

**BRIDGE MEADOWS AND
AFFILIATED ENTITIES**

**Consolidated Financial Statements for
the years ended December 31, 2023 and
2022 and Independent Auditor's Report**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Bridge Meadows
Portland, Oregon

Report on the Financial Statements

Opinion

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, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bridge Meadows and Affiliated Entities as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bridge Meadows and Affiliated Entities 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bridge Meadows and Affiliated Entities' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridge Meadows and Affiliated Entities' ability to continue as a going concern for one year after the date when the financial statements are available to be issued.

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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 24 through 27 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 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The firm of Bjorklund & Montplaisir, which audited the consolidated financial statements of the Company for the year ended December 31, 2022, was acquired by Platform CPAs, LLP effective November 29, 2023.

Platform CPAs, LLP

Portland, Oregon
August 14, 2024

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 832,635	\$ 1,441,414
Short-term investments	1,176,679	-
Accounts receivable	115,082	67,923
Contributions receivable	399,152	72,915
Due from affiliates	-	3,049
Prepaid expenses	<u>27,742</u>	<u>36,106</u>
Total current assets	<u>2,551,290</u>	<u>1,621,407</u>
NONCURRENT ASSETS:		
Tenant security deposits held in trust	72,867	69,593
Restricted deposits	980,905	835,872
Investments in an affiliate	10,290	10,290
Tax credit fees - net	116,813	129,460
Other assets	432,269	214,920
Fixed assets:		
Land and land improvements	5,689,553	5,689,553
Buildings and improvements	35,794,244	35,794,244
Furnishings and equipment	1,096,731	1,091,356
Website	<u>26,353</u>	<u>26,353</u>
Total fixed assets	42,606,881	42,601,506
Less accumulated depreciation	<u>(7,312,589)</u>	<u>(6,206,557)</u>
Fixed assets - net	<u>35,294,292</u>	<u>36,394,949</u>
Total noncurrent assets	<u>36,907,436</u>	<u>37,655,084</u>
TOTAL	<u><u>\$ 39,458,726</u></u>	<u><u>\$ 39,276,491</u></u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued liabilities	\$ 224,650	\$ 354,100
Accounts payable - construction	5,996	12,886
Prepaid rents	22,567	13,054
Deferred grant revenue	206,750	-
Accrued interest	10,622	30,322
Current portion of notes payable	<u>109,987</u>	<u>7,208,591</u>
Total current liabilities	<u>580,572</u>	<u>7,618,953</u>
NONCURRENT LIABILITIES:		
Refundable security deposits	71,578	69,593
Long-term portion of notes payable, net	11,371,758	11,503,085
Deferred interest	<u>258,052</u>	<u>230,547</u>
Total noncurrent liabilities	<u>11,701,388</u>	<u>11,803,225</u>
Total liabilities	<u>12,281,960</u>	<u>19,422,178</u>
NET ASSETS:		
Net assets without donor restrictions:		
Controlling interests	10,503,983	10,426,650
Noncontrolling interests	<u>16,672,783</u>	<u>9,427,663</u>
Total net assets	<u>27,176,766</u>	<u>19,854,313</u>
TOTAL	<u><u>\$ 39,458,726</u></u>	<u><u>\$ 39,276,491</u></u>

