

Consolidated Financial Statements and
Supplementary Information Together
with Report of Independent Certified
Public Accountants

**Broadway Housing Communities, Inc. and
Affiliates**

December 31, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Broadway Housing Communities, Inc.:

We have audited the accompanying consolidated financial statements of Broadway Housing Communities, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets, functional expenses, 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 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 did not audit the financial statements of 583 Riverside Drive, L.P. and Broadway Sugar Hill Housing, L.P. (collectively, the "Controlled Entities"), whose statements reflect total assets constituting \$66,797,834 and \$67,679,361, respectively, of consolidated total assets as of December 31, 2020 and 2019, and total revenues of \$2,231,577 and \$2,168,249, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Controlled Entities, is based solely on the report of the other auditors. 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

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

Other matters*Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities as of and for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Melville, New York
September 17, 2021

Broadway Housing Communities, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2020

	Not-for-Profit Entities	SH Entities	Limited Partnership Housing Entities	Eliminations	Consolidated Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 5,430,842	\$ 346,485	\$ 632,121	\$ -	\$ 6,409,448
Cash and cash equivalents - restricted	2,534,957	-	2,010,965	-	4,545,922
Tenant security	59,409	-	132,338	-	191,747
Investments	18,301,636	-	-	-	18,301,636
Due from related party	269,138	-	-	-	269,138
Grants receivable, net	784,223	-	-	(151,306)	632,917
Pledges receivable, net	319,426	-	-	-	319,426
Other receivables	5,268,474	638,548	203,345	(5,791,717)	318,650
Prepaid expenses and other assets	38,158	-	-	-	38,158
Total current assets	33,006,263	985,033	2,978,769	(5,943,023)	31,027,042
NON-CURRENT ASSETS					
Mortgages and notes receivable, net	23,787,115	-	5,360,767	(29,147,882)	-
Mortgage interest receivable	6,277,024	-	65,575	(6,329,484)	13,115
Property and equipment, net	4,316,690	24,535,480	58,392,723	-	87,244,893
Total non-current assets	34,380,829	24,535,480	63,819,065	(35,477,366)	87,258,008
Total assets	<u>\$ 67,387,092</u>	<u>\$ 25,520,513</u>	<u>\$ 66,797,834</u>	<u>\$ (41,420,389)</u>	<u>\$ 118,285,050</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 1,493,449	\$ 950,049	\$ 1,160,730	\$ (2,113,619)	\$ 1,490,609
Mortgages and notes payable	-	-	76,703	-	76,703
Accrued mortgage interest payable	-	-	187,901	-	187,901
Deferred revenue	638,528	28,050	-	(638,528)	28,050
Due to related party	31,680	-	714,978	(166,904)	579,754
Security deposits	75,751	-	146,348	-	222,099
Total current liabilities	2,239,408	978,099	2,286,660	(2,919,051)	2,585,116
NON-CURRENT LIABILITIES					
Mortgages and notes payable	5,064,871	20,334,193	41,148,840	(32,171,854)	34,376,050
Accrued mortgage interest payable	7,653	2,086,708	4,553,615	(6,329,484)	318,492
Refundable advances	4,318,930	-	-	-	4,318,930
Total non-current assets	9,391,454	22,420,901	45,702,455	(38,501,338)	39,013,472
Total liabilities	11,630,862	23,399,000	47,989,115	(41,420,389)	41,598,588
NET ASSETS					
Without donor restrictions:					
Controlling interest	39,109,072	2,121,513	(828,477)	-	40,402,108
Noncontrolling interest	-	-	19,637,196	-	19,637,196
With donor restrictions					
	16,647,158	-	-	-	16,647,158
Total net assets	55,756,230	2,121,513	18,808,719	-	76,686,462
Total liabilities and net assets	<u>\$ 67,387,092</u>	<u>\$ 25,520,513</u>	<u>\$ 66,797,834</u>	<u>\$ (41,420,389)</u>	<u>\$ 118,285,050</u>

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2019

	Not-for-Profit Entities	SH Entities	Limited Partnership Housing Entities	Eliminations	Consolidated Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 6,605,830	\$ 310,118	\$ 823,221	\$ -	\$ 7,739,169
Cash and cash equivalents - restricted	2,534,957	16,011	2,109,887	-	4,660,855
Tenant security	59,409	-	132,655	-	192,064
Investments	16,428,789	-	-	-	16,428,789
Due from related party	423,036	-	-	-	423,036
Grants receivable, net	1,218,154	-	-	(151,306)	1,066,848
Pledges receivable, net	273,669	-	-	-	273,669
Other receivables	5,213,118	478,908	5,731,673	(10,762,672)	661,027
Prepaid expenses and other assets	3,622	-	-	-	3,622
Total current assets	<u>32,760,584</u>	<u>805,037</u>	<u>8,797,436</u>	<u>(10,913,978)</u>	<u>31,449,079</u>
NON-CURRENT ASSETS					
Mortgages and notes receivable, net	22,187,115	-	-	(22,187,115)	-
Mortgage interest receivable	5,726,497	-	52,460	(5,778,957)	-
Property and equipment, net	4,548,580	24,557,024	58,829,465	-	87,935,069
Total non-current assets	<u>32,462,192</u>	<u>24,557,024</u>	<u>58,881,925</u>	<u>(27,966,072)</u>	<u>87,935,069</u>
Total assets	<u>\$ 65,222,776</u>	<u>\$ 25,362,061</u>	<u>\$ 67,679,361</u>	<u>\$ (38,880,050)</u>	<u>\$ 119,384,148</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 1,086,030	\$ 1,014,960	\$ 999,106	\$ (1,621,426)	\$ 1,478,670
Mortgages and notes payable	-	-	76,703	-	76,703
Accrued mortgage interest payable	-	-	187,901	-	187,901
Deferred revenue	478,896	25,500	290,858	(718,344)	76,910
Due to related party	50,402	-	861,193	(189,469)	722,126
Security deposits	76,751	5,347	144,838	-	226,936
Total current liabilities	<u>1,692,079</u>	<u>1,045,807</u>	<u>2,560,599</u>	<u>(2,529,239)</u>	<u>2,769,246</u>
NON-CURRENT LIABILITIES					
Mortgages and notes payable	3,916,966	19,934,193	39,992,650	(30,571,854)	33,271,955
Accrued mortgage interest payable	-	1,837,180	4,069,222	(5,778,957)	127,445
Refundable advances	4,318,930	-	-	-	4,318,930
Total non-current assets	<u>8,235,896</u>	<u>21,771,373</u>	<u>44,061,872</u>	<u>(36,350,811)</u>	<u>37,718,330</u>
Total liabilities	<u>9,927,975</u>	<u>22,817,180</u>	<u>46,622,471</u>	<u>(38,880,050)</u>	<u>40,487,576</u>
NET ASSETS					
Without donor restrictions:					
Controlling interest	40,445,616	2,544,881	2,105	-	42,992,602
Noncontrolling interest	-	-	21,054,785	-	21,054,785
With donor restrictions	14,849,185	-	-	-	14,849,185
Total net assets	<u>55,294,801</u>	<u>2,544,881</u>	<u>21,056,890</u>	<u>-</u>	<u>78,896,572</u>
Total liabilities and net assets	<u>\$ 65,222,776</u>	<u>\$ 25,362,061</u>	<u>\$ 67,679,361</u>	<u>\$ (38,880,050)</u>	<u>\$ 119,384,148</u>

