

**CONSOLIDATED FINANCIAL STATEMENTS**

**BUILDING BRIDGES ACROSS THE RIVER, INC.  
AND AFFILIATES**

**FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2023**

# BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Building Bridges Across the River, Inc. and Affiliates  
Washington, D.C.

### **Opinion**

We have audited the accompanying consolidated financial statements of Building Bridges Across the River, Inc. and Affiliates, collectively, the Organizations, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organizations as of December 31, 2024, and the consolidated change in their net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

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

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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

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

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

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

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

## **Report on Summarized Comparative Information**

We have previously audited the Organizations' 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 31, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 19, Consolidating Schedule of Activities on page 20, Consolidating Schedule of Change in Net Assets on page 21 and Consolidating Schedule of Cash Flows on page 22 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Gelman Rosenberg & Friedman*

March 6, 2026

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

## ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 40,828,817	\$ 24,916,383
Grants and pledges receivable	1,490,992	2,710,560
Accounts receivable, net	63,373	17,890
Land use contribution receivable	50,633	50,633
Prepaid expenses and other	<u>218,207</u>	<u>20,772</u>
Total current assets	<u>42,652,022</u>	<u>27,716,238</u>
<b>PROPERTY AND EQUIPMENT</b>		
Buildings and improvements	52,388,704	52,388,704
Equipment	1,414,208	1,249,384
Furniture	36,062	158,715
Vehicles	50,463	50,463
Construction in progress	<u>15,266,827</u>	<u>2,276,107</u>
	69,156,264	56,123,373
Less: Accumulated depreciation and amortization	<u>(16,725,873)</u>	<u>(15,126,796)</u>
Net property and equipment	<u>52,430,391</u>	<u>40,996,577</u>
<b>NONCURRENT ASSETS</b>		
Operating right-of-use asset, net	642,500	-
Grants and pledges receivable, net	217,978	642,943
Land use contribution receivable, net	3,315,867	3,366,500
Loan receivable from TDIF	<u>16,712,000</u>	<u>-</u>
Total noncurrent assets	<u>20,888,345</u>	<u>4,009,443</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 115,970,758</u></b>	<b><u>\$ 72,722,258</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Notes payable	\$ 3,385,932	\$ 222,571
Accounts payable and accrued expenses	2,444,675	712,238
Deferred rental income	4,266,261	4,385,807
Operating lease liability	<u>51,575</u>	<u>-</u>
Total current liabilities	<u>10,148,443</u>	<u>5,320,616</u>
<b>NONCURRENT LIABILITIES</b>		
Notes payable, net	30,543,580	2,650,279
Operating lease liability, net	<u>598,720</u>	<u>-</u>
Total noncurrent liabilities	<u>31,142,300</u>	<u>2,650,279</u>
Total liabilities	<u>41,290,743</u>	<u>7,970,895</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	31,713,314	21,252,691
Board designated	309,914	181,357
Invested in property and equipment	<u>13,553,758</u>	<u>15,021,428</u>
Total without donor restrictions	45,576,986	36,455,476
With donor restrictions	<u>29,103,029</u>	<u>28,295,887</u>
Total net assets	<u>74,680,015</u>	<u>64,751,363</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 115,970,758</u></b>	<b><u>\$ 72,722,258</u></b>

See accompanying notes to consolidated financial statements.

