THE BROTHERHOOD/SISTER SOL, INC.

INDEPENDENT AUDITOR'S REPORT
ON
FINANCIAL STATEMENTS

AS OF AUGUST 31, 2018

AND

FOR THE YEAR THEN ENDED

Winnie Tam & Co., P.C.
# THE BROTHERHOOD/SISTER SOL, INC.

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</tbody>
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*Winnie Tam & Co., P.C.*
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Brotherhood/Sister Sol, Inc.
New York, New York

We have audited the accompanying financial statements of The Brotherhood/Sister Sol, Inc., which comprise the statement of financial position as of August 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Brotherhood/Sister Sol, Inc. as of August 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information contained on page 15 is presented for purposes of additional analysis and is not a required part of the 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

New York, New York
January 16, 2019
THE BROTHERHOOD/SISTER SOL, INC.
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2018

ASSETS
Current Assets
Cash $ 2,691,878
Accounts receivable 34,624
Pledges, grants and contributions receivable - Notes 2 and 3 1,471,124
Due from governmental agency 110,000
Prepaid expenses 84,163
Inventories, at lower of cost or market 20,031
Total Current Assets 4,411,820

Non-Current Assets
Pledges and grants receivable - Notes 2 and 3 1,056,469
Construction in progress - Note 11 815,704
Fixed assets, at cost, net of accumulated depreciation and
amortization of $289,756 - Notes 2 and 4 1,955,016
Security deposits 38,330

Total Assets $ 8,277,339

LIABILITIES AND NET ASSETS

LIABILITIES
Current Liabilities
Loan payable - Note 6 $ 1,291,795
Accounts and accrued expenses payable 196,284
Agency funds payable - Note 5 251
Total Current Liabilities 1,488,330

Non-Current Liabilities
Loan payable - Note 6 1,000,000
Deferred rent payable - Note 8 7,318

Total Liabilities 2,495,648

NET ASSETS
Unrestricted 937,901
Temporarily restricted - Note 10 4,843,790

Total Net Assets 5,781,691

Total Liabilities and Net Assets $ 8,277,339

See accompanying notes to financial statements.

Winnie Tam & Co., P.C.
THE BROTHERHOOD/SISTER SOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2018

Operating Activities
Support and Revenue
Grants and contributions from:
  Foundations and trusts $ 733,701 $ 4,786,411 $ 5,520,112
  Individuals 80,492 862,983 943,475
  Corporations 36,591 126,757 163,348
  Governmental agency 211,017                  211,017
  Direct mail 77,177                  77,177
Special events, net of direct event expenses
  of $426,278 - Notes 2 and 7 910,209                  910,209
Program fees 92,129                  92,129
In-kind contribution - Notes 2 and 7 158,496                  158,496
Merchandise sales 2,357                  2,357
Other income 817                  817

Total Operating Support and Revenue 2,302,986 5,776,151 8,079,137

Net assets released from restrictions - Note 9:
  Satisfaction of program restrictions 1,540,456 ( 1,540,456) -
  Satisfaction of purpose restrictions 853,919 ( 853,919) -
  Satisfaction of time restrictions 300,000 ( 300,000) -

Total Operating Support and Revenue 4,997,361 3,081,776 8,079,137

Expenses
Program Services 3,268,102                  3,268,102
Administrative and general 516,599                  516,599
Fund raising 521,510                  521,510

Total Expenses 4,306,211                  4,306,211

Change in Net Assets from Operating Activities 691,150 3,081,776 3,772,926

Non-Operating Activities
Interest income 1
Loan interest expenses ( 91,780)                  ( 91,780)

Change in Net Assets from Non-Operating Activities ( 91,779)                  ( 91,779)

