The Doe Fund, Inc. and Affiliates

Combined Financial Statements

June 30, 2017

BAKER TILLY

Candor. Insight. Results.

Table of Contents
June 30, 2017

	Page
Independent Auditors' Report	1
Combined Financial Statements	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Changes in Net Assets	5
Combined Statement of Cash Flows	6
Notes to Combined Financial Statements	7 - 29

BAKER TILLY

Independent Auditors' Report

Board of Directors
The Doe Fund, Inc. and Affiliates

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of The Doe Fund, Inc. and Affiliates (the "Corporation"), which comprise the combined statement of financial position as of June 30, 2017, and the related combined statements of activities, changes in net assets 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 The Doe Fund, Inc. and Affiliates as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As part of our audit of the June 30, 2017 combined financial statements, we audited an adjustment, discussed in Note 3, which was applied to restate the July 1, 2016 opening net asset balance. In our opinion, this adjustment is appropriate and has been properly applied.

Baker Tilly Virchow Krause, LLP

New York, New York
January 9, 2018

The Doe Fund, Inc. and Affiliates

Combined Statement of Financial Position
June 30, 2017

	Not-for-Profit Entities	Housing Entities	Eliminations	Combined Total
Assets				
Current Assets				
Cash and cash equivalents	$ 931,312	$ 1,487,934	$ -	$ 2,419,246
Receivables, net of allowance for doubtful accounts of approximately $466,000	7,876,423	174,164	-	8,050,587
Grants and pledges receivable	962,146	-	-	962,146
Developer fees receivable, net of allowance for doubtful accounts of approximately $642,000	3,127,745	-	(718,490)	2,409,255
Investments	1,602	-	-	1,602
Due from affiliates	1,026,273	1,810,958	(2,837,231)	-
Prepaid expenses	804,184	-	-	804,184
Other receivables	51,492	2,410	-	53,902
Total current assets	14,781,177	3,475,466	(3,555,721)	14,700,922
Grants and pledges receivable, net of discount of $4,000	396,000	-	-	396,000
Lender restricted cash and contractual reserves	345,998	2,130,087	-	2,476,085
Deposits	671,011	10,268	-	681,279
Deferred mortgage interest	304,439	-	-	304,439
Property and equipment	29,148,834	71,916,038	(764,355)	100,300,517
Total assets	$ 45,647,459	$ 77,531,859	$ (4,320,076)	$ 118,859,242
Liabilities and Net Assets (Deficit)				
Current Liabilities				
Accounts payable and accrued expenses	$ 7,386,402	$ 84,905	$ -	$ 7,471,307
Current maturities of long-term debt	4,534,846	17,269,226	-	21,804,072
Trainee savings payable	818,819	-	-	818,819
Accrued interest payable - mortgages and notes	-	436,212	-	436,212
Developer fees payable	-	3,127,745	(718,490)	2,409,255
Construction payables	-	9,370,540	-	9,370,540
Due to affiliates	1,667,382	1,169,849	(2,837,231)	-
Total current liabilities	14,407,449	31,458,477	(3,555,721)	42,310,205
Deferred rent and lease incentives	549,003	3,308	-	552,311
Tenant security deposits	68,133	68,147	-	136,280
Long-term debt, net of current maturities and unamortized debt issuance costs	21,328,055	38,127,844	-	59,455,899
Total liabilities	36,352,640	69,657,776	(3,555,721)	102,454,695
Net Assets (Deficit)				
Unrestricted				
Controlling Interest	8,109,090	(24,454)	(764,355)	7,320,281
Non-Controlling Interest	-	7,898,537	-	7,898,537
Temporarily restricted	1,185,729	-	-	1,185,729
Total net assets (deficit)	9,294,819	7,874,083	(764,355)	16,404,547
Total liabilities and net assets (deficit)	$ 45,647,459	$ 77,531,859	$ (4,320,076)	$ 118,859,242

See notes to combined financial statements

The Doe Fund, Inc. and Affiliates

Combined Statement of Activities
Year Ended June 30, 2017

	Not-for-Profit Entities	Housing Entities	Eliminations	Combined Total
Unrestricted Net Assets				
Support and Revenue				
Contributions, net	$ 5,339,683	$ -	$ -	$ 5,339,683
Government grants and contracts	32,300,766	-	-	32,300,766
Other earned revenue	4,972,222	-	(20,558)	4,951,664
Developer fees	2,832,800	-	(764,355)	2,068,445
Management fees	151,684	-	(151,684)	-
Program service fees	1,823,619	-	-	1,823,619
Rental income	429,459	1,508,732	-	1,938,191
Other income	350,584	12,720	-	363,304
Net assets released from restrictions	658,413	-	-	658,413
Total support and revenue	48,859,230	1,521,452	(936,597)	49,444,085
Expenses				
Residential and social services	19,961,893	-	-	19,961,893
Work and training	18,505,291	-	-	18,505,291
Affordable housing operations	207,743	1,312,130	(172,242)	1,347,631
Management and general	6,873,175	-	-	6,873,175
Fundraising	1,967,279	-	-	1,967,279
Depreciation and amortization	1,499,692	530,019	-	2,029,711
Total expenses	49,015,073	1,842,149	(172,242)	50,684,980
Change in net assets before other non-recurring items	(155,843)	(320,697)	(764,355)	(1,240,895)
Other Non-Recurring Items				
Government contract revenue related to Muller project close out	15,719,979	-	-	15,719,979
Disposal of Muller project construction costs	(15,818,421)	-	-	(15,818,421)
Gain on sale of property	1,693,269	-	-	1,693,269
Forgiveness of debt	372,507	-	-	372,507
Increase (decrease) in unrestricted net assets	1,811,491	(320,697)	(764,355)	726,439
Temporarily Restricted Net Assets				
Contributions	339,000	-	-	339,000
Net assets released from restrictions	(658,413)	-	-	(658,413)
Decrease in temporarily restricted net assets	(319,413)	-	-	(319,413)
Change in net assets	1,492,078	(320,697)	(764,355)	407,026
Excess of expenses over support and revenue attributable to noncontrolling interest	-	319,542	-	319,542
Excess (deficiency) of support and revenue over expenses	$ 1,492,078	$ (1,155)	$ (764,355)	$ 726,568

See notes to combined financial statements

The Doe Fund, Inc. and Affiliates

Combined Statement of Changes in Net Assets
Year Ended June 30, 2017

	Unrestricted Net Assets			Temporarily	
	Controlling Interest	Non-Controlling Interest	Total	Restricted Net Assets	Combined Total
Beginning Balance, July 1, 2016, as Restated	$ 6,274,300	$ 6,734,820	$13,009,120	$ 1,505,142	$ 14,514,262
Contributions from investors	-	1,483,259	1,483,259	-	1,483,259
Excess of expenses over support and revenue attributable to noncontrolling interest	-	(319,542)	(319,542)	-	(319,542)
Excess (deficiency) of support and revenue over expenses	1,045,981	-	1,045,981	(319,413)	726,568
Ending Balance, June 30, 2017	$ 7,320,281	$ 7,898,537	$15,218,818	$ 1,185,729	$ 16,404,547

