Fifth Avenue Committee, Inc.
and Subsidiaries

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

June 30, 2019

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Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flow for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of 588 Park Place Housing Development Fund Corporation, FAC Advance Housing Development Fund Corporation, FAC Center Local Development Corp, FAC Renaissance HDFC, FAC Homeownership HDFC, 50th Street HDFC, 573 Warren St HDFC, 551 Warren St LP, FAC Renaissance LP, FAC Sunset Park LP, FAC 6309 Fourth Ave LP and Neighbors Helping Neighbors, Inc., (collectively, the "Subsidiaries") which statements reflect total assets constituting $57,943,098 of consolidated total assets as of June 30, 2019 and total revenue constituting $5,136,496 of consolidated total revenue for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for these entities is based solely on the reports of other auditors. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fifth Avenue Committee, Inc. and Subsidiaries as of June 30, 2019, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, during the year ended June 30, 2019, Fifth Avenue Committee, Inc. and Subsidiaries adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 34 through 43 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards on page 44, as required by the Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, which insofar as it relates to the Subsidiaries, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

December 9, 2019

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Financial Position
June 30, 2019

ASSETS	
Current Assets	
Cash and cash equivalents	$ 5,758,706
Grants receivable	2,540,035
Accounts receivable	1,747,753
Prepaid expenses	279,558
Advances to unconsolidated affiliates	176,587
Total Current Assets	10,502,639
Investment in unconsolidated affiliates	11,983
Replacement reserve	1,026,032
Operating reserve	3,088,882
Social service reserve	717,517
Property, plant and equipment, net	104,768,545
Property held for sale	1,239,753
Other assets	682,087
	$ 122,037,438
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	$ 5,677,589
Accrued expenses	2,271,034
Mortgages and notes payable, current portion	21,905,095
Grants payable, subsidiary	5,289
Tenants' deposits payable	221,867
Due to related parties	894,167
Total Current Liabilities	30,975,041
IDA funds	98,541
Refundable grants payable	962,500
Other payables	1,641,896
Mortgages and notes payable, net of current portion and unamortized debt issuance costs	75,584,300
Total Liabilities	109,262,278
Net Assets	
Without donor restriction	5,414,331
With donor restriction	398,038
	5,812,369
Non-controlling Limited Partners' interest in consolidated affiliates	6,962,791
Total Net Assets	12,775,160
	$ 122,037,438

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2019

	Without Donor Restriction		Total		
	Undesignated	For Profit Subsidiaries	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE					
Government grants	$ 3,416,871	$ 157,766	$ 3,574,637	$ -	$ 3,574,637
Contributions - corporations	882,145	-	882,145	130,000	1,012,145
Contributions - foundations and trusts	3,825,110	-	3,825,110	821,573	4,646,683
Contributions - individuals	237,007	-	237,007	-	237,007
Special events income	349,746	-	349,746	-	349,746
In-kind contributions	195,968	-	195,968	-	195,968
Management and reimbursable fees	208,627	-	208,627	-	208,627
Development and marketing fees	311,066	-	311,066	-	311,066
Program services	33,633	-	33,633	-	33,633
Rental income	495,179	4,668,628	5,163,807	-	5,163,807
Interest income	28,151	232	28,383	-	28,383
Subcontract income	104,242	-	104,242	-	104,242
Other revenue	113,371	462,305	575,676	-	575,676
Net assets released from restrictions	902,271	-	902,271	(902,271)	-
Total Support and Revenue	11,103,387	5,288,931	16,392,318	49,302	16,441,620
EXPENSES					
Program services	10,519,677	4,386,701	14,906,378	-	14,906,378
Management and general	1,212,592	51,546	1,264,138	-	1,264,138
Fundraising	868,152	-	868,152	-	868,152
Total Expenses	12,600,421	4,438,247	17,038,668	-	17,038,668
Change in Net Assets from Operations	(1,497,034)	850,684	(646,350)	49,302	(597,048)
OTHER CHANGES					
Capital contributions	-	733,311	733,311	-	733,311
Distributions	-	(126,940)	(126,940)	-	(126,940)
Non-controlling Interest in Income of Consolidated Affiliates	-	630,664	630,664	-	630,664
Change in Net Assets	(1,497,034)	2,087,719	590,685	49,302	639,987
NET ASSETS (DEFICIT)					
Beginning of year	5,570,929	(747,283)	4,823,646	348,736	5,172,382
End of year	$ 4,073,895	$ 1,340,436	$ 5,414,331	$ 398,038	$ 5,812,369

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
PERSONNEL				
Salaries	$ 5,240,285	$ 245,589	$ 504,592	$ 5,990,466
Payroll taxes and fringe benefits	1,575,787	61,912	126,208	1,763,907
Total Personnel	6,816,072	307,501	630,800	7,754,373
OTHER THAN PERSONNEL				
Administrative	7,835	12,291	-	20,126
Consultants	340,965	89,927	37,896	468,788
Wage subsidy	5,171	-	-	5,171
Repairs and maintenance	751,573	3,518	615	755,706
Office supplies and printing	74,455	7,908	9,146	91,509
Telephone and postage	101,255	22,406	9,979	133,640
Utilities	773,183	8,043	2,654	783,880
Professional fees	264,291	127,894	-	392,185
Occupancy	290,074	121,436	44,416	455,926
Miscellaneous	398,047	535	-	398,582
Meetings and events	29,460	1,345	1,195	32,000
Marketing	40,359	16,917	9,020	66,296
Conference, travel, and training	93,670	16,538	6,053	116,261
Contractual services	1,786	147,315	-	149,101
Staff outing	3,634	657	228	4,519
Dues and subscriptions	2,444	2,359	-	4,803
Software and support	33,371	9,774	604	43,749
Insurance	482,751	16,737	1,507	500,995
Equipment, furniture and fixtures	41,283	11,798	4,315	57,396
Fees and bank charges	69,681	22,229	4,726	96,636
Program expenses	1,293,623	10,056	19,317	1,322,996
Publications and books	10,342	422	497	11,261
Management fees	-	64,236	-	64,236
Relocation expense	907,910	-	-	907,910
Bad debts	33,582	187,674	2,500	223,756
Interest and debt issuance costs	485,115	15,039	-	500,154
Property taxes	56,012	-	-	56,012
Direct fundraising expense	-	-	79,893	79,893
Depreciation and amortization	1,498,434	39,583	2,791	1,540,808
Total Other Than Personnel	8,090,306	956,637	237,352	9,284,295
Total Expenses	$ 14,906,378	$ 1,264,138	$ 868,152	$ 17,038,668

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets from operations	$ (597,048)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	1,540,807
Amortization of debt issuance costs	32,578
Bad debts	223,756
Changes in operating assets and liabilities	
Grants receivable	(35,452)
Accounts receivable	(240,174)
Prepaid expenses	2,989
Other assets	(63,521)
Accounts payable	1,319,179
Accrued expenses	262,120
Tenants' deposits payable	3,204
Refundable grants payable	102,500
Other payables	47,196
Grants payable, subsidiary	5,289
Due to related parties	613,638
Net Cash from Operating Activities	3,217,061
CASH FLOWS FROM INVESTING ACTIVITIES	
Deposits to replacement reserve, net	(53,493)
Deposits to operating reserve, net	(65,510)
Deposits to social service reserve, net	(12,742)
Advances to unconsolidated affiliates	64,282
Purchase of investments	(130,514)
Purchases of property, plant and equipment	(40,053,603)
Net Cash from Investing Activities	(40,251,580)
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions from members	733,311
Distributions to members	(126,940)
Payment of debt issuance costs	(7,545)
Proceeds from notes and mortgage payable	38,253,169
Mortgage and note principal payments	(385,792)
Net Cash from Financing Activities	38,466,203
Net Change in Cash and Cash Equivalents	1,431,684
CASH AND CASH EQUIVALENTS	
Beginning of year	4,327,022
End of year	$ 5,758,706
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash Paid for:	
Interest	$ 467,636

See notes to consolidated financial statements

1. Organization and Tax Status

Fifth Avenue Committee, Inc. ("FAC") is a comprehensive community development corporation and chartered member of the NeighborWorks America network. Founded in 1978, FAC's mission is to advance economic and social justice. FAC strives to make our communities more equitable, sustainable, inclusive and just so that all can live and work with dignity and respect. To achieve its mission, FAC develops and manages affordable housing and community facilities; creates economic opportunities for low-moderate income New Yorkers, and ensures access to economic stability through workforce training and job placement assistance; connects families with public benefits, tax preparation assistance and legal, financial, and credit counseling; provides student-centered adult education and literacy classes; organizes community members, public housing residents, immigrants and youth; and combats displacement caused by gentrification. Together, FAC's programs directly impact the lives of 5,500 low-moderate income New Yorkers annually.

The following entities are included in the consolidated financial statements:

Entities in which FAC is the sole member:

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

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

Neighbors Helping Neighbors, Inc. ("NHN") is a not-for-profit HUD-certified counseling agency that empowers low and moderate-income Brooklyn residents to secure quality housing and build assets. NHN was incorporated on December 31, 1990.

