

**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, 2019**

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**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, 2019**

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

\_\_\_\_\_  
Tracy Welsh  
Chief Operating Officer

Date

Telephone Number: (212) 273-5212

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

**June 30, 2019**

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.

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Donald Manning  
Director of Housing

Date

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 Financial Statements

We have audited the accompanying financial statements of Positively Third Street Housing Development Fund Co., Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Positively Third Street Housing Development Fund Co., Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 16 to 28 is presented for purposes of additional analysis as required by the Consolidated Audit Guide for Audits of HUD Programs issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying 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 auditing standards generally accepted in the United States of America. In our opinion, the information is 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 our report dated November 26, 2019, 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 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 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.



New York, New York  
November 26, 2019

Taxpayer Identification Number:  
22-1478099

Lead Auditor: Winell Belfonte

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

Statement of Financial Position  
June 30, 2019

Assets

|   |                     |
|---|---------------------|
| Current assets                                |                     |
| Cash - operations                             | \$ 571              |
| Tenant accounts receivable                    | 1,435               |
| Accounts receivable - operations              | 416                 |
| Prepaid expenses                              | <u>72,779</u>       |
| Total current assets                          | <u>75,201</u>       |
| Deposits held in trust - funded               |                     |
| Tenant deposits                               | <u>11,861</u>       |
| Restricted deposits and funded reserves       |                     |
| Reserve for replacements                      | 354,565             |
| Residual receipts reserve                     | <u>28</u>           |
| Total restricted deposits and funded reserves | <u>354,593</u>      |
| Rental property                               |                     |
| Land  | 2,200,000           |
| Buildings                                     | 8,780,721           |
| Building equipment - portable                 | 38,987              |
| Furniture for project/tenant use              | <u>42,659</u>       |
|   | 11,062,367          |
| Less accumulated depreciation                 | <u>(2,811,338)</u>  |
| Total rental property                         | <u>8,251,029</u>    |
| Total assets                                  | <u>\$ 8,692,684</u> |

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

**Statement of Financial Position**  
**June 30, 2019**

Liabilities and Net Assets

|  |                            |
|--|----------------------------|
| Current liabilities                    |                            |
| Accounts payable - operations          | \$ 130,288                 |
| Accrued wages payable                  | 6,240                      |
| Accrued payroll taxes payable          | 486                        |
| Accrued management fee payable         | 29,854                     |
| Prepaid revenue                        | <u>1,319</u>               |
| Total current liabilities              | <u>168,187</u>             |
| Deposits liability                     |                            |
| Tenant deposits held in trust (contra) | <u>11,861</u>              |
| Long-term liabilities                  |                            |
| Mortgage payable - first mortgage      | <u>8,186,700</u>           |
| Total long-term liabilities            | <u>8,186,700</u>           |
| Total liabilities                      | <u>8,366,748</u>           |
| Net assets                             |                            |
| Net assets without donor restrictions  | <u>325,936</u>             |
| Total net assets                       | <u>325,936</u>             |
| Total liabilities and net assets       | <u><u>\$ 8,692,684</u></u> |

See Notes to Financial Statements.



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

**Statement of Activities**  
**Year Ended June 30, 2019**

|  |             |
|--|-------------|
| Revenue  |             |
| Rental   | \$ 805,002  |
| Vacancies  | (2,674)     |
|  | <hr/>       |
| Net rental revenue                               | 802,328     |
| Financial  | 2,292       |
| Other  | 141         |
|  | <hr/>       |
| Total revenue                                    | 804,761     |
|  | <hr/>       |
| Expenses   |             |
| Administrative                                   | 166,841     |
| Utilities  | 103,913     |
| Operating and maintenance                        | 303,276     |
| Taxes and insurance                              | 179,132     |
|  | <hr/>       |
| Total cost of operations before depreciation     | 753,162     |
|  | <hr/>       |
| Income (loss) before depreciation                | 51,599      |
| Depreciation                                     | 224,072     |
|  | <hr/>       |
| Change in net assets                             | (172,473)   |
| Net assets without donor restrictions, beginning | 498,409     |
|  | <hr/>       |
| Net assets without donor restrictions, end       | \$ 325,936  |
|  | <hr/> <hr/> |

