

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

Consolidated Financial Statements

June 30, 2015

Independent Auditors' Report

Board of Directors Fifth Avenue Committee, Inc.

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, 2015, 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, Community Staffing Solutions, Inc., FAC Advance Housing Development Fund Corporation, FAC Center Local Development Corporation, FAC Housing Development Fund Corporation, d.b.a. FAC Renaissance and Neighbors Helping Neighbors, Inc., (collectively the "Subsidiaries") which statements reflect total assets constituting \$11,293,998 of consolidated total assets as of June 30, 2015 and total revenue constituting \$1,945,342 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 report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

O'CONNOR DAVIES, LLP

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Auditors' Responsibility (continued)

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, 2015, 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.

Emphasis of Matter

As discussed in note 14 to the consolidated financial statements, as of July 1, 2014, the Corporation recorded an adjustment to its opening net asset balance for the inclusion of certain limited partnerships. The Corporation had not previously reflected such limited partnerships in its consolidated financial statements. Our audit opinion on the consolidated financial statements 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 24 and 25 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 report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

O'Connor Davies, LLP
January 27, 2016

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Financial Position June 30, 2015

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,854,167
Grants receivable	1,876,593
Accounts receivable, net of an allowance of \$38,475	639,841
Property held for resale	2,216,564
Prepaid expenses	<u>190,173</u>
Total Current Assets	7,777,338

Investment in LLC	440,842
Replacement reserve	926,403
Operating reserve	2,599,820
Social service reserve	696,041
Property, plant and equipment, net	35,026,503
Other assets	<u>940,438</u>

\$ 48,407,385

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 2,817,141
Accrued expenses	635,864
Mortgages and notes payable, current portion	2,533,674
Tenants' deposits payable	139,351
Due to unaffiliated companies	<u>746,130</u>
Total Current Liabilities	6,872,160

IDA funds	98,541
Refundable grants payable	845,000
Other payables	397,442
Mortgages and notes payable, net of current portion	<u>30,075,677</u>
Total Liabilities	<u>38,288,820</u>

Net Assets

Unrestricted	3,409,321
Temporarily restricted	<u>377,534</u>
	3,786,855

Non-controlling Limited Partners' interest in consolidated affiliates	<u>6,331,710</u>
Total Net Assets	<u>10,118,565</u>

\$ 48,407,385

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Activities Year Ended June 30, 2015

	Unrestricted				
	Undesignated	For Profit Subsidiaries	Total Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE					
Government grants	\$ 2,519,227	\$ -	\$ 2,519,227	\$ -	\$ 2,519,227
Contributions - corporations	800,032	-	800,032	637,500	1,437,532
Contributions - foundations and trusts	2,957,326	-	2,957,326	778,674	3,736,000
Contributions - individuals	116,225	-	116,225	-	116,225
Special events income, net of costs of direct benefit to donors of \$82,151	180,297	-	180,297	-	180,297
In-kind contributions	154,000	-	154,000	-	154,000
Management and reimbursable fees	700,805	-	700,805	-	700,805
Development and marketing fees	222,733	-	222,733	-	222,733
Personnel placement fees	-	290,602	290,602	-	290,602
Program services	276,874	-	276,874	-	276,874
Rental income	1,084,649	2,837,804	3,922,453	-	3,922,453
Interest income	14,737	39,032	53,769	-	53,769
Subcontract income	51,669	-	51,669	-	51,669
Other revenue	140,478	229,257	369,735	-	369,735
Net assets released from restrictions	1,638,359	-	1,638,359	(1,638,359)	-
Total Support and Revenue	<u>10,857,411</u>	<u>3,396,695</u>	<u>14,254,106</u>	<u>(222,185)</u>	<u>14,031,921</u>
EXPENSES					
Program services	9,404,374	295,106	9,699,480	-	9,699,480
Management and general	14,868	3,589,692	3,604,560	-	3,604,560
Fundraising	600,709	-	600,709	-	600,709
Total Expenses	<u>10,019,951</u>	<u>3,884,798</u>	<u>13,904,749</u>	<u>-</u>	<u>13,904,749</u>
Change in Net Assets Before Non-Controlling Limited Partners' Interest in Losses of Consolidated Affiliates	837,460	(488,103)	349,357	(222,185)	127,172
Non-controlling Limited Partners' Interest in Losses of Consolidated Affiliates	-	472,448	472,448	-	472,448
Change in Net Assets	837,460	(15,655)	821,805	(222,185)	599,620
NET ASSETS					
Beginning of year, as adjusted	<u>2,814,253</u>	<u>(226,737)</u>	<u>2,587,516</u>	<u>599,719</u>	<u>3,187,235</u>
End of year	<u>\$ 3,651,713</u>	<u>\$ (242,392)</u>	<u>\$ 3,409,321</u>	<u>\$ 377,534</u>	<u>\$ 3,786,855</u>

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses Year Ended June 30, 2015

