



**NEIGHBORHOOD OF AFFORDABLE HOUSING, INC.
AND AFFILIATES**

**CONSOLIDATING FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

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December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Directors of
Neighborhood of Affordable Housing, Inc. and Affiliates:

Report on the Consolidating Financial Statements

We have audited the accompanying consolidating financial statements of Neighborhood of Affordable Housing, Inc. (a Massachusetts corporation, not for profit) and Affiliates (collectively, NOAH and Affiliates) which comprise the consolidating statements of financial position as of December 31, 2020 and 2019, and the related consolidating statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Consolidating Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating 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 consolidating 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 consolidating financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying supplementary information shown on pages 47 through 53 is presented for purposes of additional analysis and is not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

The accompanying supplementary schedule of NeighborWorks® America's restricted net assets as of December 31, 2020, shown on page 54, is presented for purposes of additional analysis and is not a required part of the basic consolidating financial statements. This schedule has not been subjected to the auditing procedures applied in the audit of the basic consolidating financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

AAFCPAs, Inc.

Boston, Massachusetts
May 20, 2021

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Financial Position

December 31, 2020

(With Summarized Comparative Totals as of December 31, 2019)

Assets	2020					Total	2019 Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit A)	Eliminations		
Current Assets:							
Cash - operating	\$ 3,647,289	\$ 64,237	\$ 5,684	\$ 1,290,214	\$ -	\$ 5,007,424	\$ 2,542,248
Cash - development	19,584	33,139	-	20,332	-	73,055	1,005,100
Current portion of restricted deposits	-	-	36,648	400,233	-	436,881	441,237
Current portion of contracts, loans and other receivables	720,043	40,264	1,162	166,986	-	928,455	936,913
Current portion of due from affiliates	627,454	15,857	242,616	16,000	(901,927)	-	-
Prepaid expenses and other	6,061	813	95	166,391	-	173,360	168,313
Total current assets	5,020,431	154,310	286,205	2,060,156	(901,927)	6,619,175	5,093,811
Certificates of Deposit	719,929	-	-	-	-	719,929	715,085
Restricted Deposits, net of current portion	536,396	-	-	2,083,300	-	2,619,696	2,095,522
Contracts, Loans and Other Receivables, net	-	-	86,038	-	-	86,038	11,486
Due from Affiliates, net	2,879,690	170,872	637,057	-	(3,687,619)	-	-
Capitalized Costs, net	-	-	-	120,427	-	120,427	138,924
Projects Under Development	1,086,694	1,243,377	-	-	-	2,330,071	1,007,937
Property and Equipment, net	26,518	1,845,958	-	88,256,836	(700,802)	89,428,510	91,814,552
Total assets	\$ 10,269,658	\$ 3,414,517	\$ 1,009,300	\$ 92,520,719	\$ (5,290,348)	\$ 101,923,846	\$ 100,877,317
Liabilities and Net Assets							
Current Liabilities:							
Current portion of mortgage and notes payable	\$ 915,109	\$ 31,795	\$ -	\$ 9,676,411	\$ -	\$ 10,623,315	\$ 3,832,480
Current portion of accrued interest	58,444	19,836	-	139,401	(23,043)	194,638	109,046
Current portion of construction payable	155,763	138,033	-	-	-	293,796	938,295
Accounts payable and other liabilities	312,525	32,493	3,100	656,707	-	1,004,825	950,144
Current portion of due to affiliates	31,857	25,382	-	821,645	(878,884)	-	-
Total current liabilities	1,473,698	247,539	3,100	11,294,164	(901,927)	12,116,574	5,829,965
Long-Term Liabilities:							
Conditional grant advance	280,000	-	-	-	-	280,000	-
Mortgage and notes payable, net	2,339,413	946,487	-	15,489,180	-	18,775,080	29,424,327
Due to affiliates, net of current portion	45,020	2,427,058	186,234	2,636,370	(5,294,682)	-	-
Construction payable, net of current portion	-	-	-	-	-	-	55,235
Accrued interest, net of current portion	-	-	-	4,761,846	(999,280)	3,762,566	3,213,686
Contingent loans and advances	-	-	-	40,958,089	(10,211,711)	30,746,378	29,276,466
Total long-term liabilities	2,664,433	3,373,545	186,234	63,845,485	(16,505,673)	53,564,024	61,969,714
Total liabilities	4,138,131	3,621,084	189,334	75,139,649	(17,407,600)	65,680,598	67,799,679
Net Assets:							
Without donor restrictions:							
Operating	3,188,788	32,557	613,575	154,364	339,024	4,328,308	3,296,938
Development	1,747,820	-	-	-	-	1,747,820	2,214,294
Property and equipment	26,518	(262,013)	-	16,819,598	(10,246,508)	6,337,595	7,212,629
Total without donor restrictions	4,963,126	(229,456)	613,575	16,973,962	(9,907,484)	12,413,723	12,723,861
With donor restrictions	1,168,401	22,889	206,391	407,108	601,395	2,406,184	2,314,343
Total net assets attributable to NOAH	6,131,527	(206,567)	819,966	17,381,070	(9,306,089)	14,819,907	15,038,204
Non-controlling interests	-	-	-	-	21,423,341	21,423,341	18,039,434
Total net assets	6,131,527	(206,567)	819,966	17,381,070	12,117,252	36,243,248	33,077,638
Total liabilities and net assets	\$ 10,269,658	\$ 3,414,517	\$ 1,009,300	\$ 92,520,719	\$ (5,290,348)	\$ 101,923,846	\$ 100,877,317

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Financial Position
December 31, 2019

Assets	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit B)	Eliminations	Total
Current Assets:						
Cash - operating	\$ 1,589,030	\$ 11,969	\$ 7,031	\$ 934,218	\$ -	\$ 2,542,248
Cash - development	-	701,621	-	303,479	-	1,005,100
Current portion of restricted deposits	-	-	6,781	434,456	-	441,237
Current portion of contracts, loans and other receivables	643,239	222,227	1,107	136,515	(66,175)	936,913
Current portion of due from affiliates	1,051,761	-	242,616	4,000	(1,298,377)	-
Prepaid expenses and other	4,544	565	1,265	161,939	-	168,313
Total current assets	<u>3,288,574</u>	<u>936,382</u>	<u>258,800</u>	<u>1,974,607</u>	<u>(1,364,552)</u>	<u>5,093,811</u>
Certificates of Deposit	715,085	-	-	-	-	715,085
Restricted Deposits, net of current portion	492,971	-	-	1,602,551	-	2,095,522
Contracts, Loans and Other Receivables, net	-	-	11,486	-	-	11,486
Due from Affiliates, net	3,230,885	195,224	741,983	-	(4,168,092)	-
Capitalized Costs, net	-	-	-	138,924	-	138,924
Projects Under Development	-	1,007,937	-	-	-	1,007,937
Property and Equipment, net	39,117	1,901,322	-	90,594,292	(720,179)	91,814,552
Total assets	<u>\$ 7,766,632</u>	<u>\$ 4,040,865</u>	<u>\$ 1,012,269</u>	<u>\$ 94,310,374</u>	<u>\$ (6,252,823)</u>	<u>\$ 100,877,317</u>
Liabilities and Net Assets						
Current Liabilities:						
Current portion of mortgage and notes payable	\$ 280,720	\$ 96,589	\$ -	\$ 3,521,346	\$ (66,175)	\$ 3,832,480
Current portion of accrued interest	20,338	9,764	-	107,915	(28,971)	109,046
Current portion of construction payable	-	634,816	-	303,479	-	938,295
Accounts payable and other liabilities	213,054	17,545	1,500	718,045	-	950,144
Current portion of due to affiliates	4,000	600,000	-	665,406	(1,269,406)	-
Total current liabilities	<u>518,112</u>	<u>1,358,714</u>	<u>1,500</u>	<u>5,316,191</u>	<u>(1,364,552)</u>	<u>5,829,965</u>
Long-Term Liabilities:						
Mortgage and notes payable, net	1,898,927	962,543	-	26,562,857	-	29,424,327
Due to affiliates, net of current portion	45,000	2,873,416	186,234	3,409,203	(6,513,853)	-
Construction payable, net of current portion	-	-	-	55,235	-	55,235
Accrued interest, net of current portion	-	-	-	3,921,993	(708,307)	3,213,686
Contingent loans and advances	-	-	-	40,371,546	(11,095,080)	29,276,466
Total long-term liabilities	<u>1,943,927</u>	<u>3,835,959</u>	<u>186,234</u>	<u>74,320,834</u>	<u>(18,317,240)</u>	<u>61,969,714</u>
Total liabilities	<u>2,462,039</u>	<u>5,194,673</u>	<u>187,734</u>	<u>79,637,025</u>	<u>(19,681,792)</u>	<u>67,799,679</u>
Net Assets:						
Without donor restrictions:						
Operating	1,974,622	(5,011)	618,144	184,048	525,135	3,296,938
Development	2,214,294	-	-	-	-	2,214,294
Property and equipment	39,117	(1,171,686)	-	14,082,193	(5,736,995)	7,212,629
Total without donor restrictions	<u>4,228,033</u>	<u>(1,176,697)</u>	<u>618,144</u>	<u>14,266,241</u>	<u>(5,211,860)</u>	<u>12,723,861</u>
With donor restrictions	1,076,560	22,889	206,391	407,108	601,395	2,314,343
Total net assets attributable to NOAH	<u>5,304,593</u>	<u>(1,153,808)</u>	<u>824,535</u>	<u>14,673,349</u>	<u>(4,610,465)</u>	<u>15,038,204</u>
Non-controlling interests	-	-	-	-	18,039,434	18,039,434
Total net assets	<u>5,304,593</u>	<u>(1,153,808)</u>	<u>824,535</u>	<u>14,673,349</u>	<u>13,428,969</u>	<u>33,077,638</u>
Total liabilities and net assets	<u>\$ 7,766,632</u>	<u>\$ 4,040,865</u>	<u>\$ 1,012,269</u>	<u>\$ 94,310,374</u>	<u>\$ (6,252,823)</u>	<u>\$ 100,877,317</u>

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Activities
 For the Year Ended December 31, 2020
 (With Summarized Comparative Totals for the Year Ended December 31, 2019)

	2020					2019	
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit C)	Eliminations	Total	Total
Net Assets Without Donor Restrictions:							
Operating revenues:							
Rental income, net	\$ 36,000	\$ 112,942	\$ -	\$ 5,345,073	\$ (120,988)	\$ 5,373,027	\$ 4,446,125
Grants and contributions	2,315,628	-	-	-	-	2,315,628	1,727,142
Interest and other income	146,937	57,998	462	156,172	(4,685)	356,884	169,327
Developer fees	917,849	-	-	-	(737,849)	180,000	222,141
Property and project management fees	439,508	-	-	-	(420,848)	18,660	141,035
Net assets released from purpose restrictions	2,765,860	-	-	-	-	2,765,860	651,062
Total operating revenues	6,621,782	170,940	462	5,501,245	(1,284,370)	11,010,059	7,356,832
Operating expenses:							
Senior home repair	135,470	-	-	-	(5,891)	129,579	198,960
Housing counseling	3,155,368	-	-	-	(9,619)	3,145,749	870,950
Community services	539,032	-	-	-	(19,566)	519,466	526,522
Homebuyer services program	376,600	-	-	-	(14,937)	361,663	327,191
Real estate and economic development	725,430	-	-	-	(26,409)	699,021	547,247
Property management	440,719	-	-	-	(22,047)	418,672	426,659
Peace Properties	-	133,737	-	-	(3,836)	129,901	126,702
NOAH CDFI	-	-	5,031	-	-	5,031	4,861
Rental programs	-	-	-	4,875,563	(420,848)	4,454,715	4,108,265
General administration	306,059	-	-	-	(16,628)	289,431	202,798
Fundraising	190,762	-	-	-	(5,891)	184,871	155,576
Total operating expenses before depreciation and amortization	5,869,440	133,737	5,031	4,875,563	(545,672)	10,338,099	7,495,731
Depreciation and amortization	17,249	55,364	-	2,558,777	(19,377)	2,612,013	2,128,613
Total operating expenses	5,886,689	189,101	5,031	7,434,340	(565,049)	12,950,112	9,624,344
Changes in net assets without donor restrictions from operations	735,093	(18,161)	(4,569)	(1,933,095)	(719,321)	(1,940,053)	(2,267,512)
Non-operating revenue (expenses):							
Proceeds from sale of tax credits	1,620,000	-	-	-	-	1,620,000	3,167,500
Recovery (write-off) of development costs	-	57,033	-	-	-	57,033	(27,192)
Capital grants	-	25,000	-	-	-	25,000	257,698
Loss on sale of properties held for sale	-	-	-	-	-	-	(2,545,064)
Rent-up costs	-	-	-	-	-	-	(202,844)
Deferred interest	-	-	-	(839,853)	290,973	(548,880)	(393,025)
Recovery of (provision against) loans receivable	(1,620,000)	883,369	-	-	(883,369)	(1,620,000)	(460,000)
Total non-operating revenue (expenses)	-	965,402	-	(839,853)	(592,396)	(466,847)	(202,927)
Changes in net assets without donor restrictions	735,093	947,241	(4,569)	(2,772,948)	(1,311,717)	(2,406,900)	(2,470,439)
Net Assets With Donor Restrictions:							
Grants and contributions	2,857,701	-	-	-	-	2,857,701	605,029
Net assets released from purpose restrictions	(2,765,860)	-	-	-	-	(2,765,860)	(651,062)
Changes in net assets with donor restrictions	91,841	-	-	-	-	91,841	(46,033)
Changes in net assets	826,934	947,241	(4,569)	(2,772,948)	(1,311,717)	(2,315,059)	(2,516,472)
Changes to Net Assets Attributable to Non-Controlling Interests:							
Non-controlling interests	-	-	-	2,096,762	-	2,096,762	2,040,554
Changes in net assets attributable to NOAH	\$ 826,934	\$ 947,241	\$ (4,569)	\$ (676,186)	\$ (1,311,717)	\$ (218,297)	\$ (475,918)

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Activities
For the Year Ended December 31, 2019

	<u>NOAH</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs (Exhibit D)</u>	<u>Eliminations</u>	<u>Total</u>
Net Assets Without Donor Restrictions:						
Operating revenues:						
Rental income, net	\$ 27,000	\$ 112,604	\$ -	\$ 4,411,172	\$ (104,651)	\$ 4,446,125
Grants and contributions	1,727,142	-	-	-	-	1,727,142
Interest and other income	17,592	2,305	3,573	155,621	(9,764)	169,327
Developer fees	600,000	-	-	-	(377,859)	222,141
Property and project management fees	497,131	-	-	-	(356,096)	141,035
Net assets released from purpose restrictions	651,062	-	-	-	-	651,062
Total operating revenues	<u>3,519,927</u>	<u>114,909</u>	<u>3,573</u>	<u>4,566,793</u>	<u>(848,370)</u>	<u>7,356,832</u>
Operating expenses:						
Senior home repair	205,014	-	-	-	(6,054)	198,960
Housing counseling	880,247	-	-	-	(9,297)	870,950
Community services	547,928	-	-	-	(21,406)	526,522
Homebuyer services program	342,543	-	-	-	(15,352)	327,191
Real estate and economic development	566,383	-	-	-	(19,136)	547,247
Property management	446,335	-	-	-	(19,676)	426,659
Peace Properties	-	126,702	-	-	-	126,702
NOAH CDFI	-	-	4,861	-	-	4,861
Rental programs	-	-	-	4,515,625	(407,360)	4,108,265
General administration	206,474	-	-	-	(3,676)	202,798
Fundraising	161,630	-	-	-	(6,054)	155,576
Total operating expenses before depreciation and amortization	<u>3,356,554</u>	<u>126,702</u>	<u>4,861</u>	<u>4,515,625</u>	<u>(508,011)</u>	<u>7,495,731</u>
Depreciation and amortization	16,898	55,364	-	2,069,249	(12,898)	2,128,613
Total operating expenses	<u>3,373,452</u>	<u>182,066</u>	<u>4,861</u>	<u>6,584,874</u>	<u>(520,909)</u>	<u>9,624,344</u>
Changes in net assets without donor restrictions from operations	<u>146,475</u>	<u>(67,157)</u>	<u>(1,288)</u>	<u>(2,018,081)</u>	<u>(327,461)</u>	<u>(2,267,512)</u>
Non-operating revenue (expenses):						
Proceeds from sale of tax credits	3,167,500	-	-	-	-	3,167,500
Write-off of development costs	-	(27,192)	-	-	-	(27,192)
Capital grants	-	257,698	-	-	-	257,698
Loss on sale of properties held for sale	-	(2,545,064)	-	-	-	(2,545,064)
Rent-up costs	-	-	-	(202,844)	-	(202,844)
Deferred interest	-	-	-	(602,591)	209,566	(393,025)
Provision against loans receivable	(3,167,500)	(883,369)	-	-	3,590,869	(460,000)
Provision against due from affiliates	(26,592)	-	-	-	26,592	-
Total non-operating revenue (expenses)	<u>(26,592)</u>	<u>(3,197,927)</u>	<u>-</u>	<u>(805,435)</u>	<u>3,827,027</u>	<u>(202,927)</u>
Changes in net assets without donor restrictions	<u>119,883</u>	<u>(3,265,084)</u>	<u>(1,288)</u>	<u>(2,823,516)</u>	<u>3,499,566</u>	<u>(2,470,439)</u>
Net Assets With Donor Restrictions:						
Grants and contributions	605,029	-	-	-	-	605,029
Net assets released from purpose restrictions	(651,062)	-	-	-	-	(651,062)
Changes in net assets with donor restrictions	<u>(46,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,033)</u>
Changes in net assets	73,850	(3,265,084)	(1,288)	(2,823,516)	3,499,566	(2,516,472)
Changes to Net Assets Attributable to Non-Controlling Interests:						
Non-controlling interests	-	-	-	2,040,554	-	2,040,554
Changes in net assets attributable to NOAH	<u>\$ 73,850</u>	<u>\$ (3,265,084)</u>	<u>\$ (1,288)</u>	<u>\$ (782,962)</u>	<u>\$ 3,499,566</u>	<u>\$ (475,918)</u>

