




Bowery Residents' Committee, Inc. and Affiliated Organizations

Independent Auditor's Report and Combined Financial Statements

June 30, 2025 and 2024



Bowery Residents' Committee, Inc. and Affiliated Organizations
Contents
June 30, 2025 and 2024

Independent Auditor's Report.....	1
Combined Financial Statements	
Statements of Financial Position with Combining Information	3
Statements of Activities with Combining Information	4
Statements of Functional Expenses.....	7
Statements of Cash Flows	9
Notes to Financial Statements	10

Independent Auditor's Report

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

Opinion

We have audited the combined financial statements of Bowery Residents' Committee, Inc. and Affiliated Organizations (collectively, the Organization), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that these combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining information listed in the table of contents is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual organizations 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 financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Forvis Mazars, LLP

**New York, New York
December 1, 2025**

Bowery Residents' Committee, Inc. and Affiliated Organizations
Combined Statements of Financial Position with Combining Information
June 30, 2025 and 2024

	2025				2024			
	BRC, Inc. *	Affiliates *	Eliminations *	Total	BRC, Inc. *	Affiliates *	Eliminations *	Total
ASSETS								
Current Assets								
Cash	\$ 6,603,605	\$ 1,771,724	\$ -	\$ 8,375,329	\$ 4,389,261	\$ 2,431,589	\$ -	\$ 6,820,850
Investments	2,189,090	-	-	2,189,090	1,944,904	-	-	1,944,904
Accounts receivable and grant receivable, net	24,739,220	953,508	-	25,692,728	22,192,986	792,721	-	22,985,707
Contributions receivable	1,081,256	-	-	1,081,256	698,375	-	-	698,375
Prepaid expenses and other assets	2,104,512	384,025	-	2,488,537	2,470,732	364,234	-	2,834,966
Total Current Assets	36,717,683	3,109,257	-	39,826,940	31,696,258	3,588,544	-	35,284,802
Restricted cash - assets limited as to use	529,644	3,328,528	-	3,858,172	521,304	2,955,180	-	3,476,484
Related-party loans	2,205,968	-	(2,205,968)	-	2,205,968	103,195	(2,309,163)	-
Investment in related entities at cost	500,200	100	(500,300)	-	500,200	100	(500,300)	-
Right-of-use assets - operating leases	280,025,693	(5,759)	-	280,019,934	248,752,749	2,503	-	248,755,252
Right-of-use assets - finance leases	3,831,720	-	-	3,831,720	1,500,146	-	-	1,500,146
Property and equipment, net	29,870,881	147,195,552	(6,502,170)	170,564,263	30,532,674	97,190,766	(6,890,396)	120,833,044
Total Assets	\$ 353,681,789	\$ 153,627,678	\$ (9,208,438)	\$ 498,101,029	\$ 315,709,299	\$ 103,840,288	\$ (9,699,859)	\$ 409,849,728
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts payable and accrued expenses	\$ 17,848,733	\$ 3,279,651	\$ -	\$ 21,128,384	\$ 16,599,040	\$ 2,555,347	\$ -	\$ 19,154,387
Due to/from affiliates	5,947,609	(5,947,609)	-	-	5,291,610	(5,291,610)	-	-
Accrued compensation and related taxes	9,885,080	-	-	9,885,080	8,700,587	-	-	8,700,587
Accrued interest payable	73,139	8,531,474	(566,197)	8,038,416	73,139	7,588,736	(469,680)	7,192,195
Deferred revenue	3,149,438	1,473,795	(1,415,609)	3,207,624	605,759	1,668,184	(1,415,609)	858,334
Line of credit	4,000,000	-	-	4,000,000	-	-	-	-
Operating lease liabilities	36,286,179	(8,109)	-	36,278,070	22,969,023	2,675	-	22,971,698
Finance lease liabilities	861,475	-	-	861,475	322,525	-	-	322,525
Due to government agencies	5,190,501	-	-	5,190,501	4,279,306	-	-	4,279,306
Current portion of loans payable	57,416	2,504,869	-	2,562,285	505,590	1,740,749	(103,195)	2,143,144
Total Current Liabilities	83,299,570	9,834,071	(1,981,806)	91,151,835	59,346,579	8,264,081	(1,988,484)	65,622,176
Other Liabilities								
Deferred revenue, net of current portion	-	2,669,203	-	2,669,203	-	2,634,940	-	2,634,940
Operating lease liabilities, net of current portion	256,010,004	-	-	256,010,004	235,487,624	-	-	235,487,624
Finance lease liabilities, net of current portion	2,990,793	-	-	2,990,793	1,182,377	-	-	1,182,377
Loans payable, net of current portion	1,066,353	136,531,269	(2,205,968)	135,391,654	1,585,909	88,084,641	(2,205,968)	87,464,582
Total Liabilities	343,366,720	149,034,543	(4,187,774)	488,213,489	297,602,489	98,983,662	(4,194,452)	392,391,699
Net Assets								
Without donor restrictions	9,969,760	(766,726)	(5,020,664)	4,182,370	17,693,981	(2,739,428)	(5,505,407)	9,449,146
With donor restrictions	345,309	-	-	345,309	412,829	-	-	412,829
Noncontrolling interest	-	5,359,861	-	5,359,861	-	7,596,054	-	7,596,054
Total Net Assets	10,315,069	4,593,135	(5,020,664)	9,887,540	18,106,810	4,856,626	(5,505,407)	17,458,029
Total Liabilities and Net Assets	\$ 353,681,789	\$ 153,627,678	\$ (9,208,438)	\$ 498,101,029	\$ 315,709,299	\$ 103,840,288	\$ (9,699,859)	\$ 409,849,728

**Combining Information*
See Notes to Combined Financial Statements.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Combined Statements of Activities with Combining Information
Years Ended June 30, 2025 and 2024