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

**Statement of Cash Flows**  
**Year Ended June 30, 2019**

|  |             |
|--|-------------|
| Cash flows from operating activities     |             |
| Rental receipts                          | \$ 782,191  |
| Interest receipts                        | 2,292       |
| Other operating receipts                 | 141         |
|  | <hr/>       |
| Total receipts                           | 784,624     |
|  | <hr/>       |
| Administrative expenses paid             | (44,244)    |
| Management fees paid                     | (58,962)    |
| Utilities paid                           | (94,515)    |
| Salaries and wages paid                  | (222,490)   |
| Operating and maintenance paid           | (191,783)   |
| Real estate taxes paid                   | (138,476)   |
| Property insurance paid                  | (38,443)    |
| Miscellaneous taxes and insurance paid   | (113)       |
| Other operating expenses paid            | (19,623)    |
|  | <hr/>       |
| Total disbursements                      | (808,649)   |
|  | <hr/>       |
| Net cash used in operating activities    | (24,025)    |
|  | <hr/>       |
| Cash flows from investing activities     |             |
| Net deposits to reserve for replacements | (13,596)    |
| Net purchases of fixed assets            | (48,106)    |
|  | <hr/>       |
| Net cash used in investing activities    | (61,702)    |
|  | <hr/>       |
| Net decrease in cash                     | (85,727)    |
|  | <hr/>       |
| Cash, beginning                          | 86,298      |
|  | <hr/>       |
| Cash, end                                | \$ 571      |
|  | <hr/> <hr/> |

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

**Notes to Financial Statements**  
**June 30, 2019**

**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, under Section 202 of the National Housing Act, 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 Company, its sole member. JASA Company 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 Company presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the organization 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. 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. As of June 30, 2019, there are no net assets with donor restrictions.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, 2019, 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.

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

**Notes to Financial Statements**  
**June 30, 2019**

**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 for the year ended June 30, 2019.

**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, 2019. 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. 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 year since 2016 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.

**Change in accounting principle**

The year ended June 30, 2019, the Company adopted the provisions of Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The Update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Company has adjusted the presentation of these statements accordingly. The ASU 2016-14 has been applied on a retrospective basis.

**Note 3 - Liquidity and availability**

The Company has \$75,201 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 \$571, accounts receivable, net of allowances of \$1,851 and prepaid expense of \$75,201. 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.

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

**Notes to Financial Statements**  
**June 30, 2019**

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.

**Note 5 - 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 \$2,908 were required. As of June 30, 2019, the balance in the replacement reserve was \$354,565.

**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, 2019, the balance in the residual receipts reserve was \$28.

**Note 6 - Related party transactions**

**JASA**

The Company is a participant in a general insurance plan with JASA, which also includes health insurance and workmen's compensation. Property and liability insurance expense for the year ended June 30, 2019 were \$39,037. Workmen's compensation and health insurance and other employee benefits for the year ended June 30, 2019 were \$12,906.

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, 2019, 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, 2019, the Company reimbursed JASA \$3,828 for pension costs.

As of June 30, 2019, \$34,233 remains payable to JASA and is included in accounts payable - operations on the statement of financial position.

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

**Notes to Financial Statements**  
**June 30, 2019**

**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 earned for the year ended June 30, 2019 were \$52,487.

The property pays a HUD-approved monthly fee to JHM for accounting and bookkeeping services. Fees earned for the year ended June 30, 2019 were \$11,808, and are included in bookkeeping fees/accounting services on the statement of activities.

As of June 30, 2019, \$29,854 remain payable to JHM and are included in accrued management fee payable on the statement of financial position.

**Note 7 - 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 21, 2026. For the year ended June 30, 2019, rental assistance payments of \$628,993, were earned under terms of the agreement.

**Note 8 - Concentration of credit risk**

The Company maintains its cash balances in several accounts in one bank. The cash balances are insured by the Federal Deposit Insurance Company up to \$250,000. At times, these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2019.

**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.

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

**Notes to Financial Statements**  
**June 30, 2019**

**Note 10 - Expenses by nature and function**

The table below presents expenses by both their nature and function during the year ended June 30, 2019:

|                                       | Total program<br>services<br>expense | Total supporting<br>services<br>expense<br>(management<br>and general) | Total             |
|---------------------------------------|--------------------------------------|--|-------------------|
| Administrative expenses               | \$ 88,797                            | \$ 78,044  | \$ 166,841        |
| Utilities expense                     | 103,913                              | -  | 103,913           |
| Operating and maintenance<br>expenses | 303,276                              | -  | 303,276           |
| Taxes and insurance                   | 179,132                              | -  | 179,132           |
| Depreciation                          | 224,072                              | -  | 224,072           |
| <b>Total</b>                          | <b>\$ 899,190</b>                    | <b>\$ 78,044</b>   | <b>\$ 977,234</b> |

All expenses are directly attributable to a specific function.

