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**BELLWETHER HOUSING AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND REPORT OF INDEPENDENT AUDITORS**

**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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## **Report of Independent Auditors**

To the Board of Directors of  
Bellwether Housing and Affiliates

We have audited the accompanying consolidated financial statements of Bellwether Housing and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities without donor restriction, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

*Opinion*

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

*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 34 through 43 is presented for the purpose of additional analysis, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Novogradac & Company LLP*

San Francisco, California  
July 6, 2021

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019****ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current assets (Note 2)</b>		
Cash and cash equivalents	\$ 5,176,524	\$ 6,842,865
Cash and cash equivalents - Restricted	24,046,271	16,478,546
Investments and cash - Board designated reserves (Notes 3, 15)		
Administrative operating reserve	2,592,535	2,755,768
Pooled replacement reserve	2,333,990	2,046,841
Impact investment reserve	2,347,639	1,335,939
Opportunity Fund	22,273,799	27,331,270
Total investments and cash - Board designated reserves (Notes 3, 15)	<u>29,547,963</u>	<u>33,469,818</u>
Investments and cash - Building Opportunity Fund	894,584	3,290,000
Tenant and other receivables, net	1,706,299	1,963,181
Project development expenditures (Note 7)	2,453,348	4,826,886
Prepaid expenses and other assets	<u>750,106</u>	<u>699,276</u>
<b>Total current assets</b>	<b>64,575,095</b>	<b>67,570,572</b>
<b>Property and equipment, net (Note 7)</b>		
Land	59,324,906	43,289,872
Buildings	254,381,806	247,586,562
Furniture and equipment	14,602,963	13,833,289
Construction in progress	47,368,875	524,751
	<u>375,678,550</u>	<u>305,234,474</u>
Less: Accumulated depreciation	<u>(70,665,430)</u>	<u>(62,926,370)</u>
<b>Total property and equipment, net</b>	<b>305,013,120</b>	<b>242,308,104</b>
<b>Other assets</b>		
Deferred costs, net (Note 2)	462,848	454,914
Long term notes receivable (Note 6)	<u>9,200</u>	<u>9,200</u>
<b>Total other assets</b>	<b>472,048</b>	<b>464,114</b>
<b>Total Assets</b>	<b><u>\$ 370,060,263</u></b>	<b><u>\$ 310,342,790</u></b>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
DECEMBER 31, 2020 AND 2019****LIABILITIES AND NET ASSETS**

	<u>2020</u>	<u>2019</u>
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 4,230,919	\$ 1,828,064
Construction payables	7,265,804	-
Short-term notes and advances	-	2,729
Accrued interest payable	407,474	401,418
Security deposits	802,163	812,581
Current portion of long-term debt (Note 8, 9)	9,217,722	13,721,699
<b>Total current liabilities</b>	<b><u>21,924,082</u></b>	<b><u>16,766,491</u></b>
<b>Long term liabilities</b>		
Deferred interest payable	4,028,902	3,435,904
Long-term debt, deferred loans and grants, net of current maturities (Note 8, 9)	201,476,118	165,334,743
Less: unamortized debt issuance costs (Note 9)	(2,660,350)	(2,282,572)
<b>Total long-term liabilities</b>	<b><u>202,844,670</u></b>	<b><u>166,488,075</u></b>
<b>Total liabilities</b>	<b><u>224,768,752</u></b>	<b><u>183,254,566</u></b>
<b>Net assets</b>		
Net assets without donor restriction (Note 11)	87,008,819	70,583,726
Net assets with donor restriction (Note 12)	1,222,695	1,699,854
Non-controlling interest in LPs and LLCs (Note 11)	57,059,997	54,804,644
<b>Total net assets</b>	<b><u>145,291,511</u></b>	<b><u>127,088,224</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 370,060,263</u></b>	<b><u>\$ 310,342,790</u></b>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF ACTIVITIES WITHOUT DONOR RESTRICTION  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Revenue and Public Support</b>		
Rental revenue - residential	\$ 28,148,373	\$ 26,401,790
Rental revenue - commercial	719,476	1,370,585
Property management	24,468	54,028
Consulting fees	220,687	471,237
Interest, dividends, and realized gains	1,124,505	1,258,130
Grants and contributions	15,138,815	1,172,207
Net assets released from restrictions	3,172,260	123,482
Other revenue	1,112,331	250,163
	<u>49,660,915</u>	<u>31,101,622</u>
<b>Total Revenue and Public Support</b>	<b>49,660,915</b>	<b>31,101,622</b>
<b>Expenses</b>		
Program Expenses		
Rental operations		
Operating expenses	13,241,806	11,782,456
Depreciation and amortization	7,665,431	7,577,784
Interest expense	5,237,807	5,893,274
Development and property management	9,257,216	6,600,992
Other	53,473	53,747
<b>Total Program Expenses</b>	<u>35,455,733</u>	<u>31,908,253</u>
<b>Supporting Service Expenses</b>		
Management and general	4,231,829	2,651,779
Fundraising	370,779	548,729
<b>Total Supporting Service Expenses</b>	<u>4,602,608</u>	<u>3,200,508</u>
	<u>40,058,341</u>	<u>35,108,761</u>
<b>Total Expenses</b>	<b>40,058,341</b>	<b>35,108,761</b>
<b>Net Income (Loss) from Operations</b>	<b>9,602,574</b>	<b>(4,007,139)</b>
<b>Gains and (Losses)</b>		
Gain (loss) on investments (Note 3)	3,236,415	3,798,999
	<u>3,236,415</u>	<u>3,798,999</u>
<b>Total Gains and (Losses)</b>	<b>3,236,415</b>	<b>3,798,999</b>
<b>Change in Net Assets Without Donor Restriction</b>	<u><u>\$ 12,838,989</u></u>	<u><u>\$ (208,140)</u></u>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Net Assets Without Donor Restriction</b>		
Revenue and public support	\$ 46,488,655	\$ 30,978,140
Net assets released from restrictions	<u>3,172,260</u>	<u>123,482</u>
<b>Total Revenue and Public Support</b>	<b><u>49,660,915</u></b>	<b><u>31,101,622</u></b>
Expenses	(40,058,341)	(35,108,761)
Gains	<u>3,236,415</u>	<u>3,798,999</u>
<b>Total Expenses and Gains</b>	<b><u>(36,821,926)</u></b>	<b><u>(31,309,762)</u></b>
<b>Changes in net assets without donor restriction</b>	<b><u>12,838,989</u></b>	<b><u>(208,140)</u></b>
<b>Net Assets With Donor Restriction</b>		
Revenue and public support	2,695,101	1,525,163
Net assets released from restrictions	<u>(3,172,260)</u>	<u>(123,482)</u>
<b>Changes in net assets with donor restriction</b>	<b><u>(477,159)</u></b>	<b><u>1,401,681</u></b>
<b>Changes in net assets</b>	<b><u>12,361,830</u></b>	<b><u>1,193,541</u></b>
<b>Non-Controlling Interest in LPs and LLCs</b>		
Owners' contributions	6,392,013	37,659,155
Owners' withdrawals	<u>(550,556)</u>	<u>(43,210)</u>
<b>Changes in non-controlling interest in LPs and LLCs</b>	<b><u>5,841,457</u></b>	<b><u>37,615,945</u></b>
<b>Changes in net assets and non-controlling interest in LPs and LLCs</b>	<b><u>18,203,287</u></b>	<b><u>38,809,486</u></b>
<b>Balance, beginning of year</b>	<b><u>127,088,224</u></b>	<b><u>88,278,738</u></b>
<b>Balance, end of year</b>	<b><u>\$ 145,291,511</u></b>	<b><u>\$ 127,088,224</u></b>



**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020**

	<b>Bellwether Owned Properties</b>	<b>Partnership Properties</b>	<b>Property Management</b>	<b>Real Estate Development</b>	<b>Total Program</b>	<b>Fundraising</b>	<b>General &amp; Administrative</b>	<b>Total</b>
Salary & benefits	\$ 2,736,479	\$ 1,678,998	\$ 4,333,262	\$ 1,939,064	\$ 10,687,803	\$ 251,839	\$ 2,136,136	\$ 13,075,778
Operating & maintenance	2,332,100	663,456	1,507,341	226,952	4,729,849	23,618	484,383	5,237,850
Professional fees	470,352	235,485	67,153	39,595	812,585	32,664	971,433	1,816,682
Occupancy	3,210,865	1,317,529	109,133	322,360	4,959,887	1,986	195,278	5,157,151
Trainings, meetings & memberships	13,670	9,612	28,879	19,137	71,298	57,777	39,797	168,872
Printing & communications	8,032	6,776	103	106	15,017	1,221	3,858	20,096
Depreciation and amortization	2,763,030	4,902,402	-	49,379	7,714,811	-	214,401	7,929,212
Interest Expense	2,635,461	2,602,349	-	477,304	5,715,114	-	175,254	5,890,368
Other	274,787	337,137	-	137,445	749,369	1,674	11,289	762,332
	<u>\$14,444,776</u>	<u>\$11,753,744</u>	<u>\$ 6,045,871</u>	<u>\$ 3,211,342</u>	<u>\$ 35,455,733</u>	<u>\$ 370,779</u>	<u>\$ 4,231,829</u>	<u>\$ 40,058,341</u>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019**

	<b>Bellwether Owned Properties</b>	<b>Partnership Properties</b>	<b>Property Management</b>	<b>Real Estate Development</b>	<b>Total Program</b>	<b>Fundraising</b>	<b>General &amp; Administrative</b>	<b>Total</b>
Salary & benefits	\$ 1,935,936	\$ 1,244,126	\$ 3,635,678	\$ 1,638,240	\$ 8,453,980	\$ 236,126	\$ 1,334,983	\$ 10,025,089
Operating & maintenance	3,520,769	543,751	102,890	15,814	4,183,224	8,749	181,959	4,373,932
Professional fees	323,143	229,806	96,912	85,846	735,707	52,694	971,705	1,760,106
Occupancy	2,415,438	1,439,258	137,921	154,253	4,146,870	3,521	55,468	4,205,859
Trainings, meetings & memberships	12,146	7,973	44,748	27,026	91,893	95,446	79,230	266,569
Printing & communications	6,122	1,849	1,261	401	9,633	68,122	6,632	84,387
Depreciation and amortization	2,573,430	5,048,388	59,156	75,877	7,756,851	4,891	18,300	7,780,042
Interest Expense	2,647,939	3,201,302	5,919	323,409	6,178,569	79,180	2	6,257,751
Other	55,205	100,681	88,268	107,372	351,526	-	3,500	355,026
	<u>\$13,490,128</u>	<u>\$11,817,134</u>	<u>\$ 4,172,753</u>	<u>\$ 2,428,238</u>	<u>\$ 31,908,253</u>	<u>\$ 548,729</u>	<u>\$ 2,651,779</u>	<u>\$ 35,108,761</u>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities</b>		
Changes in net assets	<b>\$ 12,361,830</b>	<b>\$ 1,193,541</b>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	7,929,212	7,780,042
Amortization - debt issuance costs	249,942	246,192
Gain on investments	(3,236,415)	(3,798,999)
Contribution of property and equipment	(6,501,764)	-
Changes in:		
Tenant and other receivables	(136,314)	(653,010)
Prepaid expenses and other assets	(50,830)	(142,059)
Accounts payable and accrued expenses	2,402,855	42,882
Security deposits	(10,418)	14,099
Accrued interest payable	6,056	(173,761)
Deferred interest payable	592,998	448,122
<b>Total adjustments</b>	<b>1,245,322</b>	<b>3,763,508</b>
<b>Net cash provided by operating activities</b>	<b>13,607,152</b>	<b>4,957,049</b>
<b>Cash flows from investing activities</b>		
Purchase of project development expenditures	(4,801,366)	(3,764,421)
Purchase of property and equipment	(49,648,253)	(8,176,581)
Gain on investments	3,236,415	3,798,999
Payments received on notes receivable	-	40,000
<b>Net cash used in investing activities</b>	<b>(51,213,204)</b>	<b>(8,102,003)</b>
<b>Cash flows from financing activities</b>		
Payment of construction payable	-	(3,344,543)
Principal payments on debt	(15,865,428)	(37,111,299)
Proceeds from debt	47,896,022	12,168,751
Additions to debt issuance costs	(627,720)	(73,145)
Additions to deferred costs	(54,166)	(32,383)
Distributions to non-controlling interest	(550,556)	(43,210)
Contributions from non-controlling interest	6,392,013	37,659,155
<b>Net cash provided by financing activities</b>	<b>37,190,165</b>	<b>9,223,326</b>
		<b>(continued)</b>

**BELLWETHER HOUSING AND AFFILIATES****CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Net changes in cash, cash equivalents, and restricted cash</b>	<b>(415,887)</b>	<b>6,078,372</b>
<b>Cash, cash equivalents, and restricted cash at beginning of year</b>	<b><u>60,081,229</u></b>	<b><u>54,002,857</u></b>
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<b><u>\$ 59,665,342</u></b>	<b><u>\$ 60,081,229</u></b>
<b>Cash and cash equivalents</b>	<b>\$ 5,176,524</b>	<b>\$ 6,842,865</b>
<b>Cash and cash equivalents - Restricted</b>	<b>24,046,271</b>	<b>16,478,546</b>
<b>Investments and cash - Board designated reserves</b>		
Administrative operating reserve	2,592,535	2,755,768
Pooled replacement reserve	2,333,990	2,046,841
Impact investment reserve	2,347,639	1,335,939
Opportunity Fund	22,273,799	27,331,270
<b>Investments and cash - Building Opportunity Fund</b>	<b>894,584</b>	<b>3,290,000</b>
<b>Total cash, cash equivalents and restricted cash</b>	<b><u>\$ 59,665,342</u></b>	<b><u>\$ 60,081,229</u></b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 4,981,809</u>	<u>\$ 5,737,198</u>
<b>Non-cash transactions</b>		
(Decrease)/Increase in debt from tenant and other receivables	<u>\$ (393,196)</u>	<u>\$ 900,196</u>
Increase in property and equipment from predevelopment expenditures	<u>\$ 7,174,904</u>	<u>\$ -</u>
Increase in property and equipment from grants and contributions	<u>\$ 6,501,764</u>	<u>\$ -</u>
Increase in property and equipment from construction payables	<u>\$ 7,265,804</u>	<u>\$ -</u>
		<b>(concluded)</b>

**NOTE 1 - NATURE OF ACTIVITIES AND ORGANIZATION**

Bellwether Housing is a nonprofit organization, founded in 1980, conducting activities in the State of Washington.

