



**CONSOLIDATING FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

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December 31, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors of
Dorchester Bay Economic Development Corporation and Affiliates:

Opinion

We have audited the consolidating financial statements of Dorchester Bay Economic Development Corporation (DBEDC) (a Massachusetts nonprofit corporation) and its Affiliates (collectively, the Agency), which comprise the consolidating statements of financial position as of December 31, 2024 and 2023, and the related consolidating statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

In our opinion, the accompanying consolidating financial statements present fairly, in all material respects, the consolidating financial position of Dorchester Bay Economic Development Corporation and Affiliates as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain rental properties of the Agency, which statements reflect total assets constituting 57% and 65% of consolidating total assets at December 31, 2024 and 2023, respectively, and total revenues constituting 59% and 85% of consolidating operating revenues for the years ended December 31, 2024 and 2023, respectively. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those certain rental properties, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Agency 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 consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidating financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the consolidating 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 consolidating 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 GAAS 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 consolidating financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating 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 consolidating 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 the Agency'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 consolidating financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying supplementary information shown on pages 45 through 57 is presented for purposes of additional analysis and is not a required part of the consolidating 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 consolidating financial statements. During 2024 and 2023, the information related to DBEDC, Dorchester Bay Neighborhood Loan Fund, Boston Homeowner Services Collaborative, Inc., DB Pierce LLC, DB 618 Dudley Street LLC, Dudley Village North Commercial LLC, Dudley Terrace Limited Partnership, 150 Magnolia Limited Partnership, DB 555 Dudley Street LLC, Indigo Properties, and DV North Limited Partnership and during 2024, Wilder Gardens Limited Partnership and Glendale Associates Limited Partnership, has been subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Supplementary Information (Continued)

In our opinion, the supplementary information shown on pages 45 through 57 (as described on page 1A) are fairly stated, in all material respects, in relation to the consolidating financial statements as a whole.

The other supplementary information on pages 45 through 57 that has not been described above for 2024 and 2023 is based upon the reports of other auditors, which have been provided to us, and in our opinion, is fairly stated in all material respects, in relation to the consolidating financial statements as a whole.

AAFCPA, Inc.

Westborough, Massachusetts
July 8, 2025

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position

December 31, 2024

(With Summarized Comparative Totals as of December 31, 2023)

	2024							2023
	Dorchester Bay				Rental (Exhibit A)	Eliminations	Total	Total
	Operating	Loan Programs (Exhibit D)	Project Development	Total Dorchester Bay				
Assets								
Current Assets:								
Cash	\$ 4,088,694	\$ -	\$ 234,473	\$ 4,323,167	\$ 12,787,343	\$ -	\$ 17,110,510	\$ 24,970,628
Grants receivable	158,041	172,562	-	330,603	-	-	330,603	876,026
Tenant and other receivables, net of valuation allowance	6,001	-	1,150,896	1,156,897	1,175,368	-	2,332,265	1,288,072
Current portion of escrows and restricted deposits	-	-	-	-	1,029,707	-	1,029,707	1,474,416
Current portion of due from affiliates, net of valuation allowance	5,353	-	372,810	378,163	50,498	(428,661)	-	-
Current portion of notes and interest receivable, net of allowance for credit losses of \$128,892 as of December 31, 2024	-	480,643	-	480,643	-	-	480,643	545,378
Notes and interest receivable from related parties	-	-	2,357,985	2,357,985	-	(2,357,985)	-	-
Prepaid expenses and other current assets	99,613	1,042	771,185	871,840	1,133,365	-	2,005,205	923,654
Total current assets	4,357,702	654,247	4,887,349	9,899,298	16,176,281	(2,786,646)	23,288,933	30,078,174
Other Assets:								
Escrows and restricted deposits, net of current portion	-	1,354,290	125,829	1,480,119	16,760,948	-	18,241,067	19,730,081
Investments	8,837,446	-	-	8,837,446	-	-	8,837,446	-
Notes and interest receivable, net of current portion and allowance for credit losses of \$7,127,059 and loan losses of \$7,036,929 as of December 31, 2024 and 2023, respectively	-	1,599,367	7,221,724	8,821,091	-	-	8,821,091	8,990,958
Notes and interest receivable from related parties, net of current portion and valuation allowance	-	-	22,881	22,881	-	(22,881)	-	-
Right-of-use assets	1,238,047	-	-	1,238,047	1,072,831	(1,238,047)	1,072,831	409,357
Projects under development	-	-	1,995,339	1,995,339	-	-	1,995,339	21,026,572
Due from affiliates, net of current portion and valuation allowance	-	-	508,860	508,860	-	(508,860)	-	-
Investments in affiliates, net	-	-	1,206,008	1,206,008	-	(1,206,008)	-	-
Capitalized costs, net	-	-	-	-	492,224	-	492,224	547,576
Total other assets	10,075,493	2,953,657	11,080,641	24,109,791	18,326,003	(2,975,796)	39,459,998	50,704,544
Property and Equipment:								
Land and land improvements	-	-	9,064,717	9,064,717	12,939,468	-	22,004,185	22,169,540
Buildings and improvements	-	-	945,584	945,584	239,958,997	(16,905,559)	223,999,022	221,422,373
Furniture, fixtures and equipment	246,999	-	-	246,999	5,677,835	-	5,924,834	5,951,140
	246,999	-	10,010,301	10,257,300	258,576,300	(16,905,559)	251,928,041	249,543,053
Less - accumulated depreciation	130,622	-	118,791	249,413	91,094,127	(3,331,882)	88,011,658	82,050,755
Net property and equipment	116,377	-	9,891,510	10,007,887	167,482,173	(13,573,677)	163,916,383	167,492,298
Total assets	\$ 14,549,572	\$ 3,607,904	\$ 25,859,500	\$ 44,016,976	\$ 201,984,457	\$ (19,336,119)	\$ 226,665,314	\$ 248,275,016
Liabilities, Net Assets and Non-Controlling Interests								
Current Liabilities:								
Current portion of notes payable	\$ -	\$ 61,361	\$ 278,664	\$ 340,025	\$ 2,338,426	\$ (5,740)	\$ 2,672,711	\$ 3,225,693
Current portion of contingent debt and deferred interest	-	-	-	-	4,261,903	(2,352,245)	1,909,658	1,815,118
Current portion of due to affiliates	1,782	-	48,716	50,498	378,163	(428,661)	-	-
Current portion of lease liabilities	195,470	-	-	195,470	4,626	(195,470)	4,626	4,600
Current portion of accounts payable and accrued expenses	434,658	58,288	1,307,071	1,800,017	2,745,337	-	4,545,354	4,673,780
Conditional grant advances	690,829	-	-	690,829	-	-	690,829	215,372
Total current liabilities	1,322,739	119,649	1,634,451	3,076,839	9,728,455	(2,982,116)	9,823,178	9,934,563
Long-term Liabilities:								
Accounts payable and accrued expenses, net of current portion	-	-	19,042	19,042	-	-	19,042	1,065,359
Notes payable, net of current portion and unamortized debt issuance costs	-	2,265,412	8,304,592	10,570,004	69,382,177	(84,836)	79,867,345	93,948,008
Lease liabilities, net of current portion	1,091,724	-	-	1,091,724	403,432	(1,091,724)	403,432	404,757
Due to affiliates, net of current portion	-	-	-	-	1,635,470	(1,635,470)	-	-
Total long-term liabilities	1,091,724	2,265,412	8,323,634	11,680,770	71,421,079	(2,812,030)	80,289,819	95,418,124
Contingent Debt and Deferred Interest, net of current portion	-	-	985,000	985,000	69,121,629	(27,530,752)	42,575,877	48,127,267
Total liabilities	2,414,463	2,385,061	10,943,085	15,742,609	150,271,163	(33,324,898)	132,688,874	153,479,954
Net Assets and Non-Controlling Interests:								
Without donor restrictions:								
Operating	11,506,635	1,139,510	2,872,944	15,519,089	12,849,707	-	28,368,796	23,006,359
Development	-	-	11,988,471	11,988,471	-	-	11,988,471	13,127,598
Property and equipment	67,230	-	-	67,230	38,863,587	(40,569,784)	(1,638,967)	2,462,505
Board designated	360,434	-	-	360,434	-	-	360,434	360,434
Total without donor restrictions	11,934,299	1,139,510	14,861,415	27,935,224	51,713,294	(40,569,784)	39,078,734	38,956,896
With donor restrictions	200,810	83,333	55,000	339,143	-	-	339,143	2,418,588
Total Dorchester Bay's consolidated net assets	12,135,109	1,222,843	14,916,415	28,274,367	51,713,294	(40,569,784)	39,417,877	41,375,484
Non-controlling interests	-	-	-	-	-	54,558,563	54,558,563	53,419,578
Total net assets and non-controlling interests	12,135,109	1,222,843	14,916,415	28,274,367	51,713,294	13,988,779	93,976,440	94,795,062
Total liabilities, net assets and non-controlling interests	\$ 14,549,572	\$ 3,607,904	\$ 25,859,500	\$ 44,016,976	\$ 201,984,457	\$ (19,336,119)	\$ 226,665,314	\$ 248,275,016

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position
December 31, 2023

Assets	Dorchester Bay				Rental (Exhibit A)	Eliminations	Total
	Operating	Loan Programs (Exhibit D)	Project Development	Total Dorchester Bay			
Current Assets:							
Cash	\$ 12,856,724	\$ -	\$ 1,061,616	\$ 13,918,340	\$ 11,052,288	\$ -	\$ 24,970,628
Cash held for lending	-	-	-	-	-	-	-
Grants receivable	721,059	154,967	-	876,026	-	-	876,026
Tenant and other receivables, net of valuation allowance	36,095	21,203	144,482	201,780	1,086,292	-	1,288,072
Current portion of escrows and restricted deposits	-	-	-	-	1,474,416	-	1,474,416
Current portion of due from affiliates, net of valuation allowance	20,558	6,055	931,042	957,655	272,464	(1,230,119)	-
Current portion of notes and interest receivable	-	545,378	-	545,378	-	-	545,378
Notes and interest receivable from related parties	-	-	1,849,823	1,849,823	-	(1,849,823)	-
Prepaid expenses and other current assets	72,109	-	5,126	77,235	846,419	-	923,654
Total current assets	13,706,545	727,603	3,992,089	18,426,237	14,731,879	(3,079,942)	30,078,174
Other Assets:							
Escrows and restricted deposits, net of current portion	-	1,100,272	17,308	1,117,580	18,612,501	-	19,730,081
Notes and interest receivable, net of current portion and allowance for credit losses of \$7,036,929	-	1,769,234	7,221,724	8,990,958	-	-	8,990,958
Notes and interest receivable from related parties, net of current portion and valuation allowance	-	-	485,958	485,958	-	(485,958)	-
Right-of-use assets	1,349,952	-	-	1,349,952	409,357	(1,349,952)	409,357
Projects under development	-	-	21,026,572	21,026,572	-	-	21,026,572
Due from affiliates, net of current portion and valuation allowance	-	-	583,754	583,754	-	(583,754)	-
Investments in affiliates, net	-	-	1,112,576	1,112,576	-	(1,112,576)	-
Capitalized costs, net	-	-	-	-	547,576	-	547,576
Total other assets	1,349,952	2,869,506	30,447,892	34,667,350	19,569,434	(3,532,240)	50,704,544
Property and Equipment:							
Land and land improvements	-	-	9,220,895	9,220,895	12,948,645	-	22,169,540
Buildings and improvements	132,549	-	160,980	293,529	238,985,282	(17,856,438)	221,422,373
Furniture, fixtures and equipment	390,187	-	604	390,791	5,560,349	-	5,951,140
	522,736	-	9,382,479	9,905,215	257,494,276	(17,856,438)	249,543,053
Less - accumulated depreciation	361,897	-	111,641	473,538	84,509,508	(2,932,291)	82,050,755
Net property and equipment	160,839	-	9,270,838	9,431,677	172,984,768	(14,924,147)	167,492,298
Total assets	\$ 15,217,336	\$ 3,597,109	\$ 43,710,819	\$ 62,525,264	\$ 207,286,081	\$ (21,536,329)	\$ 248,275,016
Liabilities, Net Assets and Non-Controlling Interests							
Current Liabilities:							
Current portion of notes payable	\$ -	\$ 110,046	\$ 860,283	\$ 970,329	\$ 2,260,934	\$ (5,570)	\$ 3,225,693
Current portion of contingent debt and deferred interest	-	-	-	-	3,659,371	(1,844,253)	1,815,118
Current portion of due to affiliates	3,895	-	268,569	272,464	957,655	(1,230,119)	-
Current portion of lease liabilities	189,998	-	-	189,998	4,600	(189,998)	4,600
Current portion of accounts payable and accrued expenses	385,199	54,343	1,440,439	1,879,981	2,793,799	-	4,673,780
Conditional grant advances	215,372	-	-	215,372	-	-	215,372
Total current liabilities	794,464	164,389	2,569,291	3,528,144	9,676,359	(3,269,940)	9,934,563
Long-term Liabilities:							
Accounts payable and accrued expenses, net of current portion	-	-	959,175	959,175	106,184	-	1,065,359
Notes payable, net of current portion and unamortized debt issuance costs	-	1,712,408	20,463,997	22,176,405	71,862,180	(90,577)	93,948,008
Lease liabilities, net of current portion	1,188,090	-	-	1,188,090	404,757	(1,188,090)	404,757
Due to affiliates, net of current portion	-	-	-	-	1,698,449	(1,698,449)	-
Total long-term liabilities	1,188,090	1,712,408	21,423,172	24,323,670	74,071,570	(2,977,116)	95,418,124
Contingent Debt and Deferred Interest, net of current portion	-	-	6,148,462	6,148,462	71,152,137	(29,173,332)	48,127,267
Total liabilities	1,982,554	1,876,797	30,140,925	34,000,276	154,900,066	(35,420,388)	153,479,954
Net Assets and Non-Controlling Interests:							
Without donor restrictions:							
Operating	11,745,717	667,652	72,296	12,485,665	10,520,694	-	23,006,359
Development	-	-	13,127,598	13,127,598	-	-	13,127,598
Property and equipment	132,703	-	-	132,703	41,865,321	(39,535,519)	2,462,505
Board designated	360,434	-	-	360,434	-	-	360,434
Loan capital	-	-	-	-	-	-	-
Total without donor restrictions	12,238,854	667,652	13,199,894	26,106,400	52,386,015	(39,535,519)	38,956,896
With donor restrictions	995,928	1,052,660	370,000	2,418,588	-	-	2,418,588
Total Dorchester Bay's consolidated net assets	13,234,782	1,720,312	13,569,894	28,524,988	52,386,015	(39,535,519)	41,375,484
Non-controlling interests	-	-	-	-	-	53,419,578	53,419,578
Total net assets and non-controlling interests	13,234,782	1,720,312	13,569,894	28,524,988	52,386,015	13,884,059	94,795,062
Total liabilities, net assets and non-controlling interests	\$ 15,217,336	\$ 3,597,109	\$ 43,710,819	\$ 62,525,264	\$ 207,286,081	\$ (21,536,329)	\$ 248,275,016

The accompanying notes are an integral part of these consolidating statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Activities
For the Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024						2023
	Dorchester Bay						
	Operating	Loan Programs (Exhibit E)	Project Development	Total Dorchester Bay	Rental (Exhibit B)	Eliminations	Total
Net Assets Without Donor Restrictions:							
Operating revenues:							
Support:							
Grants and contributions	\$ 382,989	\$ 1,013,062	\$ 232,490	\$ 1,628,541	\$ -	\$ -	\$ 1,628,541
Special event	404,255	-	-	404,255	-	-	404,255
Net assets released from purpose restrictions	835,128	1,052,660	220,000	2,107,788	-	-	2,107,788
Net assets released from time restrictions	-	-	95,000	95,000	-	-	95,000
Total support	1,622,372	2,065,722	547,490	4,235,584	-	-	4,235,584
Fee income and other:							
Rental income, net	51,467	-	151,759	203,226	30,150,273	(402,610)	29,950,889
Interest income and other	203,699	246,771	2,824,096	3,274,566	842,272	(2,222,979)	1,893,859
Developer fees	-	-	195,000	195,000	-	950,879	1,145,879
Resident and program service fees	2,676,289	18,500	-	2,694,789	-	(2,588,517)	106,272
Total fee income and other	2,931,455	265,271	3,170,855	6,367,581	30,992,545	(4,263,227)	33,096,899
Total operating revenues	4,553,827	2,330,993	3,718,345	10,603,165	30,992,545	(4,263,227)	37,332,483
Operating expenses:							
Community Services	831,344	-	-	831,344	-	-	831,344
Asset Management	181,532	-	-	181,532	-	-	181,532
Loan Programs	-	2,270,287	-	2,270,287	-	-	2,270,287
Project Development	-	-	1,918,481	1,918,481	-	-	1,918,481
Rental	-	-	-	-	19,941,405	(640,178)	19,301,227
General and Administrative	456,335	1,155,640	981,974	2,593,949	-	(402,610)	2,191,339
Fundraising	830,134	-	-	830,134	-	-	830,134
Total operating expenses	2,299,345	3,425,927	2,900,455	8,625,727	19,941,405	(1,042,788)	27,524,344
Changes in net assets without donor restrictions from operations before depreciation and amortization	2,254,482	(1,094,934)	817,890	1,977,438	11,051,140	(3,220,439)	9,808,139
Depreciation and amortization	59,248	-	10,634	69,882	6,828,442	(399,591)	6,498,733
Changes in net assets without donor restrictions from operations	2,195,234	(1,094,934)	807,256	1,907,556	4,222,698	(2,820,848)	3,309,406
Non-operating revenues (expenses):							
Other income	475,000	-	-	475,000	-	-	475,000
Investment income, net	337,447	-	-	337,447	-	-	337,447
Capital grants	-	-	-	-	-	-	-
Net recovery on investment in affiliate	-	-	93,432	93,432	-	(93,432)	-
Net recovery (provision) on due from affiliates	-	-	(21,610)	(21,610)	13,496	8,114	-
Allowance for credit losses on notes receivable - third party	-	-	-	-	-	-	-
Sale of tax credits	-	-	-	-	-	-	-
Loss on disposal - projects under development	-	-	(114,656)	(114,656)	-	-	(114,656)
Incentive and supplemental management fees	-	-	-	-	(631,403)	486,646	(144,757)
Deferred interest	-	-	-	-	(2,190,391)	1,056,266	(1,134,125)
Total non-operating revenues (expenses)	812,447	-	(42,834)	769,613	(2,808,298)	1,457,594	(581,091)
Changes in net assets without donor restrictions	3,007,681	(1,094,934)	764,422	2,677,169	1,414,400	(1,363,254)	2,728,315
Net Assets With Donor Restrictions:							
Grants	40,010	83,333	-	123,343	-	-	123,343
Mortgage loan and bank interest	-	-	-	-	-	-	-
Net assets released from time restrictions	-	-	(95,000)	(95,000)	-	-	(95,000)
Net assets released from purpose restrictions	(835,128)	(1,052,660)	(220,000)	(2,107,788)	-	-	(2,107,788)
Changes in net assets with donor restrictions	(795,118)	(969,327)	(315,000)	(2,079,445)	-	-	(2,079,445)
Changes in net assets	2,212,563	(2,064,261)	449,422	597,724	1,414,400	(1,363,254)	648,870
Changes in Net Assets Attributable to Non-Controlling Interests	-	-	-	-	(1,758,132)	-	(1,758,132)
Changes in net assets attributable to Dorchester Bay	\$ 2,212,563	\$ (2,064,261)	\$ 449,422	\$ 597,724	\$ (343,732)	\$ (1,363,254)	\$ (1,109,262)

The accompanying notes are an integral part of these consolidating statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Activities
For the Year Ended December 31, 2023

