



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

**CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Contents  
December 31, 2021 and 2020

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## Independent Auditor's Report

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

### **Report on the Audit of the Consolidating Financial Statements**

#### ***Opinion***

We have audited the 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, 2021 and 2020, and the related consolidating statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

In our opinion, the accompanying consolidating financial statements present fairly, in all material respects, the consolidating financial position of Neighborhood of Affordable Housing, Inc. and Affiliates as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidating Financial Statements section of our report. We are required to be independent of NOAH and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidating Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Consolidating Financial Statements***

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

## ***Auditor's Responsibilities for the Audit of the Consolidating Financial Statements*** (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidating financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NOAH and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidating financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NOAH and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **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 52 through 58 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, 2021, shown on page 59, 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.

*AAFCPA, Inc.*

Boston, Massachusetts  
May 26, 2022

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

Consolidating Statement of Financial Position

December 31, 2021

(With Summarized Comparative Totals as of December 31, 2020)

Assets	2021					2020	
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit A)	Eliminations	Total	Total
<b>Current Assets:</b>							
Cash	\$ 3,159,521	\$ 72,989	\$ 1,653	\$ 1,375,000	\$ -	\$ 4,609,163	\$ 5,080,479
Current portion of certificates of deposit	470,197	-	-	-	-	470,197	-
Current portion of restricted deposits	-	-	15,401	418,614	-	434,015	436,881
Current portion of contracts, loans and other receivables	857,672	8,970	1,220	144,506	-	1,012,368	928,455
Current portion of due from affiliates	1,418,938	15,857	242,616	28,000	(1,705,411)	-	-
Prepaid expenses and other	6,365	580	101	175,384	-	182,430	173,360
Total current assets	5,912,693	98,396	260,991	2,141,504	(1,705,411)	6,708,173	6,619,175
Certificates of Deposit, net of current portion	253,705	-	-	-	-	253,705	719,929
Restricted Deposits, net of current portion	-	-	-	2,335,940	-	2,335,940	2,619,696
Contracts, Loans and Other Receivables, net	-	-	85,980	-	-	85,980	86,038
Due from Affiliates, net	3,119,750	170,872	657,743	-	(3,948,365)	-	-
Capitalized Costs, net	-	-	-	104,431	-	104,431	120,427
Projects Under Development	1,694,189	2,479,699	-	-	-	4,173,888	2,330,071
Property and Equipment, net	31,584	1,790,594	-	86,835,313	(681,425)	87,976,066	89,428,510
Total assets	\$ 11,011,921	\$ 4,539,561	\$ 1,004,714	\$ 91,417,188	\$ (6,335,201)	\$ 101,638,183	\$ 101,923,846
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities:</b>							
Current portion of mortgage and notes payable	\$ 14,789	\$ 33,238	\$ -	\$ 10,349,151	\$ -	\$ 10,397,178	\$ 10,623,315
Current portion of accrued interest	102,521	19,836	-	275,518	(47,639)	350,236	194,638
Construction payable	145,305	264,927	-	-	-	410,232	293,796
Accounts payable and other liabilities	346,209	2,833	2,537	723,737	-	1,075,316	1,004,825
Current portion of due to affiliates	43,857	557,007	-	1,056,908	(1,657,772)	-	-
Total current liabilities	652,681	877,841	2,537	12,405,314	(1,705,411)	12,232,962	12,116,574
<b>Long-Term Liabilities:</b>							
Conditional grant advance	813,731	-	-	-	-	813,731	280,000
Mortgage and notes payable, net	2,596,056	912,689	-	15,066,351	-	18,575,096	18,775,080
Due to affiliates, net of current portion	45,020	3,013,335	186,234	2,689,713	(5,934,302)	-	-
Accrued interest, net of current portion	-	-	-	5,535,429	(1,190,619)	4,344,810	3,762,566
Contingent loans and advances	-	-	-	41,459,996	(9,821,153)	31,638,843	30,746,378
Total long-term liabilities	3,454,807	3,926,024	186,234	64,751,489	(16,946,074)	55,372,480	53,564,024
Total liabilities	4,107,488	4,803,865	188,771	77,156,803	(18,651,485)	67,605,442	65,680,598
<b>Net Assets:</b>							
<b>Without donor restrictions:</b>							
Operating	2,909,845	70,736	684,708	53,751	357,855	4,076,895	4,368,970
Development	2,266,474	-	-	-	-	2,266,474	1,747,820
Property and equipment	31,584	(335,040)	-	13,899,526	(7,780,472)	5,815,598	6,296,933
Total without donor restrictions	5,207,903	(264,304)	684,708	13,953,277	(7,422,617)	12,158,967	12,413,723
<b>With donor restrictions</b>	1,696,530	-	131,235	307,108	601,395	2,736,268	2,406,184
Total net assets attributable to NOAH	6,904,433	(264,304)	815,943	14,260,385	(6,821,222)	14,895,235	14,819,907
<b>Non-controlling interests</b>	-	-	-	-	19,137,506	19,137,506	21,423,341
Total net assets	6,904,433	(264,304)	815,943	14,260,385	12,316,284	34,032,741	36,243,248
Total liabilities and net assets	\$ 11,011,921	\$ 4,539,561	\$ 1,004,714	\$ 91,417,188	\$ (6,335,201)	\$ 101,638,183	\$ 101,923,846

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, 2020

Assets	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit B)	Eliminations	Total
Current Assets:						
Cash	\$ 3,666,873	\$ 97,376	\$ 5,684	\$ 1,310,546	\$ -	\$ 5,080,479
Current portion of restricted deposits	-	-	36,648	400,233	-	436,881
Current portion of contracts, loans and other receivables	720,043	40,264	1,162	166,986	-	928,455
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
Total current assets	5,020,431	154,310	286,205	2,060,156	(901,927)	6,619,175
Certificates of Deposit	719,929	-	-	-	-	719,929
Restricted Deposits, net of current portion	536,396	-	-	2,083,300	-	2,619,696
Contracts, Loans and Other Receivables, net	-	-	86,038	-	-	86,038
Due from Affiliates, net	2,879,690	170,872	637,057	-	(3,687,619)	-
Capitalized Costs, net	-	-	-	120,427	-	120,427
Projects Under Development	1,086,694	1,243,377	-	-	-	2,330,071
Property and Equipment, net	26,518	1,845,958	-	88,256,836	(700,802)	89,428,510
Total assets	\$ 10,269,658	\$ 3,414,517	\$ 1,009,300	\$ 92,520,719	\$ (5,290,348)	\$ 101,923,846
<b>Liabilities and Net Assets</b>						
Current Liabilities:						
Current portion of mortgage and notes payable	\$ 915,109	\$ 31,795	\$ -	\$ 9,676,411	\$ -	\$ 10,623,315
Current portion of accrued interest	58,444	19,836	-	139,401	(23,043)	194,638
Construction payable	155,763	138,033	-	-	-	293,796
Accounts payable and other liabilities	312,525	32,493	3,100	656,707	-	1,004,825
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
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
Due to affiliates, net of current portion	45,020	2,427,058	186,234	2,636,370	(5,294,682)	-
Accrued interest, net of current portion	-	-	-	4,761,846	(999,280)	3,762,566
Contingent loans and advances	-	-	-	40,958,089	(10,211,711)	30,746,378
Total long-term liabilities	2,664,433	3,373,545	186,234	63,845,485	(16,505,673)	53,564,024
Total liabilities	4,138,131	3,621,084	189,334	75,139,649	(17,407,600)	65,680,598
Net Assets:						
Without donor restrictions:						
Operating	3,188,788	32,557	613,575	174,696	359,354	4,368,970
Development	1,747,820	-	-	-	-	1,747,820
Property and equipment	26,518	(262,013)	-	16,799,266	(10,266,838)	6,296,933
Total without donor restrictions	4,963,126	(229,456)	613,575	16,973,962	(9,907,484)	12,413,723
With donor restrictions	1,168,401	22,889	206,391	407,108	601,395	2,406,184
Total net assets attributable to NOAH	6,131,527	(206,567)	819,966	17,381,070	(9,306,089)	14,819,907
Non-controlling interests	-	-	-	-	21,423,341	21,423,341
Total net assets	6,131,527	(206,567)	819,966	17,381,070	12,117,252	36,243,248
Total liabilities and net assets	\$ 10,269,658	\$ 3,414,517	\$ 1,009,300	\$ 92,520,719	\$ (5,290,348)	\$ 101,923,846

