Asian Americans for Equality, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information (Together with Independent Auditors' Report)

Years Ended December 31, 2022 and 2021

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
and Supplementary Information

(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Asian Americans for Equality, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Asian Americans for Equality, Inc. and Subsidiaries (collectively, the "Agency"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

We did not audit the 2022 and 2021 financial statements of Hardesty Renaissance Economic Development Corporation, Inc. ("Hardesty"), a subsidiary, which statements reflect total assets of $4,600,521 and $4,583,861 as of December 31, 2022 and 2021, respectively, and total revenues of $1,316 and $200,682, respectively for the years then ended, or 2.6% and .001% for 2022, and 2.8% and .7% for 2021, respectively, for the years then ended. We also did not audit the financial statements of One Hardesty, LLC D/B/A Hardesty Storage ("One Hardesty"), a subsidiary, which statements reflect total assets of $5,927,918 and $5,975,873 as of December 31, 2022 and 2021, respectively, and total revenues of $1,361,343 and $1,362,021, respectively, for the years then ended, or 3.3% and 5.1% for 2022, and 3.6% and 5.1% for 2021, respectively. We also did not audit the financial statements of Norfolk Apartments Limited Partnership ("Norfolk"), an affiliate of Asian American Housing Development Fund Company, Inc. ("AAHDFC"), which statements reflect total assets of $2,118,837 and $2,368,312 as of December 31, 2022 and 2021, respectively, and total revenues of $324,235 and $346,489, respectively, for the years then ended, or approximately 1.2% and 1.3%, respectively, for both assets and revenue, for each year. We also did not audit the financial statements of Norfolk II Apartments Limited Partnership ("Norfolk II"), an affiliate of AAHDFC, which statements reflect total assets of $4,393,088 and $1,669,198 as of December 31, 2022 and 2021, respectively, and total revenues of $627,978 and $600,868, respectively, for the years then ended, or 2.4% and 2.4% for 2022 and 1% and 2.3% for 2021, respectively. We also did not audit the financial statements of Downtown Manhattan Community Development Corporation ("DMCDC"), a subsidiary, which statements reflect total assets of $2,534,936 and $2,541,689 as of December 31, 2022 and 2021, respectively, and total revenues of $855,851 and $782,539, or 1.4% and 3%, respectively, for both assets and revenue, for each year. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Agency as of December 31, 2022 and 2021, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 2S to the financial statements, the Agency changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective January 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

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 Agency's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 Agency's 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 Agency's 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 36-39) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual companies, 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 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 GAAS. In our opinion, the information is fairly stated in all material respects when considered in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
August 15, 2022

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents (Notes 2B, 3 and 17A)	$ 16,665,332	$ 12,705,465
Grants and contributions receivable, net (Notes 2D and 4)	2,718,248	2,615,536
Rents and other receivables, net (Note 2M)	1,865,110	1,065,108
Loans receivable, net (Notes 2E, 2N, 5 and 17B)	6,628,781	7,207,631
Due from affiliates (Note 14)	13,981	10,444
Real estate held for sale, at cost (Notes 2F and 6)	3,539,324	6,368,245
Investments in affiliates (Note 7)	4,662,829	4,612,875
Prepaid expenses and other assets	1,727,694	1,827,577
Restricted cash	1,271,872	1,987,408
Cash - designated for lending activity	7,999,899	10,755,484
Restricted reserve accounts (Notes 2B, 2R, 9, 10 and 17A)	14,182,439	13,950,363
Property and equipment, net (Notes 2G and 8)	112,377,017	98,519,645
Right-of-use asset - operating (Notes 2S and 16)	2,765,915	-
Loan loss reserve (Notes 2B, 5 and 17A)	3,594,500	4,193,351
TOTAL ASSETS	$ 180,012,941	$ 165,819,132
LIABILITIES		
Accounts payable and accrued expenses	$ 4,887,929	$ 4,448,568
Refundable advances (Note 2K)	1,765,618	2,391,347
Loans payable, net (Note 10)	54,210,340	46,451,968
Mortgages payable, net (Notes 2H and 12)	66,643,483	67,266,243
Paycheck Protection Program ("PPP") loan payable (Note 10)	-	1,120,668
Bank lines of credit (Note 11)	4,153,787	5,773,624
Lease liability - operating (Notes 2S and 16)	2,803,924	-
Deferred and other payables (Note 2J)	4,262,694	967,382
TOTAL LIABILITIES	138,727,775	128,419,800
COMMITMENTS AND CONTINGENCIES (Note 15)		
NET ASSETS (Note 2C)		
Without donor restrictions:		
Non-controlling member's interest	452,924	-
Undesignated	25,316,073	22,409,136
Designated for lending activities	10,755,484	10,755,484
Total net assets without donor restrictions	36,524,481	33,164,620
With donor restrictions (Notes 2C and 13)	4,760,685	4,234,712
TOTAL NET ASSETS	41,285,166	37,399,332
TOTAL LIABILITIES AND NET ASSETS	$ 180,012,941	$ 165,819,132

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	For the Year Ended December 31, 2022			For the Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
PUBLIC SUPPORT, REVENUE AND OTHER:						
Contributions and grants	$ 896,153	$ 2,636,535	$ 3,532,688	$ 1,567,120	$ 2,035,270	$ 3,602,390
Grants from government agencies (Note 2K)	7,266,529	-	7,266,529	6,168,500	-	6,168,500
Real estate sales (net of cost of real estate sales of $2,981,991 in 2022 and $4,309,084 in 2021)	646,559	-	646,559	1,216,676	-	1,216,676
Interest on loans and investments (Notes 2E and 5)	551,393	-	551,393	557,305	-	557,305
Management, consulting, and marketing fees	636,066	-	636,066	1,798,739	-	1,798,739
Rent (net of vacancy loss of $256,110 in 2022 and $295,364 in 2021)	9,677,140	-	9,677,140	9,865,735	-	9,865,735
Program service, incentives and fees	544,015	-	544,015	170,130	-	170,130
Special event income	308,186	-	308,186	622,662	-	622,662
Brownfield redevelopment credit (Note 2K)	2,574,641	-	2,574,641	-	-	-
Other income	1,379,159	-	1,379,159	1,877,573	-	1,877,573
Net assets released from restrictions (Note 13)	2,110,562	(2,110,562)	-	2,679,080	(2,679,080)	-
TOTAL PUBLIC SUPPORT, REVENUE AND OTHER	26,590,403	525,973	27,116,376	26,523,520	(643,810)	25,879,710
EXPENSES (Note 2L)**:**						
Program services:						
Community outreach and education	880,736	-	880,736	548,846	-	548,846
Housing, immigration and social services	1,812,663	-	1,812,663	2,207,576	-	2,207,576
Planning and development	2,810,876	-	2,810,876	2,187,002	-	2,187,002
Homeownership development	504,841	-	504,841	661,248	-	661,248
Homeownership loans	163,947	-	163,947	161,858	-	161,858
Homeownership counseling	445,725	-	445,725	412,757	-	412,757
Small business technical assistance and education	1,358,246	-	1,358,246	1,202,480	-	1,202,480
Small business loans	1,451,099	-	1,451,099	1,246,273	-	1,246,273
Affordable housing program services	10,201,027	-	10,201,027	9,626,239	-	9,626,239
Total Program Services	19,629,160	-	19,629,160	18,254,279	-	18,254,279
Supporting services:						
Management and general	4,715,255	-	4,715,255	4,472,873	-	4,472,873
Fundraising	144,124	-	144,124	133,351	-	133,351
TOTAL EXPENSES	24,488,539	-	24,488,539	22,860,503	-	22,860,503
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS BEFORE CHANGE IN AND TRANSFER OF INTEREST	2,101,864	525,973	2,627,837	3,663,017	(643,810)	3,019,207
Change in limited partner's interest	(189,777)	-	(189,777)	(66,609)	-	(66,609)
Contributions - members capital	1,447,774	-	1,447,774	-	-	-
CHANGE IN NET ASSETS	3,359,861	525,973	3,885,834	3,596,408	(643,810)	2,952,598
Net assets - beginning of year	33,164,620	4,234,712	37,399,332	29,568,212	4,878,522	34,446,734
NET ASSETS - END OF YEAR	$ 36,524,481	$ 4,760,685	$ 41,285,166	$ 33,164,620	$ 4,234,712	$ 37,399,332

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for 2021)

	For the Year Ended December 31, 2022														
	Program Services														
	Community Outreach and Education	Housing, Immigration, and Social Services	Planning and Development	Homeownership Development	Homeownership Loans	Homeownership Counseling	Small Business Technical Assistance and Education	Small Business Loans	Affordable Housing Program Services	Total Program Services	Management and General	Fundraising	Consolidating Eliminations	TOTAL 2022	TOTAL 2021
Salaries	$ 248,290	$ 1,157,419	$ 870,348	$ -	$ 63,127	$ 219,178	$ 917,973	$ 619,771	$ 2,004,227	$ 6,100,333	$ 1,877,225	$ 82,002	$ -	$ 8,059,560	$ 7,072,447
Payroll taxes and employee benefits (Note 18)	69,629	328,020	8,589	-	17,025	34,051	224,702	183,844	604,791	1,470,651	523,232	12,334	-	2,006,217	1,906,482
Total Salaries and Related Costs	317,919	1,485,439	878,937	-	80,152	253,229	1,142,675	803,615	2,609,018	7,570,984	2,400,457	94,336	-	10,065,777	8,978,929
								-							
Consultants and contractual services	117,378	9,882	1,019,611	160,806	9,019	17,204	128,770	251,720	129,016	1,843,406	793,094	22,000	(593,000)	2,065,500	1,068,424
Sub-contractors	6,400	-	-	-	-	-	-	-	-	6,400	-	-	-	6,400	301,786
Stipends	74,775	11,658	-	-	-	-	-	-	-	86,433	38,392	-	-	124,825	46,335
Supplies	119,860	29,719	4,207	17	3,165	8,044	9,080	59,526	15,930	249,548	64,020	-	-	313,568	218,473
Postage	-	34	31	-	-	-	149	446	1,733	2,393	783	-	-	3,176	2,010
Printing	5,498	5,532	134	-	-	-	6,383	5,008	-	22,555	4,137	-	-	26,692	13,807
Marketing and outreach	4,483	8,219	-	-	-	-	24,697	24,697	-	62,096	60,133	10,538	-	132,767	55,979
Program equipment	100	981	14	-	-	-	-	-	-	1,095	1,460	-	-	2,555	6,561
Equipment and rental	1,684	11,430	27,427	-	861	2,187	1,363	1,596	23,629	70,177	21,379	-	-	91,556	62,311
Repairs and maintenance	11,217	44,261	211,614	19,241	898	2,282	-	-	672,933	962,446	49,636	-	(572,720)	439,362	964,186
Rent	46,332	321,039	98,201	-	3,877	9,853	86,935	77,735	324,798	968,770	132,005	-	(1,001,168)	99,607	770,690
Travel and conference	2,973	13,803	101	-	-	-	7,050	6,895	-	30,822	13,995	-	-	44,817	33,436
Insurance	10,116	41,385	62,878	12,217	3,237	8,228	4,545	4,545	627,395	774,546	75,508	-	-	850,054	731,454
Utilities	11,918	30,933	60,650	-	4,660	11,843	-	-	1,833,550	1,953,554	28,424	-	-	1,981,978	1,895,108
Donations / grants	1,590	-	-	-	-	-	-	-	168,273	169,863	1,517	-	-	171,380	217,312
Public relations	271	-	27,994	-	-	-	-	-	-	28,265	-	-	-	28,265	-
Dues and subscriptions	4,560	424	-	-	-	-	-	-	-	4,984	12,008	-	-	16,992	10,090
Telephone and internet	1,432	7,875	601	-	8,330	21,171	10,920	9,455	28,790	88,574	38,556	733	-	127,863	146,750
Interest expense (Notes 2H, 10 and 12)	35,128	-	537,272	261,560	31,182	61,718	10,291	218,228	1,029,841	2,185,220	283,684	-	(634,635)	1,834,269	1,830,593
Administration fees	-	77,404	394	-	-	-	17,500	35,500	1,315,706	1,446,504	707,048	68,000	(2,221,552)	-	-
Meetings and conferences	169,459	7,314	49,209	-	-	-	-	-	-	225,982	91,993	21,345	-	339,320	17,459
Fees	3,953	142,704	24,904	2,663	-	-	602	903	57,209	232,938	121,064	112	(101,985)	252,129	230,862
Real estate taxes	1,629	-	72,376	137,904	10,035	25,505	-	-	448,110	695,559	36,934	-	-	732,493	837,925
Bad debt	14,813	-	38,916	-	-	-	-	121,174	30,892	205,795	502,020	-	-	707,815	278,542
Depreciation and amortization (Notes 2G and 8)	-	369	272,585	-	20,953	53,255	21,266	21,266	2,775,299	3,164,993	222,439	-	-	3,387,432	3,142,974
Other	2,085	-	14,991	25,192	1,639	1,161	14,130	27,495	410,796	497,489	154,459	-	-	651,948	998,507
TOTAL EXPENSES - BEFORE ELIMINATIONS	965,573	2,250,405	3,403,047	619,600	178,008	475,680	1,486,356	1,669,804	12,502,918	23,551,391	5,855,145	217,064	(5,125,060)	24,498,540	22,860,503
ALLOCATION OF ELIMINATIONS	(84,837)	(437,742)	(582,170)	(114,759)	(14,061)	(29,955)	(128,110)	(218,705)	(2,301,891)	(3,912,230)	(1,139,890)	(72,940)	5,125,060	-	-
TOTAL EXPENSES	$ 880,736	$ 1,812,663	$ 2,820,877	$ 504,841	$ 163,947	$ 445,725	$ 1,358,246	$ 1,451,099	$ 10,201,027	$ 19,639,161	$ 4,715,255	$ 144,124	$ -	$ 24,498,540	$ 22,860,503