Our vision:

We envision diverse communities where people of all incomes and backgrounds share in the opportunity and prosperity of our region.

Our mission:

Bellwether Housing creates stable communities and access to opportunity through affordable housing. We develop and manage homes for people with limited incomes near job centers, transit, and services. We amplify our impact by helping other organizations in the Puget Sound region do the same.

Our residents:

Bellwether residents include families, young people starting out, seniors on fixed incomes, people with disabilities, and immigrants starting over in a new country. Fifty-two percent of our residents identify as people of color. One in five Bellwether residents experienced homelessness before moving in.

Our apartments are affordable to households with very low to moderate incomes. Our workforce housing serves families with moderate annual incomes of around \$53,500 to \$64,000 for a family of four. We also serve very low-income households, such as families exiting homelessness, who have annual incomes around \$32,000 for a family of four. For a single person, we serve people with incomes ranging from about \$22,000 to \$44,000 a year.

Our approach:

Bellwether Housing has been developing and operating affordable apartments for nearly 40 years. Founded in 1980, by the downtown Seattle business and civic leaders, Bellwether has grown to be Seattle's largest nonprofit affordable housing provider. As of December 31, 2020, Bellwether owns and manages 2,707 affordable homes in Seattle housing 3,500 people.

As dedicated stewards of our community resources, Bellwether holds itself deeply accountable for creating enduring affordable housing. We proactively manage all our resources: our finances, buildings, and our community relationships. Our stewardship allows us to weather economic downturns, create more affordable housing, and maintain the quality and affordability of our properties. We're strategic in our investments, seeking out opportunities that will strengthen the organization, benefit the community, and serve our residents.

Every Bellwether resident has access to our resident services program. Our resident services team connects residents to community resources that will support their housing stability and personal needs. The team creates community by hosting educational and social events for residents. Our goal is to keep people stably housed, and to ensure they truly can access resources and opportunities.

## BELLWETHER HOUSING AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2020 and 2019

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### External financial reporting for not-for-profit organizations

The consolidated financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, assets of the Corporation and changes therein are classified and reported as follows:

*Net Assets With Donor Restriction* – consists of unexpended contributions and grants restricted by the donor for a particular purpose or time period by the donor.

*Net Assets Without Donor Restriction* – are not subject to donor-imposed restrictions and are therefore available to support Bellwether’s activities and operations at the discretion of the Board of Directors. A portion of the net assets without donor restrictions are designated by the board (refer to note 15).

##### Consolidation

The financial statements include the assets, liabilities, and activities of Bellwether Housing and the various limited partnerships and limited liability companies for which Bellwether, as the general partner or managing member, has a controlling financial and legal interest, and the various limited liability partnerships and limited liability companies wholly owned by Bellwether (collectively, “Bellwether”). All significant intercompany transactions have been eliminated in the consolidation. As of December 31, 2020 and 2019, Bellwether owned or operated the following low income housing properties in Seattle:

<u>Property</u>	<u>Low-Income Residential Units</u>	<u>Commercial and Cell Tower Units</u>
1400 Madison <sup>b</sup>	250	-
Anchor Flats Apartments	71	Yes
Annapolis Apartments <sup>a</sup>	23	Yes
Arbora Court	133	Yes
Bellevue/Olive Apartments <sup>a</sup>	48	Yes
Cambridge Apartments	157	-
Casa Pacifica Apartments <sup>a</sup>	65	Yes
Cascade Court <sup>a</sup>	100	-
Cedar Crossing Roosevelt <sup>b</sup>	254	-
Eagles Apartments <sup>a</sup>	44	-
First & Vine	82	Yes
Graham Terry Apartments <sup>a</sup>	121	-
Judkins Park Apartments <sup>a</sup>	16	-
Juneau & Pardee Townhomes <sup>a</sup>	19	-
Kingway Apartments <sup>a</sup>	164	-
Mary’s Boathouse <sup>a,c</sup>	6	-
Mercer Court <sup>a</sup>	24	-
Meridian Manor <sup>a</sup>	109	-
Olive Tower Apartments <sup>a</sup>	86	Yes
Oregon Apartments <sup>a</sup>	83	Yes
Rose Street	71	Yes
Security House Apartments	107	Yes
Sortun Court Townhomes <sup>a,c</sup>	13	-

**BELLWETHER HOUSING AND AFFILIATES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2020 and 2019****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Consolidation (continued)**

<u>Property</u>	<u>Low-Income Residential Units</u>	<u>Commercial and Cell Tower Units</u>
Sterling Court <sup>a</sup>	10	-
Stewart Court <sup>a</sup>	65	Yes
Stone Way Apartments	70	Yes
Tate Mason House <sup>a</sup>	97	-
The Confluence Apartments <sup>b</sup>	103	-
The Genesee	50	-
The Gilmore <sup>a</sup>	65	-
The Parker	50	-
Views at Madison <sup>a</sup>	96	-
Vine Court <sup>a</sup>	<u>55</u>	Yes
<b>Total units owned</b>	<b><u>2,707</u></b>	

<sup>a</sup> Bellwether owned properties

<sup>b</sup> Currently under construction and acquired during the year ended December 31, 2020.

<sup>c</sup> Acquired during the year ended December 31, 2020.

**Investment in limited liability entities**

Bellwether has an ownership interest in one limited liability companies (refer to Note 4). Bellwether's investment in this limited liability companies is carried under the equity method and adjusted for Bellwether's proportionate share of its undistributed earnings or losses.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses that are directly identifiable are allocated to programs. Accordingly, certain administrative costs are allocated among program and supporting services based on estimates of time and effort.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Cash and cash equivalents**

For the consolidated statements of cash flows, all investments and restricted cash are cash equivalents. At December 31, 2020 and 2019, cash and cash equivalents consist of checking accounts, savings accounts, brokered investments, certificate of deposits and brokered certificate of deposits held at financial institutions.

**Cash and cash equivalents – Restricted**

Various lenders require reserves for replacement of building components, unusual operating costs and equipment replacement. Restricted cash also consists of escrows and other reserves required to be maintained by various operating agreements or state law. Most reserves are maintained in separate interest-bearing accounts. Certain lenders require prior authorization for withdrawals. For the years ended December 31, 2020 and 2019, restricted cash totaled \$24,046,271 and \$16,478,546, respectively.

**Investments – Board designated reserves**

Bellwether sets aside reserves for unanticipated future costs, future development opportunities and to investments that leverage Bellwether's ability to borrow capital from third parties for lines of credit and construction loans. These reserves are not restricted by loans or other agreements and are available for use as approved by the board of directors. Refer to Note 15.

**Tenant receivable and bad debt policy**

Tenant rent charges for the current month are due on the first of the month. Tenant receivables consist of amounts due for rents, damages and cleaning fees. Bellwether does not accrue interest on the resident receivable balances.

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the consolidated financial statements for the years ended December 31, 2020 and 2019. Bad debts expensed for the years ended December 31, 2020 and 2019 totaled \$399,925 and \$79,682, respectively. For the year ended December 31, 2020 and 2019, bad debts expensed are less than 1% of revenue. The Organization also established an allowance for doubtful accounts on tenants receivables. As of December 31, 2020 and 2019, the allowance for doubtful accounts was \$332,449 and \$0, respectively.

**Property and equipment**

Land, buildings and improvements are recorded at cost, or if donated, at fair value at date of receipt. Building costs are depreciated under the straight-line method over an estimated useful life of 20-40 years. Furniture and equipment are depreciated under the straight-line method over an estimated useful life of 5-15 years. Expenditures for maintenance and repairs are charged to expense as incurred.



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Property and equipment (continued)**

Bellwether reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the rental property, including any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized during 2020 and 2019.

**Predevelopment costs**

Costs spent on design and permits, prior to construction on new projects or rehabilitation, are recorded as predevelopment costs. These costs are reimbursed by the new tax credit entities when the properties are syndicated. These costs are included in project development expenditures on the consolidated statements of financial position.

**Debt issuance costs**

Bellwether incurred debt issuance costs in connection with obtaining debt financing. These costs are capitalized and amortized on a straight-line basis over the term of the respective mortgage or loan. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the consolidated financial statements for the years ended December 31, 2020 and 2019.

**Deferred charges**

Bellwether incurred costs in connection with operating leases, which have been capitalized and are amortized over the life of the respective leases using the straight-line method. Additionally, Bellwether incurred costs associated with obtaining various tax credit allocations. These costs are being amortized over the respective credit period using the straight-line method. Organizational cost incurred by Bellwether are expensed as incurred. For the years ended December 31, 2020 and 2019, amortization expense was \$46,233 and \$44,032, respectively.

**Donated assets**

Donations of property and equipment and other assets are recorded as revenue at their estimated fair value at the date of donation. Such donations are reported as revenue without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment and other assets are reported as revenue with donor restriction. Absent donor stipulations regarding how long these donated assets must be maintained, Bellwether reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Bellwether reclassifies net assets with donor restriction to net assets without donor restriction at that time.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

**Contributions:** Contributions, including unconditional promises to give, are recognized in the period received or made.

**Rental revenue:** Rental revenue is recognized as it becomes due. Rental payments received in advance are deferred until earned. All leases between Bellwether and residential tenants are operating leases with terms of no longer than one year. Bellwether receives rent under commercial leases with terms from one to five years, some of which provide for increasing non-cancelable lease payments. Accounting principles generally accepted in the United States of America require such revenue be recognized over the term of the lease using the straight-line method, when realization is reasonably assured. Because recovery of the contractual rent increases is uncertain, management continues to recognize rental income from commercial leases as payments are due. All leases between Bellwether and the tenants of the commercial spaces are accounted for as operating leases.

**Grants:** Grant revenue is recognized to the extent related grant expenditures are incurred.

**Advertising costs**

Advertising costs are expensed as incurred and are included in operating expenses in the consolidated statements of activities and changes in net assets without donor restriction.

**Property taxes**

Bellwether is exempt from some, but not all, real property taxes. Property tax exemptions apply when at least seventy-five percent of the units in a building are occupied by people earning fifty percent or less of the area median income. For those properties that are required to pay property taxes, such taxes are expensed in the year of the lien on the property such that twelve months of expense are charged to operations each year.

**Concentration of credit risk**

Bellwether maintains cash balances with various regional and national financial institutions. The balances in the accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2020 and 2019, the cash balances held at some of these financial institutions exceeded the FDIC insurance limit. Bellwether has not experienced any losses in such accounts. Management believes that they are not exposed to any significant credit risk on cash and cash equivalents.

Bellwether's operations are concentrated in the multifamily real estate market. In addition, they operate in a heavily regulated environment. The operations of Bellwether are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies that are subject to change by an act of Congress or an administrative change mandated by the respective agency. Changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Concentration of credit risk (continued)**

Bellwether has entered into short-term and long-term contracts with local, city, county, state, and federal housing authorities, in which they receive rental assistance for various properties. Rental assistance payments are contingent on periodic budget approvals, tax levies, and annual appropriations. During the year ended December 31, 2020 and 2019, rental assistance revenue was 34% and 31% of rental revenue, respectively.

**Use of estimates in the preparation of consolidated financial statements**

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

**Fair value**

Bellwether applies the accounting provisions related to fair value measurements. The provisions define and establish the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy:

- Level 1 - Inputs utilize quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access;
- Level 2 - Inputs may include quoted prices for similar assets or liabilities in active markets;
- and
- Level 3 - Unobservable inputs for the asset or liability based on the best available information.

For instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

**Fair value and partnership exits**

Bellwether is subject to the provisions of the Fair Value Measurement treatment cited above when limited partners or members transfer their equity interests upon the dissolution of a partnership or limited liability company. Bellwether restates fixed assets received in the transfer at their net book values and adjusted to fair market value as determined either by a) an appropriate appraisal, or b) the amount of net assets transferred to Bellwether. The latter method adjusts to fair value by marking to outstanding debt. The valuation technique is classified as Level 3 (see above) under the fair value measurements fair value hierarchy.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair value of brokered investments**

Bellwether is subject to the provisions of the Fair Value Measurement treatment cited previously related to the brokered investments included in investments – board designated reserves and cash and cash equivalents. Bellwether adjusts the brokered investments to fair market value based on the type of investment. Gains (losses) are included in gain (loss) on cash investments on the consolidated statements of activities and changes in net assets without donor restriction. The valuation technique used for valuing mutual funds is classified as Level 1 under the fair value measurements fair value hierarchy (see above).

