

Bowery Residents' Committee, Inc. and Affiliated Organizations

Combined Financial Statements and
Supplementary Information
Year Ended June 30, 2017

**Bowery Residents' Committee, Inc.
and Affiliated Organizations**

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Supplementary Information
Year Ended June 30, 2017

Bowery Residents' Committee, Inc. and Affiliated Organizations

Contents

Independent Auditor's Report	3-4
Combined Financial Statements:	
Statement of Financial Position as of June 30, 2017	5
Statement of Activities for the Year Ended June 30, 2017	6
Statement of Changes in Net Assets for the Year Ended June 30, 2017	7
Statement of Functional Expenses for the Year Ended June 30, 2017	8
Statement of Cash Flows for the Year Ended June 30, 2017	9
Notes to Combined Financial Statements	10-24
Supplementary Information:	
Combining Schedule of Financial Position as of June 30, 2017	25
Combining Schedule of Activities for the Year Ended June 20, 2017	26



Independent Auditor's Report

To the Board of Directors
Bowery Residents' Committee, Inc.
and Affiliated Organizations
New York, New York

We have audited the accompanying combined financial statements of Bowery Residents' Committee, Inc. and Affiliated Organizations, which comprise the combined statement of financial position as of June 30, 2017, and the related combined statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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



Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Bowery Residents' Committee, Inc. and Affiliated Organizations as of June 30, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit of the combined financial statements was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have audited the Bowery Residents' Committee, Inc. and Affiliated Organizations' 2016 combined financial statements and our report, dated March 6, 2017, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

BDO USA, LLP

December 12, 2017

Bowery Residents' Committee, Inc. and Affiliated Organizations

Combined Statement of Financial Position (with comparative totals for 2016)

<i>June 30,</i>	2017	2016
Assets		
Current:		
Cash and cash equivalents	\$ 5,667,910	\$ 5,239,525
Investments, at fair value	41,372	27,958
Accounts receivable, net	5,250,745	4,659,428
Pledges receivable	255,740	316,648
Prepaid expenses and other assets	2,337,469	2,048,443
Total Current Assets	13,553,236	12,292,002
Assets Limited to Use	2,541,066	1,914,746
Fixed Assets, Net	83,082,389	63,303,944
Total Assets	\$99,176,691	\$77,510,692
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 7,076,125	\$ 6,307,041
Accrued compensation and related taxes	2,488,883	2,590,464
Accrued interest payable	2,363,580	1,956,879
Deferred revenue	8,672,299	7,588,107
Line of credit	3,000,000	2,000,000
Current portion of loans payable	12,719,339	1,894,211
Total Current Liabilities	36,320,226	22,336,702
Deferred Rent	7,421,680	8,388,304
Loans Payable, Net of Current Portion	46,879,454	39,665,551
Total Liabilities	90,621,360	70,390,557
Commitments and Contingencies		
Net Assets:		
Unrestricted	2,683,263	3,440,081
Temporarily restricted	908,488	458,545
Noncontrolling interest	4,963,580	3,221,509
Total Net Assets	8,555,331	7,120,135
Total Liabilities and Net Assets	\$99,176,691	\$77,510,692

See accompanying notes to combined financial statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Combined Statement of Activities (with comparative totals for 2016)

Year ended June 30,

	Unrestricted	Temporarily Restricted	Combined Totals	
			2017	2016
Revenues:				
Government and other grants	\$62,405,090	\$ -	\$62,405,090	\$57,849,448
Medicaid	6,044,625	-	6,044,625	5,765,922
Program service fees	3,736,400	-	3,736,400	3,725,134
Rental income	3,091,715	-	3,091,715	3,115,734
Contributions	795,802	1,620,000	2,415,802	1,742,289
Other	484,901	-	484,901	485,143
Net assets released from restrictions	1,170,057	(1,170,057)	-	-
Total Revenues Before Special Events	77,728,590	449,943	78,178,533	72,683,670
Special events revenue	959,010	-	959,010	985,688
Less: Cost of direct benefit to donors	(261,538)	-	(261,538)	(185,602)
Net Revenue From Special Events	697,472	-	697,472	800,086
Total Revenues	78,426,062	449,943	78,876,005	73,483,756
Expenses:				
Program services:				
Safe Havens	8,476,255	-	8,476,255	7,848,933
Transitional Housing	7,343,867	-	7,343,867	8,275,703
Permanent Housing	9,258,799	-	9,258,799	9,112,842
Shelters	23,574,758	-	23,574,758	23,581,809
Nonresidential programs	18,417,038	-	18,417,038	16,086,467
Total Program Services	67,070,717	-	67,070,717	64,905,754
Supporting services:				
Management and general	7,031,167	-	7,031,167	5,970,693
Fundraising	348,293	-	348,293	407,482
Total Supporting Services	7,379,460	-	7,379,460	6,378,175
Affiliated organizations' expenses	2,990,632	-	2,990,632	2,819,260
Total Expenses	77,440,809	-	77,440,809	74,103,189
Change in Net Assets	\$ 985,253	\$ 449,943	\$ 1,435,196	\$ (619,433)

See accompanying notes to combined financial statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Combined Statement of Changes in Net Assets

Year ended June 30, 2017

	Controlling Interests						Noncontrolling Interest	Total
	Bowery Residents' Committee, Inc. Unrestricted Net Assets	Affiliated Organizations Unrestricted Net Asset Deficit	Subtotal - Unrestricted Net Assets	Bowery Residents' Committee, Inc. Temporarily Net Assets	Subtotal - Controlling Interests			
Net Assets (Deficit) as of June 30, 2016, as Restated	\$4,922,322	\$(1,482,241)	\$ 3,440,081	\$ 458,545	\$ 3,898,626	\$3,221,509	\$ 7,120,135	
Increase (decrease) in unrestricted net assets	2,025,125	(423,613)	1,601,512	-	1,601,512	(616,259)	985,253	
Restricted contributions	-	-	-	1,620,000	1,620,000	-	1,620,000	
Net assets released from restrictions	-	-	-	(1,170,057)	(1,170,057)	-	(1,170,057)	
Transfer of net assets	-	(2,358,330)	(2,358,330)	-	(2,358,330)	2,358,330	-	
Net Assets as of June 30, 2017	\$6,947,447	\$(4,264,184)	\$ 2,683,263	\$ 908,488	\$ 3,591,751	\$4,963,580	\$ 8,555,331	