See notes to combined financial statements

Cash Flows from Operating Activities	
Increase in net assets	$ 407,026
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,029,711
Disposal of property and equipment	17,742,448
Interest expense on debt issuance costs	17,360
Deferred rent and lease incentives	(39,670)
Unrealized gain on investment securities	(500)
Bad debt expense	255,178
Amortization of discount on contributions receivable	4,000
Gain on forgiveness of debt	(372,507)
Gain on sale of property	(1,693,269)
(Increase) decrease in operating assets:	
Receivables	(125,906)
Grants and pledges receivable	389,037
Prepaid expenses	(605,062)
Other receivables	30,525
Deposits	(15,523)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	579,593
Deferred revenue	(48,324)
Trainee savings payable	45,464
Accrued interest payable - mortgages and notes	188,917
Tenant security deposits	(35,384)
Net cash provided by operating activities	18,753,114
Cash Flows from Investing Activities	
Purchase of property and equipment	(31,279,578)
Proceeds from sale of property	2,029,711
Change in lender restricted cash and contractual reserves	304,877
Net cash used in investing activities	(28,944,990)
Cash Flows from Financing Activities	
Capital contributions from investors	1,483,259
Proceeds from long-term debt	22,191,224
Repayments of long-term debt	(17,773,311)
Net cash provided by financing activities	5,901,172
Net decrease in cash and cash equivalents	(4,290,704)
Cash and Cash Equivalents, Beginning of Year	6,709,952
Cash and Cash Equivalents, End of Year	$ 2,419,248
Supplemental Disclosure of Cash Flow Information	
Cash paid for interest	$ 2,312,673
Non-Cash Investing and Financing Activities	
Deferred interest:	
Decrease in deferred mortgage interest	$ (89,560)
Increase in mortgage payable	89,560
Cash paid for deferred interest	$ -
Construction payable capitalized to property and equipment	$ 7,916,050

See notes to combined financial statements

1. Description of the Organization

The accompanying combined financial statements include the accounts of The Doe Fund, Inc., its wholly owned subsidiaries, and several affiliated entities as described below (collectively, the "Corporation"). The Doe Fund, Inc. provides oversight for these entities, which are affiliated (where applicable) through common management and Board of Directors. All significant intercompany transactions and balances have been eliminated in combination.

The Doe Fund, Inc. is a not-for-profit charitable organization exempt from income and excise taxes under Section 501(c) (3) of the Internal Revenue Code ("IRC"). The mission of The Doe Fund, Inc. is to develop and implement cost-effective, holistic programs that meet the needs of a diverse population working to break the cycles of homelessness, addiction, and criminal recidivism. All of the programs and innovative business ventures of The Doe Fund, Inc. ultimately strive to help homeless and formerly incarcerated individuals achieve self-sufficiency.

The following paragraphs summarize the entities comprising the Corporation, all of which are combined within the accompanying combined financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All HDFC entities of the Corporation were organized under Section 402 of the Not-for-Profit Corporation Law ("Section 402 of the NFPCL") and pursuant to Article XI of the Private Housing Finance Law ("Article XI of the PHFL") of the State of New York.

Back Office of New York, Inc. ("Back Office") - This entity, an affiliate of The Doe Fund, Inc., began operations in January 1998 to provide work and training opportunities to homeless individuals in the areas of bulk mail, fulfillment, contract packaging and internet research. The services are performed in a leased space located at 173 Cook Street, Brooklyn, New York. The entity ceased operations in May of 2015.

Ready, Willing & Able, Inc. ("RWA") - This entity, an affiliate of The Doe Fund, Inc., provides The Doe Fund, Inc.'s flagship program of comprehensive services, which include comfortable, safe, and drug-free supportive transitional housing, three nutritious meals a day, individual and group case management and counseling, substance abuse and relapse prevention services, paid transitional work opportunities, educational and occupational training, permanent housing placement, job preparation and placement, and lifetime graduate services. RWA conducts the following programs:

Ready, Willing & Able - Brooklyn ("RWA Brooklyn") - The first RWA program, operating since January 1990, is located at 520 Gates Avenue, Brooklyn, New York, and serves approximately 70 homeless men.

Ready, Willing & Able - Gates Contract Services ("RWA Gates Contract Services") - Serves formerly incarcerated individuals living in parole-approved housing, providing all the work and training opportunities and comprehensive services of RWA on a nonresidential basis. The program currently operates out of the RWA Brooklyn facility.

Ready, Willing & Able - Harlem ("RWA Harlem") - A 198-bed transitional housing facility for homeless men is located at 2960 Frederick Douglass Boulevard, Harlem, New York. The program began operations in May 1996.

Ready, Willing & Able - Harlem - Contract Services ("RWA Harlem Contract Services") - Serves formerly incarcerated individuals living in parole-approved housing, providing all the work and training opportunities and comprehensive services of RWA on a nonresidential basis. The program currently operates out of the RWA Harlem facility.

Ready, Willing & Able America, Inc. ("RWA America") - This entity, an affiliate of The Doe Fund, Inc., formed in April 2010, and obtained its 501(c)(3) status in August of 2014 to continue the effort to bring RWA to scale nationally.

Ready, Willing & Able Philadelphia, Inc. ("RWA Philadelphia") - This entity, an affiliate of The Doe Fund, Inc., was formed in October 2007, and obtained its 501(c)(3) status in June 2011 to continue the Ready, Willing & Able program operations of the 70-man facility leased by the City of Philadelphia, located at 1211 Bainbridge Street, Philadelphia, Pennsylvania.

Gates Avenue Housing Development Fund Corporation ("HDFC") ("Gates Avenue HDFC") - This entity, an affiliate of The Doe Fund, Inc., provides transitional housing to RWA participants at 520 Gates Avenue, Brooklyn, New York.

A Better Place Housing Development Fund Corporation ("A Better Place HDFC") - This entity, an affiliate of The Doe Fund, Inc., formed in 1992, and purchased a building located on the Upper East Side of New York, New York. This single-room occupancy building now provides supportive permanent housing with on-site services for 28 formerly homeless individuals living with HIV and/or AIDS. A Better Place HDFC is the sole shareholder of A Better Place East 86th Street Corporation. A Better Place East 86th Street Corporation is a general partner and owns 100% of A Better Place, L.P. The activities of A Better Place HDFC include Scatter Site Return, which began operations in January 2008 to serve chronically homeless single adults who have had a substance abuse disorder.

Number One Single Room Occupancy Housing Development Fund Corporation ("No.1 SRO") - This entity, an affiliate of The Doe Fund, Inc., began operations in July 2001 to provide supportive permanent (single-room occupancy) housing with on-site services for 74 formerly homeless individuals at 223 East 117th Street, New York, New York. No. 1 SRO is the sole shareholder of TDF 2000 Corporation. TDF 2000 Corporation is a general partner and owns 100% of TDF 2000 Partners, L.P.

