



CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

N STREET VILLAGE, INC. AND SUBSIDIARY

JUNE 30, 2012 AND 2011

N Street Village, Inc. and Subsidiary

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee
N Street Village, Inc. and Subsidiary

We have audited the accompanying consolidated statements of financial position of N Street Village, Inc. and Subsidiary at June 30, 2012 and 2011, and the related consolidated statements of activities, functional expenses, change in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of N Street Village, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of N Street Village, Inc. and Subsidiary at June 30, 2012 and 2011, and their change in 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 26 through 31 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bethesda, Maryland
December 26, 2012

Lead Auditor: Russell Phillips



N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,624,428	\$ 853,836
Receivables:		
Grants and contracts	218,033	234,608
Other	49,799	21,366
Prepaid expenses	<u>45,950</u>	<u>31,853</u>
Total current assets	<u>1,938,210</u>	<u>1,141,663</u>
INVESTMENTS, RESTRICTED DEPOSITS AND FUNDED RESERVES		
Investments	1,522,783	1,496,822
Reserves and escrows	658,376	697,437
Tenant security deposits	<u>31,761</u>	<u>31,791</u>
Total investments, restricted deposits and funded reserves	<u>2,212,920</u>	<u>2,226,050</u>
FIXED ASSETS		
Land, building, furniture and equipment and improvements, net	<u>17,170,384</u>	<u>15,256,731</u>
OTHER ASSETS		
Trust receivable	350,607	228,611
Mortgage costs, net of accumulated amortization of \$29,312 and \$27,194, respectively	<u>34,260</u>	<u>36,378</u>
Total other assets	<u>384,867</u>	<u>264,989</u>
Total assets	<u>\$ 21,706,381</u>	<u>\$ 18,889,433</u>

(continued)

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED

June 30, 2012 and 2011

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 181,720	\$ 131,028
Accrued salary and expenses	140,996	91,152
Current maturities - mortgages and notes payable	91,951	80,593
Tenant security deposits and prepaid rent	<u>38,008</u>	<u>48,302</u>
Total current liabilities	<u>452,675</u>	<u>351,075</u>
LONG-TERM LIABILITIES		
Mortgages and notes payable, net of current maturities	<u>3,547,519</u>	<u>3,528,303</u>
Total liabilities	<u>4,000,194</u>	<u>3,879,378</u>
NET ASSETS		
Unrestricted - controlling	16,913,559	14,038,587
Unrestricted - controlling - board designated	65,519	65,519
Unrestricted - non-controlling	<u>(898,443)</u>	<u>(494,123)</u>
Total unrestricted	16,080,635	13,609,983
Temporarily restricted	<u>1,625,552</u>	<u>1,400,072</u>
Total net assets	<u>17,706,187</u>	<u>15,010,055</u>
Total liabilities and net assets	<u>\$ 21,706,381</u>	<u>\$ 18,889,433</u>

See notes to consolidated financial statements

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended June 30, 2012

	Unrestricted	Temporarily restricted	Total
Revenue and support			
Grants and contributions	\$ 2,193,171	\$ 705,300	\$ 2,898,471
Rental and service fee income	1,011,667	-	1,011,667
Government grants and contracts	-	831,690	831,690
Special event revenue	638,485	-	638,485
In-kind contributions	345,448	-	345,448
Forgiveness of debt	30,000	-	30,000
Net assets released from restrictions	<u>1,408,328</u>	<u>(1,408,328)</u>	<u>-</u>
Total revenue and support	<u>5,627,099</u>	<u>128,662</u>	<u>5,755,761</u>
Expenses			
Program services	3,730,548	-	3,730,548
Management and general	789,438	-	789,438
Fundraising	616,978	-	616,978
Special event benefit to attendees	<u>94,978</u>	<u>-</u>	<u>94,978</u>
Total expenses	<u>5,231,942</u>	<u>-</u>	<u>5,231,942</u>
Change in net assets before other items	395,157	128,662	523,819
Non-operational activity			
Net contribution from acquisition (note 13)	2,061,608	-	2,061,608
Change in value of charitable trust	-	88,797	88,797
Investment and interest income	24,915	9,262	34,177
Unrealized loss on investments	(3,338)	(1,241)	(4,579)
Realized loss on investments	<u>(7,690)</u>	<u>-</u>	<u>(7,690)</u>
Excess (deficiency) of revenues over expenses - consolidated	2,470,652	225,480	2,696,132
Deficiency of revenues over expenses attributable to non- controlling interest	<u>404,320</u>	<u>-</u>	<u>404,320</u>
Excess (deficiency) of revenues over expenses attributable to N Street Village, Inc.	<u>\$ 2,874,972</u>	<u>\$ 225,480</u>	<u>\$ 3,100,452</u>

(continued)

