Fifth Avenue Committee, Inc.
and Subsidiaries

Consolidated Financial Statements

June 30, 2018

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, 2018, 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.

Management's Responsibility for the Consolidated 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, and Neighbors Helping Neighbors, Inc., (collectively the "Subsidiaries") which statements reflect total assets constituting $27,757,413 of consolidated total assets as of June 30, 2018 and total revenue constituting $3,750,340 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. 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.

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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, 2018, 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.

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 31 through 40 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.

PKF O'Connor Davies, LLP

December 19, 2018

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Financial Position
June 30, 2018

ASSETS	
Current Assets	
Cash and cash equivalents	$ 4,327,022
Grants receivable	2,504,583
Accounts receivable	1,865,889
Prepaid expenses	282,837
Advances to unconsolidated affiliates	114,869
Total Current Assets	9,095,200
Investment in unconsolidated affiliates	11,983
Replacement reserve	972,539
Operating reserve	3,023,372
Social service reserve	704,775
Property, plant and equipment, net	66,255,749
Property held for sale	1,239,753
Other assets	488,052
	$ 81,791,423
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	$ 4,358,408
Accrued expenses	2,009,204
Mortgages and notes payable, current portion	9,907,653
Tenants' deposits payable	218,663
Due to related parties	250,529
Total Current Liabilities	16,744,457
IDA funds	98,541
Refundable grants payable	860,000
Other payables	1,633,254
Mortgages and notes payable, net of current portion and unamortized financing costs	49,689,334
Total Liabilities	69,025,586
Net Assets	
Unrestricted	4,823,647
Temporarily restricted	348,736
	5,172,383
Non-controlling Limited Partners' interest in consolidated affiliates	7,593,454
Total Net Assets	12,765,837
	$ 81,791,423

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Activities
Year Ended June 30, 2018

	Unrestricted Undesignated	Unrestricted For Profit Subsidiaries	Total Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE					
Government grants	$ 3,289,824	$ 231,988	$ 3,521,812	$ -	$ 3,521,812
Contributions - corporations	623,435	-	623,435	370,000	993,435
Contributions - foundations and trusts	4,368,269	-	4,368,269	789,455	5,157,724
Contributions - individuals	221,364	-	221,364	-	221,364
Special events income, net of costs of direct benefit to donors of $134,428	233,943	-	233,943	-	233,943
In-kind contributions	79,000	-	79,000	-	79,000
Management and reimbursable fees	416,709	-	416,709	-	416,709
Development and marketing fees	564,160	-	564,160	-	564,160
Program services	62,467	-	62,467	-	62,467
Rental income	-	5,243,444	5,243,444	-	5,243,444
Interest income	14,123	1,018	15,141	-	15,141
Subcontract income	26,693	-	26,693	-	26,693
Other revenue	134,050	528,477	662,527	-	662,527
Net assets released from restrictions	1,247,269	-	1,247,269	(1,247,269)	-
Total Support and Revenue	11,281,306	6,004,927	17,286,233	(87,814)	17,198,419
EXPENSES					
Program services	5,790,772	3,809,770	9,600,542	-	9,600,542
Management and general	3,234,679	3,176,650	6,411,329	-	6,411,329
Fundraising	698,309	-	698,309	-	698,309
Total Expenses	9,723,760	6,986,420	16,710,180	-	16,710,180
Change in Net Assets Before Other Changes	1,557,546	(981,493)	576,053	(87,814)	488,239
OTHER CHANGES					
Capital contributions		1,173,469	1,173,469		1,173,469
Distributions		(355,318)	(355,318)		(355,318)
Non-controlling Interest in Losses of Consolidated Affiliates	-	(209,425)	(209,425)	-	(209,425)
Change in Net Assets	1,557,546	(372,767)	1,184,779	(87,814)	1,096,965
NET ASSETS (DEFICIT)					
Beginning of year	3,506,565	132,303	3,638,868	436,550	4,075,418
End of year	$ 5,064,111	$ (240,464)	$ 4,823,647	$ 348,736	$ 5,172,383

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services	Management and General	Fundraising	Total
PERSONNEL				
Salaries	$ 5,394,249	$ 141,260	$ 446,747	$ 5,982,256
Contributed services - salaries	79,000	-	-	79,000
Payroll taxes and fringe benefits	1,707,565	79,425	121,088	1,908,078
Total Personnel	7,180,814	220,685	567,835	7,969,334
OTHER THAN PERSONNEL				
Administrative	-	8,021	-	8,021
Consultants	350,816	23,690	25,816	400,322
Wage subsidy	14,476	-	-	14,476
Repairs and maintenance	13,244	652,490	1,301	667,035
Office supplies and printing	82,593	16,357	11,717	110,667
Telephone and postage	116,089	2,391	15,440	133,920
Utilities	72,369	720,830	5,439	798,638
Professional fees	2,494	301,735	-	304,229
Occupancy	372,703	63,800	40,367	476,870
Miscellaneous	-	596,060	-	596,060
Meetings and events	21,100	8,175	764	30,039
Marketing	33,053	18,812	2,688	54,553
Conference, travel, and training	34,903	13,986	6,766	55,655
Contractual services	58,749	3,294	-	62,043
Staff outing	4,939	400	255	5,594
Dues and subscriptions	1,298	1,565	-	2,863
Software and support	11,501	21,571	4,652	37,724
Insurance	44,940	227,666	2,173	274,779
Equipment rental	50,049	5,527	5,840	61,416
Fees and bank charges	34,006	32,139	1,831	67,976
Program expenses	1,022,565	20,930	1,048	1,044,543
Publications and books	18,634	1,052	399	20,085
Management fees	-	469,108	-	469,108
Bad debts	22,270	134,708	-	156,978
Interest and finance costs	15,261	397,581	694	413,536
Property taxes	-	451,308	-	451,308
Write down of investment	-	428,859	-	428,859
Depreciation	21,676	1,568,589	3,284	1,593,549
Total Other Than Personnel	2,419,728	6,190,644	130,474	8,740,846
Total Expenses	$ 9,600,542	$ 6,411,329	$ 698,309	$ 16,710,180