Stadium Court Associates, LLC (the "SCLLC"), a New York limited liability, was formed on January 14, 2003, to construct, develop and operate a 60-unit apartment project in Bronx, New York. The Project is rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided in Section 42 of the Internal Revenue Code ("Section 42"). SCLLC's ownership is as follows: Iron Horse Managers, LLC (the "Manager") owns a 0.01% interest in SCLLC and Related Corporate XXIII, S.L.P., L.P. (the "Special Member") and Centerline Corporate Partners XXIII, L.P., (formally Related Corporate Partners XXIII, L.P.) (the "Investor Member") own 0.01% and 99.98% interests, respectively. SCLLC was formed for the charitable purpose of housing those low-income tenants residing in the building owned by the Manager, of which the GP ("General Partner") or controlling member and SCLLC is owned by The Doe Fund, Inc.

Greene-Quincy Housing Development Fund Corporation ("Greene-Quincy HDFC") - This entity, an affiliate of The Doe Fund, Inc., concluded the transformation of six vacant and dilapidated city-owned buildings on Greene Avenue and Quincy Street in Brooklyn, New York into 44 affordable family units consisting of a combination of studios and one to three bedroom units, in July 2001. Greene-Quincy HDFC owns 51% of Quincy-Green Owners, LLC, the general partner of Quincy-Greene Associates, L.P. Quincy-Green Owners, LLC holds a 0.005% interest in Quincy-Greene Associates, L.P. There has been no activity in the entity for the year ended June 30, 2017.

Porter Avenue Housing Development Fund Corporation ("Porter Avenue HDFC") and Porter Avenue HDFC Contract Services (a division of Porter Avenue HDFC) - This entity, an affiliate of The Doe Fund, Inc., purchased, renovated, and operates the RWA program in a 400-bed transitional housing facility for homeless men, including a program for 138 formerly homeless veterans, at 89 Porter Avenue, Brooklyn, New York. The facility began operations in November 2003.

Webster Green Housing Development Fund Corporation ("Webster Green HDFC") - This entity, an affiliate of The Doe Fund, Inc., formed in May 2013, obtained its 501(c)(4) status in May 2014 and organized exclusively to develop affordable housing for persons of low income. On May 13, 2013, this entity acquired the property located at 3100 Webster Avenue, Bronx, New York, to develop 82 units of affordable supportive housing. Webster Green Apts., LP. was created for the purpose of operating and managing the property.

United Services Housing Development Fund Corporation ("United Services HDFC") -This entity, an affiliate of The Doe Fund, Inc. formed on September 8, 2014, and obtained its 501(c)(3) status in February 2016 to operate and maintain a transitional residence for at least 200 homeless adults located at 555 Nereid Avenue, Bronx, New York. During the construction process, the City of New York requested and required The Doe Fund, Inc. to alter the original plans for the site and re-convert the property from the planned 200-bed transitional facility to a 90-unit permanent supportive housing development reserved for formerly homeless veterans and low income seniors. The property was transferred from the United States of America to The Doe Fund, Inc., which subsequently was transferred from The Doe Fund, Inc. to United Services HDFC pursuant to a legally binding agreement to provide services to the homeless. The Muller U.S. Army Reserve Center had been designated as a surplus property and was approved for redevelopment and reuse by the Muller Local Redevelopment Authority in Bronx, New York. Management anticipates closing on the re-development financing in June 2018 with a projected opening date of January 2021 ("the Muller Residential Project"). Funding for the Muller Residential Project will be a mix of low income housing tax credits ("LIHTC"), NYC capital grants and traditional bank financing.

Crotona Park Housing Development Fund Corporation ("Crotona Park HDFC") - This entity, an affiliate of The Doe Fund, Inc. formed on August 19, 2013 to develop and operate affordable housing for persons of low income. On August 22, 2013, this corporation acquired the property located at 1420 Crotona Park East, Bronx, New York, to develop 60 units of affordable supportive housing. The project was completed and began leasing in January 2017. Crotona HDFC is a sole shareholder of Crotona Park Inc., an entity that is a managing member with a 0.01% interest in Crotona Park Apartments, LLC. Crotona Park Apartments, LLC was created for the purpose of operating and managing the property.

Rogers Avenue Housing Development Fund Corporation ("Rogers Avenue HDFC") -This entity, an affiliate of The Doe Fund, Inc. formed on October 2, 2013, and obtained its 501(c)(4) status in March 2016 to develop and operate affordable housing for persons of low income. On November 20, 2013, this corporation acquired the property located at 1345-1357 Rogers Avenue, Brooklyn, New York, to develop 115 units of affordable supportive housing. Construction began in spring 2016. Rogers Avenue HDFC, is a sole shareholder of 1345 Rogers Corp, who is a managing member with a 67% ownership interest in Rogers Managers LLC, an entity that holds a 0.01% interest in Rogers Apartments LLC. Rogers Apartments LLC was created for the purpose of operating and managing the property.

Sugar Hill Apartment LLC ("Sugar Hill Apartments") - This entity, a subsidiary of The Doe Fund, Inc., formed on August 14, 2014, with The Doe Fund, Inc. as its sole member, to develop and operate affordable housing for persons of low income. On August 20, 2014, this corporation acquired the property located at 828 St. Nicholas Avenue, New York, New York, to develop approximately 30 units of affordable supportive housing. On January 19, 2017, the Corporation sold the property located at 828 St. Nicholas Avenue, New York, New York, for $3,500,000. There has been no activity in the entity for the year ended June 30, 2017 since the date of sale.

Pest at Rest, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on October 29, 2003, with The Doe Fund, Inc. as its sole member. Pest at Rest, LLC provides work training and experience in integrated pest management to individuals involved in the RWA program.

Pest at Rest Newark, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on July 14, 2010, with The Doe Fund, Inc. as its sole member. Pest at Rest Newark, LLC provides work training and experience in integrated pest management to individuals involved in the RWA program and serves public and private sector clients located in New Jersey.

Doe 21st IH, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on December 22, 2005, with The Doe Fund, Inc. as its sole member, for the purpose of acquiring, owning, financing, and selling membership interests in 21st IH, LLC, of which it owns a 50% interest. 21st IH, LLC, is the managing member of 321 East 21st Street Associates, LLC, which owns 22 low income housing units at 321 East 21st Street, New York, New York. The Doe Fund, Inc. is the administrative agent, responsible for the selection of eligible low income tenants, and the rent-up of the residential rental units and the annual reporting to the New York City Housing Preservation and Development ("HPD"). The administrative agent is paid a fee of $7,500 per annum in arrears, pro-rated monthly, derived from the income of the rental of the low income housing units and commencing upon the date all apartments are rented to qualified tenants under the Inclusionary Housing Program. The income of $7,500 is included in the revenue of The Doe Fund, Inc. The agreement is dated December 22, 2005, and is in effect for a one-year term which automatically renews upon its expiration, unless canceled. The provisions of the agreement are cumulative.

