



**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

**CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Contents  
December 31, 2022 and 2021

---

	<u>Pages</u>
<b>Independent Auditor's Report</b> .....	1 - 1A
<b>Consolidating Financial Statements:</b>	
Consolidating Statements of Financial Position .....	2 - 3
Consolidating Statements of Activities .....	4 - 5
Consolidating Statements of Changes in Net Assets .....	6
Consolidating Statements of Cash Flows .....	7 - 8
Consolidating Statements of Functional Expenses .....	9 - 10
Notes to Consolidating Financial Statements .....	11 - 56
<b>Supplementary Schedules of Selected Rental Programs:</b>	
Statements of Financial Position of Selected Rental Programs .....	57 - 58
Statements of Activities of Selected Rental Programs .....	59 - 60
Statements of Changes in Net Assets of Selected Rental Programs .....	61

## Independent Auditor's Report

To the Board of Directors of  
Urban Edge Housing Corporation and Affiliates:

### **Opinion**

We have audited the consolidating financial statements of Urban Edge Housing Corporation (a Massachusetts corporation, not for profit) (Urban Edge) and Affiliates (collectively, Urban Edge and Affiliates), which comprise the consolidating statements of financial position as of December 31, 2022 and 2021, and the related consolidating statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

In our opinion, the accompanying consolidating financial statements present fairly, in all material respects, the consolidating financial position of Urban Edge Housing Corporation and Affiliates as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain rental programs of Urban Edge and Affiliates, which statements reflect total assets of approximately \$145 million and \$107 million as of December 31, 2022 and 2021, respectively, and total revenues of approximately \$17 million and \$16 million for the years ended December 31, 2022 and 2021, respectively. 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 those rental programs, are based solely on the reports of the other auditors.

### **Basis for Opinion**

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

### **Emphasis of Matter**

As discussed in Note 2 to the consolidating financial statements, on January 1, 2022, Urban Edge and Affiliates adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying supplementary information shown on pages 57 through 61 is presented for purposes of additional analysis and is not a required part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

*AAFCPA, Inc.*

Westborough, Massachusetts  
June 26, 2023

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Consolidating Statement of Financial Position

December 31, 2022

(With Summarized Comparative Totals as of December 31, 2021)

Assets	2022				2021
	Operating	Rental Programs	Eliminations	Total	Total
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 13,370,557	\$ 9,197,107	\$ -	\$ 22,567,664	\$ 22,325,160
Cash - construction	93,886	5,127,476	-	5,221,362	1,371,559
Cash - Board designated	1,548,103	-	-	1,548,103	1,600,000
Current portion of restricted deposits	-	2,766,377	-	2,766,377	2,609,518
Current portion of contracts, loans and other receivables	841,405	1,487,511	(754,653)	1,574,263	1,049,652
Current portion of project management fees and construction receivables	1,211,550	-	(1,211,550)	-	-
Current portion of advances, mortgages, notes and interest receivable	140,810	-	(140,810)	-	-
Prepaid expenses and other	21,880	571,400	-	593,280	393,962
Total current assets	17,228,191	19,149,871	(2,107,013)	34,271,049	29,349,851
Restricted Deposits, net of current portion	-	23,079,294	-	23,079,294	20,691,415
Contracts, Loans and Other Receivables, net of current portion and allowance for doubtful accounts	197,661	255,191	(197,661)	255,191	255,988
Project Management Fees and Construction Receivables, net of current portion	1,845,986	-	(1,845,986)	-	-
Investment in Affiliates	18,473	-	(18,473)	-	-
Advances, Mortgages, Notes and Interest Receivable, net of current portion and allowance for doubtful accounts	4,117,435	-	(4,117,435)	-	-
Investments	12,198,403	-	-	12,198,403	12,002,578
Projects Under Development	2,258,000	28,578,467	(2,817,075)	28,019,392	34,026,280
Property and Equipment, net	1,571,500	222,989,356	(25,325,802)	199,235,054	175,392,688
Right-of-Use Assets	2,683,262	-	(2,683,262)	-	-
Capitalized Costs, net	-	224,339	-	224,339	186,048
Total assets	\$ 42,118,911	\$ 294,276,518	\$ (39,112,707)	\$ 297,282,722	\$ 271,904,848
<b>Liabilities, Net Assets and Non-Controlling Interests</b>					
<b>Current Liabilities:</b>					
Current portion of mortgage and notes payable	\$ 1,245,469	\$ 5,919,655	\$ (9,620)	\$ 7,155,504	\$ 3,525,370
Current portion of accrued interest of mortgages and notes payable	-	287,425	(9,079)	278,346	88,737
Current portion of deferred interest of contingent loans and advances	-	529,917	(122,111)	407,806	842,459
Current portion of accounts payable and other liabilities	564,131	4,603,316	-	5,167,447	3,755,321
Current portion of contingent loans and advances	-	249,363	-	249,363	89,490
Deferred revenue and advances payable	75,000	982,600	-	1,057,600	989,203
Current portion of due to affiliates	212,387	1,753,816	(1,966,203)	-	-
Current portion of lease liabilities	246,213	-	(246,213)	-	-
Total current liabilities	2,343,200	14,326,092	(2,353,226)	14,316,066	9,290,580
<b>Long-term Liabilities:</b>					
Mortgage and notes payable, net	85,250	95,932,325	(372,090)	95,645,485	94,599,471
Due to affiliates, net of current portion	-	4,340,415	(4,340,415)	-	-
Accounts payable and other liabilities, net of current portion	-	1,438,637	-	1,438,637	2,138,418
Accrued interest of mortgages and notes payable, net of current portion	-	1,551,656	(1,176,969)	374,687	433,463
Deferred interest of contingent loans and advances, net of current portion	-	35,613,613	(11,064,965)	24,548,648	22,503,623
Conditional grant advances	1,250,000	-	-	1,250,000	1,250,000
Contingent loans and advances, net of current portion	803,602	107,015,162	(42,428,620)	65,390,144	62,257,796
Lease liabilities, net	2,546,643	-	(2,546,643)	-	-
Total long-term liabilities	4,685,495	245,891,808	(61,929,702)	188,647,601	183,182,771
Total liabilities	7,028,695	260,217,900	(64,282,928)	202,963,667	192,473,351
<b>Net Assets and Non-Controlling Interests:</b>					
<b>Without donor restrictions:</b>					
Operating	31,306,072	12,233,011	(12,110,681)	31,428,402	27,929,526
Board designated	1,548,103	-	-	1,548,103	1,600,000
Development	42,328	2,469,778	-	2,512,106	1,710,145
Property and equipment	1,708,119	19,355,829	(15,261,012)	5,802,936	4,757,574
Total without donor restrictions	34,604,622	34,058,618	(27,371,693)	41,291,547	35,997,245
With donor restrictions	485,594	-	-	485,594	410,075
Total Urban Edge and Affiliates' net assets	35,090,216	34,058,618	(27,371,693)	41,777,141	36,407,320
Non-controlling interests	-	-	52,541,914	52,541,914	43,024,177
Total net assets and non-controlling interests	35,090,216	34,058,618	25,170,221	94,319,055	79,431,497
Total liabilities, net assets and non-controlling interests	\$ 42,118,911	\$ 294,276,518	\$ (39,112,707)	\$ 297,282,722	\$ 271,904,848

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

 Consolidating Statement of Financial Position  
 December 31, 2021

<b>Assets</b>	<b>Operating</b>	<b>Rental Programs</b>	<b>Eliminations</b>	<b>Total</b>
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 13,111,479	\$ 9,213,681	\$ -	\$ 22,325,160
Cash - construction	97,837	1,273,722	-	1,371,559
Cash - Board designated	1,600,000	-	-	1,600,000
Current portion of restricted deposits	-	2,609,518	-	2,609,518
Current portion of contracts, loans and other receivables	1,003,073	918,031	(871,452)	1,049,652
Project management fees and construction receivables	824,080	-	(824,080)	-
Current portion of advances, mortgages, notes and interest receivable	1,369,830	-	(1,369,830)	-
Prepaid expenses and other	23,325	370,637	-	393,962
Total current assets	18,029,624	14,385,589	(3,065,362)	29,349,851
Restricted Deposits, net of current portion	-	20,691,415	-	20,691,415
Contracts, Loans and Other Receivables, net of current portion and allowance for doubtful accounts	10,676	255,988	(10,676)	255,988
Investment in Affiliates	18,473	-	(18,473)	-
Advances, Mortgages, Notes and Interest Receivable, net of current portion and allowance for doubtful accounts	2,643,767	-	(2,643,767)	-
Investments	12,002,578	-	-	12,002,578
Projects Under Development	5,645,575	29,350,569	(969,864)	34,026,280
Property and Equipment, net	1,578,627	198,683,649	(24,869,588)	175,392,688
Capitalized Costs, net	-	186,048	-	186,048
Total assets	\$ 39,929,320	\$ 263,553,258	\$ (31,577,730)	\$ 271,904,848
<b>Liabilities, Net Assets and Non-Controlling Interests</b>				
<b>Current Liabilities:</b>				
Current portion of mortgage and notes payable	\$ 918,846	\$ 2,634,585	\$ (28,061)	\$ 3,525,370
Current portion of accrued interest of mortgages and notes payable	-	284,149	(195,412)	88,737
Current portion of deferred interest of contingent loans and advances	-	1,527,918	(685,459)	842,459
Current portion of accounts payable and other liabilities	458,041	3,297,280	-	3,755,321
Current portion of contingent loans and advances	-	550,388	(460,898)	89,490
Deferred revenue and advances payable	232,161	757,042	-	989,203
Current portion of due to affiliates	164,967	1,530,565	(1,695,532)	-
Total current liabilities	1,774,015	10,581,927	(3,065,362)	9,290,580
<b>Long-term Liabilities:</b>				
Mortgage and notes payable, net	3,307,789	91,645,331	(353,649)	94,599,471
Due to affiliates, net of current portion	-	2,980,313	(2,980,313)	-
Accounts payable and other liabilities, net of current portion	-	2,138,418	-	2,138,418
Accrued interest of mortgages and notes payable, net of current portion	-	1,381,447	(947,984)	433,463
Deferred interest of contingent loans and advances, net of current portion	-	32,182,919	(9,679,296)	22,503,623
Conditional grant advances	1,250,000	-	-	1,250,000
Contingent loans and advances, net of current portion	803,602	98,827,244	(37,373,050)	62,257,796
Total long-term liabilities	5,361,391	229,155,672	(51,334,292)	183,182,771
Total liabilities	7,135,406	239,737,599	(54,399,654)	192,473,351
<b>Net Assets and Non-Controlling Interests:</b>				
<b>Without donor restrictions:</b>				
Operating	27,494,727	12,981,468	(12,546,669)	27,929,526
Board designated	1,600,000	-	-	1,600,000
Development	1,710,485	(340)	-	1,710,145
Property and equipment	1,578,627	10,834,531	(7,655,584)	4,757,574
Total without donor restrictions	32,383,839	23,815,659	(20,202,253)	35,997,245
<b>With donor restrictions</b>	410,075	-	-	410,075
Total Urban Edge and Affiliates' net assets	32,793,914	23,815,659	(20,202,253)	36,407,320
<b>Non-controlling interests</b>	-	-	43,024,177	43,024,177
Total net assets and non-controlling interests	32,793,914	23,815,659	22,821,924	79,431,497
Total liabilities, net assets and non-controlling interests	\$ 39,929,320	\$ 263,553,258	\$ (31,577,730)	\$ 271,904,848

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Consolidating Statement of Activities  
 For the Year Ended December 31, 2022  
 (With Summarized Comparative Totals for the Year Ended December 31, 2021)