See notes to consolidated financial statements

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 488,239
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	1,593,549
Amortization	46,454
Bad debts	156,978
Gain on sale of property	(201,781)
Changes in operating assets and liabilities	
Grants receivable	121,299
Accounts receivable	(1,128,044)
Prepaid expenses	(45,282)
Other assets	(53,637)
Accounts payable	1,124,055
Accrued expenses	832,448
Tenants' deposits payable	16,225
Refundable grants payable	40,000
Other payables	33,173
Due to related parties	(222,059)
Net Cash from Operating Activities	2,801,617
CASH FLOWS FROM INVESTING ACTIVITIES	
Deposits to replacement reserve, net	(92,715)
Deposits to operating reserve, net	(18,677)
Deposits to social service reserve, net	(5,176)
Investment in unconsolidated affiliates	428,859
Advances to unconsolidated affiliates	55,415
Proceeds from sale of property, net	1,441,535
Purchases of property, plant and equipment	(24,145,397)
Net Cash from Investing Activities	(22,336,156)
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions from members	1,173,469
Distributions to members	(355,318)
Equity additions of FAC Homeownership HDFC, 50th Street HDFC and 573 Warren St HDFC	464,135
Proceeds from notes and mortgage payable	21,159,824
Mortgage and note principal payments	(2,131,315)
Net Cash from Financing Activities	20,310,795
Net Change in Cash and Cash Equivalents	776,256
CASH AND CASH EQUIVALENTS	
Beginning of year	3,550,766
End of year	$ 4,327,022
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash Paid for:	
Interest	$ 367,082
Income taxes	146

See notes to consolidated financial statements

1. Organization and Tax Status

Fifth Avenue Committee, Inc. ("FAC") was established in 1977 and incorporated in August 1978. FAC is a community organization in South Brooklyn and a NeighborWorks America member Organization 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 comprehensive 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 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)*

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:

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. 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*,* 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.

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.

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.

1. Organization and Tax Status *(continued)*

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.

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.

1. Organization and Tax Status *(continued)*

FAC and consolidated entities operate the following programs:

Affordable Housing and Community Facilities Development

With over 400 units of affordable housing and more than 25 retail spaces, FAC owns the second largest portfolio of affordable housing in Community Boards 6 and 7 in Brooklyn. FAC is currently developing over 1,300 additional units and preserving an additional 223, representing over $580 million in direct investment in affordable housing throughout South Brooklyn and Queens. FAC's current housing preservation and development projects include:

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.

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.

Two separate ***Brownsville projects*** include: a 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.

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, Sunset Park, Carrol Gardens, Park Slope and South Park Slope, Brooklyn. The project is in construction which will be finalized in 2019.

1. Organization and Tax Status *(continued)*

Organizing and Advocacy

Organizing and Advocacy Programs at FAC provide tenant advocacy and organizing to over 300 vulnerable, low income tenants and families, directly preventing 200 unfair evictions annually through one-on-one counseling and building wide organizing. The unit also leads and works in a range of broad-based coalitions on a number of local and city-wide campaigns that fight for housing, workplace, transportation, environmental, and economic justice. Active campaigns 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 and small businesses that serve them. In order to ensure the community's comprehensive needs are met as part of planned future land-use actions. The coalition has developed a set of five overarching principles to advance racial, economic and environmental justice as part of planned future public and private land use actions in Gowanus.

2) ***Families United for Racial and Economic Equality (FUREE)*** is a grassroots member-led organizing campaign at FAC. It has a member-base of over 300 families. FUREE's current efforts include: Housing and Environmental Justice Campaigns, Voter Engagement, Leadership Development, NYCHA Accountability and FUREEous Youth and FUREEous Youth Arts House.

3) ***Stabilizing NYC*** is 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 FUREE in partnership with Red Hook Initiative (RHI), and Southwest Brooklyn Industrial Development Corporation (SBIDC).

1. Organization and Tax Status *(continued)*

Organizing and Advocacy (continued)

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.

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. Over 800 adult 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 as part of improving their employment and educational outcomes and supporting immigrant New Yorker's access to NYC's Universal Pre-K programs. 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 also a host to NYC's first Financial Opportunity Center (FOC) which combines individualized financial counseling, access to wrap around services, and workforce development and training. In the past year, over 1,100 households were screened for public benefits with hundreds securing cash or non-cash benefits, and receiving legal counseling; and 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 900 jobless and working poor New Yorkers each year train and gain access to living-wage employment, establish careers, and receive continuing job support.

1. Organization and Tax Status *(continued)*

Stronger Together

Stronger Together is a neighborhood-based poverty fighting initiative led by FAC in partnership with RED Hook Initiative, BWI, and Southwest Brooklyn Industrial Development Corporation that completed year four in fiscal year 2018. It is an integrated service model that prepares working age, adult, public housing residents living in poverty in Red Hook and Gowanus to succeed in their education and in gaining and sustaining employment. With core funding from the NYC Neighborhood Opportunities Fund's Change Capital Initiative, over the past four years, Stronger Together reached **1234** adults living in RED HOOK and Gowanus public housing with direct access to free proven, high performing and poverty-reducing programs. Over the same four-year period, **318** participants were placed in jobs, and we expect total placements to surpass **330** when those currently enrolled in sector based training and other employment focused trainings are placed into jobs and **237** participants advanced a grade level, received their high school diploma or HSE or accessed college. These educational and employment outcomes would not have been possible without improved programmatic coordination and integration, and piloting of bridge programming, among the four partners and multiple programs of each partner that are part of Stronger Together.

Community Controlled Resilient Infrastructure

In 2018, FAC launched the planning phase of ***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 2018, FAC launched the pre-development phase of our FAC Solar project to install over 250,000 KW of solar power on 18 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 FAC low and moderate-income tenants.

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.

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

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.

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.