	Program Services	Management and General	Fundraising	Total
PERSONNEL				
Salaries	\$ 4,703,053	\$ 191,238	\$ 360,588	\$ 5,254,879
Contributed services - salaries	77,000	-	-	77,000
Payroll taxes and fringe benefits	1,318,565	54,284	96,351	1,469,200
Total Personnel	<u>6,098,618</u>	<u>245,522</u>	<u>456,939</u>	<u>6,801,079</u>
OTHER THAN PERSONNEL				
Administrative	6,072	98,268	-	104,340
Consultants	207,895	48,090	48,327	304,312
Repairs and maintenance	117,763	594,155	428	712,346
Office supplies and printing	143,864	6,691	11,614	162,169
Telephone and postage	51,764	28,710	8,915	89,389
Utilities	172,441	389,262	4,620	566,323
Professional fees	67,583	207,998	1,771	277,352
Occupancy	166,308	147,085	40,491	353,884
Miscellaneous	179	67,954	-	68,133
Automobile, travel and entertainment	23,671	6,464	1,288	31,423
Meetings and events	8,838	10,478	1,936	21,252
Marketing	19,116	6,493	7,050	32,659
Training and recruiting	1,298,118	13,518	1,945	1,313,581
Personnel staffing expense	295,106	-	-	295,106
Contractual services	130,876	-	-	130,876
Staff outing	2,513	359	127	2,999
Dues and subscriptions	720	3,114	-	3,834
Software and support	681	12,891	2,120	15,692
Insurance	72,848	153,498	1,277	227,623
Equipment rental	38,629	11,289	3,345	53,263
Fees and bank charges	30,571	25,587	1,286	57,444
Program expenses	114,669	4,226	3,412	122,307
Publications and books	29,804	771	119	30,694
Management fees	118,422	54,174	-	172,596
Bad debts	18,215	122,535	-	140,750
Registration and fees	-	3,878	-	3,878
Interest expense	412,850	9,619	1,825	424,294
Property taxes	25,290	87,640	-	112,930
Income tax expense	54	34,281	-	34,335
Depreciation and amortization	26,002	1,210,010	1,874	1,237,886
Total Other Than Personnel	<u>3,600,862</u>	<u>3,359,038</u>	<u>143,770</u>	<u>7,103,670</u>
Total Expenses	<u>\$ 9,699,480</u>	<u>\$ 3,604,560</u>	<u>\$ 600,709</u>	<u>\$ 13,904,749</u>

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Cash Flows Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 127,172
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	1,237,886
Bad debts	140,750
Changes in Operating Assets and Liabilities	
Grants receivable	116,039
Accounts receivable	(406,161)
Prepaid expenses	(40,984)
Other assets	299,666
Accounts payable	(350,942)
Accrued expenses	(83,813)
Tenant deposits payable	59,970
Other payables	36,900
Due to unaffiliated companies	(393,464)
Refundable grants payable	(25,000)
Net Cash from Operating Activities	<u>718,019</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Deposits to replacement reserve, net	(134,386)
Deposits to operating reserve, net	(368,681)
Deposits to social service reserve, net	(278)
Investment in LLC	(12,129)
Purchases of property, plant and equipment	<u>314,386</u>
Net Cash from Investing Activities	<u>(201,088)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from notes and mortgage payable	659,350
Mortgage and note principal payments	<u>(521,695)</u>
Net Cash from Financing Activities	<u>137,655</u>

Net Change in Cash and Cash Equivalents	654,586
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CASH AND CASH EQUIVALENTS

Beginning of year	<u>2,199,581</u>
End of year	<u><u>\$ 2,854,167</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for	
Interest	\$ 424,294
Income taxes	34,335

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

1. Organization and Tax Status

Fifth Avenue Committee, Inc. ("FAC" or the "Corporation") was established in 1977 and incorporated in August 1978. FAC is a community organization in South Brooklyn that advances economic and social justice by building vibrant, diverse communities where residents have genuine opportunities to achieve their goals, as well as the power to shape the community's future. FAC is a nationally recognized not-for-profit community development corporation that works to transform the lives of over 5,500 low and moderate-income New Yorkers annually so that all can live and work with dignity and respect while making our communities more equitable, sustainable, inclusive and just.

To achieve its mission, FAC develops and manages affordable housing and community facilities, creates economic opportunities and ensures access to economic stability, organizes residents and workers, provides student-centered adult education, and combats displacement caused by gentrification.

The following entities are included in the consolidated financial statements:

Entities in which FAC is the sole member:

LEAP, Inc., d.b.a. Brooklyn Workforce Innovations, ("LEAP") is a not-for-profit organization that works to empower low and moderate-income individuals by creating living-wage employment opportunities and access to career paths. LEAP creates stable, long-term employment through job-training and placement programs. FAC is the sole member of LEAP, effective January 1, 2000.

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 4th Avenue and 621 DeGraw Street, a commercial building that serves as the headquarters of the Fifth Avenue Committee, Inc. and provides additional space which has been rented to other organizations.

Neighbors Helping Neighbors, Inc. ("NHN") is a not-for-profit New York State Corporation incorporated on December 31, 1990. FAC is the sole member, effective November 1, 2011. NHN empowers low-income and moderate-income Brooklyn residents to secure quality housing and build assets.

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. FAC is the sole member of Sunset. Sunset had no activity in fiscal 2015. 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, with FAC as the sole member. The LLC currently is inactive with no financial activity in fiscal 2015, and will be used potentially in future real estate projects.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

1. Organization and Tax Status (continued)

Entities in which FAC wholly owns:

Community Staffing Solutions, Inc., d.b.a. First Source Staffing ("CSS") operates a personnel placement service that provides short and long-term temporary staffing to businesses throughout New York City. CSS commenced operations in December 1998. FAC owns all of the common shares issued and outstanding of CSS. On October 1, 2014, FAC approved a resolution to wind down operations of CSS and all personnel placement activities in January 2015.

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 Housing Development Fund Corporation, d.b.a. FAC Renaissance ("FAC HDFC") was incorporated in May 1981 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. The mission of the FAC HDFC is to own and operate an apartment building located in Brooklyn, New York under the confines of the regulatory agreements with the New York City Department of Housing Preservation and Development and Neighborhood Housing Services of New York City, Inc. The regulatory agreements require FAC HDFC to serve low income tenants from the Brooklyn, New York area. The building consists of eight residential apartments.