	Dorchester Bay				Rental (Exhibit B)	Eliminations	Total
	Operating	Loan Programs (Exhibit E)	Project Development	Total Dorchester Bay			
Net Assets Without Donor Restrictions:							
Operating revenues:							
Support:							
Grants and contributions	\$ 178,548	\$ 112,717	\$ 229,999	\$ 521,264	\$ -	\$ (66,131)	\$ 455,133
Special event	321,462	-	-	321,462	-	-	321,462
Net assets released from purpose restrictions	1,001,929	305,642	338,069	1,645,640	-	-	1,645,640
Net assets released from time restrictions	-	-	200,000	200,000	-	-	200,000
Total support	<u>1,501,939</u>	<u>418,359</u>	<u>768,068</u>	<u>2,688,366</u>	<u>-</u>	<u>(66,131)</u>	<u>2,622,235</u>
Fee income and other:							
Rental income, net	50,347	-	150,510	200,857	28,009,289	(231,041)	27,979,105
Interest income and other	118,636	134,772	2,082,516	2,335,924	736,067	(1,712,927)	1,359,064
Developer fees	-	-	292,500	292,500	-	(242,783)	49,717
Resident and program service fees	2,744,977	45,456	250,754	3,041,187	-	(2,995,731)	45,456
Total fee income and other	<u>2,913,960</u>	<u>180,228</u>	<u>2,776,280</u>	<u>5,870,468</u>	<u>28,745,356</u>	<u>(5,182,482)</u>	<u>29,433,342</u>
Total operating revenues	<u>4,415,899</u>	<u>598,587</u>	<u>3,544,348</u>	<u>8,558,834</u>	<u>28,745,356</u>	<u>(5,248,613)</u>	<u>32,055,577</u>
Operating expenses:							
Community Services	652,696	-	-	652,696	-	-	652,696
Asset Management	212,142	-	-	212,142	-	-	212,142
Loan Programs	-	1,731,298	-	1,731,298	-	-	1,731,298
Project Development	-	-	1,380,968	1,380,968	-	-	1,380,968
Rental	-	-	-	-	19,228,254	(633,280)	18,594,974
General and Administrative	524,092	1,133,561	910,939	2,568,592	-	(231,041)	2,337,551
Fundraising	635,483	-	-	635,483	-	(66,131)	569,352
Total operating expenses	<u>2,024,413</u>	<u>2,864,859</u>	<u>2,291,907</u>	<u>7,181,179</u>	<u>19,228,254</u>	<u>(930,452)</u>	<u>25,478,981</u>
Changes in net assets without donor restrictions from operations before depreciation and amortization	2,391,486	(2,266,272)	1,252,441	1,377,655	9,517,102	(4,318,161)	6,576,596
Depreciation and amortization	<u>42,157</u>	<u>-</u>	<u>10,318</u>	<u>52,475</u>	<u>6,914,851</u>	<u>(447,135)</u>	<u>6,520,191</u>
Changes in net assets without donor restrictions from operations	<u>2,349,329</u>	<u>(2,266,272)</u>	<u>1,242,123</u>	<u>1,325,180</u>	<u>2,602,251</u>	<u>(3,871,026)</u>	<u>56,405</u>
Non-operating revenues (expenses):							
Capital grants	-	-	434,645	434,645	-	-	434,645
Sale of tax credits	-	-	6,020,800	6,020,800	-	-	6,020,800
Net recovery on investment in affiliate	-	-	258,636	258,636	-	(258,636)	-
Net recovery (provision) on due from affiliates	-	-	(128,744)	(128,744)	-	128,744	-
Allowance for credit losses on notes receivable - third party	-	-	(6,020,800)	(6,020,800)	-	-	(6,020,800)
Incentive and supplemental management fees	-	-	-	-	(631,274)	490,733	(140,541)
Deferred interest	-	-	-	-	(2,189,440)	1,222,792	(966,648)
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>564,537</u>	<u>564,537</u>	<u>(2,820,714)</u>	<u>1,583,633</u>	<u>(672,544)</u>
Changes in net assets without donor restrictions	<u>2,349,329</u>	<u>(2,266,272)</u>	<u>1,806,660</u>	<u>1,889,717</u>	<u>(218,463)</u>	<u>(2,287,393)</u>	<u>(616,139)</u>
Net Assets With Donor Restrictions:							
Grants	662,857	414,043	100,000	1,176,900	-	-	1,176,900
Mortgage loan and bank interest	-	37	-	37	-	-	37
Net assets released from time restrictions	-	-	(200,000)	(200,000)	-	-	(200,000)
Net assets released from purpose and capital restrictions	<u>(1,001,929)</u>	<u>(305,642)</u>	<u>(338,069)</u>	<u>(1,645,640)</u>	<u>-</u>	<u>-</u>	<u>(1,645,640)</u>
Changes in net assets with donor restrictions	<u>(339,072)</u>	<u>108,438</u>	<u>(438,069)</u>	<u>(668,703)</u>	<u>-</u>	<u>-</u>	<u>(668,703)</u>
Changes in net assets	2,010,257	(2,157,834)	1,368,591	1,221,014	(218,463)	(2,287,393)	(1,284,842)
Changes in Net Assets Attributable to Non-Controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(499,215)</u>	<u>-</u>	<u>(499,215)</u>
Changes in net assets attributable to Dorchester Bay	<u>\$ 2,010,257</u>	<u>\$ (2,157,834)</u>	<u>\$ 1,368,591</u>	<u>\$ 1,221,014</u>	<u>\$ (717,678)</u>	<u>\$ (2,287,393)</u>	<u>\$ (1,784,057)</u>

The accompanying notes are an integral part of these consolidating statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statements of Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	Dorchester Bay				Rental (Exhibit C)	Eliminations	Non- Controlling Interest	Total
	Operating	Loan Programs (Exhibit F)	Project Development	Total Dorchester Bay				
Net Assets, December 31, 2022	\$ 15,445,771	\$ 573,041	\$ 9,788,340	\$ 25,807,152	\$ 52,419,516	\$ (33,913,021)	\$ 48,496,337	\$ 92,809,984
Changes in net assets	2,010,257	(2,157,834)	1,368,591	1,221,014	(218,463)	(2,786,608)	499,215	(1,284,842)
Cumulative effect of ASU adoption	-	131,958	-	131,958	-	-	-	131,958
Capital contributions	-	-	1,364,864	1,364,864	2,228,529	(3,593,393)	3,302,029	3,302,029
Distributions	-	-	-	-	(2,043,567)	2,043,567	(164,067)	(164,067)
Transfer of non-controlling interest	-	-	-	-	-	(1,286,064)	1,286,064	-
Net asset transfers	(4,221,246)	3,173,147	1,048,099	-	-	-	-	-
Net Assets, December 31, 2023	13,234,782	1,720,312	13,569,894	28,524,988	52,386,015	(39,535,519)	53,419,578	94,795,062
Changes in net assets	2,212,563	(2,064,261)	449,422	597,724	1,414,400	(3,121,386)	1,758,132	648,870
Distributions	-	-	(848,345)	(848,345)	(2,087,121)	2,087,121	(619,147)	(1,467,492)
Net asset transfers	(3,312,236)	1,566,792	1,745,444	-	-	-	-	-
Net Assets, December 31, 2024	<u>\$ 12,135,109</u>	<u>\$ 1,222,843</u>	<u>\$ 14,916,415</u>	<u>\$ 28,274,367</u>	<u>\$ 51,713,294</u>	<u>\$ (40,569,784)</u>	<u>\$ 54,558,563</u>	<u>\$ 93,976,440</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Cash Flows
For the Year Ended December 31, 2024

	Dorchester Bay	Rental	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in net assets	\$ 597,724	\$ 1,414,400	\$ (1,363,254)	\$ 648,870
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:				
Depreciation and amortization	69,882	6,828,442	(399,591)	6,498,733
Amortization charged as interest expense	4,592	118,636	-	123,228
Bad debts and credit losses	375,527	200,472	-	575,999
Realized/unrealized gain on investments	(337,447)	-	-	(337,447)
Forgiveness of related party advances	21,610	(13,496)	(8,114)	-
Allowance on notes receivable and due from affiliates	(1,463,581)	-	1,463,581	-
Loss on disposal - projects under development	114,656	-	-	114,656
Deferred interest	-	2,190,391	(1,056,266)	1,134,125
Allowance on investment in affiliate	(93,432)	-	93,432	-
Change in discount on notes payable	-	20,921	-	20,921
Changes in lease assets and liabilities	21,011	-	(21,011)	-
Changes in operating assets and liabilities:				
Grants receivable	538,199	-	-	538,199
Tenant and other receivables	(964,129)	(289,548)	-	(1,253,677)
Due from affiliates	1,652,546	221,966	(1,874,512)	-
Prepaid expenses and other current assets	(797,432)	(286,946)	-	(1,084,378)
Due to affiliates	(207,594)	(628,975)	836,569	-
Accounts payable and accrued expenses	(60,922)	(154,646)	-	(215,568)
Conditional grant advances	475,457	-	-	475,457
Net cash provided by (used in) operating activities	<u>(53,333)</u>	<u>9,621,617</u>	<u>(2,329,166)</u>	<u>7,239,118</u>
Cash Flows from Investing Activities:				
Cash transfer	(487,838)	-	-	(487,838)
Increase in lease incentive	-	(664,772)	-	(664,772)
Purchase of investments	(8,500,000)	-	-	(8,500,000)
Net increase in notes and interest receivable	(124,689)	-	-	(124,689)
Payments on notes and interest receivable to related parties	1,418,496	-	(1,418,496)	-
Purchase of property and equipment	(1,296,168)	(1,270,496)	-	(2,566,664)
Increase in projects under development	(550,889)	-	-	(550,889)
Net cash used in investing activities	<u>(9,541,088)</u>	<u>(1,935,268)</u>	<u>(1,418,496)</u>	<u>(12,894,852)</u>
Cash Flows from Financing Activities:				
Distributions	-	(2,087,121)	1,467,974	(619,147)
Proceeds from notes payable	838,466	729,585	-	1,568,051
Principal payments on notes payable	(853,766)	(3,271,653)	5,571	(4,119,848)
Proceeds from contingent debt	400,000	-	-	400,000
Payments on contingent debt and deferred interest	(22,913)	(3,618,367)	2,274,117	(1,367,163)
Net cash provided by (used in) financing activities	<u>361,787</u>	<u>(8,247,556)</u>	<u>3,747,662</u>	<u>(4,138,107)</u>
Net Change in Cash and Restricted Cash	(9,232,634)	(561,207)	-	(9,793,841)
Cash and Restricted Cash:				
Beginning of year	<u>15,035,920</u>	<u>31,139,205</u>	<u>-</u>	<u>46,175,125</u>
End of year	<u>\$ 5,803,286</u>	<u>\$ 30,577,998</u>	<u>\$ -</u>	<u>\$ 36,381,284</u>
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	<u>\$ 521,912</u>	<u>\$ 2,902,924</u>	<u>\$ (6,280)</u>	<u>\$ 3,418,556</u>
Supplemental Disclosure of Non-cash Transactions:				
Capitalized interest included in projects under development	<u>\$ (234,899)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (234,899)</u>
Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:				
Cash	\$ 4,323,167	\$ 12,787,343	\$ -	\$ 17,110,510
Current portion of escrows and restricted deposits	-	1,029,707	-	1,029,707
Escrows and restricted deposits, net of current portion	<u>1,480,119</u>	<u>16,760,948</u>	<u>-</u>	<u>18,241,067</u>
Total cash and restricted cash shown in the consolidating statement of cash flows	<u>\$ 5,803,286</u>	<u>\$ 30,577,998</u>	<u>\$ -</u>	<u>\$ 36,381,284</u>

The accompanying notes are an integral part of these consolidating statements.

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DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Cash Flows
For the Year Ended December 31, 2023

	Dorchester Bay	Rental	Eliminations	Total
Cash Flows from Operating Activities:				
Changes in net assets	\$ 1,221,014	\$ (218,463)	\$ (2,287,393)	\$ (1,284,842)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation and amortization	52,475	6,914,851	(447,135)	6,520,191
Amortization charged as interest expense	4,591	119,437	-	124,028
Bad debts and credit losses	212,665	528,612	-	741,277
Capital grants	(434,645)	-	-	(434,645)
Forgiveness of related party advances	128,744	-	(128,744)	-
Allowance on notes receivable and due from affiliates	(1,045,522)	-	1,045,522	-
Deferred interest	-	2,189,440	(1,222,792)	966,648
Allowance on investment in affiliate	(258,636)	-	258,636	-
Change in discount on notes payable	-	20,921	-	20,921
Changes in lease assets and liabilities	25,941	-	(25,941)	-
Changes in operating assets and liabilities:				
Grants receivable	1,145,422	-	-	1,145,422
Tenant and other receivables	288,384	(532,686)	-	(244,302)
Due from affiliates	(648,612)	(72,144)	720,756	-
Prepaid expenses and other current assets	(55,737)	(99,903)	-	(155,640)
Due to affiliates	72,144	768,642	(840,786)	-
Accounts payable and accrued expenses	(867,434)	(56,601)	-	(924,035)
Conditional grant advance	(30,510)	-	-	(30,510)
Net cash provided by operating activities	(189,716)	9,562,106	(2,927,877)	6,444,513
Cash Flows from Investing Activities:				
Investment in affiliate	(291,364)	-	291,364	-
Net increase in notes and interest receivable	(1,695,271)	-	-	(1,695,271)
Payments on notes and interest receivable to related parties	1,081,053	-	(1,081,053)	-
Purchase of property and equipment	(575,810)	(1,611,138)	242,783	(1,944,165)
Increase in capitalized costs	-	(334,699)	-	(334,699)
Increase in projects under development	(9,649,412)	-	-	(9,649,412)
Net cash used in investing activities	(11,130,804)	(1,945,837)	(546,906)	(13,623,547)
Cash Flows from Financing Activities:				
Capital contributions	-	2,228,529	(291,364)	1,937,165
Distributions	-	(2,043,567)	1,879,500	(164,067)
Proceeds from capital grants	434,645	-	-	434,645
Proceeds from notes payable	10,466,193	1,626,333	-	12,092,526
Principal payments on notes payable	(913,791)	(3,396,622)	5,393	(4,305,020)
Proceeds from contingent debt	-	1,313,000	(25,000)	1,288,000
Payments on contingent debt and deferred interest	-	(3,531,763)	1,906,254	(1,625,509)
Net cash provided by financing activities	9,987,047	(3,804,090)	3,474,783	9,657,740
Net Change in Cash and Restricted Cash	(1,333,473)	3,812,179	-	2,478,706
Cash and Restricted Cash:				
Beginning of year	16,369,393	27,327,026	-	43,696,419
End of year	\$ 15,035,920	\$ 31,139,205	\$ -	\$ 46,175,125
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	\$ 465,749	\$ 2,985,310	\$ (6,217)	\$ 3,444,842
Projects under development funded through construction payables	\$ 959,175	\$ -	\$ -	\$ 959,175
Supplemental Disclosure of Non-cash Transactions:				
Projects under development funded through construction payables and accrued expenses	\$ 959,175	\$ -	\$ -	\$ 959,175
Capitalized interest included in projects under development	\$ 170,236	\$ -	\$ -	\$ 170,236
Note payable converted to capital contribution	\$ 1,364,864	\$ -	\$ -	\$ 1,364,864
Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:				
Cash	\$ 13,918,340	\$ 11,052,288	\$ -	\$ 24,970,628
Current portion of escrows and restricted deposits	-	1,474,416	-	1,474,416
Escrows and restricted deposits, net of current portion	1,117,580	18,612,501	-	19,730,081
Total cash and restricted cash shown in the consolidating statement of cash flows	\$ 15,035,920	\$ 31,139,205	\$ -	\$ 46,175,125

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Functional Expenses
For the Year Ended December 31, 2024

	Dorchester Bay						Total Dorchester Bay	Rental (Exhibit B)	Eliminations	Total
	Community Services	Asset Management	Loan Programs	Project Development	General and Adminis- trative	Fundraising				
Personnel and Related Costs:										
Payroll	\$ 343,795	\$ 115,475	\$ 726,387	\$ 722,075	\$ 874,226	\$ 421,096	\$ 3,203,054	\$ -	\$ -	\$ 3,203,054
Consulting and contract labor	-	-	-	-	-	-	-	3,192,979	-	3,192,979
Employee benefits	55,136	2,929	46,330	66,411	232,030	44,204	447,040	-	-	447,040
Payroll taxes	28,342	9,373	77,689	56,591	209,954	45,672	427,621	-	-	427,621
Total personnel and related costs	427,273	127,777	850,406	845,077	1,316,210	510,972	4,077,715	3,192,979	-	7,270,694
Occupancy:										
Interest	-	-	-	479,753	4,592	-	484,345	3,021,560	(6,280)	3,499,625
Contracted services	-	-	-	1,158	-	-	1,158	2,972,938	-	2,974,096
Utilities	33,299	-	-	6,422	1,716	-	41,437	2,601,346	-	2,642,783
Repairs and maintenance	2,518	-	-	17,883	210	-	20,611	1,703,996	-	1,724,607
Real estate taxes	-	-	-	4,194	677	-	4,871	1,519,658	-	1,524,529
Insurance	-	1,335	1,899	9,621	-	-	12,855	1,312,367	-	1,325,222
Rent	-	10,017	-	53,220	127,893	210,281	401,411	23,718	(402,610)	22,519
Total occupancy	35,817	11,352	1,899	572,251	135,088	210,281	966,688	13,155,583	(408,890)	13,713,381
Other:										
Professional fees	29,505	33,018	66,588	73,841	698,462	58,401	959,815	556,843	-	1,516,658
Management fees	-	-	-	72,618	-	-	72,618	1,263,508	(118,093)	1,218,033
Office	17,415	30	66,493	97,848	312,902	10,368	505,056	704,083	-	1,209,139
Grants paid to others	-	-	625,357	322,363	-	-	947,720	-	-	947,720
Miscellaneous	51,959	9,355	258,094	47,649	124,063	40,112	531,232	237,375	-	768,607
Bad debts and credit losses	-	-	359,291	9,012	7,224	-	375,527	200,472	-	575,999
Tenant assistance and other	269,375	-	-	-	-	-	269,375	-	-	269,375
Tenant services	-	-	-	-	-	-	-	630,562	(515,805)	114,757
Interest	-	-	42,159	-	-	-	42,159	-	-	42,159
Total other	368,254	42,403	1,417,982	623,331	1,142,651	108,881	3,703,502	3,592,843	(633,898)	6,662,447
Total expenses before depreciation and amortization and allocation of general and administrative	831,344	181,532	2,270,287	2,040,659	2,593,949	830,134	8,747,905	19,941,405	(1,042,788)	27,646,522
Depreciation and Amortization	-	-	-	10,634	59,248	-	69,882	6,828,442	(399,591)	6,498,733
Total expenses before allocation of general and administrative	831,344	181,532	2,270,287	2,051,293	2,653,197	830,134	8,817,787	26,769,847	(1,442,379)	34,145,255
Allocation of General and Administrative	423,178	92,405	1,155,640	981,974	(2,653,197)	-	-	-	-	-
	1,254,522	273,937	3,425,927	3,033,267	-	830,134	8,817,787	26,769,847	(1,442,379)	34,145,255
Less - capitalized costs	-	-	-	(122,178)	-	-	(122,178)	-	-	(122,178)
Total expenses	\$ 1,254,522	\$ 273,937	\$ 3,425,927	\$ 2,911,089	\$ -	\$ 830,134	\$ 8,695,609	\$ 26,769,847	\$ (1,442,379)	\$ 34,023,077

The accompanying notes are an integral part of these consolidating statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Functional Expenses
For the Year Ended December 31, 2023

	Dorchester Bay									
	Program Services				General and Adminis- trative	Fundraising	Total Dorchester Bay	Rental (Exhibit B)	Eliminations	Total
	Community Services	Asset Management	Loan Programs	Project Development						
Personnel and Related Costs:										
Payroll	\$ 398,223	\$ 108,140	\$ 730,894	\$ 654,445	\$ 811,451	\$ 482,138	\$ 3,185,291	\$ -	\$ -	\$ 3,185,291
Consulting and contract labor	-	-	-	-	-	-	-	2,903,914	-	2,903,914
Employee benefits	29,335	10,642	66,522	65,928	219,032	37,634	429,093	-	-	429,093
Payroll taxes	57,470	10,290	68,023	60,005	114,007	43,997	353,792	-	-	353,792
Total personnel and related costs	485,028	129,072	865,439	780,378	1,144,490	563,769	3,968,176	2,903,914	-	6,872,090
Occupancy:										
Interest	-	-	-	390,571	3,443	-	394,014	3,120,452	(6,217)	3,508,249
Contracted services	-	-	-	-	-	-	-	2,941,621	-	2,941,621
Utilities	11,701	-	-	1,577	6,207	-	19,485	2,397,590	-	2,417,075
Repairs and maintenance	-	-	-	1,529	915	-	2,444	1,628,741	-	1,631,185
Real estate taxes	-	-	-	3,709	-	-	3,709	1,553,430	-	1,557,139
Insurance	-	-	7,079	72,099	-	-	79,178	1,094,389	-	1,173,567
Rent	761	12,886	-	13,176	204,216	-	231,039	21,856	(231,041)	21,854
Total occupancy	12,462	12,886	7,079	482,661	214,781	-	729,869	12,758,079	(237,258)	13,250,690
Other:										
Professional fees	73,253	2,865	79,822	41,336	875,099	23,859	1,096,234	567,112	-	1,663,346
Management fees	-	-	-	72,580	-	-	72,580	1,134,031	(120,872)	1,085,739
Office	37,112	46,695	45,659	20,135	257,257	11,648	418,506	514,566	-	933,072
Grants paid to others	-	-	179,531	137,007	-	-	316,538	-	(66,131)	250,407
Miscellaneous	25,412	20,624	298,427	8,021	64,681	36,207	453,372	201,044	-	654,416
Bad debts and credit losses	-	-	179,015	21,366	12,284	-	212,665	528,612	-	741,277
Tenant assistance and other	19,429	-	-	-	-	-	19,429	-	-	19,429
Tenant services	-	-	-	-	-	-	-	620,896	(506,191)	114,705
Interest	-	-	76,326	-	-	-	76,326	-	-	76,326
Total other	155,206	70,184	858,780	300,445	1,209,321	71,714	2,665,650	3,566,261	(693,194)	5,538,717
Total expenses before depreciation and amortization and allocation of general and administrative										
	652,696	212,142	1,731,298	1,563,484	2,568,592	635,483	7,363,695	19,228,254	(930,452)	25,661,497
Depreciation and Amortization	-	-	-	10,318	42,157	-	52,475	6,914,851	(447,135)	6,520,191
Total expenses before allocation of general and administrative										
	652,696	212,142	1,731,298	1,573,802	2,610,749	635,483	7,416,170	26,143,105	(1,377,587)	32,181,688
Allocation of General and Administrative	427,350	138,899	1,133,561	910,939	(2,610,749)	-	-	-	-	-
Less - capitalized costs										
	1,080,046	351,041	2,864,859	2,484,741	-	635,483	7,416,170	26,143,105	(1,377,587)	32,181,688
	-	-	-	(182,516)	-	-	(182,516)	-	-	(182,516)
Total expenses	\$ 1,080,046	\$ 351,041	\$ 2,864,859	\$ 2,302,225	\$ -	\$ 635,483	\$ 7,233,654	\$ 26,143,105	\$ (1,377,587)	\$ 31,999,172

The accompanying notes are an integral part of these consolidating statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

1. OPERATIONS AND NONPROFIT STATUS

Dorchester Bay Economic Development Corporation (DBEDC), a Massachusetts nonprofit corporation, was formed in 1979 by local civic associations to address the problems of economic disinvestment, unemployment, crime, community tensions, and the shortage of quality affordable housing undermining Boston's Dorchester neighborhoods. Working closely with neighborhoods, residents, businesses, and partners, DBEDC accesses resources to develop and preserve home ownership and rental housing across income levels, create and sustain economic development opportunities for businesses and individuals, and build community through organizing, civic engagement, and leadership development.