See accompanying notes to combined financial statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations

**Combined Statement of Functional Expenses
(with comparative totals for 2016)**

Year ended June 30,

	Program Services					Supporting Services				Combined Totals				
	Safe Havens	Transitional Housing	Permanent Housing	Shelters	Nonresidential Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total BRC	Affiliated Organizations	Eliminations	2017	2016
Expenses:														
Salaries	\$3,595,003	\$3,332,201	\$2,823,759	\$10,828,992	\$ 9,994,740	\$30,574,695	\$3,831,798	\$188,130	\$4,019,928	\$34,594,623	\$ 553,131	\$ -	\$35,147,754	\$32,956,224
Employee taxes and fringe benefits	905,936	836,374	709,322	2,722,476	2,520,562	7,694,670	888,420	42,411	930,831	8,625,501	139,102	-	8,764,603	8,526,937
Total Salaries and Related Expenses	4,500,939	4,168,575	3,533,081	13,551,468	12,515,302	38,269,365	4,720,218	230,541	4,950,759	43,220,124	692,233		43,912,357	41,483,161
Temporary services	350,558	270,998	155,732	979,430	133,560	1,890,278	71,387	-	71,387	1,961,665	67,272	-	2,028,937	1,545,166
Real estate, water and sewer taxes	146,472	60,266	89,062	346,839	44,639	687,278	5,795	-	5,795	693,073	64,229	-	757,302	595,701
Rent	2,063,754	1,146,772	4,084,078	4,634,415	1,266,435	13,195,454	305,265	-	305,265	13,500,719	169,132	(52,688)	13,617,163	13,724,696
Utilities	188,134	232,484	236,854	395,815	197,393	1,250,680	31,243	-	31,243	1,281,923	104,727	-	1,386,650	1,197,594
Communications	26,122	78,064	60,463	139,505	108,601	412,755	30,331	8,607	38,938	451,693	18,565	-	470,258	412,127
Printing and postage	32	1,695	706	2,593	356	5,382	13,660	1,989	15,649	21,031	95	-	21,126	16,181
Insurance	107,251	146,746	113,442	338,969	244,867	951,275	30,037	-	30,037	981,312	128,086	-	1,109,398	1,234,536
Professional fees	62,027	81,888	65,596	149,949	885,015	1,244,475	426,570	73,053	499,623	1,744,098	101,505	-	1,845,603	1,424,983
Staff training and recruitment	16,695	12,244	12,908	42,801	35,564	120,212	52,062	2,084	54,146	174,358	4,558	-	178,916	160,839
Dues and subscriptions	4,779	17,612	21,180	10,147	9,625	63,343	4,749	-	4,749	68,092	53,762	-	121,854	69,410
Office expenses	30,061	76,917	98,641	112,447	219,344	537,410	93,453	4,005	97,458	634,868	5,639	-	640,507	568,410
Supplies	174,519	109,618	181,218	494,941	319,068	1,279,364	2,926	-	2,926	1,282,290	8,872	-	1,291,162	1,161,911
Equipment	10,418	57,584	83,979	80,891	3,766	236,638	291,582	-	291,582	528,220	16,045	-	544,265	143,585
Maintenance and repairs	187,475	143,757	239,725	519,120	199,947	1,290,024	5,600	-	5,600	1,295,624	84,675	-	1,380,299	1,232,996
Travel	6,092	30,839	25,586	28,227	271,868	362,612	30,006	1,293	31,299	393,911	1,234	-	395,145	416,746
Client related expenses	514,313	602,603	197,059	1,473,817	1,458,005	4,245,797	7,995	8,931	16,926	4,262,723	3,301	-	4,266,024	4,240,691
Interest	71,638	9,231	-	5,619	42,069	128,557	38,563	-	38,563	167,120	454,362	-	621,482	514,030
Bad debt expense	-	335	-	-	393,637	393,972	562	-	562	394,534	24	-	394,558	668,642
Property management cost	-	-	-	-	-	-	-	-	-	-	-	-	-	144,758
Management fee expense	-	-	-	-	-	-	-	-	-	-	148,500	(148,500)	-	-
Other	3,594	1,160	43,280	95,910	8,990	152,934	30,821	17,790	48,611	201,545	10,105	(35,471)	176,179	891,491
Total Expenses Before Depreciation	8,464,873	7,249,388	9,242,590	23,402,903	18,358,051	66,717,805	6,192,825	348,293	6,541,118	73,258,923	2,136,921	(236,659)	75,159,185	71,847,654
Depreciation	11,382	94,479	16,209	171,855	58,987	352,912	838,342	-	838,342	1,191,254	1,090,370	-	2,281,624	2,255,535
Total Expenses	\$8,476,255	\$7,343,867	\$9,258,799	\$23,574,758	\$18,417,038	\$67,070,717	\$7,031,167	\$348,293	\$7,379,460	\$74,450,177	\$3,227,291	\$(236,659)	\$77,440,809	\$74,103,189

See accompanying notes to combined financial statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Combined Statement of Cash Flows (with comparative totals for 2016)