	2022			2021	
	Operating	Rental Programs	Eliminations	Total	Total
<b>Net Assets Without Donor Restrictions:</b>					
Operating revenues:					
Rental income, net	\$ 445,473	\$ 34,243,534	\$ (284,384)	\$ 34,404,623	\$ 33,613,981
Contracts and grants	2,519,348	-	-	2,519,348	1,742,605
Interest income and other	811,852	698,333	(287,711)	1,222,474	661,588
Project management and developer fees	3,672,639	-	(3,027,483)	645,156	1,602,537
Program service fees and commissions	1,101,356	-	(1,055,550)	45,806	525,456
Development project gains and recoveries, net	1,280,419	-	(1,280,419)	-	-
Real estate fee income	350,511	-	(350,511)	-	-
Net assets released from purpose restrictions	332,936	-	-	332,936	237,968
<b>Total operating revenues</b>	<b>10,514,534</b>	<b>34,941,867</b>	<b>(6,286,058)</b>	<b>39,170,343</b>	<b>38,384,135</b>
Operating expenses:					
Community Engagement	1,864,509	-	-	1,864,509	1,548,519
Real Estate	2,001,045	-	-	2,001,045	2,064,436
Asset Management	539,881	-	(279,531)	260,350	239,574
Community Program	2,200,679	-	-	2,200,679	1,530,380
CUE Realty	292,506	-	-	292,506	388,755
Rental Programs	-	25,788,385	(1,190,872)	24,597,513	23,313,324
Depreciation and amortization	78,804	7,753,435	(724,058)	7,108,181	6,882,966
<b>Total operating expenses</b>	<b>6,977,424</b>	<b>33,541,820</b>	<b>(2,194,461)</b>	<b>38,324,783</b>	<b>35,967,954</b>
<b>Changes in net assets without donor restrictions from operations</b>	<b>3,537,110</b>	<b>1,400,047</b>	<b>(4,091,597)</b>	<b>845,560</b>	<b>2,416,181</b>
Other revenues (expenses):					
Proceeds from tax credit sales	4,584,375	-	-	4,584,375	329,000
Forgiveness of debt	-	665,611	-	665,611	1,546,719
NW permanent capital funds released	-	-	-	-	612,521
Nonrecoverable development costs	-	-	-	-	(282,014)
Allowance on note receivable	(4,584,375)	-	4,584,375	-	(329,000)
Net realized/unrealized gains (losses) on investments	(1,919,246)	-	-	(1,919,246)	1,223,127
Deferred interest	-	(3,970,131)	1,855,619	(2,114,512)	(1,973,701)
<b>Total other revenues (expenses)</b>	<b>(1,919,246)</b>	<b>(3,304,520)</b>	<b>6,439,994</b>	<b>1,216,228</b>	<b>1,126,652</b>
<b>Changes in net assets without donor restrictions</b>	<b>1,617,864</b>	<b>(1,904,473)</b>	<b>2,348,397</b>	<b>2,061,788</b>	<b>3,542,833</b>
<b>Net Assets With Donor Restrictions:</b>					
Grants and contributions	408,455	-	-	408,455	226,639
NW funds released to net assets without donor restrictions	-	-	-	-	(612,521)
Net assets released from purpose restrictions	(332,936)	-	-	(332,936)	(237,968)
<b>Changes in net assets with donor restrictions</b>	<b>75,519</b>	<b>-</b>	<b>-</b>	<b>75,519</b>	<b>(623,850)</b>
<b>Changes in net assets</b>	<b>1,693,383</b>	<b>(1,904,473)</b>	<b>2,348,397</b>	<b>2,137,307</b>	<b>2,918,983</b>
<b>Changes in Net Assets Attributable to Non-Controlling Interests</b>	<b>-</b>	<b>3,232,514</b>	<b>-</b>	<b>3,232,514</b>	<b>1,433,343</b>
<b>Changes in net assets attributable to Urban Edge</b>	<b>\$ 1,693,383</b>	<b>\$ 1,328,041</b>	<b>\$ 2,348,397</b>	<b>\$ 5,369,821</b>	<b>\$ 4,352,326</b>

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

 Consolidating Statement of Activities  
 For the Year Ended December 31, 2021

	<u>Operating</u>	<u>Rental Programs</u>	<u>Eliminations</u>	<u>Total</u>
<b>Net Assets Without Donor Restrictions:</b>				
Operating revenues:				
Rental income, net	\$ 473,966	\$ 33,423,887	\$ (283,872)	\$ 33,613,981
Contracts and grants	1,742,605	-	-	1,742,605
Interest income and other	447,803	532,022	(318,237)	661,588
Project management and developer fees	2,155,984	-	(553,447)	1,602,537
Program service fees and commissions	1,171,154	-	(645,698)	525,456
Development project gains and recoveries, net	3,114,702	-	(3,114,702)	-
Real estate fee income	355,972	-	(355,972)	-
Net assets released from purpose restrictions	237,968	-	-	237,968
	<u>9,700,154</u>	<u>33,955,909</u>	<u>(5,271,928)</u>	<u>38,384,135</u>
Operating expenses:				
Community Engagement	1,548,519	-	-	1,548,519
Real Estate	2,064,436	-	-	2,064,436
Asset Management	517,840	-	(278,266)	239,574
Community Program	1,530,380	-	-	1,530,380
CUE Realty	388,755	-	-	388,755
Rental Programs	-	24,411,056	(1,097,732)	23,313,324
Depreciation and amortization	77,738	7,529,286	(724,058)	6,882,966
	<u>6,127,668</u>	<u>31,940,342</u>	<u>(2,100,056)</u>	<u>35,967,954</u>
Changes in net assets without donor restrictions from operations	<u>3,572,486</u>	<u>2,015,567</u>	<u>(3,171,872)</u>	<u>2,416,181</u>
Other revenues (expenses):				
Proceeds from tax credit sales	329,000	-	-	329,000
Forgiveness of debt	881,108	665,611	-	1,546,719
NW permanent capital funds released	612,521	-	-	612,521
Nonrecoverable development costs	(282,014)	-	-	(282,014)
Allowance on note receivable	(329,000)	-	-	(329,000)
Net realized/unrealized gains on investments	1,223,127	-	-	1,223,127
Deferred interest	-	(3,936,344)	1,962,643	(1,973,701)
	<u>2,434,742</u>	<u>(3,270,733)</u>	<u>1,962,643</u>	<u>1,126,652</u>
Changes in net assets without donor restrictions	<u>6,007,228</u>	<u>(1,255,166)</u>	<u>(1,209,229)</u>	<u>3,542,833</u>
<b>Net Assets With Donor Restrictions:</b>				
Grants and contributions	226,639	-	-	226,639
NW funds released to net assets without donor restrictions	(612,521)	-	-	(612,521)
Net assets released from purpose restrictions	(237,968)	-	-	(237,968)
	<u>(623,850)</u>	<u>-</u>	<u>-</u>	<u>(623,850)</u>
Changes in net assets	5,383,378	(1,255,166)	(1,209,229)	2,918,983
<b>Changes in Net Assets Attributable to Non-Controlling Interests</b>	<u>-</u>	<u>1,433,343</u>	<u>-</u>	<u>1,433,343</u>
Changes in net assets attributable to Urban Edge	<u>\$ 5,383,378</u>	<u>\$ 178,177</u>	<u>\$ (1,209,229)</u>	<u>\$ 4,352,326</u>

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



**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Consolidating Statements of Changes in Net Assets  
For the Years Ended December 31, 2022 and 2021

	Urban Edge and Affiliates' Net Assets				Non-Controlling Interests	Consolidated Total
	Operating	Rental Programs	Eliminations	Total		
<b>Net Assets, December 31, 2020</b>	\$ 26,685,206	\$ 22,454,347	\$ (16,870,189)	\$ 32,269,364	\$ 40,901,442	\$ 73,170,806
Changes in net assets	5,383,378	(1,255,166)	224,114	4,352,326	(1,433,343)	2,918,983
Capital contributions	-	3,528,079	(3,528,079)	-	3,527,979	3,527,979
Transfer of non-controlling interest	-	-	(44,043)	(44,043)	44,043	-
Excess of purchase price over carrying amount and related transaction costs	-	(170,327)	-	(170,327)	-	(170,327)
Distributions	725,330	(741,274)	15,944	-	(15,944)	(15,944)
<b>Net Assets, December 31, 2021</b>	32,793,914	23,815,659	(20,202,253)	36,407,320	43,024,177	79,431,497
Changes in net assets	1,693,383	(1,904,473)	5,580,911	5,369,821	(3,232,514)	2,137,307
Capital contributions	-	12,782,573	(12,782,573)	-	12,782,473	12,782,473
Transfer of net assets	(24,303)	24,303	-	-	-	-
Distributions	627,222	(659,444)	32,222	-	(32,222)	(32,222)
<b>Net Assets, December 31, 2022</b>	<u>\$ 35,090,216</u>	<u>\$ 34,058,618</u>	<u>\$ (27,371,693)</u>	<u>\$ 41,777,141</u>	<u>\$ 52,541,914</u>	<u>\$ 94,319,055</u>

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

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Consolidating Statement of Cash Flows

For the Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	2022			2021	
	Operating	Rental Programs	Eliminations	Total	Total
<b>Cash Flows from Operating Activities:</b>					
Changes in net assets	\$ 1,693,383	\$ (1,904,473)	\$ 2,348,397	\$ 2,137,307	\$ 2,918,983
Adjustments to reconcile changes in net assets to net cash provided by operating activities:					
Depreciation and amortization	78,804	7,753,435	(724,058)	7,108,181	6,882,966
Interest - amortization of debt issuance costs	-	124,059	-	124,059	133,422
Amortization of right-of-use assets	213,808	-	-	213,808	-
Bad debts	62,285	380,851	-	443,136	98,271
Proceeds from tax credit sales	(4,584,375)	-	-	(4,584,375)	(329,000)
Provision for tax credit sales	4,584,375	-	(4,584,375)	-	329,000
Net realized/unrealized losses (gains) on investments	1,919,246	-	-	1,919,246	(1,223,127)
Forgiveness of debt	-	(665,611)	-	(665,611)	(1,546,719)
Nonrecoverable development costs	-	-	-	-	282,014
Deferred interest	-	3,970,131	(1,855,619)	2,114,512	1,973,701
Right-of-use assets and lease liability	(104,214)	-	-	(104,214)	-
Changes in operating assets and liabilities:					
Contracts, loans and other receivables	(87,602)	(949,534)	70,186	(966,950)	362,137
Project management fees and construction receivables	(2,233,456)	-	2,233,456	-	-
Grants and pledges receivable	-	-	-	-	34,746
Prepaid expenses and other	1,445	(200,763)	-	(199,318)	(83,011)
Accrued interest	-	173,485	(42,652)	130,833	(16,393)
Deferred interest payable	-	(1,537,438)	1,033,298	(504,140)	(304,550)
Accounts payable and other liabilities	106,090	606,255	-	712,345	1,373,401
Deferred revenue and advances payable	(157,161)	225,558	-	68,397	278,058
Due to affiliates	-	223,251	(223,251)	-	-
Net cash provided by operating activities	<u>1,492,628</u>	<u>8,199,206</u>	<u>(1,744,618)</u>	<u>7,947,216</u>	<u>11,163,899</u>
<b>Cash Flow from Investing Activities:</b>					
Issuance of notes receivable	(4,584,375)	-	4,584,375	-	(329,000)
Advances, mortgages, notes and interest receivable	(244,648)	-	244,648	-	-
Acquisition of property and equipment	(71,677)	(8,258,787)	1,180,272	(7,150,192)	(2,786,837)
Purchase of investments	(4,532,907)	-	-	(4,532,907)	(1,020,000)
Proceeds from sale of investments	2,417,836	-	-	2,417,836	983,872
Net decrease (increase) in projects under development	3,387,575	(23,066,544)	1,737,617	(17,941,352)	(23,966,872)
Land transfer payments	-	-	-	-	851,735
Net cash used in investing activities	<u>(3,628,196)</u>	<u>(31,325,331)</u>	<u>7,746,912</u>	<u>(27,206,615)</u>	<u>(26,267,102)</u>
<b>Cash Flows from Financing Activities:</b>					
Due to affiliates	47,420	1,360,102	(1,407,522)	-	-
Proceeds from mortgage and notes payable	1,517,514	12,797,999	-	14,315,513	22,336,916
Proceeds from contingent debt	-	9,093,373	(4,594,672)	4,498,701	2,021,727
Principal payments of mortgage and notes payable	(4,413,430)	(5,349,994)	-	(9,763,424)	(4,071,110)
Principal payments on contingent loans and advances	-	(540,869)	-	(540,869)	(353,968)
Proceeds from tax credit sales	4,584,375	-	-	4,584,375	329,000
Distributions	627,222	(659,444)	-	(32,222)	(15,944)
Transfer of net assets	(24,303)	24,303	-	-	-
Capital contributions	-	12,782,573	(100)	12,782,473	3,527,979
Net cash provided by financing activities	<u>2,338,798</u>	<u>29,508,043</u>	<u>(6,002,294)</u>	<u>25,844,547</u>	<u>23,774,600</u>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>203,230</b>	<b>6,381,918</b>	<b>-</b>	<b>6,585,148</b>	<b>8,671,397</b>
<b>Cash, Cash Equivalents and Restricted Cash:</b>					
Beginning of year	<u>14,809,316</u>	<u>33,788,336</u>	<u>-</u>	<u>48,597,652</u>	<u>39,926,255</u>
End of year	<u>\$ 15,012,546</u>	<u>\$ 40,170,254</u>	<u>\$ -</u>	<u>\$ 55,182,800</u>	<u>\$ 48,597,652</u>
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Consolidating Statements of Financial Position:</b>					
Cash and cash equivalents	\$ 13,370,557	\$ 9,197,107	\$ -	\$ 22,567,664	\$ 22,325,160
Cash - construction	93,886	5,127,476	-	5,221,362	1,371,559
Cash - Board designated	1,548,103	-	-	1,548,103	1,600,000
Restricted deposits	-	25,845,671	-	25,845,671	23,300,933
Total cash, cash equivalents and restricted cash shown in the consolidating statements of cash flows	<u>\$ 15,012,546</u>	<u>\$ 40,170,254</u>	<u>\$ -</u>	<u>\$ 55,182,800</u>	<u>\$ 48,597,652</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>					
Cash paid for interest - expensed	<u>\$ 58,523</u>	<u>\$ 5,866,460</u>	<u>\$ -</u>	<u>\$ 5,924,983</u>	<u>\$ 5,429,974</u>
Cash paid for interest - capitalized	<u>\$ 66,448</u>	<u>\$ 235,504</u>	<u>\$ -</u>	<u>\$ 301,952</u>	<u>\$ 370,238</u>