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 1,116,880	\$ 14,165,430	\$ 15,282,310	\$ 8,876,763
Rental income and tenant expense reimbursements	2,204,357	-	2,204,357	3,049,441
Interest and investment income, net	1,951,305	-	1,951,305	602,646
Other revenue	645,180	-	645,180	248,637
Net assets released from donor restrictions	<u>13,358,288</u>	<u>(13,358,288)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>19,276,010</u>	<u>807,142</u>	<u>20,083,152</u>	<u>12,777,487</u>
<b>EXPENSES</b>				
Program Services	<u>6,388,122</u>	<u>-</u>	<u>6,388,122</u>	<u>5,259,713</u>
Supporting Services:				
Management and General	2,410,722	-	2,410,722	3,892,407
Fundraising	<u>1,355,656</u>	<u>-</u>	<u>1,355,656</u>	<u>1,196,874</u>
Total supporting services	<u>3,766,378</u>	<u>-</u>	<u>3,766,378</u>	<u>5,089,281</u>
Total expenses	<u>10,154,500</u>	<u>-</u>	<u>10,154,500</u>	<u>10,348,994</u>
Change in net assets before other items	<u>9,121,510</u>	<u>807,142</u>	<u>9,928,652</u>	<u>2,428,493</u>
<b>OTHER ITEMS</b>				
Employee retention credit income	-	-	-	868,147
Realized and unrealized gain on interest rate swap	-	-	-	26,724
Contribution due to unwind of NMTC	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,392,214</u>
Total other items	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,287,085</u>
Change in net assets	9,121,510	807,142	9,928,652	12,715,578
Net assets at beginning of year	<u>36,455,476</u>	<u>28,295,887</u>	<u>64,751,363</u>	<u>52,035,785</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 45,576,986</u></b>	<b><u>\$ 29,103,029</u></b>	<b><u>\$ 74,680,015</u></b>	<b><u>\$ 64,751,363</u></b>

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024				2023	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Personnel	\$ 3,321,824	\$ 811,838	\$ 619,728	\$ 1,431,566	\$ 4,753,390	\$ 4,094,249
Occupancy	158,257	22,117	-	22,117	180,374	708,373
Utilities	420,677	4,350	1,140	5,490	426,167	439,647
Consulting fees	215,888	485	12,330	12,815	228,703	490,051
Repairs and maintenance costs	214,860	11,109	10,600	21,709	236,569	193,133
Supplies and materials	166,451	34,426	150,442	184,868	351,319	499,134
Office expenses	128,646	114,680	314,566	429,246	557,892	352,874
Business expenses	112,944	121,392	80,591	201,983	314,927	338,689
Travel	15,422	419	19,500	19,919	35,341	61,916
Professional fees	751,054	260,667	123,517	384,184	1,135,238	2,185,615
Marketing	72,327	12,224	13,995	26,219	98,546	60,679
Printing and production	1,679	13,555	9,247	22,802	24,481	45,587
Interest expense	42,793	169,685	-	169,685	212,478	126,095
Depreciation and amortization	765,300	833,775	-	833,775	1,599,075	752,952
<b>TOTAL</b>	<b>\$ 6,388,122</b>	<b>\$ 2,410,722</b>	<b>\$ 1,355,656</b>	<b>\$ 3,766,378</b>	<b>\$ 10,154,500</b>	<b>\$ 10,348,994</b>

See accompanying notes to consolidated financial statements.

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 9,928,652	\$ 12,715,578
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,599,077	1,518,323
Realized and unrealized gain on interest rate swap	-	(26,724)
Change in present value discount on noncurrent grants and pledges receivable	14,359	27,007
Change in allowance for credit loss	-	4,913
Unrealized loss on investments	-	142,448
Realized gain on sale of investments	-	(156,687)
Amortization of operating right-of-use asset	53,770	-
Forgiveness of loan receivable due to unwind of NMTC	-	21,944,125
Extinguishment of debt due to unwind of NMTC	-	(31,450,000)
Decrease (increase) in:		
Grants and pledges receivable	1,630,174	2,459,659
Accounts receivable	(45,483)	87,282
Land use contribution receivable	50,633	38,367
Prepaid expenses and other	(197,435)	58,350
(Decrease) increase in:		
Accounts payable and accrued expenses	(157,679)	152,024
Deferred rental income	(119,546)	2,615,345
Operating lease liability	(45,975)	-
Net cash provided by operating activities	<u>12,710,547</u>	<u>10,130,010</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(11,142,775)	(1,217,786)
Loan issuance to TIVIF	(16,712,000)	-
Proceeds from sales of investments	-	650,745
Net cash used by investing activities	<u>(27,854,775)</u>	<u>(567,041)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	33,170,000	-
Principal payments on notes payable	(2,061,238)	(3,837,299)
Payment of debt issuance costs	(52,100)	-
Net cash provided (used) by financing activities	<u>31,056,662</u>	<u>(3,837,299)</u>
Net increase in cash and cash equivalents	15,912,434	5,725,670
Cash and cash equivalents at beginning of year	<u>24,916,383</u>	<u>19,190,713</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>\$ 40,828,817</b></u>	<u><b>\$ 24,916,383</b></u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest Paid	<u><b>\$ 212,478</b></u>	<u><b>\$ 126,094</b></u>
Capitalized Costs of Fixed Asset Additions Included in Accounts Payable	<u><b>\$ 1,890,116</b></u>	<u><b>\$ -</b></u>
Right-of-Use Asset	<u><b>\$ 691,446</b></u>	<u><b>\$ -</b></u>
Operating Lease Liability for Right-of-Use Asset	<u><b>\$ 690,120</b></u>	<u><b>\$ -</b></u>