55 Clifton Place, LLC - This entity, a subsidiary of The Doe Fund, Inc., formed in July 2006, with The Doe Fund, Inc. as its sole member. The purpose of 55 Clifton Place, LLC is to purchase property, buildings, and improvements to provide affordable housing. There has been no activity in this entity since formation.

700 Gerard, LLC - This entity, a subsidiary of The Doe Fund, Inc., formed in September 2006, with The Doe Fund, Inc. as its sole member. The purpose of 700 Gerard, LLC is to purchase property, buildings, and improvements to provide affordable housing. There has been no activity in this entity since formation.

Summit Avenue Center for Opportunity, LLC - This entity, a subsidiary of The Doe Fund, Inc., formed in April 2007, with The Doe Fund, Inc. as its sole member. The purpose of Summit Avenue Center for Opportunity, LLC is to purchase property, buildings, and improvements to provide affordable housing. There has been no activity in this entity since formation.

TDF E. 148th Street, LLC - This entity, a subsidiary of The Doe Fund, Inc., formed in September 2006, with The Doe Fund, Inc. as its sole member. The purpose of TDF E. 148th Street, LLC is to purchase property, buildings and improvements to provide affordable housing. There has been no activity in this entity since formation.

TDF 170th Street, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on March 27, 2007, with The Doe Fund, Inc. as its sole member, for the purpose of acquiring, owning, financing, and selling membership interests in East 170th Street GP, LLC, the GP of East 170th Street Associates, L.P. TDF 170th Street, LLC owned 51% of East 170th Street GP, LLC which owned a 0.01% interest in East 170th Street Associates, L.P.

The Doe Fund, Inc. purchased the property located at 550 East 170th Street, Bronx, New York, for the construction of a new 8-story building containing an elevator and a total of 98 dwelling units (including one superintendent's unit) (the "Project"). All of the rental units in the building are qualified low income units under Sections 42 and 142 of the IRC of 1986, as amended, and the 98 units qualify for Section 421-a Negotiable Certificates (the "Certificates").

East 170th Street Associates, L.P. applied to the City of New York for the Certificates and entered into contracts to sell the Certificates. East 170th Street Associates, L.P. then assigned the Certificates and the contracts to sell the Certificates to The Doe Fund, Inc. Subject to receiving this assignment, The Doe Fund, Inc. loaned the principal amount of the proceeds from the sale of the Certificates to East 170th Street Associates, L.P.

On January 31, 2014, The Doe Fund, Inc. sold its interest in the real property and notes related to the affordable housing developed with Atlantic Development Group for an aggregate purchase price of $1,934,953 to RKS Ventures LLC. Since the sale of interest, there has been no activity in the entity.

TDF Tiffany Street, LLC - This entity, a subsidiary of The Doe Fund, Inc., formed in October 2007, with The Doe Fund, Inc. as its sole member for the purpose of acquiring, owning, financing, and selling membership interests in Tiffany Street GP, LLC, the general partner of TDF Tiffany Street Associates, L.P. TDF Tiffany Street, LLC owned 51% of Tiffany Street GP, LLC, which owned a 0.01% interest in TDF Tiffany Street Associates, L.P.

The Doe Fund, Inc. acquired a parcel of land located at 1140 Tiffany Street, a/k/a 922 East 169th Street, Bronx, New York. Atlantic Development Group, LLC developed, financed, and constructed a residential apartment building containing 84 units of affordable housing on the property located at 1140 Tiffany Street. The financing was provided by the New York City Housing Development Corporation through its sale of tax-exempt bonds and the proceeds from the sale of low income housing tax certificates.

TDF Bruckner, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on May 21, 2008, with The Doe Fund, Inc. as its sole member, solely for the purpose of acquiring, owning, financing, and selling membership interests in Manager Bruckner, LLC, the general partner of Bruckner by the Bridge, LLC. TDF Bruckner, LLC owned 51% of Manager Bruckner, LLC, which owned a 0.01% interest in Bruckner by the Bridge, LLC.

The Doe Fund, Inc. acquired a parcel of land located at 80 Bruckner Boulevard, 105 Willis Avenue, and 331 East 132nd Street, Bronx, New York. Atlantic Development Group, LLC developed, financed, and constructed a residential apartment building on the property, containing 419 units of affordable housing, commercial space, and parking. The financing was provided by the New York City Housing Development Corporation through its sale of tax-exempt bonds and the proceeds from the sale of LIHTC and 421-a Negotiable Certificates. All apartments developed pursuant to this agreement must be rented to families qualifying as low income under Section 42 of the IRC.

Pursuant to the HPD Written Agreements, HPD issued master 421-a Negotiable Certificates to The Doe Fund, Inc. Atlantic Development Group, LLC entered into contracts with developers to sell the Certificates and assigned the contracts to sell the Certificates to The Doe Fund, Inc. The Doe Fund, Inc. sold the Certificates and loaned the proceeds from the sale of the Certificates to Bruckner by the Bridge, LLC. The loan was used to retire debt incurred in connection with the construction of the Project and is secured by a pledge of members' membership interests in Bruckner by the Bridge, LLC.

Liberty Fund, Inc. - This entity, a subsidiary of The Doe Fund, Inc., organized on June 4, 2016, with The Doe Fund, Inc. as its sole member. Its purpose is to be a citywide charitable bail fund dedicated to reducing the number of New Yorkers subjected to pretrial detention at Rikers Island simply because they are unable to post bail.

To expand their focus on the development of quality, affordable and transitional housing, The Doe Fund, Inc. has developed TDF Real Estate and Property Services, a wholly owned subsidiary of The Doe Fund, Inc., which oversees every aspect of the Corporation's facilities.

The Corporation is the sole owner or controlling member of each General Partner listed below, which owns 0.01% of their associated LPs and LLCs, except for TDF 2000 Partner LP’s General Partner, TDF 2000 Corp., which has a 1% interest. These entities (the "Housing Entities") were formed to own individual properties that are developed and managed to provide low-income housing.

The Housing Entities are comprised as follows:

Limited Partnership/ Limited Liability Corporation	General Partner
TDF 2000 Partner LP	TDF 2000 Corp.
Stadium Court LLC	Iron Horse Managers, LLC
Crotona Park Apartments LLC	Crotona Park, Inc.
Webster Green Apts., L.P.	Webster Green Apts. GP, LLC
Rogers Apartments LLC	Rogers Managers LLC

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined financial statements have been prepared under the accrual basis of accounting in accordance with US GAAP.

Not-for-Profit Entities - The accompanying combined financial statements include the accounts of the entities with separate paragraphs in Note 1 (collectively known as the "Not-for-Profit Entities"). All Not-for-Profit entities are affiliated, under common board control, and have been combined in the accompanying combined financial statements.