Sunset Garden LLC ("Sunset") was established on February 21, 2012 to own and operate real estate and related activity at 219 34th Street in Sunset Park, Brooklyn. Sunset had no activity in fiscal 2018. The parcel is utilized by La Union, a separate 501(c)(3) not-for-profit that FAC incubated. La Union utilizes the space as a community garden and chicken coop.

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

1. Organization and Tax Status *(continued)*

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

FAC Renaissance HDFC is a not-for-profit New York State corporation incorporated on December 28, 2015. In June 2016, FAC closed a real estate transaction assuming the assets and liabilities from two limited partnerships, Fifth Avenue Corridor LP and South Brooklyn Mutual LP. At closing, ownership to 13 buildings, comprising 82 apartments (inclusive of one super's unit) were transferred to FAC Renaissance HDFC. These properties are undergoing moderate rehabilitations including much-needed upgrades to heating and electrical systems as well as the implementation of energy conservation measures. Nine commercial storefronts are also part of the portfolio.

Entities in which FAC wholly owns:

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

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

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

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

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

1. Organization and Tax Status *(continued)*

FAC Sunset Park GP, Inc. is the general partner of FAC Sunset Park Limited Partnership, with a .01% interest. The FAC Sunset Park Limited Partnership was created in September 2014 to redevelop the existing Sunset Park Library into a 50 unit mixed-use, 100% affordable, mixed income housing development in Sunset Park, Brooklyn. The proposed development will also expand and upgrade the public library facility and provide 100% deeply affordable housing at mixed incomes in a neighborhood with increased displacement pressure due to gentrification. The project closed construction financing on June 28, 2018.

FAC 6309 Fourth Avenue GP is the general partner of FAC 6309 Fourth Avenue LP, with a .01% interest. FAC 6309 Fourth Avenue LP was formed in late 2015 and is currently in the predevelopment phase of a 100% affordable senior housing project involving three buildings.

Northeastern Towers Annex GP LLC is the general partner of Northeastern Towers Annex LP and was incorporated on July 21, 2016. Northeastern Towers Annex LP was formed on December 9, 2016 and had no financial activity through June 30, 2017. It was formed for the purpose operating a future 100% affordable senior housing project in the Jamaica, Queens area of New York City. The project closed construction on June 28, 2018

FAC Brownsville Apartments GP is the general partner of FAC Brownsville apartments LP and was incorporated on January 18, 2019. FAC Brownsville Apartments LP was formed on January 18, 2019 for the purpose of developing and eventually operating scattered site new construction project that will result in 23 affordable rental apartments in mixed use buildings and include a community facility or retail space

Other entities included are:

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

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

1. Organization and Tax Status *(continued)*

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

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

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

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

1. Organization and Tax Status *(continued)*

Tax Status

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

FAC and consolidated entities operate the following programs:

Affordable Housing and Community Facilities Development

FAC manages nearly 500 units of affordable housing and more than 20 retail spaces and is in the process of developing and preserving over 1,500 more, representing nearly $800 million in direct investment in affordable housing throughout South Brooklyn (over 1,300 units) and in Jamaica, Queens (155 units), as well as several community facility spaces including a public library, pre-K classrooms and a public park.

The ***FAC Sunset Park Library project***, a new partnership between FAC, the Brooklyn Public Library (BPL) and the New York City Department of Housing Preservation and Development (HPD), and with LITHC financing from New York State Homes and Community Renewal (HCR), that will establish a new affordable housing development model – a first in NYC - wherein the creation of 50 units of deeply affordable housing is being paired with the a new and expanded local public library facility in one of the most heavily used public library branches in NYC. The project closed on construction financing on June 28, 2018.

A new senior housing development and universal Pre-K facility in Sunset Park on **6309 Fourth Avenue Affordable Housing Project**. In a partnership with the Lutheran Synod, FAC will construct a new building at the corner of 63rd Street and 4th Avenue to contain 76 apartments and a pre-kindergarten facility for 5 classes on the ground and cellar floors. The two adjacent 63rd Street townhomes will be rehabilitated into eight additional senior units. The project intends to meet the needs for deeply affordable housing by very low- and extremely low-income senior citizens (identified as age 62 and over) for a total of 84 new affordable apartments.

1. Organization and Tax Status (continued)

The ***development of a new senior housing development in Jamaica, Queens***, wherein FAC is partnering with the Northeastern Conference of Seventh Day Adventists and Mega to add an annex to an existing senior housing development located in Jamaica, Queens. The annex will consist of 159 new affordable apartments on the southern portion of the property, adjacent to an existing 110 apartment senior housing building (a recently refinanced Section 202 building). A new public senior center is also planned on site. The project closed construction financing on June 26, 2018 and is FAC's first affordable housing project in Queens, NY.

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

FAC Renaissance is a preservation project that will preserve 146 existing units of low income rental housing and 11 storefronts in 21 buildings for local businesses in Gowanus, Carrol Gardens, Park Slope and South Park Slope, Brooklyn. The project is in construction which will be finalized in 2019.

Organizing and Advocacy

FAC's organizing and advocacy programs empower low-income residents through social justice and tenant rights campaigns, prevent over 200 evictions each year, and help empower traditionally marginalized groups, such as rent stabilized and public housing residents, and immigrants. In FY19 FAC continued its leadership of Turning the Tide, climate justice campaign with local partners as well as the Gowanus Neighborhood Coalition for Justice ("GNCJ"). GNCJ is a broad-based coalition that advocates for equitable development and rezoning outcomes.

Active campaigns and efforts include:

1) ***Gowanus Neighborhood Coalition for Justice "(GNCJ")*** is led by FAC with broad representation of local residents and stakeholders to specifically elevate the priorities of low and moderate-income residents, industrial firms, and the neighborhood-based organizations that serve them. In order to ensure the community's comprehensive needs are met as part of planned future land-use actions in Gowanus. The coalition five overarching principles are to advance racial, economic and environmental justice as part of planned future public and private land use actions in Gowanus..

2) **Grassroots member-led organizing campaigns** at FAC has included work around NYCHA Accountability and the FUREEous Youth Arts House.

1. Organization and Tax Status *(continued)*

Organizing and Advocacy (continued)

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

4) ***Turning the Tide ("T3")*** is a climate justice initiative focused on engaging and empowering South Brooklyn's low-income public housing residents in the climate movement, and on informing significant resilience and sustainability investments at NYCHA and in the low-lying, coastal neighborhoods of Red Hook and Gowanus. T3 is led by FAC including in partnership with Red Hook Initiative ("RHI"), and Southwest Brooklyn Industrial Development Corporation ("SBIDC").

5) ***5th Avenue Key Food Campaign*** – FAC led a successful community coalition over 18 months that secured a full-service community supermarket to replace the beloved 5th Avenue Key Food. The owners of the local Key Food decided to sell their property to a developer but several years still remain on the Butler Street Urban Renewal Plan which provided a mechanism for community input. Additionally, the coalition's advocacy resulted in the project being more deeply affordable – providing 25% affordable housing for a non-MIH project with at least 10% of the units at 40% of AMI – and providing a mechanism for community input on minimizing the project's impact. In FY19, the coalition continues to be in contact with the developer since construction of the new project has yet to begin.

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

1. Organization and Tax Status *(continued)*

Adult Education and Literacy Programs

Offering a range of classes, including English for Speakers of Other Languages ("ESOL"), Adult Basic Education ("ABE"), High School Equivalency ("HSE"), Family Literacy Classes and Bridge Programming at local public schools and churches, this program served over 1,000 students in FY19. Per the NYS Department of Education, the program performs in the top quartile of adult education programs state-wide. The New American Bridge Program Pilot in Sunset Park launched in late 2018, served over 100 foreign born students with barriers to employment in FY19 supporting students to access FAC nonprofit workforce development affiliate, Brooklyn Workforce Innovations ("BWI") Red Hook On the Road CDL program and Brooklyn Networks tele-data cable installation program and being placed successfully into employment.

Community Services

FAC's Community Services programs provide free benefits access assistance, tax preparation assistance, public health insurance/Medicaid enrollment, and financial and legal counseling services to over 1,000 New Yorkers each year. This includes both a Single Stop Site and a Financial Opportunity Center ("FOC") site—both proven models to assist low-income families and individuals gain financial security and build assets.

Workforce Development

Through its Neighborhood Employment Services ("NES") and FAC affiliate BWI, FAC assists over 800 jobless and working poor New Yorkers each year by offering sector-based job training and direct placement services. These programs provide access to living-wage employment, established careers, and continuing job support. In FY19 NES entered its sixth year leading ***Stronger Together***, an anti-poverty program offering wraparound employment supports for local public housing residents serving more than 1,200 public housing residents from Red Hook and Gowanus including placing more than 300 in jobs and assisting more than 200 obtain their HSE or advance a grade level. NES also continued its Digital Steward Training Program in support of Gowanus Community WIFI ("GCW") bringing connectivity, disaster preparedness, and resiliency to Gowanus through a network of WIFI sites.