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, 2018, no allowance for doubtful accounts is determined to be necessary.

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

Investment in Unconsolidated Affiliates

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

Debt Issuance Costs

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

Property, Plant and Equipment

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

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

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

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, 2018.

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

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.

Net Asset Presentation

The consolidated 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 consolidated statement of activities as net assets released from restriction. Permanently restricted net assets are limited by donors in perpetuity. The Corporation 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.

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 unrestricted contributions since such funds can be used for general operations unless there are donor-imposed restrictions. Costs to generate restricted and unrestricted donations and grants are expensed as incurred.

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

Revenue Recognition (continued)

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.

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, 2015.

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 19, 2018.

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.

3. Related Party Transactions *(continued)*

Limited Partnerships (continued)

The Corporation has certain transactions with other entities that are not required to be consolidated. The "Due to Related Parties" as of June 30, 2018 amount due was $250,529, 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.

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, 2018 are as follows:

For Profit Affiliates	Percent of Non-Controlling Ownership	Non-Controlling Interest
Supportive Slope LP	99.99%	$ 1,572,897
551 Warren Street 1 LP	99.99	2,733,178
Atlantic Terrace 12, LLC	66.67	1,469,890
FAC Renaissance LP	99.99	704,039
FAC Sunset Park LP	99.99	(6,310)
Northeastern Towers Annex LP	99.99	1,119,761
FAC 6309 Fourth Avenue, LP	99.99	-
		$ 7,593,454

In connection with the inclusion of these Limited Partnerships', the change in non-controlling limited partners' interest for the year ended June 30, 2018 is as follows:

Inclusion of Limited Partners' non-controlling interest as of July 1, 2017	$ 7,384,029
Equity Adjustments of LP's non-controlling interests	818,151
Non-controlling Limited Partners' Interest in losses of consolidated affiliates	(608,726)
Non controlling Limited Partners' interest in consolidated affiliates as of June 30, 2018	$ 7,593,454

3. Related Party Transactions *(continued)*

Advances to Non-Consolidated Affiliates

Advances to affiliates of $114,869 are non-interest bearing and have no specific date of repayment.

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.

The following reserves amounts are reflected in the accompanying consolidated financial statements at June 30, 2018:

Replacement Reserve	$ 972,539
Operating Reserves	3,023,372
Social Service Reserve	704,775
	$ 4,700,686

5. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2018:

Land	$ 1,780,839
Buildings	44,031,110
Furniture and equipment	1,334,617
Leashold improvements	2,593,751
Construction in progress	29,998,578
	79,738,895
Accumulated depreciation and amortization	(13,570,436)
	$ 66,168,459

Depreciation expense for the year ended June 30, 2018 was $1,428,186.

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. There 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 $1,239,7534 and the related mortgage payable amounted to $752,000 at June 30, 2018.

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, 2018, 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 Payables consists of the following at June 30, 2018:

FAC has three 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 through July 21, 2021. It is collateralized by a condominium unit located at 294 Smith Street, Brooklyn, NY. The outstanding borrowing under this line is $225,764 at June 30, 2018. 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 June 3, 2019. The outstanding borrowing under this line is $-0- at June 30, 2018. 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 $470,484 at June 30, 2018.	$	696,248
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, 2018. The Brooklyn Community Foundation note is collateralized with shares in Red Hook Homes Apartment Corporation, a cooperative housing corporation.		752,000
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). 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, 2018. The purpose of the proceeds was to fund the development of the building.		1,710,943
		3,159,191

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	3,159,191
On May 31, 1996 the land and building were transferred to 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 as long as the Corporation is in compliance to the terms of the regulatory agreements. There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements. On June 30, 2008 the Corporation obtained a mortgage from New York City Department of Housing Preservation and Development for a maximum amount of $1,645,496 in order to fund renovation costs. The mortgage secures the land and building of the Corporation and does not require the monthly payment of principal or interest as long as the Corporation is in compliance with the regulatory agreements. The mortgage matures on June 30, 2033 when a balloon payment is due. There are no principal maturities due in the next five years as long as the Corporation continues to be in compliance with the regulatory agreements. 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 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 $48,143.		3,100,639
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 mature on May 11, 2026.		1,892,396
		8,152,226

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 8,152,226
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 $510,618 at June 30, 2018. 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 $3,350,288 at June 30, 2018. Both loans are collateralized by the FAC LDC properties at 621 DeGraw Street and 182 4th Avenue.	3,860,905
FAC Advance HDFC obtained a note payable for pre-development loan financing from Local Initiatives Support Corporation ("LISC") for the Gowanus Green project. 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 $152,225 on June 30, 2018. 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 $1,191,964 on June 30, 2018. 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 $1,845,033 on June 30, 2018.	3,189,222
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 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.	5,660,566
	27,762,919

9. Mortgages and Notes Payable *(continued)*

Carry forward	$ 27,762,919

Northeastern Towers Annex LP has four construction loans all entered into on June 26, 2018.

The first position mortgage is a bond financed mortgage from NYC Housing Development Corporation in the amount $50,010,000 of which $4,345,499 had been drawn effective June 30, 2018. 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.