	2025					2024				
	BRC, Inc.		Affiliates*		Total	BRC, Inc.		Affiliates*		Total
	Without Donor Restrictions *	With Donor Restrictions	Without Donor Restrictions	Eliminations*		Without Donor Restrictions *	With Donor Restrictions	Without Donor Restrictions	Eliminations*	
Revenues										
Government and other grants	\$189,831,762	\$ -	\$ -	\$ -	\$189,831,762	\$169,776,420	\$ -	\$ 454,688	\$ -	\$170,231,108
Medicaid	6,433,929	-	-	-	6,433,929	4,776,327	-	-	-	4,776,327
Program service fees	1,376,047	-	1,900	-	1,377,947	1,459,300	-	-	-	1,459,300
Rental income	2,688,139	-	10,241,210	(6,190,223)	6,739,126	2,681,635	-	4,666,703	(2,138,962)	5,209,376
Contributions	2,715,472	345,309	-	-	3,060,781	2,338,441	397,329	-	-	2,735,770
Contributed nonfinancial assets	534,718	-	-	-	534,718	222,044	-	-	-	222,044
Management fees	231,205	-	10,000	(241,205)	-	169,125	-	10,000	(179,125)	-
Other income	2,218,321	-	159,286	(8,339)	2,369,268	2,724,204	-	262,419	(509,524)	2,477,099
Net assets released from restrictions	412,829	(412,829)	-	-	-	731,290	(731,290)	-	-	-
Total Revenues Before Special Events	206,442,422	(67,520)	10,412,396	(6,439,767)	210,347,531	184,878,786	(333,961)	5,393,810	(2,827,611)	187,111,024
Special events revenue	1,632,588	-	-	-	1,632,588	1,478,274	-	-	-	1,478,274
Less direct cost of special events	(356,646)	-	-	-	(356,646)	(352,625)	-	-	-	(352,625)
Net Revenue From Special Events	1,275,942	-	-	-	1,275,942	1,125,649	-	-	-	1,125,649
Total Revenues	207,718,364	(67,520)	10,412,396	(6,439,767)	211,623,473	186,004,435	(333,961)	5,393,810	(2,827,611)	188,236,673
Expenses										
Program Services Without Affiliated Organizations' Expenses										
Gateway Services	74,045,473	-	-	(8,339)	74,037,134	68,310,458	-	-	(45,475)	68,264,983
Homeless Services	77,093,424	-	-	(6,208,655)	70,884,769	63,912,567	-	-	(1,903,463)	62,009,104
Housing Services	21,195,274	-	-	(1,500)	21,193,774	18,379,062	-	-	(39,337)	18,339,725
Treatment Service	14,969,941	-	-	-	14,969,941	14,205,736	-	-	-	14,205,736
Total Program Services Without Affiliated Organizations' Expenses	187,304,112	-	-	(6,218,494)	181,085,618	164,807,823	-	-	(1,988,275)	162,819,548
Supporting Services										
Management and general	26,745,332	-	-	-	26,745,332	20,924,594	-	-	-	20,924,594
Fundraising	1,393,141	-	-	-	1,393,141	1,213,438	-	-	-	1,213,438
Total Supporting Services	28,138,473	-	-	-	28,138,473	22,138,032	-	-	-	22,138,032
Affiliated organizations' expenses	-	-	10,675,887	(706,016)	9,969,871	-	-	8,582,722	(901,168)	7,681,554
Total Expenses	215,442,585	-	10,675,887	(6,924,510)	219,193,962	186,945,855	-	8,582,722	(2,889,443)	192,639,134
Change in Net Assets	(7,724,221)	(67,520)	(263,491)	484,743	(7,570,489)	(941,420)	(333,961)	(3,188,912)	61,832	(4,402,461)
Net Assets, Beginning of Year	17,693,981	412,829	4,856,626	(5,505,407)	17,458,029	18,635,401	746,790	8,045,538	(5,567,239)	21,860,490
Net Assets, End of Year	\$ 9,969,760	\$ 345,309	\$ 4,593,135	\$ (5,020,664)	\$ 9,887,540	\$ 17,693,981	\$ 412,829	\$ 4,856,626	\$ (5,505,407)	\$ 17,458,029

**Combining Information*
See Notes to Combined Financial Statements

Bowery Residents' Committee, Inc. and Affiliated Organizations
Combined Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	2025										2024 Total
	Program Services						Supporting Services				
	Gateway Services	Homeless Services	Housing Services	Treatment Services	Affiliated Organizations - Housing	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	
Salaries	\$ 27,491,899	\$ 27,630,571	\$ 5,515,072	\$ 6,914,402	\$ 991,150	\$ 68,543,094	\$ 11,924,012	\$ 816,033	\$ 12,740,045	\$ 81,283,139	\$ 67,341,914
Employee taxes and fringe benefits	7,009,873	6,983,471	1,395,694	1,751,752	264,004	17,404,794	3,060,619	200,500	3,261,119	20,665,913	17,738,972
Total Salaries and Related Expenses	34,501,772	34,614,042	6,910,766	8,666,154	1,255,154	85,947,888	14,984,631	1,016,533	\$16,001,164	101,949,052	85,080,886
Temporary services	1,132,590	2,263,466	160,210	230,311	19,923	3,806,500	544,024	3,675	547,699	4,354,199	5,129,106
Real estate, water, and sewer taxes	539,286	628,096	345,914	47,183	240,513	1,800,992	25,304	1,027	26,331	1,827,323	2,305,209
Rent	20,613,827	17,820,541	7,609,738	1,978,427	101,088	48,123,621	997,018	40,076	1,037,094	49,160,715	46,893,491
Utilities	761,996	1,492,400	1,130,809	389,209	511,258	4,285,672	157,192	6,725	163,917	4,449,589	3,394,144
Communications	285,440	238,994	151,961	149,376	20,391	846,162	82,688	82,542	165,230	1,011,392	1,108,347
Printing and postage	81	573	1,162	206	38	2,060	7,124	19,482	26,606	28,666	44,081
Insurance	1,052,759	1,255,709	549,245	319,705	21,583	3,199,001	564,426	26,098	590,524	3,789,525	3,145,372
Professional fees	2,742,011	3,466,590	1,009,389	484,427	106,651	7,809,068	3,018,330	23,826	3,042,156	10,851,224	9,128,734
Staff training and recruitment	127,006	211,854	33,536	22,426	2,255	397,077	595,298	79,851	675,149	1,072,226	1,291,843
Office expenses	244,272	273,708	110,475	62,574	27,295	718,324	107,823	42,399	150,222	868,546	983,618
Supplies	863,739	1,546,952	199,838	193,563	53,468	2,857,560	68,185	2,652	70,837	2,928,397	2,279,183
Equipment	555,021	537,182	162,723	64,939	20,290	1,340,155	134,558	15,388	149,946	1,490,101	1,535,381
Maintenance and repairs	2,479,124	2,839,399	1,672,347	718,229	679,565	8,388,664	446,470	6,745	453,215	8,841,879	7,634,891
Travel	828	271	32,766	20,924	135	54,924	20,594	254	20,848	75,772	63,585
Client related expenses	5,796,490	2,711,001	812,286	845,691	13,966	10,179,434	31,244	2,789	34,033	10,213,467	10,304,524
Interest	53,889	20,303	4,309	82,392	4,947,299	5,108,192	361,433	-	361,433	5,469,625	2,177,177
Catering and other expenses	-	-	-	-	-	-	-	356,646	356,646	356,646	352,625
Bad debt expenses	-	-	-	-	225,875	225,875	929,605	-	929,605	1,155,480	2,788,003
Property management cost	-	-	120,964	-	-	120,964	-	-	-	120,964	149,104
Other	245,456	174,650	57,615	41,490	37,496	556,707	1,628,620	16,006	1,644,626	2,201,333	1,230,816
Total Expenses Before Depreciation and Amortization	71,995,587	70,095,731	21,076,053	14,317,226	8,284,243	185,768,840	24,704,567	1,742,714	26,447,281	212,216,121	187,020,120
Depreciation and amortization	112,981	334,623	86,153	648,672	1,685,628	2,868,057	1,977,554	2,780	1,980,334	4,848,391	4,506,946
ROU amortization	1,928,566	454,415	31,568	4,043	-	2,418,592	63,211	4,293	67,504	2,486,096	1,464,693
Less expenses deducted directly from revenues on the combined statements of activities											
Direct cost of special events	-	-	-	-	-	-	-	(356,646)	(356,646)	(356,646)	(352,625)
Total Expenses	\$ 74,037,134	\$ 70,884,769	\$ 21,193,774	\$ 14,969,941	\$ 9,969,871	\$ 191,055,489	\$ 26,745,332	\$ 1,393,141	\$ 28,138,473	\$ 219,193,962	\$ 192,639,134