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

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

	Operating	Rental Programs	Eliminations	Total
<b>Cash Flows from Operating Activities:</b>				
Changes in net assets	\$ 5,383,378	\$ (1,255,166)	\$ (1,209,229)	\$ 2,918,983
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation and amortization	77,738	7,529,286	(724,058)	6,882,966
Interest - amortization of debt issuance costs	-	133,422	-	133,422
Bad debts	126,343	26,553	(54,625)	98,271
Proceeds from tax credit sales	(329,000)	-	-	(329,000)
Provision for tax credit sales	329,000	-	-	329,000
Net realized/unrealized gains on investments	(1,223,127)	-	-	(1,223,127)
Forgiveness of debt	(881,108)	(665,611)	-	(1,546,719)
Nonrecoverable development costs	282,014	-	-	282,014
Deferred interest	-	3,936,344	(1,962,643)	1,973,701
Changes in operating assets and liabilities:				
Contracts, loans and other receivables	138,986	210,632	12,519	362,137
Project management fees and construction receivables	(664,380)	-	664,380	-
Grants and pledges receivable	34,746	-	-	34,746
Prepaid expenses and other	(13,751)	(69,260)	-	(83,011)
Accrued interest	-	18,325	(34,718)	(16,393)
Deferred interest payable	(110,990)	(2,762,851)	2,569,291	(304,550)
Accounts payable and other liabilities	(306,321)	1,679,722	-	1,373,401
Deferred revenue and advances payable	232,161	45,897	-	278,058
Due to affiliates	-	814,436	(814,436)	-
Net cash provided by operating activities	<u>3,075,689</u>	<u>9,641,729</u>	<u>(1,553,519)</u>	<u>11,163,899</u>
<b>Cash Flow from Investing Activities:</b>				
Issuance of note receivable	(329,000)	-	-	(329,000)
Advances, mortgages, notes and interest receivable	404,383	-	(404,383)	-
Acquisition of property and equipment	-	(2,786,837)	-	(2,786,837)
Purchase of investments	(1,020,000)	-	-	(1,020,000)
Proceeds from sale of investments	983,872	-	-	983,872
Net increase in projects under development	(729,313)	(23,791,006)	553,447	(23,966,872)
Land transfer payments	851,735	-	-	851,735
Net cash provided by (used in) investing activities	<u>161,677</u>	<u>(26,577,843)</u>	<u>149,064</u>	<u>(26,267,102)</u>
<b>Cash Flows from Financing Activities:</b>				
Due to affiliates	(44,601)	(205,099)	249,700	-
Proceeds from mortgage and notes payable	336,363	22,000,553	-	22,336,916
Proceeds from contingent debt	-	2,022,449	(722)	2,021,727
Principal payments of mortgage and notes payable	-	(4,071,110)	-	(4,071,110)
Principal payments on contingent loans and advances	-	(1,509,545)	1,155,577	(353,968)
Proceeds from tax credit sales	329,000	-	-	329,000
Distributions	725,330	(741,274)	-	(15,944)
Capital contributions	-	3,528,079	(100)	3,527,979
Net cash provided by financing activities	<u>1,346,092</u>	<u>21,024,053</u>	<u>1,404,455</u>	<u>23,774,600</u>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	4,583,458	4,087,939	-	8,671,397
<b>Cash, Cash Equivalents and Restricted Cash:</b>				
Beginning of year	<u>10,225,858</u>	<u>29,700,397</u>	<u>-</u>	<u>39,926,255</u>
End of year	<u>\$ 14,809,316</u>	<u>\$ 33,788,336</u>	<u>\$ -</u>	<u>\$ 48,597,652</u>
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Consolidating Statement of Financial Position:</b>				
Cash and cash equivalents	\$ 13,111,479	\$ 9,213,681	\$ -	\$ 22,325,160
Cash - construction	97,837	1,273,722	-	1,371,559
Cash - Board designated	1,600,000	-	-	1,600,000
Restricted deposits	-	23,300,933	-	23,300,933
Total cash, cash equivalents and restricted cash shown in the consolidating statement of cash flows	<u>\$ 14,809,316</u>	<u>\$ 33,788,336</u>	<u>\$ -</u>	<u>\$ 48,597,652</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>				
Cash paid for interest - expensed	<u>\$ 81,045</u>	<u>\$ 5,348,929</u>	<u>\$ -</u>	<u>\$ 5,429,974</u>
Cash paid for interest - capitalized	<u>\$ 370,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,238</u>

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Consolidating Statement of Functional Expenses

For the Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	2022										2021	
	Operating							Total Operating	Rental Programs	Eliminations	Total	Total
Central Administration	Community Engagement	Real Estate	Asset Management	Community Program	CUE Realty	Eliminations	Rental Programs					
<b>Personnel and Related Costs:</b>												
Salaries	\$ 881,792	\$ 625,626	\$ 646,368	\$ 204,919	\$ 649,389	\$ -	\$ -	\$ 3,008,094	\$ 3,531,506	\$ -	\$ 6,539,600	\$ 5,919,514
Payroll taxes and employee benefits	222,947	212,556	151,575	63,015	187,740	-	-	837,833	825,652	-	1,663,485	1,524,330
Consulting and contract labor	175,410	45,605	60,102	129	47,814	93,279	(93,279)	329,060	1,218,159	(690,052)	857,167	773,495
Commissions	-	-	-	-	-	245,472	-	245,472	-	-	245,472	368,153
Total personnel and related costs	1,280,149	883,787	858,045	268,063	884,943	338,751	(93,279)	4,420,459	5,575,317	(690,052)	9,305,724	8,585,492
<b>Other Expenses:</b>												
Repairs, maintenance and security	1,657	83	81	20,121	80	1,271	-	23,293	4,757,037	-	4,780,330	4,494,335
Telephone and utilities	18,308	22,714	5,561	2,268	13,124	9,083	-	71,058	4,480,120	-	4,551,178	4,249,960
Interest and bank fees	75,780	30	12,677	-	59	-	-	88,546	3,756,113	(35,862)	3,808,797	4,012,383
Insurance and taxes	14,517	15,517	10,974	9,425	17,059	5,663	-	73,155	2,759,763	-	2,832,918	2,609,036
Supplies and general office	81,704	257,413	31,291	5,728	608,536	-	-	984,672	1,262,183	-	2,246,855	1,849,481
Management fees	-	-	-	-	-	-	-	-	2,001,940	(350,511)	1,651,429	1,681,861
Professional fees	93,510	1,116	303	5,970	925	9,130	-	110,954	736,382	-	847,336	836,575
Occupancy	41,971	61,289	398,579	57,455	73,658	4,248	(4,248)	632,952	78,679	(393,978)	317,653	521,554
Bad debts	-	-	62,285	-	-	-	-	62,285	380,851	-	443,136	98,271
Miscellaneous	162,539	40,917	28,071	1,990	17,711	21,887	-	273,115	-	-	273,115	39,293
Special events and other program expenses	71,195	10,642	2,440	337	1,177	-	-	85,791	-	-	85,791	61,064
Property expenses	-	-	49,866	-	-	-	-	49,866	-	-	49,866	37,981
Travel and conferences	9,039	9,255	1,245	-	2,935	-	-	22,474	-	-	22,474	7,702
Total other expenses	570,220	418,976	603,373	103,294	735,264	51,282	(4,248)	2,478,161	20,213,068	(780,351)	21,910,878	20,499,496
Total expenses before depreciation and amortization and allocation of Central Administration	1,850,369	1,302,763	1,461,418	371,357	1,620,207	390,033	(97,527)	6,898,620	25,788,385	(1,470,403)	31,216,602	29,084,988
<b>Depreciation and Amortization</b>	22,120	17,297	17,039	5,492	16,508	348	-	78,804	7,753,435	(724,058)	7,108,181	6,882,966
Total expenses before allocation of Central Administration	1,872,489	1,320,060	1,478,457	376,849	1,636,715	390,381	(97,527)	6,977,424	33,541,820	(2,194,461)	38,324,783	35,967,954
<b>Allocation of Central Administration</b>	(1,872,489)	561,746	561,747	168,524	580,472	-	-	-	-	-	-	-
	\$ -	\$ 1,881,806	\$ 2,040,204	\$ 545,373	\$ 2,217,187	\$ 390,381	\$ (97,527)	\$ 6,977,424	\$ 33,541,820	\$ (2,194,461)	\$ 38,324,783	\$ 35,967,954

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

 Consolidating Statement of Functional Expenses  
 For the Year Ended December 31, 2021

	Operating							Total Operating	Rental Programs	Eliminations	Total
	Central Adminis- tration	Community Engagement	Real Estate	Asset Management	Community Program	CUE Realty	Eliminations				
<b>Personnel and Related Costs:</b>											
Salaries	\$ 768,311	\$ 544,009	\$ 584,460	\$ 198,060	\$ 594,272	\$ -	\$ -	\$ 2,689,112	\$ 3,230,402	\$ -	\$ 5,919,514
Payroll taxes and employee benefits	202,708	181,995	145,382	52,012	155,240	-	-	737,337	786,993	-	1,524,330
Consulting and contract labor	234,746	57,100	137,990	640	48,305	90,562	(90,562)	478,781	940,412	(645,698)	773,495
Commissions	-	-	-	-	-	368,153	-	368,153	-	-	368,153
Total personnel and related costs	<u>1,205,765</u>	<u>783,104</u>	<u>867,832</u>	<u>250,712</u>	<u>797,817</u>	<u>458,715</u>	<u>(90,562)</u>	<u>4,273,383</u>	<u>4,957,807</u>	<u>(645,698)</u>	<u>8,585,492</u>
<b>Other Expenses:</b>											
Repairs, maintenance and security	225	149	171	17,929	172	424	-	19,070	4,475,265	-	4,494,335
Telephone and utilities	17,495	20,398	4,960	1,673	12,668	7,799	-	64,993	4,184,967	-	4,249,960
Interest and bank fees	76,378	-	129	4,538	-	-	-	81,045	3,967,169	(35,831)	4,012,383
Insurance and taxes	10,220	12,249	9,260	18,649	12,619	4,232	-	67,229	2,541,807	-	2,609,036
Supplies and general office	55,920	183,122	215,442	4,608	150,584	-	-	609,676	1,239,805	-	1,849,481
Management fees	-	-	-	-	-	-	-	-	2,037,833	(355,972)	1,681,861
Professional fees	84,003	2,498	62	1,379	-	6,475	-	94,417	742,158	-	836,575
Occupancy	37,034	71,663	320,037	73,665	65,335	4,248	(4,248)	567,734	237,692	(283,872)	521,554
Bad debts	-	-	124,712	1,631	-	-	-	126,343	26,553	(54,625)	98,271
Miscellaneous	19,810	1,453	99	768	15,491	1,672	-	39,293	-	-	39,293
Special events and other program expenses	50,051	11,013	-	-	-	-	-	61,064	-	-	61,064
Property expenses	-	-	37,981	-	-	-	-	37,981	-	-	37,981
Travel and conferences	1,767	4,385	150	-	1,400	-	-	7,702	-	-	7,702
Total other expenses	<u>352,903</u>	<u>306,930</u>	<u>713,003</u>	<u>124,840</u>	<u>258,269</u>	<u>24,850</u>	<u>(4,248)</u>	<u>1,776,547</u>	<u>19,453,249</u>	<u>(730,300)</u>	<u>20,499,496</u>
Total expenses before depreciation and amortization and allocation of Central Administration	1,558,668	1,090,034	1,580,835	375,552	1,056,086	483,565	(94,810)	6,049,930	24,411,056	(1,375,998)	29,084,988
<b>Depreciation and Amortization</b>	<u>22,313</u>	<u>15,210</u>	<u>16,827</u>	<u>5,635</u>	<u>17,055</u>	<u>698</u>	<u>-</u>	<u>77,738</u>	<u>7,529,286</u>	<u>(724,058)</u>	<u>6,882,966</u>
Total expenses before allocation of Central Administration	1,580,981	1,105,244	1,597,662	381,187	1,073,141	484,263	(94,810)	6,127,668	31,940,342	(2,100,056)	35,967,954
<b>Allocation of Central Administration</b>	<u>(1,580,981)</u>	<u>458,485</u>	<u>505,914</u>	<u>142,288</u>	<u>474,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,563,729</u>	<u>\$ 2,103,576</u>	<u>\$ 523,475</u>	<u>\$ 1,547,435</u>	<u>\$ 484,263</u>	<u>\$ (94,810)</u>	<u>\$ 6,127,668</u>	<u>\$ 31,940,342</u>	<u>\$ (2,100,056)</u>	<u>\$ 35,967,954</u>

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

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 1. OPERATIONS AND NONPROFIT STATUS

Urban Edge Housing Corporation (Urban Edge) develops affordable housing for households with modest incomes and provides related services, undertakes activities, and oversees developments relating to housing needs, economic development and community services focusing on the Egleston Square and Jackson Square sections of Roxbury, and surrounding communities in Massachusetts. Urban Edge is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). Urban Edge is also exempt from state income taxes. Contributions are deductible by donors within the requirements of the IRC.