FAC, owns the general partner in several limited partnership as follows:

Fifth Avenue Rehabilitation Corp. is the general partner of the Fifth Avenue Corridor, Limited Partnership, with a 1% interest. Fifth Avenue Corridor Limited Partnership was created in 1995 to develop and operate 36 units of affordable housing for low-income families in 6 formerly vacant, abandoned buildings. In addition, one building has 4 commercial units.

South Brooklyn Mutual NRP, Inc. is the general partner of the South Brooklyn Mutual Limited Partnership with a 1% interest. South Brooklyn Mutual Limited Partnership was created in 1996 to renovate and operate 44 apartment units of affordable housing for low-income families and 3 commercial units in 6 buildings formerly owned by the City of New York.

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

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

1. Organization and Tax Status *(continued)*

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

FAC Sunset Park GP, Inc. is the general partner of FAC Sunset Park Limited Partnership, with a .01% interest. The FAC Sunset Park Limited Partnership was created in September 2014 to redevelop the existing Sunset Park Library into a 50 unit mixed-use, mixed income affordable housing development in Sunset Park, Brooklyn. The proposed development will expand and upgrade the library facility and also provide deeply affordable housing at mixed incomes in a gentrifying neighborhood.

FAC Cortelyou GP, Inc. was the general partner of FAC Cortelyou LP with a 0.1% interest. FAC Cortelyou LP was formed in December 2013 to move forward with the "Redeemer" project. The proposed development would have constructed approximately 75 units of permanent affordable housing for low-income adults and seniors. FAC Cortelyou GP, Inc. was dissolved effective June 25, 2015.

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.

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 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. 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 is currently developing the Public Place site.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

1. Organization and Tax Status (*continued*)

Tax Status

FAC, LEAP, FAC LDC, NHN, FAC HDFC 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 Partnerships except for Atlantic 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 is exempt from Federal income taxes under section 501 (c) (4) of the Internal Revenue Code and is exempt from Federal, State and City corporate income taxes.

Affordable Housing and Community Facilities Development

With over 500 units of affordable housing and retail spaces, FAC manages the second largest portfolio of affordable housing in South Brooklyn. FAC is currently developing nearly 1,000 additional units, representing over \$400 million in direct investment in affordable housing throughout South Brooklyn. FAC's current housing preservation and development projects include: *FAC Renaissance*, a preservation project that will result in the preserving or repositioning of 144 existing units of low income rental housing and 14 storefronts for local businesses in Gowanus, Park Slope and South Park Slope; and the *FAC Sunset Park Library*, a collaboration between FAC and the Brooklyn Public Library (BPL) to advance the redevelopment of the Sunset Park branch of BPL to include approximately 50 units of multifamily, mixed-use, and mixed-income affordable housing in Sunset Park while expanding library space.

Organizing and Advocacy

This program empowers low-income residents through social justice campaigns that ensure the voices of traditionally marginalized groups are heard. The Organizing and Advocacy unit also provides working poor and low-income residents with one-to-one tenant advocacy and housing counseling services that prevent over 200 evictions each year.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2015

1. Organization and Tax Status (*continued*)

Adult Education and Literacy Programs

These programs offer a range of classes, including English for Speakers of Other Languages (ESOL), Adult Basic Education (ABE), General Equivalency Diploma (GED) and family literacy classes at local public schools. Last year, over 850 students from nearly 30 countries of origin attended and improved their grasp of spoken and written English as well as their math skills and access to further education. According to the NYS Department of Education, the program performs in the top quartile of adult education programs state-wide.

Community Services

FAC's Community Services Programs offer benefits access assistance, tax preparation assistance, public health insurance and Medicaid enrollment, and financial and legal counseling services to working poor and low-income residents. This includes *Single Stop at FAC*, which is one of the most effective Single Stop programs in the city's five boroughs, and is a significant part of FAC's Community Services programs. In the past year, nearly 800 households were screened for public benefits; 933 individuals successfully received at least one benefit; over 400 households secured cash or non-cash benefits; 217 households received multiple benefits and or services; 177 households received legal counseling; and 247 households received financial counseling services.

Workforce Development

Through FAC's Neighborhood Employment Services (NES) and the programs of FAC affiliate Brooklyn Workforce Innovations (BWI), FAC assists over 800 jobless and working poor New Yorkers each year train for and gain access to living-wage employment, establish careers, and receive continuing job support.

Additionally, FAC and its South Brooklyn community partners launched year two of *Stronger Together*, a multi-year collaboration to fight poverty in South Brooklyn public housing complexes in Red Hook and Gowanus, Brooklyn. With four-year core funding from the NYC Neighborhood Opportunities Fund - Change Capital Initiative, FAC is the lead organization in this community-based, poverty-fighting collaborative. FAC's partners include BWI, Red Hook Initiative and the Southwest Brooklyn Industrial Development Corporation. The goal of the collaboration is to help break the cycle of inter-generational poverty in South Brooklyn's largest public housing complexes (including the Red Hook Houses, Gowanus Houses and Wyckoff Gardens Houses), by providing educational opportunities and job placements to hundreds of New York City Housing Authority (NYCHA) residents currently living in poverty. Over four years, Stronger Together aims to provide services to as many as 1,200 adult residents living in poverty in the five NYCHA developments in Red Hook and Gowanus.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

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 or ownership of more than 50% interest. All significant inter-company accounts and transactions have been eliminated.

Non-Controlling Limited Partners' Interests

Non-Controlling Limited Partners' Interest in the Corporation's 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 statement of financial position represents the undistributed profits or losses and capital of the Limited Partnerships.

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 debt instruments with a maturity of three months or less at the time of purchase.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

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

Allowance for Doubtful Accounts

The collectability of receivables is based on a combination of factors. When management is aware of a customer's inability to meet its financial obligation, an allowance for the potential 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.

