

CHAR500

NYS Annual Filing for Charitable Organizations
www.CharitiesNYS.com

Send with fee and attachments to:
NYS Office of the Attorney General
Charities Bureau Registration Section
120 Broadway
New York, NY 10271

2016

Open to Public
Inspection

1. General Information

For Fiscal Year Beginning (mm/dd/yyyy) 07/01 /2016 and Ending (mm/dd/yyyy) 06/30/2017

| | | |
|---|--|---------------------------------------|
| Check if Applicable: <input type="checkbox"/> Address Change <input type="checkbox"/> Name Change <input type="checkbox"/> Initial Filing <input type="checkbox"/> Final Filing <input type="checkbox"/> Amended Filing <input type="checkbox"/> Reg ID Pending | Name of Organization: | Employer Identification Number (EIN): |
| | HARLEM CONGREGATIONS FOR COMMUNITY IMPROVEMENT, INC. | 13-3516262 |
| | Mailing Address: | NY Registration Number: |
| | 256 WEST 153RD STREET, GROUND FLOOR | 04-49-08 |
| | City/State/Zip: | Telephone: |
| | NEW YORK, NY 10039 | (212) 281-4887 |
| | Website: | Email: |
| | WWW.HCCI.ORG | |

Check your organization's registration category: ☐ 7A only ☐ EPTL only ☒ DUAL (7A & EPTL) ☐ EXEMPT Confirm your Registration Category in the Charities Registry at www.CharitiesNYS.com

2. Certification

See instructions for certification requirements. Improper certification is a violation of law that may be subject to penalties.

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

| | | | | | | |
|---------------------------------------|-----------|-------------------|--------------|-----------------|-------|------|
| President or Authorized Officer: | Signature | MALCOLM A. PUNTER | Printed Name | PRESIDENT & CEO | Title | Date |
| Chief Financial Officer or Treasurer: | Signature | ERNIE S. ENAD | Printed Name | CFO | Title | Date |

3. Annual Reporting Exemption

Check the exemption(s) that apply to your filing. If your organization is claiming an exemption under one category (7A or EPTL only filers) or both categories (DUAL filers) that apply to your registration, complete only parts 1, 2, and 3, and submit the certified Char500. No fee, schedules, or additional attachments are required. If you cannot claim an exemption or are a DUAL filer that claims only one exemption, you must file applicable schedules and attachments and pay applicable fees.

☐ **3a. 7A filing exemption:** Total contributions from NY State including residents, foundations, government agencies, etc did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during the fiscal year. Or the organization qualifies for another 7A exemption (see instructions).

☐ **3b. EPTL filing exemption:** Gross receipts did not exceed \$25,000 and the market value of assets did not exceed \$25,000 at any time during the fiscal year.

4. Schedules and Attachments

| | | |
|--|---|---|
| See the following page for a checklist of schedules and attachments to complete your filing. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4a. Did your organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? If yes, complete Schedule 4a. |
| | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 4b. Did the organization receive government grants? If yes, complete Schedule 4b. |

5. Fee

| | | | | |
|---|--------------------------|-----------------------------|-----------------------|--|
| See the checklist on the next page to calculate your fee(s). Indicate fee(s) you are submitting here: | 7A filing fee: \$ 25. | EPTL filing fee: \$ 250. | Total fee: \$ 275. | Make a single check or money order payable to: 'Department of Law' |
|---|--------------------------|-----------------------------|-----------------------|--|

CHAR500 Annual Filing for Charitable Organizations (Updated December 2016)

CHAR500

Annual Filing Checklist

Simply submit the certified CHAR500 with no fee, schedule, or additional attachments IF:

- Your organization is registered as 7A only and you marked the 7A filing exemption in Part 3.
- Your organization is registered as EPTL only and you marked the EPTL filing exemption in Part 3.
- Your organization is registered as DUAL and you marked **both** the 7A and EPTL filing exemption in Part 3.

Checklist of Schedules and Attachments

Check the schedules you must submit with your CHAR500 as described in Part 4:

- ☐ If you answered 'yes' in Part 4a, submit Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsel (FRC), Commercial Co-Venturers (CCV)
- ☒ If you answered 'yes' in Part 4b, submit Schedule 4b: Government Grants

Check the financial attachments you must submit with your CHAR500:

- ☒ IRS Form 990, 990-EZ, or 990-PF, and 990-T if applicable
- ☒ All additional IRS Form 990 Schedules, including Schedule B (Schedule of Contributors).
- ☐ Our organization was eligible for and filed an IRS 990-N e-postcard. We have included an IRS Form 990-EZ for state purposes only.

If you are a 7A only or DUAL filer, submit the applicable independent Certified Public Accountant's Review or Audit Report:

- ☐ Review Report if you received total revenue and support greater than \$250,000 and up to \$750,000.
- ☒ Audit Report if you received total revenue and support greater than \$750,000
- ☐ No Review Report or Audit Report is required because total revenue and support is less than \$250,000
- ☐ We are a DUAL filer and checked box 3a, no Review Report or Audit Report is required

Calculate Your Fee

For 7A and DUAL filers, calculate the 7A fee:

- ☐ \$0, if you checked the 7A exemption in Part 3a
- ☒ \$25, if you did not check the 7A exemption in Part 3a

For EPTL and DUAL filers, calculate the EPTL fee:

- ☐ \$0, if you checked the EPTL exemption in Part 3b
- ☐ \$25, if the NET WORTH is less than \$50,000
- ☐ \$50, if the NET WORTH is \$50,000 or more but less than \$250,000
- ☐ \$100, if the NET WORTH is \$250,000 or more but less than \$1,000,000
- ☒ \$250, if the NET WORTH is \$1,000,000 or more but less than \$10,000,000
- ☐ \$750, if the NET WORTH is \$10,000,000 or more but less than \$50,000,000
- ☐ \$1500, if the NET WORTH is less \$50,000,000 or more

Is my Registration Category 7A, EPTL, DUAL or EXEMPT?
Organizations are assigned a Registration Category upon registration with the NY Charities Bureau:

7A filers are registered to solicit contributions in New York under Article 7-A of the Executive Law ("7A")

EPTL filers are registered under the Estates, Powers & Trusts Law ("EPTL") because they hold assets and/or conduct activities for charitable purposes in NY.

DUAL filers are registered under both 7A and EPTL.

EXEMPT filers have registered with the NY Charities Bureau and meet conditions in **Schedule E - Registration Exemption for Charitable Organizations**. These organization are not required to file annual financial reports but may do so voluntarily.

Confirm your Registration Category and learn more about NY law at www.CharitiesNYS.com

Where do I find my organization's NET WORTH?

NET WORTH for fee purposes is calculated on:

- IRS Form 990 Part I, line 22
- IRS Form 990 EZ Part I line 21
- IRS Form 990 PF, calculate the difference between Total Assets at Fair Market Value (Part II, line 16(c)) and Total Liabilities (Part II, line 23(b)).

Send Your Filing

Send your CHAR500, all schedules and attachments, and total fee to:

NYS Office of the Attorney General
Charities Bureau Registration Section
120 Broadway
New York, NY 10271

CHAR500 Annual Filing for Charitable Organizations (Updated December 2016)

| | |
|--|---|
| CHAR500 Schedule 4b: Government Grants www.CharitiesNYS.com | 2016 Open to Public Inspection |
|--|---|

If you checked the box in question 4b in Part 4 on the CHAR500 Annual Filing for Charitable Organizations, complete this schedule and list EACH government grant. Use additional pages if necessary. Include this schedule with your certified CHAR500 NYS Annual Filing for Charitable Organizations.

| | |
|--|--|
| 1. Organization Information | |
| Name of Organization: HARLEM CONGREGATIONS FOR COMMUNITY | NY Registration Number: 04-49-08 |

| 2. Government Grants | |
|---|-------------------|
| Name of Government Agency | Amount of Grant |
| 1. NYC HUMAN RESOURCE ADMINISTRATION | 1. 1,467,221. |
| 2. NYS DEPARTMENT OF STATE | 2. 143,243. |
| 3. NYC DEPARTMENT OF EDUCATION | 3. 3,500. |
| 4. NYC DEPARTMENT SMALL BUSINESS SERVICES | 4. 30,000. |
| 5. NYC DEPT OF HOUSING PRESERVATION & DEVELOPMENT | 5. 69,409. |
| 6. NYC DEPT OF YOUTH & COMMUNITY DEVELOPMENT | 6. 5,000. |
| 7. | 7. |
| 8. | 8. |
| 9. | 9. |
| 10. | 10. |
| 11. | 11. |
| 12. | 12. |
| 13. | 13. |
| 14. | 14. |
| 15. | 15. |
| Total Government Grants: | Total: 1,718,373. |

Form **990**

OMB No. 1545-0047

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

2016**Open to Public Inspection**Department of the Treasury
Internal Revenue Service**A** For the 2016 calendar year, or tax year beginning **7/01**, 2016, and ending **6/30**, 2017**B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.
256 WEST 153RD STREET, GROUND FLOOR
NEW YORK, NY 10039

D Employer identification number

13-3516262

E Telephone number

212-281-4887

G Gross receipts \$ **3,733,150.**

F Name and address of principal officer: **MALCOLM A. PUNTER**
SAME AS C ABOVE

H(a) Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No
If 'No,' attach a list. (see instructions)**I** Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **WWW.HCCI.ORG****H(c)** Group exemption number ▶**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation:**M** State of legal domicile: **NY****Part I Summary**

| | | | | |
|------------------------------------|--|--|----------------------------------|---------------------|
| Activities & Governance | 1 | Briefly describe the organization's mission or most significant activities: <u>TO PROVIDE ECONOMIC DEVELOPMENT OPPORTUNITIES AND EMPOWERMENT OF HARLEM RESIDENTS TO REBUILD THEIR COMMUNITY. THE GOALS ARE AFFORDABLE RENTAL HOUSING AND OWNERSHIP, JOB TRAINING, COMMUNITY YOUTH PROGRAMMING.</u> | | |
| | 2 | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 13 |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 13 |
| | 5 | Total number of individuals employed in calendar year 2016 (Part V, line 2a) | 5 | 42 |
| | 6 | Total number of volunteers (estimate if necessary) | 6 | 13 |
| | 7a | Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| b | Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0. | |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 | Program service revenue (Part VIII, line 2g) | 1,768,650. | 2,127,849. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 1,802,322. | 1,354,809. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 10,628. | 122. |
| | 12 | Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 600,143. | 192,318. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 4,181,743. | 3,675,098. |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | | |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | | |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 2,131,137. | 1,896,246. |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 213,465. | | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 1,635,158. | 1,862,549. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 3,766,295. | 3,758,795. |
| Net Assets or Fund Balances | 19 | Revenue less expenses. Subtract line 18 from line 12 | 415,448. | -83,697. |
| | 20 | Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 | Total liabilities (Part X, line 26) | 5,189,228. | 5,342,705. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 1,263,498. | 1,795,385. |
| | | | 3,925,730. | 3,547,320. |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | | | | |
|-------------------------------|---|--------------------------------|----------------------------|---|---------------------------------|
| Sign Here | Signature of officer | | Date | | |
| | MALCOLM A. PUNTER | | PRESIDENT & CEO | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | BARUTI BEDIAKO, CPA | BARUTI BEDIAKO, CPA | 5/10/18 | | P00740658 |
| | Firm's name ▶ BCA WATSON RICE LLP | | | | |
| | Firm's address ▶ 5 PENN PLAZA, 15TH FL NEW YORK, NY 10001-1810 | Firm's EIN ▶ 26-1726741 | | | |
| | | | | | Phone no. (212) 447-7300 |

