreciation and amortization expense for the year ended June 30, 2024 was \$7,410,398.

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

Notes to Consolidated Financial Statements  
June 30, 2024

### **7. 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 March 2025.

The value for these properties amounted to \$660,001 at June 30, 2024.

### **8. 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, 2024, 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.

### **9. 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, 2024

### 10. Mortgages and Notes Payable

Mortgages and notes payable consists of the following at June 30, 2024:

#### ***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 March 22, 2024. The outstanding borrowing under this line is \$0 at June 30, 2024. 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 \$1,660,747 at June 30, 2024. The third line of credit is with Wells Fargo Bank in the amount of \$500,000 and matures on October 13, 2028 and carries an interest rate of 2% each quarter. At June 30, 2024, the outstanding balance was \$500,000.

\$ 2,160,747

#### ***50<sup>th</sup> 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, New York 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 to 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.

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 as long as 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.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 10. Mortgages and Notes Payable *(continued)*

#### *50<sup>th</sup> Street HDFC (continued)*

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 \$334.52, which are applied towards principal and interest at a fixed rate of 2%. The loan payable is self-amortizing and matures in June 2033. The outstanding principal balance at June 30, 2024 was \$28,654.

On December 6, 2022, the Corporation closed on construction loan financing to fund major repairs and replacements that includes replacing the roofs, replacing the windows, asbestos removal, install new security systems, replace the HVAC systems and renovate the apartments with new kitchens, bathrooms and floors. The estimated completion date is June 6, 2024. Funding from the New York City Housing Preservation and Development & Reso A, with a maximum amount of \$5,725,093, bears interest only at an annualized rate of 0.25% and matures on July 1, 2025. Upon permanent financing, these funds will not require the monthly payment of principal and interest, but interest will accrue at an annualized rate of 3% and balloon payment in 30 years. On June 30, 2024 the amount drawn was \$2,405,766. Funding from the New York City Housing Development Corporation - Green with a maximum amount of \$216,000 bears interest only at an annualized rate of 0.25% and matures on July 1, 2025. These funds are restricted for energy efficiency and water conservation components.

Upon permanent financing, these funds will bear no interest and be forgiven on December 6, 2037. The amount drawn on June 30, 2024 was \$216,000. Funding from Community Preservation Corporation with a maximum amount of \$2,787,474 bears interest only at a composite rate that adjusts monthly and matures on July 1, 2025. The composite rate consists of three components: the current index rate which is greater than 0.75% and is set at the lenders' discretion, the secured overnight financing rate as published by the Federal Reserve Bank of New York and a margin rate set at 4.2%. For the month of December 2022 the composite rate was 8.43942%. The amount drawn on June 30, 2024 was \$2,294,683.

\$ 7,997,599

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 10. Mortgages and Notes Payable (*continued*)

#### ***FAC Center Local Development Corporation***

FAC LDC has two mortgage notes. 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 \$159,604 at June 30, 2024. 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 \$2,640,872 at June 30, 2024. Both loans are collateralized by the FAC Center properties at 621 DeGraw Street and 182 4th Avenue. \$ 2,800,476

#### ***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. 6,900,000

#### ***FAC Advance HDFC***

FAC Advance HDFC has two mortgages. 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 at June 1, 2046. The outstanding principal balance was \$1,067,263 on June 30, 2024. 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 \$1,817,530 at June 30, 2024. 2,884,793

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 10. Mortgages and Notes Payable (*continued*)

#### ***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 do not bear interest and mature on May 11, 2026. \$ 1,892,396

#### ***Northeastern Towers Annex LP***

HDC committed \$50,010,000 for construction and permanent financing of the Project. During 2021, \$27,460,000 was repaid using equity contributions. 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. After permanent loan conversion on May 5, 2022, the note carries interest at 5.575% and matures on August 31, 2061. For the year ended June 30, 2024 and 2023, interest expense amounted to \$1,192,921 and \$1,573,449. There was no accrued interest expense for the fiscal year ended June 30, 2024. The mortgage is collateralized by the Partnership's investment in real estate.

HDC 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% of 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, 2024, interest expense amounted to \$198,056. There was accrued interest expense of \$621,195 for the fiscal year ended June 30, 2024. 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, 2024

### 10. Mortgages and Notes Payable *(continued)*

#### ***Northeastern Towers Annex LP (continued)***

HPD committed \$13,448,712 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% of the principal. The note after permanent loan conversion on May 5, 2022 the note 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 year ended June 30, 2024, interest expense amounted to \$247,738. There was \$1,247,021 of accrued interest expense for the year ended June 30, 2024. The mortgage is collateralized by the Partnership's investment in real estate.

HPD 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% of the principal, compounded monthly. The note after permanent loan conversion on May 5, 2022 the note 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 year ended June 30, 2024, interest expense amounted to \$72,862. There was \$158,683 of accrued interest expense for the year ended June 30, 2024. The mortgage is collateralized by the Partnership's investment in real estate.

\$ 48,379,403

#### ***FAC Sunset Park LP***

FAC Sunset Park LP closed on permanent financing on May 30, 2023. The first position mortgage is from The Community Preservation Corporation in the amount of \$4,066,159. The interest rate is equal to 6.67% per annum. The annual debt service is \$313,886. The loan matures on June 1, 2053. The outstanding principal balance at June 30, 2024 was \$4,022,157.



## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 10. Mortgages and Notes Payable *(continued)*

#### ***FAC Sunset Park LP (continued)***

The second position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of \$8,750,000. The loan has an interest rate of 2.5% per annum and matures on June 1, 2053.

The third position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of \$3,655,000. The loan has an interest rate of 1% per annum and matures on June 1, 2053.

\$ 16,427,157

#### ***FAC Renaissance HDFC***

City of New York Department of Housing Preservation and Development provided a 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 due monthly is 0.25% and matures on December 1, 2050.

New York City Housing Development and Corporation ("NYC HDC") provided a 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.

Beginning with conversion date until the sixth anniversary, interest of 1% and a 0.25% service fee shall accrue. Beginning after the sixth anniversary date, interest of 0.5% plus the 0.25% service shall be due monthly, and the remaining 0.5% 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, 2024 was \$2,931,385 and accrued interest was \$0.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024

### 10. Mortgages and Notes Payable *(continued)*

#### ***FAC Renaissance HDFC (continued)***

City of New York Department of Housing Preservation and Development provided a 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, 2024 was \$1,695,551.