<i>Year ended June 30,</i>	2017	2016
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,435,196	\$ (366,464)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,281,624	2,255,535
Unrealized (gain) loss on investments	(13,414)	18,956
Provision for bad debts	394,558	668,642
Loss on disposal of fixed assets	-	10,637
Donated investments	-	(5,263)
Decrease (increase) in assets:		
Accounts receivable	(985,875)	(973,414)
Pledges receivable	60,908	90,056
Prepaid expenses and other assets	(289,026)	(315,705)
Assets limited to use	(626,320)	(670,873)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	769,084	(811,050)
Accrued salaries and fringes	(101,581)	(778,226)
Accrued interest payable	406,701	151,757
Deferred revenue	1,084,192	53,516
Deferred rent	(966,624)	(966,624)
Net Cash Provided By (Used In) Operating Activities	3,449,423	(1,638,520)
Cash Flows From Investing Activities:		
Purchases of fixed assets	(22,060,069)	(12,372,106)
Net Cash Used In Investing Activities	(22,060,069)	(12,372,106)
Cash Flows From Financing Activities:		
Proceeds from line of credit	1,000,000	2,000,000
Principal payments on line of credit	-	(2,000,000)
Proceeds from loans	18,665,932	16,535,519
Principal payments on loans	(626,901)	(1,168,283)
Net Cash Provided By Financing Activities	19,039,031	15,367,236
Net Increase in Cash and Cash Equivalents	428,385	1,356,610
Cash and Cash Equivalents, Beginning of Year	5,239,525	3,882,915
Cash and Cash Equivalents, End of Year	\$ 5,667,910	\$ 5,239,525
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 621,482	\$ 514,030

See accompanying notes to combined financial statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

1. Nature of Organizations

Bowery Residents' Committee, Inc. ("BRC") and Affiliated Organizations (collectively, the "Organization") were formed for the purpose of addressing the needs of persons with limited resources in the metropolitan New York City area. This included the homeless, hungry, chemically dependent, psychiatrically disabled, aged and persons with HIV and AIDS. BRC provides a comprehensive array of services including health care, vocational rehabilitation, temporary and permanent housing, community education and advocacy. By providing these services, BRC offers its clients the means to function successfully in the society, and seeks to improve the quality of life in its community.

This mission is also serviced by the following Affiliated Organizations:

- (a) **Pitt Street Housing Development Fund Corporation ("Pitt")** operates programs that provide housing to former homeless people with mental illness.
- (b) **Palace Renaissance, Inc. ("Palace")** was organized to provide space to further BRC's mission.
- (c) **BRC AIDS Services Corporation ("BRC AIDS")** operates programs that provide healthcare services to individuals living with HIV/AIDS.
- (d) **902 Liberty Avenue, L.P.** is a limited partnership organized on November 1, 2008 under the laws of the State of New York for the purposes of investing in real property and providing low income housing through the renovation, rehabilitation and operation of the property, containing 46 apartments and one superintendent unit in Brooklyn, New York. The project went into service on October 25, 2010.
- (e) **Fulton Street Housing Development Fund Corporation ("Fulton")** was organized to own and operate a community residence for individuals diagnosed with severe and persistent mental illness.
- (f) **330 East 4th Street Housing Development Fund Corporation ("330 E. 4th")** was organized to own, construct and operate a permanently housing project for formerly homeless elderly persons who participate in case management, crisis intervention, nutritional and recreational services.
- (g) **139-141 Avenue D L.P. ("Glass Factory, L.P.")** was formed as a limited partnership under the laws of the State of New York on March 19, 1996 to acquire, rehabilitate, own and operate low and moderate income housing for single adults with AIDS. The project consists of one building with 45 units located in New York City, and is currently operating under the name of Glass Factory, L.P. The project qualified for the low income housing tax credits established under the program described in Section 42 of the Internal Revenue Code (the "Code"). Glass Factory, L.P. has one general partner, 139-141 Avenue D G.P., which has a .01% interest, and one limited partner, National Equity Fund 1996 Series II Limited Partnership, which has a 99.99% interest. The project is managed by BRC. Glass Factory, L.P. repositioned to 139-141 Avenue D HDFC on June 20, 2017.
- (h) **139-141 Avenue D G.P., Inc. ("Avenue D G.P.")** was organized as the general partner for 139-141 Avenue D L.P with a .01% interest ownership.
- (i) **902 Liberty Avenue Housing Development Fund Corporation ("Liberty Avenue")** was organized as the general partner for 902 Liberty Avenue, L.P. with a .01% interest ownership.
- (j) **West 25th Street Housing Development Fund Corporation ("25th Street HDFC")** was organized to provide transitional housing for individuals of low income.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

- (k) BRC Landing Road I Housing Development Fund Corporation ("BRC Landing Road I") was organized to own, construct and operate transitional and permanent housing for individuals of low income. The project is currently under construction.
- (l) BRC Landing II G.P., Inc. ("Landing G.P.") was organized as the general partner for BRC Landing II L.P. with .01% interest ownership.
- (m) 93 Pitt St. G.P was organized as the general partner for 93 Pitt St, L.P. The L.P. was later repositioned to Pitt Street Housing Development Fund Corporation.
- (n) BRC Landing Road II, L.P ("BRC Landing L.P") was organized to own, construct and operate a housing project providing support housing to low-income individuals, some of whom meet other eligibility criteria. The project is currently under construction.
- (o) 139-141 Avenue D HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for persons of low income.
- (p) 902 Liberty Avenue GP provides housing to individuals and families of low income. Liberty Avenue GP has .01% interest in 902 Liberty Avenue, L.P. 902 Liberty Avenue, L.P. operates a low and moderate income housing project which is managed by BRC.

2. Principles of Combination

The accompanying combined financial statements include the accounts of BRC and the affiliated organizations which are affiliated through common Board membership, common management and/or ownership. All material intercompany transactions and balances have been eliminated.

3. Summary of Significant Accounting Policies

(a) *Basis of Presentation*

The combined 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"). In the combined statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

(b) *Financial Statement Presentation*

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

- (i) **Permanently Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.
- (ii) **Temporarily Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

Temporarily restricted contributions and grants, the requirements of which are met in the year of donation, are reported as unrestricted.