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statements of Changes in Net Assets
For the Years Ended December 31, 2020 and 2019

	NOAH and Affiliates					Total	Non-Controlling Interest	Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit E)	Eliminations			
Net Assets, December 31, 2018	\$ 5,230,143	\$ 2,205,663	\$ 732,036	\$ 14,584,504	\$ (7,238,224)	\$ 15,514,122	\$ 17,167,627	\$ 32,681,749
Capital contributions	-	-	-	2,913,993	(2,913,993)	-	2,913,993	2,913,993
Syndication costs	-	-	-	(1,632)	1,632	-	(1,632)	(1,632)
Transfer of net assets	600	(94,387)	93,787	-	-	-	-	-
Changes in net assets	<u>73,850</u>	<u>(3,265,084)</u>	<u>(1,288)</u>	<u>(2,823,516)</u>	<u>5,540,120</u>	<u>(475,918)</u>	<u>(2,040,554)</u>	<u>(2,516,472)</u>
Net Assets, December 31, 2019	5,304,593	(1,153,808)	824,535	14,673,349	(4,610,465)	15,038,204	18,039,434	33,077,638
Capital contributions	-	-	-	5,480,669	(5,480,669)	-	5,480,669	5,480,669
Changes in net assets	<u>826,934</u>	<u>947,241</u>	<u>(4,569)</u>	<u>(2,772,948)</u>	<u>785,045</u>	<u>(218,297)</u>	<u>(2,096,762)</u>	<u>(2,315,059)</u>
Net Assets, December 31, 2020	<u>\$ 6,131,527</u>	<u>\$ (206,567)</u>	<u>\$ 819,966</u>	<u>\$ 17,381,070</u>	<u>\$ (9,306,089)</u>	<u>\$ 14,819,907</u>	<u>\$ 21,423,341</u>	<u>\$ 36,243,248</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

 Consolidating Statement of Cash Flows
 For the Year Ended December 31, 2020

	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Eliminations	Total
Cash Flows from Operating Activities:						
Changes in net assets	\$ 826,934	\$ 947,241	\$ (4,569)	\$ (2,772,948)	\$ (1,311,717)	\$ (2,315,059)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:						
Depreciation and amortization	17,249	55,364	-	2,558,777	(19,377)	2,612,013
Deferred interest	-	-	-	839,853	(290,973)	548,880
Bad debts	-	-	-	121,239	-	121,239
Interest - amortization expense	14,776	1,207	-	76,586	-	92,569
Capital grants	-	(25,000)	-	-	-	(25,000)
Recovery of development costs	-	(57,033)	-	-	-	(57,033)
Recovery of (provision against) loans receivable	1,620,000	(883,369)	-	-	883,369	1,620,000
Proceeds from sale of tax credits	(1,620,000)	-	-	-	-	(1,620,000)
Changes in operating assets and liabilities:						
Contracts, loans and other receivables	(76,804)	586	(74,607)	(151,710)	(66,175)	(368,710)
Due from affiliates	424,307	-	-	(12,000)	(412,307)	-
Prepaid expenses and other	(1,517)	(248)	1,170	(4,452)	-	(5,047)
Accounts payable and other liabilities	99,471	14,948	1,600	(61,338)	-	54,681
Due to affiliates	27,877	-	104,926	38,417	(171,220)	-
Conditional grant advance	280,000	-	-	-	-	280,000
Accrued interest	38,106	10,072	-	31,486	5,928	85,592
Net cash provided by operating activities	<u>1,650,399</u>	<u>63,768</u>	<u>28,520</u>	<u>663,910</u>	<u>(1,382,472)</u>	<u>1,024,125</u>
Cash Flows from Investing Activities:						
Issuance of loans receivable	(1,620,000)	-	-	-	-	(1,620,000)
Proceeds from loans receivable	-	883,369	-	-	-	883,369
Cash paid for projects under development	(930,931)	(675,190)	-	(358,714)	-	(1,964,835)
Due from affiliates	351,195	8,495	-	-	(359,690)	-
Purchases of and interest earned on certificates of deposit	(4,844)	-	-	-	-	(4,844)
Acquisition of property and equipment	(4,650)	-	-	(202,824)	-	(207,474)
Net cash provided by (used in) investing activities	<u>(2,209,230)</u>	<u>216,674</u>	<u>-</u>	<u>(561,538)</u>	<u>(359,690)</u>	<u>(2,913,784)</u>
Cash Flows from Financing Activities:						
Principal payments on mortgage and notes payable	(17,004)	(82,057)	-	(5,199,870)	-	(5,298,931)
Principal payments from contingent loans and advances	-	-	-	(883,369)	-	(883,369)
Due to affiliates	-	(1,020,976)	-	(655,011)	1,675,987	-
Capital grants received	-	206,377	-	-	-	206,377
Capital contributions	-	-	-	5,480,669	-	5,480,669
Proceeds from sale of tax credits	1,620,000	-	-	-	-	1,620,000
Proceeds from contingent loans and advances	-	-	-	1,469,912	-	1,469,912
Proceeds from mortgage and notes payable	1,077,103	-	-	204,672	66,175	1,347,950
Net cash provided by (used in) financing activities	<u>2,680,099</u>	<u>(896,656)</u>	<u>-</u>	<u>417,003</u>	<u>1,742,162</u>	<u>3,942,608</u>
Net Change in Cash and Restricted Cash	2,121,268	(616,214)	28,520	519,375	-	2,052,949
Cash and Restricted Cash:						
Beginning of year	<u>2,082,001</u>	<u>713,590</u>	<u>13,812</u>	<u>3,274,704</u>	<u>-</u>	<u>6,084,107</u>
End of year	<u>\$ 4,203,269</u>	<u>\$ 97,376</u>	<u>\$ 42,332</u>	<u>\$ 3,794,079</u>	<u>\$ -</u>	<u>\$ 8,137,056</u>
Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:						
Cash - operating	\$ 3,647,289	\$ 64,237	\$ 5,684	\$ 1,290,214	\$ -	\$ 5,007,424
Cash - development	19,584	33,139	-	20,332	-	73,055
Current portion of restricted deposits	-	-	36,648	400,233	-	436,881
Restricted deposits, net of current portion	536,396	-	-	2,083,300	-	2,619,696
Total cash and restricted cash shown in the consolidating statement of cash flows	<u>\$ 4,203,269</u>	<u>\$ 97,376</u>	<u>\$ 42,332</u>	<u>\$ 3,794,079</u>	<u>\$ -</u>	<u>\$ 8,137,056</u>
Supplemental Disclosure of Cash Flow Information:						
Cash paid for interest - expensed	<u>\$ 71,662</u>	<u>\$ 27,160</u>	<u>\$ -</u>	<u>\$ 1,303,310</u>	<u>\$ (9,764)</u>	<u>\$ 1,392,368</u>
Projects under development and property and equipment financed with construction payable	<u>\$ 155,763</u>	<u>\$ 138,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,796</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

 Consolidating Statement of Cash Flows
 For the Year Ended December 31, 2019

	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Eliminations	Total
Cash Flows from Operating Activities:						
Changes in net assets	\$ 73,850	\$ (3,265,084)	\$ (1,288)	\$ (2,823,516)	\$ 3,499,566	\$ (2,516,472)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	16,898	55,364	-	2,069,249	(12,898)	2,128,613
Deferred interest	-	-	-	602,591	(209,566)	393,025
Bad debts	-	-	-	209,856	-	209,856
Interest - amortization expense	5,676	1,207	-	61,557	-	68,440
Rent-up costs	-	-	-	202,844	-	202,844
Capital grants	-	(257,698)	-	-	-	(257,698)
Write-off of development costs	-	27,192	-	-	-	27,192
Provision against due from affiliates	26,592	-	-	-	(26,592)	-
Provision against loans receivable	3,167,500	883,369	-	-	(3,590,869)	460,000
Proceeds from sale of tax credits	(3,167,500)	-	-	-	-	(3,167,500)
Loss on sale of properties held for sale	-	2,545,064	-	-	-	2,545,064
Changes in operating assets and liabilities:						
Contracts, loans and other receivables	(40,472)	-	29,433	(238,826)	66,175	(183,690)
Due from affiliates	(234,987)	-	(35,263)	(4,000)	274,250	-
Prepaid expenses and other	637	349	(45)	(12,702)	-	(11,761)
Accounts payable and other liabilities	(3,349)	(12,129)	500	169,584	-	154,606
Due to affiliates	4,000	-	-	218,421	(222,421)	-
Accrued interest	15,744	9,764	-	39,761	(9,764)	55,505
Net cash provided by (used in) operating activities	<u>(135,411)</u>	<u>(12,602)</u>	<u>(6,663)</u>	<u>494,819</u>	<u>(232,119)</u>	<u>108,024</u>
Cash Flows from Investing Activities:						
Issuance of loans receivable	(3,167,500)	(883,369)	-	-	3,590,869	(460,000)
Rent-up costs	-	-	-	(202,844)	-	(202,844)
Cash paid for projects under development	-	(2,730,694)	-	(5,621,998)	-	(8,352,692)
Due from affiliates	(932,784)	(195,224)	-	-	1,128,008	-
Purchases of and interest earned on certificates of deposit	(599,394)	-	-	-	-	(599,394)
Cash paid for non-capitalized development costs	-	(27,192)	-	-	-	(27,192)
Proceeds from sale of properties held for sale	-	2,092,304	-	-	-	2,092,304
Acquisition of property and equipment	(3,272)	-	-	(2,071,722)	-	(2,074,994)
Net cash used in investing activities	<u>(4,702,950)</u>	<u>(1,744,175)</u>	<u>-</u>	<u>(7,896,564)</u>	<u>4,718,877</u>	<u>(9,624,812)</u>
Cash Flows from Financing Activities:						
Principal payments on mortgage and notes payable	(19,507)	(28,433)	-	(3,010,567)	-	(3,058,507)
Due to affiliates	-	443,957	-	385,757	(829,714)	-
Capital grants received	-	76,321	-	-	-	76,321
Capital contributions	-	-	-	1,925,281	-	1,925,281
Syndication costs	-	-	-	(1,632)	-	(1,632)
Debt issuance costs	(29,165)	-	-	(227,255)	-	(256,420)
Capitalized costs	-	-	-	(69,571)	-	(69,571)
Proceeds from sale of tax credits	3,167,500	-	-	-	-	3,167,500
Proceeds from contingent loans and advances	-	-	-	6,680,934	(3,590,869)	3,090,065
Proceeds from mortgage and notes payable	1,563,082	119,935	-	1,663,035	(66,175)	3,279,877
Net cash provided by financing activities	<u>4,681,910</u>	<u>611,780</u>	<u>-</u>	<u>7,345,982</u>	<u>(4,486,758)</u>	<u>8,152,914</u>
Net Change in Cash and Restricted Cash	<u>(156,451)</u>	<u>(1,144,997)</u>	<u>(6,663)</u>	<u>(55,763)</u>	<u>-</u>	<u>(1,363,874)</u>
Cash and Restricted Cash:						
Beginning of year	<u>2,238,452</u>	<u>1,858,587</u>	<u>20,475</u>	<u>3,330,467</u>	<u>-</u>	<u>7,447,981</u>
End of year	<u>\$ 2,082,001</u>	<u>\$ 713,590</u>	<u>\$ 13,812</u>	<u>\$ 3,274,704</u>	<u>\$ -</u>	<u>\$ 6,084,107</u>
Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:						
Cash - operating	\$ 1,589,030	\$ 11,969	\$ 7,031	\$ 934,218	\$ -	\$ 2,542,248
Cash - development	-	701,621	-	303,479	-	1,005,100
Current portion of restricted deposits	-	-	6,781	434,456	-	441,237
Restricted deposits, net of current portion	492,971	-	-	1,602,551	-	2,095,522
Total cash and restricted cash shown in the consolidating statement of cash flows	<u>\$ 2,082,001</u>	<u>\$ 713,590</u>	<u>\$ 13,812</u>	<u>\$ 3,274,704</u>	<u>\$ -</u>	<u>\$ 6,084,107</u>
Supplemental Disclosure of Cash Flow Information:						
Cash paid for interest - expensed	<u>\$ 57,251</u>	<u>\$ 28,627</u>	<u>\$ -</u>	<u>\$ 1,198,075</u>	<u>\$ -</u>	<u>\$ 1,283,953</u>
Cash paid for interest - capitalized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,781</u>	<u>\$ -</u>	<u>\$ 676,781</u>
Project under development placed into service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,566,294</u>	<u>\$ -</u>	<u>\$ 27,566,294</u>
Mortgage note payable converted to capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,712</u>	<u>\$ -</u>	<u>\$ 988,712</u>
Projects under development and property and equipment financed with construction payable	<u>\$ -</u>	<u>\$ 634,816</u>	<u>\$ -</u>	<u>\$ 358,714</u>	<u>\$ -</u>	<u>\$ 993,530</u>
Mortgage and notes payable refinanced	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,658,300</u>	<u>\$ -</u>	<u>\$ 6,158,300</u>
Forgiveness of mortgage and notes payable as part of sale of properties held for sale	<u>\$ -</u>	<u>\$ 1,005,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,124</u>
Mortgages and notes payable paid with proceeds from sale of properties held for sale	<u>\$ -</u>	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,500,000</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Functional Expenses
For the Year Ended December 31, 2020

(With Summarized Comparative Totals for the Year Ended December 31, 2019)

	2020												2019		
	NOAH												Total	Total	
	Program Services			Supporting Services			Total NOAH, Inc.	Peace Properties	NOAH CDFI	Rental Programs (Exhibit F)	Eliminations				
Senior Home Repair	Housing Counseling	Community Services	Homebuyer Services Program	Real Estate and Economic Development	Property Management	General Adminis- tration						Fundraising			
Personnel and Related:															
Salaries	\$ 77,360	\$ 154,445	\$ 209,558	\$ 238,699	\$ 435,483	\$ 311,171	\$ 78,476	\$ 135,160	\$ 1,640,352	\$ -	\$ -	\$ -	\$ -	\$ 1,640,352	\$ 1,378,140
Consulting and contract labor	3,125	14,000	6,200	-	16,604	-	7,200	-	47,129	723	-	727,034	-	774,886	838,944
Employee benefits	22,131	30,515	19,317	39,699	40,901	28,239	9,243	9,308	199,353	-	-	-	-	199,353	168,219
Payroll taxes	6,753	11,472	18,254	19,442	30,868	25,229	6,598	10,857	129,473	-	-	-	-	129,473	117,224
Total personnel and related	109,369	210,432	253,329	297,840	523,856	364,639	101,517	155,325	2,016,307	723	-	727,034	-	2,744,064	2,502,527
Other:															
Residential assistance payments	-	2,200,000	-	-	-	-	-	-	2,200,000	-	-	-	-	2,200,000	-
Interest expense	-	-	-	-	124,567	-	-	-	124,567	38,439	-	1,411,382	(3,836)	1,570,552	1,339,872
Program expenses	125	708,189	232,890	12,242	-	-	125,426	-	1,078,872	-	-	53,942	-	1,132,814	1,048,290
Insurance and taxes	9,005	1,134	2,870	3,915	3,230	7,173	9,691	298	37,316	8,746	2,311	764,590	-	812,963	669,335
Telephone and utilities	2,179	7,919	4,449	3,996	4,043	8,305	1,055	1,339	33,285	-	-	706,385	-	739,670	670,319
Professional fees	3,389	8,734	7,287	15,072	18,007	17,602	32,513	5,715	108,319	42,135	2,500	173,151	-	326,105	340,786
Repairs, maintenance and security	2,621	4,316	8,704	7,760	11,122	10,394	2,122	18,008	65,047	-	-	511,434	(260,565)	315,916	291,460
Management fees	-	-	-	-	-	-	-	-	-	-	-	331,622	(160,283)	171,339	148,860
Bad debts	-	-	-	-	-	-	-	-	-	-	-	121,239	-	121,239	209,856
Supplies and general office	266	3,031	1,819	4,347	4,559	2,412	7,007	974	24,415	-	-	56,639	-	81,054	79,518
Facility	5,891	9,619	19,566	14,937	26,409	22,047	16,628	5,891	120,988	37,405	-	-	(120,988)	37,405	33,067
Miscellaneous	300	1,000	500	5,654	70	250	2,021	1,197	10,992	6,289	54	18,145	-	35,480	75,813
Dues and subscriptions	130	387	1,295	739	5,456	487	7,879	659	17,032	-	166	-	-	17,198	19,778
Travel and conferences	1,374	402	169	1,820	3,667	6,941	101	744	15,218	-	-	-	-	15,218	43,088
Advertising	696	-	5,737	7,960	137	-	-	487	15,017	-	-	-	-	15,017	14,571
Equipment rental and purchases	125	205	417	318	307	469	99	125	2,065	-	-	-	-	2,065	1,993
Special events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,598
Total other	26,101	2,944,936	285,703	78,760	201,574	76,080	204,542	35,437	3,853,133	133,014	5,031	4,148,529	(545,672)	7,594,035	4,993,204
Total expenses before depreciation and amortization	135,470	3,155,368	539,032	376,600	725,430	440,719	306,059	190,762	5,869,440	133,737	5,031	4,875,563	(545,672)	10,338,099	7,495,731
Depreciation and Amortization	707	1,086	2,348	1,793	1,767	2,676	5,922	950	17,249	55,364	-	2,558,777	(19,377)	2,612,013	2,128,613
Total expenses	\$ 136,177	\$ 3,156,454	\$ 541,380	\$ 378,393	\$ 727,197	\$ 443,395	\$ 311,981	\$ 191,712	\$ 5,886,689	\$ 189,101	\$ 5,031	\$ 7,434,340	\$ (565,049)	\$ 12,950,112	\$ 9,624,344