See accompanying notes to consolidated financial statements.

# BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organizations -

Building Bridges Across the River, Inc. (BBAR) was established in May 1997, and was organized to raise funds, acquire land, develop, construct and oversee the operation of the Town Hall, Education, Arts and Recreation Center (THEARC) located in the southeast quadrant of the District of Columbia.

Building Bridges Development Corporation (BBDC) was established during 2015, with respect to the Phase III building, to act as the "qualified active low-income community business" ("QALICB") under the New Markets Tax Credit Program.

BBAR Phase IV Corporation (BIVC) was established in March 2022, with respect to the Phase IV building, to act as the "qualified active low-income community business" ("QALICB") under the New Markets Tax Credit Program.

#### Principles of consolidation -

The accounts of the BBAR have been consolidated with the BBDC and BIVC (collectively, the Organizations) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

#### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with U.S. GAAP related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Cash and cash equivalents -

The Organizations consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Organizations maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

At December 31, 2024, cash in the amount of \$38,119,412 is restricted for purposes of the New Markets Tax Credit Program and other restricted programs.

##### Property and equipment -

Property and equipment acquisitions in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets; generally five years for furniture and equipment or thirty-nine years for buildings and improvements. The cost of maintenance and repairs is recorded as expenses are incurred.

THEARC project includes three buildings (Phase I, II and III) on land leased from the District of Columbia. The Phase I building is for the use of the Covenant House Washington (CHW) pursuant to a 99-year ground sub-lease between BBAR and CHW. The Phase I costs were paid by (and capitalized on the books of) CHW. Phase II and Phase III building costs have been capitalized as an asset of the Organizations. Construction costs of a fourth building (Phase IV) are included in construction in progress. Depreciation and amortization expense for the year ended December 31, 2024 totaled \$1,599,077.

##### Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

##### Grants and pledges receivable -

Grants and pledges receivable are recorded at their net realizable value, which approximates fair value. Grants and pledges receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Amortization of the discounts is included in contributions and grants revenue. All grants and pledges receivable are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

##### Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to rental income. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments.

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Accounts receivable (continued) -

The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, there was no allowance for credit losses as of December 31, 2024 and December 31, 2023.

##### Support and revenue -

##### Contributions and grants -

The Organizations receive grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. The Organizations perform an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions, which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Organizations had no refundable advances as of December 31, 2024.

In addition, the Organizations have obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. The Organizations did not have any unrecognized conditional contributions to be received in future years as of December 31, 2024.

##### Contributed nonfinancial assets -

Contributed nonfinancial assets consist of donated land use which is recorded at the fair value as of the date of the gift. The Organizations may receive gifts of cash or other assets restricted for use to acquire or construct a long-lived asset. In accordance with *Financial Accounting Standards Board* (FASB) Accounting Standards Update (ASU) 2016-14, the Organizations adopted the placed-in-service approach for reporting the expirations of donor restrictions used to acquire or construct long-lived assets.

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Support and revenue (continued) -

Rental income -

Rental income is classified as an exchange transaction which follows ASU 2014-09, *Revenue from Contracts With Customers*, and is recorded as revenue at a point in time when the performance obligations are met. The Organizations have elected to opt out of all (or certain) disclosures not required for nonpublic entities. Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases with tenants are considered to be operating leases.

Income taxes -

The Organizations are exempt from Federal income tax under Section 501(a) of the Internal Revenue Code "IRC", as an organization described in IRC Section 501(c)(3). BBDC is a Type I supporting organization to BBAR under Section 509(a)(3) of the IRC. BIVC is a Type I supporting organization to BBAR under Section 509(a)(3) of the IRC. The Organizations are not private foundations.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organizations are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation.