See Notes to Combined Financial Statements

Bowery Residents' Committee, Inc. and Affiliated Organizations
Combined Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

(Continued)

	2024									
	Program Services						Supporting Services			
	Gateway Services	Homeless Services	Housing Services	Treatment Services	Affiliated Organizations - Housing	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 23,896,858	\$ 22,255,705	\$ 4,141,053	\$ 6,470,249	\$ 810,550	\$ 57,574,415	\$ 9,045,918	\$ 721,581	\$ 9,767,499	\$ 67,341,914
Employee taxes and fringe benefits	6,264,130	5,802,669	1,087,146	1,719,982	212,886	15,086,813	2,454,912	197,247	2,652,159	17,738,972
Total Salaries and Related Expenses	30,160,988	28,058,374	5,228,199	8,190,231	1,023,436	72,661,228	11,500,830	918,828	12,419,658	85,080,886
Temporary services	1,836,689	2,585,325	151,248	233,613	86,716	4,893,591	229,361	6,154	235,515	5,129,106
Real estate, water, and sewer taxes	472,828	1,129,893	460,840	31,764	193,057	2,288,382	15,659	1,168	16,827	2,305,209
Rent	20,033,550	17,333,646	6,553,442	1,843,500	100,106	45,864,244	966,131	63,116	1,029,247	46,893,491
Utilities	723,333	1,171,755	778,456	290,113	330,037	3,293,694	93,470	6,980	100,450	3,394,144
Communications	326,761	257,076	198,871	237,663	18,288	1,038,659	65,221	4,467	69,688	1,108,347
Printing and postage	167	1,965	1,967	2,219	326	6,644	4,481	32,956	37,437	44,081
Insurance	925,788	1,050,854	480,038	274,228	278,151	3,009,059	126,249	10,064	136,313	3,145,372
Professional fees	2,417,125	3,118,113	985,522	454,540	143,085	7,118,385	1,958,069	52,280	2,010,349	9,128,734
Staff training and recruitment	218,134	275,152	66,625	59,635	2,516	622,062	661,412	8,369	669,781	1,291,843
Office expenses	256,702	292,719	84,710	120,655	34,630	789,416	118,171	76,031	194,202	983,618
Supplies	684,240	1,149,081	160,223	187,711	33,446	2,214,701	60,203	4,279	64,482	2,279,183
Equipment	380,696	370,621	373,822	152,532	58,088	1,335,759	191,189	8,433	199,622	1,535,381
Maintenance and repairs	2,051,140	1,753,479	1,864,904	625,412	512,397	6,807,332	818,349	9,210	827,559	7,634,891
Travel	92	302	22,311	29,046	190	51,941	11,351	293	11,644	63,585
Client related expenses	6,422,150	2,553,367	561,352	731,050	9,234	10,277,153	25,039	2,332	27,371	10,304,524
Interest	32,958	1,262	640	75,795	2,044,023	2,154,678	22,499	-	22,499	2,177,177
Catering and other expenses	-	-	-	-	-	-	-	352,625	352,625	352,625
Bad debt expenses	-	-	-	-	308,096	308,096	2,479,907	-	2,479,907	2,788,003
Property management cost	-	-	121,167	-	27,937	149,104	-	-	-	149,104
Other	37,012	62,451	247,703	233,949	22,339	603,454	626,101	1,261	627,362	1,230,816
Total Expenses Before Depreciation and Amortization	66,980,353	61,165,435	18,342,040	13,773,656	5,226,098	165,487,582	19,973,692	1,558,846	21,532,538	187,020,120
Depreciation and amortization	334,481	357,613	49,208	421,958	2,455,456	3,618,716	885,306	2,924	888,230	4,506,946
ROU amortization	950,149	486,056	(51,523)	10,122	-	1,394,804	65,596	4,293	69,889	1,464,693
Less expenses deducted directly from revenues on the combined statements of activities	-	-	-	-	-	-	-	-	-	-
Direct cost of special events	-	-	-	-	-	-	-	(352,625)	(352,625)	(352,625)
Total Expenses	\$ 68,264,983	\$ 62,009,104	\$ 18,339,725	\$ 14,205,736	\$ 7,681,554	\$ 170,501,102	\$ 20,924,594	\$ 1,213,438	\$ 22,138,032	\$ 192,639,134

See Notes to Combined Financial Statements

Bowery Residents' Committee, Inc. and Affiliated Organizations
Combined Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ (7,570,489)	\$ (4,402,461)
Items not requiring (providing) operating cash flows		
Depreciation and amortization	4,848,391	4,506,946
Amortization of debt issuance costs included in interest expense	62,276	76,572
Net realized and unrealized gains on investments	(373,974)	(171,202)
Provision for bad debts	1,155,480	2,788,003
Noncash operating lease expense	2,564,070	1,500,086
Changes in		
Accounts receivable and grant receivable	(3,862,501)	700,290
Contributions receivable	(382,881)	102,701
Prepaid expenses and other assets	346,429	(112,808)
Accounts payable and accrued expenses	3,146,557	3,258,124
Due to government agencies	911,195	(16,415)
Accrued compensation and related taxes	1,184,493	(315,535)
Accrued interest payable	846,221	828,715
Deferred revenue	2,383,553	(1,999,657)
Net Cash Provided by Operating Activities	5,258,820	6,743,359
Investing Activities		
Purchase of Investments	(15,036,015)	(9,974,808)
Proceeds from sale of investments	15,165,803	8,201,106
Purchase of property and equipment	(58,083,744)	(12,050,694)
Net Cash Used in Investing Activities	(57,953,956)	(13,824,396)
Financing Activities		
Principal payments on finance lease liabilities	(521,247)	(206,140)
Proceeds from line of credit	(9,000,000)	-
Principal payments on line of credit	13,000,000	(1,000,000)
Proceeds from loan	53,234,063	9,677,236
Principal payments on loan	(2,081,513)	(4,223,875)
Net Cash Provided by Financing Activities	54,631,303	4,247,221
Net Change in Cash and Restricted Cash	1,936,167	(2,833,816)
Cash and Restricted Cash, Beginning of Year	10,297,334	13,131,150
Cash and Restricted Cash, End of Year	\$ 12,233,501	\$ 10,297,334
Cash and Restricted Cash Consist of:		
Cash	\$ 8,375,329	\$ 6,820,850
Restricted cash - assets limited as to use	3,858,172	3,476,484
	\$ 12,233,501	\$ 10,297,334
Supplemental Cash Flows Information		
Interest paid	\$ 4,561,128	\$ 1,271,890
Property and equipment in accounts payable	1,515,453	2,688,013
ROU assets obtained in exchange for new operating lease liabilities	67,816,027	6,603,073
ROU assets obtained in exchange for new finance lease liabilities	2,868,612	1,711,043

