

BRIDGE MEADOWS AND AFFILIATED ENTITIES

**Consolidated Financial Statements for
the years ended December 31, 2020 and
2019 and Independent Auditor's Report**

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities.....	5-6
Consolidated Statements of Cash Flows	7-8
Notes to Consolidated Financial Statements	9-22
SUPPLEMENTARY INFORMATION:	
Consolidating Statement of Financial Position	23-24
Consolidating Statement of Activities	25-26

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Bridge Meadows
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Bridge Meadows (a nonprofit organization) and affiliated entities ("Bridge Meadows and Affiliated Entities") which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

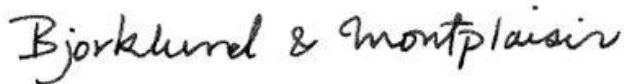
Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bridge Meadows and Affiliated Entities as of December 31, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 23 through 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information for is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Portland, Oregon
August 6, 2021

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,351,867	\$ 800,528
Accounts receivable	52,242	61,927
Contributions receivable	420,481	312,332
Due from affiliates	9,799	-
Prepaid expenses	<u>35,607</u>	<u>22,354</u>
Total current assets	<u>2,869,996</u>	<u>1,197,141</u>
NONCURRENT ASSETS:		
Tenant security deposits held in trust	40,841	38,037
Restricted deposits	882,899	924,594
Tax credit fees - net	149,234	73,488
Land held for sale	-	1,100,000
Other assets	334,737	523,949
Fixed assets:		
Land and land improvements	4,422,906	3,481,104
Buildings and improvements	22,833,464	22,833,464
Furnishings and equipment	767,511	764,486
Website	26,353	26,353
Construction in progress	<u>4,718,225</u>	<u>-</u>
Total fixed assets	32,768,459	27,105,407
Less accumulated depreciation	<u>(4,307,345)</u>	<u>(3,563,256)</u>
Fixed assets - net	<u>28,461,114</u>	<u>23,542,151</u>
Total noncurrent assets	<u>29,868,825</u>	<u>26,202,219</u>
TOTAL	<u><u>\$ 32,738,821</u></u>	<u><u>\$ 27,399,360</u></u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued liabilities	\$ 239,347	\$ 149,694
Accounts payable - construction	1,959,150	156,281
Prepaid rents	13,343	10,010
Accrued interest	23,123	4,462
Current portion of notes payable	<u>81,567</u>	<u>337,508</u>
Total current liabilities	<u>2,316,530</u>	<u>657,955</u>
NONCURRENT LIABILITIES:		
Refundable security deposits	40,841	37,696
Notes payable, net	9,416,654	8,574,025
Deferred interest	<u>156,787</u>	<u>148,032</u>
Total noncurrent liabilities	<u>9,614,282</u>	<u>8,759,753</u>
Total liabilities	<u>11,930,812</u>	<u>9,417,708</u>
NET ASSETS:		
Net assets without donor restrictions:		
Controlling interests	8,768,534	6,021,762
Noncontrolling interests	<u>12,019,554</u>	<u>10,627,522</u>
Total net assets without donor restrictions	20,788,088	16,649,284
Net assets with donor restrictions	<u>19,921</u>	<u>1,332,368</u>
Total net assets	<u>20,808,009</u>	<u>17,981,652</u>
TOTAL	<u><u>\$ 32,738,821</u></u>	<u><u>\$ 27,399,360</u></u>
		(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
SUPPORT AND REVENUES:						
Support:						
Contributions and grants	\$ 1,001,459	\$ 1,517,678	\$ 2,519,137	\$ 808,296	\$ 198,500	\$ 1,006,796
Donated land and other materials	-	-	-	3,040	-	3,040
Special events, net	191,865	-	191,865	192,947	-	192,947
Total support	1,193,324	1,517,678	2,711,002	1,004,283	198,500	1,202,783
Revenues:						
Net rental revenue	700,539	-	700,539	728,018	-	728,018
Management fees	12,196	-	12,196	7,993	-	7,993
Investment loss	-	-	-	-	-	-
Interest income	1,668	-	1,668	2,838	-	2,838
Loss on sale of assets	-	(69,505)	(69,505)	-	-	-
Write-down of assets held for sale	-	-	-	-	(84,000)	(84,000)
Miscellaneous income	3,711	-	3,711	1,041	-	1,041
Net assets released from restrictions	2,760,620	(2,760,620)	-	214,790	(214,790)	-
Total revenues	3,478,734	(2,830,125)	648,609	954,680	(298,790)	655,890
Total support and revenue	4,672,058	(1,312,447)	3,359,611	1,958,963	(100,290)	1,858,673
EXPENSES:						
Program services:						
Affordable housing	1,332,365	-	1,332,365	1,397,043	-	1,397,043
Community development	181,455	-	181,455	196,924	-	196,924
Resident services	408,188	-	408,188	372,226	-	372,226
Total program services	1,922,008	-	1,922,008	1,966,193	-	1,966,193
Support services:						
Management and general	309,010	-	309,010	334,345	-	334,345
Fundraising	421,471	-	421,471	423,718	-	423,718
Total support services	730,481	-	730,481	758,063	-	758,063
Total expenses	2,652,489	-	2,652,489	2,724,256	-	2,724,256
CHANGE IN NET ASSETS	<u>\$ 2,019,569</u>	<u>\$ (1,312,447)</u>	<u>\$ 707,122</u>	<u>\$ (765,293)</u>	<u>\$ (100,290)</u>	<u>\$ (865,583)</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES YEARS ENDED DECEMBER 31, 2020 AND 2019