Investment in LLC

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

Amortization

Mortgage finance costs are recorded at cost and amortized using the straight line method, which approximates the interest method over the term of the respective mortgages. Lease costs are recorded at cost and amortized using the straight line method over the term of the respective written lease agreement.

Property, Plant and Equipment

Buildings, equipment, fixtures, and leasehold improvements 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 statement of activities.

The useful lives of building, furniture and equipment and leasehold improvements are summarized as follows:

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

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

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

Asset Recoverability

FAC 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, 2015.

Capitalized Mortgage Interest

FAC 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.

Net Assets Presentation

The financial statements report net assets separately by class of net assets. Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets represent contributions with donor imposed restrictions that have not yet been satisfied. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restriction. Permanently restricted net assets are limited by donors in perpetuity. FAC has no permanently restricted net assets.

Allocation of Expenses

Expenses are charged directly to program or support service categories based on specific identification of expenses. Common expenses are allocated on an equitable basis to all programs and support services based on management's estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any donor imposed stipulations.

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 statement of activities and changes in net assets at their fair value at the time the services are rendered.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2015

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

Income Taxes

The Corporation accounts for income taxes in accordance with the liability method. Income taxes consist of taxes currently payable plus those deferred due to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. At June 30, 2015 temporary differences were insignificant.

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, 2012.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 27, 2016.

3. Related Party Transactions

Limited Partnerships

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

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

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

3. Related Party Transactions *(continued)*

Limited Partnerships (continued)

The limited partnerships for which the Corporation is the sole general partner are consolidated in the accompanying financial statements. The non-controlling Limited Partners' interest at June 30, 2015 are as follows:

<u>For Profit Affiliates</u>	<u>Percent of Non- Controlling Ownership</u>	<u>Non-Controlling Interest</u>
South Brooklyn Mutual LP	99.00%	\$ (1,363,560)
Supportive Slope LP	99.99	3,208,722
551 Warren Street 1 LP	99.99	2,930,078
Fifth Avenue Corridor LP	99.00	305,553
Atlantic Terrace 12, LLC	66.67	1,250,627
FAC Sunset Park LP	99.99	290
		<u>\$ 6,331,710</u>

In connection with the inclusion of these limited partnerships', the change in non-controlling limited partners' interest for the year ended June 30, 2015 is as follows:

Inclusion of Limited Partners' non-controlling interest as of July 1, 2014	\$ 6,804,158
Non-controlling Limited Partners' Interest in losses of consolidated affiliates	<u>(472,448)</u>
Non controlling Limited Partners' interest in consolidated affiliates as of June 30, 2015	<u>\$ 6,331,710</u>

4. Reserves

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

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

5. Retirement Plan

The following reserves amounts are reflected in the accompanying consolidated financial statements at June 30, 2015:

Operating Reserve	\$2,599,820
Replacement Reserve	\$926,403
Social Service Reserve	\$696,041

FAC and LEAP have Simplified Employee Pension Plans, which are defined contribution plans. LEAP made contributions of \$68,008 for the year ended June 30, 2015. FAC made contributions of \$30,202 for the year ended June 30, 2015.

6. Operating Leases

At June 30, 2015, the Corporation leases commercial office space under the terms of various operating leases which expire in 2016 and 2017. Rent expense for the year ended June 30, 2015 was \$353,884.

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

2016	\$ 235,555
2017	24,290
	<u>\$ 259,845</u>

7. IDA Funds

The Corporation operates an IDA program for eligible individuals who are interested in saving money towards future educational expenses or entrepreneurial projects. The Corporation matches 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, 2015, 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 to the individuals.

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 consolidated affiliated company's are eliminated upon consolidation. However, the \$745,000 due to Federal Home Loan Bank from the Corporation is included with refundable grants payable in the accompanying consolidated financial statements.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

9. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2015:

Land	\$ 3,266,787
Buildings	42,530,930
Furniture and equipment	1,629,528
Leasehold improvements	787,030
Construction in progress	<u>20,627</u>
	48,234,902
Accumulated depreciation	<u>(13,208,399)</u>
	<u>\$ 35,026,503</u>

Depreciation expense for the year ended June 30, 2015 was \$1,169,739

10. Property Held for Resale

Property held for resale 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. Costs for these properties amounted to \$2,216,564 and the related mortgage payable amounted to \$2,268,500 at June 30, 2015. The four remaining co-ops are being rented and then are expected to be sold and the related mortgages repaid in 2019.

11. Mortgages and Notes Payable

Mortgages and Notes Payables consists of the following at June 30, 2015:

FAC has three lines of credit. The first line of credit with JPMorgan Chase Bank for \$406,000 bears a variable interest rate and expires on November 21, 2016. It is collateralized by a condominium unit located at 294 Smith Street, Brooklyn, NY. The outstanding borrowing under this line is \$305,376 at June 30, 2015. The second line of credit with JPMorgan Chase Bank for \$850,000 bears a variable interest rate and expires on May 12, 2016. The outstanding borrowing under this line is \$49,754 at June 30, 2015. The third line of credit with the Contact 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 \$497,061 at June 30, 2015.

\$ 852,191

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 \$2,204,500 at June 30, 2015. The Brooklyn Community Foundation note is collateralized with shares in Red Hook Homes Apartment Corporation, a cooperative housing corporation.