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2020

	Not-for-Profit Entities	SH Entities	Limited Partnership Housing Entities	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues and support:					
Grants	\$ 3,021,969	\$ -	\$ -	\$ -	\$ 3,021,969
Contributions	2,028,450	258,186	62,500	(257,687)	2,091,449
In-kind contributions	439,331	-	-	-	439,331
Housing management income	1,962,561	-	-	(1,652,124)	310,437
Special events income (net of direct expenses of \$218,583)	187,251	-	-	-	187,251
Rental income	1,298,339	462,180	2,143,903	(352,530)	3,551,892
Admissions	30,051	-	-	-	30,051
Tuition income	11,050	-	-	-	11,050
Interest income - loans	-	9	23,845	-	23,854
Investment return	3,846,327	-	-	(550,527)	3,295,800
Other income	130,715	-	1,329	-	132,044
Net assets released from restriction	200,000	-	-	-	200,000
Total revenue and support	13,156,044	720,375	2,231,577	(2,812,868)	13,295,128
Expenses:					
Program services:					
Housing	4,553,040	1,143,741	4,479,749	(1,460,444)	8,716,086
Education	2,993,029	-	-	(137,483)	2,855,546
Arts and culture	1,869,949	-	-	(1,186,739)	683,210
Total program services expenses	9,416,018	1,143,741	4,479,749	(2,784,666)	12,254,842
Supporting services:					
Management and general	2,587,491	-	-	(28,202)	2,559,289
Fundraising	491,107	-	-	-	491,107
Total supporting services expenses	3,078,598	-	-	(28,202)	3,050,396
Total expenses	12,494,616	1,143,741	4,479,749	(2,812,868)	15,305,238
Increase (decrease) in net assets without donor restrictions	661,428	(423,366)	(2,248,172)	-	(2,010,110)
NET ASSETS WITH DONOR RESTRICTIONS					
Revenue and support with donor restrictions:					
Net assets released from restrictions	(200,000)	-	-	-	(200,000)
Decrease in net assets with donor restrictions	(200,000)	-	-	-	(200,000)
CHANGE IN NET ASSETS	461,428	(423,366)	(2,248,172)	-	(2,210,110)
Excess of expenses over revenues and support attributable to noncontrolling interests	-	-	2,247,947	-	2,247,947
Excess (deficiency) of revenues and support over expenses attributable to BHC	\$ 461,428	\$ (423,366)	\$ (225)	\$ -	\$ 37,837

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2019

	Not-for-Profit Entities	SH Entities	Limited Partnership Housing Entities	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues and support:					
Grants	\$ 3,502,860	\$ -	\$ -	\$ -	\$ 3,502,860
Contributions	2,161,444	-	62,500	(500,000)	1,723,944
In-kind contributions	1,827,444	-	-	(1,486,981)	340,463
Housing management income	2,532,333	-	-	(2,147,097)	385,236
Special events income (net of direct expenses of \$218,583)	629,133	-	-	-	629,133
Rental income	1,829,031	454,570	2,059,460	(352,530)	3,990,531
Admissions	95,774	-	-	-	95,774
Tuition income	49,150	-	-	-	49,150
Interest income - loans	41,239	119,556	28,901	-	189,696
Investment return	3,574,566	-	-	(1,348,375)	2,226,191
Other income	55,551	-	17,388	-	72,939
Net assets released from restriction	1,160,969	-	-	-	1,160,969
Total revenue and support	17,459,494	574,126	2,168,249	(5,834,983)	14,366,886
Expenses:					
Program services:					
Housing	4,925,352	1,907,959	4,279,207	(2,212,253)	8,900,265
Education	3,535,328	-	-	(137,483)	3,397,845
Arts and culture	2,815,435	-	-	(1,647,257)	1,168,178
Total program services expenses	11,276,115	1,907,959	4,279,207	(3,996,993)	13,466,288
Supporting Services:					
Management and general	4,435,660	-	-	(1,949,836)	2,485,824
Fundraising	590,470	-	-	-	590,470
Total supporting services expenses	5,026,130	-	-	(1,949,836)	3,076,294
Total expenses	16,302,245	1,907,959	4,279,207	(5,946,829)	16,542,582
Decrease in net assets without donor restrictions	1,157,249	(1,333,833)	(2,110,958)	111,846	(2,175,696)
NET ASSETS WITH DONOR RESTRICTIONS					
Revenue and support with donor restrictions:					
Net assets released from restrictions	(1,160,969)	-	-	-	(1,160,969)
Decrease in net assets with donor restrictions	(1,160,969)	-	-	-	(1,160,969)
NMTC Unwind	766,983	3,852,448	-	(111,846)	4,507,585
Proceeds from sale of property	3,909,702	-	-	-	3,909,702
Change in net assets	4,672,965	2,518,615	(2,110,958)	-	5,080,622
Excess of expenses over revenues and support attributable to noncontrolling interests	-	-	2,110,747	-	2,110,747
Excess (deficiency) of revenues and support over expenses attributable to BHC	\$ 4,672,965	\$ 2,518,615	\$ (211)	\$ -	\$ 7,191,369

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Years ended December 31, 2020 and 2019

	<u>Net Assets Without Donor Restrictions</u>			<u>Net Assets With Donor Restrictions</u>	<u>Consolidated Total</u>
	<u>Controlling</u>	<u>Noncontrolling</u>	<u>Total</u>		
Beginning balance, January 1, 2019	\$ 34,640,264	\$ 23,165,532	\$ 57,805,796	\$ 16,010,154	\$ 73,815,950
Deficiency of revenues and support over expenses attributable to noncontrolling interests	-	(2,110,747)	(2,110,747)	-	(2,110,747)
Excess (deficiency) over revenues and support over expenses attributable to BHC	<u>8,352,338</u>	<u>-</u>	<u>8,352,338</u>	<u>(1,160,969)</u>	<u>7,191,369</u>
Beginning balance, January 1, 2020	42,992,602	21,054,785	64,047,387	14,849,185	78,896,572
(Deficiency) of revenues and support over expenses attributable to noncontrolling interests	-	(2,247,947)	(2,247,947)	-	(2,247,947)
(Deficiency) excess over revenues and support over expenses attributable to BHC	(1,760,136)	-	(1,760,136)	1,797,973	37,837
Change of ownership interest in 583 Riverside Drive, L.P. (Note 1)	<u>(830,358)</u>	<u>830,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance, December 31, 2020	<u><u>\$ 40,402,108</u></u>	<u><u>\$ 19,637,196</u></u>	<u><u>\$ 60,039,304</u></u>	<u><u>\$ 16,647,158</u></u>	<u><u>\$ 76,686,462</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Broadway Housing Communities, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020

Expenses	Housing	Education	Arts and Culture	Management and General	Fundraising	Total
Salaries	\$ 2,126,777	\$ 1,636,301	\$ 364,502	\$ 600,126	\$ 322,281	\$ 5,049,987
Payroll taxes and benefits	495,898	489,894	100,882	134,464	79,184	1,300,322
Telephone and utilities	739,257	78,729	24,819	62,454	-	905,259
Food	2,119	42,896	4,462	3,067	501	53,045
Consultants and professional fee	210,886	61,810	27,185	145,948	77,125	522,954
Program instructors	-	10,169	1,140	-	-	11,309
Maintenance and repairs	769,991	78,151	46,677	14,807	-	909,626
Equipment rental	9,883	15,947	5,723	27,897	-	59,450
Insurance	210,353	100,620	4,888	176,206	-	492,067
Supplies	91,234	74,221	3,950	70,431	6,271	246,107
Training and education	4,029	36,848	-	3,247	99	44,223
Travel	1,461	5,665	1,566	8,749	237	17,678
Recruitment	662	5,579	14,302	8,750	1,632	30,925
Printing	-	2,200	1,430	4,336	-	7,966
Depreciation	2,543,029	94,981	67,383	21,679	-	2,727,072
Interest expense	367,501	-	-	7,653	-	375,154
Artist expenses	-	16,479	13,085	399	-	29,963
Miscellaneous	165,257	12,184	146	46,149	3,521	227,257
Management fees and other expenses	840,014	12,581	637	1,175,823	256	2,029,311
COVID-19	137,735	80,291	433	47,104	-	265,563
Total functional expenses	\$ 8,716,086	\$ 2,855,546	\$ 683,210	\$ 2,559,289	\$ 491,107	\$ 15,305,238