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Functional Expenses
For the Year Ended December 31, 2019

	NOAH												Eliminations	Total
	Program Services						Supporting Services		Total NOAH, Inc.	Peace Properties	NOAH CDFI	Rental Programs (Exhibit G)		
	Senior Home Repair	Housing Counseling	Community Services	Homebuyer Services Program	Real Estate and Economic Development	Property Management	General Adminis- tration	Fundraising						
Personnel and Related:														
Salaries	\$ 77,034	\$ 102,493	\$ 247,256	\$ 207,411	\$ 281,242	\$ 280,823	\$ 77,185	\$ 104,696	\$ 1,378,140	\$ -	\$ -	\$ -	\$ -	\$ 1,378,140
Consulting and contract labor	11,775	14,000	-	2,640	86,365	22,870	11,489	-	149,139	-	-	689,805	-	838,944
Employee benefits	23,884	18,153	18,108	38,206	30,519	21,231	8,398	9,720	168,219	-	-	-	-	168,219
Payroll taxes	6,801	9,818	23,538	17,547	21,328	23,427	6,374	8,391	117,224	-	-	-	-	117,224
Total personnel and related	119,494	144,464	288,902	265,804	419,454	348,351	103,446	122,807	1,812,722	-	-	689,805	-	2,502,527
Other:														
Interest expense	-	-	-	-	78,671	-	-	-	78,671	39,598	-	1,231,367	(9,764)	1,339,872
Program expenses	56,910	700,586	194,185	8,321	2,302	26,625	3,174	537	992,640	-	-	55,650	-	1,048,290
Insurance and taxes	9,937	904	1,981	3,885	2,432	6,367	12,430	885	38,821	6,610	2,656	621,248	-	669,335
Telephone and utilities	2,666	7,385	5,185	4,558	4,086	7,986	1,408	1,466	34,740	-	-	635,579	-	670,319
Professional fees	3,425	6,628	7,499	12,450	21,126	15,793	31,371	3,925	102,217	34,484	1,880	202,205	-	340,786
Repairs, maintenance and security	2,066	3,174	7,306	5,261	5,166	8,488	1,273	10,303	43,037	-	-	518,300	(269,877)	291,460
Management fees	-	-	-	-	-	-	-	-	-	-	-	272,579	(123,719)	148,860
Bad debts	-	-	-	-	-	-	-	-	-	-	-	209,856	-	209,856
Supplies and general office	438	1,841	2,360	2,913	3,928	4,481	7,630	1,636	25,227	-	106	54,185	-	79,518
Facility	6,054	9,297	21,406	15,352	19,136	19,676	3,676	6,054	100,651	37,067	-	-	(104,651)	33,067
Miscellaneous	308	-	8	2,368	577	7,136	27,331	4,237	41,965	8,943	54	24,851	-	75,813
Dues and subscriptions	276	599	6,530	1,044	1,013	898	8,227	1,026	19,613	-	165	-	-	19,778
Travel and conferences	3,297	4,758	9,353	11,013	6,264	128	5,933	2,342	43,088	-	-	-	-	43,088
Advertising	18	419	2,772	9,257	1,916	-	-	189	14,571	-	-	-	-	14,571
Equipment rental and purchases	125	192	441	317	312	406	75	125	1,993	-	-	-	-	1,993
Special events	-	-	-	-	-	-	500	6,098	6,598	-	-	-	-	6,598
Total other	85,520	735,783	259,026	76,739	146,929	97,984	103,028	38,823	1,543,832	126,702	4,861	3,825,820	(508,011)	4,993,204
Total expenses before depreciation and amortization	205,014	880,247	547,928	342,543	566,383	446,335	206,474	161,630	3,356,554	126,702	4,861	4,515,625	(508,011)	7,495,731
Depreciation and Amortization	729	1,120	2,578	1,849	1,823	2,370	5,457	972	16,898	55,364	-	2,069,249	(12,898)	2,128,613
Total expenses	\$ 205,743	\$ 881,367	\$ 550,506	\$ 344,392	\$ 568,206	\$ 448,705	\$ 211,931	\$ 162,602	\$ 3,373,452	\$ 182,066	\$ 4,861	\$ 6,584,874	\$ (520,909)	\$ 9,624,344

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

1. OPERATIONS AND NONPROFIT STATUS

Neighborhood of Affordable Housing, Inc. (NOAH) was formed to provide services, undertake activities, make loans to homeowners, and oversee developments relating to housing needs, economic development, and community services in East Boston, Massachusetts and the surrounding areas.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Principles of Consolidation

The consolidating financial statements include the net assets of NOAH and Affiliates. The Affiliates include NOAH Community Development Fund, Inc. (NCDFI), Peace Properties, Inc., Paz Properties, Inc., Shalom Properties, Inc., Trinity House LLC, Siochain Properties Limited Partnership, Paco Properties LLC, Aileron Homeownership LLC (Aileron), Stevens Corner Limited Partnership, Sitkowski Limited Partnership, Shoe Shop Limited Partnership, Benfield Farms Limited Partnership, and Coppersmith Village Rental Limited Partnership (collectively referred to as Affiliates, see Note 3). Aileron is solely owned by NOAH, and included in NOAH in the accompanying consolidating financial statements. NOAH and Affiliates share common management, facilities and Board membership.

The Affiliates also include the General Partners and Managing Members of limited partnerships and limited liability companies (collectively, LPs and LLCs) that own real estate projects which have been completed and placed in operations. The General Partners and Managing Members exercise management control over the LPs' and LLCs' operations, and NOAH controls the General Partners and Managing Members. Accordingly, the LPs and LLCs are included in the accompanying consolidating financial statements of NOAH and Affiliates.

The net assets accounts of wholly-owned and majority-owned subsidiary corporations, including the General Partners and Managing Members of LPs and LLCs, have been consolidated with NOAH in the accompanying consolidating financial statements (see Note 3). The non-controlling interests of the majority-owned subsidiaries and other affiliates, where material, have been reflected as non-controlling interest as a component of net assets in the accompanying consolidating statements of financial position (see page 14).

Cash - Operating, Cash - Development and Restricted Deposits

NOAH and Affiliates consider all highly liquid investments originated with a maturity of three months or less, and that are available for current operations, to be cash - operating. Those highly liquid resources that are not generally available for current operations or otherwise restricted are classified as restricted deposits (see Note 5), and are included in cash and restricted cash for purposes of the consolidating statements of cash flows. Cash - development consists of cash accounts designated for projects under development and is also included in cash and restricted cash for purposes of the consolidating statements of cash flows.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contracts, Loans and Other Receivables and Allowance for Doubtful Accounts

Contracts, loans and other receivables are shown net of allowance for doubtful accounts. This allowance is recorded based on management's analysis of specific accounts and their estimate of amounts that may become uncollectible. Accounts are written off against the allowance when they are determined to be uncollectible.

Capitalized Costs

Capitalized costs represent tax credit fees incurred in connection with the financing of rental properties. These costs have been capitalized and are being amortized on the straight-line basis over the term of the tax credit compliance period (see Note 8).

Projects Under Development

All project-related costs incurred and considered to be recoverable during construction are capitalized for developments currently owned by NOAH and Affiliates as of December 31, 2020 and 2019. These include construction, soft costs, overhead, interest, and other costs and are reflected as projects under development (see Note 6) in the accompanying consolidating financial statements. During 2020 and 2019, NOAH and Affiliates recorded expenses totaling \$25,087 and \$27,192, respectively, related to the various projects under development that were deemed non-recoverable, which are included in recovery (write-off) of development costs in the accompanying consolidating statements of activities. During 2020, NOAH and Affiliates received a reimbursement of \$82,120 for costs previously written-off, which is included in recovery (write-off) of development costs in the accompanying 2020 consolidating statement of activities.

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at fair value at the time of donation. Improvements and major repairs are capitalized, while ordinary repairs and maintenance are expensed as incurred (see Note 7). Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	25 - 40 years
Land improvements	15 - 40 years
Furniture, fixtures and equipment	5 - 7 years
Leasehold improvements	Life of lease

Depreciation expense for the years ended December 31, 2020 and 2019, was \$2,593,516 and \$2,112,754, respectively, and is included in depreciation and amortization in the accompanying consolidating financial statements.

NOAH and Affiliates account for the carrying value of their property and equipment and projects under development in accordance with standards pertaining to ASC Topic, *Property, Plant and Equipment*, under U.S. GAAP. The carrying value is evaluated annually for impairment, and no impairment loss was recognized during 2020 and 2019. As of December 31, 2020 and 2019, NOAH and Affiliates have not recognized any reduction in the carrying value of their property and equipment when considering this standard.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method (see Note 11).

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications

Net Assets Without Donor Restrictions

NOAH and Affiliates classify net assets without donor restrictions into three categories:

- *Operating* net assets represent that portion of each net asset group that is considered substantially liquid and is available for general operations.
- *Development* net assets include those assets and liabilities related to NOAH and Affiliates' real estate project developments, completed and uncompleted, and those resources are not expected to be available for operations for at least one year from the date of the consolidating statements of financial position.
- *Property and equipment* net assets represent that portion of resources invested into long-term productive property and equipment, net of related liabilities.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or programs run by NOAH and Affiliates. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained for particular use in perpetuity. Net assets with donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has lapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOAH and Affiliates classify net assets with donor restrictions into two subcategories:

- *Perpetual in nature* net assets represent capital grant proceeds from NeighborWorks® America (NWA). These grants are for use as a permanent capital resource for NOAH's development projects and other initiatives. The terms of these grants allow NOAH to use them for capitalized costs associated with development projects, but not for operating costs. NOAH may use these funds to pay for certain development costs which, in some cases, may be collected from the project on deferred terms.

When the timing of collection is deferred or uncertain, the value of the underlying asset may be reduced by a valuation allowance. In these circumstances, NWA funds are reduced by a valuation allowance. When valuation allowances are reduced by later recoveries or because collection is assured, NWA restricted net assets will be increased.

NWA's net assets with donor restrictions were as follows as of December 31, 2020 and 2019:

Cumulative capital grants received, net of authorized write-offs	\$ 1,465,658
Cumulative valuation allowance	(734,046)
Add - intercompany elimination	<u>601,395</u>
	<u>\$ 1,333,007</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications (Continued)

Net Assets With Donor Restrictions (Continued)

- *Purpose restricted* net assets include resources restricted for community services, homebuyer and homeowner services, and rental housing. Purpose restricted net assets are treated as released from restriction when they are spent on expenses of those specific activities.

Net assets with donor restrictions were as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Program and initiatives:		
Homebuyer and homeowner services	\$ 872,458	\$ 573,854
Community services	100,719	307,482
Rental housing	<u>100,000</u>	<u>100,000</u>
	1,073,177	981,336
Perpetually restricted:		
NWA capital grants (see page 13)	<u>1,333,007</u>	<u>1,333,007</u>
	<u>\$ 2,406,184</u>	<u>\$ 2,314,343</u>

Non-controlling interest represents unrelated investors' interests in Stevens Corner, Benfield, Sitkowski, Shoe Shop, and Coppersmith (see Note 3). The unrelated investors' shares of income/loss in the above entities are reflected as changes in net assets attributable to non-controlling interests in the accompanying consolidating statements of activities.

Consolidating Statements of Activities

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

Estimates

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

NOAH and Affiliates generally measure revenue based on the amount of consideration NOAH and Affiliates expect to be entitled for the transfer of goods or services to a customer, then recognize this revenue when or as NOAH and Affiliates satisfy their performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. NOAH and Affiliates evaluate their revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

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

Property and project management fees are generally provided on an annual basis incident to separate agreements that renew annually at the election of the parties or under aspects of the operating agreements that govern the operations of the respective affiliates. These agreements specify the compensation for each annual period. The property and project management services are considered a single performance obligation. The performance obligation under these agreements is satisfied evenly over the year as the respective affiliate receives the benefits provided as NOAH and Affiliates perform. Property and project management fees are generally recognized in one calendar year. Compensation is generally fixed under the relevant agreement, but may contain variable components in the case of certain partnership management services. Certain fees are only earned and/or payable subject to the availability of net cash flow from the respective affiliate's operations and are only recognized as revenue when collection is assured. See Note 3 for additional disclosures related to these property and project management agreements.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, NOAH and Affiliates must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that NOAH and Affiliates should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 16 for disclosures of NOAH and Affiliates' conditional grants.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Grants and contributions with donor restrictions are recorded as revenues with donor restrictions and net assets when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Grants with donor restrictions received and satisfied in the same period are included in net assets without donor restrictions. Grants with donor restrictions are recorded as revenues with donor restrictions and net assets if they are received or committed with donor stipulations that the net assets are held in perpetuity or require specific authorization from donors before they are expended.

Rental income is recorded pro-rata over the life of the related leases and is shown net of vacancies and concessions. Interest and other income is recognized when earned.

Expense Allocation

Expenses related directly to a program or function are distributed to that program or function. Certain categories of expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel and related, facility, and depreciation and amortization, which are allocated based on an estimate of effort spent on each program or support function.

Income Taxes

NOAH, Peace Properties, and NOAH CDFI qualify as organizations formed for charitable purposes under Section 501(c)(3) of the IRC and, therefore, are not subject to income tax. Shalom and Paz qualify as organizations formed for charitable purposes under Section 501(c)(2) of the IRC, and therefore, are not subject to income tax.

The General Partners and Managing Members had, for Federal and state income tax purposes, net operating loss carryforwards (NOLs) of approximately \$93,000 and \$69,000, respectively, available to offset future taxable income as of December 31, 2020. The General Partners and Managing Members had, for Federal and state income tax purposes, NOLs of approximately \$79,000 and \$65,000, respectively, available to offset future taxable income as of December 31, 2019. Federal and state NOLs incurred before 2018 may be carried forward for twenty years following the year of loss. These carryforwards expire at various times through 2037. NOLs incurred after 2017 do not expire. The General Partners' and Managing Members' potential tax benefits of NOLs have been fully reserved due to the uncertainty of their future use.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

No income tax provision has been included in the accompanying consolidating financial statements for the LPs and LLCs (see page 11), as the income, loss, and credits are reported by the partners on their respective income tax returns.

NOAH and Affiliates account for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidating financial statements regarding a tax position taken or expected to be taken in a tax return. NOAH and Affiliates have determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidating financial statements at December 31, 2020 and 2019. NOAH and Affiliates' income taxes are subject to examination by the appropriate taxing jurisdictions.

Fair Value Measurements

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

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

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

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

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

Subsequent Events

Subsequent events have been evaluated through May 20, 2021, which is the date the consolidating financial statements were available to be issued. See Notes 3 and 16 for events that have met the criteria for disclosure in the consolidating financial statements.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS

Consolidating Entities

NOAH and Affiliates' consolidating financial statements include the following entities:

Aileron Homeownership LLC (Aileron) was formed in August 2019 as a Massachusetts limited liability company to acquire and develop seven for-sale condominium units (Aileron - Homeownership) and to acquire and subdivide land that will subsequently be sold to a newly created consolidated affiliate that will develop 33 units of low to moderate-income housing and commercial space (Aileron - Rental). The Aileron projects are located at 127-157 Condor Street in East Boston, Massachusetts. During 2019, Peace Properties incurred certain pre-development costs totaling \$206,028 related to the Aileron - Homeownership project which were transferred to Aileron in 2020. NOAH is the sole owner of Aileron. Aileron is treated as a disregarded entity for income tax purposes. As of December 31, 2020, Aileron capitalized \$1,086,694 of costs related to the Aileron - Homeownership project that is included in projects under development in the accompanying 2020 consolidating statement of financial position (see Note 6). All activity of Aileron - Homeownership is included with NOAH in the accompanying 2020 consolidating financial statements. Aileron had no activity during 2019.