**Note 11 - Commitments and contingencies**

Pursuant to the Company's contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Company with regard to transactions relating to these contracts. The accompanying financial statements contain no provision for possible disallowances resulting from such reviews. Although such possible disallowances could be substantial, in the opinion of management, actual disallowances resulting from such reviews, if any, would be immaterial.

**Note 12 - 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 November 26, 2019 (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-EH-243**

**Supplementary Information**

**Statement of Financial Position Data**  
**June 30, 2019**

| <u>Account No.</u>                             | <u>Assets</u>                              |                            |
|--|--|----------------------------|
| <b>Current assets</b>                          |  |                            |
| 1120   | Cash - operations                          | \$ 571                     |
| 1130   | Tenant accounts receivable                 | 1,435                      |
| 1140   | Accounts and notes receivable - operations | 416                        |
| 1200   | Prepaid expenses                           | <u>72,779</u>              |
| 1100T  | Total current assets                       | 75,201                     |
| <b>Deposits held in trust - funded</b>         |  |                            |
| 1191   | Tenant deposits                            | 11,861                     |
| <b>Restricted deposits and funded reserves</b> |  |                            |
| 1320   | Reserve for replacements                   | \$ 354,565                 |
| 1340   | Residual receipts reserve                  | <u>28</u>                  |
| 1300T  | Total deposits                             | 354,593                    |
| <b>Rental property</b>                         |  |                            |
| 1410   | Land                                       | 2,200,000                  |
| 1420   | Buildings                                  | 8,780,721                  |
| 1440   | Building equipment - portable              | 38,987                     |
| 1450   | Furniture for project/tenant use           | <u>42,659</u>              |
| 1400T  | Total fixed assets                         | 11,062,367                 |
| 1495   | Less accumulated depreciation              | <u>(2,811,338)</u>         |
| 1400N  | Net fixed assets                           | <u>8,251,029</u>           |
| 1000T  | Total assets                               | <u><u>\$ 8,692,684</u></u> |

**Positively Third Street Housing Development Fund Co., Inc.**  
**HUD Project No.: 012-EH-243**

**Supplementary Information**

**Statement of Financial Position Data**  
**June 30, 2019**

| <u>Account No.</u>           | <u>Liabilities and Net Assets</u>      |                            |
|------------------------------|--|----------------------------|
| <b>Current liabilities</b>   |  |                            |
| 2110                         | Accounts payable - operations          | \$ 130,288                 |
| 2120                         | Accrued wages payable                  | 6,240                      |
| 2121                         | Accrued payroll taxes payable          | 486                        |
| 2123                         | Accrued management fee payable         | 29,854                     |
| 2210                         | Prepaid revenue                        | <u>1,319</u>               |
| 2122T                        | Total current liabilities              | 168,187                    |
| <b>Deposits liability</b>    |  |                            |
| 2191                         | Tenant deposits held in trust (contra) | 11,861                     |
| <b>Long-term liabilities</b> |  |                            |
| 2320                         | Mortgage payable - first mortgage      | <u>\$ 8,186,700</u>        |
| 2300T                        | Total long-term liabilities            | <u>8,186,700</u>           |
| 2000T                        | Total liabilities                      | 8,366,748                  |
| 3131                         | Net assets without donor restrictions  | <u>325,936</u>             |
| 3130                         | Total net assets                       | <u>325,936</u>             |
| 2033T                        | Total liabilities and net assets       | <u><u>\$ 8,692,684</u></u> |

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

Supplementary Information

Statement of Activities Data  
Year Ended June 30, 2019

| <u>Account No.</u> |  |                |                |
|--------------------|--|----------------|----------------|
| Rental revenue     |  |                |                |
| 5120               | Rent revenue - gross potential                 | \$ 176,009     |                |
| 5121               | Tenant assistance payments                     | <u>628,993</u> |                |
| 5100T              | Total rental revenue                           |                | \$ 805,002     |
| Vacancies          |  |                |                |
| 5220               | Apartments                                     | <u>(2,674)</u> |                |
| 5200T              | Total vacancies                                |                | <u>(2,674)</u> |
| 5152N              | Net rental revenue                             |                | 802,328        |
| Financial revenue  |  |                |                |
| 5440               | Revenue from investments - replacement reserve | <u>2,292</u>   |                |
| 5400T              | Total financial revenue                        |                | 2,292          |
| Other revenue      |  |                |                |
| 5990               | Miscellaneous revenue                          | <u>141</u>     |                |
| 5900T              | Total other revenue                            |                | <u>141</u>     |
| 5000T              | Total revenue                                  |                | <u>804,761</u> |