**2. GRANTS AND PLEDGES RECEIVABLE**

As of December 31, 2024, the Organizations have received promises to give, which have yet to be collected, aggregating \$1,720,328. Payments expected to be collected more than one year from the Consolidated Statement of Financial Position date are recorded at their net present value of the estimated cash flows, using discount rates between 5.16% and 5.25%.

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**2. GRANTS AND PLEDGES RECEIVABLE (Continued)**

Grants and pledges receivable are due as follows as of December 31, 2024:

Less than one year	\$ 1,490,992
One to five years	<u>229,336</u>
Subtotal	1,720,328
Less: Current portion	(1,490,992)
Less: Present value discount	<u>(11,358)</u>
<b>NONCURRENT GRANTS AND PLEDGES RECEIVABLE, NET OF PRESENT VALUE DISCOUNT</b>	<b><u>\$ 217,978</u></b>

**3. NEW MARKETS TAX CREDIT PROGRAM**

On March 7, 2024, BBAR obtained financing for the Phase IV Expansion of THEARC under the New Markets Tax Credit Program ("NMTC"). The NMTC Program permits taxpayers to claim a credit against Federal income taxes for Qualified Equity Investments in designated Community Development Entities ("CDEs"). These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments ("QLICs"). The investor is provided with a tax credit, which is claimed over a seven-year period. BBAR Phase IV Corporation acts as the "qualified active low-income community business" ("QALICB") under the NMTC.

During 2024, Truist Bank established a special purpose entity called THEARC IV DC Investment Fund, LLC (the "T/IVF") of which Truist Community Capital, LLC ("TCC") is the sole member.

On March 7, 2024, TCC made a \$7,488,000 capital contribution and BBAR made a leveraged loan to T/IVF totaling \$16,712,000. The note receivable has a maturity date of March 1, 2053, and bears interest at the rate of 1.046% per annum. Interest-only is payable until February 29, 2032, and thereafter blended payments are due of principal and interest sufficient to amortize the note fully over the remaining term. The note is collateralized by a security interest in the CDEs and any distributions from them. Interest earned on the note during the year ended December 31, 2024, totaled \$128,192 and is included in Interest and investment income in the accompanying Consolidated Statement of Activities and Change in Net Assets. BBAR raised funds for the leveraged loan from grants, loans, private financing, and cash reserves.

On March 7, 2024 T/IVF made Qualified Equity Investments ("QEIs") totaling \$24,000,000 in exchange for a 99% interest in the following CDEs: TCDE 118 LLC ("TCDE"), Harbor Community Fund XXXIX LLC ("HBC CDE"), and PGC Sub CDE 16 LLC ("PCG CDE"). The CDEs used the proceeds of the QEI to make two qualified low-income community investments structured as secured loans ("Project Loans") to BBAR Phase IV Corporation in the aggregate principal amount of \$23,500,000 and secured by a deed of trust. The QLICI Loans were divided into six separate notes with a maturity date of December 1, 2063, and interest rate of 1% per annum (TCDE/PCG CDE) and 1.62% (HBC CDE).

Restricted cash for purposes of the NMTC amounted to \$13,142,860 as of December 31, 2024 and is included in Cash and cash equivalents in the accompanying Consolidated Statement of Financial Position. During the year ended December 31, 2024, \$564,574 of interest was earned on these accounts and is included in Interest and investment income, net in the accompanying Consolidated Statement of Activities.

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**4. BOARD DESIGNATED NET ASSETS**

Included in net assets without donor restrictions are amounts that the Board has identified as designated for certain purposes. As of December 31, 2024, the aggregate amount designated was \$309,914.

**5. INVESTED IN PROPERTY AND EQUIPMENT NET ASSETS**

Included in net assets without donor restrictions are amounts that have been identified as invested in property and equipment. As of December 31, 2024, the aggregate amount totaled \$13,553,758, and includes property and equipment, net of accumulated depreciation.