(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	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	\$ 1,743,475	\$ -	\$ 1,743,475	\$ 1,826,764	\$ -	\$ 1,826,764
Special events, net	91,578	-	91,578	147,498	-	147,498
Total support	<u>1,835,053</u>	<u>-</u>	<u>1,835,053</u>	<u>1,974,262</u>	<u>-</u>	<u>1,974,262</u>
Revenues:						
Net rental revenue	1,143,533	-	1,143,533	1,111,243	-	1,111,243
Management fees	3,049	-	3,049	12,196	-	12,196
Investment income	33,567	-	33,567	1,682	-	1,682
Miscellaneous income	29,264	-	29,264	30,913	-	30,913
Total revenues	<u>1,209,413</u>	<u>-</u>	<u>1,209,413</u>	<u>1,156,034</u>	<u>-</u>	<u>1,156,034</u>
Total support and revenue	<u>3,044,466</u>	<u>-</u>	<u>3,044,466</u>	<u>3,130,296</u>	<u>-</u>	<u>3,130,296</u>
EXPENSES:						
Program services:						
Affordable housing	2,379,657	-	2,379,657	2,766,511	-	2,766,511
Community development	202,034	-	202,034	503,593	-	503,593
Resident services	870,038	-	870,038	459,302	-	459,302
Total program services	<u>3,451,729</u>	<u>-</u>	<u>3,451,729</u>	<u>3,729,406</u>	<u>-</u>	<u>3,729,406</u>
Support services:						
Management and general	618,073	-	618,073	512,020	-	512,020
Fundraising	324,694	-	324,694	391,899	-	391,899
Total support services	<u>942,767</u>	<u>-</u>	<u>942,767</u>	<u>903,919</u>	<u>-</u>	<u>903,919</u>
Total expenses	<u>4,394,496</u>	<u>-</u>	<u>4,394,496</u>	<u>4,633,325</u>	<u>-</u>	<u>4,633,325</u>
CHANGE IN NET ASSETS	<u>\$ (1,350,030)</u>	<u>\$ -</u>	<u>\$ (1,350,030)</u>	<u>\$ (1,503,029)</u>	<u>\$ -</u>	<u>\$ (1,503,029)</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Net Assets without Donor Restrictions			Net assets with donor restrictions	Net Assets
	Controlling Interests	Non- controlling Interests	Total		
NET ASSETS, DECEMBER 31, 2021	\$ 10,107,775	\$ 11,059,567	\$ 21,167,342	\$ -	\$ 21,167,342
Capital contributions	-	190,000	190,000	-	190,000
Change in net assets	<u>318,875</u>	<u>(1,821,904)</u>	<u>(1,503,029)</u>	<u>-</u>	<u>(1,503,029)</u>
NET ASSETS, DECEMBER 31, 2022	10,426,650	9,427,663	19,854,313	-	19,854,313
Capital contributions	-	8,672,483	8,672,483	-	8,672,483
Change in net assets	<u>77,333</u>	<u>(1,427,363)</u>	<u>(1,350,030)</u>	<u>-</u>	<u>(1,350,030)</u>
NET ASSETS, DECEMBER 31, 2023	<u>\$ 10,503,983</u>	<u>\$ 16,672,783</u>	<u>\$ 27,176,766</u>	<u>\$ -</u>	<u>\$ 27,176,766</u>

(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,350,030)	\$ (1,503,029)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,138,000	1,134,379
Loss due to write-off of predevelopment costs	-	207,270
Unrealized (gain) loss on short-term investments	(11,237)	-
Deferred lease income	(2,492)	(2,485)
Decrease (increase) in operating assets:		
Accounts and contributions receivable	(370,347)	(28,063)
Prepaid expenses	8,364	(15,184)
Tenant security deposits held in trust	(3,274)	(21,265)
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	(129,450)	234
Prepaid rents	9,513	(4,344)
Deferred grant revenue	206,750	-
Accrued and deferred interest	7,805	27,408
Refundable security deposits	1,985	21,265
Net cash used in operating activities	<u>(494,413)</u>	<u>(183,814)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in restricted deposits	(145,033)	34,023
Additions to fixed assets	(5,375)	(21,601)
Payment of accounts payable - construction	(6,890)	(144,555)
Purchase of short-term investments, net	(1,165,442)	-
Predevelopment costs paid	<u>(224,521)</u>	<u>(36,575)</u>
Net cash used in investing activities	<u>(1,547,261)</u>	<u>(168,708)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term borrowings	2,200,000	398,958
Principal payments on notes payable	(9,439,588)	(92,738)
Debt issuance costs paid	-	(29,604)
Capital contributions from limited partners of tax credit partnerships	<u>8,672,483</u>	<u>190,000</u>
Net cash provided by financing activities	<u>1,432,895</u>	<u>466,616</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(608,779)	114,094
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,441,414</u>	<u>1,327,320</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 832,635</u>	<u>\$ 1,441,414</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest incurred	<u>\$ 264,088</u>	<u>\$ 433,711</u>
Interest paid	<u>\$ 256,238</u>	<u>\$ 406,286</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES-		
Additions to fixed assets through incurrence of-		
Accounts payable - construction	<u>\$ 5,996</u>	<u>\$ 12,886</u>
		(Concluded)