Community Controlled Resilient Infrastructure

In 2019, FAC continued ***Gowanus Wifi-Mesh,*** a project focused on local businesses impacted by Superstorm Sandy and trained local residents as Digital Stewards to install and maintain the Wifi-Mesh network that will help bridge the digital divide.

In 2019, FAC continued the pre-development phase of the ***FAC Solar*** project to install over 250,000 kw of solar power on FAC owned and managed affordable housing buildings as part of reducing our greenhouse gas emissions, reducing maintenance expenses to contribute to permanent affordability and reduce utility expenses for low and moderate-income tenants living in FAC properties.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

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

Principles of Consolidation

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

Non-Controlling Limited Partners' Interests

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

Change in Accounting Principle

On July 1, 2018, the Organization adopted new guidance regarding the presentation of Financial Statements for Not-For-Profit Entities (ASU 2016-14). This guidance requires the Organization to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restriction and without donor restriction. In addition, the new guidance requires the Organization to make a certain expanded disclosure relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements.

Net Asset Presentation

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

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

Net Asset Presentation *(continued)*

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

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Organization to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2019, the Organization has no net assets with donor restrictions that are perpetual in nature.

Fair Value Measurements

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

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

The collectability of receivables is based on a combination of factors. When management is aware of a customer's inability to meet its financial obligation, an allowance for the potential bad debt to reduce the receivable to the estimated realizable value is recorded. Past due status is based on how recently payments have been received. As of June 30, 2019, no allowance for doubtful accounts is determined to be necessary.

Investment in Unconsolidated Affiliates

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

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

Debt Issuance Costs

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

Property, Plant and Equipment

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

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

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

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

Investment in Real Estate

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest charges, and any estimated proceeds from the eventual disposition of the real estate is less than its carrying amount, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the year ended June 30, 2019.

Capitalized Mortgage Interest

The Corporation capitalizes mortgage interest incurred for financing of its properties during the development period until the property is placed in service or is available for resale. Interest incurred after the property is placed in service is expensed when incurred. For the year ended June 30, 2019 $324,986 of construction interest was capitalized.

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

Functional Allocation of Expenses

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

Contributions

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

Revenue Recognition

The Corporation records earned revenues on an accrual basis. In addition, the Corporation records as revenue the following types of contributions, when they are received unconditionally at their fair value: cash, promises to give (contributions receivable), grants receivable, certain contributed services and gifts of other assets. Conditional contributions and grants are recognized as revenue when the conditions on which they depend have been substantially met. The Corporation also raises funds through special events. Event revenues, net of related costs with a direct-benefit to donors, are recorded as contributions without donor restrictions since such funds can be used for general operations unless there are donor-imposed restrictions. Costs to generate donations with or without donor restriction and grants are expensed as incurred.

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

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

In-Kind Contributions

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are reflected in the accompanying consolidated statement of activities at their fair value at the time the services are rendered.

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

Accounting for Uncertainty in Income Taxes

The Corporation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Corporation had no uncertain tax positions that would require financial statement recognition or disclosure. The Corporation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2016.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is December 9, 2019.

3. Related Party Transactions

Advances to Non-Consolidated Affiliates

Advances to affiliates of $176,587 are non-interest bearing and have no specific date of repayment.

Limited Partnerships

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

The Corporation has certain transactions with other entities that are not required to be consolidated. The "Due to Related Parties" as of June 30, 2019 amount due was $742,322, which is reflected in the consolidated statement of financial position.

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

3. Related Party Transactions *(continued)*

Limited Partnerships (continued)

The Limited Partnerships for which the Corporation is the general partner are consolidated in the accompanying consolidated financial statements. The non-controlling limited partners' interest at June 30, 2019 are as follows:

For Profit Affiliates	Percent of Non-Controlling Ownership	Non-Controlling Interest
Supportive Slope LP	99.99%	$ 859,845
551 Warren Street 1 LP	99.99	2,606,438
Atlantic Terrace 12, LLC	66.67	1,605,471
FAC Renaissance LP	99.99	592,606
FAC Sunset Park LP	99.99	81,129
Northeastern Towers Annex LP	99.99	1,117,522
FAC 6309 Fourth Avenue, LP	99.99	99,992
FAC Brownsville LP	99.99	(212)
		$ 6,962,791

In connection with the inclusion of these Limited Partnerships', the change in non-controlling limited partners' interest for the year ended June 30, 2019 is as follows:

Inclusion of Limited Partners' non-controlling interest as of July 1, 2018	$ 7,593,455
Equity Adjustments of LP's non-controlling interests	641,561
Non-controlling Limited Partners' Interest in losses of consolidated affiliates	(1,272,225)
Non controlling Limited Partners' interest in consolidated affiliates as of June 30, 2019	$ 6,962,791

4. Reserves

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

4. Reserves *(continued)*

The following reserves amounts are reflected in the accompanying statement of financial position at June 30, 2019:

Replacement reserve	$ 1,026,032
Operating reserves	3,088,882
Social Service reserve	717,517
	$ 4,832,431

5. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2019:

Land	$ 1,780,839
Buildings	64,830,869
Furniture and equipment	1,351,979
Leashold improvements	3,097,005
Construction in progress	49,547,566
	120,608,258
Accumulated depreciation and amortization	(15,839,713)
	$ 104,768,545

Depreciation and amortization expense for the year ended June 30, 2019 was $1,540,807.

6. Property Held for Sale

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

In 2018, two units were sold to unrelated parties for a total of $1,490,000. The two remaining co-ops are being rented and then are expected to be sold and the related mortgages repaid in 2019. Costs for these properties amounted to $1,239,753 and the related mortgage payable amounted to $752,000 at June 30, 2019.

7. IDA Funds

The Corporation operated an IDA program for eligible individuals who were interested in saving money towards future educational expenses or entrepreneurial projects. The Corporation matched participants' contributions on a 3:1 or 2:1 basis, with specific limitations, for a period of 1 to 3 1/2 years. At June 30, 2019, the Corporation has a liability of $98,541 for future participant matching funds. The Corporation has stopped participating in this program and management is making its best effort to return the unspent funds as outlined in the funding agreement.

8. Refundable Grants Payable

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

9. Mortgages and Notes Payable

Mortgages and notes payable consists of the following at June 30, 2019:

Fifth Avenue Committee, Inc.	
FAC has four lines of credit. The first line of credit is with JPMorgan Chase Bank for $406,000, bears a variable interest rate and was renewed on July 21, 2016. It is collateralized by a condominium unit located at 294 Smith Street, Brooklyn, NY. The outstanding borrowing under this line is **$198,105** at June 30, 2019. The second line of credit is with JPMorgan Chase Bank for $1,000,000, bears a fixed interest rate of 5.65% and expires on September 3, 2019. The outstanding borrowing under this line is **$-0-** at June 30, 2019. The third line of credit is with the Contact Loan Fund for $600,000, bears interest at prime plus .50% of the outstanding principal balance of the borrowings and payable on demand and renewable annually. This line has an outstanding principal balance of **$309,215** at June 30, 2019. The fourth line of credit is with Wells Fargo Bank in the amount of $500,000 and matures on July 1, 2024 and carries an interest rate of 2% each quarter As of June 30, 2019, the outstanding balance was **$500,000.**	$ 1,007,320
FAC Red Hook Homes, Inc.	
FAC Red Hook Homes, Inc. (“Red Hook”) has a mortgage with Brooklyn Community Foundation (formerly Independence Community Foundation) which bears no interest and becomes due on December 31, 2019. This note has an outstanding principal balance of **$752,000** at June 30, 2019. The Brooklyn Community Foundation note is collateralized with shares in Red Hook Homes Apartment Corporation, a cooperative housing corporation.	752,000
	1,759,320

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	1,759,320
588 Park Place HDFC		
588 Park Place HDFC obtained two mortgages on May 25, 2005 (project awards) from New York State Homeless Housing and Assistance Corporation for an original amount of $1,425,694 and $41,506 (total **$1,467,200**), respectively. The purpose of the proceeds was to fund the development of the building. The mortgages secure the land and building, do not require the payment of interest or principal and will be completely forgiven on May 25, 2035 if the Corporation complies with the terms of the regulatory agreements. There are no principal maturities due in the next five years if the Corporation continues to comply with the regulatory agreements. In addition, on May 25, 2005, the Corporation obtained a mortgage from New York City Department of Housing Preservation and Development for a maximum amount of $709,186, of which, **$243,743** has been drawn down as of June 30, 2019. The purpose of the proceeds was to fund the development of the building.		1,710,943
50th Street HDFC		
On May 31, 1996 the land and building were transferred to the 50th Street HDFC by New York City Department of Housing Preservation and Development at an appraised value of **$1,407,000** in order to provide housing to low income residents of the Brooklyn NY Area. The enforcement lien secures the land and building, does not require the payment of interest (0%) or principal and will be completely forgiven on May 31, 2028 if the Corporation is in compliance to the terms of the regulatory agreements. There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements. On June 30, 2008 the Corporation obtained a mortgage from New York City Department of Housing Preservation and Development for a maximum amount of **$1,645,496** in order to fund renovation costs. The mortgage secures the land and building of the Corporation and does not require the monthly payment of principal or interest (0%) if the Corporation is in compliance with the regulatory agreements. The mortgage matures on June 30, 2033 whereby a balloon payment is due.		
		3,470,263

