

**DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED JUNE 30, 2021 AND 2020**



**DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**



**Mission Statement**

*The Dudley Street Neighborhood Initiative's (DSNI) mission is to empower Dudley residents to organize, plan for, create and control a vibrant, diverse and high quality neighborhood in collaboration with community partners.*

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.  
REPORT ON CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Dudley Street Neighborhood Initiative, Inc.  
Roxbury, Massachusetts

We have audited the accompanying consolidated financial statements of Dudley Street Neighborhood Initiative, Inc. and its subsidiary, Dudley Neighbors Incorporated (Massachusetts nonprofit organizations) (collectively the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dudley Street Neighborhood Initiative, Inc. and its subsidiary as of June 30, 2021 and 2020 and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors  
Dudley Street Neighborhood Initiative, Inc.  
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### Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements on pages 22 - 29 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
January 12, 2022

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2021 AND 2020

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash	\$ 1,193,293	\$ 800,960
Grants and Contributions Receivable	761,489	350,445
Accounts Receivable, Program Services, Net	-	2,450
Rent Receivable, Net	112,146	122,719
Prepaid Expenses	10,607	22,747
Total Current Assets	<u>2,077,535</u>	<u>1,299,321</u>
<b><u>NET PROPERTY AND EQUIPMENT</u></b>	<u>14,401,375</u>	<u>14,400,347</u>
<b><u>OTHER ASSETS:</u></b>		
Grants Receivable, Non-Current	336,162	-
Loan Receivable	67,000	67,000
Interest Receivable	457,455	419,148
Total Other Assets	<u>860,617</u>	<u>486,148</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 17,339,527</u>	<u>\$ 16,185,816</u>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES:</u></b>		
Loan Payable	\$ 5,500	\$ 4,802
Capital Lease Obligation	7,638	9,639
Accounts Payable and Accrued Expenses	66,576	96,675
Accrued Payroll and Related Costs	43,224	38,435
Passthrough Funds	481,845	117,000
Conditional Grant Advance	-	26,145
Deferred Rent	16,837	9,914
Total Current Liabilities	<u>621,620</u>	<u>302,610</u>
<b><u>LONG-TERM LIABILITIES:</u></b>		
Passthrough Funds	247,955	-
Capital Lease Obligation, Net of Current Portion	2,174	7,638
Loan Payable, Net of Current Portion	340,290	346,101
Mortgage Note Payable	1,271,122	1,271,122
Total Long-Term Liabilities	<u>1,861,541</u>	<u>1,624,861</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>2,483,161</u>	<u>1,927,471</u>
<b><u>NET ASSETS:</u></b>		
Net Assets Without Donor Restrictions	14,207,968	13,903,190
Net Assets With Donor Restrictions	648,398	355,155
Total Net Assets	<u>14,856,366</u>	<u>14,258,345</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 17,339,527</u>	<u>\$ 16,185,816</u>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL</u>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
<i>Support and Revenues:</i>						
Rental Income and Real Estate Tax Reimbursement	\$ 258,815	\$ -	\$ 258,815	\$ 275,396	\$ -	\$ 275,396
Program Service Revenue	7,863	-	7,863	7,397	-	7,397
Gifts, Grants and Contributions	413,269	1,187,720	1,600,989	533,108	682,050	1,215,158
Paycheck Protection Program Grant	184,845	-	184,845	132,555	-	132,555
Donated Services	173,028	-	173,028	56,397	-	56,397
Interest Income	38,694	-	38,694	39,554	-	39,554
Miscellaneous Income	3,991	-	3,991	4,978	-	4,978
Total Support and Revenues	<u>1,080,505</u>	<u>1,187,720</u>	<u>2,268,225</u>	<u>1,049,385</u>	<u>682,050</u>	<u>1,731,435</u>
<i>Reclassification of Net Assets:</i>						
Net Assets Released from Restrictions	<u>894,477</u>	<u>(894,477)</u>	<u>-</u>	<u>683,002</u>	<u>(683,002)</u>	<u>-</u>
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>1,974,982</u></b>	<b><u>293,243</u></b>	<b><u>2,268,225</u></b>	<b><u>1,732,387</u></b>	<b><u>(952)</u></b>	<b><u>1,731,435</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>						
Program Services	1,208,234	-	1,208,234	1,297,056	-	1,297,056
Administrative	387,160	-	387,160	302,240	-	302,240
Fund Raising	74,810	-	74,810	99,209	-	99,209
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>1,670,204</u></b>	<b><u>-</u></b>	<b><u>1,670,204</u></b>	<b><u>1,698,505</u></b>	<b><u>-</u></b>	<b><u>1,698,505</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b>304,778</b>	<b>293,243</b>	<b>598,021</b>	<b>33,882</b>	<b>(952)</b>	<b>32,930</b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>13,903,190</u></b>	<b><u>355,155</u></b>	<b><u>14,258,345</u></b>	<b><u>13,869,308</u></b>	<b><u>356,107</u></b>	<b><u>14,225,415</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 14,207,968</u></b>	<b><u>\$ 648,398</u></b>	<b><u>\$ 14,856,366</u></b>	<b><u>\$ 13,903,190</u></b>	<b><u>\$ 355,155</u></b>	<b><u>\$ 14,258,345</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021				2020			
	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
Salaries and Wages	\$ 425,330	\$ 137,156	\$ 45,721	\$ 608,207	\$ 475,476	\$ 97,160	\$ 63,862	\$ 636,498
Payroll Taxes	44,986	14,848	5,009	64,843	53,745	10,963	7,193	71,901
Fringe Benefits	51,537	18,608	6,552	76,697	73,758	16,923	11,541	102,222
Grants/Subawards	40,000	-	-	40,000	129,893	-	-	129,893
Consultants/Professional Fees	154,359	153,419	8,016	315,794	62,540	113,839	9,302	185,681
Property Management	77,773	-	-	77,773	53,553	-	-	53,553
Program/Project Costs	51,857	4,817	1,313	57,987	22,961	9,128	1,540	33,629
COVID-19 Assistance	157,910	-	-	157,910	75,417	-	-	75,417
Real Estate Taxes	70,174	-	-	70,174	200,091	-	-	200,091
Occupancy	55,885	7,069	5,858	68,812	56,269	4,355	3,610	64,234
Insurance	25,390	3,167	180	28,737	24,998	2,352	376	27,726
Depreciation Expense	41,462	1,625	1,347	44,434	38,293	1,514	1,255	41,062
Office Supplies and Expenses	11,430	4,244	814	16,488	22,678	7,389	530	30,597
Printing and Postage	-	-	-	-	3,714	498	-	4,212
Staff Travel	141	16	-	157	3,219	358	-	3,577
Dues, Fees and Subscriptions	-	18,199	-	18,199	-	8,489	-	8,489
Interest Expense	-	20,603	-	20,603	-	22,724	-	22,724
Bad Debt Expense	-	1,940	-	1,940	-	-	-	-
Miscellaneous Expense	-	1,449	-	1,449	451	6,548	-	6,999
<b>Total Functional Expenses</b>	<b><u>\$ 1,208,234</u></b>	<b><u>\$ 387,160</u></b>	<b><u>\$ 74,810</u></b>	<b><u>\$ 1,670,204</u></b>	<b><u>\$ 1,297,056</u></b>	<b><u>\$ 302,240</u></b>	<b><u>\$ 99,209</u></b>	<b><u>\$ 1,698,505</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 598,021	\$ 32,930
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Depreciation Expense	44,434	48,182
<i>(Increase) Decrease in Current Assets:</i>		
Grants and Contributions Receivable	(411,044)	(150,445)
Accounts Receivable, Program Services, Net	2,450	625
Rent Receivable, Net	10,573	(6,531)
Prepaid Expenses	12,139	(12,866)
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	(30,099)	5,674
Accrued Payroll and Related Costs	4,789	399
Passthrough Funds	364,845	117,000
Conditional Grant Advance	(26,145)	26,145
Deferred Revenue and Rent	6,923	(11,749)
<i>(Increase) Decrease in Other Assets:</i>		
Grants Receivable, Non-Current	(336,162)	-
Interest Receivable	(38,307)	(35,510)
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Passthrough Funds	247,955	-
Net Adjustment	(147,649)	(19,076)
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b><u>450,372</u></b>	<b><u>13,854</u></b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Cash Outlay for Capital Expenditures	(45,461)	(26,101)
Net Cash Flows From Investing Activities	(45,461)	(26,101)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Mortgage Note Payable	-	146,574
Principal Payments on Loans Payable	(5,113)	(4,513)
Principal Payments on Capital Lease Obligations	(7,465)	(7,887)
Net Cash Flows From Financing Activities	(12,578)	134,174
<b><u>NET INCREASE IN CASH BALANCES</u></b>	<b><u>392,333</u></b>	<b><u>121,927</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>800,960</u></b>	<b><u>679,033</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 1,193,293</u></b>	<b><u>\$ 800,960</u></b>
<i>Supplemental Disclosures :</i>		
Interest Paid	\$ 20,603	\$ 22,724
<i>Cash Balances :</i>		
Cash	\$ 1,193,293	\$ 774,815
Cash, Conditional Grant Advance	-	26,145
Total	<u>\$ 1,193,293</u>	<u>\$ 800,960</u>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1     ORGANIZATION AND PURPOSE