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	For the Year Ended December 31, 2021													
	Program Services													
	Community Outreach and Education	Housing, Immigration, and Social Services	Planning and Development	Homeownership Development	Homeownership Loans	Homeownership Counseling	Small Business Technical Assistance and Education	Small Business Loans	Affordable Housing Program Services	Total Program Services	Management and General	Fundraising	Consolidating Eliminations	Total
Salaries	$ 265,201	$ 962,233	$ 485,583	$ -	$ 47,844	$ 177,058	$ 809,388	$ 599,848	$ 1,807,677	$ 5,154,832	$ 1,854,472	$ 63,143	$ -	$ 7,072,447
Payroll taxes and employee benefits (Note 18)	75,061	223,919	148,422	-	12,214	34,281	185,161	154,630	557,441	1,391,129	505,672	9,681	-	1,906,482
Total Salaries and Related Costs	340,262	1,186,152	634,005	-	60,058	211,339	994,549	754,478	2,365,118	6,545,961	2,360,144	72,824	-	8,978,929
Consultants and contractual services	26,741	151,013	20,790	227,310	5,184	13,176	34,308	21,766	66,882	567,170	514,710	-	(13,456)	1,068,424
Sub-contractors	-	-	-	-	8,500	-	79,929	46,656	-	135,085	125,303	41,398	-	301,786
Stipends	27,094	8,116	1,500	-	-	-	-	-	-	36,710	9,625	-	-	46,335
Supplies	31,794	11,218	29,219	79	1,256	3,192	10,963	91,817	11,292	190,830	17,947	9,696	-	218,473
Postage	-	(159)	-	-	-	-	160	481	613	1,095	915	-	-	2,010
Printing	163	5,188	29	-	-	-	3,079	3,079	-	11,538	2,269	-	-	13,807
Marketing and outreach	1,108	8,772	1,417	-	-	-	12,604	12,604	-	36,505	19,474	-	-	55,979
Program equipment	1,930	-	-	-	-	-	2,940	1,260	-	6,130	431	-	-	6,561
Equipment and rental	2,699	11,829	546	-	976	2,481	864	648	23,961	44,004	18,307	-	-	62,311
Repairs and maintenance	7,535	42,685	65,250	61,304	376	957	-	-	703,983	882,090	82,096	-	-	964,186
Rent	7,445	247,446	459,473	-	3,801	9,660	63,755	63,755	147,525	1,002,860	179,978	-	(412,148)	770,690
Travel and conference	12,396	16,186	-	-	-	-	882	841	-	30,305	3,131	-	-	33,436
Insurance	3,020	8,170	57,167	19,533	2,755	7,002	17,938	17,938	508,509	642,032	89,422	-	-	731,454
Utilities	4,900	44,334	68,277	-	4,030	10,243	-	-	1,659,092	1,790,876	104,232	-	-	1,895,108
Donations / grants	-	-	3,784	-	-	-	-	-	213,160	216,944	-	368	-	217,312
Dues and subscriptions	-	120	-	-	-	-	-	-	-	120	9,970	-	-	10,090
Telephone and internet	2,568	7,957	6,740	-	10,534	26,774	8,436	8,436	25,331	96,776	49,974	-	-	146,750
Interest expense (Notes 2H, 10 and 12)	30,036	217,532	500,276	247,709	40,807	62,872	11,673	248,395	813,471	2,172,771	416,188	-	(758,366)	1,830,593
Administration fees	-	41,912	-	-	-	-	14,606	27,105	1,379,805	1,463,428	853,074	58,283	(2,374,785)	-
Meetings and conferences	15,269	617	-	-	-	-	-	-	-	15,886	1,573	-	-	17,459
Fees	432	172,012	23,425	1,749	530	-	909	12,643	6,986	218,686	12,176	-	-	230,862
Real estate taxes	-	47,657	72,166	173,208	10,003	25,423	-	-	394,807	723,264	114,661	-	-	837,925
Bad debt	-	-	-	-	1,910	-	-	-	32,512	34,422	244,120	-	-	278,542
Depreciation and amortization (Notes 2G and 8)	-	-	264,442	-	21,605	54,913	13,767	13,767	2,523,762	2,892,256	250,718	-	-	3,142,974
Other	37,307	181,921	66,656	86,937	850	2,161	9,479	11,464	276,760	673,535	315,907	9,065	-	998,507
TOTAL EXPENSES - BEFORE ELIMINATIONS	552,699	2,410,678	2,275,162	817,829	173,175	430,193	1,280,841	1,337,133	11,153,569	20,431,279	5,796,345	191,634	(3,558,755)	22,860,503
ALLOCATION OF ELIMINATIONS	(3,853)	(203,102)	(88,160)	(156,581)	(11,317)	(17,436)	(78,361)	(90,860)	(1,527,330)	(2,177,000)	(1,323,472)	(58,283)	3,558,755	-
TOTAL EXPENSES	$ 548,846	$ 2,207,576	$ 2,187,002	$ 661,248	$ 161,858	$ 412,757	$ 1,202,480	$ 1,246,273	$ 9,626,239	$ 18,254,279	$ 4,472,873	$ 133,351	$ -	$ 22,860,503

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,885,834	$ 2,952,598
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,387,432	3,142,974
Amortization of deferred financing costs	31,023	39,992
Bad debt	707,815	278,542
Forgiveness of PPP loans	(1,120,668)	(1,536,221)
Gain on sale of real estate	(646,559)	(1,216,676)
Non-cash adjustment to operating leases	644,985	-
Subtotal	6,889,862	3,661,209
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Grants and contributions receivable	(102,712)	(134,796)
Rents and other receivables	(1,386,643)	(626,592)
Due from affiliates	(3,537)	352
Investments in affiliates	(49,954)	154,234
Prepaid expenses and other assets	99,883	(105,193)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	439,361	(1,005,251)
Refundable advances	(625,729)	1,232,150
Lease liability	(606,976)	-
Deferred and other payables	3,295,312	173,469
Net Cash Provided by Operating Activities	7,948,867	3,349,582
CASH FLOWS FROM INVESTING ACTIVITIES:		
Collection of loans receivable	4,221,930	2,746,490
Disbursement of loans	(3,764,254)	(457,084)
Proceeds from sales of real estate	3,628,550	5,525,760
Improvements of real estate held for sale	(153,070)	(281,103)
Purchases of property and equipment	(17,244,804)	(12,377,334)
Net Cash Used in Investing Activities	(13,311,648)	(4,843,271)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from PPP loans	-	1,120,668
Proceeds from loans	14,827,019	13,110,503
Repayments of loans	(7,073,502)	(8,567,280)
Proceeds from bank lines of credit	-	135,851
Repayments of lines of credit	(1,619,837)	(212,505)
Proceeds from mortgages payable	2,692,031	2,187,821
Repayments of mortgages payable	(3,340,959)	(471,393)
Net Cash Provided by Financing Activities	5,484,752	7,303,665
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	121,971	5,809,976
Cash and cash equivalents and restricted cash - beginning of year	43,592,071	37,782,095
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 43,714,042	$ 43,592,071
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year (capitalized - $267,911 in 2022 and $108,336 in 2021)	$ 1,327,164	$ 1,308,926
PPP loan forgiveness	$ 1,120,668	$ 1,536,221

The amounts reported as cash and cash equivalents and restricted cash consist of the following amounts reported in the consolidated statements of financial position:

	2022	2021
Cash and cash equivalents	$ 16,665,332	$ 12,705,465
Restricted cash	1,271,872	1,987,408
Restricted reserves	14,182,439	13,950,363
Cash - designated for lending activity	7,999,899	10,755,484
Cash - designated for loan loss reserve	3,594,500	4,193,351
	$ 43,714,042	$ 43,592,071

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements include the accounts of Asian Americans for Equality, Inc. ("AAFE") and subsidiaries (collectively, the "Agency") by consolidating the following entities in which AAFE is the sole shareholder or member and/or has a controlling interest maintained through the right to appoint a majority of the entities' Boards of Directors:

- AAFE Community Development Fund, Inc. ("AAFE CDF")
- Asian American Housing Development Fund Company, Inc., and Affiliates ("AAHDFC")
- Chinatown Preservation Housing Development Fund Company, Inc. ("CPHDFC")
- Community Homes Housing Development Fund Company, Inc., and Affiliates ("CHHDFC")
- East Village Homes Housing Development Fund Company, Inc. ("EVHHDFC")
- Queens Housing and Immigration Center Corporation, Inc. ("QHICC")
- Renaissance Economic Development Corporation, Inc. ("REDC")
- Rivington Housing Development Fund Company, Inc. ("Rivington HDFC")
- Stanton Norfolk, Inc. ("Stanton")
- East Chinatown Housing Development Fund Company, Inc. ("ECHDFC")
- Hardesty Renaissance Economic Development Corporation, Inc. ("Hardesty")
- Community Renewal Housing Development Fund Company, Inc. ("CRHDFC")
- Morningside Realty Development, Inc. ("MRD")
- Montgomery Housing Development Fund Company, Inc. ("MHDFC")
- One Hardesty, LLC D/B/A Hardesty Storage ("One Hardesty")
- Harmony 106 Corporation ("Harmony")
- Flushing 106, LLC ("Flushing")
- El Caribe Housing Development Fund Company, Inc. ("El Caribe")
- Madison Street Housing Development Fund Company, Inc. ("Madison")
- Lower East Side Housing Development Fund Company, Inc. ("LESHDFC")
- Golden Allen, LLC ("Golden")
- 4 NYC Housing, Inc. ("4 NYC")
- AAFE Fair Housing Center, Inc. ("AAFE Fair Housing")
- Downtown Manhattan Community Development Corporation ("DMCDC")
- Bremond King Davis Housing Development Fund Company, Inc. ("BKDHDFC")
- Chelsea Apartments Housing Development Fund Corporation ("Chelsea HDFC")

Upon consolidation, all significant intercompany balances and transactions are eliminated.

Founded in 1974, AAFE is a 501(c)(3) organization (exempt from federal, state and local taxes) that advances the rights of Asian Americans and all those in need through advocacy for civil rights, affordable housing and economic development. AAFE seeks to empower the communities it serves and strives to foster understanding and unity among diverse communities through building coalitions and the formation of collaborations.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

As a nonprofit organization, the Agency works in partnership with public and private sectors to provide services and programs that cater to the needs of its targeted communities and achieves its mission by:

- Providing immigrant assistance, education related support and social services to minority and low-income communities;
- Planning, developing and managing affordable housing for low-to-moderate income families;
- Providing financial assistance and counseling for minority, immigrant, and low to moderate-income individuals in the areas of home ownership and business ownership;
- Advocating for greater representation and financial support for immigrants and low-income constituents on the issues that most greatly affect those communities; and
- Providing economic development in low-income/high immigrant areas to meet community needs and create jobs.

Descriptions of the Agency's major programs are as follows:

- **Community Outreach and Education** – The Agency empowers community residents, stakeholders and supporters by providing education and information that encourages civic participation by registering voters and mobilizing the Asian American community city-wide to speak out on immigrant housing and quality of life issues. Other program opportunities for ages ranging from elementary school youth to seniors include college readiness initiatives, open access to computers; service learning; computer classes in English, Mandarin, Cantonese, and Spanish; and social activities that bring community members together.
- **Housing, Immigration and Social Services** – Housing, immigration and social services form the backbone of the Agency to the community. Available at storefront locations in Chinatown/Lower East Side and Flushing, these services include housing legal assistance and representation, immigration assistance and naturalization preparation, healthcare access, public assistance benefits counseling, and other services that assist low-income immigrant clients to stabilize their lives.
- **Planning and Development** – AAFE began developing affordable housing in 1986 with the construction of New York City's first Low-Income Housing Tax Credit project called Equality Houses. Since then, the Planning and Development team has leveraged close to $100 million in financing to produce over six hundred units of housing for low-income residents. AAFE successfully continues to work at revitalizing New York City neighborhoods through the preservation of existing low to moderate-income housing stock. In 2012, the program was extended to include economic development.
- **Homeownership Loans** – The Agency provides an affordable loan program to first time homebuyers throughout New York City, which lowers the loan-to-value ratio of their primary mortgage. Other products offered include: Emergency Repair Loans, which enable low and moderate-income families, seniors, the disabled and families living with the disabled, to complete emergency repairs on their homes in a timely and affordable manner, thereby preventing them from becoming predatory lending targets; Rehabilitation Loans, which allow homeowners to complete the rehabilitation of dilapidated and deteriorated homes; and Conversion Loans, which allow homeowners to convert single-family dwellings into legal, safe two and three family dwellings.
- **Homeownership Counseling** – Offering Full-Cycle Homeownership Counseling, AAFE CDF enhances homeownership opportunities for low and moderate-income Asian American, immigrant residents and other minorities in New York City. Among the services offered are: first-time homebuyers training; mortgage referral and origination; homeownership retention; landlord counseling; mortgage delinquency and default resolution; and foreclosure prevention and counseling.
- **Single Family Housing Development** – This program was created to increase and improve New York City's affordable housing stock, while promoting and advancing homeownership to minority, immigrant, low and moderate-income and underserved populations. The Agency initially acquired 36 properties from the City of New York in 2000 and continues to rehabilitate or build new one-to-four family homes. With a strong belief that homeownership will help families build equity as well as generate wealth in the communities, the homes are targeted to be sold to families earning at or below the median income in the area.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- **Small Business Technical Assistance and Education** – REDC offers technical assistance to low-income, minority, women and immigrant entrepreneurs, both in concert with, and independent of, its small business loan program. Through individual counseling, group seminars and workshops, and counseling clinics with legal and financial professionals, REDC provides technical assistance on issues such as small business management, financial recordkeeping, marketing, taxation and contract procurement. Over the course of its history, REDC has trained or assisted more than 3,000 clients; the vast majority being minority or women entrepreneurs.

- **Small Business Loans –** This small business loan program is a low cost flexible loan program for pre-revenue start-up and existing businesses that have working capital or start up budget needs. This loan program is especially helpful to those who are not able to access traditional bank financing. Loan funds are flexible and can be used for renovations, inventory, marketing, debt refinance, and working capital.

- **Affordable Housing Program Services** – This program comprises the preservation, maintenance, and management of real estate acquired to provide affordable rental accommodation in New York City. These include essential capital improvements to apartment buildings, high quality and timely maintenance of properties, tenant support services, and effective asset management resulting in providing safe, stable, and good quality homes to AAFE rental clients.