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

Expenses	Housing	Education	Arts and Culture	Management and General	Fundraising	Total
Salaries	\$ 2,171,309	\$ 1,820,862	\$ 523,798	\$ 590,840	\$ 349,779	\$ 5,456,588
Payroll taxes and benefits	551,535	564,569	124,796	121,267	105,442	1,467,609
Telephone and utilities	731,587	96,014	39,688	54,577	-	921,866
Food	10,759	118,994	25,239	8,691	3,110	166,793
Consultants and professional fee	724,414	123,960	70,346	284,416	88,441	1,291,577
Program instructors	-	17,626	-	-	-	17,626
Maintenance and repairs	688,918	168,107	72,388	92,397	931	1,022,741
Equipment rental	13,357	24,237	18,469	12,093	81	68,237
Insurance	214,385	49,632	5,788	113,849	-	383,654
Supplies	73,369	143,702	11,004	55,653	11,819	295,547
Training and education	12,175	40,099	58	2,121	20,170	74,623
Travel	5,753	29,133	13,506	10,767	583	59,742
Recruitment	1,314	10,295	4,670	2,476	1,136	19,891
Printing	300	5,705	6,478	3,240	1,035	16,758
Depreciation	2,695,074	89,131	67,383	28,228	-	2,879,816
Interest expense	328,474	-	-	-	-	328,474
Artist expenses	-	76,562	181,768	860	835	260,025
NMTC Unwind	-	-	-	315,000	-	315,000
Miscellaneous	121,559	19,217	2,799	55,589	7,108	206,272
Management fees and other expenses	555,983	-	-	733,760	-	1,289,743
Total functional expenses	\$ 8,900,265	\$ 3,397,845	\$ 1,168,178	\$ 2,485,824	\$ 590,470	\$ 16,542,582

The accompanying notes are an integral part of this consolidated financial statement.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,210,110)	\$ 5,080,622
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,727,072	2,879,816
Realized/unrealized gains on investments	(2,581,003)	(2,226,191)
Realized gain on sale of property	-	(3,909,702)
Changes in:		
Tenant security deposit	(35,743)	29,698
Grants receivable, net	433,931	119,243
Pledges receivable, net	68,535	504,386
Mortgage interest receivable	-	1,888,538
Other receivables	329,262	(60,746)
Prepaid expenses and other assets	(34,533)	72,763
Due from affiliates	153,898	(359,730)
Accounts payable and accrued expenses	(13,159)	601,362
Deferred revenue	(48,860)	76,910
Security deposit payable	31,223	(21,690)
Accrued mortgage interest payable	191,047	(76,521)
Bad debt	116,422	26,636
Due to affiliates	(142,372)	-
Net cash (used in) provided by operating activities	<u>(1,014,390)</u>	<u>4,625,394</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(13,275,286)
Proceeds from sale of investments	708,156	14,227,193
Proceeds from property sales	-	6,425,510
Purchases of property and equipment	(2,286,325)	(110,503)
Net cash (used in) provided by investing activities	<u>(1,578,169)</u>	<u>7,266,914</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from mortgage notes receivable	-	18,195,878
Proceeds from loan	1,147,905	-
Payments on mortgage notes payable	-	(24,876,525)
Net cash provided by (used in) financing activities	<u>1,147,905</u>	<u>(6,680,647)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,444,654)	5,211,661
Cash, cash equivalents and restricted cash, beginning of year	12,400,024	7,188,363
Cash, cash equivalents and restricted cash, end of year	<u>\$ 10,955,370</u>	<u>\$ 12,400,024</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 183,938</u>	<u>\$ 304,465</u>

The accompanying notes are an integral part of these consolidated financial statements.

Broadway Housing Communities, Inc. and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - DESCRIPTION OF ORGANIZATION AND MISSION

Broadway Housing Communities, Inc. (“BHC”) was founded in 1983 and incorporated in the State of New York as a not-for-profit corporation committed to redressing the challenges of urban homelessness and deep generational poverty and is widely recognized as a leader of the supportive and affordable housing movements. BHC’s high-impact approach pairs permanent affordable housing and services with high-quality early childhood education and access to the arts to create meaningful, lasting change for children, families, adults and communities.

In furtherance of its mission, BHC and its Affiliates (collectively, the “Organization”) have developed and manage five residential buildings that provide housing and services for families and individuals, two early childhood centers, three community art galleries, and a children’s museum of art and storytelling in the Northern Manhattan communities of West Harlem and Washington Heights.

The Organization’s successful housing model includes an integrated tenancy, including the healthy and disabled, the young and elderly, the employed and dependent. Residents include those with mental disabilities, HIV/AIDS, and other chronic health conditions and many in recovery from addiction.

The Organization provides high-quality arts-infused early childhood education programs for resident and neighborhood children. Together, two early childhood centers have the capacity to serve over 250 children, ages three and four, and their families.

The Sugar Hill Children’s Museum of Art and Storytelling (the “Museum”) embodies a commitment to global citizenship and social justice and is designed to foster the cognitive and creative development of children ages three to eight. Curatorial and arts education programs invite young children, their families, teachers and neighbors to engage with and contribute to the cultural legacy of Harlem’s Sugar Hill historic district. Museum programs are rooted in community, self-guided exploration, creative identity, and the learning that naturally occurs through discovery.

A stable home and equitable opportunities for education and art are the hallmark of the Organization’s successful model that has benefited thousands of children and adults.

The Organization consists of not-for-profit corporations, not-for-profit housing development fund corporations for-profit corporations, for-profit limited partnerships, a limited liability corporation and a chartered museum.

The Organization receives substantially all of its revenue from government and foundation grants, fees received from developing and managing properties, rental income, contributions from the general public and investment income.

The following entities comprise the Organization and are consolidated within the accompanying financial statement in accordance with generally accepted accounting principles (“U.S. GAAP”).

BHC, a New York not-for-profit corporation organized for the charitable purpose of providing housing for low and moderate income homeless and otherwise needy individuals and families, operate early childcare facilities, and provide services, including sponsoring cultural institutions to benefit individuals and families. BHC is exempt from income and excise taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”).

Broadway Housing Communities Foundation, Inc. (the “Foundation”), a not-for-profit corporation formed under the laws of the State of Delaware, exempt from income taxes as a Section 509(a)(3) Type I supporting organization under the Code, to support and benefit BHC. BHC is the sole member of the Foundation.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Broadway Housing Development Fund Company, Inc. ("BHDFC"), organized for the charitable purpose of developing housing for low income and needy persons under Section 402 of the Not-for-Profit Corporation Law and pursuant to Article XI of the Private Housing Finance Law. BHDFC is exempt from income and excise taxes under Section 501(c)(3) of the Code. BHDFC owns and operates two supportive housing projects: the Edgecombe, located at 345 Edgecombe Avenue, New York providing 21 single-room occupancy units in a landmarked building, and the Delta located at 475 West 145th Street comprised of 32 studio and one bedroom apartments.

Broadway Rio Housing Development Fund Company, Inc. ("Broadway Rio") was organized under Section 402 of the Not-for-Profit Corporation Law and pursuant to Article XI of the Private Housing Finance Law for the purpose of owning and operating a low-income housing project located at 10 Fort Washington Avenue, New York, New York known as the Rio and comprised of 82 studio and two bedroom apartments. Broadway Rio is exempt from income and excise taxes under Section 501(c)(3) of the Code.

583 Development, Inc., a New York for-profit corporation ("583 Development"), is the general partner of 583 Riverside Drive, L.P., and a wholly owned subsidiary of BHDFC.