**Dudley Street Neighborhood Initiative, Inc.:**

Dudley Street Neighborhood Initiative (“DSNI”) is a thirty-five-year-old resident-led, non profit planning and organizing group in the Roxbury/North Dorchester area of Boston. DSNI’s mission is to empower Dudley residents to organize, plan for, create, and control a vibrant, diverse and high-quality neighborhood in collaboration with community partners. DSNI’s approach to neighborhood revitalization is comprehensive and focuses on four strategic areas - Development without Displacement, Resident Empowerment, Neighborhood Development and Youth Voice. In partnership with nonprofit organizations, businesses, and religious institutions serving the neighborhood, DSNI works to implement resident-led revitalization plans. DSNI qualifies as a public charity under Section 509(a)(1) of the Internal Revenue Code. Dudley Street Neighborhood Initiative, Inc. has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to DSNI qualify for the maximum charitable deduction for federal income tax purposes.

**Dudley Neighbors Incorporated:**

Dudley Neighbors Incorporated (“DNI”), located in Roxbury, Massachusetts, is a community land trust and nonprofit urban revitalization corporation organized under the Commonwealth of Massachusetts General Laws Chapter 121A. DNI was organized to ensure that the residents of the Dudley neighborhood will always own the land in the Dudley Triangle, a 30-acre section of Roxbury and North Dorchester, Massachusetts, to eliminate blight and carry on community revitalization activity under a regulatory agreement with the Boston Planning and Development Agency (formerly the Boston Redevelopment Authority). The regulatory agreement regulates DNI’s operations and grants it eminent domain authority to acquire privately owned vacant land in the Dudley Triangle.

DNI was organized by DSNI to carry out the housing development component of DSNI’s Comprehensive Master Plan guide by revitalizing the Dudley Street Neighborhood. DSNI has a controlling interest in DNI through its power to appoint six out of nine voting members to the Board of Directors and DSNI has the ability to require that some of the voting members come from its board. Typically, two or three of DNI’s voting board members also serve on the Board of Directors of DSNI.

The following is a list of the DNI Subsidiaries:

*Dudley Neighbors Two, Inc. (“DNI 2”):*

DNI 2, a Massachusetts nonprofit corporation, was organized in 2006 to hold title to a parcel of real estate named Dudley Village North located in Roxbury, Massachusetts, which was previously owned by DNI. DNI is the sole member of DNI 2. Funding for DNI 2’s activity is provided by ground rents and property tax recoveries.

*Dudley Neighbors Three, Inc. (“DNI 3”):*

DNI 3, a Massachusetts nonprofit corporation, was organized in 2006 to hold title to a parcel of real estate named Dudley Village South, located in Roxbury, Massachusetts, which was previously owned by DNI. DNI is the sole member of DNI 3. Funding for DNI 3’s activity is provided by ground rents and property tax recoveries.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 1 *(Continued)*

*DNI 4, Inc.:*

DNI 4 Inc., a Massachusetts nonprofit corporation, was organized to perform the functions of, and to carry out the purposes of, Dudley Street Neighborhood Initiative, Inc., and its affiliated entities. DNI 4, Inc. owns properties that are held for farming and gardening purposes. DNI is the sole member of DNI 4, Inc.

*DNI 5, Inc.:*

DNI 5, Inc., a Massachusetts nonprofit corporation, was organized in 2013 to perform the functions of, and to carry out the purposes of, Dudley Street Neighborhood Initiative, Inc., and its affiliated entities. DNI 5, Inc. owns properties that are held for commercial use. DNI is the sole member of DNI 5, Inc.

*DNI North Avenue LLC:*

DNI North Avenue LLC, a single member LLC, was created to hold title to land under a single family home. DNI is the sole member of DNI North Avenue LLC.

Dudley Neighbors Incorporated was the sole corporate member of the following disregarded LLC's under Section 301.7701-3(b)(1)(ii) of the United States Treasury Regulation and applicable Massachusetts law:

- DNI Woodward Park Homes LLC
- DNI Woodward Park Homes II South LLC
- DNI Woodward Park Homes II North LLC
- DNI Woodsville Julian Homes LLC
- DNI Winthrop Estates LLC

The above-mentioned entities had been dissolved by the Secretary of the Commonwealth of Massachusetts on April 19, 2011. On June 30, 2016, each of the above entities granted certain parcels of real estate property that were previously owned by DNI to Dudley Neighbors Holding LLC for a \$10 consideration.

