



**N Street Village, Inc. and Subsidiaries**

**Consolidated Financial Statements**

**For the Years Ended  
June 30, 2015 and 2014**

**N Street Village, Inc. and Subsidiaries**  
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## **Independent Auditors' Report**

**To the Board of Directors  
N Street Village, Inc. And Subsidiaries**  
1333 N Street, NW  
Washington, DC 20005

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of N Street Village, Inc. And Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 N Street Village, Inc. And Subsidiaries as of June 30, 2015, and results of its activities, changes its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated supplementary information shown on pages 24 to 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present financial positions, results of activities, and cash flows of the individual companies, and is 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 supplementary 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### **Other Matter**

The consolidated financial statements of N Street Village, Inc. And Subsidiaries as of June 30, 2014, were audited by other auditors whose report dated February 5, 2015, expressed an unqualified opinion on those statements.

*Hertzbach & Company P.A.*

Owings Mills, Maryland  
November 10, 2015

**N Street Village, Inc. and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Cash Equivalents	\$ 3,954,814	\$ 1,810,171
Grants Receivable	277,150	262,377
Pledges Receivable	1,554,236	1,263,825
Tenant and Other Receivables	16,900	31,292
Prepaid Expenses	33,440	89,954
Total Current Assets	5,836,540	3,457,619
Noncurrent Assets		
Investments	1,747,267	1,712,003
Reserves and Escrows	49,389	482,537
Tenant Security Deposits	31,648	31,648
Land, Buildings, Furniture, Equipment, and Improvements, net	17,082,460	17,350,665
Trust Receivable	444,282	431,645
Financing Fees, net of accumulated amortization of \$0 and \$33,549	-	30,023
Total Noncurrent Assets	19,355,046	20,038,521
Total Assets	\$ 25,191,586	\$ 23,496,140
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Accounts Payable and Accrued Expenses	248,249	345,152
Accrued Salary and Related Expenses	88,730	83,585
Line of Credit	-	400,000
Current Portion of Mortgages and Notes Payable	1,571,145	98,523
Tenant Security Deposits and Prepaid Rent	40,276	41,909
Total Current Liabilities	1,948,400	969,169
Noncurrent Liabilities		
Mortgages and Notes Payable	2,319,282	3,397,272
Total Liabilities	4,267,682	4,366,441
Net Assets		
Unrestricted	14,898,440	16,847,665
Unrestricted - Board Designated	367,465	367,465
Unrestricted - Non-controlling	-	(1,966,560)
Total Unrestricted Net Assets	15,265,905	15,248,570
Temporarily Restricted Net Assets	5,657,999	3,881,129
Total Net Assets	20,923,904	19,129,699
Total Liabilities and Net Assets	\$ 25,191,586	\$ 23,496,140

**N Street Village, Inc. and Subsidiaries**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2015 and 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Grants and Contributions	\$ 1,520,231	\$ 2,299,147	\$ 3,819,378	\$ 1,461,574	\$ 2,900,281	\$ 4,361,855
Rental and Service Fee Income	1,227,281	-	1,227,281	1,025,375	-	1,025,375
Government Contracts and Grants	-	1,484,982	1,484,982	-	1,048,776	1,048,776
Special Event Revenue, net of benefit to attendees of \$155,144 and \$138,497	657,085	-	657,085	664,981	-	664,981
In-Kind Contributions	500,328	-	500,328	256,176	-	256,176
Forgiveness of Debt	30,000	-	30,000	30,000	-	30,000
Other Revenue	72,214	-	72,214	9,223	-	9,223
Net Assets Released from Restriction	2,028,082	(2,028,082)	-	1,802,111	(1,802,111)	-
Total Revenue and Support	6,035,221	1,756,047	7,791,268	5,249,440	2,146,946	7,396,386
Expenses						
Program Services	4,180,199	-	4,180,199	3,815,866	-	3,815,866
Management and General	1,110,299	-	1,110,299	1,199,738	-	1,199,738
Fundraising	754,549	-	754,549	805,739	-	805,739
Total Expenses	6,045,047	-	6,045,047	5,821,343	-	5,821,343
Change in Net Assets Before Non-Operational Activities and Non-controlling Interest in Net Assets of Subsidiary	(9,826)	1,756,047	1,746,221	(571,903)	2,146,946	1,575,043
Non-Operational Activity						
Change in Value of Trust	-	(20,433)	(20,433)	-	23,326	23,326
Investment and Interest Income	9,430	14,138	23,568	60,047	24,797	84,844
Realized Gain on Investments	33,252	50,862	84,114	26,515	-	26,515
Unrealized Gain on Investments	(15,521)	(23,744)	(39,265)	5,161	199,927	205,088
Total Non-Operational Activity	27,161	20,823	47,984	91,723	248,050	339,773
Change in Net Assets Before Non-controlling Interest in Net Assets of Subsidiary	17,335	1,776,870	1,794,205	(480,180)	2,394,996	1,914,816
Change in Non-controlling Interest in Net Assets of Subsidiary	234,452	-	234,452	377,823	-	377,823
Change in Net Assets	\$ 251,787	\$ 1,776,870	\$ 2,028,657	\$ (102,357)	\$ 2,394,996	\$ 2,292,639