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2024:

11th Street Bridge	\$ 23,232,436
Gala	1,254,610
Land use contribution	3,366,500
ICAN	142,693
Initiatives	392,830
Subject to passage of time	<u>713,960</u>

**TOTAL NET ASSETS WITH DONOR RESTRICTIONS** **\$ 29,103,029**

**7. NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors, incurring expenditures for construction in progress in satisfaction of donor-imposed restrictions, or through the passage of time during the year ended December 31, 2024:

11th Street Bridge	\$ 2,125,376
Skyland Workforce Center	296,557
Theater	341,323
Gala	400,166
Phase IV	9,272,310
Farm and wellness	222,744
Blackbox	74,179
Land use contribution	50,633
Passage of time	<u>575,000</u>

**TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS** **\$ 13,358,288**

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**8. LIQUIDITY**

The Organizations' financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditures comprise the following at December 31, 2024:

Cash and cash equivalents	\$ 40,828,817
Grants and pledges receivable	1,490,992
Accounts receivable, net	<u>63,373</u>
Subtotal financial assets available within one year	42,383,182
Less: Donor-restricted funds	(25,022,569)
Less: Board designated funds	(309,914)
Less: Restricted cash	<u>(13,142,860)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 3,907,839**

The Organizations are substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of the Organizations' liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The reserve funds established by the governing Board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

**9. NOTES PAYABLE**

On May 3, 2023, BBAR entered into a note agreement with United Bank for \$3,000,000, which matures on May 3, 2028. The note payable bears interest of 1.5%. The note calls for monthly principal and interest payments of \$22,000. The note is collateralized by an interest in BBAR's United Bank Money Market account. Total interest incurred on the note during 2024 was \$44,587. \$ 2,651,612

On February 28, 2024, BBAR entered into a loan agreement with United Bank for \$7,420,000, which matures on February 28, 2029. The loan is collateralized by pledges made to BBAR for its THEARC Phase IV - Development Project. The loan bears interest of 5.5% per annum. Total interest incurred on the note during 2024 was \$122,648. \$ 5,720,000

On February 28, 2024, BBAR entered into a loan agreement with United Bank for \$2,250,000, which matures on February 28, 2029. The loan is collateralized by pledges made to BBAR for its THEARC Phase IV - Development Project. The loan bears interest of 6.79% per annum. Total interest incurred on the note during 2024 was \$45,243. The loan was paid off subsequent to year-end. \$ 2,110,000

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**9. NOTES PAYABLE (Continued)**

Debt under the New Markets Tax Credit (NMTC) Program:

Six separate notes through four financial institutions that each mature on December 1, 2063, with interest rates of 1% per annum (TCDE/PCG CDE) and 1.62% (HBD CDE). The notes are secured by the QLICI Deed of Trust and the other QLICI Loan Documents. The Organizations are subject to debt covenants. Total interest incurred on the notes during 2024 was \$172,442. Following is a breakdown of the notes:

TCDE-QLICI-Loan A	\$ 2,752,000
TCDE-QLICI-Loan B	1,248,000
Harbor Comm. Fund-QLICI Loan A	7,080,000
Harbor Comm. Fund-QLICI Loan B	2,720,000
PCG-QILICI Loan A	6,880,000
PCG-QILICI Loan B	<u>2,820,000</u>
 Total debt under the NMTC Program	 <u>23,500,000</u>

Total notes payable	33,981,612
Less: Current portion	(3,385,932)
Less: Deferred financing costs	<u>(52,100)</u>

**NONCURRENT PORTION** **\$ 30,543,580**

Future estimated maturities of the aforementioned note are as follows:

**Year Ending December 31,**

2025	\$ 3,385,932
2026	879,345
2027	982,808
2028	1,963,527
2029	3,270,000
Thereafter	<u>23,500,000</u>
	 <b><u>\$ 33,981,612</u></b>

Interest expense related to the notes payable totaled \$212,478 for the year ended December 31, 2024. This does not include \$172,422 of interest that was capitalized as a part of the construction in progress related to the NMTC loans.

**10. GROUND LEASE AGREEMENT**

BBAR entered into a lease agreement on July 18, 2001, with the District of Columbia, to lease land for the purpose of constructing, maintaining and operating THEARC. The 99-year lease requires an annual payment of \$100 until July 18, 2100.