**Income taxes**

Bellwether Housing is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as other than a private foundation. Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the partnerships and LLCs are recognized by each partner and member on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires Bellwether to report information regarding its exposure to various tax positions taken. Bellwether has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that they have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to Bellwether are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

**NOTE 3 - INVESTMENTS**

As of December 31, 2020 and 2019, investments consisted of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 366,926	\$ 2,745,830
Fixed income securities:		
Mutual funds	18,498,875	20,387,550
Equities	<u>10,682,162</u>	<u>12,831,188</u>
Total	<u><b>\$29,547,963</b></u>	<u><b>\$ 35,964,568</b></u>

## BELLWETHER HOUSING AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2020 and 2019

#### NOTE 3 - INVESTMENTS (CONTINUED)

Investment income was comprised of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest, dividends, and realized gains	\$ 1,084,443	\$ 1,182,838
Unrealized gains (losses)	3,236,415	3,798,999

#### NOTE 4 - INVESTMENTS IN LIMITED LIABILITY ENTITIES

As of December 31, 2020 and 2019, Bellwether has a 21% ownership share, respectively, in Baker Manager LLC. Baker Manager LLC has a 0.01% interest in Baker Apartments LLC which owns and operates an 84 unit apartment building located in Bellingham, Washington. Investments are reviewed for impairment on a periodic basis in accordance with accounting principles generally accepted in the United States of America. As of December 31, 2020 and 2019, Bellwether's carrying balance of these investments is \$21, which is included in prepaid expenses and other assets on the accompanying consolidated statements of financial position.

#### NOTE 5 - OWNERSHIP IN LIMITED LIABILITY ENTITIES

As of December 31, 2020, Bellwether was the general partner of operating tax credit limited partnerships and managing member of operating tax credit limited liability companies in Seattle, Washington as follows:

<u>Entity</u>	<u>Ownership Interest %</u>
1511 Dexter Limited Partnership	0.01%
6600 Roosevelt Limited Liability Limited Partnership	0.01%*
Bellwether Tukwila Limited Liability Limited Partnership	0.01%
Cambridge Limited Liability Limited Partnership	0.01%*
Genesee Limited Partnership	0.01%
HRG Rose Street Limited Partnership	0.01%
Madison Housing Limited Liability Limited Partnership	0.01%
Parker Apartments Limited Partnership	0.01%
Security House Limited Liability Limited Partnership	0.01%*
Stone Way Apartments, LLC	0.01%
Sunset Apartments Limited Partnership	0.01%

**BELLWETHER HOUSING AND AFFILIATES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019****NOTE 5 - OWNERSHIP IN LIMITED LIABILITY ENTITIES (CONTINUED)**

<u>Entity</u>	<u>Ownership Interest %</u>
University District Apartments 4% Limited Partnership	0.01%
University District Apartments 9% Limited Partnership	0.01%

\*Bellwether has a 79% interest in the 0.01% general partner interest of the partnership.

During the year ended December 31, 2019, Bellwether purchased the investor's 99.99% membership interest in Judkins Park Apartments, LLC and transferred Judkins to Bellwether.

During the year ended December 31, 2019, Bellwether purchased the investor's 99.90% limited partner interest in Third & Pine Redevelopment Limited Partnership and transferred the Gilmore to Bellwether.

**NOTE 6 - LONG TERM NOTES RECEIVABLE****Holly House Note**

Bellwether has a note receivable from Pearlene Christopher, purchaser of Holly House, which was due upon the sale of the property. As of December 31, 2020 and 2019, \$9,200 was receivable. The note does not bear interest and is collateralized by a deed of trust.

**NOTE 7 - PROPERTY AND EQUIPMENT AND PROJECT DEVELOPMENT EXPENDITURES**

As of December 31, 2020 and 2019, property development and rehabilitation costs had been incurred on the following properties:

	<u>2020</u>	<u>2019</u>
Bellwether Housing	\$ -	\$ 236,241
Cedar Crossing Roosevelt	21,771,110	-
Graham Terry Apartments	266,069	34,299
Olive Tower Apartments	-	201,087
Vine Court Apartments	506,950	9,920
Stone Way Apartments	-	43,204
The Confluence Apartments	14,843,882	-
1400 Madison	9,792,651	-
Various other properties	<u>188,213</u>	<u>-</u>
Construction in progress	<u><b>\$ 47,368,875</b></u>	<u><b>\$ 524,751</b></u>

**BELLWETHER HOUSING AND AFFILIATES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019****NOTE 7 - PROPERTY AND EQUIPMENT AND PROJECT DEVELOPMENT EXPENDITURES  
(CONTINUED)**

As of December 31, 2020 and 2019, project development expenditures had been incurred on the following properties:

	<u>2020</u>	<u>2019</u>
1400 Madison	\$ -	\$ 1,631,884
Cedar Crossing Roosevelt	-	1,527,766
The Confluence Apartments	-	1,141,553
Rose II	1,584,598	420,681
Various other properties	<u>868,750</u>	<u>105,002</u>
Project development expenditures	<b><u>\$ 2,453,348</u></b>	<b><u>\$ 4,826,886</u></b>

Construction commenced in March 2020 on the Confluence Apartments, which is a property that shall consist of 103 affordable units located near the Tukwila Light Rail Station in Tukwila, WA. Total estimated development costs are \$40,500,000 with an expected completion date of September 2021.

Construction commenced in May 2020 on Cedar Crossing Roosevelt in partnership with Mercy Housing Northwest. The property shall provide 254 units of affordable homes, a childcare center, and retail in Seattle's Roosevelt neighborhood. Total estimated development costs are \$105,000,000 with an expected completion date of May 2022.

Construction commenced in October 2020 on the 1400 Madison, which is a property that shall consist of 250 affordable units located in Seattle. Total estimated development costs are \$103,800,000 with an expected completion date of August 2022.

Construction is expected to commence in July 2021 on Rose II, which is a property that shall consist of 182 affordable units located in Seattle. The project is currently in predevelopment.

During 2020, Bellwether received donations of 13-unit and 6-unit multifamily properties known as Sortun Court Townhomes and Mary's Boathouse, respectively, from the University Congregational Housing Association. The Organization recognized \$6,501,764 in contributions during 2020 related to the fair market value of the fixed assets transferred.

**NOTE 8 - LONG TERM DEBT**

Bellwether has entered into various debt agreements with various financial institutions and governmental agencies to fund acquisitions, pre-development costs, construction, and normal operations. The loans are secured by the associated real estate projects. Outstanding balances and terms of long term debt as of December 31, 2020 and 2019 are as follows:

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>	
					<u>Long Term Portion</u>	<u>Current Portion</u>
<u>1400 Madison</u>						
9/1/20	10/1/38	Citi Bank*	1.955%	\$ -	\$ 55,000	\$ -
9/22/20	7/30/72	State of Washington	0.00%	-	3,760,078	-

**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 8 - LONG TERM DEBT (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>	
					<u>Long Term Portion</u>	<u>Current Portion</u>
<u>Anchor Flats Apartments</u>						
10/21/16	5/1/37	*Umpqua Bank	3.67%	\$ 5,684,217	\$ 5,515,180	\$ 86,073
<u>Arbora Court</u>						
11/28/16	4/1/36	*US Bank	4.82%	7,072,205	6,913,831	81,596
06/01/19	4/1/36	*US Bank	5.89%	410,923	403,889	3,656
12/05/16	4/1/36	US Bank	5.89%	522,049	513,102	4,651
<u>Bellevue/Olive Apartments</u>						
8/26/94	8/31/35	State of Washington Washington Community Reinvestment Association	1.000%	89,652	79,314	10,338
08/31/16	9/1/23		3.625%	1,765,065	1,683,931	41,301
<u>Bellwether Greenwood</u>						
12/3/18	12/3/21	US Bank	3.000%	2,000,000	-	2,000,000
8/1/18	12/31/23	Impact Capital	2.000%	55,658	-	57,158
<u>Bitter Lake</u>						
12/9/19	12/31/22	Enterprise	6.750%	2,300,500	2,300,500	-
12/9/19	12/31/27	Washington State Housing Finance Commission	0.000%	1,507,500	1,507,500	-
<u>Tukwila</u>						
2/15/18	1/1/26	Washington State Housing Finance Commission	1.000%	1,262,500	-	-
<u>The Confluence Apartments</u>						
3/12/2020	9/1/2037	Umpqua Bank*	2.540%	-	4,748,108	-
<u>Stewart Court</u>						
2/9/01	6/30/21	City of Seattle	1.000%	31,171	-	31,570
<u>Rose Street Commercial</u>						
8/31/11	8/31/21	Rainier Valley Community Development Fund	5.000%	481,131	-	463,015
Impact Investor Notes**						
7/1/15	12/31/25	Various	2.000%	1,814,000	1,699,000	-
Impact Investor Notes***						
10/1/16	12/31/21	Various	2.000%	1,900,000	-	1,905,000
Impact Investor Notes****						
Various	12/31/34	Various	2.000%	4,143,196	4,710,696	-



**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 8 - LONG TERM DEBT (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>	
					<u>Long Term Portion</u>	<u>Current Portion</u>
<u>Cambridge Apartments</u>						
12/21/16	2/1/38	*Chase Bank	4.580%	\$ 8,716,161	\$ 8,514,779	\$ 103,584
12/21/16	7/1/42	State of Washington	0.000%	490,667	448,000	21,333
<u>Casa Pacifica Apartments</u>						
11/7/07	11/1/37	*Seattle Housing Authority	5.850%	3,130,000	2,920,000	105,000
<u>Cascade Court</u>						
11/6/92	11/30/42	State of Washington	1.000%	254,654	236,541	9,102
4/30/13	5/1/33	Umpqua Bank	4.24%	4,818,063	4,569,661	127,156
12/8/17	1/1/25	Washington State Housing Finance Commission	2.75%	84,079	51,888	16,236
<u>Cedar Crossing Roosevelt</u>						
5/1/20	3/1/23	Citi Bank*	1.955%	-	55,000	-
5/8/20	12/31/22	US Bank	2.850%	-	55,906	-
5/8/20	5/5/23	US Bank	3.500%	-	881,198	-
<u>Eagles</u>						
3/19/97	4/1/27	Pacific Life	8.79%	324,408	256,512	35,434
<u>First and Vine</u>						
7/27/11	1/1/28	US Bank	6.67%	2,310,447	2,191,259	61,819
<u>Graham Terry Apartments</u>						
12/15/10	1/1/21	Enterprise	5.52%	2,574,650	-	-
<u>Judkins Park Apartments</u>						
3/19/04	2/1/21	Umpqua Bank	6.55%	346,562	-	334,245
<u>Juneau &amp; Pardee Townhomes</u>						
7/31/05	8/15/33	Umpqua Bank	5.60%	399,937	375,842	12,421
<u>Kingway Apartments</u>						
2/24/98	3/1/28	*Seattle Housing Authority	5.48%	2,153,162	1,716,789	224,150
4/27/06	8/1/26	City of Seattle	1.00%	37,229	26,781	5,221
<u>Mercer Court</u>						
12/31/12	1/1/33	Umpqua Bank	4.17%	1,000,321	949,101	26,221

**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 8 - LONG TERM DEBT (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>	
					<u>Long Term Portion</u>	<u>Current Portion</u>
<u>Meridian Manor</u>						
10/1/09	10/1/25	MUFG Union Bank	5.400%	\$ 7,075,760	\$ 6,702,414	\$ 191,701
10/1/09	12/31/60	City of Seattle	1.000%	2,950,000	2,950,000	-
9/23/09	5/31/50	State of Washington	1% on 500k Begin 2016	2,951,268	2,913,924	24,855
<u>Olive Tower Apartments</u>						
2/28/07	3/1/27	Home Street Bank	5.750%	2,142,357	1,988,214	79,266
12/8/17	7/1/25	Washington State Housing Finance Commission	2.000%	65,262	40,374	12,569
<u>Oregon Apartments</u>						
10/31/07	11/1/27	*Chase Bank	5.35%	2,036,002	1,892,839	73,491
10/31/07	11/1/27	Chase Bank	5.80%	211,533	197,273	7,336
<u>Rose Street Apartments</u>						
2/8/10	2/1/27	*US Bank	5.70%	3,868,418	3,742,811	64,771
<u>Security House Apartments</u>						
12/21/16	4/10/53	*Chase Bank	4.58%	8,187,032	7,972,056	110,505
03/12/99	12/31/39	State of Washington	1.00%	1,160,308	1,107,086	53,222
12/20/16	12/20/66	City of Seattle	1.00%	2,491,300	2,491,300	-
12/20/16	12/20/66	City of Seattle - Discount	2.26%	(1,188,934)	(1,138,341)	(25,296)
<u>Sortun Court</u>						
2/18/20	5/1/30	Key Bank	6.250%	-	425,120	37,089
2/18/20	12/31/57	State of Washington	0.00%	-	783,922	-
<u>Stewart Court</u>						
2/8/06	2/8/36	*Seattle Housing Authority	5.02%	4,204,837	3,867,976	173,002
2/8/06	2/8/26	US Bank	6.65%	700,408	653,352	24,384
2/8/06	6/30/26	City of Seattle	1.00%	50,196	38,111	6,102
<u>Stone Way Apartments</u>						
7/28/05	8/1/25	*Seattle Housing Authority	4.90%	2,326,310	2,153,434	88,740
7/28/05	8/1/25	US Bank	6.50%	950,011	889,286	31,446
<u>Tate Mason House</u>						
12/2/13	1/1/29	Banner Bank	5.50%	3,043,807	2,852,886	98,062
<u>The Genesee</u>						
12/21/04	1/1/38	*Chase Bank	5.100%	1,020,582	948,168	37,128

**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 8 - LONG TERM DEBT (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>	
					<u>Long Term Portion</u>	<u>Current Portion</u>
<u>The Gilmore</u> 12/24/01	1/1/34	*Chase Bank	5.945%	\$ 2,043,553	\$ 1,846,396	\$ 101,500
<u>The Parker</u> 8/5/14	8/5/30	*US Bank	4.700%	3,325,323	3,191,688	68,625
<u>Views at Madison</u> 9/12/18	9/1/48	*Beneficial State Bank	3.710%	6,820,176	6,546,631	139,566
9/12/18	9/1/48	Beneficial State Bank	4.850%	538,064	520,347	9,176
8/27/01	12/31/52	Washington State DCTED	1.000%	638,398	628,194	16,588
8/27/01	6/30/52	Seattle Office of Housing	1.000%	1,490,440	1,485,371	2,545
<u>Vine Court</u> 5/5/10	4/1/20	Enterprise	5.960%	2,267,124	-	-
6/30/20	7/10/35	BECU	2.750%	-	4,195,385	74,488
				<b><u>\$119,049,642</u></b>	<b><u>\$119,025,603</u></b>	<b><u>\$7,267,141</u></b>

\* This loan was financed with proceeds of tax-exempt bonds. The loan is secured by a note payable with the lender, and the loan is collateralized by the building.