**N Street Village, Inc. and Subsidiaries**  
**Consolidated Statements of Functional Expenses**  
**Years Ended June 30, 2015 and 2014**

	2015			2014			
	Programs	Management and General	Fundraising	Total	Management and General	Fundraising	Total
Wages and Fringe Benefits	\$2,177,042	\$ 178,087	\$ 459,107	\$2,814,236	\$ 568,012	\$ 422,112	\$2,838,398
Occupancy and Utilities	527,016	102,587	72,934	702,537	17,755	46,200	581,428
Depreciation and Amortization	519,693	34,247	14,365	568,305	18,941	27,899	594,405
Professional Fees and Consulting	145,521	333,641	77,743	556,905	275,556	191,915	619,527
Donated Goods and Services	77,687	382,936	-	460,623	117,229	-	232,299
Maintenance Services	298,874	90	-	298,964	902	561	252,853
Food and Resident Needs	178,494	113	62	178,669	2,444	-	119,673
Interest	87,558	41,322	-	128,880	44,152	90	128,742
Insurance, Licenses and Taxes	68,917	14,328	665	83,910	7,357	9,079	143,524
Supplies, Equipment and Software	29,464	4,861	3,927	38,252	10,961	6,206	23,690
Printing, Postage and Publications	139	159	48,575	48,873	89	49,638	49,839
Meetings and Conferences	4,271	1,077	31,440	36,788	7,207	25,271	38,284
Credit Card and Other Financial Fees	22,371	8,006	18,713	49,090	9,626	14,772	27,347
Tax credit compliance	15,974	-	-	15,974	-	-	15,922
Bad debt	2,374	-	13,616	15,990	1,337	-	1,337
Software write-off	-	-	-	-	110,499	-	110,499
Other	24,804	8,845	13,402	47,051	7,671	11,996	43,576
<b>Total Expenses</b>	<b>\$4,180,199</b>	<b>\$ 1,110,299</b>	<b>\$ 754,549</b>	<b>\$6,045,047</b>	<b>\$1,199,738</b>	<b>\$ 805,739</b>	<b>\$5,821,343</b>

**N Street Village, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Net Assets**  
**June 30, 2015 and 2014**

	Unrestricted				Temporarily Restricted Controlling	Total
	Controlling	Board Designated	Non-Controlling	Total Unrestricted		
Net assets, June 30, 2013	\$ 16,550,022	\$ 767,465	\$ (1,588,737)	\$ 15,728,750	\$ 1,486,133	\$ 17,214,883
Net Asset Transfer	400,000	(400,000)	-	-	-	-
Change in Net Assets for the Year Ended June 30, 2014	<u>(102,357)</u>		<u>(377,823)</u>	<u>(480,180)</u>	2,394,996	1,914,816
Net Assets, June 30, 2014	16,847,665	367,465	(1,966,560)	15,248,570	3,881,129	19,129,699
Transfer of Non-controlling Interest as Of December 31, 2014	(2,201,012)		2,201,012	-	-	-
Change in Net Assets for the Year Ended June 30, 2015	<u>251,787</u>		<u>(234,452)</u>	<u>17,335</u>	<u>1,776,870</u>	<u>1,794,205</u>
Net Assets, June 30, 2015	<u>\$ 14,898,440</u>	<u>\$ 367,465</u>	<u>\$ -</u>	<u>\$ 15,265,905</u>	<u>\$ 5,657,999</u>	<u>\$ 20,923,904</u>



**N Street Village, Inc. and Subsidiaries**  
**Consolidated Financial Statements of Cash Flows**  
**June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
Cash flows from operating activities		
Change in net assets	\$ 1,794,205	\$ 1,914,816
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation and amortization	568,305	594,405
Realized (gain) loss on investments	(84,114)	(26,515)
Unrealized (gain) loss on investments	39,264	(205,088)
Increase in value of charitable trust	20,433	(23,326)
Forgiveness of loan principal	(30,000)	(30,000)
Write-off of unamortized loan costs	28,963	
Write-off of software	-	110,499
Bad debt	13,616	1,337
(Increase) decrease in		
Grants and contracts receivable	(14,773)	1,200
Pledges receivable	(304,027)	(826,542)
Rent and other receivables	14,392	(19,387)
Increase in trust receivable	(33,070)	(27,376)
Prepaid expenses	56,514	20,603
Tenant security deposits, net	-	776
Increase (decrease) in		
Accounts payable and accrued expenses	(96,903)	463
Accrued salaries and related expenses	5,145	(67,879)
Accrued interest	1,060	15,000
Prepaid rent	(1,633)	5,051
Net cash provided by (used in) operating activities	1,977,377	1,438,037
Cash flows from investing activities		
Proceeds from sale of investments	104,000	258,308
Purchase of investments	(94,414)	(70,426)
Disbursements for construction, furniture and equipment	(300,100)	(579,942)
Net withdrawals from replacement reserve	157,824	56,151
Net withdrawals from operating reserves	195,387	-
Net withdrawals from (deposits to) insurance escrow	89,692	(16,546)
Net withdrawals from other reserves	(9,755)	8,069
Net cash provided by (used in) investing activities	142,634	(344,386)