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, 2021

(With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021					2020	
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit C)	Eliminations	Total	Total
<b>Net Assets Without Donor Restrictions:</b>							
Operating revenues:							
Grants and contributions	\$ 10,197,520	\$ -	\$ -	\$ -	\$ (519,082)	\$ 9,678,438	\$ 4,535,628
Rental income, net	36,000	113,202	-	5,412,678	(121,249)	5,440,631	5,373,027
Interest and other income	103,892	83,298	3	165,260	(39,510)	312,943	356,884
Property and project management fees	543,182	-	-	-	(449,522)	93,660	18,660
Developer fees	-	-	-	-	-	-	180,000
Net assets released from purpose restrictions	760,546	-	-	100,000	-	860,546	545,860
Total operating revenues	<u>11,641,140</u>	<u>196,500</u>	<u>3</u>	<u>5,677,938</u>	<u>(1,129,363)</u>	<u>16,386,218</u>	<u>11,010,059</u>
Operating expenses:							
Senior home repair	175,171	-	-	-	(5,891)	169,280	129,579
Housing counseling	8,735,046	-	-	-	(9,619)	8,725,427	3,145,749
Community services	601,069	-	-	-	(19,566)	581,503	519,466
Homebuyer services program	433,117	-	-	-	(14,937)	418,180	361,663
Real estate and economic development	529,998	-	-	-	(26,409)	503,589	699,021
Property management	513,029	-	-	-	(22,047)	490,982	418,672
Peace Properties	-	194,764	-	-	-	194,764	129,901
NOAH CDFI	-	-	4,026	-	-	4,026	5,031
Rental programs	-	-	-	5,737,346	(968,604)	4,768,742	4,454,715
General administration	263,268	-	-	-	(16,889)	246,379	289,431
Fundraising	140,098	-	-	-	(5,891)	134,207	184,871
Total operating expenses before depreciation and amortization	<u>11,390,796</u>	<u>194,764</u>	<u>4,026</u>	<u>5,737,346</u>	<u>(1,089,853)</u>	<u>16,237,079</u>	<u>10,338,099</u>
Depreciation and amortization	23,067	55,364	-	2,568,209	(19,377)	2,627,263	2,612,013
Total operating expenses	<u>11,413,863</u>	<u>250,128</u>	<u>4,026</u>	<u>8,305,555</u>	<u>(1,109,230)</u>	<u>18,864,342</u>	<u>12,950,112</u>
Changes in net assets without donor restrictions from operations	<u>227,277</u>	<u>(53,628)</u>	<u>(4,023)</u>	<u>(2,627,617)</u>	<u>(20,133)</u>	<u>(2,478,124)</u>	<u>(1,940,053)</u>
Non-operating revenue (expenses):							
Gain on sale of property and equipment	-	-	-	471,831	-	471,831	-
NWA permanent capital funds released	-	-	75,156	-	-	75,156	-
Proceeds from sale of tax credits	-	-	-	-	-	-	1,620,000
Recovery of development costs	-	-	-	-	-	-	57,033
Capital grants	-	-	-	-	-	-	25,000
Recovery of (provision against) due from affiliates	(373,058)	18,780	-	-	354,278	-	-
Recovery of (provision against) loans receivable	390,558	-	-	-	(390,558)	-	(1,620,000)
Deferred interest	-	-	-	(864,899)	255,445	(609,454)	(548,880)
Total non-operating revenue (expenses)	<u>17,500</u>	<u>18,780</u>	<u>75,156</u>	<u>(393,068)</u>	<u>219,165</u>	<u>(62,467)</u>	<u>(466,847)</u>
Changes in net assets without donor restrictions	<u>244,777</u>	<u>(34,848)</u>	<u>71,133</u>	<u>(3,020,685)</u>	<u>199,032</u>	<u>(2,540,591)</u>	<u>(2,406,900)</u>
<b>Net Assets With Donor Restrictions:</b>							
Grants and contributions	1,265,786	-	-	-	-	1,265,786	637,701
NWA valuation recovery	22,889	(22,889)	-	-	-	-	-
Net assets released from restrictions	(760,546)	-	(75,156)	(100,000)	-	(935,702)	(545,860)
Changes in net assets with donor restrictions	<u>528,129</u>	<u>(22,889)</u>	<u>(75,156)</u>	<u>(100,000)</u>	<u>-</u>	<u>330,084</u>	<u>91,841</u>
Changes in net assets	<u>772,906</u>	<u>(57,737)</u>	<u>(4,023)</u>	<u>(3,120,685)</u>	<u>199,032</u>	<u>(2,210,507)</u>	<u>(2,315,059)</u>
<b>Changes to Net Assets Attributable to Non-Controlling Interests:</b>							
Non-controlling interests	-	-	-	2,285,835	-	2,285,835	2,096,762
Changes in net assets attributable to NOAH	<u>\$ 772,906</u>	<u>\$ (57,737)</u>	<u>\$ (4,023)</u>	<u>\$ (834,850)</u>	<u>\$ 199,032</u>	<u>\$ 75,328</u>	<u>\$ (218,297)</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

	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit D)	Eliminations	Total
<b>Net Assets Without Donor Restrictions:</b>						
Operating revenues:						
Grants and contributions	\$ 4,535,628	\$ -	\$ -	\$ -	\$ -	\$ 4,535,628
Rental income, net	36,000	112,942	-	5,345,073	(120,988)	5,373,027
Interest and other income	146,937	57,998	462	156,172	(4,685)	356,884
Property and project management fees	439,508	-	-	-	(420,848)	18,660
Developer fees	917,849	-	-	-	(737,849)	180,000
Net assets released from purpose restrictions	545,860	-	-	-	-	545,860
Total operating revenues	<u>6,621,782</u>	<u>170,940</u>	<u>462</u>	<u>5,501,245</u>	<u>(1,284,370)</u>	<u>11,010,059</u>
Operating expenses:						
Senior home repair	135,470	-	-	-	(5,891)	129,579
Housing counseling	3,155,368	-	-	-	(9,619)	3,145,749
Community services	539,032	-	-	-	(19,566)	519,466
Homebuyer services program	376,600	-	-	-	(14,937)	361,663
Real estate and economic development	725,430	-	-	-	(26,409)	699,021
Property management	440,719	-	-	-	(22,047)	418,672
Peace Properties	-	133,737	-	-	(3,836)	129,901
NOAH CDFI	-	-	5,031	-	-	5,031
Rental programs	-	-	-	4,875,563	(420,848)	4,454,715
General administration	306,059	-	-	-	(16,628)	289,431
Fundraising	190,762	-	-	-	(5,891)	184,871
Total operating expenses before depreciation and amortization	<u>5,869,440</u>	<u>133,737</u>	<u>5,031</u>	<u>4,875,563</u>	<u>(545,672)</u>	<u>10,338,099</u>
Depreciation and amortization	17,249	55,364	-	2,558,777	(19,377)	2,612,013
Total operating expenses	<u>5,886,689</u>	<u>189,101</u>	<u>5,031</u>	<u>7,434,340</u>	<u>(565,049)</u>	<u>12,950,112</u>
Changes in net assets without donor restrictions from operations	<u>735,093</u>	<u>(18,161)</u>	<u>(4,569)</u>	<u>(1,933,095)</u>	<u>(719,321)</u>	<u>(1,940,053)</u>
Non-operating revenue (expenses):						
Proceeds from sale of tax credits	1,620,000	-	-	-	-	1,620,000
Recovery of development costs	-	57,033	-	-	-	57,033
Capital grants	-	25,000	-	-	-	25,000
Recovery of (provision against) loans receivable	(1,620,000)	883,369	-	-	(883,369)	(1,620,000)
Deferred interest	-	-	-	(839,853)	290,973	(548,880)
Total non-operating revenue (expenses)	<u>-</u>	<u>965,402</u>	<u>-</u>	<u>(839,853)</u>	<u>(592,396)</u>	<u>(466,847)</u>
Changes in net assets without donor restrictions	<u>735,093</u>	<u>947,241</u>	<u>(4,569)</u>	<u>(2,772,948)</u>	<u>(1,311,717)</u>	<u>(2,406,900)</u>
<b>Net Assets With Donor Restrictions:</b>						
Grants and contributions	637,701	-	-	-	-	637,701
Net assets released from purpose restrictions	(545,860)	-	-	-	-	(545,860)
Changes in net assets with donor restrictions	<u>91,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,841</u>
Changes in net assets	<u>826,934</u>	<u>947,241</u>	<u>(4,569)</u>	<u>(2,772,948)</u>	<u>(1,311,717)</u>	<u>(2,315,059)</u>
<b>Changes to Net Assets Attributable to Non-Controlling Interests:</b>						
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,096,762</u>	<u>-</u>	<u>2,096,762</u>
Changes in net assets attributable to NOAH	<u>\$ 826,934</u>	<u>\$ 947,241</u>	<u>\$ (4,569)</u>	<u>\$ (676,186)</u>	<u>\$ (1,311,717)</u>	<u>\$ (218,297)</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, 2021 and 2020

	NOAH and Affiliates					Total	Non-Controlling Interest	Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs (Exhibit E)	Eliminations			
<b>Net Assets, December 31, 2019</b>	\$ 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>
<b>Net Assets, December 31, 2020</b>	6,131,527	(206,567)	819,966	17,381,070	(9,306,089)	14,819,907	21,423,341	36,243,248
Changes in net assets	<u>772,906</u>	<u>(57,737)</u>	<u>(4,023)</u>	<u>(3,120,685)</u>	<u>2,484,867</u>	<u>75,328</u>	<u>(2,285,835)</u>	<u>(2,210,507)</u>
<b>Net Assets, December 31, 2021</b>	<u>\$ 6,904,433</u>	<u>\$ (264,304)</u>	<u>\$ 815,943</u>	<u>\$ 14,260,385</u>	<u>\$ (6,821,222)</u>	<u>\$ 14,895,235</u>	<u>\$ 19,137,506</u>	<u>\$ 34,032,741</u>

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Cash Flows  
For the Year Ended December 31, 2021

	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Eliminations	Total
<b>Cash Flows from Operating Activities:</b>						
Changes in net assets	\$ 772,906	\$ (57,737)	\$ (4,023)	\$ (3,120,685)	\$ 199,032	\$ (2,210,507)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:						
Depreciation and amortization	23,067	55,364	-	2,568,209	(19,377)	2,627,263
Deferred interest	-	-	-	864,899	(255,445)	609,454
Bad debts	-	-	-	97,272	-	97,272
Interest - amortization expense	4,130	1,206	-	68,242	-	73,578
Gain on sale of property and equipment	-	-	-	(471,831)	-	(471,831)
(Recovery of) provision against due from affiliates	373,058	(18,780)	-	-	(354,278)	-
Recovery of loans receivable	(390,558)	-	-	-	390,558	-
Changes in operating assets and liabilities:						
Contracts, loans and other receivables	(137,629)	31,294	-	(74,792)	-	(181,127)
Due from affiliates	(773,984)	18,780	-	(12,000)	767,204	-
Prepaid expenses and other	(304)	233	(6)	(8,993)	-	(9,070)
Accounts payable and other liabilities	33,684	(29,660)	(563)	67,030	-	70,491
Due to affiliates	12,000	-	(20,686)	317,482	(308,796)	-
Conditional grant advance	533,731	-	-	-	-	533,731
Accrued interest	44,077	-	-	44,801	39,510	128,388
Net cash provided by (used in) operating activities	494,178	700	(25,278)	339,634	458,408	1,267,642
<b>Cash Flows from Investing Activities:</b>						
Cash paid for projects under development	(617,953)	(1,109,428)	-	-	-	(1,727,381)
Due from affiliates	(240,060)	-	-	-	240,060	-
Purchases of and interest earned on certificates of deposit	(3,973)	-	-	-	-	(3,973)
Proceeds from sale of property and equipment	-	-	-	836,920	-	836,920
Acquisition of property and equipment	(28,133)	-	-	(1,495,779)	-	(1,523,912)
Net cash used in investing activities	(890,119)	(1,109,428)	-	(658,859)	240,060	(2,418,346)
<b>Cash Flows from Financing Activities:</b>						
Principal payments on mortgage and notes payable	(963,906)	(33,561)	-	(609,114)	-	(1,606,581)
Principal payments from contingent loans and advances	-	-	-	(390,558)	390,558	-
Due to affiliates	-	1,117,902	-	(28,876)	(1,089,026)	-
Debt issuance costs	-	-	-	(33,745)	-	(33,745)
Proceeds from contingent loans and advances	-	-	-	892,465	-	892,465
Proceeds from mortgage and notes payable	316,099	-	-	824,528	-	1,140,627
Net cash provided by (used in) financing activities	(647,807)	1,084,341	-	654,700	(698,468)	392,766
<b>Net Change in Cash and Restricted Cash</b>	(1,043,748)	(24,387)	(25,278)	335,475	-	(757,938)
<b>Cash and Restricted Cash:</b>						
Beginning of year	4,203,269	97,376	42,332	3,794,079	-	8,137,056
End of year	\$ 3,159,521	\$ 72,989	\$ 17,054	\$ 4,129,554	\$ -	\$ 7,379,118
<b>Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:</b>						
Cash	\$ 3,159,521	\$ 72,989	\$ 1,653	\$ 1,375,000	\$ -	\$ 4,609,163
Current portion of restricted deposits	-	-	15,401	418,614	-	434,015
Restricted deposits, net of current portion	-	-	-	2,335,940	-	2,335,940
Total cash and restricted cash shown in the consolidating statement of cash flows	\$ 3,159,521	\$ 72,989	\$ 17,054	\$ 4,129,554	\$ -	\$ 7,379,118
<b>Supplemental Disclosure of Cash Flow Information:</b>						
Cash paid for interest - expensed	\$ 18,951	\$ 36,372	\$ -	\$ 1,224,848	\$ (39,510)	\$ 1,240,661
Projects under development and property and equipment financed with construction payable	\$ 145,305	\$ 264,927	\$ -	\$ -	\$ -	\$ 410,232