\*\*Bellwether Impact Investor Notes - 2015 Issue

In July 2015, Bellwether entered into a series of unsecured Promissory Notes ("Notes") with one institution and various accredited and qualified individuals totaling \$1,814,000 and bearing interest of 2% payable quarterly. These notes were the first offering under Bellwether's Impact Investment program to secure low-interest private funds to support the organization's housing development activities. The maturity date of all Notes is December 31, 2025. At the election of Bellwether, the Notes may be prepaid in whole or in part at any time without penalty. While no sinking fund is required, Bellwether has established a fund as an aid toward repayment of principal at maturity. During each of the years ended December 31, 2020 and 2019, deposits of \$191,800 were made to the fund. Management intends to deposit \$191,800 annually through 2020 for the 2015 Issue. This fund is included in investments and cash - board designated reserves on the accompanying consolidated statements of financial position.

## BELLWETHER HOUSING AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2020 and 2019

#### NOTE 8 - LONG TERM DEBT (CONTINUED)

##### \*\*\* Bellwether Impact Investor Notes - 2016 Issue

In October 2016, the Corporation entered into a series of unsecured Promissory Notes ("Notes") with one institution and various accredited and qualified individuals totaling \$1,935,000 and bearing interest of 2% payable quarterly. These notes were the second offering under Bellwether's Impact Investment program to secure low-interest private funds to support the organization's housing development activities. The maturity date of all Notes is December 31, 2021. At the election of the Corporation the Notes may be prepaid in whole or in part at any time without penalty. While no sinking fund is required, the Corporation has established a fund as an aid toward repayment of principal at maturity. During the years ended December 31, 2020 and 2019, deposits of \$183,500 were made to the fund. Management intends to deposit \$183,500 annually through 2021 for the 2016 Issue. This fund is included in investments and cash - board designated reserves on the accompanying consolidated statements of financial position.

##### \*\*\*\* Bellwether Impact Investor Notes - 2019 Issue

Beginning in June 2019, the Corporation entered into a series of unsecured Promissory Notes ("Notes") with various entities and accredited and qualified individuals totaling \$4,710,696 and bearing interest of 2% payable quarterly. These notes were the third offering under Bellwether's Impact Investment program to secure low-interest private funds to support the organization's housing development activities as part of its Building Opportunity funding campaign (see note 16). The maturity date of all Notes is December 31, 2034. At the election of the Corporation the Notes may be prepaid in whole or in part at any time without penalty. As of December 31, 2020 and 2019, \$0 and \$853,196, respectively, had yet to be received by Bellwether, which is included in tenant and other receivables on the accompanying consolidated statements of financial position. While no sinking fund is required, the Corporation shall establish a fund in 2020 as an aid toward repayment of principal at maturity. Management intends to deposit \$471,070 annually through 2029 for the 2019 Issue.

#### NOTE 9 - DEFERRED LOANS AND GRANTS

Bellwether has entered into various loan and grant agreements with various governmental agencies and one private institution to fund acquisitions, pre-development costs, construction and normal operations. The loans are secured by the associated real estate projects. The terms contain deferred principal payments or are ultimately forgivable loans and grants with balances payable as of December 31, 2020 and 2019 as follows:

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>
<u>1400 Madison</u> 9/29/20	12/31/72	City of Seattle	1%	\$ -	\$ 3,800,789
<u>Anchor Flats Apartments</u> 10/21/16	12/31/66	City of Seattle	1%	7,012,654	7,012,654
<u>Annapolis Apartments</u> 8/2/05	11/1/43	City of Seattle	1%	458,000	458,000

**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 9 - DEFERRED LOANS AND GRANTS (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>
<u>Arbora Court</u>					
12/2/16	6/30/68	City of Seattle	1%	\$ 5,730,000	\$ 5,730,000
12/2/16	6/30/68	City of Seattle	1%	563,000	563,000
12/5/16	2/28/68	King County Department of Community and Human Services	1%	400,000	400,000
7/26/16	2/28/68	State of WA Department of Commerce	3%	2,500,000	2,500,000
<u>Bellevue/Olive Apartments**</u>					
6/19/95	6/19/20	City of Seattle	1%	736,000	736,000
<u>Bellwether</u>					
3/14/14	4/1/22	MUFG Union Bank	2.5%	250,000	250,000
3/31/15	4/30/22	MUFG Union Bank	2.5%	250,000	250,000
12/14/12	10/31/21	Commerce Bank Line of Credit	1-month LIBOR + 1.75%, minimum	4,387,133	1,950,581
<u>The Confluence Apartments</u>					
2/15/18	12/31/23	Enterprise Community Loan Fund	3.89%	957,000	-
5/11/20	12/31/72	King County Department of Community and Human Services	1%	-	6,283,800
<u>Rose Street Buddha Jewel</u>					
9/8/16	6/30/22	Rainier Valley Community Development Fund	2.75%	1,050,000	1,166,520
7/13/16	7/31/24	Rainier Valley Community Development Fund	1%	1,750,000	1,750,000
<u>Rainier Beach land remnant</u>					
3/31/08	6/30/22	Rainier Valley Community Development Fund	4%	867,000	870,200
<u>The Genesee</u>					
2/24/05	3/1/46	US Department of Housing and Urban Development	0%	2,085,500	2,085,500
<u>Casa Pacifica Apartments</u>					
10/22/98	10/22/23	City of Seattle	1%	1,104,000	1,104,000

**BELLWETHER HOUSING AND AFFILIATES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**
**NOTE 9 - DEFERRED LOANS AND GRANTS (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>
<u>Cedar Crossing Roosevelt</u>					
5/11/20	12/31/72	City of Seattle	1%	\$ -	\$ 11,297,694
5/1/20	12/31/72	Seattle Housing Authority	1%	-	1,000,000
5/11/20	12/31/72	King County Department of Community and Human Services	1%	-	4,180,000
<u>First and Vine</u>					
7/27/11	10/31/62	City of Seattle	1%	2,243,163	2,243,163
<u>Graham &amp; Terry Apartments</u>					
12/11/90	12/11/30	State of Washington	0%	350,000	350,000
5/1/90	4/30/31	State of Washington	0%	500,000	500,000
<u>Judkins Park Apartments</u>					
3/18/04	3/17/54	City of Seattle	1%	984,765	985,000
3/19/04	2/29/44	Seattle Housing Authority	1%	400,340	400,340
<u>Juneau &amp; Paradee Townhomes</u>					
11/2/92	6/1/33	State of Washington	0%	487,500	487,500
<u>Mercer Court*</u>					
11/3/97	11/3/22	City of Seattle	1%	368,000	368,000
<u>Olive Tower Apartments</u>					
7/20/84	3/1/27	City of Seattle	0%	527,184	527,184
<u>Rose Street Apartments</u>					
2/8/10	3/31/61	City of Seattle	Contingent Int not to exceed 7%	4,260,000	4,260,000
2/8/10	12/31/60	State of Washington	0%	4,200,000	4,200,000
2/8/10	3/31/61	State of Washington	0%	750,123	750,123
6/2/10	3/31/61	King County Department of Community and Human Services	1%	200,000	200,000
<u>Sortun Court</u>					
2/18/20	9/28/38	City of Seattle	0%	-	1,105,610
<u>Stone Way Apartments</u>					
7/27/05	7/27/55	City of Seattle	1%	500,000	500,000
7/27/05	7/27/55	City of Seattle	1%	2,135,000	2,135,000
7/28/05	9/30/46	Washington State Housing Trust Fund	1%	1,750,000	1,750,000
7/28/05	7/31/55	Seattle Housing Authority	1%	1,500,000	1,500,000
<u>The Genesee</u>					
12/21/04	12/21/54	City of Seattle	1%	516,000	516,000
12/10/04	12/31/45	State of Washington	1%	900,000	900,000

**BELLWETHER HOUSING AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

**NOTE 9 - DEFERRED LOANS AND GRANTS (CONTINUED)**

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Outstanding Balance - 2019</u>	<u>Outstanding Balance - 2020</u>
<u>The Gilmore</u> 12/21/04	12/24/51	Washington State Convention & Trade Center	0%	\$ 1,000,000	\$ 1,000,000
1/3/03	1/3/53	City of Seattle	1%	112,967	112,967
<u>The Parker</u> 8/5/14	8/5/64	City of Seattle	1%	3,650,000	3,650,000
<u>Views at Madison</u> 8/27/01	12/31/52	Washington State Convention & Trade Center	0%	1,745,365	1,745,365
8/27/01	12/31/42	City of Seattle	1%	<u>826,106</u>	<u>826,106</u>
				<b><u>\$60,006,800</u></b>	<b><u>\$84,401,096</u></b>
		<b>Current portion of deferred loans and grants</b>			
		Bellwether Commerce LOC			<u>1,950,581</u>
					<b><u>\$ 1,950,581</u></b>

\* This loan provides for forgiveness of 5% of accrued interest annually effective on the 21<sup>st</sup> anniversary date of the loan.

\*\* This loan provides for 10 additional 5-year extension options.

**Maturities of long term debt and deferred loans and grants**

Estimated principal payments for the next five years and thereafter are approximately as follows:

Year ending December 31,	
2021	\$ 9,217,721
2022	7,422,935
2023	4,370,755
2024	4,547,532
2025	5,503,963
Thereafter	<u>179,630,934</u>
	<b>210,693,840</b>
Debt issuance costs, net	<u>( 2,660,350)</u>
	<b><u>\$ 208,033,490</u></b>

**NOTE 9 - DEFERRED LOANS AND GRANTS (CONTINUED)**

Debt issuance costs of \$4,987,638 and \$4,313,685 were incurred in connection with obtaining Bellwether's debt at December 31, 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, the effective interest rate was 3.02% and 3.27%, respectively. For the years ended December 31, 2020 and 2019, amortization expense was \$249,942 and \$246,192, respectively, which is included in interest expense on the accompanying consolidated statements of unrestricted activities without donor restriction. At December 31, 2020 and 2019, accumulated amortization was \$2,327,288 and \$2,031,113, respectively.

**NOTE 10 - EMPLOYEE RETIREMENT PLAN**

For substantially all employees with one year of service, Bellwether has adopted a defined contribution retirement plan under Internal Revenue Code section 403(b). On July 1, 2013 Bellwether changed what was formerly a profit-sharing plan to one with a matching provision and a profit-sharing option. Employees' contributions to the fund are discretionary. From the initial plan's inception through June 30, 2013, the annual Bellwether contribution was the greater of \$300 per quarter or 3% of the employee's compensation regardless of employee participation. After July 1, 2013, Bellwether matches the first 3% of the employee's contribution and half of the employee's contribution rate for the next 2% that the employee contributes for a maximum employer match of 4%. For the years ended December 31, 2020 and 2019, Bellwether contributed \$542,902 and \$436,587, respectively, to the retirement plan, which include company discretionary bonus contributions of \$255,500 for both years.



**BELLWETHER HOUSING AND AFFILIATES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019****NOTE 11 - RECONCILIATION OF NET ASSETS WITHOUT DONOR RESTRICTION**

The change in consolidated net assets without donor restriction and partnership losses attributed to controlling interest and non-controlling interest for the years ended December 31, 2020 and 2019 is as follows:

	<u>Controlling Interest</u>	<u>Non-Controlling Interest</u>	<u>Totals</u>
Balance, January 1, 2019	\$ 67,913,177	\$ 20,067,388	\$ 87,980,565
Change in consolidated net assets without donor restriction and partnership losses	2,670,549	(2,878,689)	(208,140)
Withdrawals	-	(43,210)	(43,210)
Contributions	<u>-</u>	<u>37,659,155</u>	<u>37,659,155</u>
Balance, December 31, 2019	70,583,726	54,804,644	125,388,370
Change in consolidated net assets without donor restriction and partnership losses	16,425,093	(3,586,104)	12,838,989
Withdrawals	-	(550,556)	(550,556)
Contributions	<u>-</u>	<u>6,392,013</u>	<u>6,392,013</u>
Balance, December 31, 2020	<u><b>\$ 87,008,819</b></u>	<u><b>\$ 57,059,997</b></u>	<u><b>\$ 144,068,816</b></u>

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consists of unexpended contributions or grants restricted for a particular purpose or time period. Net assets with donor restrictions are transferred to net assets without donor restriction as expenditures are incurred and the related time and use purpose has been met. Net assets with donor restrictions are restricted for the following purposes at December 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Capital campaign – Building Opportunity Fund	\$ 894,584	\$ 1,392,599
Resident services	<u>328,111</u>	<u>307,255</u>
Total	<u><b>\$ 1,222,695</b></u>	<u><b>\$ 1,699,854</b></u>

**NOTE 13 - COMMERCIAL LEASES****Unrelated Operating Leases**

Five of the Bellwether owned properties (Annapolis Apartments, Eighth & Stewart Limited Partnership, Olive Tower Apartments, Oregon Apartments, and Vine Court Apartments) and two of the affiliated entities (Sunset Apartments Limited Partnership and Security House Limited Liability Limited Partnership) have entered into non-cancelable, triple-net operating lease agreements with unrelated entities.

