Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

June 30, 2025

CohnReznick

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

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Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

June 30, 2025

Mortgagor's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Positively Third Street Housing Development Fund Co., Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Officer

Matthew LoCurto Date
Chief Financial Officer

Telephone Number: (212) 273-5257

Property Address: 306 East 3rd Street
New York, NY 10009

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

June 30, 2025

Managing Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Positively Third Street Housing Development Fund Co., Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Managing Agent

JASA Housing Management Services
for the Aged, Inc.

Donald Manning — Date
Director of Housing

Regina Loveridge
Property Manager

Managing Agent Taxpayer
Identification Number
13-3078676

Independent Auditor's Report

To the Board of Trustees
Positively Third Street Housing Development Fund Co., Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Positively Third Street Housing Development Fund Co., Inc. which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Positively Third Street Housing Development Fund Co., Inc. as of June 30, 2025, and the changes in its net assets (deficit) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Positively Third Street Housing Development Fund Co., Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Positively Third Street Housing Development Fund Co., Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness Positively Third Street Housing Development Fund Co., Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Positively Third Street Housing Development Fund Co., Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The HUD-required financial data templates, as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our

opinion, the HUD-required financial data templates and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2026, on our consideration of Positively Third Street Housing Development Fund Co., Inc.'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 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 Positively Third Street Housing Development Fund Co., Inc.'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 Positively Third Street Housing Development Fund Co., Inc.'s internal control over financial reporting and compliance.

CohnReznick LLP

New York, New York
January 16, 2026

Lead Auditor: Michael J. Bisson, CPA

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Statement of Financial Position
June 30, 2025

Assets

Current assets		
Cash - operations	$	1,000
Tenant accounts receivable		21,674
Accounts receivable - operations		219
Prepaid expenses		70,278
Total current assets		93,171
Deposits held in trust - funded		
Tenant deposits		11,865
Restricted deposits and funded reserves		
Reserve for replacements		941,825
Residual receipts reserve		25,332
Total restricted deposits and funded reserves		967,157
Rental property		
Land		2,200,000
Buildings		9,004,533
Building equipment - portable		66,895
Furniture for project/tenant use		57,901
		11,329,329
Less accumulated depreciation		(4,179,481)
Total rental property		7,149,848
Total assets	$	8,222,041

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Statement of Financial Position
June 30, 2025

Liabilities and Net Assets (Deficit)

Current liabilities		
Accounts payable - operations	$	143,524
Accounts payable - entity		12,082
Accrued wages payable		6,513
Accrued payroll taxes payable		952
Accrued management fee payable		99,890
Accrued property taxes payable		108,489
Total current liabilities		371,450
Deposits liability		
Tenant deposits held in trust (contra)		11,650
Long-term liabilities		
Mortgage payable		8,186,700
Total long-term liabilities		8,186,700
Total liabilities		8,569,800
Net assets (deficit)		
Net assets (deficit) without donor restrictions		(347,759)
Total net assets (deficit)		(347,759)
Total liabilities and net assets (deficit)	$	8,222,041

See Notes to Financial Statements.

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Statement of Activities and Changes in Net Assets (Deficit)
Year Ended June 30, 2025

Revenue	
Rental	$ 1,228,873
Vacancies	(21,551)
Net rental revenue	1,207,322
Financial	11,794
Other	200
Total revenue	1,219,316
Expenses	
Administrative	210,265
Utilities	172,208
Operating and maintenance	345,630
Taxes and insurance	274,945
Nursing home/assisted living/board and care/other elderly care expenses	8,345
Total cost of operations before depreciation	1,011,393
Income before depreciation	207,923
Depreciation	236,293
Operating income (loss)	(28,370)
Mortgagor entity expenses	12,082
Change in net assets (deficit)	(40,452)
Net assets (deficit) without donor restrictions, beginning	(307,307)
Net assets without donor restrictions, end	$ (347,759)

See Notes to Financial Statements.