Aileron - Rental (see above) was not formed as an entity as of December 31, 2020. All activity related to Aileron - Rental is included in Peace Properties.

Peace Properties, Inc. (Peace Properties) was formed in 1992 for the purpose of developing low to moderate-income housing and is treated as a non-profit for income tax purposes.

Peace Properties holds all property under development until such time financing is secured and operations are estimated to commence within one year, at which time the newly formed entity gets included in the rental programs.

Peace Properties also owns land on which it developed fifteen condominium units known as Border Falcon Condominium units and entered into a ground lease agreement (see Note 13).

NOAH Community Development Fund, Inc. (NOAH CDFI) was formed in 2001 to provide loans and counseling for homeownership to low and moderate-income residents (see Note 10).

Rental Programs

Shalom Properties, Inc. (Shalom) was formed in 1997 as a non-profit 501(c)(2) affiliate of NOAH for the purpose of acquiring, rehabilitating, and operating a rental housing project.

Paz Properties, Inc. (Paz) was formed in 1993 as a non-profit 501(c)(2) affiliate of NOAH for the purpose of acquiring, rehabilitating, and operating a rental housing project.

Trinity House LLC (Trinity House) is a Massachusetts limited liability company. NOAH is the sole owner of Trinity House. Trinity House is treated as a disregarded entity for income tax purposes.

Siochain Properties Limited Partnership (Siochain), a Massachusetts limited partnership, owns and operates 12 units of affordable housing for low and moderate-income families and individuals and two commercial units.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Consolidating Entities (Continued)

Rental Programs (Continued)

Paco Properties LLC (Paco) is a Massachusetts limited liability company formed to purchase rental properties in East Boston under the City of Boston's Acquisition Opportunity Program (AOP). NOAH is the sole owner of Paco and is treated as a disregarded entity for income tax purposes. The goal of the AOP is to prevent further displacement of families with modest incomes because of the high rate of rent increases and home prices. As of December 31, 2020, Paco had purchased seventeen properties with a total of 47 units.

Stevens Corner Limited Partnership (Stevens Corner), a Massachusetts limited partnership, owns and operates 42 units of affordable housing for low and moderate-income families and individuals. Stevens Corner is treated as a partnership for income tax purposes. NOAH holds a 0.01% interest in the capital, profits, losses, credits, and cash flow of Stevens Corner, as the special limited partner. Stevens Corner's investor limited partner has committed and paid \$4,341,667 in capital contributions to Stevens Corner.

Benfield Farms Limited Partnership (Benfield), a Massachusetts limited partnership, owns and operates 26 units of affordable housing for low and moderate-income seniors over 62 years of age in Carlisle, Massachusetts. Benfield is treated as a partnership for income tax purposes. NOAH is the special limited partner and holds no interest in the capital, profits, losses, credits, and cash flow of Benfield. Benfield's investor limited partner has committed and paid \$5,221,156 in capital contributions to Benfield.

Sitkowski Limited Partnership (Sitkowski), a Massachusetts limited partnership, owns and operates 66 units of affordable housing for low-income seniors, as well as a dedicated space for a senior center serving a mixed-income population. Sitkowski is treated as a partnership for income tax purposes. Sitkowski's investor limited partner has committed and paid \$9,286,576 in capital contributions to Sitkowski.

Shoe Shop Limited Partnership (Shoe Shop), a Massachusetts limited partnership, owns and operates 25 units of affordable housing for low-income individuals in Middleborough, Massachusetts. Shoe Shop is treated as a partnership for income tax purposes.

The investor limited partner originally committed \$6,235,819 in capital contributions to Shoe Shop, payable in four installments. As a result of higher than anticipated Federal Historic Rehabilitation Tax Credits (HRTC), the investor limited partner increased their committed capital contributions by \$36,319. The final installment of \$404,186 was paid in 2019, upon reaching certain milestones outlined in the operating agreement.

Coppersmith Village Rental Limited Partnership (Coppersmith), a Massachusetts limited partnership, owns and operates a building which consists of a mix of 56 market rate and affordable rental units and a ground floor retail space (see page 23). The building was substantially completed in August 2019, and was placed into service at that time. Coppersmith's investor limited partners have committed and paid \$7,990,476 in capital contributions. During 2020 and 2019, the investor limited partners made capital contributions of \$5,480,669 and \$2,509,807, respectively.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Consolidating Entities (Continued)

Rental Programs (Continued)

Union Block Rental Limited Partnership (Union Block), a Massachusetts limited partnership, was formed in April 2021, to acquire and redevelop a historic building located at 1-31 Main Street and 22 Weir Street in downtown Taunton, Massachusetts into 38 mixed-income apartment units. NOAH, as the initial limited partner, holds a 99.99% ownership interest in Union Block.

Other Entities

NOAH also maintains the following interests in general partners:

- Siochain Properties, Inc., 0.01% General Partner of Siochain. NOAH owns 100% of this corporation's common stock.
- Stevens Corner GP, Inc., 0.01% General Partner of Stevens Corner. NOAH owns 79% of this corporation's common stock.
- Benfield GP, LLC, 0.01% General Partner of Benfield. NOAH owns 100% of this corporation's common stock.
- Sitkowski GP, LLC, 0.01% General Partner of Sitkowski. NOAH owns 79% of this corporation's common stock.
- Shoe Shop GP, LLC, 0.01% General Partner of Shoe Shop. NOAH owns 100% of this corporation's common stock.
- Coppersmith Village Rental GP, LLC, 0.01% General Partner of Coppersmith. NOAH owns 79% of this corporation's common stock.
- Union Block Rental GP, LLC, 0.01% General Partner of Union Block. NOAH owns 100% of this corporation's common stock.

The financial activities of the entities listed above are not included as they are not material to the accompanying consolidating financial statements.

Unconsolidated Entities

NOAH and Affiliates' consolidating financial statements include transactions with the following related entities:

143-153 Border Street Condominium Trust (the Border Street Trust) was created as the "Organization of Unit Owners" as required by the provisions of Chapter 183A of the Massachusetts General Laws for the purpose of managing and regulating the 143-153 Border Street Condominium, which was established and created by a Master Deed executed by Peace Properties. One condominium unit is occupied by NOAH and Affiliates and the other is occupied by an unrelated organization. NOAH is the manager of the Trust. NOAH earned \$12,360 in management fees for the years ended December 31, 2020 and 2019. There was \$11,330 due from this trust at December 31, 2019, which was paid off during 2020.

Coppersmith Condominium Trust (the Coppersmith Trust) was created during 2019 as the "Organization of Unit Owners" as required by the provisions of Chapter 183A of the Massachusetts General Laws for the purpose of managing and regulating Coppersmith Condominium, which was established and created by a Master Deed executed by Peace Properties. Coppersmith Condominium consists of 15 condos that Peace sold during 2019 and incurred a loss, which is reflected as loss on sale of properties held for sale in the accompanying 2019 consolidating statement of activities. NOAH is the manager of the Trust. NOAH earned \$6,300 and \$3,675 in management fees for the years ended December 31, 2020 and 2019, respectively. There was \$3,675 due from this trust at December 31, 2019, which was paid off during 2020.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties

Guarantees

NOAH has issued guarantees to fund various partnership operating deficits, if the general partner fails to make any operating deficit contributions during the period before the partnership achieves a number of consecutive twelve-month periods of break-even operations, as specified in the respective agreements. NOAH's liability is limited as follows:

Coppersmith	\$ 442,984
Sitkowski	\$ 350,000
Benfield	\$ 175,000
Shoe Shop	\$ 150,000

Mortgages and Notes Receivable

NOAH and Affiliates has the following mortgages and notes receivable with related entities, primarily funded from the sale of various tax credits and capital grants as of December 31:

NOAH	2020	2019
3% note receivable, secured by a third mortgage on Coppersmith's property, due December 15, 2056	\$ 2,707,500	\$ 2,707,500
3.32% note receivable, secured by a shared second mortgage on Sitkowski's property, due December 30, 2053	2,700,000	2,700,000
3.32% note receivable, secured by a shared second mortgage on Sitkowski's property, due December 30, 2053	2,047,000	2,047,000
Non-interest bearing note, secured by a shared second mortgage on Shoe Shop's property, due August 12, 2045	1,275,000	1,275,000
0.01% note receivable, secured by a third mortgage on Benfield's property, due April 5, 2058	871,200	871,200
5% note receivable, secured by a third mortgage on Stevens Corner's property, due August 15, 2041	511,179	511,179
Non-interest bearing unsecured note receivable from Sitkowski, due December 31, 2053	99,832	99,832
5.75% unsecured note receivable from Coppersmith, which was repaid during 2020	-	66,175
Total NOAH	10,211,711	10,277,886
Peace Properties		
3% note receivable, secured by a fourth mortgage on Coppersmith's property, paid off in 2020	-	883,369
	10,211,711	11,161,255
Less - valuation allowance	10,211,711	11,095,080
	\$ -	\$ 66,175

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties (Continued)

Mortgages and Notes Receivable (Continued)

It is NOAH and Affiliates' policy to fully reserve these mortgages and notes receivable if they are only due upon available cash flow. There are no principal payments due in 2020 and 2019 based on 2019 and 2018 cash flows, respectively. The balance of mortgages and notes receivable as of December 31, 2020 and 2019, is included in contracts, loans and other receivables in the accompanying consolidating statements of financial position.

Property and Project Management Services

NOAH performs property and project management services for NOAH's related rental property entities and third party condo trusts (see page 20). These properties are directly billed management fees for NOAH's staff assigned to the property, along with related expenses.

Property and project (Paco only) management fees between NOAH and related parties are as follows:

	<u>2020</u>	<u>2019</u>
Paz	\$ 146,674	\$ 146,630
Shalom	112,484	112,484
Siochain	46,457	46,456
Paco (property management)	45,900	42,645
Trinity House	34,120	34,120
Benfield	29,585	5,797
Third party condo trusts	18,660	16,035
Shoe Shop	5,628	5,464
Paco (project management)	-	87,500
	<u>439,508</u>	<u>497,131</u>
Add - elimination for doubtful accounts	-	37,500
Less - elimination for intercompany	<u>(420,848)</u>	<u>(393,596)</u>
	<u>\$ 18,660</u>	<u>\$ 141,035</u>

Property and project management fees receivables from third parties were \$15,005 as of December 31, 2019, and are included in contracts, loans and other receivables in the accompanying consolidating statement of financial position. There were no amounts receivable from third parties as of December 31, 2020.

Developer Fees

NOAH, as the sponsor and developer of various partnerships, is entitled to a developer fee and overhead reimbursement for services provided during the development of the projects. Total fees earned for the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Coppersmith	\$ 737,849	\$ 600,000
Aileron	<u>180,000</u>	<u>-</u>
	917,849	600,000
Less - elimination for recovery of doubtful accounts	<u>(737,849)</u>	<u>(377,859)</u>
	<u>\$ 180,000</u>	<u>\$ 222,141</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties (Continued)

Developer Fees (Continued)

The following is a summary of active developer fee contract balances (remaining balances to either be recognized or collected by NOAH) for projects owned and operated by affiliates as of and for the year ended December 31, 2020:

<u>Project</u>	<u>Total Contract</u>	<u>Recognized Prior to 2019</u>	<u>Recognized During 2019</u>	<u>Recognized During 2020</u>	<u>Remaining Contract Balance</u>
Aileron Home Ownership	\$ 432,472	\$ -	\$ -	\$ 180,000	\$ 252,472
Coppersmith	\$ 3,173,250	\$ 1,835,401	\$ 600,000	\$ 737,849	\$ -

The remaining contract balance reflects revenue that has not been earned as the performance obligations have not been fully satisfied.

Developer fee receivables were \$917,849 and \$600,000 as of December 31, 2020 and 2019, respectively, and are included in due from affiliates in the accompanying consolidating statements of financial position.

Rental Fees

Peace Properties charges NOAH rent for the usage of space. Total rent charged for the years ended December 31, 2020 and 2019, was \$108,989 and \$100,651, respectively.

Coppersmith and NOAH entered into a master lease agreement for the commercial space located on the ground floor of the Coppersmith's property. The term of the lease is fifteen years starting on the commencement date (September 1, 2019), ending on September 1, 2034. The initial annual base rent is \$12,000, payable in fixed monthly installments. The base rent amount increases annually by 1%. Total commercial rent income was \$12,000 and \$4,000 for the years ended December 31, 2020 and 2019, respectively, which is eliminated in the accompanying consolidating statements of activities. NOAH owes Coppersmith \$16,000 and \$4,000 as of December 31, 2020 and 2019, respectively, which is included in due to affiliates in the accompanying consolidating statements of financial position. Future minimum rental payments under this agreement are as follows:

2021	\$ 12,160
2022	12,282
2023	12,405
2024	12,529
2025	12,654
Remaining years	<u>115,093</u>
Total	<u>\$ 177,123</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

3. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Related Parties (Continued)

Other Transactions

Balances between NOAH and the Affiliates, included in due from affiliates, were as follows as of December 31:

	2020					Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Allowance for Doubtful Accounts	
NOAH receivable	\$ -	\$ 1,798,829	\$ 186,234	\$ 3,044,954	\$ (1,522,873)	\$ 3,507,144
NOAH CDFI receivable	45,020	592,037	-	242,616	-	879,673
Peace Properties receivable	15,857	-	-	189,652	(18,780)	186,729
Coppersmith receivable	16,000	-	-	-	-	16,000
Stevens Corner receivable	-	65,410	-	-	(65,410)	-
Subtotal	76,877	2,456,276	186,234	3,477,222	(1,607,063)	4,589,546
Less - current portion	<u>31,857</u>	<u>29,218</u>	<u>-</u>	<u>840,852</u>	<u>-</u>	<u>901,927</u>
	<u>\$ 45,020</u>	<u>\$ 2,427,058</u>	<u>\$ 186,234</u>	<u>\$ 2,636,370</u>	<u>\$ (1,607,063)</u>	<u>\$ 3,687,619</u>
	2019					Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Allowance for Doubtful Accounts	
NOAH receivable	\$ -	\$ 2,711,023	\$ 186,234	\$ 3,637,758	\$ (2,252,369)	\$ 4,282,646
NOAH CDFI receivable	45,000	696,983	-	242,616	-	984,599
Peace Properties receivable	-	-	-	223,206	(27,982)	195,224
Coppersmith receivable	4,000	-	-	-	-	4,000
Stevens Corner receivable	-	65,410	-	-	(65,410)	-
Subtotal	49,000	3,473,416	186,234	4,103,580	(2,345,761)	5,466,469
Less - current portion	<u>4,000</u>	<u>600,000</u>	<u>-</u>	<u>694,377</u>	<u>-</u>	<u>1,298,377</u>
	<u>\$ 45,000</u>	<u>\$ 2,873,416</u>	<u>\$ 186,234</u>	<u>\$ 3,409,203</u>	<u>\$ (2,345,761)</u>	<u>\$ 4,168,092</u>

4. CERTIFICATES OF DEPOSIT

At December 31, 2020 and 2019, NOAH has a sixty-month certificate of deposit (CD) that bears interest at 0.75% per annum and is set to mature in May 2024. The fair value of the CD, which approximates the cost basis, was \$253,246 and \$251,889 as of December 31, 2020 and 2019, respectively. This CD is collateral for the NWSL 2017 AHMI Fund, LLC note payable (see Note 11). Accordingly, this CD is reflected as a non-current asset in the accompanying consolidating statements of financial position.

At December 31, 2020 and 2019, NOAH also has a thirty-six-month CD that bears interest at .75% per annum and is set to mature in January 2022. The fair value of the CD, which approximates the cost basis, was \$466,683 and \$463,196 as of December 31, 2020 and 2019, respectively. Management intends to hold this CD as a long-term investment strategy and, accordingly, this CD is reflected as a non-current asset in the accompanying consolidating statements of financial position.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

5. RESTRICTED DEPOSITS

The balance of restricted deposits includes the following as of December 31:

	<u>2020</u>	<u>2019</u>
NOAH, Inc.:		
Restricted cash - development projects	\$ 536,396	\$ 492,971
NOAH CDFI:		
Revolving loan fund capital	<u>36,648</u>	<u>6,781</u>
Rental Programs:		
Operating reserves	1,363,949	950,229
Replacement reserves	734,095	666,987
Tenant security deposits	279,004	272,056
Operating and other escrows	<u>106,485</u>	<u>147,735</u>
Total Rental Programs	<u>2,483,533</u>	<u>2,037,007</u>
Total restricted deposits	3,056,577	2,536,759
Less - current portion	<u>436,881</u>	<u>441,237</u>
Non-current portion	<u>\$ 2,619,696</u>	<u>\$ 2,095,522</u>

Operating escrows and other escrows with short-term purposes are classified as current in the accompanying consolidating statements of financial position. Replacement reserves, operating reserves and other reserves, and restricted loan funds are classified as non-current in the accompanying consolidating statements of financial position. NOAH and Affiliates are required to maintain these reserves under the provisions of mortgage and partnership agreements. These reserves were adequately funded as of December 31, 2020 and 2019.