The following subsidiaries are exempt organizations pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

- **AAFE Community Development Fund, Inc.** ("AAFE CDF") – a community-based development financial institution that provides targeted technical assistance and affordable second mortgage loans to enhance homeownership opportunities for low and moderate-income Asian American and other minority and immigrant residents of New York City.

- **Asian American Housing Development Fund Company, Inc. and Affiliates** ("AAHDFC") **–** set up for the purposes of affordable housing development and preservation. This is achieved by AAHDFC becoming the replacement partner once the investor limited partners ("ILP") exit from certain limited partnerships with 15-year low-income housing tax credit projects. Subsequent to becoming the replacement partner, AAHDFC enters into agreements with government agencies to reposition the former tax-credit projects: transferring limited partnership assets and liabilities to the direct ownership of AAHDFC and extending affordability periods out for the long-term. On December 31, 2014, the Limited Partner of Norfolk transferred its 99.9% interest to AAHDFC, a related entity of the General Partner.

- **Chinatown Preservation Housing Development Fund Company, Inc.** ("CPHDFC") **–** was incorporated in 2006 for the purpose of developing and preserving affordable housing projects. CPHDFC was initially organized upon the approval of the New York City Department of Housing Preservation and Development ("HPD") for a project under the Lower Manhattan Development Corporation's ("LMDC") Chinatown/Lower East Side Acquisition Program. Under this program, buildings are purchased at market price for improvement and stabilization as long-term affordable rental housing.

- **Community Homes Housing Development Fund Company, Inc. and Affiliates** ("CHHDFC") – seeks to increase and improve New York City's affordable housing stock, while promoting and advancing home ownership for minority, immigrant, low and moderate-income, and underserved populations. In 2008, CHHDFC purchased two affordable rental buildings located in East Elmhurst, New York. As of December 31, 2013, CHHDFC has commenced steps to implement its plan of selling these two buildings, either through a condominium conversion process or an outright sale.

- **Queens Housing and Immigration Center Corporation, Inc.** ("QHICC") – provides immigrant housing and social services to the Asian American community and other minority and immigrant groups in Queens, New York.

- **Montgomery Housing Development Fund Company, Inc.** ("MHDFC") – A property (lot) was acquired in Brooklyn, NY for the purpose of creating affordable housing. Potential rehabilitation is being explored to determine the best course of action.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- **Renaissance Economic Development Corporation, Inc.** ("REDC") – works to provide affordable loans and targeted technical assistance to low-income entities, minority, women and immigrant entrepreneurs and small business owners in New York City to help them overcome traditional impediments to business growth and success. REDC is a community development financial institution through the U.S. Department of Treasury's Community Development Financial Institutions Fund and is a Small Business Administration-approved ("SBA") Micro-Lender. REDC is also in the SBA Community Advantage Program.

- **Rivington Housing Development Fund Company, Inc.** ("Rivington HDFC") **–** was incorporated in 2006, with AAFE being the sole member, for the purpose of developing a housing project for low-income families. Rivington HDFC was organized by AAFE in anticipation of its designation as the owner and developer of a property on 87 Rivington Street, New York through HPD's Third Party Transfer Program ("TPT"). The purpose of the City program is to take abandoned or neglected buildings on the City's lien list and transfer them to responsible housing developers. As conditions of the transfer, AAFE has performed a gut-rehabilitation of the physical structure and afterwards maintained affordable rents for the existing tenants. Rivington HDFC received a final certificate of occupancy in October 2012 and currently has commercial and residential tenants.

- **Stanton Norfolk, Inc.** ("Stanton") – manages the Agency's entire affordable housing portfolio. Currently, Stanton oversees in excess of 850 affordable housing units located in Lower Manhattan and Queens. AAFE's subsidiaries have entered into several property management agreements with Stanton to provide for, among other matters, tenant services, property administration and rental management and building maintenance.

- **East Chinatown Housing Development Fund Company, Inc.** ("ECHDFC") – was established to provide low-income housing in New York City and promote affordable housing by assisting tenants to obtain and maintain qualification for government and private housing assistance programs, acting as liaison between tenants and building owners, and crafting solutions to allow tenants with financial or other problems to avoid eviction. The buildings consist of 60 residential units.

- **Hardesty Renaissance Economic Development Corporation, Inc.** ("Hardesty") – is a Missouri nonprofit corporation formed in 2011. The overarching vision is to complete a long-term development of a former Federal Complex at Hardesty and Independence Avenues, Kansas City, Missouri, that will meet the needs of the community and create jobs.

- **Community Renewal Housing Development Fund Company, Inc.** ("CRHDFC") – was incorporated on December 11, 2012 and started operations on January 1, 2013, with AAFE being the sole member, for the purpose of rehabilitating and conversion to cooperative ownership, on a non-profit basis, a housing project for persons of low-income.

- **El Caribe Housing Development Fund Company, Inc.** ("El Caribe") – was formed in February 2016 as a New York not-for-profit corporation duly organized as a housing development fund company. El Caribe acquired from a partnership a low-income project consisting of five buildings with 49 residential rental dwellings and six commercial units.

- **Madison Street Housing Development Fund Company, Inc.** ("Madison") – was formed in February 2016 as a New York not-for-profit corporation duly organized as a housing development fund company. On August 17, 2016, AAHDFC, a related party, transferred the rights of 81 Madison Street. The building is comprised of 20 residential rental dwellings.

- **Lower East Side Housing Development Fund Company, Inc.** ("LESHDFC") – was formed in May 2016 as a New York not-for-profit corporation duly organized as a housing development fund company.

- **AAFE Fair Housing Center, Inc.** ("AAFE Fair Housing") – is a not-for-profit corporation that was formed in 1998 to lease office space in the Jackson Heights neighborhood of Queens.

- **Downtown Manhattan Community Development Corporation** ("DMCDC") – was incorporated in July 1994 and changed to its current legal name in 2002. DMCDC conducts educational activities that address slum living and blight employment conditions that affect residents of the Lower East Side and Chinatown neighborhoods of Manhattan. DMCDC is also involved in developing, rebuilding and preserving its community.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- **East Village Homes Housing Development Fund Company, Inc.** (“EVHHDFC”) – was incorporated on May 30, 2019, to be the title holder of the property located at 302 East 2nd Street in Manhattan as part of AAFE’s East Village Homes Phase 1 mixed use affordable housing development. The beneficial owner (“East Village Homes Owner LLC”) and the managing member of the beneficial owner (“East Village Homes Manager Corp.”) had tax returns filed separately. AAFE Inc. is the single member of East Village Homes HDFC and East Village Homes Manager Corp. The beneficial owner, East Village Homes Owner LLC, is owned 0.01% by East Village Homes Manager Corp. and 99.9% by the tax credit investor, Wincopin Circle LLLP.

- **Bremond King Davis Housing Development Fund Company, Inc.** (“BKDHDFC”) - formed on May 29, 2015 as a New York not-for-profit corporation duly organized as a housing development fund company pursuant to the provisions of article XI of the Private Finance Housing Law of the state of New York. Asian Americans for Equality is the majority owner of Bremond King Davis HDFC.

- **Chelsea Apartments Housing Development Fund Corporation** (“Chelsea HDFC”) – formed on January 10, 2022 as a New York not-for-profit duly organized as a housing development fund corporation pursuant to the provisions of article XI of the Private Finance Housing Law of the state of New York. Asian Americans for Equality is the sole member of the corporation.

The following subsidiaries are for-profit organizations established by AAFE to support its mission:

- **Morningside Realty Development, Inc**. (“MRD”) – was incorporated in August 2011 as a New York State corporation by AAFE in support of its affording housing management and development activities. MRD has remained inactive since its incorporation and is expected to be dissolved in 2023.

- **One Hardesty, LLC D/B/A Hardesty Storage** (“One Hardesty”) – is a Missouri Limited Liability Company formed in 2016. It purchased the land, building and equipment, as well as the storage business, at Hardesty and Independence Avenues in Kansas City, MO on June 30, 2016. It began operations D/B/A as Hardesty Storage, a month-to-month storage rental operation and a U-Haul rental business on July 1, 2016.

- **Harmony 106 Corporation** (“Harmony”) – was established as a New York for-profit C corporation for the purpose of renovating a Flushing, New York property that was transferred in by CHHDFC, the owner of all the issued common shares of Harmony. The property was sold to Flushing 106, LLC on December 21, 2017.

- **Flushing 106, LLC** (“Flushing”) – was established on November 29, 2017 under Section 203 of the Limited Liability Company Law for the purpose of being the transferee/grantee entity of the property from Harmony. Flushing is a single member LLC and is 100% owned by CHHDFC. Flushing will continue the renovation of the transferred property and supports the housing development projects run by CHHDFC.

- **Lower East Side 8th Street LLC – (**“LES 8th Street”) was established on August 21, 2017 pursuant to Section 802 of the Limited Liability Company Law of the State of New York for the purpose of developing a housing project for low-income families. Asian Americans for Equality is the sole member of the corporation.

- **Golden Allen, LLC** (“Golden”) – was formed in November 2016 as a New York Limited Liability Company. The purpose of the organization is to acquire the 2nd floor condominium at 2 Allen Street in New York City.

- **4 NYC Housing, Inc.** (“4 NYC”) – was established in May 2017 to promote common good and welfare and economic development in New York.

AAFE is also the general partner in two limited partnership for-profit entities through ownership of the following subsidiaries: Norfolk Apartments Development Corp. and Norfolk Apartments II Development Corp. The general partner’s ownership in these limited partnerships is 0.01%. These limited partnerships were formed for the purposes of constructing and rehabilitating buildings to provide affordable housing, along with commercial and community spaces, for low to moderate-income families. The projects managed by each limited partnership qualify for the Low-Income Housing Tax Credit established by the Tax Reform Act of 1986.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting and Use of Estimates*** – The Agency's consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as established by the Financial Accounting Standards Board (the "FASB"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. ***Cash and Cash Equivalents and Restricted Cash*** – The Agency considers all liquid debt instruments purchased with maturities of three months or less to be cash equivalents, except for restricted reserves and cash designated for loan loss reserves, which is considered restricted cash.

C. ***Net Assets –*** Net assets and revenues are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

(i) *Net Assets Without Donor Restrictions* – represents resources available for support of the Agency's operations over which the Board of Directors (the "Board") has discretionary control and not subject to donor (or certain grantor) restrictions. The Board of AAFE CDF and REDC has designated an amount for lending activities or future operating deficits and other projects.

Non-controlling members' interest is shown as a component of net assets without donor restrictions and in the consolidated statements of financial position. The share of the income or loss of the consolidated subsidiaries attributed to the non-controlling members' interest is included as other income in accompanying consolidated statements or activities.

(ii) *Net Assets With Donor Restrictions* – represents net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the consolidated statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the gift is received, the Agency reports the support as without donor restrictions.

D. ***Grants and Contributions and Allowance for Uncollectible Amounts*** – Grants and contributions are accounted for under Accounting Standards Update ("ASU") 2018-08. Unconditional promises to give are recorded as income when the Agency is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value, while those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met. As of December 31, 2022 and 2021, the Agency determined that an allowance of approximately $21,000 and $59,000, respectively, was necessary for grants and contributions receivable. Such estimate is based on management's evaluation of the creditworthiness of its donors, government and other sources, as well as current economic conditions and historical information.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ***Loans Receivable*** – AAFE CDF and REDC report loans receivable at their outstanding unpaid principal balances, reduced by an allowance for doubtful accounts. AAFE CDF and REDC determine the allowance based on a combination of factors, such as historical bad debt experience and factors related to specific borrowers' ability to pay, through management's performance of ongoing credit evaluations and evaluations for potential credit losses. REDC maintains an allowance for doubtful accounts of approximately 5% -15% of the total loan portfolio, with the exception of PPP loans that are 100% guaranteed by the SBA, (this amounted to approximately $749,000 and $662,000 as of December 31, 2022 and 2021, respectively). In addition, AAFE CDF maintains an allowance for doubtful accounts of approximately $36,000 and $40,000, as of December 31, 2022 and 2021, respectively. The estimated allowance for doubtful accounts is based on the following assumptions: an appreciable percentage of REDC's outstanding loan portfolio is comprised of loans that are larger than its previous loans; a significant portion of the borrowers are located in lower Manhattan south of 14th Street, constituting some geographical risk; a portion of the portfolio is comprised of loans to small businesses that are fairly new with limited repayment histories. In addition, REDC has increased the deployment of its Emergency Loan Fund to assist businesses impacted by local disasters where these borrowers may require deferment of their loan repayments.

Furthermore, AAFE CDF and REDC perform ongoing credit evaluations of their borrowers and an evaluation for potential credit losses. AAFE CDF and REDC write-off loans receivable against the allowance when a balance is determined to be uncollectible. Interest on loans is computed using the effective interest method. Interest earned on loans is considered without donor restrictions revenue and can be used for general operations.

Loans receivable are considered past due starting 30 days after the payment due date. AAFE CDF and REDC discontinue their accrual of interest on loans that are 90 days or more past due and are forwarded to lawyers for appropriate legal action. AAFE CDF and REDC apply payments received on past due loans not yet written off against the outstanding loan balances and resume its accrual of interest. Payments on loans already written off are recorded as other income upon receipt. Interest on loans is computed using the effective interest method. Interest earned on loans is considered without donor restrictions revenue and can be used for general operations.

F. ***Real Estate Held for Sale*** – Real estate held for sale is stated at the lower of cost or fair value less selling costs and is not depreciated. Rehabilitation costs are capitalized directly to each property. Interest costs on acquisition/construction loans are capitalized and included as cost of real estate held for sale. Interest costs incurred after the completion of construction/rehabilitation of property are recognized as expenses. The sale of properties is recognized when title passes to the buyer and all of the following conditions are met: (a) a sale is consummated, (b) a significant down payment is received, (c) the earnings process is complete, and (d) the collection of any remaining receivables is reasonably assured. Buyers typically finance their purchases with loans from third party financial institutions.

G. ***Property and Equipment*** – Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The Agency capitalizes all owned property and equipment having a useful life of greater than one year and a cost ranging from $1,000 to $5,000 (for various consolidated entities). There may be instances where certain expenditures for property and equipment are included in the consolidated financial statements as expenses because the cost of these items was reimbursed by certain governmental funding sources and the contractual agreement specifies that title to these assets rests with the funding sources rather than the Agency. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease.