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

**Supplementary Information**

**Statement of Activities Data**  
**Year Ended June 30, 2019**

| <u>Account No.</u>                 |  |               |         |
|------------------------------------|--|---------------|---------|
| Administrative expenses            |  |               |         |
| 6204                               | Management consultants                   | 188           |         |
| 6311                               | Office expenses                          | 17,415        |         |
| 6320                               | Management fee                           | 52,487        |         |
| 6330                               | Manager or superintendent salaries       | 47,337        |         |
| 6331                               | Administrative rent free unit            | 21,720        |         |
| 6340                               | Legal expense - project                  | 200           |         |
| 6350                               | Auditing expense                         | 10,100        |         |
| 6351                               | Bookkeeping fees/accounting services     | 15,457        |         |
| 6390                               | Miscellaneous administrative expenses    | <u>1,937</u>  |         |
| 6263T                              | Total administrative expenses            |               | 166,841 |
| Utilities expense                  |  |               |         |
| 6450                               | Electricity                              | 19,167        |         |
| 6451                               | Water                                    | 16,709        |         |
| 6452                               | Gas                                      | 41,470        |         |
| 6453                               | Sewer                                    | <u>26,567</u> |         |
| 6400T                              | Total utilities expense                  |               | 103,913 |
| Operating and maintenance expenses |  |               |         |
| 6515                               | Supplies                                 | 10,654        |         |
| 6520                               | Contracts                                | 94,137        |         |
| 6530                               | Security payroll/contract                | 178,694       |         |
| 6546                               | Heating/cooling repairs and maintenance  | <u>19,791</u> |         |
| 6500T                              | Total operating and maintenance expenses |               | 303,276 |

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

**Supplementary Information**

**Statement of Activities Data**  
**Year Ended June 30, 2019**

|                     |  |                |                     |
|---------------------|--|----------------|---------------------|
| <u>Account No.</u>  |  |                |                     |
| Taxes and insurance |  |                |                     |
| 6710                | Real estate taxes                                    | 119,678        |                     |
| 6711                | Payroll taxes  | 3,570          |                     |
| 6720                | Property and liability insurance                     | 39,037         |                     |
| 6722                | Workmen's compensation                               | 2,758          |                     |
| 6723                | Health insurance and other employee benefits         | 13,976         |                     |
| 6790                | Miscellaneous taxes, licenses, permits and insurance | 113            |                     |
|                     |  | <u>113</u>     |                     |
| 6700T               | Total taxes and insurance                            |                | <u>179,132</u>      |
| 6000T               | Total cost of operations before depreciation         |                | <u>753,162</u>      |
| 5060T               | Income (loss) before depreciation                    |                | <u>51,599</u>       |
| Depreciation        |  |                |                     |
| 6600                | Depreciation expense                                 | 224,072        |                     |
|                     |  | <u>224,072</u> |                     |
|                     | Total depreciation                                   |                | <u>224,072</u>      |
| 5060N               | Operating income (loss)                              |                | <u>(172,473)</u>    |
|                     | Total expenses                                       |                | <u>977,234</u>      |
| 3250                | Change in net assets                                 |                | <u>\$ (172,473)</u> |

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

**Supplementary Information**

**Statement of Activities Data  
Year Ended June 30, 2019**

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.        | <u><u>\$ -</u></u>      |
| 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. | <u><u>\$ 34,900</u></u> |
| S1000-030 | Replacement reserve, or residual receipts and releases which are included as expense items on the statement of activities.   | <u><u>\$ -</u></u>      |
| S1000-040 | Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of activities.  | <u><u>\$ -</u></u>      |

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, 2019

| <u>Account No.</u> |                      |                   |
|--------------------|----------------------|-------------------|
| S1100-050          | Net assets           |                   |
| S1100-060/080      | June 30, 2018        | \$ 498,409        |
| 3247/3249          | Change in net assets | <u>(172,473)</u>  |
| 3130               | Net assets           |                   |
| 3131/3133          | June 30, 2019        | <u>\$ 325,936</u> |