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No**BAA For Paperwork Reduction Act Notice, see the separate instructions.**

TEEA0113L 11/16/16

Form **990** (2016)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

TO PROVIDE ECONOMIC DEVELOPMENT OPPORTUNITIES AND EMPOWERMENT OF HARLEM RESIDENTS TO REBUILD THEIR COMMUNITY. THE GOALS ARE AFFORDABLE RENTAL HOUSING AND OWNERSHIP, JOB TRAINING, COMMUNITY YOUTH PROGRAMMING.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 1,574,134. including grants of \$) (Revenue \$)

SCATTERED SITE HOUSING PROGRAM PROVIDES HOUSING FOR 60 FAMILIES AND INDIVIDUALS LIVING WITH HIV/AIDS ALONG WITH CASE MANAGEMENT; INDIVIDUAL FAMILY AND GROUP COUNSELING; SUPPORT GROUPS; PERMANENCY PLANNING AND CLIENT ADVOCACY.

4b (Code:) (Expenses \$ 1,451,132. including grants of \$) (Revenue \$)

SEE SCHEDULE O

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 3,025,266.

Part IV Checklist of Required Schedules

| | Yes | No |
|--|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i> | X | |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? | X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i> | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i> | | X |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i> | | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i> | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i> | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i> | | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i> | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i> | | X |
| 11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i> | X | |
| b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i> | | X |
| c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i> | X | |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i> | X | |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i> | X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i> | X | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI and XII.</i> | X | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional.</i> | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i> | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i> | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i> | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i> | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I</i> (see instructions). | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i> | X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i> | | X |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|---|-----|----|
| 20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i> | | X |
| b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i> | | X |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i> | | X |
| 23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i> | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i> | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i> | | X |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | X | |
| b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> | X | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O. | X | |

BAA

Form 990 (2016)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V. ☐

| | | Yes | No |
|---|---------------|-----|----|
| 1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. | 1 a 26 | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 1 b 0 | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1 c | X | |
| 2 a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 2 a 42 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2 b | X | |
| Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) | | | |
| 3 a Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3 a | | X |
| b If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O. | 3 b | | |
| 4 a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4 a | | X |
| b If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | | |
| 5 a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5 a | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5 b | | X |
| c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? | 5 c | | |
| 6 a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6 a | | X |
| b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6 b | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7 a | | X |
| b If 'Yes,' did the organization notify the donor of the value of the goods or services provided? | 7 b | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7 c | | X |
| d If 'Yes,' indicate the number of Forms 8282 filed during the year. | 7 d | | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7 e | | X |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7 f | | X |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7 g | | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7 h | | |
| 8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 8 | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | |
| a Did the sponsoring organization make any taxable distributions under section 4966? | 9 a | | |
| b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? | 9 b | | |
| 10 Section 501(c)(7) organizations. Enter: | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12. | 10 a | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | 10 b | | |
| 11 Section 501(c)(12) organizations. Enter: | | | |
| a Gross income from members or shareholders. | 11 a | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11 b | | |
| 12 a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12 a | | |
| b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. | 12 b | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? | 13 a | | |
| Note. See the instructions for additional information the organization must report on Schedule O. | | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. | 13 b | | |
| c Enter the amount of reserves on hand. | 13 c | | |
| 14 a Did the organization receive any payments for indoor tanning services during the tax year? | 14 a | | X |
| b If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. | 14 b | | |

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI. ☒ **X****Section A. Governing Body and Management**

| | Yes | No |
|--|-----|----|
| 1 a Enter the number of voting members of the governing body at the end of the tax year. 1 a 13 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | | |
| b Enter the number of voting members included in line 1a, above, who are independent 1 b 13 | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2 | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? 3 | | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4 | | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5 | | X |
| 6 Did the organization have members or stockholders? 6 | | X |
| 7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7 a | | X |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7 b | | X |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? 8 a | X | |
| b Each committee with authority to act on behalf of the governing body? 8 b | X | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

| | Yes | No |
|---|-----|----|
| 10 a Did the organization have local chapters, branches, or affiliates? 10 a | | X |
| b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 10 b | | |
| 11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11 a | X | |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O | | |
| 12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13. 12 a | X | |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12 b | X | |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. SEE SCHEDULE O 12 c | X | |
| 13 Did the organization have a written whistleblower policy? 13 | X | |
| 14 Did the organization have a written document retention and destruction policy? 14 | X | |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a The organization's CEO, Executive Director, or top management official. 15 a | X | |
| b Other officers or key employees of the organization. SEE SCHEDULE O. 15 b | X | |
| If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16 a | | X |
| b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? 16 b | | |

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NY

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶
CARLISA SIMMONS 2854 FREDRICK DOUGLAS BLVD. NEW YORK NY 10039 (212) 281-4887

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) REV DR. CHARLES CURTIS CHAIRMAN | 2 0.5 | X | | X | | | | 0. | 0. | 0. |
| (2) JOAN O. DAWSON 1ST VICE CHAIR | 0.5 0.25 | X | | X | | | | 0. | 0. | 0. |
| (3) GEORGE H. WELDON, JR. 2ND VICE CHAIR | 0.5 0.25 | X | | X | | | | 0. | 0. | 0. |
| (4) REV. KEITH W. ROBERSON TREASURER | 1 0.5 | X | | X | | | | 0. | 0. | 0. |
| (5) IMAM TALIB'ABDUR RASHID CORP. SECRETARY | 0.5 0 | X | | X | | | | 0. | 0. | 0. |
| (6) REV. WENDY J. KELLY-CARTER MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (7) MR. LANDON DAIS MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (8) REV. EVA G. DUZANT MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (9) REV. SHEPHERD LEE, SR. MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (10) MS. VIRGINIA M. MONTAGUE MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (11) REV. NIGEL PEARCE MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (12) REV. JOHN L. SCOTT, A.B., M.DIV. MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (13) REV. DR. CARL L. WASHINGTON, JR. MEMBER | 0.5 0 | X | | | | | | 0. | 0. | 0. |
| (14) MALCOLM A. PUNTER EXECVP/PRES&CEO | 35 5 | | | X | | | | 107,923. | 0. | 26,257. |

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (15) DEREK BROOMES PRESIDENT & CEO | 35 5 | | | X | | | | 40,370. | 0. | 6,189. |
| (16) ERNIE ENAD CFO | 35 5 | | | X | | | | 90,610. | 0. | 9,226. |
| (17) | | | | | | | | | | |
| (18) | | | | | | | | | | |
| (19) | | | | | | | | | | |
| (20) | | | | | | | | | | |
| (21) | | | | | | | | | | |
| (22) | | | | | | | | | | |
| (23) | | | | | | | | | | |
| (24) | | | | | | | | | | |
| (25) | | | | | | | | | | |
| 1 b Sub-total | | | | | | | | 238,903. | 0. | 41,672. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 238,903. | 0. | 41,672. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual.*

| | Yes | No |
|----------|-----|----|
| 3 | | X |
| 4 | | X |
| 5 | | X |

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If 'Yes,' complete Schedule J for such individual.*

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If 'Yes,' complete Schedule J for such person.*

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 | |
|---|--|--|----------------------|--|---|--|----------|
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1 a | | | | | |
| | b Membership dues | 1 b | | | | | |
| | c Fundraising events | 1 c | | | | | |
| | d Related organizations | 1 d | | | | | |
| | e Government grants (contributions) | 1 e 1,718,373. | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above ... | 1 f 409,476. | | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | |
| | h Total. Add lines 1a-1f | | 2,127,849. | | | | |
| Program Service Revenue | Business Code | | | | | | |
| | 2 a FEE INCOME | 531390 | 1,076,548. | 1,076,548. | | | |
| | b RENTAL INCOME | 531190 | 278,261. | 278,261. | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f | | 1,354,809. | | | | |
| Other Revenue | 3 Investment income (including dividends, interest and other similar amounts) | | 122. | | | 122. | |
| | 4 Income from investment of tax-exempt bond proceeds.. | | | | | | |
| | 5 Royalties | | | | | | |
| | 6 a Gross rents | (i) Real | (ii) Personal | | | | |
| | | b Less: rental expenses | | | | | |
| | | c Rental income or (loss) ... | | | | | |
| | | d Net rental income or (loss) | | | | | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| | | b Less: cost or other basis and sales expenses | | | | | |
| | | c Gain or (loss) | | | | | |
| | | d Net gain or (loss) | | | | | |
| | 8 a Gross income from fundraising events (not including.. \$ of contributions reported on line 1c). See Part IV, line 18 | a 250,370. | | | | | |
| | | b Less: direct expenses | b 58,052. | | | | |
| | | c Net income or (loss) from fundraising events | | 192,318. | | | 192,318. |
| | 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| | | b Less: direct expenses | b | | | | |
| | | c Net income or (loss) from gaming activities | | | | | |
| | 10 a Gross sales of inventory, less returns and allowances | a | | | | | |
| | | b Less: cost of goods sold | b | | | | |
| | | c Net income or (loss) from sales of inventory | | | | | |
| Miscellaneous Revenue | | Business Code | | | | | |
| 11 a | | | | | | | |
| b | | | | | | | |
| c | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | | | | | | |
| 12 Total revenue. See instructions | | | 3,675,098. | 1,354,809. | 0. | 192,440. | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX. ☐