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Bowery Residents' Committee, Inc. (BRC) and Affiliated Organizations (collectively, the Organization) were formed for the charitable purpose of owning, rehabilitating, maintaining, and operating low income housing projects and providing related social service programs to individuals and families with limited resources in the metropolitan New York City area. This includes persons experiencing homelessness, food insecurity, substance use, serious mental illness, aging-related challenges, and those living with HIV and AIDS. BRC provides a comprehensive array of services including healthcare, vocational rehabilitation, temporary and permanent housing, community education, and advocacy. BRC is also a leading provider of transit outreach to street homeless New Yorkers. Outreach teams canvass transit areas, engaging with those experiencing homelessness. Through compassion, patience, and persistence, outreach teams build trust with persons experiencing homelessness and connecting them with services that lead to supportive and transitional housing. Through these services, BRC empowers individuals to achieve greater stability and independence, while working to enhance the overall quality of life in the communities it serves.

The Organization consists of nonprofit housing development fund corporations (HDFC), general partnerships (GP), limited partnerships (LP), limited liability corporations (LLC), C-corporations, and a private foundation (PF). The Organization is financed principally by grants and contracts from governmental and community-based agencies, as well as fees received from developing and managing properties, rental income, and philanthropic contributions from the public.

The following Affiliates have been formed to further the Organization's mission:

Pitt Street HDFC operates programs that provide housing to former homeless people with mental illness.

Pitt Street GP, Inc. was organized as the general partner for 93 Pitt Street Limited Partnership. In 2013, Pitt purchased the limited partner's interest. 93 Pitt Street G.P., Inc. has not been formally dissolved.

330 East 4th Street HDFC was organized to own, construct, and operate a permanent housing project for formerly homeless elderly persons who participate in case management, crisis intervention, nutritional and recreational services.

Fulton Street HDFC was organized to own and operate a community residence for individuals diagnosed with severe and persistent mental illness.

Palace Renaissance, Inc. was organized to provide space to further BRC's mission.

Palace Renaissance HDFC was organized to operate housing for persons of low income.

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.

902 Liberty Avenue HDFC was organized as the general partner for 902 Liberty Avenue, L.P. with a .01% interest ownership.

902 Liberty Avenue GP provides housing to individuals and families of low income. Liberty Avenue GP was .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.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

902 Liberty Avenue, LP is a limited partnership organized on November 1, 2008, under the laws of the State of New York for the purpose 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.

West 25th Street HDFC was organized to provide transitional housing for individuals of low income.

BRC Landing Road I HDFC was organized to own, construct and operate transitional and permanent housing for individuals of low income.

BRC Landing Road II, LP was organized to own, construct, and operate a housing project providing supportive housing to low-income individuals, some of whom meet other eligibility criteria.

BRC Landing Road II GP Inc. was organized to own, construct, and operate a housing project providing affordable housing to low-income individuals.

BRC AIDS Services Corporation operates programs that provide healthcare services to individuals living with HIV/AIDS.

BRC Inwood I 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.

BRC Inwood II HDFC was organized to construct, own and operate a housing project providing supportive and affordable housing to low-income households.

BCD HFDC was organized for the purpose of developing and operating a housing project for persons of low income.

BCD Owner LLC was organized to own, construct, and operate a housing project providing supportive and affordable housing to low-income households. It is a joint venture between BRC (51%) and Camber Property Group (49%).

BCD Shelter HDFC was organized for the purpose of developing and operating a housing project for persons of low income.

BCD Shelter Owner LLC was organized to operate transitional housing for persons of low income.

CPG BRC BCD Ventures LLC was organized to own, construct, and operate a housing project providing supportive and affordable housing to low-income households. It is a joint venture between BRC (51%) and Camber Property Group (49%).

BRC BCD Member LLC was organized for the purpose of developing and operating a housing project for persons of low income.

BRC Amsterdam LLC was organized for the purpose of developing and operating a housing project for persons of low income.

PPS HDFC was organized for the purpose of developing and owning a housing project for persons of low income.

BFH HDFC is a charitable not-for-profit corporation organized to own and operate affordable housing for low-income households, including those exiting homelessness.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Basis of Combination

All material intercompany transactions and balances have been eliminated in combination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Restricted Cash

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Deposits restricted internally and externally are considered to be cash. Uninvested cash equivalents included in investment accounts are not considered to be cash.

At June 30, 2025, the Organization's cash accounts exceeded federally insured limits by approximately \$8,087,000.

Assets Limited as to Use

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

Accounts Receivable

Accounts receivables are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive. The Organization provides an allowance for credit loss, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. Accounts receivable from government fees and grants and other sources of income are recorded when services are rendered or when qualifying expenses are incurred.

Accounts receivables are ordinarily due 30 days after the issuance of the invoice. Medicaid amounts past due more than 90 days are considered delinquent. Grants receivables are analyzed on a case by case basis, by funder, to determine collectability. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

The Organization determines whether an allowance for credit loss should be provided for contributions receivable and accounts receivable. Such estimates are based on management's assessment of the aged basis of the account, current economic conditions, and historical information. Receivables are written off against the allowance for credit loss when all reasonable collection efforts have been exhausted. The allowance for credit loss for the fiscal years ended June 30, 2025 and 2024, was approximately \$3,200,000 and \$2,400,000, respectively.

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	10 to 40 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Vehicles	4 years

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

The Organization capitalizes interest costs as a component of construction in progress, based on the interest rates paid for the borrowing. Total interest incurred and capitalized for June 30, 2025 and 2024 was \$1,608,973 and \$2,422,284, respectively.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2025 and 2024.

Deferred Revenue

Revenue from assignment of leasehold interest is amortized over the life of the lease.

Deferred revenue also includes revenue from contracts and 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 statements of financial position.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Nature of the Gift	Value Recognized
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

The following are the contributions commitments that extend beyond June 30, 2025:

Grant	Term	Grant Amount	Earned and Forfeited Through 2025	Funding Available
Robin Hood Foundation	10/1/2024 - 09/30/2026	\$ 800,000	\$ 400,000	\$ 400,000

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Program Fees

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

Agency Transaction

As a result of the Fiscal Year 2023 New York State Executive Budget legislation, the New York State Health Care and Mental Hygiene Worker Bonus (HWB) Program established the payment of bonuses for certain frontline healthcare workers. The HWB Program provision allows for the payment of bonuses to recruit, retain, and reward health care and mental hygiene workers meeting specified eligibility requirements. In fiscal year 2025 and 2024, the Organization received \$0 and \$80,905, respectively, in worker bonuses under the HWB Program that were considered as an agency transaction as they did not have variance power over the bonus and must disburse the bonus funds to the individuals identified by the resource provider.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Noncontrolling Interests

In accordance with Accounting Standards Codification (ASC) 810, *Consolidation*, the Organization reports noncontrolling interests, sometimes referred to as minority interests, as part of total net assets in the combined statements 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 statements of changes in net assets. For the years ended June 30, 2025 and 2024, the change in the noncontrolling interest balance was \$(2,236,193) and \$(2,804,541), respectively.