	Net Assets without Donor Restrictions			Net assets with donor restrictions	Net Assets
	Controlling Interests	Non- controlling Interests	Total		
NET ASSETS, DECEMBER 31, 2018 - Revised	\$ 6,067,504	\$ 11,296,692	\$ 17,364,196	\$ 1,432,658	\$ 18,796,854
Capital contributions	-	50,381	50,381	-	50,381
Change in net assets	(45,742)	(719,551)	(765,293)	(100,290)	(865,583)
NET ASSETS, DECEMBER 31, 2019	6,021,762	10,627,522	16,649,284	1,332,368	17,981,652
Capital contributions	-	2,184,235	2,184,235	-	2,184,235
Syndication costs	-	(65,000)	(65,000)	-	(65,000)
Change in net assets	2,746,772	(727,203)	2,019,569	(1,312,447)	707,122
NET ASSETS, DECEMBER 31, 2020	<u>\$ 8,768,534</u>	<u>\$ 12,019,554</u>	<u>\$ 20,788,088</u>	<u>\$ 19,921</u>	<u>\$ 20,808,009</u>
					(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 707,122	\$ (865,583)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	767,001	767,057
Loss on sale of assets	69,505	-
Deferred lease income	(1,876)	(1,286)
Grant income restricted for investing in real estates	(759,678)	-
Write-down of assets held for sale	-	84,000
Decrease (increase) in operating assets:		
Accounts and contributions receivable	(108,263)	(76,733)
Prepaid expenses	(13,253)	5,987
Tenant security deposits held in trust	(2,804)	7,263
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	89,653	21,402
Prepaid rents	3,333	9,398
Accrued and deferred interest	27,416	27,418
Refundable security deposits	3,145	(7,364)
Net cash provided by (used in) operating activities	781,301	(28,441)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in restricted deposits	41,695	91,354
Additions to fixed assets	(3,544,699)	(4,187)
Tax credit fees paid	(82,870)	-
Proceeds from sales of assets, net of commissions and other fees	1,030,495	
Predevelopment costs paid	(101,972)	(267,520)
Net cash used in investing activities	(2,657,351)	(180,353)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term borrowings	1,526,109	258,158
Principal payments on notes payable	(945,542)	(78,754)
Debt issuance costs paid	(32,091)	-
Capital contributions from limited partners of tax credit partnerships	2,184,235	50,381
Syndication fees paid	(65,000)	
Grant income restricted for investing in real estates	759,678	-
Net cash provided by financing activities	3,427,389	229,785
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,551,339	20,991
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	800,528	779,537
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,351,867	\$ 800,528

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest incurred	<u>\$ 65,243</u>	<u>\$ 86,623</u>
Interest paid	<u>\$ 75,193</u>	<u>\$ 59,188</u>
Interest capitalized	<u>\$ 18,615</u>	<u>\$ -</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES-		
Additions to fixed assets through incurrence of-		
Accounts payable - construction	<u>\$ 1,802,869</u>	<u>\$ 57,326</u>

(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Bridge Meadows is a nonprofit organization that was formed to develop and sustain supportive intergenerational communities for families with children who have experienced foster care and to promote permanency, community, and caring relationships, while offering safety and meaningful purpose in the daily lives of other adults. At December 31, 2020, Bridge Meadows has an ownership interest in five affordable housing entities (“Affiliated Entities”) as follows:

	<u>Number of Units</u>	<u>Percentage Ownership</u>
Bridge Meadows Senior Apartments LLC - General Partner in- Bridge Meadows Senior Housing Limited Partnership	- 27	100.00% .01%
Bridge Meadows GP LLC - General Partner in- Bridge Meadows-Beaverton Limited Partnership	- 41	100.00% .01%
Bridge Meadows Redmond GP LLC - General Partner in- Bridge Meadows-Redmond Limited Partnership	- 36	100.00% .01%
Bridge Meadows Family Homes LLC	9	100.00%
New Meadows Property LLC	15	98.00%

Tax Credit Partnerships – Bridge Meadows Senior Housing Limited Partnership and Bridge Meadows-Beaverton Limited Partnership (“Tax Credit Partnerships”) were organized to develop affordable housing units in conformity with the provisions of Section 42 of the Internal Revenue Code which include, but are not limited to, compliance with tenant income eligibility and rent restrictions during a fifteen year compliance period (“Compliance Period”). Pursuant to Section 42, each of these entities are subject to an extended use agreement that requires continued compliance with the tenant eligibility rent restrictions for a fifteen year period after the initial Compliance Period.

Bridge Meadows is the General Partner in each of the Tax Credit Partnerships through sole member limited liability companies that were organized by Bridge Meadows. Bridge Meadows has an option to purchase the 99.99% ownership interest owned by the limited partner in each of these entities at the end of the Compliance Period.

The housing project located in Portland, Oregon, which is owned by Bridge Meadows Senior Housing Limited Partnership, includes 27 apartments for seniors and an intergenerational community center for the use of all residents, including the residents of the nine adjacent homes owned by Bridge Meadows Family Homes LLC.

The housing project located in Beaverton, Oregon, which is owned by Bridge Meadows-Beaverton Limited Partnership, includes nine homes for adoptive families and children, 32 apartments for elders, and an intergenerational community center for all residents.

