

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K/A

Amendment No. 1

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 30, 2019

FTE NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction
of Incorporation)

001-38322

(Commission
File Number)

81-0438093

(IRS Employer
Identification No.)

**237 West 35th Street, Suite 806
New York, NY**

(Address of Principal Executive Offices)

10001

(Zip Code)

Registrant's Telephone Number, Including Area Code: **877-878-8136**

(Former Name or Former Address, if Changed Since Last Report): Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	FTNW	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, FTE Networks, Inc. (the “Company”) hereby amends the Company’s Current Report on Form 8-K filed on December 30, 2019 (the “Initial Report”) to provide the historical financial information required by Item 9.01 relating to the Company’s previously announced acquisition of a real estate asset portfolio consisting of 3,184 rental homes located across the United States.

This report should be read in conjunction with the Initial Report.

Item 9.01 Financial Statements and Exhibits

(a) Finance Statements of Business Acquired

The statements of revenues and certain expenses of real estate operations acquired on December 30, 2019 for the nine and twelve months ended September 30, 2019 and the year ended December 31, 2018, along with the accompanying notes to the statements of revenues and certain expenses for the periods presented, are filed as Exhibit 99.1 to this Current Report on Form 8-K/A and are incorporated by reference herein.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
23.1	<u>Consent of Turner Stone & Company, L.L.P.</u>
99.1	<u>Statements of Revenues and Certain Expenses of Real Estate Operations with Independent Auditors’ Report for the Nine and Twelve Months ended September 30, 2019 and for the Year ended December 31, 2018, and the Notes to the Statements of Revenues and Certain Expenses for the Periods Presented.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FTE NETWORKS, INC.
(Registrant)

Date: March 13, 2020

/s/ Michael P. Beys

Name: Michael P. Beys
Title: Interim Chief Executive Officer

Consent of Independent Auditor

FTE Networks, Inc.
New York, New York

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-225240) of FTE Networks, Inc. of our report dated March 2, 2020 relating to the statement of revenues and certain expenses of a specified rental home portfolio for the nine and twelve months ended September 30, 2019 and the year ended December 31, 2018, which report appears in this Current Report on Form 8-K/A (Amendment No.1) of FTE Networks, Inc. dated March 13, 2020.

/s/ Turner, Stone & Company, L.L.P.

Dallas, Texas
March 13, 2020

REAL ESTATE OPERATIONS ACQUIRED DECEMBER 30, 2019
STATEMENTS OF REVENUES AND CERTAIN EXPENSES
WITH INDEPENDENT AUDITORS' REPORT
FOR THE NINE MONTHS AND TWELVE MONTHS
ENDED SEPTEMBER 30, 2019
AND FOR THE YEAR ENDED DECEMBER 31, 2018

REAL ESTATE OPERATIONS ACQUIRED DECEMBER 30, 2019

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Independent Auditors' Report

To the Board of Directors
FTE Newtork, Inc.

We have audited the accompanying statements of revenues and certain operating expenses of Rental Homes Portfolio for the nine months ended September 30, 2019 and the year ended December 31, 2018, and the trailing twelve months ended September 30, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the statements of revenues and certain operating expenses 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 the statements of revenues and certain operating expenses that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statements of revenues and certain operating expenses based on our audit. 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 statements of revenues and certain operating expenses is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements of revenues and certain operating expenses. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statements of revenues and certain operating expenses, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Rental Portfolio's preparation and fair presentation of the statements of revenues and certain operating expenses 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 Rental Portfolio'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 statements of revenues and certain operating expenses. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Turner, Stone & Company, L.L.P.
Accountants and Consultants
12700 Park Central Drive, Suite 1400
Dallas, Texas 75251
Telephone: 972-239-1660/ Facsimile: 972-239-1665
Toll Free: 877-853-419 5
Web site: turnerstone .com



Opinion

In our opinion, the statements of revenues and certain expenses referred to above presents fairly, in all material respects, the statements of revenues and certain expenses of Rental Homes Portfolio for the nine months ended September 30, 2019 and the year ended December 31, 2018, and the trailing twelve months ended September 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying statements of revenues and certain expenses was prepared for the purpose of complying with rules and regulations of the U.S. Securities and Exchange Commission and for inclusion in a Current Report on Form 8-K of FTE Networks, Inc. as described in Note 2 to the statements of revenues and certain expenses and is not intended to be a complete presentation of Rental Homes Portfolio's revenues and expenses.

Turner, Stone & Company, L.L.P.