The second position mortgage is provided by NYC Housing Development Corporation in the amount of $8,745,000 of which $3,790,978 had been drawn effective June 30, 2018. 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 second 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 $0 had been drawn effective June 30, 2018. 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 interest is payable each month with the balance (3.01%) of the interest 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 $0 had been drawn effective June 30, 2018. 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 interest is payable each month with the balance (3.01%) of the interest deferred and compounded monthly.	8,136,477
	35,899,396

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	35,899,396
FAC Sunset Park LP entered into four construction loans on June 29, 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 $1,095,107 drawn as of June 30, 2018. The loan will be due on the earlier of permanent conversion or September 29, 2020, with the option to extend through March 29, 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 $0 had been drawn as of June 30, 2018. 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 interest 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 as of June 30, 2018. 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 interest is payable each month with the balance (2.5%) of the interest 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.		1,328,340
		37,227,736

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	37,227,736
FAC Renaissance HDFC has the following mortgages / loans: 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 November 1, 2020. As of June 30, 2018, the outstanding principal was $4,562,700 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 at .25%. The construction loan matures at the earlier of; the first day of the first month following the completion of construction, or November 1, 2020. As of June 30, 2018, the outstanding principal was $2,839,660 and accrued interest was $0. At permanent conversion, the construction loan shall become a permanent mortgage and it shall become the second mortgage. 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, 2018 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, 2018 was $2,931,385. 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 fifteenth 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, 2018 the outstanding principal balance was $109,739.		12,139,035
		49,366,771

9. Mortgages and Notes Payable *(continued)*

Carry forward	$	49,366,771

FAC Renaissance LP has two construction loans. The first is with TD Bank NA in the amount of $12,162,943 of which $7,279,221 has been drawn as of June 30, 2018. The loan has an interest rate of 4% and matures on April 19, 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, 2018 the amount drawn was $1,696,075 and the loan matures on April 19, 2019.

On November 23, 2016 and in consideration for the residential properties, the FAC Renaissance, LP entered into the following three mortgages:

Substitute Mortgage A with HPD in the amount of $136,000. 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 date which is the earlier of the date the first mortgage is (a) converted from construction loan financing to permanent loan financing, or (b) satisfied ("Conversion Date"), or (ii) the expiration of the certain year 15 regulatory agreement with HPD. As of June 30, 2018, the outstanding principal was $136,000 and accrued interest was $3,117.

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, 2018, 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. Thereafter, 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, 2018, the outstanding principal was $1,040,000 and accrued interest was $9,533.		10,507,951
	$	59,874,722

9. Mortgages and Notes Payable *(continued)*

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

2019	$ 9,907,653
2020	8,685,884
2021	9,453,909
2022	348,797
2023	222,456
Thereafter	31,256,023
	59,874,722
Less unamortized debt issuance costs	(277,735)
	$ 59,596,987

10. Temporarily Restricted Net Assets - FAC and LEAP

Changes in temporarily restricted net assets for the year ended June 30, 2018 consist of the following:

Purpose/Restriction	Balance, June 30, 2017	Additions	Releases	Balance, June 30, 2018
Fifth Avenue Committee, Inc.				
Housing Development	$ 67,250	$ 7,455	$ (74,705)	$ -
Neighborhood Opportunities Fund	89,216	150,000	(231,588)	7,628
Organizing	203,633	480,000	(429,865)	253,768
Community Services	11,641	217,000	(220,808)	7,833
Total	371,740	854,455	(956,966)	269,229
LEAP, Inc.				
Program Planning	19,408	-	(4,990)	14,418
Brooklyn Woods	-	20,000	(19,000)	1,000
New York Drives	-	50,000	(50,000)	-
Red Hook on the Road & Brooklyn Networks	-	50,000	(50,000)	-
Workforce Collaboration	-	175,000	(112,511)	62,489
Support to Training Graduates	13,107	-	(11,507)	1,600
Equipment	-	10,000	(10,000)	-
Enhance Marketing and Communications	32,295	-	(32,295)	-
Total	64,810	305,000	(290,303)	79,507
	$ 436,550	$ 1,159,455	$ (1,247,269)	$ 348,736

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, 2018. FAC made contributions of $40,067 for the year ended June 30, 2018.

12. Operating Leases

At June 30, 2018, 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, 2018 was $456,288.

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

2019	$ 346,112
2020	278,702
2021	300,428
	$ 925,242

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 20% of the total grants receivable at June 30, 2018. Receivables are expected to be collected in the normal course of business.

14. 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, 2018

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
June 30, 2018

ASSETS	Non-Profit Corporation's	HDFC's	Limited Partnership's	Other	Total	Eliminations	Consolidated Total
Current Assets							
Cash and cash equivalents	$ 1,435,352	$ 1,114,918	$ 1,753,648	$ 23,104	$ 4,327,022	$ -	$ 4,327,022
Grants receivable	2,693,008	-	-	-	2,693,008	(188,425)	2,504,583
Accounts receivable	1,267,397	189,361	402,668	133,463	1,992,889	(127,000)	1,865,889
Prepaid expenses	65,657	71,095	146,085	-	282,837	-	282,837
Advances to unconsolidated affiliates	2,579,659	153,377	-	-	2,733,036	(2,618,167)	114,869
Total Current Assets	8,041,073	1,528,751	2,302,401	156,567	12,028,792	(2,933,592)	9,095,200
Investment in affiliated companies	-	-	-	839,393	839,393	(839,393)	-
Investment in unconsolidated affiliates	-	11,983	-	-	11,983	-	11,983
Replacement reserve	79,953	159,396	733,190	-	972,539	-	972,539
Operating reserve	-	400,752	2,622,620	-	3,023,372	-	3,023,372
Social service reserve	-	-	704,775	-	704,775	-	704,775
Mortgage receivable from affiliated company	745,000	-	-	-	745,000	(745,000)	-
Property, plant and equipment, net	4,366,320	20,516,955	41,940,748	-	66,824,023	(568,274)	66,255,749
Property held for sale	-	-	-	1,239,753	1,239,753	-	1,239,753
Other assets	237,013	98,352	147,998	5,695	489,058	(1,006)	488,052
	$ 13,469,359	$ 22,716,189	$ 48,451,732	$ 2,241,408	$ 86,878,688	$ (5,087,265)	$ 81,791,423
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	$ 607,867	$ 878,059	$ 2,898,757	$ 4,399	$ 4,389,082	$ (30,674)	$ 4,358,408
Accrued expenses	438,229	642,565	678,410	250,000	2,009,204	-	2,009,204
Mortgages and notes payable, current portion	645,617	53,507	9,208,529	-	9,907,653	-	9,907,653
Loans payable, affiliated companies	149,400	-	1,358	-	150,758	(150,758)	-
Grants payable, subsidiary	193,959	-	-	-	193,959	(193,959)	-
Tenants' deposits payable	115,740	98,234	-	5,695	219,669	(1,006)	218,663
Due to related parties	-	841,756	1,270,878	696,096	2,808,730	(2,558,201)	250,529
Total Current Liabilities	2,150,812	2,514,121	14,057,932	956,190	19,679,055	(2,934,598)	16,744,457
IDA funds	98,541	-	-	-	98,541	-	98,541
Refundable grants payable	860,000	-	-	-	860,000	-	860,000
Other payables	18,137	1,096,787	-	518,330	1,633,254	-	1,633,254
Mortgages and notes payable, net of current portion and unamortized financing costs	3,859,656	19,896,421	25,926,257	752,000	50,434,334	(745,000)	49,689,334
Total Liabilities	6,987,146	23,507,329	39,984,189	2,226,520	72,705,184	(3,679,598)	69,025,586
Net Assets (Deficit)							
Unrestricted	6,133,477	(791,140)	874,089	14,888	6,231,314	(1,407,667)	4,823,647
Temporarily restricted	348,736	-	-	-	348,736	-	348,736
	6,482,213	(791,140)	874,089	14,888	6,580,050	(1,407,667)	5,172,383
Non-controlling Limited Partners' interest in consolidated affiliates	-	-	7,593,454	-	7,593,454	-	7,593,454
Total Net Assets (Deficit)	6,482,213	(791,140)	8,467,543	14,888	14,173,504	(1,407,667)	12,765,837
	$ 13,469,359	$ 22,716,189	$ 48,451,732	$ 2,241,408	$ 86,878,688	$ (5,087,265)	$ 81,791,423