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities		
Rental receipts	$	1,179,744
Interest receipts		11,794
Other operating receipts		200
Total receipts		1,191,738
Administrative expenses paid		(55,533)
Management fees paid		(7,759)
Utilities paid		(153,901)
Salaries and wages paid		(269,230)
Operating and maintenance paid		(158,011)
Real estate taxes paid		(205,615)
Property insurance paid		(89,846)
Miscellaneous taxes and insurance paid		(11,493)
Net tenant security deposits received (paid)		(1,126)
Other operating expenses paid		(6,172)
Total disbursements		(958,686)
Net cash provided by operating activities		233,052
Cash flows from investing activities		
Net deposits to reserve for replacements		(184,009)
Net deposits to residual receipts reserve		(25,303)
Net purchases of fixed assets		(210,631)
Net cash used in investing activities		(419,943)
Net decrease in cash and restricted cash		(186,891)
Cash and restricted cash, beginning		199,756
Cash and restricted cash, end	$	12,865

See Notes to Financial Statements.

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Notes to Financial Statements
June 30, 2025

Note 1 - Organization

Positively Third Street Housing Development Fund Co., Inc. (the "Company") was organized in 2002 as a nonstock, nonprofit Company for the purpose of developing and operating housing and auxiliary facilities for aged persons of low-income. Such projects are regulated by the U.S. Department of Housing and Urban Development ("HUD") as to rent charges and operating methods. The project consists of 53 units located in New York, New York and is currently operating under the name of Harry and Jeannette Weinberg Residence. The Company receives a significant portion of its revenue from government subsidy payments. Surplus cash, as defined by HUD, is required to be deposited into a residual receipts reserve.

The Company is wholly controlled by the JASA Corporation, its sole member. JASA Corporation also wholly controls the Jewish Association Serving the Aging ("JASA"), JASA Housing Management Services for the Aged, Inc. ("JHM") and other housing companies, in its capacity as their sole member. The Company is related to JASA, JHM and the other housing companies by virtue of this control.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the Company is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. All the net assets of the corporation are net assets without donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Company conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and allowance for doubtful accounts

Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025, there is no allowance for doubtful accounts.

Rental property
Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by use of the straight-line method. It is the Company's policy to capitalize items of $5,000 or greater and items purchased with replacement reserves that have a useful life that is greater than one year.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Property classification	Estimated usefule lives
Buildings	40 years
Building equipment - portable	5 - 10 years
Office furniture and equipment	5 years

Impairment of long-lived assets
The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether 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. No impairment loss has been recognized during the year ended June 30, 2025.

Income taxes
The Company has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2025. Due to its tax-exempt status, the Company is not subject to income taxes. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Management has analyzed the tax positions taken by the Company and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. Income tax returns filed by the Company are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2021 remain open.

Rental income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the property are operating leases.

Advertising costs
The Company's policy is to expense advertising costs when incurred.

Functional expenses
The costs of providing programs and other activities are summarized on a functional basis in Note 10. Accordingly, certain costs are allocated among program services and supporting services benefitted.

Note 3 - Liquidity and availability

The Company has $22,674 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $1,000 and accounts receivable of $21,674. Only amounts related to restricted deposits and funded reserves anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

As regulated by HUD, financial assets of the Company are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break-even and not result in either surplus cash or a deficit in surplus cash. Generally, any surplus cash generated, subject to exceptions permitted in certain regulatory agreements, must be deposited into a residual receipts reserve.

Note 4 - Mortgage payable

On June 30, 2004, the Company obtained a capital improvement loan (the "Note") from HUD in the amount of $8,186,700, with a maturity date of October 1, 2095. The loan requires no interest and no repayment provided that the apartments remain available for very low-income elderly persons or very low-income persons with disabilities in accordance with Section 202 of the Housing Act. The loan may not be prepaid prior to the maturity date without prior written approval by HUD. Provided that the housing has remained for use as stated above until the maturity date, the loan shall be deemed to be paid and discharged. If the Company defaults on the Note under its terms, at the option of HUD, the entire principal balance may at once become due and payable without advance notice, with interest accrued to the default date at 5.375% per annum. As of June 30, 2025, the balance of the Note was $8,186,700.

Note 5 - Restricted deposits and funded reserves

Replacement reserve
The Company is required by HUD to fund a replacement reserve to be used for the replacement of property and equipment. The use of the funds requires prior approval from HUD. Monthly deposits in the amount of $14,376 are required. As of June 30, 2025, the balance in the replacement reserve was $941,825.

Residual receipts reserve
The Company is required by HUD to fund a residual receipts reserve to be used for capital improvements. The use of these funds required prior approval from HUD. Deposits are made into the reserve when the Company has surplus cash at the end of the fiscal year. As of June 30, 2025, the balance in the residual receipts reserve was $25,332.