The housing project located in Redmond, Oregon owned by Bridge Meadows-Redmond Limited Partnership is currently under construction. This project includes 26 apartments for seniors and 10 units for adoptive families with children and an intergenerational community center for all residents. Construction of the project expected to be completed in October 2021.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Bridge Meadows Family Homes LLC (“Family Homes”) – Family Homes was organized to finance and develop nine family homes to serve adoptive families and children. The nine family homes are located adjacent to the housing project owned by Bridge Meadows Senior Housing Limited Partnership

New Meadows Property LLC (“New Meadows”) – Bridge Meadows has partnered with New Avenues for Youth to finance and develop a 15-unit apartment complex located in close proximity to Bridge Meadows which was completed and placed in serviced in July 2018. New Meadows was organized to house and serve young people aging out of the foster care system and provide life skills training, academic support, counseling services and an intergenerational community to help them build life-long bonds. Ownership in New Meadows is based on the amount of capital contribution made by each owner.

Bridge Meadows and New Avenues for Youth also formed New Meadows Operations LLC which leases the 15-unit apartment complex from New Meadows. Services to residents, which are discussed above, are provided by New Avenues for Youth. As of December 31, 2020, Bridge Meadows has not made a capital contribution to New Meadows Operations LLC. Under the provisions of the operating agreement of New Meadows Operations LLC, Bridge Meadows is required to make annual contributions of \$3,430, beginning 2020 through 2024.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Bridge Meadows and Affiliated Entities. The Affiliated Entities are included in the consolidated financial statements in accordance with generally accepted accounting principles because Bridge Meadows is deemed to be in control of each of these entities. All intercompany transactions and balances have been eliminated in consolidation.

Noncontrolling Interest – The amounts shown as noncontrolling interest represent the aggregate balance of the limited partners or member’s equity interest in the non-wholly owned entities that are included in the consolidated financial statements.

Basis of Presentation – The financial statements are presented on the accrual basis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accounting principles generally accepted in the United States of America require Bridge Meadows to report information regarding its financial positions and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Bridge Meadows. These net assets may be used at the discretion of Bridge Meadows’ management and the board of directors.

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

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents – For purposes of the statement of cash flows, Bridge Meadows and Affiliated Entities consider all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

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

Contributions Receivable at December 31, 2020 and 2019 represent unconditional promises to give and are due within one year.

Fixed Assets are recorded at costs or at the estimated fair value of donated assets on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which are 40 years for buildings, 3 to 10 years for furniture and equipment, and 5 years for website costs.

Management reviews fixed assets for financial impairment and will continue to evaluate assets if events or circumstances indicate the carrying amount of an asset may not be fully recoverable.

Debt Issuance Costs – Debt issuance costs are being amortized using the straight-line method over the terms of the related notes. Accounting principles generally accepted in United States of America require the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would be obtained using the effective yield method. Amortization of debt issuance costs of \$6,121 and \$6,119 for the years ended December 31, 2020 and 2019, respectively, is included in interest expense. Accumulated amortization of debt issuance costs was \$46,486 and \$40,365 at December 31, 2020 and 2019, respectively.

Tax Credit Fees are recorded at cost and are amortized on the straight-line method over the fifteen year tax credit compliance period. Accumulated amortization was \$40,493 and \$33,370 at December 31, 2020 and 2019, respectively. Amortization was \$7,123 for each of the years ended December 31, 2020 and 2019, respectively. Amortization of tax credit fees for each of the next five years will be \$7,124 each year.

Tax Credits – The Tax Credit Partnerships have received an allocation of Low-Income Housing Tax Credits (“LIHTC”) for their qualifying rental property. The benefits of the LIHTC are provided to the partners through the partnerships’ annual Federal income tax return filing and are not reflected in the accompanying financial statements. The LIHTC is a 15-year credit that is generally claimed by the partnerships over a 10-year period. The credit is a certain percentage (as determined by the Internal Revenue Service) of the qualified basis of the property. The partnerships may only lease qualified units to tenants who meet certain income restrictions and whose rent payments also are restricted under guidelines set by the Internal Revenue Service.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Because the LIHTC is subject to complying with certain requirements, there can be no assurance that the aggregate amount of LIHTC will be realized. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in the loss of LIHTC and the recapture of previously claimed LIHTC plus interest.

Federal and State Taxes – Bridge Meadows and Family Homes are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state statutes and did not have any unrelated business income for the year ended December 31, 2020. Due to its tax exempt status, Bridge Meadows and Family Homes are not subject to income taxes. Accordingly, these financial statements do not reflect a provision for income taxes and there are no other tax positions which must be considered for disclosure. Bridge Meadows is required to file tax returns with the IRS and other taxing authorities.

The Tax Credit Partnerships and New Meadows are taxable entities, however, each of the entities have elected to be treated as a pass-through entity for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its partners or members on their respective income tax returns. The Tax Credit Partnerships and New Meadows' federal tax statuses are based on their legal status as a partnership. Accordingly, the Tax Credit Partnerships and New Meadows are not required to take any tax positions in order to qualify as a pass-through entity. Accordingly, these financial statements do not reflect a provision for income taxes and the Tax Credit Partnerships and New Meadows have no other tax positions which must be considered for disclosure. The Tax Credit Partnerships and New Meadows are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities.

Income tax returns filed by each of the entities are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2017 remain open and subject to examination.