6. PROJECTS UNDER DEVELOPMENT

Projects under development consist of projects still under development and in the pre-development stage. All costs related to these projects have been capitalized and include the acquisition price and pre-development and developments costs. Once these projects are complete, the developments will become rental properties.

Ayer Commons

The Ayer Commons project is located at 65 Fitchburg Road, Ayer, Massachusetts, and will be developed into 70 units of affordable housing. Ten of the units will serve extremely-low income households. This project is still in the pre-development phase and expects to close on additional project financing in 2021.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

6. PROJECTS UNDER DEVELOPMENT (Continued)

Other

Other projects consist of various projects in the early stage of pre-development and ongoing due diligence for potential viability. These projects are located in East Boston, Middleborough, and Grafton, Massachusetts.

Projects under development consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Aileron - Homeownership (see Note 3)	\$ 1,086,694	\$ 206,028
Union Block (see Note 3)	705,235	535,070
Aileron - Rental (see Note 3)	410,815	175,178
Ayer Commons (see page 25)	107,464	-
Other (see above)	<u>19,863</u>	<u>91,661</u>
Total projects under development	<u>\$ 2,330,071</u>	<u>\$ 1,007,937</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2020</u>				
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>	<u>Total</u>
Buildings and improvements	\$ -	\$ 2,159,200	\$ -	\$ 95,946,391	\$ 98,105,591
Land and improvements	-	603,946	-	7,010,293	7,614,239
Furniture, fixtures and equipment	248,358	-	1,300	1,125,459	1,375,117
Leasehold improvements	<u>26,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,448</u>
	274,806	2,763,146	1,300	104,082,143	107,121,395
Less - accumulated depreciation	248,288	917,188	1,300	15,825,307	16,992,083
Less - elimination	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,802</u>	<u>700,802</u>
	<u>\$ 26,518</u>	<u>\$ 1,845,958</u>	<u>\$ -</u>	<u>\$ 87,556,034</u>	<u>\$ 89,428,510</u>
	<u>2019</u>				
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>	<u>Total</u>
Buildings and improvements	\$ -	\$ 2,159,200	\$ -	\$ 95,785,013	\$ 97,944,213
Land and improvements	-	603,946	-	7,010,293	7,614,239
Furniture, fixtures and equipment	248,358	-	1,300	1,084,013	1,333,671
Leasehold improvements	<u>21,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,798</u>
	270,156	2,763,146	1,300	103,879,319	106,913,921
Less - accumulated depreciation	231,039	861,824	1,300	13,285,027	14,379,190
Less - elimination	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,179</u>	<u>720,179</u>
	<u>\$ 39,117</u>	<u>\$ 1,901,322</u>	<u>\$ -</u>	<u>\$ 89,874,113</u>	<u>\$ 91,814,552</u>

There are restrictions imposed by lenders on the use and sale of certain land and buildings and building improvements (see Notes 11 and 12).

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

8. CAPITALIZED COSTS

Capitalized costs consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Total costs incurred	\$ 210,823	\$ 210,823
Less - accumulated amortization	<u>90,396</u>	<u>71,899</u>
Net capitalized costs	<u>\$ 120,427</u>	<u>\$ 138,924</u>

Amortization expense for the years ended December 31, 2020 and 2019, was \$18,497 and \$15,959, respectively, and is included in depreciation and amortization in the accompanying consolidating financial statements. Amortization expense for the next five years is expected to be approximately \$18,500.

9. LEASE

The Affiliates lease residential and commercial units to tenants under operating leases. The terms of the leases are for one year and are renewable annually. NOAH leases a commercial unit to an unrelated tenant under a one year lease that ended on March 31, 2020, at which time the lease became a tenant-at-will agreement.

10. LOANS RECEIVABLE

NOAH CDFI

NOAH CDFI has outstanding loans receivable from local residents for purchase and/or rehabilitation of low to moderate-income housing of \$144,658 and \$145,207, respectively, less an allowance for doubtful accounts of \$57,458 and \$132,614 as of December 31, 2020 and 2019, respectively. These amounts are included in contracts, loans and other receivables in the accompanying consolidating statements of financial position. Interest rates range from 3% to 5.4% and original maturity dates range from ten to thirty years. Loans are secured by a second or third lien on the property purchased or improved.

NOAH

NOAH and Affiliates have arrangements to act as the nonprofit intermediary for projects which qualify for Massachusetts tax credits. Under these arrangements, NOAH received a donation of tax credits from each project's sponsor and made a loan to the respective project entity from the proceeds of NOAH's resale of the credits to outside investors. The loans have interest rates ranging from 0.001% to 3.05%, which NOAH will receive on the maturity date. These loans mature at various dates through December 2065.

Total outstanding principal balances are \$12,428,125 and \$10,808,125 as of December 31, 2020 and 2019, respectively. These loans have specific restrictions surrounding their use, and due to their long-term deferred nature and likelihood of collectability, the notes are fully reserved at December 31, 2020 and 2019. The provision associated with the loan entered into in 2020 and 2019 is reflected as provision against loans receivable in the accompanying consolidating statements of activities.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

10. LOANS RECEIVABLE (Continued)

Loans receivable, net of allowances for doubtful accounts, is as follows as of December 31:

		2020			
<u>Entity</u>	<u>Funding Source</u>	<u>Number of Loans</u>	<u>Loans Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net</u>
NCDFI	NW (see Note 2)	2	\$ 144,658	\$ 57,458	\$ 87,200
NOAH	Massachusetts historic and state low-income tax credits	4	<u>12,428,125</u>	<u>12,428,125</u>	-
	Total	<u>6</u>	<u>\$ 12,572,783</u>	<u>\$ 12,485,583</u>	<u>\$ 87,200</u>
		2019			
<u>Entity</u>	<u>Funding Source</u>	<u>Number of Loans</u>	<u>Loans Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net</u>
NCDFI	NW (see Note 2)	3	\$ 145,244	\$ 132,651	\$ 12,593
NOAH	Massachusetts historic and state low-income tax credits	3	<u>10,808,125</u>	<u>10,808,125</u>	-
	Total	<u>6</u>	<u>\$ 10,953,369</u>	<u>\$ 10,940,776</u>	<u>\$ 12,593</u>

Maturities of loans receivable over the next five years are as follows:

2021	\$ 1,162
2022	\$ 1,220
2023	\$ 1,281
2024	\$ 1,346
2025	\$ 1,408

11. MORTGAGE AND NOTES PAYABLE

Mortgage and notes payable consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
NOAH (see page 33)	\$ 3,263,485	\$ 2,203,386
Peace Properties (see page 34)	979,991	1,062,048
Rental Programs (see page 37)	<u>25,601,511</u>	<u>30,596,709</u>
Total mortgage and notes payable	29,844,987	33,862,143
Less - unamortized debt issuance costs	446,592	539,161
Less - eliminations	-	<u>66,175</u>
	<u>29,398,395</u>	<u>33,256,807</u>
Less - current portion	<u>10,623,315</u>	<u>3,832,480</u>
	<u>\$ 18,775,080</u>	<u>\$ 29,424,327</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

11. MORTGAGE AND NOTES PAYABLE (Continued)

Debt issuance costs of \$869,093 are shown net of accumulated imputed interest of \$422,501 and \$329,932 as of December 31, 2020 and 2019, respectively. Imputed interest totaled \$92,569 and \$68,440 for the years ended December 31, 2020 and 2019, respectively, which is included in interest expense in the accompanying consolidating statements of functional expenses.

Maturities of mortgage and notes payable and imputed interest over the next five years are as follows:

	<u>Principal</u>	<u>Imputed Interest</u>
2021	\$ 10,623,315	\$ 62,522
2022	\$ 5,059,374	\$ 36,126
2023	\$ 295,966	\$ 34,367
2024	\$ 2,761,600	\$ 30,943
2025	\$ 296,249	\$ 26,967
Thereafter	\$ 10,808,483	\$ 255,667

The mortgage and notes payable agreements contain various covenants with which NOAH and Affiliates must comply. NOAH and Affiliates were in compliance with financial covenants associated with its mortgage and notes payable as of December 31, 2020. NOAH and Affiliates did not meet certain financial covenants associated with its mortgage and notes payable as of December 31, 2019, for which NOAH and Affiliates obtained waiver.

12. CONTINGENT LOANS AND ADVANCES

NOAH and Affiliates have received several contingent loans and advances from various organizations to help in the development of projects. These loans and advances generally are not required to be repaid unless the projects fail to maintain their status as low-income housing or default on other covenants as described in the agreements. It is the intention of the Board of Directors and management of NOAH to maintain these properties as low-income housing and to meet other conditions. Contingent loans and advances are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Rental Programs contingent loans and advances (see page 46)	\$ 40,958,089	\$ 40,371,546
Less - eliminations	<u>10,211,711</u>	<u>11,095,080</u>
	<u>\$ 30,746,378</u>	<u>\$ 29,276,466</u>

The contingent loan and advance agreements contain various covenants with which NOAH and Affiliates must comply. NOAH and Affiliates were in compliance with the covenants associated with its contingent loans and advances as of December 31, 2020 and 2019.

13. GROUND LEASE

Peace Properties has a ground lease agreement with the purchasers of the condominium units which expires in July 2105, with an option to extend the original term of the lease for one additional period of ninety-nine years (see Note 3). Monthly ground lease rent is \$1,329, which will be collected by Peace Properties from the purchasers of the condominium units. Monthly ground lease rent is calculated to equal 105% of the monthly payments of principal and interest necessary to amortize the Local Initiatives Support Corporation (LISC) loan (see Note 11) over the term of the loan. Upon paying the LISC loan in full, Peace Properties will continue to collect ground lease rent until the \$70,000 of NW funds borrowed from NOAH is repaid.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

14. COMMITMENTS AND CONTINGENCIES

As discussed in Notes 2 and 3, NOAH has acted as sponsor and developer for various low-income and affordable housing developments. Most of these developments have received various forms of funding through NOAH or directly from Federal, state, and local sources. The terms of these funding agreements generally require that the projects maintain affordable housing and low-income eligibility status, as defined. If such status is not maintained, NOAH may be obligated to remedy any defaults in the requirements and may be liable to repay certain amounts to the funders.

In addition, NOAH, as project sponsor, in some cases, has agreed to advance funds to the LPs and LLCs as a guarantor of the General Partners' obligation to fund operating deficits, subsidize contract shortfalls, development cost overruns, payments for reduced tax benefits to limited partner investors, and other circumstances affecting the partnerships, as defined in the partnership agreements. NOAH's obligations under these agreements are limited (see Note 3).

NOAH has been notified of the following financing commitments for various projects under development (see Note 6) through May 20, 2021:

- \$1,000,000 from Housing Stabilization Fund
- \$1,000,000 from Affordable Housing Trust
- \$750,000 from Mass Historic Tax Credits
- \$650,000 from Brownfields Tax Credits
- \$550,000 from Home Investment Partnerships (HOME) Program
- \$232,666 from Community Economic Development Assistance Corporation

During 2020, NOAH was awarded \$200,000 of Community Investment Tax Credits (CITCs) from the Department of Housing and Community Development (DHCD) to disburse to donors in exchange for donations. In addition, NOAH carried over approximately \$64,000 of unused 2019 credits that were utilized during 2020. The CITCs are provided to donors based upon 50% of eligible donations. NOAH received approximately \$518,000 in eligible donations during 2020 and provided approximately \$259,000 in CITCs, leaving approximately \$5,000 of credits to carryover to 2021.

During 2020, COVID-19 was recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. Management of NOAH and Affiliates is continually monitoring these events closely to assess the financial impact of the situation and determine appropriate courses of action. As of the date of this report, management of NOAH and Affiliates is unable to accurately predict how COVID-19 will affect the results of its operations because the disease's severity and the duration of the outbreak are uncertain.

15. CONCENTRATIONS

NOAH and Affiliates maintain their cash balances in various banks in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. NOAH and Affiliates have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on cash.

During 2020 and 2019, 69% of contracts, grants and other fees revenue was from three and two unrelated third parties, respectively. As of December 31, 2020 and 2019, 33% and 59%, respectively, of contracts, loans and other receivables was due from one and three unrelated third parties, respectively.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

16. CONDITIONAL GRANTS

Paycheck Protection Program

During 2020, NOAH and Affiliates applied for, and was awarded, a loan of \$278,700 from the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The funds were used to pay certain payroll costs, including benefits, during a covered period as defined in the CARES Act. These funds were subject to be forgiven, as defined in the agreement, at the end of the covered period and the remainder of the funds would be due over a two-year period with interest at 1%. Any repayment will be deferred for a period of ten months from the end of the covered period, when the note, plus interest, will be due in equal monthly payments through the maturity date as defined by the bank. The forgiveness calculations are subject to review and approval by the lending bank and the Small Business Administration (SBA). In December 2020, the entire loan balance and related interest were forgiven by the lending bank and the SBA.

Since NOAH and Affiliates received confirmation that the loan was forgiven during 2020, it has been accounted for as a conditional grant under ASC Subtopic 958-605. This grant was conditional upon certain performance requirements and the incurrence of eligible expenses. Amounts received were recognized as revenue when NOAH and Affiliates had incurred expenditures in compliance with the loan application and CARES Act requirements. As of December 31, 2020, NOAH and Affiliates recognized the entire loan balance of \$278,700 as grant revenue, which is included in grants and contributions in the accompanying 2020 consolidating statement of activities.

COVID - Rent Relief

During 2020, NOAH received government grants for rent relief that contained donor-imposed conditions that represent barriers that must be overcome as well as a right of return of the assets transferred. In accordance with ASC Subtopic 958-605, NOAH recognizes the grants and contributions as revenue only when donor-imposed conditions are substantially met. Conditional grant advance consists of the following as of December 31, 2020:

Beginning balance of conditional grant advance	\$ -
Current year conditional awards received	2,500,000
Recognition of conditional awards	<u>(2,220,000)</u>
Ending balance of conditional grant advance	<u>\$ 280,000</u>

In addition to the conditional advances noted above, during 2020, NOAH received an additional \$1,000,000 award pertaining to the rent relief program that is not included in the accompanying 2020 consolidating financial statement as the funds pledged have not been received as of December 31, 2020, and the donor-imposed conditions have not been met. During 2021, NOAH met the donor-imposed conditions and recognized both the conditional grant advance and the additional \$1,000,000 as grant and contribution revenue. In addition, during 2021, NOAH received an additional \$3,000,000 award for the rent relief program.

17. RETIREMENT PLAN

NOAH maintains a qualified salary reduction 403(b) retirement plan. The salary reduction plan covers substantially all employees who have met the eligibility requirements. NOAH does not contribute to the plan.

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

18. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

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

	2020			
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>
Cash - operating	\$ 3,647,289	\$ 64,237	\$ 5,684	\$ 1,290,214
Cash - development	19,584	33,139	-	20,332
Current portion of restricted deposits	-	-	36,648	400,233
Current portion of contracts, loans and other receivables	<u>720,043</u>	<u>40,264</u>	<u>1,162</u>	<u>166,986</u>
	4,386,916	137,640	43,494	1,877,765
Less - cash held for programs and initiatives with donor restrictions (see Note 2)	(973,177)	-	-	(100,000)
Less - tenant security deposits	-	-	-	(279,004)
Less - development project cash	<u>(19,584)</u>	<u>(33,139)</u>	<u>-</u>	<u>(20,332)</u>
	<u>\$ 3,394,155</u>	<u>\$ 104,501</u>	<u>\$ 43,494</u>	<u>\$ 1,478,429</u>
	2019			
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>
Cash - operating	\$ 1,589,030	\$ 11,969	\$ 7,031	\$ 934,218
Cash - development	-	701,621	-	303,479
Current portion of restricted deposits	-	-	6,781	434,456
Current portion of contracts, loans and other receivables	<u>643,239</u>	<u>222,227</u>	<u>1,107</u>	<u>136,515</u>
	2,232,269	935,817	14,919	1,808,668
Less - cash held for programs and initiatives with donor restrictions (see Note 2)	(881,336)	-	-	(100,000)
Less - tenant security deposits	-	-	-	(272,056)
Less - development project cash	<u>-</u>	<u>(701,621)</u>	<u>-</u>	<u>(303,479)</u>
	<u>\$ 1,350,933</u>	<u>\$ 234,196</u>	<u>\$ 14,919</u>	<u>\$ 1,133,133</u>

NOAH and Affiliates aim to maintain working capital balances of at least six months of operating expenses. As of December 31, 2020 and 2019, NOAH had an average days of cash on hand of 129 and 109 (based on normal expenditures), respectively.

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

19. RECLASSIFICATIONS

Certain amounts in the 2019 consolidating financial statements have been reclassified to conform with the 2020 presentation.