DBEDC is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). DBEDC is also exempt from state income taxes. Contributions are deductible by donors within the requirements of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES

DBEDC prepares its consolidating financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Principles of Consolidation

The accompanying consolidating financial statements include the accounts of DBEDC, its wholly-owned and majority-owned subsidiaries, and certain controlled limited partnerships (LPs), limited liability corporations (LLCs), and nonprofit organizations that own and operate real estate developments sponsored by DBEDC (see Note 3). All significant intercompany balances and transactions have been eliminated in the accompanying consolidating financial statements. DBEDC and its related organizations are collectively referred to as the Agency in the accompanying consolidating financial statements and notes.

Cash and Escrows and Restricted Deposits

For purposes of the consolidating statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents, except funds that are included in the DBEDC's investments (see page 13). Cash also includes restricted cash consisting of escrows and restricted deposits (see Note 5). As of December 31, 2024 and 2023, there were no cash equivalents.

Notes and Interest Receivable and Allowance for Credit Losses

General

Notes receivable are presented at amortized cost basis net of an allowance for credit losses (ACL) as of December 31, 2024, and an allowance for loan losses (see Note 6 and below). Interest on notes is calculated by using the simple interest method on monthly outstanding balances of the principal amount outstanding.

In connection with Topic 326, the Agency follows a non-accrual policy to reverse any accrued, uncollected interest income as loans are moved to non-accrual status. The Agency considers the length of time without payment from the borrower and other triggering events when determining that a note should be moved to nonaccrual status and no longer recognize interest revenue on the note.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes and Interest Receivable and Allowance for Credit Losses (Continued)

General (Continued)

The Agency evaluates notes receivable with similar risk characteristics on a collective (pooling) basis.

Loans funded under various tax credit programs are evaluated on an individual basis. Management believes calculating the ACL on these loans on an individual loan-by-loan basis provides the most accurate estimate for potential credit losses over the lifetime of each loan. See Note 6 for determining ACL on these loans.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. There were no loans evaluated on an individual basis besides the loans funded under various tax credit programs, as of the December 31, 2024 and 2023.

The Agency applies the weighted-average remaining life to maturity (WARM) method to estimate the expected credit losses for the Loan Fund loan pool based on the contractual term of the loans not including extensions, renewals and modifications. The WARM methodology utilizes the Agency's historical default and loss experience adjusted for current conditions and future economic forecasts. The Agency has elected to utilize a five-year lookback period for the WARM method calculation based on a lending portfolio that is comprised of amortizing loans to borrowers with maturities up to five years from the date of issuance. The reasonable and supportable forecast period represents a one-year economic outlook (as of December 31, 2024) for the applicable economic variables. At the end of the one-year reasonable and supportable forecast period, assumption variables start to revert to the five-year average of historical values over the lifetime of the loans. Management of the Agency considered significant factors that could affect the expected future collectability of the amortized cost basis of the portfolio and determined that the primary factors are Federal interest rate fluctuation and changes to the Consumer Pricing Index. See Note 6 for disclosure of the Agency's qualitative factors as of the December 31, 2024 and 2023.

The FASB clarified that operating rent receivables accounted for by a lessor in accordance with the leasing guidance in ASC Topic 842, *Leases*, grants and government contracts receivable under ASC Subtopic 958-605, *Revenue Recognition*, and notes and other receivables between common control affiliates (see Note 3) are not within the scope of Topic 326.

Projects Under Development

All project-related costs incurred during predevelopment and construction are capitalized for developments currently owned by the Agency. Project-related costs include, among others, staff overhead costs, construction costs, interest, and other soft costs, and are reflected as projects under development in the accompanying consolidating financial statements (see Note 7). Where the Agency has paid for project-related costs for developments owned by other entities, such costs are reflected as due from affiliates in the accompanying consolidating financial statements.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Improvements and major renovations are capitalized, while ordinary repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over the following estimated useful lives:

Land improvements	15 years
Buildings and improvements	5 - 40 years
Furniture, fixtures and equipment	3 - 10 years

Land is not depreciated. Depreciation expense for the years ended December 31, 2024 and 2023, was \$6,443,382 and \$6,475,050, respectively.

The Agency reviews the value of its property and equipment for impairment whenever changes in circumstances indicate that the carrying value of such property may not be recoverable in accordance with the requirements of ASC Topic, *Property, Plant and Equipment*, under U.S. GAAP. There was no impairment loss recognized in 2024 or 2023.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method (see Notes 8 and 9).

Capitalized Costs and Amortization

Capitalized costs consist of capitalized tax credit fees and capitalized leasing costs totaling \$884,452 as of December 31, 2024 and 2023, respectively. These fees have been capitalized and are being amortized on the straight-line basis over the term of the tax credit period or the lease period (fifteen years). Accumulated amortization was \$392,228 and \$336,876 as of December 31, 2024 and 2023, respectively. Amortization expense for 2024 and 2023 was \$55,351 and \$45,141, respectively. Amortization expense is expected to be \$55,050 for the next five years.

Investments

During 2024, DBEDC opened an investment account that consists of Treasury bills which totaled \$8,837,446 as of December 31, 2024. Investments are reflected as long-term assets in the accompanying consolidating statements of financial position, regardless of maturity (July 2025) or liquidity, in accordance with the DBEDC's intent to hold investments for long-term growth. Investment income is recognized when earned. Investments are valued using Level 1 inputs (see page 17).

Investments in Affiliates

Investments in affiliates are accounted for using the cost method and are generally eliminated in consolidation. Investments in affiliates consist of development grants and subsidies received by DBEDC and invested into various limited partnerships through DBEDC's general partner subsidiaries (see page 20) as support for development projects carried on by those limited partnerships. Investments in affiliates are increased as new cash investments are made or by anticipated valuation recoveries of reserved investments. Investments in affiliates are reduced by cash distributions received which represents return of capital or impairments based on recoverability analysis (see Note 3).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidating Statements of Activities

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and operating expenses in the accompanying consolidating statements of activities. Peripheral or incidental transactions are reported as non-operating revenues (expenses).

Revenue Recognition

Earned Revenue

The Agency generally measures revenue for qualifying exchange transactions based on the amount of consideration the Agency expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Agency satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Agency evaluates its revenue contracts with customers (i.e., developer fee and service fee contracts) based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Developer fees are earned by DBEDC in its role as sponsor and developer of its affiliates' projects (see Note 3). Developer fees are generally earned under written developer agreements executed with the affiliates that detail the rights and responsibilities of both parties under each project development agreement. The agreements define the scope of activities to be provided by DBEDC and generally include supervising and coordinating project projections, overseeing the construction and/or rehabilitation, obtaining the necessary permitting, and overseeing and coordinating any reporting requirements of the project. These activities under the agreement are considered a single performance obligation as the services provided are not considered to be distinct within the context of the agreement. DBEDC determined the services within the agreement are highly interdependent with each other and comprise an integrated series of activities associated with the completion of a single real estate development project. Developer agreements define the fixed compensation that DBEDC is expected to be entitled and a schedule of payments to be made from project development sources and, in some cases, from net cash flow from project operations. The performance obligations under developer agreements are satisfied over time as DBEDC's performance creates or enhances a real estate asset that the affiliate controls. Accordingly, DBEDC recognizes revenue from developer agreements over time, as the services are rendered, based on an input method of developer time and effort incurred relative to total expected developer time and effort to complete the contract. Due to the contingent nature of certain developer fees which may be payable from net cash flow from project operations, some are not recognized until received or when collection is assured. See Note 3 for required disclosures related to these developer agreements.

Resident and program service fees are recognized by DBEDC for services provided to their affiliates (see Note 3), which include partnership management fees and asset management fees. Services are generally provided on an annual basis incident to separate agreements that renew annually at the election of the parties or under aspects of the operating agreements that govern the operations of the affiliate. These agreements specify the compensation for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the affiliate receives the benefits provided as DBEDC performs. Management fees are generally recognized in one calendar year. Compensation is generally fixed under the relevant agreement but may contain variable components in the case of certain partnership management services. Certain fees are only earned and/or payable subject to the availability of net cash flow from the affiliate's operations and are only recognized as revenue when collection is assured.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contribution Revenue

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Agency must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Agency should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met (see Note 15).

The Agency reports gifts and grants of cash and other assets, including funds raised from special events, as net assets with donor restrictions if they are received or pledged with donor stipulations that limit the use of the donated assets with respect to purpose or time. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidating statements of activities as net assets released from restrictions. Amounts received and released from restrictions within the same fiscal year are reported as net assets without donor restrictions. Grants and contributions without donor restrictions are recognized when received or unconditionally committed by the donor.

The Agency has contracts with the Commonwealth of Massachusetts and the City of Boston. Amounts received under these contracts have been recorded in accordance with Topic 958 (see above). These contracts consist of non reciprocal transactions because the general public receives the benefit as a result of the transfer. The conditional contributions are recognized as services are provided or as cost are incurred. These contracts are included in grants and contributions revenue in the accompanying consolidating statements of activities.

Rental income is accounted for in accordance with Topic 842 and is recognized over the rental period and is shown net of vacancies and concessions of \$581,547 and \$470,959 for 2024 and 2023, respectively. Advance receipts of rental income are classified as liabilities until earned.

The Affiliates lease apartment units of various properties to various tenants for a period of twelve months or less. The lease agreements may contain renewals for a period of twelve months or less and do not require any variable lease payments. Because of the uncertainty of tenants' renewals and the existence of a mutual termination clause in the lease agreements, the Affiliates treat all residential leases as short-term leases. One affiliate also leases commercial space to third party tenants continuing through November 2118 (see Note 12).

Interest income and other is recognized as earned. Special event revenue is recognized when the event occurs. Recovery of notes receivable and due from affiliates that are payable from project cash flow are recognized as non-operating revenue upon receipt.

Mortgage loan and bank interest income from the Commonwealth of Massachusetts, Executive Office of Housing and Livable Communities (EOHLC) notes receivable and lending cash reserves held by Boston Homeowner Services Collaborative, Inc. are recorded as net assets with donor restrictions additions (see page 18). Interest income of the NeighborWorks® America (NWA) revolving loan fund was included in net assets without donor restrictions. All other income is recognized as earned.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Agency assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) and determines lease classification as operating or finance at inception. The Agency only reassesses their determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded in the consolidating statements of financial position.

All of the Agency's leases are presented as right-of-use (ROU) assets with a corresponding current and long-term lease liability in the accompanying consolidating statements of financial position. ROU assets represent the Agency's right to use an underlying asset during its lease term, and lease liabilities represent the obligation to make lease payments.

Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The ROU assets equal the lease liabilities adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Agency uses the implicit discount rate when it is readily determinable. Since the Agency's leases do not provide an implicit rate, the Agency used the incremental borrowing rate based on information available at the lease commencement date to determine the present value of the lease payments. Variable rent payments, if included in the lease agreement and not determinable at the lease commencement, are not included in the measurement of the lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. The Agency's lease terms may include options to extend or terminate the lease. The Agency may elect to extend or terminate the lease when it is reasonably certain that the option will be exercised. As of December 31, 2024, these options were not exercised, and therefore, were not included in the calculation of ROU assets and lease liabilities.

Estimates

The preparation of consolidating financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidating financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation

Expenses related directly to a program or function are distributed to that program or function, while other expenses are allocated based upon management's estimate of the percentage attributable to each program or function.

The consolidating statements of functional expenses contain certain categories of expenses that are attributable to program and supporting functions and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, employee benefits, payroll taxes, and professional fees, which are allocated based on an estimate of time and level of effort spent on the Agency's programs and supporting functions. Expenses such as office, utilities, rent, and insurance, are allocated based on square footage.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Agency follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Agency would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Agency uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Agency. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Net Asset Classification

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Agency. The Agency has grouped its net assets without donor restrictions into the following categories:

- **Operating net assets** represent the portion of each net asset group that is considered substantially liquid and available for general operations in the near term.
- **Development net assets** represent those assets and liabilities related to the Agency's project developments, completed and uncompleted, which are long-term in nature and are not expected to be available for operations for at least one year from the consolidating statements of financial position date.
- **Property and equipment net assets** represent that portion of net assets invested into property and equipment, including related restricted deposits (see Note 5) and ROU assets, net of related liabilities.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classification (Continued)

Net assets without donor restrictions (Continued)

- **Board designated net assets:** DBEDC's Board of Directors has designated net assets without donor restrictions for the following purposes as of December 31, 2024 and 2023:

Operating reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, an unanticipated loss in funding, or uninsured losses. Operating reserves were \$298,014 as of December 31, 2024 and 2023.

Non-operating reserve is intended primarily to provide an internal source of funds for predevelopment projects where grants, lines of credit or other funding sources are not available. While there might be other expenditures where this fund may be used, it is intended for emergencies and not for strategic or opportunistic matters. Non-operating reserves were \$62,420 as of December 31, 2024 and 2023.

Net assets with donor restrictions include those net resources not yet released in accordance with donor designations. Net assets with donor restrictions consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Project Development:		
Fairmount Collaborative (see Note 7)	\$ 5,000	\$ 150,000
Other	<u>-</u>	<u>220,000</u>
Subtotal Project Development	5,000	370,000
Other Purpose Restricted Grants:		
Other	250,810	995,928
Loan capital	83,333	933,159
Revolving loan fund capital - NWA	<u>-</u>	<u>119,501</u>
	<u>\$ 339,143</u>	<u>\$ 2,418,588</u>

Net assets with donor restrictions also include revolving loan fund balances that may be used to cover loan losses, if any, incurred in the respective funds.

Net assets with donor restrictions also included revolving loan fund capital restricted by NWA. NWA reserved the right to specifically approve reductions in the balance of its funding when any portion of the principal of their fund becomes impaired because of loan losses. Accordingly, these funds have been classified as net assets with donor restrictions. Until such time as loan loss approvals are received, the allowance for loan losses in this fund is reflected as an unrestricted deficit. During 2024, the Agency received approval to release the balance of these funds.

Non-controlling interests represent the net capital interests of outside investors participating in the ownership of certain consolidating affiliates of DBEDC.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Agency accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidating financial statements regarding a tax position taken or expected to be taken in a tax return. The Agency has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidating financial statements at December 31, 2024 and 2023.

DBEDC, DBH, DBNLF, Indigo Support Corporation, and BHSC (see Note 3) are exempt from income taxes under Section 501(c)(3) of the IRC. The General Partners are for-profit corporations subject to income taxation at the Federal and state levels. The General Partners had, for Federal income tax purposes, net operating loss carryforwards available to offset future taxable income as of December 31, 2024 and 2023. Net operating losses incurred through 2017 will be carried forward and expire at various dates through 2037. Net operating losses incurred in 2018 and onward will be carried forward indefinitely. The value of the deferred tax assets associated with the net operating loss carryforwards has been reserved due to the uncertainty of their future use. No income tax provision has been included in the consolidating financial statements for the rental properties (see Note 3) as the income, loss and credits are reported by the partners on their respective income tax returns.

Subsequent Events

Subsequent events have been evaluated through July 8, 2025, which is the date the consolidating financial statements were available to be issued. See Notes 11 and 17 for events that met the criteria for recognition or disclosure in the consolidating financial statements.

3. RELATED PARTY TRANSACTIONS

Consolidated Entities

DBEDC shares common Board members and management with Indigo Support Corporation, DBH, DBNLF, and BHSC. These entities, controlled affiliates and the general partner subsidiaries, as listed below and on pages 20 through 21, are collectively referred to as Dorchester Bay in the accompanying consolidating financial statements.

The Agency's consolidating financial statements include the following entities:

Entity		State Formed	Ownership Information
Dorchester Bay Consolidated Entities:			
DB Housing, Inc.	(DBH)	MA	100% controlled by DBEDC
Dorchester Bay Neighborhood Loan Fund	(DBNLF)	MA	100% controlled by DBEDC
Boston Homeowner Services Collaborative, Inc.	(BHSC)	MA	100% controlled by DBEDC

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Consolidated Entities (Continued)

Entity		State Formed	Ownership Information
Controlled Affiliates:			
Dorchester Family Homes LLC	(DFH)	MA	100% owned by DBEDC
DB Industrial, Inc.	(DBI)	MA	100% owned by DBEDC
DB Commercial, Inc.	(DBC)	MA	100% owned by DBEDC
Indigo Apartments Landowner LLC	(Indigo Landowner)	MA	100% owned by DBEDC
Indigo Blocker LLC ***	(Indigo Blocker)	MA	79% owned by DBEDC
Cottage Brook Housing Limited Partnership	(CBLP)	MA	1% owned by DBCB Housing Inc., 99% owned by DBEDC
DB Leyland LLC	(DB Leyland)	MA	100% owned by DBEDC
Leyland Street LLC **	(Leyland Street)	MA	99.99% owned by Massachusetts Housing Equity Fund XXVII LLC .01% owned by LSH
General Partner Subsidiaries:			
Dorchester Bay Development Corporation	(DBDC)	MA	100% owned by DBEDC
Glendale Properties, Inc. ****	(GPI)	MA	100% owned by DBEDC
DBEDC Glendale Properties LLC ****	(GPLLC)	MA	100% owned by DBEDC
DBCB Housing Inc.	(DBCB)	MA	100% owned by DBEDC
Leyland Senior Housing Manager LLC	(LSH)	MA	100% owned by DBEDC
Ceylon Field, Inc.	(CFI)	MA	100% owned by DBEDC
Wilder Gardens, Inc. ****	(WGI)	MA	100% owned by DBEDC
DBEDC Wilder Gardens LLC ****	(WGLLC)	MA	100% owned by DBEDC
DB Pierce MM LLC	(DBP MM)	MA	100% owned by DBEDC
150 Magnolia Corporation	(150 MM)	MA	100% owned by DBEDC
DB Uphams, Inc.	(DBUI)	MA	Majority owned by DBEDC
QHI Housing, Inc.	(QHI)	MA	Majority owned by DBEDC
Dudley Terrace Housing, Inc.	(DTH)	MA	Majority owned by DBEDC
Brunswick Holborn Housing, Inc.	(BHI)	MA	Majority owned by DBEDC
Columbia Wood Housing, Inc.	(CWI)	MA	Majority owned by DBEDC
DV North Housing, Inc.	(DVNI)	MA	Majority owned by DBEDC
DV South Housing, Inc.	(DVSI)	MA	Majority owned by DBEDC
DB Cottage Brook, Inc.	(DB Cottage)	MA	Majority owned by DBEDC
DB Dudley Terrace MM LLC	(DBDT MM)	MA	50% owned by DBEDC
Indigo Apartments MM LLC	(Indigo MM)	MA	40% owned by Indigo Blocker
Rental Properties:			
DB Pierce LLC	(DB Pierce)	MA	1% owned by DBP MM
Geneva Apartments LLC	(Geneva)	MA	51% owned by DBH
DB Uphams Limited Partnership	(DBULP)	MA	99% owned by DBEDC, 1% owned by DBUI
Glendale Associates Limited Partnership ****	(GALP)	MA	99% owned by DBH, 1% owned by GPI
Dudley Village North Commercial LLC	(DVNC)	MA	51% owned by DBEDC, 49% owned by DBH
DB 618 Dudley Street LLC *	(DB618)	MA	100% owned by DBH

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Consolidated Entities (Continued)

Entity		State Formed	Ownership Information
Rental Properties: (Continued)			
DB 555 Dudley Street LLC *	(555 Dudley)	MA	100% owned by DBEDC
Wilder Gardens Limited Partnership ****	(Wilder)	MA	99.99% owned by DBEDC, .01% owned by WGI
Ceylon Field Limited Partnership	(Ceylon)	MA	99.99% owned by DBEDC, .01% owned by CFI
Dudley Terrace Limited Partnership	(Dudley Terrace)	MA	99.99% ownership by DBEDC, .01% owned by DBDT MM
Dudley Terrace Apartments LLC *	(Dudley Terrace Apartments)	MA	100% owned by DBEDC
150 Magnolia Limited Partnership	(150 Magnolia)	MA	.01% 150 MM
Brunswick Holborn Two Limited Partnership	(Brunswick)	MA	0.01% owned by BHI
Columbia Wood Two Limited Partnership	(Columbia)	MA	0.01% owned by CWI
Dudley Village North Limited Partnership	(DV North)	MA	99% owned by DBEDC, 0.01% owned by DVNI
Dudley Village South Limited Partnership	(DV South)	MA	0.01% owned by DVSI
Quincy Heights Limited Partnership	(Quincy Heights)	MA	0.01% owned by QHI Housing, Inc.
Cottage Brook Apartments Limited Partnership	(Cottage Brook)	MA	0.01% owned by DB Cottage Brook, Inc.
Indigo Properties:			
Indigo Support Corporation (not-for-profit entity)	(Indigo Support)	MA	100% controlled by DBEDC
Indigo Master Tenant LLC *	(Indigo MT)	MA	100% owned by DBEDC

* These entities have elected to be disregarded as a separate entity for tax purposes.

** Controlling interest was transferred to an unrelated third party in 2024 and, therefore, this entity is no longer consolidated.