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED

Year ended June 30, 2011

	Unrestricted	Temporarily restricted	Total
Revenue and support			
Grants and contributions	\$ 1,289,239	\$ 350,190	\$ 1,639,429
Rental and service fee income	1,048,873	-	1,048,873
Government grants and contracts	-	535,703	535,703
Special event revenue	536,551	-	536,551
In-kind contributions	204,810	-	204,810
Forgiveness of debt	30,000	-	30,000
Other	2,003	-	2,003
Net assets released from restrictions	<u>860,466</u>	<u>(860,466)</u>	<u>-</u>
Total revenue and support	<u>3,971,942</u>	<u>25,427</u>	<u>3,997,369</u>
Expenses			
Program services	3,559,253	-	3,559,253
Management and general	383,466	-	383,466
Fundraising	581,189	-	581,189
Special event benefit to attendees	<u>68,596</u>	<u>-</u>	<u>68,596</u>
Total expenses	<u>4,592,504</u>	<u>-</u>	<u>4,592,504</u>
Change in net assets before other items	(620,562)	25,427	(595,135)
Non-operational activity			
Change in value of charitable trust	-	35,757	35,757
Investment and interest income	12,346	20,288	32,634
Unrealized gain on investments	90,144	148,229	238,373
Realized loss on investments	<u>(842)</u>	<u>-</u>	<u>(842)</u>
Excess (deficiency) of revenues over expenses - consolidated	(518,914)	229,701	(289,213)
Deficiency of revenues over expenses attributable to non- controlling interest	<u>494,123</u>	<u>-</u>	<u>494,123</u>
Excess (deficiency) of revenues over expenses attributable to N Street Village, Inc.	<u>\$ (24,791)</u>	<u>\$ 229,701</u>	<u>\$ 204,910</u>

See notes to consolidated financial statements

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, 2012

	Programs	Management and General	Fundraising	Total
Wages and fringe benefits	\$ 1,768,638	\$ 330,892	\$ 431,405	\$ 2,530,935
Occupancy and utilities	418,341	-	-	418,341
Depreciation and amortization	570,858	5,118	6,766	582,742
Donated goods and services	66,951	232,292	43,805	343,048
Maintenance services	270,700	690	155	271,545
Professional fees and consulting	146,899	158,333	40,140	345,372
Interest	110,051	4,352	5,753	120,156
Insurance	122,654	9,085	1,011	132,750
Food and resident needs	121,252	771	1,404	123,427
Printing and publications	868	4,979	36,373	42,220
Supplies (clinic and office)	31,545	3,342	3,165	38,052
IT support and equipment	36,295	27,152	10,726	74,173
Tax credit compliance	16,283	-	-	16,283
Transport and travel	11,967	3,410	3,432	18,809
Postage	917	258	8,560	9,735
Advertising	596	693	3,077	4,366
Bad debt	-	371	2,500	2,871
Other	35,733	7,700	18,706	62,139
Total	<u>\$ 3,730,548</u>	<u>\$ 789,438</u>	<u>\$ 616,978</u>	<u>\$ 5,136,964</u>

(continued)

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

Year ended June 30, 2011

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages and fringe benefits	\$ 1,690,466	\$ 75,104	\$ 393,216	\$ 2,158,786
Occupancy and utilities	552,878	-	-	552,878
Depreciation and amortization	498,555	4,543	5,880	508,978
Donated goods and services	70,293	88,635	45,882	204,810
Maintenance services	226,061	439	1,197	227,697
Professional fees and consulting	66,055	163,821	49,010	278,886
Interest	117,925	833	1,563	120,321
Insurance	94,887	3,228	459	98,574
Facility rental and catering	-	-	18,939	18,939
Food and resident needs	121,886	-	454	122,340
Printing and publications	661	3,496	26,302	30,459
Supplies (clinic and office)	37,754	1,994	2,298	42,046
IT support and equipment	49,737	12,377	11,209	73,323
Tax credit compliance	16,520	-	-	16,520
Transport and travel	10,992	8,348	6,572	25,912
Postage	928	400	6,112	7,440
Advertising	-	1,970	1,775	3,745
Other	3,655	18,278	10,321	32,254
	<u>\$ 3,559,253</u>	<u>\$ 383,466</u>	<u>\$ 581,189</u>	<u>\$ 4,523,908</u>
Total				

See notes to consolidated financial statements

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS

Years ended June 30, 2012 and 2011

	<u>Unrestricted</u>			<u>Temporarily restricted</u>	<u>Total</u>
	<u>Controlling</u>	<u>Non-controlling</u>	<u>Total</u>		
Net assets, June 30, 2010	14,128,897	-	14,128,897	1,170,371	15,299,268
Excess (deficiency) of revenues over expenses	<u>(24,791)</u>	<u>(494,123)</u>	<u>(518,914)</u>	<u>229,701</u>	<u>(289,213)</u>
Net assets, June 30, 2011	14,104,106	(494,123)	13,609,983	1,400,072	15,010,055
Excess (deficiency) of revenues over expenses	<u>2,874,972</u>	<u>(404,320)</u>	<u>2,470,652</u>	<u>225,480</u>	<u>2,696,132</u>
Net assets, June 30, 2012	<u>\$ 16,979,078</u>	<u>\$ (898,443)</u>	<u>\$ 16,080,635</u>	<u>\$ 1,625,552</u>	<u>\$ 17,706,187</u>