Certified Public Accountants
Dallas, Texas
March 2, 2020

REAL ESTATE OPERATIONS ACQUIRED DECEMBER 30, 2019
STATEMENTS OF REVENUES AND CERTAIN EXPENSES

	Nine Months Ended September 30, 2019	Year Ended December 31, 2018	Twelve Months Ended September 30, 2019
Revenues:			
Rental revenue	\$ 10,398,166	\$ 14,837,436	\$ 13,969,078
Other income	1,823,941	2,079,221	2,381,509
Total revenues	<u>12,222,107</u>	<u>16,916,657</u>	<u>16,350,587</u>
Certain expenses:			
Insurance	920,826	1,125,467	1,197,067
Property taxes	3,515,886	2,993,615	4,363,930
Management fees	568,695	802,152	763,690
Total certain expenses	<u>5,005,407</u>	<u>4,921,234</u>	<u>6,324,687</u>
Revenues in excess of certain expenses	<u>\$ 7,216,700</u>	<u>\$ 11,995,423</u>	<u>\$ 10,025,900</u>

See accompanying notes to the Statements of Revenues and Certain Expenses.

REAL ESTATE OPERATIONS ACQUIRED DECEMBER 30, 2019
NOTES TO STATEMENTS OF REVENUE AND CERTAIN EXPENSES

Note 1. Description of Real Estate Acquired

On December 30, 2019, FTE Networks, Inc. (“the Company”) acquired approximately 3,200 properties (“the Property”) from an unaffiliated third party (the “Seller”). The accompanying statements of revenue and certain expenses represents revenues and results of operations for the period preceding the acquisition of the properties by the Company. These properties are largely either class C or class D properties, with monthly rent charges ranging between \$300-\$800.

Note 2. Basis of Presentation

The accompanying statements of revenue and certain expenses have been prepared for the purposes of complying with Rule 3-14 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended. Accordingly, the statements are not intended to be a complete presentation of the revenue and expenses of the Property for the nine months and twelve months ended September 30, 2019 and the year ended December 31, 2018. The statements include the historical revenue and certain expenses of the Property and exclude items that may not be comparable to the future operations of the Property. Items excluded consist of depreciation, amortization of deferred loan costs, interest expense, corporate expenses, and other costs not directly related to future operations. Amounts included in property management fees include routine compensation paid to a related party that manages property operations as disclosed in Note 3.

Note 3. Summary of Significant Accounting Policies

Revenue Recognition

The Company adopted Accounting Standards Update (“ASU”) issued by the Financial Accounting Standards Board (“FASB”) 2014-09, “Revenue from Contracts with Customers” (Accounting Standards Codification Topic 606) and adoption of the new standard had no impact on the accompanying statements of revenues and certain expenses. Rental income is recognized on a straight-line basis over the life of the respective lease when collectability is reasonably assured and the tenant has taken possession or controls the physical use of the leased asset. Tenant recoveries related to reimbursement of real estate taxes, insurance, and other expenses are recognized as revenue in the period the applicable costs are incurred.

Use of Estimates

The preparation of the statements of revenues and certain expenses in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of revenues and certain expenses. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events for possible adjustment to, or disclosure in, the statements of revenue and certain expenses, through March 2, 2020, the date which the financial statements were issued. See Note 1 for discussion of the sale of the Property.

REAL ESTATE OPERATIONS ACQUIRED DECEMBER 30, 2019
NOTES TO STATEMENTS OF REVENUE AND CERTAIN EXPENSES

Note 4. Related Party Transactions

In connection with the management of the rental operations, a property management fee is paid to an affiliate. Management and other related services are mutually agreed upon by the managers of each property and the servicer. Fees are fixed in nature and/or are provided on a cost-plus pricing basis depending on the scope of services provided.

In addition, the Seller had several agreements with entities held by its 50% owner. These agreements included services for credit card payment processing and maintenance and repair work. Additionally, property insurance was purchased through one such entity, White Eagle Insurance, totaling \$613,395, \$796,904, and \$773,986 for the nine months and twelve months ended September 30, 2019 and for the year ended December 31, 2018, respectively, included in "Insurance" in the accompanying statements of revenues and certain expenses.

Note 5. Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Except that described below, there is no material litigation nor to management's knowledge is any material litigation currently threatened against the properties other than routine litigation, claims and administrative proceedings arising in the ordinary course of business.

The Seller of the Property is engaged in ongoing litigation as part of the acquisition. The Company has obtained an indemnification as part of the purchase agreement dated December 30, 2019. The Seller has no obligation to indemnify the Company and its respective direct and indirect equity holders, managers and officers ("indemnified parties") unless and until the aggregate amount of all losses suffered or incurred exceeds \$500,000 (the deductible). At that time, the indemnified parties shall be entitled to be indemnified against all losses that exceed the deductible.

Management does not believe that any ongoing litigation will have a material impact on the statements of revenues and certain expenses. As such, legal fees have not been included in the statements of revenues and certain expenses.