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, May 16, 2034, converts to permanent financing and it bears no interest. The loan can be prepaid from available cash flow. At June 30, 2024, 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 requires a 4.86% interest rate. Monthly payments of principal and interest is required until maturity, December 1, 2050. At June 30, 2024, the outstanding principal was \$5,161,009. The mortgage is serviced by the Community Preservation Corporation.

In accordance with Accounting Standards Update 2015-03, the unamortized balance of the loan finance costs is reported as a reduction of long-term debt. The unamortized amount of the related loan finance costs at June 30, 2024 was \$247,106.

\$ 14,364,477

#### ***FAC 6309 Fourth Avenue LP***

The first position mortgage is provided by Freddie Mac Multi-Family division in the amount of \$15,405,000 effective June 26, 2024. The loan has a fixed interest rate of 4.66% and matures on July 1, 2054. The monthly principal and interest payment is \$79,526. The loan is serviced by Greystone Servicing Company LLC on behalf of Freddie Mac.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 10. Mortgages and Notes Payable *(continued)*

#### ***FAC 6309 Fourth Avenue LP (continued)***

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 \$11,676,840 had been drawn effective June 30, 2024. The loan has an interest rate of 3.00% and matures on January 1, 2055. The loan has an interest rate of 3.00% and matures on January 1, 2055. Interest and principal are computed at a rate of 2.75% per annum, accruing and compounding monthly.

The third position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of \$7,053,463 (comprised entirely of Reso. A funds) of which \$7,053,463 had been drawn effective June 30, 2024. The loan has an interest rate of 3.00% and matures on January 1, 2055. Interest and principal are computed at a rate of 2.75% per annum, accruing and compounding monthly.

\$ 34,135,303

#### ***FAC Renaissance LP***

On August 8, 2023, the Partnership entered into a mortgage agreement with CPC Mortgage Company LLC, in the amount of \$2,142,000 to provide permanent financing. The loan bears interest at 4.36% and matures on September 1, 2053. The note is secured by the building. Monthly payments of principal and interest in the amount of \$10,676 are due through maturity. Outstanding principal and interest as of June 30, 2024 \$2,116,625 and \$0, respectively. The mortgage is secured by a first place lien on the real property and an assignment of leases and rents.

## Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements  
June 30, 2024

### 10. 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, 2024, 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 at loan conversion and requires no payments of principal or interest until maturity. Interest shall accrue annually. The mortgage matures the earlier of (i) the sixtieth-year anniversary of the Permanent Conversion date, or (ii) the expiration of the regulatory agreement with HPD. At June 30, 2024, 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, 2024, the outstanding principal was \$1,040,000.

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

Notes to Consolidated Financial Statements  
June 30, 2024

**10. Mortgages and Notes Payable (continued)**

***FAC Renaissance LP (continued)***

A subordinate building loan for \$880,000 and a RESO A loan for \$1,696,075 were consolidated to form a single lien in the amount of \$2,696,075 on August 8, 2023 with HPD. The loan bears interest at a rate of 2.9% compounding monthly, and is payable on maturity, September 1, 2053. The mortgage is collaterized by a 3rd place lien on the property. The outstanding principal balance on the loan on June 30, 2024 was \$2,576,075. \$ 6,225,355

**Gowanus Green Building D**

Gowanus Green Building D has a line of credit with NeighborWorks Capital in the amount of \$1,500,000 with an interest rate of 7.65% with interest due monthly. On June 30, 2024, \$764,486.62 was drawn on the line, which matures on 12/01/2025. 764,487

**FAC Brownsville Apartments LP**

On Jan. 30, 2019 FAC Brownsville Apartments LP received a \$250,000 5% pre-development loan from Habitat 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. On June 16, 2022, FAC Brownsville Apartments LP received a \$680,246.00 5.5% pre-development loan from Habitat maturing on July 1, 2024, with an optional no-cost 12 months extension. Loan proceeds have been used to pay off the original \$250,000 Habitat loan and to cover ongoing predevelopment expenses. The loan has been drawn down in \$50,000.00 amounts on Aug. 2, 2022, Nov. 14, 2022, May 15, 2023, Dec. 15, 2023, May 22, 2024, and June 24, 2024. \$ 550,000  
\$ 145,482,193

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

Notes to Consolidated Financial Statements  
June 30, 2024

**10. Mortgages and Notes Payable (continued)**

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

2025	\$	2,016,636
2026		921,427
2027		312,800
2028		394,095
2029		414,161
Thereafter		<u>141,423,074</u>
		145,482,193
Unamortized debt issuance costs		<u>(493,523)</u>
	\$	<u><u>144,988,670</u></u>

The underlying property for each of the mortgages serves as collateral. Amortization of debt issuance costs for the year ended June 30, 2024 was \$300,212.

**11. Net Assets With Donor Restriction - FAC and LEAP**

Changes in net assets with donor restrictions for the year ended June 30, 2024 consisted of the following:

Purpose/Restriction	Balance, June 30, 2023	Additions	Releases	Balance, June 30, 2024
<b>Fifth Avenue Committee, Inc.</b>				
Gowanus Oversight Task Force	\$ 66,000	\$ 60,000	\$ (84,552)	\$ 41,448
Non-profit Housing Recovery	46,050	-	(46,050)	-
Administration	32,000	245,000	(277,000)	-
Total	<u>144,050</u>	<u>305,000</u>	<u>(407,602)</u>	<u>41,448</u>
<b>LEAP, Inc.</b>				
Workforce Collaboration	152,894	245,000	(293,000)	104,894
CDL Training	-	200,000	(200,000)	-
Made in NY Training Program	-	10,000	(10,000)	-
Services to NYCHA Residents	-	40,000	(40,000)	-
Direct Support to Beneficiaries	-	100,000	(36,186)	63,814
Services to Young Adults	150,000	225,000	(220,678)	154,322
Tech Training (KindWork)	11,215	250,000	(248,092)	13,123
Total	<u>314,109</u>	<u>1,070,000</u>	<u>(1,047,956)</u>	<u>336,153</u>
	<u>\$ 458,159</u>	<u>\$ 1,375,000</u>	<u>\$ (1,455,558)</u>	<u>\$ 377,601</u>

## Fifth Avenue Committee, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

June 30, 2024

#### 12. Retirement Plan

FAC and LEAP have Simplified Employee Pension Plans, which are defined contribution plans. LEAP made contributions of \$112,548 for the year ended June 30, 2024. FAC made contributions of \$119,999 for the year ended June 30, 2024.

