

Bridge Street Development Corporation

**Financial Statements
and
Independent Auditors' Report**

December 31, 2021 and 2020

Bridge Street Development Corporation

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Independent Auditors' Report

To the Board of Directors of
Bridge Street Development Corporation
Brooklyn, New York

Opinion

We have audited the accompanying financial statements of Bridge Street Development Corporation (A nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridge Street Development Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bridge Street Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridge Street Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bridge Street Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridge Street Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in blue ink that reads "Vargas & Rivera, LLP". The signature is written in a cursive, flowing style.

New City, New York
September 15, 2022

Bridge Street Development Corporation
Statements of Financial Position
December 31, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 175,014	\$ 61,259
Grants and Other Receivables	385,685	392,791
Development and Other Fee Receivables (Current Portion) (Note 3)	321,590	212,333
Investments (Note 4)	<u>31,012</u>	<u>21,565</u>
Total Current Assets	<u>913,301</u>	<u>687,948</u>
Fixed Assets		
Leasehold Improvements	90,860	90,860
Equipment, Furniture and Fixtures	<u>142,047</u>	<u>142,047</u>
	232,907	232,907
Less: Accumulated Depreciation	<u>(226,010)</u>	<u>(216,175)</u>
Total Fixed Assets	<u>6,897</u>	<u>16,732</u>
Other Assets		
Development and Other Fee Receivables (Note 3)	857,757	1,365,500
Security Deposits	5,288	5,288
Predevelopment Costs	<u>12,224</u>	<u>33,670</u>
Total Other Assets	<u>875,269</u>	<u>1,404,458</u>
Total Assets	<u><u>\$ 1,795,467</u></u>	<u><u>\$ 2,109,138</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 20,302	\$ 39,505
Tenant Security Deposits Payable	3,962	3,962
Deferred Revenue	<u>44,276</u>	<u>73,989</u>
Total Current Liabilities / Total Liabilities	68,540	117,456
Net Assets		
Without Donor Restrictions	1,660,677	1,507,208
With Donor Restrictions (Note 5)	<u>66,250</u>	<u>484,474</u>
Total Net Assets	<u>1,726,927</u>	<u>1,991,682</u>
Total Liabilities and Net Assets	<u><u>\$ 1,795,467</u></u>	<u><u>\$ 2,109,138</u></u>

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Statements of Activities
For the years ended December 31, 2021 and 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2021</u>	<u>2020</u>
PUBLIC SUPPORT AND REVENUE		
Public Support		
Contributions	\$ 12,834	\$ 24,692
Revenue		
Developer and Other Fees	1,846	231,444
Program Service Fees	2,432	8,405
Investment (Loss) Income	10,194	(1,954)
Other Income	2,516	4,242
Total Revenue	<u>16,988</u>	<u>242,137</u>
Net Assets Released From Restrictions	<u>2,202,266</u>	<u>1,153,692</u>
Total Support and Revenue	<u>2,232,088</u>	<u>1,420,521</u>
EXPENSES		
Program Services:		
Economic Development	138,224	86,653
Senior Services	173,874	186,423
Homeownership and Preservation	181,705	174,572
Community Activities	635,919	519,264
Housing Development	493,410	282,290
	<u>1,623,132</u>	<u>1,249,202</u>
Support Services:		
General and Administrative	416,229	173,407
Fundraising	39,258	41,399
	<u>455,487</u>	<u>214,806</u>
Total Expenses	<u>2,078,619</u>	<u>1,464,008</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 153,469</u>	<u>\$ (43,487)</u>

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Statements of Activities
For the years ended December 31, 2021 and 2020

NET ASSETS WITH DONOR RESTRICTIONS	<u>2021</u>	<u>2020</u>
Public Support		
Grants	\$ 1,784,042	\$ 1,149,365
Net Assets Released From Restrictions	<u>(2,202,266)</u>	<u>(1,153,692)</u>
Change in Net Assets Without Donor Restrictions	<u>(418,224)</u>	<u>(4,327)</u>
Total Change in Net Assets	(264,755)	(47,814)
Net Assets, Beginning of Year	<u>1,991,682</u>	<u>2,039,496</u>
Net Assets, End of Year	<u><u>\$ 1,726,927</u></u>	<u><u>\$ 1,991,682</u></u>

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Statements of Functional Expenses
For the year ended December 31, 2021