See accompanying notes to consolidated financial statements.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from financing activities		
Principal payments on notes payable	424,632	(47,737)
Draw on line of credit	<u>(400,000)</u>	<u>400,000</u>
Net cash provided by (used in) financing activities	<u>24,632</u>	<u>352,263</u>
Net increase (decrease) in cash and cash equivalents	2,144,643	1,445,914
Cash and cash equivalents, beginning of year	<u>1,810,171</u>	<u>364,257</u>
Cash and cash equivalents, end of year	<u>\$ 3,954,814</u>	<u>\$ 1,810,171</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 81,430</u>	<u>\$ 103,465</u>
Significant noncash investing and financing activities from:		
Accounts payable and accrued expenses		\$ 48,124
Accumulated depreciation		(36,833)
Fixed Assets		99,208

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 1 – NATURE OF BUSINESS**

N Street Village, Inc. (“NSV”) is a 501(c)(3) nonprofit organization incorporated in November 1972 in the District of Columbia and founded by Luther Place Memorial Church. 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 for low- and moderate-income individuals and families.

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 14<sup>th</sup> Street. The flagship building is the home of Eden House Apartments, supportive housing programs, client services, and administrative and development staff. Sixty-five units house approximately 212 residents in this 150,000 square foot facility.
- 1226 Vermont Avenue. On the fourth floor of Luther Place Memorial Church, NSV 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 for up to 20 women living with HIV and AIDS.
- 1107 11<sup>th</sup> Street. NSV provides permanent supportive housing services for 31 women at Erna’s House, an apartment building that is master-leased by the District of Columbia from a private owner.

NSV 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 crisis management support. The Wellness Center provides health promotion and disease prevention services, including access to a physician, nurse, dentist, and psychiatrist; health education, disease management, exercise, and nutrition classes; smoking cessation programs; massage; chiropractic care; and more. NSV finds that client outcomes improve by providing comprehensive supportive services like these co-located with housing.

NSV was the general partner and .01% owner of its subsidiary, N Street Village Limited Partnership (“NSVLP”), which owned and operated the facility at 1333 N Street/1301 14<sup>th</sup> Street until the partnership was dissolved on December 31, 2014. NSVLP was a Section 42 Low-Income Housing Tax Credit project. Applicants to the Eden House Apartments (65 units) and the residential programs for women provided from this location must continue to meet income eligibility requirements. NSV also must continue to comply with land use regulations and other tax and regulatory requirements.

On June 19, 2014 NSV created NSV – Miriam’s House, LLC (“MHLLC”), a wholly owned subsidiary of the organization, intended to hold and operate the real property located at 1300 Florida Avenue, NW. NSV, NSVLP and MHLLC are jointly referred to as “the Organization.”

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 1 – NATURE OF BUSINESS (continued)**

NSV depends on the support of individual donors, foundations, corporations, and other organizations to fund approximately 39% of the cost of providing its services. NSV receives about 19% of its revenue from government grants and contracts. Rental income covers much of the cost of operating Eden House Apartments.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The consolidated financial statements of NSV, MHLLC and NSVLP (until its dissolution on December 31, 2014) – collectively the Organization – have been presented on a consolidated basis due to the presence of common control between the entities. All significant transactions and balances between the entities have been eliminated in consolidation.

Method of Accounting

The Organization's consolidated financial statements are prepared on the accrual method of accounting, which recognizes income when it is earned and expenses when they are incurred.

Basis of Presentation

The Organization complies with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-For-Profit Entities*, and is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Due to purpose restrictions, eight of the grants to the Organization are temporarily restricted as of June 30, 2015 and seven of the grants to the Organization were temporarily restricted as of June 30, 2014.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition and money market funds to be cash equivalents. As of the years ended June 30, 2015 and 2014, cash and cash equivalents of \$125,457 and \$271,549, respectively, are contained within the investment portfolio.

Grants and Pledges Receivable

Grants and contributions receivable are stated at net realizable value. In the opinion of management, all receivables outstanding are considered collectible based on a review of historical collections. Accordingly, an allowance for doubtful accounts has not been recorded.

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 available-for-sale securities carried at fair value based on quoted market prices (Level 1) at the date nearest the financial position date. Unrealized gains or losses are included in the accompanying consolidated statements of activities.

Land, Buildings, Furniture, Equipment and Improvements

Land, buildings, furniture, equipment and improvements are stated at cost. The cost of repairs and maintenance is charged to operations as incurred. Major renewals, betterments and additions in excess of \$2,500 are capitalized. When assets are sold or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss is credited or charged to revenue. Depreciation is computed using the straight-line method over 27.5 to 40 years for buildings and improvements, 5 to 40 years for leasehold improvements, and 3 to 7 years for furniture, fixtures and equipment. Property undergoing rehabilitation that has not been placed in service is included in construction in progress and is not depreciated.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Impairment of Long-Lived Assets

The Organization reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount 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 for the difference. There have been no asset impairments during the years ended June 30, 2015 and 2014.