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Corporations
June 30, 2018

ASSETS	Fifth Avenue Commitee, Inc.	Leap, Inc.	* FAC Center Local Development Corp	* Neighbors Helping Neighbors	Total
Current Assets					
Cash and cash equivalents	$ 252,729	$ 1,130,071	$ 40,179	$ 12,373	$ 1,435,352
Grants receivable	919,823	1,773,185	-	-	2,693,008
Accounts receivable	276,647	161,402	428,023	401,325	1,267,397
Prepaid expenses	34,603	10,816	18,660	1,578	65,657
Advances to unconsolidated affiliates	2,577,034	2,625	-	-	2,579,659
Total Current Assets	4,060,836	3,078,099	486,862	415,276	8,041,073
Replacement reserve	-	-	79,953	-	79,953
Mortgage receivable from affiliated company	745,000	-	-	-	745,000
Property, plant and equipment, net	357,668	45,124	3,954,636	8,892	4,366,320
Other assets	8,516	45,602	176,409	6,486	237,013
	$ 5,172,020	$ 3,168,825	$ 4,697,860	$ 430,654	$ 13,469,359
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	$ 264,609	$ 212,840	$ 76,611	$ 53,807	$ 607,867
Accrued expenses	251,511	154,998	22,110	9,610	438,229
Mortgages and notes payable, current portion	498,730	-	146,887	-	645,617
Loans payable, affiliated companies	-	-	149,400	-	149,400
Grants payable, subsidiary	193,959	-	-	-	193,959
Tenants' deposits payable	37,574	-	78,166	-	115,740
Total Current Liabilities	1,246,383	367,838	473,174	63,417	2,150,812
IDA funds	98,541	-	-	-	98,541
Refundable grants payable	860,000	-	-	-	860,000
Other payables	637	-	-	17,500	18,137
Mortgages and notes payable, net of current portion and unamortized financing costs	197,518	-	3,662,138	-	3,859,656
Total Liabilities	2,403,079	367,838	4,135,312	80,917	6,987,146
Net Assets					
Unrestricted	2,499,712	2,721,480	562,548	349,737	6,133,477
Temporarily restricted	269,229	79,507	-	-	348,736
Total Net Assets	2,768,941	2,800,987	562,548	349,737	6,482,213
	$ 5,172,020	$ 3,168,825	$ 4,697,860	$ 430,654	$ 13,469,359

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of HDFCs
June 30, 2018

	* 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	$ 195,334	$ 356,896	$ 70,873	$ 19,645	$ 423,897	$ 48,273	$ 1,114,918
Accounts receivable	14,786	95,325	7,000	1,903	28,721	41,626	189,361
Prepaid expenses	2,239	38,424	2,425	590	19,995	7,422	71,095
Advances to unconsolidated affiliates	-	9,870	-	-	-	143,507	153,377
Total Current Assets	212,359	500,515	80,298	22,138	472,613	240,828	1,528,751
Investment in unconsolidated affiliates	-	-	11,983	-	-	-	11,983
Replacement reserve	74,968	-	-	-	-	84,428	159,396
Operating reserve	39,444	150,912	-	-	144,452	65,944	400,752
Property, plant and equipment, net	1,343,325	13,470,556	3,119,675	538,759	1,810,678	233,962	20,516,955
Other assets	8,801	-	55,438	1,869	32,029	215	98,352
	$ 1,678,897	$ 14,121,983	$ 3,267,394	$ 562,766	$ 2,459,772	$ 625,377	$ 22,716,189
LIABILITIES AND NET ASSETS (DEFICIT)							
Current Liabilities							
Accounts payable	$ 9,596	$ 787,372	$ 29,887	$ 18,095	$ 32,287	$ 822	$ 878,059
Accrued expenses	31,890	605,728	-	300	4,575	72	642,565
Mortgages and notes payable, current portion	-	-	53,507	-	-	-	53,507
Tenants' deposits payable	10,564	54,731	10,969	1,869	20,101	-	98,234
Due to related parties	-	265,455	576,301	-	-	-	841,756
Total Current Liabilities	52,050	1,713,286	670,664	20,264	56,963	894	2,514,121
Other payables	400,000	361,655	330,000	-	2,485	2,647	1,096,787
Mortgages and notes payable, net of current portion and unamortized financing costs	1,710,943	12,139,035	2,945,804	-	3,100,639	-	19,896,421
Total Liabilities	2,162,993	14,213,976	3,946,468	20,264	3,160,087	3,541	23,507,329
Net Assets (Deficit)							
Unrestricted	(484,096)	(91,993)	(679,074)	542,502	(700,315)	621,836	(791,140)
	$ 1,678,897	$ 14,121,983	$ 3,267,394	$ 562,766	$ 2,459,772	$ 625,377	$ 22,716,189