Note 6 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows:

Cash	$	1,000
Tenant deposits		11,865
Total cash and restricted cash shown in the statement of cash flows	$	12,865

The amount included in restricted cash consists of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by regulatory authority.

Note 7 - Related party transactions

JASA

The Company is a participant in a general insurance plan with JASA, which also includes health insurance and workers' compensation. Property and liability insurance expenses for the year ended June 30, 2025 were $89,846. Workers' compensation and health insurance and other employee benefits for the year ended June 30, 2025 were $10,952. Insurance is allocated to the various properties based on the unit counts. As of June 30, 2025, $26,486 remains payable to JASA and is included in accounts payable - operations on the statement of financial position.

The Company is a participant in a multiemployer, defined benefit retirement plan sponsored by the UJA-Federation. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the plan. For the year ended June 30, 2025, the Company did not make any direct contributions into the plan on behalf of its employees; contributions to the plan were made by JASA. For the year ended June 30, 2025, the Company reimbursed JASA $3,589 for pension costs.

JHM

The property is managed by an affiliate of the Company, JHM, pursuant to a management agreement approved by HUD. The current management agreement provides for a fee of 6.71% of rental receipts. Management fees incurred for the year ended June 30, 2025 were $78,137.

The property pays a HUD-approved monthly fee to JHM for accounting and bookkeeping services. Fees earned for the year ended June 30, 2025 were $13,776, and are included in administrative expenses on the statement of activities and changes in net assets (deficit).

As of June 30, 2025, $99,890 remains payable to JHM, of which $99,890 is included in accrued management fee payable and $13,776 is included in accounts payable - operations on the statement of financial position.

Note 8 - Housing assistance payment contract agreement

HUD has contracted with the Company pursuant to Section 202 of the Housing Act of 1937 to make housing assistance payments to the Company on behalf of qualified tenants. The agreement expires October 31, 2029. For the year ended June 30, 2025, rental assistance payments of $992,398, were earned under terms of the agreement.

Note 9 - Current vulnerability due to certain concentrations

The Company's principal asset is a 53-unit apartment facility. The Company's operations are concentrated in the multifamily real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 10 - Expenses by nature and function

The table below presents expenses by both their nature and function during the year ended June 30, 2025:

	Total program services expense	Total supporting services expense (management and general)	Total
Administrative expenses	$ 94,653	$ 115,612	$ 210,265
Utilities expense	172,208	-	172,208
Operating and maintenance expenses	345,630	-	345,630
Taxes and insurance	274,945	-	274,945
Nursing home/assisted living/board and care/other elderly care expenses	8,345	-	8,345
Depreciation	236,293	-	236,293
Corporate or mortgagor entity expenses, net	-	12,082	12,082
Total	$ 1,132,074	$ 127,694	$ 1,259,768

All expenses are directly attributable to a specific function.

Note 11 - Liability for HUD use of excess balance of residual receipts

In connection with its HAP contract, HUD has notified the corporation that, in accordance with Notice H-2012-14 ("Notice"), which was issued by HUD on August 3, 2012, any balance in its residual receipts account in excess of $13,250 (its "Retained Balance") will be used by HUD to offset HAP payments. Under the Notice the company is allowed to retain residual receipts up to the amount of its Retained Balance for general project purposes.

During the year ended June 30, 2025 the Company recorded an expense of $12,082 for the amount of its residual receipts account in excess of its Retained Balance. As of June 30, 2025, the Company has a liability of $12,082, which reflects the remaining excess amount of its residual receipts account. The liability includes an accrual for the amount, if any, of surplus cash that is required to be deposited into the residual receipts account after the end of the year that would cause the balance of the account to exceed the Retained Balance amount.

Note 12 - Real estate taxes

The property has been granted a partial exemption from real estate taxes under section 422 of the Real Property Tax Law by resolution of the City Council of New York. The exemption shall continue for as long as the housing assistance payment contract remains in effect. Under the terms of the exemption, the property is subject to annual shelter rent payments, which are assessed based on a percentage of contract rents.