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|------------------------------|--|---|------------------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21. | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 555,131. | 266,233. | 219,930. | 68,968. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | 0. | 0. | 0. | 0. |
| 7 Other salaries and wages. | 897,066. | 851,519. | | 45,547. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | | | | |
| 9 Other employee benefits. | 345,614. | 292,874. | 16,423. | 36,317. |
| 10 Payroll taxes. | 98,435. | 55,226. | 32,242. | 10,967. |
| 11 Fees for services (non-employees): | | | | |
| a Management. | | | | |
| b Legal. | 15,381. | 13,103. | 2,278. | |
| c Accounting. | 54,305. | 19,500. | 13,850. | 20,955. |
| d Lobbying. | | | | |
| e Professional fundraising services. See Part IV, line 17. | | | | |
| f Investment management fees. | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) | 193,686. | 164,731. | 28,955. | |
| 12 Advertising and promotion. | 1,784. | 1,784. | | |
| 13 Office expenses. | 288,088. | 148,855. | 117,258. | 21,975. |
| 14 Information technology. | 4,000. | 4,000. | | |
| 15 Royalties. | | | | |
| 16 Occupancy. | 939,453. | 902,667. | 36,786. | |
| 17 Travel. | 19,193. | 16,963. | 789. | 1,441. |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | | | | |
| 20 Interest. | | | | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 45,631. | 27,534. | 18,097. | |
| 23 Insurance. | 61,265. | 54,982. | 6,283. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a ADMINISTRATIVE FEES | 116,636. | 116,636. | | |
| b REPAIRS AND MAINTENANCE | 94,156. | 83,223. | 10,933. | |
| c MISCELLANEOUS | 19,809. | | 12,514. | 7,295. |
| d SERVICE FEE | 9,162. | 5,436. | 3,726. | |
| e All other expenses. | | | | |
| 25 Total functional expenses. Add lines 1 through 24e. | 3,758,795. | 3,025,266. | 520,064. | 213,465. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X. ☐

| | | (A) Beginning of year | | (B) End of year |
|--|---|--------------------------|------------|--------------------|
| Assets | 1 Cash — non-interest-bearing..... | 4,104. | 1 | 11,897. |
| | 2 Savings and temporary cash investments..... | | 2 | |
| | 3 Pledges and grants receivable, net..... | 284,007. | 3 | 404,790. |
| | 4 Accounts receivable, net..... | 3,047,543. | 4 | 3,128,148. |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L..... | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L..... | | 6 | |
| | 7 Notes and loans receivable, net..... | | 7 | |
| | 8 Inventories for sale or use..... | | 8 | |
| | 9 Prepaid expenses and deferred charges..... | 14,452. | 9 | 2,655. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D..... | 10a 1,104,169. | | |
| | b Less: accumulated depreciation..... | 10b 1,066,651. | | |
| | | 83,149. | 10c | 37,518. |
| | 11 Investments — publicly traded securities..... | | 11 | |
| | 12 Investments — other securities. See Part IV, line 11..... | | 12 | |
| | 13 Investments — program-related. See Part IV, line 11..... | 1,119,394. | 13 | 1,086,102. |
| | 14 Intangible assets..... | | 14 | |
| 15 Other assets. See Part IV, line 11..... | 636,579. | 15 | 671,595. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34)..... | 5,189,228. | 16 | 5,342,705. | |
| Liabilities | 17 Accounts payable and accrued expenses..... | 197,674. | 17 | 630,998. |
| | 18 Grants payable..... | | 18 | |
| | 19 Deferred revenue..... | 78,747. | 19 | |
| | 20 Tax-exempt bond liabilities..... | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D..... | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L..... | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties..... | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties..... | 399,437. | 24 | 399,437. |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D..... | 587,640. | 25 | 764,950. |
| | 26 Total liabilities. Add lines 17 through 25..... | 1,263,498. | 26 | 1,795,385. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | |
| | 27 Unrestricted net assets..... | 3,579,930. | 27 | 3,201,520. |
| | 28 Temporarily restricted net assets..... | | 28 | |
| | 29 Permanently restricted net assets..... | 345,800. | 29 | 345,800. |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds..... | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund..... | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds..... | | 32 | |
| | 33 Total net assets or fund balances..... | 3,925,730. | 33 | 3,547,320. |
| | 34 Total liabilities and net assets/fund balances..... | 5,189,228. | 34 | 5,342,705. |

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Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☐

| | | | |
|-----------|--|-----------|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 3,675,098. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 3,758,795. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | -83,697. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 3,925,730. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | -294,713. |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 0. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 3,547,320. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ | | |
| If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? | | X |
| If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: | | |
| <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| b Were the organization's financial statements audited by an independent accountant? | X | |
| If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: | | |
| <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | X | |
| If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. | | |

BAA

Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization **HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.**

Employer identification number
13-3516262

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☒ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations: _____
- g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| (A) | | | | | | |
| (B) | | | | | | |
| (C) | | | | | | |
| (D) | | | | | | |
| (E) | | | | | | |
| Total | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2012 | (b) 2013 | (c) 2014 | (d) 2015 | (e) 2016 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.) | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf. | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4 | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2012 | (b) 2013 | (c) 2014 | (d) 2015 | (e) 2016 | (f) Total |
|---|----------|----------|----------|----------|-----------|-----------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)). | 14 | % |
| 15 Public support percentage from 2015 Schedule A, Part II, line 14 | 15 | % |
| 16a 33-1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/> | | |
| b 33-1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/> | | |
| 17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/> | | |
| b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/> | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/> | | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2012 | (b) 2013 | (c) 2014 | (d) 2015 | (e) 2016 | (f) Total |
|--|------------|------------|------------|------------|------------|-------------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.) | 2,288,412. | 1,993,755. | 3,489,298. | 1,768,650. | 2,127,849. | 11,667,964. |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose. | 1,986,292. | 2,340,101. | 1,189,486. | 1,802,322. | 1,354,809. | 8,673,010. |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513. | | | | 512,637. | | 512,637. |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf. | | | | | | 0. |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | 0. |
| 6 Total. Add lines 1 through 5. | 4,274,704. | 4,333,856. | 4,678,784. | 4,083,609. | 3,482,658. | 20,853,611. |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons. | 0. | 0. | 0. | 0. | 0. | 0. |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year. | 0. | 0. | 0. | 0. | 0. | 0. |
| c Add lines 7a and 7b. | 0. | 0. | 0. | 0. | 0. | 0. |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | 20,853,611. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2012 | (b) 2013 | (c) 2014 | (d) 2015 | (e) 2016 | (f) Total |
|---|------------|------------|------------|------------|------------|-------------|
| 9 Amounts from line 6. | 4,274,704. | 4,333,856. | 4,678,784. | 4,083,609. | 3,482,658. | 20,853,611. |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. | 846. | 256. | 10,683. | 10,628. | 122. | 22,535. |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975. | | | | | | 0. |
| c Add lines 10a and 10b. | 846. | 256. | 10,683. | 10,628. | 122. | 22,535. |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on. | | 8,027. | 8,027. | 87,506. | 192,318. | 295,878. |
| 12 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part VI.) SEE PART VI. | 28,482. | 29,610. | | | | 58,092. |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | 4,304,032. | 4,371,749. | 4,697,494. | 4,181,743. | 3,675,098. | 21,230,116. |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---------|
| 15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)). | 15 | 98.23 % |
| 16 Public support percentage from 2015 Schedule A, Part III, line 15. | 16 | 99.47 % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|--------|
| 17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)). | 17 | 0.11 % |
| 18 Investment income percentage from 2015 Schedule A, Part III, line 17. | 18 | 0.11 % |

- 19a 33-1/3% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶ ☒
- b 33-1/3% support tests—2015.** If the organization did not check a box on line 14 or line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶ ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶ ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i> | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If 'Yes,' answer (b) and (c) below.</i> | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If 'Yes,' describe in Part VI when and how the organization made the determination.</i> | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.</i> | | |
| 4a Was any supported organization not organized in the United States ('foreign supported organization')? <i>If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i> | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i> | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i> | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If 'Yes,' provide detail in Part VI.</i> | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If 'Yes,' provide detail in Part VI.</i> | | |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If 'Yes,' provide detail in Part VI.</i> | | |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If 'Yes,' provide detail in Part VI.</i> | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If 'Yes,' answer 10b below.</i> | | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | | |

Part IV Supporting Organizations (continued)

| | Yes | No |
|--|------------|----|
| 11 Has the organization accepted a gift or contribution from any of the following persons? | | |
| a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization? | 11a | |
| b A family member of a person described in (a) above? | 11b | |
| c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in Part VI . | 11c | |

Section B. Type I Supporting Organizations

| | Yes | No |
|---|----------|----|
| 1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. | 1 | |
| 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization. | 2 | |

Section C. Type II Supporting Organizations

| | Yes | No |
|--|----------|----|
| 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). | 1 | |

Section D. All Type III Supporting Organizations

| | Yes | No |
|---|----------|----|
| 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? | 1 | |
| 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s). | 2 | |
| 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard. | 3 | |

Section E. Type III Functionally Integrated Supporting Organizations

| | | | |
|---|-----------|-----|----|
| 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). | | | |
| a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions). | | | |
| 2 Activities Test. Answer (a) and (b) below. | | Yes | No |
| a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. | 2a | | |
| b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement. | 2b | | |
| 3 Parent of Supported Organizations. Answer (a) and (b) below. | | | |
| a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI . | 3a | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in Part VI the role played by the organization in this regard. | 3b | | |

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A – Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|---------------------------------|--|----------------|-----------------------------|
| 1 | Net short-term capital gain | 1 | |
| 2 | Recoveries of prior-year distributions | 2 | |
| 3 | Other gross income (see instructions) | 3 | |
| 4 | Add lines 1 through 3. | 4 | |
| 5 | Depreciation and depletion | 5 | |
| 6 | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | |
| 7 | Other expenses (see instructions) | 7 | |
| 8 | Adjusted Net Income (subtract lines 5, 6, and 7 from line 4). | 8 | |

| Section B – Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
|----------------------------------|---|----------------|-----------------------------|
| 1 | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | |
| a | Average monthly value of securities | 1a | |
| b | Average monthly cash balances | 1b | |
| c | Fair market value of other non-exempt-use assets | 1c | |
| d | Total (add lines 1a, 1b, and 1c) | 1d | |
| e | Discount claimed for blockage or other factors (explain in detail in Part VI): | | |
| 2 | Acquisition indebtedness applicable to non-exempt-use assets | 2 | |
| 3 | Subtract line 2 from line 1d. | 3 | |
| 4 | Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions). | 4 | |
| 5 | Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | |
| 6 | Multiply line 5 by .035. | 6 | |
| 7 | Recoveries of prior-year distributions | 7 | |
| 8 | Minimum Asset Amount (add line 7 to line 6) | 8 | |

| Section C – Distributable Amount | | | Current Year |
|----------------------------------|---|---|--------------|
| 1 | Adjusted net income for prior year (from Section A, line 8, Column A) | 1 | |
| 2 | Enter 85% of line 1. | 2 | |
| 3 | Minimum asset amount for prior year (from Section B, line 8, Column A) | 3 | |
| 4 | Enter greater of line 2 or line 3. | 4 | |
| 5 | Income tax imposed in prior year | 5 | |
| 6 | Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | |
| 7 | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | |

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Schedule A (Form 990 or 990-EZ) 2016