Functional Expenses – The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services based on an allocation of employees' time incurred and on usage of resources. Bridge Meadows core programs are as follows:

- **Affordable Housing** – Bridge Meadows has an ownership interest in 128 units of affordable rental housing and is responsible for the management of these units through a third-party property management company except for New Meadows which is managed by New Avenues for Youth. The affordable housing units include 28 homes which are available for adoptive families and children, 85 apartments for senior citizens and 15 apartments for young people aging out of the foster care system. The total number of units include thirty-six units that are under construction.
- **Community Development** – Bridge Meadows have developed 128 housing units through new construction over the last decade. Currently the developments of two additional communities in Oregon are in a predevelopment phase.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- **Resident Services** – Bridge Meadows provides services to the tenants of the affiliated affordable housing units in order to improve the social, economic, and environmental conditions affecting their lives. The program offers better access to community services, skill building workshops, a resident newsletter, and activities for young and adult residents.

Revenue Recognition

Rental income, principally short-term leases on apartment units, is recognized as the rentals become due.

Grants and Contributions – Bridge Meadows receives grants and contributions from private foundations and government sources. Government grants, which generally reflect cost reimbursement agreements are recognized when earned. Contributions, which include unconditional promises to give, are recorded as revenue at estimated net realizable value in the period Bridge Meadows is notified of the commitment. Conditional promises to give are not included as revenue until the conditions are substantially met. Grants and contributions whose restrictions, if any, are met in the same reporting period are reported as contributions without donor restrictions in the period of receipt.

Donated Assets and Services – Donated assets and services are recorded as support at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the use of donated goods to a specific purpose. Bridge Meadows recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individually possessing those skills, and would typically need to be purchased if not provided by donation.

Special Events – Contributions from special fundraising events are reported net of direct costs of benefits received by the participants of such events. For the years ended December 31, 2020 and 2019, such costs were \$54,996 and \$278,512, respectively.

Development Fees – Bridge Meadows earns fees for development of properties and generally recognize development fees as earned over the period of development. Development fees earned cover development costs plus a profit margin. Development fees earned, in excess of actual development costs incurred, have been eliminated in consolidation.

Bridge Meadows provides tenant services for the Affiliated Entities. Income is earned in accordance with the terms of the agreements and recorded as revenue when earned. Such intercompany revenue has been eliminated in the consolidated financial statements.

Statement of Cash Flows – Changes in restricted deposits between the beginning of the period and the end of the period are reported as a component of investing activities in the statement of cash flows. Changes in tenant security deposits held in trust net of the liability for refundable security deposits between the beginning of the period and the end of the period are reported as a component of operating activities. Effective for fiscal years beginning after December 15, 2018, accounting principles generally accepted in the United States of America require that changes in restricted cash should be included in cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. However, the effect of reporting such changes as components of operating and investing activities is not materially different from reporting the changes in cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts on the statement of cash flows.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

2. RESTRICTED DEPOSITS

Restricted deposits at December 31, 2020 and 2019 include the following:

	2020	2019
Operating reserve	\$ 465,669	\$ 453,226
Replacement reserve	141,496	173,527
Resident services	245,638	262,171
Insurance reserve	30,096	56,670
Total	<u>\$ 882,899</u>	<u>\$ 945,594</u>

Operating Reserves are required by certain organizational agreements of the Tax Credit Partnerships. Such funds are available to pay operating expenses to the extent that collected gross revenues are insufficient for such purposes. Withdrawals from operating reserves generally require the approval and consent of the limited partners.

Replacement Reserves are required by various loans and partnership agreements and are to be used for the replacement or repairs of capital assets.

Resident Services Reserve – Bridge Meadows-Beaverton Limited Partnership has established a resident services reserve in the initial amount of \$300,000 to pay a portion of the resident services fee payable to Bridge Meadows.

Mortgage Escrow Deposits – The Tax Credit Partnerships are required to fund an insurance reserve which will be sufficient to pay insurance premiums when due.

3. NOTES PAYABLE

Notes payable at December 31, 2020 and 2019 were as follows:

	2020	2019
Heritage Bank		
Revolving line of credit that provides borrowing up to \$400,000. Interest at a variable rate (5.75% per annum at December 31, 2020) that expires March 15, 2021.	<u>\$ -</u>	<u>\$ 258,158</u>
Columbia Bank		
Mortgage payable in monthly installments of \$1,606 including interest at 5.75%, maturing April 26, 2023. Fixed assets owned by Family Homes pledged as collateral.	<u>42,611</u>	<u>59,535</u>
City of Beaverton		
Note payable, non-interest bearing and maturing September 1, 2054. Fixed assets owned by Bridge Meadows-Beaverton, subject to prior liens, pledged as collateral.	<u>200,000</u>	<u>200,000</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

3. NOTES PAYABLE - Continued

	2020	2019
<i>Portland Housing Bureau</i>		
Note payable, non-interest bearing due October 1, 2079. Fixed assets owned by New Meadows pledged as collateral. Provided that New Meadows has complied with the terms and conditions of the note agreement, the borrowings will be forgiven at maturity.	\$ 1,377,173	\$ 1,377,173
Note payable is non-interest bearing and is due on May 2, 2066. Annual payments equal to 50% of Excess Cash Flow, as defined in the promissory note, are due on April 1 of each year. Fixed assets owned by Bridge Meadows Senior Housing, subject to prior liens, pledged as collateral.	928,562	931,581
Note payable is non-interest bearing and is due on May 2, 2066. Annual payments equal to 50% of Excess Cash Flow, as defined in the promissory note, are due on April 1 of each year. Fixed assets owned by Bridge Meadows Senior Housing, subject to prior liens, pledged as collateral.	705,644	710,725
	<u>3,011,379</u>	<u>3,019,479</u>
<i>Oregon Housing Community Services ("OHCS")</i>		
Note payable pursuant to a Tax Credit Assistance Program Loan Agreement provides for interest at 1% per annum beginning on January 1, 2014 with principal and accrued interest to be paid in full on December 31, 2065. Fixed assets owned by Bridge Meadows Senior Housing pledged as collateral.	2,325,511	2,325,511
Unamortized debt issuance costs	<u>(187,605)</u>	<u>(191,774)</u>
	<u>2,137,906</u>	<u>2,133,737</u>
<i>State of Oregon</i>		
Note payable provides for zero interest and matures on December 31, 2061. Fixed assets owned by Bridge Meadows Redmond pledged as collateral.	926,109	-
<i>JPMorgan Chase</i>		
Notes payable, due September 19, 2023. Substantially all assets of Bridge Meadows-Beaverton pledged as collateral.		
Payable in monthly installments of \$5,790 including interest at 1.00% per annum.	1,687,891	1,739,917
Payable in monthly installments of \$3,758 including interest at 5.00% per annum.	678,162	688,495
Unamortized debt issuance costs	<u>(31,391)</u>	<u>(33,220)</u>
	<u>2,334,662</u>	<u>2,395,192</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