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

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
<b>Cash Flows from Operating Activities:</b>						
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>
<b>Cash Flows from Investing Activities:</b>						
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>
<b>Cash Flows from Financing Activities:</b>						
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>
<b>Net Change in Cash and Restricted Cash</b>	<u>2,121,268</u>	<u>(616,214)</u>	<u>28,520</u>	<u>519,375</u>	<u>-</u>	<u>2,052,949</u>
<b>Cash and Restricted Cash:</b>						
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>
<b>Reconciliation of Cash and Restricted Cash Reported Within the Consolidating Statement of Financial Position:</b>						
Cash	\$ 3,666,873	\$ 97,376	\$ 5,684	\$ 1,310,546	\$ -	\$ 5,080,479
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>
<b>Supplemental Disclosure of Cash Flow Information:</b>						
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>

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

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Consolidating Statement of Functional Expenses

For the Year Ended December 31, 2021

(With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021												2020		
	NOAH						Total NOAH, Inc.	Peace Properties	NOAH CDFI	Rental Programs (Exhibit F)	Eliminations	Total			
	Program Services			Supporting Services											
Senior Home Repair	Housing Counseling	Community Services	Homebuyer Services Program	Real Estate and Economic Development	Property Management	General Adminis- tration	Fundraising						Total		
<b>Personnel and Related:</b>															
Salaries	\$ 83,248	\$ 302,084	\$ 315,441	\$ 277,727	\$ 331,201	\$ 305,781	\$ 71,870	\$ 108,943	\$ 1,796,295	\$ -	\$ -	\$ -	\$ -	\$ 1,796,295	\$ 1,640,352
Consulting and contract labor	-	-	-	-	-	-	3,560	-	3,560	4,703	-	962,395	-	970,658	774,886
Employee benefits	19,806	66,898	20,976	51,975	19,165	21,100	2,874	985	203,779	-	-	-	-	203,779	199,353
Payroll taxes	7,068	17,864	28,702	23,008	29,799	25,576	7,496	11,455	150,968	-	-	-	-	150,968	129,473
Total personnel and related	110,122	386,846	365,119	352,710	380,165	352,457	85,800	121,383	2,154,602	4,703	-	962,395	-	3,121,700	2,744,064
<b>Other:</b>															
Residential assistance payments	-	7,466,269	-	-	-	-	-	-	7,466,269	-	-	-	-	7,466,269	2,200,000
Interest expense	-	-	-	-	67,158	-	-	-	67,158	37,578	-	1,337,891	-	1,442,627	1,570,552
Program expenses	36,445	832,521	186,300	16,686	8,058	90,087	102,779	-	1,272,876	-	-	54,133	-	1,327,009	1,132,814
Insurance and taxes	10,380	1,447	1,804	5,225	2,365	6,426	10,837	298	38,782	6,506	1,202	845,650	-	892,140	812,963
Telephone and utilities	2,817	9,532	4,373	4,302	3,197	7,648	1,327	1,339	34,535	-	-	747,490	-	782,025	739,670
Professional fees	2,936	12,748	8,590	12,318	17,228	14,002	28,776	5,715	102,313	106,355	2,500	158,505	-	369,673	326,105
Repairs, maintenance and security	2,364	5,598	9,319	7,918	13,089	10,454	1,829	1,861	52,432	-	-	548,705	(279,349)	321,788	315,916
Management fees	-	-	-	-	-	-	-	-	-	-	-	363,189	(170,173)	193,016	171,339
Bad debts	-	-	-	-	-	-	-	-	-	-	-	97,272	-	97,272	121,239
Supplies and general office	260	7,508	2,332	3,568	4,719	2,319	6,384	974	28,064	-	-	60,031	-	88,095	81,054
Miscellaneous	-	1,000	-	1,975	-	-	243	1,197	4,415	1,957	159	43,003	-	49,534	35,480
Facility	5,891	9,619	19,566	14,937	26,409	22,047	16,889	5,891	121,249	37,665	-	-	(121,249)	37,665	37,405
Dues and subscriptions	338	1,024	1,924	1,445	6,130	1,261	7,965	937	21,024	-	165	-	-	21,189	17,198
Travel and conferences	3,482	568	1,350	2,942	1,089	5,672	350	374	15,827	-	-	-	-	15,827	15,218
Advertising	18	105	-	8,741	105	-	-	-	8,969	-	-	-	-	8,969	15,017
Equipment rental and purchases	118	261	392	350	286	656	89	129	2,281	-	-	-	-	2,281	2,065
Grant to affiliate	-	-	-	-	-	-	-	-	-	-	-	519,082	(519,082)	-	-
Total other	65,049	8,348,200	235,950	80,407	149,833	160,572	177,468	18,715	9,236,194	190,061	4,026	4,774,951	(1,089,853)	13,115,379	7,594,035
Total expenses before depreciation and amortization	175,171	8,735,046	601,069	433,117	529,998	513,029	263,268	140,098	11,390,796	194,764	4,026	5,737,346	(1,089,853)	16,237,079	10,338,099
<b>Depreciation and Amortization</b>	707	1,086	2,348	1,793	1,767	2,676	11,740	950	23,067	55,364	-	2,568,209	(19,377)	2,627,263	2,612,013
Total expenses	\$ 175,878	\$ 8,736,132	\$ 603,417	\$ 434,910	\$ 531,765	\$ 515,705	\$ 275,008	\$ 141,048	\$ 11,413,863	\$ 250,128	\$ 4,026	\$ 8,305,555	\$ (1,109,230)	\$ 18,864,342	\$ 12,950,112

NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

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

	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						
<b>Personnel and Related:</b>														
Salaries	\$ 77,360	\$ 154,445	\$ 209,558	\$ 238,699	\$ 435,483	\$ 311,171	\$ 78,476	\$ 135,160	\$ 1,640,352	\$ -	\$ -	\$ -	\$ -	\$ 1,640,352
Consulting and contract labor	3,125	14,000	6,200	-	16,604	-	7,200	-	47,129	723	-	727,034	-	774,886
Employee benefits	22,131	30,515	19,317	39,699	40,901	28,239	9,243	9,308	199,353	-	-	-	-	199,353
Payroll taxes	6,753	11,472	18,254	19,442	30,868	25,229	6,598	10,857	129,473	-	-	-	-	129,473
<b>Total personnel and related</b>	<b>109,369</b>	<b>210,432</b>	<b>253,329</b>	<b>297,840</b>	<b>523,856</b>	<b>364,639</b>	<b>101,517</b>	<b>155,325</b>	<b>2,016,307</b>	<b>723</b>	<b>-</b>	<b>727,034</b>	<b>-</b>	<b>2,744,064</b>
<b>Other:</b>														
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
Program expenses	125	708,189	232,890	12,242	-	-	125,426	-	1,078,872	-	-	53,942	-	1,132,814
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
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
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
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
Management fees	-	-	-	-	-	-	-	-	-	-	-	331,622	(160,283)	171,339
Bad debts	-	-	-	-	-	-	-	-	-	-	-	121,239	-	121,239
Supplies and general office	266	3,031	1,819	4,347	4,559	2,412	7,007	974	24,415	-	-	56,639	-	81,054
Miscellaneous	300	1,000	500	5,654	70	250	2,021	1,197	10,992	6,289	54	18,145	-	35,480
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
Dues and subscriptions	130	387	1,295	739	5,456	487	7,879	659	17,032	-	166	-	-	17,198
Travel and conferences	1,374	402	169	1,820	3,667	6,941	101	744	15,218	-	-	-	-	15,218
Advertising	696	-	5,737	7,960	137	-	-	487	15,017	-	-	-	-	15,017
Equipment rental and purchases	125	205	417	318	307	469	99	125	2,065	-	-	-	-	2,065
<b>Total other</b>	<b>26,101</b>	<b>2,944,936</b>	<b>285,703</b>	<b>78,760</b>	<b>201,574</b>	<b>76,080</b>	<b>204,542</b>	<b>35,437</b>	<b>3,853,133</b>	<b>133,014</b>	<b>5,031</b>	<b>4,148,529</b>	<b>(545,672)</b>	<b>7,594,035</b>
<b>Total expenses before depreciation and amortization</b>	<b>135,470</b>	<b>3,155,368</b>	<b>539,032</b>	<b>376,600</b>	<b>725,430</b>	<b>440,719</b>	<b>306,059</b>	<b>190,762</b>	<b>5,869,440</b>	<b>133,737</b>	<b>5,031</b>	<b>4,875,563</b>	<b>(545,672)</b>	<b>10,338,099</b>
<b>Depreciation and Amortization</b>	<b>707</b>	<b>1,086</b>	<b>2,348</b>	<b>1,793</b>	<b>1,767</b>	<b>2,676</b>	<b>5,922</b>	<b>950</b>	<b>17,249</b>	<b>55,364</b>	<b>-</b>	<b>2,558,777</b>	<b>(19,377)</b>	<b>2,612,013</b>
<b>Total expenses</b>	<b>\$ 136,177</b>	<b>\$ 3,156,454</b>	<b>\$ 541,380</b>	<b>\$ 378,393</b>	<b>\$ 727,197</b>	<b>\$ 443,395</b>	<b>\$ 311,981</b>	<b>\$ 191,712</b>	<b>\$ 5,886,689</b>	<b>\$ 189,101</b>	<b>\$ 5,031</b>	<b>\$ 7,434,340</b>	<b>\$ (565,049)</b>	<b>\$ 12,950,112</b>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 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), Union Block Rental Limited Partnership (Union Block), 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 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. 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.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 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, 2021 and 2020. 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, NOAH and Affiliates recorded expenses totaling \$25,087 related to the various projects under development that were deemed non-recoverable, which is included in recovery of development costs in the accompanying 2020 consolidating statement of activities. NOAH and Affiliates also received a reimbursement of \$82,120 during 2020 for costs previously written-off, which is included in recovery of development costs in the accompanying 2020 consolidating statement of activities. During 2021, there were no development costs that were deemed to be non-recoverable.