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 3,470,263
50th Street HDFC (continued)	
There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements.	
On June 1, 2011 the Corporation received a drawdown of a capital loan from New York City Department of Housing Preservation and Development for an original amount of $68,617. The loan payable requires monthly payments of $334.52 which are applied towards principal and interest at a fixed rate of 2%. The loan payable is self-amortizing and matures in June 2033. Amount of principal outstanding at June 30, 2018 was **$45,246.**	3,097,742
FAC Center Local Development Corporation	
FAC LDC has two mortgage notes with the Low Income Investment Fund. The first note has an interest rate of 8%, requires monthly payments of interest and principal, matures on June 1, 2026 and has an outstanding principal balance of **$463,130** at June 30, 2019. The second note has an interest rate of 6.7%, requires monthly payments of interest and principal, matures on June 1, 2036 and has an outstanding principal balance of **$3,250,888** at June 30, 2019. Both loans are collateralized by the FAC LDC properties at 621 DeGraw Street and 182 4th Avenue.	3,714,018
Supportive Slope LP	
Supportive Slope LP has a mortgage with the New York City Department of Housing Preservation and Development. The note accrues interest at 1% per annum. The note requires no monthly payments of principal and interest and it matures on May 14, 2040. The mortgage is collateralized by the Partnership's investment in real estate.	6,900,000
551 Warren Street 1 LP	
551 Warren Street 1 LP has a non-interest-bearing mortgage note which is held by the New York City Housing Preservation and Development Fund. The note will mature on May 1, 2031. The real property of the Partnership is collateral for the loan.	5,660,566
	22,842,589

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	22,842,589
FAC Advance HDFC		
FAC Advance HDFC obtained a note payable for pre-development loan financing from Local Initiatives Support Corporation ("LISC"). The loan was modified on March 1, 2017 to reflect a principal balance of $194,658 that requires monthly payments of principal and interest at a fixed interest rate of 7% and matures on January 1, 2020. The outstanding principal balance was **$115,465** on June 30, 2019. On May 20, 2016, the corporation obtained a permanent mortgage with the Community Preservation Corporation (CPC) collateralized by the premises at 31 St. Marks Place, 258 51st Street and 237 Fifth Avenue, Brooklyn, New York (the "premises"). The mortgage payable in the amount of $1,225,000 requires monthly payments of principal and interest at a fixed annualized rate of 5.65% and matures on June 1, 2046. The outstanding principal balance was **$1,173,996** on June 30, 2019. On May 20, 2016, the corporation converted construction financing to a permanent loan with the NYC Department of Housing, Preservation and Development. The mortgage payable in the amount of $1,853,840 requires monthly payments of principal and interest at a fixed annualized rate of 1% and matures on June 1, 2046. The outstanding principal balance was **$1,840,563** on June 30, 2019.		3,130,024
Atlantic Terrace 12, LLC		
Atlantic Terrace 12, LLC has two enforcement notes with the New York City Department of Housing Preservation and Development that are secured by real property located at 212 South Oxford Street in the Fort Greene section of Brooklyn. The enforcement notes may be forgiven if Atlantic Terrace 12, LLC complies with the requirements outlined in the respective agreements. The enforcement notes shall not bear interest and matures on May 11, 2026.		1,892,396
North Eastern Towers Annex LP		
Northeastern Towers Annex LP has four construction loans all entered into on June 26th, 2018. The first position mortgage is a bond financed mortgage from NYC Housing Development Corporation in the amount $50,010,000 of which **$16,673,944** had been drawn effective June 30, 2019. The loan has an interest rate of 3.09% and matures on February 28, 2021 (with an option for an additional 6-month extension). This bond financing required a standby letter of credit, which was provided by Wells Fargo Bank for the duration of the construction loan period.		
		27,865,009

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 27,865,009

North Eastern Towers Annex LP (continued)

The second position mortgage is provided by NYC Housing Development Corporation in the amount of $8,745,000 of which **$7,676,723** had been drawn effective June 30, 2019. The loan has an interest rate of 3.26% until the letter of credit on the first position mortgage is released, with 1.25% due in monthly installments on the outstanding balance drawn with the balance of interest (2.01%) deferred and accruing as simple interest. On or after the letter of credit release date, the 2nd position mortgage will bear interest at a fixed rate per annum equal to the Applicable Federal Rate (AFR), with interest-only payments due in constant monthly installments of $7,287.50 (1% per annum of the principal amount) with the balance of the interest deferred and compounded monthly. The outstanding balance of the mortgage will be due on August 31, 2061.

The third position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of $13,448,712 (comprised entirely of HOME funds) of which **$12,083,841** had been drawn effective June 30, 2019. The loan has an interest rate of 3.26% (the AFR on the date of the closing plus .25% servicing fee) and matures on February 28, 2021 (with an option for an additional 6-month extension). .25% of the outstanding balance of the mortgage is payable each month with the balance of the interest (3.01%)deferred and compounded monthly.

The fourth position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of $1,000,000 (comprised entirely of Reso-A funds) of which **$1,000,000** had been drawn effective June 30, 2019. The loan has an interest rate of 3.26% (the AFR on the date of the closing plus .25% servicing fee) and matures on February 28, 2021 (with an option for an additional 6-month extension). .25% of the outstanding balance of the mortgage is payable each month with the balance of the interest (3.01%) deferred and compounded monthly.	37,434,508
	65,299,517

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 65,299,517

FAC Sunset Park LP

FAC Sunset Park LP entered into four construction loans on June 29th, 2018.The first position mortgage is from Bank of New York Mellon and is comprised of both a Building Loan ($10,696,309) and a Project Loan ($1,730,875) totaling $12,427,184 With **$1,742,236** drawn as of June 30, 2019. The loan will be due on the sooner of permanent conversion or September 29th, 2020, with the option to extend through March 29th, 2021 with a fee of .25% of the Mortgage amount.

The second position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of $8,750,000 of which **$2,614,143** had been drawn effective June 30, 2019. The loan has an interest rate of 2.75% and matures on November 29, 2020 (with an option for an additional 6-month extension). .25% of the outstanding balance of the mortgage is payable each month with the balance (2.5%) of the interest deferred and compounded monthly.

The third position mortgage is provided by NYC Department of Housing Preservation and Development in the amount of $3,655,000 (comprised entirely of Reso-A funds) of which **$0** had been drawn effective June 30, 2019. The loan has an interest rate of 2.75% and matures on November 29, 2020 (with an option for an additional 6-month extension) .25% of the outstanding balance of the mortgage is payable each month with the balance of the interest (3.01%) deferred and compounded monthly.

A fourth position enforcement note is provided by NYC Department of Housing Preservation and Development in the amount of $8,539,999 with a 0% interest and repayable upon any Default, Prohibited Transfer and/or Prohibited Refinancing during the Construction period. At permanent closing, $2,531,986 of that amount will be forgiven. The remainder, $6,008,013 will be an enforcement note (with $4,368,172 on the LIHTC financed apartments and $1,639,841 on the SLIC financed apartments) accruing at 3.01% compounded monthly for a term of 60 years. The balance of principal and interest will be payable up to the amount of any Resale Profit during the 60 years. The (balance of the) Enforcement Note will be forgiven at the 60th Anniversary of the permanent loan closing.	4,356,379
	69,655,896

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 69,655,896

FAC Renaissance HDFC

FAC Renaissance HDFC has the following mortgages / loans: Local Initiatives Support Corporation ("LISC") construction loan in the amount of $5,269,061. The construction loan is to provide funds for construction and requires interest during construction at 6%. The construction loan matures at the earlier of; the first day of the first month following the completion of construction, or the twenty-first-month anniversary of the first day of the first full month after the construction closing date (April 1, 2018). As of June 30, 2019, the outstanding principal was **$4,643,387** and accrued interest was $0. At permanent conversion, the construction loan will be replaced by a permanent mortgage with the NYC Pension Fund.

City of New York Department of Housing Preservation and Development ("NYC HPD") construction loan in the amount of $3,406,138. The construction loan is to provide funds for construction and requires interest during construction of .25%. The construction loan matures at the earlier of: the first day of the first month following the completion of construction, or the twenty first month anniversary of the first day of the first full month after the construction closing date (April 1, 2018). As of June 30, 2019, the outstanding principal was **$2,897,484** and accrued interest was $0. At permanent conversion, the construction loan shall become a permanent mortgage and it shall become the second mortgage.