*** This entity holds 40% interest in Indigo Apartments MM LLC which is the managing member of Indigo Block Apartments, a non-consolidated entity.

**** On December 31, 2024, GPI's interest in GALP was transferred to GPLLC and WGI's interest in Wilder was transferred to WGLLC. GPI and WGI are expected to be dissolved during 2025. Also on December 31, 2024, DBH's interest in GALP was transferred to DBEDC.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Investments in Affiliates

Investments in affiliates in the accompanying consolidating statements of financial position consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
DB Pierce	\$ 5,831,448	\$ 5,831,448
Indigo Properties	1,418,289	1,418,289
Other Affiliates	<u>281,566</u>	<u>281,666</u>
	7,531,303	7,531,403
Less - valuation allowance	(6,325,295)	(6,418,827)
Less - related party elimination	<u>(1,206,008)</u>	<u>(1,112,576)</u>
Net investments in affiliates	\$ <u>-</u>	\$ <u>-</u>

During 2024, DBEDC recognized \$93,432 of recovery from investment in DB Pierce. During 2023, DBEDC recognized \$550,000 of recovery from investment in DB Pierce which is reflected net of additional write-offs related to Indigo Properties of \$291,364 in the accompanying consolidating statement of activities due to an anticipated distribution of \$550,000 expected in 2024. As of December 31, 2024 and 2023, total unreserved investments in affiliates consist of \$562,576 related to Indigo Properties. As of December 31, 2024 and 2023, total unreserved investments in affiliates also consist of \$643,432 and \$550,000, respectively, related to DB Pierce. DBEDC does not intend to seek recovery of other investments, which have been fully reserved in the accompanying consolidating financial statements.

Notes and Interest Receivable from Related Parties

The following project development notes receivable with accrued interest from various controlled LPs and LLCs are generally subordinated to first mortgages held by banks or government entities. The ability of the Agency to realize these assets is dependent upon the ability of the controlled LPs and LLCs to generate sufficient cash flow from operations or from the sale or refinancing of their properties (see Note 2). Due to the long-term nature of expected realization, the Agency has fully reserved many of these uncollected balances, including accrued interest, to reflect these assets at expected realizable values.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Notes and Interest Receivable from Related Parties (Continued)

As of December 31, 2024, the balance consisted of:

<u>Borrower</u>	<u># of Notes</u>	<u>Interest Rate</u>	<u>Principal Balance</u>	<u>Accrued Interest</u>	<u>Final Maturity</u>
Cottage Brook Dudley Terrace Apartments	4	0% - 2.61%	\$ 16,726,833	\$ 731,678	Through 2045
150 Magnolia	2	0% - 3.50%	4,125,064	641,511	Through 2052*
Brunswick	3	0% - 6.50%	954,602	1,419,749	Through 2033
DB Pierce	5	0% - 7.62%	796,145	1,156,846	Through 2055
DV South	1	0.01%	790,000	176	September 2062
Columbia	5	0% - 10.0%	623,735	1,735,176	Through 2039
DVNC	3	5.0% - 7.62%	578,917	705,644	Through 2055
DV North	1	1%	529,222	96,492	April 2020**
555 Dudley	4	0% - 6.0%	456,893	660,232	Through 2036
Quincy Heights	3	3.0% - 9.0%	432,283	375,302	Through 2038
DBULP	1	0%	432,464	-	December 2043
	1	0% - 10.0%	274,000	277,638	December 2029
			<u>26,720,158</u>	<u>7,800,444</u>	
Less - amounts characterized as equity*			3,905,518	641,511	
Less - valuation allowance			21,196,974	6,395,733	
Less - current portion - elimination			1,594,785	763,200	
Less - non-current portion elimination			<u>22,881</u>	<u>-</u>	
Net notes and interest receivable from related parties			<u>\$ -</u>	<u>\$ -</u>	

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Notes and Interest Receivable from Related Parties (Continued)

As of December 31, 2023, the balance consisted of:

<u>Borrower</u>	<u># of Notes</u>	<u>Interest Rate</u>	<u>Principal Balance</u>	<u>Accrued Interest</u>	<u>Final Maturity</u>
Cottage Brook Dudley Terrace Apartments	4	0% - 2.61%	\$ 17,738,455	\$ 717,959	Through 2045
150 Magnolia	2	0% - 3.50%	4,426,626	487,748	Through 2052*
Brunswick	3	0% - 6.50%	954,602	1,302,725	Through 2033
DB Pierce	5	0% - 7.62%	796,145	1,073,052	Through 2055
DV South	1	0.01%	790,000	146	September 2062
Columbia	5	0% - 10.0%	623,735	1,534,946	Through 2039
DVNC	3	5.0% - 7.62%	578,917	652,067	Through 2055
DB Leyland	1	1%	529,222	90,212	April 2020**
DV North	2	2.0%	760,556	10,469	Through 2062*
555 Dudley	4	0% - 6.0%	456,893	601,992	Through 2036
Quincy Heights	3	3.0% - 9.0%	437,854	320,775	Through 2038
DBULP	1	0%	432,464	-	December 2043
	1	0% - 10.0%	274,000	464,473	December 2029
			28,534,285	7,253,001	
Less - amounts characterized as equity*			4,185,518	487,748	
Less - valuation allowance			23,683,488	5,094,751	
Less - current portion - elimination			179,321	1,670,502	
Less - non-current portion elimination			485,958	-	
Net notes and interest receivable from related parties			\$ -	\$ -	

* Because these instruments were created among the Agency in controlled transfers, principal and accrued interest on these notes have been characterized as equity in the accompanying consolidating financial statements in accordance with ASC Topic 805 - *Business Combinations*.

** Management is in the process of refinancing this note.

Recovery of (allowance on) notes receivable and due from affiliates which is included in interest income and other in the accompanying consolidating statements of activities includes repayments of principal on notes receivable from cash flow and consists of the following:

	<u>2024</u>	<u>2023</u>
Cottage Brook	\$ 1,442,342	\$ 1,011,592
Dudley Terrace Apartments	21,239	59,076
DB Pierce	-	(25,146)
	<u>\$ 1,463,581</u>	<u>\$ 1,045,522</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Notes and Interest Receivable from Related Parties (Continued)

Included in interest income and other in the accompanying consolidating statements of activities is interest income on related party notes receivable from cash flow as follows:

	<u>2024</u>	<u>2023</u>
Cottage Brook	\$ 381,139	\$ 414,491
DBULP	72,140	244,390
555 Dudley	24,041	8,524
Other	<u>17,922</u>	<u>-</u>
	<u>\$ 759,398</u>	<u>\$ 667,405</u>

Surplus Cash Flow Payments

Incentive and Supplemental Management Fees

DBEDC receives certain incentive and supplemental management fees from its rental projects. Fees received in 2024 and 2023 totaled \$489,307 and \$490,733, respectively. These fees are recognized when paid based on prior cash flow for annual services provided by DBEDC.

Distributions

During 2024, there were distributions of \$2,087,121 from certain limited partnerships based on 2023 cash flow, of which \$619,147 was distributed to unrelated parties. During 2023, there were distributions of \$2,043,567 from certain limited partnerships based on 2022 cash flow, of which \$164,067 was distributed to unrelated parties. There are expected distributions of \$746,492 due in 2025 based on 2024 cash flow. Cash flow distributions from limited partnerships are subject to final approval from certain regulatory agencies, as well as investor approval, therefore, management records the distributions when paid.

Leases

Operating Lease

During 2022, DBEDC entered into a lease agreement with DB Pierce, expiring on November 16, 2032, with two options to extend for a period of five years each. Base rent is due and payable in monthly installments of \$15,388, increasing 3% annually.

The future payments of the lease liabilities are as follows as of December 31, 2024:

2025	\$ 195,470
2026	201,565
2027	207,612
2028	213,840
2029	220,255
Thereafter	<u>680,873</u>
Total	1,719,615
Less - current portion	(195,470)
Less - present value discount	(432,421)
Less - elimination	<u>(1,091,724)</u>
Lease liability, net	<u>\$ -</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Leases (Continued)

Operating Lease (Continued)

DBEDC used a risk-free rate of 7.50% to calculate the present value of the lease liability. DBEDC incurred rent expense of \$261,850 and \$211,007 for the years ended December 31, 2024 and 2023, respectively. In addition, during 2024, DBEDC incurred variable lease costs of \$73,846 for its share of operating and maintenance expenses. These amounts are reflected as rent and eliminated in the accompanying consolidating statements of functional expenses.

Short-Term Leases

DBEDC leases space from certain rental properties under various agreements ranging from tenant-at-will through 2023. DBEDC has elected the practical expedient to not include these leases as operating ROU assets and liabilities in the accompanying consolidating statements of financial position as of December 31, 2024 and 2023. Rent expense under these agreements was \$20,034 for 2024 and 2023, which has been eliminated in the accompanying consolidating statements of activities.

Developer Fees

DBEDC, in its role as sponsor and developer, earns developer fees from each project. DBEDC earned developer fees from the projects noted below, which are shown as developer fees in the accompanying consolidating statements of activities for the years ended December 31:

<u>Project</u>	<u>Total Contract</u>	<u>Recognized Prior to 2023</u>	<u>Recognized During 2023</u>	<u>Recognized During 2024</u>	<u>Remaining Contract Balance</u>
Leyland	\$ 1,800,000	\$ 1,312,500	\$ 292,500	\$ 195,000	\$ -
DB Pierce	900,000	780,000	120,000	-	-
	2,700,000	2,092,500	412,500	195,000	-
Less - reserves	-	(113,711)	(120,000)	-	-
Sub-total	2,700,000	1,978,789	292,500	195,000	-
Less - eliminations	-	(679,138)	(242,783)	950,879	-
Total	<u>\$ 2,700,000</u>	<u>\$ 1,299,651</u>	<u>\$ 49,717</u>	<u>\$ 1,145,879</u>	<u>\$ -</u>

The remaining contract balance generally includes the estimated portion of compensation under the developer agreement related to developer activities not yet completed as of the reporting date. During 2023, developer fees of \$120,000 were deferred and an additional allowance was recorded, which are shown net with developer fee revenue in the accompanying consolidating statements of activities. During 2024, the controlling interest in Leyland was transferred to an unrelated third party and this entity was unconsolidated from the accompanying consolidating financial statements. Accordingly, the elimination of developer fee revenue of \$950,879 from prior years was removed from the accompanying consolidating statement of activities for the year ended December 31, 2024.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

3. RELATED PARTY TRANSACTIONS (Continued)

Due from Affiliates

The following entities have fees and other advances due to or from Dorchester Bay as of December 31, 2024 and 2023. Certain amounts have been reserved by Dorchester Bay, as the amounts are either due from projected cash flow or payment is otherwise undeterminable. Due from affiliates are comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
Current:		
Indigo Support	\$ 193,843	\$ 328,167
Quincy Heights	151,581	228,952
DB Pierce	48,716	74,304
Indigo MM	10,927	30,909
150 Magnolia	6,821	12,058
Cottage Brook	15,000	227,843
DBEDC	1,782	-
Dudley Terrace Apartments	-	308,014
Geneva	-	8,500
Leyland	-	7,477
DVNC	-	3,895
Total current portion	<u>\$ 428,661</u>	<u>\$ 1,230,119</u>
Long-term:		
DB Pierce	\$ 900,000	\$ 974,895
Indigo Properties	489,052	477,136
DV North	155,979	155,979
555 Dudley	90,439	90,439
	<u>1,635,470</u>	<u>1,698,449</u>
Less - valuation allowance	<u>1,126,610</u>	<u>1,114,695</u>
Total long-term portion	<u>\$ 508,860</u>	<u>\$ 583,754</u>

Certain amounts listed above which are advanced to projects were originated through proceeds from notes payable (see Note 8).

Other

The Treasurer of the Agency is employed at a financial institution in which several bank accounts were opened and maintained during 2024 and where certain notes payable are held.

4. CONCENTRATIONS OF CREDIT RISK

The Agency maintains its cash accounts, including escrows and restricted deposits, with several Massachusetts banks. These balances are insured up to limits of the Federal Deposit Insurance Corporation. At certain times throughout the year, deposits may exceed Federally insured limits. The Agency regularly monitors the relative credit standings of these banks to minimize its risk.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

5. ESCROWS AND RESTRICTED DEPOSITS

Escrows

Escrows consist of deposits in escrow accounts, which are restricted for real estate taxes and property insurance.

Restricted Deposits

Operating reserves consist of funds required to be escrowed under the terms of certain mortgage, partnership and operating agreements. These funds are restricted for operating cash flow deficiencies or debt service payments. Approval is required of the mortgagor or investor partner to withdraw funds from these reserve accounts.

Replacement reserves consist of funds required to be escrowed under the terms of certain mortgage, partnership and operating agreements. The replacement reserves are restricted for capital improvements and replacements to the respective properties.

Loan portfolio reserves consist of funds required to be escrowed under the terms of certain mortgage agreements. This fund is restricted for small business lending.

The balance of escrows and restricted deposits includes the following at December 31:

	2024		
	Dorchester Bay	Rental	Total
Current:			
Escrows	\$ -	\$ 1,029,707	\$ 1,029,707
Long-term:			
Operating reserves	125,014	7,823,243	7,948,257
Replacement reserves	-	8,937,528	8,937,528
Loan portfolio reserves	1,354,290	-	1,354,290
Other Reserve	815	177	992
Subtotal	1,480,119	16,760,948	18,241,067
	<u>\$ 1,480,119</u>	<u>\$ 17,790,655</u>	<u>\$ 19,270,774</u>
	2023		
	Dorchester Bay	Rental	Total
Current:			
Escrows	\$ -	\$ 1,474,416	\$ 1,474,416
Long-term:			
Operating reserves	17,308	8,140,228	8,157,536
Replacement reserves	-	10,327,273	10,327,273
Loan portfolio reserves	-	145,000	145,000
Subtotal	1,100,272	-	1,100,272
	<u>1,117,580</u>	<u>18,612,501</u>	<u>19,730,081</u>
	<u>\$ 1,117,580</u>	<u>\$ 20,086,917</u>	<u>\$ 21,204,497</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

6. NOTES AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Loan Programs

Notes receivable issued consist of various loans made to small businesses. Interest rates range from approximately 6% to 8%. The maturities of the notes range from three to twenty years. Substantially all of the loans are secured by a security interest in business assets of the borrower.

Notes receivable for loan programs are comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
Total notes receivable	\$ 2,302,195	\$ 2,452,837
Plus - accrued interest	84,074	78,204
Less - current portion, net of allowance for credit losses of \$128,893 and \$128,593 as of December 31, 2024 and 2023, respectively	(480,643)	(545,378)
Less - allowance for credit losses	<u>(306,259)</u>	<u>(216,429)</u>
	<u>\$ 1,599,367</u>	<u>\$ 1,769,234</u>

Estimated maturities of notes and interest receivable over the next five years are as follows:

2025	\$ 480,643
2026	\$ 554,143
2027	\$ 551,216
2028	\$ 355,519
2029	\$ 146,376
Thereafter	\$ 214,298

There was no charge-off of notes receivable during the years ended December 31, 2024 and 2023. As of December 31, 2024 and 2023, there were no notes receivable on non-accrual status.

Loan Programs – Allowance for Credit Losses

The allowance for credit losses is a valuation account that is deducted from the notes' amortized cost basis to present the net amount expected to be collected on the notes. Notes are charged-off against the allowance when management believes the lack of collectability of a note balance is confirmed.

Management estimates the allowance for credit losses using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current risk characteristics such as differences in delinquency level, or term as well as for changes in environmental conditions, such as changes in interest rates or other relevant factors. After the reasonable and supportable forecast period, the Agency's model reverts to historical loss trends.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

6. NOTES AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

Loan Programs – Allowance for Credit Losses (Continued)

The Agency's has one risk pool with shared risk characteristics. The Agency's historical average annual loss rate for the most recent five-year lookback period is 6% as of December 31, 2024 and 2023. Based on the historical average annual loss rate of 6%, the Agency adjusted the lifetime loss rate to reflect the effects of changes in current economic conditions and forecasted changes in portfolio performance, management had applied a 0% qualitative factor (Q-Factor) based on industry analysis to the quantified lifetime loss rate as December 31, 2024 and 2023, for all notes. Notes are also evaluated individually on an as needed basis when uncertainty of repayment arises.

A summary of the activity within the allowance for credit losses within the loan program is follows for the years ended December 31, 2024 and 2023:

Allowance for loan losses, December 31, 2022	\$ 297,966
Cumulative adjustment from Topic 326 adoption	(131,958)
Provision for loan losses	<u>179,014</u>
Allowance for loan losses, December 31, 2023	345,022
Provision for current expected credit losses	<u>90,129</u>
Allowance for credit losses, December 31, 2024	<u>\$ 435,151</u>

The provision for current expected credit losses is included in bad debt expense in the accompanying consolidating statements of functional expenses. There were no delinquent notes as of December 31, 2024 and 2023. The Agency reports recoveries of notes previously written off in prior years as income when the amount is collected, or collection is assured. There were no recoveries of notes previously written off during 2024 or 2023.

Project Development

Massachusetts Historic and State Low-Income Housing Tax Credit Notes

Notes receivable include Massachusetts historic and state low-income housing tax credit programs (State Tax Credit Programs) notes where DBEDC acts as the nonprofit intermediary for projects that qualify for Massachusetts tax credits. Under these arrangements, DBEDC receives a donation of tax credits from each project's sponsor and makes a loan to the respective project entity from the proceeds of DBEDC's resale of the tax credits to outside investors. The notes have interest rates ranging from 0.01% to 4.8%, which DBEDC will receive on the maturity date. These notes mature at various dates through December 2065.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

6. NOTES AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

Project Development (Continued)

Massachusetts Historic and State Low-Income Tax Credit Notes (Continued)

Based on the structure of these State Tax Credit Program notes that are intended to be contingent debt to the respective borrowers, there is no expectation of repayment to DBEDC provided that the projects adhere to the requirements of the note agreement. As a result of the lack of historical loss data available and the expectation of no repayment of the loans, under Topic 326, DBEDC has valued these loans at their anticipated net realizable value determined through a qualitative assessment of future forecasted repayments based on the nature of the State Tax Credit Program. As a result of this assessment performed as of December 31, 2023, DBEDC determined that an additional allowance for credit losses was necessary for loans issued during 2023, therefore, a provision for credit losses was recorded in the amount of \$6,020,800, which is reflected as allowance for credit losses on notes receivable - third party in the accompanying 2023 consolidating statement of activities.

New Markets Tax Credit Note

Notes receivable also include a New Markets Tax Credit (NMTC) note where DBEDC raised capital through debt and grant funds and made a loan to an outside investor, TNT - Indigo NMTC Fund LLC (the Investment Fund), where the proceeds were combined with additional capital for the benefit of a project that qualifies for NMTCs. Under this agreement, DBEDC receives quarterly interest-only payments at a rate of 4.8% on the outstanding principal balance through December 30, 2026. Beginning January 1, 2027, payments of principal and interest of \$135,070 are due quarterly through the maturity date of June 30, 2048.

Estimated maturities of the NMTC note receivable over the next five years are as follows:

2027	\$ 197,199
2028	206,837
2029	216,944
Thereafter	<u>6,600,744</u>
	<u>\$ 7,221,724</u>

Based on the structure of the NMTC Program note that is intended to be long-term debt to the respective borrower, there is an expectation of repayment to DBEDC provided that the project adheres to the requirements of the note agreement. As a result, the full balance of this NMTC Program note has been deemed to be fully collectible and no allowance for credit losses is deemed necessary as of December 31, 2024 and 2023. As a result of the lack of historical loss data available and the expectation of repayment of the loan, under Topic 326, DBEDC has valued this loan at its anticipated net realizable value determined through a qualitative assessment of future forecasted repayments based on the nature of the NMTC Program. As a result of this assessment performed as of December 31, 2024 and 2023, DBEDC determined that there was no further adjustment needed to the allowance for credit losses, therefore, no provision for credit losses was recorded during 2024 and 2023.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

6. NOTES AND INTEREST RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (Continued)

Project Development (Continued)

New Markets Tax Credit Note (Continued)

DBEDC granted to the member of the Investment Fund an option (the Put Option) to sell DBEDC its interest in the Investment Fund for the period December 30, 2026 through March 30, 2027 (Put Period), for \$1,000. The member of the Investor Investment Fund granted to DBEDC an option (the Call Option) to purchase their interest in the Investment Fund after the end of the Put Period through September 30, 2027 (Call Period), at fair value. The Put Option and the Call Option have not been exercised as of the report date.

Notes receivable, net of allowances for credit losses, consist of the following as of December 31, 2024 and 2023:

<u>Funding Source</u>	<u>Number of Loans</u>	<u>Loans Receivable</u>	<u>Allowance for Credit Losses</u>	<u>Net</u>
Massachusetts historic and state low-income housing tax credits	2	\$ 6,820,800	\$ 6,820,800	\$ -
New Markets Tax Credits	<u>1</u>	<u>7,221,724</u>	<u>-</u>	<u>7,221,724</u>
Total	<u>3</u>	<u>\$ 14,042,524</u>	<u>\$ 6,820,800</u>	<u>\$ 7,221,724</u>

7. PROJECTS UNDER DEVELOPMENT

Projects under development consist of real estate acquisition and development costs. Costs considered to be recoverable are capitalized. Recoverable costs expected to be realized within one year from the consolidating statements of financial position date, are classified as current. Other recoverable costs are classified as non-current. Non-recoverable costs are expensed as incurred. DBEDC's ability to recover these costs is dependent on the success of the anticipated development, including sufficient financing for the project in the form of sales, loans or grants.