Income Taxes

BRC, Pitt, 330 E. 4th, Fulton, BRC AIDS, 25th Street HDFC, 139-141 Avenue D HDFC, BRC Inwood I, BRC Landing Road I and Liberty Avenue are exempt from federal income tax under Section 501(c)(3) of the 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., 902 Liberty Avenue G.P., Beach Channel Drive, BCD Shelter, BCD Member and Amsterdam 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 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 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 years ended June 30, 2025 and 2024, there were no interest or penalties recorded or included in the combined statements of activities. The Organization believes it is no longer subject to income tax examinations for the years prior to 2022, which is the standard statute of limitation look-back period.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined statements of activities. The combined statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the direct cost method and other methods such as square footage.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Grant Reimbursements Receivable and Future Commitments

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the grant agreements. These grants are conditional upon incurring allowable expenditures as specified in the contracts. Since the combined financial statements of the Organization are prepared on the accrual basis, all portions of the grants not yet received as of June 30, 2025 where the Organization has an unconditional right to payment have been recorded as receivables. The following are the grant commitments that extend beyond June 30, 2025:

Grant	Term	Grant Amount	Earned and Forfeited Through 2025	Funding Available
DHS	Various from 12/01/2016 - 06/30/2064	\$ 2,193,318,020	\$ 509,815,925	\$ 1,683,502,095
HUD	Various from 5/1/2024 - 04/30/2026	810,668	431,005	379,663
HASA	Various from 04/15/2021 - 06/30/2051	159,452,934	16,208,451	143,244,483
OTDA	1/1/2022-12/31/2026	1,574,852	631,769	943,083
OMH	Various from 11/1/2023 - 06/30/2029	58,935,580	50,761,323	8,174,257
PATH	9/1/2022 - 8/31/2024	818,096	251,502	566,594
OASAS	Various from 07/01/2019 - 6/30/2029	17,432,121	3,251,478	14,180,643
DFTA	Various from 12/16/2021 - 6/30/2026	1,425,398	426,579	998,819
Private	Various from 07/01/2019 - 6/30/2026	2,909,651	2,298,317	611,334
DOHMH	Various from 12/01/2019 - 09/30/2039	84,463,368	14,217,801	70,245,567
Total		<u>\$ 2,521,140,688</u>	<u>\$ 598,294,150</u>	<u>\$ 1,922,846,538</u>

The grant agreements include certain clauses that allow them to be terminated in whole or in part by the granting agency as well as the Organization.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the combined statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

The Organization combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for all of its leases.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the combined statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Investments

The Organization measures securities at fair value.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Revision

An immaterial revision was made to the 2024 functional expenses to better reflect the allocation between program services and management and general activities. This revision had no impact on the change in net assets or overall financial position.

Reclassification

The Organization updated its financial statement presentation to show BRC and its affiliated entities separately on the face of the combined financial statements. Previously, affiliates were presented in combining schedules included as supplementary information. This change was made to improve clarity and usability of the financial statements, as the consolidating schedules had become increasingly complex with the addition of small affiliates. The reclassification has no impact on total net assets, change in net assets, or overall financial position. Comparative information for prior periods has been reclassified to conform to the current year presentation.

Additionally, the amortization of the right-of-use asset is now presented below the line with depreciation, as both are noncash expenses. This presentation provides better clarity for financial statement users by showing these noncash expenses separately. These changes are not material and do not affect net assets or overall financial position.

Note 2. Contributions Receivable

Contributions receivable at June 30, 2025 and 2024 consisted of the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 1,081,256	\$ -	\$ 1,081,256
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 495,550	\$ 202,825	\$ 698,375

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Note 3. Property and Equipment

Property and equipment at June 30, 2025 and 2024 consist of:

	2025		
	BRC	Affiliated Organizations	Total
Land	\$ -	\$ 20,895,059	\$ 20,895,059
Buildings and improvements	38,082,853	123,526,782	161,609,635
Leasehold improvements	4,404,532	3,656,664	8,061,196
Furniture and equipment	6,261,667	859,999	7,121,666
Construction in progress	6,083,857	23,069,818	29,153,675
	54,832,909	172,008,322	226,841,231
Less accumulated depreciation	(24,962,028)	(31,314,940)	(56,276,968)
Property and equipment, net	<u>\$ 29,870,881</u>	<u>\$ 140,693,382</u>	<u>\$ 170,564,263</u>
	2024		
	BRC	Affiliated Organizations	Total
Land	\$ -	\$ 16,245,059	\$ 16,245,059
Buildings and improvements	37,026,012	89,724,452	126,750,464
Leasehold improvements	5,393,268	3,722,645	9,115,913
Furniture and equipment	5,986,935	817,465	6,804,400
Vehicles	643,304	-	643,304
Construction in progress	4,476,401	10,020,527	14,496,928
	53,525,920	120,530,148	174,056,068
Less accumulated depreciation	(22,993,246)	(30,229,778)	(53,223,024)
Property and equipment, net	<u>\$ 30,532,674</u>	<u>\$ 90,300,370</u>	<u>\$ 120,833,044</u>

The Organization has outstanding commitments for future construction projects of \$441,096 at June 30, 2025.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Note 4. Accounts and Grants Receivable, Net

At June 30, 2025 and 2024, accounts receivable, net consist of the following:

	2025		
	BRC	Affiliated Organizations	Total
Government and other grants	\$ 25,866,148	\$ -	\$ 25,866,148
Medicaid	864,827	-	864,827
Other	470,614	1,673,170	2,143,784
Allowance for doubtful accounts	(2,462,369)	(719,662)	(3,182,031)
	<u>\$ 24,739,220</u>	<u>\$ 953,508</u>	<u>\$ 25,692,728</u>

	2024		
	BRC	Affiliated Organizations	Total
Government and other grants	\$ 22,313,367	\$ -	\$ 22,313,367
Medicaid	820,705	-	820,705
Other	919,285	1,345,729	2,265,014
Allowance for doubtful accounts	(1,861,624)	(551,755)	(2,413,379)
	<u>\$ 22,191,733</u>	<u>\$ 793,974</u>	<u>\$ 22,985,707</u>

Note 5. Assets Limited as to Use

As of June 30, 2025 and 2024, assets limited as to use consist of the following:

	2025		
	BRC	Affiliated Organizations	Total
Operating reserve	\$ 296,683	\$ 1,936,343	\$ 2,233,026
Replacement reserve	16,500	267,799	284,299
Capital reserve	-	526,610	526,610
Social service reserve	216,461	153,422	369,883
Escrow deposit	-	444,354	444,354
	<u>\$ 529,644</u>	<u>\$ 3,328,528</u>	<u>\$ 3,858,172</u>

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

	2024		
	BRC	Affiliated Organizations	Total
Operating reserve	\$ 296,631	\$ 1,890,957	\$ 2,187,588
Replacement reserve	8,250	372,081	380,331
Capital reserve	-	478,410	478,410
Social service reserve	216,423	164,000	380,423
Escrow deposit	-	49,732	49,732
	<u>\$ 521,304</u>	<u>\$ 2,955,180</u>	<u>\$ 3,476,484</u>

Note 6. Line of Credit

In September 2022, BRC entered into an agreement and has a \$13,000,000 revolving line of credit secured by all present and future personal property. At June 30, 2025 and 2024, there was \$4,000,000 and \$0 borrowed against this line, respectively. Interest varied with the Secured Overnight Financing Rate (SOFR) plus a margin of 1.25% which was 5.64% and 6.58% at June 30, 2025 and 2024, respectively. Interest expense during the years ending June 30, 2025 and 2024 was \$225,247 and \$718, respectively.