3. NOTES PAYABLE - Continued

	2020	2019
<i>Washington County</i>		
Note payable is due January 31, 2058 with interest accruing at one-half of one percent (0.5%) simple interest per annum beginning on January 31, 2018. Annual principal and interest payments from Available Cash Flow (as defined in the promissory note) not to exceed \$12,000 per annum until the year following the year in which the term loan with JPMorgan Chase shall have been fully repaid or refinanced. Thereafter principal and interest payments from Available Cash Flow of \$16,000 per annum for the remainder of the term loan with remaining principal balance and accrued interest due at maturity. Fixed assets owned by Bridge Meadows-Beaverton, subject to prior liens, pledged as collateral.	\$ 850,075	\$ 850,075
Unamortized debt issuance costs	(4,521)	(4,643)
	<u>845,554</u>	<u>845,432</u>
Total notes payable	9,721,738	9,141,170
Total unamortized debt issuance costs	(223,517)	(229,637)
Net of unamortized debt issuance costs	9,498,221	8,911,533
Less current portion	(81,567)	(337,508)
Notes payable, net of unamortized debt issuance costs	<u>\$ 9,416,654</u>	<u>\$ 8,574,025</u>

Principal payments due over the next five years and thereafter are as follows:

Year Ending December 31,	
2021	\$ 81,567
2022	83,735
2023	71,378
2024	66,994
2025	68,209
Thereafter	<u>9,349,855</u>
Total notes payable	<u>\$9,721,738</u>

4. CONCENTRATIONS OF CREDIT RISK

Bridge Meadows maintains its cash balances with banks and other financial instruments, which may exceed depository insurance limits. Bridge Meadows has not experienced any losses from these accounts and does not believe they are exposed to significant credit risk.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

5. OTHER COMMITMENTS AND CONTINGENCIES

Grant and Property Use Restrictions – Certain of the properties operated by Bridge Meadows and Affiliated Entities were developed using funds provided by grants and low interest rate loans. The terms of these grants and loans restrict the use of the property and generally require the property to be rented to low-income qualified tenants for the period of the grant or related loan term. Failure to comply with the terms of the grants or the loans may result in a requirement to repay a portion or all of the proceeds received.

Management Fee – The Affiliated Entities pay a third party service provider a management fee equal to 7% of gross revenue collected to manage the daily operations of the low-income housing projects.

Other – As the general partner in the Tax Credit Partnerships, Bridge Meadows may be subject to other liabilities, should affected partnerships' assets become insufficient to meet its obligations. This includes guarantees to fund future operating deficits of the limited partnership over the periods as defined in the limited partnership agreements. The operating deficit guarantee periods typically require the limited partnerships to meet certain conditions based on the operational results. Bridge Meadows has not been required to fund any amounts associated with the operating deficit guarantees to date.

Construction commitment – In 2020, Bridge Meadows – Redmond LP entered into a construction contract in total amount of approximately \$12,200,000. At December 31, 2020, approximately \$3,000,000 of the contract has been completed and included as construction in progress in the statement of net assets.

6. LEASES

Bridge Meadows has entered into a ground lease agreement with the City of Portland for the land where the buildings of Family Homes and Bridge Meadows Senior Housing are situated. The Ground Lease Agreement with the City of Portland dated January 8, 2009 has a term of 99 years and provides for annual lease payments of \$1.

In April 2018, Bridge Meadows entered into a Long-Term Ground Lease Option with a 3rd party nonprofit organization that grants Bridge Meadows the option to lease the land for its community development site with a lease term of 99 years and lease value at \$1,200,000 (the "New Lease"). Bridge Meadows may pay \$1,000,000 of the lease value upon the execution of the New Lease and the remaining lease value may be due 20 years from the effective date of New Lease with interest accrued at 4 percent per annum or may be waived at the lessor's discretion. The option term is three years, and the option price is \$100 for 2018, \$25,000 for 2019 and \$50,000 for 2020. At December 31, 2020, the lease option has expired, however Bridge Meadows is reviewing its options regarding development at this location.

New Meadows Property LLC has leased its 15-unit apartment complex to New Meadows Operations LLC, an affiliated party, under the terms of an operating lease that provides for an initial term of 10 years beginning June 1, 2018 with an option to extend the term for two additional five-year terms. In addition to the base rent of \$6,000 per year, increasing 3% annually, the lessee is responsible for all costs and expenses related to the operation of the premises.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

6. LEASES - Continued

Minimum future rentals for the next five years and thereafter are as follows:

Year Ending December 31,	
2021	\$ 6,556
2022	6,753
2023	6,956
2024	7,165
2025	7,379
There after	<u>15,429</u>
Total	<u>\$50,238</u>

7. DONATED LAND

Bridge Meadows received a land donation in 2018 that was recorded as land held for sale at fair value of \$1,184,000 on the date of donation. The donor restricted the sales proceeds of the land to be used for the development, construction and operation of an affordable housing project in Portland, Oregon. Such land donation was recorded as net assets with donor restrictions at December 31, 2019.