Dudley Neighbors Holding LLC ("DNH") is a Massachusetts corporation organized on December 23, 2015 as a disregarded entity under Section 301.7701-3(b)(1)(ii) of the United States Treasury Regulation and applicable Massachusetts law. DNH was organized to acquire, develop, construct, rehabilitate, improve, maintain, finance, manage, operate, lease, sell, convey, assign mortgages and otherwise deal with real estate, whether directly or indirectly, through one or more business trusts, partnerships, limited liability companies or other entities, and to carry on any related or unrelated lawful business, trade, purpose or activity. DNI is the sole corporate member of DNH.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 2     PROGRAM SERVICES

**Dudley Street Neighborhood Initiative:**

Dudley Street Neighborhood Initiative’s strategic focus areas consist of the following:

- *Development Without Displacement* - Includes all aspects of land use, physical development, affordable housing, and commercial and economic development.
- *Resident Empowerment* - Includes providing meaningful leadership opportunities for residents that build civic engagement and inform community processes and comprehensive planning.
- *Youth Voice* – Includes engaging young people in the comprehensive planning process through various training and leadership activities.
- *Neighborhood Development* – Includes opportunities for residents to build their assets and gain wealth as well as creative placemaking activities that celebrate and preserve the communities culture and build healthy systems.

Each program depends on organizing to allow residents to participate in decision making, attract investments that facilitate development without displacement, and improve the quality of life for everyone involved.

**Dudley Neighbors Incorporated:**

Dudley Neighbors Inc. is the community land trust established by DSNI thirty years ago to carry out the economic development plans of the neighborhood, which includes development without displacement, affordable housing, and community economic development. DNI’s economic development and housing activities are based on DSNI’s vision and implemented by the DSNI Sustainable Economic Development team. DNI partners with nonprofit and private developers to build affordable housing, commercial spaces and other uses determined through community planning processes and serves as the steward of the land. The land trust now owns more than 30 acres of land in the Dudley neighborhood, with 227 units of affordable housing, community farms, a greenhouse, playgrounds and commercial spaces.

To achieve its mission, DNI operates a community development program that primarily acquires vacant land, leases it to private and non-profit developers for the purpose of building affordable housing in accordance with the Comprehensive Master Plan. Upon sale of the housing and improvement, DNI enters into a 99-year ground lease with the homeowner or project owner in the case of a cooperative development.

DNI’s operations are funded through minimal lease fees from leaseholders, contributions from the general public and grants from foundations that support the work.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 2 *(Continued)*

To-date, DNI has the following developments on its properties:

- Winthrop Estates - 36-unit homeownership development
- Stafford Heights Coops - 41-unit low-income housing cooperative development
- Brook Ave Coop - 36-unit housing cooperative development
- Woodward Park Homes - 31-unit homeownership development
- Woodville Julian Homes - 11-unit homeownership development
- Dudley Village North and South - 50 rental units and 8,000 square feet mix use development
- Brookford Dalin Dean Homes - 10-unit homeownership development
- 492 Dudley Street - commercial building
- 568-572 Columbia Road - commercial building
- 33 North Ave - single family home
- 31-33 Woodville Street - 2-unit family home

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's consolidated financial statements are described below to enhance the usefulness of the consolidated financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

**Basis of Accounting:**

The Organization's policy is to maintain its books and prepare its consolidated financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

**Principles of Consolidation:**

The accompanying consolidated financial statements incorporate the accounts of DSNI, DNI and subsidiaries (collectively the "Organization"). All material inter-affiliated accounts and transactions are eliminated in the consolidated financial statements.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

**Financial Statement Presentation:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organizations report information regarding their combined financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification may include funds which represent resources designated by the Board of Directors for specific purposes.

*Net Assets With Donor Restrictions* - includes funds with donor-imposed restrictions which permit the organizations to expend the assets as specified and is satisfied either by the passage of time or by actions of the organizations. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the organization to expend part or all of the income derived from the donated assets.

**Receivables:**

*Grants and Contributions Receivable* reflects the balance due on pledges and gift commitments that are intended to support programs, events and general operations, including time restricted gifts. The portion of grants and contributions receivable which is scheduled for payment in the coming fiscal year is classified as current, while commitments that exceed one year are classified as non-current. As of June 30, 2021, the non-current grant receivable was due in FY 2023. As of June 30, 2020, all grants and contributions receivable are classified as current in the accompanying Consolidated Statements of Financial Position. Promises to give with payment dates that extend beyond one year are discounted to their present value when such amounts are considered material. Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management considers these commitments to be fully collectible and therefore, has not established a reserve for uncollectible amounts. If balances become uncollectible, a reserve will be recorded at that time. For the year presented, the Organization did not report any losses on unpaid pledge and gift commitments.

*Accounts Receivable, Program Services* represents amounts which are primarily due from government funded program service contracts and subcontracts and are presented net of allowance for uncollectible amounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. No allowance was deemed necessary by management as of and for the years ended June 30, 2021 and 2020.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

*Rent Receivable, Net* represents amounts due from tenants of the various ground tenant leases and are presented net of an allowance for uncollectible amounts. Management provides for probable uncollectible amounts for tenant rents through a provision for bad debt expense and an adjustment to a valuation allowance. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has established an allowance for doubtful accounts in the amount of \$92,898 and \$92,883 as of June 30, 2021 and 2020, respectively.

**Property, Equipment, and Depreciation:**

Land and land improvements, buildings and improvements, leasehold improvements, and furniture and equipment purchases are capitalized at cost, if purchased, or if donated, at fair value on the date of receipt. Expenditures for maintenance, repairs, and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method and is charged against support and revenues over the estimated useful lives of the assets, as expressed in terms of years. DSNI has a capitalization policy of \$1,000, while DNI utilizes a capitalization threshold of \$500.

The Organization reviews their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of the property. There were no impairment losses recognized in the years presented.

**Agency Transactions:**

Occasionally, DSNI acts as the lead agent on community initiatives and collaborations which involve the efforts of other nonprofit partners. In this capacity, DSNI submits grant applications and proposals for funding on behalf of other organizations as well as funding for DSNI's role in the initiative. The terms of these funding agreements do not grant DSNI the unilateral power to redirect the funds for other purposes (known as "variance power") and have been classified as agency transactions. Under Generally Accepted Accounting Principles, agency funds are not considered to be contributions to DSNI, and are carried as either cash or grants receivable with a corresponding liability on the Consolidated Statements of Financial Position. During the years presented, DSNI received grant commitments that met this criteria and has recorded grants receivable with a corresponding liability for *Passthrough Funds*. The obligation for agency transactions is classified as current or non-current to coincide with the timing of the corresponding grant commitment and management's expectations about the related payment terms.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

**Revenue Recognition:**

*Government Funded Program Service Agreements - DSNI*

Dudley Street Neighborhood Initiative is the recipient of various federal and local government funded service contracts. These contracts are administered on a cost reimbursement basis; accordingly, the funding sources are billed as eligible costs are incurred, and program service revenues along with the related receivables, are recorded in the period during which the costs were incurred and the services were delivered. These service contracts and federal awards are subject to an annual renewal process and future funding is not guaranteed.

*Rental Income and Real Estate Tax Reimbursement - DNI*

Rental Income is derived from land and office space leases and is recognized as earned in accordance with the underlying lease. Advance receipts of rental income are deferred and classified as liabilities until earned. Real Estate Taxes are paid to the City of Boston by DNI and charged back to tenants pursuant to the terms of the underlying ground leases.

**Contributions, Gifts and Grants:**

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. When the conditions are met, the corresponding support is reported as contributions with donor restrictions with the exception of conditional grants and contracts from governmental agencies, which are recognized as support without donor restrictions.