The Agency reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There are no assets considered impaired as of December 31, 2022 and 2021.

H. ***Deferred Financing Costs*** – The costs incurred to obtain financing and fees, as well as certain closing costs, have been deferred. Deferred costs amounting to $840,248 and $541,395 as of December 31, 2022 and 2021, respectively, are amortized using the straight-line method ranging from ten to thirty-five years, which is not materially different from the interest method. For the years ended December 31, 2022 and 2021, amortization of debt issuance costs of $31,023 and $39,992, respectively, is reported as interest expense in the accompanying consolidated financial statements and is amortized on the straight-line basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ***Development and Other Fees*** – Development and other fees are recognized as revenue in the period in which the underlying services are provided or the fees are earned. Development costs are recognized based on construction progress and actual costs incurred.

The Agency may enter site development and management agreements to manage/develop operations of the property and to conduct and to manage redevelopment of the property as the owner's representative. Certain agreements may create contingencies that could significantly reduce the maximum possible fees ultimately earned by the Agency.

J. ***Straight-lining of Rent Expense*** – Through December 31, 2021, rent expense was recognized using the straight-line method over the term of the leases. The difference between rent expense incurred and the amount paid, which is attributable to scheduled rent increases, is reported as a liability in the accompanying consolidated statements of financial position.

K. ***Government Grants*** – Government and other grants are nonexchange transactions and accounted for under ASU 2018-08. Grants are recognized as revenue when barriers within the contracts are overcome, and there is no right of return. As of December 31, 2022 and 2021, the Agency received conditional grants and contracts in the aggregate amount of approximately $0 and $3,078,000, respectively, that have not been recorded in the accompanying consolidated financial statements, as they have not been earned. Revenue from government contracts is subject to audit and negotiations between the Agency and the government funding sources. In addition, from time-to-time the Agency receives one-time grants and other income as a result of special projects. During the year ended December 31, 2022, AAFE received the Brownfield Redevelopment Tax Credit amounting to $2,574,641, for work previously performed on cleanup and redevelopment of a designated property located in Flushing, NY.

L. ***Functional Allocation of Expenses*** – The costs of providing the various programs and other activities have been summarized on a functional basis. The consolidated statements of functional expenses represent the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management. Expenses that can be identified with a specific program are charged directly to the particular program according to their natural expense classification. The Agency uses a step-by-step methodology to allocate costs. First, indirect costs that benefit all program services, but cannot be charged directly to a particular program are pooled together and allocated to the Agency's various programs based on each program's proportionate share of direct costs.

Through several years of experience, a general and administrative rate has been determined for all expense categories which, when combined, total approximately 50 percent. Thus, 50 percent of pooled general and administrative costs are allocated to the program services and fundraising functions based on each function's proportionate share of the total of direct costs and indirect costs allocated in the first step. Finally, audit expenses are allocated among the administrative and general, program services, and fundraising functions based on each function's proportionate share of costs after performing the first two steps.

M. ***Rental Income*** – Rental income is recognized for apartment rentals as it accrues, reduced by an allowance for doubtful accounts, amounting to approximately $366,000 and $328,000 for the years ended December 31, 2022 and 2021, respectively. The Agency estimates the allowance for bad debt based on historical uncollectible rents, factors related to specific tenants' ability to pay and current economic trends. The Agency writes off rents and other receivables against the allowance when a balance is determined to be uncollectible. Advance receipts of rentals are deferred and classified as liabilities until earned.

N. ***Related-Party Transactions*** – Certain subsidiaries receive and make loans with stated rates of interest that are lower than the prevailing market rates for commercial loans. The Agency accounts for these loans at the stated rates. U.S. GAAP requires that loans with below market interest rates be restated for financial reporting purposes at amounts that reflect the expected cash flows discounted at market rates, with certain exceptions. The management of the Agency believes that certain exceptions are applicable to the Agency, and accordingly, interest rates have not been restated.

O. ***Fair Value Measurements*** – Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. ***Interest Rate Swaps*** – The Agency is subject to risk from adverse fluctuations in interest rates affecting its payments under the mortgage payable at a variable rate. The Agency manages this risk by the use of derivative financial instruments, primarily an interest rate swap. The counterparty to this contract is a financial institution. The Agency is exposed to credit loss in the event of nonperformance by the counterparty. The Agency does not use derivative instruments for trading or speculative purposes. If material, the Agency records the interest rate swap agreement at fair value in the consolidated statements of financial position with the related gain or loss reflected in the consolidated statements of activities (see Note 12).

Q. ***Eliminations*** – In preparation of the accompanying consolidated financial statements, all material inter-entity accounts and transactions have been eliminated.

R. ***Reclassifications*** – Certain line items in the 2021 consolidated financial statements including loans and mortgage payables and other income were reclassified to conform to the 2022 presentation. Such reclassification did not have an impact on net assets.

S. ***Change in Accounting Principle*** **–** FASB Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), which supersedes existing guidance for accounting for leases under *Topic 840*, *Leases* was adopted during the year ended December 31, 2022. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for operating leases on the consolidated statement of financial position.

The Agency elected to adopt Topic 842 effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Agency's consolidated statements of financial position but did not have a material impact on the consolidated statements of activities. The most significant impact was the recognition of Right-of-Use ("ROU") assets and lease liabilities for operating leases. Adoption of the standard required the Agency to record operating lease ROU assets and lease liabilities of approximately $3,410,900 as of January 1, 2022.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents and lines of credit that provide funding for operations and capital expenditures as needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, AAFE considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures over the next 12 months, the Agency expects to operate at a surplus and anticipates collecting sufficient revenue to cover general expenditures.

As of December 31, the financial assets available to meet general expenditures over the next 12 months were as follows:

	2022	2021
Cash and cash equivalents	$ 16,665,332	$ 12,705,465
Rents and other receivables	1,865,110	1,065,108
Loans receivable, due in one year	2,483,084	2,534,811
Due from affiliates (current portion)	13,981	10,444
Grants and contributions receivable, net	2,718,248	2,615,536
Less net assets with donor restrictions	(4,760,685)	(4,234,712)
	$ 18,985,070	$ 14,696,652

In addition, the Agency has lines of credit totaling $6,675,000 as of December 31, 2022 with financial institutions, which can be drawn upon if needed (see Note 11).

NOTE 4 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following as of December 31:

	2022	2021
Government grants	$ 2,321,360	$ 2,287,866
Contributions and other receivables	417,888	386,346
	2,739,248	2,674,212
Less: allowance for doubtful accounts:	(21,000)	(58,676)
	$ 2,718,248	$ 2,615,536

All grants and contributions receivable are due in full within one year.

NOTE 5 – LOANS RECEIVABLE, NET

The outstanding loans receivable as of December 31 were funded as follows:

Funding Source	2022	2021	Number of Loans Outstanding 2022		Number of Loans Outstanding 2021	
			AAFE CDF	REDC	AAFE CDF	REDC
Funding from loans:						
Capital One NA (formerly Green Point Community Development Corp.)	$ 55,923	$ 83,862	4	-	5	-
TD Bank NA	-	2,867	-	-	1	-
East West Bank	91,335	114,516	5	-	6	-
Federal - Community Development Financial Institutions Fund ("CDFI")	45,210	123,641	4	-	4	2
NeighborWorks Lending Fund	661,572	574,530	27	10	26	9
United International Bank	7,476	13,492	1	-	1	-
State Bank of India	30,436	50,226	-	2	-	4
Dime Community Bank	412,336	602,948	-	32	-	38
Empire State Development Corp.	154,211	367,276	-	22	-	40
REDC Intermediary Lending Program	187,369	229,667	-	2	-	3
PNC Bank	-	224,718	-	-	-	6
ESBRLF COVID-19	620,846	1,423,306	-	82	-	108
SBA PPP	-	845,142	-	-	-	41
ICBC LOC	143,022	-	-	4	-	-
Small Business Administration	3,262,709	2,709,400	-	166	-	181
	5,672,445	7,365,591	41	320	43	432
Funding from grants:						
Empire State Development Corp.	158,860	355,363	-	24	-	30
Fed CDFI Cap Lending	1,113,747	55,000	-	41	-	4
Chase Pro Neighborhood	467,921	130,519	-	19	-	11
Federal CDFI (G)	-	2,929	-	-	-	1
	1,740,528	543,811	-	84	-	46
Gross loans receivable	7,412,973	7,909,402	41	404	43	478
Less: allowance for doubtful accounts	(784,192)	(701,771)				
Loans receivable, net	$ 6,628,781	$7,207,631				

NOTE 5 – LOANS RECEIVABLE, NET (Continued)

AAFE CDF loans range from $6,200 to $64,000 and carry interest rates ranging from 2.5% to 6.5%. AAFE CDF holds a second lien position on the property held as collateral for these loans. REDC loans range from $5,000 to $250,000 with interest rates ranging from 4% to 8%. Repayment terms on these loans range from 24 to 60 months. Personal guarantees from business owners who have significant ownership in the businesses and a security interest in the customer's business assets are held as security for the loans.

On March 27, 2020, due to the novel coronavirus ("COVID-19") pandemic, REDC launched an Emergency Small Business Relief Loan Fund ("ESBRLF") providing small businesses impacted by the pandemic with immediate working capital. The ESBRLF was initially capitalized with REDC net assets without donor restrictions and then later with debt instruments from New York Community Bank ("NYCB") and Industrial and Commercial Bank of China ("ICBC"), designated specifically for COVID-19 relief. The program has ended in 2021. These emergency loans have a dedicated cash loan loss reserve of 30% due to the high-risk nature of these loans during the time of the pandemic.

In May 2020, REDC became an SBA PPP lender to help small businesses impacted by the pandemic keep their workforce employed. These PPP loans will be forgiven by the SBA if the small business meets the employee retention criteria, and the funds were used for eligible expenses by the SBA. PPP loans have an interest rate of 1%. In 2021, Renaissance continued to be an SBA PPP lender until the SBA PPP program ended on May 31, 2021. Aging of loan receivables as well as the credit risk exposure, based on payment activity, as of December 31, are as follows:

	2022	2021
Performing		
Current	$ 7,403,901	$ 7,906,600
31-60 days	6,680	2,565
61-90 days	797	237
Nonperforming		
Over 90 days	1,595	-
	$ 7,412,973	$ 7,909,402

The Agency had three and zero loans on nonaccrual status as of December 31, 2022 and 2021, respectively. The past due balances on such loans amounted to $1,595 and $0 as of December 31, 2022 and 2021, respectively. As of both December 31, 2022 and 2021, the Agency had no loans over 90 days past due, that are still accruing interest.

An analysis of the allowance for doubtful accounts as of December 31 is as follows:

	2022	2021
Balance at beginning of year	$ 701,771	$ 1,027,264
Provisions for doubtful accounts (recovery of)	116,989	(7,214)
Less: loans written off	(34,568)	(318,279)
	$ 784,192	$ 701,771

As required by certain lenders, loan loss reserves equivalent to 10% to 25% of the outstanding loans receivable balances are maintained in separate cash accounts by AAFE CDF. REDC is also required to set aside as an escrow, a portion of funds for its inter-partnership loan. As of December 31, 2022 and 2021, the loan loss reserve fund (including the amount held in escrow) for AAFE CDF amounted to $87,730 and $97,006, respectively, and for REDC amounted to $3,509,770 and $4,096,345, respectively. Such amounts are included as cash designated for loan loss reserve in the accompanying consolidated statements of financial position.

NOTE 5 – LOANS RECEIVABLE, NET (Continued)

Loans receivable are due as follows for the years ending after December 31, 2022:

2023	$ 2,483,084
2024	1,881,407
2025	1,149,353
2026	910,723
2027	429,306
Thereafter	559,100
	7,412,973
Less: allowance for doubtful accounts	(784,192)
	$ 6,628,781

NOTE 6 – SALES AND REAL ESTATE HELD FOR SALE

CHHDFC's real estate held for sale consists of the acquisition and rehabilitation costs-in-progress of various properties in 2022 and 2021, which are in various stages of completion. These properties have a total carrying value of $743,278 as of both December 31, 2022 and 2021. There were no sales in 2022 and 2021.

On December 21, 2017, Harmony 106 Corporation transferred 32-56 106th Street Queens, New York to Flushing 106 LLC. The property was being renovated and developed as an affordable housing project for individuals with low to moderate-income. The carrying value as of December 31, 2022 and 2021 amounted to $2,796,046 and $5,620,991, respectively. During the years ended December 31, 2022 and 2021, Flushing 106 sold 7 and 13 units, and 2 and 7 parking spaces for an aggregate selling price of $3,628,550 and $5,525,760, respectively. Total acquisition, rehabilitation and other costs of the sold units amounted to $2,981,991 and $4,309,084 and are included as costs of real estate sales in the accompanying consolidated statement of activities.

NOTE 7 – INVESTMENTS IN AFFILIATES

Investments in limited partnerships consisted of the following as of December 31:

	2022	2021
Norfolk Apartments II Limited Partnership	$ 102,616	$ 102,616
Norfolk GP	105,616	105,616
One Flushing NP, LLC	3,700,657	3,700,657
EVHHDFC	49,954	-
Ocean Bay Retail Project	703,986	703,986
	$ 4,662,829	$ 4,612,875

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2022	2021	Estimated Useful Life
Land	$ 9,371,321	$ 8,982,720	
Buildings and improvements	118,925,455	91,295,188	27 ½ - 40 Years
Leasehold improvements	794,885	943,537	5-10 Years
Lease assignment	55,000	55,000	3 Years
Computers	76,271	79,751	5 Years
Furniture and equipment	1,846,635	1,397,488	5-7 Years
Construction in progress	20,450,767	31,868,664	
	151,520,334	134,622,348	
Less: accumulated depreciation and amortization	(39,143,317)	(36,102,703)	
Net book value	$ 112,377,017	$ 98,519,645	

Depreciation and amortization expense amounted to $3,387,432 and $3,142,974 for the years ended December 31, 2022 and 2021, respectively. Disposal of fully depreciated items amounted to $346,818 and $84,373 for the years ended December 31, 2022 and 2021, respectively.