See notes to consolidated financial statements.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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, 2023, 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, Bridge Meadows-Beaverton Limited Partnership, and Bridge Meadows Redmond 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 (“Bridge Meadows - Senior Housing”), 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 (“Bridge Meadows - Beaverton”), 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 which is owned by Bridge Meadows Redmond Limited Partnership (“Bridge Meadows - Redmond”), includes 26 apartments for seniors and 10 units for adoptive families with children and an intergenerational community center for all residents.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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 service 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. 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. However, a capital contribution is not required in any year that New Meadows Operations LLC has positive cash flow. As of December 31, 2023, Bridge Meadows has made a capital contribution of \$10,290 to New Meadows Operations LLC.

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.

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.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- 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, whereby the donor has stipulated the funds be maintained in perpetuity.

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.

Short-term Investments are recorded at fair value with realized and unrealized gains and losses reported in the statement of activities. Gains and losses on securities sold are based on the specific identification method. Interest and dividends, net of related investment expenses, are recorded when earned.

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, 2023 and 2022 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 \$9,657 and \$6,123 for the years ended December 31, 2023 and 2022, respectively, is included in interest expense. Accumulated amortization of debt issuance costs was \$68,386 and \$58,729 at December 31, 2023 and 2022, 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 \$72,914 and \$60,267 at December 31, 2023 and 2022, respectively. Amortization was \$12,647 and \$12,649 for the years ended December 31, 2023 and 2022, respectively. Amortization of tax credit fees for 2024 through 2025 will be \$12,650 each year, \$12,645 for 2026 and \$9,693 for 2027 and 2028.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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, 2023. 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 2020 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.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- **Community Development** – Bridge Meadows have developed 128 housing units through new construction over the last decade. Currently the developments of three additional communities in Oregon are in a predevelopment phase.
- **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

Bridge Meadows has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No 2016-02, Leases. The ASU requires Lessors to classify leases as either financing or operating leases. All residential leases with tenants have a term of one year or less and qualify for accounting as operating leases. Residential rental income is recorded on an accrual basis if collectability is probable at lease commencement. Otherwise, the lease income is limited to the lesser of (i) income that would have been recognized if collectability was probable, or (ii) lease payments collected.

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, 2023 and 2022, such costs were \$146,481 and \$122,162, 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.

Refundable Security Deposits – Tenant security deposits are refundable and are recognized as liabilities when received.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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. 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.

2. RESTRICTED DEPOSITS

Restricted deposits at December 31, 2023 and 2022 include the following:

	<u>2023</u>	<u>2022</u>
Operating reserves	\$ 512,732	\$ 367,976
Replacement reserves	231,165	181,552
Resident services reserve	198,139	212,696
Mortgage escrow deposits	<u>38,869</u>	<u>73,648</u>
Total	<u>\$ 980,905</u>	<u>\$ 835,872</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.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

3. NOTES PAYABLE

Notes payable at December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
<i>Columbia Bank</i>		
Mortgage payable in monthly installments of \$1,606 including interest at 5.75%. Paid in full during 2023.	\$ -	\$ 5,597
<i>City of Beaverton</i>		
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>
<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, 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.	916,655	916,655
Note payable, 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.	<u>705,644</u>	<u>705,644</u>
	<u>2,999,472</u>	<u>2,999,472</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
Note payable is due on December 31, 2061 and non-interest bearing. Fixed assets owned by Bridge Meadows-Redmond pledged as collateral.	1,029,010	1,029,010
Unamortized debt issuance costs	<u>(175,095)</u>	<u>(179,267)</u>
	<u>3,179,426</u>	<u>3,175,254</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