	Homeownership					Total Program	General and Administrative	Fund Raising	Total
	Economic Development	Senior Services	and Preservation	Community Activities	Housing Development				
Personnel Services									
Salaries	\$ 96,563	\$ 104,462	\$ 124,147	\$ 392,133	\$ 225,931	\$ 943,236	\$ 96,852	\$ 23,527	\$ 1,063,615
Payroll Taxes	9,851	9,350	11,837	34,594	16,392	82,024	15,455	2,173	99,652
Fringe Benefits	4,489	1,984	12,871	41,059	20,841	81,244	10,012	2,331	93,587
Total Personnel and Related Expenses	110,903	115,796	148,855	467,786	263,164	1,106,504	122,319	28,031	1,256,854
Other than personnel services:									
Advertising	2,584	-	475	2,035	-	5,094	31	-	5,125
Bad Debt	-	-	-	-	-	-	222,459	-	222,459
Housing Development Expenses	-	-	-	-	200,451	200,451	-	-	200,451
Consultants	6,777	31,908	8,585	18,775	4,580	70,625	11,804	4,527	86,956
Donations	1,000	-	-	-	-	1,000	3,050	-	4,050
Equipment Leases	2,571	5,373	7,112	14,888	5,043	34,987	4,116	1,695	40,798
Insurance	871	923	1,068	3,849	1,894	8,605	2,896	-	11,501
Licenses and Fees	-	-	-	-	-	-	372	-	372
Miscellaneous	-	-	-	-	3	3	884	-	887
Office Supplies	888	2,551	807	8,395	1,496	14,137	630	153	14,920
Payroll Processing Fees	1,671	1,807	2,229	6,830	3,910	16,447	1,677	408	18,532
Postage and Delivery	-	-	380	395	260	1,035	1,209	30	2,274
Printing and Publications	62	-	-	555	-	617	1,808	-	2,425
Professional Fees	2,850	5,347	1,156	10,225	2,103	21,681	22,086	219	43,986
Program Supplies and Other Costs	3,245	3,400	-	72,506	-	79,151	-	-	79,151
Rent and Utilities	2,514	2,720	4,132	11,560	8,315	29,241	3,481	1,570	34,292
Repairs and Maintenance	2,266	1,026	6,028	10,020	1,902	21,242	4,903	2,212	28,357
Stipends	-	-	-	6,580	-	6,580	1,830	197	8,607
Telephone and Internet	-	3,023	878	1,316	289	5,506	673	216	6,395
Training and Conferences	-	-	-	24	-	24	85	-	109
Travel	22	-	-	180	-	202	81	-	283
Total OTPS Before Depreciation	27,321	58,078	32,850	168,133	230,246	516,628	284,075	11,227	811,930
Depreciation Expense	-	-	-	-	-	-	9,835	-	9,835
Total Expenses	\$ 138,224	\$ 173,874	\$ 181,705	\$ 635,919	\$ 493,410	\$ 1,623,132	\$ 416,229	\$ 39,258	\$ 2,078,619

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Statements of Functional Expenses
For the year ended December 31, 2020

	Homeownership					Total Program	General and Administrative	Fund Raising	Total
	Economic Development	Senior Services	and Preservation	Community Activities	Housing Development				
Personnel Services									
Salaries	\$ 64,652	\$ 130,718	\$ 130,064	\$ 337,557	\$ 214,044	\$ 877,035	\$ 56,413	\$ 23,305	\$ 956,753
Payroll Taxes	6,158	10,793	10,599	31,671	17,270	76,491	7,212	1,812	85,515
Fringe Benefits	3,045	17,073	11,185	35,361	25,141	91,805	8,233	2,931	102,969
Total Personnel and Related Expenses	73,855	158,584	151,848	404,589	256,455	1,045,331	71,858	28,048	1,145,237
Other than personnel services:									
Consultants	2,338	8,206	6,082	15,016	4,344	35,986	11,792	1,448	49,226
Donations	-	-	-	100	-	100	3,210	-	3,310
Equipment Leases	715	1,907	2,503	9,167	1,788	16,080	6,674	593	23,347
Insurance	491	1,370	1,609	3,604	1,124	8,198	6,471	375	15,044
Miscellaneous	-	101	-	-	23	124	597	-	721
Office Supplies	-	1,271	-	4,702	-	5,973	5,106	-	11,079
Payroll Processing Fees	-	-	-	-	-	-	15,426	-	15,426
Postage and Delivery	686	-	1,140	325	230	2,381	1,858	-	4,239
Printing and Publications	506	883	-	13	-	1,402	141	-	1,543
Professional Fees	1,447	2,652	2,830	21,364	3,072	31,365	10,195	527	42,087
Program Supplies and Other Costs	4,637	5,451	843	39,580	-	50,511	155	-	50,666
Rent and Utilities	-	-	1,025	1,537	11,929	14,491	21,126	7,051	42,668
Repairs and Maintenance	1,858	285	4,752	7,732	1,143	15,770	6,425	1,840	24,035
Staff Activities	-	-	-	-	-	-	35	-	35
Stipends	120	100	-	8,535	-	8,755	-	-	8,755
Subscriptions	-	-	-	-	-	-	508	-	508
Telephone and Internet	-	5,613	1,940	2,919	2,182	12,654	1,668	1,517	15,839
Training and Conferences	-	-	-	-	-	-	213	-	213
Travel	-	-	-	81	-	81	-	-	81
Total OTPS Before Depreciation	12,798	27,839	22,724	114,675	25,835	203,871	91,600	13,351	308,822
Depreciation Expense	-	-	-	-	-	-	9,949	-	9,949
Total Expenses	\$ 86,653	\$ 186,423	\$ 174,572	\$ 519,264	\$ 282,290	\$ 1,249,202	\$ 173,407	\$ 41,399	\$ 1,464,008