#### 13. Operating Leases

At June 30, 2024, the Corporation leases commercial office space and equipment under the terms of various operating leases, which expire in various years through 2029. Rent expense for the year ended June 30, 2024 was \$494,768. At June 30, 2024, assets recorded under operating leases are \$2,250,139 and accumulated amortization associated with operating leases is \$1,186,700.

Operating lease expense	\$ 521,349
Supplemental cash flow information	
Operating cash flows from operating leases	\$ 513,805
Weighted-average remaining lease term in years for operating leases	2.83
Weighted-average discount rate for operating leases	2.94%

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

2025	\$ 494,259
2026	366,590
2027	90,362
2028	88,297
2029	<u>58,112</u>
Total undiscounted cash flows	1,097,620
Less: present value discount	<u>(43,181)</u>
Total lease liabilities	<u>\$ 1,054,439</u>

#### 14. Concentrations of Credit Risk

Financial instruments, which potentially subject the Corporation to significant concentrations of credit risk, consist principally of cash, 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, 2024 **and 2023**, approximately \$6,200,000 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, 2024

**15. 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	\$ 10,371,690
Grants receivable	2,955,645
Accounts receivable, net	<u>3,062,018</u>
	16,389,353
Amounts Unavailable for General Expenditure:	
Restricted by donors with timing and purpose restrictions	<u>(377,601)</u>
Financial Assets at Year End Available to Meet Cash	
Needs for General Expenditure Within One Year	<u>\$ 16,011,752</u>

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).

**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.

\* \* \* \* \*



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

Supplementary Information

June 30, 2024

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

**Consolidating Schedule of Financial Position  
June 30, 2024**

	Non-Profit Corporations	HDFCs	Limited Partnerships	Other Entities	Total	Eliminations	Consolidated Total
<b>ASSETS</b>							
Current Assets							
Cash	\$ 6,664,415	\$ 586,760	\$ 2,995,470	\$ 125,045	\$ 10,371,690	\$ -	\$ 10,371,690
Restricted cash	886,852	185,945	1,895,860	-	2,968,657	-	2,968,657
Grants receivable	3,023,211	-	-	-	3,023,211	(67,566)	2,955,645
Accounts receivable	1,443,291	1,133,503	441,899	43,325	3,062,018	-	3,062,018
Prepaid expenses	43,218	61,713	225,332	70	330,333	-	330,333
Advances to affiliates	<u>5,716,527</u>	<u>1,714,143</u>	<u>-</u>	<u>-</u>	<u>7,430,670</u>	<u>(4,077,101)</u>	<u>3,353,569</u>
Total Current Assets	17,777,514	3,682,064	5,558,561	168,440	27,186,579	(4,144,667)	23,041,912
Investment in affiliated companies	54,353	-	-	598,128	652,481	(652,481)	-
Investment in unconsolidated affiliates	-	-	-	205,955	205,955	-	205,955
Investments	10,381,457	-	-	-	10,381,457	-	10,381,457
Mortgage receivable from affiliated company	745,000	-	-	-	745,000	(745,000)	-
Property, plant and equipment, net	4,167,447	23,198,600	190,825,500	2,170,699	220,362,246	-	220,362,246
Property held for sale	-	-	-	660,001	660,001	-	660,001
Right to use assets	1,063,439	-	-	-	1,063,439	-	1,063,439
Other assets	<u>391,922</u>	<u>220,784</u>	<u>7,300,216</u>	<u>32,022</u>	<u>7,944,944</u>	<u>(5,668)</u>	<u>7,939,276</u>
	<u>\$ 34,581,132</u>	<u>\$ 27,101,448</u>	<u>\$ 203,684,277</u>	<u>\$ 3,835,245</u>	<u>\$ 269,202,102</u>	<u>\$ (5,547,816)</u>	<u>\$ 263,654,286</u>
<b>LIABILITIES AND NET ASSETS</b>							
Current Liabilities							
Accounts payable	\$ 933,766	\$ 764,759	\$ 4,331,261	\$ 2,418,541	\$ 8,448,327	\$ (1,916)	\$ 8,446,411
Accrued expenses	958,961	302,385	14,138,929	124,500	15,524,775	(226,668)	15,298,107
Mortgages and notes payable, current portion, net	1,887,126	125,773	-	764,487	2,777,386	-	2,777,386
Loans payable, affiliated companies	-	-	745,000	-	745,000	(745,000)	-
Grants payable, subsidiary	5,539	-	82,117	-	87,656	(67,566)	20,090
Tenants' deposits payable	173,655	142,814	-	2,995	319,464	(5,668)	313,796
Operating lease liabilities, current portion	494,259	-	-	-	494,259	-	494,259
Due to related parties	<u>-</u>	<u>107,443</u>	<u>314,550</u>	<u>83,220</u>	<u>505,213</u>	<u>(505,213)</u>	<u>-</u>
Total Current Liabilities	4,453,306	1,443,174	19,611,857	3,393,743	28,902,080	(1,552,031)	27,350,049
IDA funds	98,541	-	-	-	98,541	-	98,541
Refundable grants payable	831,250	-	-	-	831,250	-	831,250
Operating lease liabilities	560,180	-	-	-	560,180	-	560,180
Other payables	96,373	1,321,672	3,461,864	468,844	5,348,753	(1,586,556)	3,762,197
Mortgages and notes payable, net of current portion and unamortized debt financing costs	<u>3,039,587</u>	<u>26,482,680</u>	<u>115,098,246</u>	<u>-</u>	<u>144,620,513</u>	<u>(2,409,229)</u>	<u>142,211,284</u>
Total Liabilities	<u>9,079,237</u>	<u>29,247,526</u>	<u>138,171,967</u>	<u>3,862,587</u>	<u>180,361,317</u>	<u>(5,547,816)</u>	<u>174,813,501</u>
Net Assets (Deficit)							
Without donor restriction	25,124,294	(2,146,078)	(2,016,723)	(27,342)	20,934,151	-	20,934,151
With donor restriction	<u>377,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,601</u>	<u>-</u>	<u>377,601</u>
	25,501,895	(2,146,078)	(2,016,723)	(27,342)	21,311,752	-	21,311,752
Non-controlling Limited Partners' interest in consolidated affiliates	<u>-</u>	<u>-</u>	<u>67,529,033</u>	<u>-</u>	<u>67,529,033</u>	<u>-</u>	<u>67,529,033</u>
Total Net Assets (Deficit)	<u>25,501,895</u>	<u>(2,146,078)</u>	<u>65,512,310</u>	<u>(27,342)</u>	<u>88,840,785</u>	<u>-</u>	<u>88,840,785</u>
	<u>\$ 34,581,132</u>	<u>\$ 27,101,448</u>	<u>\$ 203,684,277</u>	<u>\$ 3,835,245</u>	<u>\$ 269,202,102</u>	<u>\$ (5,547,816)</u>	<u>\$ 263,654,286</u>