The following projects were under development during 2024 and 2023:

Leyland Street is a residential development in Dorchester. As of December 31, 2023, costs associated with this project represent predevelopment and construction costs related to converting this 13,000 square foot property into a 42,000 square foot, 42-unit, affordable senior housing building. During 2024, this project was placed in service and DBEDC no longer holds controlling interest in the DB Leyland, or Leyland entities.

Columbia Crossing is currently in the predevelopment stage with additional funding awarded subsequent to year-end (see Note 11). The project is a mixed-use, 48-unit, income restricted development with a focus on arts and innovation. The project will include the preservation and renovation of the historic Dorchester Savings Bank, which will host events, programming, and artist workspaces. The project is expected to begin construction in 2025.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

7. PROJECTS UNDER DEVELOPMENT (Continued)

Projects under development consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Columbia Crossing	\$ 1,490,390	\$ 1,087,264
Capitalized salaries	443,036	320,858
Various other projects	61,913	150,984
DB Leyland/Leyland	<u>-</u>	<u>19,467,466</u>
Total projects under development	<u>\$ 1,995,339</u>	<u>\$ 21,026,572</u>

Management of the Agency has capitalized the costs related to various projects, although financing is uncertain, management believes the costs are recoverable from the future development and/or sale of the project. There is a risk that if financing for specific projects is not obtained, sales proceeds are insufficient, or projects become unfeasible, that the Agency will need to write down the value of the affected assets in future consolidating financial statements. During 2024, there was a loss on disposal of projects under development of \$114,656. Capitalized salary costs related to the development of certain projects are shown in the accompanying consolidating statements of functional expenses as a reduction of total expenses and included in projects under development in the accompanying consolidating statements of financial position.

Fairmount / Indigo Rail Line CDC Collaborative (the Collaborative) seeks operating and capital funds to acquire affordable housing and commercial development sites along the Fairmount commuter rail corridor, which DBEDC and its transit equity allies are working to upgrade with five more stops, extended hours, and rapid transit service. The Collaborative includes three community development corporations (DBEDC, Codman Square Neighborhood Development Corporation and Southwest Boston Community Development Corporation [the CDCs) with contiguous boundaries along the Fairmount commuter rail line. The Collaborative's two major goals are to help bring new stops and services to approximately 170,000 residents in the distressed neighborhoods along the Fairmount line, and to head a smart growth, transit-oriented development agenda with new affordable housing, economic development opportunities, open space, and needed services. The CDCs are raising funds together to acquire sites, to launch predevelopment work, and to prevent speculation and displacement. Each CDC takes the lead for development of projects in their own service areas and sometimes in joint ventures. The CDCs raise capital together and divide funds based on agreements. DBEDC acts as the lead agent for the Collaborative. Accordingly, grants received by DBEDC for the Collaborative and paid to other members are shown as grants paid to others in the accompanying consolidating statements of functional expenses.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

8. NOTES PAYABLE

Notes payable at December 31, 2024 and 2023, consist of:

Entity	Lender	Security	Interest Rate	Maturity	Outstanding Balance	
					2024	2023
Loan Programs:						
DBEDC	TD Bank	Unsecured	2.50%	June 2032	\$ 1,500,000	\$ 1,500,000
DBNLF	SBA (2 loans)	Unsecured	Various	July 2034	576,773	272,454
DBNLF	African American Alliance of CDFIs	Unsecured	3.00%	December 2029	200,000	
DBNLF	Sisters of Charity	Unsecured **	2.00%	June 2027	50,000	50,000
	Total loan programs				<u>2,326,773</u>	<u>1,822,454</u>
Project Development:						
DBEDC - Other	The Life Insurance Community Investment Initiative (2 loans)	Secured by certain notes receivable	4.85% and 4.50%	June 2031	7,669,024	7,905,302
DBEDC - Other	Hebrew Senior Life	Secured by collateral notes	5.00%	December 2023	-	600,000
Leyland	Eastern Bank Construction Loan	Mortgage and an assignment of rents and leases *	3.90%	August 2024	-	12,210,487
DB Leyland	DBEDC - Seller's Loan	First mortgage on the property *	3.00%	June 2062	-	280,000
DFH	BlueHub Loan Fund, Inc.	First mortgage and an assignment of leases and rents on the premises	6.50%	June 2027	22,899	30,781
DFH	Local Initiatives Support Corporation (LISC)	Shared first mortgage and an assignment of leases and rents on the premises	3.50%	August 2025	4,753	9,767
Columbia Crossing	The Life Initiative	Mortgage on certain property	6.00%	March 2027	739,441	687,294
DBH	Eastern Bank	Mortgage on certain property	6.55%	December 2074	282,000	-
	Subtotal project development				8,718,117	21,723,631
	Less - amounts characterized as equity **				-	280,000
	Less - unamortized debt issuance costs				134,861	119,351
	Total project development				<u>8,583,256</u>	<u>21,324,280</u>
	Total DBEDC and Affiliates				10,910,029	23,146,734
	Total Rental Properties (see Note 18)				<u>71,720,603</u>	<u>74,123,114</u>
	Total notes payable before eliminations				82,630,632	97,269,848
	Less - eliminations				<u>90,576</u>	<u>96,147</u>
	Total notes payable				82,540,056	97,173,701
	Less - current portion				<u>2,672,711</u>	<u>3,225,693</u>
	Total long-term debt, net				\$ 79,867,345	\$ 93,948,008

* Because this instrument was created among DBEDC and Affiliates in controlled transfers, principal and accrued interest on the seller note for Leyland Street have been characterized as equity in the accompanying consolidating statements of financial position.

** Management is in the process of refinancing this note payable.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

8. NOTES PAYABLE (Continued)

Maturities of the notes payable over the next five years are as follows:

2025	\$ 2,678,451
2026	\$ 4,152,292
2027	\$ 4,919,841
2028	\$ 3,196,709
2029	\$ 5,395,926

Debt issuance costs related to these notes payable (see page 34 and Note 17) totaling \$2,335,150 and \$2,335,047 are being amortized over the terms of the related mortgages and are shown net of accumulated imputed interest of \$990,143 and \$866,914 as of December 31, 2024 and 2023, respectively. Amortization of debt issuance costs of \$123,229 and \$124,028 are included in interest expense in the accompanying consolidating statements of functional expenses for the years ended December 31, 2024 and 2023, respectively. Net debt issuance costs are reported in the accompanying consolidating statements of financial position as a direct reduction of the face amount of related notes payable. Amortization expense is expected to be approximately \$130,000 for the next five years.

These notes payable (see page 34 and Note 17) and contingent debt (see Notes 9 and 18) contain certain financial ratios and other covenants as specified in the agreements. The Agency was in compliance with these covenants as of December 31, 2024 and 2023.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

9. CONTINGENT DEBT AND DEFERRED INTEREST

Contingent debt and deferred interest at December 31, 2024 and 2023, consist of:

Entity	Lender	Security	Interest Rate	Maturity	2024		2023	
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Project Development:								
DBEDC	LISC	Unsecured	1.00%	June 2051	\$ 585,000	\$ -	\$ 585,000	\$ 22,913
DBH	Mass EOHLC	Mortgage on certain property	0.00%	December 2054	400,000	-	-	-
	Executive Office of Housing and Livable Communities (EOHLC) NHT							
Leyland LLC	EOHLC HIF	Shared first mortgage on property	2.00%	June 2053	***	-	1,423,892	86,579
Leyland LLC	EOHLC HSF	Shared first mortgage on property	2.00%	June 2053	***	-	950,000	35,925
Leyland LLC	City of Boston, Mayor's Office of Housing (MOH)	Shared first mortgage on property	2.00%	June 2073	***	-	900,000	25,244
Leyland LLC	EOHLC AHTF	Shared first mortgage on property	2.00%	June 2053	***	-	900,000	27,767
Leyland LLC	EOHLC FCF	Shared first mortgage on property	2.00%	June 2053	***	-	483,147	12,079
Leyland LLC	DBEDC	Shared first mortgage on property	2.00%	June 2053	***	-	456,152	17,486
				June 2062	***	-	215,372	6,906
Total Project Development					985,000	-	5,913,563	234,899
Total Rental Properties (see Note 18)					54,538,430	18,845,102	57,044,330	17,767,178
Total contingent debt and deferred interest before eliminations					55,523,430	18,845,102	62,957,893	18,002,077
Less - eliminations					22,724,064	7,158,933	24,252,620	6,764,965
Total contingent debt and deferred interest, net					\$ 32,799,366	\$ 11,686,169	\$ 38,705,273	\$ 11,237,112

*** During 2024, controlling interest in this entity was transferred to an unrelated third party.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

9. CONTINGENT DEBT AND DEFERRED INTEREST (Continued)

Payments due based on surplus cash flow and maturities of contingent debt and deferred interest are due over the next five years are as follows:

2025	\$ 4,261,903
2026	\$ 244,916
2027	\$ -
2028	\$ 400,000
2029	\$ 1,436,770

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general operating use, that is, without donor or other restrictions limiting their use (see Note 2), within one year of the consolidating statements of financial position date, comprise the following at December 31:

	2024	
	Operating	Rental Programs
Cash	\$ 4,323,167	\$ 12,787,343
Escrows and restricted deposits, current	-	1,029,707
Grants receivable	330,603	-
Tenant and other receivables, net	1,156,897	1,175,368
Notes and interest receivable, current	480,643	-
	<u>6,291,310</u>	<u>14,992,418</u>
Less - development project cash	(234,473)	-
Less - cash held for initiatives with donor restrictions and Board designated reserves (see Note 2)	(561,244)	-
Less - current portion of notes and interest receivable with donor restrictions	<u>(83,333)</u>	<u>-</u>
	<u>\$ 5,412,260</u>	<u>\$ 14,992,418</u>
	2023	
	Operating	Rental Programs
Cash	\$ 13,918,340	\$ 11,052,288
Escrows and restricted deposits, current	-	1,474,416
Grants receivable	876,026	-
Tenant and other receivables, net	201,780	1,086,292
Notes and interest receivable	545,378	-
	<u>15,541,524</u>	<u>13,612,996</u>
Less - development project cash	(1,061,616)	-
Less - cash held for initiatives with donor restrictions and Board designated reserves (see Note 2)	(1,876,361)	-
Less - current portion of notes and interest receivable with donor restrictions	<u>(545,378)</u>	<u>-</u>
	<u>\$ 12,058,169</u>	<u>\$ 13,612,996</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

The Agency aims to maintain working capital balances of at least six months of operating expenses. As of December 31, 2024 and 2023, the Agency and its operating affiliates had working capital (current assets less current liabilities) of \$6,822,459 and \$14,898,093, respectively, and average days of cash on hand of 194 and 593, respectively (based on normal expenditures). As part of the Agency's resolution regarding Board reserves, approximately \$360,000 has been set aside as of December 31, 2024 and 2023. The Agency also has investments of approximately \$8,800,000 as of December 31, 2024, that could be liquidated if needed. In addition to internally funding predevelopment activities, the Agency uses a variety of lenders in order to further finance predevelopment activities prior to closing on construction and permanent financing.

The Agency regularly monitors the availability of resources required to meet the operating needs of the rental programs. For purposes of analyzing resources available to meet general obligations over a twelve-month period, the Agency considers all expenditures related to the ongoing activities of operating rental housing to be general obligations, including the payment of debt service and contribution to reserves. The consolidated cash balance of the rental programs is not available to supplement the Agency's operations or other projects. Each project's liquidity must be evaluated individually.

In addition to the financial assets available to the rental programs to meet general obligations of the next twelve months, the Agency regularly conducts budget-to-actual variance analysis through its Asset Management function in order to identify liquidity concerns. In the event a property has an identified liquidity concern, the Agency works with its third-party property management company to correct the issue. Corrective measures include the possibility of the Agency providing the property with an operating deficit advance. As of December 31, 2024 and 2023, the Agency has not provided any of its properties with an operating deficit advance. Amounts included in restricted deposits are used to fund certain operating costs as they become due, such as real estate taxes and insurance.

11. COMMITMENTS AND CONTINGENCIES

In the ordinary course of the Agency's business, the Agency is, from time-to-time, a defendant in litigation. While the counterparties are seeking damages in connection with these disputes, the Agency denies any wrongdoing in these cases and is taking the appropriate legal steps in defense of these disputes. It is the Agency's opinion that any potential settlement would not be material to the accompanying consolidating financial statements.

Sponsor Obligations

As discussed in Notes 1 and 2, DBEDC has acted as sponsor and developer for various low-income and affordable housing developments. Most of these developments have received various forms of funding through DBEDC from Federal, state, and local sources. The terms of these funding agreements generally require that the projects maintain affordable housing and low-income eligibility status, as defined. If such status is not maintained, DBEDC may be obligated to remedy any defaults in the requirements and may be liable to repay certain amounts to the funders.

In addition, DBEDC, as project sponsor, has, in some cases, agreed to advance funds to the LPs and LLCs as a guarantor of the General Partners' obligation to fund operating deficits, development cost overruns, payments for reduced tax benefits to limited partner investors, and other circumstances affecting the LPs and LLCs, as defined in the partnership agreements. As of the date of this report, DBEDC has not made any such advances and is not obligated for any amount.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

11. COMMITMENTS AND CONTINGENCIES (Continued)

Sponsor Obligations (Continued)

DBEDC, the General Partners or the Managing Members have been granted a right of refusal to purchase the properties of the LPs and LLCs in the event of a property proposes to sell, transfer, assign, or ground lease a property. DBEDC would be required to maintain the property as low-income housing. The purchase prices are defined in the individual agreements.

Projects Under Development

As of December 31, 2024, DBEDC entered into the following commitments related to Columbia Crossing:

- \$20,978,254 of LIHTC at \$0.935 per credit dollar and \$144,900 of Energy Credits at \$0.95 per credit dollar from Boston Financial
- \$5,187,500 of state LHITC at \$0.83 per credit dollar
- \$27,756,381, 30-year, tax-exempt bond financing with Citizens Bank at an estimated interest rate of 6.88%
- \$1,000,000, 30-year loan from the City of Boston Mayor's Office of Housing HOME Program
- \$1,000,000, 50-year loan from the EOHLC Housing Stabilization Fund
- \$1,000,000 Workforce Housing funding from MHP
- \$5,673,942, 20-year permanent loan with MHP at 5.57% interest

DBEDC has also received the following grant commitments

- \$1,000,000 from the City of Boston, Acquisition Opportunity Program
- \$400,000 from the City of Boston, Community Preservation Act
- \$835,700 from Mass Development Site Readiness Program
- \$579,632 from Mass Development Underutilized Properties Program
- \$350,000 from EOHLC Small properties Acquisition Fund

On February 24, 2025, DBEDC entered into a joint venture with Southwest Boston Community Development Corporation to hold 60% interest and become the managing member of a new entity, 68 Homes JV Entity. DBEDC is expected to earn 60% of the developer fee in an amount to be determined per the operating agreement.

12. LEASE AGREEMENTS

The Agency rents facilities to third-party commercial and residential tenants under certain non-cancellable operating lease agreements that expire at various dates through 2118. Monthly rent under these agreements ranges from approximately \$1,500 to \$8,000. The leases qualify as an operating lease under the practical expedient (see Note 2). The residential leases are renewed annually, and tenants are required to pay monthly rent payments. The commercial tenants are required to pay monthly rent payments plus their pro-rata share of property taxes and common area charges, where applicable.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

12. LEASE AGREEMENTS (Continued)

The following is the maturity of the undiscounted operating lease receipts under the leases:

	Dorchester Bay	Rental	Total
2025	\$ 175,301	\$ 50,255	\$ 225,556
2026	125,896	25,145	151,041
2027	126,501	25,503	152,004
2028	101,279	-	101,279
2029	101,570	-	101,570
Thereafter	<u>328,233</u>	<u>-</u>	<u>328,233</u>
Total	<u>\$ 958,780</u>	<u>\$ 100,903</u>	<u>\$ 1,059,683</u>

13. GROUND LEASES

DV South entered into a ninety-nine-year ground lease with an unrelated Massachusetts nonprofit corporation. The lease is an operating lease and commenced in 2008. The initial ground lease rent was \$4,300 per year, adjusted annually by the percentage change in the Consumer Price Index for All Urban Consumers (CPI).

DV North entered into a ground lease with an unrelated Massachusetts nonprofit corporation for an initial term of ninety-nine years plus four extension options for additional twenty-year terms and one extension option for an additional nineteen-year term. The lease is an operating lease and commenced in 2008. The initial lease calls for annual administrative payments of \$3,300 per year adjusted annually by the percentage change in CPI with a cap of 5%.

Future CPI is not determinable and therefore deemed a variable rent cost which is not included in the operating lease ROU assets and related liabilities of DV South and DV North. Additional variable lease payments are required real estate taxes or other payments in lieu of tax assessments, any other municipal charges applicable to the ownership or use of the land, special assessments, and insurance.

The future maturities of the lease liabilities are as follows as of December 31, 2023:

2025	\$ 10,304
2026	10,304
2027	10,304
2028	10,304
2029	10,304
Thereafter	<u>656,340</u>
Total	707,860
Less - current portion	(4,626)
Less - present value discount	<u>(299,802)</u>
Lease liability, net	<u>\$ 403,432</u>

DV South and DV North elected to use the risk-free rate to discount the future lease payments in lieu of its incremental borrowing rate, the rate used was 2.05%. For the years ended December 31, 2024 and 2023, the rent expense for DV South was \$7,722 and \$7,354, respectively. For the years ended December 31, 2024 and 2023, the rent expense for DV North was \$5,926 and \$5,644, respectively.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

14. RETIREMENT PLAN

DBEDC has a defined contribution retirement plan which covers all eligible employees. DBEDC contributes 5% of each participant's annual salary. DBEDC contributed approximately \$156,000 and \$136,000 to the plan for 2024 and 2023, respectively, which are included in employee benefits in the accompanying consolidating statements of functional expenses.

15. CONDITIONAL GRANTS AND ADVANCES

The Agency is awarded various grants from private and public entities which, from time to time, require certain barriers to be overcome in order to allow recognition of revenue. These amounts are considered conditional and, as such, have not been recognized in the accompanying consolidating statements of activities. There was \$554,543 and \$350,000 of conditional awards in which the Agency did not meet the required benchmarks to allow recognition as of December 31, 2024 and 2023, respectively.

Funds received in advance of meeting the required barriers to recognition are due back to the funder if the conditions are not met. These amounts were \$690,829 and \$215,372 as of December 31, 2024 and 2023, respectively, and are reflected as conditional grant advances in the accompanying consolidating statements of financial position.