Change in Net Assets 599,371 3,081,776 3,681,147

Net Assets as of August 31, 2017 338,530 1,762,014 2,100,544

Net Assets as of August 31, 2018 $ 937,901 $ 4,843,790 $ 5,781,691

See accompanying notes to financial statements.
### THE BROTHERHOOD/SISTER SOL, INC.
#### STATEMENT OF FUNCTIONAL EXPENSES
##### FOR THE YEAR ENDED AUGUST 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total Program and Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Administrative</td>
<td>Fund</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and General</td>
<td>Raising</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$1,541,499</td>
<td>$214,994</td>
<td>$275,281</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>376,278</td>
<td>52,478</td>
<td>67,260</td>
</tr>
<tr>
<td><strong>Total Payroll and related expenses</strong></td>
<td>1,917,777</td>
<td>267,472</td>
<td>342,541</td>
</tr>
<tr>
<td>Occupancy and space rental</td>
<td>125,900</td>
<td>20,251</td>
<td>20,251</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>2,599</td>
<td>418</td>
<td>418</td>
</tr>
<tr>
<td>Equipment rental, repairs and maintenance</td>
<td>23,978</td>
<td>3,924</td>
<td>3,857</td>
</tr>
<tr>
<td>Telephone and communications</td>
<td>15,878</td>
<td>2,554</td>
<td>2,554</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>2,676</td>
<td>1,814</td>
<td></td>
</tr>
<tr>
<td>Professional and consultant fees (including donated services of $158,496)</td>
<td>366,182</td>
<td>95,038</td>
<td>116,429</td>
</tr>
<tr>
<td>Supplies and office expenses</td>
<td>94,355</td>
<td>50,372</td>
<td>81</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>98,847</td>
<td>11,035</td>
<td>399</td>
</tr>
<tr>
<td>Postage and mailing</td>
<td>5,883</td>
<td>1,745</td>
<td>168</td>
</tr>
<tr>
<td>Fees, dues and subscriptions</td>
<td>6,992</td>
<td>1,668</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>18,222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>7,796</td>
<td>2,871</td>
<td>3,493</td>
</tr>
<tr>
<td>Honorarium and youth stipends</td>
<td>117,106</td>
<td>2,590</td>
<td></td>
</tr>
<tr>
<td>Event expenses</td>
<td></td>
<td>24,144</td>
<td></td>
</tr>
<tr>
<td>Collection loss</td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Staff development</td>
<td>3,688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other program expenses</td>
<td>420,071</td>
<td>12,010</td>
<td>217</td>
</tr>
<tr>
<td>Moving expenses</td>
<td>20,466</td>
<td>3,292</td>
<td>3,292</td>
</tr>
<tr>
<td>Credit card processing fees, bank and finance charges</td>
<td>36,379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,818</td>
<td>453</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total Expenses before depreciation</strong></td>
<td>3,251,234</td>
<td>513,886</td>
<td>518,797</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,868</td>
<td>2,713</td>
<td>2,713</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$3,268,102</strong></td>
<td><strong>$516,599</strong></td>
<td><strong>$521,510</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
THE BROTHERHOOD/SISTER SOL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2018

Cash Flows from Operating Activities
Change in Net Assets $ 3,681,147
Adjustments to reconcile change in Net Assets to
net cash provided by operating activities
Depreciation and amortization 22,295
Changes in assets and liabilities:
Increase in accounts receivable ( 29,624)
Increase in pledges, grants and contributions receivable ( 999,035)
Decrease in due from governmental agencies 10,946
Increase in prepaid expenses ( 43,549)
Decrease in inventories 2,125
Increase in security deposits ( 38,010)
Increase in accounts and accrued expenses payable 79,925
Increase in agency funds payable 91
Increase in deferred rent payable 7,318
Net Cash Provided by Operating Activities 2,693,629

Cash Flows from Investing Activities
Acquisition of fixed assets ( 370,739)
Increase in construction in progress ( 591,493)
Donated securities 9,836
Proceeds from sales of donated securities ( 9,836)
Net Cash Used in Investing Activities ( 962,232)

Cash Flows from Financing Activities
Proceeds from loans 1,000,000
Repayment of loans ( 106,784)
Net Cash Provided by Financing Activities 893,216

Net Increase in Cash 2,624,613
Cash balance as of August 31, 2017 67,265
Cash balance as of August 31, 2018 $ 2,691,878

Supplemental Disclosure of Cash Flow Information:
Cash paid during the year for interest $ 83,087
Gifts of securities $ 9,836

See accompanying notes to financial statements.
NOTE 1 ORGANIZATION

The Brotherhood/Sister Sol, Inc. (the “Organization”) is a unique youth development organization recognized for providing an innovative and highly successful model of comprehensive, holistic and long-term support services to youth who range in ages 8-22 through which young people learn critical thinking skills toward becoming social change makers.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The accompanying financial statements of the organization have been prepared on the accrual basis of accounting.

b) Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by donor. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

c) Cash consists of cash held in checking and money market accounts and cash on hand. At year end and throughout the year, the Organization’s cash balances were deposited in several high quality financial institutions which, at times, may exceed the current insured amount under Federal Deposit Insurance Corporation (“FDIC”) protection. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

(Continue)
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

d) Inventories are stated at the lower of cost, determined by the FIFO method, or market.

e) The Organization capitalized all significant expenditures for fixed assets. All fixed assets are recorded at cost and depreciation is provided for on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 39 years. Leasehold improvements are amortized over their estimated lives or the remaining term of the lease, whichever is shorter.

f) The classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets, permanently restricted, temporarily restricted and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

g) Program fees are recognized as operating income in the period in which they are earned. Program fees received in advance are recorded as deferred revenue.

h) Donated goods and services are reflected in the statement of activities at their fair values. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

(Continue)
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

i) The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

j) The Organization adopted Financial Accounting Standards Board ("FASB") guidance on uncertain income tax positions in its financial statements. The Organization recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

NOTE 3  PROMISES TO GIVE

Unconditional promises to give as of August 31, 2018 are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in less than one year</td>
<td>$ 1,471,124</td>
</tr>
<tr>
<td>Receivable in one to five years</td>
<td>$ 1,160,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total unconditional promises to give</td>
<td>$ 2,631,124</td>
</tr>
<tr>
<td>Less: net present value discount</td>
<td>($ 103,531)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unconditional promises to give</td>
<td>$ 2,527,593</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$ 1,471,124</td>
</tr>
<tr>
<td>Non-current</td>
<td>$ 1,056,469</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unconditional promises to give</td>
<td>$ 2,527,593</td>
</tr>
</tbody>
</table>

Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 5%.
NOTE 4  FIXED ASSETS

As of August 31, 2018, the costs of the assets and the related accumulated depreciation and amortization were as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,246,883</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>$620,207</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$53,351</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$324,331</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,244,772</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>($289,756)</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$1,955,016</td>
</tr>
</tbody>
</table>

NOTE 5  AGENCY FUNDS PAYABLE

The Organization is the fiscal sponsor of Bro/Sis Brazil. The net assets for this sponsored project as of August 31, 2018 is reflected in the accompanying financial statements as agency funds payable.

NOTE 6  LOANS PAYABLE / RELATED PARTY TRANSACTION

On November 3, 2016, the Organization obtained a $1,350,000 term loan from the Nonprofit Finance Fund to refinance the indebtedness secured by a mortgage on the property located at 512 West 143rd Street and 514 West 143rd Street. The agreement provides for, among other matters, an annual interest rate of 6.25% payable in equal monthly payments for interest and principal over twenty (20) years with balance of principal due on December 1, 2018. The maturity date has been extended to March 1, 2019. The loan is collateralized by the fixed assets of the Organization. As of August 31, 2018, the outstanding balance was $1,291,795.

In addition, the Organization received an unsecured term loan of $1,000,000 from a company in which a Board member held ownership. The agreement provides for, among other matters, an annual interest rate of 2.60% with principal and unpaid interest due on June 30, 2020. As of August 31, 2018, the outstanding balance was $1,000,000.

(Continue)
NOTE 6  **LOANS PAYABLE / RELATED PARTY TRANSACTION** - (Continued)

Loans payable as of August 31, 2018 were as follows:

<table>
<thead>
<tr>
<th>Year ending August 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 1,291,795</td>
</tr>
<tr>
<td>2020</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,291,795</td>
</tr>
<tr>
<td><strong>Current portion</strong></td>
<td>1,291,795</td>
</tr>
<tr>
<td><strong>Non-current portion</strong></td>
<td>$ 1,000,000</td>
</tr>
</tbody>
</table>

NOTE 7  **NON-CASH CONTRIBUTIONS**

In-kind contributions received during the year consist of donated services of $158,496. The Organization also received donated auction items of $229,132 for their special events. Sold items of $221,637 and inventories that were expired of $6,800 were recorded in direct event expenses. The unsold items of $7,495 were recorded in inventories.