Housing Entities - LPs or LLCs that are controlled by The Doe Fund, Inc. or its affiliated Not-for-Profit Entities, or those entities over which The Doe Fund, Inc. exercises significant influence, are consolidated in the accompanying combined financial statements. The GP interests held by the Corporation entities equal 0.01% of the respective Housing Entities' equity with the remainder of the Housing Entities' equity held by the limited partners/members of the respective Housing Entities except for TDF 2000 Partner Corp., which has a 1% interest. The portion of the Housing Entities not controlled by The Doe Fund, Inc. or its affiliated entities are consolidated and presented in the accompanying combined financial statements as noncontrolling interest.

All intercompany transactions and accounts between the Not-for-Profit Entities and the Housing Entities have been eliminated in combination and consolidation.

Net Asset Classification

The net assets of the Corporation and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets – controlling - net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation.

Unrestricted net assets - noncontrolling - represent the aggregate of limited partner/member equity interests in the non-wholly-owned Housing Entities that are included in the accompanying combined financial statements.

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that will be met by actions of the Corporation and/or the passage of time.

Permanently restricted net assets - net assets which include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments is available for expenditures according to restrictions, if any, imposed by donors. The Corporation had no permanently restricted net assets as of June 30, 2017.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Use of Estimates

The preparation of combined financial statements in accordance with US GAAP 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks. The Corporation maintains its bank accounts with several financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to an aggregate amount of $250,000 for each entity. At times, cash balances within these accounts may exceed federally insured limits. The Corporation has not experienced, nor does it anticipate, any losses in such accounts (Note 17).

Lender Restricted Cash and Contractual Reserves

Lender restricted cash and contractual reserves represent amounts that are required to be maintained by contractual or other agreements and consist of cash and cash equivalents and treasury bills.

Developer Fees Receivable

Developer fees receivable in the accompanying combined statement of financial position represents developer fees for construction development. Developer fees receivable from Housing Entities that is payable from the operational cash flow of the respective projects is eliminated in consolidation. Any remaining developer fees receivable shall be paid by the related Housing Entities upon receipt of the limited partner/member equity contribution. The developer fees receivable balance as of June 30, 2017 totaled approximately $3,052,000.

Allowance for Doubtful Accounts

The carrying value of accounts and developer fees receivable is reduced by an appropriate allowance, as needed, for uncollectible accounts. The Corporation determines its allowance by considering a number of factors, including the length of time receivables are past due, the Corporation's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. The Corporation writes off accounts and developer fees receivable when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received. The allowance for doubtful accounts balance as of June 30, 2017 totaled approximately $1,108,000.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, contractual reserves, lender restricted cash, tenant security deposits, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term nature of these instruments.

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset or liability and a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Corporation groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

All of the Corporation's investments are level 1 assets.

Property and Equipment and Depreciation and Amortization

All acquisitions of property and equipment in excess of $5,000, and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Purchased property and equipment are recorded at cost, except when such costs are reimbursed as part of current programs by a funding agency and such agency retains title. Building, building improvements, furniture, fixtures, and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets, ranging from 3 - 31 years (Note 6).

Impairment of Long-Lived Assets

Impairment losses are recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value, and assets held for sale are adjusted to their estimated fair value, less selling expenses. The Corporation reviews its investments in real estate for impairment events or when changes in circumstances indicate that the carrying value of such property may not be recoverable. No impairment losses were recognized in 2017.

Deferred Rent and Lease Incentives

The Corporation has entered into various operating lease agreements for its administrative offices and site facilities, some of which contain provisions for future rent increases, or periods in which rent payments are reduced as incentive payments. The Corporation records monthly rent expense on a straight-line basis which equals to the total of the payments due over the lease term, divided by the number of months of the lease term. Lease incentives are amortized against rental expense over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent and lease incentives, which is reflected as a separate line item in the accompanying combined statement of financial position.

Trainee Savings Payable

Trainee savings payable are deposits that represent fixed minimum deductions from participants' training incentives. They may exceed the minimum on a voluntary basis. These amounts accumulate over the time a trainee is in the program and are paid to the participant when they leave the RWA program. Trainees who graduate from the program receive an additional $1,000 grant.

Training incentives are paid to participants in the form of debit cards in order to provide the most accessible form of payment to the composition of the trainee population. Approximately $223,000 in matching graduation grants were paid to trainees who successfully completed the training program for the year ended June 30, 2017.

In-Kind Contributions

Not-for-profit entities are required to record contributed goods and services revenue if those services create or enhance nonfinancial assets or are provided by individuals who possess specialized skills that would typically need to be purchased, if not provided by donation. For the year ended June 30, 2017, the Corporation recorded contributed goods and services revenue of approximately $600, with an equivalent amount recorded as an expense.

Revenue Recognition

Contributions, including unconditional promises to give, are reported as revenues in the period in which contributions are received or unconditional promises to give are made. Unconditional promises to give, due in more than one year, if any, are discounted to reflect the present value of future cash flows at a credit-adjusted rate. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Revenue from government grants and contracts, the majority of which are cost reimbursable, is recognized as allowable costs are incurred.

Other earned revenue primarily represents revenue from various contracts for street cleaning, exterminating and culinary services provided by the Corporation. Revenue is recognized when earned by providing these services in accordance with the respective contracts.

Developer fees are recognized as revenue in the year earned based on the percentage of completion method. The unearned portion of developer fees received is recorded as developer fees payable in the accompanying combined statement of financial position. Developer fees are paid by the respective Housing Entities to The Doe Fund, Inc. through funds received from equity contributions of the Housing Entities' investors, as well as from the operating cash flow of the respective Housing Entities. Only the portion of developer fees to be paid from the respective Housing Entities' operating cash flow is eliminated in consolidation, while the portion to be paid from third-party equity contributions is not.

Management fees are recognized as earned. Intercompany management fees are eliminated in combination.

Program service fees are recognized as earned.

Rental income, including rent from the operation of low-income housing projects and tenants, is recognized as earned. Minimum rental revenue is recognized on a straight-line basis over the term of the lease, regardless of when payments are due. Advance receipts of rental income are deferred and classified as accounts payable and accrued expenses in the accompanying combined statement of financial position. All leases between the properties and tenants are considered to be operating leases.

Debt Issuance Costs

Debt issuance costs, net of interest expense, are reported as a direct deduction from the face amount of the related mortgages payable. Interest expense is computed using an imputed interest rate on the related loan.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying combined statement of activities based on an analysis made by management, with the exception of depreciation and amortization and interest and service fees (Note 16).

Income Taxes

The Corporation follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the combined financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Not-for-Profit Entities are exempt from federal income tax under IRC sections 501(c)(3) or 501(c)(4), though they are subject to tax on income unrelated to their exempt purposes, unless that income is otherwise excluded by the Code. Iron Horse Managers, LLC, Pest at Rest, LLC, Pest at Rest Newark, LLC, and Sugar Hill Apartments, are single-member limited liability companies whose single member is The Doe Fund, Inc., and as such, they are considered disregarded entities for tax purposes. The Corporation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. The Corporation has determined that there are no material uncertain tax positions that require recognition or disclosure in the combined financial statements.