Note 13 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Company through January 16, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Supporting Data Required by HUD

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Assets

Account No.			
Current assets			
1120	Cash - operations		$ 1,000
1130	Tenant accounts receivable		21,674
1140	Accounts and notes receivable - operations		219
1200	Prepaid expenses		70,278
1100T	Total current assets		93,171
Deposits held in trust - funded			
1191	Tenant deposits		11,865
Restricted deposits and funded reserves			
1320	Reserve for replacements	$ 941,825	
1340	Residual receipts reserve	25,332	
1300T	Total deposits		967,157
Rental property			
1410	Land	2,200,000	
1420	Buildings	9,004,533	
1440	Building equipment - portable	66,895	
1450	Furniture for project/tenant use	57,901	
1400T	Total fixed assets	11,329,329	
1495	Less accumulated depreciation	(4,179,481)	
1400N	Net fixed assets		7,149,848
1000T	Total assets		$ 8,222,041

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Account No.			
	Liabilities and Net Assets (Deficit)		
Current liabilities			
2110	Accounts payable - operations		$ 143,524
2113	Accounts payable - entity		12,082
2120	Accrued wages payable		6,513
2121	Accrued payroll taxes payable		952
2123	Accrued management fee payable		99,890
2150	Accrued property taxes payable		108,489
2122T	Total current liabilities		371,450
Deposits liability			
2191	Tenant deposits held in trust (contra)		11,650
Long-term liabilities			
2320	Mortgage payable - first mortgage	$ 8,186,700	
2300T	Total long-term liabilities		8,186,700
2000T	Total liabilities		8,569,800
3131	Net assets without donor restrictions	(347,759)	
3130	Total net assets (deficit)		(347,759)
2033T	Total liabilities and net assets (deficit)		$ 8,222,041

Positively Third Street Housing Development Fund Co., Inc.
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Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Rental revenue			
5120	Rent revenue - gross potential	$ 236,475	
5121	Tenant assistance payments	992,398	
5100T	Total rental revenue		$ 1,228,873
Vacancies			
5220	Apartments	(21,551)	
5200T	Total vacancies		(21,551)
5152N	Net rental revenue		1,207,322
Financial revenue			
5430	Revenue from investments - residual receipts	300	
5440	Revenue from investments - replacement reserve	11,494	
5400T	Total financial revenue		11,794
Other revenue			
5990	Miscellaneous revenue	200	
5900T	Total other revenue		200
5000T	Total revenue		1,219,316

Positively Third Street Housing Development Fund Co., Inc.
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Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Administrative expenses			
6311	Office expenses	14,735	
6320	Management fee	78,137	
6330	Manager or superintendent salaries	54,623	
6331	Administrative rent free unit	21,972	
6340	Legal expense - project	1,113	
6350	Auditing expense	12,350	
6351	Bookkeeping fees/accounting services	25,125	
6390	Miscellaneous administrative expenses	2,210	
6263T	Total administrative expenses		210,265
Utilities expense			
6450	Electricity	31,062	
6451	Water	33,014	
6452	Gas	55,643	
6453	Sewer	52,489	
6400T	Total utilities expense		172,208
Operating and maintenance expenses			
6515	Supplies	4,859	
6520	Contracts	110,530	
6530	Security payroll/contract	214,020	
6546	Heating/cooling repairs and maintenance	15,198	
6590	Miscellaneous operating and maintenance expenses	1,023	
6500T	Total operating and maintenance expenses		345,630

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Taxes and insurance			
6710	Real estate taxes	143,031	
6711	Payroll taxes	4,173	
6720	Property and liability insurance	89,846	
6722	Workmen's compensation	764	
6723	Health insurance and other employee benefits	13,777	
6790	Miscellaneous taxes, licenses, permits and insurance	23,354	
6700T	Total taxes and insurance		274,945
6900	Nursing home/Assisted living/Board and care/Other elderly care expenses		8,345
6000T	Total cost of operations before depreciation		1,011,393
5060T	Income (loss) before depreciation		207,923
Depreciation			
6600	Depreciation expense	236,293	
	Total depreciation		236,293
5060N	Operating income (loss)		(28,370)
Corporate or mortgagor entity revenue and expenses			
7190	Other expenses	12,082	
7100T	Net entity expenses		12,082
	Total expenses		1,259,768
3250	Change in net assets		$ (40,452)

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.		
S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	$ -
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	$ 34,902
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of activities.	$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of activities.	$ -

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Changes in Net Assets Data
Year Ended June 30, 2025

Account No.		Total
S1100-050	Net assets (deficit)	
S1100-060/080	June 30, 2024	$ (307,307)
3247/3249	Change in net assets	(40,452)
3130	Net assets (deficit)	
3131/3133	June 30, 2025	$ (347,759)