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D – Distributions**

| | Current Year |
|---|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | |
| 4 Amounts paid to acquire exempt-use assets | |
| 5 Qualified set-aside amounts (prior IRS approval required) | |
| 6 Other distributions (describe in Part VI). See instructions. | |
| 7 Total annual distributions. Add lines 1 through 6. | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | |
| 9 Distributable amount for 2016 from Section C, line 6 | |
| 10 Line 8 amount divided by Line 9 amount | |

Section E – Distribution Allocations (see instructions)

| | (i) Excess Distributions | (ii) Underdistributions Pre-2016 | (iii) Distributable Amount for 2016 |
|--|--------------------------------|--|---|
| 1 Distributable amount for 2016 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2016 (reasonable cause required – explain in Part VI). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2016: | | | |
| a | | | |
| b | | | |
| c From 2013 | | | |
| d From 2014 | | | |
| e From 2015 | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2016 distributable amount | | | |
| i Carryover from 2011 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f. | | | |
| 4 Distributions for 2016 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2016 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from 4. | | | |
| 5 Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions. | | | |
| 6 Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions. | | | |
| 7 Excess distributions carryover to 2017. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a | | | |
| b Excess from 2013 | | | |
| c Excess from 2014 | | | |
| d Excess from 2015 | | | |
| e Excess from 2016 | | | |

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part VI Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

PART III, LINE 12 - OTHER INCOME

| NATURE AND SOURCE | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------|-------|-------|-------|------------|------------|
| OTHER REVENUE | | | | \$ 29,610. | \$ 28,482. |
| TOTAL | \$ 0. | \$ 0. | \$ 0. | \$ 29,610. | \$ 28,482. |

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
► Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Name of the organization **HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.**

Employer identification number
13-3516262

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- ☒ 501(c)(3) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ► \$ _____

Caution. An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

| | |
|------------------------------------|--------------------------------|
| Name of organization | Employer identification number |
| HARLEM CONGREGATIONS FOR COMMUNITY | 13-3516262 |

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---------------|---|-------------------------------|---|
| 1 | CON EDISON 4 IRVING PLACE, ROOM 1428 NEW YORK, NY 10003 | \$ 7,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 2 | NYC DEPARTMENT OF EDUCATION 66 COURT STREET BROOKLYN BROOKLYN, NY 11201 | \$ 35,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 3 | M&T CHARITABLE FOUNDATION 1 M&T PLAZA, 3RD FLR. BUFFALO, NY 14203-2309 | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 4 | ARIVA INC. 69 E. 167TH STREET BRONX, NY 10452 | \$ 5,200. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 5 | BANKUNITED 7815 N.W. 148TH STREET MIAMI, FL 33016 | \$ 7,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 6 | CITIBANK 480 WASHINGTON BLVD. 19TH FLOOR JERSEY CITY, NJ 07310 | \$ 76,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|------------------------------------|--------------------------------|
| Name of organization | Employer identification number |
| HARLEM CONGREGATIONS FOR COMMUNITY | 13-3516262 |

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---------------|--|-------------------------------|---|
| 7 | HSBC GLOBAL EDUCATION 26525 N. RIVERWOODS BLVD. METTAWA, IL 60045 | \$ 8,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 8 | JP MORGAN CHASE 55 WATER STREET NEW YORK, NY 10001 | \$ 14,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 9 | STATE BANK OF INDIA 450 PARK AVE., SUITE 3 NEW YORK, NY 10022 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 10 | VALLEY NATIONTIONAL BANK 1460 VALLEY ROAD WAYNE, NJ 07470 | \$ 7,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 11 | NYC DEPARTMENT SMALL BUSINESS SVCS. 123 WILLIAM STREET NEW YORK, NY 10038-3804 | \$ 30,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 12 | NYS DEPARTMENT OF STATE 1COMMERCE PLZ, 99 WASHINGTON AV ALBANY, NY 12231 | \$ 143,243. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|---|---|
| Name of organization HARLEM CONGREGATIONS FOR COMMUNITY | Employer identification number 13-3516262 |
|---|---|

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---------------|--|-------------------------------|--|
| 13 | NYC HUMAN RESOURCE ADMINISTRATION 12 W. 14TH ST. NEW YORK, NY 10011 | \$ 1,467,221. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 14 | BANK OF AMERICA 3400 PAWTUCKET AVE RIVERSIDE, RI 02915 | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 15 | TD CHARITABLE FOUNDATION ONE PROT LAND SQ. PO BOX 9540 PORTLAND, ME 04112 | \$ 100,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 16 | NYC DEPT OF HOUSING PRESERVATION & 100 GOLD STREET 4M, NEW YORK, NY 10038 | \$ 69,409. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 17 | HARLEM COMMUNITY DEVELOPMENT CORP 163 W. 125TH STREET 17TH FL NEW YORK, NY 10027 | \$ 25,483. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 18 | FREDDIE MAC 122 E 42ND STREET NEW YORK, NY 10168 | \$ 22,500. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

Name of organization

Employer identification number

HARLEM CONGREGATIONS FOR COMMUNITY

13-3516262

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---------------|--|-------------------------------|---|
| 19 | NYC DEPT OF YOUTH & COMMUNITY DEV 123 WILLIAM STREET, 17TH FL NEW YORK, NY 10038 | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| --- | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

Employer identification number

13-3516262

Part II

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---------------------------|--|--|----------------------|
| | N/A | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| | | | |
| | | \$ | |
| | | | |

Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization

HARLEM CONGREGATIONS FOR COMMUNITY

Employer identification number

13-3516262

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) \$ _____ N/A

Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------------|---|--------------------|--|
| | N/A | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered 'Yes' on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.

► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016**Open to Public
Inspection**

Name of the organization

HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.

Employer identification number

13-3516262

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|--|---|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2 a |
| b Total acreage restricted by conservation easements | 2 b |
| c Number of conservation easements on a certified historic structure included in (a) | 2 c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2 d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1. ► \$

(ii) Assets included in Form 990, Part X. ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1. ► \$

b Assets included in Form 990, Part X. ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

| | Amount |
|--------------------------------------|--------|
| c Beginning balance..... | 1 c |
| d Additions during the year..... | 1 d |
| e Distributions during the year..... | 1 e |
| f Ending balance..... | 1 f |

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1 a Beginning of year balance..... | | | | | |
| b Contributions..... | | | | | |
| c Net investment earnings, gains, and losses..... | | | | | |
| d Grants or scholarships..... | | | | | |
| e Other expenditures for facilities and programs..... | | | | | |
| f Administrative expenses..... | | | | | |
| g End of year balance..... | | | | | |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ _____ %

c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations..... **3a(i)** ☐ Yes ☐ No

(ii) related organizations..... **3a(ii)** ☐ Yes ☐ No

b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R? **3b** ☐ Yes ☐ No

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1 a Land..... | | | | |
| b Buildings..... | | 814,000. | 779,813. | 34,187. |
| c Leasehold improvements..... | | 54,862. | 53,244. | 1,618. |
| d Equipment..... | | 235,307. | 233,594. | 1,713. |
| e Other..... | | | | |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)..... | | | | 37,518. |

BAA

Schedule D (Form 990) 2016

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|--|----------------|---|
| (1) Financial derivatives..... | | |
| (2) Closely-held equity interests..... | | |
| (3) Other | | |
| (A) ----- | | |
| (B) ----- | | |
| (C) ----- | | |
| (D) ----- | | |
| (E) ----- | | |
| (F) ----- | | |
| (G) ----- | | |
| (H) ----- | | |
| (I) ----- | | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 12.) .. ▶ | | |

Part VIII Investments – Program Related.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|--|----------------|---|
| (1) SEE PART XIII | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) .. ▶ | 1,086,102. | |

Part IX Other Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description | (b) Book value |
|--|----------------|
| (1) DUE FROM SUBSIDIARIES | 167,974. |
| (2) NONCURRENT RENT RECEIVABLE | 392,176. |
| (3) OTHER RECEIVABLES | 3,936. |
| (4) SECURITY DEPOSITS | 107,509. |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 15.) .. ▶ | 671,595. |

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

| (a) Description of liability | (b) Book value | |
|--|----------------|--|
| (1) Federal income taxes | | |
| (2) DUE TO AFFILIATES | 56,238. | |
| (3) DUE TO LIMITED PARTNERSHIP | 652,945. | |
| (4) OTHER LIABILITIES | 22,652. | |
| (5) SECURITY DEPOSITS PAYABLE | 33,115. | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| (11) | | |
| Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) .. ▶ | 764,950. | |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. **SEE PART XIII.** ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

| | | | |
|---|---|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 3,733,150. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains (losses) on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | |
| 3 | Subtract line 2e from line 1 | 3 | 3,733,150. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) SEE PART XIII | 4b | -58,052. |
| c | Add lines 4a and 4b | 4c | -58,052. |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 3,675,098. |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

| | | | |
|---|--|----|------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 3,816,847. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) SEE PART XIII | 2d | 58,052. |
| e | Add lines 2a through 2d | 2e | 58,052. |
| 3 | Subtract line 2e from line 1 | 3 | 3,758,795. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 3,758,795. |

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**SCHEDULE D, PART VIII
INVESTMENTS - PROGRAM RELATED**

| DESCRIPTION | BOOK VALUE | METHOD OF VALUATION |
|--------------------------------|---------------|---------------------|
| 15-21 WEST 137TH STREET CORP | 100. | COST |
| 60 ST. NICHOLAS, INC. | 100. | COST |
| ANGELOU OF HARLEM, INC. | 100. | COST |
| EDEN OF HARLEM, INC. | 100. | COST |
| MACOMBS MARNOR OF HARLEM, INC. | 100. | COST |
| PARKSIDE OF HARLEM, INC. | 100. | COST |
| HCCI HOMEOWNERS CORPORATION | 100. | COST |
| NORTHER MANHATTAN EQUITIES | 732,149. | COST |
| SUTTON 1 HDFC | 275,000. | COST |
| DAVID DINKINS APARTMENTS | 72,047. | COST |
| HURSTON PLACE HDFC | 6,206. | COST |
| TOTAL | \$ 1,086,102. | |

Part XIII Supplemental Information (continued)**PART X - FIN 48 FOOTNOTE**

HCCI HAS EVALUATED THE RECOGNITION REQUIREMENTS FOR UNCERTAIN INCOME TAX POSITIONS AS REQUIRED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, WITH NO CUMULATIVE EFFECT ADJUSTMENT REQUIRED. INCOME TAX BENEFITS ARE RECOGNIZED FOR INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, ONLY WHEN IT IS DETERMINED THAT THE INCOME TAX POSITION WILL MORE-LIKELY-THAN-NOT BE SUSTAINED UPON EXAMINATION BY TAXING AUTHORITIES. ACCORDINGLY, HCCI HAS NOT RECORDED ANY RESERVES, OR RELATED ACCRUALS FOR INTEREST AND PENALTIES FOR UNCERTAIN INCOME TAX POSITIONS AT JUNE 30, 2017.