On January 13, 2020, Bridge Meadows entered into the Purchase and Sales Agreement with a 3rd party buyer to sell the land at a purchase price of \$1,100,000. Accordingly, the land held for sale was written down to the purchase price and loss on land held for sale of \$84,000 was recorded in the statement of activities for the year ended December 31, 2019.

On August 20, 2020, the land was sold in accordance with the Purchase and Sales Agreement dated January 13, 2020. Bridge Meadows received the sales proceeds of \$1,030,495, net of commissions and other sales expenses, and recorded \$69,505 of net loss on the sale of assets for the year ended December 31, 2020. Such proceeds have met the donor restrictions and was released from the net assets with donor restrictions during 2020.

8. LIQUIDITY

Cash and cash equivalent and current receivables

Bridge Meadows	\$ 1,076,441
Less donor restricted net assets	<u>(19,921)</u>
Bridge Meadows, net	1,056,520
Affiliated Entities	<u>1,757,948</u>
Current resources available	<u><u>\$ 2,814,468</u></u>

Current liabilities

Bridge Meadows	\$ 202,993
Affiliated Entities	<u>1,995,504</u>
Current obligations	<u><u>\$ 2,198,497</u></u>

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

8. **LIQUIDITY** - Continued

The resources of the Affiliated Entities are not available for general purposes of Bridge Meadows. Such resources are only available for use by the specific entity that holds the resources. Allowable distributions to Bridge Meadows from these entities are determined by the respective Partnership or Operating Agreement.

In addition to the current resources as summarized above, each of the Affiliated Entities have restricted deposits available to fund operating deficits or capital expenditures, etc. as more fully described in Note 4.

Bridge Meadows has adequate financial resources to pay its current obligations when due and expects to generate sufficient cash flow from operations to continue the normal operation of major programs.

9. **OTHER ASSETS**

At December 31, 2020 and 2019, other assets include the following:

	<u>2020</u>	<u>2019</u>
Community development costs	\$ 241,922	\$ 454,148
Deferred OHCS monitoring fee	48,333	58,000
Prepaid debt issuance costs	32,901	-
Other	<u>11,581</u>	<u>11,801</u>
	<u>\$ 334,737</u>	<u>\$ 523,949</u>

Community development costs represent the predevelopment costs incurred for the future housing projects and will be transferred to affiliated entities when the construction begins.

Deferred OHCS monitoring fees were recorded at cost and are being amortized on the straight-line method over 15 years of the tax credit compliance period of Bridge Meadows Senior Housing Limited Partnership. The amortization expense for the years ended December 31, 2020 and 2019 was \$9,667 each year and accumulated amortization at December 31, 2020 and 2019 was \$96,667 and \$87,000, respectively.

10. **EMPLOYEE BENEFIT PLAN**

All employees of Bridge Meadows (other than union employees, certain nonresident clients and leased employees) that meet certain requirements are eligible to participate in Bridge Meadows' defined contribution plan under Section 401(k) of the Internal Revenue Code. Eligible employees can elect to defer a percentage of their compensation each year up to the dollar limit set by law. The plan further provides that Bridge Meadows will make safe harbor nonelective contributions each year equal to 3% of eligible compensation. Employer contributions to the benefit plan were \$27,472 and \$21,573 for the years ended December 31, 2020 and 2019, respectively.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

11. FUNCTIONAL EXPENSES

The consolidated schedule of functional expense for the year ended December 31, 2020 is as follows:

	Year Ended December 31, 2020				
	Program Services		Support Services		
	Affordable Housing	Community Development	Resident Services	Management and General	Fund-raising
					Year Ended 2020
Salaries and related expenses	\$ 61,425	\$ 197,662	\$ 366,135	203,112	\$ 1,171,893
Legal	4,439	2,760	-	2,486	9,685
Accounting and audit	14,112	-	-	23,000	37,112
Other professional service fees	37	238,433	468	4,499	258,557
License, fees and permits	200	-	841	21,239	27,728
Office expense	22,400	743	17,277	28,079	78,343
Program supplies	-	1,290	18,824	-	20,114
Taxes and insurance	69,591	-	-	7,179	76,770
Travel and meetings	-	4,000	4,401	7,417	21,942
Utilities	90,929	-	-	-	90,929
Repairs and maintenance	177,110	-	-	-	177,110
Management fees	42,833	-	-	-	42,833
Residence administration	9,331	-	-	-	9,331
Bad debt	2,707	-	-	-	10,207
Advertising	170	567	242	372	35,227
Asset management fees	10,906	-	-	-	10,906
Interest	60,873	-	-	4,370	65,243
Interest - amortization	6,121	-	-	-	6,121
Depreciation	736,832	-	-	7,257	744,089
Amortization	16,791	-	-	-	16,791
Miscellaneous	5,558	-	-	-	5,558
Development costs capitalized	-	(264,000)	-	-	(264,000)
Total expenses	\$ 1,332,365	\$ 181,455	\$ 408,188	\$ 309,010	\$ 2,652,489