City of New York Department of Housing Preservation and Development ("NYC HPD") mortgage in the amount of $1,695,551. The mortgage is the result of the assumption of a mortgage associated with the SBMLP property. The mortgage provides for, among other matters, 0% interest and no payments of principal until maturity. Maturity is on the thirtieth anniversary, June 30, 2046. The outstanding principal as of June 30, 2019 was **$1,695,551**.

New York City Housing Development and Corporation ("NYC HDC") mortgage in the amount of $2,931,385. The mortgage is the result of the consolidation of the remaining mortgages associated with the closing of the SBMLP and FACLP properties. The mortgage provides for, among other matters, 0% interest and no payments of principal until maturity. Maturity is on the thirtieth anniversary, June 15, 2046. The outstanding principal as of June 30, 2019 was **$2,931,385**.

	69,655,896

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 69,655,896
FAC Renaissance HDFC *(continued)*	
A Sponsor Loan with FAC. The funds were provided by the Federal Home Loan Bank of New York's Affordable Housing Program ("AHP"). The loan is evidenced by notes in the amount of $1,417,500. The purpose of the sponsor loan is to have funds available for construction. The loan matures on the fifteen anniversary of the date the first loan converts to permanent financing and it bears no interest. The loan can be prepaid from available cash flow. As of June 30, 2019, the outstanding principal balance was **$1,417,500.**	13,585,307
FAC 6309 Fourth Avenue LP	
FAC 6309 Fourth Avenue LP has a pre-development loan with Housing Capital LLC in an amount not to exceed $450,000 to pay for third party expenses to be incurred prior to closing. The loan accrues interest at the rate of prime plus 1% with interest and principal due at closing, which is the earlier of October 15, 2019 and the date of closing. The amount drawn as of June 30, 2019 was **$116,248.** In addition, a second pre-development loan exists with Neighborworks Capital Corporation for up to $400,000. The note accrues interest at 5% which is payable when the note expires on March 1, 2021. As of June 30, 2019, **$384,408** was drawn.	500,656
FAC Renaissance LP	
FAC Renaissance LP has two construction loans. The first is with TD Bank NA in the amount of $12,162.943 of which **$11,155,310** has been drawn as of June 30, 2019. The loan has an interest rate of 4% and was extended to November 1, 2019. The second loan is with the New York City Department of Housing Preservation and Development in the amount of $1,696,075 and carries an interest rate of 0% with a loan servicing of .25% As of June 30, 2019 the amount drawn was **$1,322,763** and the loan was extended to November 1, 2019.	
	83,741,859

9. Mortgages and Notes Payable *(continued)*

Carry forward	$83,741,859
FAC Renaissance LP (Continued)	
Mortgage with HPD in the amount of $356,655. The mortgage has a 2.5% interest rate and requires no payments of principal or interest until maturity. Interest shall accrue annually. The mortgage matures the earlier of (i) the sixtieth-year anniversary of the Permanent Conversion date, or (ii) the expiration of the regulatory agreement with HPD. As of June 30, 2019, the outstanding principal was **$356,655** and accrued interest was $8,173.	
Mortgage with Housing Trust Fund Corporation ("HTFC") in the amount of $1,040,000. The mortgage has a 1% interest rate and requires no payments of principal or interest until March 20, 2030. Then after the mortgage shall have a 0% interest until maturity. Interest shall accrue annually. The mortgage and all unpaid interest shall be due on the thirtieth anniversary of the permanent conversion of the construction loans with HPD and no later than November 23, 2048. As of June 30, 2019, the outstanding principal was **$1,040,000** and accrued interest was $9,533.	14,010,728
	$97,752,587

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

2020	$ 21,905,095
2021	34,336,489
2022	349,382
2023	222,456
2024	239,596
Thereafter	40,699,569
	97,752,587
Unamortized debt issuance costs	(263,192)
	$ 97,489,395

10. Net Assets With Donor Restriction - FAC and LEAP

Changes in net assets with donor restrictions for the year ended June 30, 2019 consisted of the following:

Purpose/Restriction	Balance, June 30, 2018	Additions	Releases	Balance, June 30, 2019
Fifth Avenue Committee, Inc.				
Housing Development	$ -	$ 40,000	$ (40,000)	$ -
Neighborhood Opportunities Fund	7,628	-	(7,628)	-
Organizing	253,768	104,000	(309,509)	48,259
Community Initiatives	-	300,000	(104,880)	195,120
Community Services	7,833	210,000	(184,083)	33,750
Total	269,229	654,000	(646,100)	277,129
LEAP, Inc.				
Program Planning	14,418	-	(14,418)	-
Brooklyn Woods	1,000	14,000	(15,000)	-
Red Hook on the Road & Brooklyn Networks		50,000	(50,000)	
Workforce Collaboration	62,489	175,000	(148,675)	88,814
Support to Training Graduates	1,600	-	(1,600)	-
Equipment	-	10,000	-	10,000
CDL Bridge Program	-	48,573	(26,478)	22,095
Total	79,507	297,573	(256,171)	120,909
	$ 348,736	$ 951,573	$ (902,271)	$ 398,038

11. Retirement Plan

FAC and LEAP have Simplified Employee Pension Plans, which are defined contribution plans. LEAP made contributions of $72,990 for the year ended June 30, 2019. FAC made contributions of $29,060 for the year ended June 30, 2019.

12. Operating Leases

At June 30, 2019, the Corporation leases commercial office space under the terms of various operating leases which expire in various years through 2021. Rent expense for the year ended June 30, 2019 was $455,926.

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

2020	$ 480,910
2021	484,899
2022	200,437
2023	66,044
2024	70,720
Thereafter	385,388
	$ 1,688,398

13. Concentrations of Credit Risk

Financial instruments which potentially subject the Corporation to significant concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. The Corporation maintains its cash and cash equivalents with various financial institutions, which at times, may be in excess of federally insured limits. The Corporation has not experienced any losses on its cash accounts.

14. Liquidity and Availability of Financial Assets

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

Financial assets at year end:	
Cash and cash equivalents	$ 5,758,706
Grants receivable	2,540,035
Accounts receivable	1,747,753
	10,046,494
Amounts unavailable for general expenditure:	
Restricted by donors with timing and purpose restrictions	(398,038)
Financial Assets at year end available to meet cash needs for general expenditure within one year	$ 9,648,456

As part of the Organization's liquidity management, the Organization monitors the status and collectability of its accounts receivable on a regular basis. In addition, the Organization has lines of credit with various lenders which can be used to finance short-term working capital needs (see Note 9).

15. Litigation

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

* * * * *

Fifth Avenue Committee, Inc. and Subsidiaries

Supplementary Information

June 30, 2019

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
June 30, 2019

	Non-Profit Corporation's	HDFC's	Limited Partnership's	Other	Total	Eliminations	Consolidated Total
ASSETS							
Current Assets							
Cash and cash equivalents	$ 2,479,016	$ 865,051	$ 2,339,665	$ 74,974	$ 5,758,706	$ -	$ 5,758,706
Grants receivable	2,540,035	-	-	-	2,540,035	-	2,540,035
Accounts receivable	1,090,294	134,211	504,929	18,319	1,747,753	-	1,747,753
Prepaid expenses	95,205	78,098	106,255	-	279,558	-	279,558
Advances to affiliates	2,498,868	151,845	-	126,000	2,776,713	(2,600,126)	176,587
Total Current Assets	8,703,418	1,229,205	2,950,849	219,293	13,102,765	(2,600,126)	10,502,639
Investment in affiliated companies	-	-	-	848,613	848,613	(848,613)	-
Investment in unconsolidated affiliates	-	11,983	-	-	11,983	-	11,983
Replacement reserve	84,994	184,475	756,563	-	1,026,032	-	1,026,032
Operating reserve	-	465,905	2,622,977	-	3,088,882	-	3,088,882
Social service reserve	-	-	717,517	-	717,517	-	717,517
Mortgage receivable from affiliated company	745,000	-	-	-	745,000	(745,000)	-
Property, plant and equipment, net	4,462,055	20,691,887	80,182,877	-	105,336,819	(568,274)	104,768,545
Property held for sale	-	-	-	1,239,753	1,239,753	-	1,239,753
Other assets	363,352	139,965	181,078	5,695	690,090	(8,003)	682,087
	$ 14,358,819	$ 22,723,420	$ 87,411,861	$ 2,313,354	$ 126,807,454	$ (4,770,016)	$ 122,037,438
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	$ 647,322	$ 341,207	$ 5,711,706	$ 11,060	$ 6,711,295	$ (1,033,706)	$ 5,677,589
Accrued expenses	443,191	34,328	1,543,515	250,000	2,271,034	-	2,271,034
Mortgages and notes payable, current portion	494,411	7,679,955	12,978,729	752,000	21,905,095	-	21,905,095
Loans payable, affiliated companies	-	-	871,000	-	871,000	(871,000)	-
Grants payable, subsidiary	5,289	-	-	-	5,289	-	5,289
Tenants' deposits payable	138,459	85,716	-	5,695	229,870	(8,003)	221,867
Due to related parties	-	740,653	897,838	696,096	2,334,587	(1,440,420)	894,167
Total Current Liabilities	1,728,672	8,881,859	22,002,788	1,714,851	34,328,170	(3,353,129)	30,975,041
IDA funds	98,541	-	-	-	98,541	-	98,541
Refundable grants payable	962,500	-	-	-	962,500	-	962,500
Other payables	28,118	1,138,371	-	475,407	1,641,896	-	1,641,896
Mortgages and notes payable, net of current portion and unamortized financing costs	4,177,942	13,660,951	57,745,407	-	75,584,300	-	75,584,300
Total Liabilities	6,995,773	23,681,181	79,748,195	2,190,258	112,615,407	(3,353,129)	109,262,278
Net Assets (Deficit)							
Without donor restriction	6,965,008	(957,761)	700,875	123,096	6,831,218	(1,416,887)	5,414,331
With donor restriction	398,038	-	-	-	398,038	-	398,038
	7,363,046	(957,761)	700,875	123,096	7,229,256	(1,416,887)	5,812,369
Non-controlling Limited Partners' interest in consolidated affiliates	-	-	6,962,791	-	6,962,791	-	6,962,791
Total Net Assets (Deficit)	7,363,046	(957,761)	7,663,666	123,096	14,192,047	(1,416,887)	12,775,160
	$ 14,358,819	$ 22,723,420	$ 87,411,861	$ 2,313,354	$ 126,807,454	$ (4,770,016)	$ 122,037,438