11. MORTGAGE AND NOTES PAYABLE (Continued)

Mortgage and notes payable consist of the following as of December 31:

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
NOAH									
NWSL 2017 AHMI Fund, LLC	5.50%	Certificate of Deposit (see Note 4)	Interest is due quarterly through March 25, 2024, at which time the entire principal balance and accrued and unpaid interest are due and payable in full.	\$ 1,000,000	\$ 5,133	\$ 55,917	\$ 1,000,000	\$ 4,323	\$ 33,000
NeighborWorks Capital Corporation	6.00%	Developer Fees from the Coppersmith Village and Coppersmith Condo projects, and the Paco Properties	Interest is due monthly through the maturity date March 1, 2021. The entire principal balance and accrued and unpaid interest were paid in January 2021.	890,000	-	51,569	890,000	-	18,542
City of Boston	2.00%	Second mortgage on the Aileron Project	The entire outstanding principal balance and all accrued interest are due and payable on December 17, 2021. The note may be extended for another eighteen months.	702,456	-	-	-	-	-
Community Economic Development Assistance Corporation (CEDAC)	7.00%	All assets related to the Union Block Project	The entire outstanding principal balance and all accrued interest are due and payable upon closing and construction financing. The maximum borrowings under this note are \$300,000.	300,000	31,815	-	88,107	10,465	10,194
CEDAC	7.00%	All assets related to the Aileron Project	The entire outstanding principal balance and all accrued interest are due and payable upon closing and construction financing. The maximum borrowings under this note are \$400,000.	282,334	21,496	-	172,082	5,550	5,550
Eastern Bank	2.37%	First mortgage on the Aileron Project	Interest-only payments are due monthly until maturity on June 18, 2022. Upon the sale of each Unit of the Aileron Project, 100% of the sales proceeds of such Unit (net of applicable closing costs) will be paid to Eastern Bank until the earlier of repayment in full or the maturity date. The maximum borrowings under this note are \$2,104,000.	52,502	-	-	-	-	-
LISC	5.00%	Unsecured	Monthly payments of principal and interest totaling \$1,893 are due through June 1, 2022 (maturity).	36,193	-	2,305	53,197	-	3,214
Total NOAH, Inc. (see page 28)				<u>3,263,485</u>	<u>58,444</u>	<u>109,791</u>	<u>2,203,386</u>	<u>20,338</u>	<u>70,500</u>

11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Peace Properties, Inc.									
Cambridge Savings Bank	4.75%	First mortgage on the 143 Border Street building, plus an assignment of rents and leases	Payments of principal and interest of \$4,303 are due monthly based on a thirty-year amortization schedule, with all outstanding principal and accrued interest due on June 1, 2022.	712,155	-	22,450	717,847	-	17,243
City of Boston	4.00%	Third mortgage on the 143 Border Street building	Principal and interest are due monthly to the extent of available cash flow, as defined in the agreement. All unpaid principal and accrued interest will be due on March 1, 2024. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	200,000	16,000	8,000	200,000	-	8,000
LISC	4.00%	Ground lease (see Note 13)	Principal and interest are due in monthly installments of \$1,266, with principal due no later than the maturity date of September 2025. Monthly payments of principal and interest totaling \$1,265 are due through September 2025 (maturity).	67,836	-	2,946	78,026	-	3,384
NOAH	5.75%	Unsecured	This note allowed for borrowings up to \$410,000. Principal and interest were due in connection with the repayment of the East Boston Savings Bank construction loan.	-	3,836	3,836	66,175	9,764	9,764
Total Peace Properties, Inc. (see page 28)				<u>979,991</u>	<u>19,836</u>	<u>37,232</u>	<u>1,062,048</u>	<u>9,764</u>	<u>38,391</u>
Rental Programs									
Shalom Properties, Inc.									
Massachusetts Housing Partnership (MHP)	3.78%	Mortgage on properties	Due in monthly installments of \$4,606 based on a thirty-year amortization schedule. All remaining outstanding principal and accrued interest are due and payable in July 2024.	859,074	-	32,929	881,268	-	34,038
CCO Mortgage, a division of RBS Citizens	5.38%	Mortgage on properties	Due in monthly installments of principal and interest of \$2,772 through December 1, 2033.	320,055	9,911	17,160	326,666	-	17,987
MHP	0.00%	Mortgage on properties	All outstanding amounts are due on October 6, 2024.	245,339	-	-	245,339	-	-
City of Boston	0.00%	Mortgage on properties	All outstanding amounts are due on October 6, 2024.	245,339	-	-	245,339	-	-
Sub-total Shalom Properties, Inc.				<u>1,669,807</u>	<u>9,911</u>	<u>50,089</u>	<u>1,698,612</u>	<u>-</u>	<u>52,025</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements
December 31, 2020 and 2019

11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Paz Properties, Inc.</i>									
MHP	4.80%	Shared first mortgage on properties	Principal and interest are due in monthly installments of \$2,913 through maturity on October 25, 2021.	507,552	-	24,633	517,878	-	25,116
MHP	6.27%	Shared first mortgage on properties	Principal and interest are due in monthly installments of \$2,328 through maturity on October 3, 2021.	244,011	-	15,817	259,120	-	16,733
Sub-total Paz Properties, Inc.				751,563	-	40,450	776,998	-	41,849
<i>Siochain Properties LP</i>									
Boston Community Loan Fund (BCLF)	7.00%	First mortgage on properties	Principal and interest are due in monthly installments of \$1,634 through July 2022, at which time a balloon payment of \$102,143 is due.	122,494	2,485	9,036	130,396	-	9,639
BCLF	3.50%	Second mortgage on properties	Principal and interest are due in monthly installments of \$938 through July 2022.	19,732	-	880	27,513	-	1,170
Sub-total Siochain Properties LP				142,226	2,485	9,916	157,909	-	10,809
<i>Paco Properties LLC</i>									
Community Housing Capital, Inc.	6.00%	Shared first mortgage on the properties	Revolving line of credit which allows for borrowings up to \$6,000,000. The line of credit replaced the previous lines of credit which was due on August 26, 2019. Interest-only payments are due monthly through September 27, 2021 (maturity), at which time all outstanding principal and accrued interest become due. Management plans to extend the maturity date of the line of credit.	5,922,972	896	353,654	5,718,300	-	349,890
BCLF	5.00%	Shared first mortgage on the properties - 42-44 Saint Andrew Road	Revolving line of credit which allows for borrowings up to \$3,000,000. Interest-only payments are due monthly through June 18, 2021 (maturity), at which time all outstanding principal and accrued interest become due. Management plans to extend the maturity date of the line of credit.	2,722,488	-	136,124	2,722,488	-	138,015
East Boston Savings Bank	4.25%	Shared first mortgage on the properties and assignment of partnership interest	Revolving line of credit through August 31, 2022 (maturity), at which time all principal and accrued interest become due.	2,615,390	86,336	124,550	2,615,390	46,399	88,942
Sub-total Paco Properties LLC				11,260,850	87,232	614,328	11,056,178	46,399	576,847

11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
Stevens Corner LP									
MHP	7.04%	First mortgage on the property and an assignment of leases and rents and reserves	Due in monthly principal and interest installments of \$9,479 through August 2032 (maturity), at which time a balloon payment is due.	1,264,699	-	89,952	1,288,493	-	91,565
Benfield Farms LP									
MHP	4.32%	First mortgage on the property, the reserve accounts and an assignment of leases and rents	Principal and interest are due in monthly installments of \$7,193 through March 30, 2034 (maturity), at which time a balloon payment of \$759,110 is due.	1,298,321	-	56,783	1,327,850	-	57,945
Sitkowski LP									
MassHousing	5.50%	First mortgage on the property and restricted deposits	The note is due in monthly principal and interest installments of \$9,168, amortized over a thirty-year period. The note matures on July 1, 2056. Mortgage insurance is being provided by the U.S. Department of Housing and Urban Development (HUD) under the Housing Finance Agency Risk Sharing Pilot Program.	1,682,145	-	95,413	1,698,854	-	94,126
Shoe Shop LP									
MHP	5.51%	First mortgage on the property and an assignment of partnership interest	Monthly payments of principal and interest totaling \$9,268 are due through April 17, 2037 (maturity), at which time a balloon payment of \$858,944 is due.	1,546,059	-	86,018	1,571,331	7,320	87,301
Coppersmith LP									
Mass Development Finance Agency (MDFA)	3.99%	Shared first mortgage on the property	Tax-exempt bond issued through MDFA (Series B), maturing on December 15, 2036. Monthly interest-only payments accrue at a rate equal to 70% of the <i>Wall Street Journal's</i> prime rate (3.325% at December 31, 2019) through October 15, 2019, at which time the Series B bond begins bearing interest at 3.99% through December 15, 2036 (maturity). Payments of principal and interest totaling \$27,813 on Series B are due monthly beginning on October 15, 2019, through maturity, at which time a balloon principal payment of \$3,202,296 is due.	5,594,598	19,222	228,899	5,699,093	19,581	77,238

11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Coppersmith LP (Continued)</i>									
MDFA	3.99%	Shared first mortgage on the property	Tax-exempt bond issued through MDFA (Series 2018), maturing on December 15, 2036. Monthly interest-only payments were accruing or accrued at a rate equal to 70% of the <i>Wall Street Journal's</i> prime rate (3.325% at December 31, 2019) through October 15, 2019. Beginning October 15, 2019, the Series 2018 bond begins bearing interest at 3.99% through December 15, 2036 (maturity). Payments of principal and interest totaling \$1,921 on Series 2018 are due monthly beginning on October 15, 2019, through maturity, at which time a balloon principal payment of \$230,433 is due.	391,243	1,344	16,002	398,266	1,368	6,637
MDFA	3.33%	Shared first mortgage on the property	Tax-exempt bond issued through MDFA (Series A), matured on April 15, 2020. Interest-only payments accrued at a rate equal to 70% of the <i>Wall Street Journal's</i> prime rate for the first twenty-four months (3.325% at December 31, 2019) and were due monthly, with all unpaid principal and accrued interest due at maturity. Capitalized interest as of December 31, 2019, totaled \$676,718.	-	-	46,947	4,923,125	14,040	73,468
Sub-total Coppersmith LP				5,985,841	20,566	291,848	11,020,484	34,989	157,343
Sub-total rental programs (see page 28)				<u>\$ 25,601,511</u>	<u>\$ 120,194</u>	<u>\$ 1,334,797</u>	<u>\$ 30,596,709</u>	<u>\$ 88,708</u>	<u>\$ 1,169,810</u>

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs									
<i>Shalom Properties, Inc.</i>									
City of Boston	5.00%	Mortgage on the property	Note payable for improvements at 440 Meridian Street. Interest-only payments are due monthly. All outstanding principal and accrued interest are due in December 2022. Management considers it probable that the obligation to repay interest on this note will be forgiven. As a result, interest has not been recorded in 2020 and 2019.	\$ 164,000	\$ -	\$ -	\$ 164,000	\$ -	\$ -
<i>Paz Properties, Inc.</i>									
MHP	0.00%	Second mortgages on the properties	All outstanding amounts on these three notes are due on July 6, 2031.	1,413,685	-	-	1,413,685	-	-
City of Boston	1.00%	Various mortgage properties	Annual payments of principal and interest are due within ninety days after year-end in an amount equal to 50% of net cash flow, as defined in the agreements. These three notes mature on August 10, 2070. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	1,111,871	24,618	12,349	1,111,871	12,269	12,269
City of Boston	1.50%	Mortgage on property	In January 2019, the note was amended to reduce the interest rate from 5.00% to 1.50%. Principal and interest are due in annual installments equal to 50% of certain cash flow achieved, as defined in the note agreement, or the amount due or payable based upon amortization of this note on a fifteen-year direct reduction basis, plus any amount that may be due and unpaid from a prior year. The note matures on June 23, 2032. There are no payments due in 2021 based on 2020 cash flow.	727,245	30,195	15,210	727,245	14,985	14,985
City of Boston	0.00%	Unsecured	The note is expected to be forgiven in 2021.	8,280	-	-	8,280	-	-
Sub-total Paz Properties, Inc.				3,261,081	54,813	27,559	3,261,081	27,254	27,254
<i>Trinity House LLC</i>									
City of Boston	1.00%	First mortgage on 406 Meridian Street and an assignment of leases and rents	Principal and interest are due on May 19, 2030, or upon acceleration of the note under specified conditions, as outlined in the agreement.	862,094	125,364	11,133	862,094	114,231	11,023