SCHEDULE D, PART XI, LINE 4B**OTHER REVENUE INCLUDED ON FORM 990 BUT NOT INCLUDED IN F/S**

| | | |
|------------------------|----|-----------------|
| FUNDRAISING EVENT..... | \$ | -58,052. |
| TOTAL | \$ | <u>-58,052.</u> |

SCHEDULE D, PART XII, LINE 2D**OTHER EXPENSES AND LOSSES PER AUDITED F/S**

| | | |
|------------------------|----|----------------|
| FUNDRAISING EVENT..... | \$ | 58,052. |
| TOTAL | \$ | <u>58,052.</u> |

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization **HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.**

Employer identification number
13-3516262

Part I Fundraising Activities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☒ No

b If 'Yes,' list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in column (i) | (vi) Amount paid to (or retained by) organization |
|--|---------------|--|----|--------------------------------------|--|---|
| | | Yes | No | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| Total | | | | | | 0. |

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events |
|-----------------|---|----------------------|--------------|------------------------|-------------------------------------|
| | | GALA (event type) | (event type) | NONE (total number) | (add column (a) through column (c)) |
| REVENUE | 1 Gross receipts | 250,370. | | | 250,370. |
| | 2 Less: Contributions | | | | |
| | 3 Gross income (line 1 minus line 2) | 250,370. | | | 250,370. |
| DIRECT EXPENSES | 4 Cash prizes | 4,000. | | | 4,000. |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | 44,405. | | | 44,405. |
| | 7 Food and beverages | | | | |
| | 8 Entertainment | 5,105. | | | 5,105. |
| | 9 Other direct expenses | 4,542. | | | 4,542. |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) | | | | 58,052. |
| | 11 Net income summary. Subtract line 10 from line 3, column (d) | | | | 192,318. |

Part III Gaming. Complete if the organization answered 'Yes' on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add column (a) through column (c)) |
|-----------------|--|---|---|---|---|
| | | | | | |
| REVENUE | 1 Gross revenue | | | | |
| | 2 Cash prizes | | | | |
| | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| DIRECT EXPENSES | 6 Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | |
| | 7 Direct expense summary. Add lines 2 through 5 in column (d) | | | | |
| | 8 Net gaming income summary. Subtract line 7 from line 1, column (d) | | | | |

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If 'No,' explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If 'Yes,' explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|-------------|---|
| a The organization's facility | 13 a | % |
| b An outside facility | 13 b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15 a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If 'Yes,' enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.
- c** If 'Yes,' enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____.

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is
at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization **HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.**

Employer identification number
13-3516262

FORM 990 - ADDITIONAL DBAS

HCCI, INC

FORM 990, PART III, LINE 4B - PROGRAM SERVICE ACCOMPLISHMENTS

THE OFFICE OF REAL ESTATE DEVELOPMENT (ORED) COORDINATES THE DEVELOPMENT OF LOW, MODERATE, AND MIDDLE INCOME HOUSING IN THE HARLEM COMMUNITY. HCCI IS AN AFFILIATE AND GENERAL PARTNER IN THE LOW INCOME HOUSING TAX CREDIT DEVELOPMENT FOR MORE THAN 1700 UNITS OF HOUSING AND MORE THAN 40 COMMERCIAL SPACES.

COMMUNITY PLANNING AND DEVELOPMENT INCLUDES BUT NOT LIMITED TO SOCIAL SERVICES TO SENIORS LOCATED IN THE DIFFERENT LOCATIONS OWNED AND CO-OWNED BY HCCI THAT SERVES MORE THAN 200 SENIORS. SOCIAL INITIATIVES OF HCCI THROUGH - EQUITABLE DEVELOPMENT INITIATIVES (EDI) GEARED UP TO ASSIST RESIDENTS IN THE HARLEM TO ACQUIRE AFFORDABLE HOUSES THROUGH THE NEW YORK CITY MORTGAGE COALITION FINANCIAL LITERARY, FIRST TIME BUYER COUNSELING AND FORECLOSURE PREVENTION. HCCI SERVES THE TARGET DEMOGRAPHICS BY THE HUNDREDS ANNUALLY ON THIS PROGRAM.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

MANAGEMENT REVIEWS THE 990 TO OBTAIN AN UNDERSTANDING OF THE REPORTING REQUIREMENTS AND TO ENSURE IT IS ACCURATE AND COMPLETE. SUBSEQUENTLY, A COPY OF THE DRAFT 990 IS PROVIDED TO AUDIT COMMITTEE FOR REVIEW. THE AUDIT COMMITTEE WILL MEET WITH MANAGEMENT TO DISCUSS THE 990 AND RESOLVE ANY QUESTIONS THAT MAY ARISE. THE DRAFT 990 WILL THEN BE DISTRIBUTED TO THE BOARD FOR REVIEW AND APPROVAL. UPON APPROVAL FROM THE BOARD THE 990 WILL BE FILED.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

BOARD MEMBERS, OFFICERS AND EMPLOYEES REPORT ANNUALLY IF A CONFLICT EXIST, MANAGEMENT AND THE BOARD WILL MEET WITH THE INDIVIDUAL TO OBTAIN ALL FACTS.

SUBSEQUENTLY, A VOTE WILL ENSURE IF THE MATTER IS INDEED A CONFLICT OF INTEREST. IF

Name of the organization HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.

Employer identification number
13-3516262

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS (CONTINUED)

IT IS FOUND TO BE A CONFLICT OF INTERESTS, THE INDIVIDUAL WITH A CONFLICT OF INTEREST MUST REFRAIN FROM PARTICIPATING IN THE DELIBERATION AND DECISION MAKING CONCERNING THE MATTER THAT GAVE RISE TO THE CONFLICT.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS - OFFICERS & KEY EMPLOYEES

THE BOARD OF DIRECTORS REVIEWS AND APPROVES THE SALARIES FOR ALL EMPLOYEES, INCLUDING THE CHIEF EXECUTIVE OFFICER ON AN ANNUAL BASIS.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

SCHEDULE R
(Form 990)Department of the Treasury
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

- Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
► Attach to Form 990.
- Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016**Open to Public
Inspection**

Name of the organization

HARLEM CONGREGATIONS FOR COMMUNITY IMPROVEMENT, INC.

Employer identification number

13-3516262

Part I Identification of Disregarded Entities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 33.

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
| (1) ----- ----- ----- | | | | | |
| (2) ----- ----- ----- | | | | | |
| (3) ----- ----- ----- | | | | | |

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Sec 512(b)(13) controlled entity? | |
|---|-------------------------|--|----------------------------|---|--|--|----|
| | | | | | | Yes | No |
| (1) HARLEM EQUITABLE DEVELOPMENT 256 WEST 153RD STREET NEW YORK, NY 10039 20-5030117 | REAL ESTATE | NY | 501 (C) 3 | | N/A | | X |
| (2) BRADHURST PLAZA 1B, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 13-3679714 | HOUSING PROJECT | NY | 501 (C) 3 | | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| (3) CHARLES INNIS, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 47-0863877 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| (4) HCCI W 153RD ST, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | N/A | | X |

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Dispropor- tionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|-------------------------|--|--|--|---------------------------------|--|--|----|--|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| SEE PART VII | | | | | | | | | | | | |
| (1) WEST 137TH STREET 256 WEST 153RD S NEW YORK, NY 100 72-1584762 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| (2) 263 WEST 153RD S 256 WEST 153RD S NEW YORK, NY 100 20-4984636 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| (3) ANGELOU ASSOCIAT 256 WEST 153RD S NEW YORK, NY 100 13-3945645 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of- year assets | (h) Percentage ownership | (i) Sec 512(b)(13) controlled entity? | |
|---|-------------------------|--|--|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| (1) WEST 147TH STREET APARTMENTS, 256 WEST 153RD STREET NEW YORK, NY 10039 34-1981593 | GP HOUSING PROJECT | NY | N/A | C CORP | 0. | 0. | | | X |
| (2) PARKSIDE OF HARLEM, INC. 256 WEST 153RD STREET NEW YORK, NY 10039 13-4060149 | GP HOUSING PROJECT | NY | HALEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| (3) HCCI 263 WEST 153RD STREET GP. 256 WEST 153RD STREET NEW YORK, NY 10039 20-4984537 | GP HOUSING PROJECT | NY | N/A | C CORP | 0. | 0. | | | X |

Part V Transactions With Related Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36.**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

| | Yes | No |
|--|-----|----|
| a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | | X |
| b Gift, grant, or capital contribution to related organization(s) | | X |
| c Gift, grant, or capital contribution from related organization(s) | | X |
| d Loans or loan guarantees to or for related organization(s) | | X |
| e Loans or loan guarantees by related organization(s) | X | |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | X | |
| m Performance of services or membership or fundraising solicitations by related organization(s) | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | X |
| o Sharing of paid employees with related organization(s) | | X |
| p Reimbursement paid to related organization(s) for expenses | | X |
| q Reimbursement paid by related organization(s) for expenses | | X |
| r Other transfer of cash or property to related organization(s) | | X |
| s Other transfer of cash or property from related organization(s) | X | |

2 If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|---|
| (1) VICTORY ONE, HDFC | L | 55,000 | AMOUNT PAID |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

| (a) Name, address, and EIN of entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Predominant income (related, unre- lated, excluded from tax under sections 512-514) | (e) Are all partners section 501(c)(3) organizations? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Dispropor- tionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|-------------------------|--|---|---|----|---------------------------------|--|--|----|--|---|----|--------------------------------|
| | | | | Yes | No | | | Yes | No | | Yes | No | |
| (1) ----- ----- ----- | | | | | | | | | | | | | |
| (2) ----- ----- ----- | | | | | | | | | | | | | |
| (3) ----- ----- ----- | | | | | | | | | | | | | |
| (4) ----- ----- ----- | | | | | | | | | | | | | |
| (5) ----- ----- ----- | | | | | | | | | | | | | |
| (6) ----- ----- ----- | | | | | | | | | | | | | |
| (7) ----- ----- ----- | | | | | | | | | | | | | |
| (8) ----- ----- ----- | | | | | | | | | | | | | |

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

PART III - PARTNERSHIP FULL NAME, ADDRESS, FEIN

| | | | |
|------------------------------------|------------|-----------------------|-----------------------|
| WEST 137TH STREET, L.P. | 72-1584762 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| 263 WEST 153RD STREET, L.P. | 20-4984636 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| ANGELOU ASSOCIATES, L.P. | 13-3945645 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| GARDEN OF EDEN ASSOCIATES, L.P. | 01-0606102 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| MACOMBS MANOR ASSOCIATES, L.P. | 04-3745548 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| PARKSIDE PLAZA ASSOCIATES, L.P. | 13-4041533 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| WEST 147TH STREET APARTMENTS, L.P. | 72-1583105 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| WEST 149TH STREET APARTMENTS, L.P. | 26-1353870 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |
| 203 WEST 146TH STREET APT., L.P. | 27-0933470 | 256 WEST 153RD STREET | NEW YORK, NY 10039 |