THEARC project is subject to certain restrictions, limiting the use for the enhancement of the lives of local residents of Ward 8, as approved by the District of Columbia. Since BBAR is paying a "below-market" rate for use of the land, it has recorded a land use contribution receivable and a donor-restricted contribution for the estimated fair market value of the land.

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**10. GROUND LEASE AGREEMENT (Continued)**

As of December 31, 2024, the facility use contribution receivable is due as follows:

<u>Year Ending December 31,</u>	
2025	\$ 50,633
2026	50,633
2027	50,633
2028	50,633
2029	50,633
Thereafter	<u>3,544,303</u>
	3,797,468
Less: Discount	<u>(430,968)</u>
<b>LAND USE CONTRIBUTION RECEIVABLE</b>	<b><u>\$ 3,366,500</u></b>

The land use contribution receivable has been discounted using a 6% rate. During the year ended December 31, 2024, BBAR recognized \$50,633 of donated rent related to this land use contribution as noted in Note 1.

**11. LEASE COMMITMENTS**

The Organizations follow FASB ASC 842 for leases. The Organizations have elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Organizations have also elected to use a risk-free rate of 3.87% as the lease discount rate for all leases as allowed under FASB ASC 842.

**Operating Lease:**

BBAR has an operating lease in Washington, D.C., that expires in January 2034. Base rent is approximately \$74,000 increasing by a factor of 3% per year. BBAR is also responsible for paying its proportionate share of property taxes and common area maintenance expenses.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2024:

<u>Year Ending December 31,</u>	
2025	\$ 75,837
2026	78,110
2027	80,447
2028	82,848
2029	85,343
Thereafter	<u>375,747</u>
	778,332
Less: Imputed interest	(128,037)
Less: Current portion	<u>(51,575)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ 598,720</u></b>

**BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**11. LEASE COMMITMENTS (Continued)**

Lease expense for the year ended December 31, 2024 was \$77,549, and is included in Rent in the accompanying Consolidated Statement of Functional Expenses. Total cash paid was \$67,656 for the operating lease for the year ended December 31, 2024.

**12. RENTAL INCOME FROM OPERATING LEASES**

The Organizations currently lease space to several tenants and charge rental income based on each tenant's proportionate share of the building's annual operating expenses. Lease agreements currently in force expire between 2022 and 2100. During the year ended December 31, 2024, the Organizations received \$2,204,357 of tenant rental income and tenant expense reimbursements.

**13. RETIREMENT PLAN**

The Organizations offer qualified employees the option to participate in a 401(k) retirement plan. Employees who have attained the age of 21 and have completed 1,000 hours of service may participate in the Plan. The Organizations match all employee contributions up to six percent of eligible compensation. Retirement plan expense during December 31, 2024 totaled \$53,705.

**14. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through March 6, 2026, the date the consolidated financial statements were issued.