See notes to consolidated financial statements

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 2,696,132	\$ (289,213)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	582,742	508,978
Realized losses on investments	7,690	842
Forgiveness of loan principal	(30,000)	(30,000)
Bad debt	2,871	-
Unrealized gains on investments	4,579	(238,373)
Increase in value of charitable trusts	(88,797)	(35,757)
Net contribution from acquisition	(2,061,608)	-
(Increase) decrease in		
Contributions receivable	(2,871)	-
Grants, rent and other receivables	(11,858)	(152,511)
Increase in trust receivable	(33,199)	-
Prepaid expenses	(14,097)	(1,638)
Tenant security deposit, net	(6,439)	3,918
Increase (decrease) in		
Accounts payable and accrued expenses	100,536	(49,876)
Accrued interest	15,000	15,000
Funds held for others	-	(884)
Prepaid rent	(3,825)	632
Net cash provided by (used in) operating activities	<u>1,156,856</u>	<u>(268,882)</u>
Cash flows from investing activities		
Proceeds from sale of investments	84,446	24,380
Purchase of investments	(122,676)	(8,518)
Purchase of furniture and equipment	(223,515)	(130,593)
Net withdrawals from (deposits to) insurance escrow	(24,828)	13,154
Net withdrawals from (deposits to) replacement reserve	55,879	6,916
Net deposits to operating deficit reserve	-	(697)
Net withdrawals from (deposits to) other reserves	8,010	(21,556)
Payment for acquisition of Miriam's House, net of cash acquired of \$25,125	(49,875)	-
Net cash used in investing activities	<u>(272,559)</u>	<u>(116,914)</u>

(continued)

N Street Village, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from financing activities		
Principal payments on notes payable	<u>(113,705)</u>	<u>(51,137)</u>
Net cash used in financing activities	<u>(113,705)</u>	<u>(51,137)</u>
Net increase (decrease) in cash and cash equivalents	770,592	(436,933)
Cash and cash equivalents, beginning of year	<u>853,836</u>	<u>1,290,769</u>
Cash and cash equivalents, end of year	<u>\$ 1,624,428</u>	<u>\$ 853,836</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 105,156</u>	<u>\$ 105,321</u>
Significant noncash investing and financing activities from:		
Investment in rental property	\$ -	\$ (59,692)
Accumulated depreciation	-	59,692
Fair value of assets acquired	2,245,800	-
Assets assumed	42,392	-
Liabilities assumed	<u>(176,709)</u>	<u>-</u>
Gross contribution received in acquisition of Miriam's House	2,111,483	-
Payment for acquisition of Miriam's House, net of cash acquired of \$25,125	<u>(49,875)</u>	<u>-</u>
Net contribution received in acquisition of Miriam's House	<u>\$ 2,061,608</u>	<u>\$ -</u>

See notes to consolidated financial statements

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

General Information

N Street Village, Inc. is a 501(c)(3) nonprofit organization incorporated in 1972 in the District of Columbia and founded by Luther Place Memorial Church. N Street Village, Inc. (NSV) is a social service organization with a dual mission: to empower low-income and homeless women to claim their highest quality of life and to provide affordable housing.

NSV accomplishes its mission by offering a portfolio of services designed to meet the needs of its beneficiaries. These services are currently offered at four locations in Northwest DC:

- 1333 N Street/1301 14th Street. The flagship building is the home to Eden House Apartments, supportive housing programs, client services, administrative and development staff. Sixty-five units house approximately 170 residents in this 150,000 square foot facility.
- 1226 Vermont Ave. On the fourth floor of Luther Place Memorial Church, the organization operates the 31 bed Luther Place Night Shelter for women.
- 1300 Florida Avenue. NSV owns and operates the Miriam's House program that provides housing and services to 17 women living with HIV and AIDS.
- 1107 11th Street. The organization provides permanent supportive housing services for 31 residents of Erna's House, which is master-leased by the District of Columbia from a private owner.

N Street Village serves its clients through several programs in addition to those stated above. Bethany Women's Day Center provides meals, laundry and shower facilities, activities, and access to case managers. NSV's residents in the Group Homes, Transitional Housing, and Recovery Housing programs receive care tailored to their specific needs. The Wellness Center provides health promotion and disease prevention services, including access to a physician, nurse and psychiatrist, health education classes, smoking cessation, massage, chiropractic care, exercise and nutrition supports, disease management classes and more. An Education and Employment Center helps women to find and maintain employment and supports clients with mental health and addiction recovery needs. NSV finds that client outcomes improve by addressing many needs in one community.

NSV is the general partner, and .01% owner, of its subsidiary, N Street Village Limited Partnership (NSVLP) which operates and owns the facility at 1333 N Street/1301 14th Street. NSVLP is a Section 42 Low-Income Housing Tax Credit project. Applicants to this facility's Eden House Apartments and the residential programs for women (65 beds) must meet income eligibility requirements. NSVLP must comply with land use regulations and other tax and regulatory requirements. NSV and NSVLP are jointly referred to as "the Organization."

NSV depends on the support of individual donors, foundations, corporations, and other organizations to fund approximately 50% of the cost of providing its services. NSV receives about 25% of its revenue from government grants and contracts. Rental income covers much of the cost of operating Eden House Apartments.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NSV and NSVLP. All significant intercompany transactions and accounts have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting and in accordance with accounting principles and standards that apply to nonprofit organizations.

Cash and Cash Equivalents

NSV considers petty cash, checking, money market mutual funds and liquid investments with original maturities of three months or less to be cash and cash equivalents. At June 30, 2012 and 2011, cash and cash equivalents of \$186,072 and \$136,926, respectively, are segregated for withdrawal within the investment portfolio.

At June 30, 2012, cash of \$7,004 was held in escrow for several residents of Erna's House pursuant to the program rules which is included in reserves and escrows on the accompanying consolidated statements of financial position.