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (A) Name, address, and EIN of related organization | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Exempt Code section | (E) Public charity status (if section 501(c)(3)) | (F) Direct controlling entity | (G) Sec 512(b)(13) controlled entity? | |
|---|-------------------------|--|----------------------------|---|--|--|----|
| | | | | | | Yes | No |
| HCCI BRADHURST HOUSING DEVELOPMENT 256 WEST 153RD STREET NEW YORK, NY 10039 20-3044332 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | N/A | | X |
| HURSTON PLACE, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 34-1981588 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| MACOMBS MANOR, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 45-0969050 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | N/A | | X |
| VICTORY ONE, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 13-3755386 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| 210,212,214,216 WEST 140TH STREET, H 256 WEST 153RD STREET NEW YORK, NY 10039 13-3888799 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| 321 ST. NICHOLAS, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 76-0736206 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| MARCUS GARVEY PARK HOMES, HDFC 256 WEST 153RD STREET NEW YORK, NY 10039 34-1981585 | HOUSING PROJECT | NY | 501 (C) 3 | 9 | HARLEM CONGREGATIONS FOR COMMUNITY IMPRO | X | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

| (A) Name, address, and EIN of related organization | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Direct controlling entity | (E) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (F) Share of total income | (G) Share of end-of-year assets | (H) Dispropor- tionate allocations? | | (I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (J) General or managing partner? | | (K) Percentage ownership |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|--|--|----|--|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| GARDEN OF EDEN ASS 256 WEST 153RD STR NEW YORK, NY 10039 01-0606102 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| MACOMBS MANOR ASSO 256 WEST 153RD STR NEW YORK, NY 10039 04-3745548 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| PARKSIDE PLAZA ASS 256 WEST 153RD STR NEW YORK, NY 10039 13-4041533 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| WEST 147TH STREET 256 WEST 153RD STR NEW YORK, NY 10039 72-1583105 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| WEST 149TH STREET 256 WEST 153RD STR NEW YORK, NY 10039 26-1353870 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| 203 WEST 146TH STR 256 WEST 153RD STR NEW YORK, NY 10039 27-0933470 | REAL ESTATE | NY | N/A | | 0. | 0. | | X | N/A | | X | |
| ----- ----- ----- | | | | | | | | | | | | |
| ----- ----- ----- | | | | | | | | | | | | |

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

| (A) Name, address, and EIN of related organization | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Direct controlling entity | (E) Type of entity (C corp, S corp, or trust) | (F) Share of total income | (G) Share of end-of-year assets | (H) Percentage ownership | (I) Section 512 (b)(13) controlled entity? | |
|--|--------------------------|--|-------------------------------------|--|------------------------------|---------------------------------------|--------------------------------|--|----|
| | | | | | | | | Yes | No |
| WEST 149TH STREET GP., INC. 256 WEST 153RD STREET NEW YORK, NY 10039 26-1353786 | GP HOUSING PROJECT | NY | N/A | C CORP | 0. | 0. | | | X |
| HCCI HOMEOWNERS, CORP. 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE BROKER | NY | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| 15-21 WEST 137TH STREET CORP 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE | NY | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| 60 ST. NICHOLAS, INC 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE | NY | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| ANGELOU OF HARLEM, INC. 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE | NE | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| EDEN OF HARLEM, INC. 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE | NE | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| MACOMBS MANOR OF HARLEM, INC. 256 WEST 153RD STREET NEW YORK, NY 10039 | REAL ESTATE | NE | HARLEM CONGREGAT IONS | C CORP | 0. | 0. | 100.00 | X | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Form **8868**

(Rev. January 2017)

Department of the Treasury
Internal Revenue Service**Application for Automatic Extension of Time To File an Exempt Organization Return**► **File a separate application for each return.**► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

OMB No. 1545-1709

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for *Charities and Non-Profits*.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

| | | |
|--|--|---|
| Type or print | Name of exempt organization or other filer, see instructions. | Employer identification number (EIN) or |
| | HARLEM CONGREGATIONS FOR COMMUNITY IMPROVEMENT, INC. | 13-3516262 |
| | Number, street, and room or suite number. If a P.O. box, see instructions. | Social security number (SSN) |
| | 2854 FREDRICK DOUGLAS BLVD. | |
| File by the due date for filing your return. See instructions. | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | NEW YORK, NY 10039 | |

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

| Application Is For | Return Code | Application Is For | Return Code |
|---|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 (other than individual) | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (section 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

• The books are in the care of ► CARLISA SIMMONS

Telephone No. ► (212) 281-4887 Fax No. ► _____

• If the organization does not have an office or place of business in the United States, check this box ► ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ... ► ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until 5/15, 20 18, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year 20 ____ or
 ► ☒ tax year beginning 7/01, 20 16, and ending 6/30, 20 17.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

| | | | |
|--|-----------|----|----|
| 3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 3a | \$ | 0. |
| b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit | 3b | \$ | 0. |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 3c | \$ | 0. |

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.Form **8868** (Rev. 1-2017)

**HARLEM CONGREGATIONS FOR COMMUNITY
IMPROVEMENT, INC.**

**AUDITED
FINANCIAL STATEMENTS**

JUNE 30, 2017 AND 2016

**BCA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS**

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
JUNE 30, 2017 AND 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Harlem Congregations for Community Improvement, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Harlem Congregations for Community Improvement, Inc. ("HCCI"), which comprise the statements of financial position as of June 30, 2017 and 2016, the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harlem Congregations for Community Improvement, Inc. as of June 30, 2017 and 2016, and the change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BCA Watson Rice LLP

New York, New York
March 21, 2018

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>(Restated) 2016</u> |
|--|---------------------|----------------------------|
| Assets | | |
| <u>Current Assets</u> | | |
| Cash and cash equivalents (Note 2) | \$ 11,897 | \$ 4,104 |
| Pledges and grants receivable (Note 3) | 404,790 | 284,007 |
| Rent receivable, net (Note 4) | 520,779 | 385,746 |
| Due from subsidiaries | 167,974 | 200,856 |
| Other receivables | 3,936 | 5,473 |
| Prepaid expenses | 2,655 | 14,452 |
| Total Current Assets | 1,112,031 | 894,638 |
| Investments (Note 5) | 1,086,102 | 1,119,394 |
| Property and equipment, net (Note 6) | 37,518 | 83,149 |
| Security deposits | 107,509 | 107,481 |
| Noncurrent rent receivable (Note 4) | 392,176 | 392,176 |
| Services fees receivable, net (Note 7) | 2,607,369 | 2,661,797 |
| Total Assets | <u>\$ 5,342,705</u> | <u>\$ 5,258,635</u> |
| Liabilities and Net Assets | | |
| <u>Liabilities</u> | | |
| <i>Current Liabilities</i> | | |
| Accounts payable and accrued expenses | \$ 536,849 | \$ 256,275 |
| Accrued payroll and related taxes | 94,149 | 49,597 |
| Line of credit (Note 8) | 399,437 | 399,437 |
| Due to Limited Partnerships (Note 9) | 652,945 | 518,594 |
| Due to affiliates (Note 10) | 56,238 | 226,274 |
| Other liabilities | 22,652 | 65,579 |
| Deferred grant/fee revenue | - | 78,747 |
| Total Current Liabilities | 1,762,270 | 1,594,503 |
| Security deposits payable | 33,115 | 33,115 |
| Total Liabilities | <u>1,795,385</u> | <u>1,627,618</u> |
| <u>Net Assets</u> | | |
| Unrestricted | 3,201,520 | 3,285,217 |
| Permanently Restricted (Note 11) | 345,800 | 345,800 |
| Total Net Assets | <u>3,547,320</u> | <u>3,631,017</u> |
| Total Liabilities and Net Assets | <u>\$ 5,342,705</u> | <u>\$ 5,258,635</u> |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

| | 2017 | | | |
|---------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Support and Revenue | | | | |
| Grants | \$2,102,277 | \$ - | \$ - | \$2,102,277 |
| Fee income | 1,076,548 | - | - | 1,076,548 |
| Rental income | 278,261 | - | - | 278,261 |
| Contributions | 572 | - | - | 572 |
| Fundraising | 250,370 | - | - | 250,370 |
| Other revenue | 25,000 | - | - | 25,000 |
| Interest and dividend income | 122 | - | - | 122 |
| Total Support and Revenue | <u>3,733,150</u> | <u>-</u> | <u>-</u> | <u>3,733,150</u> |
| Expenses | | | | |
| Program services | 3,025,266 | - | - | 3,025,266 |
| Management and general | 520,064 | - | - | 520,064 |
| Fundraising | <u>271,517</u> | <u>-</u> | <u>-</u> | <u>271,517</u> |
| Total Expenses | <u>3,816,847</u> | <u>-</u> | <u>-</u> | <u>3,816,847</u> |
| Change in Net Assets | (83,697) | - | - | (83,697) |
| Net Assets at Beginning of Year | <u>3,285,217</u> | <u>-</u> | <u>345,800</u> | <u>3,631,017</u> |
| Net Assets at End of Year | <u>\$ 3,201,520</u> | <u>\$ -</u> | <u>\$ 345,800</u> | <u>\$ 3,547,320</u> |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

| | Restated 2016 | | | |
|--|----------------------|-----------------------------------|-----------------------------------|-----------------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | (Restated) Total |
| Support and Revenue | | | | |
| Grants | \$ 1,750,254 | \$ - | \$ - | \$ 1,750,254 |
| Fee income | 1,475,213 | - | - | 1,475,213 |
| Rental income | 327,109 | - | - | 327,109 |
| Contributions | 1,896 | - | - | 1,896 |
| Fundraising | 138,221 | - | - | 138,221 |
| Other revenue | 529,137 | - | - | 529,137 |
| Interest and dividend income | 10,628 | - | - | 10,628 |
| Net assets released from restrictions | 402,344 | (402,344) | - | - |
| Total Support and Revenue | 4,634,802 | (402,344) | - | 4,232,458 |
| Expenses | | | | |
| Program services | 2,543,341 | - | - | 2,543,341 |
| Management and general | 1,053,493 | - | - | 1,053,493 |
| Fundraising | 220,176 | - | - | 220,176 |
| Total Expenses | 3,817,010 | - | - | 3,817,010 |
| Change in Net Assets | 817,792 | (402,344) | - | 415,448 |
| Net Assets at Beginning of Year, as previously reported | 2,762,138 | 402,344 | 345,800 | 3,510,282 |
| Prior Year Adjustment (Notes 8 and 15) | (294,713) | - | - | (294,713) |
| Net Assets at Beginning of Year, as restated | 2,467,425 | 402,344 | 345,800 | 3,215,569 |
| Net Assets at End of Year | \$ 3,285,217 | \$ - | \$ 345,800 | \$ 3,631,017 |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017**