### 2. SIGNIFICANT ACCOUNTING POLICIES

Urban Edge and its Affiliates (see Note 3) prepare their consolidating financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Principles of Consolidation

The accompanying consolidating financial statements include the accounts of Urban Edge, its wholly-owned and majority-owned subsidiaries, and certain controlled Limited Partnerships (LPs) and Limited Liability Corporations (LLCs) that own and operate real estate developments sponsored by Urban Edge (see Note 3). All significant intercompany balances and transactions have been eliminated in the accompanying consolidating financial statements. The related organizations are collectively referred to as Affiliates in the accompanying consolidating financial statements and the related notes.

#### Recently Adopted Accounting Pronouncement

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes the guidance in *Topic 840, Leases*. *Topic 842* amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities in the consolidating statements of financial position for operating leases. Urban Edge and Affiliates adopted *Topic 842* effective January 1, 2022, using the optional transition method provided in ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. Under this transition method, financial information related to years prior to adoption remains as originally reported under *Topic 840*. Urban Edge and Affiliates elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed Urban Edge and Affiliates to carry forward the historical lease classification, as well as to skip reassessment of the treatment of initial direct costs and of whether a contract is or contains a lease. Urban Edge and Affiliates also elected to exclude short-term leases from the consolidating statements of financial position.

Urban Edge and Affiliates elected to apply the following practical expedient and policy election at adoption:

Common Control Arrangements	Urban Edge and Affiliates have elected to establish leases between entities under common control to be classified as the same for leases between unrelated parties.
-----------------------------	---

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of \$2,897,070 and \$2,978,385, respectively, as of January 1, 2022, related to lessee accounting. There were no material adjustments to the consolidating statements of financial position related to lessor accounting. The accounting for finance leases remained substantially unchanged. Urban Edge and Affiliates expect the impact of adoption to be immaterial to the consolidating statements of activities and cash flows on an ongoing basis.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash, Cash Equivalents and Restricted Cash and Concentration from Credit Risk

For purposes of the consolidating statements of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds with an original maturity of three months or less. Cash and cash equivalents also include restricted cash.

Urban Edge and Affiliates maintain their cash balances in various banks in Massachusetts. The majority of cash is held in banks that are insured by the Depositors Insurance Fund (DIF), which insures all deposits above the Federal Deposit Insurance Corporation's (FDIC) limits. Urban Edge and Affiliates also maintain cash balances in various banks in Massachusetts that are only insured by the FDIC. At certain times during the year, cash balances exceeded the insured amounts. Urban Edge and Affiliates have not experienced any losses in such accounts. Urban Edge and Affiliates believe they are not exposed to any significant credit risk on cash.

#### Accounts Receivable and Allowance for Doubtful Accounts

Urban Edge and Affiliates establish allowances for uncollectible receivables. The allowances are based on management's judgment on the collectability of outstanding receivables (see Note 3).

#### Investment in Affiliates

Investments in affiliated limited partnerships and limited liability companies are accounted for using the cost method and are generally eliminated in consolidation. Investments in affiliates are increased as new cash investments are made or by valuation recoveries of reserved investments. Investments in affiliates are reduced by cash distributions received which represent return of capital or impairments based on recoverability analysis.

#### Projects Under Development

All project-related costs incurred during construction are capitalized for developments currently owned by Urban Edge. These include construction, soft costs, interest, and others and are reflected as projects under development (see Note 5) in the accompanying consolidating statements of financial position. Project-related costs paid for by Urban Edge for developments owned by other entities are included within project management fees and construction receivables in the accompanying consolidating statements of financial position.

#### Property and Equipment and Depreciation

Property and equipment are recorded at cost. Improvements and major repairs are capitalized, while ordinary repairs and maintenance are expensed as incurred (see Note 6).

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 - 40 years
Land improvements	10 - 20 years
Furniture, fixtures and equipment	3 - 7 years
Leasehold improvements	Life of the lease

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment and Depreciation (Continued)

Urban Edge and Affiliates review the value of property and equipment and projects under development for impairment whenever changes in circumstances indicate that the carrying value of such property may not be recoverable in accordance with the requirements pertaining to ASC Topic, *Property, Plant and Equipment*, under U.S. GAAP. During 2021, Urban Edge and Affiliates wrote-off predevelopment costs related to the 1599 Columbus property (see Notes 3 and 5) for costs that were deemed nonrecoverable. There were no impairment adjustments during 2022.

#### Capitalized Costs

Capitalized costs consist of tax credit monitoring fees incurred by certain real estate affiliates of Urban Edge. These costs have been capitalized and are being amortized over the applicable compliance periods and terms of the leases on the straight-line basis. Capitalized costs totaled \$441,002 and \$404,140 as of December 31, 2022 and 2021, respectively. Accumulated amortization was \$216,663 and \$218,092 as of December 31, 2022 and 2021, respectively. Amortization expense for 2022 and 2021 was \$34,981 and \$31,326, respectively. Amortization expense for the next five years is expected to be approximately \$33,000 annually.

#### Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation (see Note 14) is outstanding using the straight-line method, which approximates the effective interest method. Unamortized debt issuance costs are reported as a reduction of the related liability.

#### Deferred Revenue and Advances Payable

Deferred revenue and advances payable consist of contract and rent revenue collected in advance of being earned.

#### Net Asset Classifications

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor restrictions. Urban Edge and Affiliates classify net assets without donor restrictions into four subcategories:

- *Operating* net assets represent that portion of net assets which is considered substantially liquid and is available for general operations in the near term (see Note 8).
- *Board designated* net assets represent a reserve established by Urban Edge's Board of Directors to serve as a source of liquidity and leverage for Urban Edge. The reserve funds may only be used with the express approval of the Board. The fund totaled \$1,548,103 and \$1,600,000 as of December 31, 2022 and 2021, respectively (see Note 8).
- *Development* net assets include those assets and liabilities related to Urban Edge and Affiliates' project developments (see Note 5), completed and uncompleted, which are long-term in nature and are not expected to be liquid or otherwise available for operations for at least one year from the date of the accompanying consolidating statements of financial position.
- *Property and equipment* net assets represent that portion of resources, net of related liabilities, invested into long-term productive property and equipment (see Note 6).



## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Asset Classifications (Continued)

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

Urban Edge and Affiliates classify net assets with donor restrictions into three subcategories:

- *Perpetual in nature* net assets represented capital grant proceeds from NeighborWorks® America (NW). These grants were for use as a capital resource for Urban Edge's development projects and other capital initiatives. The terms of these grants allowed Urban Edge to use these funds for capitalized costs associated with development projects, but not for operating costs. Urban Edge could have used these funds to pay for certain development costs which, in some cases, may have been collected from the project on deferred terms. When the timing of collection of such investments were deferred or uncertain, the value of Urban Edge's underlying asset could have been reduced by a valuation allowance, which also reduced net assets with donor restrictions. When valuation allowances were reduced by later recoveries or because collection was assured, net assets with donor restrictions were increased as a recovery of such capital.

There were no NW restricted net assets as of December 31, 2022 and 2021. Urban Edge was approved by NW to release the final \$612,521 during 2021 to net assets without donor restrictions.

- *Purpose restricted* net assets include restricted grant funds that have been invested into projects under development which are in process (see Note 5). To achieve an appropriate matching of revenues with related costs and expenses, it is Urban Edge's policy to release these net assets from donor restriction, not when initially spent on project costs, but upon placement in service or final sale or disposition of the particular project. Purpose restricted net assets also include amounts restricted for operating programs or initiatives of Urban Edge.
- *Time restricted for future periods* represent restricted grant funds with donor-imposed time restrictions.

Net assets with donor restrictions are restricted as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Programs and Initiatives:		
Homebuyer education and homeownership	\$ 273,450	\$ 30,000
Staff training, education and other	103,719	24,020
Emergency response	73,425	173,572
VITA Tax Center	35,000	35,000
Health and housing	-	147,483
	<u>\$ 485,594</u>	<u>\$ 410,075</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Asset Classifications (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Health and housing	\$ 147,483	\$ -
Emergency response	100,147	56,832
VITA Tax Center	35,000	35,000
Homebuyer education and homeownership	30,000	30,000
Staff training, education and other	<u>20,306</u>	<u>116,136</u>
	332,936	237,968
NW release of perpetually restricted	<u>-</u>	<u>612,521</u>
Total releases	<u>\$ 332,936</u>	<u>\$ 850,489</u>

#### Non-Controlling Interests

Non-controlling interests represent the equity interest in certain rental programs (see Note 16) owned by unrelated investors.

#### Revenue Recognition

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

Real estate fees and program service fees are recognized by Urban Edge for services provided to their affiliates, which include resident service fees, asset management fees, partnership management fees, incentive management fees, and other program services. Commissions are recognized when services are provided. These are included in real estate fees and program services fees and commissions in the accompanying consolidating statements of activities for the years ended December 31, 2022 and 2021.

Program service fees represent charges to individuals using Urban Edge's programs, inclusive of broker commissions earned in connection with CUE Realty (see Note 3). These fees are recognized as revenue when such services are rendered.

Services are generally provided on an annual basis incident to separate agreements that renew annually at the election of the parties or under aspects of the operating agreements that govern the operations of the respective affiliates. These agreements specify the compensation for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the affiliate receives the benefits provided as Urban Edge performs these services.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

Service fees are generally recognized in one calendar year. Compensation is generally fixed under the relevant agreement but may contain variable components in the case of certain partnership management services. Certain fees are only earned and/or payable subject to the availability of net cash flow from the respective affiliate's operations and are only recognized as revenue when collection is assured.

Project management and developer fees are earned by Urban Edge in its role as sponsor and developer of its affiliates' projects. Project management and developer fees are generally earned under written developer agreements executed with the Affiliates that detail the rights and responsibilities of both parties under each project development agreement. The agreements define the scope of activities to be provided by Urban Edge and generally include supervising and coordinating project projections, overseeing the construction and/or rehabilitation, obtaining the necessary permitting, and overseeing and coordinating any reporting requirements of the project. These activities under the agreement are considered a single performance obligation as the services provided are not considered to be distinct within the context of the agreement.

Urban Edge determined the services within the agreement are highly interdependent with each other and comprise an integrated series of activities associated with the completion of a single real estate development project. Developer agreements define the fixed compensation which Urban Edge is expected to be entitled and a schedule of payments to be made from project development sources and, in some cases, from net cash flow from project operations. The performance obligations under developer agreements are satisfied over time as Urban Edge's performance creates or enhances a real estate asset that the affiliate controls. Accordingly, Urban Edge recognizes revenue from developer agreements over time, as the services are rendered, based on an input method of developer time and effort incurred relative to total expected developer time and effort to complete the contract. Due to the contingent nature of certain developer fees which may be payable from net cash flow from project operations, some fees may not be recognized until received or when collection is assured. See Note 3 for additional disclosures related to these developer agreements.

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, Urban Edge must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that Urban Edge should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met (see Note 9). Grants and contracts are recorded when unconditionally committed or when conditions are substantially met. Grants and contributions with donor restrictions are recorded as revenues with donor restrictions. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Donor restricted grants received and satisfied in the same period are included in net assets without donor restrictions.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

During 2022 and 2021, Urban Edge was awarded \$250,000 of Community Investment Tax Credits (CITC) from the Massachusetts Department of Housing and Community Development (DHCD) to disburse to donors in exchange for donations. The CITC are provided to donors based upon 50% of eligible donations. Urban Edge received \$495,000 and \$495,600 in eligible donations during 2022 and 2021, respectively, and provided \$247,500 and \$247,800 in CITC during 2022 and 2021, respectively. As of December 31, 2022, Urban Edge has a total of \$4,700 in unutilized CITC that will carry over to 2023. These donations are included in contracts and grants in the accompanying consolidating statements of activities.