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Limited Partnerships
June 30, 2018

ASSETS	* 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	Total
Current Assets								
Cash and cash equivalents	$ 612,449	$ 163,037	$ 352,346	$ 235,434	$ 125,494	$ 258,628	$ 6,260	$ 1,753,648
Accounts receivable	27,596	347,945	3,089	-	(30,000)	54,038	-	402,668
Prepaid expenses	44,874	-	48,346	-	-	52,865	-	146,085
Total Current Assets	684,919	510,982	403,781	235,434	95,494	365,531	6,260	2,302,401
Replacement reserve	601,584	-	131,606	-	-	-	-	733,190
Operating reserve	2,352,932	-	-	-	-	269,688	-	2,622,620
Social service reserve	704,775	-	-	-	-	-	-	704,775
Property, plant and equipment, net	4,032,518	4,367,716	10,674,336	9,027,440	1,452,801	11,993,098	392,839	41,940,748
Other assets	48,081	56,182	24,672	-	-	19,063	-	147,998
	$ 8,424,809	$ 4,934,880	$ 11,234,395	$ 9,262,874	$ 1,548,295	$ 12,647,380	$ 399,099	$ 48,451,732
LIABILITIES AND NET ASSETS (DEFICIT)								
Current Liabilities								
Accounts payable	$ 21,560	$ 71,595	$ 1,542,540	$ 6,636	$ 20,398	$ 1,208,928	$ 27,100	$ 2,898,757
Accrued expenses	7,874	21,712	509,745	-	-	22,831	116,248	678,410
Mortgages and notes payable, current portion	-	-	-	-	233,233	8,975,296	-	9,208,529
Loans payable, affiliated companies	1,358	-	-	-	-	-	-	1,358
Due to related parties	-	605,702	-	-	205,868	203,557	255,751	1,270,878
Total Current Liabilities	30,792	699,009	2,052,285	6,636	459,499	10,410,612	399,099	14,057,932
Mortgages and notes payable, net of current portion and unamortized financing costs	5,660,566	1,892,396	7,609,056	8,136,477	1,095,107	1,532,655	-	25,926,257
Total Liabilities	5,691,358	2,591,405	9,661,341	8,143,113	1,554,606	11,943,267	399,099	39,984,189
Net Assets (Deficit)								
Unrestricted	273	873,585	157	-	(1)	74	-	874,089
Non-controlling Limited Partners' interest in consolidated affiliates	2,733,178	1,469,890	1,572,897	1,119,761	(6,310)	704,039	-	7,593,454
Total Net Assets (Deficit)	2,733,451	2,343,475	1,573,054	1,119,761	(6,311)	704,113	-	8,467,543
	$ 8,424,809	$ 4,934,880	$ 11,234,395	$ 9,262,874	$ 1,548,295	$ 12,647,380	$ 399,099	$ 48,451,732

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Financial Position of Other Entities
June 30, 2018

ASSETS	FAC Red Hook Homes, Inc.	Community Staffing Solutions, Inc.	General Partners	Total
Current Assets				
Cash and cash equivalents	$ 22,628	$ -	$ 476	$ 23,104
Accounts receivable	133,463	-	-	133,463
Total Current Assets	156,091	-	476	156,567
Investment In affiliated companies	-	-	839,393	839,393
Property held for sale	1,239,753	-	-	1,239,753
Other assets	5,695	-	-	5,695
	$ 1,401,539	$ -	$ 839,869	$ 2,241,408
LIABILITIES AND NET ASSETS (DEFICIT)				
Current Liabilities				
Accounts payable	$ 4,399	$ -	$ -	$ 4,399
Accrued expenses	250,000	-	-	250,000
Tenants' deposits payable	5,695	-	-	5,695
Due to related parties	696,096	-	-	696,096
Total Current Liabilities	956,190	-	-	956,190
Other payables	-	-	518,330	518,330
Mortgages and notes payable, net of current portion	752,000	-	-	752,000
Total Liabilities	1,708,190	-	518,330	2,226,520
Net Assets (Deficit)				
Unrestricted	(306,651)	-	321,539	14,888
	$ 1,401,539	$ -	$ 839,869	$ 2,241,408