Construction in Progress

The Organization capitalizes all direct and indirect costs related to the development of projects, which includes, among other things, pre-development costs, construction costs and interest. The development costs exclude certain ordinary operating expenses, which are expensed as incurred. NSV incurred project development costs of \$797,753 and \$584,439 during the years ended June 30, 2015 and 2014, respectively.

Intangible Assets 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 straight-line 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, 2015 and 2014 was \$2,118. Upon dissolution of NSVLP, unamortized loan costs of \$28,963 were written off.

Fair Value of Financial Instruments

The Organization has adopted ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. ASC 820 clarifies that fair value is an exit price, representing the amount expected to be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 sets forth a three-tier hierarchy for the inputs used to measure fair value based on the degree to which such inputs are observable in the marketplace, as follows:

- Level 1 – observable inputs such as quoted prices in active markets;
- Level 2 – inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Asset Classification

The net assets of the Organization are reported in five 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. The board undesignated \$400,000 of board designated funds to support ongoing operations during the year ended June 30, 2014. There was no change in board designated net assets for the year ended June 30, 2015.
- 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 as net assets released from restriction.
- Permanently restricted net assets represent funds restricted by the donor to be maintained in-perpetuity by NSV. As of June 30, 2015 and 2014, NSV did not have any permanently restricted net assets.
- Unrestricted non-controlling net assets represent net assets attributable to the limited partner's interest in NSVLP. NSV was the general partner in NSVLP. The aggregate balance of the limited partner's equity interest in NSVLP was included in the consolidated financial statements until the dissolution of the partnership on December 31, 2014.

In-Kind Contributions

The Organization receives goods and services from various donors in support of its programs and records these items at their estimated fair value at the date of donation. During the years ended June 30, 2015 and 2014, the Organization received in-kind donations of professional services and other goods valued at \$500,328 and \$256,176, respectively, which are reported as in-kind donations in the accompanying consolidated statements of activities. During the years ended June 30, 2015 and 2014, the Organization also received approximately 11,185 and 13,781 hours of donated services, respectively, from volunteers in support of its programs that do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 grants and contributions for which donor imposed restrictions have not been met.

Any promises to give due beyond a year are discounted to the 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 (through dissolution at December 31, 2014) or NSV and the tenants of the property are operating leases.

NSV has a policy of releasing any restrictions on donated assets when the asset is placed in service.

Functional Allocation of Expenses

The costs of providing programs and supporting services are summarized on a functional basis in the consolidated statements of activities. 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 charged to those cost centers. Estimates may be used in developing allocations of expenses by function.

Income Taxes

NSV is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income as defined in the Code. The Organization did not have any unrelated business income during the years ended June 30, 2015 and 2014. Accordingly, no provision for income taxes has been included in the accompanying consolidated financial statements.

Reclassifications

Certain amounts for the year ended June 30, 2014 have been reclassified to conform to the presentation for the year ended June 30, 2015, which had no effect on the change in consolidated net assets as reported in the prior year.



**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 3 - INVESTMENTS**

The Organization follows FASB ASC 958, *Not-For-Profit Entities*, where investments in equity and debt securities with readily determinable fair values are measured at fair value in the consolidated statements of financial position. Investments are carried at fair value based on quoted market prices (Level 1). Investment income or loss (including gains and losses on investments, interest and dividends) is included in the consolidated statements of activities as an increase or decrease in net assets. As of June 30, 2015 and 2014 investments are not considered current assets due to donor restrictions limiting availability to 5% of the total over the next year.

The following table details the Organization's marketable debt and equity securities, including unrealized gains and losses, at fair value as of June 30, 2015 and 2014:

	2015			2014		
	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Mutual funds - equities	1,142,758	1,391,402	248,644	1,185,100	1,360,890	175,790
Mutual funds - bonds	320,734	312,017	(8,717)	299,642	293,941	(5,701)
Corporate bonds	33,666	36,810	3,144	43,829	49,765	5,936
Foreign bonds	2,153	2,173	20	-	-	-
Asset-backed securities	1,741	2,305	564	2,795	4,532	1,737
Government bonds	2,010	2,102	92	2,019	2,196	177
Equities	-	458	458	-	679	679
Total	\$ 1,503,062	\$ 1,747,267	\$ 244,205	\$ 1,533,385	\$ 1,712,003	\$ 178,618

**NOTE 4 - RESERVES AND ESCROWS**

Reserves and escrows at June 30, 2015 and 2014 are summarized as follows:

	2015	2014
Operating deficit reserve	\$ 10,000	\$ 195,387
Replacement reserve	-	157,824
Insurance escrow	-	89,692
Other reserves	39,389	39,634
Total reserves and escrows	\$ 49,389	\$ 482,537

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 5 - FIXED ASSETS**

Land, buildings, furniture and equipment, and improvements at June 30, 2015 and 2014 consisted of the following:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Building and improvements	27.5 - 40 years	\$ 18,754,641	\$ 18,754,641
Land	NA	5,346,690	5,346,690
Leasehold improvements	5 - 40 years	2,280,332	2,280,332
Furniture and equipment	3 - 7 years	761,214	700,424
Construction in progress	NA	797,753	584,439
Subtotal		<u>27,940,630</u>	<u>27,666,526</u>
Less accumulated depreciation		<u>(10,858,170)</u>	<u>(10,315,861)</u>
Total		<u>\$ 17,082,460</u>	<u>\$ 17,350,665</u>