NOTE 9 – RESTRICTED RESERVE ACCOUNTS

As provided for in the mortgage agreements, the Agency is required to maintain certain escrow deposits and reserve funds. The reserve requirements have been funded in accordance with the mortgage agreements for the years ended December 31, 2022 and 2021. As of December 31 the balances consist of the following:

	2022	2021
Replacement reserve	$ 5,161,812	$ 5,349,998
Operating reserve	7,779640	7,548,723
Mortgage escrow	1,240,987	1,051,642
	$ 14,182,439	$ 13,950,363

NOTE 10 – LOANS PAYABLE

Loans payable consist of the following as of December 31:

Description	2022	2021	Year(s) of Maturity
To Deutsche Bank. These loans are unsecured and noninterest bearing with the principal payment due at maturity dates.	$ 40,000	$ 80,000	2023
To Enterprise Community Partners, Inc. This loan is unsecured and due in full at maturity in December 2022.	-	225,000	2022
To Valley National Bank at an interest rate of 1%. This is an SBA PPP loan designed to provide direct incentive to keep employees on payroll. Funds are to be used for payroll costs, including benefits, and may be used for mortgage interest, rent, utilities, worker protection costs related to COVID19, uninsured property damage caused by looting or vandalism during 2020 and certain supplier costs and expenses for operations. This PPP loan was issued prior to June 5, 2020, therefore has a two-year maturity. If AAFE does not apply for SBA loan forgiveness, payments are deferred 10 months after the end of the covered period for the AAFE's loan forgiveness (between 8 and 24 weeks). SBA will forgive this PPP loan if AAFE meets the PPP criteria and funds are used for eligible expenses.	-	605,073	2022
To East West Bank at an interest rate of 3%. The principal amount of this loan is due in full at maturity. This loan is unsecured with interest payable quarterly.	-	500,000	2022
To Small Business Administration at an interest rate of 2% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,574. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	675,077	822,549	2027
To Small Business Administration at an interest rate of 1% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $6,944. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	-	46,875	2022
To Small Business Administration at an interest rate of 0.75% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $8,535. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	125,543	287,580	2023

NOTE 10 – LOANS PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To Small Business Administration at an interest rate of 2.75% during the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $5,615. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve	$ 416,865	$ 483,505	2028
To Empire State Development Corporation Small Business Revolving Loan Fund (SBRLF) at an interest rate of 1%. Based on a loan amendment in 2015, principal repayment will commence nine (9) years from the date of the loan. Principal repayment will be on an annual basis equivalent to 33.33% of the principal outstanding balance.	583,333	1,333,333	2022
To Valley National Bank at an interest rate of 4.42%. The interest rate and the amount of the monthly payment will be adjusted on the first day every 60th month after the initial payment date based on index (weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of five years) plus 3.6%. The monthly principal payment is $4,762 with the balance due at maturity. The loan is collateralized by the REDC's mortgaged property at 4721 8th Avenue, Brooklyn, NY.	647,436	674,255	2033
To Small Business Administration at an interest rate of 1.50% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $6,944. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	218,400	311,244	2025
To Small Business Administration at an interest rate of 1.25% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,574. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	528,382	679,348	2026
To Empire State Development Corporation at an interest rate of 0%. Principal repayment will commence three (3) years from the date of the loan. Principal repayment will be on an annual basis equivalent to 33.33% of the principal outstanding balance. This Global New York Loan is unsecured with the principal payment due based on the term of loan.	-	166,667	2024
To Empire State Development Corporation at an interest rate of 1%. Interest on outstanding principal balance to be paid annually. After the fifth year, any remaining balance will be converted to a five (5) year term loan, to be fully amortized at a rate of 1%. After five (5) years, monthly principal and interest payments will be $6,406. This Minority Revolving Loan Fund (MRLF) is unsecured with the principal payment due based on the term of loan.	250,000	250,000	2024

NOTE 10 – LOANS PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To Empire State Development Corporation Small Business Revolving Loan Fund (SBRLF) at an interest rate of 1%. Principal repayment will commence four years from the date of the loan.	$ 166,667	$ 166,667	2023
To BNB Bank at an interest rate of 2.50%. 17 quarterly consecutive interest payments beginning August 18, 2018 with final payment due on August 18, 2022 for all principal and accrued interest not yet paid.	-	1,000,000	2022
To Small Business Administration at an interest rate of 1.875% during which the first 12 months from the date of the loan interest will be bought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,111. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	903,740	1,036,043	2029
To Industrial and Commercial Bank of China (USA) at an interest rate of 2%. Eighty-three monthly installments of accrued interest on the outstanding principal balance commencing June 1, 2020 through maturity date. Outstanding principal balance and accrued unpaid interest shall be due on the maturity date.	-	1,915,971	2027
To New York Community Bank at an interest rate of 2%. This is an Equity Equivalent Investment (EQ2). Interest-only payments beginning disbursement date shall be payable on a quarterly basis for the ten-year term of the loan. Outstanding principal balance and accrued unpaid interest shall be due on the maturity date.	500,000	500,000	2030
To Cleveland Federal Reserve Bank at an interest rate of 0.35%. This is the Paycheck Pprotection Program Liquidity Facility (PPPLF) loan offered to non-depository institutions (such as CDFIs) using PPP loans originated as pledged collateral. Repayment is matched to the repayment terms and timing of the underlying PPP loans pledged as collateral. When these underlying PPP loans pledged to the Federal Reserve are forgiven by the SBA or repayment from the borrower, the forgiven funds or repaid funds will be used to reduce the PPPLF debt outstanding.	-	472,802	2022
To the Small Business Administration at an interest rate of .75% during which the first 12 months from the date of the loan interest will be brought down by 2% to 0%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $9,259 with the balance of the loan due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA loan loss reserve.	990,741	-	2031
To Popular Community Bank. This loan is unsecured, and at a variable interest rate of 6.1971% and 6.8469%. Interest is paid monthly with the balance due at maturity in July 2021.	-	1,012,086	2022

NOTE 10 – LOANS PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To NeighborWorks Capital Corporation. One loan of $5,400,000 which is secured by building and equipment. The second loan of $500,000 is unsecured. Interest is at 5.25% compounded quarterly. In addition to the quarterly interest payment, One Hardesty is to pay $37,500 towards principal.	$ 4,789,000	$ 4,939,000	2023
To Valley National Bank at an interest rate of 1%. This is an SBA PPP loan designed to provide direct incentive to keep employees on payroll. Funds are to be used for payroll costs, including benefits, and may be used for mortgage interest, rent, utilities, worker protection costs related to COVID19, uninsured property damage caused by looting or vandalism during 2020 and certain supplier costs and expenses for operations. This PPP loan was issued prior to June 5, 2020, therefore has a two-year maturity. If DMCDC does not apply for SBA loan forgiveness, payments are deferred 10 months after the end of the covered period for the DMCDC's loan forgiveness (between 8 and 24 weeks). SBA will forgive this PPP loan if DMCDC meets the PPP criteria and funds are used for eligible expenses.	-	30,000	2022
To Valley National Bank at an interest rate of 1%. This is an SBA PPP loan designed to provide direct incentive to keep employees on payroll. Funds are to be used for payroll costs, including benefits, and may be used for mortgage interest, rent, utilities, worker protection costs related to COVID19, uninsured property damage caused by looting or vandalism during 2020 and certain supplier costs and expenses for operations. This PPP loan was issued prior to June 5, 2020, therefore has a two-year maturity. If Stanton does not apply for SBA loan forgiveness, payments are deferred 10 months after the end of the covered period for the Stanton's loan forgiveness (between 8 and 24 weeks). SBA will forgive this PPP loan if Stanton meets the PPP criteria and funds are used for eligible expenses.	-	485,595	2022
To HDC - Construction loan secured by the property at 302 East 2nd Street NY, NY. Total loan amount available for drawdown is $7,970,070 with an interest rate of 2.25%.	7,970,070	7,350,437	2023
To Low Income Investment Fund. Construction loan secured by the property at 302 East 2nd Street NY, NY. Total loan amount available for drawdown is $15,246,000. Interest rate is 7.03%.	14,949,826	14,498,419	2023
To Low Income Investment Fund. Construction loan secured by the property at 133-04 39th Avenue, Flushing, NY. Total loan amount available for drawdown is $3,729,757. Interest rate is 5.75%.	3,407,337	3,044,492	2023

NOTE 10 – LOANS PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To In December 2013, HREDC entered into an agreement with the City of Kansas City, for $300,000 of funding from the Kansas City Brownfields Revolving Loan Fund program for Building 11. Work commenced and was completed in 2014. The loan is repayable in 60 equal installments commencing with the Cleanup Completion. The loan is noninterest bearing through the maturity date, which is sixty months after the Cleanup Completion date. After the maturity date, or in the event of default, interest accrues at the per annum rate otherwise in effect, plus 2%. Repayment of the loan began in November 2016 with principal payments of $5,000 a month. In March 2017, an additional loan for $504,853 was obtained through this same program for Building 10. This loan is repayable in 60 equal installments beginning on the 10th day of the first month after cleanup completion, which is the issuance of the Letter of Completion by the City of Kansas City, MO. The Letter of Completion was expected to be issued in June 2018. The loan is noninterest bearing until this maturity date, or in the event of default, at which time it is the per annum rate otherwise in effect, plus 2%.	$ 370,331	$ 385,351	2039
To In 2021, HREDC recevied a $200,000 grant from the U.S. Environmental Protection Agency ("EPA") and a loan from the Kansas City Revolving Loan Fund (KCRLF) for the building 9 hazardous materials cleanup. The loan bears interest at 3% with a 15-year term amortized over 25 years after the Cleanup Completion date with a balloon at maturity.	1,071,099	1,053,898	2036
To In June 2022, Chelsea HDFC secured an interest-only construction loan from Enterprise Community Loan Fund with a maximum borrowing power of $24,236,639, maturing in 30 months with a six month extension. This loan consists of two parts - $8,171,294 from Enterprise at 5.5% interest per annum, and $16,065,345 from HPD at 0.25% interest per annum. No payments are due.	3,510,751	-	2025
To HPD at interest rate of .25% - Loan issued to finance the construction of three properties of the Lower East Housing Development Financing Corporation and is secured by those properties. Interest is paid monthly. Maturity occurs at the earlier of the first day of the first month after construntion completion or the Intital maturity Date of July 1, 2024.	7,526,976	598,782	2024
To Local Initiatives Support Corporation (LISC) at interest rate of 5.62% - Loan issued to finance the construction of three properties of the Lower East Housing Development Financing Corporation and is secured by those properties. Interest is paid monthly. Maturity occurs at the earlier of the first day of the first month after construntion completion or the intital maturity date of July 1, 2024.	4,848,481	2,639,258	2024
	54,490,055	47,594,230	
To Varius affiliates incurred financing costs which are being amortized over the life of the loans using the straight-line basis.	(279,715)	(21,594)	
	$ 54,210,340	$ 47,572,636	

NOTE 10 – LOANS PAYABLE (Continued)

Future approximate annual principal repayments are as follows for the five years ending after December 31, 2022 and thereafter:

2023	$ 32,780,000
2024	13,379,000
2025	4,226,000
2026	634,000
2027	482,000
Thereafter	2,989,000
	$ 54,490,000

The proceeds from these loans enabled the Agency to make loans to individuals and businesses and expand the Agency's activities. The Agency is required to adhere to certain financial covenants.

During January-February of 2021, AAFE, Stanton and DMCDC applied for a Second Draw Paycheck Protection Program loan under the Consolidated Appropriations Act, 2021 and received $1,120,668 in February 2021. Total loan balances including accrued interest were forgiven during various dates in 2022.

The Agency is guided by FASB ASC Topic 470 "Debt." Based on the guidance in FASB ASC 470, the loans would remain recorded as a liability until they are in part or wholly forgiven and legal release is received or the entity pays off the loan. Once the loan is forgiven in part or wholly, and legal release is received, each entity will reduce the liability by the amount forgiven.

NOTE 11 – BANK LINES OF CREDIT

In 2016, the State Bank of India provided REDC with a $3,000,000 unsecured revolving credit line for purposes of lending to small businesses in targeted economic areas. The line is considered unsecured, although the underlying loans are collateralized by REDC's own borrowers. The line bears interest at the fixed rate of 3% per annum. As of both December 31, 2022 and 2021, the outstanding borrowings on the credit line amounted to $3,000,000. The line of credit was due for maturity on June 28, 2021, and was extended through March 30, 2026.

In April 2020, the Industrial and Commercial Bank of China USA provided REDC with a $1,500,000 unsecured revolving credit line for purposes of lending to small businesses in targeted economic areas. The line is considered unsecured, although the underlying loans are collateralized by REDC's own borrowers. The line bears interest at the fixed rate of 3% per annum. As of both December 31, 2022 and 2021, the outstanding borrowings on the credit line amounted to $709,961. The line of credit matures on April 23, 2027.

Local Initiatives Support Corporation provided AAFE with a $175,000 line of credit. The line's interest rate was fixed at 4.5% per annum until it increased to 6.0% as of March 1, 2020 and then increased to 6.25% as of May 1, 2021. As of December 31, 2022 and 2021, the outstanding borrowings on the credit line amounted to $153,826 and $161,555, respectively. The line of credit will mature on February 1, 2023.

Enterprise Community Loan Fund, Inc. provided AAFE with a line of credit. The line is to be disbursed through sub-loans based on the borrower's request and the aggregate principal amount of all outstanding sub-loans cannot exceed $2,500,000. The line matures 36 months after the origination date or December 31, 2021. However, each sub-loan has a 24-month term period. The interest rate for all sub-loans will accrue at a fixed rate of 6% per annum until the outstanding balance reaches $1,000,000. The interest rate for all disbursements exceeding $1,000,000 will accrue at a fixed rate of 5.75% per annum. Outstanding balances as of December 31, 2022 and 2021, amounted to $0 and $902,108, respectively.

SeaChange Capital Projects provided AAFE with a $1,000,000 line of the credit. The line bears interest at the fixed rate of 6.05% per annum. As of December 31, 2022 and 2021, outstanding borrowings on the credit line amounted to $290,000 and $1,000,000, respectively. The line of credit will mature on September 30, 2023.