**SUPPLEMENTAL FINANCIAL INFORMATION**

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024

	ASSETS				
	BBAR	BBDC	BIVC	Eliminations	Total
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 27,638,070	\$ 2,524	\$ 13,188,223	\$ -	\$ 40,828,817
Grants and pledges receivable	1,490,992	-	-	-	1,490,992
Accounts receivable, net	63,373	-	-	-	63,373
Land use contribution receivable	50,633	-	-	-	50,633
Due from related party	21,938,720	-	-	(21,938,720)	-
Prepaid expenses and other	218,207	-	-	-	218,207
Total current assets	<u>51,399,995</u>	<u>2,524</u>	<u>13,188,223</u>	<u>(21,938,720)</u>	<u>42,652,022</u>
<b>PROPERTY AND EQUIPMENT</b>					
Buildings and improvements	21,812,213	30,576,491	-	-	52,388,704
Equipment	1,414,208	-	-	-	1,414,208
Furniture	36,062	-	-	-	36,062
Vehicles	50,463	-	-	-	50,463
Construction in progress	1,600,043	-	13,666,784	-	15,266,827
	24,912,989	30,576,491	13,666,784	-	69,156,264
Less: Accumulated depreciation and amortization	<u>(11,359,231)</u>	<u>(5,366,642)</u>	<u>-</u>	<u>-</u>	<u>(16,725,873)</u>
Net property and equipment	<u>13,553,758</u>	<u>25,209,849</u>	<u>13,666,784</u>	<u>-</u>	<u>52,430,391</u>
<b>NONCURRENT ASSETS</b>					
Operating right-of-use asset, net	642,500	-	-	-	642,500
Grants and pledges receivable, net	217,978	-	-	-	217,978
Land use contribution receivable, net	3,315,867	-	-	-	3,315,867
Loan receivable from TDIF	16,712,000	-	-	-	16,712,000
Total noncurrent assets	<u>20,888,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,888,345</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 85,842,098</u></b>	<b><u>\$ 25,212,373</u></b>	<b><u>\$ 26,855,007</u></b>	<b><u>\$ (21,938,720)</u></b>	<b><u>\$ 115,970,758</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Notes payable	\$ 3,385,932	\$ -	\$ -	\$ -	\$ 3,385,932
Accounts payable and accrued expenses	554,559	-	1,890,116	-	2,444,675
Deferred rental income	4,266,261	-	-	-	4,266,261
Due to related party	-	21,938,720	-	(21,938,720)	-
Operating lease liability	51,575	-	-	-	51,575
Total current liabilities	<u>8,258,327</u>	<u>21,938,720</u>	<u>1,890,116</u>	<u>(21,938,720)</u>	<u>10,148,443</u>
<b>NONCURRENT LIABILITIES</b>					
Notes payable, net	7,043,580	-	23,500,000	-	30,543,580
Operating lease liability, net	598,720	-	-	-	598,720
Total noncurrent liabilities	<u>7,642,300</u>	<u>-</u>	<u>23,500,000</u>	<u>-</u>	<u>31,142,300</u>
Total liabilities	<u>15,900,627</u>	<u>21,938,720</u>	<u>25,390,116</u>	<u>(21,938,720)</u>	<u>41,290,743</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Undesignated	26,974,770	3,273,653	1,464,891	-	31,713,314
Board designated	309,914	-	-	-	309,914
Invested in property and equipment	13,553,758	-	-	-	13,553,758
Total without donor restrictions	40,838,442	3,273,653	1,464,891	-	45,576,986
With donor restrictions	29,103,029	-	-	-	29,103,029
Total net assets	<u>69,941,471</u>	<u>3,273,653</u>	<u>1,464,891</u>	<u>-</u>	<u>74,680,015</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 85,842,098</u></b>	<b><u>\$ 25,212,373</u></b>	<b><u>\$ 26,855,007</u></b>	<b><u>\$ (21,938,720)</u></b>	<b><u>\$ 115,970,758</u></b>

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>BBAR</u>	<u>BBDC</u>	<u>BIVC</u>	<u>Eliminations</u>	<u>Total</u>
<b>SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS</b>					
Contributions and grants	\$ 1,116,880	\$ -	\$ -	\$ -	\$ 1,116,880
Rental income and tenant expense reimbursements	2,204,357	-	-	-	2,204,357
Interest and investment income, net	1,386,630	101	564,574	-	1,951,305
Other revenue	645,180	-	-	-	645,180
Net assets released from donor restrictions	<u>13,358,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,358,288</u>
Total support and revenue without donor restrictions	<u>18,711,335</u>	<u>101</u>	<u>564,574</u>	<u>-</u>	<u>19,276,010</u>
<b>EXPENSES</b>					
Program Services	<u>5,622,822</u>	<u>765,300</u>	<u>-</u>	<u>-</u>	<u>6,388,122</u>
Supporting Services:					
Management and General	2,410,722	-	-	-	2,410,722
Fundraising	<u>1,355,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,355,656</u>
Total supporting services	<u>3,766,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766,378</u>
Total expenses	<u>9,389,200</u>	<u>765,300</u>	<u>-</u>	<u>-</u>	<u>10,154,500</u>
Change in net assets without donor restrictions before other item	9,322,135	(765,199)	564,574	-	9,121,510
<b>OTHER ITEM</b>					
Transfer of nets assets, net	<u>(900,317)</u>	<u>-</u>	<u>900,317</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
	<u>\$ 8,421,818</u>	<u>\$ (765,199)</u>	<u>\$ 1,464,891</u>	<u>\$ -</u>	<u>\$ 9,121,510</u>
<b>SUPPORT AND REVENUE WITH DONOR RESTRICTIONS</b>					
Contributions and grants	\$ 14,165,430	\$ -	\$ -	\$ -	\$ 14,165,430
Net assets released from donor restrictions	<u>(13,358,288)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,358,288)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
	<u>\$ 807,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,142</u>