2,204,500

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

11. Mortgages and Notes Payable (*continued*)

588 Park Place HDFC has two mortgage notes with NYS Homeless Housing and Assistance Program. The mortgages mature in 2035 and carry a fixed annual interest rate of 1%. The principal and interest are payable at maturity. \$ 2,135,520

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 \$634,986 at June 30, 2015. 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 \$3,608,928 at June 30, 2015. Both loans are collateralized by the FAC Center properties at 621 DeGraw Street and 182 4th Avenue. 4,243,914

CSS has a line of credit with M&T Bank in the amount of \$75,000 which bears an annual interest rate of 4.25% and is payable on demand. The outstanding principal balance of this line is \$75,000 at June 30, 2015. CSS also has an unsecured loan with Local Enterprise Assistance Fund for \$47,045 with an annual interest rate of 3% and is payable on April 23, 2020. 122,045

FAC HDFC *has* a mortgage with New York City Department of Housing Preservation and Development in the original amount of \$208,000. This mortgage is secured by FAC HDFC's land and building. The mortgage currently requires monthly payments of principal and interest in the amount of \$392 as well as the funding of an insurance escrow account. The annualized interest rate is 1%. The mortgage requires monthly principal and interest payments and is scheduled to mature in July 2023. 156,225

FAC Advance HDFC obtained a note payable for pre-development loan financing from Local Initiatives Support Corporation ("LISC") for a maximum amount of \$737,740, of which \$219,658 has been drawn down at June 30, 2015. The loan payable requires quarterly payments of interest only at a fixed interest rate of 7% and matures on May 1, 2018. In fiscal 2012, FAC Advance HDFC obtained three building mortgage loans from The Community Preservation Corporation (CPC) to construct the premises at 31 St. Marks Place, 258 51st Street and 237 Fifth Avenue, Brooklyn, New York (the "premises"). The first loan bears interest at 5.65% per annum. The second loan bears interest at 1.25% per annum. The third loan bears interest at 6% per annum. The loans are due 30 years after the completion of the premises and are collateralized by the projects. Final payment is due and payable in year 30 and will include deferred and accrued interest calculated on a compound monthly basis. The outstanding principal balance of the CPC loans is \$3,122,829 at June 30, 2015. 3,342,487

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

11. Mortgages and Notes Payable (continued)

South Brooklyn Mutual LP has mortgage note dated November 19, 1999 with the New York City Housing Preservation and Development in the amount of \$907,862. The note is comprised of a Home portion, \$604,110 which bears no interest, and an Article 8 portion, \$303,752 which bears a 1% interest rate and requires monthly interest only payments of \$253 until maturity. The loan matures on the 30th anniversary of the conversion date. South Brooklyn Mutual LP has another mortgage note dated September 5, 1996 with the New York City Housing Preservation and Development in the amount of \$2,520,261. The note is comprised of a Home portion, \$1,929,545 which bears no interest, a Community Development Block Grant portion, \$185,000 which bears no interest, and an Article 8 portion, \$405,716 which bears a 1% interest rate and requires monthly interest only payments of \$376 until maturity. The loan matures on the 30th anniversary of the conversion date, December 12, 2027.

The real property of the Partnership is collateral for the loan. \$ 3,428,123

Supportive Slope LP has a mortgage with New York City Housing Preservation and Development Fund. 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. 6,886,501

551 Warren Street 1 LP has a non-interest bearing mortgage note is held by the New York City Housing Preservation and Development Fund. The note will mature on May 1, 2031. The real property of the Partnership is collateral for the loan. 5,629,462

Atlantic Terrace 12, LLC has two enforcement notes with the New York City Department of Housing Preservation and Development that are secured by real property located at 212 South Oxford Street in the Fort Greene section of Brooklyn. The enforcement notes may be forgiven if Atlantic Terrace 12, LLC complies with certain requirements as outlined in the respective agreements. The enforcement notes shall not bear interest and matures on May 11, 2026. 1,892,396

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

11. Mortgages and Notes Payable (*continued*)

FAC Sunset Park LP during December 2014, the National Equity Fund advanced a predevelopment loan to begin the Sunset Park Library Project. The loan matures on December 31, 2016, and requires monthly payments of interest only at the rate of 6.0% per annum. \$ 35,000

Fifth Avenue Corridor LP has three mortgages:

The first mortgage is with NYC Housing Development Corporation ("NYCHDC") in the original amount of \$631,000 and has an interest rate of 8.95%. The mortgage requires monthly principal and interest payments of \$5,766 until maturity on November 1, 2016. At June 30, 2015, the outstanding balance was \$118,622.

The second mortgage is with NYC Housing Preservation and Development (NYCHPD) in the original amount of \$1,454,590 and has an interest rate of 1%. The mortgage requires monthly principal and interest payments of \$1,607 until maturity on November 1, 2016. At maturity, a balloon payment of approximately \$1,360,000 will be due. At June 30, 2015, the outstanding balance was \$1,336,661.

The third mortgage is with NYCHPD and is a non-interest loan and will be forgiven on October 1, 2012 if no default has occurred under the mortgage. The note has been recorded as debt until such time as the note is forgiven. At June 30, 2015, the outstanding balance was \$225,704 and the Partnership has not received any correspondence that the mortgage has been forgiven.