3. NOTES PAYABLE – Continued

	2023	2022
<i>JPMorgan Chase</i>		
Notes payable, due September 19, 2036. Substantially all assets of Bridge Meadows-Beaverton pledged as collateral.		
Payable in monthly installments of \$5,790 including interest at 1.00% per annum.	\$ 1,528,462	\$ 1,582,144
Payable in monthly installments of \$3,758 including interest at 5.00% per annum.	643,522	655,659
Unamortized debt issuance costs	(25,905)	(27,733)
	2,146,079	2,210,070
<i>Umpqua Bank</i>		
Construction loan, borrowings up to \$10,100,000 (Note A \$2,200,00, Note B \$7,900,000) with interest only payable monthly at the one-month LIBOR rate plus 2.5 per annum but not less than 3.10% per annum. On February 21, 2023, the outstanding balance of Note B (\$7,245,677) was paid off using the proceeds of capital installments from the Limited Partner of Bridge Meadows-Redmond.		
Concurrently, Note A was converted into a term loan with a maturity of March 1, 2039, payable in monthly installments of \$9,939, including interest at 3.5% per annum. Fixed assets owned by Bridge Meadows-Redmond pledged as collateral.	2,169,006	9,337,176
Unamortized debt issuance costs	(58,157)	(61,691)
	2,110,849	9,275,485
<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	(4,156)	(4,277)
	845,919	845,798
Total notes payable	11,745,058	18,984,644
Total unamortized debt issuance costs	(263,313)	(272,968)
Notes payable, net of unamortized debt issuance costs	11,481,745	18,711,676
Less current portion	(109,987)	(7,208,591)
Long-term portion of notes payable, net of unamortized debt issuance costs	\$ 11,371,758	\$ 11,503,085
		(Concluded)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

3. NOTES PAYABLE – Continued

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

Year Ending December 31,	
2024	\$ 109,987
2025	112,753
2026	115,614
2027	118,576
2028	121,641
Thereafter	<u>11,166,487</u>
Total notes payable	<u>\$11,745,058</u>

4. 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 6% to 8.5% 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.

5. 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.

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, 2023 AND 2022

5. LEASES - Continued

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

Year Ending December 31,	
2024	\$ 7,165
2025	7,379
2026	7,601
2027	<u>7,829</u>
Total	<u>\$29,974</u>

6. LIQUIDITY

Cash and cash equivalent and current receivables

Bridge Meadows	\$ 856,237
Affiliated Entities	<u>490,632</u>
Current resources available	<u>\$ 1,346,869</u>

Current liabilities

Bridge Meadows	\$ 100,865
Affiliated Entities	<u>129,781</u>
Current obligations	<u>\$ 230,646</u>

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 2.

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.

7. GAIN CONTINGENCY - BRIDGE MEADOWS-BEAVERTON

During 2023, Bridge Meadows-Beaverton Limited Partnership pursued the claim against the prior property management company to recover excessive repair expenses incurred in the previous year. Bridge Meadows-Beaverton expects to receive the settlement proceeds of \$40,000 in 2024 and will recognize the proceeds as income when received. Bridge Meadows incurred approximately \$14,000 of legal fees related to this claim and included in the statement of activities for the year ended December 31, 2023.

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

8. OTHER ASSETS

At December 31, 2023 and 2022, other assets include the following:

	2023	2022
Community development costs	\$ 399,930	\$ 172,921
Deferred OHCS monitoring fee	19,332	28,999
Other	13,007	13,000
	<u>\$ 432,269</u>	<u>\$ 214,920</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. During the year ended December 31, 2022, \$207,270 of predevelopment costs paid in the prior year have been written off and included as the community development program expenses as the management determined not to pursue the project any longer.

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. The amortization expense for the years ended December 31, 2023 and 2022 was \$9,667 each year and accumulated amortization at December 31, 2023 and 2022 was \$125,668 and \$116,001, respectively.

9. 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 \$35,557 and \$31,313 for the years ended December 31, 2023 and 2022, respectively.

10. RISKS AND UNCERTAINTIES

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

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

11. SUBSEQUENT EVENTS

Management of Bridge Meadows and Affiliated Entities has evaluated events and transactions occurring after December 31, 2023 through August 14, 2024, 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

12. INVESTMENTS

Investments at December 31, 2023 are carried at fair value and consist of the following:

Certificate of deposits	\$ 749,938
U.S. Treasury Bills	426,222
Cash equivalents	<u>519</u>
	<u>\$ 1,176,679</u>

Investment income for the years ended December 31, 2023 consist of the following:

Interest and dividends	\$ 14,237
Net appreciation in fair value	<u>19,330</u>
	<u>\$ 33,567</u>

13. FAIR VALUE MEASUREMENTS

Investments recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets.