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

11. FUNCTIONAL EXPENSES

The consolidated schedule of functional expense for the year ended December 31, 2019 is as follows:

	Year Ended December 31, 2019				
	Program Services		Support Services		Year Ended 2019
	Affordable Housing	Community Development	Resident Services	Management and General	Fund-raising
Salaries and related expenses	\$ 82,295	\$ 179,740	\$ 304,940	\$ 202,419	\$ 307,865
Legal	-	-	4,182	700	-
Accounting and audit	14,033	-	-	23,000	-
Other professional service fees	11,896	9,053	10,357	8,401	79,967
License, fees and permits	-	2,087	-	14,146	14,306
Office expense	15,749	403	28,146	35,129	13,308
Program supplies	-	-	19,376	-	-
Taxes and insurance	62,461	-	-	7,330	-
Travel and meetings	-	5,641	5,225	29,801	8,272
Utilities	96,272	-	-	-	-
Repairs and maintenance	193,154	-	-	-	-
Management fees	52,988	-	-	-	-
Residence administration	17,356	-	-	-	-
Asset management fees	10,578	-	-	-	-
Interest	80,518	-	-	6,105	-
Interest - amortization	6,119	-	-	-	-
Depreciation	736,834	-	-	7,314	-
Amortization	16,790	-	-	-	-
Total expenses	\$ 1,397,043	\$ 196,924	\$ 372,226	\$ 334,345	\$ 423,718
					\$ 2,724,256

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2020 AND 2019

12. RECLASSIFICATION

The net assets at December 31, 2018 has been revised to reclassify the Equity Gap loan balance of \$931,581 due to Portland Housing Bureau from net assets without donor restrictions to notes payable.

13. CONTINGENCY

As a result of a world-wide pandemic, most states and localities have issued stay at home requirements resulting in high unemployment and the probability that many tenants will be unable to pay their rent when due. In addition, most localities have issued a moratorium on tenant evictions for extended periods and also prohibit charging late fees for non-payment of rent during this period. This may have a negative impact on future rent collections which cannot reasonably be estimated at this time. However, the State of Oregon has recently passed legislation that provides funding for tenants who are unable to pay their rent. The legislation also provides that property owners may be reimbursed at a rate of 80% of delinquent tenant rents provided that they forgive the remaining 20% of delinquent rents for the tenants for which they are reimbursed.

14. SUBSEQUENT EVENTS

Management of Bridge Meadows and Affiliated Entities has evaluated events and transactions occurring after December 31, 2020 through August 6, 2021, the date the financial statements were available for issuance, for potential recognition or disclosure in the financial statements and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020

	Bridge Meadows Nonprofit	Bridge Meadows Family Homes LLC	New Meadows Property LLC	Bridge Meadows Senior Housing LP	Bridge Meadows- Beaverton LP	Bridge Meadows- Redmond LP	Eliminations	Consolidated
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 645,558	\$ 9,375	\$ 12,192	\$ 40,721	\$ 64,687	\$ 1,579,334	\$ -	\$ 2,351,867
Accounts receivable	603	6,416	6,364	12,272	26,587	-	-	52,242
Contributions receivable	420,481	-	-	-	-	-	-	420,481
Due from affiliates	832,902	-	-	-	-	-	(823,103)	9,799
Prepaid expenses	13,581	2,078	-	8,202	11,746	-	-	35,607
Total current assets	1,913,125	17,869	18,556	61,195	103,020	1,579,334	(823,103)	2,869,996
NONCURRENT ASSETS:								
Tenant security deposits held in trust	-	4,400	-	8,500	27,941	-	-	40,841
Restricted deposits	-	25,475	-	360,351	497,073	-	-	882,899
Investments in affiliates	2,991,740	-	-	-	-	-	(2,991,740)	-
Notes receivable	4,123,324	-	-	-	-	-	(4,123,324)	-
Interest receivable	314,923	-	-	-	-	-	(314,923)	-
Tax credit fees - net	-	-	-	17,733	48,631	82,870	-	149,234
Land held for sale	-	-	-	-	-	-	-	-
Other assets	252,437	-	1,876	48,333	-	32,091	-	334,737
Fixed assets:								
Land and land improvements	-	-	668,361	1,142,487	1,670,256	941,802	-	4,422,906
Buildings and improvements	-	1,966,574	2,954,257	6,162,333	11,935,422	-	(185,122)	22,833,464
Furnishings and equipment	27,970	28,584	141,024	347,433	222,500	-	-	767,511
Website	26,353	-	-	-	-	-	-	26,353
Construction in progress	-	-	-	-	-	4,784,225	(66,000)	4,718,225
Total	54,323	1,995,158	3,763,642	7,652,253	13,828,178	5,726,027	(251,122)	32,768,459
Less accumulated depreciation	(43,194)	(506,612)	(239,792)	(2,375,036)	(1,167,965)	-	25,254	(4,307,345)
Fixed assets - net	11,129	1,488,546	3,523,850	5,277,217	12,660,213	5,726,027	(225,868)	28,461,114
Total noncurrent assets	7,693,553	1,518,421	3,525,726	5,712,134	13,233,858	5,840,988	(7,655,855)	29,868,825
TOTAL	\$ 9,606,678	\$ 1,536,290	\$ 3,544,282	\$ 5,773,329	\$ 13,336,878	\$ 7,420,322	\$ (8,478,958)	\$ 32,738,821