The real property serves as collateral for the mortgages. 1,680,987
\$ 32,609,351

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

2016	\$ 2,533,674
2017	1,552,033
2018	140,044
2019	150,139
2020	2,364,735
Thereafter	<u>25,868,726</u>
	<u>\$ 32,609,351</u>

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

12. Temporarily Restricted Net Assets - FAC and LEAP

Changes in temporarily restricted net assets for the year ended June 30, 2015 consist of the following:

Purpose/Restriction	Balance, June 30, 2014	Additions	Releases	Balance, June 30, 2015
Fifth Avenue Committee, Inc.				
Build it Back	\$ 27,362	\$ -	\$ (27,362)	\$ -
Community Services	-	320,174	(320,174)	-
FUREE costs & Mergers	-	27,000	(948)	26,052
Housing Development	59,248	110,500	(82,749)	86,999
Organizing	-	140,000	(99,308)	40,692
SBADI	30,495	70,000	(73,592)	26,903
Neighborhood Opportunitie	130,736	200,000	(248,854)	81,882
Translation equipment	1,730	6,000	(1,730)	6,000
Total	<u>249,571</u>	<u>873,674</u>	<u>(854,717)</u>	<u>268,528</u>
LEAP, Inc.				
NY Drives	20,249	50,000	(70,249)	-
Capacity Building for New Initiatives at Brooklyn Navy Yard	220,623	210,000	(329,687)	100,936
Pilott program serving young adults	75,483	-	(74,808)	675
Fundraising/Consultants	33,793	-	(33,793)	-
Support to Training Graduates	-	237,500	(230,105)	7,395
Made in NY PA Training Program	-	10,000	(10,000)	-
Red Hook on the Road and New York Drives	-	35,000	(35,000)	-
Total	<u>350,148</u>	<u>542,500</u>	<u>(783,642)</u>	<u>109,006</u>
	<u>\$ 599,719</u>	<u>\$ 1,416,174</u>	<u>\$ (1,638,359)</u>	<u>\$ 377,534</u>

13. Concentrations of Credit Risk

Financial instruments which potentially subject the Corporation to significant concentrations of credit risk consist principally of cash and cash equivalents and 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.

A concentration of credit risks with respect to grants receivables exists since amounts from one source represented 17% of the total grants receivable at June 30, 2015. Receivables are expected to be collected in the normal course of business.

Fifth Avenue Committee, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2015

14. Operating Net Assets Adjustment

As of July 1, 2014, the Corporation's net assets have been adjusted for the inclusion of certain 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. In the prior years the Corporation had elected not to consolidate the assets, liabilities, net assets, revenues and expenses of certain limited partnerships. As a result, the adjustment has no effect on the results of the fiscal 2015 activities; however, the cumulative effect increased net assets by \$235,664 at July 1, 2014.

The following table summarizes the impact on the consolidated financial statements:

	<u>Unrestricted</u>		
	<u>Undesignated</u>	<u>For Profit Subsidiaries</u>	<u>Total Unrestricted</u>
Net assets at beginning of year, as previously reported	\$ 2,589,129	\$ (237,277)	\$ 2,351,852
Net asset opening balance adjustment	225,124	10,540	235,664
Net assets at beginning of year, as adjusted	<u>\$ 2,814,253</u>	<u>\$ (226,737)</u>	<u>\$ 2,587,516</u>