#### 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, 2021 and 2020, was \$2,611,267 and \$2,593,516, 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 2021 and 2020. As of December 31, 2021 and 2020, 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, 2021 and 2020

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### 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:

	<u>2021</u>	<u>2020</u>
Cumulative capital grants received, net of authorized write-offs and releases	\$ 1,390,502	\$ 1,465,658
Cumulative valuation allowance	(734,046)	(734,046)
Add - intercompany elimination	<u>601,395</u>	<u>601,395</u>
	<u>\$ 1,257,851</u>	<u>\$ 1,333,007</u>

NOAH and Affiliates were approved by NWA to release \$75,156 during 2021 to net assets without donor restrictions, which are reflected as NWA permanent capital funds released in the accompanying 2021 consolidating statement of activities.



## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 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>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Program and initiatives:		
Homebuyer and homeowner services	\$ 1,262,771	\$ 872,458
Community services	215,646	100,719
Rental housing	-	100,000
	<u>1,478,417</u>	<u>1,073,177</u>
Perpetually restricted:		
NWA capital grants (see page 13)	<u>1,257,851</u>	<u>1,333,007</u>
	<u>\$ 2,736,268</u>	<u>\$ 2,406,184</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, 2021 and 2020

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### 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, 2021 and 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

In accordance with ASC Subtopic 958-605, *Revenue Recognition* (Topic 958), 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 a 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 an 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 \$111,000 and \$92,000, respectively, available to offset future taxable income as of December 31, 2021. The General Partners and Managing Members had, for Federal and state income tax purposes, NOLs of approximately \$93,000 and \$69,000, respectively, available to offset future taxable income as of December 31, 2020. 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, 2021 and 2020

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### 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, 2021 and 2020. 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 26, 2022, which is the date the consolidating financial statements were available to be issued. See Note 11 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, 2021 and 2020

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### 3. RELATED PARTY TRANSACTIONS

#### Consolidating Entities

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

**Aileron Homeownership LLC (Aileron)** was formed in 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. NOAH is the sole owner of Aileron. Aileron is treated as a disregarded entity for income tax purposes. As of December 31, 2021 and 2020, Aileron capitalized \$1,694,189 and \$1,086,694 of costs related to the Aileron - Homeownership project that is included in projects under development in the accompanying consolidating statements of financial position (see Note 6). All activity of Aileron - Homeownership is included with NOAH in the accompanying consolidating financial statements.

Aileron - Rental (see above) was not formed as an entity as of December 31, 2021. As of December 31, 2021 and 2020, there were \$703,767 and \$410,815 of costs related to the Aileron - Rental project that are included in projects under development in the accompanying consolidating statements of financial position (see Note 6). 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 15 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 consisting of 34 condominium units. During 2021, Shalom sold four condominium units and donated the net cash proceeds from the sale to NOAH (see Note 18).

**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 33 units of rental housing.

**Trinity House LLC (Trinity House)**, a Massachusetts limited liability company, was formed for the purpose of acquiring, rehabilitating, and operating 16 units of rental housing. 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, 2021 and 2020

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### 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, 2021 and 2020, Paco had purchased eighteen and seventeen properties, with a total of 50 and 47 units, respectively.

**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 has committed and paid \$6,272,138 in capital contributions to Shoe Shop.

**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). Coppersmith's investor limited partners have committed and paid \$7,990,476 in capital contributions. During 2020, the investor limited partners made final capital contributions of \$5,480,669.

**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. As of December 31, 2021 and 2020, Peace Properties incurred certain cumulative development costs totaling \$884,121 and \$705,235, respectively, related to the Union Block project, which will be transferred to Union Block in 2022. These costs are included in projects under development in the accompanying consolidating statements of financial position (see Note 6). Union Block had no activity during 2021.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 3. RELATED PARTY TRANSACTIONS (Continued)

#### 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, as the manager of the Trust, earned \$12,360 in management fees for the years ended December 31, 2021 and 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. NOAH, as the manager of the Trust, earned \$6,300 in management fees for the years ended December 31, 2021 and 2020.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

### 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:

	<u>2021</u>	<u>2020</u>
3% note receivable, secured by a third mortgage on Coppersmith's property, due December 15, 2056	\$ 2,316,942	\$ 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	<u>99,832</u>	<u>99,832</u>
Total	9,821,153	10,211,711
Less - valuation allowance	<u>(9,821,153)</u>	<u>(10,211,711)</u>
	<u>\$ -</u>	<u>\$ -</u>

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 2022 and 2021 based on 2021 and 2020 cash flows, respectively. The balance of mortgages and notes receivable as of December 31, 2021 and 2020, is included in contracts, loans and other receivables in the accompanying consolidating statements of financial position.



## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with Related Parties (Continued)

##### *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 management fees between NOAH and related parties are as follows:

	<u>2021</u>	<u>2020</u>
Paz	\$ 146,630	\$ 146,674
Shalom	112,101	112,484
Paco (project management)	75,000	-
Paco (property management)	47,918	45,900
Siochain	46,457	46,457
Trinity House	34,120	34,120
Benfield	29,764	29,585
Coppersmith	26,735	-
Third party condo trusts	18,660	18,660
Shoe Shop	<u>5,797</u>	<u>5,628</u>
	543,182	439,508
Less - elimination for intercompany	<u>(449,522)</u>	<u>(420,848)</u>
	<u>\$ 93,660</u>	<u>\$ 18,660</u>

There were no amounts of property and project management fees receivables from third parties as of December 31, 2021 and 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 year ended December 31, 2020, were as follows:

Coppersmith	\$ 737,849
Aileron	<u>180,000</u>
	917,849
Less - elimination for recovery of doubtful accounts	<u>(737,849)</u>
	<u>\$ 180,000</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 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, 2021:

<u>Project</u>	<u>Total Contract</u>	<u>Recognized Prior to 2020</u>	<u>Recognized During 2020</u>	<u>Recognized During 2021</u>	<u>Remaining Contract Balance</u>
Coppersmith	\$ 3,173,250	\$ 2,435,401	\$ 737,849	\$ -	\$ -
Aileron Home Ownership	\$ 432,472	\$ -	\$ 180,000	\$ -	\$ 252,472

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

Developer fee receivables were \$791,197 and \$1,063,369 as of December 31, 2021 and 2020, 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, 2021 and 2020, was \$109,249 and \$108,998, respectively, which is eliminated in the accompanying consolidating statements of activities.

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 for the years ended December 31, 2021 and 2020, which is eliminated in the accompanying consolidating statements of activities. NOAH owes Coppersmith \$28,000 and \$16,000 as of December 31, 2021 and 2020, 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:

2022	\$ 12,282
2023	12,405
2024	12,529
2025	12,654
2026	12,780
Remaining years	<u>102,313</u>
Total	<u>\$ 164,963</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
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### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with Related Parties (Continued)

##### Other Transactions

Balances between NOAH and the Affiliates, included in due from affiliates, pertain to developer fees, construction advances and operating advances and were as follows as of December 31:

	2021					Total
	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Allowance for Doubtful Accounts	
NOAH receivable	\$ -	\$ 2,892,209	\$ 186,234	\$ 3,380,772	\$ (1,920,527)	\$ 4,538,688
NOAH CDFI receivable	45,020	612,723	-	242,616	-	900,359
Peace Properties receivable	15,857	-	-	170,872	-	186,729
Coppersmith receivable	28,000	-	-	-	-	28,000
Stevens Corner receivable	-	65,410	-	-	(65,410)	-
Subtotal	88,877	3,570,342	186,234	3,794,260	(1,985,937)	5,653,776
Less - current portion	43,857	557,007	-	1,104,547	-	1,705,411
	<u>\$ 45,020</u>	<u>\$ 3,013,335</u>	<u>\$ 186,234</u>	<u>\$ 2,689,713</u>	<u>\$ (1,985,937)</u>	<u>\$ 3,948,365</u>
	2020					
	NOAH	Peace Properties	NOAH CDFI	Rental Programs	Allowance for Doubtful Accounts	Total
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	31,857	29,218	-	840,852	-	901,927
	<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>

### 4. CERTIFICATES OF DEPOSIT

At December 31, 2021 and 2020, 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 \$253,705 and \$253,246 as of December 31, 2021 and 2020, 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.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 4. CERTIFICATES OF DEPOSIT (Continued)

At December 31, 2021 and 2020, 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 \$470,197 and \$466,683 as of December 31, 2021 and 2020, respectively. Management has elected not to renew this CD at maturity and, accordingly, this CD is reflected as a current asset in the accompanying 2021 consolidating statement of financial position.