NOTE 12 – MORTGAGES PAYABLE

Mortgages payable as of December 31 consist of the following:

Description	2022	2021	Year(s) of Maturity
To Global Bank at interest rate of 4.25%. The loan is secured by AAFE's assets with interest payable monthly. The principal payment is due in full at maturity in July 2024.	$ 663,123	$ 691,319	2024
To Global Bank at interest rate of 4.00%. This mortgage is secured by two of CHHDFC's properties located in Jackson Heights, New York. The mortgage is amortized based on a 25-year amortization schedule with monthly principal and interest payments of $9,027, and a balloon payment due at maturity.	1,610,986	1,656,367	2030
To HPD at interest rate of 1.25% – Mortgage with interest and service fee payable on a monthly basis. Principal is due at maturity. The initial maturity date can be extended for an additional 15 years plus an additional three years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	3,102,418	3,102,418	2038
To HPD at interest rate of 1.00% – Second mortgage with monthly principal and interest payments of $421. Annual minimum principal repayments are $10, and the balance is due at the maturity date. The initial maturity date can be extended for an additional 15 years plus an additional three years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	503,919	503,933	2038
To New York State Housing Trust Fund ("HTF") at interest rate of 1.00% – Third mortgage payable in full at the maturity date plus accrued interest. Accrued interest payable as of both December 31, 2021 and 2020 amounted to $73,446. The Company began to pay the interest in 2010. The initial maturity date can be extended for an additional 15 years plus an additional 3 years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	545,440	545,440	2038
To HPD at interest rate of 1.00% – Equal monthly installments of interest only in the amount of $1,583 commencing on the first installment date, January 1, 2009, and continuing to the maturity date. The principal amount and any and all other amounts of the indebtedness are due on maturity.	2,223,623	2,223,623	2039
To HPD at interest rate of 1.25% – Equal monthly installments of interest only in the amount of $1,442 commencing on the first installment date, August 1, 2008, and continuing to the maturity date. The principal amount and any and all other amounts of the indebtedness are due on maturity.	1,384,684	1,384,684	2039
To HPD at interest rate of 0.25% – Installment of interest only was due on January 1, 2012. A monthly installment of principal and interest in the amount of $417 was due on February 1, 2012 and continuing to the maturity date.	632,216	635,630	2042
To HPD – No regular payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the Mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	117,940	141,528	2027

NOTE 12 – MORTGAGES PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To CPC at interest rate of 7.13% – Principal and interest of $1,802 is due monthly commencing on the first installment due date, February 1, 2012, and continuing to the maturity date.	$ 224,438	$ 230,545	2042
To HTF at interest rate of 1.00% – Pursuant to an agreement with the State of New York, acting through its Division of Housing and Community Renewal ("DHCR") and New York State Housing Trust ("HTF"). HTF has committed to provide a loan to finance the construction of Norfolk's building. The interest rate for the loan is 1%. Interest payment is due annually and is paid from excess income as defined in the mortgage agreement.	1,800,000	1,800,000	2030
To HTF at interest rate of 1.00% – Pursuant to an agreement with the State of New York, acting through its Division of Housing and Community Renewal ("DHCR") and New York State Housing Trust ("HTF"). HTF has committed to provide a loan to finance the construction of Norfolk II's building. The interest rate for the loan is 1%. Interest payment is due annually and is paid from excess income as defined in the mortgage agreement.	1,800,000	1,800,000	2034
To Bellwether at interest rate of 2.97% – This loan is secured by the real property of the Company. Principal and an interest payment of $57,094 is due monthly, with any outstanding balance due in full at maturity.	12,073,830	12,415,765	2048
To HPD – First mortgage consisting of four separate mortgages that require no payment of principal or interest. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement.	14,250,000	14,250,000	2036
To HPD at interest rate of 0.25% – Second mortgage requires monthly interest accrual only. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement.	667,748	667,748	2024
To HPD – Third mortgage with interest and principal payable in full at maturity date. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement.	831,950	831,950	2026
To New York City HDC at interest rate of 1.25% – the note requires no monthly payments of principal until the note becomes due in 2046. Interest is due and payable in equal monthly installments commencing on July 1, 2016. A service fee in the amount of .25% of the principal amount or $60 monthly is also due and payable commencing on July 1, 2016.	287,091	287,091	2046
To HPD Building Loan – the note requires no monthly payments of principal or interest and will be forgiven at the end of the term provided there have been no defaults thereunder and the project has met all applicable requirements.	334,332	334,332	2045

NOTE 12 – MORTGAGES PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To First mortgage to the Housing Trust Fund Corporation ("HTFC") at interest rate of 1.00% – the note requires no monthly payments of principal until the note becomes due. Interest is payable annually on the principal balance advanced and outstanding, commencing on the 30th day of June 2011, and continuing annually thereafter until June 30, 2046. Interest payments shall be due and payable on an annual basis solely to the extent of net cash flow as defined in the promissory note.	$ 2,290,000	$ 2,290,000	2046
To CPC at interest rate of 7.44% – First mortgage loan with principal and interest payable monthly commencing July 2014 and on the first day of each and every month thereafter until maturity.	808,288	840,905	2037
To HPD at interest rate of 1.00% – Second mortgage loan. Beginning on July 1, 2014, an installment of principal and interest in the amount of approximately $880 is due, and a like installment is due on the first day of each month thereafter until and including June 1, 2037. Beginning July 1, 2037, installment of principal and interest in the amount of approximately $8,510 is due, and a like installment is due on the first day of each month thereafter until and including June 1, 2042.	579,097	584,229	2042
To HPD – No payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	527,000	527,000	2044
To First mortgage to the Enterprise Community at interest rate of 5.25% – the borrower shall make a principal and interest payment of $7,017 due the first date of each month until maturity. Effective September 2020, payments were deferred by Enterprise and resumed January 2021.	1,127,758	1,151,263	2043
To Second mortgage to HPD – no payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	2,000,000	2,000,000	2042
To Third mortgage to HPD – the borrower shall make interest payments of 1% inclusive of a 0.25% servicing fee. No payments of principal shall be payable by the borrower. Monthly interest payments in the amount of $685 are payable by the borrower. The principal balance and any accrued interest will be due upon maturity.	822,505	822,505	2046
To Fourth mortgage to HPD – the borrower shall have no payments of principal. Servicing fee shall be payable at 0.25%. This loan is forgivable if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	170,000	170,000	2046
To First mortgage to HPD – The loan shall be due and payable on December 1, 2045. No interest shall be due or payable on the loan.	1,754,543	1,754,543	2045
To Second mortgage to HPD – The loan shall be due and payable on December 1, 2045. No interest shall be due and payable on the Community Development Block Grants Loan.	210,000	210,000	2045

NOTE 12 – MORTGAGES PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To Third mortgage to HDC at interest rate of 1.00% – The Article 8 loan shall be due and payable on September 25, 2029. Interest on the Article 8 Loan shall be payable at the rate of 0.75% per annum in equal monthly installments of interest only in the amount of $385 on the first day of each and every month, together with a servicing fee in the amount of 0.25% per annum on the Article 8 Loan and payable monthly in the amount of $128.	$ 716,100	$ 716,100	2029
To Fourth mortgage to HDC at interest rate of 1.00% – The Article 8 loan shall be due and payable on May 31, 2028. Interest on the Article 8 Loan shall be payable at the rate of 0.75% per annum in equal monthly installments of interest only in the amount of $18,305 on the first day of each and every month, together with a servicing fee in the amount of 0.25% per annum on the Article 8 Loan and payable monthly in the amount of $61.	292,885	292,885	2028
To TD Bank at interest rate of 4.10%. This mortgage is secured by the real property located at 2 Allen Street, New York, NY, with monthly principal and interest payments of $18,763.	2,396,264	2,467,884	2027
To BankUnited N.A – Mortgage is due and payable on May 10, 2022 and carries an interest of 3.25% with monthly interest and principal payments of $13,462.	-	2,682,456	2022
To Neighborhood Partnership Housing Development Fund Company, Inc. This is a standing loan that does not bear interest or require the payment of installments. The principal balance is due in full at maturity.	495,000	495,000	2044
To Republic First Bank - In May 2022, DMCDC obtained a mortgage in the amount of $2,750,000. The mortgage will mature June 1, 2029 and carries an interest rate of 3.875% per year. It also requires monthly payment of interest and principal in the amount of $14,412. The real property, rents and leases of DMCDC serve as collateral for the mortgage.	2,717,431	-	2029
To Cathay Bank - principal amount of $1,513,912 and a maturity date of January 1, 2030. The annual interest rate for the initial 5 year period is a fixed rate equal to 4.01%. The annual interest rate for the 5 year period following the initial term will be a floating rate, changing daily, equal to 50 basis points above the Prime Rate as published in The Wall Street Journal. The mortgage loan is amortized using a 25-year amortization schedule over a 10- year period with monthly principal and interest payments in the amount of $8,048 commenced on February 1, 2020, and will continue to January 1, 2025. The outstanding principal and any unpaid interest are to be paid in full at maturity.	1,405,767	1,441,261	2030
To HDC at interest rate of 0.25% – Mortgage with interest payable on a monthly basis. Principal is due at maturity on June 1, 2022. Based on the letter received in March 2023, it is HDC's intention to extend the loan currently due beyond its existing maturity date.	1,996,084	1,996,084	2022
To HDC at interest rate of 1.25% – Mortgage with interest payable on a monthly basis. Principal is due at maturity on June 1, 2022. Based on the letter received in March 2023, it is HDC's intention to extend the loan currently due beyond its existing maturity date.	249,511	249,511	2022

NOTE 12 – MORTGAGES PAYABLE (Continued)

Description	2022	2021	Year(s) of Maturity
To HPD at interest rate of 1.00% – The Home Permanent loan bears interest at the rate of 1% per annum. Principal is due at maturity on October 31, 2031.	$ 644,623	$ 644,623	2031
To HPD – No payments of principal, interest, or servicing fee shall be payable on the construction loan	2,947,422	2,947,422	2029
	67,204,016	67,786,044	
Less: unamortized debt issuance costs	(560,533)	(519,801)	
	$ 66,643,483	$ 67,266,243	

Golden Allen, LLC entered into a derivative transaction ("swap") with a notional amount that changes over time to correspond to the outstanding principal based on the agreed schedule for the mortgage. The notional amount of the derivative is the basis for calculating the volume of the transactions and does not represent the amount at risk. The market values of the swap can vary depending on movements in interest rates. The transaction creates off-balance sheet risk in that Golden Allen, LLC could potentially lose more on the swaps than the amounts at which these instruments are carried in the consolidated statements of financial position. The transaction had not been designated as a hedge. The counterparty is a New York financial institution. Golden Allen, LLC is obligated to pay an effective fixed interest rate of 3.11% on the notional amount (same as the principal balance). When taken together with the mortgage payable, the effect of the derivative transaction is to substantially convert variable rate (subject to the risk of going to a level higher than the current fixed rate) to a fixed rate mortgage payable that is subject to a 4.2% maximum rate.

As of December 31, 2022 and 2021, the estimated fair value of the swap agreement amounted to $125,731 and ($146,327) which was deemed immaterial to the consolidated financial statements taken as a whole. Accordingly, the accompanying consolidated financial statements did not reflect such amounts.

Future approximate mortgage repayments for the five years ending after December 31, 2022 and thereafter are as follows:

2023	$ 2,836,000
2024	1,220,000
2025	602,000
2026	621,000
2027	644,000
Thereafter	61,281,000
	$ 67,204,000

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31:

	2022	2021
With donor restrictions:		
Small business grant reserve program	$ 2,367,229	$ 2,711,425
Small business lending	527,148	-
Housing development and related activities	516,404	43,172
Technical assistance	235,406	374,587
Other programs (including COVID-19 related)	1,114,498	1,105,528
	$ 4,760,685	$ 4,234,712

During the years ended December 31, 2022 and 2021, net assets with donor restrictions which amounted to $2,110,562 and $2,679,080, respectively, were released from donor restrictions by incurring expenses (or the passage of time), thus satisfying the donor restrictions.

The Agency's net assets with donor restrictions include funds received from NeighborWorks America ("NWA") restricted for use as a revolving loan and capital projects fund.

The investment of funds received from NWA is governed by the NeighborWorks America Investment and Grant Agreement (the "Agreement"). Under the Agreement, the restricted capital grant funds shall be used for purposes that will build assets for the Agency and the community in which it operates. As noted above, the funds received from NWA were used as capital lending funds and for the rehabilitation of residential multifamily rental buildings. Interest on loans as well as proceeds on capital projects in excess of the total amount of restricted capital grant funds provided by NWA invested or otherwise used to fund such projects may be transferred to net assets without donor restrictions, to be used for purposes of furthering the Agency's mission. Cash from any restricted capital funds provided by NWA, and not expended according to the terms of the agreement, shall be fully invested in securities either of the United States government or that are guaranteed by the United States government, or exclusively deposited in federally insured or state insured accounts. For the years ended December 31, 2022 and 2021, there were no unspent capital funds.

NOTE 14 – RELATED-PARTY TRANSACTIONS

AAFE, being the general partner in the limited partnerships, receives management and incentive fees from the limited partnerships. The total management and incentive fees received for the years ended December 31, 2022 and 2021, amounted to $358,879 and $337,108, respectively, and are included under program service, incentives and fees in the accompanying consolidated statements of activities. There were no outstanding receivables as of December 31, 2022 and 2021.

Due from affiliates amounted to $13,981 and $10,444 as of December 31, 2022 and 2021, respectively and represents amounts due from various unconsolidated affiliates for services provided and loans extended by AAFE. Based on agreements in place, the balance is to be collected with one to three years.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements.

B. REDC is involved in several legal actions to recover monetary losses resulting from the default on loans by certain borrowers. No amounts for estimated recoveries have been included in the accompanying consolidated financial statements. REDC will recognize other income in the event any recoveries are made.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

C. As permitted under the transfer agreement with HPD, CHHDFC leased portions of certain properties to commercial tenants in the interest of neighborhood revitalization and stabilization of local businesses. As of December 31, 2022, CHHDFC had such lease agreements with three commercial tenants, of which the lease agreements for one tenant will expire in 2023, one tenant in 2024, one tenant in 2025, and one tenant in 2026.