16. RECLASSIFICATIONS

Certain amounts in the December 31, 2023 consolidating financial statements have been reclassified to conform with the December 31, 2024 presentation.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

17. NOTES PAYABLE - RENTAL PROPERTIES

Entity	Lender	Security	Interest Rate	Maturity Date		Outstanding Principal	
						2024	2023
DB Pierce	Eastern Bank	First mortgage on the property	5.60%	* September 2032		\$ 4,186,114	\$ 3,456,529
DB Pierce	Life Initiative	Second mortgage of the property	5.00%	September 2025	***	-	1,059,453
DBULP	SVB	First mortgage on the property	6.03%	December 2029		2,929,202	2,966,984
GALP	BERKADIA	First mortgage on the property	3.83%	* December 2051		12,870,642	13,128,196
DVNC	SVB	First mortgage on the property	3.33%	August 2030		152,457	176,069
555 Dudley	MHP	First mortgage on the property	3.97%	April 2025	****	953,701	986,483
555 Dudley	MHP	Second mortgage of the property	4.50%	April 2025	****	311,106	321,180
555 Dudley	DBEDC	Fourth mortgage on the property	3.00%	January 2038		90,576	96,147
Wilder	MHP	First mortgage on the property	4.85%	March 2035		1,680,282	1,727,663
Dudley Terrace Apartments	MHP	First mortgage on the property	3.26%	August 2042		5,051,644	5,159,409
150 Magnolia	MHP	First mortgage on the property	5.15%	January 2025	**	538,353	588,185
Brunswick	MHP	First mortgage on the property	5.96%	June 2027		1,590,275	1,672,746
Columbia	MHP	First mortgage on the property	5.95%	August 2027		1,827,728	1,922,584
DV North	MHP	Fourth mortgage on the property	3.17%	December 2026		513,604	542,092
DV North	MHP	Second mortgage of the property	2.00%	December 2028		400,000	400,000
DV North	MHP	First mortgage on the property	6.65%	December 2026		63,591	66,007
DV South	MHP	First mortgage on the property	6.27%	November 2026		833,545	869,635
DV South	MHP	Second mortgage of the property	2.00%	December 2026		450,000	450,000
Quincy Heights	Massachusetts Housing Financing Authority	First mortgage on the property	2.29%	June 2040		12,209,991	12,812,171
Cottage Brook	Eastern Bank	First mortgage on the property	4.20%	* December 2035		14,717,420	15,085,282
Cottage Brook	HUD	Second mortgage of the property	1.00%	December 2036		818,282	1,243,766
Indigo Support Corp	New Markets Investment 121, LLC (2 Loans)	Shared first mortgage on the property	3.16%	December 2053		6,240,000	6,240,000
Indigo Support Corp	MHIC NE CDE II Subsidiary 58 (3 Loans)	Shared first mortgage on the property	3.16%	December 2053		4,753,000	4,753,000
Sub-total						73,181,513	75,723,581
Less - unamortized discount						230,764	251,685
Less - unamortized debt issuance costs						1,230,146	1,348,782
Less - current portion						2,338,426	2,260,934
Total long-term debt, net						<u>\$ 69,382,177</u>	<u>\$ 71,862,180</u>

* Guaranteed by DBEDC

** Subsequent to year end, this note was refinanced with a note due to DBEDC

*** During 2024, this note was repaid

**** Subsequent to year end, this note was refinanced with long-term debt.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

18. CONTINGENT DEBT AND DEFERRED INTEREST - RENTAL PROPERTIES

Entity	Lender	Security	Interest Rate	Maturity	2024		2023	
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
DB Pierce	DBEDC	Mortgage on the project	0.01%	September 2062	\$ 790,000	\$ 176	\$ 790,000	\$ 97
DB Pierce	Development Corporation (SBCDC)	Third mortgage on the property	0.01%	September 2063	1,288,000	-	1,288,000	-
DBULP	DBH	Third mortgage on the property	10.00% **	December 2029	274,000	277,638	274,000	464,473
DVNC	DBEDC	Property is pledged as collateral	1.00%**	April 2020****	529,222	96,492	529,222	90,212
DB618	City of Boston	Subordinate mortgage	0.00%	April 2050	272,405	-	272,405	-
DB618	MHIC	Second mortgage on the property	0.00%	December 2025	260,000	-	260,000	-
555 Dudley	City of Boston - Leading the Way Program	Shared third mortgage on property	0.00%	October 2042	650,000	-	650,000	-
555 Dudley	EOHLC - Affordable Housing	Shared third mortgage on property	0.00%	October 2042	650,000	-	650,000	-
555 Dudley	Trust Fund Statute (AHTF)	Shared third mortgage on property	0.00%	October 2042	387,500	-	387,500	-
555 Dudley	EOHLC - HOME	Shared third mortgage on property	0.00%	October 2042	387,500	-	387,500	-
555 Dudley	EOHLC - Housing Stabilization and Investment Trust Fund	Shared third mortgage on property	0.00%	October 2062	387,500	-	387,500	-
555 Dudley	Boston Redevelopment Authority (BRA)	Shared third mortgage on property	0.00%	October 2042	300,000	-	300,000	-
555 Dudley	DBEDC	Fifth mortgage on property	9.00%	December 2032	223,000	367,110	223,000	318,385
555 Dudley	DBEDC	Sixth mortgage on the property	5.00%	December 2032	118,707	8,192	118,707	2,150
Ceylon	City of Boston	First mortgage on the property	7.50% **	January 2029	1,250,000	324,192	1,250,000	494,803
150 Magnolia	City of Boston	Second mortgage on the property	5.50%	April 2034	749,304	1,870,397	749,304	1,732,027
150 Magnolia	EOHLC	Third mortgage on the property	5.00%	December 2031	600,000	681,661	600,000	651,661
150 Magnolia	CEDAC	Subordinate mortgage	5% simple interest for twenty years,	December 2031	500,000	572,533	500,000	547,533
150 Magnolia	DBEDC	Subordinate mortgage	6.50% **	December 2033	430,895	1,419,749	430,895	1,302,725
150 Magnolia	DBEDC	Subordinate mortgage	0.00%	December 2021****	400,000	-	400,000	-
150 Magnolia	DBEDC	Subordinate mortgage	0.00%	December 2033	123,707	-	123,707	-
Dudley Terrace Apartments	MOH HOME	First mortgage on the property	2.00%	June 2051	1,692,529	149,507	1,692,529	115,656
Dudley Terrace Apartments	EOHLC HOME	First mortgage on the property	7.00%	June 2051	500,000	154,583	500,000	119,583
Dudley Terrace Apartments	EOHLC - Facilities Consolidation	First mortgage on the property	2.00%	June 2051	406,500	34,603	406,500	26,473
Dudley Terrace Apartments	MOH NHT	First mortgage on the property	2.00%	June 2051	402,000	31,015	402,000	22,975
Dudley Terrace Apartments	Codman Square Neighborhood Development Corp (CSNDC)	Mortgage on the project	3.00%	August 2060	254,800	23,288	254,800	15,188
Dudley Terrace Apartments	EOHLC - AHTF	Mortgage on the project	2.00%	June 2051	805,015	38,997	805,015	22,897
Dudley Terrace Apartments	DBEDC	First mortgage on the project ***	3.50%	August 2052	3,905,518	641,511	3,905,518	487,748
Dudley Terrace Apartments	DBEDC	First mortgage on the property	0.00%	December 2032	219,546	-	521,108	-
Brunswick	MHFA	Mortgage on the project	0.10%	December 2036	687,861	688	725,863	726
Brunswick	EOHLC	Mortgage on the project	0.00%	August 2046	1,115,475	-	1,115,475	-
Brunswick	City of Boston	Mortgage on the project	5.22%**	July 2038	900,233	327,524	900,233	303,440
Brunswick	MHP	Mortgage on the project	5.00%	August 2055	750,000	709,960	750,000	672,460
Brunswick	DBEDC	Mortgage on the project	5.00% **	December 2055	397,552	536,426	397,552	491,951
Brunswick	DBEDC	Mortgage on the project	5.00% **	December 2055	200,000	260,177	200,000	238,264
Brunswick	DBEDC	Mortgage on the project	7.62%	December 2055	110,540	254,101	110,540	245,678
Brunswick	DBEDC	Mortgage on the project	5.00% **	December 2055	82,503	106,142	82,503	97,159
Brunswick	DBEDC	Mortgage on the project	0.00%	December 2055	5,550	-	5,550	-

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2024 and 2023

18. CONTINGENT DEBT AND DEFERRED INTEREST - RENTAL PROPERTIES (Continued)

Entity	Lender	Security	Interest Rate	Maturity	2024		2023	
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Columbia	MHFA	Mortgage on property, equipment and fixtures	0.10%	December 2036	760,184	761	887,739	888
Columbia	City of Boston	Mortgage on the project	4.40% **	July 2038	871,553	217,349	871,553	294,486
Columbia	EOHLC	Mortgage on the project	5.00%	August 2055	750,000	710,501	750,000	673,001
Columbia	EOHLC	Mortgage on the project	0.00%	August 2055	468,891	-	468,891	-
Columbia	DBEDC	Mortgage on the project	5.00% **	December 2055	376,744	369,183	376,744	333,663
Columbia	DBEDC	Mortgage on the project	7.62%	December 2055	117,377	229,919	117,377	220,974
Columbia	DBEDC	Mortgage on the project	5.00% **	December 2055	84,796	106,542	84,796	97,430
DV North	City of Boston	Shared third mortgage on property	6.00% **	September 2037	1,238,888	1,576,382	1,238,888	1,414,940
DV North	EOHLC	Shared third mortgage on property	0.00%	March 2038	901,580	-	901,580	-
DV North	EOHLC	Shared third mortgage on property	0.00%	March 2058	748,842	-	748,842	-
DV North	EOHLC	Shared third mortgage on property	6.5% **	March 2058	600,000	1,263,993	600,000	1,150,228
DV North	DBEDC	Shared fifth mortgage on property	6.00% **	December 2036	300,000	556,301	300,000	507,831
DV North	DBEDC	Unsecured	0.00%	December 2036	79,250	-	79,250	-
DV North	DBEDC	Shared fifth mortgage on property	6.00% **	December 2036	49,200	75,785	49,200	68,710
DV North	DBEDC	Unsecured	5.00% **	December 2036	28,443	28,146	28,443	25,451
DV South	EOHLC	Shared third mortgage on property	3.00%**	March 2038	1,078,477	720,325	1,078,477	667,932
DV South	City of Boston	Shared third mortgage on property	4.90% **	September 2037	800,000	933,548	800,000	852,572
DV South	EOHLC	Shared third mortgage on property	3.00%**	March 2058	750,000	419,660	750,000	385,591
DV South	EOHLC	Shared third mortgage on property	6.00%**	March 2058	500,000	924,702	500,000	844,059
DV South	DBEDC	Fourth mortgage on property	10.00%**	March 2025	300,000	1,336,727	300,000	1,187,934
DV South	DBEDC	Unsecured	0.00%	December 2039	126,750	-	126,750	-
DV South	DBEDC	Shared fifth mortgage on property	10.00%**	December 2036	114,057	206,833	114,057	177,661
DV South	DBEDC	Shared fifth mortgage on property	10.00%**	December 2026	53,300	191,616	53,300	169,351
DV South	DBEDC	Unsecured	0.00%	December 2039	29,628	-	29,628	-
Quincy Heights	EOHLC	Mortgage and an assignment of rents and leases	0.00%	November 2044 *	442,291	-	520,290	-
Quincy Heights	City of Boston	Mortgage and an assignment of rents and leases	0.00%	June 2040 *	5,382,201	-	6,331,361	-
Quincy Heights	City of Boston	Mortgage on the project	0.00%	June 2040	1,312,337	-	1,312,337	-
Quincy Heights	DBEDC	Mortgage on the project	0.00%	December 2043	432,464	-	432,464	-
Quincy Heights	SVB	Mortgage on the project	0.00%	May 2028	400,000	-	400,000	-
Cottage Brook	CBLP	Mortgage on the project	2.61% **	December 2045 *	14,188,516	381,139	15,200,138	414,491
Cottage Brook	CBLP	Mortgage on the project	0.00%	December 2045	543,916	-	543,916	-
Cottage Brook	DBEDC	Mortgage on the project	2.61% **	December 2045	1,500,000	350,539	1,500,000	303,469
Cottage Brook	DBEDC	Mortgage on the project	0.00%	December 2045	494,401	-	494,401	-
Total Rental Properties					58,443,948	19,486,613	60,949,848	18,254,926
Less - current portion					941,120	3,320,783	1,061,081	2,598,290
Less - amounts characterized as equity ***					3,905,518	641,511	3,905,518	487,748
Total contingent debt and deferred interest, net					<u>\$ 53,597,310</u>	<u>\$ 15,524,319</u>	<u>\$ 55,983,249</u>	<u>\$ 15,168,888</u>

* Guaranteed by DBEDC

** These notes have compounding interest.

*** Because this instrument was created among DBEDC and Affiliate in controlled transfers, principal and accrued interest on the seller note for Dudley Terrace Apartments have been characterized as equity in the accompanying consolidating statements of financial position.

**** Management is in the process of refinancing these notes payable.

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Properties
December 31, 2024
(With Summarized Comparative Totals as of December 31, 2023)

	2024									
	DB Pierce LLC	Geneva Apartments LLC	DB Uphams LP	Glendale Associates LP	Dudley Village North Commercial, LLC	DB 618 Dudley Street LLC	DB 555 Dudley Street LLC	Wilder Gardens LP	Ceylon Field LP	150 Magnolia LP
Assets										
Current Assets:										
Cash and cash equivalents	\$ 880,466	\$ 1,428,116	\$ 475,059	\$ 124,357	\$ 473,579	\$ 58,452	\$ 27,886	\$ 1,267,755	\$ 1,024,839	\$ 57,565
Tenant and other receivables, net of valuation allowance	98,727	41,638	41,815	191,375	2,313	22,697	48,106	25,584	22,690	26,548
Current portion of escrows and restricted deposits	-	32,527	26,587	132,015	-	8,374	79,324	60,010	99,890	18,793
Due from affiliates	48,716	-	-	-	1,782	-	-	-	-	-
Prepaid expenses and other current assets	49,146	79,141	16,075	60,387	-	1,877	5,669	50,622	25,699	22,820
Total current assets	<u>1,077,055</u>	<u>1,581,422</u>	<u>559,536</u>	<u>508,134</u>	<u>477,674</u>	<u>91,400</u>	<u>160,985</u>	<u>1,403,971</u>	<u>1,173,118</u>	<u>125,726</u>
Other Assets:										
Escrows and restricted deposits, net of current portion	253,882	1,758,161	887,040	1,279,911	74,218	27,683	166,358	659,006	275,476	265,082
Right-of-use asset	-	-	-	-	-	-	-	-	-	-
Capitalized costs, net	19,694	-	-	-	-	-	-	-	-	-
Total other assets	<u>273,576</u>	<u>1,758,161</u>	<u>887,040</u>	<u>1,279,911</u>	<u>74,218</u>	<u>27,683</u>	<u>166,358</u>	<u>659,006</u>	<u>275,476</u>	<u>265,082</u>
Property and Equipment:										
Land and land improvements	81,000	-	70,000	-	-	21,010	376,800	120,750	143,000	625,939
Buildings and improvements	13,928,581	1,663,954	6,296,982	17,973,982	1,459,126	725,325	5,249,759	10,883,961	9,831,407	7,284,306
Furniture, fixtures and equipment	133,234	154,103	240,728	853,979	-	20,727	88,153	324,925	360,892	107,014
	<u>14,142,815</u>	<u>1,818,057</u>	<u>6,607,710</u>	<u>18,827,961</u>	<u>1,459,126</u>	<u>767,062</u>	<u>5,714,712</u>	<u>11,329,636</u>	<u>10,335,299</u>	<u>8,017,259</u>
Less - accumulated depreciation	1,207,183	532,464	5,802,886	11,203,439	528,934	252,678	1,800,667	9,234,358	9,021,008	3,915,731
Net property and equipment	<u>12,935,632</u>	<u>1,285,593</u>	<u>804,824</u>	<u>7,624,522</u>	<u>930,192</u>	<u>514,384</u>	<u>3,914,045</u>	<u>2,095,278</u>	<u>1,314,291</u>	<u>4,101,528</u>
Total assets	<u>\$ 14,286,263</u>	<u>\$ 4,625,176</u>	<u>\$ 2,251,400</u>	<u>\$ 9,412,567</u>	<u>\$ 1,482,084</u>	<u>\$ 633,467</u>	<u>\$ 4,241,388</u>	<u>\$ 4,158,255</u>	<u>\$ 2,762,885</u>	<u>\$ 4,492,336</u>
Liabilities and Net Assets										
Current Liabilities:										
Current portion of notes payable	\$ 56,591	\$ -	\$ 40,678	\$ 269,169	\$ 24,438	\$ -	\$ 5,740	\$ 49,731	\$ -	\$ -
Current portion of contingent debt and deferred interest	-	-	372,139	-	-	260,000	9,922	-	257,272	-
Current portion of due to affiliates	-	-	-	-	-	-	-	-	-	6,821
Current portion of lease liability	-	-	-	-	-	-	-	-	-	-
Current portion of accounts payable and accrued expenses	10,945	135,820	81,152	269,955	6,121	37,864	110,989	177,794	118,416	56,995
Total current liabilities	<u>67,536</u>	<u>135,820</u>	<u>493,969</u>	<u>539,124</u>	<u>30,559</u>	<u>297,864</u>	<u>126,651</u>	<u>227,525</u>	<u>375,688</u>	<u>63,816</u>
Long-term Liabilities:										
Accounts payable and accrued expenses, net of current portion	-	-	-	-	-	-	-	-	-	-
Notes payable, net of current portion and unamortized debt issuance costs	4,094,345	-	2,826,298	12,340,438	116,977	-	1,345,304	1,562,822	-	538,353
Lease liability, net	-	-	-	-	-	-	-	-	-	-
Due to affiliates, net of current portion	900,000	-	-	-	-	-	90,439	-	-	-
Total long-term liabilities	<u>4,994,345</u>	<u>-</u>	<u>2,826,298</u>	<u>12,340,438</u>	<u>116,977</u>	<u>-</u>	<u>1,435,743</u>	<u>1,562,822</u>	<u>-</u>	<u>538,353</u>
Contingent Debt and Deferred Interest, net of current portion	<u>2,078,176</u>	<u>-</u>	<u>179,499</u>	<u>-</u>	<u>625,714</u>	<u>272,405</u>	<u>3,082,087</u>	<u>-</u>	<u>1,316,920</u>	<u>7,348,246</u>
Total liabilities	<u>7,140,057</u>	<u>135,820</u>	<u>3,499,766</u>	<u>12,879,562</u>	<u>773,250</u>	<u>570,269</u>	<u>4,644,481</u>	<u>1,790,347</u>	<u>1,692,608</u>	<u>7,950,415</u>
Net Assets:										
Without donor restrictions:										
Operating	1,066,110	1,445,602	478,384	238,179	471,553	53,536	49,996	1,226,177	1,054,702	61,910
Property and equipment	6,080,096	3,043,754	(1,726,750)	(3,705,174)	237,281	9,662	(453,089)	1,141,731	15,575	(3,519,989)
Total without donor restrictions	<u>7,146,206</u>	<u>4,489,356</u>	<u>(1,248,366)</u>	<u>(3,466,995)</u>	<u>708,834</u>	<u>63,198</u>	<u>(403,093)</u>	<u>2,367,908</u>	<u>1,070,277</u>	<u>(3,458,079)</u>
Total net assets	<u>7,146,206</u>	<u>4,489,356</u>	<u>(1,248,366)</u>	<u>(3,466,995)</u>	<u>708,834</u>	<u>63,198</u>	<u>(403,093)</u>	<u>2,367,908</u>	<u>1,070,277</u>	<u>(3,458,079)</u>
Total liabilities and net assets	<u>\$ 14,286,263</u>	<u>\$ 4,625,176</u>	<u>\$ 2,251,400</u>	<u>\$ 9,412,567</u>	<u>\$ 1,482,084</u>	<u>\$ 633,467</u>	<u>\$ 4,241,388</u>	<u>\$ 4,158,255</u>	<u>\$ 2,762,885</u>	<u>\$ 4,492,336</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Properties - Continued
December 31, 2024
(With Summarized Comparative Totals as of December 31, 2023)

	2024									2023
	Brunswick Holborn Two LP	Columbia Wood Two LP	Dudley Village North LP	Dudley Village South LP	Quincy Heights LP	Cottage Brook Apartments LP	Dudley Terrace Apartments LLC	Indigo Properties	Total	Total
Assets										
Current Assets:										
Cash and cash equivalents	\$ 169,513	\$ 51,252	\$ 182,904	\$ 106,465	\$ 2,261,380	\$ 2,272,149	\$ 767,199	\$ 1,158,407	\$ 12,787,343	\$ 11,052,288
Tenant and other receivables, net of valuation allowance	51,446	72,343	49,807	60,897	142,430	137,612	55,001	84,339	1,175,368	1,086,292
Current portion of escrows and restricted deposits	37,476	42,347	69,883	67,673	141,839	95,570	117,399	-	1,029,707	1,474,416
Due from affiliates	-	-	-	-	-	-	-	-	50,498	272,464
Prepaid expenses and other current assets	75,692	70,362	11,137	12,070	263,315	213,396	87,342	88,615	1,133,365	846,419
Total current assets	334,127	236,304	313,731	247,105	2,808,964	2,718,727	1,026,941	1,331,361	16,176,281	14,731,879
Other Assets:										
Escrows and restricted deposits, net of current portion	770,138	620,164	365,787	226,719	2,814,086	3,441,543	1,263,803	1,611,891	16,760,948	18,612,501
Notes and interest receivable, net of loan loss allowance	-	-	-	-	-	-	-	-	-	-
Deferred rental revenue	-	-	-	-	-	-	-	-	-	-
Right-of-use asset	-	-	131,103	276,955	-	-	-	664,773	1,072,831	409,357
Capitalized costs, net	-	-	-	78,665	54,899	44,100	17,419	277,447	492,224	547,576
Total other assets	770,138	620,164	496,890	582,339	2,868,985	3,485,643	1,281,222	2,554,111	18,326,003	19,569,434
Property and Equipment:										
Land and land improvements	927,842	987,282	978,874	108,216	1,814,973	3,858,716	906,663	1,918,403	12,939,468	12,948,645
Buildings and improvements	12,145,638	12,335,508	8,201,005	9,813,223	48,847,213	54,633,602	10,314,218	8,371,207	239,958,997	238,985,282
Furniture, fixtures and equipment	379,911	406,586	140,009	136,754	1,193,468	718,945	418,407	-	5,677,835	5,560,349
	13,453,391	13,729,376	9,319,888	10,058,193	51,855,654	59,211,263	11,639,288	10,289,610	258,576,300	257,494,276
Less - accumulated depreciation	5,710,731	5,889,411	3,457,022	4,186,510	14,727,931	11,801,951	1,081,887	739,336	91,094,127	84,509,508
Net property and equipment	7,742,660	7,839,965	5,862,866	5,871,683	37,127,723	47,409,312	10,557,401	9,550,274	167,482,173	172,984,768
Total assets	\$ 8,846,925	\$ 8,696,433	\$ 6,673,487	\$ 6,701,127	\$ 42,805,672	\$ 53,613,682	\$ 12,865,564	\$ 13,435,746	\$ 201,984,457	\$ 207,286,081
Liabilities and Net Assets										
Current Liabilities:										
Current portion of notes payable	\$ 87,522	\$ 100,657	\$ 31,986	\$ 38,419	\$ 616,116	\$ 905,520	\$ 111,859	\$ -	\$ 2,338,426	\$ 2,260,934
Current portion of contingent debt and deferred interest	155,786	178,845	-	13,700	1,021,174	1,823,481	169,584	-	4,261,903	3,659,371
Current portion of due to affiliates	-	-	-	-	151,581	15,000	-	204,761	378,163	957,655
Current portion of lease liability	-	-	3,300	1,326	-	-	-	-	4,626	4,600
Current portion of accounts payable and accrued expenses	187,217	204,938	170,519	171,047	375,324	348,842	153,902	127,497	2,745,337	2,793,799
Total current liabilities	430,525	484,440	205,805	224,492	2,164,195	3,092,843	435,345	332,258	9,728,455	9,676,359
Long-term Liabilities:										
Accounts payable and accrued expenses, net of current portion	-	-	-	-	-	-	-	-	-	106,184
Notes payable, net of current portion and unamortized debt issuance costs	1,485,766	1,712,704	932,651	1,236,728	11,462,236	14,203,718	4,733,310	10,790,527	69,382,177	71,862,180
Lease liability, net	-	-	127,803	275,629	-	-	-	-	403,432	404,757
Due to affiliates, net of current portion	-	-	155,979	-	-	-	-	489,052	1,635,470	1,698,449
Total long-term liabilities	1,485,766	1,712,704	1,216,433	1,512,357	11,462,236	14,203,718	4,733,310	11,279,579	71,421,079	74,071,570
Contingent Debt and Deferred Interest, net of current portion	6,288,946	4,884,955	7,446,810	8,471,923	6,948,119	15,635,030	4,542,799	-	69,121,629	71,152,137
Total liabilities	8,205,237	7,082,099	8,869,048	10,208,772	20,574,550	32,931,591	9,711,454	11,611,837	150,271,163	154,900,066
Net Assets:										
Without donor restrictions:										
Operating	146,910	31,366	139,912	74,732	2,282,059	2,354,885	873,039	800,655	12,849,707	10,520,694
Property and equipment	494,778	1,582,968	(2,335,473)	(3,582,377)	19,949,063	18,327,206	2,281,071	1,023,254	38,863,587	41,865,321
Total without donor restrictions	641,688	1,614,334	(2,195,561)	(3,507,645)	22,231,122	20,682,091	3,154,110	1,823,909	51,713,294	52,386,015
Total net assets	641,688	1,614,334	(2,195,561)	(3,507,645)	22,231,122	20,682,091	3,154,110	1,823,909	51,713,294	52,386,015
Total liabilities and net assets	\$ 8,846,925	\$ 8,696,433	\$ 6,673,487	\$ 6,701,127	\$ 42,805,672	\$ 53,613,682	\$ 12,865,564	\$ 13,435,746	\$ 201,984,457	\$ 207,286,081