### 5. RESTRICTED DEPOSITS

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

	<u>2021</u>	<u>2020</u>
<b>NOAH, Inc.:</b>		
Restricted cash - development projects	\$ -	\$ 536,396
<b>NOAH CDFI:</b>		
Revolving loan fund capital	<u>15,401</u>	<u>36,648</u>
<b>Rental Programs:</b>		
Operating reserves	1,388,862	1,363,949
Replacement reserves	961,823	734,095
Tenant security deposits	288,909	279,004
Operating and other escrows	<u>114,960</u>	<u>106,485</u>
Total Rental Programs	<u>2,754,554</u>	<u>2,483,533</u>
Total restricted deposits	2,769,955	3,056,577
Less - current portion	<u>434,015</u>	<u>436,881</u>
Non-current portion	<u>\$ 2,335,940</u>	<u>\$ 2,619,696</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, 2021 and 2020.

### 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 (Ayer Commons), 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 2022. Total project costs expected to be incurred on the Ayer Commons are \$29,356,000.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
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### 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 Attleboro, Middleborough, and Grafton, Massachusetts.

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

	<u>2021</u>	<u>2020</u>
Aileron - Homeownership (see Note 3)	\$ 1,694,189	\$ 1,086,694
Union Block (see Note 3)	884,121	705,235
Ayer Commons (see page 25)	754,419	107,464
Aileron - Rental (see Note 3)	703,767	410,815
Other (see above)	<u>137,392</u>	<u>19,863</u>
Total projects under development	<u>\$ 4,173,888</u>	<u>\$ 2,330,071</u>

### 7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2021</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	\$ -	\$ 96,514,981	\$ 98,674,181
Land and improvements	-	603,946	-	7,278,288	7,882,234
Furniture, fixtures and equipment	276,491	-	1,300	1,120,567	1,398,358
Leasehold improvements	<u>26,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,448</u>
	302,939	2,763,146	1,300	104,913,836	107,981,221
Less - accumulated depreciation	271,355	972,552	1,300	18,078,523	19,323,730
Less - elimination	<u>-</u>	<u>-</u>	<u>-</u>	<u>681,425</u>	<u>681,425</u>
	<u>\$ 31,584</u>	<u>\$ 1,790,594</u>	<u>\$ -</u>	<u>\$ 86,153,888</u>	<u>\$ 87,976,066</u>
	<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>

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, 2021 and 2020

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### 8. CAPITALIZED COSTS

Capitalized costs consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Total costs incurred	\$ 210,823	\$ 210,823
Less - accumulated amortization	<u>106,392</u>	<u>90,396</u>
Net capitalized costs	<u>\$ 104,431</u>	<u>\$ 120,427</u>

Amortization expense for the years ended December 31, 2021 and 2020, was \$15,996 and \$18,497, 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 \$16,000.

### 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 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, less an allowance for doubtful accounts of \$57,458 as of December 31, 2021 and 2020. 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 is \$12,428,125 as of December 31, 2021 and 2020. 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, 2021 and 2020. The provision of \$1,620,000 associated with the loan entered into in 2020 was reflected as provision against loans receivable in the accompanying 2020 consolidating statement of activities.

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

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

**10. LOANS RECEIVABLE (Continued)**

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

		<b>2021</b>			
<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	NWA (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>
		<b>2020</b>			
<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	NWA (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>

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

2022	\$ 1,220
2023	\$ 1,281
2024	\$ 1,346
2025	\$ 1,408
2026	\$ 1,470

**11. MORTGAGE AND NOTES PAYABLE**

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

	<u>2021</u>	<u>2020</u>
NOAH (see page 34)	\$ 2,615,678	\$ 3,263,485
Peace Properties (see page 35)	946,430	979,991
Rental Programs (see page 38)	<u>25,816,925</u>	<u>25,601,511</u>
Total mortgage and notes payable	29,379,033	29,844,987
Less - unamortized debt issuance costs	<u>406,759</u>	<u>446,592</u>
	28,972,274	29,398,395
Less - current portion	<u>10,397,178</u>	<u>10,623,315</u>
	<u>\$ 18,575,096</u>	<u>\$ 18,775,080</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
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### 11. MORTGAGE AND NOTES PAYABLE (Continued)

Debt issuance costs of \$902,838 and \$869,093 are shown net of accumulated imputed interest of \$496,079 and \$422,501 as of December 31, 2021 and 2020, respectively. Imputed interest totaled \$73,578 and \$92,569 for the years ended December 31, 2021 and 2020, 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>
2022	\$ 10,397,178	\$ 46,209
2023	\$ 4,468,915	\$ 44,450
2024	\$ 2,742,186	\$ 30,943
2025	\$ 275,765	\$ 26,967
2026	\$ 275,147	\$ 26,908
Thereafter	\$ 11,219,842	\$ 231,282

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, 2021 and 2020.

### 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>2021</u>	<u>2020</u>
Rental Programs contingent loans and advances (see page 51)	\$ 41,459,996	\$ 40,958,089
Less - eliminations	<u>9,821,153</u>	<u>10,211,711</u>
	<u>\$ 31,638,843</u>	<u>\$ 30,746,378</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, 2021 and 2020.

### 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 NWA funds borrowed from NOAH is repaid.



## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
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### 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 26, 2022:

- \$1,000,000 from Housing Stabilization Fund
- \$1,000,000 from Affordable Housing Trust
- \$750,000 from Mass Historic Tax Credits
- \$607,894 from Brownfields Tax Credits
- \$550,000 from Home Investment Partnerships (HOME) Program
- \$232,666 from Community Economic Development Assistance Corporation

During 2021, NOAH was awarded \$250,000 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 \$5,000 of unused 2020 credits that were utilized during 2021. The CITCs are provided to donors based upon 50% of eligible donations. NOAH received approximately \$396,000 in eligible donations during 2021 and provided approximately \$198,000 in CITCs, leaving approximately \$57,000 of credits to carryover to 2022.

During 2020 and continuing through 2021, 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. While the business disruption is currently expected to be temporary, there remains uncertainty around the duration and the impact it will have on NOAH and Affiliates' operations and financial position. As a result, the impact COVID-19 will have on NOAH and Affiliates' businesses, operating results, cash flows, and financial condition is uncertain. It is management's opinion that the adverse impact, if any, would be manageable.

### 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 2021 and 2020, 73% and 76% of grant and contribution revenue was from two and three unrelated third parties, respectively. As of December 31, 2021 and 2020, 39% and 33%, respectively, of contracts, loans and other receivables was due from one unrelated third party.

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

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### 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.

Since NOAH and Affiliates received confirmation that the loan was forgiven by the lending bank and the Small Business Administration (SBA) 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 2021 and 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:

Conditional grant advance as of December 31, 2019	\$ -
Conditional awards received - 2020	2,500,000
Recognition of conditional awards	<u>(2,220,000)</u>
Conditional grant advance as of December 31, 2020	280,000
Conditional awards received - 2021	8,000,000
Recognition of conditional awards	<u>(7,466,269)</u>
Conditional grant advance as of December 31, 2021	<u>\$ 813,731</u>

In addition to the conditional advances noted above, during 2021, NOAH received an additional \$4,000,000 award pertaining to the rent relief program that is not included in the accompanying 2021 consolidating financial statements as the funds pledged have not been received as of December 31, 2021, and the donor-imposed conditions have not been met. During 2022, NOAH met the donor-imposed conditions and recognized both the conditional grant advance and the additional \$4,000,000 as grant and contribution revenue.

### 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

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### 18. GAIN ON SALE

During 2021, Shalom (see Note 3) sold four condominium units as summarized below:

Proceeds from sale of condominium units	\$ 902,100
Less - net book value of property and equipment sold	(365,089)
Less - closing costs paid by seller	<u>(65,180)</u>
Gain on sale of property and equipment	<u>\$ 471,831</u>

Shalom used the cash proceeds from the sale of the condominium units to make a grant of \$519,082 to NOAH, which is eliminated in the accompanying 2021 consolidating statement of activities.

### 19. 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:

	<b>2021</b>			
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>
Cash	\$ 3,159,521	\$ 72,989	\$ 1,653	\$ 1,375,000
Current portion of certificates of deposit	470,197	-	-	-
Current portion of restricted deposits	-	-	15,401	418,614
Current portion of contracts, loans and other receivables	<u>857,672</u>	<u>8,970</u>	<u>1,220</u>	<u>144,506</u>
	4,487,390	81,959	18,274	1,938,120
Less - cash held for programs and initiatives with donor restrictions (see Note 2)	(1,478,417)	-	-	-
Less - tenant security deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>(288,909)</u>
	<u>\$ 3,008,973</u>	<u>\$ 81,959</u>	<u>\$ 18,274</u>	<u>\$ 1,649,211</u>
	<b>2020</b>			
	<u>NOAH, Inc.</u>	<u>Peace Properties</u>	<u>NOAH CDFI</u>	<u>Rental Programs</u>
Cash - operating	\$ 3,666,873	\$ 97,376	\$ 5,684	\$ 1,310,546
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279,004)</u>
	<u>\$ 3,413,739</u>	<u>\$ 137,640</u>	<u>\$ 43,494</u>	<u>\$ 1,498,761</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2021 and 2020

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### 19. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

NOAH and Affiliates aim to maintain working capital balances of at least six months of operating expenses. As of December 31, 2021 and 2020, NOAH had average days of cash on hand of 132 and 129 (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.