Future approximate minimum lease payments to be received for the years ending after December 31, 2022, are as follows:

2023	$ 278,000
2024	112,000
2025	63,000
2026	10,000
	$ 463,000

D. As the sponsor of the general partners in two limited partnerships (see Note 1), AAFE is obligated under certain guarantees associated with the operations of these partnerships.

E. As the developer and a member in the EVHDFC mixed use affordable housing development AAFE is obligated under certain financial and non-financial guarantees associated with the developing and operation of the project. Such guarantees are not reflected in the accompanying consolidated financial statements as they appear to be administrative in nature and deemed immaterial.

F. In December 2015, REDC guaranteed a $3,075,000 loan by BankUnited to the Downtown Manhattan Community Development Corporation ("DMCDC"), a sponsored entity. The loan is also collateralized by a property known as 1 Pike Street a/k/a 109-111 Division Street, New York, New York. REDC has not accrued a liability on this guarantee as the fair value of the guarantee is deemed immaterial. The loan has been repaid by DMCDC and REDC is no longer a guarantor.

G. The Agency believes it had no uncertain income tax positions as of December 31, 2022 and 2021 in accordance with Accounting Standards Codification ("ASC") Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

H. The Agency subleases real property to tenants at 176-180 Eldridge Street, 111 Norfolk Street, 133-04 39th Avenue and 108 Norfolk Street in New York City. Rental income from subleases amounted to $232,323 $174,441 for the years ended December 31, 2022 and 2021, respectively.

NOTE 16 – LEASES

AAFE and Stanton are obligated pursuant to various lease agreements. As disclosed in Note 2S, AAFE and Stanton adopted FASB ASC 842 as of January 1, 2022 as an operating lease that had no impact to the prior year consolidated statement of financial position or its change in net assets. Comparative information provided in the following paragraphs was determined using the accounting principles in effect as of and the for the year ended December 31, 2021 (i.e. ASC 840). No comparative information is provided for the amounts reported on the consolidated statement of financial position as of December 31, 2021 since AAFE and Stanton used the modified retrospective method of transition that does not require restating the prior period.

As of December 31, 2022, the right-of-use ("ROU") asset and lease liability had a balance of $2,765,915 and $2,803,924 respectively, as shown in the consolidated statements of financial position. The ROU asset and liability were calculated utilizing risk-free rates (ranging from 1.04%-4.58%), according to AAFE's and Stanton's elected policy. There is an option to renew the leases, which is not considered when assessing the value of the ROU asset because Stanton is not reasonably certain that it will exercise its option to renew the leases. The weighted average of the remaining lease term is approximately 6.04 years and the weighted average discount rate is 3.74%.

NOTE 16 – LEASES (Continued)

The following summarizes the line items in the statements of functional expenses which include the components of lease expense for the year ended December 31, 2022:

Operating lease expense included in occupancy costs	$ 744,394
Cash paid for amounts included in measurement of lease liabilities	$ 38,009
ROU assets obtained in exchange for new lease liabilities	$ 3,410,899

Future approximate minimum payments for non-cancelable operating leases for the year ending after December 31, 2022 and there after are as follows:

2023	$ 727,000
2024	620,000
2025	475,000
2026	256,000
2027	163,000
Thereafter	662,000
Total lease payments	2,903,000
Less: present value discount	(99,000)
Lease obligations	$ 2,804,000

NOTE 17 – CONCENTRATIONS

A. Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits by approximately $21,334,000 and $21,540,000 as of December 31, 2022 and 2021, respectively. Cash accounts with participating banks are insured up to $250,000 per depositor.

B. REDC lends money to small businesses in its target communities. Many of these small business borrowers operate businesses in the retail, wholesale, restaurant and certain personal service industries with their primary business operations located in Manhattan, Queens and Brooklyn. Funding for these loans is obtained by REDC in the form of loans, grants and credit lines from various organizations.

C. For the years ended December 31, 2022 and 2021, ECHDFC received revenue from 10 of its residential units in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

D. For the years ended December 31, 2022 and 2021, AAHDFC received approximately 21% and 23%, respectively, of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

E. For the years ended December 31, 2022 and 2021, El Caribe received approximately 23% and 22%, respectively, of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

F. For each of the years ended December 31, 2022 and 2021, BKDHDFC received approximately 17% and 16%, respectively, of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

NOTE 18 – PENSION PLAN

In 2016, the Agency established a 403(b) plan (the "Plan"). All employees over age 21 of AAFE, or any affiliate who has adopted the Plan, with three consecutive months of continuous service are eligible to participate. The Plan has a discretionary match, which is a maximum of 2% for those employees contributing a minimum of 2% to the Plan. In addition, the Plan provides a 1% employer annual contribution for each participant who meets the following requirements:

- Employees who have worked at least 500 hours for the year, OR
- Employees who are still in "active" employee status at the end of the Plan year

Effective January 1, 2021, the Plan was amended to reflect revised eligibility requirements for the 1% employer annual contribution as follows:

- Employees who have worked at least 500 hours for the year, AND
- Employees who are still in "active" employee status at the end of the Plan year

The employer match is deposited to the plan every pay period while the employer annual contribution is deposited to the plan after the end of plan year. For the years ended December 31, 2022 and 2021, total employer contributions amounted to $172,851 and $164,693, respectively.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through August 15, 2023, the date the consolidated financial statements were available to be issued.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Asian Americans For Equality, Inc.	Renaissance Economic Development Corporation, Inc.	AAFE Community Development Fund, Inc.	Queens Housing and Immigration Center Corporation, Inc.	Hardesty Renaissance Economic Development Corporation, Inc.	4 NYC Housing, Inc.	Lower East Side Housing Development Fund Company, Inc.	Community Renewal Housing Development Fund Company, Inc.	Montgomery Housing Development Fund Company, Inc.	Community Homes Housing Development Fund Company, Inc. and its Affiliates	One Hardesty, LLC DBA Hardesty Storage	Golden Allen, LLC	Stanton Norfolk, Inc.	Asian American Housing Development Fund Company, Inc. and its Affiliates
ASSETS														
Cash and cash equivalents	$ 1,878,746	$ 3,396,878	$ 1,030,732	$ 10,277	$ 3,999	$ 114,063	$ 936,766	$ 5,219	$ 41,674	$ 1,837,713	$ 317,786	$ 57,447	$ 1,954,839	$ 1,690,560
Grants and contributions receivable, net	1,634,178	993,168	90,902	-	-	-	-	-	-	-	-	-	-	-
Rents and other receivables, net	80,588	-	-	-	-	-	1,192,015	-	-	7,979	38,762	-	197,162	78,877
Loans receivable, net	-	5,953,994	674,787	-	-	-	-	-	-	-	-	-	-	-
Due from affiliates	11,101,246	7,808,835	1,147,822	2,405,789	-	568,300	-	-	-	7,512,815	224,732	56,836	2,601,274	74,514
Real estate held for sale, at cost	-	-	-	-	-	-	-	-	-	3,539,324	-	-	-	-
Investments in affiliates	4,900,040	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	49,790	13,881	7,479	-	7,855	-	79,145	-	12,973	140,610	244,888	-	4,509	369,125
Restricted cash	-	1,271,872	-	-	-	-	-	-	-	-	-	-	-	-
Cash - designated for lending activity	-	6,999,594	1,000,305	-	-	-	-	-	-	-	-	-	-	-
Restricted reserve accounts	17,357	-	-	-	-	-	-	-	-	-	-	157,356	-	7,516,573
Property and equipment, net	1,588,090	1,343,587	3,085,962	4,048,006	4,588,667	1,929,914	11,881,553	-	581,443	-	5,111,750	3,713,093	17,763	8,608,686
Right-of-use asset - operating	1,979,256	-	-	-	-	-	-	-	-	-	-	-	786,659	-
Loan loss reserve	-	3,509,770	84,730	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 23,229,291	$ 31,291,579	$ 7,122,719	$ 6,464,072	$ 4,600,521	$ 2,612,277	$ 14,089,479	$ 5,219	$ 636,090	$ 13,038,441	$ 5,937,918	$ 3,984,732	$ 5,562,206	$ 18,338,335
LIABILITIES														
Accounts payable and accrued expenses	$ 485,075	$ 478,879	$ 73,293	$ 8,651	$ 600,682	$ 104,811	$ 1,066,855	$ 4,822	$ 1,651	$ 48,261	$ 144,683	$ 8,519	$ 427,466	$ 477,035
Due to affiliates	5,067,043	90,000	1,247,201	6,344,071	4,917,257	1,995,104	266,367	7,891	266,747	5,102,201	1,716,574	2,196,930	126,586	299,296
Refundable advances	227,603	1,471,158	66,857	-	-	-	-	-	-	-	-	-	-	-
Loans payable, net	40,000	5,986,508	-	3,407,337	1,441,430	-	12,375,457	-	-	-	4,789,000	-	-	-
Mortgages payable, net	663,123	-	1,405,767	-	-	-	-	-	495,000	1,580,577	-	2,396,264	-	12,329,994
Paycheck Protection Program ("PPP") loan payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank lines of credit	443,826	3,709,961	-	-	-	-	-	-	-	-	-	-	-	-
Lease liability - operating	2,000,175	-	-	-	-	-	-	-	-	-	-	-	803,749	-
Deferred and other payables	2,677,096	-	-	-	-	-	448,854	-	-	72,068	-	-	4,163	317,243
TOTAL LIABILITIES	11,603,941	11,736,506	2,793,118	9,760,059	6,959,369	2,099,915	14,157,533	12,713	763,398	6,803,107	6,650,257	4,601,713	1,361,964	13,423,568
NET ASSETS (DEFICIT):														
Without donor restrictions:														
Non-controlling member's interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undesignated	10,585,943	6,471,042	2,936,870	(3,295,987)	(2,358,848)	512,362	(68,054)	(7,494)	(127,308)	6,235,334	(712,339)	(616,981)	4,200,242	4,914,767
Designated for lending activities	-	9,598,159	1,157,325	-	-	-	-	-	-	-	-	-	-	-
Total net assets (deficit) without donor restrictions	10,585,943	16,069,201	4,094,195	(3,295,987)	(2,358,848)	512,362	(68,054)	(7,494)	(127,308)	6,235,334	(712,339)	(616,981)	4,200,242	4,914,767
With donor restrictions	1,039,407	3,485,872	235,406	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS (DEFICIT)	11,625,350	19,555,073	4,329,601	(3,295,987)	(2,358,848)	512,362	(68,054)	(7,494)	(127,308)	6,235,334	(712,339)	(616,981)	4,200,242	4,914,767
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 23,229,291	$ 31,291,579	$ 7,122,719	$ 6,464,072	$ 4,600,521	$ 2,612,277	$ 14,089,479	$ 5,219	$ 636,090	$ 13,038,441	$ 5,937,918	$ 3,984,732	$ 5,562,206	$ 18,338,335

See independent auditors' report.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Chinatown Preservation Housing Development Fund Company, Inc.	East Chinatown Housing Development Fund Company, Inc.	Rivington Housing Development Fund Company, Inc.	Madison Street Housing Development Fund Company, Inc.	El Caribe Housing Development Fund Company, Inc.	AAFE Fair Housing Center, Inc.	East Village Homes Housing Development Fund Company, Inc.	Downtown Manhattan Community Development Corporation	Bremond King Davis Housing Development Fund Company, Inc.	Chelsea Apartments Housing Development Fund Corporation, Inc.	Consolidating Eliminations	Consolidated Total 2022	Consolidated Total 2021
ASSETS													
Cash and cash equivalents	$ 1,173,923	$ 241,656	$ 215,675	$ 6,028	$ 419,046	$ 6,780	$ 208,020	$ 739,377	$ 218,570	$ 159,558	$ -	$ 16,665,332	$ 12,705,465
Grants and contributions receivable, net	-	-	-	-	-	-	-	-	-	-	-	2,718,248	2,615,536
Rents and other receivables, net	27,153	29,869	14,487	3,497	44,787	-	4,697	28,724	158,507	3,012	(45,006)	1,865,110	1,065,108
Loans receivable, net	-	-	-	-	-	-	-	-	-	-	-	6,628,781	7,207,631
Due from affiliates	-	-	-	-	-	-	1,200	1,068,140	-	-	(34,557,522)	13,981	10,444
Real estate held for sale, at cost	-	-	-	-	-	-	-	-	-	-	-	3,539,324	6,368,245
Investments in affiliates	-	-	-	-	-	-	-	-	-	-	(237,211)	4,662,829	4,612,875
Prepaid expenses and other assets	423,266	59,880	13,538	20,508	70,539	24,000	13,627	100,994	71,087	-	-	1,727,694	1,827,577
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	1,271,872	1,987,408
Cash - designated for lending activity	-	-	-	-	-	-	-	-	-	-	-	7,999,899	10,755,484
Restricted reserve accounts	1,758,086	1,846,490	28,485	87,748	1,640,877	-	-	-	1,129,467	-	-	14,182,439	13,950,363
Property and equipment, net	22,021,037	1,627,276	1,695,936	3,624,061	1,652,458	50,329	27,614,902	597,701	3,051,908	3,942,895	-	112,377,017	98,519,645
Right-of-use asset - operating	-	-	-	-	-	-	-	-	-	-	-	2,765,915	-
Loan loss reserve	-	-	-	-	-	-	-	-	-	-	-	3,594,500	4,193,351
TOTAL ASSETS	$ 25,403,465	$ 3,805,171	$ 1,968,121	$ 3,741,842	$ 3,827,707	$ 81,109	$ 27,842,446	$ 2,534,936	$ 4,629,539	$ 4,105,465	$ (34,839,739)	$ 180,012,941	$ 165,819,132
LIABILITIES													
Accounts payable and accrued expenses	$ 230,566	$ 347,950	$ 29,683	$ 22,957	$ 45,259	$ -	$ 512,781	$ 60,846	$ 77,365	$ 340,325	$ (710,486)	$ 4,887,929	$ 4,448,568
Due to affiliates	18,456	13,785	2,585	78,680	8,974	91,660	983,760	71,803	27,577	261,899	(31,202,447)	-	-
Refundable advances	-	-	-	-	-	-	-	-	-	-	-	1,765,618	2,391,347
Loans payable, net	-	-	-	-	-	-	22,659,857	-	-	3,510,751	-	54,210,340	46,451,968
Mortgages payable, net	27,482,921	2,901,618	1,862,380	4,062,683	2,973,528	-	-	2,651,988	5,837,640	-	-	66,643,483	67,266,243
Paycheck Protection Program ("PPP") loan payable	-	-	-	-	-	-	-	-	-	-	-	-	1,120,668
Bank lines of credit	-	-	-	-	-	-	-	-	-	-	-	4,153,787	5,773,624
Lease liability - operating	-	-	-	-	-	-	-	-	-	-	-	2,803,924	-
Deferred and other payables	303,998	40,607	33,498	15,228	43,738	-	2,639,641	40,679	45,779	219,743	(2,639,641)	4,262,694	967,382
TOTAL LIABILITIES	28,035,941	3,303,960	1,928,146	4,179,548	3,071,499	91,660	26,796,039	2,825,316	5,988,361	4,332,718	(34,552,574)	138,727,775	128,419,800
NET ASSETS (DEFICIT):													
Without donor restrictions:													
Non-controlling member's interest	-	-	-	-	-	-	996,453	-	(543,529)	-	-	452,924	-
Undesignated	(2,632,476)	501,211	39,975	(437,706)	756,208	(10,551)	49,954	(290,380)	(815,293)	(227,253)	(287,165)	25,316,073	22,409,136
Designated for lending activities	-	-	-	-	-	-	-	-	-	-	-	10,755,484	10,755,484
Total net assets (deficit) without donor restrictions	(2,632,476)	501,211	39,975	(437,706)	756,208	(10,551)	1,046,407	(290,380)	(1,358,822)	(227,253)	(287,165)	36,524,481	33,164,620
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-	4,760,685	4,234,712
TOTAL NET ASSETS (DEFICIT)	(2,632,476)	501,211	39,975	(437,706)	756,208	(10,551)	1,046,407	(290,380)	(1,358,822)	(227,253)	(287,165)	41,285,166	37,399,332
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 25,403,465	$ 3,805,171	$ 1,968,121	$ 3,741,842	$ 3,827,707	$ 81,109	$ 27,842,446	$ 2,534,936	$ 4,629,539	$ 4,105,465	$ (34,839,739)	$ 180,012,941	$ 165,819,132