Receivables and Bad Debts

Tenant receivables and accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Investments

Investments with readily determinable fair values are reflected at fair market value. Income is recognized from interest and dividends as earned. Marketable securities consist of fixed income securities and mutual funds. The Organization's marketable securities are classified as available-for-sale securities and are carried at fair value on a recurring basis based on quoted market prices (Level 1) at the date nearest the financial position date. Unrealized holding gains or losses are included in the accompanying consolidated statements of activities.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

Land, Building, Furniture and Equipment and Improvements

Property, furniture and equipment in excess of \$2,500 are capitalized and stated at cost. Depreciation and amortization are recorded using the straight-line method over the estimated useful life of the related asset. Property undergoing rehabilitation that has not been placed in service is included in construction in progress and is not depreciated.

Impairment of Long-Lived Assets

The Organization reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized. No asset impairment losses have been recognized during the years ended June 30, 2012 and 2011.

Fair Value of Assets

The Organization follows U.S. generally accepted account principles (GAAP) which provide a framework for measuring fair value. Fair value is defined as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Level 1 - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades or other sources;
- B) Level 2 - Uses prices that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Level 3 - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Income Taxes

NSV received an IRS determination letter to be treated as a tax exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code. NSV did not have any unrelated business income for the years ended June 30, 2012 and 2011. Accordingly, these financial statements do not reflect a provision for NSV to pay income taxes. NSV has no other tax positions which must be considered for disclosure. The Organization's tax returns are subject to examination generally for three years after they are filed.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

Since taxable income or losses pass through to the individual partners, no provision or benefit for income taxes has been included in the consolidated financial statements for activity from NSVLP. NSVLP has no other tax positions which must be considered for disclosure.

Deferred Financing Costs and Amortization

Mortgage costs are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the above method to amortize mortgage costs is not materially different from the results obtained under the effective yield method. Amortization expense for the years ended June 30, 2012 and 2011 was \$2,118 and \$2,120, respectively. Estimated annual amortization expense for each of the ensuing years through June 30, 2017 is \$2,118.

Net Asset Classification

The net assets of the Organization are reported in six self-balancing groups as follows:

- Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operations of the Organization.
- Unrestricted board designated net assets represent funds set aside by the board of directors as an internal reserve for NSV operations.
- Unrestricted non-controlling net assets represent net assets attributable to non-controlling interest.
- Temporarily restricted net assets include revenue and contributions subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions.
- Permanently restricted net assets represent funds restricted by the donor to be maintained in perpetuity by NSV. As of June 30, 2012 and 2011, NSV did not have any permanently restricted net assets.
- Non-Controlling Interest in Limited Partnership represents the aggregate balance of limited partner equity interest in the non-wholly owned limited partnership that is included in the consolidated financial statements. The aggregate deficit balance of limited partner equity interest in NSVLP included in the consolidated financial statements remains in the Organization's net assets at June 30, 2010. At June 30, 2010, the non-controlling limited partner equity interest in NSVLP was a deficit balance of \$1,549,421 which is included in unrestricted net assets in the accompanying consolidated statements of financial position. Subsequent to July 1, 2010, any negative balances will be included in unrestricted net assets - non-controlling.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

Revenue Recognition

Grants and contributions are recorded as revenue in the year notification is received from the donor.

Grants and contributions received by NSV are recognized as unrestricted support upon satisfaction of donor-imposed restrictions. Temporarily restricted net assets represent contributions and grants for which donor imposed restrictions have not been met.

Any promises to give due beyond a year are discounted to their net present value of future cash flows. All promises to give, grants receivable and notes receivable are considered by management to be fully collectible.

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between NSVLP and the tenants of the property are operating leases.

In-kind Contributions

These contributions are recorded at fair market value on the date the services were provided or the goods were given. They are recorded both as revenue and as an expense in the accompanying consolidated statements of activities.

Functional Allocation of Expenses

The costs of providing programs and other activities are summarized on a functional basis in the consolidated statements of activities. Line item details are included in the consolidated statement of functional expenses. Indirect costs have been allocated to program services, management and general, and fundraising based on the proportion of staff salaries and fringe benefits expenses directly allocated to those cost centers. Overhead costs are occupancy costs and have been allocated based on appropriate square footage calculations. In fiscal year 2012, two factors significantly increased expenses classified as management and general. The Organization changed its wage allocation methodology. The Organization procured pro bono legal services to facilitate a merger.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 2 - INVESTMENTS

Investments consist of \$2,364 and \$2,324 of government bonds, \$6,262 and \$6,842 of asset backed securities, \$83,804 and \$85,388 of corporate bonds, \$352,454 and \$339,503 of mutual funds invested in bonds, and \$1,077,899 and \$1,062,765 of mutual funds invested in equity securities as of June 30, 2012 and 2011, respectively, carried at fair value. These are not considered current assets due to donor restrictions limiting availability to 5% of the total over the next year.

	<u>June 30, 2012</u>		
	<u>Cost</u>	<u>Unrealized gain (loss)</u>	<u>Fair value</u>
Fixed income	\$ 79,136	\$ 4,668	\$ 83,804
Mutual funds	<u>1,556,904</u>	<u>(117,925)</u>	<u>1,438,979</u>
Total investments	<u>\$ 1,636,040</u>	<u>\$ (113,257)</u>	<u>\$ 1,522,783</u>
	<u>June 30, 2011</u>		
	<u>Cost</u>	<u>Unrealized gain (loss)</u>	<u>Fair value</u>
Fixed income	\$ 55,462	\$ 39,092	\$ 94,554
Mutual funds	<u>1,545,892</u>	<u>(143,624)</u>	<u>1,402,268</u>
Total investments	<u>\$ 1,601,354</u>	<u>\$ (104,532)</u>	<u>\$ 1,496,822</u>