**Affiliated Operating Leases**

Bellwether has a commercial master lease with Stone Way Apartments, LLC and Sunset Apartments Limited Partnership and sub-leases to unrelated parties as commercial residents. Bellwether also leases office space from Bellevue/Olive Limited Partnership and Casa Pacifica Apartments.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

Bellwether provides a commercial guaranty pursuant to a loan agreement with Banner Bank in the amount of \$3,500,000 for the benefit of Tate Mason House, LLC.

Bellwether has entered into a land lease agreement with Eighth & Stewart Limited Partnership dated February 8, 2001. Bellwether leases the land under Stewart Court to Eighth & Stewart Limited Partnership. The land lease will remain in effect throughout the duration of the partnership. The agreement required annual rental payments of \$60,000 increased at 3%. During 2009, the agreement was amended and the annual rental payment was reduced to \$22,935 annually with no annual escalation. For the years ended December 31, 2020 and 2019, rental payments of \$22,935, respectively, were received, and are eliminated in consolidation.

Bellwether is the general partner of certain operating tax credit limited partnerships and managing member of certain operating tax credit limited liability companies. Bellwether has entered into various guaranty agreements related to the delivery of tax credits and the funding of operating deficits in accordance with the provisions of the partnership and operating agreements. Bellwether may be required to contribute funds to cover any tax credit shortfalls or operating deficits.

**NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of December 31, 2020 and 2019, Bellwether has \$36,451,564 and \$42,323,114, respectively, of financial assets available for general expenditure within one year of the statement of financial position dates. Management assesses its ability to meet its current financial obligations throughout the year, and has set internal targets for cash and debt to ensure that the organization can meet its general expenditures and other obligations as they become due.

Bellwether considers its assets available for general expenditure to include cash and cash equivalents, tenant and other receivables, and internally designated reserves. Bellwether considers revenue sources without donor restriction (rents, developer fees, interest) sufficient to meet its general expenditure levels. As part of the budgeting process, Bellwether makes appropriations at each fiscal year end and invests surplus cash flows into the following internally designated reserves:

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2020 and 2019****NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

Administrative Operating Reserve – The administrative operating reserve was established to support short-term deficits in the event of unforeseen circumstances. Bellwether has set an internal target of 4 to 6 months of operating expenditures. The administrative reserve balance at December 31, 2020 and 2019 was \$2,592,535 and \$2,755,768, respectively.

Pooled Replacement Reserves – The pooled replacement reserve fund was established to supplement the required replacement reserves held by each building. The pooled replacement reserve shall be used when the required building level reserves are insufficient to cover emergent repairs and replacement needs. The pooled replacement reserve balance at December 31, 2020 and 2019 was \$2,333,990 and \$2,046,841, respectively.

Impact Investment Reserves – The impact investment reserves serve as an internal ‘debt sinking fund’ to support those private investor loans made to the organization at their maturity date; provided those loans are not refinanced. The impact investment reserve balance at December 31, 2020 and 2019 was \$2,347,639 and \$1,335,939, respectively.

Opportunity Fund – The Opportunity Fund serves to provide leverage to strengthen Bellwether’s ability to borrow capital from third parties that would further the mission of Bellwether Housing. Provided that Bellwether’s liquidity remains sufficient to maintain its desired borrowing capacity, the CEO may determine that an effective use of this fund may be to provide short, mid, or long-term financing of acquisition and development costs that support the creation of affordable housing. The opportunity reserve balance at December 31, 2020 and 2019 was \$22,273,799 and \$27,331,270, respectively.

As these reserve funds are internally designated, management may at its discretion use these funds to support general expenditures should the need arise. Bellwether also has access to a line of credit (see Note 9).

**NOTE 16 – BUILDING OPPORTUNITY FUNDING CAMPAIGN**

During 2019, Bellwether began its Building Opportunity funding campaign to raise \$9,000,000 to build 750 new affordable apartments through donations, grants, and impact investments. The apartments are expected to serve families, seniors, young adults, teachers, service workers, and other community members in the Seattle and Tukwila areas, located near public transit areas. As of December 31, 2020 and 2019, \$4,710,696 and \$4,143,196, respectively, was raised as impact investment funding (see note 8), of which \$0 and \$853,196, respectively, was not received as of December 31, 2020 and 2019. For the years ended December 31, 2020 and 2019, \$2,557,101 and \$1,515,163, respectively, was recognized as grants and contributions with restrictions, of which \$0 and \$47,000, respectively, was not received as of December 31, 2020 and 2019. All amounts receivable as of December 31, 2020 and 2019 are included in tenant and other receivables as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, there was \$894,584 and \$3,290,000, respectively, in restricted cash held for the Building Opportunity Fund campaign.

**NOTE 17 – SBA PAYCHECK PROTECTION PROGRAM**

On April 10, 2020, Bellwether obtained a loan from Zions Bancorporation, N.A. (dba the "Commerce Bank of Washington") under the SBA Paycheck Protection Program, authorized by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") of March 2020. The loan was in the amount of \$1,533,932 and bore annual interest at a rate of 1% per annum. No payments shall be made in the first six months. Monthly principal and interest payments were due beginning November 10, 2020, and all remaining principal and interest outstanding shall be due on April 10, 2022. The loan may be forgiven if certain requirements of the loan agreement are met. The loan was not secured. In September 2020, the loan was forgiven, and \$1,533,932 of contributions, which is included in grants and contributions on the accompanying consolidated statements of activities without donor restriction for the year ended December 31, 2020.

**NOTE 18 – VULNERABILITY – IMPACT OF COVID-19**

The severity of the impact of COVID-19 on the Organization's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Organization's tenants, all of which are uncertain and cannot be predicted. The Organization's future results could be adversely impacted by delays in rent collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

**NOTE 19 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 6, 2021, which is the date the financial statements were available to be issued. The following is a summary of significant events through July 6, 2021.

During 2021, the loan obtained from Umpqua Bank for Judkins Park Apartments was paid off via a bridge loan from Bellwether. Judkins Park Apartments is currently under refinance with Boeing Educational Credit Union (BECU). The proceeds of the BECU debt shall be used to repay the bridge loan to Bellwether.

**BELLWETHER HOUSING AND AFFILIATES**  
**SUPPLEMENTARY INFORMATION**

**BELLWETHER HOUSING AND AFFILIATES**

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

ASSETS	2020				2019			
	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total
<b>Current assets</b>								
Cash and cash equivalents	\$ 2,304,780	\$ 2,871,744	\$ -	\$ 5,176,524	\$ 4,156,407	\$ 2,686,458	\$ -	\$ 6,842,865
Cash and cash equivalents - Restricted	9,814,157	14,232,114	-	24,046,271	10,339,540	6,139,006	-	16,478,546
Investments and cash - Board designated reserves	29,547,963	-	-	29,547,963	33,469,818	-	-	33,469,818
Investments and cash - Building Opportunity Fund	894,584	-	-	894,584	3,290,000	-	-	3,290,000
Tenant and other receivables, net	2,224,371	95,669	(613,741)	1,706,299	2,154,193	346,436	(537,448)	1,963,181
Project development expenditures	2,453,348	-	-	2,453,348	4,826,886	-	-	4,826,886
Prepaid expenses and other assets	11,509,549	143,000	(10,902,443)	750,106	1,926,219	102,031	(1,328,974)	699,276
<b>Total current assets</b>	<b>58,748,752</b>	<b>17,342,527</b>	<b>(11,516,184)</b>	<b>64,575,095</b>	<b>60,163,063</b>	<b>9,273,931</b>	<b>(1,866,422)</b>	<b>67,570,572</b>
<b>Property and equipment and other assets</b>								
Property and equipment, net	86,539,963	241,536,654	(23,063,497)	305,013,120	79,072,063	180,907,675	(17,671,634)	242,308,104
Deferred costs, net	5,000	457,848	-	462,848	-	454,914	-	454,914
Long-term notes - affiliates	62,464,918	-	(62,464,918)	-	44,313,995	-	(44,313,995)	-
Long-term notes receivable	9,200	-	-	9,200	9,200	-	-	9,200
<b>Total assets</b>	<b>\$ 207,767,833</b>	<b>\$ 259,337,029</b>	<b>\$ (97,044,599)</b>	<b>\$ 370,060,263</b>	<b>\$ 183,558,321</b>	<b>\$ 190,636,520</b>	<b>\$ (63,852,051)</b>	<b>\$ 310,342,790</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities</b>								
Accounts payable and accrued expenses	\$ 1,936,634	\$ 2,337,591	\$ (43,306)	\$ 4,230,919	\$1,549,912	\$278,152	\$ -	\$ 1,828,064
Construction payables	245,677	7,074,598	(54,471)	7,265,804	-	-	-	-
Short-term notes and advances	-	613,741	(613,741)	-	209,366	330,811	(537,448)	2,729
Accrued interest payable	238,500	168,974	-	407,474	234,550	166,868	-	401,418
Security deposits	526,552	275,611	-	802,163	529,250	283,331	-	812,581
Current portion of long term debt	8,425,870	791,852	-	9,217,722	12,954,884	766,815	-	13,721,699
<b>Total current liabilities</b>	<b>11,373,233</b>	<b>11,262,367</b>	<b>(711,518)</b>	<b>21,924,082</b>	<b>15,477,962</b>	<b>1,825,977</b>	<b>(537,448)</b>	<b>16,766,491</b>
<b>Long-term liabilities</b>								
Deferred interest payable	1,683,973	5,675,093	(3,330,164)	4,028,902	1,340,219	4,749,478	(2,653,793)	3,435,904
Long-term debt, deferred loans and grants, net of current maturities	84,451,155	117,024,963	-	201,476,118	78,212,930	87,121,813	-	165,334,743
Less: unamortized debt issuance costs	(1,037,137)	(1,623,213)	-	(2,660,350)	(1,097,020)	(1,184,303)	(1,249)	(2,282,572)
Long-term notes	-	-	-	-	-	-	-	-
Long-term notes - affiliates	-	59,036,978	(59,036,978)	-	-	41,660,202	(41,660,202)	-
<b>Total long-term liabilities</b>	<b>85,097,991</b>	<b>180,113,821</b>	<b>(62,367,142)</b>	<b>202,844,670</b>	<b>78,456,129</b>	<b>132,347,190</b>	<b>(44,315,244)</b>	<b>166,488,075</b>
<b>Total liabilities</b>	<b>96,471,224</b>	<b>191,376,188</b>	<b>(63,078,660)</b>	<b>224,768,752</b>	<b>93,934,091</b>	<b>134,173,167</b>	<b>(44,852,692)</b>	<b>183,254,566</b>
<b>Net assets</b>								
Net assets without donor restriction	110,073,914	-	(23,065,095)	87,008,819	87,924,376	-	(17,340,650)	70,583,726
Net assets with donor restriction	1,222,695	-	-	1,222,695	1,699,854	-	-	1,699,854
Non-controlling interest in LPs and LLCs	-	67,960,841	(10,900,844)	57,059,997	-	56,463,353	(1,658,709)	54,804,644
<b>Total net assets</b>	<b>111,296,609</b>	<b>67,960,841</b>	<b>(33,965,939)</b>	<b>145,291,511</b>	<b>89,624,230</b>	<b>56,463,353</b>	<b>(18,999,359)</b>	<b>127,088,224</b>
<b>Total liabilities and net assets</b>	<b>\$ 207,767,833</b>	<b>\$ 259,337,029</b>	<b>\$ (97,044,599)</b>	<b>\$ 370,060,263</b>	<b>\$ 183,558,321</b>	<b>\$ 190,636,520</b>	<b>\$ (63,852,051)</b>	<b>\$ 310,342,790</b>