**NOTE 6 - 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, 2015 and 2014, the trust receivable consisted of the following:

	<u>2015</u>	<u>2014</u>
Trust receivable, beginning	\$ 431,645	\$ 380,943
Contributions	33,070	27,376
Change in fair value	(20,433)	23,326
Trust receivable, ending	<u>\$ 444,282</u>	<u>\$ 431,645</u>

**NOTE 7 - MORTGAGES AND NOTES PAYABLE**

Mortgages and notes payable consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
NSV, Inc. 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 land and a 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.	\$ 67,749	\$ 76,191
A \$500,000 interest-free loan from DHCD secured by a deed of trust on the land and a building for the benefit of NSV Inc. Principal payments are due in monthly installments of \$1,389 through March 2020.	83,224	98,502

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 7 - MORTGAGES AND NOTES PAYABLE (continued)**

	<b>2015</b>	<b>2014</b>
A loan from the Trust for Affordable Housing (TAH) for NSV Inc., secured by a deed of trust on land and buildings in the amount of \$600,000, which in turn was loaned to NSVLP until its dissolution at December 31, 2014. 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, 2015 and 2014, \$30,000 of income was recognized as loan forgiveness.	60,000	90,000
Note payable of \$1,500,000 along with capitalized development costs of \$139,454, due to Luther Place Memorial Church ("LPMC"). Interest accrued at a rate of 2% on \$1,500,000 only, all other advances are non-interest bearing. NSV refinanced the note payable to LPMC on December 30, 2014 with the principal balances of \$2,100,000 and \$64,454 respectively. Interest accrues at a rate of 2% on the \$2,100,000 only. The \$64,454 note is non-interest bearing and requires an annual payment of \$15,000 until paid in full. The \$2,100,000 note matures on December 31, 2020, which can be extended for two additional 5-year periods. Accrued interest of \$15,000 and \$540,000 were included in the amounts due at June 30, 2015 and 2014, respectively	2,179,454	2,179,454
A \$1,425,000 mortgage for NSVLP from Enterprise Mortgage Investments, Inc. which was later assigned to Fannie Mae. The loan bearing interest at 7.667% per annum, was payable in monthly installments of \$10,127 through maturity in August 2028. The loan, secured by a first lien on the partnership property and an assignment of rents, was paid off from the proceeds of the bridge loan described below.	-	1,051,648
NSV obtained a \$1,500,000 term loan on December 30, 2014 from First Virginia Community Bank which is secured by a lien on the real property located at 1333 N Street, NW. Borrowings on the bridge loan bear interest at the WSJ prime rate plus .50% with a minimum rate of 3.75% and are due, along with accrued interest, on December 31, 2016.	1,500,000	-
Total mortgages and notes payable	3,890,427	3,495,795
Less current portion of mortgages and notes payable	(1,571,145)	(98,523)
Mortgages and notes payable, net of current portion	\$ 2,319,282	\$ 3,397,272

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

Year ending June 30, 2016	\$ 1,571,145
2017	71,433
2018	41,730
2019	31,490
2020	27,243
Thereafter	2,147,386
	\$ 3,890,427

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 8 - LINE OF CREDIT**

NSV obtained an \$800,000 line of credit with First Virginia Community Bank on December 19, 2014, which is secured by assets held in investment accounts. Borrowings bear interest at the prime rate. On January 28, 2015, the line of credit was drawn in the amount of \$400,000 to pay in full and close a line of credit at CityFirst Bank. The outstanding balance of \$400,000 was paid in full and no other borrowings have been made through June 30, 2015. The line matures one year from the closing date with an option to renew annually.

Prior to December 19, 2014, NSV maintained a \$400,000 line of credit with CityFirst Bank with an interest rate of prime plus 1% and a minimum rate of 4.75%. The full amount of the line of credit was drawn by October 31, 2013 and repaid on January 28, 2015. The line of credit was secured by assets held in investment accounts.

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Purpose Restrictions		
Capital Campaign	\$ 3,690,772	\$ 2,072,146
Wellness Center	195,085	-
Education and Employment Center	145,901	203,000
Permanent Supportive Housing	1,105	625
Miriam's House	-	463
Other purposes	<u>30,111</u>	<u>40,206</u>
Total Purpose Restrictions	4,062,974	2,316,440
Time restriction	<u>1,595,025</u>	<u>1,564,689</u>
Total temporarily restricted net assets	<u>\$ 5,657,999</u>	<u>\$ 3,881,129</u>

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, 2015 and 2014, the temporarily restricted balances were \$1,115,743 and \$1,133,043, respectively, and are included in the time restrictions in the schedule above.