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Properties
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Assets	DB Pierce LLC	Geneva Apartments LLC	DB Uphams LP	Glendale Associates LP	Dudley Village North Commercial, LLC	DB 618 Dudley Street LLC	DB 555 Dudley Street LLC	Wilder Gardens LP	Ceylon Field LP	150 Magnolia LP
Current Assets:										
Cash and cash equivalents	\$ 8,724	\$ 1,653,500	\$ 376,815	\$ 301,752	\$ 377,352	\$ 61,612	\$ 57,634	\$ 953,760	\$ 1,124,736	\$ 104,831
Tenant and other receivables, net of allowance for doubtful accounts	18,793	35,261	32,574	125,423	15,589	20,910	66,290	77,487	100,132	37,973
Current portion of escrows and restricted deposits	243,399	32,658	28,549	122,080	-	6,831	17,476	46,340	80,781	29,505
Due from affiliates	68,249	-	-	-	3,895	-	-	-	-	-
Prepaid expenses and other current assets	60,187	69,142	13,275	48,969	-	2,252	5,509	54,507	19,672	6,673
Total current assets	399,352	1,790,561	451,213	598,224	396,836	91,605	146,909	1,132,094	1,325,321	178,982
Other Assets:										
Escrows and restricted deposits, net of current portion	1,287,500	1,442,692	862,157	1,819,221	72,973	25,133	146,959	595,268	160,818	250,348
Right-of-use asset	-	-	-	-	-	-	-	-	-	-
Capitalized costs, net	19,694	-	-	-	-	-	-	-	-	-
Total other assets	1,307,194	1,442,692	862,157	1,819,221	72,973	25,133	146,959	595,268	160,818	250,348
Property and Equipment:										
Land and land improvements	81,000	-	70,000	-	-	21,010	376,800	120,750	143,000	625,939
Buildings and improvements	13,918,470	1,535,913	6,296,982	17,612,865	1,459,126	721,825	5,245,909	10,674,228	9,742,427	7,288,174
Furniture, fixtures and equipment	115,414	144,345	221,483	805,784	-	20,727	77,975	277,681	353,767	270,302
	14,114,884	1,680,258	6,588,465	18,418,649	1,459,126	763,562	5,700,684	11,072,659	10,239,194	8,184,415
Less - accumulated depreciation	837,636	474,322	5,613,645	10,721,464	492,456	230,706	1,645,032	8,823,963	8,634,936	3,894,800
Net property and equipment	13,277,248	1,205,936	974,820	7,697,185	966,670	532,856	4,055,652	2,248,696	1,604,258	4,289,615
Total assets	\$ 14,983,794	\$ 4,439,189	\$ 2,288,190	\$ 10,114,630	\$ 1,436,479	\$ 649,594	\$ 4,349,520	\$ 3,976,058	\$ 3,090,397	\$ 4,718,945
Liabilities and Net Assets										
Current Liabilities:										
Current portion of notes payable	\$ 18,172	\$ -	\$ 37,783	\$ 266,588	\$ 23,611	\$ -	\$ 48,427	\$ 47,381	\$ -	\$ 49,835
Current portion of contingent debt and deferred interest	56,985	-	244,390	-	-	-	49,773	-	287,116	-
Current portion of due to affiliates	6,055	8,500	-	-	-	-	-	-	-	12,058
Current portion of lease liability	-	-	-	-	-	-	-	-	-	-
Current portion of accounts payable and accrued expenses	31,365	140,813	109,821	359,568	6,121	37,703	93,633	157,840	154,548	71,444
Total current liabilities	112,577	149,313	391,994	626,156	29,732	37,703	191,833	205,221	441,664	133,337
Long-term Liabilities:										
Accounts payable and accrued expenses, net of current portion	106,184	-	-	-	-	-	-	-	-	-
Notes payable, net of current portion and unamortized debt issuance costs	4,461,706	-	2,854,530	12,590,905	139,467	-	1,346,411	1,606,039	-	538,350
Lease liability, net	-	-	-	-	-	-	-	-	-	-
Due to affiliates, net of current portion	974,895	-	-	-	-	-	90,439	-	-	-
Total long-term liabilities	5,542,785	-	2,854,530	12,590,905	139,467	-	1,436,850	1,606,039	-	538,350
Contingent Debt and Deferred Interest, net of current portion	2,021,112	-	494,083	-	619,434	532,405	2,987,469	-	1,457,687	7,037,852
Total liabilities	7,676,474	149,313	3,740,607	13,217,061	788,633	570,108	4,616,152	1,811,260	1,899,351	7,709,539
Net Assets:										
Without donor restrictions:										
Operating	361,932	1,641,248	341,392	238,656	390,715	53,902	53,276	974,254	1,170,773	95,480
Property and equipment	6,945,388	2,648,628	(1,793,809)	(3,341,087)	257,131	25,584	(319,908)	1,190,544	20,273	(3,086,074)
Total without donor restrictions	7,307,320	4,289,876	(1,452,417)	(3,102,431)	647,846	79,486	(266,632)	2,164,798	1,191,046	(2,990,594)
Total liabilities and net assets	\$ 14,983,794	\$ 4,439,189	\$ 2,288,190	\$ 10,114,630	\$ 1,436,479	\$ 649,594	\$ 4,349,520	\$ 3,976,058	\$ 3,090,397	\$ 4,718,945

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Properties - Continued
December 31, 2023

	Brunswick Holborn Two LP	Columbia Wood Two LP	Dudley Village North LP	Dudley Village South LP	Quincy Heights LP	Cottage Brook Apartments LP	Dudley Terrace Apartments LLC	Indigo Properties	Total
Assets									
Current Assets:									
Cash and cash equivalents	\$ 110,205	\$ 118,549	\$ 175,017	\$ 127,658	\$ 1,971,097	\$ 1,921,727	\$ 1,359,649	\$ 247,670	\$ 11,052,288
Tenant and other receivables, net of allowance for doubtful accounts	68,914	69,949	16,622	27,390	81,469	128,925	35,627	126,964	1,086,292
Current portion of escrows and restricted deposits	87,579	87,113	54,622	55,624	403,758	83,532	94,569	-	1,474,416
Prepaid expenses and other current assets	13,985	13,285	8,952	8,168	241,109	202,851	76,210	1,673	846,419
Total current assets	280,683	288,896	255,213	218,840	2,697,433	2,529,878	1,566,055	383,784	14,731,879
Other Assets:									
Escrows and restricted deposits, net of current portion	728,036	570,250	330,597	245,077	2,639,224	3,072,803	1,116,486	3,246,959	18,612,501
Right-of-use asset	-	-	131,102	278,255	-	-	-	-	409,357
Capitalized costs, net	-	-	-	79,621	65,879	50,400	18,927	313,055	547,576
Total other assets	728,036	570,250	461,699	602,953	2,705,103	3,123,203	1,135,413	3,560,014	19,569,434
Property and Equipment:									
Land and land improvements	927,842	987,282	990,691	105,576	1,814,973	3,858,716	906,663	1,918,403	12,948,645
Buildings and improvements	12,142,593	12,252,381	8,198,205	9,813,223	48,847,213	54,553,613	10,314,218	8,367,917	238,985,282
Furniture, fixtures and equipment	343,190	370,665	134,884	121,181	1,178,651	705,893	418,407	-	5,560,349
	13,413,625	13,610,328	9,323,780	10,039,980	51,840,837	59,118,222	11,639,288	10,286,320	257,494,276
Less - accumulated depreciation	5,378,863	5,549,523	3,244,778	3,919,555	13,412,357	10,365,079	771,099	499,294	84,509,508
Net property and equipment	8,034,762	8,060,805	6,079,002	6,120,425	38,428,480	48,753,143	10,868,189	9,787,026	172,984,768
Total assets	\$ 9,043,481	\$ 8,919,951	\$ 6,795,914	\$ 6,942,218	\$ 43,831,016	\$ 54,406,224	\$ 13,569,657	\$ 13,730,824	\$ 207,286,081
Liabilities and Net Assets									
Current Liabilities:									
Current portion of notes payable	\$ 82,471	\$ 94,856	\$ 30,904	\$ 36,090	\$ 602,180	\$ 814,870	\$ 107,766	\$ -	\$ 2,260,934
Current portion of contingent debt and deferred interest	75,143	256,886	-	-	1,027,159	1,426,113	235,806	-	3,659,371
Current portion of due to affiliates	-	-	-	-	228,952	35,000	308,014	359,076	957,655
Current portion of lease liability	-	-	3,300	1,300	-	-	-	-	4,600
Current portion of accounts payable and accrued expenses	215,379	179,491	156,093	173,096	409,392	330,456	151,548	15,488	2,793,799
Total current liabilities	372,993	531,233	190,297	210,486	2,267,683	2,606,439	803,134	374,564	9,676,359
Long-term Liabilities:									
Accounts payable and accrued expenses, net of current portion	-	-	-	-	-	-	-	-	106,184
Notes payable, net of current portion and unamortized debt issuance costs	1,570,975	1,810,802	961,435	1,270,532	12,057,484	15,040,554	4,829,463	10,783,527	71,862,180
Lease liability, net	-	-	127,802	276,955	-	-	-	-	404,757
Due to affiliates, net of current portion	-	-	155,979	-	-	-	-	477,136	1,698,449
Total long-term liabilities	1,570,975	1,810,802	1,245,216	1,547,487	12,057,484	15,040,554	4,829,463	11,260,663	74,071,570
Contingent Debt and Deferred Interest, net of current portion	6,262,251	4,920,656	7,113,363	8,037,312	7,969,293	17,030,302	4,668,918	-	71,152,137
Total liabilities	8,206,219	7,262,691	8,548,876	9,795,285	22,294,460	34,677,295	10,301,515	11,635,227	154,900,066
Net Assets:									
Without donor restrictions:									
Operating	65,304	109,405	95,820	44,444	2,059,089	2,164,422	1,106,493	(445,911)	10,520,694
Property and equipment	771,958	1,547,855	(1,848,782)	(2,897,511)	19,477,467	17,564,507	2,161,649	2,541,508	41,865,321
Total without donor restrictions	837,262	1,657,260	(1,752,962)	(2,853,067)	21,536,556	19,728,929	3,268,142	2,095,597	52,386,015
Total liabilities and net assets	\$ 9,043,481	\$ 8,919,951	\$ 6,795,914	\$ 6,942,218	\$ 43,831,016	\$ 54,406,224	\$ 13,569,657	\$ 13,730,824	\$ 207,286,081

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Properties
For the Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024									
	DB Pierce LLC	Geneva Apartments LLC	DB Uphams LP	Glendale Associates LP	Dudley Village North Commercial, LLC	DB 618 Dudley Street LLC	DB 555 Dudley Street LLC	Wilder Gardens LP	Ceylon Field LP	150 Magnolia LP
Net Assets Without Donor Restrictions:										
Operating revenues:										
Rental income, net	\$ 597,546	\$ 2,070,422	\$ 1,410,933	\$ 3,031,035	\$ 109,466	\$ 107,751	\$ 424,649	\$ 2,265,906	\$ 2,265,788	\$ 538,164
Interest income and other	35,445	49,892	52,502	78,427	3,027	460	34,022	45,463	654	17,273
Total operating revenues	632,991	2,120,314	1,463,435	3,109,462	112,493	108,211	458,671	2,311,369	2,266,442	555,437
Operating expenses:										
Personnel and related costs:										
Consulting and contract labor	-	218,546	139,052	549,333	-	13,959	63,813	249,595	225,412	66,389
Occupancy:										
Interest	213,619	-	193,289	515,451	7,547	-	60,100	89,070	-	28,912
Contracted services	-	69,240	192,791	557,780	-	20,756	43,865	240,416	266,147	115,070
Utilities	60,879	188,446	112,379	265,345	-	8,734	41,751	223,564	158,547	101,321
Real estate taxes	48,045	45,852	54,012	162,346	-	7,976	37,812	89,145	99,079	28,360
Repairs and maintenance	54,870	270,062	109,546	260,835	-	18,587	80,610	117,070	191,482	40,159
Insurance	-	97,890	43,249	122,730	-	4,829	14,421	52,719	60,890	28,405
Rent	-	-	-	-	1,200	-	-	-	-	-
Total occupancy	377,413	671,490	705,266	1,884,487	8,747	60,882	278,559	811,984	776,145	342,227
Other:										
Professional fees	25,442	32,834	23,901	92,665	-	12,000	12,243	45,883	34,127	13,291
Management fees	25,600	82,672	39,193	135,680	-	3,985	17,132	84,663	69,558	12,500
Office	-	70,454	54,644	125,645	-	3,123	6,025	46,220	56,898	16,879
Bad debts	-	3,620	-	-	-	8,478	-	19,609	53,434	14,539
Miscellaneous	9,520	7,501	2,390	24,774	-	100	1,008	15,404	5,027	3,668
Tenant services	-	12,000	18,142	179,467	-	-	5,950	79,557	81,102	-
Total other	60,562	209,081	138,270	558,231	-	27,686	42,358	291,336	300,146	60,877
Total operating expenses	437,975	1,099,117	982,588	2,992,051	8,747	102,527	384,730	1,352,915	1,301,703	469,493
Changes in net assets without donor restrictions from operations before depreciation and amortization	195,016	1,021,197	480,847	117,411	103,746	5,684	73,941	958,454	964,739	85,944
Depreciation and amortization	369,547	58,142	189,241	481,975	36,478	21,972	155,635	410,395	386,072	197,586
Changes in net assets without donor restrictions from operations	(174,531)	963,055	291,606	(364,564)	67,268	(16,288)	(81,694)	548,059	578,667	(111,642)
Non-operating revenues (expenses):										
Forgiveness of related party advances	13,496	-	-	-	-	-	-	-	-	-
Incentive and supplemental management fees	-	-	(30,000)	-	-	-	-	(245,334)	(165,863)	(45,449)
Deferred interest	(79)	-	(57,555)	-	(6,280)	-	(54,767)	-	(116,504)	(310,394)
Total non-operating revenues (expenses)	13,417	-	(87,555)	-	(6,280)	-	(54,767)	(245,334)	(282,367)	(355,843)
Changes in net assets without donor restrictions	\$ (161,114)	\$ 963,055	\$ 204,051	\$ (364,564)	\$ 60,988	\$ (16,288)	\$ (136,461)	\$ 302,725	\$ 296,300	\$ (467,485)

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Properties - Continued
For the Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024								2023	
	Brunswick Holborn Two LP	Columbia Wood Two LP	Dudley Village North LP	Dudley Village South LP	Quincy Heights LP	Cottage Brook Apartments LP	Dudley Terrace Apartments LLC	Indigo Properties	Total	Total
Net Assets Without Donor Restrictions:										
Operating revenues:										
Rental income, net	\$ 1,105,085	\$ 1,336,686	\$ 641,285	\$ 657,659	\$ 5,551,854	\$ 5,978,844	\$ 1,323,010	\$ 734,190	\$ 30,150,273	\$ 28,009,289
Interest income and other	43,553	38,179	30,600	26,975	232,565	108,331	44,649	255	842,272	736,067
Total operating revenues	<u>1,148,638</u>	<u>1,374,865</u>	<u>671,885</u>	<u>684,634</u>	<u>5,784,419</u>	<u>6,087,175</u>	<u>1,367,659</u>	<u>734,445</u>	<u>30,992,545</u>	<u>28,745,356</u>
Operating expenses:										
Personnel and related costs:										
Consulting and contract labor	<u>150,310</u>	<u>142,908</u>	<u>91,394</u>	<u>100,889</u>	<u>373,484</u>	<u>524,593</u>	<u>223,357</u>	<u>59,945</u>	<u>3,192,979</u>	<u>2,903,914</u>
Occupancy:										
Interest	99,370	113,923	32,203	66,927	357,091	705,128	184,777	354,153	3,021,560	3,120,452
Contracted services	124,747	128,977	115,764	143,706	322,896	449,525	181,258	-	2,972,938	2,941,621
Utilities	131,358	153,133	87,654	62,456	400,411	446,310	111,851	47,207	2,601,346	2,397,590
Real estate taxes	52,299	76,837	54,568	55,918	281,330	289,184	74,660	62,235	1,519,658	1,553,430
Repairs and maintenance	32,715	47,420	57,707	58,020	132,010	122,719	63,787	46,397	1,703,996	1,628,741
Insurance	92,025	85,892	28,176	28,924	289,214	256,765	106,238	-	1,312,367	1,094,389
Rent	5,126	3,744	5,926	7,722	-	-	-	-	23,718	21,856
Total occupancy	<u>537,640</u>	<u>609,926</u>	<u>381,998</u>	<u>423,673</u>	<u>1,782,952</u>	<u>2,269,631</u>	<u>722,571</u>	<u>509,992</u>	<u>13,155,583</u>	<u>12,758,079</u>
Other:										
Professional fees	30,331	32,937	17,574	23,362	62,380	65,575	32,298	-	556,843	567,112
Management fees	45,117	55,533	24,729	24,363	326,527	176,952	39,633	99,671	1,263,508	1,134,031
Office	36,091	16,439	17,911	15,464	103,739	63,403	22,662	48,486	704,083	514,566
Bad debts	624	45,569	-	-	-	53,606	993	-	200,472	528,612
Miscellaneous	3,350	5,048	8,468	19,342	60,932	39,794	18,660	12,389	237,375	201,044
Tenant services	26,400	26,400	14,902	15,898	108,000	62,744	-	-	630,562	620,896
Total other	<u>141,913</u>	<u>181,926</u>	<u>83,584</u>	<u>98,429</u>	<u>661,578</u>	<u>462,074</u>	<u>114,246</u>	<u>160,546</u>	<u>3,592,843</u>	<u>3,566,261</u>
Total operating expenses	<u>829,863</u>	<u>934,760</u>	<u>556,976</u>	<u>622,991</u>	<u>2,818,014</u>	<u>3,256,298</u>	<u>1,060,174</u>	<u>730,483</u>	<u>19,941,405</u>	<u>19,228,254</u>
Changes in net assets without donor restrictions from operations before depreciation and amortization	318,775	440,105	114,909	61,643	2,966,405	2,830,877	307,485	3,962	11,051,140	9,517,102
Depreciation and amortization	<u>331,868</u>	<u>339,888</u>	<u>224,061</u>	<u>267,910</u>	<u>1,326,554</u>	<u>1,443,172</u>	<u>312,296</u>	<u>275,650</u>	<u>6,828,442</u>	<u>6,914,851</u>
Changes in net assets without donor restrictions from operations	<u>(13,093)</u>	<u>100,217</u>	<u>(109,152)</u>	<u>(206,267)</u>	<u>1,639,851</u>	<u>1,387,705</u>	<u>(4,811)</u>	<u>(271,688)</u>	<u>4,222,698</u>	<u>2,602,251</u>
Non-operating revenues (expenses):										
Forgiveness of related party advances	-	-	-	-	-	-	-	-	13,496	-
Incentive and supplemental management fees	-	-	-	-	(138,423)	(6,334)	-	-	(631,403)	(631,274)
Deferred interest	(182,481)	(143,143)	(333,447)	(448,311)	-	(428,209)	(109,221)	-	(2,190,391)	(2,189,440)
Total non-operating revenues (expenses)	<u>(182,481)</u>	<u>(143,143)</u>	<u>(333,447)</u>	<u>(448,311)</u>	<u>(138,423)</u>	<u>(434,543)</u>	<u>(109,221)</u>	<u>-</u>	<u>(2,808,298)</u>	<u>(2,820,714)</u>
Changes in net assets without donor restrictions	<u>\$ (195,574)</u>	<u>\$ (42,926)</u>	<u>\$ (442,599)</u>	<u>\$ (654,578)</u>	<u>\$ 1,501,428</u>	<u>\$ 953,162</u>	<u>\$ (114,032)</u>	<u>\$ (271,688)</u>	<u>\$ 1,414,400</u>	<u>\$ (218,463)</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Properties
For the Year Ended December 31, 2023