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Year Ended December 31, 2022												
	Asian Americans For Equality, Inc.	Renaissance Economic Development Corporation, Inc.	AAFE Community Development Fund, Inc.	Queens Housing and Immigration Center Corporation, Inc.	Hardesty Renaissance Economic Development Corporation, Inc.	4 NYC Housing, Inc.	Lower East Side Housing Development Fund Company, Inc.	Community Renewal Housing Development Fund Company, Inc.	Montgomery Housing Development Fund Company Inc.	Community Homes Housing Development Fund Company, Inc. and its Affiliates	One Hardesty, LLC DBA Hardesty Storage	Golden, Allen LLC	Stanton Norfolk Inc.
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:													
PUBLIC SUPPORT, REVENUE AND OTHER:													
Contributions and grants	$ 297,916	$ 342,396	$ 136,253	$ -	$ -	$ 689,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grants from government agencies	3,566,070	3,189,864	-	-	-	-	-	-	-	-	-	-	510,595
Real estate sales (net of cost of real estate sales of $2,981,991 in 2022 and $4,309,084 in 2021)	-	-	-	-	-	-	-	-	-	646,559	-	-	-
Interest on loans and investments	148,696	478,010	80,001	48	-	-	-	-	-	173,978	-	4,266	63,770
Management, consulting, and marketing fees	100,000	-	-	-	-	-	-	-	-	-	-	-	2,757,618
Rent (net of vacancy loss of $256,110 in 2022 and $295,364 in 2021)	203,538	-	236,081	-	-	-	-	-	-	274,619	1,267,824	-	738,084
Program service, incentives and fees	1,063,260	-	-	-	-	-	-	-	-	-	30,460	-	-
Special event income	308,186	-	-	-	-	-	-	-	-	-	-	-	-
Brownfield redevelopment credit	2,574,641	-	-	-	-	-		-	-	-			-
Other income	206,707	176,157	40,724	-	1,316	-	50	-	-	5,893	63,058	-	468,533
Net assets released from restrictions	1,057,227	745,249	185,161	-	-	-	-	-	-	-	-	-	-
TOTAL PUBLIC SUPPORT, REVENUE AND OTHER	9,526,241	4,931,676	678,220	48	1,316	689,000	50	-	-	1,101,049	1,361,342	4,266	4,538,600
EXPENSES:													
Program services:													
Community outreach and education	965,573	-	-	-	-	-	-	-	-	-	-	-	-
Housing, immigration and social services	2,119,173	-	-	131,232	-	-	-	-	-	-	-	-	-
Planning and development	1,769,531	-	-	-	-	163,885	-	-	-	-	1,304,630	-	-
Homeownership development	-	-	-	-	-	-	-	-	-	619,600	-	-	-
Homeownership loans	-	-	178,008	-	-	-	-	-	-	-	-	-	-
Homeownership counseling	-	-	382,755	-	-	-	-	-	-	-	-	-	-
Small business technical assistance and education	-	1,486,356	-	-	-	-	-	-	-	-	-	-	-
Small business loans	-	1,669,804	-	-	-	-	-	-	-	-	-	-	-
Affordable housing program services	-	-	-	-	-	-	-	-	-	-	-	-	2,975,288
Total Program Services	4,854,277	3,156,160	560,763	131,232	-	163,885	-	-	-	619,600	1,304,630	-	2,975,288
Supporting services:													
Management and general	2,411,329	524,895	93,091	-	171,617	-	12,000	1,974	28,477	64,538	190,056	335,224	1,121,941
Fundraising	21,457	195,607	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	7,287,063	3,876,662	653,854	131,232	171,617	163,885	12,000	1,974	28,477	684,138	1,494,686	335,224	4,097,229
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS BEFORE CHANGE IN AND TRANSFER OF INTEREST	2,239,178	1,055,014	24,366	(131,184)	(170,301)	525,115	(11,950)	(1,974)	(28,477)	416,911	(133,344)	(330,958)	441,371
Change in limited partner's interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of interest from 4NYC	-	-	-	-	-	280,354	(59,490)	-	-	-	-	-	-
Contributions - members capital	-	-	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	2,239,178	1,055,014	24,366	(131,184)	(170,301)	805,469	(71,440)	(1,974)	(28,477)	416,911	(133,344)	(330,958)	441,371
Net Assets (Deficit) Without Donor Restrictions - beginning of year	8,346,765	15,014,187	4,069,829	(3,164,803)	(2,188,547)	(293,107)	3,386	(5,520)	(98,831)	5,818,423	(578,995)	(286,023)	3,758,871
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS- END OF YEAR	10,585,943	16,069,201	4,094,195	(3,295,987)	(2,358,848)	512,362	(68,054)	(7,494)	(127,308)	6,235,334	(712,339)	(616,981)	4,200,242
Contributions	2,020,129	283,104	210,377	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(1,057,227)	(745,249)	(185,161)	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS (DEFICIT) WITH DONOR RESTRICTIONS	962,902	(462,145)	25,216	-	-	-	-	-	-	-	-	-	-
Net Assets With Donor Restrictions - beginning of year	76,505	3,948,017	210,190	-	-	-	-	-	-	-	-	-	-
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	1,039,407	3,485,872	235,406	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS (DEFICIT) - END OF YEAR	$ 11,625,350	$ 19,555,073	$ 4,329,601	$ (3,295,987)	$ (2,358,848)	$ 512,362	$ (68,054)	$ (7,494)	$ (127,308)	$ 6,235,334	$ (712,339)	$ (616,981)	$ 4,200,242

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Year Ended December 31, 2022													
	Asian American Housing Development Fund Company, Inc. and its Affiliates	**Chinatown Preservation Housing Development Fund Company, Inc.**	**East Chinatown Housing Development Fund Company, Inc.**	**Rivington Housing Development Fund Company, Inc.**	**Madison Street Housing Development Fund Company, Inc.**	**El Caribe Housing Development Fund Company, Inc.**	**AAFE Fair Housing Center, Inc.**	**East Village Homes Housing Development Fund, Inc.**	**Downtown Manhattan Community Development Corporation**	**Bremond King Davis Housing Development Fund Company, Inc.**	**Chelsea Housing Development Fund Company, Inc.**	**Consolidating Eliminations**	**Consolidated Total 2022**	**Consolidated Total 2021**
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:														
PUBLIC SUPPORT, REVENUE AND OTHER:														
Contributions and grants	$ 23,588	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (593,000)	$ 896,153	$ 1,567,120
Grants from government agencies	-	-	-	-	-	-	-	-	-	-	-	-	7,266,529	6,168,500
Real estate sales (net of cost of real estate sales of $2,981,991 in 2022 and $4,309,084 in 2021)	-	-	-	-	-	-	-	-	-	-	-	-	646,559	1,216,676
Interest on loans and investments	110,042	6,598	19,037	33,688	-	17,315	-	-	40,641	9,938	-	(634,635)	551,393	557,305
Management, consulting, and marketing fees	-	-	-	-	-	-	-	-	-	-	-	(2,221,552)	636,066	1,798,739
Rent (net of vacancy loss of $256,110 in 2022 and $295,364 in 2021)	2,813,404	2,093,810	564,414	253,968	213,942	586,335	-	-	567,008	865,281	-	(1,001,168)	9,677,140	9,865,735
Program service, incentives and fees	-	-	-	-	-	-	-	-	125,000	-	-	(674,705)	544,015	170,130
Special event income	-	-	-	-	-	-	-	-	-	-	-	-	308,186	622,662
Brownfield redevelopment credit	-	-	-	-	-	-	-	-	-	-	-	-	2,574,641	-
Other income	153,679	85,948	36,745	-	770	55,395	29	4,698	277	79,180	-	-	1,379,159	1,877,573
Net assets released from restrictions	-	-	-	-	-	-	-	-	122,925	-	-	-	2,110,562	2,679,080
TOTAL PUBLIC SUPPORT, REVENUE AND OTHER	3,100,713	2,186,356	620,196	287,656	214,712	659,045	29	4,698	855,851	954,399	-	(5,125,060)	26,590,403	26,523,520
EXPENSES:														
Program services:														
Community outreach and education	-	-	-	-	-	-	-	-	-	-	-	(84,837)	880,736	548,846
Housing, immigration and social services	-	-	-	-	-	-	-	-	-	-	-	(437,742)	1,812,663	2,207,576
Planning and development	-	-	-	-	-	-	-	-	155,000	-	-	(582,170)	2,810,876	2,187,002
Homeownership development	-	-	-	-	-	-	-	-	-	-	-	(114,759)	504,841	661,248
Homeownership loans	-	-	-	-	-	-	-	-	-	-	-	(14,061)	163,947	161,858
Homeownership counseling	-	-	-	-	-	-	-	-	92,925	-	-	(29,955)	445,725	412,757
Small business technical assistance and education	-	-	-	-	-	-	-	-	-	-	-	(128,110)	1,358,246	1,202,480
Small business loans	-	-	-	-	-	-	-	-	-	-	-	(218,705)	1,451,099	1,246,273
Affordable housing program services	2,921,026	2,307,905	548,171	202,575	306,649	633,070	-	456,019	575,807	1,570,019	6,389	(2,301,891)	10,201,027	9,626,239
Total Program Services	2,921,026	2,307,905	548,171	202,575	306,649	633,070	-	456,019	823,732	1,570,019	6,389	(3,912,230)	19,629,160	18,254,279
Supporting services:														
Management and general	372,479	150,926	85,777	38,912	26,548	63,636	361	-	32,827	128,537	-	(1,139,890)	4,715,255	4,472,873
Fundraising	-	-	-	-	-	-	-	-	-	-	-	(72,940)	144,124	133,351
TOTAL EXPENSES	3,293,505	2,458,831	633,948	241,487	333,197	696,706	361.0000	456,019	856,559	1,698,556	6,389	(5,125,060)	24,488,539	22,860,503
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS BEFORE CHANGE IN AND TRANSFER OF INTEREST	(192,792)	(272,475)	(13,752)	46,169	(118,485)	(37,661)	(332)	(451,321)	(708)	(744,157)	(6,389)	-	2,101,864	3,663,017
Change in limited partner's interest	(189,777)	-	-	-	-	-	-	-	-	-	-	-	(189,777)	(66,609)
Transfer of interest from 4NYC	-	-	-	-	-	-	-	-	-	-	(220,864)	-	-	-
Contributions - members capital	-	-	-	-	-	-	-	1,497,728	-	-	-	(49,954)	1,447,774	-
CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	(382,569)	(272,475)	(13,752)	46,169	(118,485)	(37,661)	(332)	1,046,407	(708)	(744,157)	(227,253)	(49,954)	3,359,861	3,596,408
Net Assets (Deficit) Without Donor Restrictions - beginning of year	5,297,336	(2,360,001)	514,963	(6,194)	(319,221)	793,869	(10,219)	-	(289,672)	(614,665)	-	(237,211)	33,164,620	29,568,212
NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS- END OF YEAR	4,914,767	(2,632,476)	501,211	39,975	(437,706)	756,208	(10,551)	1,046,407	(290,380)	(1,358,822)	(227,253)	(287,165)	36,524,481	33,164,620
Contributions	-	-	-	-	-	-	-	-	122,925	-	-	-	2,636,535	2,035,270
Net assets released from restrictions	-	-	-	-	-	-	-	-	(122,925)	-	-	-	(2,110,562)	(2,679,080)
CHANGE IN NET ASSETS (DEFICIT) WITH DONOR RESTRICTIONS	-	-	-	-	-	-	-	-	-	-	-	-	525,973	(643,810)
Net Assets With Donor Restrictions - beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	4,234,712	4,878,522
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	-	-	-	-	-	-	-	-	-	-	-	-	4,760,685	4,234,712
TOTAL NET ASSETS (DEFICIT) - END OF YEAR	$ 4,914,767	$ (2,632,476)	$ 501,211	$ 39,975	$ (437,706)	$ 756,208	$ (10,551)	$ 1,046,407	$ (290,380)	$ (1,358,822)	$ (227,253)	$ (287,165)	$ 41,285,166	$ 37,399,332

See independent auditors' report.