Rental income is recorded pro-rata over the life of the related leases and is shown net of vacancies and concessions. The terms of the residential leases are for one year and are renewed annually. Commercial leases with terms beyond one year are included in Note 11.

Interest income is recognized when earned. All other revenue is recorded when earned.

#### Donated Services

Urban Edge recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Urban Edge receives services from a large number of volunteers who give significant amounts of their time to Urban Edge's programs, but which do not meet the criteria for consolidating financial statement recognition.

#### Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the consolidating statements of activities. The consolidating statements of functional expenses present the natural classification detail of expenses by function, including supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation and amortization, and utilities, which are allocated on a square footage basis, as well as salaries, payroll taxes and employee benefits, telephone, insurance, travel, supplies and general office, which are allocated on the basis of estimates of time and effort.

#### Leases

Urban Edge and Affiliates assess whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) and determine lease classification as operating or finance at inception. Urban Edge and Affiliates only reassess their determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the consolidating statements of financial position.

All of Urban Edge and Affiliates' leases are presented as ROU assets with a corresponding current portion due and a long-term lease liability in the consolidating statements of financial position. ROU assets represent Urban Edge and Affiliates' right to use an underlying asset during its lease term, and lease liabilities represent the obligation to make lease payments.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The ROU assets equal the lease liabilities adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Urban Edge and Affiliates use the implicit discount rate when it is readily determinable. Since Urban Edge and Affiliates' leases do not provide an implicit rate, the risk-free rate at the lease commencement date is used to determine the present value of the lease payments. Variable rent payments, if included in the lease agreement and not determinable at the lease commencement, are not included in the measurement of the lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. Urban Edge and Affiliates' lease terms include an option to terminate the leases. Urban Edge and Affiliates may elect to terminate the leases when they are reasonably certain that the options will be exercised. As of December 31, 2022, these options were not exercised and, therefore, were not included in the calculation of ROU assets and lease liabilities.

#### Consolidating Statements of Activities

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

#### Fair Value Measurements

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

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

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments

Investments are recorded in the consolidating financial statements at fair value. If an investment is directly held by Urban Edge and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period (see Note 7).

#### Estimates

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

#### Income Taxes

Urban Edge is exempt from income taxes under Section 501(c)(3) of the IRC. Urban Edge has for-profit corporate affiliates (see Note 3) that are subject to income taxation at the Federal and state levels. These corporate affiliates include the general partners of certain controlled rental programs. The corporate affiliates collectively had, for Federal income tax purposes, net operating loss carryforwards of approximately \$2.7 million available to offset future taxable income as of December 31, 2022 and 2021. Losses incurred prior to 2018 expire at various dates through 2037. Losses incurred after 2017 do not expire. The value of the deferred tax assets associated with net operating loss carryforwards has been reserved due to the uncertainty of their future use. Many of Urban Edge's Rental Programs are operated within limited liability companies or limited partnership entities that are considered partnerships for tax purposes. No income tax provision has been included in the consolidating financial statements for the partnership affiliates, as the income, loss and credits are reported by the partners on their respective income tax returns.

Urban Edge and Affiliates account for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidating financial statements regarding a tax position taken or expected to be taken in a tax return. Urban Edge has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidating financial statements at December 31, 2022 and 2021.

#### Subsequent Events

Subsequent events have been evaluated through June 26, 2023, which is the date the consolidating financial statements were available to be issued. See Notes 3 and 5 for events that met the criteria for recognition or disclosure in the consolidating financial statements.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS

Urban Edge and Affiliates' consolidating financial statements include the following entities:

#### Operating:

The operating column includes those entities that operate core programs run or supervised by Urban Edge. It also includes entities established to hold real estate projects under development for which Urban Edge is developing plans. Such entities are generally moved to Rental Programs when the properties are placed in service or upon receiving secured financing even if the project is currently under development as it will become an operating rental project in the near term.

#### *Urban Edge Real Estate of Greater Boston, Inc.*

Included in Urban Edge's operating column is Urban Edge Real Estate of Greater Boston, Inc. (a Massachusetts corporation, not-for-profit) (UEREGB) which is related by common Board membership. As of December 31, 2022 and 2021, there is no activity in UEREGB. Management has not yet determined a course of action for UEREGB but does not intend on dissolving the corporation.

#### *CUE Realty LLC*

CUE Realty LLC (a Massachusetts limited liability company) (CUE) is a real estate brokerage business with Urban Edge serving as the sole member. CUE provides real estate brokerages services to low-income and first-time homebuyers in the Greater Boston area and surrounding communities. CUE has elected to be taxed as a corporation for Federal and state income tax purposes.

The summarized statements of financial position and activities for CUE are as follows as of and for the years ended December 31:

<u>Statements of Financial Position</u>	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash	\$ 5,871	\$ 9,805
Restricted deposits	49,450	9,625
Accounts receivable	9,347	-
Prepays and other	1,184	1,184
Leasehold improvements and equipment, net	<u>499</u>	<u>847</u>
	<u>\$ 66,351</u>	<u>\$ 21,461</u>
<b>Liabilities and Net Assets:</b>		
Accounts payable and other liabilities	\$ 111,695	\$ 17,568
Member's equity (deficit)	<u>(45,344)</u>	<u>3,893</u>
	<u>\$ 66,351</u>	<u>\$ 21,461</u>
 <u>Statements of Activities</u>		
<b>Revenue:</b>		
Program service fees - commissions	\$ 341,144	\$ 490,626
<b>Expenses:</b>		
Operating expenses	<u>390,381</u>	<u>484,263</u>
Changes in net assets	<u>\$ (49,237)</u>	<u>\$ 6,363</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

**Operating:** (Continued)

#### ***Webb Building Annex***

Also included in Urban Edge's operating column is the property known as Webb Building Annex (part of the property previously known as Webb Building or 1544 Columbus Avenue). The primary nature of this property is a development property integral to the Jackson Square project since its purchase by Urban Edge in 2005. This property also served as Urban Edge's headquarters through May 2015, when Urban Edge moved into the newly constructed Jackson Commons facility which was constructed on a portion of the original Webb Building parcel. The remaining Webb Building Annex is now leased to other commercial and nonprofit organizations.

Urban Edge expects to recover its original investment in the Webb Building property from its redevelopment which will trigger payment of a portion of \$5,000,000 of "land transfer payments" to be paid from the Jackson Square development strategy. Urban Edge has previously received installments of land transfer payments totaling \$3,532,974 related to the development of the Jackson Square projects (see Note 5) as of December 31, 2022 and 2021. The remaining investment in the Jackson Square development strategy is expected to be recovered from the future final land payment installment upon sale.

#### ***4151 LLC***

4151 LLC (4151) is a Massachusetts limited liability company formed in 2016 for the sole purpose of acquiring two parcels of land, 41 Walnut Park (\$575,000 acquisition price) and 51 Walnut Park (\$585,000 acquisition price). Both transactions were financed with acquisition funding provided by Community Housing Capital. In 2020, the acquisition loan was extended through August 7, 2023. 51 Walnut Park consists of a triple decker that is currently occupied and generating rental income. 41 Walnut Park is a vacant, abandoned building that has been secured until future development plans have been generated. An ancillary building on site was demolished in 2020. 4151 will be disregarded for tax purposes. There are possible development plans that include a home ownership project.

#### ***Mildred C. Hailey Apartments LLC***

Mildred C. Hailey Apartments LLC (Mildred Hailey) is a Massachusetts limited liability company formed in 2019 as a joint venture between Urban Edge, the Jamaica Plain Neighborhood Development Corporation (JPNDC), and The Community Builders (TCB), through the entity Centre Street Partners. Centre Street Partners has been designated by the Boston Housing Authority to redevelop Phase I of the Mildred Hailey Apartments, formerly known as Bromley Heath. Urban Edge entered into a business term sheet with Centre Street Partners in August 2017, and an operating agreement in 2021. In 2021, Centre Street Partners received Article 80 development review approval for the Master Plan. Based on project phasing, Urban Edge is expected to build its units in 2024 or later. In 2023, Mildred Hailey was awarded \$4 million from the City of Boston for the first of two Urban Edge buildings.



## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Rental Programs:

Urban Edge's real estate portfolio consists of approximately 70,000 square feet of commercial rental space and over 1,300 units of subsidized, cooperative and rental housing in the Roxbury, Dorchester, Jamaica Plain, and Mattapan neighborhoods of Boston, Massachusetts. Urban Edge co-owns 463 of these units with resident associations. Property management for Urban Edge's real estate portfolio is provided by a third-party management company. Net rental revenues from these units and units managed by others were approximately \$35 million and \$34 million for 2022 and 2021, respectively.

#### Residential Properties

**137 Amory LLC (Holtzer Park)** is a Massachusetts limited liability company formed in November 2017 as part of a five-hundred-unit mixed-income redevelopment of a Boston Housing Authority (BHA) site being advanced by Urban Edge, JPNDC and TCB, as designated developers. Urban Edge is to develop sixty-two family apartments in a 100% affordable building. Urban Edge received a funding allocation in 2019, including tax-exempt bonds and 4% low-income housing tax credits (LIHTC). Construction reached substantial completion and received temporary certificates of occupancy in April 2022. At closing, the entity entered into a ground lease with the BHA through Amory Street Partners LLC. During 2022, Holtzer Park received its first installment of \$10,333,148 in capital contributions from its investor member and managing member.

**1599 Columbus LLC (1599 Columbus)** is a Massachusetts limited liability company formed in 2016 for the purpose of constructing a sixty-five-unit affordable housing project with the redevelopment of two commercial buildings. In 2021, the project was awarded funding from the Commonwealth of Massachusetts (the Commonwealth) and construction closing occurred in August 2022 and began thereafter with an anticipated completion for April 2024. The investor member was admitted during August 2022. During 2022, 1599 Columbus received its first installment of \$2,449,425 in capital contributions from its investor member.

**Academy Homes Urban Edge Limited Partnership (Academy)**, (a Massachusetts limited partnership) operates two hundred and two units of rental housing for low and moderate-income families/individuals and three commercial units in Roxbury, Massachusetts. Urban Edge owns 99.99% as the limited partner and Academy Homes Urban Edge, Inc. owns .01% as the general partner. The general partner is owned equally by Urban Edge and Academy Homes Tenant Association.

**Amory Terrace Limited Partnership (Amory)**, (a Massachusetts limited partnership) operates sixty-four units of rental housing located in Roxbury, Massachusetts for low and moderate-income families/individuals. Urban Edge owns 100% of Amory's equity interests.

**Bancroft Dixwell LLC (Bancroft Dixwell)**, (a Massachusetts limited liability company) formed in 2019 for the purpose of acquiring property from Bancroft Limited Partnership and Dixwell Park UE LLC (see below) to conduct an occupied rehabilitation of seventy-eight units of affordable housing. During 2021, Bancroft Dixwell received its first installment of \$3,413,771 in capital contributions from its investor member and managing member and construction on the project began. There were no installments paid during 2022.

**Bancroft Limited Partnership (Bancroft Housing)**, (a Massachusetts limited partnership) owned and operated forty-five units of low-income rental housing in the Roxbury, Massachusetts area. Urban Edge owns 100% of Bancroft Housing's equity interests. The property owned by Bancroft Housing was sold to Bancroft Dixwell in order for the property to undergo an occupied rehabilitation. In addition, Bancroft Housing retained ownership of the land and entered into a long-term ground lease with Bancroft Dixwell.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Rental Programs: (Continued)

##### Residential Properties (Continued)

**CDB Limited Partnership (CDB)**, (a Massachusetts limited partnership) operates ninety units of rental housing located in Roxbury and Jamaica Plain, Massachusetts for low and moderate-income families/individuals.

**Dixwell Park UE LLC (Dixwell Park)** is a Delaware limited liability corporation. Urban Edge is the sole member of Dixwell Park, which has elected to be disregarded as a separate entity from Urban Edge for tax purposes. Dixwell Park operated a thirty-three-unit rental apartment complex in Roxbury, Massachusetts. The property owned by Dixwell Park was sold to Bancroft Dixwell in order for the property to undergo an occupied rehabilitation. In addition, Dixwell Park retained ownership of the land and entered into a long-term ground lease with Bancroft Dixwell.

**Egleston Crossing UE Limited Partnership (Egleston Crossing)**, (a Massachusetts limited partnership) operates sixty-three units of rental housing located in Roxbury, Massachusetts for low and moderate-income families/individuals and 9,200 square feet of commercial units. Urban Edge effectively owns 100% of this property's equity interest.

**Egleston Infill, LLC (Walker Park)** is a Massachusetts limited liability company. Walker Park was formed for the construction and operation of a forty-nine-unit affordable housing project.