* * * * *

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

Supplementary Information

June 30, 2015

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position June 30, 2015

	Fifth Avenue Committee, Inc.	Leap, Inc.	FAC Red Hook Homes, Inc.	* 588 Park Place HFDC	* FAC LDC	* Community Staffing Solutions, Inc.	* FAC HDFC	* FAC Advance HDFC	* Neighbors Helping Neighbors, Inc.	General Partners	Limited Partners	Total	Eliminations	Consolidated
ASSETS														
Current Assets														
Cash and cash equivalents	\$ 186,108	\$ 1,056,745	\$ 35,029	\$ 145,637	\$ 76,995	\$ (928)	\$ 32,712	\$ 8,126	\$ 83,206	\$ 105	\$ 1,230,432	\$ 2,854,167	\$ -	\$ 2,854,167
Grants receivable	705,814	1,126,900	-	-	-	-	-	-	143,474	-	-	1,976,188	(99,595)	1,876,593
Accounts receivable, net	198,306	116,319	71,518	6,161	84,199	-	2,490	29,115	-	-	298,571	806,679	(166,838)	639,841
Property held for resale	-	-	2,216,564	-	-	-	-	-	-	-	-	2,216,564	-	2,216,564
Prepaid expenses	22,934	9,920	-	1,206	47,016	2,910	6,245	2,974	905	-	96,063	190,173	-	190,173
Advances due from affiliated companies	1,910,441	-	-	-	-	-	-	-	-	-	-	1,910,441	(1,910,441)	-
Total Current Assets	3,023,603	2,309,884	2,323,111	153,004	208,210	1,982	41,447	40,215	227,585	105	1,625,066	9,954,212	(2,176,874)	7,777,338
Investments in affiliated companies	168,600	-	-	-	-	-	-	-	-	486,837	-	655,437	(655,437)	-
Investment in LLC	-	-	-	-	-	-	-	440,842	-	-	-	440,842	-	440,842
Replacement reserve	-	-	-	62,884	79,959	-	-	-	-	-	783,560	926,403	-	926,403
Operating reserve	-	-	-	27,402	-	-	-	-	-	-	2,572,418	2,599,820	-	2,599,820
Social Service reserve	-	-	-	-	-	-	-	-	-	-	696,041	696,041	-	696,041
Mortgage receivable	745,000	-	-	-	-	-	-	-	-	-	-	745,000	(745,000)	-
Property, plant and equipment, net	355,069	75,694	-	1,573,611	4,278,430	-	594,143	3,359,736	2,535	-	24,787,285	35,026,503	-	35,026,503
Other assets	7,260	20,465	11,145	10,914	85,261	-	7,348	95,690	2,800	5,747	693,808	940,438	-	940,438
	<u>\$ 4,299,532</u>	<u>\$ 2,406,043</u>	<u>\$ 2,334,256</u>	<u>\$ 1,827,815</u>	<u>\$ 4,651,860</u>	<u>\$ 1,982</u>	<u>\$ 642,938</u>	<u>\$ 3,936,483</u>	<u>\$ 232,920</u>	<u>\$ 492,689</u>	<u>\$ 31,158,178</u>	<u>\$ 51,984,696</u>	<u>\$ (3,577,311)</u>	<u>\$ 48,407,385</u>
LIABILITIES AND NET ASSETS														
Current Liabilities														
Accounts payable	\$ 241,544	\$ 232,122	\$ 69,532	\$ 10,056	\$ 4,957	\$ 48,366	\$ 22,176	\$ 172,094	\$ 49,402	\$ 21,084	\$ 2,112,646	\$ 2,983,979	\$ (166,838)	\$ 2,817,141
Accrued expenses	164,045	111,019	-	-	24,381	-	-	-	8,172	-	328,247	635,864	-	635,864
Mortgages and notes payable, current portion	852,191	-	-	-	118,731	75,000	3,156	1,225,000	-	-	259,596	2,533,674	-	2,533,674
Loans payable, affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants payable, subsidiary	99,595	-	-	-	-	-	-	-	-	-	-	99,595	(99,595)	-
Tenants' deposits payable	22,100	-	-	14,477	69,960	-	7,348	25,466	-	-	-	139,351	-	139,351
Due to unaffiliated companies	-	-	792,767	2,000	-	15,181	202,687	428,319	-	-	1,215,617	2,656,571	(1,910,441)	746,130
Total Current Liabilities	1,379,475	343,141	862,299	26,533	218,029	138,547	235,367	1,850,879	57,574	21,084	3,916,106	9,049,034	(2,176,874)	6,872,160
IDA funds	98,541	-	-	-	-	-	-	-	-	-	-	98,541	-	98,541
Refundable grants payable	845,000	-	-	-	-	-	-	-	-	-	-	845,000	-	845,000
Other payables	381	-	-	-	-	-	-	-	-	397,061	-	397,442	-	397,442
Mortgages and notes payable, net of current portion	-	-	2,204,500	2,135,520	4,125,183	47,045	153,069	2,117,487	-	-	20,037,873	30,820,677	(745,000)	30,075,677
Total Liabilities	<u>2,323,397</u>	<u>343,141</u>	<u>3,066,799</u>	<u>2,162,053</u>	<u>4,343,212</u>	<u>185,592</u>	<u>388,436</u>	<u>3,968,366</u>	<u>57,574</u>	<u>418,145</u>	<u>23,953,979</u>	<u>41,210,694</u>	<u>(2,921,874)</u>	<u>38,288,820</u>
Net Assets														
Unrestricted	1,707,607	1,953,896	(732,543)	(334,238)	308,648	(183,610)	254,502	(31,883)	175,346	74,544	872,489	4,064,758	(655,437)	3,409,321
Temporarily restricted	268,528	109,006	-	-	-	-	-	-	-	-	-	377,534	-	377,534
	1,976,135	2,062,902	(732,543)	(334,238)	308,648	(183,610)	254,502	(31,883)	175,346	74,544	872,489	4,442,292	(655,437)	3,786,855
Non-controlling Limited Partners' interest in consolidated affiliates	-	-	-	-	-	-	-	-	-	-	6,331,710	6,331,710	-	6,331,710
Total Net Assets	<u>1,976,135</u>	<u>2,062,902</u>	<u>(732,543)</u>	<u>(334,238)</u>	<u>308,648</u>	<u>(183,610)</u>	<u>254,502</u>	<u>(31,883)</u>	<u>175,346</u>	<u>74,544</u>	<u>7,204,199</u>	<u>10,774,002</u>	<u>(655,437)</u>	<u>10,118,565</u>
	<u>\$ 4,299,532</u>	<u>\$ 2,406,043</u>	<u>\$ 2,334,256</u>	<u>\$ 1,827,815</u>	<u>\$ 4,651,860</u>	<u>\$ 1,982</u>	<u>\$ 642,938</u>	<u>\$ 3,936,483</u>	<u>\$ 232,920</u>	<u>\$ 492,689</u>	<u>\$ 31,158,178</u>	<u>\$ 51,984,696</u>	<u>\$ (3,577,311)</u>	<u>\$ 48,407,385</u>

See independent auditors' report

*Audited by other auditors

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities Year Ended June 30, 2015