**BELLWETHER HOUSING AND AFFILIATES**
**CONSOLIDATING STATEMENTS OF ACTIVITIES WITHOUT DONOR RESTRICTION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020				2019			
	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total
<b>Revenue and Public Support</b>								
Rental income	\$ 17,372,921	\$ 11,813,937	\$ (319,009)	\$ 28,867,849	\$ 16,938,639	\$ 11,154,406	\$ (320,670)	\$ 27,772,375
Property management	1,560,204	-	(1,535,736)	24,468	1,432,595	-	(1,378,567)	54,028
Consulting fees	220,687	-	-	220,687	471,237	-	-	471,237
Development fees	5,303,242	-	(5,303,242)	-	-	-	-	-
Deferred development	-	-	-	-	-	-	-	-
Construction management fees	140,000	-	(140,000)	-	-	-	-	-
Interest, dividends, and realized gains	1,114,905	9,600	-	1,124,505	1,242,227	15,903	-	1,258,130
Interest income - notes	1,170,301	-	(1,170,301)	-	869,138	-	(869,138)	-
Grants and contributions	14,909,998	228,817	-	15,138,815	789,132	383,075	-	1,172,207
Net assets released from restrictions	3,172,260	-	-	3,172,260	123,482	-	-	123,482
Other income	2,740,925	19,951	(1,648,545)	1,112,331	1,485,050	99,865	(1,334,752)	250,163
<b>Total Revenue and Public Support</b>	<b>47,705,443</b>	<b>12,072,305</b>	<b>(10,116,833)</b>	<b>49,660,915</b>	<b>23,351,500</b>	<b>11,653,249</b>	<b>(3,903,127)</b>	<b>31,101,622</b>
<b>Expenses</b>								
Program Expenses								
Rental operations								
Operating expenses	9,046,284	6,803,018	(2,607,496)	13,241,806	8,268,757	5,497,200	(1,983,501)	11,782,456
Depreciation and amortization	2,763,030	5,309,666	(407,265)	7,665,431	2,573,428	5,422,390	(418,034)	7,577,784
Interest expense	2,635,458	3,447,956	(845,607)	5,237,807	2,647,939	4,114,473	(869,138)	5,893,274
Development and property management	9,257,216	-	-	9,257,216	6,600,992	-	-	6,600,992
Other	-	438,311	(384,838)	53,473	-	783,564	(729,817)	53,747
<b>Total Program Expenses</b>	<b>23,701,988</b>	<b>15,998,951</b>	<b>(4,245,206)</b>	<b>35,455,733</b>	<b>20,091,116</b>	<b>15,817,627</b>	<b>(4,000,490)</b>	<b>31,908,253</b>
<b>Supporting Service Expenses</b>								
Management and general	4,231,829	-	-	4,231,829	2,651,779	-	-	2,651,779
Fundraising	370,779	-	-	370,779	548,729	-	-	548,729
<b>Total Supporting Service Expenses</b>	<b>4,602,608</b>	<b>-</b>	<b>-</b>	<b>4,602,608</b>	<b>3,200,508</b>	<b>-</b>	<b>-</b>	<b>3,200,508</b>
<b>Total Expenses</b>	<b>28,304,596</b>	<b>15,998,951</b>	<b>(4,245,206)</b>	<b>40,058,341</b>	<b>23,291,624</b>	<b>15,817,627</b>	<b>(4,000,490)</b>	<b>35,108,761</b>
<b>Gains and (Losses)</b>								
Gain (loss) on investments	3,227,074	9,227	114	3,236,415	3,577,197	12,480	209,322	3,798,999
<b>Total Gains and (Losses)</b>	<b>3,227,074</b>	<b>9,227</b>	<b>114</b>	<b>3,236,415</b>	<b>3,577,197</b>	<b>12,480</b>	<b>209,322</b>	<b>3,798,999</b>
<b>Change in Net Assets Without Donor Restriction</b>	<b>\$ 22,627,921</b>	<b>\$ (3,917,419)</b>	<b>\$ (5,871,513)</b>	<b>\$ 12,838,989</b>	<b>\$ 3,637,073</b>	<b>\$ (4,151,898)</b>	<b>\$ 306,685</b>	<b>\$ (208,140)</b>

**BELLWETHER HOUSING AND AFFILIATES**
**CONSOLIDATING STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020				2019			
	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total	Bellwether Consolidated	Partnerships and LLCs	Eliminations	Consolidated Total
<u>Net Assets Without Donor Restriction</u>								
Revenue and public support	\$ 44,533,183	\$ 12,072,305	\$ (10,116,833)	\$ 46,488,655	\$ 23,228,018	\$ 11,653,249	\$ (3,903,127)	\$ 30,978,140
Net assets released from restrictions	3,172,260	-	-	3,172,260	123,482	-	-	123,482
Total Revenue and Public Support	47,705,443	12,072,305	(10,116,833)	49,660,915	23,351,500	11,653,249	(3,903,127)	31,101,622
Expenses	(28,304,596)	(15,998,951)	4,245,206	(40,058,341)	(23,291,625)	(15,817,627)	4,000,491	(35,108,761)
Gains	3,227,074	9,227	114	3,236,415	3,577,197	12,480	209,322	3,798,999
Total Expenses and Gains	(25,077,522)	(15,989,724)	4,245,320	(36,821,926)	(19,714,428)	(15,805,147)	4,209,813	(31,309,762)
Changes in net assets without donor restriction	22,627,921	(3,917,419)	(5,871,513)	12,838,989	3,637,072	(4,151,898)	306,686	(208,140)
<u>Net Assets With Donor Restriction</u>								
Revenue and public support	2,695,101	-	-	2,695,101	1,525,163	-	-	1,525,163
Net assets released from restrictions	(3,172,260)	-	-	(3,172,260)	(123,482)	-	-	(123,482)
Changes in net assets without donor restriction	(477,159)	-	-	(477,159)	1,401,681	-	-	1,401,681
<u>Changes in Non-Controlling Interest in LPs and LLCs</u>								
Owners' contributions	-	16,148,518	(9,756,505)	6,392,013	-	38,745,697	(1,086,542)	37,659,155
Owners' withdrawals	(478,418)	(733,611)	661,473	(550,556)	(2,493,070)	675,490	1,774,370	(43,210)
Changes in non-controlling interest in LPs and LLCs	(478,418)	15,414,907	(9,095,032)	5,841,457	(2,493,070)	39,421,187	687,828	37,615,945
Changes in net assets and non-controlling interest in LPs and LLCs	21,672,344	11,497,488	(14,966,545)	18,203,287	2,545,683	35,269,289	994,514	38,809,486
Balance, beginning of year	89,624,222	56,463,353	(18,999,351)	127,088,224	87,078,539	21,194,064	(19,993,865)	88,278,738
Balance, end of year	\$ 111,296,566	\$ 67,960,841	\$ (33,965,896)	\$ 145,291,511	\$ 89,624,222	\$ 56,463,353	\$ (18,999,351)	\$ 127,088,224



**BELLWETHER HOUSING AND AFFILIATES**

**DETAIL OF REVENUE AND EXPENSES FOR  
BELLWETHER AND WHOLLY OWNED BUILDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>Program Services and Administration 2020</b>	<b>Building Operations 2020</b>	<b>Total 2020</b>	<b>Program Services and Administration 2019</b>	<b>Building Operations 2019</b>	<b>Total 2019</b>
<b>Revenue and Public Support</b>						
Rental income	\$ 183,000	\$ 17,189,921	\$ 17,372,921	\$ 128,057	\$ 16,810,582	\$ 16,938,639
Property management	1,560,204	-	1,560,204	1,432,595	-	1,432,595
Consulting fees	220,687	-	220,687	471,237	-	471,237
Development fees	5,303,242	-	5,303,242	-	-	-
Construction management fees	140,000	-	140,000	-	-	-
Interest, dividends, and realized gains	1,084,747	30,158	1,114,905	1,182,842	59,385	1,242,227
Interest income - notes	1,170,301	-	1,170,301	869,138	-	869,138
Grants and contributions	8,074,589	6,835,409	14,909,998	503,283	285,849	789,132
Net assets released from restrictions	3,172,260	-	3,172,260	123,482	-	123,482
Other revenue	2,689,557	51,368	2,740,925	1,474,662	10,388	1,485,050
<b>Total Revenue and Public Support</b>	<b>23,598,587</b>	<b>24,106,856</b>	<b>47,705,443</b>	<b>6,185,296</b>	<b>17,166,204</b>	<b>23,351,500</b>
<b>Expenses</b>						
Program Expenses						
Rental operations						
Operating expenses	-	9,046,284	9,046,284	-	8,268,757	8,268,757
Depreciation and amortization	-	2,763,030	2,763,030	-	2,573,428	2,573,428
Interest expense	-	2,635,458	2,635,458	-	2,647,939	2,647,939
Development and property management	9,257,216	-	9,257,216	6,600,992	-	6,600,992
<b>Total Program Expenses</b>	<b>9,257,216</b>	<b>14,444,772</b>	<b>23,701,988</b>	<b>6,600,992</b>	<b>13,490,124</b>	<b>20,091,116</b>
<b>Supporting Service Expenses</b>						
Management and general	4,231,829	-	4,231,829	2,651,779	-	2,651,779
Fundraising	370,779	-	370,779	548,729	-	548,729
<b>Total Supporting Service Expenses</b>	<b>4,602,608</b>	<b>-</b>	<b>4,602,608</b>	<b>3,200,508</b>	<b>-</b>	<b>3,200,508</b>
<b>Total Expenses</b>	<b>13,859,824</b>	<b>14,444,772</b>	<b>28,304,596</b>	<b>9,801,500</b>	<b>13,490,124</b>	<b>23,291,624</b>
<b>Gains and (Losses)</b>						
Gain (loss) on investments	2,829,095	397,979	3,227,074	3,555,738	21,459	3,577,197
<b>Total Gains and (Losses)</b>	<b>2,829,095</b>	<b>397,979</b>	<b>3,227,074</b>	<b>3,555,738</b>	<b>21,459</b>	<b>3,577,197</b>
<b>Change in Net Assets Without Donor Restriction</b>	<b>\$ 12,567,858</b>	<b>\$ 10,060,063</b>	<b>\$ 22,627,921</b>	<b>\$ (60,466)</b>	<b>\$ 3,697,539</b>	<b>\$ 3,637,073</b>

**BELLWETHER HOUSING AND AFFILIATES**

**SCHEDULES OF REVENUE AND EXPENSES FOR BELLWETHER WHOLLY OWNED BUILDING OPERATIONS  
YEAR ENDED DECEMBER 31, 2020**

	REVENUE			EXPENSES			Excess (deficit) from operations	Depreciation and amortization	Excess (Deficit) of Revenue over Expenses
	Rental income	Other building income	Total	Operating expenses	Interest expense	Total			
Annapolis	\$ 264,648	\$ 781	\$ 265,429	\$ 164,296	\$ 6,203	\$ 170,499	\$ 94,930	\$ 26,342	\$ 68,588
Arbora Court - Lease	-	-	-	52,177	-	52,177	(52,177)	3,926	(56,103)
Bellevue/Olive	712,592	9,840	722,432	391,099	70,212	461,311	261,121	127,244	133,877
Casa Pacifica Apartments	889,167	13,232	902,399	470,181	185,297	655,478	246,921	174,643	72,278
Casa Pacifica - Lease	1	-	1	-	-	-	1	-	1
Cascade Court	1,193,365	2,898	1,196,263	483,155	211,971	695,126	501,137	267,368	233,769
Eagles Apartments	411,904	2,343	414,247	281,339	27,889	309,228	105,019	79,893	25,126
Gilmore Apartments	725,744	1,916	727,660	490,580	124,969	615,549	112,111	189,704	(77,593)
Graham Terry Apartments	1,077,812	23,401	1,101,213	549,937	149,063	699,000	402,213	178,751	223,462
Judkins Park	212,655	575	213,230	86,911	36,982	123,893	89,337	66,605	22,732
Juneau & Pardee Townhomes	335,795	1,448	337,243	208,752	23,626	232,378	104,865	67,915	36,950
Kingway Apartments	2,455,767	4,926	2,460,693	1,108,685	117,950	1,226,635	1,234,058	146,011	1,088,047
Mary's Boathouse	60,792	3,408,044	3,468,836	109,214	-	109,214	3,359,622	59,502	3,300,120
Meridian Manor	1,651,872	76,659	1,728,531	757,143	423,894	1,181,037	547,494	308,321	239,173
Mercer Court	351,246	5,031	356,277	194,233	43,787	238,020	118,257	70,769	47,488
Olive Tower Apartments	902,916	13,427	916,343	514,782	156,650	671,432	244,911	162,378	82,533
Oregon Apartments	863,575	14,101	877,676	487,392	126,040	613,432	264,244	108,026	156,218
Rose Street - Lease	68,210	308	68,518	19,707	27,916	47,623	20,895	13,155	7,740
Security House Apartments - Lease	356,057	621	356,678	149,291	-	149,291	207,387	5,389	201,998
Sterling Court	101,805	522	102,327	43,263	-	43,263	59,064	14,961	44,103
Stewart Court	1,202,958	3,588	1,206,546	471,100	261,453	732,553	473,993	176,529	297,464
Stone Way Apartments - Lease	255,801	812	256,613	177,477	-	177,477	79,136	16,105	63,031
First and Vine Apartments - Lease	39,407	203	39,610	23,360	-	23,360	16,250	-	16,250
Sortun Court Townhomes	152,224	3,283,910	3,436,134	113,838	25,578	139,416	3,296,718	64,129	3,232,589
Tate Mason House	1,058,442	3,909	1,062,351	501,961	167,741	669,702	392,649	151,715	240,934
Views at Madison	1,212,312	438,726	1,651,038	869,749	347,703	1,217,452	433,586	219,129	214,457
Vine Court	632,854	3,693	636,547	326,662	100,534	427,196	209,351	64,520	144,831
<b>Total</b>	<b>\$ 17,189,921</b>	<b>\$ 7,314,914</b>	<b>\$ 24,504,835</b>	<b>\$ 9,046,284</b>	<b>\$ 2,635,458</b>	<b>\$ 11,681,742</b>	<b>\$ 12,823,093</b>	<b>\$ 2,763,030</b>	<b>\$ 10,060,063</b>