**Ennis Highland UE LLC (Ennis Highland)** is a Massachusetts limited liability company. Urban Edge is the sole member of Ennis Highland, which has elected to be disregarded as a separate entity from Urban Edge for tax purposes. Ennis Highland operates two units of scattered site rental housing in Roxbury and Jamaica Plain, Massachusetts. As of December 31, 2022 and 2021, these two remaining units are leased as rental units.

**Harvard Hill UE LLC (Harvard Hill)** was formed in October 2003 as a Massachusetts limited liability company. Urban Edge is the sole member of Harvard Hill, which has elected to be disregarded for tax purposes. Harvard Hill operates a thirty-seven-unit subsidized rental apartment complex in Mattapan, Massachusetts.

**Jackson Commons UE LLC (Jackson Commons UE)**, (a Massachusetts limited liability company) operates twenty-nine units of rental housing located in Roxbury, Massachusetts for low and moderate-income families/individuals (the Property).

**J.P. Housing Limited Partnership (J.P. Housing)** is a Massachusetts limited partnership formed in December 1991. J.P. Housing owns and operates one hundred and three units of low-income rental housing and two commercial units in eleven buildings in the Jamaica Plain and Dorchester areas of Boston, Massachusetts. Urban Edge owns 100% of J.P. Housing equity interests.

**LBB Apartments LLC (LBB)**, (a Massachusetts limited liability company) operates one hundred and one units of rental housing located in Dorchester and Mattapan, Massachusetts for low and moderate-income families/individuals.

**Montebello Hillside LLC (Montebello Hillside)** was formed in October 2016 as a Massachusetts limited liability company. Montebello operates a six-unit rental property located in Jamaica Plain, Massachusetts for low and moderate-income families/individuals.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Rental Programs: (Continued)

##### Residential Properties (Continued)

**Montebello Limited Partnership (Montebello)**, (a Massachusetts limited partnership) operates seven units of rental housing located in Jamaica Plain, Massachusetts for low and moderate-income families/individuals. Urban Edge owns a 50.66% interest in Montebello.

**Theroch Apartments LLC (Theroch)** was formed in August 2004 as a Massachusetts limited liability company. Theroch operates a multi-family affordable rental property consisting of one hundred and ninety-one units of rental housing and a community center located in the Roxbury and Dorchester neighborhoods of Boston, Massachusetts. The property was donated to Theroch by the U.S. Department of Housing and Urban Development (HUD) through its Demonstration Disposition program. Urban Edge owns a 51% interest in Theroch.

**UE Apartments, LLC (UE Apartments)**, (a Massachusetts limited liability company) operates eighty-two units of rental housing located in Roxbury, Massachusetts for low and moderate-income families/individuals.

**Walnut Washington Apartments, LLC (Walnut Washington)**, (a Massachusetts limited liability company) operates sixty-five units of low-income rental housing located in Jamaica Plain and Roxbury, Massachusetts.

**Wardman UE Limited Partnership (Wardman)**, (a Massachusetts limited partnership) operates eighty-eight units of rental housing located in Roxbury, Massachusetts for low and moderate-income households. Urban Edge owns 100% of Wardman's equity interest.

**Westminster Community Limited Partnership (Westminster)**, (a Massachusetts limited partnership) owned and operated seventy units of rental housing. Urban Edge owns 100% of Westminster's equity interests. The property owned by Westminster was sold to Wilshire Westminster LLC in order for the property to undergo a moderate rehabilitation. In addition, Westminster retained ownership of the land and entered into a long-term ground lease with Wilshire Westminster LLC.

**Wilshire Apartments LLC (Wilshire)**, (a Massachusetts limited partnership) owned and operated twenty-nine units of rental housing. Urban Edge is the sole member of Wilshire, which has elected to be disregarded for tax purposes. The property owned by Wilshire was sold to Wilshire Westminster LLC in order for the property to undergo a moderate rehabilitation. In addition, Wilshire retained ownership of the land and entered into a long-term ground lease with Wilshire Westminster LLC.

**Wilshire Westminster LLC (WW LLC)**, (a Massachusetts limited liability company) was formed in 2018 for the rehabilitation of the Wilshire and Westminster properties. During 2021, WW LLC received \$114,308 in capital contributions from the limited partner. No additional capital contributions are required to be made.

##### Commercial Properties

**2010 Columbus Avenue (2010 Columbus)**, (a program of Urban Edge) is a commercial rental property consisting of five offices that are part of two condominium projects. Four units represent all units at 2010 Columbus Ave. and one unit is in an adjoining eight-unit development at 2000 Columbus Ave. 2010 Columbus is currently a rental property housing the property management site office that continues to serve Urban Edge's housing and commercial portfolio and three nonprofit organizations focused on youth and open space.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Rental Programs: (Continued)

##### Commercial Properties (Continued)

**Father Jack Roussin Community Center (Community Center)**, (a program of Urban Edge) is a building owned by Urban Edge in the Egleston Square neighborhood of Boston, Massachusetts, which serves as a community youth center. This program leases office space to nonprofit organizations, including the Greater Egleston Community High School, a pilot high school of the Boston Public School system.

**Egleston Center Corporation (ECC)**, (a wholly-owned for-profit subsidiary of Urban Edge) was formed in 1996 as the ownership entity of a commercial development called Egleston Center. Urban Edge owns 1,000 shares (100%) of its \$1 par common stock. Urban Edge's equity contributed to ECC consisted of \$1,192,353 of capital grants received for site remediation and other construction costs. ECC is rented to a bank branch and other commercial tenants.

**Jackson Commons QALICB LLC (Jackson Commons QALICB)**, (a Massachusetts limited liability company) operated 13,632 square feet of commercial space and eight units of rental housing located in Roxbury, Massachusetts for low and moderate-income families/individuals. Jackson Commons QALICB had entered into two Master Lease agreements with JC Owner LLC, one for the commercial space and one for the residential units. Urban Edge held 95% equity of Jackson Commons QALICB. During 2021, the property owned by Jackson Commons QALICB transferred ownership to JC Owner LLC. Jackson Commons QALICB was dissolved during 2021 after the transfer of ownership.

**JC Owner LLC (JC Owner)**, (a Massachusetts limited liability company, formerly known as JC Master Tenant LLC) leased the entire commercial space and eight units of rental housing from Jackson Commons QALICB, as well as provided leverage loans to Jackson Commons Investment Fund, LLC in connection with a New Market Tax Credit financing structure. During 2021, JC Owner received ownership of the property previously owned by Jackson Commons QALICB. Urban Edge owns 100% of JC Owner's equity interest.

#### Other Affiliates Consolidated with Urban Edge:

**General Partner Entities** - Urban Edge has other combined wholly-owned and majority-owned subsidiaries that serve as the general partners of limited partnerships, which operate various low-income and subsidized housing projects, which were developed by Urban Edge.

The following wholly-owned general partners of Urban Edge are included in the consolidating financial statements:

- **1599 Columbus Manager LLC**, general partner of 1599 Columbus.
- **Amory Terrace GP LLC**, general partner of Amory.
- **Bancroft UE LLC**, holds a 99% limited partner interest in Bancroft Housing.
- **Bancroft Dixwell Manager LLC**, general partner of Bancroft Dixwell.
- **Roxbury/JP Crossing UE, Inc.**, general partner of Egleston Crossing.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Other Affiliates Consolidated with Urban Edge: (Continued)

- **J.P. Housing UE, LLC (J.P. Housing UE)**, holds a 99.98% limited partner interest in J.P. Housing.
- **Montebello Housing, Inc.**, co-general partner of Montebello.
- **Urban Edge Development Trust**, holds Urban Edge's beneficial interest in Bancroft Housing, Inc. (see below).
- **WW MM LLC**, general partner of WW LLC.

Urban Edge also maintains the following interests in other general partners:

- **137 Amory MM LLC**, managing member of Holtzer Park. Urban Edge owns 79% of this LLC's common stock.
- **Academy Homes Urban Edge, Inc.**, general partner of Academy. Urban Edge owns 50% of this corporation's common stock.
- **Amory Terrace UE, Inc.**, which owns 79% of Amory Terrace GP, LLC.
- **Bancroft Housing, Inc.**, general partner of Bancroft Housing. Urban Edge owns 78% of this corporation's common stock.
- **CDB, LLC**, general partner of CDB. Urban Edge owns a 49.1% managing interest in this entity.
- **Egleston MM LLC**, managing member of Walker Park. Urban Edge owns a 79% interest in this entity.
- **JC-JPNDC LLC**, owns 100% of Jackson Commons UE MM, LLC (see below) and Urban Edge holds a 49% interest in JC-JPNDC LLC.
- **Jackson Commons UE MM LLC**, managing member of Jackson Commons UE. Urban Edge holds a 49% controlling interest in this entity through JC-JPNDC LLC.
- **J.P. Housing, Inc.**, general partner of J.P. Housing. Urban Edge owns 78% of this corporation's common stock.
- **LBB Apartments Manager LLC**, general partner of LBB. Urban Edge owns a 51% interest in this entity.
- **MHA B3 GP LLC**, general partner of Mildred Hailey. Urban Edge owns a 100% interest in this entity. This entity was formed during 2023 subsequent to year-end.
- **Mildred Hailey 3 Limited Partnership**, general partner of Mildred Hailey. Urban Edge owns a 99.99% interest in this entity. This entity was formed during 2023 subsequent to year-end.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Other Affiliates Consolidated with Urban Edge: (Continued)

- **UE Apartments Manager, LLC**, managing member of UE Apartments. Urban Edge holds a 79% interest in this entity.
- **Walnut Washington Apartments Manager, LLC**, managing member of Walnut Washington. Urban Edge holds a 79% interest in this entity.
- **Wardman UE, Inc.**, general partner of Wardman. Urban Edge owns 79% of this corporation's common stock.
- **WCATA Company, Inc.**, general partner of Westminster. Urban Edge owns 50% of this corporation's common stock.

The non-controlling minority interest of these entities is not material to the accompanying consolidating financial statements, and accordingly, is not reflected.

#### Other Affiliates Not Consolidated with Urban Edge:

##### **Amory Street Partners, LLC**

Urban Edge is one of three members of Amory Street Partners, LLC (ASP), which was formed as a joint venture to redevelop the area of 125 Amory Street in the Jamaica Plain section of Boston, Massachusetts. Urban Edge has a 13% interest in ASP. Each of the three members has a specific project as a part of the larger redevelopment of the area. Urban Edge will construct a sixty-two-unit building (Holtzer Park) (see Note 5). The other members will rehabilitate the current one hundred and ninety-nine-unit affordable senior housing building and construct two mixed-income buildings totaling two hundred and eighty-seven units. Urban Edge formed Holtzer Park for the purposes of acquiring, developing and operating its portion of the project. Construction was completed in April 2022.

##### **Jackson Square Partners, LLC**

Urban Edge is one of three members of Jackson Square Partners, LLC (JSP), which was formed as part of a joint venture with other area community organizations based in Jamaica Plain for the redevelopment of certain parcels of real estate in the Jackson Square area of Boston, Massachusetts. Urban Edge has a 45% interest in JSP and records its investment in this venture using the equity method of accounting, because of its ability to exercise significant influence over the activities of JSP. The balance of its investment as of December 31, 2022 and 2021, has been reduced to zero by Urban Edge's share of JSP's losses.