NOTE 8  **COMMITMENT**

In December 2017, the Organization entered into a lease agreement for its transitional housing space under an operating lease expiring on December 31, 2021 with the rent commencement date of January 1, 2018. The future minimum lease payments, exclusive of certain escalation costs, are as follows:

<table>
<thead>
<tr>
<th>Year Ending August 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 208,080</td>
</tr>
<tr>
<td>2020</td>
<td>215,723</td>
</tr>
<tr>
<td>2021</td>
<td>224,352</td>
</tr>
<tr>
<td>2022</td>
<td>75,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 723,910</td>
</tr>
</tbody>
</table>

For financial statement purposes, total rent expenses are accounted for on a straight-line basis. Accordingly, the accompanying statement of financial position reflects the liability for deferred rent for the excess of the rent expense charged under generally accepted accounting principles over the rent paid pursuant to the lease term. As of August 31, 2018, the amount of deferred rent payable was $7,318.
NOTE 9  **NET ASSETS RELEASED FROM RESTRICTIONS**

The amounts released from restrictions during the year were as follows:

Satisfaction of program restrictions:

- Programmatic Support: $350,000
- College Tours: 20,000
- Environmental Education Program: 30,000
- International Summer Program: 10,000
- Liberation Program: 120,000
- Rites of Passage: 965,956
- Summer Day Camp: 4,500
- Youth Program: 40,000

Total: $1,540,456

Satisfaction of purpose restrictions:

- Capital Campaign: 853,619
- Remixed Media: 300

Total: 853,919

Satisfaction of time restrictions:

- General Support designated for 2018: 300,000

Total: $2,694,375

NOTE 10  **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of August 31, 2018 are available for the following:

- Capital Campaign: $2,116,000
- General Support designated for future periods: 601,511
- Liberation Program: 100,213
- Programmatic Support: 797,002
- Rites of Passage: 1,229,064

Total: $4,843,790
NOTE 11 CAPITAL PROJECT

In 2016, the Organization started a campaign for the construction of the State-of-the-Art educational space and out-of-school-time facility (the “Capital Project”) for young people. The estimated costs for the Capital Project is $15 million dollars.

In 2016, the Organization received the following conditional promises to give totaling $9,552,000 from the City and State of New York for the Capital Project acting by and through New York City Economic Development Corporation (“EDC”) and the Dormitory Authority of the State of New York that are contingent upon the successful execution of the contracts. EDC will oversee funding committed by the City and State of New York and will pay capital project expenses on a reimbursement basis.

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Council Speaker Melissa Mark-Viverito</td>
<td>$ 5,152,000</td>
</tr>
<tr>
<td>New York Council Member Mark Levine</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Manhattan District Attorney Cyrus Vance</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Manhattan Borough President Gale Brewer</td>
<td>250,000</td>
</tr>
<tr>
<td>New York State Assemblyman Keith Wright</td>
<td>500,000</td>
</tr>
<tr>
<td>New York State Assemblyman Denny Farrell</td>
<td>500,000</td>
</tr>
<tr>
<td>New York State Assemblyman Robert Rodriguez</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Total Conditional Promises to Give $ 9,552,000

As of August 31, 2018, the Organization has received $3,580,853 in capital campaign contributions and incurred $1,464,854 in capital project related expenses. Of which, $815,704 was architecture, engineering, surveying and construction related fees. This amount is recorded as construction in progress in the statement of financial position and will be depreciated over the useful life of the building upon completion.

NOTE 12 CONTINGENCIES

The Organization receives City contracts and contracts with other organizations for its youth programs. These contracts may be subject to financial and compliance audit by the funding agencies. The amount of expenditures, if any, that may be disallowed by the funding agencies cannot be determined at this time. Hence, no provision for such disallowance has been reflected in the financial statements.
NOTE 13 **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 14 **SUBSEQUENT EVENTS**

The Organization evaluated subsequent events through January 16, 2019, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.
THE BROTHERHOOD/SISTER SOL, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
BRO/SIS BRAZIL
FOR THE YEAR ENDED AUGUST 31, 2018

Support and Revenue
Individual donation $ 3,500

Expenses
Consulting fees 3,004
Program expense 355
Bank fee 50
Total Expenses $ 3,409

Change in Net Assets 91
Net Assets as of August 31, 2017 160
Net Assets as of August 31, 2018 $ 251

See notes in the preceding section of this schedule.