See independent auditors' report

## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidating Schedule of Financial Position of Non-Profit Corporations June 30, 2024

			*	*	
	Fifth Avenue Committee, Inc.	Leap, Inc.	FAC Center Local Development Corp.	Neighbors Helping Neighbors	Total
<b>ASSETS</b>					
Current Assets					
Cash	\$ 3,466,763	\$ 877,258	\$ 1,987,229	\$ 333,165	\$ 6,664,415
Restricted cash	-	-	886,852	-	886,852
Grants receivable	1,400,677	1,622,534	-	-	3,023,211
Accounts receivable	283,543	85,026	213,300	861,422	1,443,291
Prepaid expenses	17,842	13,160	12,216	-	43,218
Advances to affiliates	5,657,378	59,149	-	-	5,716,527
Total Current Assets	10,826,203	2,657,127	3,099,597	1,194,587	17,777,514
Investment In affiliated companies	54,353	-	-	-	54,353
Investments	-	10,381,457	-	-	10,381,457
Mortgage receivable from affiliated company	745,000	-	-	-	745,000
Property, plant and equipment, net	264,916	347,566	3,549,530	5,435	4,167,447
Right to use asset	45,575	1,017,864	-	-	1,063,439
Other assets	118,534	-	123,617	149,771	391,922
	<u>\$ 12,054,581</u>	<u>\$ 14,404,014</u>	<u>\$ 6,772,744</u>	<u>\$ 1,349,793</u>	<u>\$ 34,581,132</u>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities					
Accounts payable	\$ 599,178	\$ 170,082	\$ 73,361	\$ 91,145	\$ 933,766
Accrued expenses	533,534	386,552	20,711	18,164	958,961
Mortgages and notes payable, current portion, net	1,660,747	-	226,379	-	1,887,126
Grants payable, subsidiary	5,539	-	-	-	5,539
Operating lease liabilities, current portion	19,319	474,940	-	-	494,259
Tenants' deposits payable	105,480	-	68,175	-	173,655
Total Current Liabilities	2,923,797	1,031,574	388,626	109,309	4,453,306
IDA funds	98,541	-	-	-	98,541
Refundable grants payable	831,250	-	-	-	831,250
Operating lease liabilities	26,916	533,264	-	-	560,180
Other payables	-	-	-	96,373	96,373
Mortgages and notes payable, net of current portion and unamortized debt financing costs	500,000	-	2,539,587	-	3,039,587
Total Liabilities	4,380,504	1,564,838	2,928,213	205,682	9,079,237
Net Assets					
Without donor restriction	7,632,629	12,503,023	3,844,531	1,144,111	25,124,294
With donor restriction	41,448	336,153	-	-	377,601
Total Net Assets	7,674,077	12,839,176	3,844,531	1,144,111	25,501,895
	<u>\$ 12,054,581</u>	<u>\$ 14,404,014</u>	<u>\$ 6,772,744</u>	<u>\$ 1,349,793</u>	<u>\$ 34,581,132</u>

\*Audited by other auditors  
See independent auditors' report

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

Consolidating Schedule of Financial Position of HDFCs  
June 30, 2024

	* FAC Renaissance HDFC	FAC Advance HDFC	FAC Homeownership HDFC	* 50th Street HDFC	* 573 Warren St HDFC	* FAC Sunset Park HDFC	Total
<b>ASSETS</b>							
Current Assets							
Cash	\$ 31,158	\$ 41,571	\$ 10,052	\$ 391,259	\$ 112,720	\$ -	\$ 586,760
Restricted cash	-	25,225	-	31,999	128,721	-	185,945
Accounts receivable	1,067,730	11,345	20,973	29,197	4,258	-	1,133,503
Prepaid expenses	-	-	1,921	29,249	30,543	-	61,713
Advances to affiliates	<u>129,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>1,500,000</u>	<u>1,714,143</u>
Total Current Assets	1,228,031	78,141	32,946	481,704	361,242	1,500,000	3,682,064
Property, plant and equipment, net	12,897,024	2,171,382	467,746	7,548,029	114,419	-	23,198,600
Other assets	<u>71,035</u>	<u>124,895</u>	<u>3,224</u>	<u>21,630</u>	<u>-</u>	<u>-</u>	<u>220,784</u>
	<u>\$ 14,196,090</u>	<u>\$ 2,374,418</u>	<u>\$ 503,916</u>	<u>\$ 8,051,363</u>	<u>\$ 475,661</u>	<u>\$ 1,500,000</u>	<u>\$ 27,101,448</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>							
Current Liabilities							
Accounts payable	\$ 129,374	\$ 22,080	\$ 163,456	\$ 425,726	\$ 24,123	\$ -	\$ 764,759
Accrued expenses	-	-	13,292	194,311	94,782	-	302,385
Mortgages and notes payable, current portion, net	95,706	30,067	-	-	-	-	125,773
Tenants' deposits payable	83,156	34,206	3,989	20,996	467	-	142,814
Due to related parties	<u>107,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,443</u>
Total Current Liabilities	415,679	86,353	180,737	641,033	119,372	-	1,443,174
Other payables	697,069	364,169	-	259,909	525	-	1,321,672
Mortgages and notes payable, net of current portion and unamortized debt financing costs	<u>14,279,460</u>	<u>2,705,621</u>	<u>-</u>	<u>7,997,599</u>	<u>-</u>	<u>1,500,000</u>	<u>26,482,680</u>
Total Liabilities	15,392,208	3,156,143	180,737	8,898,541	119,897	1,500,000	29,247,526
Net Assets (Deficit) Without Donor Restriction	<u>(1,196,118)</u>	<u>(781,725)</u>	<u>323,179</u>	<u>(847,178)</u>	<u>355,764</u>	<u>-</u>	<u>(2,146,078)</u>
	<u>\$ 14,196,090</u>	<u>\$ 2,374,418</u>	<u>\$ 503,916</u>	<u>\$ 8,051,363</u>	<u>\$ 475,661</u>	<u>\$ 1,500,000</u>	<u>\$ 27,101,448</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, 2024