Unconditional multi-year commitments are recognized in the year during which the initial commitment was made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Except as noted above, support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restrictions expire, at which time the assets are reclassified to net assets without donor restrictions.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 3     *(Continued)*

**Donated Goods and Services:**

The Organization maintains a policy to record certain in-kind transactions as required by the *FASB Accounting Standards Codification*<sup>TM</sup>. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received and are recognized as revenue on the Consolidated Statement of Activities and are reported as expenses on the Consolidated Statements of Functional Expenses, or capitalized assets on the Consolidated Statements of Financial Position. During the years ended June 30, 2021 and 2020, DNI received \$86,514 and \$56,397, respectively, in pro-bono legal services in support of its community development program and general corporate matters. During the year ended June 30, 2021, DSNI also received \$86,514 in pro-bono legal services in support of general corporate matters.

**Functional Expenses:**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using the Organization's time and space usage allocation formula. In the accompanying Consolidated Statements of Functional Expenses, expenses allocated by time consisted of *Salaries and Wages, Payroll Taxes and Fringe Benefits, Occupancy, Depreciation Expense, and Office Supplies and Expenses* are all allocated based upon space usage. Supporting services are those related to managing the Dudley Street Neighborhood Initiative general operations and its programs on a day-to-day basis. Supporting services have been sub-classified below:

*Administrative* - includes all activities related to the Organization's internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

**Tax Position:**

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Organization and its corporate subsidiaries are the existence of Unrelated Business Income Tax and the Organization's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and the fact that changes may result from closing of statute of limitations on tax returns, new legislation, and clarification of existing legislation through government pronouncements, the courts, and through the examination process.

DNI North Avenue LLC, a single member LLC, is treated as a disregarded entity for income tax purposes. Income or loss is reported directly on DSNI's information filings.

For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on these evaluations.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 3     *(Continued)*

**Recent Accounting Guidance:**

*Recently Implemented Standards*

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organizations effective July 1, 2020. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organizations have not restated its FY 2019 revenue balances or opening net assets for the years presented.

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. This standard was adopted by the Organizations effective July 1, 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the Organizations recognized revenue, and therefore no changes in the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 4     PROPERTY AND EQUIPMENT

*Property and Equipment* consists of land and land improvements, lease improvements, buildings and associated improvements, furnishings, and equipment. The following is a summary of property and equipment as of June 30, 2021:

<u>Asset Category</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
<u>DNI:</u>				
Land	-	\$13,907,885	\$ -	\$13,907,885
Land Improvements	10	520,912	518,672	2,240
Building and Improvements	15 - 20	677,037	213,553	463,484
Furniture and Equipment	7	<u>10,220</u>	<u>3,923</u>	<u>6,297</u>
Total DNI		15,116,054	736,148	14,379,906
<u>DSNI:</u>				
Furniture, Fixtures, Equipment	3 - 5	<u>159,306</u>	<u>137,837</u>	<u>21,469</u>
Consolidated Total		<u>\$15,275,360</u>	<u>\$873,985</u>	<u>\$14,401,375</u>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 4 (Continued)

The following is a summary of property and equipment as of June 30, 2020:

<u>Asset Category</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
<u>DNI:</u>				
Land	-	\$13,907,885	\$ -	\$13,907,885
Land Improvements	10	520,912	505,626	15,286
Building and Improvements	15 - 20	649,519	192,317	457,202
Furniture and Equipment	7	<u>7,246</u>	<u>2,953</u>	<u>4,293</u>
Total DNI		15,085,562	700,896	14,384,666
<u>DSNI:</u>				
Furniture, Fixtures, Equipment	3 - 5	<u>144,337</u>	<u>128,656</u>	<u>15,681</u>
Consolidated Total		<u>\$15,229,899</u>	<u>\$829,552</u>	<u>\$14,400,347</u>

**Property Acquisition:**

In April 2017, DNI 5, Inc. acquired the property located at 568-572 Columbia Road, Dorchester, Massachusetts for \$1,000,000. The purchase was funded by an Acquisition Opportunities Program from the City of Boston in the amount of \$1,400,000 that is structured as a non-interest bearing loan. DNI expects to draw down on the remaining loan proceeds to fund necessary renovations and carrying costs (such as utilities) of the building.

The property purchased is in current use and therefore, the Organization has included this asset as *Property and Equipment* in the accompanying Consolidated Statements of Financial Position.

DNI is currently working with the City of Boston and community partners to plan the future of this property in coordination with a revitalization plan for Upham's Corner.

NOTE 5 LOAN RECEIVABLE

The Organization has a formal loan agreement with Stafford Heights Limited Partnership for a cooperative housing development built on land owned by DNI. The loan accrues interest at 7.88% per annum, compounded annually, and matures on December 31, 2022. All payments of principal and deferred interest are due at maturity. *Loan Receivable* represents the remaining \$67,000 of a \$367,000 mortgage note. Interest income accrued during FY 2021 and 2020 was \$38,309 and \$35,510, respectively. Cumulative accrued interest as of June 30, 2021 and 2020 was \$457,455 and \$419,148, respectively.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 6    DEBT

**Local Enterprise Assistance Fund (“LEAF”):**

In May 2018, DSNI entered into a formal term loan agreement in the amount of \$360,000 with LEAF. The term loan refinanced an existing line-of-credit with an outstanding balance of \$100,000, provided additional funds in the amount of \$260,000 and is structured as a ten-year note with monthly payments of principal and interest based on a thirty-year amortization schedule. The interest is fixed at 6.25% per year, with monthly payments of principal and interest totaling \$2,217 and requires DSNI to maintain a debt service coverage ratio of 1:1. A property owned by DNI located at 492 Dudley Street in Dorchester, Massachusetts serves as collateral for the loan. Interest expense in connection with this loan amounted to \$20,213 and \$22,086 for the years ended June 30, 2021 and 2020, respectively.

The principal portion of the above debt scheduled for payment in FY 2021 is \$5,500 and the remaining non-current maturities for the subsequent five-year period is scheduled below:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2023	\$ 5,796
June 30, 2024	6,139
June 30, 2025	6,501
June 30, 2026	6,885
Thereafter*	<u>314,969</u>
Total	<u>\$340,290</u>

\*Includes a balloon payment of \$303,256

**City of Boston:**

As further disclosed in Note 4, DNI 5, Inc. acquired a property in Dorchester, Massachusetts with a plan to renovate the building. On April 19, 2017, DNI 5, Inc. entered into a mortgage loan agreement with the City of Boston through its Public Facility Commission with a maximum borrowing limit of \$1,429,100. This non-interest bearing loan matures on April 19, 2027. The loan was obtained to fund all costs and expenses for the acquisition of and rehabilitation work on the Upham Corner Building (568-572 Columbia Road, Dorchester, Massachusetts). DNI has guaranteed this loan. As of June 30, 2021 and 2020, the outstanding balance was \$1,271,122 and is recorded as *Mortgage Note Payable* in the accompanying Consolidated Statements of Financial Position. DNI intends to sell the building as part of a community revitalization project and will repay the debt upon the sale. DNI intends to retain ownership of the land, consistent with its primary charitable mission.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 7    NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021 and 2020, net assets with donor restrictions are restricted for the following projects and purposes:

<u>Nature of Restriction</u>	<u>2021</u>	<u>2020</u>
Time Restricted	\$333,333	\$ -
Neighborhood Development	260,862	148,053
Community Garden	30,466	-
Resident Empowerment	21,737	25,112
Land Trust	2,000	2,000
Development Without Displacement	-	169,990
Youth Program	-	10,000
Total	<u>\$648,398</u>	<u>\$355,155</u>

For the years presented, net assets were released from restriction for the following projects and purposes:

<u>Nature of Restriction</u>	<u>2021</u>	<u>2020</u>
Development without Displacement	\$265,834	\$208,786
Neighborhood Development	362,791	254,500
COVID-19 Relief	-	75,000
Fair Chances for Family Success Initiative	-	67,669
Youth Program	10,000	24,343
Resident Empowerment	212,101	24,038
Other	-	28,666
Community Garden	27,084	-
Time Restrictions Lapsed	16,667	-
Total	<u>\$894,477</u>	<u>\$683,002</u>

NOTE 8    PROPERTY TAXES

DNI, DNI 2, and DNI 3 are parties to Chapter 121A agreements with the Commonwealth of Massachusetts, which exempts real property from local taxation and subjects them to an alternative tax. This alternative tax payment is due annually by March 15<sup>th</sup>. Taxes are charged as additional rent to property owners that lease land to cover the related property tax. Real estate taxes are calculated using estimated fair cash values which may vary from the final valuations.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 9     LEASE COMMITMENTS

**Operating Lease:**

Effective January 1, 2019, the Organization executed a five-year lease for office space located at 550 Dudley Street. Under the lease agreement, rent is payable in monthly installments of \$4,961 starting May 1, 2018. Actual rent expense is recognized on a straight-line basis, where the difference between the rent expense recognized and the amount paid is reported as *Deferred Rent* in the accompanying Consolidated Statements of Financial Position. A security deposit of \$1,000 was paid by DSNI. The aggregate rent expense recognized for the years ended June 30, 2021 and 2020 was \$52,721 and \$45,228, respectively.

As of June 30, 2021, the future minimum lease obligation arising from this commitment is scheduled below:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2022	\$52,332
June 30, 2023	<u>26,166</u>
Total	<u>\$78,498</u>

**Capital Lease:**

DSNI leases copier equipment under a capital lease which expires on April 1, 2022. The fair value of the equipment financed was \$44,905, payable in 63 monthly installments of \$775, which includes interest at the annual rate of 3.186%. As of June 30, 2021, the lease obligation arising from this commitment is \$9,812 and will be paid within FY 2022.

NOTE 10     CONCENTRATIONS

**Cash:**

The Organization is subject to concentrations in credit risk relating primarily to cash. For the years presented, the majority of the Organization's cash deposits and investments are held in one financial institution. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") under the applicable limits; however, at times cash balances may exceed federally insured limits. As of June 30, 2021 and 2020 cash balances in excess of the FDIC coverage were \$664,300 and \$262,847, respectively. The Organization has not experienced any losses on uninsured cash balances and management considers credit risk on cash to be low.

**Receivables:**

As of June 30, 2021, the balance due on two grant commitments accounts for 88% of total *Grants and Contributions Receivable*. As of June 30, 2020, the balance due on one grant commitment accounts for 64% of total *Grants and Contributions Receivable*.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 11    CONTINGENCIES

**Impact of COVID-19:**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of grants, contributions, revenue and other material adverse effects to the Organizations' financial position, change in net assets and cash flows. The Organizations are not able to estimate the length of severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effected on the Organizations' operations continue for an extended period of time, the Organizations may have to seek alternative measures to finance its operation. There is no assurance these measures will be successful.

**Paycheck Protection Program:**

Dudley Street Neighborhood Initiative, Inc. has received two loans from People's United Bank through the Paycheck Protection Program ("PPP") established by the U.S. CARES Act. The Organization has elected to account for the expected forgivable portion of these loan as conditional grant commitments as permitted by the AICPA. DSNI intends to apply for and receive full forgiveness of the loans, while any remaining balance would be repayable over a five-year term and subject to interest at the annual rate of 1%. The amount forgiven equals the amount incurred on qualifying costs (payroll, mortgage interest, rent utilities, as defined and subject to limitations) during the covered period. The amount forgiven is reduced if a) the Organization decreases its staffing levels during the covered period, or b) reduces salaries/wages during the covered period; however, those reductions are subject to certain exemptions. The Organization expects to meet the requirements for loan forgiveness. DSNI must prepare and submit a loan forgiveness application to the lender, which is then reviewed by both the bank and the Small Business Administration ("SBA") and then approved.

The first loan, referred to as PPP-1, in the amount of \$158,700 was received on April 25, 2020. The second loan, referred to as PPP-2, also in the amount of \$158,700, was received on May 6, 2021. DSNI has elected to use a 24-week coverage period for each loan, which expired on October 14, 2020 and October 20, 2021 for PPP-1 and PPP-2, respectively. As of June 30, 2021 and 2020, the Organization has incurred \$184,845 and \$132,555, respectively, of qualifying costs which have been recognized as grant income for the fiscal years then ended. As of June 30, 2020, the unexpended funds totaling \$26,145 are reported on the accompanying consolidated Statements of Financial Position as *Conditional Grant Advances*, a current liability. Subsequent to year end, on November 15, 2021, the SBA approved forgiveness of PPP-1 in the amount of \$158,700.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of the years presented, reduced by amounts which are not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year of the Consolidated Statement of Financial Position date or when restricted by donors for purposes more limited than general expenditures.

<u>Description</u>	<u>2021</u>	<u>2020</u>
<i>Financial Assets:</i>		
Cash	\$1,193,293	\$ 800,960
Grants and Contributions Receivable	761,489	310,445
Accounts Receivable, Program Services	-	2,450
Rent Receivable, Net	112,146	162,719
Loan Receivable	67,000	67,000
Interest Receivable	<u>457,455</u>	<u>419,148</u>
Total Financial Assets	2,591,383	1,762,722
 <i>Less: Amounts Not Available to be Used</i>		
<i>Within One Year:</i>		
Grants Receivable Non-Current	(88,207)	-
Passthrough Funds	(729,800)	(117,000)
Loan Receivable	(67,000)	(67,000)
Interest Receivable	<u>(457,455)</u>	<u>(419,148)</u>
 Financial Assets Available to Meet General Expenditures Within One Year	 <u>\$1,248,921</u>	 <u>\$1,159,574</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of operating programs as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 13 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through January 12, 2022, the date which the financial statements were available for issue, and other than the PPP forgiveness disclosure in Note 11, noted no events which met the disclosure criteria.