**N Street Village, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS**

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

	<u>2015</u>	<u>2014</u>
Satisfaction of Purpose Restrictions		
Capital Campaign	\$ 199,839	\$ 501,062
Miriam's House	393,610	372,095
Recovery Housing	457,977	338,530
Erna's House	379,319	311,748
Permanent Supportive Housing	86,675	82,635
Education and Employment Center	5,654	7,500
Wellness Center	146,915	5,657
Bethany Women's Center	8,301	5,450
Luther Place Night Shelter	167,384	4,500
Other purposes	<u>123,851</u>	<u>122,379</u>
Total release of purpose restrictions	1,969,525	1,751,556
Satisfaction of Time Restriction	<u>58,557</u>	<u>50,555</u>
Total net assets released from restriction	<u>\$ 2,028,082</u>	<u>\$ 1,802,111</u>

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at various financial institutions located in the Washington, DC metropolitan area and, at times, these balances may exceed the insured limits of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"). The Organization has not experienced any losses with respect to its balances in excess of FDIC or SIPC insurance. Management believes that there is no significant concentration of credit risk as a result of maintaining these accounts.

**NOTE 12 - RISKS AND UNCERTAINTIES**

NSV's invested assets consist of mutual funds and fixed income securities. These investments are exposed to various risks, such as interest rate risk, market risk, and credit risk. Market fluctuations could materially affect the fair value of investments reported in the consolidated 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 Subsidiaries**  
**Notes to Consolidated Financial Statements**  
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**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

NSV maintained a self-insurance program for its unemployment benefits through December 31, 2013. NSV is liable for unemployment benefits paid for successful unemployment claims originating prior to December 31, 2013. At June 30, 2015 and 2014, the Organization maintained unemployment reserves of \$4,225 and 6,000, respectively, which are included in accrued salary and related expenses on the accompanying consolidated statements of financial position.

**NOTE 14 - SUBSEQUENT EVENTS**

Management evaluated events and transactions subsequent to the consolidated statement of financial position date for potential recognition or disclosure through the auditors' report date, the date the consolidated financial statements were available for issue. There were no events that require recognition or disclosure in the consolidated financial statements.

## **Supplementary Information**

**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
**Consolidating Statements of Activities**  
**June 30, 2015**

	<u>N Street Village, Inc.</u>	<u>N Street Village, LP</u>	<u>Miriam's House LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 3,934,274	\$ -	\$ 20,540	\$ -	\$ 3,954,814
Grants Receivable	277,150	-	-	-	277,150
Pledges Receivables	1,554,236	-	-	-	1,554,236
Rent Receivable	16,900	-	-	-	16,900
Prepaid Expenses	33,440	-	-	-	33,440
Total Current Assets	<u>5,816,000</u>	<u>-</u>	<u>20,540</u>	<u>-</u>	<u>5,836,540</u>
Noncurrent Assets					
Investments	1,747,267	-	-	-	1,747,267
Reserves and Escrows	49,389	-	-	-	49,389
Tenant Security Deposits	31,648	-	-	-	31,648
Land, Buildings, Furniture, Equipment, and Improvements, net	17,082,460	-	-	-	17,082,460
Trust Receivable	444,282	-	-	-	444,282
Due from subsidiary	20,905	-	-	(20,905)	-
Total Noncurrent Assets	<u>19,375,951</u>	<u>-</u>	<u>-</u>	<u>(20,905)</u>	<u>19,355,046</u>
 Total Assets	 <u>\$25,191,951</u>	 <u>\$ -</u>	 <u>\$ 20,540</u>	 <u>\$ (20,905)</u>	 <u>\$25,191,586</u>



**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
**Consolidating Statements of Activities**  
**June 30, 2015**

	<u>N Street Village, Inc.</u>	<u>N Street Village, LP</u>	<u>Miriam's House LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>Current Liabilities</b>					
Accounts Payable and Accrued Expenses	\$ 248,249	\$ -	\$ -	\$ -	\$ 248,249
Accrued Salary and Related Expenses	88,730	-	-	-	88,730
Current Portion of Mortgages and Notes Payable	1,571,145	-	-	-	1,571,145
Tenant Security Deposits and Prepaid Rent	40,276	-	-	-	40,276
Total Current Assets	<u>1,948,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,948,400</u>
<b>Noncurrent Liabilities</b>					
Due to Luther Place Memorial Church, net of current portion	2,145,000	-	-	-	2,145,000
Mortgages and Notes Payable, net of current portion	174,282	-	-	-	174,282
Due to Subsidiaries	-	-	20,905	(20,905)	-
Total Noncurrent Liabilities	<u>2,319,282</u>	<u>-</u>	<u>20,905</u>	<u>(20,905)</u>	<u>2,319,282</u>
Total Liabilities	4,267,682	-	20,905	(20,905)	4,267,682
<b>Net Assets</b>					
Unrestricted	14,898,805	-	(365)	-	14,898,440
Unrestricted – board designated	367,465	-	-	-	367,465
Unrestricted – non-controlling	-	-	-	-	-
Total Unrestricted Net Assets	<u>15,266,270</u>	<u>-</u>	<u>(365)</u>	<u>-</u>	<u>15,265,905</u>
Temporarily restricted net assets	5,657,999	-	-	-	5,657,999
Total Net Assets	<u>20,924,269</u>	<u>-</u>	<u>(365)</u>	<u>-</u>	<u>20,923,904</u>
Total Liabilities and Net Assets	<u>\$25,191,951</u>	<u>\$ -</u>	<u>\$ 20,540</u>	<u>\$ (20,905)</u>	<u>\$25,191,586</u>