(iii) **Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations. If a part of net assets is restricted and those restrictions are satisfied in the same year, then this part of net assets should be classified as unrestricted.

(c) **Cash and Cash Equivalents**

The Organization considers all highly liquid instruments purchased with a maturity of three months or less and money market mutual funds accounts with dollar-for-dollar values to be cash equivalents.

(d) **Assets Limited to Use**

Assets limited to use include assets set aside by BRC for future long-term purposes and debt finances for future payout.

(e) **Investment Income**

Income from investments, including unrealized gains and losses, is reported in the combined statement of activities as changes in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

(f) **Fair Value Measurements**

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurement," defines fair value and establishes a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as BRC would use in pricing BRC's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that can not be sourced from a broad active market in which assets or liabilities identical or similar to those of BRC are traded. BRC estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

(g) **Revenue Recognition**

Revenue from cost reimbursement government grants is recognized as the expenditures for each grant are incurred. Revenue from fee for service programs is recognized when the services have been performed. Reimbursements are subject to audit and retroactive adjustment by the respective third party fiscal intermediary. Revenue from retroactive adjustments is recognized in the year the adjustments are made.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

BRC receives third party payments for some program participants. A portion of the payment represents the participant's program fees and is recognized as revenue when received. Any portion of the payment which is for the participant's personal use is recognized as a liability due to the client.

Development fees are pursuant to development agreements between BRC and certain other entities for which BRC performed development services. BRC records development fees upon receipt. For the year ended June 30, 2017, there were no development fees recorded.

Contributions and promises to give are recorded as revenue when unsolicited cash is received. Contributions are classified as either unrestricted, temporarily restricted or permanently restricted support.

Contributions of property and equipment are recorded at fair market value of the property and equipment at the time of the contributions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Rental income includes tenant payments and tenant assistance payments less rental vacancies and is recognized as rental income becomes due. Subsidy overages are recorded as liabilities until recouped. All leases between BRC and the tenants of the property are operating leases.

(h) Deferred Revenue

Revenue from contracts is recognized as earned when contract expenses are incurred to the maximum amount allowed for each contract award. Any payments received that have not been earned are classified as deferred revenue on the combined statement of financial position.

(i) Provision for Doubtful Accounts

Accounts receivable is mainly comprised of amounts from governmental agencies and third-party reimbursement agencies.

The Organization provides an allowance for doubtful accounts for accounts and pledges receivable which are specifically identified by management as to their uncertainty in regards to collectibility. As of June 30, 2017, the allowance for doubtful accounts balance was \$2,632,896.

(j) Fixed Assets

Fixed assets are stated at cost. Fixed assets with a purchase price in excess of \$5,000 are capitalized. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	10-40 years
Furniture and equipment	5 years
Vehicles	4 years

Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the asset.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

(k) Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including fixed assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2017, there have been no such losses.

(l) Income Taxes

BRC, Pitt, 330 E. 4th, Fulton, BRC AIDS, 25th Street HDFC, 139-141 Avenue D HDFC, BRC Landing Road I and Liberty Avenue are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and have been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

Landing GP, 93 Pitt Street G.P., Avenue D G.P. and 902 Liberty Avenue G.P. are New York corporations subject to Federal income tax and applicable state and local taxes.

Palace is an exempt organization from Federal income tax under Section 501(c)(2) of the IRC.

The income tax regulations associated to Glass Factory, L.P., 902 Liberty Avenue, L.P. and BRC Landing, L.P. provide that all taxes on income of the limited partnership are payable by the partners. Therefore, the combined financial statements reflect no provision or liability for such taxes.

The Organization adheres to provisions from ASC 740, "Income Taxes." Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. BRC does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2017, there was no interest or penalties recorded or included in the combined statement of activities. The Organization believes it is no longer subject to income tax examinations for the years prior to 2014, which is the standard statute of limitation look-back period. There was no unrelated business income during 2017.

(m) Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Allocation Methodology

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain shared costs have been allocated among the programs and supporting services based on benefits received.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

(o) Functional Allocation of Expenses - Affiliated Organizations

Expenses for the Affiliated Organizations for June 30, 2017 were classified on a functional basis as follows:

Program expenses	\$2,691,569
Supporting services:	
Management and general	299,063
<hr/>	
Total expenses	\$2,990,632

(p) Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to significant concentrations of credit risk, consist primarily of cash and cash equivalents and trade accounts receivable. At times, cash and cash equivalents may include deposits at various financial institutions in excess of Federal Deposit Insurance Corporation insured limits.

(q) Comparative Financial Information

The combined financial statements include certain prior year summarized comparative information. With respect to the consolidated statement of activities, the prior year information is presented in total, not by net asset class. With respect to the combined statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with BRC's combined financial statements for the year ended June 30, 2016, from which the summarized information was derived.

(r) Noncontrolling Interests

In accordance with ASC 810, "Consolidation," the Organization reports noncontrolling interests, sometimes referred to as minority interests, as part of total net assets in the combined statement of financial position. Furthermore, the Organization reports the changes in net assets of both the controlling and noncontrolling interests, for all periods presented, in the combined statement of changes in net assets. For the year ended June 30, 2017, the change in the noncontrolling interest balance was \$1,742,071.

(s) Accounting Pronouncements Issued But Not Yet Adopted

(i) Statements of Not-for-Profit Entities

In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization's combined financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on its combined financial statements. Management is currently evaluating the impact of this ASU on its combined financial statements.

(ii) *Revenue from Contracts with Customers (Topic 606)*

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 which deferred the effective date for the Organization until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its combined financial statements.

- (iii) On February 25, 2016, the FASB issued ASU 2016-02, "Leases," which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for non-public business entities for fiscal years beginning after December 15, 2019 and the Organization is currently evaluating the impact of the pending adoption of ASU 2016-02.