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Trinity House LLC (Continued)</i>									
City of Boston	1.00%	Second mortgage on 406 Meridian Street and an assignment of leases	Interest only is due annually on each of the anniversary dates of the note based on net available cash flows through August 2022. The City of Boston has deferred payments due on the note until maturity. Principal and accrued and unpaid interest are due on the earlier of August 6, 2022, or if the property fails to continue to provide affordable housing to low and moderate-income families.	418,170	118,827	4,181	418,170	114,646	4,181
Sub-total Trinity House LLC				1,280,264	244,191	15,314	1,280,264	228,877	15,204
<i>Siochain Properties LP</i>									
Commonwealth of Massachusetts, Department of Housing and Community Development (DHCD)	5.58%	Shared mortgage on the properties	Principal and all accrued interest are due in full in March 2031.	380,000	703,807	57,266	380,000	646,541	54,239
City of Boston, Public Facilities Department	7.60%	Shared mortgage on the properties	Payments are due annually in an amount equal to 50% of net cash flow, as defined in the agreement. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows. Principal and all accrued interest are due in full in October 2030.	380,000	1,250,393	117,443	380,000	1,132,950	109,148
Sub-total Siochain Properties LP				760,000	1,954,200	174,709	760,000	1,779,491	163,387
<i>Paco Properties LLC</i>									
City of Boston	0.00%	Various mortgage properties and assignment of rents and leases	Outstanding principal balances are due at various dates through August 2069. On certain notes, there is an option to extend the maturity dates for up to an additional fifty years provided the property continues to comply with certain affordable housing restrictions as set forth in the agreements. On certain notes, annual payments of principal and interest are due within forty-five days after year-end in an amount equal to 50% of the amount by which gross receipts exceed gross expenditures, as defined in the agreements. There are no payments due in 2021 based on 2020 cash flow.	3,568,965	-	-	3,568,965	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Stevens Corner LP</i>									
Town of North Andover	3.00%	Shared second mortgage on the property	Accrued interest and principal are due on August 14, 2041. Stevens Corner has the option to extend the maturity date of the note for up to an additional forty years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	1,338,580	399,246	40,158	1,338,580	359,088	40,158
DHCD under the Affordable Housing Trust Fund Statute (AHTF)	0.00%	Shared second mortgage on the property	This note is due on August 14, 2041. Stevens Corner has the option to extend the maturity date of the note for up to an additional forty years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	985,000	-	-	985,000	-	-
DHCD under the Housing Stabilization Fund Statute (HSF)	3.00%	Shared second mortgage on the property	This note is due on August 14, 2061. Stevens Corner has the option to extend the maturity date of the note for up to an additional forty years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	668,772	208,630	20,063	668,772	188,567	20,063
NOAH	5.00%	Third mortgage on the property	Principal and interest are due and payable solely to the extent of available cash flow as set forth in the operating agreement. The note may be prepaid in whole or in part at any time without penalty through its maturity of August 15, 2041. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows. There was a payment of \$19,207 of interest due based on 2017 cash flow, which remains unpaid as of December 31, 2020.	511,179	123,969	25,559	511,179	98,410	25,529
CEDAC under the Community-Based Housing Fund Program (CBH)	0.00%	Shared second mortgage on the property	Principal is due and payable annually based on certain levels of cash flows being attained as defined in the agreement or fully at August 14, 2041. Stevens Corner has the option to extend the maturity date of the note for an additional ten years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	352,138	-	-	352,138	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Stevens Corner LP (Continued)</i>									
North Shore HOME Consortium	3.00%	Shared second mortgage on the property	Accrued interest and principal are due on August 14, 2041. Stevens Corner has the option to extend the maturity date of the note for up to an additional forty years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	175,000	53,812	5,251	175,000	48,561	5,281
Town of Andover through the North Shore Home Consortium	3.00%	Shared second mortgage on the property	Accrued interest and principal are due on August 14, 2041. Stevens Corner has the option to extend the maturity date of the note for up to an additional forty years provided Stevens Corner continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	75,000	21,233	2,249	75,000	18,984	2,249
Sub-total Stevens Corner LP				4,105,669	806,890	93,280	4,105,669	713,610	93,280
<i>Benfield Farms LP</i>									
NOAH	0.01%	Second mortgage on the property	Principal and interest are due and payable solely to the extent of available cash flow as set forth in the operating agreement. The note may be prepaid in whole or in part at any time without penalty. All outstanding principal and accrued interest are due and payable on April 5, 2058 (maturity). There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	871,200	508	87	871,200	421	87
DHCD - AHTF	0.00%	Shared second mortgage on the property and an assignment of leases and rents	This note is due on January 5, 2044. Benfield has the option to extend the maturity date of the note for up to an additional thirty years provided Benfield continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	850,000	-	-	850,000	-	-
DHCD - HSF	0.00%	Shared second mortgage on the property and an assignment of leases and rents	This note is due on January 5, 2064. Benfield has the option to extend the maturity date of the note for up to an additional fifty years provided Benfield continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	550,000	-	-	550,000	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Benfield Farms LP (Continued)</i>									
DHCD - HOME	0.00%	Shared second mortgage on the property and an assignment of leases and rents	This note is due on January 5, 2044. Benfield has the option to extend the maturity date of the note for up to an additional thirty years provided Benfield continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	550,000	-	-	550,000	-	-
Town of Carlisle Affordable Housing Trust	0.00%	Shared second mortgage on the property and an assignment of leases and rents	This note is due on January 5, 2044. Benfield has the option to extend the maturity date of the note for up to an additional thirty years provided Benfield continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	425,000	-	-	425,000	-	-
Sub-total Benfield Farms LP				3,246,200	508	87	3,246,200	421	87
<i>Sitkowski LP</i>									
NOAH	3.32%	Shared second mortgage on the property	This note requires annual payments solely from net cash flow, with principal and any accrued or unpaid interest due on December 30, 2053. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	2,700,000	448,449	89,640	2,700,000	358,809	89,640
NOAH	3.32%	Shared second mortgage on the property	This note requires annual payments solely from net cash flow, with principal and any accrued or unpaid interest due on December 30, 2053. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	2,047,000	311,484	67,960	2,047,000	243,524	67,960
MassHousing	2.00%	Third mortgage on the property	The entire outstanding principal balance and any accrued interest are due at maturity in December 2055.	1,645,434	159,039	33,458	1,645,434	125,581	33,505
DHCD - AHTF	1.00%	Shared second mortgage on the property and an assignment of leases and rents	The entire outstanding principal and any accrued interest are due at maturity on February 28, 2044. Sitkowski has the option to extend the maturity date of the note for a period up to the original term in order to maintain the affordability of the property.	1,000,000	70,277	10,166	1,000,000	60,111	10,000
DHCD - HSF	0.00%	Shared second mortgage on the property and an assignment of leases and rents	This note is due on February 28, 2064. Sitkowski has the option to extend the maturity date of the note for a period up to the original term in order to maintain the affordability of the property.	1,000,000	-	-	1,000,000	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Sitkowski LP (Continued)</i>									
DHCD - HOME	2.00%	Shared second mortgage on the property and an assignment of leases and rents	The entire outstanding principal and any accrued interest are due at maturity on February 28, 2044. Sitkowski has the option to extend the maturity date of the note for a period up to the original term in order to maintain the affordability of the property.	715,000	94,110	14,300	715,000	79,810	14,300
NOAH	0.00%	Unsecured	This note requires annual payments solely from net cash flow, with principal and any accrued or unpaid interest due on December 31, 2053. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	99,832	-	-	99,832	-	-
Sub-total Sitkowski LP				9,207,266	1,083,359	215,524	9,207,266	867,835	215,405
Shoe Shop LP									
NOAH	0.00%	Shared second mortgage on the property	Non-interest bearing note, due and payable on August 12, 2045.	1,275,000	-	-	1,275,000	-	-
DHCD - AHTF	0.00%	Shared second mortgage on the property and an assignment of leases and rents	Non-interest bearing note, due and payable on July 12, 2046. Shoe Shop has the option to extend the maturity date up to the original term of the note at the discretion of DHCD.	759,644	-	-	759,644	-	-
Greater Attleboro/Taunton Consortium HOME Program	0.00%	Shared second mortgage on the property	The note is due on July 12, 2046. Provided the property complies with certain affordable housing restrictions as set forth in the affordable housing restriction agreement, the note will be forgiven at maturity.	109,500	-	-	109,500	-	-
The Neighborhood Corporation (TNC)	0.00%	Shared second mortgage on the property	Non-interest bearing note, due and payable on August 12, 2045.	40,000	-	-	40,000	-	-
Sub-total Shoe Shop LP				2,184,144	-	-	2,184,144	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Coppersmith LP</i>									
City of Boston	2.50%	Shared second mortgage on the property	The maximum borrowings on this note were \$5,944,000. During 2020, this note was amended to allow for borrowing up to \$6,888,000, and the additional \$944,000 of proceeds were used to pay off the note payable to Peace Properties (see page 46). Interest began accruing on this note on June 15, 2018, and is compounded annually. Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to available cash flow, as defined in the agreement. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows. This note is due on June 15, 2048. Coppersmith has the option to extend the maturity date of the note for up to an additional thirty years provided Coppersmith continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement. Capitalized interest as of December 31, 2019, was \$155,778.	6,888,000	351,632	146,874	5,642,531	204,758	48,980
NOAH	3.00%	Third mortgage on the property	These funds were provided to NOAH through the sale of the State LIHTC (State LIHTC loan) (see Note 3). Interest is compounded annually. Outstanding interest and principal are due annually based on net cash flow, with outstanding principal and accrued interest due on December 15, 2056. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	2,707,500	98,373	81,225	2,707,500	17,148	17,148
DHCD - HSF	2.00%	Shared second mortgage on the property	Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to 50% of the amount by which gross receipts exceed gross expenditures, as defined in the agreement. The maximum borrowings of this note are \$1,562,500. This note is due on June 15, 2068. Coppersmith has the option to extend the maturity date of the note for up to an additional fifty years provided Coppersmith continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement. Capitalized interest as of December 31, 2019, totaled \$24,960. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	1,562,500	57,157	28,311	1,411,807	28,846	3,886

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Coppersmith LP (Continued)</i>									
DHCD - AHTF	2.00%	Shared second mortgage on the property	Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to 50% of the amount by which gross receipts exceed gross expenditures, as defined in the agreement. The note matures on June 15, 2048. Coppersmith has the option to extend the maturity date for up to an additional thirty years provided Coppersmith continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement. Capitalized interest as of December 31, 2019, totaled \$55,000. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	1,000,000	80,400	20,000	1,000,000	60,400	5,400
DHCD - HOME	2.00%	Shared second mortgage on the property	Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to available cash flow, as defined in the agreement. Interest is compounded annually. The maximum borrowings on this note are \$550,000. This note is due on June 15, 2048. Coppersmith has the option to extend the maturity date of the note for up to an additional thirty years provided Coppersmith continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement.	550,000	13,826	10,468	495,000	3,358	3,358
CEDAC	0.00%	Shared second mortgage on the property	Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to 50% of the amount by which gross receipts exceed gross expenditures, as defined in the agreement. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows. The maximum borrowings on this note are \$300,000. Outstanding principal is due on December 15, 2048. The Partnership has the option to extend the maturity date of the note for up to an additional thirty years provided the Partnership continues to comply with certain affordable housing restrictions as set forth in the Use Agreement.	285,000	-	-	285,000	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2020			2019		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
Rental Programs (Continued)									
<i>Coppersmith LP (Continued)</i>									
DHCD - Commercial Area Transit Node Housing Program (CATNHP)	0.00%	Shared second mortgage on the property	Annual payments of principal and interest are due within forty-five days after year-end in an amount equal to 50% of the amount by which gross receipts exceed gross expenditures, as defined in the agreement. The maximum borrowings on this note are \$187,500. This note is due on June 15, 2048. Coppersmith has the option to extend the maturity date of the note for up to an additional thirty years provided Coppersmith continues to comply with certain affordable housing restrictions as set forth in the affordable housing restriction agreement. There are no payments due in 2021 and 2020 based on 2020 and 2019 cash flows.	187,500	-	-	168,750	-	-
Peace Properties, Inc.	3.00%	Fourth mortgage on the property	Outstanding interest and principal are due annually based on net cash flow, with outstanding principal and accrued interest due on December 15, 2056. This note was repaid during 2020 with proceeds from additional draws on the City of Boston note (see page 44). The accrued interest remains outstanding and is expected to be paid with proceeds from additional funds committed by DHCD.	-	35,704	26,502	883,369	9,202	9,202
Sub-total Coppersmith LP				13,180,500	637,092	313,380	12,593,957	323,712	87,974
Total Rental Programs (see page 29)				<u>\$ 40,958,089</u>	<u>\$ 4,781,053</u>	<u>\$ 839,853</u>	<u>\$ 40,371,546</u>	<u>\$ 3,941,200</u>	<u>\$ 602,591</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Programs
For the Year Ended December 31, 2020
(With Summarized Comparative Totals as of December 31, 2019)

Assets	2020										2019	
	Shalom Properties, Inc.	Paz Properties, Inc.	Trinity House LLC	Siochain Properties LP	Paco Properties LLC	Stevens Corner LP	Benfield Farms LP	Sitkowski LP	Shoe Shop LP	Coppersmith LP	Total	Total
Current Assets:												
Cash - operating	\$ 100,204	\$ 360,591	\$ 157,072	\$ 122,923	\$ 22,853	\$ 32,343	\$ 4,388	\$ 191,830	\$ 96,419	\$ 201,591	\$ 1,290,214	\$ 934,218
Cash - development	-	-	-	-	-	-	-	-	-	20,332	20,332	303,479
Current portion of restricted deposits	57,879	44,815	9,774	13,324	53,179	31,822	48,596	73,780	17,321	49,743	400,233	434,456
Contracts, loans and other receivables	34,069	12,078	10,409	7,530	47,724	13,909	4,885	6,662	5,677	24,043	166,986	136,515
Due from affiliates	-	-	-	-	-	-	-	-	-	16,000	16,000	4,000
Prepaid expenses and other	27,345	31,502	12,655	1,559	10,676	6,548	3,365	17,268	9,697	45,776	166,391	161,939
Total current assets	219,497	448,986	189,910	145,336	134,432	84,622	61,234	289,540	129,114	357,485	2,060,156	1,974,607
Restricted Deposits, net of current portion	94,621	410,052	204,136	52,197	2,727	154,340	261,529	254,091	176,184	473,423	2,083,300	1,602,551
Capitalized Costs, net	-	-	-	-	-	3,575	14,798	27,411	22,645	51,998	120,427	138,924
Property and Equipment, net	1,882,716	2,663,228	868,206	1,277,333	14,657,006	7,402,662	7,869,811	16,709,986	8,262,153	26,663,735	88,256,836	90,594,292
Total assets	\$ 2,196,834	\$ 3,522,266	\$ 1,262,252	\$ 1,474,866	\$ 14,794,165	\$ 7,645,199	\$ 8,207,372	\$ 17,281,028	\$ 8,590,096	\$ 27,546,641	\$ 92,520,719	\$ 94,310,374
Liabilities and Net Assets												
Current Liabilities:												
Current portion of mortgage and notes payable	\$ 39,549	\$ 751,563	\$ -	\$ 22,383	\$ 8,645,460	\$ 25,524	\$ 30,830	\$ 17,626	\$ 26,664	\$ 116,812	\$ 9,676,411	\$ 3,521,346
Current portion of accrued interest	9,911	-	-	2,485	87,232	19,207	-	-	-	20,566	139,401	107,915
Current portion of construction payable	-	-	-	-	-	-	-	-	-	-	-	303,479
Accounts payable and other liabilities	52,534	59,889	29,626	33,383	101,014	60,293	68,084	60,693	54,058	137,133	656,707	718,045
Current portion of due to affiliates	9,330	140	-	-	629,831	29,263	13,775	27,321	13,552	98,433	821,645	665,406
Total current liabilities	111,324	811,592	29,626	58,251	9,463,537	134,287	112,689	105,640	94,274	372,944	11,294,164	5,316,191
Long-Term Liabilities:												
Mortgage and notes payable, net	1,589,050	-	-	119,843	2,594,949	1,200,526	1,209,813	1,628,796	1,487,961	5,658,242	15,489,180	26,562,857
Due to affiliates, net of current portion	75,000	-	94,626	187,794	830,632	-	478,915	-	13,595	955,808	2,636,370	3,409,203
Construction payable, net of current portion	-	-	-	-	-	-	-	-	-	-	-	55,235
Accrued interest, net of current portion	-	54,813	244,191	1,954,200	-	787,683	508	1,083,359	-	637,092	4,761,846	3,921,993
Contingent loans and advances	164,000	3,261,081	1,280,264	760,000	3,568,965	4,105,669	3,246,200	9,207,266	2,184,144	13,180,500	40,958,089	40,371,546
Total long-term liabilities	1,828,050	3,315,894	1,619,081	3,021,837	6,994,546	6,093,878	4,935,436	11,919,421	3,685,700	20,431,642	63,845,485	74,320,834
Total liabilities	1,939,374	4,127,486	1,648,707	3,080,088	16,458,083	6,228,165	5,048,125	12,025,061	3,779,974	20,804,586	75,139,649	79,637,025
Net Assets:												
Without donor restrictions:												
Operating	(42,367)	181,849	160,284	111,953	(596,413)	(4,934)	(20,625)	201,526	61,504	101,587	154,364	184,048
Property and equipment	99,827	(994,177)	(546,739)	(1,717,175)	(1,067,505)	1,421,968	3,179,872	5,054,441	4,748,618	6,640,468	16,819,598	14,082,193
Total without donor restrictions	57,460	(812,328)	(386,455)	(1,605,222)	(1,663,918)	1,417,034	3,159,247	5,255,967	4,810,122	6,742,055	16,973,962	14,266,241
With donor restrictions	200,000	207,108	-	-	-	-	-	-	-	-	407,108	407,108
Total net assets	257,460	(605,220)	(386,455)	(1,605,222)	(1,663,918)	1,417,034	3,159,247	5,255,967	4,810,122	6,742,055	17,381,070	14,673,349
Total liabilities and net assets	\$ 2,196,834	\$ 3,522,266	\$ 1,262,252	\$ 1,474,866	\$ 14,794,165	\$ 7,645,199	\$ 8,207,372	\$ 17,281,028	\$ 8,590,096	\$ 27,546,641	\$ 92,520,719	\$ 94,310,374

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Programs
For the Year Ended December 31, 2019

Assets	Shalom Properties, Inc.	Paz Properties, Inc.	Trinity House LLC	Siochain Properties LP	Paco Properties LLC	Stevens Corner LP	Benfield Farms LP	Sitkowski LP	Shoe Shop LP	Coppersmith LP	Total
Current Assets:											
Cash - operating	\$ 46,532	\$ 313,674	\$ 109,548	\$ 77,152	\$ 45,427	\$ 32,573	\$ 15,730	\$ 140,912	\$ 71,958	\$ 80,712	\$ 934,218
Cash - development	-	-	-	-	-	-	-	-	-	303,479	303,479
Current portion of restricted deposits	66,375	51,596	7,748	12,773	48,872	25,372	60,784	95,469	16,122	49,345	434,456
Contracts, loans and other receivables	11,341	6,096	4,102	3,519	10,227	16,193	28,209	8,135	4,499	44,194	136,515
Due from affiliates	-	-	-	-	-	-	-	-	-	4,000	4,000
Prepaid expenses and other	26,879	30,417	12,317	1,503	10,185	6,283	3,138	19,111	8,346	43,760	161,939
Total current assets	151,127	401,783	133,715	94,947	114,711	80,421	107,861	263,627	100,925	525,490	1,974,607
Restricted Deposits, net of current portion	103,957	393,611	195,036	48,592	4,727	157,805	286,744	234,716	177,363	-	1,602,551
Capitalized Costs, net	-	-	-	-	-	6,600	16,610	30,348	29,563	55,803	138,924
Property and Equipment, net	1,917,248	2,768,825	921,257	1,340,554	14,879,321	7,616,250	8,125,500	17,191,413	8,495,921	27,338,003	90,594,292
Total assets	\$ 2,172,332	\$ 3,564,219	\$ 1,250,008	\$ 1,484,093	\$ 14,998,759	\$ 7,861,076	\$ 8,536,715	\$ 17,720,104	\$ 8,803,772	\$ 27,919,296	\$ 94,310,374
Liabilities and Net Assets											
Current Liabilities:											
Current portion of mortgage and notes payable	\$ 37,833	\$ 532,985	\$ -	\$ 21,190	\$ 2,722,488	\$ 23,794	\$ 29,529	\$ 16,768	\$ 25,238	\$ 111,521	\$ 3,521,346
Current portion of accrued interest	-	-	-	-	46,399	19,207	-	-	7,320	34,989	107,915
Current portion of construction payable	-	-	-	-	-	-	-	-	-	303,479	303,479
Accounts payable and other liabilities	47,894	76,624	28,022	27,474	65,831	69,739	182,664	50,414	47,740	121,643	718,045
Current portion of due to affiliates	9,170	769	-	-	574,531	29,263	-	27,321	-	24,352	665,406
Total current liabilities	94,897	610,378	28,022	48,664	3,409,249	142,003	212,193	94,503	80,298	595,984	5,316,191
Long-Term Liabilities:											
Mortgage and notes payable, net	1,611,886	244,013	-	136,719	8,269,902	1,222,378	1,236,297	1,645,357	1,511,303	10,685,002	26,562,857
Due to affiliates, net of current portion	75,000	-	94,626	187,794	915,735	-	429,629	-	21,519	1,684,900	3,409,203
Construction payable, net of current portion	-	-	-	-	-	-	-	-	-	55,235	55,235
Accrued interest, net of current portion	-	27,254	228,877	1,779,491	-	694,403	421	867,835	-	323,712	3,921,993
Contingent loans and advances	164,000	3,261,081	1,280,264	760,000	3,568,965	4,105,669	3,246,200	9,207,266	2,184,144	12,593,957	40,371,546
Total long-term liabilities	1,850,886	3,532,348	1,603,767	2,864,004	12,754,602	6,022,450	4,912,547	11,720,458	3,716,966	25,342,806	74,320,834
Total liabilities	1,945,783	4,142,726	1,631,789	2,912,668	16,163,851	6,164,453	5,124,740	11,814,961	3,797,264	25,938,790	79,637,025
Net Assets:											
Without donor restrictions:											
Operating	(105,937)	117,282	105,693	67,473	(525,651)	(18,581)	(74,803)	185,892	53,185	379,495	184,048
Property and equipment	132,486	(902,897)	(487,474)	(1,496,048)	(639,441)	1,715,204	3,486,778	5,719,251	4,953,323	1,601,011	14,082,193
Total without donor restrictions	26,549	(785,615)	(381,781)	(1,428,575)	(1,165,092)	1,696,623	3,411,975	5,905,143	5,006,508	1,980,506	14,266,241
With donor restrictions	200,000	207,108	-	-	-	-	-	-	-	-	407,108
Total net assets	226,549	(578,507)	(381,781)	(1,428,575)	(1,165,092)	1,696,623	3,411,975	5,905,143	5,006,508	1,980,506	14,673,349
Total liabilities and net assets	\$ 2,172,332	\$ 3,564,219	\$ 1,250,008	\$ 1,484,093	\$ 14,998,759	\$ 7,861,076	\$ 8,536,715	\$ 17,720,104	\$ 8,803,772	\$ 27,919,296	\$ 94,310,374