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2021

	<u>DSNI</u>	<u>DNI</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS:</u></b>				
Cash	\$ 814,921	\$ 378,372	\$ -	\$ 1,193,293
Grants and Contributions Receivable	761,489	-	-	761,489
Rent Receivable, Net	-	112,146	-	112,146
Prepaid Expenses	3,077	7,530	-	10,607
Total Current Assets	<u>1,579,487</u>	<u>498,048</u>	<u>-</u>	<u>2,077,535</u>
<b><u>NET PROPERTY AND EQUIPMENT</u></b>	<u>21,469</u>	<u>14,379,906</u>	<u>-</u>	<u>14,401,375</u>
<b><u>OTHER ASSETS:</u></b>				
Grants Receivable, Non-Current	336,162	-	-	336,162
Loan Receivable	-	67,000	-	67,000
Interest Receivable	-	457,455	-	457,455
Due from DSNI	-	15,544	(15,544)	-
Total Other Assets	<u>336,162</u>	<u>539,999</u>	<u>(15,544)</u>	<u>860,617</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 1,937,118</u>	<u>\$ 15,417,953</u>	<u>\$ (15,544)</u>	<u>\$ 17,339,527</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b><u>CURRENT LIABILITIES:</u></b>				
Loan Payable	\$ 5,500	\$ -	\$ -	\$ 5,500
Capital Lease Obligation	7,638	-	-	7,638
Accounts Payable and Accrued Expenses	54,953	11,623	-	66,576
Accrued Payroll and Related Costs	26,207	17,017	-	43,224
Passthrough Funds	481,845	-	-	481,845
Due to DNI	15,544	-	(15,544)	-
Deferred Rent	5,942	10,895	-	16,837
Total Current Liabilities	<u>597,629</u>	<u>39,535</u>	<u>(15,544)</u>	<u>621,620</u>
<b><u>LONG-TERM LIABILITIES:</u></b>				
Passthrough Funds	247,955	-	-	247,955
Capital Lease Obligation, Net of Current Portion	2,174	-	-	2,174
Loan Payable, Net of Current Portion	340,290	-	-	340,290
Mortgage Note Payable	-	1,271,122	-	1,271,122
Total Long-Term Liabilities	<u>590,419</u>	<u>1,271,122</u>	<u>-</u>	<u>1,861,541</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>1,188,048</u>	<u>1,310,657</u>	<u>(15,544)</u>	<u>2,483,161</u>
<b><u>NET ASSETS:</u></b>				
Net Assets Without Donor Restrictions	133,138	14,074,830	-	14,207,968
Net Assets With Donor Restrictions	615,932	32,466	-	648,398
Total Net Assets (Deficit)	<u>749,070</u>	<u>14,107,296</u>	<u>-</u>	<u>14,856,366</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>\$ 1,937,118</u>	<u>\$ 15,417,953</u>	<u>\$ (15,544)</u>	<u>\$ 17,339,527</u>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2020