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>BBAR</u>	<u>BBDC</u>	<u>BIVC</u>	<u>Eliminations</u>	<u>Total</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
Net assets at beginning of year	\$ 32,416,624	\$ 4,038,852	\$ -	\$ -	\$ 36,455,476
Change in net assets without donor restrictions	<u>8,421,818</u>	<u>(765,199)</u>	<u>1,464,891</u>	<u>-</u>	<u>9,121,510</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR</b>	<b><u>\$ 40,838,442</u></b>	<b><u>\$ 3,273,653</u></b>	<b><u>\$ 1,464,891</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 45,576,986</u></b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>					
Net assets at beginning of year	\$ 28,295,887	\$ -	\$ -	\$ -	\$ 28,295,887
Change in net assets with donor restrictions	<u>807,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,142</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS AT END OF YEAR</b>	<b><u>\$ 29,103,029</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,103,029</u></b>
<b>TOTAL NET ASSETS AT END OF YEAR</b>	<b><u>\$ 69,941,471</u></b>	<b><u>\$ 3,273,653</u></b>	<b><u>\$ 1,464,891</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 74,680,015</u></b>

## BUILDING BRIDGES ACROSS THE RIVER, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	BBAR	BBDC	BIVC	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets	\$ 9,228,960	\$ (765,199)	\$ 1,464,891	\$ -	\$ 9,928,652
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and amortization	833,777	765,300	-	-	1,599,077
Change in present value discount on noncurrent grants and pledges receivable	14,359	-	-	-	14,359
Amortization of operating right-of-use asset	53,770	-	-	-	53,770
Transfer of construction in progress	1,300,000	-	(1,300,000)	-	-
Decrease (increase) in:					
Grants and pledges receivable	1,630,174	-	-	-	1,630,174
Accounts receivable	(45,483)	-	-	-	(45,483)
Land use contribution receivable	50,633	-	-	-	50,633
Prepaid expenses and other	(197,435)	-	-	-	(197,435)
Decrease in:					
Accounts payable and accrued expenses	(157,679)	-	-	-	(157,679)
Deferred rental income	(119,546)	-	-	-	(119,546)
Operating lease liability	(45,975)	-	-	-	(45,975)
Net cash provided by operating activities	<u>12,545,555</u>	<u>101</u>	<u>164,891</u>	<u>-</u>	<u>12,710,547</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	(666,107)	-	(10,476,668)	-	(11,142,775)
Loan issuance to TIVIF	<u>(16,712,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,712,000)</u>
Net cash used by investing activities	<u>(17,378,107)</u>	<u>-</u>	<u>(10,476,668)</u>	<u>-</u>	<u>(27,854,775)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from notes payable	9,670,000	-	23,500,000	-	33,170,000
Principal payments on notes payable	(2,061,238)	-	-	-	(2,061,238)
Payment of debt issuance costs	<u>(52,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,100)</u>
Net cash provided by financing activities	<u>7,556,662</u>	<u>-</u>	<u>23,500,000</u>	<u>-</u>	<u>31,056,662</u>
Net increase in cash and cash equivalents	2,724,110	101	13,188,223	-	15,912,434
Cash and cash equivalents at beginning of year	<u>24,913,960</u>	<u>2,423</u>	<u>-</u>	<u>-</u>	<u>24,916,383</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 27,638,070</u></b>	<b><u>\$ 2,524</u></b>	<b><u>\$ 13,188,223</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 40,828,817</u></b>
<b>SUPPLEMENTAL INFORMATION</b>					
Interest Paid	<u>\$ 212,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,478</u>
Transfer of Net Assets, net	<u>\$ (900,317)</u>	<u>\$ -</u>	<u>\$ 900,317</u>	<u>\$ -</u>	<u>\$ -</u>
Capitalized Costs of Fixed Asset Additions Included in Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,890,116</u>	<u>\$ -</u>	<u>\$ 1,890,116</u>
Right-of-Use Asset	<u>\$ 691,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,446</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 690,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,120</u>