NOTE 3 - FIXED ASSETS

Land, building, furniture and equipment, and improvements at June 30, 2012 and 2011 consisted of the following:

	<u>Useful lives</u>	<u>2012</u>	<u>2011</u>
Building and improvements	27.5-40 years	\$ 18,048,402	\$ 17,139,242
Land	Not applicable	5,346,690	3,931,200
Leasehold improvements	5-40 years	2,265,614	2,265,614
Furniture and equipment	3-7 years	506,805	461,218
Construction in progress	Not applicable	<u>124,039</u>	<u>-</u>
		26,291,550	23,797,274
Less: Accumulated depreciation		<u>(9,121,166)</u>	<u>(8,540,543)</u>
		<u>\$ 17,170,384</u>	<u>\$ 15,256,731</u>

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 4 - MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable consisted of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
NSV assumed a note payable from Miriam's House, Inc. in the amount of \$103,098 due to DC Department of Housing and Community Development (DHCD), dated May 1, 1995, secured by a deed of trust on the land and building. Principal and interest are payable in monthly installments of \$948. The note bears interest at 3% per annum and matures on April 1, 2020.	\$ 95,928	\$ -
A \$500,000 interest-free loan from DHCD secured by a deed of trust note on the Luther Place Memorial Church Property for NSV. Principal payments are due in monthly installments of \$1,389 through March 2020.	131,831	148,500
A loan from the Trust for Affordable Housing (TAH) for NSV, secured by a deed of trust on land and buildings, in the amount of \$600,000, which in turn was loaned to NSVLP. The loan is non-interest bearing with principal to be forgiven over 20 years in equal installments beginning in 1997. For both years ended June 30, 2012 and 2011, \$30,000 of income was recognized as loan forgiveness.	150,000	180,000
Capitalized development, resource development, and construction costs of \$139,454 paid by the Luther Place Memorial Church on behalf of NSV; together with \$1,500,000 in notes payable for the transfer of the land on which NSV's building stands, are due to the Luther Place Memorial Church. The loan bears interest at the rate of 2% on the \$1,500,000 advance for transfer of land and is secured by a deed of trust on the land and building. All other advances are non-interest bearing. The loan matures on December 31, 2020. Included in the balance is accrued interest of \$495,000 and \$480,000, respectively, at June 30, 2012 and June 30, 2011.	2,134,454	2,119,454
A \$1,425,000 mortgage for NSVLP from Enterprise Mortgage Investments, Inc. which was later assigned to Fannie Mae. The loan bears interest at a rate of 7.667% per annum. Principal and interest are payable by the partnership in monthly installments of \$10,127 through maturity, August 2028. The loan is secured by a first lien on the partnership property and an assignment of rents. NSVLP is required to maintain certain mortgage escrow deposits and replacement reserves under the terms of the agreement.	<u>1,127,257</u>	<u>1,160,942</u>
Total mortgages and notes payable	3,639,470	3,608,896
Less current portion	<u>(91,951)</u>	<u>(80,593)</u>
Mortgages and notes payable, net of current portion	<u>\$ 3,547,519</u>	<u>\$ 3,528,303</u>

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

The Organization held a forgivable note payable in the amount of \$200,000, due to Suntrust Bank, interest free. The purpose of the note financed the construction of Miriam's House facility. The note is intended to be forgiven at maturity as long as the Organization continues to use the facility for its exempt purpose and complies with other note terms. The \$200,000 forgivable note matured in May 2011 and accordingly recognized \$200,000 as debt forgiveness revenue in the valuation of the acquisition as of October 24, 2011.

Maturities of the mortgages and notes payable for the ensuing five years and thereafter are as follows:

Year ending June 30, 2013	\$	91,951
2014		95,123
2015		98,534
2016		102,202
2017		106,148
Thereafter		<u>3,145,512</u>
	\$	<u>3,639,470</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Purpose restrictions:		
Residential Programs	\$ -	\$ 144,029
Various Purposes	295,782	17,143
Time Restrictions	<u>1,329,770</u>	<u>1,238,900</u>
	<u>\$ 1,625,552</u>	<u>\$ 1,400,072</u>

Commencing in fiscal year 2011, NSV has adopted a policy of releasing restrictions when the asset is placed in service.

The Weinberg Fund

The Weinberg Fund was established through a pacesetting gift totaling \$500,000 from the Weinberg Foundation plus a matching amount raised by the Organization. The terms of the donation permit withdrawal of 5% of the total investment balance, regardless of fluctuations in the value of the investments. NSV's investment policies statement complies with the terms of this donation. At June 30, 2012 and 2011, the temporarily restricted balances were \$969,164 and \$1,010,289, respectively, and are included in the time restrictions line in the schedule above.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by the passage of time or by NSV incurring expenses in accordance with donor-imposed restrictions:

	<u>2012</u>	<u>2011</u>
Satisfaction of purpose restrictions:		
Bethany Women's Center	\$ 11,301	\$ 29,529
Residential Programs	1,202,296	513,420
Education and Employment Center	57,500	76,583
Various Purposes	88,086	109,849
Satisfaction of Time Restrictions	<u>49,145</u>	<u>131,085</u>
	<u>\$ 1,408,328</u>	<u>\$ 860,466</u>

NOTE 7 - LINE OF CREDIT

NSV maintains a \$300,000 line of credit with a local financial institution. Borrowings will bear interest at the prime rate plus 1% with a minimum rate of 5.75%. The line of credit was not drawn upon as of June 30, 2012 nor at any point in fiscal years 2011 and 2012. The line of credit expires on June 14, 2013 and is secured by the Organization's bond and mutual fund portfolio included in note 2.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances in several accounts in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC) up to specified limits by each institution. At times, the balances may exceed these insurance limits; however, the Organization has not experienced any losses with respect to its balances in excess of FDIC or SIPC insurance. Management believes that no significant concentration of credit risk exists.