JSP had entered into a note agreement and borrowed \$1.5 million from a consortium of lenders to finance certain predevelopment activities of the Jackson Square development. The credit arrangement expired on June 30, 2020, and the \$1.5 million borrowed was expected to be repaid from the closing of specific projects in the development. In June 2020, Urban Edge paid off its portion of the note agreement. Urban Edge has entered into a guaranty agreement for a portion of the remaining note's principal not to exceed 53% of the outstanding loan balance. As of December 31, 2022 and 2021, the guaranty totaled \$293,662.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with Related Parties:

Significant transactions between related parties and Urban Edge are:

##### Advances Receivable

Urban Edge made cash advances to related entities and is owed the following receivables as of December 31:

	<u>2022</u>	<u>2021</u>
Ennis Highland	\$ 68,100	\$ 68,100
Harvard Hill	40,000	-
Egleston Crossing	25,000	25,000
Bancroft Dixwell	-	225,000
Subtotal	<u>133,100</u>	<u>318,100</u>
JSP (unconsolidated)	<u>314,087</u>	<u>314,087</u>
	<u>\$ 447,187</u>	<u>\$ 632,187</u>

##### Mortgages and Notes Receivable

The following mortgages and notes receivable from the various LPs and LLCs, which are shown net of eliminations, are generally subordinate to first mortgages held by banks or government entities:

	<u>2022</u>	<u>2021</u>
<b>1599 Columbus</b>		
3% note receivable, secured by a mortgage from 1599 Columbus, to be repaid with accrued interest by August 2064.	\$ 57,487	\$ -
<b>Academy</b>		
.01% note receivable, secured by a mortgage from Academy, to be repaid with accrued interest by December 2028.	500,000	500,000
<b>CDB</b>		
3.9% notes receivable, secured by a mortgage from CDB, due December 29, 2057.	10,065,778	10,065,778
<b>Egleston Crossing</b>		
4.84% and 6.5% notes receivable, secured by mortgages from Egleston Crossing, due March 1, 2034.	1,929,658	1,929,658

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

**3. RELATED PARTY TRANSACTIONS (Continued)****Transactions with Related Parties: (Continued)****Mortgages and Notes Receivable (Continued)**

	<u>2022</u>	<u>2021</u>
<b>Holtzer Park</b>		
3.8% note receivable, secured by a mortgage from Holtzer Park, due September 2062.	4,584,375	-
Non-interest bearing note receivable, secured by a mortgage from Holtzer Park, due November 2062.	500,000	500,000
1.15% note receivable, secured by a mortgage from Holtzer Park, due September 2062.	86,633	87,356
<b>J.P. Housing</b>		
Two non-interest bearing, unsecured, notes receivable from J.P. Housing, due January 2051.	242,690	242,690
<b>Jackson Commons UE</b>		
4.5% note receivable, secured by a mortgage from Jackson Commons UE, due December 31, 2053.	714,648	714,648
<b>LBB</b>		
Non-interest bearing note receivable, secured by a mortgage from LBB, due January 1, 2054.	671,490	671,490
<b>Montebello</b>		
10% note receivable, secured by a mortgage from Montebello, due December 31, 2024.	140,162	140,162
12% note receivable, secured by a mortgage from Montebello, due December 31, 2024.	96,830	96,830
3% note receivable, secured by a mortgage from Montebello, due December 31, 2024.	61,000	61,000
12% note receivable, unsecured, from Montebello, due December 31, 2024.	55,657	55,657
<b>Montebello Hillside</b>		
5% note receivable, unsecured, from Montebello Hillside, due June 2027.	28,061	28,061



**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

**3. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with Related Parties: (Continued)**

**Mortgages and Notes Receivable (Continued)**

	<u>2022</u>	<u>2021</u>
<b><i>UE Apartments</i></b>		
3.75% note receivable, secured by a mortgage from UE Apartments, due January 1, 2053.	6,943,516	6,943,516
1% notes receivable, secured by a mortgage from UE Apartments, due December 22, 2061.	632,326	632,326
3.75% note receivable, secured by a mortgage from UE Apartments, due January 1, 2053.	450,000	450,000
1% note receivable, secured by a mortgage through Massachusetts State Historic Tax Credits from UE Apartments, due December 22, 2061.	448,371	448,371
<b><i>Walker Park</i></b>		
3.0% note receivable, secured by a mortgage from Walker Park, due July 2062.	3,122,174	3,122,174
Non-interest bearing note receivable, secured by a mortgage from Walker Park, due July 2062.	193,248	200,000
2.75% note receivable, secured by a mortgage from Walker Park, due December 2028.	-	39,715
<b><i>Walnut Washington</i></b>		
5.5% note receivable, secured by a mortgage from Walnut Washington, due September 30, 2044.	6,895,054	6,895,054
<b><i>WW LLC</i></b>		
4.35% note receivable, secured by a mortgage from WW LLC, due October 2070.	2,892,990	2,892,990
Non-interest bearing note receivable, secured by a mortgage from WW LLC, due December 2034.	750,000	750,000
4.35% note receivable, secured by a mortgage from WW LLC, due October 2070.	614,250	614,250
4.35% note receivable, secured by a mortgage from WW LLC, due October 2070.	<u>133,932</u>	<u>133,932</u>
Total mortgages and notes receivable	<u>\$ 42,810,330</u>	<u>\$ 38,215,658</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with Related Parties: (Continued)

##### Mortgages and Notes Receivable (Continued)

Urban Edge and Affiliates follow the FASB's ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. This ASU clarifies the definition of a business with the objectives of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets and businesses. In accordance with ASC Topic 805, *Business Combinations*, an acquisition between entities under common control, the purchase of the property has been recorded at the entity's carryover basis, while the related acquisition Seller Note has been recognized as a component of equity. The following seller notes have been treated as a component of equity in the accompanying consolidating financial statements as of December 31:

	<u>2022</u>	<u>2021</u>
5.75% notes receivable to Bancroft Housing and Dixwell Park from Bancroft Dixwell. These notes are secured by a shared third mortgage on the Bancroft Dixwell property. These notes have a maturity date of October 2064, with payments of principal and interest due annually based on net cash flow. Accrued interest as of December 31, 2022 and 2021, was \$1,296,740 and \$194,330, respectively. Interest expense for the years ended December 31, 2022 and 2021, was \$1,102,410 and \$194,330, respectively.	\$ 18,978,022	\$ 18,978,022
2.99% note receivable to Westminster from WW LLC. This note is secured by a fifth mortgage on the WW LLC property. The note has a maturity date of October 2070, with payments of principal and interest due annually based on net cash flow. Accrued interest as of December 31, 2022 and 2021, was \$455,372 and \$301,299, respectively. There was a payment of \$182,771 applied to accrued interest for the year ended December 31, 2021, which has been eliminated in the accompanying consolidating financial statements. Interest expense for the years ended December 31, 2022 and 2021, was \$154,073 and \$152,253, respectively.	4,851,657	4,851,657
4.25% note receivable to Wilshire Westminster from Urban Edge. This note is secured by a fifth mortgage on the WW LLC property. The note has a maturity date of October 2070, with payments of principal and interest due annually based on net cash flow. Accrued interest as of December 31, 2022 and 2021, was \$455,372 and \$301,299, respectively. Interest expense for the years ended December 31, 2022 and 2021, was \$64,188 and \$61,515, respectively.	<u>1,284,765</u>	<u>1,284,765</u>
Total notes receivable under Topic 805	<u>\$ 25,114,444</u>	<u>\$ 25,114,444</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

### 3. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with Related Parties: (Continued)

##### Interest Receivable

Interest receivable on these mortgages and notes aggregated \$12,373,124 and \$11,508,151 as of December 31, 2022 and 2021, respectively. Due to the contingent nature of its receipt, interest is typically reserved by Urban Edge except to the extent of either cash payments received by Urban Edge or value of expected cash payments to be received in the near-term. Interest income of \$287,711 and \$318,237 was recognized in 2022 and 2021, respectively, based on expected cash flow analysis on the respective mortgages and notes receivable in the near-term.

##### Other Transactions

Other transactions consist of resident service fees, asset management fees, and contract, loan and other receivables as of December 31, 2022 and 2021.

##### Summary of Receivables from Consolidated Related Parties

	<u>2022</u>	<u>2021</u>
Advances (see page 28)	\$ 133,100	\$ 318,100
Mortgages and notes (see page 30)	42,810,330	38,215,658
Interest (see above)	12,373,124	11,508,151
Project management fees and construction receivables (see Note 5)	3,750,717	2,211,129
Management and resident service fees and other	<u>2,422,801</u>	<u>2,146,616</u>
	61,490,072	54,399,654
Less - valuation allowances	<u>(53,203,504)</u>	<u>(48,661,376)</u>
Net expected realizable value to Urban Edge	<u>\$ 8,286,568</u>	<u>\$ 5,738,278</u>

The ability of Urban Edge to realize the majority of these assets is dependent on the ability of the partnerships to generate sufficient cash flow or the sale or refinancing by the respective partnerships. Due to the long-term nature of expected realization, Urban Edge has established valuation allowances of \$53,203,504 and \$48,661,376 against these balances to reflect these assets at expected realizable values as of December 31, 2022 and 2021, respectively. The net expected realizable value has also been eliminated from the consolidating statements of financial position.

Transactions between these entities, which have been eliminated from the accompanying consolidating statements of activities, were as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Program services fees to Urban Edge	\$ 1,055,550	\$ 1,001,670
Rent charged by Rental Programs to Urban Edge	284,384	283,872
Intercompany profits on developer fees	3,027,483	553,447
Interest to Urban Edge	1,891,481	1,998,474
Issuance of note receivable	<u>4,584,375</u>	<u>-</u>
	10,843,273	3,837,463
Less - net change in intercompany valuation allowances	<u>(4,557,215)</u>	<u>1,434,465</u>
Net	<u>\$ 6,286,058</u>	<u>\$ 5,271,928</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 4. RESTRICTED DEPOSITS

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

	<u>2022</u>	<u>2021</u>
Total Rental Properties (see Note 13)	\$ 25,845,671	\$ 23,300,933
Less - current portion	<u>(2,766,377)</u>	<u>(2,609,518)</u>
Non-current portion	<u>\$ 23,079,294</u>	<u>\$ 20,691,415</u>

Operating escrows, special reserves, and other escrows with short-term purposes are classified as current in the accompanying consolidating statements of financial position. Replacement reserves, other reserve - holdback, and a portion of restricted contributions and loan funds are classified as non-current in the accompanying consolidating statements of financial position.

### 5. DEVELOPMENT

This portion of net assets includes all real estate and economic development activity related to Urban Edge's construction and development projects, including completed and active projects. It includes housing projects for low and moderate-income families, commercial projects, as well as activity related to improvement projects for properties held as rental property and those that have been spun-off as limited partnerships and limited liability companies. The assets in this fund consist of projects under development, receivables for project management fees and construction costs, and loans receivable from and advances to various limited partnerships that operate the low-income housing projects developed by Urban Edge.

During 2022 and 2021, Urban Edge continued a pipeline dedicated to the creation and preservation of affordable housing to households with modest income. The following projects were under development during the years ended December 31, 2022 and 2021:

#### ***Bancroft Dixwell***

Urban Edge began predevelopment work for a planned recapitalization of Bancroft Apartments and Dixwell Park. The owner of Bancroft Apartments is Bancroft Housing. Bancroft Housing, Inc. withdrew as General Partner of Bancroft Housing and a substitute General Partner, Bancroft UE General Partner LLC, was admitted. In 2019, Urban Edge formed a new entity, Bancroft Dixwell LLC, which acquired property from Bancroft Apartments and Dixwell Park to conduct an occupied rehabilitation of seventy-eight units of affordable housing. Total development costs are expected to be approximately \$58 million and the closing on the construction financing occurred on October 25, 2021. As the financing close occurred during 2021, Bancroft Dixwell was transferred from a development property to a rental property as of December 31, 2021. Funding sources include 4% LIHTC, tax-exempt volume cap bonds, and equity generated from State and Federal Historic Credits. The project is in the last phase of construction and is estimated to be completed in the fall of 2023. Seventy-five of the units are deed restricted as affordable housing.

#### ***1599 Columbus Ave***

Urban Edge is the sole member of 1599 Columbus Manager LLC. Both 1599 Columbus and 1599 Columbus Manager LLC will be disregarded for tax purposes. In 2016, 1599 Columbus acquired a commercial building for \$1,200,000; it acquired a second, abutting commercial building in 2018 for \$830,000. Each acquisition was entirely leveraged with the Community Economic Development Assistance Corporation (CEDAC) providing the acquisition capital.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 5. DEVELOPMENT (Continued)

#### ***1599 Columbus Ave*** (Continued)

In 2020, zoning approvals were secured for new construction of sixty-five rental units and the project was awarded partial funding from the City of Boston. In 2021, the project was awarded funding from the Commonwealth and construction closing occurred in August 2022 and began thereafter with an anticipated completion for April 2024. The investor member was admitted during August 2022.

#### ***41-51 Walnut Park***

Urban Edge, through its affiliate entity, 4151, purchased two parcels of land located at 41 and 51 Walnut Park in Roxbury, Massachusetts (see Note 3). Both parcels were acquired with existing structures built on each site. 41 Walnut Park consists of one vacant building and a second building that was destroyed by fire in 2018. 51 Walnut Park consists of a triple-decker apartment building that is currently being rented. Urban Edge is evaluating the sites for development, which is expected to result in at least nineteen housing units on the sites. Construction closing is dependent on the availability of funding and is not anticipated to occur until early 2024 or a later date.

#### ***Holtzer Park***

Holtzer Park is part of a five-hundred-unit mixed-income redevelopment of a BHA site being advanced by Urban Edge, JPNDC and TCB, as designated developers. Urban Edge is to develop sixty-two family apartments in a 100% affordable building. Funding sources were allocated during 2019 and include Federal 4% LIHTC, tax-exempt bonds, and other state and local subsidies. The construction closing occurred on September 29, 2020. Construction was completed in April 2022 and costs were approximately \$32 million, at which time the project was placed in service. At construction closing, Holtzer Park entered into a ground lease with BHA through ASP (see page 27).