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

	Bridge Meadows Nonprofit	Bridge Meadows Family Homes LLC	New Meadows Property LLC	Bridge Meadows Senior Housing LP	Bridge Meadows- Beaverton LP	Bridge Meadows- Redmond LP	Eliminations	Consolidated
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable and other accrued liabilities	\$ 202,993	\$ 4,832	\$ -	\$ 99,039	\$ 162,277	\$ -	\$ (229,794)	\$ 239,347
Construction payable	-	-	-	-	-	1,959,150	-	1,959,150
Prepaid rents	-	1,615	2,652	5,800	3,276	-	-	13,343
Accrued interest	-	-	-	-	4,373	18,750	-	23,123
Current portion of notes payable	17,994	-	-	-	63,573	-	-	81,567
Total current liabilities	220,987	6,447	2,652	104,839	233,499	1,977,900	(229,794)	2,316,530
NONCURRENT LIABILITIES:								
Refundable security deposits	-	4,400	-	8,500	27,941	-	-	40,841
Notes payable, net	224,617	928,562	1,377,173	3,007,196	4,669,892	3,185,787	(3,976,573)	9,416,654
Deferred interest	-	-	-	178,064	293,646	-	(314,923)	156,787
Development fee payable	-	-	-	237,549	215,760	140,000	(593,309)	-
Total noncurrent liabilities	224,617	932,962	1,377,173	3,431,309	5,207,239	3,325,787	(4,884,805)	9,614,282
Total liabilities	445,604	939,409	1,379,825	3,536,148	5,440,738	5,303,687	(5,114,599)	11,930,812
NET ASSETS:								
Net assets without donor restrictions:								
Controlling interests	9,141,153	596,881	2,086,239	(302)	308,822	100	(3,364,359)	8,768,534
Noncontrolling interests	-	-	78,218	2,237,483	7,587,318	2,116,535	-	12,019,554
Total net assets without donor restrictions	9,141,153	596,881	2,164,457	2,237,181	7,896,140	2,116,635	(3,364,359)	20,788,088
Net assets with donor restrictions	19,921	-	-	-	-	-	-	19,921
Net assets	9,161,074	596,881	2,164,457	2,237,181	7,896,140	2,116,635	(3,364,359)	20,808,009
TOTAL	\$ 9,606,678	\$ 1,536,290	\$ 3,544,282	\$ 5,773,329	\$ 13,336,878	\$ 7,420,322	\$ (8,478,958)	\$ 32,738,821

(Concluded)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Bridge Meadows Nonprofit	Bridge Meadows Family Homes LLC	New Meadows Property LLC	Bridge Meadows Senior Housing LP	Bridge Meadows- Beaverton LP	Bridge Meadows- Redmond LP	Eliminations	Consolidated
SUPPORT AND REVENUES:								
Support:								
Contributions and grants	\$ 2,519,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,519,137
Special events, net	191,865	-	-	-	-	-	-	191,865
Total support	2,711,002	-	-	-	-	-	-	2,711,002
Revenues:								
Net rental income	-	90,364	6,878	202,257	401,040	-	-	700,539
Management fees	125,821	-	-	-	-	-	(113,625)	12,196
Development fees	330,000	-	-	-	-	-	(330,000)	-
Interest income	103,096	2	-	747	249	-	(102,426)	1,668
Income from equity investments	(124,764)	-	-	-	-	-	124,764	-
Loss from assets held for sale	(69,505)	-	-	-	-	-	-	(69,505)
Miscellaneous income	-	-	11	3,211	489	-	-	3,711
Total revenues	364,648	90,366	6,889	206,215	401,778	-	(421,287)	648,609
Total support and revenues	3,075,650	90,366	6,889	206,215	401,778	-	(421,287)	3,359,611

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Bridge Meadows Nonprofit	Bridge Meadows Family Homes LLC	New Meadows Property LLC	Bridge Meadows Senior Housing LP	Bridge Meadows- Beaverton LP	Bridge Meadows- Redmond LP	Eliminations	Consolidated
EXPENSES:								
Program services:								
Affordable housing	\$ -	\$ 129,307	\$ 95,916	\$ 508,206	\$ 821,086	\$ 2,700	\$ (224,850)	\$ 1,332,365
Community development	445,455	-	-	-	-	-	(264,000)	181,455
Resident services	408,188	-	-	-	-	-	-	408,188
Total program services	853,643	129,307	95,916	508,206	821,086	2,700	(488,850)	1,922,008
Support services:								
Management and general	309,010	-	-	-	-	-	-	309,010
Fundraising	421,471	-	-	-	-	-	-	421,471
Total support services	730,481	-	-	-	-	-	-	730,481
Total expenses	1,584,124	129,307	95,916	508,206	821,086	2,700	(488,850)	2,652,489
CHANGE IN NET ASSETS	1,491,526	(38,941)	(89,027)	(301,991)	(419,308)	(2,700)	67,563	707,122
NET ASSETS, BEGINNING OF YEAR	8,601,129	1,567,403	2,215,345	2,539,172	8,315,448	-	(4,325,264)	18,913,233
Adjustment	(931,581)	(931,581)	-	-	-	-	931,581	(931,581)
NET ASSETS, BEGINNING OF YEAR - Revised	7,669,548	635,822	2,215,345	2,539,172	8,315,448	-	(3,393,683)	17,981,652
Contributions	-	-	38,139	-	-	2,184,335	(38,239)	2,184,235
Syndication costs	-	-	-	-	-	(65,000)	-	(65,000)
NET ASSETS, END OF YEAR	\$ 9,161,074	\$ 596,881	\$ 2,164,457	\$ 2,237,181	\$ 7,896,140	\$ 2,116,635	\$ (3,364,359)	\$ 20,808,009

(Concluded)