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Corporations
June 30, 2019

	Fifth Avenue Commitee, Inc.	Leap, Inc.	* FAC Center Local Development Corp.	* Neighbors Helping Neighbors	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$ 1,024,358	$ 1,316,121	$ 83,825	$ 54,712	$ 2,479,016
Grants receivable	837,155	1,702,880	-	-	2,540,035
Accounts receivable	453,634	137,814	264,455	234,391	1,090,294
Prepaid expenses	33,635	57,786	2,449	1,335	95,205
Advances to unconsolidated affiliates	2,496,243	2,625	-	-	2,498,868
Total Current Assets	4,845,025	3,217,226	350,729	290,438	8,703,418
Replacement reserve	-	-	84,994	-	84,994
Mortgage receivable from affiliated company	745,000	-	-	-	745,000
Property, plant and equipment, net	323,416	276,450	3,854,710	7,479	4,462,055
Other assets	15,263	57,996	153,093	137,000	363,352
	$ 5,928,704	$ 3,551,672	$ 4,443,526	$ 434,917	$ 14,358,819
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	$ 251,640	$ 353,254	$ 15,733	$ 26,695	$ 647,322
Accrued expenses	253,217	159,085	21,239	9,650	443,191
Mortgages and notes payable, current portion	337,461	-	156,950	-	494,411
Grants payable, subsidiary	5,289	-	-	-	5,289
Tenants' deposits payable	70,284	-	68,175	-	138,459
Total Current Liabilities	917,891	512,339	262,097	36,345	1,728,672
IDA funds	98,541	-	-	-	98,541
Refundable grants payable	962,500	-	-	-	962,500
Other payables	868	-	-	27,250	28,118
Mortgages and notes payable, net of current portion and unamortized financing costs	669,859	-	3,508,083	-	4,177,942
Total Liabilities	2,649,659	512,339	3,770,180	63,595	6,995,773
Net Assets					
Without donor restriction	3,001,916	2,918,424	673,346	371,322	6,965,008
With donor restriction	277,129	120,909	-	-	398,038
Total Net Assets	3,279,045	3,039,333	673,346	371,322	7,363,046
	$ 5,928,704	$ 3,551,672	$ 4,443,526	$ 434,917	$ 14,358,819

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of HDFCs
June 30, 2019

	* 588 Park Place	* FAC Renaissance HDFC	* FAC Advance HDFC	* FAC Homeownership HDFC	* 50th Street HDFC	* 573 Warren St HDFC	Total
ASSETS							
Current Assets							
Cash and cash equivalents	$ 195,262	$ 285,885	$ 68,620	$ 19,547	$ 251,876	$ 43,861	$ 865,051
Accounts receivable	15,882	95,648	7,231	2,932	10,269	2,249	134,211
Prepaid expenses	1,388	-	2,359	598	55,681	18,072	78,098
Advances to unconsolidated affiliates	-	11,845	-	-	-	140,000	151,845
Total Current Assets	212,532	393,378	78,210	23,077	317,826	204,182	1,229,205
Investment in unconsolidated affiliates	-	-	11,983	-	-	-	11,983
Replacement reserve	83,010	-	9,997	-	-	91,468	184,475
Operating reserve	47,469	152,826	-	-	199,633	65,977	465,905
Property, plant and equipment, net	1,266,563	13,627,696	3,038,983	513,978	2,045,007	199,660	20,691,887
Other assets	7,790	43,972	50,902	3,554	33,747	-	139,965
	$ 1,617,364	$ 14,217,872	$ 3,190,075	$ 540,609	$ 2,596,213	$ 561,287	$ 22,723,420
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	$ 7,151	$ 225,363	$ 16,051	$ 40,831	$ 49,081	$ 2,730	$ 341,207
Accrued expenses	34,327	-	-	1	-	-	34,328
Mortgages and notes payable, current portion	-	7,540,871	139,084	-	-	-	7,679,955
Tenants' deposits payable	8,844	33,036	20,509	3,554	19,558	215	85,716
Due to related parties	-	108,506	632,147	-	-	-	740,653
Total Current Liabilities	50,322	7,907,776	807,791	44,386	68,639	2,945	8,881,859
Other payables	400,000	362,476	330,000	-	4,696	41,199	1,138,371
Mortgages and notes payable, net of current portion and unamortized financing costs	1,710,943	6,044,436	2,807,830	-	3,097,742	-	13,660,951
Total Liabilities	2,161,265	14,314,688	3,945,621	44,386	3,171,077	44,144	23,681,181
Net Assets (Deficit)	(543,901)	(96,816)	(755,546)	496,223	(574,864)	517,143	(957,761)
	$ 1,617,364	$ 14,217,872	$ 3,190,075	$ 540,609	$ 2,596,213	$ 561,287	$ 22,723,420

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Limited Partnerships
June 30, 2019

	* 551 Warren St LP	Atlantic Terrace 12 LLC	Supportive Slope LP	Northeastern Towers Annex LP	* FAC Sunset Park LP	* FAC Renaissance LP	* FAC 6309 Fourth Ave LP	FAC Brownsville Apartments LP	Total
ASSETS									
Current Assets									
Cash and cash equivalents	$ 695,712	$ 239,125	$ 249,980	$ 109,489	$ 199,397	$ 471,122	$ 251,172	$ 123,668	$ 2,339,665
Accounts receivable	43,344	190,009	16,132	174,294	5,826	75,324	-	-	504,929
Prepaid expenses	45,746	-	20,654	-	-	39,855	-	-	106,255
Total Current Assets	784,802	429,134	286,766	283,783	205,223	586,301	251,172	123,668	2,950,849
Replacement reserve	609,337	-	147,226	-	-	-	-	-	756,563
Operating reserve	2,297,234	-	-	-	-	325,743	-	-	2,622,977
Social service reserve	717,517	-	-	-	-	-	-	-	717,517
Property, plant and equipment, net	3,859,004	4,257,577	10,107,730	41,330,019	4,781,423	15,111,296	712,146	23,682	80,182,877
Other assets	45,481	58,832	22,209	-	-	54,556	-	-	181,078
	$ 8,313,375	$ 4,745,543	$ 10,563,931	$ 41,613,802	$ 4,986,646	$ 16,077,896	$ 963,318	$ 147,350	$ 87,411,861
LIABILITIES AND NET ASSETS (DEFICIT)									
Current Liabilities									
Accounts payable	$ 39,084	$ 68,838	$ 1,498,787	$ 3,061,660	$ 449,762	$ 486,454	$ 106,909	$ 212	$ 5,711,706
Accrued expenses	6,750	-	580,248	-	-	809,167	-	147,350	1,543,515
Mortgages and notes payable, current portion	-	-	-	-	-	12,478,073	500,656	-	12,978,729
Loans payable, affiliated companies	-	-	745,000	-	26,000	98,000	2,000	-	871,000
Due to related parties	1,358	488,571	-	-	73,368	80,790	253,751	-	897,838
Total Current Liabilities	47,192	557,409	2,824,035	3,061,660	549,130	13,952,484	863,316	147,562	22,002,788
Mortgages and notes payable, net of current portion and unamortized financing costs	5,660,566	1,892,396	6,868,903	37,434,508	4,356,379	1,532,655	-	-	57,745,407
Total Liabilities	5,707,758	2,449,805	9,692,938	40,496,168	4,905,509	15,485,139	863,316	147,562	79,748,195
Net Assets (Deficit)									
Without donor restriction	(821)	690,267	11,148	1,017,642	(1,036,385)	151	18,873	-	700,875
Non-controlling Limited Partners' interest in consolidated affiliates	2,606,438	1,605,471	859,845	99,992	1,117,522	592,606	81,129	(212)	6,962,791
Total Net Assets (Deficit)	2,605,617	2,295,738	870,993	1,117,634	81,137	592,757	100,002	(212)	7,663,666
	$ 8,313,375	$ 4,745,543	$ 10,563,931	$ 41,613,802	$ 4,986,646	$ 16,077,896	$ 963,318	$ 147,350	$ 87,411,861