583 Riverside Drive, L.P. ("583 L.P."), a New York limited partnership formed to acquire, rehabilitate and operate a 70-unit, low-income rental apartment building to meet the demand for affordable housing, eligible to receive federal low-income housing tax credits as enacted by the Tax Reform Act of 1986. The apartment building is located at 583 Riverside Drive, New York and is known as Dorothy Day Apartments. The Dorothy Day Early Childhood Center, operated by BHC, is located in the lower level of the building. Prior to September 2020, the Partnership was comprised of 583 Development, as general partner with a .01% interest, a special limited partner with a .01% interest and an investment limited partner holding a 99.98% interest. As of September 2020, Broadway Dorothy Day (hereinafter defined) has acquired 100% of the limited partnership interests in 583 L.P.

Broadway Dorothy Day Housing Development Fund Company, Inc. ("Broadway Dorothy Day"), was organized under Section 402 of the Not-for-Profit Corporation Law and pursuant to Article XI of the Private Housing Finance Law for purposes of owning and operating Dorothy Day Apartments. As of September 2020, Broadway Dorothy Day has acquired 100% of the limited partnership interests in 583 L.P. Broadway Dorothy Day has filed with the IRS for exemption from income and excise taxes under Section 501(c)(3) which management expects will be granted.

In anticipation of the development and financing of BHC's Sugar Hill Project located at 898 St. Nicholas Avenue, New York, BHC organized the following entities: (i) Sugar Hill Housing Development Fund Company, Inc. ("SHHDFC"), (ii) Sugar Hill Housing, Inc. ("SH Housing"), (iii) Broadway Sugar Hill Housing, L.P. ("SHLP"), (iv) Sugar Hill New Market Tax Credit, Inc. ("SH New Market"), (v) Broadway Sugar Hill Lessee, Inc. ("SH Lessee"), and Sugar Hill Leverage LLC ("SH Leverage")

The Sugar Hill Project is a multi-use building consisting of 124 affordable studio, one, two and three bedroom apartments, an early childhood center known as the Sugar Hill Museum Preschool, rental space, underground parking garage and the Sugar Hill Children's Museum of Art and Storytelling.

SHHDFC was organized under Section 403 of the Not-For-Profit Corporation Law and pursuant to Article XI of the Private Housing Finance Law. SHHDFC is the fee owner, as nominee for the benefit of SHLP of the residential unit in the Sugar Hill Project. SHHDFC is exempt from income and excise taxes under Section 501(c)(4) of the Code. BHC is the sole member of SHHDFC.

SH Housing, a New York for profit corporation, is the general partner of SHLP and a wholly owned subsidiary of SHHDFC.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

SHLP, a New York limited partnership, formed to acquire and operate the residential unit in the Sugar Hill Project, eligible to receive federal low-income housing tax credits as enacted by the Tax Reform Act of 1986. The Partnership is comprised of SH Housing, as general partner with a .01% interest, a special limited partner and an investment limited partner, holding a 99.99% interest.

SH New Market, a New York not-for-profit corporation exempt from income and excise taxes under Section 501(c)(4) of the Code. SH New Market is the fee owner of the commercial units in the Sugar Hill Project consisting of the Sugar Hill Museum Preschool, rental space, underground parking garage and Sugar Hill Children's Museum of Art & Storytelling.

SH Lessee, a New York not-for-profit corporation exempt from income and excise taxes under Section 501(c)(2) of the Code, is the holder of a master lease of the commercial units in the Sugar Hill Project. BHC is the sole member of SH Lessee.

SH Leverage, a New York limited liability company was formed to further the financing of the Sugar Hill Project. SH Lessee is the managing member and has a 95% interest in SH Leverage. The non-controlling interest is held by an unrelated third-party.

Sugar Hill Children's Museum of Art and Storytelling, Inc. ("SH Museum") was chartered by the Board of Regents of the New York State Department of Education and is exempt from income and excise taxes under Section 501(c)(3) of the Code. BHC is the sole member of SH Museum.

The accompanying consolidated financial statements include the financial position, changes in net assets and cash flows of BHC, the Foundation, Broadway Rio, 583 Development, 583 L.P., SH HDFC, SH Housing, SH L.P., SH New Markets, SH Lessee, SH Leverage, SH Museum (collectively referred to herein as the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of the Organization have been prepared under the accrual basis of accounting and U.S. GAAP, as follows:

Not-for-Profit Entities - The accompanying consolidated financial statements include the accounts of BHC, the Foundation, BHDFC, Broadway Rio, and SH Museum (collectively, the "Not-for-Profit Entities"). All intercompany transactions and accounts between the Not-for-Profit entities have been eliminated in consolidation.

Sugar Hill Entities - The accompanying consolidated financial statements include the accounts of SHHDFC, SH Housing ("SH LIHTC Entities") and SH New Market, SH Lessee and SH Leverage (collectively, the "SH New Market Entities" and together with the SH LIHTC Entities, the "SH Entities"). All intercompany transactions and accounts between the SH Entities have been eliminated in consolidation.

Limited Partnership Housing Entities - 583 LP and SH LP, controlled by BHC those entities over which BHC exercises control, are included in the accompanying consolidated financial statements. The general partner interests held by 583 Development and SH Housing (collectively, the "GPs") equal .01% of the respective Limited Partnership Housing Entities. The portion of the Limited Partnership Housing Entities not controlled by BHC is presented in the accompanying consolidated financial statements as non-controlling interest. All intercompany transactions and accounts between the Limited Partnership Housing Entities have been eliminated in consolidation.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

All intercompany transactions and accounts between the Not-for-Profit Entities, SH Entities, and the Limited Partnership Housing Entities have also been eliminated in consolidation.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into the following categories:

Net Assets Without Donor Restrictions - Controlling

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets Without Donor Restrictions - Non-Controlling

Represents the aggregate of limited partner equity interests in the non-wholly owned housing entities that are included in the accompanying consolidated financial statements.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or passage of time, or must be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions, i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Fair Value Measurements

The Organization follows guidance that provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction.

The guidance also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of the respective asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments in Level 1 include listed equities held in the name of the Organization, and exclude listed equities and other securities held indirectly through commingled funds.
- Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments, partnerships and similar interests.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument. As permitted by Accounting Standards Update ("ASU") 2015-07, the Organization has excluded investments that are measured at fair value using the net asset value ("NAV") per share practical expedient from the fair value hierarchy.

Cash, Cash Equivalents and Restricted Cash

For financial reporting purposes, the Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, with the exception of cash and cash equivalents held in the investment portfolio.

Lender restricted cash and contractual reserves represent amounts that are required to be maintained by contractual or other agreements and consist of cash on deposit.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated statements of financial position that sum to the same such totals shown in the consolidated statements of cash flows.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,409,448	\$ 7,739,169
Cash and cash equivalents - restricted	<u>4,545,922</u>	<u>4,660,855</u>
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 10,955,370</u>	<u>\$ 12,400,024</u>

Concentration of Credit and Market Risks

Financial instruments that expose the Organization to potential concentrations of credit and market risks consist primarily of cash and restricted reserves. All such instruments are maintained at reputable financial institutions and credit exposure is not limited to any one institution. Management does not believe that its financial instruments are subject to significant concentrations of market risk due to diversification.

Investments

The Organization's investments consist of (i) money market funds, (ii) equity securities, (iii) mutual funds, (iv) institutional mutual funds, (v) corporate bonds, and (vi) U.S. treasuries. Money market funds held by investment advisors as a part of the portfolio are reported as investments in the consolidated statements of financial position. Investments in equity securities and mutual funds with readily determinable fair values are reported at their fair values.