Note 7. Leases

Nature of Leases

The Organization has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of vehicles for the use of the Organization. Termination of the leases generally is prohibited unless there is a violation under the lease agreement.

Operating Leases

The Organization has leases for programs and office space that expire in various years through 2052. Lease payments have an escalating fee schedule. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

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 being amortized over the life of the lease.

Short-Term Leases

The Organization leases spaces and certain equipment on short term leases that are 12 months or less.

All Leases

The Organization has no material related-party leases.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	\$ 537,038	\$ 210,898
Interest on lease liabilities	94,724	41,132
Operating lease cost	46,491,382	31,251,517
Short-term lease cost	4,565,738	17,106,668
Variable lease cost	879,046	1,412,755
	<u> </u>	<u> </u>
Total lease cost	<u>\$ 52,567,928</u>	<u>\$ 50,022,970</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 94,724	\$ 41,132
Operating cash flows from operating leases	43,950,894	31,873,776
Financing cash flows from finance leases	521,247	206,140
Right-of-use assets obtained in exchange for new finance lease liabilities	2,868,612	1,711,043
Right-of-use assets obtained in exchange for new operating lease liabilities	67,816,027	6,603,073
Weighted-average remaining lease term		
Finance leases	4.28 years	4.39 years
Operating leases	13.94 years	16.37 years
Weighted-average discount rate		
Finance leases	4.14%	4.17%
Operating leases	3.28%	3.06%

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Future minimum lease payments and reconciliation to the combined statements of financial position at June 30, 2025 are as follows:

	Finance Leases	Operating Leases
2026	\$ 1,003,001	\$ 45,368,177
2027	1,003,001	41,717,771
2028	1,003,001	35,412,762
2029	755,729	35,872,004
2030	439,075	23,129,586
Thereafter	-	185,446,508
Total future undiscounted lease payments	4,203,807	366,946,808
Less interest	(351,539)	(74,658,734)
Lease liabilities	<u>\$ 3,852,268</u>	<u>\$ 292,288,074</u>

Note 8. Loans Payable

	2025	2024
BRC		
On March 27, 2020, President Trump signed into law the <i>Coronavirus Aid, Relief, and Economic Security Act</i> . During April 2021, the Organization received a loan in the amount of \$9,779,820 pursuant to the Paycheck Protection Program (PPP). On September 15, 2022, BRC received forgiveness of \$4,921,504 in principal and \$68,764 in interest of the loan. The balance was paid in 2025.	\$ -	\$ 306,507
In December 2019, BRC received an additional recoverable grant of \$120,000 disbursed in the amount of 40,000 per year for three years. This loan is due in three annual installments of \$40,000 starting on November 2022. The balance was paid in 2025.	-	40,000
In July 2020, having a multi-year contract with NYS Office of Mental Health, (OMH) BRC in assistance with OMH enter into loan agreement with Dormitory Authority of the state of New York for \$1,929,976 for the purpose of refinancing a portion of the costs of the developing mental health program facility, owned by Pitt Street HDLC. There is a 4.99% annual interest rate on the loan. The principal amount of the loan is paid annually, interest paid semi annually. The payments are made by the Organization to OMH by June 1, once a year. The loan is secured by interest in pledge revenues and equipment and furnishings in connection to the Project. The maturity date of the loan is March 31, 2043.	1,633,325	1,688,828
Total BRC	<u>1,633,325</u>	<u>2,035,335</u>

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

	2025	2024
Affiliated Organizations		
330 East 4th Street HDFC		
330 East 4th Street HDFC 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.		
In 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 East 4th HDFC 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. The balance on the mortgage as of June 30, 2025 and 2024 was \$38,785 and \$38,785, respectively.		
330 East 4th Street HDFC obtained a loan in the amount \$1,474,000 from the City of New York to rehabilitate the premises as the housing for low-income persons, of which only \$760,678 has been drawn down as of June 30, 2023. In December 2019, 330 East 4th Street HDFC obtained a loan in the amount of \$1,161,493, from the City of New York to rehabilitate the premises as housing for low-income persons, of which \$1,148,335 has been drawn down as of June 30, 2023. The loan converted to permanent financing during fiscal year 2023 and bears interest of 1%. The mortgage requires no principal payments until maturity in December 2079.		
	\$ 3,434,013	\$ 3,472,797
Palace Renaissance		
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 April 29, 2036. The imputed interest that was recognized was \$28,546.		
	2,854,573	2,854,573
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	10,000
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.		
	16,000	16,000

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

	2025	2024
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.	\$ 16,000	\$ 16,000
BRC Landing Road I HDFC In March 2018, BRC Landing Road I HDFC obtained a note payable from the Community Preservation Corporation in the amount of \$18,575,688. There is a 5.57% annual interest rate on the loan. The loan principal and interest are due in monthly installments beginning on May 1, 2018. The maturity date on the loan is April 1, 2048.	16,436,441	16,788,444
Pitt Street HDFC Mortgage due to The City of New York Department of Housing Preservation and Development of \$2,276,588, which consists of three portions; (1) Shelter plus care loan, \$552,000, 5.25% interest rate until 10th anniversary and .97% thereafter, 30-year term maturing in July 2025, (2) Capital budget loan, \$1,330,194, 1.25% interest rate, 30-year term maturing in July 2025 and (3) Loan of \$394,394, 1.25% interest rate, maturing July 2040. Above mortgages were modified in June 2013. The terms of payment of the indebtedness are modified as follows: no interest shall accrue on the principal amount and the principal amount remaining is due in July 2040.	2,276,588	2,276,588
902 Liberty Ave., L.P. 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	6,446,813
Mortgage payable to NYS Housing Finance Agency. The loan is non-interest-bearing with principal due March 2052. The loan is secured by an interest in real estate.	1,260,000	1,260,000
BRC Landing Road II, L.P. Mortgage payable to New York City Housing Development Corporation (HDC). The interest rate is 5.7% per annum. The mortgage requires interest and principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	1,101,719	1,123,398
Mortgage payable (2nd Tranche A) to HDC. The interest rate is 2.72% per annum. The mortgage requires interest and no principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	8,840,000	8,840,000
Mortgage payable (2nd Tranche B – BLA) to HDC. The interest rate is 2.72% per annum. The mortgage requires interest and no principal payments until maturity in November 2048. The loan is secured by an interest in real estate.	7,480,000	7,480,000
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.	2,015,000	2,015,000