4. Investments at Fair Value

The cost and respective fair values of investments at June 30, 2017 are as follows:

	Fair Value	Cost
Equity securities	\$29,895	\$2,170

The fair value of the investments detailed above is determined by reference to market quotations at June 30, 2017.

In addition to the above investments, the investment portfolio includes \$11,477 of cash equivalents at June 30, 2017, which is included as cash and cash equivalents on the combined statement of financial position.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

BRC's financial assets are recorded at fair value on a recurring basis as of June 30, 2017. BRC's financial assets recorded at fair value have been categorized based upon a fair value in accordance with ASC 820. See Note 3 for a discussion of BRC's policies regarding this hierarchy. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. BRC's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the asset or liability's placement within the fair value hierarchy levels.

All BRC's investments were categorized as Level 1 at June 30, 2017. There were no transfers between levels during the year ended June 30, 2017.

5. Accounts Receivable, Net

At June 30, 2017, accounts receivable, net consist of the following:

June 30, 2017

	BRC	Affiliated Organizations	Total
Government and other grants	\$ 4,532,933	\$ -	\$ 4,532,933
Medicaid	2,724,284	-	2,724,284
Other	114,288	512,136	626,424
	7,371,505	512,136	7,883,641
Less: Allowance for doubtful accounts	(2,439,317)	(193,579)	(2,632,896)
	\$ 4,932,188	\$ 318,557	\$ 5,250,745

6. Pledges Receivable, Net

As of June 30, 2017, pledges receivable totaled \$255,740, which consists of amounts due to BRC in less than one year. Management expects all pledges to be fully collected and, accordingly, no allowance for doubtful accounts on pledges receivable has been recorded as of June 30, 2017.

7. Assets Limited to Use

As of June 30, 2017, assets limited to use consist of the following:

June 30, 2017

Operating reserve	\$ 677,322
Replacement reserve	36,310
Capital reserve	564,098
Escrow deposit	1,263,336
	\$2,541,066

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

8. Fixed Assets, Net

Fixed assets, net consist of the following:

June 30, 2017

	BRC	Affiliated Organizations	Total
Land	\$ -	\$ 4,660,013	\$ 4,660,013
Buildings and building improvements	4,235,701	29,547,950	33,783,651
Leasehold improvements	26,380,204	4,292,694	30,672,898
Furniture and equipment	3,321,647	542,823	3,864,470
Vehicles	643,304	-	643,304
Total fixed assets	34,580,856	39,043,480	73,624,336
Less: Accumulated depreciation	(12,391,449)	(14,720,466)	(27,111,915)
Construction-in-progress*	-	36,569,968	36,569,968
Fixed assets, net	\$ 22,189,407	\$ 60,892,982	\$ 83,082,389

* At June 30, 2017, the estimated costs to complete construction-in-progress was \$26,378,461. The construction-in-progress is for the development of a 200-bed employment shelter and 136 apartment units expected to be completed in the first quarter of 2018.

Depreciation expense for the year ended June 30, 2017 was \$2,281,624.

9. Line of Credit

BRC has a \$3,000,000 unsecured revolving line of credit with a bank. This line of credit is available through May 29, 2018 and bears interest at the London Interbank Offered Rate ("LIBOR") plus 100 basis points per three months which was 2.20% at June 30, 2017. The total amount outstanding as of June 30, 2017 was \$3,000,000. BRC incurred \$13,171 in interest expense during the year ended June 30, 2017 related to this line of credit.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

10. Loans Payable

Loans payable consist of the following:

June 30, 2017

BRC:

(a)	Mortgage due to the New York State Office of Mental Health payable in semi-annual installments of \$57,980 including interest at 6.2183%. The mortgage matures December 1, 2017 and is secured by substantially all real property and an assignment of certain receivables.	\$ 27,160
(b)	Mortgage due to the Low Income Investment Fund, payable in monthly installments of \$12,116 including interest at 6.5% per annum. The mortgage matures on February 1, 2024 and is secured by leasehold mortgage on 317 Bowery, New York, NY and an assignment of certain receivables.	977,226
(c)	In February 2015, BRC earned a multi-year award from the Deutsche Bank Americas Foundation in the amount of \$375,000. Payments of \$125,000 were received in both 2016 and 2015. Each payment consisted of \$85,000 in grant and \$40,000 in loan. There is no interest on the loan. The loan is due in three annual installments beginning March 31, 2018.	120,000
Total BRC		1,124,386

Affiliated Organizations:

(d)	<p>330 E. 4th 330 E. 4th is the holder of the mortgage dated March 30, 1990 to The City of New York for the principal sum of \$1,525,000 and another mortgage dated March 20, 1992 for the principal sum of \$193,921, which were consolidated into a single lien securing the principal sum of \$1,718,921. These consolidated mortgages had interest of \$394,435 accrued and payable as of August 2014. On August 2014, the terms of the mortgages and accrued interest were modified. The debt and accrued interest for the mortgage in the amount of \$1,525,000 is due and payable on August 7, 2074 at the rate of 1% per annum. The debt for the mortgage in the amount of \$193,921 is due and payable on December 30, 2023. However, this loan shall be reduced and deemed paid in five equal annual decrements of \$38,784 starting on December 30, 2019 and annually thereafter until December 30, 2023 as long as 330 E. 4th is still owned by a not-for-profit corporation and no default occurs under the mortgage. If any amount is not paid when due, interest on such unpaid amount shall be payable at the rate of 12% per annum from the date such payment was due until paid.</p> <p>330 E. 4th also obtained an additional loan in the amount of \$1,474,000 from the City of New York to rehabilitate the premises as housing for low income persons, of which only \$337,192 has been drawn down as of June 30, 2017.</p>	2,339,292
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Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

June 30, 2017

Affiliated Organizations (continued):