The Organization has investments for which readily available determinable fair values do not exist. The fair value of these investments has been estimated based on the respective NAV per share (or its equivalent unit) of each investment, as a practical expedient to fair value as of year-end, as reported by the fund manager. Because of the inherent uncertainty of the valuation of these investments, the Organization's management and its investment manager monitor their positions continuously, to reduce the risk of potential losses due to changes in fair values or the failure of counterparties to perform. The estimated values provided by the manager may differ from actual values had a ready market for these investments existed. Management believes the carrying amount of the investments in non-publicly traded securities is a reasonable estimate of fair value. Estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Investment transactions are recorded on a trade-date basis. Realized gains or losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. Dividends are accrued based on the ex-dividend date. Interest is recognized as earned.

Property and Equipment

Property and equipment are reported at their original costs, or, if contributed, at their estimated fair values on the dates of donation. The Organization capitalizes items of property and equipment that have a cost of \$5,000 or more and a useful life greater than one year, whereas, the costs of minor repairs and maintenance are expensed as incurred. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets, which range from five to seven years for furniture and equipment and forty years for buildings. Likewise, leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the Organization recognizes an impairment loss. No impairment losses were recognized during the years ended December 31, 2020 and 2019.

Revenue Recognition

Contributions and Grants

The Organization recognizes government and private contracts and grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, contract and grant agreements contain a right of return or right of release from the respective obligation provision on the part of the grantor and the Organization has limited discretion over how funds transferred should be spent. As such, the Organization recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome. As of December 31, 2020 and 2019, the Organization did not have any conditional contributions. Contracts awarded for the acquisition of long-lived assets are reported as revenue without donor restrictions during the fiscal year in which the assets are acquired. Governmental grants and contracts are subject to audit and potential disallowance. It is management's opinion that any potential disallowances will not have a material effect on the accompanying consolidated financial statements.

The Organization reports contributions within net assets with donor restrictions if such gifts are restricted by the donor to a specific program and/or include an explicit or implied time restriction. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Gifts whose donor-stipulated purposes are met in the same year as received are reported within net assets without donor restrictions.

Amounts reported as grants receivable, within the accompanying consolidated statements of financial position, represent expenses incurred in advance of the receipt of funds. Funds received in advance of conditions being met are reported as deferred revenue within the accompanying consolidated statements of financial position.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Rental Income

Rental revenue is recognized evenly over the lease term as tenants simultaneously receive and consume the benefits over that timeframe. Rents received in advance are deferred until the following year. All leases between the Organization and the tenants of the properties are considered to be operating leases.

Membership Revenue

The Organization satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe. Generally, membership does not commence until after the Organization receives payment.

Tuition Fees

The Organization recognizes tuition fee revenue when control of the promised goods or services is transferred to the students in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. Tuition fees are earned in the year of the term and those received for future years are deferred.

Management and Other Fees Revenue

Management and other fees are recognized over the management fee term as its partners simultaneously receive and consume the benefits over that timeframe.

Admission Revenues

The Organization recognizes revenue from admission to the Museum upon sale or date of service, as applicable.

Income Taxes

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Organization is comprised of tax-exempt entities that have been granted exemption from Federal income tax pursuant to either Section 501(c)(3) or 501(c)(4) of the Code. The Organization has processes presently in place to ensure the maintenance of each entity's tax-exempt status; to identify and report unrelated business income; to determine filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. In addition, the Organization has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Other Risks and Uncertainties

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the properties are located, including changes in federal low-income housing subsidies, federal, state and city rental subsidies or the demand for low-income housing.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The guidance required a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted. The guidance will be effective for the Organization’s fiscal years beginning after December 31, 2021. Early adoption is permitted. The Organization is currently assessing the impact this will have on their consolidated financial statements.

NOTE 3 - SALE OF BHDFC PROPERTIES

In September 2019, BHDFC sold its properties known as the Heights at 530 West 178th Street and the Stella at 575 West 155th Street for a purchase price of approximately \$6.85 million to a not-for-profit affordable housing provider. As a result of the sale, BHDFC recorded a gain on the sale of property of \$3.91 million which is included in non-operating revenue in the accompanying consolidated statements of activities.

NOTE 4 - LENDER RESTRICTED CASH AND CONTRACTUAL RESERVES

Under the terms of the partnership agreements and mortgage loans, the Organization is required to segregate and maintain funds in certain restricted accounts that can only be accessed with the permission of the respective limited partner or lender. These reserve accounts are primarily funded from development fees and net cash flow of the properties. These reserves are required by the investors and lenders to fund potential operating deficits, building replacements, social services or for other purposes. The required amount and terms of such reserves are set forth in the respective operating agreements.

Broadway Housing Communities, Inc. and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Lender restricted cash and contractual reserves as of December 31, 2020 and 2019 are as follows:

Entity	Reserve Purpose	2020	2019
583 LP	Operating	\$ 517,499	\$ 508,543
	Replacement	104,648	75,140
SHLP	Operating	537,036	536,885
	Replacement	240,163	190,510
	Social services	-	62,500
	Escrow (water, sewer, and insurance)	305,872	430,562
	Labor compliance	305,747	305,747
Broadway Rio	Operating	2,070,638	2,070,638
	Replacement	464,319	464,319
SH New Market	CSH reserve acct	-	5,159
	Brownsfield reserve acct	-	10,852
		<u>\$ 4,545,922</u>	<u>\$ 4,660,855</u>

NOTE 5 - INVESTMENTS

The fair value of investments at December 31, 2020 and 2019 is as follows:

	2020	2019
Money market funds	\$ 1,196,029	\$ 922,830
Equities	7,728,760	6,104,448
Mutual funds:		
Multi-asset	2,748,365	2,566,781
Fixed income	-	1,427,992
Multi-strategy	-	247,127
Corporate bonds	6,628,482	5,159,611
Totals	<u>\$ 18,301,636</u>	<u>\$ 16,428,789</u>

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Investments measured at fair value on a recurring basis at December 31, 2020 are included in the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$ 7,728,760	\$ -	\$ 7,728,760
Corporate bonds	-	6,628,482	6,628,482
Total	<u>\$ 7,728,760</u>	<u>\$ 6,628,482</u>	14,357,242
Money market funds			1,196,029
Investments at NAV			<u>2,748,365</u>
Total investments			<u>\$ 18,301,636</u>

Investments measured at fair value on a recurring basis at December 31, 2019 are included in the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$ 6,104,448	\$ -	\$ 6,104,448
Mutual funds	1,675,119	-	1,675,119
Corporate bonds	-	5,159,611	5,159,611
Total	<u>\$ 7,779,567</u>	<u>\$ 5,159,611</u>	12,939,178
Money market funds			922,830
Investments at NAV			<u>2,566,781</u>
Total investments			<u>\$ 16,428,789</u>

The Organization uses NAV to determine the fair value of all the underlying investments, which (1) do not have a readily determinable fair value and (2) prepare their financial statements consistent with the measurement principles of an investment company.

The following summarizes the strategy of the investments at NAV:

Multi-Asset Fund - the fund's investment objective is to attain a growing stream of current income and appreciation of principal that at least offset inflation.

	<u># of Funds</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>2020</u>					
Multi-Asset Fund	1	\$ 2,748,365	\$ -	Daily	1 day
<u>2019</u>					
Multi-Asset Fund	1	\$ 2,566,781	\$ -	Daily	1 day

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 6 - GRANTS AND PLEDGES RECEIVABLE

Grants receivable includes amounts reimbursable for expenditures and services provided to tenants and community members under the terms of agreements signed with various governmental agencies and funders. At December 31, 2020 and 2019 respectively, grants receivable were due as follows:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 632,917	\$ 871,153
One to five years	<u>-</u>	<u>200,000</u>
	632,917	1,071,153
Reduction of pledges due in excess of one year to present value, at a rate of 2.2% in 2019.	<u>-</u>	<u>(4,305)</u>
	<u>\$ 632,917</u>	<u>\$ 1,066,848</u>

Management believes, based on its prior history with its donors, including prior history of collections, that all receivables are fully collectible. Accordingly, no provision for uncollectible grants receivable has been recorded.