NOTE 9 - RISKS AND UNCERTAINTIES

As discussed in note 2, NSV's invested assets consist of mutual funds and fixed income securities. These investments are exposed to various risks, such as interest rate, market, and credit. Market fluctuations could materially affect the fair value of investments reported in the statements of financial position. However, management believes that the diversification of NSV's invested assets among these two asset classes should mitigate the impact of any dramatic change on either asset class.

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Reserve Requirements

NSVLP established an operating reserve of \$266,000 from the limited partner's capital contributions, which is available to fund operating deficits over the life of the partnership. Operating deficits are to be funded from this reserve prior to the general partner's operating deficit loan guaranty. At both June 30, 2012 and 2011, the balance in the operating reserve was \$193,549.

Low-Income Housing Tax Credits

NSVLP's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Internal Revenue Code Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of the limited partner's previously claimed tax credits plus interest. The consequence of possible noncompliance may require an adjustment to contributed capital by the limited partner.

Self-Insurance

NSV maintains a self-insurance program for its unemployment benefits. NSV is liable for unemployment benefits paid for successful unemployment claims. At June 30, 2012 and 2011, the organization maintained unemployment reserves of \$29,602 and \$30,602, respectively, which are included in accrued salary and expenses on the accompanying consolidated statements of financial position.

NOTE 11 - COMMERCIAL LEASE

On February 1, 2011, the Organization entered into an agreement to lease 3,790 square feet to a tenant. The lease agreement required equal rental payments of \$5,442 per month. Per the agreement, a utility expense reimbursement of \$4,420 per month was paid by the tenant. The commercial rent for the years ended June 30, 2012 and 2011 was \$19,047 and \$50,862, respectively. That tenant ended its lease on October 15, 2011. NSV plans to use this space to provide additional services to its clients.

NOTE 12 - RESERVES AND ESCROWS

Reserves and escrows at June 30, 2011 and 2010 are summarized as follows:

	2012	2011
Replacement reserve	\$ 309,461	\$ 365,340
Insurance escrow	78,793	53,965
Operating deficit reserve	193,549	193,549
Other reserve	76,573	84,583
	\$ 658,376	\$ 697,437

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 13 - ACQUISITION OF MIRIAM'S HOUSE, INC.

NSV's strategic plan calls for growth through partnerships and collaborations when opportunities are present. On October 24, 2011, NSV completed a acquisition with Miriam House, a 501(c)(3) entity located in DC that provides housing and services to women with HIV and AIDS, and paid \$75,000 as consideration. All interest from Miriam's House passed to N Street Village, the surviving corporation. Management of the Organization expects the resulting program to be predominantly supported by contributions and government contracts.

The non-recurring valuation (level 3) of the identifiable assets and liabilities resulted in a net contribution of \$2,061,608 (excess of acquisition date value of the identifiable assets over the acquisition date value of the liability assumed and consideration paid). This amount is composed of the fair values of land of \$1,415,490, buildings and improvements of \$830,310, loans of \$159,279 and the net fair values of other assets and liabilities. The combined organization and its clients benefit from improved revenue diversification, efficient property management, a broader portfolio of services, and more effective administration and governance. Miriam's House's trial balance at October 24, 2011 consisted of the following:

Cash	\$	53,589
Accounts receivable, net		41,407
Prepaid expenses		3,143
Fixed assets, net		<u>915,117</u>
 Total assets		 <u>1,013,256</u>
 Accounts payable		 11,552
Notes payable		<u>362,352</u>
 Total liabilities		 <u>373,904</u>
 Total net assets	\$	 <u><u>639,352</u></u>

N Street Village, Inc. and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE 14 - TRUST RECEIVABLE

NSV is a beneficiary of a charitable remainder trust which is held and managed by a third party. The trust's fair value is measured on a recurring basis based on current market expectations about the future receivable (level 3). As of June 30, 2012 and 2011, trust receivable consisted of the following:

	<u>2012</u>	<u>2011</u>
Trust receivable, beginning	\$ 228,611	\$ 192,854
Contributions	33,199	-
Change in fair value	<u>88,797</u>	<u>35,757</u>
Trust receivable, ending	<u>\$ 350,607</u>	<u>\$ 228,611</u>

NOTE 15 - SUBSEQUENT EVENTS

Management evaluated the activity of the Organization through December 26, 2012 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30, 2012