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

**Supplementary Information**

**Statement of Cash Flows Data**  
**Year Ended June 30, 2019**

| <u>Account No.</u> |  |             |
|--------------------|--|-------------|
|                    | Cash flows from operating activities     |             |
| S1200-010          | Rental receipts                          | \$ 782,191  |
| S1200-020          | Interest receipts                        | 2,292       |
| S1200-030          | Other operating receipts                 | 141         |
|                    |  | <hr/>       |
| S1200-040          | Total receipts                           | 784,624     |
|                    |  | <hr/>       |
| S1200-050          | Administrative expenses paid             | (44,244)    |
| S1200-070          | Management fees paid                     | (58,962)    |
| S1200-090          | Utilities paid                           | (94,515)    |
| S1200-100          | Salaries and wages paid                  | (222,490)   |
| S1200-110          | Operating and maintenance paid           | (191,783)   |
| S1200-120          | Real estate taxes paid                   | (138,476)   |
| S1200-140          | Property insurance paid                  | (38,443)    |
| S1200-150          | Miscellaneous taxes and insurance paid   | (113)       |
| S1200-170          | Other operating expenses paid            | (19,623)    |
|                    |  | <hr/>       |
| S1200-230          | Total disbursements                      | (808,649)   |
|                    |  | <hr/>       |
| S1200-240          | Net cash used in operating activities    | (24,025)    |
|                    |  | <hr/>       |
|                    | Cash flows from investing activities     |             |
| S1200-250          | Net deposits to reserve for replacements | (13,596)    |
| S1200-330          | Net purchases of fixed assets            | (48,106)    |
|                    |  | <hr/>       |
| S1200-350          | Net cash used in investing activities    | (61,702)    |
|                    |  | <hr/>       |
| S1200-470          | Net decrease in cash                     | (85,727)    |
|                    |  | <hr/>       |
| S1200-480          | Cash, beginning                          | 86,298      |
|                    |  | <hr/>       |
| S1200T             | Cash, end                                | \$ 571      |
|                    |  | <hr/> <hr/> |



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

**Supplementary Information**  
**Year Ended June 30, 2019**

**Reserve for Replacements**

| <u>Account No.</u> |                          |                          |
|--------------------|--------------------------|--------------------------|
| 1320P              | Balance at June 30, 2018 | \$ 340,969               |
| 1320DT             | Total monthly deposits   | 34,900                   |
| 1320INT            | Interest income          | 2,292                    |
| 1320WT             | Approved withdrawals     | <u>(23,596)</u>          |
| 1320               | Balance at June 30, 2019 | <u><u>\$ 354,565</u></u> |

**Residual Receipts Reserve**

| <u>Account No.</u> |                          |                     |
|--------------------|--------------------------|---------------------|
| 1340P              | Balance at June 30, 2018 | <u>\$ 28</u>        |
| 1340               | Balance at June 30, 2019 | <u><u>\$ 28</u></u> |

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

**Supplementary Information  
Year Ended June 30, 2019**

**Computation of Surplus Cash, Distributions and Residual Receipts**

| <u>Account No.</u> | <u>Part A - Compute Surplus Cash</u>                  |              |
|--------------------|---|--------------|
| S1300-010          | Cash (Accounts 1120, 1170 and 1191)                   | \$ 12,432    |
| 1135               | Accounts receivable - HUD                             | -            |
|                    |   | <hr/>        |
| S1300-040          | Total cash  | 12,432       |
|                    |   | <hr/>        |
| 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)                 | 130,288      |
| 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)                       | 36,580       |
| 2210               | Prepaid revenue (Account 2210)                        | 1,319        |
| 2191               | Tenant security deposits liability (Account 2191)     | 11,861       |
|                    |   | <hr/>        |
| S1300-140          | Less total current obligations                        | 180,048      |
|                    |   | <hr/>        |
| S1300-150          | Surplus cash (deficiency)                             | \$ (167,616) |
|                    |   | <hr/> <hr/>  |
| S1300-210          | <u>Part B - Deposit Due Residual Receipts Reserve</u> | <u>\$ -</u>  |