Level 2: Observable inputs other than those included in Level 1, such as interest rates, bond yields, and quoted market prices for similar assets in active markets, or quoted market prices for identical assets in inactive markets. The fair value measurements using Level 2 inputs are determined under the market approach.

Level 3: Unobservable inputs significant to the fair value measurements.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values of investments at December 31, 2023 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Certificate of deposits	\$ 749,938	\$ -	\$ 749,938	\$ -
U.S. Treasury Bills	426,222	426,222	-	-
Cash equivalents	<u>519</u>	<u>519</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 1,176,679</u>	<u>\$ 426,741</u>	<u>\$ 749,938</u>	<u>\$ -</u>

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

14. FUNCTIONAL EXPENSES

The consolidated schedule of functional expense for the year ended December 31, 2023 is as follows:

	Year Ended December 31, 2023					
	Program Services			Support Services		
	Affordable Housing	Community Development	Resident Services	Management and General	Fund-raising	Year Ended 2023
Salaries and related expenses	\$ 92,277	\$ 179,407	\$ 672,398	\$ 340,874	\$ 245,792	\$ 1,530,748
Legal	19,224	-	345	-	-	19,569
Accounting and audit	8,334	-	-	25,655	-	33,989
Other professional service fees	9,413	13,843	79,709	78,168	9,800	190,933
License, fees and permits	6,597	1,526	4,469	21,572	3,793	37,957
Office expense	31,665	336	26,461	53,009	12,061	123,532
Program supplies	-	-	65,229	3,231	5,696	74,156
Taxes and insurance	80,574	-	-	23,805	-	104,379
Travel and meetings	9,528	6,547	21,062	58,422	29,939	125,498
Utilities	192,297	-	-	-	-	192,297
Repairs and maintenance	417,709	-	-	-	-	417,709
Management fees	53,311	-	-	-	-	53,311
Bad debt	2,165	-	-	-	-	2,165
Advertising and lease-up	164	375	365	12,890	17,613	31,407
Asset management fees	15,630	-	-	-	-	15,630
Interest	264,088	-	-	-	-	264,088
Interest - amortization	9,657	-	-	-	-	9,657
Depreciation	1,105,585	-	-	447	-	1,106,032
Amortization	22,311	-	-	-	-	22,311
Miscellaneous	39,128	-	-	-	-	39,128
Total expenses	\$ 2,379,657	\$ 202,034	\$ 870,038	\$ 618,073	\$ 324,694	\$ 4,394,496

BRIDGE MEADOWS AND AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

14. FUNCTIONAL EXPENSES - Continued

The consolidated schedule of functional expense for the year ended December 31, 2022 is as follows:

	Year Ended December 31, 2022					Year Ended 2022
	Program Services		Support Services			
Affordable Housing	Community Development	Resident Services	Management and General	Fund- raising		
Salaries and related expenses	\$ 212,209	\$ 410,987	\$ 263,608	\$ 311,597	\$ 1,378,226	
Legal	1,500	-	310	-	1,810	
Accounting and audit	14,352	-	23,496	-	37,848	
Other professional service fees	-	-	65,211	9,625	145,213	
License, fees and permits	18,625	-	-	-	18,625	
Office expense	37,672	11,581	46,250	21,384	119,109	
Program supplies	-	21,076	750	5,596	44,699	
Taxes and insurance	72,021	-	33,465	-	105,486	
Travel and meetings	16,556	14,857	48,115	11,316	112,844	
Utilities	175,248	-	-	-	175,248	
Repairs and maintenance	422,915	-	-	-	422,915	
Management fees	75,479	-	-	-	75,479	
Advertising and lease-up	118,956	-	4,278	28,246	155,833	
Asset management fees	15,664	-	-	-	15,664	
Interest	433,711	-	-	-	433,711	
Interest - amortization	6,123	-	-	-	6,123	
Depreciation	1,105,941	-	-	-	1,105,941	
Amortization	22,315	-	-	-	22,315	
Miscellaneous	17,224	801	26,537	4,135	48,966	
Loss on write-off of predevelopment costs	-	207,270	-	-	207,270	
Total expenses	\$ 2,766,511	\$ 459,302	\$ 512,020	\$ 391,899	\$ 4,633,325	