**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
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**June 30, 2015**

	<u>N Street Village, Inc.</u>	<u>N Street Village, LP</u>	<u>Miriam's House LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Revenue and Support</b>					
Grants and Contributions	\$ 3,819,378	\$ -	\$ -	\$ -	\$ 3,819,378
Rental and Service Fee Income	736,900	682,381	-	(192,000)	1,227,281
Government Contracts and Grants	1,484,982	-	-	-	1,484,982
Special Event Revenue, net of benefit to attendees of \$155,144	657,085	-	-	-	657,085
In-Kind contributions	500,328	-	-	-	500,328
Forgiveness of Debt	30,000	5,422,825	-	(5,422,825)	30,000
Other Revenue	71,464	750	-	-	72,214
Total Revenue and Support	<u>7,300,137</u>	<u>6,105,956</u>	<u>-</u>	<u>(5,614,825)</u>	<u>7,791,268</u>
<b>Expenses</b>					
Program Services	3,515,900	875,906	365	(211,972)	4,180,199
Management and General	1,110,299	-	-	-	1,110,299
Fundraising	754,549	-	-	-	754,549
Total Expenses	<u>5,380,748</u>	<u>875,906</u>	<u>365</u>	<u>(211,972)</u>	<u>6,045,047</u>
<b>Change in Net Assets Before Non-Operational Activities and Non-controlling Interest in Net Assets of Subsidiary</b>					
	1,919,389	5,230,050	(365)	(5,402,853)	1,746,221
<b>Non-Operating Activity</b>					
Change in Value of Trust	(20,433)	-	-	-	(20,433)
Investment and Interest Income	23,430	138	-	-	23,568
Realized Gain on Investments	84,114	-	-	-	84,114
Unrealized Gain on Investments	(39,265)	-	-	-	(39,265)
Interest Income from Subsidiary	19,972	-	-	(19,972)	-
Gain (Loss) on Investment in Subsidiary	(12,907,376)	-	-	12,907,376	-
Total Non-Operating Activity	<u>(12,839,558)</u>	<u>138</u>	<u>-</u>	<u>12,887,404</u>	<u>47,984</u>
<b>Change in Net Assets Before Non-controlling Interest in Net Assets of Subsidiary</b>					
	(10,920,169)	5,230,188	(365)	7,484,551	1,794,205
<b>Change in Non-controlling Interest in Net Assets of Subsidiary</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,452</u>	<u>234,452</u>
<b>Change in Net Assets</b>	<u><u>\$(10,920,169)</u></u>	<u><u>\$ 5,230,188</u></u>	<u><u>\$ (365)</u></u>	<u><u>\$ 7,719,003</u></u>	<u><u>\$ 2,028,657</u></u>

Note: Depreciation totals \$273,346 and \$246,347 for NSV and NSVLP, respectively

**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
**Consolidating Statements of Financial Position (continued)**  
**June 30, 2014**

	N Street Village, Inc.	N Street Village, LP	Eliminating Entries	Total
<b><u>ASSETS</u></b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,805,430	\$ 4,741	\$ -	\$ 1,810,171
Grants and Receivable	262,377	-	-	262,377
Pledges Receivables	1,288,136	-	-	1,288,136
Rent and Other Receivables	-	6,981	-	6,981
Prepaid Expenses	87,102	2,852	-	89,954
<b>Total Current Assets</b>	<b>3,443,045</b>	<b>14,574</b>	<b>-</b>	<b>3,457,619</b>
<b>Noncurrent Assets</b>				
<b>Deposits and Funded Reserves</b>				
Replacement Reserve	-	157,824	-	157,824
Operating Deficit Reserve	-	195,387	-	195,387
Insurance Escrow	-	89,692	-	89,692
Tenant Security Deposits	-	31,648	-	31,648
Other Reserves	38,291	1,343	-	39,634
<b>Total Deposits and Funded Reserves</b>	<b>38,291</b>	<b>475,894</b>	<b>-</b>	<b>514,185</b>
Investments	1,712,003	-	-	1,712,003
Land, Buildings, Furniture, Equipment, and Improvements, net	7,385,907	9,964,758	-	17,350,665
<b>Other Assets</b>				
Trust Receivable	431,645	-	-	431,645
Interest Receivable - Subsidiary	598,961	-	(598,961)	-
Due from Subsidiary	2,385,063	-	(2,385,063)	-
Loans Receivable - Subsidiary	2,403,828	-	(2,403,828)	-
Investment in Subsidiary	7,484,551	-	(7,484,551)	-
Financing Fees, net of accumulated amortization of \$33,549	-	30,023	-	30,023
<b>Total Other Assets</b>	<b>13,304,048</b>	<b>30,023</b>	<b>(12,872,403)</b>	<b>461,668</b>
<b>Total Assets</b>	<b>\$ 25,883,294</b>	<b>\$ 10,485,249</b>	<b>\$ (12,872,403)</b>	<b>\$ 23,496,140</b>