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (264,755)	\$ (47,814)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	9,835	9,949
Unrealized (Gain) Loss on Investments	(9,575)	2,673
Changes in Assets and Liabilities		
(Increase) / Decrease in:		
Grants and Other Receivables	7,106	(200,840)
Development and Other Fee Receivables	398,486	65,302
Predevelopment Costs	21,446	-
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	(19,203)	(20,726)
Deferred Revenue	(29,713)	36,864
TOTAL ADJUSTMENTS	<u>378,382</u>	<u>(106,778)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>113,627</u>	<u>(154,592)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	<u>128</u>	<u>(1,170)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>128</u>	<u>(1,170)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from Affiliated Entity	<u>-</u>	<u>(127,890)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(127,890)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,755	(283,651)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>61,259</u>	<u>344,910</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 175,014</u>	<u>\$ 61,259</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid and Expensed	<u>\$ -</u>	<u>\$ 5,248</u>

See accompanying notes and independent auditors' report.

Bridge Street Development Corporation
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 1 - ORGANIZATION

Bridge Street Development Corporation (the "Organization") was incorporated as a not-for-profit under New York State law in February 1995.

The Organization's primary mission is: (1) developing and upgrading housing for low and moderate income families in the Bedford-Stuyvesant area; and (2) encouraging the formation of businesses in the area, including starting new businesses in, and recruiting prospective and existing businesses to the area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial period of three months or less to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Bridge Street Development Corporation
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Exempt Status

The Organization is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The Organization files the Form 990 in the U.S. federal jurisdiction. With few exceptions, as of December 31, 2021, the Organization is no longer subject to U.S. Federal income tax examinations by tax authorities for the years ended prior to December 31, 2017. The tax returns for the years ended December 31, 2018 through December 31, 2020 are still subject to potential audit by the IRS. Management of the Organization believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

Fixed Assets

Property and equipment are carried at cost. Additions in excess of \$4,000 are capitalized. Depreciation is computed using the straight-line method based on the assets' estimated useful lives (leasehold Improvements 15 - 40 years and equipment, furniture and fixtures - 3 - 7 years). When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to operations as incurred.

Revenue Recognition and Receivables

The Organization recognizes revenue from grants, contracts and gifts in accordance with guidance under which the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of return.

The Organization's significant sources of revenue are contracts and grants from government agencies, and contributions. Grants and contributions received are recorded as without donor restrictions or with donor restrictions based on the nature of donor restrictions. Grants are recognized when the Organization incurs expenses related to the contract. Generally, the funds are not remitted until a voucher for the services provided or expenses incurred has been submitted for reimbursement. Funds received in advance of services provided or expenses incurred are recorded as deferred revenue.

Contributions are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from donor restriction. Donor restricted contributions and grants whose restrictions are met within the same year as received are reflected as contributions and grants without donor restrictions.

The Organization considers receivables to be fully collectible based on management's review of individual accounts outstanding. If collection becomes doubtful, an allowance for doubtful accounts will be established when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Bridge Street Development Corporation
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments in marketable securities with readily determinable fair values are reported at fair value based on quoted market prices in active markets (all level 1 inputs). Gains and losses, both realized and unrealized, resulting from increases and decreases in the fair value of investments are included in investment income (loss) in the accompanying statement of activities without donor restrictions.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting in use of cash.

Fair Value Measurements

The Organization categorizes its financial instruments into a three-level fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation of assets and liabilities traded for less active dealer or broker markets that have significant observable inputs are classified as Level 2. Level 2 valuations are usually obtained from third-party pricing service valuations for identical or similar assets. If the inputs are used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

NOTE 3 - DEVELOPMENT AND OTHER FEE RECEIVABLES

As a sponsor and developer of housing, the Organization earns fees in accordance with various agreements. These fees include developer, partnership management and other fees. In addition, the Organization has advanced and (received) advances for operating purposes to these entities. At December 31, 2021 and 2020, the following is due from the following entities:

Quincy Senior Residences Limited Partnership	\$ 240,889	\$ 226,296
BSDC Joshua 300 Putnam Avenue Limited Partnership	-	212,333
BSDC Brooklyn Covenant II LLC	18,532	18,532
BSDC 790 Lafayette Avenue LP	14,688	14,688
BSDC Kings Covenant HDFC Inc.	544,572	482,572
BSDC 233 Stuyvesant HDFC Inc.	9,608	9,608
570 Willoughby Avenue HDFC	-	1,000
BSDC Neighborhood Homes HDFC	321,590	182,872
Putnam Ave Cluster HDFC	29,468	29,468
	<hr/>	<hr/>
	1,179,347	1,577,833
Less Current Portion	(321,590)	(212,333)
	<hr/>	<hr/>
	\$ 857,757	\$ 1,365,500
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Bridge Street Development Corporation
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 4 - INVESTMENTS

Investments are carried at fair value based on quoted prices in active markets (all level 1 measurements). At December 31, 2021 and 2020, investments consist of U.S. Equity Securities, with a fair value of \$31,012 and \$21,565; and a cost of \$10,732 and \$11,194, respectively.

A summary of the return on investments held in securities during the calendar years 2021 and 2020 are as

	<u>2021</u>	<u>2020</u>
Interest and Dividends	\$ 619	\$ 719
Unrealized Gain (Loss)	9,575	(2,673)
Investment Fees	(35)	(35)
	<u> </u>	<u> </u>
Total	<u>\$ 10,159</u>	<u>\$ (1,989)</u>

NOTE 5 - NET ASSETS - WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following program purposes:

	<u>2021</u>	<u>2020</u>
Homeownership and Preservation	\$ -	\$ 366,455
Community Activities	56,250	118,019
Capital Improvements	10,000	-
	<u> </u>	<u> </u>
	<u>\$ 66,250</u>	<u>\$ 484,474</u>

NOTE 6 - FINANCIALLY INTERRELATED NOT FOR PROFIT ORGANIZATIONS

BSDC has economic interest in the entity called BSDC Neighborhood Homes Housing Development Fund Corporation (BSDC Neighborhood Homes) as it exercises control by means other than majority ownership or voting interests in the board of directors. As of December 31, 2021 and 2020, BSDC Neighborhood Homes has advanced \$321,590 and \$182,872, respectively, to BSDC for operating purposes and other fees earned. The advance is non interest bearing and due on demand.

BSDC, through its officers, controls the day-to-day operations, including all decisions and secures funding and financing for the benefit of BSDC Neighborhood Homes. Accordingly, the disclosure of summarized financial data of BSDC Neighborhood Homes at December 31, 2021 and 2020 is as follows:

FYE December 31 2021

Assets	<u>\$ 1,382,069</u>	Revenue	<u>\$ 80,058</u>
Liabilities	<u>\$ 265,660</u>	Expenses	<u>\$ 100,139</u>
Net Assets	<u>\$ 1,116,409</u>		

FYE December 31 2020

Assets	<u>\$ 1,429,958</u>	Revenue	<u>\$ 76,795</u>
Liabilities	<u>\$ 293,468</u>	Expenses	<u>\$ 16,871</u>
Net Assets	<u>\$ 1,136,490</u>		

Bridge Street Development Corporation
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$913,301 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$175,014, grants and other receivables of \$385,685, development and other fees of \$321,590 and investments of \$31,012. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

The Organization is substantially supported by restricted grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures and for meeting its liabilities and other obligations as they become due.

NOTE 8 - LEASE COMMITMENT

The Organization has several non-cancelable operating leases for office equipment that expire at different dates through February 2026. Equipment lease expense for the years ended December 31, 2021 and 2020 was \$48,733 and \$17,379, respectively.

The Organization leases office space under an operating lease expiring December 31, 2024. Rent expense for the years ended December 31, 2021 and 2020 was \$26,992 and \$25,706, respectively.

Future minimum payments for the remaining lease terms are as follows:

	<u>Equipment</u>	<u>Occupancy</u>	<u>Total</u>
2022	\$ 40,170	\$ 28,341	\$ 68,511
2023	36,985	29,758	66,743
2024	36,985	31,246	68,231
2025	36,985	-	36,985
2026	5,996	-	5,996
	<u>\$ 157,121</u>	<u>\$ 89,345</u>	<u>\$ 246,466</u>

NOTE 9 - CONTINGENT LIABILITIES

Audits by Funding Sources

BSDC receives funding from government grant/contracts, all of which are subject to audit by the funding source. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the funding source. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management believes that any disallowed costs, which may result from these examinations, will not have a material effect on the financial statements for the current reporting periods.

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NOTE 10 - EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS

The Organization depends heavily on contributions and grants for its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's board of directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

NOTE 11 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through September 15, 2022, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.