ASSETS

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,446,391	\$ 178,037	\$ -	\$ 1,624,428
Receivables				
Grants and contracts	218,033	-	-	218,033
Other	44,329	-	-	44,329
Rent	-	5,470	-	5,470
Prepaid expenses	39,363	6,587	-	45,950
Total current assets	1,748,116	190,094	-	1,938,210
INVESTMENTS, RESTRICTED DEPOSITS AND FUNDED RESERVES				
Investments	1,522,783	-	-	1,522,783
Replacement reserve	-	309,461	-	309,461
Operating deficit reserve	-	193,549	-	193,549
Insurance escrow	-	78,793	-	78,793
Tenant security deposits	-	31,761	-	31,761
Other reserves	17,004	59,569	-	76,573
Total restricted deposits and funded reserves	1,539,787	673,133	-	2,212,920
FIXED ASSETS				
Land, building, furniture and equipment, and improvements, net	6,604,677	10,565,707	-	17,170,384
OTHER ASSETS				
Interest receivable - subsidiary	521,896	-	(521,896)	-
Trust receivable	350,607	-	-	350,607
Due from subsidiary	2,263,784	-	(2,263,784)	-
Loans receivable - subsidiary	2,403,828	-	(2,403,828)	-
Investment in limited partnership	7,484,658	-	(7,484,658)	-
Mortgage costs, net of accumulated amortization of \$29,312	-	34,260	-	34,260
Total other assets	13,024,773	34,260	(12,674,166)	384,867
Total assets	\$ 22,917,353	\$ 11,463,194	\$ (12,674,166)	\$ 21,706,381

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION - CONTINUED

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED

June 30, 2012

LIABILITIES AND NET ASSETS

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
CURRENT LIABILITIES				
Accounts payable	\$ 82,349	\$ 94,167	\$ -	\$ 176,516
Accrued salary and expenses	140,562	434	-	140,996
Accrued investor services fee	-	5,204	-	5,204
Current maturities - mortgages and notes payable	55,331	36,620	-	91,951
Tenant security deposits	-	29,329	-	29,329
Prepaid rent	-	8,679	-	8,679
Total current liabilities	278,242	174,433	-	452,675
LONG-TERM LIABILITIES				
Due to Luther Place Memorial Church	2,134,454	-	-	2,134,454
Mortgages and notes payable, net of current maturities	322,428	1,090,637	-	1,413,065
Loans payable - subsidiary	-	2,403,828	(2,403,828)	-
Due to subsidiary	-	2,263,784	(2,263,784)	-
Interest payable - subsidiary	-	521,896	(521,896)	-
Total long-term liabilities	2,456,882	6,280,145	(5,189,508)	3,547,519
Total liabilities	2,735,124	6,454,578	(5,189,508)	4,000,194
NET ASSETS				
Unrestricted - controlling	18,556,793	5,008,616	(7,484,658)	16,080,751
Unrestricted - non-controlling	-	-	-	-
Total unrestricted	18,556,793	5,008,616	(7,484,658)	16,080,751
Temporarily restricted	1,625,436	-	-	1,625,436
Total net assets	20,182,229	5,008,616	(7,484,658)	17,706,187
Total liabilities and net assets	\$ 22,917,353	\$ 11,463,194	\$ (12,674,166)	\$ 21,706,381

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION - CONTINUED

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED

June 30, 2011

ASSETS

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 789,831	\$ 64,005	\$ -	\$ 853,836
Receivables			-	
Grants and contracts	234,608	-	-	234,608
Other	5,471	-	-	5,471
Rent	-	15,895	-	15,895
Prepaid expenses	31,294	559	-	31,853
	<u>1,061,204</u>	<u>80,459</u>	<u>-</u>	<u>1,141,663</u>
INVESTMENTS, RESTRICTED DEPOSITS AND FUNDED RESERVES				
Investments	1,496,822	-	-	1,496,822
Replacement reserve	-	365,340	-	365,340
Operating deficit reserve	-	193,549	-	193,549
Insurance escrow	-	53,965	-	53,965
Tenant security deposits	-	31,791	-	31,791
Other reserves	-	84,583	-	84,583
	<u>1,496,822</u>	<u>729,228</u>	<u>-</u>	<u>2,226,050</u>
FIXED ASSETS				
Land, building, furniture and equipment, and improvements, net	4,280,834	10,975,897	-	15,256,731
OTHER ASSETS				
Interest receivable - subsidiary	484,741	-	(484,741)	-
Trust receivable	228,611	-	-	228,611
Due from subsidiary	2,231,867	-	(2,231,867)	-
Loans receivable - subsidiary	2,403,828	-	(2,403,828)	-
Investment in limited partnership	7,484,698	-	(7,484,698)	-
Mortgage costs, net of accumulated amortization of \$27,194	-	36,378	-	36,378
	<u>12,833,745</u>	<u>36,378</u>	<u>(12,605,134)</u>	<u>264,989</u>
Total other assets	<u>12,833,745</u>	<u>36,378</u>	<u>(12,605,134)</u>	<u>264,989</u>
Total assets	<u>\$ 19,672,605</u>	<u>\$ 11,821,962</u>	<u>\$ (12,605,134)</u>	<u>\$ 18,889,433</u>