**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
**Consolidating Statements of Financial Position (continued)**  
**June 30, 2014**

	N Street Village, Inc.	N Street Village, LP	Eliminating Entries	Total
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Current Liabilities</b>				
Accounts Payable and Accrued Expenses	\$ 294,866	\$ 50,286	\$ -	\$ 345,152
Accrued Salary and Related Expenses	70,423	9,130	4,032	83,585
Accrued Investor Services Fee	-	-	-	-
Line of Credit	400,000	-	-	400,000
Current Portion of Mortgages and Notes Payable	55,888	42,635	-	98,523
Tenant Security Deposits	-	30,380	-	30,380
Prepaid Rent	-	11,529	-	11,529
<b>Total Current Liabilities</b>	<b>821,177</b>	<b>143,960</b>	<b>4,032</b>	<b>969,169</b>
<b>Noncurrent Liabilities</b>				
Due to Luther Place Memorial Church	2,179,454	-	-	2,179,454
Mortgages and Notes Payable	208,805	1,009,013	-	1,217,818
Loans Payable - Subsidiary	-	2,403,828	(2,403,828)	-
Due to Subsidiary	-	2,389,095	(2,389,095)	-
Interest payable - Subsidiary	-	598,961	(598,961)	-
<b>Total Noncurrent Liabilities</b>	<b>2,388,259</b>	<b>6,400,897</b>	<b>(5,391,884)</b>	<b>3,397,272</b>
<b>Total Liabilities</b>	<b>3,209,436</b>	<b>6,544,857</b>	<b>(5,387,852)</b>	<b>4,366,441</b>
<b>Net Assets</b>				
Unrestricted	18,425,264	3,940,392	(5,517,953)	16,847,703
Unrestricted - board designated	367,465	-	-	367,465
Unrestricted - Non-controlling	-	-	(1,966,598)	(1,966,598)
<b>Total Unrestricted Net Assets</b>	<b>18,792,729</b>	<b>3,940,392</b>	<b>(7,484,551)</b>	<b>15,248,570</b>
Temporarily Restricted Net Assets	3,881,129	-	-	3,881,129
<b>Total Net Assets</b>	<b>22,673,858</b>	<b>3,940,392</b>	<b>(7,484,551)</b>	<b>19,129,699</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 25,883,294</b>	<b>\$ 10,485,249</b>	<b>\$ (12,872,403)</b>	<b>\$ 23,496,140</b>

**N Street Village, Inc. and Subsidiaries**  
**Supplementary Information**  
**Consolidating Statements of Activities**  
**June 30, 2014**

	N Street Village, Inc.	N Street Village, LP	Eliminating Entries	Total
<b>Revenue and Support</b>				
Grants and Contributions	\$ 4,361,855	\$ -	\$ -	\$ 4,361,855
Rental and Service Fee Income	54,642	1,412,832	(442,099)	1,025,375
Government Contracts and Grants	1,048,776	-	-	1,048,776
Special Event Revenue, net of benefit to attendees of \$138,467	664,981	-	-	664,981
In-Kind Contributions	256,176	-	-	256,176
Forgiveness of Debt	30,000	-	-	30,000
Other Revenue	9,223	-	-	9,223
<b>Total Revenue and Support</b>	<b>6,425,653</b>	<b>1,412,832</b>	<b>(442,099)</b>	<b>7,396,386</b>
<b>Expenses</b>				
Program Services	2,384,285	1,688,862	(318,845)	3,754,302
Management and General	1,260,594	102,270	(121,741)	1,241,123
Fundraising	866,619	-	(40,701)	825,918
<b>Total Expenses</b>	<b>4,511,498</b>	<b>1,791,132</b>	<b>(481,287)</b>	<b>5,821,343</b>
<b>Change in Net Assets Before Non-Operational Activities and Non-controlling Interest in Net Assets of Subsidiary</b>	<b>1,914,155</b>	<b>(378,300)</b>	<b>39,188</b>	<b>1,575,043</b>
<b>Non-Operational Activity</b>				
Change in value of charitable trust	23,326	-	-	23,326
Investment and interest income	84,405	439	-	84,844
Unrealized gain on investments	205,088	-	-	205,088
Realized gain on investments	26,515	-	-	26,515
Interest income - subsidiary	39,188	-	(39,188)	-
Loss from investment in NSVLP	(38)	-	38	-
<b>Total Non-Operational Activity</b>	<b>378,484</b>	<b>439</b>	<b>(39,150)</b>	<b>339,773</b>
<b>Change in Net Assets Before Non-controlling Interest in Net Assets of Subsidiary</b>	<b>2,292,639</b>	<b>(377,861)</b>	<b>38</b>	<b>1,914,816</b>
<b>Change in Non-controlling Interest in Net Assets of Subsidiary</b>	<b>-</b>	<b>-</b>	<b>377,823</b>	<b>377,823</b>
<b>Change in Net Assets</b>	<b>\$ 2,292,639</b>	<b>\$ (377,861)</b>	<b>\$ 377,861</b>	<b>\$ 2,292,639</b>

Note: Depreciation totals \$108,758 and \$483,529 for NSV and NSVLP, respectively.