### 20. RECLASSIFICATIONS

Certain amounts in the 2020 consolidating financial statements have been reclassified to conform with the 2021 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	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>NOAH</b>									
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	\$ -	\$ 55,765	\$ 1,000,000	\$ 5,133	\$ 55,917
City of Boston	2.00%	Second mortgage on the Aileron Project	The entire outstanding principal balance and all accrued interest were due and payable on December 17, 2021. The note was extended for another eighteen months in 2021 and principal balance and all accrued interest are now due October 21, 2023.	702,456	-	-	702,456	-	-
Community Economic Development Assistance Corporation (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 \$500,000.	490,767	45,911	-	282,334	21,496	-
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 \$700,000.	302,000	53,183	-	300,000	31,815	-
CEDAC	7.00%	All assets related to the Ayer Commons 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 \$115,000.	105,666	3,427	-	-	-	-
LISC	5.00%	Unsecured	Monthly payments of principal and interest totaling \$1,893 are due through June 1, 2022 (maturity).	14,789	-	1,478	36,193	-	2,305
NeighborWorks Capital Corporation	6.00%	Developer Fees from the Coppersmith Village and Coppersmith Condo projects, and the Paco Properties	Interest was due monthly through the maturity date, March 1, 2021. The entire principal balance and accrued and unpaid interest were paid in January 2021.	-	-	5,785	890,000	-	51,569
Eastern Bank	2.37%	First mortgage on the Aileron Project	Interest-only payments were due monthly through June 2021, at which time all outstanding principal and interest were repaid.	-	-	-	52,502	-	-
Total NOAH, Inc. (see page 28)				<u>2,615,678</u>	<u>102,521</u>	<u>63,028</u>	<u>3,263,485</u>	<u>58,444</u>	<u>109,791</u>

## 11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Peace Properties, Inc.</b>									
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. In May 2022, this note was extended and all outstanding principal and accrued interest are now due on January 2, 2023.	691,417	-	26,012	712,155	-	22,450
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 2022 and 2021 based on 2021 and 2020 cash flows.	200,000	19,836	8,000	200,000	16,000	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).	55,013	-	2,359	67,836	-	2,946
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, which was repaid during 2020.	-	-	-	-	3,836	3,836
Total Peace Properties, Inc. (see page 28)				<u>946,430</u>	<u>19,836</u>	<u>36,371</u>	<u>979,991</u>	<u>19,836</u>	<u>37,232</u>
<b>Rental Programs</b>									
<b>Shalom Properties, Inc.</b>									
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.	836,054	-	32,077	859,074	-	32,929
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	-	-
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. The mortgage was paid off in September 2021 with proceeds from the sale of the four condo units (see Note 18).	-	-	9,079	320,055	9,911	17,160
Sub-total Shalom Properties, Inc.				<u>1,326,732</u>	<u>-</u>	<u>41,156</u>	<u>1,669,807</u>	<u>9,911</u>	<u>50,089</u>

## 11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<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. During 2021, the maturity date was extended to September 30, 2022.	491,471	-	24,126	507,552	-	24,633
MHP	6.27%	Shared first mortgage on properties	Principal and interest are due in monthly installments of \$2,328 through maturity on October 25, 2021. During 2021, the maturity date was extended to September 30, 2022.	233,177	-	14,843	244,011	-	15,817
Sub-total Paz Properties, Inc.				724,648	-	38,969	751,563	-	40,450
<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 January 2023, at which time a balloon payment of \$94,883 is due.	111,413	-	8,852	122,494	2,485	9,036
BCLF	3.50%	Second mortgage on properties	Principal and interest are due in monthly installments of \$938 through July 2022.	9,095	-	302	19,732	-	880
Sub-total Siochain Properties LP				120,508	-	9,154	142,226	2,485	9,916
<i>Paco Properties LLC</i>									
Community Housing Capital, Inc.	4.25%	Shared first mortgage on the properties	Revolving line of credit which allows for borrowings up to \$6,000,000. Interest-only payments are due monthly through September 27, 2021 (maturity), at which time all outstanding principal and accrued interest become due. During 2021, the maturity date of the line of credit was extended through September 27, 2022, and the interest rate was adjusted to 4.25% from 6%.	6,000,000	113,958	360,000	5,922,972	896	353,654
Rockland Trust	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.	3,362,890	15,577	123,970	2,615,390	86,336	124,550
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. In May 2022, the maturity date of the line of credit was extended through January 18, 2023.	2,722,488	51,568	136,124	2,722,488	-	136,124
Sub-total Paco Properties LLC				12,085,378	181,103	620,094	11,260,850	87,232	614,328

## 11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<b>Stevens Corner LP</b>									
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.	1,239,175	-	88,222	1,264,699	-	89,952
<b>Benfield Farms LP</b>									
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.	1,267,491	-	55,569	1,298,321	-	56,783
<b>Sitkowski LP</b>									
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. Included in interest on first mortgage note payable in the accompanying consolidating statements of activities is mortgage insurance of \$6,562 for 2021 and 2020.	1,664,592	-	92,459	1,682,145	-	95,413
<b>Shoe Shop LP</b>									
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.	1,519,372	-	84,521	1,546,059	-	86,018
<b>Coppersmith LP</b>									
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, which bears interest at 3.99% through December 15, 2036 (maturity). Payments of principal and interest totaling \$27,813 on Series B are due monthly through maturity, at which time a balloon principal payment of \$3,202,296 is due.	5,485,144	18,276	223,926	5,594,598	19,222	228,899



11. MORTGAGE AND NOTES PAYABLE (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<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, which bears interest at 3.99% through December 15, 2036 (maturity). Payments of principal and interest totaling \$1,921 on Series 2018 are due monthly through maturity, at which time a balloon principal payment of \$230,433 is due.	383,885	1,319	15,666	391,243	1,344	16,002
MDFA	3.33%	Shared first mortgage on the property	Tax-exempt bond issued through MDFA (Series A), matured on April 15, 2020.	-	-	-	-	-	46,947
Sub-total Coppersmith LP				5,869,029	19,595	239,592	5,985,841	20,566	291,848
Sub-total rental programs (see page 28)				<u>\$ 25,816,925</u>	<u>\$ 200,698</u>	<u>\$ 1,269,736</u>	<u>\$ 25,601,511</u>	<u>\$ 120,194</u>	<u>\$ 1,334,797</u>

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs</b>									
<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 January 2023. 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 2021 and 2020.	\$ 164,000	\$ -	\$ -	\$ 164,000	\$ -	\$ -
<i>Paz Properties, Inc.</i>									
MHP	0.00%	Second mortgages on the properties	Outstanding amounts on these three notes are due on various due dates through 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 2022 and 2021 based on 2021 and 2020 cash flows.	1,111,871	36,977	12,359	1,111,871	24,618	12,349
City of Boston	1.50%	Mortgage on property	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 2022 and 2021 based on 2021 and 2020 cash flows.	727,245	45,633	15,438	727,245	30,195	15,210
City of Boston	0.00%	Unsecured	The note is expected to be forgiven in 2023.	8,280	-	-	8,280	-	-
Sub-total Paz Properties, Inc.				3,261,081	82,610	27,797	3,261,081	54,813	27,559

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<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	136,609	11,245	862,094	125,364	11,133
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 2023. 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, 2023, or if the property fails to continue to provide affordable housing to low and moderate-income families.	418,170	123,008	4,181	418,170	118,827	4,181
Sub-total Trinity House LLC				1,280,264	259,617	15,426	1,280,264	244,191	15,314
<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	764,268	60,461	380,000	703,807	57,266
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 2022 and 2021 based on 2021 and 2020 cash flows. Principal and all accrued interest are due in full in October 2030.	380,000	1,376,763	126,370	380,000	1,250,393	117,443
Sub-total Siochain Properties LP				760,000	2,141,031	186,831	760,000	1,954,200	174,709

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<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 September 2071. 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 2022 based on 2021 cash flow.	3,846,430	-	-	3,568,965	-	-
<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	439,404	40,158	1,338,580	399,246	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	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Stevens Corner LP (Continued)</i>									
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	228,693	20,063	668,772	208,630	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 2022 and 2021 based on 2021 and 2020 cash flows. There was a payment of \$19,207 of interest due based on 2017 cash flow, which remains unpaid as of December 31, 2021.	511,179	149,558	25,559	511,179	123,999	25,559
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 2022 and 2021 based on 2021 and 2020 cash flows.	352,138	-	-	352,138	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<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	59,032	5,251	175,000	53,781	5,251
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	23,483	2,249	75,000	21,234	2,249
Sub-total Stevens Corner LP				4,105,669	900,170	93,280	4,105,669	806,890	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 2022 and 2021 based on 2021 and 2020 cash flows.	871,200	595	87	871,200	508	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	-	-

## 12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Benfield Farms LP (Continued)</i>									
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	-	-
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	595	87	3,246,200	508	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 2022 and 2021 based on 2021 and 2020 cash flows.	2,700,000	538,089	89,640	2,700,000	448,449	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 2022 and 2021 based on 2021 and 2020 cash flows.	2,047,000	379,444	67,960	2,047,000	311,484	67,960

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Sitkowski LP (Continued)</i>									
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	191,988	32,949	1,645,434	159,039	33,458
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	80,833	10,556	1,000,000	70,277	10,166
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	-	-
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	108,410	14,300	715,000	94,110	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 2022 and 2021 based on 2021 and 2020 cash flows.	99,832	-	-	99,832	-	-
Sub-total Sitkowski LP				9,207,266	1,298,764	215,405	9,207,266	1,083,359	215,524



12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Shoe Shop LP</i>									
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	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Coppersmith LP</i>									
City of Boston	2.50%	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. 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. Included in the current portion of accrued interest payable as of December 31, 2021, is \$17,663 of deferred interest due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	6,888,000	532,624	180,991	6,888,000	351,632	146,874
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. During 2021, Coppersmith made a principal payment of \$390,558 with proceeds from the DHCD - NFITF note (see page 49). Included in the current portion of accrued interest payable as of December 31, 2021, is \$28,432 of deferred interest due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	2,316,942	170,572	72,199	2,707,500	98,373	81,225

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Coppersmith LP (Continued)</i>									
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. 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. Included in the current portion of accrued interest payable as of December 31, 2021, is \$4,006 of deferred interest due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	1,562,500	88,407	31,250	1,562,500	57,157	28,311
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. Included in the current portion of accrued interest payable as of December 31, 2021, is \$2,564 of deferred interest due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	1,000,000	100,400	20,000	1,000,000	80,400	20,000

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Coppersmith LP (Continued)</i>									
DHCD - NFITF	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 of which gross receipts exceed gross expenditures, as defined in the agreement. The note matures on November 24, 2050. The Partnership has the option to extend the maturity date 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. Included in the current portion of accrued interest payable as of December 31, 2021, is \$1,538 of deferred interest due in 2022 based on 2021 net cash flow.	600,000	10,633	10,633	-	-	-
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. Included in the current portion of accrued interest payable as of December 31, 2021, is \$1,410 of deferred interest due in 2022 based on 2021 net cash flow. There was not payment due in 2021 based on 2020 net cash flow.	550,000	24,826	11,000	550,000	13,826	10,468