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION - CONTINUED

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION - CONTINUED

June 30, 2011

LIABILITIES AND NET ASSETS

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
CURRENT LIABILITIES				
Accounts payable	\$ 54,368	\$ 71,528	\$ -	\$ 125,896
Accrued salary and expenses	88,506	2,646	-	91,152
Accrued investor services fee	-	5,132	-	5,132
Current maturities - mortgages and notes payable	46,668	33,925	-	80,593
Tenant security deposits	-	35,798	-	35,798
Prepaid rent	-	12,504	-	12,504
Total current liabilities	189,542	161,533	-	351,075
LONG-TERM LIABILITIES				
Due to Luther Place Memorial Church	2,119,454	-	-	2,119,454
Mortgages and notes payable, net of current maturities	281,832	1,127,017	-	1,408,849
Loans payable - subsidiary	-	2,403,828	(2,403,828)	-
Due to subsidiary	-	2,231,867	(2,231,867)	-
Interest payable - subsidiary	-	484,741	(484,741)	-
Total long-term liabilities	2,401,286	6,247,453	(5,120,436)	3,528,303
Total liabilities	2,590,828	6,408,986	(5,120,436)	3,879,378
NET ASSETS				
Unrestricted - controlling	15,681,705	5,412,976	(6,990,575)	14,104,106
Unrestricted - non-controlling	-	-	(494,123)	(494,123)
Total unrestricted	15,681,705	5,412,976	(7,484,698)	13,609,983
Temporarily restricted	1,400,072	-	-	1,400,072
Total net assets	17,081,777	5,412,976	(7,484,698)	15,010,055
Total liabilities and net assets	\$ 19,672,605	\$ 11,821,962	\$ (12,605,134)	\$ 18,889,433

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION - CONTINUED

CONSOLIDATING STATEMENTS OF ACTIVITIES
AND CHANGE IN NET ASSETS

Year ended June 30, 2012

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
Revenue and support				
Contributions and grants	\$ 2,898,471	\$ -	\$ -	\$ 2,898,471
Rental and service fee income	42,841	1,383,744	(414,918)	1,011,667
Government grants	831,690	-	-	831,690
Special event revenue	638,485	-	-	638,485
Interest income - subsidiary	37,156	-	(37,156)	-
In-kind contributions	345,448	-	-	345,448
Forgiveness of debt	30,000	-	-	30,000
	<u>4,824,091</u>	<u>1,383,744</u>	<u>(452,074)</u>	<u>5,755,761</u>
Total revenue and support				
Expenses				
Program services	2,362,165	1,690,807	(322,424)	3,730,548
Management and general	747,762	97,514	(55,838)	789,438
Fundraising	690,790	-	(73,812)	616,978
Special event benefit to attendees	94,978	-	-	94,978
	<u>3,895,695</u>	<u>1,788,321</u>	<u>(452,074)</u>	<u>5,231,942</u>
Total expenses				
Change in net assets before other item	928,396	(404,577)	-	523,819
Non-operational activity				
Net contribution from acquisition (note 13)	2,061,608	-	-	2,061,608
Change in value of charitable trusts	88,797	-	-	88,797
Investment and interest income	33,960	217	-	34,177
Unrealized loss on investments	(4,579)	-	-	(4,579)
Realized loss on investments	(7,690)	-	-	(7,690)
Loss from investment in partnership	(40)	-	40	-
	<u>(40)</u>	<u>-</u>	<u>40</u>	<u>-</u>
Excess (deficiency) of revenues over expenses - consolidated	3,100,452	(404,360)	40	2,696,132
Non-controlling interest	<u>-</u>	<u>-</u>	<u>404,320</u>	<u>404,320</u>
Excess (deficiency) of revenues over expenses attributable to N Street Village, Inc.	<u>\$ 3,100,452</u>	<u>\$ (404,360)</u>	<u>\$ 404,360</u>	<u>\$ 3,100,452</u>

*Depreciation accounts for \$75,324 and \$505,299, respectively, of expenses for NSV and NSVLP.

N Street Village, and Subsidiary

SUPPLEMENTAL INFORMATION - CONTINUED

CONSOLIDATING STATEMENTS OF ACTIVITIES
AND CHANGE IN NET ASSETS - CONTINUED

Year ended June 30, 2011

	N Street Village, Inc.	N Street Village, LP	Eliminating entries	Total
Revenue and support				
Contributions and grants	\$ 1,639,429	\$ -	\$ -	\$ 1,639,429
Rental and service fee income	74,000	1,415,461	(440,588)	1,048,873
Government grants	535,703	-	-	535,703
Special event revenue	536,551	-	-	536,551
Interest income - subsidiary	62,988	-	(62,988)	-
In-kind contributions	204,810	-	-	204,810
Forgiveness of debt	30,000	-	-	30,000
Other	2,003	-	-	2,003
	<u>3,085,484</u>	<u>1,415,461</u>	<u>(503,576)</u>	<u>3,997,369</u>
Expenses				
Program services	2,232,533	1,830,296	(503,576)	3,559,253
Management and general	274,949	108,517	-	383,466
Fundraising	581,189	-	-	581,189
Special event benefit to attendees	68,596	-	-	68,596
	<u>3,157,267</u>	<u>1,938,813</u>	<u>(503,576)</u>	<u>4,592,504</u>
Change in net assets before other item	(71,783)	(523,352)	-	(595,135)
Non-operational activity				
Change in value of charitable trusts	35,757	-	-	35,757
Investment and interest income	31,628	1,006	-	32,634
Unrealized gain on investments	238,373	-	-	238,373
Realized loss on investments	(842)	-	-	(842)
Loss from investment in partnership	(49)	-	49	-
	<u>(49)</u>	<u>-</u>	<u>49</u>	<u>-</u>
Excess (deficiency) of revenues over expenses - consolidated	233,084	(522,346)	49	(289,213)
Non-controlling interest	-	-	494,123	494,123
	<u>-</u>	<u>-</u>	<u>494,123</u>	<u>494,123</u>
Excess (deficiency) of revenues over expenses attributable to N Street Village, Inc.	<u>\$ 233,084</u>	<u>\$ (522,346)</u>	<u>\$ 494,172</u>	<u>\$ 204,910</u>

*Depreciation accounts for \$45,951 and \$460,907, respectively, of expenses for NSV and NSVLP.