	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
<b>ASSETS</b>								
Current Assets								
Cash	\$ 416,774	\$ 50,341	\$ 898,371	\$ 99,049	\$ 110,675	\$ 1,351,936	\$ 68,324	\$ 2,995,470
Restricted cash	-	196,593	1,362,220	-	337,047	-	-	1,895,860
Accounts receivable	189,696	11,661	91,732	63,066	43,850	41,894	-	441,899
Prepaid expenses	9,747	25,539	40,168	167	149,711	-	-	225,332
Total Current Assets	616,217	284,134	2,392,491	162,282	641,283	1,393,830	68,324	5,558,561
Property, plant and equipment, net	4,174,471	7,214,348	79,062,847	27,168,021	19,246,818	53,404,478	554,517	190,825,500
Other assets	301,198	30,645	3,732,559	611,001	676,254	1,925,691	22,868	7,300,216
	<u>\$ 5,091,886</u>	<u>\$ 7,529,127</u>	<u>\$ 85,187,897</u>	<u>\$ 27,941,304</u>	<u>\$ 20,564,355</u>	<u>\$ 56,723,999</u>	<u>\$ 645,709</u>	<u>\$ 203,684,277</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>								
Current Liabilities								
Accounts payable	\$ 329,576	\$ 1,673,871	\$ 28,819	\$ 1,653,502	\$ -	\$ 536,389	\$ 109,104	\$ 4,331,261
Accrued expenses	-	959,748	5,420,974	1,461,850	1,938,683	4,357,674	-	14,138,929
Loans payable, affiliated companies	-	745,000	-	-	-	-	-	745,000
Prepaid rent	-	-	47,440	26,725	-	7,952	-	82,117
Due to related parties	342,249	-	-	22,580	-	(50,279)	-	314,550
Total Current Liabilities	671,825	3,378,619	5,497,233	3,164,657	1,938,683	4,851,736	109,104	19,611,857
Other payables	-	-	2,929,929	432,223	-	99,712	-	3,461,864
Mortgages and notes payable, net of current portion and unamortized debt financing costs	1,892,396	6,895,562	48,369,430	16,436,365	6,820,690	34,135,303	548,500	115,098,246
Total Liabilities	2,564,221	10,274,181	56,796,592	20,033,245	8,759,373	39,086,751	657,604	138,171,967
Net Assets (Deficit)								
Without donor restriction	967,441	(313)	(2,888,518)	(262)	(94,508)	(136)	(425)	(2,016,723)
Temporarily restricted	-	-	-	-	-	-	-	-
	967,441	(313)	(2,888,518)	(262)	(94,508)	(136)	(425)	(2,016,723)
Non-controlling Limited Partners' interest in consolidated affiliates	1,560,224	(2,744,741)	31,279,823	7,908,321	11,899,490	17,637,384	(11,470)	67,529,033
Total Net Assets (Deficit)	2,527,665	(2,745,054)	28,391,305	7,908,059	11,804,982	17,637,248	(11,895)	65,512,310
	<u>\$ 5,091,886</u>	<u>\$ 7,529,127</u>	<u>\$ 85,187,897</u>	<u>\$ 27,941,304</u>	<u>\$ 20,564,355</u>	<u>\$ 56,723,999</u>	<u>\$ 645,709</u>	<u>\$ 203,684,277</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, 2024

	FAC Red Hook Homes, Inc.	Northeastern Towers Annex Manager LLC	Northeastern Towers Annex Developer LLC	FAC 6309 Fourth Avenue MM LLC	* FAC Solar, LLC	FAC Gowanus Green LLC	Gowanus Green Building D LLC	General Partners	Total
<b>ASSETS</b>									
Current Assets									
Cash	\$ 96,938	\$ -	\$ -	\$ -	\$ 16,840	\$ 164	\$ 10,879	\$ 224	\$ 125,045
Accounts receivable	43,325	-	-	-	-	-	-	-	43,325
Prepaid expenses	-	-	-	-	70	-	-	-	70
Total Current Assets	140,263	-	-	-	16,910	164	10,879	224	168,440
Investment in affiliated companies	-	-	-	-	-	-	-	598,128	598,128
Investment in unconsolidated affiliates	-	205,955	-	-	-	-	-	-	205,955
Property, plant and equipment, net	-	-	-	-	-	980,046	1,190,653	-	2,170,699
Property held for sale	660,001	-	-	-	-	-	-	-	660,001
Other assets	2,995	-	-	-	-	-	-	29,027	32,022
	<u>\$ 803,259</u>	<u>\$ 205,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,910</u>	<u>\$ 980,210</u>	<u>\$ 1,201,532</u>	<u>\$ 627,379</u>	<u>\$ 3,835,245</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>									
Current Liabilities									
Accounts payable	\$ 564,733	\$ -	\$ -	\$ 25	\$ 13,424	\$ 1,403,314	\$ 437,045	\$ -	\$ 2,418,541
Accrued expenses	124,500	-	-	-	-	-	-	-	124,500
Mortgages and notes payable, current portion	-	-	-	-	-	-	764,487	-	764,487
Tenants' deposits payable	2,995	-	-	-	-	-	-	-	2,995
Due to related parties	75,000	1,916	549	-	-	5,755	-	-	83,220
Total Current Liabilities	767,228	1,916	549	25	13,424	1,409,069	1,201,532	-	3,393,743
Other payables	-	208,067	-	4,200	-	-	-	256,577	468,844
Total Liabilities	767,228	209,983	549	4,225	13,424	1,409,069	1,201,532	256,577	3,862,587
Net assets (deficit) Without Donor Restrictions	36,031	(4,028)	(549)	(4,225)	3,486	(428,859)	-	370,802	(27,342)
	<u>\$ 803,259</u>	<u>\$ 205,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,910</u>	<u>\$ 980,210</u>	<u>\$ 1,201,532</u>	<u>\$ 627,379</u>	<u>\$ 3,835,245</u>

\*Audited by other auditors  
See independent auditors' report

## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidating Schedule of Activities Year Ended June 30, 2024