| | Scattered Site Housing | Other Services | Total | General and Administrative | Fundraising | Total Program and Support Services |
|---------------------------------------|------------------------------|-------------------|--------------|-------------------------------|-------------|--|
| Salaries | \$ 466,854 | \$ 650,898 | \$ 1,117,752 | \$ 219,930 | \$ 114,515 | \$ 1,452,197 |
| Payroll taxes and related expenses | 120,871 | 227,229 | 348,100 | 48,665 | 47,284 | 444,049 |
| | 587,725 | 878,127 | 1,465,852 | 268,595 | 161,799 | 1,896,246 |
| Consultant fees | - | 163,817 | 163,817 | 1,547 | - | 165,364 |
| Professional and contractual services | 20,414 | 13,103 | 33,517 | 43,535 | 20,955 | 98,007 |
| Administrative expense | 116,636 | - | 116,636 | - | - | 116,636 |
| Rent expense | 715,799 | 163,239 | 879,038 | 21,177 | - | 900,215 |
| Advertising and marketing | 457 | 1,327 | 1,784 | - | - | 1,784 |
| Insurance | 47,368 | 7,614 | 54,982 | 6,283 | - | 61,265 |
| Utilities | 35,701 | 26,967 | 62,668 | 30,093 | 4,000 | 96,761 |
| Equipment/furnishings expense | 20,802 | 75,039 | 95,841 | 20,316 | - | 116,157 |
| Repairs and maintenance | 23,133 | 60,090 | 83,223 | 10,933 | - | 94,156 |
| Office expenses | 3,503 | 11,264 | 14,767 | 14,492 | 17,028 | 46,287 |
| Travel, training and conferences | 2,596 | 14,367 | 16,963 | 789 | 1,441 | 19,193 |
| Contributions, dues and subscriptions | - | 2,960 | 2,960 | 8,245 | 301 | 11,506 |
| Service fees | - | 5,436 | 5,436 | 3,726 | - | 9,162 |
| Dues and subscription | - | - | - | - | - | - |
| Bank and finance charges | - | 248 | 248 | 59,722 | 646 | 60,616 |
| Special events and fundraising | - | - | - | - | 58,052 | 58,052 |
| Miscellaneous | - | - | - | 12,514 | 7,295 | 19,809 |
| | 1,574,134 | 1,423,598 | 2,997,732 | 501,967 | 271,517 | 3,771,216 |
| Depreciation and amortization | - | 27,534 | 27,534 | 18,097 | - | 45,631 |
| Total | \$ 1,574,134 | \$ 1,451,132 | \$ 3,025,266 | \$ 520,064 | \$ 271,517 | \$ 3,816,847 |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

| | Scattered Site Housing | Other Services | Total | General and Administrative | Fundraising | Total Program and Support Services |
|---------------------------------------|---------------------------------------|---------------------------|---------------------|---------------------------------------|--------------------|---|
| Salaries | \$ 492,922 | \$ 434,385 | \$ 927,307 | \$ 534,668 | \$ 107,639 | \$ 1,569,614 |
| Payroll taxes and related expenses | 136,037 | 170,987 | 307,024 | 210,671 | 43,828 | 561,523 |
| | 628,959 | 605,372 | 1,234,331 | 745,339 | 151,467 | 2,131,137 |
| Consultant fees | - | 93,135 | 93,135 | 11,746 | 9,179 | 114,060 |
| Professional and contractual services | 13,500 | 25,146 | 38,646 | 30,150 | 13,400 | 82,196 |
| Administrative expense | 120,743 | - | 120,743 | - | - | 120,743 |
| Rent expense | 764,975 | 26,500 | 791,475 | 6,955 | - | 798,430 |
| Advertising and marketing | 125 | 390 | 515 | 4,650 | 1,800 | 6,965 |
| Insurance | 44,971 | 3,275 | 48,246 | 4,227 | - | 52,473 |
| Utilities | 37,631 | 33,693 | 71,324 | 55,575 | 7,313 | 134,212 |
| Equipment/furnishings expense | 7,987 | 6,324 | 14,311 | 51,753 | 165 | 66,229 |
| Repairs and maintenance | 3,890 | 32,596 | 36,486 | 22,988 | 225 | 59,699 |
| Office expenses | 4,360 | 20,359 | 24,719 | 27,079 | 14,644 | 66,442 |
| Travel, training and conferences | 3,839 | 2,064 | 5,903 | 5,905 | 1,086 | 12,894 |
| Contributions, dues and subscriptions | - | 1,292 | 1,292 | 7,094 | - | 8,386 |
| Service fees | - | 3,224 | 3,224 | - | - | 3,224 |
| Dues and subscription | - | - | - | - | 1,022 | 1,022 |
| Bank and finance charges | - | 632 | 632 | 31,906 | - | 32,538 |
| Special events and fundraising | - | - | - | 1,000 | 19,875 | 20,875 |
| Miscellaneous | - | 58,359 | 58,359 | 1,495 | - | 59,854 |
| | 1,630,980 | 912,361 | 2,543,341 | 1,007,862 | 220,176 | 3,771,379 |
| Depreciation and amortization | - | - | - | 45,631 | - | 45,631 |
| Total | <u>\$ 1,630,980</u> | <u>\$ 912,361</u> | <u>\$ 2,543,341</u> | <u>\$ 1,053,493</u> | <u>\$ 220,176</u> | <u>\$ 3,817,010</u> |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | (Restated) 2016 |
|---|------------------|----------------------------|
| Cash Flows from Operating Activities | | |
| Changes in net assets | \$ (83,697) | \$ 415,448 |
| Prior Period Adjustment | - | (294,713) |
| Adjustments to reconcile changes in net assets to cash used in operating activities: | | |
| Depreciation and amortization | 45,631 | 45,631 |
| (Increase) decrease in operating assets: | | |
| Pledges and grants receivables | (120,783) | (20,261) |
| Rent receivable | (135,033) | (71,766) |
| Due from subsidiaries | 32,882 | (5,376) |
| Other receivables | 1,537 | (4,898) |
| Prepaid expenses | 11,797 | 35,459 |
| Security deposits | (28) | (41) |
| Services fees receivable | 54,428 | (368,515) |
| Long-term note receivable | - | 820,282 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued expenses | 280,574 | (1,273,075) |
| Accrued payroll and related taxes | 44,552 | (211,658) |
| Deferred grant/fee revenue | (78,747) | 78,747 |
| Capital lease obligation | - | (2,250) |
| Due to affiliates | (170,036) | (73,863) |
| Other liabilities | (42,927) | 10,242 |
| Due to Limited Partnerships | 134,351 | 505,706 |
| Net cash used in operating activities | <u>(25,499)</u> | <u>(414,901)</u> |
| Cash Flows from Investing Activities | | |
| Purchase of investments | 33,292 | - |
| Purchase of property and equipment | - | (2,386) |
| Net cash provided by (used in) investing activities | <u>33,292</u> | <u>(2,386)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 7,793 | (417,287) |
| Cash and Cash Equivalents at Beginning of Year | <u>4,104</u> | <u>421,391</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 11,897</u> | <u>\$ 4,104</u> |
| Supplemental Information | | |
| Cash paid for interest | <u>\$ 53,031</u> | <u>\$ 25,694</u> |

See notes to financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

1. ORGANIZATION

Harlem Congregations for Community Improvement, Inc. ("HCCI") is a non-profit organization incorporated on April 29, 1988 under the not-for-profit Corporation Law of the State of New York. The primary purpose of HCCI is to undertake low-income housing and community development in the Harlem community. Developments include various low-income housing tax credit limited partnerships. These partnerships have, as their general partners, entities which are owned by HCCI and these wholly-owned for-profit subsidiaries own from 0.01% to a 1% interest in the real estate limited partnerships that own the buildings. HCCI provides various services to these limited partnerships. Other activities of HCCI include the Scatter Site Housing Program, which provides housing and related assistance to persons with AIDS (Acquired Immune Deficiency Syndrome). HCCI is a 501(c)(3) tax exempt organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

HCCI prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the HCCI's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. HCCI's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. HCCI's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

Contributions and unconditional grants are recognized as support and revenues when they are received or unconditionally pledged. HCCI reports such contributions and unconditional grants as restricted support and revenues if they are subject to time or donor-imposed restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, temporarily restricted contributions and grants are reported as unrestricted support and revenues if the restriction is met in the same fiscal year that the gift is received.

Fee income on various projects are recognized based on the nature and structure of various fee service arrangements. Certain service fees are recognized on percentage of completion basis and some fees are recognized based on qualifying expenses incurred for the project.

Service fee revenues are recognized as earned.

Rental Income

Rental income is recognized on a straight-line basis over the rental period and includes storage, parking fees, any reimbursements from tenants for common area maintenance, insurance, and real estate tax expenses.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less. The HCCI maintains cash balances at several financial institutions. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pledges and Grants Receivable

Pledges and grants receivable consist of unconditional promises to give that are expected to be collected in future years and grants classified as conditional promises to the extent that conditions have been met but reimbursement from the grantor has not yet been received. Pledges and grants receivable are reported as either temporarily restricted support unless explicit donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities of the current period. Pledges and grants receivable are reviewed for collectability and a provision for doubtful pledges and grants receivable is recorded based on management's judgement and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Investments

Investments in limited partnerships through HCCI's wholly-owned subsidiaries and certain real estate projects are reported at cost.

Property and Equipment

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

| | |
|-------------------------------------|---|
| Leasehold improvements | 5 years, or remaining lease term, if shorter |
| Furnishings and equipment | 5-10 years |
| Equipment used under capital leases | 5-7 years |

Deferred grant/fee revenue

Deferred grant/fee revenue consists of grant and contract receipts and fees received in advance of the periods to which they are to be earned, and if not earned the advance(s) will have to be returned.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Expense Recognition and Functional Allocation of Expenses

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited on the basis of periodic time or usage studies.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

HCCI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for such taxes has been included in the accompanying financial statements.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes – Continued

HCCI has evaluated the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Accordingly, HCCI has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2017.

Reclassification

Certain items previously reported in the 2016 financial statements have been reclassified to conform to the current year financial statement presentation.

3. PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable are summarized as follows at June 30:

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Government Agencies | \$ 376,891 | \$ 267,086 |
| Foundations, Corporations and Individuals | 27,899 | 16,921 |
| | <u>\$ 404,790</u> | <u>\$ 284,007</u> |

4. RENT RECEIVABLE

Current rent receivable consists of rent due from commercial sublet tenants are as follows at June 30:

| | 2017 | 2016 |
|--------------------------------------|-------------------|-------------------|
| Rent receivable | \$ 529,837 | \$ 394,804 |
| Less allowance for doubtful accounts | 9,058 | 9,058 |
| | <u>\$ 520,779</u> | <u>\$ 385,746</u> |

Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

4. RENT RECEIVABLE – CONTINUED

In 2006 HCCI entered into a payment agreement with one of its commercial sub-tenants for arrears due for rent. The resulting agreement was subsequently amended in 2011. The Term of the Lease was amended to thirty-five (35) years as of the original commencement date of October 11, 2006 through October 10, 2041. The agreement provides for sub-tenant to stay current on the rent payments due while the arrears in the amount of \$392,176 was deferred until October 2041, the end of the lease term. This amount is presented as noncurrent rent receivable in the financial statements as of June 30, 2017 and 2016.

5. INVESTMENTS

HCCI's investments in limited partnerships through its wholly-owned subsidiaries are reported at cost, representing the investee's common stock. The investments in the common stock of the wholly-owned subsidiaries are as follows at June 30:

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|---------------|---------------|
| 15-21 West 137th Street Corporation | \$ 100 | \$ 100 |
| 60 St. Nicholas, Inc. | 100 | 100 |
| Angelou of Harlem, Inc. | 100 | 100 |
| Eden of Harlem, Inc. | 100 | 100 |
| Macombs Manor of Harlem, Inc. | 100 | 100 |
| Parkside of Harlem, Inc. | 100 | 100 |
| | <u>\$ 600</u> | <u>\$ 600</u> |

HCCI's investment in the common stock of a wholly-owned subsidiary engaged in real estate is as follows at June 30:

| | <u>2017</u> | <u>2016</u> |
|-----------------------------|-------------|-------------|
| HCCI Homeowners Corporation | \$ 100 | \$ 100 |

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

5. INVESTMENTS – CONTINUED

HCCI's investments in various real estate projects, which are reported at cost in the financial statements, are as follows at June 30:

| | 2017 | 2016 |
|-----------------------------|-------------------------|-------------------------|
| Northern Manhattan Equities | \$ 732,149 | \$ 732,149 |
| Sutton 1 HDFC | 275,000 | 275,000 |
| David Dinkins Apartments | 72,047 | 72,047 |
| Hurston Place HDFC | 6,206 | 39,498 |
| Total investments | <u>1,085,402</u> | <u>1,118,694</u> |
| Grand Total | <u>\$ 1,086,102</u> | <u>\$ 1,119,394</u> |

In addition to the entities listed above, HCCI has various related-party entities within Central Harlem. The records of affiliations are available in the Fiscal Office of HCCI.

6. PROPERTY AND EQUIPMENT

As of June 30, this consisted of:

| | 2017 | 2016 |
|--|--------------------|--------------------|
| Leasehold improvements | \$ 334,642 | \$ 334,642 |
| Furniture and equipment | 769,527 | 769,527 |
| Less accumulated depreciation and amortization | <u>(1,066,651)</u> | <u>(1,021,020)</u> |
| | <u>\$ 37,518</u> | <u>\$ 83,149</u> |

Depreciation and amortization expense for the years ended June 30, 2017 and 2016 amounted to \$45,631 for both years.

7. SERVICES FEES RECEIVABLE

HCCI renders development, management and marketing services to the limited partnerships in which its wholly-owned subsidiaries are general partners, in addition to marketing services for other entities. Services fees receivable are stated at the amount earned net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

7. SERVICES FEES RECEIVABLE – CONTINUED

Services fees receivable as of June 30 consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| Partnership and property management fees | \$ 1,211,038 | \$ 1,868,261 |
| Development fees | 723,187 | 666,637 |
| Asset management fees | 89,585 | 69,385 |
| Distribution fees | 445,306 | - |
| Social service fees | 209,856 | 110,828 |
| Others | 28,626 | 46,915 |
| | <u>2,707,598</u> | <u>2,762,026</u> |
| Less allowance for doubtful accounts | (100,229) | (100,229) |
| | <u><u>\$ 2,607,369</u></u> | <u><u>\$ 2,661,797</u></u> |

8. LINE OF CREDIT

HCCI entered into various unsecured revolving line of credit with a certain financial institution to be drawn upon as needed with interest rates of 4.75% to 5.00%. The outstanding balance under the line of credit amounted to \$399,437 for both years.

9. DUE TO LIMITED PARTNERSHIPS

Due to limited partnerships represents various net transactions between HCCI and the limited partnerships, as well as, the assumed share of the wholly-owned subsidiary general partners' losses in the limited partnerships. The wholly-owned subsidiaries have a 0.001% to 1% interest in the limited partnerships. The limited partnerships provide affordable housing to persons of low income under the Low Income Housing Tax Credit program as defined by Section 42 of the Internal Revenue Code. Due to limited partnerships for the years ended June 30, 2017 and 2016 was \$652,945 and \$518,594, respectively.

10. DUE TO AFFILIATES

Due to affiliates represents the net results of transactions among various non-consolidated affiliates. The total amount of due to affiliates as of June 30, 2017 and 2016 was \$56,328 and \$226,274, respectively.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

11. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2017 and 2016 consist of the following:

| | <u>2017</u> | <u>2016</u> |
|----------------|-------------------|-------------------|
| HCCI Loan Fund | \$ 300,000 | \$ 300,000 |
| Other | 45,800 | 45,800 |
| | <u>\$ 345,800</u> | <u>\$ 345,800</u> |

The \$300,000 represents Micro Loan Funds received from Empire State Development Corporation for the purpose of providing small business owners on the 145th Street and above with access to business loans which would not otherwise be available through conventional banks or other financial institutions. The purpose of the loan program is to provide funds for upgrading, modernizing, and enhancing both the exterior and interior of local business establishments.

12. COMMITMENTS AND CONTINGENCIES

HCCI leases office and commercial facilities from several of its sponsored limited partnerships and leases residential apartments for its Scatter Site Program. HCCI utilizes the space for administrative and programmatic functions and has sublet some of the commercial spaces. The lease agreements expire at various times through 2030.

Minimum annual rental commitments under non-cancelable leases for the next 5 years and thereafter are as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|-------------------|
| 2018 | \$ 48,570 |
| 2019 | 50,027 |
| 2020 | 51,528 |
| 2021 | 53,074 |
| 2022 | 54,666 |
| Thereafter | 701,793 |
| Total | <u>\$ 959,658</u> |

HCCI has provided guarantees to various limited partnerships for the obligations under partnerships agreements of its wholly-owned subsidiaries' general partner interest in those partnerships. Nature of these guarantees is such that amounts of guarantees cannot be quantified.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

12. COMMITMENTS AND CONTINGENCIES – CONTINUED

Certain government and other grants may be subject to audit by the funding sources. No provision has been made for any liabilities which may arise from such audits since the amounts, if any, cannot be determined at this time. Disallowances or adjustments, if any, will be reflected in the financial statements in the years of settlement.

13. RETIREMENT PLAN

HCCI offers a deferred annuity 403(b) investment plan for all its full-time employees meeting certain age and service requirements. All employees' contributions are voluntary and HCCI does not make any matching or contribution amounts.

14. OTHER REAL ESTATE ACTIVITIES

Consistent with its commitment to the community in the area of providing affordable housing and improved living conditions in the Harlem community, HCCI in recent years entered into deals with large scale developers in conjunction with government agencies, financial institutions, private equity lenders and others to expand the scope of its real estate holdings. Most of these deals resulted when properties and projects previously under the first phase of the federally mandated low income housing tax credit compliance period under Section 42 of the Internal Revenue Code reached the year 15 milestone. At the juncture, the investor limited partner in the limited partnership projects are required to exit and sell their interest at a nominal price to the community based project sponsor and/or general partner who determines what option is most viable for repositioning the projects for the second phase of its compliance period. Owner entities can either opt to re-syndicate the projects or arrange for funds to pay off existing government agencies or other subsidized mortgages if certain preset conditions are met. Under either option the initial low income housing regulatory and operating agreements shall remain in effect during the second phase of the compliance period.

Central Harlem Associates

On May 9, 2011, a purchase and sale agreement was entered into between Central Harlem Associates LLC, a New York limited liability company, as purchaser and six HCCI sponsored limited partnership projects with 477 units. In this deal worth over \$74 million, HCCI partnered with L&M Development Partners, Inc. to re-syndicate the projects. The deal generated a gross development fee of \$6,252,345 payable to an affiliate of the managing member for the development of the project and was payable to the developer upon stabilization of the project as defined in the operating agreement. Any amount not paid upon stabilization will be deferred and evidenced by a developer fee note which will earn interest at 5% per annum and will mature 15 years from such date.

**HARLEM CONGREGATIONS FOR
COMMUNITY IMPROVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

14. OTHER REAL ESTATE ACTIVITIES – CONTINUED

Central Harlem Associates – Continued

At June 30, 2017 and 2016, \$430,597 and \$1,377,623 were the balances on the developer fee note. HCCI is a 50% member of Central Harlem Managers LLC which in turn owns .01% of Central Harlem Associates LLC and the investor member GS Central Harlem Investor LLC owns 99.99%. HCCI is entitled to 50% of the net annual cash flow, as well as certain project acquisition fee.

Northern Manhattan Equities LLC Phases I & II

Northern Manhattan Equities I LLC consists of 390 units of affordable housing acquired at the end of the first phase of the low income housing tax credit compliance period. Under the deal following the year 15 repositioning, HCCI, through its wholly-owned subsidiary Harlem Equitable Development Corporation (“HEDC”), together with Exact NME II LLC and Prestige Management, Inc. formed the Northern Manhattan Equities LLC. The deal is worth in excess of \$36 million and included Creations of Harlem, Inc. and Zipporah of Harlem, Inc. Projects. As of December 31, 2014, Northern Manhattan Equities LLC has total assets of \$36,192,135 and outstanding mortgage advances or non-recourse loans in the amount of \$33,624,494. The acquisition fee received was \$798,000. HCCI through HEDC owns 51% of Northern Manhattan Equities LLC’s capital and receives 30% of its profits. Northern Manhattan Equities II LLC closed on July 2, 2015.

15. RESTATEMENT OF FINANCIAL STATEMENTS

The 2016 financial statements have been restated to recognize the adjustments made in relation to the income distributions in prior years received from Central Harlem which was determined to be a loan for the amount of \$245,261; an audit findings of \$10,242 that needs to be paid back to NYC HRA; and additional accruals of \$39,210. The total prior period adjustment was \$294,713 which resulted to a decrease in net assets at the beginning of the period, bringing the cumulative net assets to \$3,631,017 as of June 30, 2016. The restatement has no effect on the results of the current year’s activities.

16. EVALUATION OF SUBSEQUENT EVENT

Subsequent events have been evaluated through March 21, 2018, the date the financial statements were available to be issued.