(e)	Palace HDFC Loan payable due to the City of New York. The loan will not accrue interest (0% loan) and will not require any debt service payments during years 1 through 25, provided there has been no default thereunder through that date. The loan shall be decreased each year during years 26 through 30 to the extent of 20% of the principal. The loan matures on August 14, 2031.	\$ 2,854,573
(f)	Palace	
(i)	Mortgage payable due to Rebel Realty LLC, accrued interest and principal are due on or before January 2, 2028. The interest rate is 8%. The mortgage is secured by real property.	10,000
(ii)	Mortgage payable due to 315 Bowery Lender LLC. The mortgage is payable in annual installments plus interest at 3.75%. Mortgage matures on August 30, 2038 and is secured by a leasehold mortgage on 315 Bowery, New York, NY.	24,000
(iii)	Mortgage payable due to 317 Bowery Lender LLC. The mortgage is payable in annual installments plus interest at 3.75%. Mortgage matures on August 30, 2038 and is secured by a leasehold mortgage on 317 Bowery, New York, NY.	24,000
(g)	BRC Landing Road I	
(i)	In June 2015, BRC Landing Road I entered into three loan agreements with a major bank in the amounts of \$12,039,803, \$3,157,042 and \$1,119,025. The interest charged on the loans is payable in monthly installments commencing on August 1, 2015. The loans carry an interest rate set at LIBOR Daily Floating Rate plus two hundred twenty-five basis points. The loans are secured by the building loan mortgage, a collateral assignment of leases and rents, and a security agreement. The loans are due on October 30, 2017. The collateral of these loans is the real property at 233 Landing Road, Bronx, NY.	10,447,832
(ii)	In June 2015, BRC Landing Road I entered into a loan agreement with a pooled program-related investments ("PRI") fund in the amount of \$500,000. The interest rate is 4% per annum. The loan is secured by the subordinate project loan mortgage, a collateral assignment of leases and rents, and a security agreement. The loan is due on October 30, 2017. The collateral of this loan is the real property at 233 Landing Road, Bronx, NY.	500,000
(iii)	In June 2015, BRC Landing Road I entered into a loan agreement with a mission-driven loan fund in the amount of \$500,000. The interest rate is 4% per annum. The loan is secured by the building loan mortgage, a collateral assignment of leases and rents, and a security agreement. The loan is due on October 30, 2017. The collateral of this loan is the real property at 233 Landing Road, Bronx, NY.	500,000

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

June 30, 2017

Affiliated Organizations (continued):

(iv)	In June 2015, BRC Landing Road I entered into a loan agreement with a charitable institution in the amount of \$1,000,000. The interest rate is 4% per annum. The loan is secured by the building loan mortgage, a collateral assignment of leases and rents, and a security agreement. The loan is due on October 30, 2017. The collateral of this loan is the real property at 233 Landing Road, Bronx, NY.	\$ 1,000,000
(h)	Pitt Mortgage due to The City of New York Department of Housing Preservation and Development of \$2,276,588, which consists of two portions: (1) Shelter plus care loan, \$552,000, 0.25% interest rate, 30-year term maturing in July 2025 and (2) Capital budget loan, \$1,724,588, 1.25% interest rate, 30-year term maturing in July 2025. For the first 25 years, interest only monthly payments of \$115 are due on the shelter plus care portion of the loan. Beginning in the 26th year, the outstanding principal and interest balance will be reduced by 20% each year provided no default exists under the mortgage. The loans are secured by interest in building and improvements.	2,276,588
(i)	Glass Factory, L.P. Mortgage payable to The City of New York Department of Housing Preservation and Development. The loan is noninterest bearing and matures in April 2030, at which time outstanding principal and service fees are due. The loan is secured by an interest in real estate.	4,202,370
(j)	902 Liberty Ave., L.P. (i) Mortgage payable to The City of New York Department of Housing Preservation and Development. The interest rate is 3.10% per annum. The mortgage requires no interest or principal payments until maturity in March 2052. The loan is secured by an interest in real estate.	6,446,813
	(ii) Mortgage payable to NYS Housing Finance Agency. The loan is noninterest bearing with principal due March 2052. The loan is secured by an interest in real estate.	1,400,000
(k)	BRC Landing II, L.P. (i) Mortgage payable (1 st Building Loan Agreement ("BLA")) to New York City Housing Development Corporation ("HDC"). The interest rate is 5.70% per annum. The mortgage requires interest and principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	12,837,780
	(ii) Mortgage payable (2 nd Tranche A) to HDC. The interest rate is 2.72% per annum up to the release date and 2.47% per annum through maturity. The mortgage requires interest and principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	3,112,092

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

June 30, 2017

Affiliated Organizations (continued):

(iii)	Mortgage payable (2 nd Tranche B - BLA) to HDC. The interest rate is 2.72% per annum up to the release date and 2.47% per annum through maturity. The mortgage requires interest and principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	\$ 4,426,848
(iv)	Mortgage payable (2 nd Tranche B Project Loan Agreement) to HDC. The interest rate is 5.70% per annum. The mortgage requires interest and principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	2,222,667
(v)	Mortgage payable (Tranche A - BLA) to HDC. The interest rate is 2.47% per annum. The mortgage requires interest and principal payments until maturity in May 2018. The loan is secured by an interest in real estate.	2,720,000
(vi)	Mortgage payable to New York State Homeless Housing and Assistance Corporation. The interest rate is 1% per annum. The mortgage requires no interest or principal payments until maturity in November 2047. The loan is secured by an interest in real estate.	1,129,552
	Total affiliated organizations	58,474,407
	Total loans payable	\$59,598,793

Principal maturities of loans payable as of June 30, 2017 are as follows:

Year ending June 30,

2018	\$12,719,339
2019	132,540
2020	141,283
2021	150,611
2022	160,563
Thereafter	46,294,457
	\$59,598,793

11. Deferred Rent

In February 2010, BRC entered into a long-term lease for 100,000 square feet of program and office space. As part of that lease, the landlord made substantial contributions toward base building renovations. This amount is included in deferred rent and is being amortized over the life of the lease.