At December 31, 2020 and 2019, the Organization's pledges receivable were due as follows:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 94,651	\$ 956,541
One to five years	<u>225,000</u>	<u>-</u>
	319,651	956,541
Reduction of pledges due in excess of one year to present value, at a rate of 0.1% in 2020	<u>(225)</u>	<u>-</u>
	<u>\$ 319,426</u>	<u>\$ 956,541</u>

Management believes, based on its prior history with its donors, including prior history of collections, that all receivables are fully collectible. Accordingly, no provision for uncollectible pledges receivable is recorded.

Broadway Housing Communities, Inc. and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 7 - PROPERTY AND EQUIPMENT

At December 31, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Land	\$ 9,494,409	\$ 9,494,409
Building and building improvements	99,629,654	97,778,082
Leasehold improvements	1,186,806	1,159,841
Furniture and equipment	1,954,772	1,833,270
	111,975,699	110,265,602
Less: Accumulated depreciation	(25,020,748)	(22,330,533)
	\$ 87,244,893	\$ 87,935,069

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$2,727,072 and \$2,879,816, respectively.

NOTE 8 - MORTGAGES AND NOTES PAYABLE

At December 31, 2020 and 2019, mortgages and notes payable consisted of the following:

	2020	2019
BHC		
SBA Payroll Protection Program Loan (1)	\$ 1,147,905	\$ -
SHLP		
HPD A & B Loans (2a & b)	12,972,339	12,972,339
HPD Loan (2c)	4,500,000	4,500,000
PENY Loan (3)	3,928,750	4,009,417
Building Loan-NYS Homeless Housing and Assistance Corp (4)	3,000,000	3,000,000
Broadway Rio-HPD Mortgage Note (5)	3,916,966	3,916,966
583 Riverside Drive L.P.		
HPD Loan (6)	2,526,807	2,526,807
Acquisition Loan-NYS Homeless and Assistance Corp (6)	1,597,500	1,597,500
Construction Loan-NYS Homeless and Assistance Corp (6)	1,407,600	1,407,600
Less: Unamortized debt issuance costs	(545,114)	(581,971)
	\$ 34,452,753	\$ 33,348,658

(1) Loan issued by the U.S. Small Business Administration on April 24, 2020 in the amount of \$1,147,905. Interest accrues at the rate of 0.98%. The loan is forgivable if certain criteria are met. Any unforgiven portion of the loan is payable over a five-year term.

(2) Mortgage Loans made by New York City, Department of Housing Preservation and Development ("HPD") to SHLP secured by the residential component of the Sugar Hill Project.

a. HPD A Loan - \$3,000,000, non-interest bearing, maturity March 1, 2046

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

- b. HPD B Loan - \$9,972,339, 1% per annum accrued through maturity of March 1, 2046
- c. HPD Loan - \$4,500,000, non-interest bearing, maturity March 1, 2046
- (3) Mortgage Loan made by PENY secured by the residential component of the Sugar Hill Project - \$4,286,300, 4.63% per annum, maturity March 1, 2046
- (4) Mortgage Loan made by New York State Homeless Housing and Assistance Corporation ("HAAC") secured by the residential component of the Sugar Hill Project - \$3,000,000, non-interest bearing, maturity November 2044.
- (5) Mortgage Loan of \$3,916,966 made by HPD to Broadway Rio secured by property known as the Rio, non-interest bearing and having a maturity of March 1, 2037 secured by property known as the Rio.
- (6) Mortgage Loan of \$2,526,807 made by HPD to 583 LP secured by property known as Dorothy Day Apartments, non-interest bearing and payable in March 2033 Mortgage Loans of \$3,005,100 made by HAAC to 583 LP secured by property known as Dorothy Day Apartments, non-interest bearing and payable in March 2033.

NOTE 9 - REFUNDABLE ADVANCES

In connection with the development of the Sugar Hill Project, the Organization entered into refundable funding agreements with two member banks of the FHLB aggregating \$2,980,930. The Organization is required to comply with the affordable housing program provisions for fifteen years from the date of issuance of the certificate of occupancy for the Sugar Hill Project. The proceeds under these agreements were then loaned to SH LP.

In connection with the development of Dorothy Day Apartments, the Organization entered into refundable funding agreements with a member bank of the FHLB totaling \$1,338,000. The Organization is required to comply the affordable housing program provisions for fifteen years from the date of the issuance of the certificate of occupancy for Dorothy Day Apartments. The proceeds under these agreements were then loaned to 583 LP.

NOTE 10 - ENDOWMENT AND BOARD RESTRICTED RESERVE

The Organization's endowment consists of one donor-restricted endowment fund. In addition, the Organization's Board of Directors has established an additional fund to function as a board designated reserve. Net assets associated with endowment funds and this reserve are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State passed the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law. The Organization classifies donor-restricted endowment funds as net assets with donor restrictions, unless otherwise stipulated by the donor as follows: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the Organization may spend below the historical dollar value of its endowment funds, if determined to be prudent, unless specific donors have stipulated to the contrary. At December 31, 2020 and 2019, the Organization had not spent below the historical dollar value of its endowment.

The investment objectives for the Organization's endowment are to preserve the principal value of those funds, in both absolute as well as real terms, and to maximize, over the long-term, the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board of Directors has adopted a spending policy. The amount available for spending is determined annually by applying a rate of up to 5% to the average fair value of the endowment for the preceding twelve quarters.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity are classified as net assets with donor restrictions until such amounts are appropriated for expenditure by the Organization's Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the Organization and its donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization; and
- (8) Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects on the Organization.

The following table presents information with respect to the Organization's endowment as of December 31, 2020:

	Net Assets With Donor Restriction			Total as of December 31, 2020
	Original Gift	Accumulated Gains	Total	
Total donor restricted endowment fund	<u>\$ 12,995,061</u>	<u>\$ 3,627,097</u>	<u>\$ 16,622,158</u>	<u>\$ 16,622,158</u>

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	<u>Net Assets With Donor Restriction</u>
Endowment net assets, beginning of year	<u>\$ 14,749,185</u>
Investment return:	
Investment income	338,368
Net investment return	<u>2,242,635</u>
Total investment return	2,581,003
Appropriation of endowment assets for expenditure	<u>(708,030)</u>
Endowment net assets, end of year	<u><u>\$ 16,622,158</u></u>

The following table presents information with respect to the Organization's endowment as of December 31, 2019:

	<u>Net Assets With Donor Restriction</u>			<u>Total as of December 31, 2019</u>
	<u>Original Gift</u>	<u>Accumulated Gains</u>	<u>Total</u>	
Total donor restricted endowment fund	<u>\$ 12,995,061</u>	<u>\$ 1,754,124</u>	<u>\$ 14,749,185</u>	<u>\$ 14,749,185</u>

	<u>Net Assets With Donor Restriction</u>
Endowment net assets, beginning of year	<u>\$ 13,146,897</u>
Investment return:	
Investment income	240,658
Net investment return	<u>1,998,674</u>
Total investment return	2,339,332
Appropriation of endowment assets for expenditure	<u>(637,044)</u>
Endowment net assets, end of year	<u><u>\$ 14,749,185</u></u>

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 11 - EMPLOYEE BENEFIT PLAN

BHC maintains a defined-contribution retirement plan, established under Section 403(b) of the Code, for its employees. All BHC employees are eligible to participate in the plan and allowed to make pre-tax salary reduction contributions up to the maximum amount allowed by the IRS. All employees who have satisfied the minimum service requirement of three months are entitled to receive an employer matching contribution equal to 100% of such employee's pre-tax salary reduction contributions, not to exceed 5% of such employee's compensation received during the plan years. Employer matching contributions made to the plan totaled \$117,085 and \$147,435 in 2020 and 2019, respectively.