**BELLWETHER HOUSING AND AFFILIATES**

**SCHEDULES OF REVENUE AND EXPENSES FOR BELLWETHER WHOLLY OWNED BUILDING OPERATIONS  
YEAR ENDED DECEMBER 31, 2019**

	REVENUE			EXPENSES			Excess (deficit) from operations	Depreciation and amortization	Excess (Deficit) of Revenue over Expenses
	Rental income	Other building income	Total	Operating expenses	Interest expense	Total			
Annapolis	\$ 259,234	\$ 927	\$ 260,161	\$ 147,205	\$ 6,142	\$ 153,347	\$ 106,814	\$ 25,380	\$ 81,434
Arbora Court - Lease	-	-	-	746	-	746	(746)	-	(746)
Bellevue/Olive	688,454	12,678	701,132	356,657	71,632	428,289	272,843	127,244	145,599
Casa Pacifica Apartments	859,350	14,123	873,473	523,837	190,672	714,509	158,964	174,473	(15,509)
Casa Pacifica - Lease	-	-	-	39	-	39	(39)	-	(39)
Cascade Court	1,162,264	59,767	1,222,031	552,127	216,873	769,000	453,031	266,386	186,645
Eagles Apartments	399,980	4,666	404,646	218,313	30,631	248,944	155,702	79,980	75,722
Gilmore Apartments	651,355	129,341	780,696	465,906	118,545	584,451	196,245	171,733	24,512
Graham Terry Apartments	1,083,985	9,145	1,093,130	529,195	152,367	681,562	411,568	178,764	232,804
Judkins Park	-	-	-	-	-	-	-	-	-
Juneau & Pardee Townhomes	338,910	2,803	341,713	166,916	24,236	191,152	150,561	62,722	87,839
Kingway Apartments	2,412,798	7,515	2,420,313	1,092,906	127,853	1,220,759	1,199,554	194,356	1,005,198
Mary's Boathouse	-	-	-	-	-	-	-	-	-
Meridian Manor	1,625,979	79,884	1,705,863	779,560	432,965	1,212,525	493,338	305,051	188,287
Mercer Court	358,626	5,266	363,892	211,731	44,727	256,458	107,434	68,467	38,967
Olive Tower Apartments	989,741	19,318	1,009,059	497,675	160,875	658,550	350,509	149,935	200,574
Oregon Apartments	922,442	8,520	930,962	477,372	129,569	606,941	324,021	107,491	216,530
Rose Street - Lease	57,548	314	57,862	22,094	24,235	46,329	11,533	13,155	(1,622)
Security House Apartments - Lease	348,085	1	348,086	8,194	-	8,194	339,892	5,389	334,503
Sterling Court	91,793	2,963	94,756	54,635	-	54,635	40,121	14,961	25,160
Stewart Court	1,269,332	2,649	1,271,981	458,314	270,909	729,223	542,758	176,269	366,489
Stone Way Apartments - Lease	250,230	-	250,230	14,806	-	14,806	235,424	13,973	221,451
First and Vine Apartments - Lease	27,351	-	27,351	3,138	-	3,138	24,213	-	24,213
Sortun Court Townhomes	-	-	-	-	-	-	-	-	-
Tate Mason House	1,024,798	6,528	1,031,326	464,972	172,720	637,692	393,634	154,064	239,570
Views at Madison	1,294,310	7,624	1,301,934	886,169	328,159	1,214,328	87,606	215,664	(128,058)
Vine Court	694,017	3,049	697,066	336,250	144,829	481,079	215,987	67,971	148,016
<b>Total</b>	<b>\$ 16,810,582</b>	<b>\$ 377,081</b>	<b>\$ 17,187,663</b>	<b>\$ 8,268,757</b>	<b>\$ 2,647,939</b>	<b>\$ 10,916,696</b>	<b>\$ 6,270,967</b>	<b>\$ 2,573,428</b>	<b>\$ 3,697,539</b>

**BELLWETHER HOUSING AND AFFILIATES**

**DETAILED SCHEDULE OF ASSETS, LIABILITIES AND OWNERS' EQUITY (DEFICIT) FOR BELLWETHER LPs AND LLCs  
DECEMBER 31, 2020**

ASSETS	DETAILED SCHEDULE OF ASSETS, LIABILITIES AND OWNERS' EQUITY (DEFICIT) FOR BELLWETHER LPs AND LLCs DECEMBER 31, 2020													
	Genesee	Stone Way	HRG Rose Street	Sunset Apartments	Parker Apartments	1511 Dexter	Security House	Cambridge Apartments	University Apts - 4%	University Apts - 9%	Confluence	Cedar Crossing (Roosevelt)	Madison Housing (Rise at Madison)	Total
Cash and cash equivalents	\$ 51,146	\$ 86,167	\$ 79,502	\$ 818,531	\$ 42,602	\$ 33,741	\$ 1,157,835	\$ 413,878	\$ 78,932	\$ 109,410	\$ -	\$ -	\$ -	\$ 2,871,744
Cash and cash equivalents - restricted	553,745	566,975	614,853	1,542,634	290,229	408,236	550,503	552,896	420,348	319,594	521,205	66,173	7,824,723	14,232,114
Tenant and other receivables	22	28,094	28,420	6,800	2,175	2,682	14,365	3,018	10,899	8,287	(9,093)	-	-	95,669
Prepaid expenses	12,171	9,290	13,295	13,817	7,388	12,677	17,793	25,784	15,040	9,964	5,781	-	-	143,000
Total Current Assets	617,084	690,526	736,070	2,381,782	342,394	457,336	1,740,496	995,576	525,219	447,255	517,893	66,173	7,824,723	17,342,527
Property and equipment, net	4,848,917	11,749,203	13,698,432	10,341,208	9,993,986	20,300,250	21,179,358	43,884,217	22,654,099	14,869,776	19,789,702	30,528,339	17,699,167	241,536,654
Prepaid costs, net	-	-	-	21,691	-	53,086	60,278	101,246	89,632	83,748	14,167	14,333	19,667	457,848
Total assets	<b>\$ 5,466,001</b>	<b>\$ 12,439,729</b>	<b>\$ 14,434,502</b>	<b>\$ 12,744,681</b>	<b>\$ 10,336,380</b>	<b>\$ 20,810,672</b>	<b>\$ 22,980,132</b>	<b>\$ 44,981,039</b>	<b>\$ 23,268,950</b>	<b>\$ 15,400,779</b>	<b>\$ 20,321,762</b>	<b>\$ 30,608,845</b>	<b>\$ 25,543,557</b>	<b>\$ 259,337,029</b>
<b>LIABILITIES AND OWNERS' EQUITY (DEFICIT)</b>														
Accounts payable and accruals	\$ 20,047	\$ 41,554	\$ 25,815	\$ 37,859	\$ 27,050	\$ 17,391	\$ 40,768	\$ 53,067	\$ 44,754	\$ 82,477	\$ 1,903,504	\$ 43,305	\$ -	\$ 2,337,591
Construction payables	-	-	-	-	-	-	-	-	-	-	664,176	4,579,203	1,831,219	7,074,598
Short-term notes and advances	24,640	-	-	23,482	5,398	-	10,576	-	-	-	333,824	68,704	147,117	613,741
Accrued interest payable	4,188	14,614	-	12,941	13,195	17,702	31,877	33,990	31,102	2,626	3,621	3,026	92	168,974
Security deposits	17,603	27,990	31,695	19,454	22,955	28,640	19,170	54,745	31,666	21,693	-	-	-	275,611
Current portion of long term debt	37,128	120,186	64,771	61,819	68,625	86,073	138,431	124,917	85,251	4,651	-	-	-	791,852
Total current liabilities	103,606	204,344	122,281	155,555	137,223	149,806	240,822	266,719	192,773	111,447	2,905,125	4,694,238	1,978,428	11,262,367
Deferred interest payable	441,967	1,746,911	21,167	211,416	477,574	392,178	209,356	1,364,764	288,721	172,122	72,056	164,944	111,917	5,675,093
Long-term debt, deferred loans and grants, net of current maturities	2,364,168	8,927,720	13,152,934	4,434,422	6,841,688	12,527,834	10,432,101	8,962,780	13,047,721	3,976,102	11,031,908	17,469,796	3,855,789	117,024,963
Less: unamortized debt issuance costs	(35,953)	(25,934)	(120,170)	(40,685)	(50,520)	(153,158)	(120,768)	(110,090)	(222,317)	(230,875)	(125,049)	(188,383)	(199,311)	(1,623,213)
Long-term notes - affiliates	3,479,191	1,015,000	362,516	481,285	1,589,660	2,569,288	7,781,892	19,712,082	1,980,438	970,547	4,400,164	5,078,147	9,616,768	59,036,978
Total liabilities	<b>6,352,979</b>	<b>11,868,041</b>	<b>13,538,728</b>	<b>5,241,993</b>	<b>8,995,625</b>	<b>15,485,948</b>	<b>18,543,403</b>	<b>30,196,255</b>	<b>15,287,336</b>	<b>4,999,343</b>	<b>18,284,204</b>	<b>27,218,742</b>	<b>15,363,591</b>	<b>191,376,188</b>
Owners' equity (deficit)	<b>(886,978)</b>	<b>571,688</b>	<b>895,774</b>	<b>7,502,688</b>	<b>1,340,755</b>	<b>5,324,724</b>	<b>4,436,729</b>	<b>14,784,784</b>	<b>7,981,614</b>	<b>10,401,436</b>	<b>2,037,558</b>	<b>3,390,103</b>	<b>10,179,966</b>	<b>67,960,841</b>
Total liabilities and owners' equity (deficit)	<b>\$ 5,466,001</b>	<b>\$ 12,439,729</b>	<b>\$ 14,434,502</b>	<b>\$ 12,744,681</b>	<b>\$ 10,336,380</b>	<b>\$ 20,810,672</b>	<b>\$ 22,980,132</b>	<b>\$ 44,981,039</b>	<b>\$ 23,268,950</b>	<b>\$ 15,400,779</b>	<b>\$ 20,321,762</b>	<b>\$ 30,608,845</b>	<b>\$ 25,543,557</b>	<b>\$ 259,337,029</b>

**BELLWETHER HOUSING AND AFFILIATES**

**DETAILED SCHEDULE OF ASSETS, LIABILITIES AND OWNERS' EQUITY (DEFICIT) FOR BELLWETHER LPs AND LLCs  
DECEMBER 31, 2019**

<b>ASSETS</b>	<b>Judkins Park</b>	<b>Genesee</b>	<b>Stone Way</b>	<b>HRG Rose Street</b>	<b>Sunset Apartments</b>	<b>Parker Apartments</b>	<b>1511 Dexter</b>	<b>Security House</b>	<b>Cambridge Apartments</b>	<b>University Apts - 4%</b>	<b>University Apts - 9%</b>	<b>Total</b>
Cash and cash equivalents	\$ 36,019	\$ 269,673	\$ 72,402	\$ 162,335	\$ 924,616	\$ 118,937	\$ 35,200	\$ 323,555	\$ 401,959	\$ 305,378	\$ 36,384	\$ 2,686,458
Cash and cash equivalents - restricted	127,074	531,494	597,163	580,834	1,506,051	271,383	530,133	548,163	764,890	379,870	301,951	6,139,006
Tenant and other receivables	26	11,340	9,414	1,334	162,369	1,732	58,755	17,703	17,613	48,409	17,741	346,436
Prepaid expenses	2,389	7,943	5,842	9,856	11,618	4,740	10,121	14,203	16,507	11,314	7,498	102,031
<b>Total Current Assets</b>	<b>165,508</b>	<b>820,450</b>	<b>684,821</b>	<b>754,359</b>	<b>2,604,654</b>	<b>396,792</b>	<b>634,209</b>	<b>903,624</b>	<b>1,200,969</b>	<b>744,971</b>	<b>363,574</b>	<b>9,273,931</b>
Property and equipment, net	2,284,061	5,033,614	12,134,747	14,084,210	10,707,037	10,221,378	20,941,988	21,743,068	45,055,846	23,319,682	15,382,044	180,907,675
Prepaid costs, net	-	-	-	-	35,390	-	57,225	65,498	108,972	97,102	90,727	454,914
<b>Total assets</b>	<b>\$ 2,449,569</b>	<b>\$ 5,854,064</b>	<b>\$ 12,819,568</b>	<b>\$ 14,838,569</b>	<b>\$ 13,347,081</b>	<b>\$ 10,618,170</b>	<b>\$ 21,633,422</b>	<b>\$ 22,712,190</b>	<b>\$ 46,365,787</b>	<b>\$ 24,161,755</b>	<b>\$ 15,836,345</b>	<b>\$ 190,636,520</b>
<b>LIABILITIES AND OWNERS' EQUITY (DEFICIT)</b>												
Accounts payable and accruals	\$ 3,219	\$ 16,670	\$ 22,393	\$ 26,064	\$ 10,244	\$ 15,747	\$ 22,368	\$ 34,786	\$ 65,059	\$ 26,723	\$ 34,879	\$ 278,152
Short-term notes and advances	2,114	239,047	15,782	22,425	-	7,779	-	21,379	15,771	6,514	-	330,811
Accrued interest payable	1,955	4,337	15,133	-	13,270	13,458	17,964	32,289	34,376	31,438	2,648	166,868
Security deposits	7,735	16,979	27,264	34,952	20,386	22,098	28,235	17,644	56,497	31,054	20,487	283,331
Current portion of long term debt	12,319	35,286	113,415	60,539	57,368	65,010	82,361	131,349	119,131	85,739	4,298	766,815
<b>Total current liabilities</b>	<b>27,342</b>	<b>312,319</b>	<b>193,987</b>	<b>143,980</b>	<b>101,268</b>	<b>124,092</b>	<b>150,928</b>	<b>237,447</b>	<b>290,834</b>	<b>181,468</b>	<b>62,312</b>	<b>1,825,977</b>
Deferred interest payable	180,268	411,767	1,658,972	19,167	188,984	386,743	269,158	160,647	1,026,124	293,360	154,288	4,749,478
Long-term debt, deferred loans and grants, net of current maturities	1,719,348	2,401,296	9,047,906	13,218,002	4,496,242	6,910,313	12,614,510	10,518,359	9,087,697	13,127,389	3,980,751	87,121,813
Less: unamortized debt issuance costs	-	(37,951)	(30,749)	(127,431)	(44,044)	(55,792)	(164,319)	(128,436)	(112,935)	(236,724)	(245,922)	(1,184,303)
Long-term notes - affiliates	339,612	3,503,266	1,015,000	455,070	509,171	1,671,140	2,787,955	7,899,928	20,470,924	2,053,657	954,479	41,660,202
<b>Total liabilities</b>	<b>2,266,570</b>	<b>6,590,697</b>	<b>11,885,116</b>	<b>13,708,788</b>	<b>5,251,621</b>	<b>9,036,496</b>	<b>15,658,232</b>	<b>18,687,945</b>	<b>30,762,644</b>	<b>15,419,150</b>	<b>4,905,908</b>	<b>134,173,167</b>
<b>Owners' equity (deficit)</b>	<b>182,999</b>	<b>(736,633)</b>	<b>934,452</b>	<b>1,129,781</b>	<b>8,095,460</b>	<b>1,581,674</b>	<b>5,975,190</b>	<b>4,024,245</b>	<b>15,603,143</b>	<b>8,742,605</b>	<b>10,930,437</b>	<b>56,463,353</b>
<b>Total liabilities and owners' equity (deficit)</b>	<b>\$ 2,449,569</b>	<b>\$ 5,854,064</b>	<b>\$ 12,819,568</b>	<b>\$ 14,838,569</b>	<b>\$ 13,347,081</b>	<b>\$ 10,618,170</b>	<b>\$ 21,633,422</b>	<b>\$ 22,712,190</b>	<b>\$ 46,365,787</b>	<b>\$ 24,161,755</b>	<b>\$ 15,836,345</b>	<b>\$ 190,636,520</b>