All other real estate entities have elected to be treated as pass-through entities for income tax purposes and as such, are not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by the owners on their respective income tax returns. The affiliated entities' federal tax statuses as pass-through entities are based on the legal statuses as LPs or LLCs. Accordingly, these affiliated entities are not required to take any tax positions in order to qualify as pass-through entities. The affiliated entities are required and do file tax returns with the Internal Revenue Service (the "IRS") and other taxing authorities. Accordingly, these combined financial statements do not reflect a provision for income taxes and these affiliated entities have no other tax positions which must be considered for disclosure.

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The core principle of ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 defines the term substantial doubt and requires an assessment for a period of one year after the date the combined financial statements are issued (or available to be issued). ASU 2014-15 was effective for fiscal years ending after December 15, 2016. Management has adopted the provisions of this new standard. The adoption of ASU 2014-15 did not impact the Corporation's combined financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The guidance requires that debt issuance costs related to a recognized debt liability be reported on the statement of financial position as a direct deduction from the carrying amount of that debt liability. The guidance is effective for fiscal years and interim periods beginning after December 15, 2015, and is required to be applied retrospectively. Management has adopted ASU 2015-03 and has reclassified debt issuance costs related to existing debt liabilities from assets to liabilities on the statement of financial position, and the related amortization expense to interest expense on the combined statement of activities. The adoption of ASU 2015-03 did not have a material impact on the Corporation's combined financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for the Organization for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of ASU 2014-09 on the Corporation's combined financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the combined statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for the Organization for fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on the Corporation's combined financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. ASU 2016-14 is to be applied retroactively with transition provisions. Management is currently evaluating the impact of ASU 2016-14 on the Corporation's combined financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the combined statement of cash flows. ASU 2016-18 is effective for the Organization for fiscal years beginning after December 15, 2018, with early adoption permitted. ASU 2016-18 is to be applied retroactively with transition provisions. Management is currently evaluating the impact of ASU 2016-18 on the Corporation's combined financial statements.

3. Prior Period Adjustment

The Corporation recorded a prior period adjustment to correct an error relating to the acquisition of the United Services HDFC property located at 555 Nereid Avenue, Bronx, New York (Note 1) which was transferred to the Corporation from the United States of America in January 2015. The land was transferred to the Corporation for cash consideration of $1 and had an appraised as-is market value of $6,850,000. At the time of acquisition, the Corporation did not record the difference between the market value and cash consideration as an inherent contribution as defined by the FASB Accounting Standards Codification. As a result, opening net assets as of July 1, 2016 were adjusted to account for this error.

The following table summarizes the corrections to unrestricted net assets, total net (deficit) assets and property and equipment:

	Previously Recorded	As Restated
Property and equipment	$ 36,093,027	$ 42,943,027
Not-for-profit entities unrestricted net (deficit) assets	(552,393)	6,297,607

4. Receivables

Receivables as of June 30, 2017 consisted of the following:

Government grants and contracts	$ 7,307,249
Other earned income receivables	1,002,193
Housing entity receivables	206,987
Less reserve for uncollectible accounts	(465,842)
Total receivables, net	$ 8,050,587

5. Grants and Pledges Receivable

Grants and pledges receivable are recorded at their estimated realizable value. Amounts due in more than one year are recorded at the present value of the estimated cash flows, discounted at a risk-adjusted rate of 1%, applicable to the year in which the promise was received. Amortization of the discount is credited to contribution revenue. No reserves were recorded against grants and pledges receivable as of June 30, 2017.

Grants and pledges receivable consisted of the following as of June 30, 2017:

Unconditional promises expected to be collected in:	
Less than one year	$ 962,146
One to five years	400,000
	1,362,146
Less discount to present value	(4,000)
Total grants and pledges receivable	$ 1,358,146

6. Property and Equipment

Property and equipment as of June 30, 2017 consisted of the following:

Land	$ 16,327,293
Building and improvements	46,805,494
Furniture, fixtures, and equipment	5,231,346
	68,364,133
Less accumulated depreciation and amortization	(24,900,727)
	43,463,406
Construction in progress	56,837,111
Total property and equipment	$ 100,300,517

Depreciation and amortization of property and equipment amounted to approximately $2,030,000 for the year ended June 30, 2017. Ongoing construction-in-progress projects relating to Rogers Avenue and Webster Green are both expected to be completed during the fiscal year 2018 with approximately $35,708,000 and $26,097,000 of additional capital expenditures expected to be incurred, respectively.

7. Lender Restricted Cash and Contractual Reserves

Under the terms of the various partnership agreements and mortgage loan agreements, the Corporation is required to segregate and maintain funds in certain restricted accounts that can only be accessed with the permission of the respective limited partner/member or mortgage lender. These reserve accounts are primarily funded from the proceeds of the Corporation's earned developer fees, a portion of which is required to be placed in reserve when paid by the respective LPs or LLCs. These reserves are required by the investor and lender to fund potential operating deficits or building replacement needs. The amount and terms of such reserves are set forth in the respective LP or LLC operating agreements.

Lender restricted cash and contractual reserves as of June 30, 2017 consisted of treasury bills and cash and cash equivalents of $2,476,085.

Treasury bills	$ 2,259,247
Cash and cash equivalents	216,838
Total	$ 2,476,085

Interest income for the year ended June 30, 2017 totaled approximately $13,000 and is recorded as other income within the combined statement of activities.

8. Long-Term Debt

The following is a summary of the Corporation's long term debt as of June 30, 2017:

Borrower		Lender	Balance at June 30, 2017	Maturity Date	Interest Rate	Collateral
The Doe Fund, Inc.	(c)	Raza Development Fund	$ 379,972	7/1/2020	Prime + 3%, 7.25%	RWA Philadelphia property
The Doe Fund, Inc.		Foundation for the Jewish Community	902,645	6/29/2018	Prime + 3%, 7.25%	Guaranteed by President and Vice President
The Doe Fund, Inc.		Citibank, N.A.	4,500,000	12/1/2019	Prime + .25%, 4.50%	Guaranteed by Corporation
Gates Avenue	(a)	NYC Department of Housing Preservation and Development	1,421,960	6/1/2020	1%	Guaranteed by President and Vice President
Porter Avenue	(b)	Citibank, N.A.	15,297,082	10/1/2031	8%	Premises
A Better Place HDFC		NYC Department of Housing Preservation and Development	1,857,261	12/1/2025	Shelter Care loan .25%, Capital loan 8%	Building assets
United Services HDFC		Fund for the City of New York	1,126,200	Construction loan closing	-	Property
Liberty Fund		Foundation for the Jewish Community	462,000	2/28/2018	Prime + 3%, 4.50%	Lien and right set-off as balance in any account with lender
Program Vehicle Loans		Various lenders	121,488	Various	2.9% - 7.99%	Vehicles
Webster Green Apartments		Citibank, N.A.	4,774,528	10/25/2018	LIBOR + 2.50%, 1.05%	Liens on building
Webster Green Apartments		New York State Office of Temporary and Disability Assistance - Homeless Housing and Assistance Program	3,232,999	30 years from date of occupancy	1%	Liens on building
Webster Green Apartments		New York State Homes and Community Renewal	2,393,463	Date of conversion to permanent financing	-	Liens on building
Crotona Park Apartments		Citibank, N.A.	15,199,989	4/1/2018	LIBOR + 2.00%, 1.05%	Liens on building
Crotona Park Apartments		Citibank, N.A.	2,000,000	4/1/2018	Noninterest bearing	Liens on building
Rogers Apartments		JPMorgan Chase Bank, N.A.	13,611,752	9/1/2049	3.323% - 5.7%	Liens on building
Rogers Apartments		JPMorgan Chase Bank, N.A.	5,766,899	9/1/2049	2.83% - 2.58%	Liens on building