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Other Entities
June 30, 2019

	FAC Red Hook Homes, Inc.	General Partners	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 74,704	$ 270	$ 74,974
Accounts receivable	18,319	-	18,319
Advances to unconsolidated affiliates	126,000	-	126,000
Total Current Assets	219,023	270	219,293
Investment In affiliated companies	-	848,613	848,613
Property held for sale	1,239,753	-	1,239,753
Other assets	5,695	-	5,695
	$ 1,464,471	$ 848,883	$ 2,313,354
LIABILITIES AND NET ASSETS (DEFICIT)			
Current Liabilities			
Accounts payable	$ 11,060	$ -	$ 11,060
Accrued expenses	250,000	-	250,000
Mortgages and notes payable, current	752,000	-	752,000
Tenants' deposits payable	5,695	-	5,695
Due to related parties	696,096	-	696,096
Total Current Liabilities	1,714,851	-	1,714,851
Other payables	-	475,407	475,407
Total Liabilities	1,714,851	475,407	2,190,258
Net Assets (Deficit)	(250,380)	373,476	123,096
	$ 1,464,471	$ 848,883	$ 2,313,354

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year Ended June 30, 2019

	Corporation's	HDFC's	Limited Partnership's	Other	Total	Eliminations	Consolidated Total
SUPPORT AND REVENUE							
Government grants	$ 3,516,871	$ 49,264	$ 108,502	$ -	$ 3,674,637	$ (100,000)	$ 3,574,637
Contributions - corporations	1,012,145	-	-	-	1,012,145	-	1,012,145
Contributions - foundations and trusts	4,646,683	-	-	-	4,646,683	-	4,646,683
Contributions - individuals	237,007	-	-	-	237,007	-	237,007
Special events income	349,746	-	-	-	349,746	-	349,746
In-kind contributions	195,968	-	-	-	195,968		195,968
Management and reimbursable fees	1,302,402	-	-	-	1,302,402	(1,093,775)	208,627
Development and marketing	696,017	-	-	-	696,017	(384,951)	311,066
Program services	128,133	-	-	-	128,133	(94,500)	33,633
Rental income	1,325,816	2,106,522	2,404,505	82,432	5,919,275	(755,468)	5,163,807
Interest income	28,192	184	-	7	28,383	-	28,383
Subcontract income	512,177	-	-	-	512,177	(407,935)	104,242
Other revenue	131,063	222,547	152,172	71,144	576,926	(1,250)	575,676
Total Support and Revenue	14,082,220	2,378,517	2,665,179	153,583	19,279,499	(2,837,879)	16,441,620
EXPENSES							
Salaries	6,019,808	-	-	-	6,019,808	(111,842)	5,907,966
Contributed services - salaries	82,500	-	-	-	82,500	-	82,500
Payroll taxes and fringe benefits	1,790,912	-	-	-	1,790,912	(27,005)	1,763,907
Administrative	107,129	5,375	-	-	112,504	(92,378)	20,126
Consultants	475,681	14,500	-	-	490,181	(21,393)	468,788
Wage subsidy	5,171	-	-	-	5,171	-	5,171
Repairs and maintenance	91,186	151,505	495,784	18,997	757,472	(1,766)	755,706
Office supplies and printing	97,110	6,523	-	-	103,633	(12,124)	91,509
Telephone and postage	153,475	5,065	5,408	-	163,948	(30,308)	133,640
Utilities	88,285	410,352	296,111	-	794,748	(10,868)	783,880
Professional fees	264,362	105,423	73,971	6,255	450,011	(57,826)	392,185
Occupancy	1,211,394	-	-	-	1,211,394	(755,468)	455,926
Miscellaneous	535	1,045	388,520	8,482	398,582	-	398,582
Meetings and events	32,000	-	-	-	32,000	-	32,000
Marketing	66,296	-	-	-	66,296	-	66,296
Conference, travel, and training	116,246	-	-	15	116,261	-	116,261
Contractual services	149,101	-	-	-	149,101	-	149,101
Staff outing	4,519	-	-	-	4,519	-	4,519
Dues and subscriptions	4,384	419	-	-	4,803	-	4,803
Software and support	11,082	8,182	24,485	-	43,749	-	43,749
Insurance	73,303	314,062	126,822	-	514,187	(13,192)	500,995
Equipment rental	74,338	-	-	-	74,338	(16,942)	57,396
Fees and bank charges	65,776	25,680	4,428	752	96,636	-	96,636
Program expenses	1,418,746	-	-	-	1,418,746	(95,750)	1,322,996
Publication and books	11,261	-	-	-	11,261	-	11,261
Management and development fees	15,000	836,390	680,688	10,884	1,542,962	(1,478,726)	64,236
Relocation expense	-	-	907,910	-	907,910	-	907,910
Bad debts	78,614	60,160	84,982	-	223,756	-	223,756
Interest and finance costs	303,169	96,188	100,797	-	500,154	-	500,154
Property taxes	7,719	26,751	21,542	-	56,012	-	56,012
Grants to affiliate	100,000	-	-	-	100,000	(100,000)	-
Write down of investment	79,893	-	-	-	79,893		79,893
Depreciation and amortization	202,399	477,518	873,182	-	1,553,099	(12,291)	1,540,808
Total Expenses	13,201,394	2,545,138	4,084,630	45,385	19,876,547	(2,837,879)	17,038,668
Change in Net Assets Before Other Change	880,826	(166,621)	(1,419,451)	108,198	(597,048)	-	(597,048)
OTHER CHANGES							
Capital contributions	-	-	742,531	-	742,531	(9,220)	733,311
Distributions	-	-	(126,940)	-	(126,940)	-	(126,940)
Non-controlling Interest in Losses of Consolidated Affiliates	-	-	630,664	-	630,664	-	630,664
Change in Net Assets	$ 880,826	$ (166,621)	$ (173,196)	$ 108,198	$ 649,207	$ (9,220)	$ 639,987

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Corporations
Year Ended June 30, 2019

	Fifth Avenue Commitee, Inc.	Leap, Inc.	* FAC Center Local Development Corp.	* Neighbors Helping Neighbors	Total
SUPPORT AND REVENUE					
Government grants	$ 1,802,744	$ 1,308,259	$ -	$ 405,868	$ 3,516,871
Contributions - corporations	458,645	532,500	-	21,000	1,012,145
Contributions - foundations and trusts	1,116,860	3,380,073	-	149,750	4,646,683
Contributions - individuals	49,967	186,675	-	365	237,007
Special events	222,254	116,492	-	11,000	349,746
In-kind contributions	113,468	82,500	-	-	195,968
Management and reimbursable fees	1,302,402	-	-	-	1,302,402
Development and marketing fees	696,017	-	-	-	696,017
Program services	-	107,927	-	20,206	128,133
Rental income	630,528	-	695,288	-	1,325,816
Interest income	16,100	12,051	41	-	28,192
Subcontract income	465,935	46,242	-	-	512,177
Other revenue	112,731	11	16,442	1,879	131,063
Total Support and Revenue	6,987,651	5,772,730	711,771	610,068	14,082,220
EXPENSES					
Salaries	3,376,250	2,253,477	-	390,081	6,019,808
Contributed services - salaries	-	82,500	-	-	82,500
Payroll taxes and fringe benefits	1,038,651	675,302	-	76,959	1,790,912
Administrative	-	104,669	2,460	-	107,129
Consultants	363,699	70,955	-	41,027	475,681
Wage subsidy	-	5,171	-	-	5,171
Repairs and maintenance	8,288	20,037	59,261	3,600	91,186
Office supplies and printing	46,191	42,042	3,319	5,558	97,110
Telephone and postage	104,798	47,537	-	1,140	153,475
Utilities	35,785	36,871	15,629	-	88,285
Professional fees	157,368	83,826	16,500	6,668	264,362
Occupancy	646,601	529,999	-	34,794	1,211,394
Miscellaneous	-	-	-	535	535
Meetings and events	32,000	-	-	-	32,000
Marketing	22,544	43,752	-	-	66,296
Conference, travel, and training	55,319	60,927	-	-	116,246
Contractual services	147,315	-	1,786	-	149,101
Staff outing	4,519	-	-	-	4,519
Dues and subscriptions	-	2,359	-	2,025	4,384
Software and support	-	11,082	-	-	11,082
Insurance	37,353	13,192	21,147	1,611	73,303
Equipment rental	58,472	10,157	-	5,709	74,338
Fees and bank charges	41,674	19,971	-	4,131	65,776
Program expenses	51,318	1,354,196	-	13,232	1,418,746
Publication and books	11,201	60	-	-	11,261
Management fees	-	-	15,000	-	15,000
Bad debts	36,332	7,736	34,546	-	78,614
Interest and finance costs	16,591	-	286,578	-	303,169
Property taxes	-	-	7,719	-	7,719
Grants to affiliate	100,000	-	-	-	100,000
Direct fundraising expense	50,160	29,733	-	-	79,893
Depreciation	35,117	28,841	137,028	1,413	202,399
Total Expenses	6,477,546	5,534,392	600,973	588,483	13,201,394
Change in Net Assets	$ 510,105	$ 238,338	$ 110,798	$ 21,585	$ 880,826