	Non-Profit Corporations	HDFCs	Limited Partnerships	Other Entities	Total	Eliminations	Consolidated Total
<b>SUPPORT AND REVENUE</b>							
Government grants	\$ 5,227,612	\$ 191,764	\$ -	\$ -	\$ 5,419,376	\$ -	\$ 5,419,376
Contributions - corporations	1,950,720	-	-	-	1,950,720	-	1,950,720
Contributions - foundations and trusts	13,575,408	-	-	-	13,575,408	-	13,575,408
Contributions - individuals	412,208	-	-	-	412,208	-	412,208
Special events income	484,560	-	-	-	484,560	-	484,560
In-kind contributions	99,724	-	-	-	99,724	-	99,724
Management and reimbursable fees	1,874,810	-	-	-	1,874,810	(1,468,520)	406,290
Development and marketing fees	2,509,534	-	-	-	2,509,534	(1,471,367)	1,038,167
Program services	370,566	-	-	-	370,566	(124,980)	245,586
Rental income	1,492,842	2,290,190	7,157,201	30,341	10,970,574	(840,975)	10,129,599
Interest income	393,372	2,608	-	5	395,985	-	395,985
Subcontract income	757,763	-	-	59,951	817,714	(679,716)	137,998
Other revenue	44,095	301,852	(34,257)	(834)	310,856	(397,432)	(86,576)
Total Support and Revenue	<u>29,193,214</u>	<u>2,786,414</u>	<u>7,122,944</u>	<u>89,463</u>	<u>39,192,035</u>	<u>(4,982,990)</u>	<u>34,209,045</u>
<b>EXPENSES</b>							
Salaries	9,427,423	-	68,760	-	9,496,183	(247,751)	9,248,432
Contributed services - salaries	99,724	-	-	-	99,724	-	99,724
Payroll taxes and fringe benefits	2,610,070	-	-	-	2,610,070	(105,651)	2,504,419
Administrative	21,134	46,567	-	-	67,701	(67,701)	-
Consultants	1,070,826	-	-	-	1,070,826	(14,032)	1,056,794
Wage subsidy	6,315	-	-	-	6,315	-	6,315
Repairs and maintenance	113,447	356,379	893,669	12,482	1,375,977	(1,048)	1,374,929
Office supplies and printing	199,463	2,159	-	-	201,622	(66,468)	135,154
Telephone and postage	148,880	1,662	41,859	45	192,446	(16,240)	176,206
Utilities	118,845	541,665	744,817	48,472	1,453,799	(13,062)	1,440,737
Professional fees	174,712	64,938	528,324	8,590	776,564	(23,900)	752,664
Occupancy	1,516,281	-	-	-	1,516,281	(840,975)	675,306
Miscellaneous	28,078	11,068	371,315	2,233	412,694	(48,733)	363,961
Meetings and events	47,547	-	-	-	47,547	-	47,547
Marketing	162,699	-	1,774	-	164,473	-	164,473
Conference, travel, and training	212,880	-	-	580	213,460	-	213,460
Contractual services	564,496	-	118,224	-	682,720	(397,432)	285,288
Staff outing	10,637	-	-	-	10,637	-	10,637
Dues and subscriptions	20,149	280	-	-	20,429	-	20,429
Software and support	174,256	11,671	3,363	-	189,290	-	189,290
Insurance	119,703	297,033	485,476	-	902,212	(24,153)	878,059
Equipment, furniture and fixtures	181,358	-	-	-	181,358	(6,292)	175,066
Fees and bank charges	125,337	58,430	1,907	1,038	186,712	-	186,712
Program expenses	1,550,685	-	-	-	1,550,685	(1,311,144)	239,541
Publication and books	25,343	-	-	-	25,343	-	25,343
Management and development fees	59,599	499,370	1,201,629	6,191	1,766,789	(1,766,789)	-
Bad debts	139,469	94,320	98,390	25,975	358,154	-	358,154
Interest and debt issuance costs	255,413	455,655	4,991,353	-	5,702,421	-	5,702,421
Property taxes	-	91,830	70,155	232	162,217	-	162,217
Direct fundraising expense	146,922	6,255	-	-	153,177	-	153,177
Depreciation and amortization	264,187	710,586	6,478,726	-	7,453,499	(31,619)	7,421,880
Total Expenses	<u>19,595,878</u>	<u>3,249,868</u>	<u>16,099,741</u>	<u>105,838</u>	<u>39,051,325</u>	<u>(4,982,990)</u>	<u>34,068,335</u>
Change in Net Assets Before Other Changes	9,597,336	(463,454)	(8,976,797)	(16,375)	140,710	-	140,710
<b>OTHER CHANGES</b>							
Capital contributions	-	-	161,904	-	161,904	-	161,904
Non-controlling interest in losses of consolidated affiliates	-	-	9,172,621	-	9,172,621	-	9,172,621
Change in Net Assets	<u>\$ 9,597,336</u>	<u>\$ (463,454)</u>	<u>\$ 357,728</u>	<u>\$ (16,375)</u>	<u>\$ 9,475,235</u>	<u>\$ -</u>	<u>\$ 9,475,235</u>