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year Ended June 30, 2018

	Corporation's	HDFC's	Limited Partnership's	Other	Total	Eliminations	Consolidated Total
SUPPORT AND REVENUE							
Government grants	$ 3,439,824	$ 231,988	$ -	$ -	$ 3,671,812	$ (150,000)	$ 3,521,812
Contributions - corporations	993,435	-	-	-	993,435	-	993,435
Contributions - foundations and trusts	5,157,724	-	-	-	5,157,724	-	5,157,724
Contributions - individuals	221,364	-	-	-	221,364	-	221,364
Special events, net of costs of direct benefit to donors of $134,428	233,943	-	-	-	233,943	-	233,943
In-kind contributions	79,000	-	-	-	79,000	-	79,000
Management and reimbursable fees	1,551,915	-	-	-	1,551,915	(1,135,206)	416,709
Development and marketing	774,104	-	-	-	774,104	(209,944)	564,160
Program services	173,447	-	-	-	173,447	(110,980)	62,467
Rental income	1,342,277	2,023,980	2,525,003	76,360	5,967,620	(724,176)	5,243,444
Interest income	14,319	266	-	556	15,141	-	15,141
Subcontract income	502,164	-	-	-	502,164	(475,471)	26,693
Other revenue	137,453	85,732	128,835	506,775	858,795	(196,268)	662,527
Total Support and Revenue	14,620,969	2,341,966	2,653,838	583,691	20,200,464	(3,002,045)	17,198,419
EXPENSES							
Salaries	6,065,832	-	-	-	6,065,832	(83,576)	5,982,256
Contributed services - salaries	79,000	-	-	-	79,000	-	79,000
Payroll taxes and fringe benefits	1,926,066	-	-	-	1,926,066	(17,988)	1,908,078
Administrative	93,528	4,391	-	4,500	102,419	(94,398)	8,021
Consultants	407,228	14,500	-	-	421,728	(21,406)	400,322
Wage subsidy	14,476	-	-	-	14,476	-	14,476
Repairs and maintenance	83,808	240,474	314,536	31,227	670,045	(3,010)	667,035
Office supplies and printing	115,847	7,210	-	-	123,057	(12,390)	110,667
Telephone and postage	152,076	3,738	4,392	505	160,711	(26,791)	133,920
Utilities	94,506	438,221	278,203	-	810,930	(12,292)	798,638
Professional fees	130,016	83,058	77,622	59,500	350,196	(45,967)	304,229
Occupancy	1,201,046	-	-	-	1,201,046	(724,176)	476,870
Miscellaneous	-	2,000	577,772	16,288	596,060	-	596,060
Meetings and events	30,039	-	-	-	30,039	-	30,039
Marketing	54,553	-	-	-	54,553	-	54,553
Conference, travel, and training	55,101	475	-	79	55,655	-	55,655
Contractual services	186,916	-	-	-	186,916	(124,873)	62,043
Staff outing	5,594	-	-	-	5,594	-	5,594
Dues and subscriptions	2,598	265	-	-	2,863	-	2,863
Software and support	17,904	9,321	10,499	-	37,724	-	37,724
Insurance	83,879	104,150	99,401	-	287,430	(12,651)	274,779
Equipment rental	69,213	-	-	-	69,213	(7,797)	61,416
Fees and bank charges	58,220	8,704	1,250	847	69,021	(1,045)	67,976
Program expenses	1,157,098	-	-	-	1,157,098	(112,555)	1,044,543
Publication and books	20,085	-	-	-	20,085	-	20,085
Management fees	15,000	857,048	721,788	10,479	1,604,315	(1,135,207)	469,108
Bad debts	133,508	22,676	-	794	156,978	-	156,978
Interest and finance costs	286,766	96,600	30,170	-	413,536	-	413,536
Property taxes	70,315	285,806	18,604	76,583	451,308	-	451,308
Grants to affiliate	150,000	-	-	-	150,000	(150,000)	-
Write down of investment	-	428,859	-	-	428,859	-	428,859
Depreciation and amortization	197,604	473,479	934,797	-	1,605,880	(12,331)	1,593,549
Total Expenses	12,957,822	3,080,975	3,069,034	200,802	19,308,633	(2,598,453)	16,710,180
Change in Net Assets Before Other Changes	1,663,147	(739,009)	(415,196)	382,889	891,831	(403,592)	488,239
OTHER CHANGES							
Capital contributions	-	-	1,173,469	-	1,173,469	-	1,173,469
Distributions	-	-	(355,318)	-	(355,318)	-	(355,318)
Non-controlling Interest in Losses of Consolidated Affiliates	-	-	(209,425)	-	(209,425)	-	(209,425)
Change in Net Assets	$ 1,663,147	$ (739,009)	$ 193,530	$382,889	$ 1,500,557	$ (403,592)	$ 1,096,965

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of Corporations
Year Ended June 30, 2018

	Fifth Avenue Commitee, Inc.	Leap, Inc.	* FAC Center Local Development Corp	* Neighbors Helping Neighbors	Total
SUPPORT AND REVENUE					
Government grants	$ 1,748,067	$ 1,088,208	$ 150,000	$ 453,549	$ 3,439,824
Contributions - corporations	511,588	456,847	-	25,000	993,435
Contributions - foundations and trusts	1,163,374	3,878,500	-	115,850	5,157,724
Contributions - individuals	35,604	183,506	-	2,254	221,364
Special events, net of costs of direct benefit to donors of $134,428	152,339	75,229	-	6,375	233,943
In-kind contributions	-	79,000	-	-	79,000
Management and reimbursable fees	1,551,915	-	-	-	1,551,915
Development and marketing fees	774,104	-	-	-	774,104
Program services	-	141,166	-	32,281	173,447
Rental income	623,266	-	719,011	-	1,342,277
Interest income	6,340	7,763	196	20	14,319
Subcontract income	415,598	86,566	-	-	502,164
Other revenue	134,131	-	783	2,539	137,453
Total Support and Revenue	7,116,326	5,996,785	869,990	637,868	14,620,969
EXPENSES					
Salaries	3,530,879	2,178,484	-	356,469	6,065,832
Contributed services - salaries	-	79,000	-	-	79,000
Payroll taxes and fringe benefits	1,132,307	719,007	-	74,752	1,926,066
Administrative	-	90,189	3,339	-	93,528
Consultants	325,927	70,731	-	10,570	407,228
Wage subsidy	-	14,476	-	-	14,476
Repairs and maintenance	10,387	6,186	65,083	2,152	83,808
Office supplies and printing	43,744	49,814	2,651	19,638	115,847
Telephone and postage	99,410	49,269	-	3,397	152,076
Utilities	40,139	45,590	8,777	-	94,506
Professional fees	38,881	70,967	9,705	10,463	130,016
Occupancy	629,033	538,848	-	33,165	1,201,046
Meetings and events	30,039	-	-	-	30,039
Marketing	23,772	30,781	-	-	54,553
Conference, travel, and training	24,485	30,616	-	-	55,101
Contractual services	183,622	-	3,294	-	186,916
Staff outing	5,594	-	-	-	5,594
Dues and subscriptions	-	1,300	-	1,298	2,598
Software and support	-	17,904	-	-	17,904
Insurance	48,026	12,651	21,154	2,048	83,879
Equipment rental	46,128	19,846	-	3,239	69,213
Fees and bank charges	37,247	20,973	-	-	58,220
Program expenses	44,231	1,097,804	-	15,063	1,157,098
Publication and books	19,369	716	-	-	20,085
Management fees	-	-	15,000	-	15,000
Bad debts	51,851	66,624	15,033	-	133,508
Interest and finance costs	16,926	-	269,840	-	286,766
Property taxes	-	-	70,315	-	70,315
Grants to affiliate	150,000	-	-	-	150,000
Depreciation	29,558	15,214	151,419	1,413	197,604
Total Expenses	6,561,555	5,226,990	635,610	533,667	12,957,822
Change in Net Assets	$ 554,771	$ 769,795	$ 234,380	$ 104,201	$ 1,663,147