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	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	457,085	\$ 2,837	\$ 38,941	\$ 126,382	\$ 8,800	\$ 198,590	\$ -	\$ 832,635
Short-term investments	1,176,679	-	-	-	-	-	-	1,176,679
Accounts receivable	-	58,746	-	5,227	41,532	9,577	-	115,082
Contributions receivable	399,152	-	-	-	-	-	-	399,152
Due from affiliates	1,103,019	-	-	-	-	-	(1,103,019)	-
Prepaid expenses	5,768	3,452	-	4,767	6,904	6,851	-	27,742
Total current assets	3,141,703	65,035	38,941	136,376	57,236	215,018	(1,103,019)	2,551,290
NONCURRENT ASSETS:								
Tenant security deposits held in trust	-	4,100	-	8,500	28,384	31,883	-	72,867
Restricted deposits	-	20,511	-	233,870	509,788	216,736	-	980,905
Investments in affiliates	2,589,082	-	-	-	-	-	(2,578,792)	10,290
Notes receivable	4,904,224	-	-	-	-	-	(4,904,224)	-
Interest receivable	940,852	-	-	-	-	-	(940,852)	-
Tax credit fees - net	-	-	-	8,866	36,126	71,821	-	116,813
Other assets	410,445	-	2,492	19,332	-	-	-	432,269
Fixed assets:								
Land and land improvements	203,027	-	668,361	1,142,487	1,670,256	2,005,422	-	5,689,553
Buildings and improvements	-	1,966,574	2,954,257	6,162,333	11,935,421	13,913,856	(1,138,197)	35,794,244
Furnishings and equipment	33,345	28,584	141,024	347,433	222,500	323,845	-	1,096,731
Website	26,353	-	-	-	-	-	-	26,353
Total	262,725	1,995,158	3,763,642	7,652,253	13,828,177	16,243,123	(1,138,197)	42,606,881
Less accumulated depreciation	(54,771)	(654,104)	(527,542)	(3,021,522)	(2,219,132)	(925,288)	89,770	(7,312,589)
Fixed assets - net	207,954	1,341,054	3,236,100	4,630,731	11,609,045	15,317,835	(1,048,427)	35,294,292
Total noncurrent assets	9,052,557	1,365,665	3,238,592	4,901,299	12,183,343	15,638,275	(9,472,295)	36,907,436
TOTAL	\$ 12,194,260	\$ 1,430,700	\$ 3,277,533	\$ 5,037,675	\$ 12,240,579	\$ 15,853,293	\$ (10,575,314)	\$ 39,458,726

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	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	\$ 94,869	\$ 65,152	\$ -	\$ 94,629	\$ 82,339	\$ 28,495	\$ (140,834)	\$ 224,650
Construction payable	5,996	-	-	-	-	-	-	5,996
Prepaid rents	-	2,294	2,898	5,800	9,558	2,017	-	22,567
Deferred grant revenue	206,750	-	-	-	-	-	-	206,750
Accrued interest	-	-	-	-	4,086	6,536	-	10,622
Current portion of notes payable	-	-	-	-	66,994	42,993	-	109,987
Total current liabilities	<u>307,615</u>	<u>67,446</u>	<u>2,898</u>	<u>100,429</u>	<u>162,977</u>	<u>80,041</u>	<u>(140,834)</u>	<u>580,572</u>
NONCURRENT LIABILITIES:								
Refundable security deposits	-	4,900	-	8,500	26,295	31,883	-	71,578
Long-term portion of notes payable, net	200,000	916,655	1,377,173	3,019,703	4,490,772	6,137,444	(4,769,989)	11,371,758
Deferred interest	-	-	-	364,413	539,061	295,430	(940,852)	258,052
Related party fee payable	-	-	-	325,907	594,607	41,671	(962,185)	-
Total noncurrent liabilities	<u>200,000</u>	<u>921,555</u>	<u>1,377,173</u>	<u>3,718,523</u>	<u>5,650,735</u>	<u>6,506,428</u>	<u>(6,673,026)</u>	<u>11,701,388</u>
Total liabilities	<u>507,615</u>	<u>989,001</u>	<u>1,380,071</u>	<u>3,818,952</u>	<u>5,813,712</u>	<u>6,586,469</u>	<u>(6,813,860)</u>	<u>12,281,960</u>
NET ASSETS:								
Net assets without donor restrictions:								
Controlling interests	11,686,645	441,699	1,828,892	(404)	308,676	(71)	(3,761,454)	10,503,983
Noncontrolling interests	-	-	68,570	1,219,127	6,118,191	9,266,895	-	16,672,783
Total net assets without donor restrictions	<u>11,686,645</u>	<u>441,699</u>	<u>1,897,462</u>	<u>1,218,723</u>	<u>6,426,867</u>	<u>9,266,824</u>	<u>(3,761,454)</u>	<u>27,176,766</u>
TOTAL	<u>\$ 12,194,260</u>	<u>\$ 1,430,700</u>	<u>\$ 3,277,533</u>	<u>\$ 5,037,675</u>	<u>\$ 12,240,579</u>	<u>\$ 15,853,293</u>	<u>\$ (10,575,314)</u>	<u>\$ 39,458,726</u>