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

	2025	2024
Mortgage payable to The City of New York Department of Housing Preservation and Development (Tranche A (BLA) and Tranche B (BLA)). The interest rate is 2.47% per annum up through maturity. This loan does not require interest or principal payments until maturity in November 2078. The loan is secured by an interest in real estate.	\$ 5,683,545	\$ 5,683,545
139-141 Avenue D HDFC		
139-141 Avenue D HDFC is the holder of a mortgage dated June 2017 to the City of New York for the principal sum of \$647,792. As of June 30, 2022, the remaining principal balance was \$635,065. The interest rate is 2.65% per annum up through maturity in December 2048, at which time the outstanding principal and interest are due. The mortgage is secured by an interest in the real estate.	635,065	635,065
Green Reserve Loan payable to New York City Housing Development Corporation (HDC). The interest rate is 2.65% per annum. As of June 30, 2023, 139-141 Avenue D HDFC was advanced \$24,025 of the mortgage principal. The loan requires no interest or principal payments until maturity in December 2048. The loan is secured by an interest in real estate.	24,025	24,025
Mortgage payable to The City of New York Department of Housing Preservation and Development. The loan is non-interest-bearing and matures in December 2048, at which time outstanding principal and service fees are due. The loan is secured by an interest in real estate.	4,202,370	4,202,370
BRC Inwood I Housing Development Fund Corporation		
In May 2023, BRC Inwood I Housing obtained a note payable from UMB Bank in the amount of \$10,400,000. There is a 5.6% annual interest rate on the loan. The loan interest and principal are due in monthly installments beginning on June 1, 2023 and November 1, 2024, respectively. The maturity date on the loans is October 1, 2054. The loan is secured by an interest in real estate.	10,312,087	10,400,000
In May 2023, BRC Inwood I Housing entered into a loan agreement with UMB Bank in an amount of \$21,797,900. As of June 30, 2025 and 2024, BRC Inwood was advanced \$18,394,007 and \$8,081,417, respectively, of the mortgage principal. The interest rate is 5.6% per annum. The loan interest and principal are due in monthly installments beginning on June 1, 2023 and November 1, 2024, respectively. The maturity date on the loan is October 1, 2054. The loan is secured by an interest in real estate.	18,394,007	8,081,417
In May 2023, BRC Inwood I Housing entered into a loan agreement with UMB Bank in an amount of \$11,057,100. As of June 30, 2025 and 2024, BRC Inwood was advanced \$7,249,792 and \$6,112,160, respectively, of the mortgage principal. The interest rate is 5.6% per annum. Monthly interest and principal installments payments began on June 1, 2023, and November 1, 2024, respectively. The maturity date on the loan is October 1, 2054. The loan is secured by an interest in real estate.	7,249,792	6,112,161

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
BRC PPS HDFC		
In February 2025, PPS Housing Development Fund Corporation, with Bowery Residents' Committee, Inc. as guarantor, entered into a loan agreement with Supportive Housing Solutions Fund LLC (affiliated with Corporation for Supportive Housing) for a total loan amount of \$6,476,705. As of June 30, 2025, PPS HDFC obtained \$4,871,566 of the mortgage principal. The interest rate is 7.70% per annum. The outstanding principal amount of the loan and all accrued interest is due on the maturity date, earlier of closing of construction financing, or February 15, 2028.	\$ 4,767,771	\$ -
BRC BCD Shelter Owner LLC		
In August 2022, BCD Shelter Owner LLC obtained a note payable from UMB Bank in the amount of \$3,356,955. There is a 5.37% annual interest rate on the loan. Monthly interest and principal installments payments began on February 1, 2023 and February 1, 2025, respectively. The maturity date on the loan is August 31, 2054. The loan is secured by an interest in real estate. The balances outstanding were drawn down in fiscal year 2025.	3,318,040	-
In August 2022, BCD Shelter Owner LLC obtained a note payable from UMB Bank in an amount of \$18,712,956. As of June 30, 2025, BCD Shelter Owner was advanced \$18,496,027 of the mortgage principal. The interest rate is 5.37% per annum. Monthly interest and principal installments payments began on February 1, 2023 and February 1, 2025, respectively. The maturity date on the loan is August 31, 2054. The loan is secured by an interest in real estate. The balances outstanding were drawn down in fiscal year 2025.	18,496,027	-
In August 2022, BCD Shelter Owner LLC obtained a note payable from UMB Bank in an amount of \$11,285,089. As of June 30, 2025, BCD Shelter Owner was advanced \$11,154,267 of the mortgage principal. The interest rate is 5.37% per annum. Monthly interest and principal installments payments began on February 1, 2023 and February 1, 2025, respectively. The maturity date on the loan is August 31, 2054. The loan is secured by an interest in real estate. The balances outstanding were drawn down in fiscal year 2025.	11,154,267	-
BRC Amsterdam LLC		
In August 2022, BRC Amsterdam LLC entered into a loan agreement with Corporation for Supportive Housing in an amount of \$1,000,000. As of June 30, 2025 and 2024, BRC Amsterdam obtained \$1,000,000 of the mortgage principal. The loan is unsecured and has an interest rate of 6% per annum. The outstanding principal amount of loan and all accrued interest is due on the maturity date, October 1, 2054.	1,000,000	1,000,000
Total Affiliated Organizations	137,424,143	88,738,196
Total	139,057,468	90,773,531
Less unamortized debt issuance costs	(1,103,529)	(1,165,805)
Total loans payable	<u>\$ 137,953,939</u>	<u>\$ 89,607,726</u>

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

At June 30, 2025, aggregate annual maturities of loans payable are as follows:

2026	\$ 2,562,285
2027	1,610,992
2028	6,499,582
2029	1,820,912
2030	1,901,459
Thereafter	<u>124,662,238</u>
Total loan payable	139,057,468
Less unamortized debt issuance costs	<u>(1,103,529)</u>
	137,953,939
Less current portion	<u>(2,562,285)</u>
Loans payable, net of current portion	<u>\$ 135,391,654</u>

On April 9, 2025, Bowery Residents' Committee, Inc. (BRC) executed a Loan Agreement with the Dormitory Authority of the State of New York (DASNY) through its agent, the New York State Office of Mental Health (OMH), in connection with financing for a community mental health services program facility. The closing was a "dry close," meaning no funds were disbursed and no enforceable debt obligation was created at that time. Funding of the loan is contingent upon DASNY issuing bonds and satisfying multiple conditions outlined in the agreement. Until such funding occurs, the initial funding provided by OMH is accounted for as a grant. Management expects the refinancing and conversion to debt to occur in a future period, but there is no legal obligation to repay the Initial Funding unless DASNY completes the bond issuance and funds the loan.