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.		
	Cash flows from operating activities	
S1200-010	Rental receipts	$ 1,179,744
S1200-020	Interest receipts	11,794
S1200-030	Other operating receipts	200
S1200-040	Total receipts	1,191,738
S1200-050	Administrative expenses paid	(55,533)
S1200-070	Management fees paid	(7,759)
S1200-090	Utilities paid	(153,901)
S1200-100	Salaries and wages paid	(269,230)
S1200-110	Operating and maintenance paid	(158,011)
S1200-120	Real estate taxes paid	(205,615)
S1200-140	Property insurance paid	(89,846)
S1200-150	Miscellaneous taxes and insurance paid	(11,493)
S1200-160	Net tenant security deposits received (paid)	1,602
S1200-170	Other operating expenses paid	(6,172)
S1200-230	Total disbursements	(955,958)
S1200-240	Net cash provided by operating activities	235,780
	Cash flows from investing activities	
S1200-250	Net deposits to reserve for replacements	(184,009)
S1200-260	Net deposits to residual receipts reserves	(25,303)
S1200-330	Net purchases of fixed assets	(210,631)
S1200-350	Net cash used in investing activities	(419,943)
S1200-470	Net decrease in cash	(184,163)
S1200-480	Cash, beginning	185,163
S1200T	Cash, end	$ 1,000

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information
Year Ended June 30, 2025

Reserve for Replacements

Account No.			
1320P	Balance at June 30, 2024	$	757,816
1320DT	Total monthly deposits		34,902
1320ODT	Other deposits		
1320OD-010	Replenishment of reserve for replacement		137,613
1320INT	Interest income		11,494
1320	Balance at June 30, 2025	$	941,825

Residual Receipts Reserve

Account No.			
1340P	Balance at June 30, 2024	$	29
1340DT	Total annual deposits		93,641
1340INT	Interest income		300
1340WT	Approved withdrawals		(68,638)
1340	Balance at June 30, 2025	$	25,332

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information
Year Ended June 30, 2025

Computation of Surplus Cash, Distributions and Residual Receipts

Account No.	Part A - Compute Surplus Cash		
S1300-010	Cash (Accounts 1120, 1170 and 1191)	$	12,865
1135	Accounts receivable - HUD		-
S1300-040	Total cash		12,865
S1300-050	Accrued mortgage interest payable		-
S1300-060	Delinquent mortgage principal payments		-
S1300-070	Delinquent deposits to reserve for replacements		-
S1300-075	Accounts payable (due within 30 days)		129,748
S1300-080	Loans and notes payable (due within 30 days)		-
S1300-090	Deficient tax, insurance or MIP escrow deposits		-
S1300-100	Accrued expenses (not escrowed)		215,844
2210	Prepaid revenue (Account 2210)		-
2191	Tenant security deposits liability (Account 2191)		11,650
S1300-140	Less total current obligations		357,242
S1300-150	Surplus cash (deficiency)	$	(344,377)
S1300-210	Part B - Deposit Due Residual Receipts Reserve	$	-

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information
Year Ended June 30, 2025

Changes in Fixed Asset Accounts

	Assets			
	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Land	$ 2,200,000	$ -	$ -	$ 2,200,000
Buildings	8,824,110	180,423	-	9,004,533
Building equipment - portable	51,929	14,966	-	66,895
Furniture for project/tenant use	42,659	15,242	-	57,901
	$ 11,118,698	$ 210,631	$ -	$ 11,329,329
Accumulated depreciation	$ 3,943,188	$ 236,293	$ -	$ 4,179,481
Total net book value				$ 7,149,848

Fixed Asset Detail

Additions to Buildings Account

Item and quantity	Amount
Building improvements	$ 180,423

Additions to Building Equipment - Portable Account

Item and quantity	Amount
Appliances	$ 14,966

Additions to Furniture for Project/Tenant Use Account

Item and quantity	Amount
Furniture & equipment	$ 15,242

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Activities

Miscellaneous Other Revenue (Account No. 5990)

Tenant charges - other	$	200

Other Entity Expenses (Account No. 7190)

Excess residual receipts balance expense	$	12,082

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Supplementary Information
Year Ended June 30, 2025

Other Information

Related party transactions detail:

Account No.	Entity name	Amount paid
S3100-210	JHM (management fee)	$ 7,759
S3100-210	JHM (bookkeeping/accounting)	13,776
		$ 21,535

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Supportive Housing for the Elderly Section 202 Direct Loan	14.157	N/A	$ 8,186,700
Supportive Housing for the Elderly Section 202 Project Rental Assistance Contract	14.157	N/A	992,398
Total U.S. Department of Housing and Urban			9,179,098
Total expenditures of federal awards			$ 9,179,098

See Notes to Schedule of Expenditures of Federal Awards.