Borrower	Lender	Balance at June 30, 2017	Maturity Date	Interest Rate	Collateral
TDF 2000 Partners	New York City Department of Housing Preservation and Development	$ 6,176,565	7/28/2031	0.25%	Liens on building
Stadium Court Associates	Centerline Mortgage	2,351,525	12/31/2035	6.32%	Liens on building
Total long-term debt before debt issuance costs		81,576,328			
Less debt issuance costs, net of accumulated amortization		(316,357)			
Total long-term debt		81,259,971			
Current portion		21,804,072			
Non-current portion		59,455,899			
Total long-term debt		$ 81,259,971			

The aggregate annual maturities of the mortgages and notes for the five years subsequent to June 30, 2017 are as follows:

Years Ending June 30:	Not-for-Profit Entities: Payable by the Corporation[1]	Not-for-Profit Entities: Reimbursable by Contract[2]	Not-for-Profit Entities: Forgivable by Lender[3]	Payable by the Housing Entities[4]	Total
2018	$ 3,676,419	$ 387,420	$ 471,007	$ 17,269,226	$ 21,804,072
2019	2,640,261	434,363	471,007	7,241,732	10,787,363
2020	1,103,078	1,905,687	471,007	78,539	3,558,311
2021	72,546	1,007,407	-	83,649	1,163,602
2022	-	1,062,854	-	89,092	1,151,946
Thereafter	-	12,365,552	-	30,745,482	43,111,034
Total	$ 7,492,304	$ 17,163,283	$ 1,413,021	$ 55,507,720	81,576,328
Less debt issuance costs, net of accumulated amortization					(316,357)
Total long-term debt					$ 81,259,971

1 Payable from operating cash flow.

2 All contracts are in place as of June 30, 2017.

3 As described in the following section of this Note 8.

4 During the construction phase, the construction loan is covered by payment and performance bonds given by the general contractor. After completion, the 30-year amortization of the permanent loan is made by the LLC from project operations. Also, the permanent debt is non-recourse to the Corporation, since the bank has a lien on the project building.

The Corporation incurred interest expense for the year ended June 30, 2017 of approximately $2,519,000 including interest expense on debt issuance costs of approximately $17,000. The Doe Fund, Inc. has contracts to fund approximately $17,163,000 of the debt and is also expected to report forgiveness of debt income over the next three years of an amount totaling approximately $1,413,000 relating to the Gates Avenue debt; see note (a) below.

(a) The mortgage for Gates Avenue was executed in 1990 and has a 30-year maturity. Amortization and interest payments are deferred for the first 25 years. If the Corporation complies with the required nonfinancial covenants of the mortgage for a term of 25 years, the respective lender will reduce the amount of the Corporation's indebtedness in five equal annual decrements of 20% in each of the 26th through 30th year of the loan, resulting in no liability to the Corporation at the end of the 30th year. This reduction began in fiscal year 2016. The mortgage is collateralized by Gates Avenue property assets. All mortgage interest, which is being accrued at 1%, is deferred until the lien evaporates. As of June 30, 2017, the outstanding balance on the mortgage, inclusive of deferred interest was approximately $1,422,000.

(b) The mortgage for the Porter Avenue facility was executed in the aggregate principal amount of $22,150,000. The mortgage was collateralized by the premises and was payable in monthly installments of $187,884, including interest at 8%, commencing September 1, 2004 through December 1, 2023, at which time any unpaid principal and interest was payable. The loan also stipulated the establishment of a maintenance fund to supplement the cost of major repairs to the premises and requires an additional $2,500 to be deposited monthly. During the year ended June 30, 2012, the loan was refinanced in the amount of $18,750,000 and the balance of the maintenance fund of $267,279 was returned to the Corporation. The refinanced mortgage note bears interest of 4.94% and calls for quarterly payments of principal and interest, which commenced on April 1, 2012. The Corporation must meet a certain financial covenant under the refinanced mortgage as follows: to maintain a minimum debt service coverage ratio of 1.15 to 1.00. As of June 30, 2017, the Corporation has not complied with the covenant. The Corporation received a waiver of covenant violation from the bank. The refinanced mortgage note matures on October 1, 2031. As of June 30, 2017, the outstanding balance on the mortgage was approximately $15,297,000.

(c) The loan from Raza Development Fund was entered into in the amount of $635,000, to finance leasehold improvements on a property operating as a homeless shelter for RWA Philadelphia located in Philadelphia, Pennsylvania. The loan bears interest at Prime plus 3% (7.25% at June 30, 2017) on the outstanding unpaid principal and matures on July 1, 2020. Interest and principal payments are payable monthly. The loan is collateralized by the property. The Corporation must meet a certain financial covenant under the refinanced mortgage as follows: to maintain a minimum debt service coverage ratio of 2.00. As of June 30, 2017, the Corporation has not complied with the covenant. The Corporation received a waiver of covenant violation from the bank. As of June 30, 2017, the outstanding balance on the loan was approximately $380,000.

9. Trainee Savings Payable

As of June 30, 2017, the trainee savings payable due to participants was approximately $819,000.