Note 9. Pension Benefit Plans

Defined Contribution Plan

The Organization sponsors two defined contribution pension plans covering substantially all employees. Effective July 1, 2025, the Organization increased its matching contribution from up to 4% to up to 6% of eligible compensation. The previous waiting period for participation no longer applies. During fiscal years 2025 and 2024, the Organization also made an additional discretionary contribution of \$1,000 per employee. Pension expense was \$3,448,682 and \$2,624,998 for the years ended June 30, 2025 and 2024, respectively.

In June 2021, BRC established an eligible deferred compensation plan under code section 457 for tax-exempt employers. The plan benefits a limited number of executives and key employees. Annual contributions are discretionary and may be terminated at any time, although there is currently no intention of management to terminate this plan. The contribution was set at 2% of the annual base salary for each eligible employee and amounted to \$221,127 and \$204,891 for the years ended June 30, 2025 and 2024, respectively.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Note 10. Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose		
Other	\$ 345,309	\$ 18,000
Cummings Memorial Fund	-	15,654
The Way Home Fund - real estate development	-	176,350
Contributions receivable, the proceeds of which have been restricted by donors for The Way Home Fund - real estate development	-	202,825
	<u>\$ 345,309</u>	<u>\$ 412,829</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions		
The Way Home Fund - real estate development	\$ 379,175	\$ 731,290
Cummings Memorial Fund	15,654	-
Other	18,000	-
	<u>\$ 412,829</u>	<u>\$ 731,290</u>

Note 11. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Total current financial assets	\$ 37,338,403	\$ 32,449,836
Less		
Financial assets with donor restrictions	<u>345,309</u>	<u>412,829</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 36,993,094</u>	<u>\$ 32,037,007</u>

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The change in net assets for the Organization for the years ended June 30, 2025 and 2024 includes noncash expenses of depreciation, amortization, and the adjustment to straight-line expenses for operating leases, as follows:

	<u>2025</u>	<u>2024</u>
Total change in net assets	\$ (7,570,489)	\$ (4,402,461)
Depreciation and amortization	4,848,391	4,506,946
Operating leases straight-line expense adjustment	<u>2,486,096</u>	<u>1,464,693</u>
Total change in net assets before certain noncash expenses	<u>\$ (236,002)</u>	<u>\$ 1,569,178</u>

Note 12. Deferred Revenue

During fiscal years 2025 and 2024, BRC received advances, which primarily consist of cost reimbursement contracts that have not been expended at year-end. BRC's deferred revenue balance related to these advances totaled \$3,171,510 and \$663,153 at June 30, 2025 and 2024, respectively.

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, 2025 and 2024 was \$2,634,940 and \$2,830,121, respectively.

As of June 30, 2025 and 2024, total deferred revenue was \$5,876,827 and \$3,493,274, respectively.

Note 13. Revenue from Contracts with Customers

Medicaid Revenue

Medicaid revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing addiction therapy and other services. These amounts are due from third-party payors and includes variable consideration for price concessions.

Revenue is recognized as performance obligations are satisfied, which is ratably over the period services are provided. Generally, the Organization bills monthly.

Program Service Fees

Program service fees revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing housing and other services. These amounts are due from third-party payors and includes variable consideration for price concessions.

Revenue is recognized as performance obligations are satisfied, which is ratably over the period services are provided. Generally, the Organization bills monthly.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Other Revenue

Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period the services are provided. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation.

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

Transaction Price and Recognition

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by implicit price concessions provided to customers. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of customers. Payments are due within 30 days of issuance of the invoice.

From time-to-time, the Organization will receive overpayments of customer balances resulting in amounts owed back to either the customers or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2025 and 2024, the Organization has a liability for refunds to third-party payors recorded of \$5,190,501 and \$4,279,306, respectively. This amount is included in due to government agencies on the statement of financial position.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the years ended June 30, 2025 and 2024, additional revenue of \$0 and \$36,408, respectively, was recognized due to changes in its estimates of implicit price concessions and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, customer, governmental programs, and others) that have different reimbursement and payment methodologies
- Organization's line of business that provided the service

Revenue for special events is generally recognized when goods are provided to donors over a period of time and the Organization does not believe it is required to provide additional goods or services related to that sale. The Organization determines the transaction price based on standard charges for goods and services provided.

For the years ended June 30, 2025 and 2024, the Organization recognized revenue of \$8,611,484 and \$6,719,986, respectively, from goods and services that transfer to the customer over time. For the years ended June 30, 2025 and 2024, the Organization recognized revenue of \$356,646 and \$352,625, respectively, from goods and services that transfer to the special event attendee over a period of time.

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Contract Balances

The following table provides information about the Organization's receivables from contracts with customers:

	<u>2025</u>	<u>2024</u>
Accounts receivable, beginning of year	\$ 820,705	\$ 758,459
Accounts receivable, end of year	864,827	820,705

Financing Component

The Organization has elected a practical expedient which allows the recognition of the promised amount of consideration without adjusting for the time value of money if the contract has a duration of one year or less.

Contract Costs

The Organization has elected a practical expedient which allows recognition of incremental costs to obtain a contract as an expense when incurred if the amortization period is less than one year.

Note 14. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Bowery Residents' Committee, Inc. and Affiliated Organizations
Notes to Financial Statements
June 30, 2025 and 2024

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

	Total Fair Value	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
June 30, 2025		
Assets		
Investments		
United States Treasury bills	\$ 1,010,673	\$ 1,010,673
Cash equivalents	1,178,417	
	<u>\$ 2,189,090</u>	<u>\$ 1,010,673</u>
Total investments		
	<u>\$ 2,189,090</u>	<u>\$ 1,010,673</u>
	Total Fair Value	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
June 30, 2024		
Assets		
Investments		
United States Treasury bills	\$ 1,915,170	\$ 1,915,170
Cash equivalents	29,734	
	<u>\$ 1,944,904</u>	<u>\$ 1,915,170</u>
Total investments		
	<u>\$ 1,944,904</u>	<u>\$ 1,915,170</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2025.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 15. Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the combined statement of activities included donated legal services of \$534,718 and \$222,044, respectively. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributions of services also include services received from board members.

Note 16. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions Receivable

Approximately 61% and 57% of all contributions receivable is from three donors in 2025 and 2024, respectively.

Governmental Grants Receivable

In 2025 and 2024, approximately 85% and 83%, respectively, of accounts receivable are from governmental contracts. Approximately 94% and 81% of governmental contracts receivable are from two agencies in 2025 and 2024, respectively.

Governmental Grants

Approximately 85% and 81% of all governmental grants were received from one agency in 2025 and 2024, respectively.

Labor Agreement

Approximately 65% of the Organization's employees are covered by collective bargaining agreements. The collective bargaining agreements expires on Jun 30, 2027.

General Litigation

The Organization is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

Note 17. Subsequent Events

Subsequent events have been evaluated through December 1, 2025, which is the date the financial statements were available to be issued.