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Coppersmith LP (Continued)</i>									
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. The maximum borrowings on this note are \$300,000. Outstanding principal is due on December 15, 2048. Coppersmith 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. Included in the current portion of other mortgage notes payable as of December 31, 2021, is \$769 due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	300,000	-	-	285,000	-	-
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. Included in the current portion of other mortgage notes payable as of December 31, 2021, is \$481 due in 2022 based on 2021 net cash flow. There was no payment due in 2021 based on 2020 net cash flow.	187,500	-	-	187,500	-	-

12. CONTINGENT LOANS AND ADVANCES (Continued)

Lender	Interest Rate	Security	Payment Terms	2021			2020		
				Outstanding Principal	Accrued Interest	Interest Expense	Outstanding Principal	Accrued Interest	Interest Expense
<b>Rental Programs (Continued)</b>									
<i>Coppersmith LP (Continued)</i>									
Peace Properties, Inc.	3.00%	Fourth mortgage on the property	Outstanding interest and principal were 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 outstanding as of December 31, 2020 was paid with proceeds from additional funds committed by DHCD.	-	-	-	-	35,704	26,502
Sub-total Coppersmith LP				13,404,942	927,462	326,073	13,180,500	637,092	313,380
Total Rental Programs (see page 29)				<u>\$ 41,459,996</u>	<u>\$ 5,610,249</u>	<u>\$ 864,899</u>	<u>\$ 40,958,089</u>	<u>\$ 4,781,053</u>	<u>\$ 839,853</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Programs  
For the Year Ended December 31, 2021  
(With Summarized Comparative Totals as of December 31, 2020)

Assets	2021										2020	
	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	\$ 139,028	\$ 411,237	\$ 188,233	\$ 120,482	\$ 13,735	\$ 25,749	\$ 6,143	\$ 146,190	\$ 114,145	\$ 210,058	\$ 1,375,000	\$ 1,310,546
Current portion of restricted deposits	57,157	47,156	9,860	11,988	63,376	37,888	44,799	79,878	18,300	48,212	418,614	400,233
Contracts, loans and other receivables	27,379	18,200	2,687	3,947	39,023	9,099	5,317	9,586	1,554	27,714	144,506	166,986
Due from affiliates	-	-	-	-	-	-	-	-	-	28,000	28,000	16,000
Prepaid expenses and other	27,431	33,354	12,882	1,669	11,545	7,050	3,465	17,493	10,086	50,409	175,384	166,391
Total current assets	250,995	509,947	213,662	138,086	127,679	79,786	59,724	253,147	144,085	364,393	2,141,504	2,060,156
Restricted Deposits, net of current portion	114,439	430,148	213,329	55,803	125,227	152,470	237,800	275,751	181,906	549,067	2,335,940	2,083,300
Capitalized Costs, net	-	-	-	-	-	551	12,986	24,474	18,227	48,193	104,431	120,427
Property and Equipment, net	1,450,492	2,580,051	813,957	1,222,821	15,530,340	7,195,186	7,813,675	16,217,657	8,030,663	25,980,471	86,835,313	88,256,836
Total assets	\$ 1,815,926	\$ 3,520,146	\$ 1,240,948	\$ 1,416,710	\$ 15,783,246	\$ 7,427,993	\$ 8,124,185	\$ 16,771,029	\$ 8,374,881	\$ 26,942,124	\$ 91,417,188	\$ 92,520,719
Liabilities and Net Assets												
Current Liabilities:												
Current portion of mortgage and notes payable	\$ 23,905	\$ 724,648	\$ -	\$ 25,625	\$ 9,343,707	\$ 27,380	\$ 32,189	\$ 18,528	\$ 31,543	\$ 121,626	\$ 10,349,151	\$ 9,676,411
Current portion of accrued interest	-	-	-	-	181,103	19,207	-	-	-	75,208	275,518	139,401
Accounts payable and other liabilities	56,519	76,498	32,275	36,620	104,911	62,710	112,186	43,539	51,388	147,091	723,737	656,707
Current portion of due to affiliates	10,520	-	-	-	920,058	29,263	37,389	-	32,943	26,735	1,056,908	821,645
Total current liabilities	90,944	801,146	32,275	62,245	10,549,779	138,560	181,764	62,067	115,874	370,660	12,405,314	11,294,164
Long-Term Liabilities:												
Mortgage and notes payable, net	1,269,305	-	-	94,883	2,722,488	1,176,818	1,181,969	1,611,347	1,459,751	5,549,790	15,066,351	15,489,180
Due to affiliates, net of current portion	75,000	-	94,626	169,014	851,636	-	717,368	-	-	782,069	2,689,713	2,636,370
Accrued interest, net of current portion	-	82,610	259,617	2,141,031	-	880,963	595	1,298,764	-	871,849	5,535,429	4,761,846
Contingent loans and advances	164,000	3,261,081	1,280,264	760,000	3,846,430	4,105,669	3,246,200	9,207,266	2,184,144	13,404,942	41,459,996	40,958,089
Total long-term liabilities	1,508,305	3,343,691	1,634,507	3,164,928	7,420,554	6,163,450	5,146,132	12,117,377	3,643,895	20,608,650	64,751,489	63,845,485
Total liabilities	1,599,249	4,144,837	1,666,782	3,227,173	17,970,333	6,302,010	5,327,896	12,179,444	3,759,769	20,979,310	77,156,803	75,139,649
Net Assets:												
Without donor restrictions:												
Operating	83,956	226,341	181,387	101,466	(897,290)	(12,187)	(89,851)	209,608	59,754	190,567	53,751	174,696
Property and equipment	32,721	(1,058,140)	(607,221)	(1,911,929)	(1,289,797)	1,138,170	2,886,140	4,381,977	4,555,358	5,772,247	13,899,526	16,799,266
Total without donor restrictions	116,677	(831,799)	(425,834)	(1,810,463)	(2,187,087)	1,125,983	2,796,289	4,591,585	4,615,112	5,962,814	13,953,277	16,973,962
With donor restrictions	100,000	207,108	-	-	-	-	-	-	-	-	307,108	407,108
Total net assets	216,677	(624,691)	(425,834)	(1,810,463)	(2,187,087)	1,125,983	2,796,289	4,591,585	4,615,112	5,962,814	14,260,385	17,381,070
Total liabilities and net assets	\$ 1,815,926	\$ 3,520,146	\$ 1,240,948	\$ 1,416,710	\$ 15,783,246	\$ 7,427,993	\$ 8,124,185	\$ 16,771,029	\$ 8,374,881	\$ 26,942,124	\$ 91,417,188	\$ 92,520,719

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Financial Position - Rental Programs  
For the Year Ended December 31, 2020

<b>Assets</b>	<b>Shalom Properties, Inc.</b>	<b>Paz Properties, Inc.</b>	<b>Trinity House LLC</b>	<b>Siochain Properties LP</b>	<b>Paco Properties LLC</b>	<b>Stevens Corner LP</b>	<b>Benfield Farms LP</b>	<b>Sitkowski LP</b>	<b>Shoe Shop LP</b>	<b>Coppersmith LP</b>	<b>Total</b>
<b>Current Assets:</b>											
Cash	\$ 100,204	\$ 360,591	\$ 157,072	\$ 122,923	\$ 22,853	\$ 32,343	\$ 4,388	\$ 191,830	\$ 96,419	\$ 221,923	\$ 1,310,546
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
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
Due from affiliates	-	-	-	-	-	-	-	-	-	16,000	16,000
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
<b>Total current assets</b>	<b>219,497</b>	<b>448,986</b>	<b>189,910</b>	<b>145,336</b>	<b>134,432</b>	<b>84,622</b>	<b>61,234</b>	<b>289,540</b>	<b>129,114</b>	<b>357,485</b>	<b>2,060,156</b>
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
Capitalized Costs, net	-	-	-	-	-	3,575	14,798	27,411	22,645	51,998	120,427
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
<b>Total assets</b>	<b>\$ 2,196,834</b>	<b>\$ 3,522,266</b>	<b>\$ 1,262,252</b>	<b>\$ 1,474,866</b>	<b>\$ 14,794,165</b>	<b>\$ 7,645,199</b>	<b>\$ 8,207,372</b>	<b>\$ 17,281,028</b>	<b>\$ 8,590,096</b>	<b>\$ 27,546,641</b>	<b>\$ 92,520,719</b>
<b>Liabilities and Net Assets</b>											
<b>Current Liabilities:</b>											
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
Current portion of accrued interest	9,911	-	-	2,485	87,232	19,207	-	-	-	20,566	139,401
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
Current portion of due to affiliates	9,330	140	-	-	629,831	29,263	13,775	27,321	13,552	98,433	821,645
<b>Total current liabilities</b>	<b>111,324</b>	<b>811,592</b>	<b>29,626</b>	<b>58,251</b>	<b>9,463,537</b>	<b>134,287</b>	<b>112,689</b>	<b>105,640</b>	<b>94,274</b>	<b>372,944</b>	<b>11,294,164</b>
<b>Long-Term Liabilities:</b>											
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
Due to affiliates, net of current portion	75,000	-	94,626	187,794	830,632	-	478,915	-	13,595	955,808	2,636,370
Accrued interest, net of current portion	-	54,813	244,191	1,954,200	-	787,683	508	1,083,359	-	637,092	4,761,846
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
<b>Total long-term liabilities</b>	<b>1,828,050</b>	<b>3,315,894</b>	<b>1,619,081</b>	<b>3,021,837</b>	<b>6,994,546</b>	<b>6,093,878</b>	<b>4,935,436</b>	<b>11,919,421</b>	<b>3,685,700</b>	<b>20,431,642</b>	<b>63,845,485</b>
<b>Total liabilities</b>	<b>1,939,374</b>	<b>4,127,486</b>	<b>1,648,707</b>	<b>3,080,088</b>	<b>16,458,083</b>	<b>6,228,165</b>	<b>5,048,125</b>	<b>12,025,061</b>	<b>3,779,974</b>	<b>20,804,586</b>	<b>75,139,649</b>
<b>Net Assets:</b>											
<b>Without donor restrictions:</b>											
Operating	(42,367)	181,849	160,284	111,953	(596,413)	(4,934)	(20,625)	201,526	61,504	121,919	174,696
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	6,620,136	16,799,266
<b>Total without donor restrictions</b>	<b>57,460</b>	<b>(812,328)</b>	<b>(386,455)</b>	<b>(1,605,222)</b>	<b>(1,663,918)</b>	<b>1,417,034</b>	<b>3,159,247</b>	<b>5,255,967</b>	<b>4,810,122</b>	<b>6,742,055</b>	<b>16,973,962</b>
<b>With donor restrictions</b>	<b>200,000</b>	<b>207,108</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407,108</b>
<b>Total net assets</b>	<b>257,460</b>	<b>(605,220)</b>	<b>(386,455)</b>	<b>(1,605,222)</b>	<b>(1,663,918)</b>	<b>1,417,034</b>	<b>3,159,247</b>	<b>5,255,967</b>	<b>4,810,122</b>	<b>6,742,055</b>	<b>17,381,070</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,196,834</b>	<b>\$ 3,522,266</b>	<b>\$ 1,262,252</b>	<b>\$ 1,474,866</b>	<b>\$ 14,794,165</b>	<b>\$ 7,645,199</b>	<b>\$ 8,207,372</b>	<b>\$ 17,281,028</b>	<b>\$ 8,590,096</b>	<b>\$ 27,546,641</b>	<b>\$ 92,520,719</b>



## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Programs

For the Year Ended December 31, 2021

(With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021										2020	
	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
<b>Net Assets Without Donor Restrictions:</b>												
Operating revenues:												
Rental income, net of vacancies	\$ 469,642	\$ 557,223	\$ 159,315	\$ 178,315	\$ 928,235	\$ 560,843	\$ 381,383	\$ 612,383	\$ 403,564	\$ 1,161,775	\$ 5,412,678	\$ 5,345,073
Interest and other income	3,467	15,485	3,156	3,016	10,645	7,791	15,103	35,902	7,804	62,891	165,260	156,172
Net assets released from purpose restrictions	100,000	-	-	-	-	-	-	-	-	-	100,000	-
Total operating revenues	573,109	572,708	162,471	181,331	938,880	568,634	396,486	648,285	411,368	1,224,666	5,677,938	5,501,245
Operating expenses:												
Rental programs	917,288	433,547	132,175	138,429	1,153,133	526,734	494,479	590,195	364,047	987,319	5,737,346	4,875,563
Depreciation and amortization	68,435	130,835	54,249	61,312	308,916	239,671	264,878	507,067	242,331	690,515	2,568,209	2,558,777
Total operating expenses	985,723	564,382	186,424	199,741	1,462,049	766,405	759,357	1,097,262	606,378	1,677,834	8,305,555	7,434,340
Changes in net assets without donor restrictions from operations	(412,614)	8,326	(23,953)	(18,410)	(523,169)	(197,771)	(362,871)	(448,977)	(195,010)	(453,168)	(2,627,617)	(1,933,095)
Non-operating revenue (expenses):												
Gain on sale of property and equipment	471,831	-	-	-	-	-	-	-	-	-	471,831	-
Deferred interest	-	(27,797)	(15,426)	(186,831)	-	(93,280)	(87)	(215,405)	-	(326,073)	(864,899)	(839,853)
Total non-operating revenue (expenses)	471,831	(27,797)	(15,426)	(186,831)	-	(93,280)	(87)	(215,405)	-	(326,073)	(393,068)	(839,853)
Changes in net assets without donor restrictions	59,217	(19,471)	(39,379)	(205,241)	(523,169)	(291,051)	(362,958)	(664,382)	(195,010)	(779,241)	(3,020,685)	(2,772,948)
<b>Net Assets With Donor Restrictions:</b>												
Net assets released from purpose restrictions	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)	-
Changes in net assets	\$ (40,783)	\$ (19,471)	\$ (39,379)	\$ (205,241)	\$ (523,169)	\$ (291,051)	\$ (362,958)	\$ (664,382)	\$ (195,010)	\$ (779,241)	\$ (3,120,685)	\$ (2,772,948)

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Activities - Rental Programs  
For the Year Ended December 31, 2020

	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
<b>Net Assets Without Donor Restrictions:</b>											
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
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
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
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
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
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
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)
Non-operating expenses:											
Deferred interest	-	(27,559)	(15,314)	(174,709)	-	(93,280)	(87)	(215,524)	-	(313,380)	(839,853)
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)

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statements of Changes in Net Assets - Rental Programs  
For the Years Ended December 31, 2021 and 2020

	<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>
<b>Net Assets, December 31, 2019</b>	\$ 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>
<b>Net Assets, December 31, 2020</b>	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
Changes in net assets	<u>(40,783)</u>	<u>(19,471)</u>	<u>(39,379)</u>	<u>(205,241)</u>	<u>(523,169)</u>	<u>(291,051)</u>	<u>(362,958)</u>	<u>(664,382)</u>	<u>(195,010)</u>	<u>(779,241)</u>	<u>(3,120,685)</u>
<b>Net Assets, December 31, 2021</b>	<u>\$ 216,677</u>	<u>\$ (624,691)</u>	<u>\$ (425,834)</u>	<u>\$ (1,810,463)</u>	<u>\$ (2,187,087)</u>	<u>\$ 1,125,983</u>	<u>\$ 2,796,289</u>	<u>\$ 4,591,585</u>	<u>\$ 4,615,112</u>	<u>\$ 5,962,814</u>	<u>\$ 14,260,385</u>

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Functional Expenses - Rental Programs  
For the Year Ended December 31, 2021  
(With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021										2020	
	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
<b>Personnel and Related:</b>												
Consulting and contract labor	\$ 24,085	\$ 47,413	\$ 16,344	\$ 15,836	\$ 57,192	\$ 167,997	\$ 164,566	\$ 163,143	\$ 88,945	\$ 216,874	\$ 962,395	\$ 727,034
<b>Other:</b>												
Interest expense	48,842	38,969	-	9,154	655,097	91,894	59,827	93,465	87,877	252,766	1,337,891	1,411,382
Insurance and taxes	70,537	73,355	19,286	27,661	250,274	61,792	52,149	85,103	41,210	164,283	845,650	764,590
Telephone and utilities	62,762	49,558	27,666	16,086	68,907	104,547	132,123	114,860	52,370	118,611	747,490	706,385
Repairs, maintenance and security	92,163	124,933	38,215	29,990	25,860	39,278	21,801	49,240	25,634	101,591	548,705	511,434
Grant to affiliate	519,082	-	-	-	-	-	-	-	-	-	519,082	-
Management fees	25,754	33,725	6,277	20,757	47,918	34,117	29,764	32,121	31,992	100,764	363,189	331,622
Professional fees	13,000	13,000	13,000	13,000	5,500	15,710	16,377	20,016	23,795	25,107	158,505	173,151
Bad debts	12,395	30,752	7,581	-	39,100	-	4,117	2,166	-	1,161	97,272	121,239
Supplies and general office	6,289	2,874	-	727	-	6,476	7,605	20,636	12,224	3,200	60,031	56,639
Program expenses	18,032	16,855	2,866	4,138	-	308	6,150	2,822	-	2,962	54,133	53,942
Miscellaneous	24,347	2,113	940	1,080	3,285	4,615	-	6,623	-	-	43,003	18,145
Total other	893,203	386,134	115,831	122,593	1,095,941	358,737	329,913	427,052	275,102	770,445	4,774,951	4,148,529
Total expenses before depreciation and amortization	917,288	433,547	132,175	138,429	1,153,133	526,734	494,479	590,195	364,047	987,319	5,737,346	4,875,563
<b>Depreciation and Amortization</b>	68,435	130,835	54,249	61,312	308,916	239,671	264,878	507,067	242,331	690,515	2,568,209	2,558,777
Total expenses	\$ 985,723	\$ 564,382	\$ 186,424	\$ 199,741	\$ 1,462,049	\$ 766,405	\$ 759,357	\$ 1,097,262	\$ 606,378	\$ 1,677,834	\$ 8,305,555	\$ 7,434,340

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Consolidating Statement of Functional Expenses - Rental Programs  
For the Year Ended December 31, 2020

	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
<b>Personnel and Related:</b>											
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
<b>Other:</b>											
Interest expense	57,774	40,450	-	9,916	657,675	93,624	61,128	96,419	89,374	305,022	1,411,382
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
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
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
Management fees	26,136	33,725	6,277	20,757	45,900	33,242	29,585	32,150	31,769	72,081	331,622
Professional fees	12,160	12,250	12,200	12,000	15,341	17,909	13,500	19,868	22,759	35,164	173,151
Bad debts	19,859	25,336	12,384	3,332	41,398	4,363	81	563	7,446	6,477	121,239
Supplies and general office	8,851	3,763	1,469	2,852	-	6,630	2,685	15,287	10,044	5,058	56,639
Program expenses	27,508	10,364	1,816	3,147	-	451	5,971	3,169	-	1,516	53,942
Miscellaneous	1,435	2,215	1,802	1,021	1,999	6,267	662	2,744	-	-	18,145
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
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
<b>Depreciation and Amortization</b>	73,832	129,817	55,201	63,221	295,027	237,751	262,502	505,274	243,978	692,174	2,558,777
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

## NEIGHBORHOOD OF AFFORDABLE HOUSING, INC. AND AFFILIATES

Supplementary Schedule of NeighborWorks® America's Restricted Net Assets  
December 31, 2021

	<u>Capital Invested</u>	<u>Less Valuation Allowance</u>	<u>Eliminations</u>	<u>Restricted Net Assets</u>
<b>Contracts, Loans and Other Receivables:</b>				
NOAH CDFI - receivable from Peace Properties	\$ 118,642	\$ -	\$ -	\$ 118,642
NOAH CDFI - loans receivable from Homeownership program	30,244	(17,651)	-	12,593
NOAH CDFI - loans receivable from Cutler Heights Housing LP	115,000	(115,000)	-	-
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	170,872	-	-	170,872
NOAH - receivable from Peace Properties for Union Block	51,636	(4,395)	4,395	51,636
<b>Investments:</b>				
Peace Properties investment	452,000	(452,000)	452,000	452,000
<b>Property and Equipment:</b>				
Paz Properties, Inc.	207,108	-	-	207,108
Shalom Properties, Inc.	100,000	-	-	100,000
Total assets	<u>\$ 1,390,502</u>	<u>\$ (734,046)</u>	<u>\$ 601,395</u>	<u>\$ 1,257,851</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.