10. Temporarily Restricted Net Assets

As of June 30, 2017, temporarily restricted net assets are as follows:

Philadelphia RWA following up on graduates	$	678,500
Philadelphia RWA treatment for emotionally disturbed		100,000
Food service		67,019
RWA Harlem program training		32,903
Community improvement program		20,000
Porter Avenue intergenerational learning		19,711
Porter Avenue occupational training		18,200
RWA program training		15,000
Capital renovations		4,396
General support (time restriction)		230,000
Total temporarily restricted net assets	$	1,185,729

11. Net Assets Released from Restrictions

During the year ended June 30, 2017, temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors or, the passage of time, as follows:

Porter Avenue occupational training	$	54,030
Food service		50,275
RWA Philadelphia program		41,134
RWA Harlem program		40,388
Urban agriculture program		16,033
Fatherhood initiative		15,300
RWA program training		15,000
Capital renovations		5,602
General support (time restriction)		420,651
Total net assets released from restrictions	$	658,413

12. Government Grants and Contracts

Government grants and contracts revenues reported in the accompanying combined statement of activities were received by the Organization from various federal, New York City, City of Philadelphia, and New York State government agencies, and for the year ended June 30, 2017, consisted of the following:

NYC Department of Homeless Services	$	24,494,686
NYC Economic Development Corporation		2,756,747
Philadelphia Office of Supportive Housing		1,516,927
NYC HIV/AIDS Service Administration		1,406,485
NYC Department of Health and Mental Hygiene		1,136,573
NYC Mayor's Office of Criminal Justice		489,301
NYC Department of Youth and Community Development		485,753
Federal Emergency Management Agency		14,294
Total government grants and contracts revenues	$	32,300,766

13. Other Earned Revenue

Other earned revenue for the year ended June 30, 2017 consisted of the following:

Street cleaning revenue	$ 4,237,753
Pest at Rest	453,687
Culinary services and other	260,224
Total other earned revenue	$ 4,951,664

14. Retirement Plan

The Corporation maintains a 401(k) retirement plan (the "Plan") for the benefit of its eligible employees who can voluntarily participate. Eligible employees are employees who have completed at least one month of service and have attained the age of 18.

Employees make contributions to the Plan in amounts based upon the annual limits established by the IRS. The Corporation may contribute to the Plan by means of a matching contribution or a qualified nonelective contribution.

The Corporation's matching contribution is a discretionary percentage of the participant's salary deferrals up to a certain percentage of the participant's compensation, as determined by the employer each year. The Corporation's nonelective contribution is a discretionary amount that is allocated among the participants in the ratio that each participant's compensation bears to the total compensation of all eligible participants. In order to share in any nonelective contributions, the participant must be actively employed on the last day of the plan year and have completed at least 1,000 hours of service during the plan year. The Corporation may designate all or any portion of a contribution as a qualified nonelective contribution. There were no employer contributions to this plan for the year ended June 30, 2017.

15. Related Party Transactions

In May 2010, The Doe Fund, Inc. renewed its lease for office space with the President of The Doe Fund, Inc. through April 30, 2015, at which time the lease became a month-to-month lease. Lease expense for the year ended June 30, 2017 was approximately $195,000.

16. Functional Expenses

For the year ended June 30, 2017 total depreciation and amortization were allocated to the following functional categories:

	Functional Expenses	Depreciation and Amortization	Total
Residential and social services	$ 19,961,893	$ 330,675	$ 20,292,568
Work and training	18,505,291	1,077,948	19,583,239
Affordable housing operations	1,347,631	530,019	1,877,650
Management and general	6,873,175	91,069	6,964,244
Fundraising	1,967,279	-	1,967,279
Total	$ 48,655,269	$ 2,029,711	$ 50,684,980

17. Risks and Uncertainties

Financial instruments that subject the Corporation to concentrations of credit risk consist of cash and cash equivalents and receivables. While the Corporation attempts to limit its financial exposure, deposit balances may, at times, exceed federally insured limits. The Corporation has not experienced any losses on such balances. As of June 30, 2017, the Corporation had funds in excess of FDIC limits of $1,231,543.

Funding from federal, state, and local governmental entities in the form of grants for the reimbursement of expenses and overhead applicable to various programs are subject to audit by such entities. Such audits could result in claims against the Corporation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at the date of the combined financial statements. Management is of the opinion that such audits, if performed, would not have a material effect on the accompanying combined financial statements.

The Corporation has entered into service contracts and grant agreements with various governmental agencies that are subject to business risks associated with the economy and administrative directives, rules and regulations that are subject to change. A significant reduction in revenue from these various governmental agency contracts would have an adverse effect on the Corporation's programs.

Contracts receivable, reported as a component of receivables, net of allowance for doubtful accounts in the accompanying statement of financial position, primarily represent receivables from the New York City Department of Housing Preservation and Development, and the New York City Department of Homeless Services. Any concentrations of credit risk related to contracts receivable is subject to the City's financial condition.

18. Commitments

The Doe Fund, Inc. has entered into various operating leases in the New York metropolitan area. The leases are for The Doe Fund, Inc.'s administrative spaces at East 102nd and East 84th Streets in Manhattan, the office space of Liberty Fund, Inc. in Manhattan and Brooklyn, tenant rental units for the Scatter Site program, and supplemental spaces to the RWA program in Brooklyn.

These leases expire on various dates through April 2027.

The Doe Fund, Inc. is further committed to numerous vehicle and equipment operating leases, expiring on various dates through February 2020.

In October 2009, The Doe Fund, Inc. entered into a sublease, which commenced December 1, 2009 and expired on November 30, 2012, to rent a portion of its administrative space. On November 26, 2012, the sublease was renewed and extended through April 29, 2017. The lease was continued until June 30, 2017, at which point sub-tenants moved out. Rental income received during the year ended June 30, 2017 amounted to approximately $207,000, which is reported as a reduction to rent expense.

In July 2015, The Doe Fund, Inc. entered into a sublease, which commenced on July 7, 2015 and expires on February 14, 2027, to rent a portion of its administrative space. Rental income received during the year ended June 30, 2017 amounted to approximately $144,000, which is reported as a reduction to rent expense.

Rent expenses for the year ended June 30, 2017 were approximately $1,033,000.

Future minimum annual rentals for the years subsequent to June 30, 2017 and in the aggregate are:

Years Ending June 30,	Minimum Lease Commitments	Sublease Income	Net Lease Commitments
2018	$ 1,375,439	$ 148,322	$ 1,227,117
2019	1,085,901	152,772	933,129
2020	938,602	157,355	781,247
2021	934,683	162,076	772,607
2022	964,901	166,938	797,963
Thereafter	5,075,181	848,377	4,226,804
Total	$ 10,374,707	$ 1,635,840	$ 8,738,867

19. Subsequent Events

Subsequent events have been evaluated through January 9, 2018, which is the date the combined financial statements were available to be issued. The Corporation determined that the following information was pertinent:

On September 19, 2017, the Corporation entered into a contract to acquire 510 Gates Avenue for $10,800,000 from Paul J. Cooper Center for Human Services, Inc. in order to develop a 200 bed men's facility to be funded based on a NYC Department of Homeless Services 20 year contract. The Corporation has made a $500,000 deposit and expects the transaction to close in 2018, pending the Local Initiatives Support Corporation's Board approval of the project.

On December 18, 2017, The Doe Fund, Inc.'s Real Estate Committee approved a refundable deposit of $100,000 to acquire a development site located at 4519-4523 White Plains Road, Bronx, New York, and co-develop an approximately 62,000 square foot residence containing 80 units of permanent supportive/affordable housing.