	<u>DSNI</u>	<u>DNI</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS:</u></b>				
Cash	\$ 360,562	\$ 440,398	\$ -	\$ 800,960
Grants and Contributions Receivable	310,445	40,000	-	350,445
Accounts Receivable, Program Services, Net	2,450	-	-	2,450
Rent Receivable, Net	-	122,719	-	122,719
Prepaid Expenses	14,561	8,186	-	22,747
Total Current Assets	<u>688,018</u>	<u>611,303</u>	<u>-</u>	<u>1,299,321</u>
 <b><u>NET PROPERTY AND EQUIPMENT</u></b>	 <u>15,681</u>	 <u>14,384,666</u>	 <u>-</u>	 <u>14,400,347</u>
 <b><u>OTHER ASSETS:</u></b>				
Loan Receivable	-	67,000	-	67,000
Interest Receivable	-	419,148	-	419,148
Due from DNI	108,598	-	(108,598)	-
Total Other Assets	<u>108,598</u>	<u>486,148</u>	<u>(108,598)</u>	<u>486,148</u>
 <b><u>TOTAL ASSETS</u></b>	 <u>\$ 812,297</u>	 <u>\$ 15,482,117</u>	 <u>\$ (108,598)</u>	 <u>\$ 16,185,816</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>				
<b><u>CURRENT LIABILITIES:</u></b>				
Loan Payable	\$ 4,802	\$ -	\$ -	\$ 4,802
Capital Lease Obligation	9,639	-	-	9,639
Accounts Payable and Accrued Expenses	86,267	10,408	-	96,675
Accrued Payroll and Related Costs	30,580	7,855	-	38,435
Passthrough Funds	117,000	-	-	117,000
Conditional Grant Advance	26,145	-	-	26,145
Due to DSNI	-	108,598	(108,598)	-
Deferred Rent	9,914	-	-	9,914
Total Current Liabilities	<u>284,347</u>	<u>126,861</u>	<u>(108,598)</u>	<u>302,610</u>
 <b><u>LONG-TERM LIABILITIES:</u></b>				
Capital Lease Obligation, Net of Current Portion	7,638	-	-	7,638
Loan Payable, Net of Current Portion	346,101	-	-	346,101
Mortgage Note Payable	-	1,271,122	-	1,271,122
Total Long-Term Liabilities	<u>353,739</u>	<u>1,271,122</u>	<u>-</u>	<u>1,624,861</u>
 <b><u>TOTAL LIABILITIES</u></b>	 <u>638,086</u>	 <u>1,397,983</u>	 <u>(108,598)</u>	 <u>1,927,471</u>
 <b><u>NET ASSETS:</u></b>				
Net Assets Without Donor Restrictions (Deficit)	(178,944)	14,082,134	-	13,903,190
Net Assets With Donor Restrictions	353,155	2,000	-	355,155
Total Net Assets (Deficit)	<u>174,211</u>	<u>14,084,134</u>	<u>-</u>	<u>14,258,345</u>
 <b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	 <u>\$ 812,297</u>	 <u>\$ 15,482,117</u>	 <u>\$ (108,598)</u>	 <u>\$ 16,185,816</u>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>DSNI</u>			<u>DNI</u>			<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u> <u>ACTIVITIES</u>
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>SUBTOTAL</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>SUBTOTAL</u>		
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>								
<i>Support and Revenues:</i>								
Rental Income and Real Estate Tax Reimbursement	\$ -	\$ -	\$ -	\$ 258,815	\$ -	\$ 258,815	\$ -	\$ 258,815
Program Service Revenue	7,863	-	7,863	-	-	-	-	7,863
Gifts, Grants and Contributions	276,115	1,130,170	1,406,285	193,266	57,550	250,816	(56,112)	1,600,989
Paycheck Protection Program Grant	184,845	-	184,845	-	-	-	-	184,845
Donated Services	86,514	-	86,514	86,514	-	86,514	-	173,028
Interest Income	-	-	-	38,694	-	38,694	-	38,694
Miscellaneous Income	-	-	-	3,991	-	3,991	-	3,991
<i>Reclassification of Net Assets:</i>								
Net Assets Released from Restrictions	867,393	(867,393)	-	27,084	(27,084)	-	-	-
<b><u>TOTAL SUPPORT, REVENUES</u></b> <b><u>AND RECLASSIFICATIONS</u></b>	<b><u>1,422,730</u></b>	<b><u>262,777</u></b>	<b><u>1,685,507</u></b>	<b><u>608,364</u></b>	<b><u>30,466</u></b>	<b><u>638,830</u></b>	<b><u>(56,112)</u></b>	<b><u>2,268,225</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>								
Program Services	693,187	-	693,187	571,159	-	571,159	(56,112)	1,208,234
Administrative	342,651	-	342,651	44,509	-	44,509	-	387,160
Fund Raising	74,810	-	74,810	-	-	-	-	74,810
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>1,110,648</u></b>	<b><u>-</u></b>	<b><u>1,110,648</u></b>	<b><u>615,668</u></b>	<b><u>-</u></b>	<b><u>615,668</u></b>	<b><u>(56,112)</u></b>	<b><u>1,670,204</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>312,082</u></b>	<b><u>262,777</u></b>	<b><u>574,859</u></b>	<b><u>(7,304)</u></b>	<b><u>30,466</u></b>	<b><u>23,162</u></b>	<b><u>-</u></b>	<b><u>598,021</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>(178,944)</u></b>	<b><u>353,155</u></b>	<b><u>174,211</u></b>	<b><u>14,082,134</u></b>	<b><u>2,000</u></b>	<b><u>14,084,134</u></b>	<b><u>-</u></b>	<b><u>14,258,345</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 133,138</u></b>	<b><u>\$ 615,932</u></b>	<b><u>\$ 749,070</u></b>	<b><u>\$ 14,074,830</u></b>	<b><u>\$ 32,466</u></b>	<b><u>\$ 14,107,296</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,856,366</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>DSNI</u>			<u>DNI</u>			<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u> <u>ACTIVITIES</u>
	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>SUBTOTAL</u>	<u>WITHOUT</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>WITH</u> <u>DONOR</u> <u>RESTRICTIONS</u>	<u>SUBTOTAL</u>		
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>								
<i>Support and Revenues:</i>								
Rental Income and Real Estate Tax Reimbursement	\$ -	\$ -	\$ -	\$ 275,396	\$ -	\$ 275,396	\$ -	\$ 275,396
Program Service Revenue	7,397	-	7,397	-	-	-	-	7,397
Gifts, Grants and Contributions	344,586	665,050	1,009,636	203,522	17,000	220,522	(15,000)	1,215,158
Paycheck Protection Program Grant	132,555	-	132,555	-	-	-	-	132,555
Donated Services	-	-	-	56,397	-	56,397	-	56,397
Interest Income	200	-	200	39,354	-	39,354	-	39,554
Miscellaneous Income	-	-	-	4,978	-	4,978	-	4,978
<i>Reclassification of Net Assets:</i>								
Net Assets Released from Restrictions	668,002	(668,002)	-	15,000	(15,000)	-	-	-
<b><u>TOTAL SUPPORT, REVENUES</u></b>	<b><u>1,152,740</u></b>	<b><u>(2,952)</u></b>	<b><u>1,149,788</u></b>	<b><u>594,647</u></b>	<b><u>2,000</u></b>	<b><u>596,647</u></b>	<b><u>(15,000)</u></b>	<b><u>1,731,435</u></b>
<b><u>AND RECLASSIFICATIONS</u></b>								
<b><u>FUNCTIONAL EXPENSES:</u></b>								
Program Services	647,635	-	647,635	664,421	-	664,421	(15,000)	1,297,056
Administrative	237,324	-	237,324	64,916	-	64,916	-	302,240
Fund Raising	99,209	-	99,209	-	-	-	-	99,209
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>984,168</u></b>	<b><u>-</u></b>	<b><u>984,168</u></b>	<b><u>729,337</u></b>	<b><u>-</u></b>	<b><u>729,337</u></b>	<b><u>(15,000)</u></b>	<b><u>1,698,505</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>168,572</u></b>	<b><u>(2,952)</u></b>	<b><u>165,620</u></b>	<b><u>(134,690)</u></b>	<b><u>2,000</u></b>	<b><u>(132,690)</u></b>	<b><u>-</u></b>	<b><u>32,930</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>(347,516)</u></b>	<b><u>356,107</u></b>	<b><u>8,591</u></b>	<b><u>14,216,824</u></b>	<b><u>-</u></b>	<b><u>14,216,824</u></b>	<b><u>-</u></b>	<b><u>14,225,415</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ (178,944)</u></b>	<b><u>\$ 353,155</u></b>	<b><u>\$ 174,211</u></b>	<b><u>\$ 14,082,134</u></b>	<b><u>\$ 2,000</u></b>	<b><u>\$ 14,084,134</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,258,345</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>DSNI</u>				<u>DNI</u>			<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u>
	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>SUBTOTAL</u>	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>SUBTOTAL</u>		<u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries and Wages	\$ 269,239	\$ 119,813	\$ 45,721	\$ 434,773	\$ 156,091	\$ 17,343	\$ 173,434	\$ -	\$ 608,207
Payroll Taxes	29,498	13,127	5,009	47,634	15,488	1,721	17,209	-	64,843
Fringe Benefits	38,582	17,169	6,552	62,303	12,955	1,439	14,394	-	76,697
Grants/Subawards	96,112	-	-	96,112	-	-	-	(56,112)	40,000
Consultants/Professional Fees	50,826	140,075	8,016	198,917	103,533	13,344	116,877	-	315,794
Property Management	-	-	-	-	77,773	-	77,773	-	77,773
Program/Project Costs	13,649	4,817	1,313	19,779	38,208	-	38,208	-	57,987
COVID-19 Assistance	157,910	-	-	157,910	-	-	-	-	157,910
Real Estate Taxes	-	-	-	-	70,174	-	70,174	-	70,174
Occupancy	27,009	7,069	5,858	39,936	28,876	-	28,876	-	68,812
Insurance	831	3,167	180	4,178	24,559	-	24,559	-	28,737
Depreciation Expense	6,210	1,625	1,347	9,182	35,252	-	35,252	-	44,434
Office Supplies and Expenses	3,321	3,344	814	7,479	8,109	900	9,009	-	16,488
Staff Travel	-	-	-	-	141	16	157	-	157
Dues, Fees and Subscriptions	-	8,553	-	8,553	-	9,646	9,646	-	18,199
Interest Expense	-	20,603	-	20,603	-	-	-	-	20,603
Bad Debt Expense	-	1,940	-	1,940	-	-	-	-	1,940
Miscellaneous Expense	-	1,349	-	1,349	-	100	100	-	1,449
<b>Total Functional Expenses</b>	<b><u>\$ 693,187</u></b>	<b><u>\$ 342,651</u></b>	<b><u>\$ 74,810</u></b>	<b><u>\$ 1,110,648</u></b>	<b><u>\$ 571,159</u></b>	<b><u>\$ 44,509</u></b>	<b><u>\$ 615,668</u></b>	<b><u>\$ (56,112)</u></b>	<b><u>\$ 1,670,204</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>DSNI</u>				<u>DNI</u>			<u>ELIMIN-</u> <u>ATIONS</u>	<u>CONSOLIDATED</u>
	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>SUBTOTAL</u>	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>SUBTOTAL</u>		<u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries and Wages	\$ 294,319	\$ 77,032	\$ 63,862	\$ 435,213	\$ 181,157	\$ 20,128	\$ 201,285	\$ -	\$ 636,498
Payroll Taxes	33,148	8,675	7,193	49,016	20,597	2,288	22,885	-	71,901
Fringe Benefits	46,731	13,920	11,541	72,192	27,027	3,003	30,030	-	102,222
Grants/Subawards	144,893	-	-	144,893	-	-	-	(15,000)	129,893
Consultants/Professional Fees	3,330	82,604	9,302	95,236	59,210	31,235	90,445	-	185,681
Property Management	-	-	-	-	53,553	-	53,553	-	53,553
Program/Project Costs	22,961	9,128	1,540	33,629	-	-	-	-	33,629
COVID-19 Assistance	75,417	-	-	75,417	-	-	-	-	75,417
Real Estate Taxes	-	-	-	-	200,091	-	200,091	-	200,091
Occupancy	16,640	4,355	3,610	24,605	39,629	-	39,629	-	64,234
Insurance	1,734	2,352	376	4,462	23,264	-	23,264	-	27,726
Depreciation Expense	5,784	1,514	1,255	8,553	32,509	-	32,509	-	41,062
Office Supplies and Expenses	2,444	5,141	530	8,115	20,234	2,248	22,482	-	30,597
Printing and Postage	50	91	-	141	3,664	407	4,071	-	4,212
Staff Travel	-	-	-	-	3,219	358	3,577	-	3,577
Dues, Fees and Subscriptions	-	7,113	-	7,113	-	1,376	1,376	-	8,489
Interest Expense	-	22,724	-	22,724	-	-	-	-	22,724
Miscellaneous Expense	184	2,675	-	2,859	267	3,873	4,140	-	6,999
<b>Total Functional Expenses</b>	<b><u>\$ 647,635</u></b>	<b><u>\$ 237,324</u></b>	<b><u>\$ 99,209</u></b>	<b><u>\$ 984,168</u></b>	<b><u>\$ 664,421</u></b>	<b><u>\$ 64,916</u></b>	<b><u>\$ 729,337</u></b>	<b><u>\$ (15,000)</u></b>	<b><u>\$ 1,698,505</u></b>