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of HDFCs
Year Ended June 30, 2019

	* 588 Park Place	* FAC Renaissance HDFC	* FAC Advance HDFC	* FAC Homeownership HDFC	* 50th Street HDFC	* 573 Warren St HDFC	Total
SUPPORT AND REVENUE							
Government grants	$ -	$ -	$ -	$ -	$ -	$ 49,264	$ 49,264
Rental income	188,730	1,040,435	262,330	75,228	502,782	37,017	2,106,522
Interest income	59	122	3	-	-	-	184
Other revenue	-	213,362	-	-	7,690	1,495	222,547
Total Support and Revenue	188,789	1,253,919	262,333	75,228	510,472	87,776	2,378,517
EXPENSES							
Administrative	3,708	-	1,667	-	-	-	5,375
Consultants	14,500	-	-	-	-	-	14,500
Repairs and maintenance	20,469	91,395	23,841	25,993	(30,993)	20,800	151,505
Office supplies and printing	2,805	-	2,039	1,679	-	-	6,523
Telephone and postage	-	1,348	1,266	-	1,800	651	5,065
Utilities	31,203	191,726	36,394	14,757	111,362	24,910	410,352
Professional fees	5,064	75,718	5,100	4,185	13,314	2,042	105,423
Miscellaneous	-	829	-	-	60	156	1,045
Dues and subscriptions	-	149	-	-	-	270	419
Software and support	-	5,592	-	-	2,590	-	8,182
Insurance	11,954	232,157	14,997	4,776	37,122	13,056	314,062
Fees and bank charges	-	19,009	-	2,878	1,110	2,683	25,680
Management fees	72,001	501,427	31,537	12,935	128,927	89,563	836,390
Bad debts	7,691	27,569	9,007	2,772	8,824	4,297	60,160
Interest and finance costs	2,437	25	92,656	-	1,146	(76)	96,188
Property taxes	-	-	-	26,751	-	-	26,751
Depreciation	76,762	111,798	120,301	24,781	109,759	34,117	477,518
Total Expenses	248,594	1,258,742	338,805	121,507	385,021	192,469	2,545,138
Change in Net Assets	$ (59,805)	$ (4,823)	$ (76,472)	$ (46,279)	$ 125,451	$ (104,693)	$ (166,621)

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Limited Partnerships
Year Ended June 30, 2019

	* 551 Warren St LP	Atlantic Terrace 12 LLC	Supportive Slope LP	Northeastern Towers Annex LP	* FAC Sunset Park LP	* FAC Renaissance LP	* FAC 6309 Fourth Ave LP	FAC Brownsville Apartments LP	Total
SUPPORT AND REVENUE									
Government grants	$ -	$ -	$ -	$ -	$ 8,500	$ -	$ 100,002	$ -	$ 108,502
Rental income	602,871	560,940	654,595	-	-	586,099	-	-	2,404,505
Other revenue	94,930	174	11,916	1,414	6,862	36,876	-	-	152,172
Total Support and Revenue	697,801	561,114	666,511	1,414	15,362	622,975	100,002	-	2,665,179
EXPENSES									
Repairs and maintenance	183,472	32,826	221,121	3,541	-	54,824	-	-	495,784
Telephone and postage	1,941	-	1,878	-	-	1,589	-	-	5,408
Utilities	98,276	-	92,013	-	-	105,822	-	-	296,111
Professional fees	14,645	9,242	27,665	-	-	22,207	-	212	73,971
Miscellaneous	117,200	253,121	640	-	-	17,559	-	-	388,520
Software and support	3,914	-	7,075	-	-	13,496	-	-	24,485
Insurance	43,539	6,876	29,720	-	-	46,687	-	-	126,822
Fees and bank charges	592	67	218	-	2,914	637	-	-	4,428
Management fees	186,345	58,648	336,429	-	-	99,266	-	-	680,688
Relocation expense	-	-	-	-	-	907,910	-	-	907,910
Bad debts	-	75,894	-	-	-	9,088	-	-	84,982
Interest and finance costs	2,350	-	73,677	-	-	24,770	-	-	100,797
Property taxes	-	9,008	12,534	-	-	-	-	-	21,542
Depreciation	173,329	85,237	565,602	-	-	49,014	-	-	873,182
Total Expenses	825,603	530,919	1,368,572	3,541	2,914	1,352,869	-	212	4,084,630
Change in Net Assets Before Other Changes	(127,802)	30,195	(702,061)	(2,127)	12,448	(729,894)	100,002	(212)	(1,419,451)
OTHER CHANGES									
Capital contributions	-	9,220	-	-	115,000	618,311	-	-	742,531
Distributions	-	(86,940)	-	-	(40,000)	-	-	-	(126,940)
Non-controlling Interest in losses of consolidated affiliates	126,740	(135,473)	713,052	2,127	(87,439)	111,437	(99,992)	212	630,664
Other changes	126,740	(213,193)	713,052	2,127	(12,439)	729,748	(99,992)	212	1,246,255
Change in Net Assets	$ (1,062)	$ (182,998)	$ 10,991	$ -	$ 9	$ (146)	$ 10	$ -	$ (173,196)

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Other Entities
Year Ended June 30, 2019

	Red Hook Homes, Inc.	General Partners	Total
SUPPORT AND REVENUE			
Rental income	$ 82,432	$ -	$ 82,432
Interest income	-	7	7
Other revenue	-	71,144	71,144
Total Support and Revenue	82,432	71,151	153,583
EXPENSES			
Repairs and maintenance	18,997	-	18,997
Professional fees	6,255	-	6,255
Miscellaneous	152	8,330	8,482
Conference, travel, and training	15	-	15
Fees and bank charges	752	-	752
Management fees	-	10,884	10,884
Total Expenses	26,171	19,214	45,385
Change in Net Assets	$ 56,261	$ 51,937	$ 108,198

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc.
and Subsidiaries

Uniform Guidance
Reports and Schedules

June 30, 2019

Fifth Avenue Committee, Inc. and Subsidiaries

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

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Education				
Pass Through New York State Department of Education:				
Adult Education - Basic Grants to States	84.002	C403236	$ -	$ 500,000
Adult Education - Basic Grants to States	84.002	C403252	-	252,493
Total Department of Education			-	752,493
Department of Housing and Urban Development				
Pass Through Enterprise Community Partners, Inc.:				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	18SG1120	-	30,000
Pass Through Local Initiative Support Corporation:				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	40089-0077	-	27,545
Pass Through New America NYC:				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269	55090010-FAC-01	-	60,515
Total Department of Housing and Urban Development			-	118,060
Other Programs				
Congressional Appropriation				
Neighborworks System Program	21.U01	115-141	100,000	223,080
Total Expenditures of Federal Awards			$ 100,000	$1,093,633

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

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation") under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Since the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not represent the financial position, activities, changes in net assets or cash flows of the Corporation.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

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

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

Independent Auditors' Report

Board of Directors
Fifth Avenue Committee, Inc. and Subsidiaries

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Fifth Avenue Committee, Inc. and Subsidiaries (the "Corporation"), which comprise the consolidated statement of financial position as of June 30, 2019 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation'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 have not been identified.

PKF O'CONNOR DAVIES, LLP
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

December 9, 2019

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

Independent Auditors' Report

Board of Directors
Fifth Avenue Committee, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited Fifth Avenue Committee, Inc. and Subsidiaries' (the "Corporation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended June 30, 2019. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation'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 the Corporation'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. Our audit does not provide a legal determination of the Corporation's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants, applicable to federal programs. In planning and performing our audit of compliance, we considered the Corporation'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 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 the Corporation'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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

December 9, 2019

Fifth Avenue Committee, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ yes __X__ no
Significant deficiency(ies) identified?	____ yes __X__ none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	____ yes __X__ no
Identification of major federal programs:	

CFDA Number	Name of Federal Program or Cluster
84.002	Adult Education - Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2019.

Section III – Federal Award Findings and Questioned Costs

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

Section IV – Prior Year Audit Findings

There were no prior year findings.