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Notes to Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal awards activity of Positively Third Street Housing Development Fund Co., Inc. HUD Project No. 012-EE287, under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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"). Because the Schedule presents only a selected portion of the operations of Positively Third Street Housing Development Fund Co., Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Positively Third Street Housing Development Fund Co., Inc. For the year ended June 30, 2025, no awards were passed through to subrecipients.

Note 2 - Summary of significant accounting policies

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

Note 3 - Indirect cost rate

Positively Third Street Housing Development Fund Co., Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - U.S. Department of Housing and Urban Development loan program

Positively Third Street Housing Development Fund Co., Inc. has received a U.S. Department of Housing and Urban Development direct loan under Section 202 of the National Housing Act. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Positively Third Street Housing Development Fund Co., Inc. received no additional loans during the year. The balance of the loan outstanding at June 30, 2025 consists of:

Assistance Listing Number	Program Name	Outstanding Balance June 30, 2025
14.157	Supportive Housing for the Elderly (Section 202 Direct Loan)	$ 8,186,700

Independent Auditor's 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*

To the Board of Trustees
Positively Third Street Housing Development Fund Co., 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 financial statements of Positively Third Street Housing Development Fund Co., Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets (deficit) and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Positively Third Street Housing Development Fund Co., Inc.'s internal control over financial reporting as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Positively Third Street Housing Development Fund Co., Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Positively Third Street Housing Development Fund Co., Inc.'s internal control over financial reporting.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Positively Third Street Housing Development Fund Co., Inc.'s 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 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Company's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

New York, New York
January 16, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Positively Third Street Housing Development Fund Co., Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Positively Third Street Housing Development Fund Co., Inc.'s 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 Positively Third Street Housing Development Fund Co., Inc.'s major federal programs for the year ended June 30, 2025. Positively Third Street Housing Development Fund Co., Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Positively Third Street Housing Development Fund Co., Inc. complied, in all material respects, with the 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, 2025.

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 ("GAAS"); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Positively Third Street Housing Development Fund Co., Inc. 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Positively Third Street Housing Development Fund Co., Inc.'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 Positively Third Street Housing Development Fund Co., Inc.'s federal programs.

Auditor's 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 to express an opinion on Positively Third Street Housing Development Fund Co., Inc.'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 GAAS, *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 Positively Third Street Housing Development Fund Co., Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Positively Third Street Housing Development Fund Co., Inc.'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 Positively Third Street Housing Development Fund Co., Inc.'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 Positively Third Street Housing Development Fund Co., Inc.'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 compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 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 Auditor's 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 have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's 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.

CohnReznick LLP

New York, New York
January 16, 2026

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Schedule of Findings and Questioned Costs
June 30, 2025

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: 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 auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ____ Yes X No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.157	Section 202

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee ____ Yes X No

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Schedule of Findings and Questioned Costs
June 30, 2025

B. Financial Statement Findings

None reported

C. Federal Award Findings and Questioned Costs

None reported

Other Information Required by HUD -

Management's Response

Positively Third Street Housing Development Fund Co., Inc.
HUD Project No.: 012-EE287

Summary Schedule of Prior Audit Findings
June 30, 2025

Finding No. 2024-1; Section 202, Assistance Listing 14.157

Condition

During the year ended June 30, 2024, management did not make the required residual receipts reserve deposit in the amount of $93,641 within 90 days of year end, as required by HUD.

Previous Response for Finding

The $93,461 of residual receipts noted in the 2023 audit and cited as a finding in the 2024 report was deposited into the residual receipt account on January 10, 2025. Our new Controller has established procedures to ensure that that the proceeds stemming from the retroactive budget based rent increase are used for their intended purpose prior to the end of the fiscal year that they are received.

Current Status

Cleared.

CohnReznick

Independent Member of Nexia

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