NOTE 12 - RENTAL INCOME

The Organization has entered into residential leases and commercial leases with various tenants under operating leases which expire at various dates through March 2035: all residential leases are either one-or two-year leases. Rental income from such leases totaled \$3,551,892 and \$3,990,531 for the years ended December 31, 2020 and 2019, respectively.

The minimum annual future rental income under the lease agreements is as follows:

<u>Year Ending December 31,</u>	
2021	\$ 973,654
2022	132,729
2023	112,200
2024	112,200
2025	112,200
Thereafter	<u>1,211,760</u>
	<u>\$ 2,654,743</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Audits by Funding Sources

The Organization receives funding from government grants, which are subject to audit by various governmental agencies. The ultimate determination of amounts received under these grants generally is based upon allowable costs reported to and subject to audit by the governments or their designees. (The Organization establishes a general provision for government contracts based on past experiences and current year contract assessments). In the opinion of management, exposure, if any, will not materially affect the consolidated financial statements of the Organization.

Labor Compliance Escrow

In connection with a settlement arising from alleged underpayment of wages by the contractor of the Sugar Hill Project, SH LP has assigned its right, title, and interest to the Labor Compliance Escrow in the amount of \$291,896 held by the lender to the contractor and the contractor's bonding company.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Litigation

The Organization is a defendant in various pending litigation arising from the operation of its business. The probability and extent of any loss cannot be estimated at this time. However, Management believes the ultimate outcome of such litigation would not have a material adverse effect on the financial position of the Organization.

COVID-19

The COVID-19 pandemic continues to have a broad and profound impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on our investment portfolio, grantees, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 14 - GUARANTEES

BHC, through its affiliates is the GP and sponsor of the Limited Partnership Housing Entities and has guaranteed the obligations of its general partnership entities to the respective limited partners, and where applicable government agencies, for tax credit compliance, operating deficits and construction completion for buildings under development. Generally, deficits that are funded under these guarantees are repaid from future operating cash flows of the LPs. These obligations of BHC to the respective entities are limited by both time and amounts as detailed in each partnership agreement. As of December 31, 2020 and 2019, there were no outstanding unfunded guarantees.

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, The Organization considers all expenditures related to its ongoing activities of low-income housing, early childhood education, and the arts as well as the conduct of services undertaken to support those activities to be general expenditures.

Broadway Housing Communities, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

As of December 31, 2020 and 2019, the following tables show the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 10,955,370	\$ 12,400,024
Investments	18,301,636	16,428,789
Grants and pledges receivable	952,343	1,340,517
Other receivables	<u>318,650</u>	<u>661,027</u>
Total financial assets at year-end	<u>\$ 30,527,999</u>	<u>\$ 30,830,357</u>
Financial assets available to meet general expenditures		
Cash and cash equivalents	\$ 6,409,448	\$ 7,739,169
Investments	1,679,478	3,546,860
Grants and pledges receivable	727,568	1,340,517
Other receivables	318,650	424,517
Endowment distribution	<u>708,030</u>	<u>648,000</u>
Total financial assets available to meet general expenditures	<u>\$ 9,843,174</u>	<u>\$ 13,699,063</u>

NOTE 16 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through September 17, 2021, the date on which the consolidated financial statements were issued and noted the following:

SBA Payroll Protection Program Loan

The SBA Payroll Protection Program Loan issued to BHC in April 2020 was fully forgiven in 2021.

SUPPLEMENTAL INFORMATION

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - NOT-FOR-PROFIT ENTITIES

Year ended December 31, 2020

	Broadway Housing Communities	Broadway Housing Communities Foundation	Sugar Hill Children's Museum of Art and Storytelling	Broadway Rio Housing Development Fund	Broadway Housing Development Fund Co.	Pre-elimination Total Not- Profit Entities
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,895,297	\$ 12,075	\$ 55,721	\$ 230,911	\$ 3,236,838	\$ 5,430,842
Cash and cash equivalents - restricted	-	-	-	2,534,957	-	2,534,957
Tenant security	-	-	-	31,533	27,876	59,409
Investments	-	18,301,636	-	-	-	18,301,636
Grants receivable - current portion	759,147	-	25,076	-	-	784,223
Pledges receivable - current portion	81,176	-	238,250	-	-	319,426
Other receivables	672,561	-	832,279	21,771	3,741,863	5,268,474
Due from related party	269,138	-	-	-	-	269,138
Prepaid expenses and other assets	33,466	-	4,692	-	-	38,158
Total current assets	<u>3,710,785</u>	<u>18,313,711</u>	<u>1,156,018</u>	<u>2,819,172</u>	<u>7,006,577</u>	<u>33,006,263</u>
NON-CURRENT ASSETS						
Mortgages and notes receivable, net	5,675,689	-	-	-	18,111,426	23,787,115
Mortgage interest receivable	1,366,556	-	-	-	4,910,468	6,277,024
Property and equipment, net	570,157	-	4,247	1,912,227	1,830,059	4,316,690
Total non-current assets	<u>7,612,402</u>	<u>-</u>	<u>4,247</u>	<u>1,912,227</u>	<u>24,851,953</u>	<u>34,380,829</u>
Total assets	<u>\$ 11,323,187</u>	<u>\$ 18,313,711</u>	<u>\$ 1,160,265</u>	<u>\$ 4,731,399</u>	<u>\$ 31,858,530</u>	<u>\$ 67,387,092</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued expenses	\$ 821,564	\$ 393	\$ 183,102	\$ 131,172	\$ 357,218	\$ 1,493,449
Deferred revenue	-	-	638,528	-	-	638,528
Security deposits payable	-	-	-	39,930	35,821	75,751
Due to related party	-	-	-	28,765	2,915	31,680
Total current liabilities	<u>821,564</u>	<u>393</u>	<u>821,630</u>	<u>199,867</u>	<u>395,954</u>	<u>2,239,408</u>
NON-CURRENT LIABILITIES						
Mortgages and notes payable	1,147,905	-	-	3,916,966	-	5,064,871
Accrued mortgage interest payable	7,653	-	-	-	-	7,653
Refundable advances	2,980,930	-	-	-	1,338,000	4,318,930
Total non-current liabilities	<u>4,136,488</u>	<u>-</u>	<u>-</u>	<u>3,916,966</u>	<u>1,338,000</u>	<u>9,391,454</u>
Total liabilities	<u>4,958,052</u>	<u>393</u>	<u>821,630</u>	<u>4,116,833</u>	<u>1,733,954</u>	<u>11,630,862</u>
NET ASSETS						
Without donor restrictions						
Controlling interest	6,365,135	1,666,160	338,635	614,566	30,124,576	39,109,072
Noncontrolling interest	-	-	-	-	-	-
With donor restrictions	-	16,647,158	-	-	-	16,647,158
Total net assets	<u>6,365,135</u>	<u>18,313,318</u>	<u>338,635</u>	<u>614,566</u>	<u>30,124,576</u>	<u>55,756,230</u>
Total liabilities and net assets	<u>\$ 11,323,187</u>	<u>\$ 18,313,711</u>	<u>\$ 1,160,265</u>	<u>\$ 4,731,399</u>	<u>\$ 31,858,530</u>	<u>\$ 67,387,092</u>

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUGAR HILL NEW MARKET ENTITIES