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Programs

For the Year Ended December 31, 2020

(With Summarized Comparative Totals for the Year Ended December 31, 2019)

	2020										2019	
	Shalom Properties, Inc.	Paz Properties, Inc.	Trinity House LLC	Siochain Properties LP	Paco Properties LLC	Stevens Corner LP	Benfield Farms LP	Sitkowski LP	Shoe Shop LP	Coppersmith LP	Total	Total
Net Assets Without Donor Restrictions:												
Operating revenues:												
Rental income, net of vacancies	\$ 490,353	\$ 512,144	\$ 183,977	\$ 193,698	\$ 876,400	\$ 555,058	\$ 381,874	\$ 603,089	\$ 384,459	\$ 1,164,021	\$ 5,345,073	\$ 4,411,172
Interest and other income	2,724	9,008	2,883	1,042	2,209	8,006	19,381	40,528	7,261	63,130	156,172	155,621
Total operating revenues	493,077	521,152	186,860	194,740	878,609	563,064	401,255	643,617	391,720	1,227,151	5,501,245	4,566,793
Operating expenses:												
Rental programs	388,334	390,489	121,019	133,457	1,082,408	511,622	391,394	571,995	344,128	940,717	4,875,563	4,515,625
Depreciation and amortization	73,832	129,817	55,201	63,221	295,027	237,751	262,502	505,274	243,978	692,174	2,558,777	2,069,249
Total operating expenses	462,166	520,306	176,220	196,678	1,377,435	749,373	653,896	1,077,269	588,106	1,632,891	7,434,340	6,584,874
Changes in net assets without donor restrictions from operations	30,911	846	10,640	(1,938)	(498,826)	(186,309)	(252,641)	(433,652)	(196,386)	(405,740)	(1,933,095)	(2,018,081)
Non-operating expenses:												
Rent-up costs	-	-	-	-	-	-	-	-	-	-	-	(202,844)
Deferred interest	-	(27,559)	(15,314)	(174,709)	-	(93,280)	(87)	(215,524)	-	(313,380)	(839,853)	(602,591)
Total non-operating expenses	-	(27,559)	(15,314)	(174,709)	-	(93,280)	(87)	(215,524)	-	(313,380)	(839,853)	(805,435)
Changes in net assets without donor restrictions	\$ 30,911	\$ (26,713)	\$ (4,674)	\$ (176,647)	\$ (498,826)	\$ (279,589)	\$ (252,728)	\$ (649,176)	\$ (196,386)	\$ (719,120)	\$ (2,772,948)	\$ (2,823,516)

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Programs
For the Year Ended December 31, 2019

	<u>Shalom Properties, Inc.</u>	<u>Paz Properties, Inc.</u>	<u>Trinity House LLC</u>	<u>Siochain Properties LP</u>	<u>Paco Properties LLC</u>	<u>Stevens Corner LP</u>	<u>Benfield Farms LP</u>	<u>Sitkowski LP</u>	<u>Shoe Shop LP</u>	<u>Coppersmith LP</u>	<u>Total</u>
Net Assets Without Donor Restrictions:											
Operating revenues:											
Rental income, net of vacancies	\$ 468,495	\$ 525,779	\$ 156,410	\$ 188,711	\$ 807,698	\$ 549,302	\$ 377,067	\$ 602,489	\$ 354,373	\$ 380,848	\$ 4,411,172
Interest and other income	10,677	10,031	5,316	2,582	20,092	8,945	22,518	49,049	11,655	14,756	155,621
Total operating revenues	<u>479,172</u>	<u>535,810</u>	<u>161,726</u>	<u>191,293</u>	<u>827,790</u>	<u>558,247</u>	<u>399,585</u>	<u>651,538</u>	<u>366,028</u>	<u>395,604</u>	<u>4,566,793</u>
Operating expenses:											
Rental programs	416,526	416,268	135,490	141,973	1,056,851	545,614	403,340	632,002	366,787	400,774	4,515,625
Depreciation and amortization	73,504	128,838	57,490	63,486	275,315	236,780	257,242	504,198	242,837	229,559	2,069,249
Total operating expenses	<u>490,030</u>	<u>545,106</u>	<u>192,980</u>	<u>205,459</u>	<u>1,332,166</u>	<u>782,394</u>	<u>660,582</u>	<u>1,136,200</u>	<u>609,624</u>	<u>630,333</u>	<u>6,584,874</u>
Changes in net assets without donor restrictions from operations	<u>(10,858)</u>	<u>(9,296)</u>	<u>(31,254)</u>	<u>(14,166)</u>	<u>(504,376)</u>	<u>(224,147)</u>	<u>(260,997)</u>	<u>(484,662)</u>	<u>(243,596)</u>	<u>(234,729)</u>	<u>(2,018,081)</u>
Non-operating expenses:											
Rent-up costs	-	-	-	-	-	-	-	-	-	(202,844)	(202,844)
Deferred interest	-	(27,254)	(15,204)	(163,387)	-	(93,280)	(87)	(215,405)	-	(87,974)	(602,591)
Total non-operating expenses	<u>-</u>	<u>(27,254)</u>	<u>(15,204)</u>	<u>(163,387)</u>	<u>-</u>	<u>(93,280)</u>	<u>(87)</u>	<u>(215,405)</u>	<u>-</u>	<u>(290,818)</u>	<u>(805,435)</u>
Changes in net assets without donor restrictions	<u>\$ (10,858)</u>	<u>\$ (36,550)</u>	<u>\$ (46,458)</u>	<u>\$ (177,553)</u>	<u>\$ (504,376)</u>	<u>\$ (317,427)</u>	<u>\$ (261,084)</u>	<u>\$ (700,067)</u>	<u>\$ (243,596)</u>	<u>\$ (525,547)</u>	<u>\$ (2,823,516)</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statements of Changes in Net Assets - Rental Programs
For the Years Ended December 31, 2020 and 2019

	<u>Shalom Properties, Inc.</u>	<u>Paz Properties, Inc.</u>	<u>Trinity House LLC</u>	<u>Siochain Properties LP</u>	<u>Paco Properties LLC</u>	<u>Stevens Corner LP</u>	<u>Benfield Farms LP</u>	<u>Sitkowski LP</u>	<u>Shoe Shop LP</u>	<u>Coppersmith LP</u>	<u>Total</u>
Net Assets, December 31, 2018	\$ 237,407	\$ (541,957)	\$ (335,323)	\$ (1,251,022)	\$ (660,716)	\$ 2,014,050	\$ 3,673,059	\$ 6,605,210	\$ 4,845,918	\$ (2,122)	\$ 14,584,504
Capital contributions	-	-	-	-	-	-	-	-	404,186	2,509,807	2,913,993
Syndication costs	-	-	-	-	-	-	-	-	-	(1,632)	(1,632)
Changes in net assets	<u>(10,858)</u>	<u>(36,550)</u>	<u>(46,458)</u>	<u>(177,553)</u>	<u>(504,376)</u>	<u>(317,427)</u>	<u>(261,084)</u>	<u>(700,067)</u>	<u>(243,596)</u>	<u>(525,547)</u>	<u>(2,823,516)</u>
Net Assets, December 31, 2019	226,549	(578,507)	(381,781)	(1,428,575)	(1,165,092)	1,696,623	3,411,975	5,905,143	5,006,508	1,980,506	14,673,349
Capital contributions	-	-	-	-	-	-	-	-	-	5,480,669	5,480,669
Changes in net assets	<u>30,911</u>	<u>(26,713)</u>	<u>(4,674)</u>	<u>(176,647)</u>	<u>(498,826)</u>	<u>(279,589)</u>	<u>(252,728)</u>	<u>(649,176)</u>	<u>(196,386)</u>	<u>(719,120)</u>	<u>(2,772,948)</u>
Net Assets, December 31, 2020	<u>\$ 257,460</u>	<u>\$ (605,220)</u>	<u>\$ (386,455)</u>	<u>\$ (1,605,222)</u>	<u>\$ (1,663,918)</u>	<u>\$ 1,417,034</u>	<u>\$ 3,159,247</u>	<u>\$ 5,255,967</u>	<u>\$ 4,810,122</u>	<u>\$ 6,742,055</u>	<u>\$ 17,381,070</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Functional Expenses - Rental Programs
For the Year Ended December 31, 2020
(With Summarized Comparative Totals for the Year Ended December 31, 2019)

	2020										2019	
	Shalom Properties, Inc.	Paz Properties, Inc.	Trinity House LLC	Siochain Properties LP	Paco Properties LLC	Stevens Corner LP	Benfield Farms LP	Sitkowski LP	Shoe Shop LP	Coppersmith LP	Total	Total
Personnel and Related:												
Consulting and contract labor	\$ 9,321	\$ 16,227	\$ 7,393	\$ 6,334	\$ 20,807	\$ 150,580	\$ 95,777	\$ 151,072	\$ 68,904	\$ 200,619	\$ 727,034	\$ 689,805
Other:												
Interest expense	57,774	40,450	-	9,916	657,675	93,624	61,128	96,419	89,374	305,022	1,411,382	1,231,367
Insurance and taxes	71,979	71,375	18,787	26,453	206,509	54,879	44,791	85,797	36,140	147,880	764,590	621,248
Telephone and utilities	61,576	50,513	24,205	17,636	58,102	94,659	109,505	124,993	51,982	113,214	706,385	635,579
Repairs, maintenance and security	91,735	124,271	34,686	30,009	34,677	49,018	27,709	39,933	25,710	53,686	511,434	518,300
Management fees	26,136	33,725	6,277	20,757	45,900	33,242	29,585	32,150	31,769	72,081	331,622	272,579
Professional fees	12,160	12,250	12,200	12,000	15,341	17,909	13,500	19,868	22,759	35,164	173,151	202,205
Bad debts	19,859	25,336	12,384	3,332	41,398	4,363	81	563	7,446	6,477	121,239	209,856
Supplies and general office	8,851	3,763	1,469	2,852	-	6,630	2,685	15,287	10,044	5,058	56,639	54,185
Program expenses	27,508	10,364	1,816	3,147	-	451	5,971	3,169	-	1,516	53,942	55,650
Miscellaneous	1,435	2,215	1,802	1,021	1,999	6,267	662	2,744	-	-	18,145	24,851
Total other	379,013	374,262	113,626	127,123	1,061,601	361,042	295,617	420,923	275,224	740,098	4,148,529	3,825,820
Total expenses before depreciation and amortization	388,334	390,489	121,019	133,457	1,082,408	511,622	391,394	571,995	344,128	940,717	4,875,563	4,515,625
Depreciation and Amortization	73,832	129,817	55,201	63,221	295,027	237,751	262,502	505,274	243,978	692,174	2,558,777	2,069,249
Total expenses	\$ 462,166	\$ 520,306	\$ 176,220	\$ 196,678	\$ 1,377,435	\$ 749,373	\$ 653,896	\$ 1,077,269	\$ 588,106	\$ 1,632,891	\$ 7,434,340	\$ 6,584,874

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Functional Expenses - Rental Programs
For the Year Ended December 31, 2019

	<u>Shalom Properties, Inc.</u>	<u>Paz Properties, Inc.</u>	<u>Trinity House LLC</u>	<u>Siochain Properties LP</u>	<u>Paco Properties LLC</u>	<u>Stevens Corner LP</u>	<u>Benfield Farms LP</u>	<u>Sitkowski LP</u>	<u>Shoe Shop LP</u>	<u>Coppersmith LP</u>	<u>Total</u>
Personnel and Related:											
Consulting and contract labor	\$ 17,181	\$ 29,420	\$ 17,971	\$ 10,940	\$ 34,426	\$ 160,902	\$ 111,684	\$ 165,893	\$ 73,206	\$ 68,182	\$ 689,805
Other:											
Interest expense	59,711	41,849	-	10,809	615,045	95,237	62,290	95,132	90,657	160,637	1,231,367
Insurance and taxes	71,835	68,741	18,559	26,174	182,869	57,449	21,758	86,883	36,265	50,715	621,248
Telephone and utilities	62,333	48,453	24,307	13,642	53,669	116,224	82,847	157,923	39,799	36,382	635,579
Repairs, maintenance and security	93,448	124,091	34,812	30,635	30,911	48,007	64,078	47,860	23,374	21,084	518,300
Management fees	26,136	33,725	6,277	20,757	42,645	33,463	24,615	32,601	29,993	22,367	272,579
Professional fees	13,743	13,470	14,593	16,522	3,442	21,086	21,202	18,782	44,499	34,866	202,205
Bad debts	44,359	35,133	13,850	8,089	89,257	883	-	-	18,285	-	209,856
Supplies and general office	6,522	5,089	671	1,119	-	7,269	7,977	14,829	10,709	-	54,185
Program expenses	19,951	14,080	2,331	2,526	-	1,602	5,797	2,822	-	6,541	55,650
Miscellaneous	1,307	2,217	2,119	760	4,587	3,492	1,092	9,277	-	-	24,851
Total other	399,345	386,848	117,519	131,033	1,022,425	384,712	291,656	466,109	293,581	332,592	3,825,820
Total expenses before depreciation and amortization	416,526	416,268	135,490	141,973	1,056,851	545,614	403,340	632,002	366,787	400,774	4,515,625
Depreciation and Amortization	73,504	128,838	57,490	63,486	275,315	236,780	257,242	504,198	242,837	229,559	2,069,249
Total expenses	\$ 490,030	\$ 545,106	\$ 192,980	\$ 205,459	\$ 1,332,166	\$ 782,394	\$ 660,582	\$ 1,136,200	\$ 609,624	\$ 630,333	\$ 6,584,874

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Schedule of NeighborWorks® America's Restricted Net Assets
December 31, 2020

	<u>Capital Invested</u>	<u>Less Valuation Allowance</u>	<u>Eliminations</u>	<u>Restricted Net Assets</u>
Contracts, Loans and Other Receivables:				
NOAH CDFI - loan receivable from Peace Properties	\$ 193,798	\$ -	\$ -	\$ 193,798
NOAH CDFI - loans receivable from Homeownership program	30,207	(17,614)	-	12,593
NOAH CDFI - loans receivable from Cutler Heights Housing LP	115,000	(115,000)	-	-
NOAH - receivable from Sitkowski LP	27,321	(27,321)	27,321	27,321
NOAH - receivable from Shalom Properties, Inc.	75,000	(75,000)	75,000	75,000
NOAH - receivable from Peace Properties for Border Falcon Street	70,000	(70,000)	70,000	70,000
NOAH - receivable from Peace Properties for Coppersmith LP	195,224	-	-	195,224
Investments:				
Peace Properties investment	452,000	(429,111)	429,074	451,963
Property and Equipment:				
Paz Properties, Inc.	207,108	-	-	207,108
Shalom Properties, Inc.	100,000	-	-	100,000
Total assets	<u>\$ 1,465,658</u>	<u>\$ (734,046)</u>	<u>\$ 601,395</u>	<u>\$ 1,333,007</u>

NOTE: This schedule has been prepared for the purpose of providing additional information to certain users of the accompanying consolidating financial statements and to comply with requirements of agreements with NeighborWorks America (NWA). Please refer to Note 2 for additional information concerning accounting for NWA restricted net assets. This schedule is intended to be used by management and NWA and should not be used by anyone other than these parties.