	DB Pierce LLC	Geneva Apartments LLC	DB Uphams LP	Glendale Associates LP	Dudley Village North Commercial, LLC	DB 618 Dudley Street LLC	DB 555 Dudley Street LLC	Wilder Gardens LP	Ceylon Field LP	150 Magnolia LP
Net Assets Without Donor Restrictions:										
Operating revenues:										
Rental income, net	\$ 267,210	\$ 1,952,046	\$ 1,261,926	\$ 2,685,232	\$ 93,536	\$ 90,490	\$ 396,056	\$ 2,134,066	\$ 2,242,693	\$ 562,366
Interest income and other	939	56,109	32,813	42,691	1,430	1,951	8,359	48,011	1,347	61,077
Total operating revenues	<u>268,149</u>	<u>2,008,155</u>	<u>1,294,739</u>	<u>2,727,923</u>	<u>94,966</u>	<u>92,441</u>	<u>404,415</u>	<u>2,182,077</u>	<u>2,244,040</u>	<u>623,443</u>
Operating expenses:										
Personnel and related costs:										
Consulting and contract labor	<u>-</u>	<u>203,429</u>	<u>121,337</u>	<u>422,650</u>	<u>-</u>	<u>11,062</u>	<u>51,520</u>	<u>198,798</u>	<u>198,220</u>	<u>57,020</u>
Occupancy:										
Interest	277,133	-	179,836	523,894	1,950	-	61,998	91,246	-	31,419
Contracted services	-	73,478	195,247	440,891	-	31,559	41,837	206,675	313,477	92,814
Utilities	12,700	151,961	110,954	239,321	-	6,453	43,104	216,658	147,214	98,131
Real estate taxes	19,061	45,608	54,343	162,009	-	9,473	58,099	89,587	99,313	31,724
Repairs and maintenance	53,771	199,549	87,396	300,204	-	27,465	47,007	146,567	208,531	36,883
Insurance	26,302	72,203	37,841	104,342	-	5,511	13,549	45,244	52,312	23,903
Rent	-	-	-	-	-	-	-	-	-	-
Total occupancy	<u>388,967</u>	<u>542,799</u>	<u>665,617</u>	<u>1,770,661</u>	<u>1,950</u>	<u>80,461</u>	<u>265,594</u>	<u>795,977</u>	<u>820,847</u>	<u>314,874</u>
Other:										
Professional fees	41,263	19,194	33,450	60,558	-	8,600	8,655	34,459	38,724	14,261
Management fees	-	77,746	33,350	117,025	-	3,249	15,206	76,799	56,580	12,500
Office	-	64,733	19,367	84,209	-	2,016	5,504	32,920	30,515	8,943
Bad debts	-	8,392	3,409	39,472	-	-	-	65,350	42,302	52,594
Miscellaneous	5,474	7,413	2,571	20,196	-	27	820	15,837	6,350	3,455
Tenant services	-	12,000	17,943	174,271	-	-	4,855	76,692	78,741	-
Total other	<u>46,737</u>	<u>189,478</u>	<u>110,090</u>	<u>495,731</u>	<u>-</u>	<u>13,892</u>	<u>35,040</u>	<u>302,057</u>	<u>253,212</u>	<u>91,753</u>
Total operating expenses	<u>435,704</u>	<u>935,706</u>	<u>897,044</u>	<u>2,689,042</u>	<u>1,950</u>	<u>105,415</u>	<u>352,154</u>	<u>1,296,832</u>	<u>1,272,279</u>	<u>463,647</u>
Changes in net assets without donor restrictions from operations before depreciation and amortization	(167,555)	1,072,449	397,695	38,881	93,016	(12,974)	52,261	885,245	971,761	159,796
Depreciation and amortization	<u>362,948</u>	<u>58,468</u>	<u>256,886</u>	<u>463,149</u>	<u>36,479</u>	<u>21,933</u>	<u>155,930</u>	<u>409,311</u>	<u>388,919</u>	<u>193,810</u>
Changes in net assets without donor restrictions from operations	<u>(530,503)</u>	<u>1,013,981</u>	<u>140,809</u>	<u>(424,268)</u>	<u>56,537</u>	<u>(34,907)</u>	<u>(103,669)</u>	<u>475,934</u>	<u>582,842</u>	<u>(34,014)</u>
Non-operating revenues (expenses):										
Forgiveness of related party advances	-	-	-	-	-	-	-	-	-	-
Incentive and supplemental management fees	(6,192)	-	(30,000)	-	-	-	-	(245,488)	(155,195)	(53,858)
Deferred interest	(78)	-	(78,284)	-	(12,582)	-	(50,448)	-	(128,911)	(295,884)
Total non-operating revenues (expenses)	<u>(6,270)</u>	<u>-</u>	<u>(108,284)</u>	<u>-</u>	<u>(12,582)</u>	<u>-</u>	<u>(50,448)</u>	<u>(245,488)</u>	<u>(284,106)</u>	<u>(349,742)</u>
Changes in net assets without donor restrictions	<u>\$ (536,773)</u>	<u>\$ 1,013,981</u>	<u>\$ 32,525</u>	<u>\$ (424,268)</u>	<u>\$ 43,955</u>	<u>\$ (34,907)</u>	<u>\$ (154,117)</u>	<u>\$ 230,446</u>	<u>\$ 298,736</u>	<u>\$ (383,756)</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Properties - Continued
For the Year Ended December 31, 2023

	Brunswick Holborn Two LP	Columbia Wood Two LP	Dudley Village North LP	Dudley Village South LP	Quincy Heights LP	Cottage Brook Apartments LP	Dudley Terrace Apartments LLC	Indigo Properties	Total
Net Assets Without Donor Restrictions:									
Operating revenues:									
Rental income, net	\$ 1,111,485	\$ 1,272,669	\$ 593,941	\$ 586,823	\$ 5,326,949	\$ 5,639,990	\$ 1,294,558	\$ 497,253	\$ 28,009,289
Interest income and other	55,783	101,247	18,115	13,219	193,793	89,863	9,320	-	736,067
Total operating revenues	<u>1,167,268</u>	<u>1,373,916</u>	<u>612,056</u>	<u>600,042</u>	<u>5,520,742</u>	<u>5,729,853</u>	<u>1,303,878</u>	<u>497,253</u>	<u>28,745,356</u>
Operating expenses:									
Personnel and related costs:									
Consulting and contract labor	<u>118,117</u>	<u>112,075</u>	<u>74,880</u>	<u>83,605</u>	<u>471,226</u>	<u>569,549</u>	<u>172,421</u>	<u>38,005</u>	<u>2,903,914</u>
Occupancy:									
Interest	104,154	119,417	33,932	69,315	370,630	713,558	187,823	354,147	3,120,452
Contracted services	171,104	131,805	84,486	111,955	305,974	531,656	208,663	-	2,941,621
Utilities	150,239	138,080	68,897	54,443	382,500	431,042	114,552	31,341	2,397,590
Real estate taxes	55,087	77,123	50,525	49,899	279,840	321,940	71,335	78,464	1,553,430
Repairs and maintenance	27,358	20,738	82,396	57,095	173,084	42,272	110,462	7,963	1,628,741
Insurance	75,977	70,990	25,967	24,895	221,279	213,277	80,797	-	1,094,389
Rent	5,114	3,744	5,644	7,354	-	-	-	-	21,856
Total occupancy	<u>589,033</u>	<u>561,897</u>	<u>351,847</u>	<u>374,956</u>	<u>1,733,307</u>	<u>2,253,745</u>	<u>773,632</u>	<u>471,915</u>	<u>12,758,079</u>
Other:									
Professional fees	52,557	45,901	31,610	25,297	70,742	43,854	37,987	-	567,112
Management fees	45,620	47,281	20,700	22,597	313,004	167,132	39,041	86,201	1,134,031
Office	34,331	14,433	18,755	12,217	100,447	55,080	21,243	9,853	514,566
Bad debts	59,230	81,342	21,605	23,176	-	122,746	8,994	-	528,612
Miscellaneous	3,298	1,147	1,820	1,651	55,458	61,231	13,780	516	201,044
Tenant services	26,400	26,400	14,415	15,436	108,273	65,470	-	-	620,896
Total other	<u>221,436</u>	<u>216,504</u>	<u>108,905</u>	<u>100,374</u>	<u>647,924</u>	<u>515,513</u>	<u>121,045</u>	<u>96,570</u>	<u>3,566,261</u>
Total operating expenses	<u>928,586</u>	<u>890,476</u>	<u>535,632</u>	<u>558,935</u>	<u>2,852,457</u>	<u>3,338,807</u>	<u>1,067,098</u>	<u>606,490</u>	<u>19,228,254</u>
Changes in net assets without donor restrictions from operations before depreciation and amortization	238,682	483,440	76,424	41,107	2,668,285	2,391,046	236,780	(109,237)	9,517,102
Depreciation and amortization	<u>331,868</u>	<u>339,888</u>	<u>232,942</u>	<u>266,661</u>	<u>1,330,930</u>	<u>1,489,246</u>	<u>311,784</u>	<u>263,699</u>	<u>6,914,851</u>
Changes in net assets without donor restrictions from operations	<u>(93,186)</u>	<u>143,552</u>	<u>(156,518)</u>	<u>(225,554)</u>	<u>1,337,355</u>	<u>901,800</u>	<u>(75,004)</u>	<u>(372,936)</u>	<u>2,602,251</u>
Non-operating revenues (expenses):									
Forgiveness of related party advances	-	-	-	-	-	-	-	-	-
Incentive and supplemental management fees	-	-	-	-	(134,391)	(6,150)	-	-	(631,274)
Deferred interest	(180,660)	(138,981)	(313,970)	(420,293)	-	(460,365)	(108,984)	-	(2,189,440)
Total non-operating revenues (expenses)	<u>(180,660)</u>	<u>(138,981)</u>	<u>(313,970)</u>	<u>(420,293)</u>	<u>(134,391)</u>	<u>(466,515)</u>	<u>(108,984)</u>	<u>-</u>	<u>(2,820,714)</u>
Changes in net assets without donor restrictions	<u>\$ (273,846)</u>	<u>\$ 4,571</u>	<u>\$ (470,488)</u>	<u>\$ (645,847)</u>	<u>\$ 1,202,964</u>	<u>\$ 435,285</u>	<u>\$ (183,988)</u>	<u>\$ (372,936)</u>	<u>\$ (218,463)</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statements of Changes in Net Assets - Rental Properties
For the Years Ended December 31, 2024 and 2023

	<u>DB Pierce LLC</u>	<u>Geneva Apartments LLC</u>	<u>DB Uphams LP</u>	<u>Glendale Associates LP</u>	<u>Dudley Village North Commercial, LLC</u>	<u>DB 618 Dudley Street LLC</u>	<u>DB 555 Dudley Street LLC</u>	<u>Wilder Gardens LP</u>	<u>Ceylon Field LP</u>	<u>150 Magnolia LP</u>
Net Assets, December 31, 2022	\$ 6,714,067	\$ 3,275,895	\$ (1,484,942)	\$ (2,424,876)	\$ 603,891	\$ 114,393	\$ (112,515)	\$ 2,566,187	\$ 1,364,030	\$ (2,606,838)
Changes in net assets	(536,773)	1,013,981	32,525	(424,268)	43,955	(34,907)	(154,117)	230,446	298,736	(383,756)
Capital contributions	1,130,026	-	-	-	-	-	-	-	-	-
Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>(253,287)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(631,835)</u>	<u>(471,720)</u>	<u>-</u>
Net Assets, December 31, 2023	7,307,320	4,289,876	(1,452,417)	(3,102,431)	647,846	79,486	(266,632)	2,164,798	1,191,046	(2,990,594)
Changes in net assets	(161,114)	963,055	204,051	(364,564)	60,988	(16,288)	(136,461)	302,725	296,300	(467,485)
Distributions	<u>-</u>	<u>(763,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,615)</u>	<u>(417,069)</u>	<u>-</u>
Net Assets, December 31, 2024	<u><u>\$ 7,146,206</u></u>	<u><u>\$ 4,489,356</u></u>	<u><u>\$ (1,248,366)</u></u>	<u><u>\$ (3,466,995)</u></u>	<u><u>\$ 708,834</u></u>	<u><u>\$ 63,198</u></u>	<u><u>\$ (403,093)</u></u>	<u><u>\$ 2,367,908</u></u>	<u><u>\$ 1,070,277</u></u>	<u><u>\$ (3,458,079)</u></u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statements of Changes in Net Assets - Rental Properties - Continued
For the Years Ended December 31, 2024 and 2023

	Brunswick Holborn Two LP	Columbia Wood Two LP	Dudley Village North LP	Dudley Village South LP	Quincy Heights LP	Cottage Brook Apartments LP	Dudley Terrace Apartments LLC	Indigo Properties	Total
Net Assets, December 31, 2022	\$ 1,111,108	\$ 1,652,689	\$ (1,282,474)	\$ (2,207,220)	\$ 21,020,317	\$ 19,293,644	\$ 2,644,991	\$ 2,177,169	\$ 52,419,516
Changes in net assets	(273,846)	4,571	(470,488)	(645,847)	1,202,964	435,285	(183,988)	(372,936)	(218,463)
Capital contributions	-	-	-	-	-	-	807,139	291,364	2,228,529
Distributions	-	-	-	-	(686,725)	-	-	-	(2,043,567)
Net Assets, December 31, 2023	837,262	1,657,260	(1,752,962)	(2,853,067)	21,536,556	19,728,929	3,268,142	2,095,597	52,386,015
Changes in net assets	(195,574)	(42,926)	(442,599)	(654,578)	1,501,428	953,162	(114,032)	(271,688)	1,414,400
Distributions	-	-	-	-	(806,862)	-	-	-	(2,087,121)
Net Assets, December 31, 2024	<u>\$ 641,688</u>	<u>\$ 1,614,334</u>	<u>\$ (2,195,561)</u>	<u>\$ (3,507,645)</u>	<u>\$ 22,231,122</u>	<u>\$ 20,682,091</u>	<u>\$ 3,154,110</u>	<u>\$ 1,823,909</u>	<u>\$ 51,713,294</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statements of Financial Position - Loan Programs
December 31, 2024 and 2023

Assets	2024					2023				
	Loan Programs					Loan Programs				
	DBEDC	DBNLF	BHSC	Eliminations	Total	DBEDC	DBNLF	BHSC	Eliminations	Total
Current Assets:										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants receivable	-	172,562	-	-	172,562	-	154,967	-	-	154,967
Tenant and other receivables, net of allowance for doubtful accounts	-	-	-	-	-	-	-	21,203	-	21,203
Current portion of due from affiliates	889,081	(839,296)	(49,785)	-	-	507,386	(614,394)	113,063	-	6,055
Current portion of notes and interest receivable, net of allowance for credit losses of \$128,892 as of December 31, 2024 and 2023	-	391,452	89,191	-	480,643	-	454,761	90,617	-	545,378
Prepaid expenses and other current assets	-	1,042	-	-	1,042	-	-	-	-	-
Total current assets	889,081	(274,240)	39,406	-	654,247	507,386	(4,666)	224,883	-	727,603
Other Assets:										
Escrows and restricted deposits	-	1,280,021	74,269	-	1,354,290	-	712,117	388,155	-	1,100,272
Notes and interest receivable, net of current portion and allowance for credit losses and doubtful accounts of \$306,258 and \$216,129 as of December 31, 2024 and 2023, respectively	-	1,240,282	359,085	-	1,599,367	-	1,409,418	359,816	-	1,769,234
Due from affiliates, net	-	(631,416)	-	631,416	-	-	(640,187)	-	640,187	-
Total other assets	-	1,888,887	433,354	631,416	2,953,657	-	1,481,348	747,971	640,187	2,869,506
Total assets	\$ 889,081	\$ 1,614,647	\$ 472,760	\$ 631,416	\$ 3,607,904	\$ 507,386	\$ 1,476,682	\$ 972,854	\$ 640,187	\$ 3,597,109
Liabilities and Net Assets										
Current Liabilities:										
Current portion of notes payable	\$ -	\$ 61,361	\$ -	\$ -	\$ 61,361	\$ -	\$ 110,046	\$ -	\$ -	\$ 110,046
Accounts payable and accrued expenses	-	58,288	-	-	58,288	-	54,343	-	-	54,343
Total current liabilities	-	119,649	-	-	119,649	-	164,389	-	-	164,389
Long-term Liabilities:										
Notes payable, net of current portion and unamortized debt issuance costs	1,500,000	765,412	-	-	2,265,412	1,500,000	212,408	-	-	1,712,408
Contingent Debt and Deferred Interest	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,500,000	885,061	-	-	2,385,061	1,500,000	376,797	-	-	1,876,797
Net Assets:										
Without donor restrictions:										
Operating	(610,919)	646,253	472,760	631,416	1,139,510	(992,614)	1,099,885	(79,806)	640,187	667,652
Development	-	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-	-	-
Board designated	-	-	-	-	-	-	-	-	-	-
Loan capital	-	-	-	-	-	-	-	-	-	-
Total without donor restrictions	(610,919)	646,253	472,760	-	1,139,510	(992,614)	1,099,885	(79,806)	640,187	667,652
With donor restrictions	-	83,333	-	-	83,333	-	-	1,052,660	-	1,052,660
Total net assets	(610,919)	729,586	472,760	631,416	1,222,843	(992,614)	1,099,885	972,854	640,187	1,720,312
Total liabilities and net assets	\$ 889,081	\$ 1,614,647	\$ 472,760	\$ 631,416	\$ 3,607,904	\$ 507,386	\$ 1,476,682	\$ 972,854	\$ 640,187	\$ 3,597,109

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statements of Activities - Loan Programs
For the Years Ended December 31, 2024 and 2023

	2024					2023				
	Loan Programs					Loan Programs				
	DBEDC	DBNLF	BHSC	Eliminations	Total	DBEDC	DBNLF	BHSC	Eliminations	Total
Net Assets Without Donor Restrictions:										
Operating revenues:										
Support:										
Grants, contracts and contributions	\$ 500,000	\$ 1,013,062	\$ -	\$ (500,000)	\$ 1,013,062	\$ -	\$ 1,496,560	\$ -	\$ (1,383,843)	\$ 112,717
Net assets released from purpose restrictions	-	-	1,052,660	-	1,052,660	-	305,642	-	-	305,642
Total support	500,000	1,013,062	1,052,660	-	2,065,722	-	1,802,202	-	(1,383,843)	418,359
Fee income and other:										
Interest income and other	105,745	129,101	11,925	-	246,771	-	134,772	-	-	134,772
Resident and program service fees	-	18,500	-	-	18,500	-	45,456	-	-	45,456
Total fee income and other	105,745	147,601	11,925	-	265,271	-	180,228	-	-	180,228
Total operating revenues	605,745	1,160,663	1,064,585	-	2,330,993	-	1,982,430	-	(1,383,843)	598,587
Operating expenses:										
Loan Programs	643,973	1,614,295	512,019	(500,000)	2,270,287	1,417,286	1,685,252	12,603	(1,383,843)	1,731,298
General and Administrative	308,670	601,549	245,421	-	1,155,640	547,177	581,518	4,866	-	1,133,561
Total operating expenses	952,643	2,215,844	757,440	-	3,425,927	1,964,463	2,266,770	17,469	(1,383,843)	2,864,859
Changes in net assets without donor restrictions from operations	(346,898)	(1,055,181)	307,145	-	(1,094,934)	(1,964,463)	(284,340)	(17,469)	-	(2,266,272)
Non-operating expense:										
Write-off on related party advances	8,771	-	-	(8,771)	-	(640,187)	-	-	640,187	-
Changes in net assets without donor restrictions	(338,127)	(1,055,181)	307,145	(8,771)	(1,094,934)	(2,604,650)	(284,340)	(17,469)	640,187	(2,266,272)
Net Assets With Donor Restrictions:										
Grants	-	83,333	-	-	83,333	-	-	414,043	-	414,043
Mortgage loan and bank interest	-	-	-	-	-	-	-	37	-	37
Net assets released from restrictions	-	-	(1,052,660)	-	(1,052,660)	-	(305,642)	-	-	(305,642)
Changes in net assets with donor restrictions	-	83,333	(1,052,660)	-	(969,327)	-	(305,642)	414,080	-	108,438
Changes in net assets	<u>\$ (338,127)</u>	<u>\$ (971,848)</u>	<u>\$ (745,515)</u>	<u>\$ (8,771)</u>	<u>\$ (2,064,261)</u>	<u>\$ (2,604,650)</u>	<u>\$ (589,982)</u>	<u>\$ 396,611</u>	<u>\$ 640,187</u>	<u>\$ (2,157,834)</u>

DORCHESTER BAY ECONOMIC DEVELOPMENT CORPORATION AND AFFILIATES

Supplementary Consolidating Statements of Changes in Net Assets - Loan Programs
For the Years Ended December 31, 2024 and 2023

	Loan Programs				
	DBEDC	DBNLF	BHSC	Eliminations	Total
Net Assets, December 31, 2022	\$ (974,727)	\$ 976,391	\$ 571,377	\$ -	\$ 573,041
Changes in net assets	(2,604,650)	(589,982)	396,611	640,187	(2,157,834)
Cumulative effect of ASU adoption	-	131,958	-	-	131,958
Net asset transfers	2,586,763	581,518	4,866	-	3,173,147
Net Assets, December 31, 2023	(992,614)	1,099,885	972,854	640,187	1,720,312
Changes in net assets	(338,127)	(971,848)	(745,515)	(8,771)	(2,064,261)
Net asset transfers	719,822	601,549	245,421	-	1,566,792
Net Assets, December 31, 2024	<u>\$ (610,919)</u>	<u>\$ 729,586</u>	<u>\$ 472,760</u>	<u>\$ 631,416</u>	<u>\$ 1,222,843</u>