BELLWETHER HOUSING AND AFFILIATES

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN OWNERS' EQUITY (DEFICIT)  
PARTNERSHIPS AND LIMITED LIABILITY COMPANIES  
YEAR ENDED DECEMBER 31, 2020

	Judkins Park	Genesee	Stone Way	HRG Rose Street	Sunset Apartments	Parker Apartments	1511 Dexter	Security House	Cambridge Apartments	University Apts - 4%	University Apts - 9%	Confluence	Cedar Crossing (Roosevelt)	Madison Housing (Rise at Madison)	Total
<b>Revenue</b>															
Rental income	\$ -	\$ 517,298	\$ 958,035	\$ 977,884	\$ 1,825,151	\$ 641,295	\$ 871,809	\$ 2,434,947	\$ 1,722,436	\$ 1,136,788	\$ 728,294	\$ -	\$ -	\$ -	\$ 11,813,937
Interest income	-	362	2,058	2,571	227	1,638	2,255	474	5,368	2,268	1,606	-	-	-	18,827
Other building income	-	-	82,612	-	73,251	-	1,939	73,518	16,925	-	523	-	-	-	248,768
<b>Total Revenue</b>	-	<b>517,660</b>	<b>1,042,705</b>	<b>980,455</b>	<b>1,898,629</b>	<b>642,933</b>	<b>876,003</b>	<b>2,508,939</b>	<b>1,744,729</b>	<b>1,139,056</b>	<b>730,423</b>	-	-	-	<b>12,081,532</b>
<b>Expenses</b>															
Operating expenses	-	400,836	603,030	546,298	786,080	375,600	489,772	903,112	1,033,073	654,216	613,864	49,737	48,749	58,684	6,563,051
Depreciation and amortization	-	184,697	409,298	410,078	401,361	243,928	645,877	574,367	1,179,355	714,199	546,506	-	-	-	5,309,666
Interest expense	-	83,780	316,564	239,327	180,379	253,826	387,756	619,282	745,387	526,161	95,494	-	-	-	3,447,956
Other	-	17,768	4,455	37,479	492,880	30,021	19,270	10,927	15,845	31,781	21,065	-	-	-	681,491
<b>Total Expenses</b>	-	<b>687,081</b>	<b>1,333,347</b>	<b>1,233,182</b>	<b>1,860,700</b>	<b>903,375</b>	<b>1,542,675</b>	<b>2,107,688</b>	<b>2,973,660</b>	<b>1,926,357</b>	<b>1,276,929</b>	<b>49,737</b>	<b>48,749</b>	<b>58,684</b>	<b>16,002,164</b>
<b>Net Income (Loss) from Operations</b>	-	<b>(169,421)</b>	<b>(290,642)</b>	<b>(252,727)</b>	<b>37,929</b>	<b>(260,442)</b>	<b>(666,672)</b>	<b>401,251</b>	<b>(1,228,931)</b>	<b>(787,301)</b>	<b>(546,506)</b>	<b>(49,737)</b>	<b>(48,749)</b>	<b>(58,684)</b>	<b>(3,920,632)</b>
<b>Gains/Losses</b>															
Major Contract Repairs	-	-	(94,529)	(7,345)	(109,219)	-	-	(14,179)	(14,695)	-	-	-	-	-	(239,567)
Transfers from(to) related parties	-	19,076	22,407	26,065	29,130	19,523	16,206	25,412	41,546	26,310	17,505	-	-	-	243,180
<b>Total Gains and (Losses)</b>	-	<b>19,076</b>	<b>(72,122)</b>	<b>18,720</b>	<b>(80,089)</b>	<b>19,523</b>	<b>16,206</b>	<b>11,233</b>	<b>26,851</b>	<b>26,310</b>	<b>17,505</b>	-	-	-	<b>3,213</b>
<b>Net Income (loss)</b>	<b>\$ -</b>	<b>\$ (150,345)</b>	<b>\$ (362,764)</b>	<b>\$ (234,007)</b>	<b>\$ (42,160)</b>	<b>\$ (240,919)</b>	<b>\$ (650,466)</b>	<b>\$ 412,484</b>	<b>\$ (1,202,080)</b>	<b>\$ (760,991)</b>	<b>\$ (529,001)</b>	<b>\$ (49,737)</b>	<b>\$ (48,749)</b>	<b>\$ (58,684)</b>	<b>\$ (3,917,419)</b>
<b>Owners' Equity (Deficit)</b>															
Balance, beginning of year	\$ 182,999	\$ (736,633)	\$ 934,452	\$ 1,129,781	\$ 8,095,460	\$ 1,581,674	\$ 5,975,190	\$ 4,024,245	\$ 15,603,143	\$ 8,742,605	\$ 10,930,437	\$ -	\$ -	\$ -	\$ 56,463,353
Net income (loss)	-	(150,345)	(362,764)	(234,007)	(42,160)	(240,919)	(650,466)	412,484	(1,202,080)	(760,991)	(529,001)	(49,737)	(48,749)	(58,684)	(3,917,419)
Capital contributions	-	-	-	-	-	-	-	-	383,721	-	-	2,087,295	3,438,852	10,238,650	16,148,518
Withdrawals	(182,999)	-	-	-	(550,612)	-	-	-	-	-	-	-	-	-	(733,611)
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ (886,978)</b>	<b>\$ 571,688</b>	<b>\$ 895,774</b>	<b>\$ 7,502,688</b>	<b>\$ 1,340,755</b>	<b>\$ 5,324,724</b>	<b>\$ 4,436,729</b>	<b>\$ 14,784,784</b>	<b>\$ 7,981,614</b>	<b>\$ 10,401,436</b>	<b>\$ 2,037,558</b>	<b>\$ 3,390,103</b>	<b>\$ 10,179,966</b>	<b>\$ 67,960,841</b>

**BELLWETHER HOUSING AND AFFILIATES**

**SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN OWNERS' EQUITY (DEFICIT)  
PARTNERSHIPS AND LIMITED LIABILITY COMPANIES  
YEAR ENDED DECEMBER 31, 2019**

	Third & Pine	Judkins Park	Genesee	Stone Way	HRG Rose Street	Sunset Apartments	Parker Apartments	1511 Dexter	Security House	Cambridge Apartments	University Apts - 4%	University Apts - 9%	Total
<b>Revenue</b>													
Rental income	\$ 54,812	\$ 205,287	\$ 506,054	\$ 953,696	\$ 961,401	\$ 1,819,374	\$ 607,143	\$ 850,339	\$ 1,704,482	\$ 1,650,930	\$ 1,114,054	\$ 726,834	\$ 11,154,406
Interest income	348	689	1,648	2,647	3,226	1,590	1,942	2,833	2,737	5,698	3,069	1,956	28,383
Other building income	-	-	-	8,683	240,111	61,618	-	1,662	71,488	63,366	-	36,012	482,940
<b>Total Revenue</b>	<b>55,160</b>	<b>205,976</b>	<b>507,702</b>	<b>965,026</b>	<b>1,204,738</b>	<b>1,882,582</b>	<b>609,085</b>	<b>854,834</b>	<b>1,778,707</b>	<b>1,719,994</b>	<b>1,117,123</b>	<b>764,802</b>	<b>11,665,729</b>
<b>Expenses</b>													
Operating expenses	53,137	102,566	346,300	516,261	412,116	700,146	278,681	415,552	834,229	679,207	489,932	472,427	5,300,554
Depreciation and amortization	17,187	76,118	182,610	407,151	409,469	459,448	243,928	641,738	567,647	1,171,629	706,253	539,212	5,422,390
Interest expense	23,383	39,328	84,664	310,886	242,231	197,418	253,838	430,705	631,381	1,084,531	601,021	215,087	4,114,473
Other	-	15,126	4,277	59,345	36,212	541,799	28,813	20,600	10,609	15,383	30,875	20,525	783,564
<b>Total Expenses</b>	<b>93,707</b>	<b>233,138</b>	<b>617,851</b>	<b>1,293,643</b>	<b>1,100,028</b>	<b>1,898,811</b>	<b>805,260</b>	<b>1,508,595</b>	<b>2,043,866</b>	<b>2,950,750</b>	<b>1,828,081</b>	<b>1,247,251</b>	<b>15,620,981</b>
<b>Net Income (Loss) from Operations</b>	<b>(38,547)</b>	<b>(27,162)</b>	<b>(110,149)</b>	<b>(328,617)</b>	<b>104,710</b>	<b>(16,229)</b>	<b>(196,175)</b>	<b>(653,761)</b>	<b>(265,159)</b>	<b>(1,230,756)</b>	<b>(710,958)</b>	<b>(482,449)</b>	<b>(3,955,252)</b>
<b>Gains/Losses</b>													
Major Contract Repairs	(27,853)	(598)	(54,460)	(23,699)	(37,110)	(9,925)	(5,963)	(13,264)	(7,990)	(7,365)	(2,577)	(5,842)	(196,646)
<b>Total Gains and (Losses)</b>	<b>(27,853)</b>	<b>(598)</b>	<b>(54,460)</b>	<b>(23,699)</b>	<b>(37,110)</b>	<b>(9,925)</b>	<b>(5,963)</b>	<b>(13,264)</b>	<b>(7,990)</b>	<b>(7,365)</b>	<b>(2,577)</b>	<b>(5,842)</b>	<b>(196,646)</b>
<b>Net Income (loss)</b>	<b>\$ (66,400)</b>	<b>\$ (27,760)</b>	<b>\$ (164,609)</b>	<b>\$ (352,316)</b>	<b>\$ 67,600</b>	<b>\$ (26,154)</b>	<b>\$ (202,138)</b>	<b>\$ (667,025)</b>	<b>\$ (273,149)</b>	<b>\$ (1,238,121)</b>	<b>\$ (713,535)</b>	<b>\$ (488,291)</b>	<b>\$ (4,151,898)</b>
<b>Owners' Equity (Deficit)</b>													
Balance, beginning of year	\$ (965,658)	\$ 210,759	\$ (572,024)	\$ 200,227	\$ 1,062,181	\$ 8,478,182	\$ 1,783,812	\$ 904,915	\$ 4,297,394	\$ 476,402	\$ 2,351,845	\$ 2,966,029	\$ 21,194,064
Net income (loss)	(66,400)	(27,760)	(164,609)	(352,316)	67,600	(26,154)	(202,138)	(667,025)	(273,149)	(1,238,121)	(713,535)	(488,291)	(4,151,898)
Capital contributions	-	-	-	1,086,541	-	-	-	5,737,300	-	16,364,862	7,104,295	8,452,699	38,745,697
Withdrawals	1,032,058	-	-	-	-	(356,568)	-	-	-	-	-	-	675,490
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 182,999</b>	<b>\$ (736,633)</b>	<b>\$ 934,452</b>	<b>\$ 1,129,781</b>	<b>\$ 8,095,460</b>	<b>\$ 1,581,674</b>	<b>\$ 5,975,190</b>	<b>\$ 4,024,245</b>	<b>\$ 15,603,143</b>	<b>\$ 8,742,605</b>	<b>\$ 10,930,437</b>	<b>\$ 56,463,353</b>