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>DSNI</u>	<u>DNI</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Change in Net Assets	\$ 574,859	\$ 23,162	\$ -	\$ 598,021
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>				
Depreciation Expense	9,182	35,252	-	44,434
<i>(Increase) Decrease in Current Assets:</i>				
Grants and Contributions Receivable	(451,044)	40,000	-	(411,044)
Accounts Receivable, Program Services, Net	2,450	-	-	2,450
Rent Receivable, Net	-	10,573	-	10,573
Prepaid Expenses	11,483	656	-	12,139
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	(31,314)	1,215	-	(30,099)
Accrued Payroll and Related Costs	(4,373)	9,162	-	4,789
Passthrough Funds	364,845	-	-	364,845
Conditional Grant Advance	(26,145)	-	-	(26,145)
Due to DSNI	-	(124,142)	124,142	-
Deferred Revenue and Rent	(3,972)	10,895	-	6,923
<i>(Increase) Decrease in Other Assets:</i>				
Grants Receivable, Non-Current	(336,162)	-	-	(336,162)
Interest Receivable	-	(38,307)	-	(38,307)
Due from DNI	124,142	-	(124,142)	-
<i>Increase (Decrease) Long-Term Liabilities:</i>				
Passthrough Funds	247,955	-	-	247,955
Net Adjustment	(92,953)	(54,696)	-	(147,649)
<b><u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	<b><u>481,906</u></b>	<b><u>(31,534)</u></b>	<b><u>-</u></b>	<b><u>450,372</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Cash Outlay for Capital Expenditures	(14,969)	(30,492)	-	(45,461)
Net Cash Flows From Financing Activities	(14,969)	(30,492)	-	(45,461)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>				
Principal Payments on Loans Payable	(5,113)	-	-	(5,113)
Principal Payments on Capital Lease Obligation	(7,465)	-	-	(7,465)
Net Cash Flows From Financing Activities	(12,578)	-	-	(12,578)
<b><u>NET INCREASE (DECREASE) IN CASH BALANCES</u></b>	<b><u>454,359</u></b>	<b><u>(62,026)</u></b>	<b><u>-</u></b>	<b><u>392,333</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>360,562</u></b>	<b><u>440,398</u></b>	<b><u>-</u></b>	<b><u>800,960</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 814,921</u></b>	<b><u>\$ 378,372</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,193,293</u></b>
<i>Supplemental Disclosures :</i>				
Interest Paid	\$ 20,603	\$ -	\$ -	\$ 20,603

DUDLEY STREET NEIGHBORHOOD INITIATIVE, INC.

CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>DSNI</u>	<u>DNI</u>	<u>ELIMIN- ATIONS</u>	<u>CONSOLIDATED TOTAL</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Change in Net Assets	\$ 165,620	\$ (132,690)	\$ -	\$ 32,930
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>				
Depreciation Expense	8,553	39,629	-	48,182
<i>(Increase) Decrease in Current Assets:</i>				
Grants and Contributions Receivable	(110,445)	(40,000)	-	(150,445)
Accounts Receivable, Program Services, Net	625	-	-	625
Rent Receivable, Net	-	(6,531)	-	(6,531)
Prepaid Expenses	(11,672)	(1,194)	-	(12,866)
<i>Increase (Decrease) in Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	14,727	(9,053)	-	5,674
Accrued Payroll and Related Costs	2,588	(2,189)	-	399
Passthrough Funds	117,000	-	-	117,000
Conditional Grant Advance	26,145	-	-	26,145
Due to DSNI	-	56,078	(56,078)	-
Deferred Revenue and Rent	(3,972)	(7,777)	-	(11,749)
<i>(Increase) Decrease in Other Assets:</i>				
Interest Receivable	-	(35,510)	-	(35,510)
Due from DNI	(56,078)	-	56,078	-
Net Adjustment	(12,529)	(6,547)	-	(19,076)
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b><u>153,091</u></b>	<b><u>(139,237)</u></b>	<b><u>-</u></b>	<b><u>13,854</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Cash Outlay for Capital Expenditures	-	(26,101)	-	(26,101)
Net Cash Flows From Financing Activities	-	(26,101)	-	(26,101)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>				
Proceeds from Mortgage Note Payable	-	146,574	-	146,574
Principal Payments on Loans Payable	(4,513)	-	-	(4,513)
Principal Payments on Capital Lease Obligation	(7,887)	-	-	(7,887)
Net Cash Flows From Financing Activities	(12,400)	146,574	-	134,174
<b><u>NET INCREASE (DECREASE) IN CASH BALANCES</u></b>	<b><u>140,691</u></b>	<b><u>(18,764)</u></b>	<b><u>-</u></b>	<b><u>121,927</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>219,871</u></b>	<b><u>459,162</u></b>	<b><u>-</u></b>	<b><u>679,033</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 360,562</u></b>	<b><u>\$ 440,398</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 800,960</u></b>
<i>Supplemental Disclosures :</i>				
Interest Paid	\$ 22,724	\$ -	\$ -	\$ 22,724
<i>Cash Balances :</i>				
Cash	\$ 334,417	\$ 440,398	\$ -	\$ 774,815
Cash, Conditional Grant Advance	26,145	-	-	26,145
Total	<u>\$ 360,562</u>	<u>\$ 440,398</u>	<u>\$ -</u>	<u>\$ 800,960</u>