Year ended December 31, 2020

	<u>Sugar Hill New Market Tax Credits</u>	<u>Sugar Hill Leverage LLC</u>	<u>Broadway Housing Sugar Hill Lessee</u>	<u>Pre-elimination Total Sugar Hill Entities</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 312,641	\$ -	\$ 33,844	\$ 346,485
Other receivables	20	-	638,528	638,548
Total current assets	<u>312,661</u>	<u>-</u>	<u>672,372</u>	<u>985,033</u>
NON-CURRENT ASSETS				
Property and equipment, net	23,770,945	-	764,535	24,535,480
Total non-current assets	<u>23,770,945</u>	<u>-</u>	<u>764,535</u>	<u>24,535,480</u>
Total assets	<u>\$ 24,083,606</u>	<u>\$ -</u>	<u>\$ 1,436,907</u>	<u>\$ 25,520,513</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 62,380	\$ 25,000	\$ 862,669	\$ 950,049
Deferred revenue	-	-	28,050	28,050
Total current liabilities	<u>62,380</u>	<u>25,000</u>	<u>890,719</u>	<u>978,099</u>
NON-CURRENT LIABILITIES				
Mortgages and notes payable	1,449,267	-	18,884,926	20,334,193
Accrued mortgage interest payable	-	-	2,086,708	2,086,708
Total non-current assets	<u>1,449,267</u>	<u>-</u>	<u>20,971,634</u>	<u>22,420,901</u>
Total liabilities	<u>1,511,647</u>	<u>25,000</u>	<u>21,862,353</u>	<u>23,399,000</u>
NET ASSETS				
Without donor restrictions				
Controlling interest	22,571,959	(25,000)	(20,425,446)	2,121,513
Total net assets	<u>22,571,959</u>	<u>(25,000)</u>	<u>(20,425,446)</u>	<u>2,121,513</u>
Total liabilities and net assets	<u>\$ 24,083,606</u>	<u>\$ -</u>	<u>\$ 1,436,907</u>	<u>\$ 25,520,513</u>

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIMITED PARTNERSHIP HOUSING ENTITIES

Year ended December 31, 2020

	<u>Sugar Hill Housing L.P.</u>	<u>583 Riverside L.P.</u>	<u>Pre-elimination L.P. Entities</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 449,053	\$ 183,068	\$ 632,121
Cash and cash equivalents - restricted	1,388,818	622,147	2,010,965
Tenant security	78,555	53,783	132,338
Other receivables	195,189	8,156	203,345
	<u>2,111,615</u>	<u>867,154</u>	<u>2,978,769</u>
NON-CURRENT ASSETS			
Mortgages and notes receivable, net	5,360,767	-	5,360,767
Mortgages and notes interest receivable	65,575	-	65,575
Property and equipment, net	49,103,973	9,288,750	58,392,723
	<u>54,530,315</u>	<u>9,288,750</u>	<u>63,819,065</u>
Total assets	<u>\$ 56,641,930</u>	<u>\$ 10,155,904</u>	<u>\$ 66,797,834</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 976,319	\$ 184,411	\$ 1,160,730
Mortgage and Notes Payable	-	76,703	76,703
Accrued mortgage interest payable	-	187,901	187,901
Security deposits payable	84,718	61,630	146,348
Due to related parties	696,527	18,451	714,978
	<u>1,757,564</u>	<u>529,096</u>	<u>2,286,660</u>
NON-CURRENT LIABILITIES			
Mortgages and notes payable	33,379,574	7,769,266	41,148,840
Accrued mortgage interest payable	1,865,632	2,687,983	4,553,615
	<u>35,245,206</u>	<u>10,457,249</u>	<u>45,702,455</u>
Total liabilities	<u>37,002,770</u>	<u>10,986,345</u>	<u>47,989,115</u>
NET ASSETS			
Without donor restrictions			
Noncontrolling interest	19,637,196	-	19,637,196
Controlling interest	1,964	(830,441)	(828,477)
	<u>19,639,160</u>	<u>(830,441)</u>	<u>18,808,719</u>
Total liabilities and net assets	<u>\$ 56,641,930</u>	<u>\$ 10,155,904</u>	<u>\$ 66,797,834</u>

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES - NOT-FOR-PROFIT ENTITIES

Year ended December 31, 2020

	Broadway Housing Communities	Broadway Housing Communities Foundation	Sugar Hill Children's Museum of Art and Storytelling	Broadway Rio Housing Development Fund	Broadway Housing Development Fund Co.	Pre-elimination Total Not-for- Profit Entities
REVENUES AND SUPPORT						
Grants	\$ 2,920,328	\$ -	\$ 101,641	\$ -	\$ -	\$ 3,021,969
Contributions	1,101,593	300	926,557	-	-	2,028,450
In-kind contributions	-	-	439,331	-	-	439,331
Investment income	887,986	2,581,003	-	-	377,338	3,846,327
Rental income	-	-	24,075	803,814	470,450	1,298,339
Housing management income	1,946,963	-	-	-	15,598	1,962,561
Special events, net of direct benefit to donors	170,001	-	17,250	-	-	187,251
Admissions	-	-	30,051	-	-	30,051
Tuition	11,050	-	-	-	-	11,050
Other income	49,662	-	500	500	80,053	130,715
Total revenue and support	7,087,583	2,581,303	1,539,405	804,314	943,439	12,956,044
EXPENSES						
Program services						
Housing	2,752,260	-	-	909,255	891,525	4,553,040
Education	2,439,897	-	553,132	-	-	2,993,029
Arts and culture	1,130,091	-	739,858	-	-	1,869,949
Total program services	6,322,248	-	1,292,990	909,255	891,525	9,416,018
Supporting services						
Management and general	1,333,721	709,613	544,157	-	-	2,587,491
Fundraising	388,009	-	103,098	-	-	491,107
Total supporting services	1,721,730	709,613	647,255	-	-	3,078,598
Total expenses	8,043,978	709,613	1,940,245	909,255	891,525	12,494,616
Changes in net assets	\$ (956,395)	\$ 1,871,690	\$ (400,840)	\$ (104,941)	\$ 51,914	\$ 461,428

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES - SUGAR HILL NEW MARKET ENTITIES

Year ended December 31, 2020

	<u>Sugar Hill New Market Tax Credits</u>	<u>Sugar Hill Leverage LLC</u>	<u>Broadway Housing Sugar Hill Lessee</u>	<u>Pre-elimination Total Sugar Hill Entities</u>
REVENUES AND SUPPORT				
Interest income - loans	\$ 9	\$ -	\$ -	\$ 9
Contributions	258,186	-	-	258,186
Rental income	<u>10</u>	<u>-</u>	<u>462,170</u>	<u>462,180</u>
Total revenue and support	258,205	-	462,170	720,375
EXPENSES				
Program services				
Permanent housing operations	<u>544,267</u>	<u>534</u>	<u>598,940</u>	<u>1,143,741</u>
Total program services	<u>544,267</u>	<u>534</u>	<u>598,940</u>	<u>1,143,741</u>
Total expenses	<u>544,267</u>	<u>534</u>	<u>598,940</u>	<u>1,143,741</u>
Change in net assets	<u>\$ (286,062)</u>	<u>\$ (534)</u>	<u>\$ (136,770)</u>	<u>\$ (423,366)</u>

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.

Broadway Housing Communities, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIP HOUSING ENTITIES

Year ended December 31, 2020

	<u>Sugar Hill Housing L.P.</u>	<u>583 Riverside L.P.</u>	<u>Pre-elimination Total Limited Partnerships</u>
REVENUES AND SUPPORT			
Interest income - loans	\$ 13,319	\$ 10,526	\$ 23,845
Contributions	62,500	-	62,500
Rental income	1,362,605	781,298	2,143,903
Other income	824	505	1,329
	<hr/>	<hr/>	<hr/>
Total revenue and support	1,439,248	792,329	2,231,577
EXPENSES			
Program services			
Permanent housing operations	3,094,737	1,385,012	4,479,749
	<hr/>	<hr/>	<hr/>
Total program services	3,094,737	1,385,012	4,479,749
	<hr/>	<hr/>	<hr/>
Total expenses	3,094,737	1,385,012	4,479,749
	<hr/>	<hr/>	<hr/>
Change in net assets	<u>\$ (1,655,489)</u>	<u>\$ (592,683)</u>	<u>\$ (2,248,172)</u>

This schedule should be read in conjunction with the Report of Independent Certified Public Accountants and the accompanying consolidated financial statements and notes thereto.