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

**Supplementary Information  
Year Ended June 30, 2019**

**Changes in Fixed Asset Accounts**

|                                     | Assets               |                   |             | Balance 6/30/19      |
|-------------------------------------|----------------------|-------------------|-------------|----------------------|
|                                     | Balance 6/30/18      | Additions         | Deletions   |                      |
| Land                                | \$ 2,200,000         | \$ -              | \$ -        | \$ 2,200,000         |
| Buildings                           | 8,732,615            | 48,106            | -           | 8,780,721            |
| Building equipment -<br>portable    | 38,987               | -                 | -           | 38,987               |
| Furniture for<br>project/tenant use | 42,659               | -                 | -           | 42,659               |
|                                     | <u>\$ 11,014,261</u> | <u>\$ 48,106</u>  | <u>\$ -</u> | <u>\$ 11,062,367</u> |
| Accumulated<br>depreciation         | <u>\$ 2,587,266</u>  | <u>\$ 224,072</u> | <u>\$ -</u> | <u>\$ 2,811,338</u>  |
| Total net book value                |                      |                   |             | <u>\$ 8,251,029</u>  |

Fixed Asset Detail

Additions to Buildings Account

| Item and quantity    | Amount           |
|----------------------|------------------|
| Water booster pump   | \$ 18,946        |
| Expansion tank       | 6,200            |
| Common area painting | 22,960           |
|                      | <u>\$ 48,106</u> |

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

Supplementary Information  
Year Ended June 30, 2019

**Detail of Accounts - Statement of Activities**

Miscellaneous Other Revenue (Account No. 5990)

|   |    |             |
|---|----|-------------|
| Interest from miscellaneous investments | \$ | 81          |
| Admin fee income                        |    | 60          |
|   |    | <hr/>       |
|   | \$ | 141         |
|   |    | <hr/> <hr/> |

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

Supplementary Information  
Year Ended June 30, 2019

Other Information

Related party transactions detail:

| <u>Account No.</u> | <u>Entity name</u>           | <u>Amount paid</u> |
|--------------------|------------------------------|--------------------|
| S3100-210          | JHM (management fee)         | \$ 58,962          |
| S3100-210          | JHM (bookkeeping/accounting) | 11,808             |
|                    |                              | <u>\$ 70,770</u>   |

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

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

| <u>Federal Grantor/<br/>(Pass-through Grantor)/<br/>Program Title</u>                | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-through<br/>Entity<br/>Identifying<br/>Number</u> | <u>Total<br/>Federal<br/>Expenditures</u> |
|--|------------------------------------|---|---|
| Supportive Housing for the Elderly Section 202<br>Direct Loan                        | 14.157                             | N/A   | \$ 8,186,700                              |
| Supportive Housing for the Elderly Section 202<br>Project Rental Assistance Contract | 14.157                             | N/A   | <u>628,993</u>                            |
| Total expenditures of federal awards   |                                    |   | <u><u>\$ 8,815,693</u></u>                |

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  
Year Ended June 30, 2019**

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal award 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, 2019. 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.

**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. 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 3 - 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, 2019 consists of:

| <u>CFDA Number</u> | <u>Program Name</u>   | <u>Outstanding<br/>Balance<br/>June 30, 2019</u> |
|--------------------|---|--|
| 14.157             | Supportive Housing for the Elderly<br>(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, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2019.

#### 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 ("internal control") to determine 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. Accordingly, we do not express an opinion on the effectiveness of Positively Third Street Housing Development Fund Co., Inc.'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 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 may exist that we have not identified.

#### 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 determination of financial statement amounts. 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 Company'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.

*CohnReznick LLP*

New York, New York  
November 26, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program  
and 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

We have audited Positively Third Street Housing Development Fund Co., Inc.'s compliance with the types of compliance requirements described 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, 2019. 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.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Positively Third Street Housing Development Fund Co., Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Positively Third Street Housing Development Fund Co., Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Positively Third Street Housing Development Fund Co., Inc.'s compliance.

*Opinion on Each Major Federal Program*

In our opinion, Positively Third Street Housing Development Fund Co., Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of Positively Third Street Housing Development Fund Co., Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Positively Third Street Housing Development Fund Co., Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Positively Third Street Housing Development Fund Co., Inc.'s 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 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 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 the attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



New York, New York  
November 26, 2019

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

**Schedule of Findings and Questioned Costs**  
**June 30, 2019**

**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Positively Third Street Housing Development Fund Co., Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of the financial statements were reported in the 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*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Positively Third Street Housing Development Fund Co., Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Positively Third Street Housing Development Fund Co., Inc. expressed an unmodified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs for Positively Third Street Housing Development Fund Co., Inc.
7. The program tested as a major program was:
  - U.S. Department of Housing and Urban Development
  - Supportive Housing for the Elderly - CFDA No. 14.157
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. Positively Third Street Housing Development Fund Co., Inc. was determined to be a low-risk auditee.

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None



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