In addition, the landlord agreed to pay a substantial portion of the tenant fit-out costs. These costs are being repaid in the form of higher rent during the first ten years of the lease. This amount is included in deferred rent and is being amortized over a ten-year period.

As of June 30, 2017, total deferred rent was \$7,421,680.

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

12. Deferred Revenue

During fiscal year 2017, BRC received advances, which primarily consist of cash received on cost reimbursement contracts that have not been expended at year-end. The BRC deferred revenue balance related to these advances totaled \$3,737,099 at June 30, 2017.

In December 2013, Palace assigned its leasehold interest in 313-315 Bowery to a third party in the amount of \$5,516,000. The amount was recorded as deferred revenue and is being amortized over the remaining life of the lease. The unamortized balance at June 30, 2017 is \$4,199,891.

As of June 30, 2017, total deferred revenue was \$8,672,299.

13. Commitments and Contingencies

(a) BRC and its Affiliated Organizations lease space for their programs pursuant to noncancellable operating leases expiring through 2043. Rental expense to non-related parties was \$13,617,163 for the year ended June 30, 2017. The following represents the future minimum annual lease payments:

2018	\$ 6,838,619
2019	6,853,259
2020	6,850,147
2021	6,909,554
2022	5,102,973
Thereafter	73,018,382
	<hr/>
	\$105,572,934

(b) BRC is involved in various claims and legal actions arising out of the normal course of its operations, the final outcome of which cannot presently be determined. BRC management is of the opinion that the ultimate liability, if any, with respect to all of these matters will not have a material adverse effect on BRC's financial position.

14. Net Assets Released From Restrictions

Temporarily restricted net assets that were released from donor restrictions by incurring expenses satisfying the restricted purpose as of June 30, 2017 are as follows:

Horizon program	\$ 543,225
Landing project	601,262
Mental health program	25,570
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	\$1,170,057

Bowery Residents' Committee, Inc. and Affiliated Organizations

Notes to Combined Financial Statements

15. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

Horizon program	\$ 96,308
Mental health program	12,180
Real estate development	800,000
	<hr/>
	\$908,488

16. Pension Benefits

BRC maintains two defined contribution pension plans which cover substantially all of its employees. Under the terms of the pension plans, BRC matches the contributions of certain employees, as defined in the plans' provisions. BRC's pension expense amounted to \$603,958 for the year ended June 30, 2017 for both plans.

17. Subsequent Events

BRC's management has performed subsequent event procedures through December 12, 2017, which is the date the combined financial statements were available to be issued and there were no subsequent events requiring adjustments to the combined financial statements or disclosures as stated herein.

Supplementary Information

Bowery Residents' Committee, Inc. and Affiliated Organizations

**Combining Schedule of Financial Position
(with comparative totals for 2016)**

June 30,

	Bowery Residents' Committee	Pitt Street HDFC	Palace Renaissance Inc.	BRC AIDS Service Corporation	902 Liberty L.P.	Fulton Street HDFC	330 East 4 th Street HDFC	139-141 Avenue D G.P.	West 25 th Street HDFC	BRC Landing Road I HDFC	93 Pitt Street G.P.	BRC Landing II L.P.	902 Liberty Avenue G.P.	139-141 Avenue D HDFC	Eliminations	Combining Totals	
																2017	2016
Assets																	
Current:																	
Cash and cash equivalents	\$ 3,081,157	\$ 27,110	\$ 253,695	\$ -	\$ 147,188	\$ -	\$ -	\$ -	\$ 102,272	\$ 1,423,633	\$ -	\$ 564,645	\$ -	\$ 68,210	\$ -	\$ 5,667,910	\$ 5,239,525
Investments, at fair value	41,372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,372	27,958
Accounts receivable, net	5,097,231	40,742	608,549	-	53,756	-	-	47,761	-	900	25,595	-	-	149,786	(773,575)	5,250,745	4,659,428
Pledges receivable	255,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	255,740	316,648
Prepaid expenses and other assets	1,851,252	154,277	87,407	-	233,046	-	-	-	-	5,281	-	6,206	-	-	-	2,337,469	3,963,189
Total Current Assets	10,326,752	222,129	949,651	-	433,990	-	-	47,761	102,272	1,429,814	25,595	570,851	-	217,996	(773,575)	13,553,236	14,206,748
Assets Limited to Use	-	1,025,916	-	-	179,737	-	-	-	-	-	-	1,117,866	-	217,547	-	2,541,066	-
Investment in Limited Partnerships at Cost	100	-	-	-	-	-	-	500,100	-	-	100	-	-	-	(500,300)	-	-
Fixed Assets, Net	22,189,409	1,463,530	1,185,096	611,001	12,935,216	551,753	1,286,812	(12,400)	-	12,695,565	-	28,034,403	-	2,142,004	-	83,082,389	63,303,944
Total Assets	\$32,516,261	\$2,711,575	\$ 2,134,747	\$ 611,001	\$13,548,943	\$ 551,753	\$ 1,286,812	\$535,461	\$102,272	\$14,125,379	\$25,695	\$29,723,120	\$ -	\$ 2,577,547	\$(1,273,875)	\$99,176,691	\$77,510,692
Liabilities and Net Assets																	
Current Liabilities:																	
Accounts payable and accrued expenses	\$ 3,937,521	\$ 26,666	\$ 10,400	\$ 2,200	\$ 145,195	\$ 7,329	\$ 5,700	\$ -	\$ -	\$ 1,387,434	\$ -	\$ 1,483,239	\$ -	\$ 51,042	\$ 19,399	\$ 7,076,125	\$ 6,307,041
Due to/from affiliates	2,296,520	(54,597)	(5,077,351)	1,885,166	237,117	802,767	(307,508)	(15,451)	103,694	(179,478)	989	(88,610)	(74,079)	737,551	(266,730)	-	-
Accrued compensation and related taxes	2,488,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,488,883	2,590,464
Accrued interest payable	52,109	430,832	-	-	1,309,944	8,829	407,389	-	-	17,815	-	19,096	-	117,566	-	2,363,580	1,956,879
Deferred revenue	3,737,099	-	4,199,891	-	735,309	-	-	-	-	-	-	-	-	-	-	8,672,299	7,588,107
Line of credit	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000	2,000,000
Related party loans	773,575	-	-	-	-	-	-	-	-	-	-	-	-	-	(773,575)	-	-
Current portion of loans payable	269,507	-	2,000	-	-	-	-	-	-	12,447,832	-	-	-	-	-	12,719,339	-
Total Current Liabilities	16,555,214	402,901	(865,060)	1,887,366	2,427,565	818,925	105,581	(15,451)	103,694	13,673,603	989	1,413,725	(74,079)	906,159	(1,020,906)	36,320,226	20,442,491
Deferred Rent	7,421,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,421,680	8,388,304
Loans Payable, Net of Current Portion	683,438	2,276,588	2,910,573	-	7,936,654	-	2,339,292	-	-	-	-	26,530,539	-	4,202,370	-	46,879,454	41,559,762
Total Liabilities	24,660,332	2,679,489	2,045,513	1,887,366	10,364,219	818,925	2,444,873	(15,451)	103,694	13,673,603	989	27,944,264	(74,079)	5,108,529	(1,020,906)	90,621,360	70,390,557
Commitments and Contingencies																	
Net Assets (Deficit):																	
Unrestricted	6,947,441	32,086	89,234	(1,276,365)	-	(267,172)	(1,158,061)	550,912	(1,422)	451,776	24,706	-	74,079	(2,530,982)	(252,969)	2,683,263	3,440,081
Temporarily restricted	908,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	908,488	458,545
Noncontrolling interest	-	-	-	-	3,184,724	-	-	-	-	-	-	1,778,856	-	-	-	4,963,580	3,221,509
Total Net Assets	7,855,929	32,086	89,234	(1,276,365)	3,184,724	(267,172)	(1,158,061)	550,912	(1,422)	451,776	24,706	1,778,856	74,079	(2,530,982)	(252,969)	8,555,331	7,120,135
Total Liabilities and Net Assets	\$32,516,261	\$2,711,575	\$ 2,134,747	\$ 611,001	\$13,548,943	\$ 551,753	\$ 1,286,812	\$535,461	\$102,272	\$14,125,379	\$25,695	\$29,723,120	\$ -	\$ 2,577,547	\$(1,273,875)	\$99,176,691	\$77,510,692