	Fifth Avenue Committee, Inc.	Leap, Inc.	FAC Red Hook Homes, Inc.	* 588 Park Place HDFC	* FAC Center LDC	* Community Staffing Solutions, Inc.	* FAC HDFC	* FAC Advance HDFC	* Neighbors Helping Neighbors, Inc.	General Partners	Limited Partners	Total	Eliminations	Consolidated
SUPPORT AND REVENUE														
Government grants	\$ 1,579,726	\$ 673,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,978	\$ -	\$ -	\$ 2,519,227	\$ -	\$ 2,519,227
Contributions - corporations	816,547	604,485	-	-	-	-	-	-	16,500	-	-	1,437,532	-	1,437,532
Contributions - foundations and trusts	608,500	2,977,500	-	-	-	-	-	-	150,000	-	-	3,736,000	-	3,736,000
Contributions - individuals	27,760	84,835	-	-	-	-	-	-	3,630	-	-	116,225	-	116,225
Special events, net	90,424	75,963	-	-	-	-	-	-	13,910	-	-	180,297	-	180,297
In-kind contributions	17,000	137,000	-	-	-	-	-	-	-	-	-	154,000	-	154,000
Management and reimbursable fees	1,383,607	-	-	-	-	-	-	-	-	-	-	1,383,607	(682,802)	700,805
Development and marketing fees	222,733	-	-	-	-	-	-	-	-	-	-	222,733	-	222,733
Personnel placement fees	-	-	-	-	-	388,448	-	-	-	-	-	388,448	(97,846)	290,602
Program services	-	298,577	-	-	-	-	-	-	25,280	-	-	323,857	(46,983)	276,874
Rental income	414,323	-	138,001	178,853	660,580	-	104,062	128,765	-	-	2,837,804	4,462,388	(539,935)	3,922,453
Interest income	-	14,568	-	17	109	-	33	6	4	26	39,006	53,769	-	53,769
Subcontract income	378,725	85,750	-	-	-	-	-	-	-	-	-	464,475	(412,806)	51,669
Other revenue	127,322	-	3,989	587	-	-	4,704	3,876	-	136,452	92,805	369,735	-	369,735
Total Support and Revenue	5,666,667	4,952,201	141,990	179,457	660,689	388,448	108,799	132,647	475,302	136,478	2,969,615	15,812,293	(1,780,372)	14,031,921
EXPENSES														
Salaries	3,159,859	1,754,845	-	-	-	43,393	-	-	366,593	-	-	5,324,690	(69,811)	5,254,879
Contributed services - salaries	-	77,000	-	-	-	-	-	-	-	-	-	77,000	-	77,000
Payroll taxes and fringe benefits	893,499	529,662	-	-	-	23,923	-	-	22,116	-	-	1,469,200	-	1,469,200
Administrative	-	69,208	-	13	2,546	-	294	3,219	-	96,213	-	171,493	(67,153)	104,340
Consultants	172,875	228,632	-	14,500	-	-	-	-	14,922	-	-	430,929	(126,617)	304,312
Repairs and maintenance	6,152	2,199	-	33,582	51,395	-	11,211	17,036	2,294	-	588,477	712,346	-	712,346
Office supplies and printing	60,440	33,252	56,847	1,972	2,052	246	1,444	1,376	4,540	-	-	162,169	-	162,169
Telephone and postage	66,198	12,270	1,187	-	-	2,323	-	-	-	-	7,411	89,389	-	89,389
Utilities	53,606	52,273	-	28,408	9,693	-	18,471	22,042	7,447	-	374,383	566,323	-	566,323
Professional fees	58,950	30,738	8,624	8,161	4,500	3,300	6,835	4,306	3,900	-	148,038	277,352	-	277,352
Occupancy	449,510	427,059	-	-	-	-	-	-	17,250	-	-	893,819	(539,935)	353,884
Miscellaneous	-	3,265	154	-	-	1,173	-	-	-	-	63,541	68,133	-	68,133
Auto, travel and entertainment	-	31,423	-	-	-	-	-	-	-	-	-	31,423	-	31,423
Meetings and events	21,252	-	-	-	-	-	-	-	-	-	-	21,252	-	21,252
Marketing	10,519	21,924	-	-	-	216	-	-	-	-	-	32,659	-	32,659
Training and recruiting	22,075	1,291,506	-	-	-	-	-	-	-	-	-	1,313,581	-	1,313,581
Personnel staffing expense	-	-	-	-	-	295,106	-	-	-	-	-	295,106	-	295,106
Contractual services	256,250	-	8,316	-	2,060	-	-	-	-	-	-	266,626	(135,750)	130,876
Staff outing	2,999	-	-	-	-	-	-	-	-	-	-	2,999	-	2,999
Dues and subscriptions	-	3,034	-	-	-	-	-	-	800	-	-	3,834	-	3,834
Software and support	-	3,051	-	-	-	2,421	-	-	-	-	10,220	15,692	-	15,692
Insurance	28,486	9,970	-	9,644	24,487	3,036	6,442	6,972	1,366	-	137,220	227,623	-	227,623
Equipment rental	35,795	25,591	-	-	-	-	-	-	5,352	-	-	66,738	(13,475)	53,263
Fees and bank charges	32,144	11,176	3,249	-	-	10,225	-	-	-	87	563	57,444	-	57,444
Program expenses	18,501	190,091	-	-	-	-	-	-	11,561	-	-	220,153	(97,846)	122,307
Publication and books	29,940	754	-	-	-	-	-	-	-	-	-	30,694	-	30,694
Management fees	-	-	6,810	63,373	27,000	-	21,239	-	-	28,482	755,477	902,381	(729,785)	172,596
Bad debts	71,335	16,950	-	1,265	-	-	-	-	-	-	51,200	140,750	-	140,750
Registration and fees	-	3,878	-	-	-	-	-	-	-	-	-	3,878	-	3,878
Interest expense	45,636	-	-	2,437	296,212	4,599	1,577	73,833	-	-	-	424,294	-	424,294
Property taxes	-	-	-	-	25,290	-	-	-	-	23,403	64,237	112,930	-	112,930
Income tax expense	-	-	54	-	-	380	-	-	-	22,000	11,901	34,335	-	34,335
Depreciation and amortization	20,266	93,384	-	-	-	-	11,908	-	724	-	1,111,604	1,237,886	-	1,237,886
Total Expenses	5,516,287	4,923,135	85,241	163,355	445,235	390,341	79,421	128,784	458,865	170,185	3,324,272	15,685,121	(1,780,372)	13,904,749
Change in Net Assets Before Non-Controlling Limited Partners'														
Interest in Losses of Consolidated Affiliates	150,380	29,066	56,749	16,102	215,454	(1,893)	29,378	3,863	16,437	(33,707)	(354,657)	127,172	-	127,172
Non-controlling Limited Partners'														
Interest in Losses of Consolidated Affiliates	-	-	-	-	-	-	-	-	-	-	472,448	472,448	-	472,448
Change in Net Assets	\$ 150,380	\$ 29,066	\$ 56,749	\$ 16,102	\$ 215,454	\$ (1,893)	\$ 29,378	\$ 3,863	\$ 16,437	\$ (33,707)	\$ 117,791	\$ 599,620	\$ -	\$ 599,620

See independent auditors' report

*Audited by other auditors