See independent auditors' report

## Fifth Avenue Committee, Inc. and Subsidiaries

### Consolidating Schedule of Activities of Non-Profit Corporations Year Ended June 30, 2024

	Fifth Avenue Committee, Inc.	Leap, Inc.	* FAC Center Local Development Corp.	* Neighbors Helping Neighbors	Total
<b>SUPPORT AND REVENUE</b>					
Government grants	\$ 3,104,496	\$ 1,142,035	\$ -	\$ 981,081	\$ 5,227,612
Contributions - corporations	759,597	1,080,123	-	111,000	1,950,720
Contributions - foundations and trusts	1,358,125	12,171,000	-	46,283	13,575,408
Contributions - individuals	65,947	335,306	-	10,955	412,208
Special events income	292,538	184,847	-	7,175	484,560
In-kind contributions	-	99,724	-	-	99,724
Management and reimbursable fees	1,874,810	-	-	-	1,874,810
Development and marketing fees	2,509,534	-	-	-	2,509,534
Program services	157,487	204,503	-	8,576	370,566
Rental income	786,940	-	705,902	-	1,492,842
Interest income	2,457	375,207	15,708	-	393,372
Subcontract income	679,716	69,047	-	9,000	757,763
Other revenue	12,839	-	29,288	1,968	44,095
Total Support and Revenue	<u>11,604,486</u>	<u>15,661,792</u>	<u>750,898</u>	<u>1,176,038</u>	<u>29,193,214</u>
<b>EXPENSES</b>					
Salaries	5,324,473	3,345,481	-	757,469	9,427,423
Contributed services - salaries	-	99,724	-	-	99,724
Payroll taxes and fringe benefits	1,589,972	941,618	-	78,480	2,610,070
Administrative	-	2,630	3,521	14,983	21,134
Consultants	727,995	310,631	-	32,200	1,070,826
Wage subsidy	-	6,315	-	-	6,315
Repairs and maintenance	4,914	34,410	71,733	2,390	113,447
Office supplies and printing	95,045	87,434	-	16,984	199,463
Telephone and postage	101,249	42,963	-	4,668	148,880
Utilities	46,409	49,358	23,078	-	118,845
Professional fees	72,183	83,779	8,000	10,750	174,712
Occupancy	739,697	647,374	-	129,210	1,516,281
Miscellaneous	27,803	275	-	-	28,078
Meetings and events	47,547	-	-	-	47,547
Marketing	34,038	128,661	-	-	162,699
Conference, travel, and training	68,788	144,092	-	-	212,880
Contractual services	549,932	-	14,564	-	564,496
Staff outing	10,637	-	-	-	10,637
Dues and subscriptions	-	20,149	-	-	20,149
Software and support	-	174,256	-	-	174,256
Insurance	73,846	24,153	13,101	8,603	119,703
Equipment, furniture and fixtures	164,903	16,455	-	-	181,358
Fees and bank charges	52,663	72,674	-	-	125,337
Program expenses	82,178	1,424,007	-	44,500	1,550,685
Publication and books	25,343	-	-	-	25,343
Management fees	-	-	59,599	-	59,599
Bad debts	108,806	30,663	-	-	139,469
Interest and debt issuance costs	42,932	-	211,133	1,348	255,413
Direct fundraising expense	93,047	53,875	-	-	146,922
Depreciation	43,101	76,813	144,103	170	264,187
Total Expenses	<u>10,127,501</u>	<u>7,817,790</u>	<u>548,832</u>	<u>1,101,755</u>	<u>19,595,878</u>
Change in Net Assets	<u>\$ 1,476,985</u>	<u>\$ 7,844,002</u>	<u>\$ 202,066</u>	<u>\$ 74,283</u>	<u>\$ 9,597,336</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, 2024

	* 588 Park Place	* FAC Renaissance HDFC	FAC Advance HDFC	FAC Homeownership HDFC	* 50th Street HDFC	* 573 Warren St HDFC	Total
<b>SUPPORT AND REVENUE</b>							
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,764	\$ 191,764
Rental income	194,460	1,243,173	302,811	59,860	470,723	19,163	2,290,190
Interest income	35	2,534	39	-	-	-	2,608
Other revenue	-	291,527	3,616	84,693	(22,345)	(55,639)	301,852
Total Support and Revenue	<u>194,495</u>	<u>1,537,234</u>	<u>306,466</u>	<u>144,553</u>	<u>448,378</u>	<u>155,288</u>	<u>2,786,414</u>
<b>EXPENSES</b>							
Administrative	44,784	-	1,783	-	-	-	46,567
Consultants	-	-	-	-	-	-	-
Repairs and maintenance	98,385	161,846	44,851	12,538	38,759	-	356,379
Office supplies and printing	-	-	2,159	-	-	-	2,159
Telephone and postage	-	441	-	-	813	408	1,662
Utilities	32,180	286,760	41,637	8,271	132,739	40,078	541,665
Professional fees	-	25,376	12,790	13,302	10,390	3,080	64,938
Miscellaneous	-	11,675	-	224	-	(831)	11,068
Dues and subscriptions	-	-	-	-	-	280	280
Software and support	-	8,517	-	-	2,537	617	11,671
Insurance	2,114	121,220	24,115	12,309	78,677	58,598	297,033
Fees and bank charges	-	48,955	-	2,574	3,823	3,078	58,430
Management fees	16,706	172,801	50,121	29,482	135,872	94,388	499,370
Bad debts	-	64,937	-	82	24,697	4,604	94,320
Interest and debt issuance costs	336	347,157	89,186	17,777	582	617	455,655
Property taxes	-	67,647	-	24,183	-	-	91,830
Write down of investment	-	-	6,255	-	-	-	6,255
Depreciation and amortization	77,742	357,780	120,560	28,791	122,273	3,440	710,586
Total Expenses	<u>272,247</u>	<u>1,675,112</u>	<u>393,457</u>	<u>149,533</u>	<u>551,162</u>	<u>208,357</u>	<u>3,249,868</u>
Change in Net Assets	<u>\$ (77,752)</u>	<u>\$ (137,878)</u>	<u>\$ (86,991)</u>	<u>\$ (4,980)</u>	<u>\$ (102,784)</u>	<u>\$ (53,069)</u>	<u>\$ (463,454)</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, 2024