(Concluded)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	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	\$ 1,743,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,743,475
Special events, net	91,578	-	-	-	-	-	-	91,578
Total support	<u>1,835,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,835,053</u>
Revenues:								
Net rental income	-	104,690	6,879	203,821	417,997	410,146	-	1,143,533
Management fees	161,909	-	-	-	-	-	(158,860)	3,049
Investment income	209,637	1	-	12	4,953	160	(181,196)	33,567
Income from equity investments	(118,900)	-	-	-	-	-	118,900	-
Miscellaneous income	26,090	-	106	2,061	1,007	-	-	29,264
Total revenues	<u>278,736</u>	<u>104,691</u>	<u>6,985</u>	<u>205,894</u>	<u>423,957</u>	<u>410,306</u>	<u>(221,156)</u>	<u>1,209,413</u>
Total support and revenues	<u>2,113,789</u>	<u>104,691</u>	<u>6,985</u>	<u>205,894</u>	<u>423,957</u>	<u>410,306</u>	<u>(221,156)</u>	<u>3,044,466</u>

(Continued)

BRIDGE MEADOWS AND AFFILIATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	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	\$ 54,244	\$ 137,731	\$ 95,916	\$ 516,398	\$ 946,842	\$ 1,001,209	\$ (372,683)	\$ 2,379,657
Community development	202,034	-	-	-	-	-	-	202,034
Resident services	870,038	-	-	-	-	-	-	870,038
Total program services	<u>1,126,316</u>	<u>137,731</u>	<u>95,916</u>	<u>516,398</u>	<u>946,842</u>	<u>1,001,209</u>	<u>(372,683)</u>	<u>3,451,729</u>
Support services:								
Management and general	618,073	-	-	-	-	-	-	618,073
Fundraising	324,694	-	-	-	-	-	-	324,694
Total support services	<u>942,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942,767</u>
Total expenses	<u>2,069,083</u>	<u>137,731</u>	<u>95,916</u>	<u>516,398</u>	<u>946,842</u>	<u>1,001,209</u>	<u>(372,683)</u>	<u>4,394,496</u>
CHANGE IN NET ASSETS	44,706	(33,040)	(88,931)	(310,504)	(522,885)	(590,903)	151,527	(1,350,030)
NET ASSETS, BEGINNING OF YEAR	11,641,939	474,739	1,986,393	1,529,227	6,949,752	1,185,244	(3,912,981)	19,854,313
Contributions	-	-	-	-	-	8,672,483	-	8,672,483
NET ASSETS, END OF YEAR	<u>\$ 11,686,645</u>	<u>\$ 441,699</u>	<u>\$ 1,897,462</u>	<u>\$ 1,218,723</u>	<u>\$ 6,426,867</u>	<u>\$ 9,266,824</u>	<u>\$ (3,761,454)</u>	<u>\$ 27,176,766</u>

(Concluded)