Bowery Residents' Committee, Inc. and Affiliated Organizations

**Combining Schedule of Activities
(with comparative totals for 2016)**

Year ended June 30,

	Bowery Residents' Committee	Pitt Street HDFC	Palace Renaissance Inc.	BRC AIDS Service Corporation	902 Liberty L.P.	Fulton Street HDFC	330 East 4 th Street HDFC	139-141 Avenue D G.P.	West 25 th Street HDFC	BRC Landing Road I HDFC	93 Pitt Street G.P.	BRC Landing II L.P.	902 Liberty Avenue G.P.	139-141 Avenue D HDFC	Eliminations	Combining Totals	
																2017	2016
Support and Revenues:																	
Government and other grants	\$62,325,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$62,405,090	\$57,849,448
Medicaid	6,044,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,044,625	5,765,922
Program service fees	3,736,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,736,400	3,725,134
Rental income	1,442,548	393,451	195,181	-	661,361	24,087	-	-	-	-	-	-	-	427,775	(52,688)	3,091,715	3,115,734
Contributions	2,415,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,415,802	1,742,289
Management fees	124,414	-	-	-	-	-	-	7,061	-	-	-	-	52,496	-	(183,971)	-	-
Other income	138,894	571	42,843	-	359	1	-	-	-	251,182	-	174	-	50,877	-	484,901	485,143
Total Revenues Before Special Events	76,227,773	394,022	238,024	-	661,720	24,088	-	7,061	-	331,182	-	174	52,496	478,652	(236,659)	78,178,533	72,683,670
Special events revenue	959,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	959,010	985,688
Less: Cost of direct benefit to donors	(261,538)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(261,538)	(185,602)
Net Revenue from special events	697,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697,472	800,086
Total Revenues	76,925,245	394,022	238,024	-	661,720	24,088	-	7,061	-	331,182	-	174	52,496	478,652	(236,659)	78,876,005	73,483,756
Expenses:																	
Program services:																	
Safe Havens	8,476,255	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,476,255	7,848,933
Transitional Housing	7,343,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,343,867	8,275,703
Permanent Housing	9,258,799	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,258,799	9,112,842
Shelters	23,574,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,574,758	23,581,809
Nonresidential Programs	18,417,038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,417,038	16,086,467
Total Program Services	67,070,717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,070,717	64,905,754
Supporting services:																	
Management and general	7,031,167	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,031,167	5,970,693
Fundraising	348,293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	348,293	407,482
Total Supporting Services	7,379,460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,379,460	6,378,175
Affiliated organizations' expenses	-	485,071	366,174	30,387	1,278,153	32,920	136,390	57	-	251,127	57	-	57	646,898	(236,659)	2,990,632	2,819,260
Total Expenses	74,450,177	485,071	366,174	30,387	1,278,153	32,920	136,390	57	-	251,127	57	-	57	646,898	(236,659)	77,440,809	74,103,189
Change in Net Assets	\$ 2,475,068	\$ (91,049)	\$(128,150)	\$(30,387)	\$ (616,433)	\$ (8,832)	\$(136,390)	\$7,004	\$-	\$ 80,055	\$(57)	\$174	\$52,439	\$(168,246)	\$ -	\$ 1,435,196	\$ (619,433)