*Audited by other auditors
See independent auditors' report

Fifth Avenue Committee, Inc. and Subsidiaries

Consolidating Schedule of Activities of HDFCs
Year Ended June 30, 2018

	* 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	$ -	$ -	$ -	$ -	$ -	$ 231,988	$ 231,988
Rental income	196,047	960,251	257,431	77,718	494,882	37,651	2,023,980
Interest income	61	174	29	2	-	-	266
Other revenue	-	81,390	2,107	20	1,238	977	85,732
Total Support and Revenue	196,108	1,041,815	259,567	77,740	496,120	270,616	2,341,966
EXPENSES							
Administrative	738	-	3,653	-	-	-	4,391
Consultants	14,500	-	-	-	-	-	14,500
Repairs and maintenance	12,637	78,492	18,592	7,319	75,330	48,104	240,474
Office supplies and printing	3,568	-	2,180	1,462	-	-	7,210
Telephone and postage	-	1,675	-	-	1,146	917	3,738
Utilities	31,220	210,090	30,215	19,146	113,837	33,713	438,221
Professional fees	9,439	18,085	6,038	4,061	36,387	9,048	83,058
Miscellaneous	-	590	-	-	-	1,410	2,000
Conference, travel, and training	-	-	-	-	255	220	475
Dues and subscriptions	-	-	-	-	-	265	265
Software and support	-	5,512	-	-	2,761	1,048	9,321
Insurance	17,713	38,322	13,704	4,750	22,051	7,610	104,150
Fees and bank charges	-	3,807	-	630	2,897	1,370	8,704
Management fees	72,046	508,884	44,628	13,397	128,166	89,927	857,048
Bad debts	6,905	-	-	1,072	2,747	11,952	22,676
Interest and finance costs	2,437	-	93,688	-	549	(74)	96,600
Property taxes	-	260,700	-	25,106	-	-	285,806
Write down of investment	-	-	428,859	-	-	-	428,859
Depreciation	76,762	111,798	119,556	24,781	106,899	33,683	473,479
Total Expenses	247,965	1,237,955	761,113	101,724	493,025	239,193	3,080,975
Change in Net Assets	$ (51,857)	$ (196,140)	$ (501,546)	$ (23,984)	$ 3,095	$ 31,423	$ (739,009)

*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, 2018

	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	Total
SUPPORT AND REVENUE								
Rental income	$ 586,527	$ 829,347	$ 660,288	$ -	$ -	$ 448,841	$ -	$ 2,525,003
Other revenue	132,606	50,177	(67,423)	-	-	13,475	-	128,835
Total Support and Revenue	719,133	879,524	592,865	-	-	462,316	-	2,653,838
EXPENSES								
Repairs and maintenance	82,127	46,087	170,474	-	-	15,848	-	314,536
Telephone and postage	2,141	-	1,386	-	-	865	-	4,392
Utilities	91,715	-	96,783	-	-	89,705	-	278,203
Professional fees	14,807	10,546	26,595	-	6,250	19,424	-	77,622
Miscellaneous	31,030	1,902	45,391	-	-	499,449	-	577,772
Software and support	3,912	-	2,805	-	-	3,782	-	10,499
Insurance	44,453	21,640	27,912	-	-	5,396	-	99,401
Fees and bank charges	46	163	63	-	61	917	-	1,250
Management fees	226,355	59,210	323,299	-	-	112,924	-	721,788
Interest and finance costs	2,349	-	4,989	-	-	22,832	-	30,170
Property taxes	-	665	12,229	-	-	5,710	-	18,604
Depreciation	177,674	126,743	583,398	-	-	46,982	-	934,797
Total Expenses	676,609	266,956	1,295,324	-	6,311	823,834	-	3,069,034
Change in Net Assets Before Other Changes	42,524	612,568	(702,459)	-	(6,311)	(361,518)	-	(415,196)
OTHER CHANGES								
Capital contributions	-	-	-	1,119,761	-	53,708	-	1,173,469
Distributions	-	(274,978)	-	-	-	(80,340)	-	(355,318)
Non-controlling Interest in Losses of Consolidated Affiliates	(42,520)	(133,421)	702,386	(1,119,761)	6,310	377,581	-	(209,425)
Change in Net Assets	$ 4	$ 204,169	$ (73)	$ -	$ (1)	$ (10,569)	$ -	$ 193,530

*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, 2018

	Red Hook Homes, Inc.	Community Staffing Solutions	General Partnerships	Total
SUPPORT AND REVENUE				
Rental income	$ 76,360	$ -	$ -	$ 76,360
Interest income	544	-	12	556
Other revenue	252,541	50,000	204,234	506,775
Total Support and Revenue	329,445	50,000	204,246	583,691
EXPENSES				
Administrative	-	-	4,500	4,500
Repairs and maintenance	31,227	-	-	31,227
Telephone and postage	505	-	-	505
Professional fees	59,500	-	-	59,500
Miscellaneous	387	-	15,901	16,288
Conference, travel, and training	79	-	-	79
Fees and bank charges	691	-	156	847
Management fees	-	-	10,479	10,479
Bad debts	794	-	-	794
Property taxes	-	-	76,583	76,583
Total Expenses	93,183	-	107,619	200,802
Change in Net Assets	$ 236,262	$ 50,000	$ 96,627	$ 382,889

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