	* 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
<b>SUPPORT AND REVENUE</b>									
Rental income	\$ 736,874	\$ 931,591	\$ 692,454	\$ 1,529,872	\$ 884,098	\$ 772,662	\$ 1,609,650	\$ -	\$ 7,157,201
Other revenue	28,732	11,290	(130,557)	713	(16,223)	18,878	52,910	-	(34,257)
Total Support and Revenue	<u>765,606</u>	<u>942,881</u>	<u>561,897</u>	<u>1,530,585</u>	<u>867,875</u>	<u>791,540</u>	<u>1,662,560</u>	<u>-</u>	<u>7,122,944</u>
<b>EXPENSES</b>									
Salaries	-	-	-	68,760	-	-	-	-	68,760
Repairs and maintenance	146,068	95,172	116,781	171,387	59,335	39,613	265,313	-	893,669
Telephone and postage	643	-	408	19,913	5,782	816	14,297	-	41,859
Utilities	122,195	9,030	132,800	65,187	117,115	168,119	130,371	-	744,817
Professional fees	19,748	12,930	30,727	5,305	404,731	23,996	30,887	-	528,324
Miscellaneous	26,642	731	28,147	27,540	25,517	173,364	89,374	-	371,315
Marketing	-	-	-	1,774	-	-	-	-	1,774
Contractual services	-	-	-	118,224	-	-	-	-	118,224
Software and support	-	-	1,352	-	-	2,011	-	-	3,363
Insurance	20,269	15,077	152,408	2,385	-	113,544	181,793	-	485,476
Fees and bank charges	2,160	-	2,742	-	7,439	(12,381)	1,947	-	1,907
Management fees	241,908	64,487	208,296	61,951	162,630	178,736	283,621	-	1,201,629
Bad debts	2,501	-	11,662	1,202	-	39,310	43,715	-	98,390
Interest and debt issuance costs	2,349	-	110,960	753,863	1,008,368	294,189	2,821,624	-	4,991,353
Property taxes	250	41,166	14,561	10,103	-	2,488	1,587	-	70,155
Depreciation and amortization	158,931	113,881	857,495	2,250,350	656,006	792,124	1,649,939	-	6,478,726
Total Expenses	<u>743,664</u>	<u>352,474</u>	<u>1,668,339</u>	<u>3,557,944</u>	<u>2,446,923</u>	<u>1,815,929</u>	<u>5,514,468</u>	<u>-</u>	<u>16,099,741</u>
Change in Net Assets Before Other Changes	21,942	590,407	(1,106,442)	(2,027,359)	(1,579,048)	(1,024,389)	(3,851,908)	-	(8,976,797)
<b>OTHER CHANGES</b>									
Capital contributions	-	145,265	-	-	-	10,653	-	5,986	161,904
Non-controlling interest in income and losses of consolidated affiliates	(21,942)	(393,624)	1,106,331	2,027,156	1,578,890	1,024,287	3,851,523	-	9,172,621
Other changes	(21,942)	(248,359)	1,106,331	2,027,156	1,578,890	1,034,940	3,851,523	5,986	9,334,525
Change in Net Assets	<u>\$ -</u>	<u>\$ 342,048</u>	<u>\$ (111)</u>	<u>\$ (203)</u>	<u>\$ (158)</u>	<u>\$ 10,551</u>	<u>\$ (385)</u>	<u>\$ 5,986</u>	<u>\$ 357,728</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, 2024

	Red Hook Homes, Inc.	Northeastern Towers Annex Manager LLC	FAC 6309 Fourth Avenue MM LLC	* FAC Solar LLC	General Partners	Total
<b>SUPPORT AND REVENUE</b>						
Rental income	\$ 30,341	\$ -	\$ -	\$ -	\$ -	\$ 30,341
Interest income	-	-	-	-	5	5
Subcontract income	-	-	-	59,951	-	59,951
Other revenue	-	(850)	-	-	16	(834)
Total Support and Revenue	<u>30,341</u>	<u>(850)</u>	<u>-</u>	<u>59,951</u>	<u>21</u>	<u>89,463</u>
<b>EXPENSES</b>						
Repairs and maintenance	12,482	-	-	-	-	12,482
Telephone and postage	45	-	-	-	-	45
Utilities	-	-	-	48,472	-	48,472
Professional fees	8,140	-	-	450	-	8,590
Miscellaneous	-	-	-	-	2,233	2,233
Conference, travel, and training	-	-	-	580	-	580
Fees and bank charges	827	58	25	-	128	1,038
Management fees	1,941	-	850	-	3,400	6,191
Bad debts	25,975	-	-	-	-	25,975
Property taxes	-	-	-	-	232	232
Total Expenses	<u>49,410</u>	<u>58</u>	<u>875</u>	<u>49,502</u>	<u>5,993</u>	<u>105,838</u>
Change in Net Assets	<u>\$ (19,069)</u>	<u>\$ (908)</u>	<u>\$ (875)</u>	<u>\$ 10,449</u>	<u>\$ (5,972)</u>	<u>\$ (16,375)</u>

\*Audited by other auditors  
See independent auditors' report

**Fifth Avenue Committee, Inc.**

Uniform Guidance  
Reports and Schedules

June 30, 2024

## Fifth Avenue Committee, Inc.

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Education</b>				
Pass Through New York State Department of Education:				
Adult Education - Basic Grants to States	84.002	C403754	\$ -	\$ 487,329
Adult Education - Basic Grants to States	84.002	C403779	-	400,000
Total Department of Education			-	887,329
<b>U.S. Department of Housing and Urban Development</b>				
Pass Through Neighborworks America:				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-23-CP-NY-1183	-	154,692
Housing Counseling Assistance Program	14.169	G-HSCP-2021-64257	-	24,960
Pass Through Local Initiatives Support Corporation:				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	40089-0093	-	12,020
Pass Through Enterprise Community Partners				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	23SG2764	-	13,355
Total U.S. Department of Housing and Urban Development			-	205,027
<b>Other Programs</b>				
Congressional Appropriation				
Neighborworks System Program	21.U01		-	100,000
Neighborworks System Program	21.U02		-	487,623
Total Congressional Appropriation			-	587,623
Total Expenditures of Federal Awards			\$ -	\$ 1,679,979

See independent auditors' report and notes to schedule of expenditures of federal awards

## **Fifth Avenue Committee, Inc.**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not represent the financial position, activities, changes in net assets or cash flows of the Corporation.

### **2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **3. Indirect Cost Rate**

The Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With *Government  
Auditing Standards***

**Independent Auditors' Report**

**Board of Directors  
Fifth Avenue Committee, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation"), which comprise the consolidated statement of financial position as of June 30, 2024 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, and have issued our report thereon dated December 27, 2024. The financial statements of Fifth Avenue Committee, Inc.'s affiliates included within the consolidated financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aforementioned affiliates.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

December 27, 2024



**Report on Compliance for Each Major Federal Program and Report on Internal Control  
Over Compliance Required by the Uniform Guidance**

**Independent Auditors' Report**

**Board of Directors  
Fifth Avenue Committee, Inc.**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Fifth Avenue Committee, Inc.'s (the "Corporation") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended June 30, 2024. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

December 27, 2024

**Fifth Avenue Committee, Inc.**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section I - Summary of Auditors' Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ yes  X  no

Significant deficiency(ies) identified?

\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted?

\_\_\_ yes  X  no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_ yes  X  no

Significant deficiency(ies) identified?

\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?

\_\_\_ yes  X  no

Identification of major federal programs:

Federal Assistance

Listing Number

Name of Federal Program or Cluster

84.002

Adult Education - Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X  yes \_\_\_ no

**Section II – Financial Statement Findings**

During our audit, we noted no material findings for the year ended June 30, 2024.

**Section III – Federal Award Findings and Questioned Costs**

During our audit, we noted no material instances of noncompliance and none of the costs reported in the federal financially assisted programs are questioned or recommended to be disallowed.