#### ***Jackson Square***

Urban Edge, in collaboration with local residents and business owners, developed a strategic planning process aimed at the development of the Egleston Square and Jackson Square neighborhoods of the Jamaica Plain and Roxbury areas of Boston. The Jackson Coordinating Group (JCG), a thirty-member group of local organizations and associations, was formed to assist in the strategic planning process. The Boston Redevelopment Authority (BRA) provided staff and technical assistance to the JCG as the strategic plan was further refined.

Urban Edge, together with JPNDC, formed JSP (see Note 3) to lead the development of Jackson Square. JSP was subsequently joined by the Hyde Square Task Force, Friends of the Kelly Rink, and two private developers to further strengthen the development efforts aimed toward Jackson Square. The group was ultimately awarded designation by the BRA for the development of 6.5 acres of public land in Jackson Square. This plot of public land was later permitted for the construction of Jackson Commons.

Urban Edge has an agreement with JSP whereby Urban Edge is entitled to receive land transfer payments up to \$5,000,000 from development proceeds of projects in Jackson Square (see Note 3). To date, Urban Edge has received \$3,532,974 in land transfer payments from the various projects. The proceeds from the land transfer payments were used to pay down related debt that was used to secure the land that Urban Edge contributed to JSP. Urban Edge received land transfer payments of \$649,569 and \$202,166 during 2021 in connection with JPNDC's financial closing for their 25 Amory Street and 250 Centre Street projects. Urban Edge did not receive any land transfer payments during 2022.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 5. DEVELOPMENT (Continued)

#### *Mildred C. Hailey Apartments*

BHA designated Urban Edge, TCB, and JPNDC to redevelop a portion of the Mildred C. Hailey public housing development. The organizations formed a single-purpose development entity, Centre Street Partners, the sole member of which was TCB until Urban Edge and JPNDC were admitted as members in April 2021. The development plan calls for the demolition of approximately two hundred and thirty-three public housing units and the new construction of approximately six hundred and seventy-three apartments, which will include replacement housing for the two hundred and fifty-three existing households in the development area. Master planning was approved during 2021, with Urban Edge expected to build its units in 2024 or later. In 2023, Urban Edge was awarded \$4 million from the City of Boston for the first of two Urban Edge buildings.

#### **Project Management and Developer Fees**

Urban Edge, in its role as sponsor and developer, earns developer fees from each project. Urban Edge earned developer fees totaling \$3,672,639 and \$2,155,984 during 2022 and 2021, respectively, which are reflected as developer fees in the accompanying consolidating statements of activities.

The following is a summary of active developer fee contract balances (remaining balances to be either recognized or collected by Urban Edge) for projects owned and operated by affiliates as of and for the year ended December 31, 2022:

<u>Project</u>	<u>Total Contract</u>	<u>Recognized Prior to 2021</u>	<u>Recognized During 2021</u>	<u>Recognized During 2022</u>	<u>Remaining Contract Balance</u>
Holtzer Park	\$ 2,364,000	\$ 700,415	\$ 709,200	\$ 954,385	\$ -
Bancroft Dixwell	4,064,000	-	1,446,784	1,365,504	1,251,712
1599 Columbus	<u>3,092,000</u>	<u>-</u>	<u>-</u>	<u>1,352,750</u>	<u>1,739,250</u>
	<u>\$ 9,520,000</u>	<u>\$ 700,415</u>	<u>\$ 2,155,984</u>	<u>\$ 3,672,639</u>	<u>\$ 2,990,962</u>

Construction began for Holtzer Park during 2020. Thirty percent of the developer fee and overhead was recognized at the project's closing, with the remaining 70% recognized in equal monthly installments from the closing date to the completion of the project which occurred in 2022.

Construction began for Bancroft Dixwell during 2021. Thirty percent of the developer fee and overhead was recognized at the project's closing, with the remaining 70% to be recognized in equal monthly installments from the closing date to the completion of the project.

Construction began for 1599 Columbus during 2022. Fifty percent of the developer overhead was recognized at the project's closing, with the remaining 50% of developer overhead and the entire developer fee to be recognized in equal monthly installments from the closing date to the completion of the project.

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

**5. DEVELOPMENT (Continued)**

**Project Management Fees and Construction Receivables**

The following is a summary of amounts included in project management fees and construction receivables, which do not have formal mortgage agreements (see Note 3) as presented in the accompanying consolidating statements of financial position, net of valuation allowances, and which relate to projects that have secured financing and operate or are expected to operate as separate limited partnerships as of December 31:

	<b>2022</b>		
	<b>Receivable Balance</b>	<b>Allowance</b>	<b>Net Realizable Value</b>
Bancroft Dixwell	\$ 1,266,236	\$ -	\$ 1,266,236
Holtzer Park	1,211,550	-	1,211,550
1599 Columbus	579,750	-	579,750
Amory	115,462	(115,462)	-
Egleston Crossing	990,968	(990,968)	-
JSP LLC (unconsolidated)	268,750	(268,750)	-
Harvard Hill	<u>166,501</u>	<u>(166,501)</u>	<u>-</u>
	<u>\$ 4,019,467</u>	<u>\$ (1,541,681)</u>	<u>3,057,536</u>
Less - eliminations			<u>(3,057,536)</u>
Net consolidating total			<u>\$ -</u>
	<b>2021</b>		
	<b>Receivable Balance</b>	<b>Allowance</b>	<b>Net Realizable Value</b>
Bancroft Dixwell	\$ 386,610	\$ -	\$ 386,610
Holtzer Park	437,470	-	437,470
Amory	229,580	(229,580)	-
Egleston Crossing	990,968	(990,968)	-
JSP LLC (unconsolidated)	268,750	(268,750)	-
Harvard Hill	<u>166,501</u>	<u>(166,501)</u>	<u>-</u>
	<u>\$ 2,479,879</u>	<u>\$ (1,655,799)</u>	<u>824,080</u>
Less - eliminations			<u>(824,080)</u>
Net consolidating total			<u>\$ -</u>

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 5. DEVELOPMENT (Continued)

#### Projects Under Development

The following is a summary of amounts included in projects under development as presented in the accompanying consolidating statements of financial position. These include developer costs, net of valuation allowances, for projects that Urban Edge acquires and develops for sale to other entities which are preliminary in nature and have yet to secure long-term financing. As projects receive secured financing they are moved from Operating programs and included in Rental Programs even if the project is currently under development as it will become an operating rental project in the near term. Costs considered to be recoverable are capitalized. Recoverable costs expected to be realized within one year from the consolidating statements of financial position date, are classified as current. Other recoverable costs are classified as non-current. Non-recoverable costs are expensed as incurred.

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

	<u>2022</u>	<u>2021</u>
<b>Operating:</b>		
4151	\$ 1,877,864	\$ 1,808,281
Mildred Hailey	337,808	175,683
Other	42,328	44,933
1599 Columbus	-	3,616,678
<b>Rental Programs:</b>		
Bancroft Dixwell	20,479,058	5,511,923
1599 Columbus	8,099,409	-
Holtzer Park	-	23,838,646
	<u>30,836,467</u>	<u>34,996,144</u>
Less - eliminations	<u>(2,817,075)</u>	<u>(969,864)</u>
Net Projects Under Development	<u>\$ 28,019,392</u>	<u>\$ 34,026,280</u>

Management of Urban Edge has capitalized the costs related to various projects, some of which have uncertain financing, because management believes the costs are recoverable from the future development and/or sale of the project. There is a risk that if financing for specific projects is not obtained, sales proceeds are insufficient, or projects become unfeasible, that Urban Edge will need to write-down the value of the affected assets in future consolidating financial statements. During 2021, Urban Edge wrote off \$282,014 of predevelopment costs related to the 1599 Columbus property (see Note 3) for costs that were deemed nonrecoverable and is reflected as nonrecoverable development costs in the accompanying 2021 consolidating statement of activities.



## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

### 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

<u>2022</u>	<u>Operating</u>	<u>Rental Programs</u>	<u>Total</u>
Land and land improvements	\$ 1,464,019	\$ 24,024,067	\$ 25,488,086
Rental furniture and equipment	5,831	1,801,215	1,807,046
Rental buildings and improvements	-	291,493,012	291,493,012
Leasehold improvements	619,184	-	619,184
Office furniture, fixtures and equipment	307,788	760,079	1,067,867
	<u>2,396,822</u>	<u>318,062,913</u>	<u>320,475,195</u>
Less - accumulated depreciation	<u>(825,322)</u>	<u>(95,089,017)</u>	<u>(95,914,339)</u>
	<u>\$ 1,571,500</u>	<u>\$ 222,973,896</u>	224,560,856
Less - elimination			<u>(25,325,802)</u>
			<u>\$ 199,235,054</u>
<u>2021</u>	<u>Operating</u>	<u>Rental Programs</u>	<u>Total</u>
Land and land improvements	\$ 1,510,911	\$ 24,007,983	\$ 25,518,894
Rental furniture and equipment	5,831	1,110,246	1,116,077
Rental buildings and improvements	851,411	260,297,101	261,148,512
Leasehold improvements	619,184	-	619,184
Office furniture, fixtures and equipment	347,352	682,773	1,030,125
	<u>3,334,689</u>	<u>286,098,103</u>	<u>289,432,792</u>
Less - accumulated depreciation	<u>(1,756,062)</u>	<u>(87,414,454)</u>	<u>(89,170,516)</u>
	<u>\$ 1,578,627</u>	<u>\$ 198,683,649</u>	200,262,276
Less - elimination			<u>(24,869,588)</u>
			<u>\$ 175,392,688</u>

Prior to the adoption of ASC Topic 805, Urban Edge would report gains on property transactions with entities controlled by Urban Edge. The eliminations related to property and equipment are comprised of gains on the sale of properties realized upon sales between consolidating affiliates and developer fee profits earned by Urban Edge on developed residential properties as follows:

	<u>2022</u>	<u>2021</u>
Gain on intercompany sales:		
CDB purchased from DB Donations and Cleaves	\$ 10,065,778	\$ 10,065,778
UE Apartments purchased from UELP	8,183,948	8,183,948
Walnut Washington purchased from UE II Housing	6,968,314	6,968,314
Developer fee profits	<u>4,924,566</u>	<u>3,744,294</u>
	<u>30,142,606</u>	<u>28,962,334</u>
Less - accumulated depreciation	<u>(4,816,804)</u>	<u>(4,092,746)</u>
	<u>\$ 25,325,802</u>	<u>\$ 24,869,588</u>

For the above gains on intercompany sales, Urban Edge adopted ASC 805 during 2019, and applied the provision prospectively, thus their common control gains are not reported as a component of equity offset by seller financing.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

### 6. PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended December 31, 2022 and 2021, was \$7,073,200 and \$6,851,640, respectively, after depreciation related to intercompany developer fee profits, which is eliminated in consolidation.

### 7. INVESTMENTS

The investment portfolio, summarized using fair value inputs (see Note 2), consist of the following investment types as December 31:

	<b>2022</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Mutual funds - equities	\$ 6,403,925	\$ -	\$ -	\$ 6,403,925
Government bonds	1,958,990	-	-	1,958,990
Corporate bonds	1,865,910	-	-	1,865,910
Common securities	1,518,551	-	-	1,518,551
Money market	384,589	-	-	384,589
Foreign securities	<u>66,438</u>	<u>-</u>	<u>-</u>	<u>66,438</u>
	<u>\$ 12,198,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,198,403</u>
	<b>2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds - equities	\$ 7,320,753	\$ -	\$ -	\$ 7,320,753
Government bonds	1,091,796	-	-	1,091,796
Corporate bonds	1,046,940	-	-	1,046,940
Common securities	1,958,328	-	-	1,958,328
Money market	195,337	-	-	195,337
Foreign securities	65,961	-	-	65,961
Foreign bonds	<u>323,463</u>	<u>-</u>	<u>-</u>	<u>323,463</u>
	<u>\$ 12,002,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,002,578</u>

Investments are not insured and are subject to ongoing market fluctuations. All investments are being held for long-term purposes; accordingly, they are reflected as long-term assets in the accompanying consolidating statements of financial position. Interest and dividends are included in operating interest income and net realized/unrealized gain on investments is shown as non-operating activity in the accompanying consolidating statements of activities.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

### 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

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

	2022		2021	
	Operating	Rental Programs	Operating	Rental Programs
Cash and cash equivalents	\$ 13,370,557	\$ 9,197,107	\$ 13,111,479	\$ 9,213,681
Cash - Board designated	1,548,103	-	1,600,000	-
Current portion of restricted deposits	-	2,766,377	-	2,609,518
Current portion of contracts, loans and other receivables	841,405	1,487,511	1,003,073	918,031
Current portion of project management fees and construction receivables	1,211,550	-	824,080	-
Current portion of advances, mortgages, notes and interest receivable	<u>140,810</u>	<u>-</u>	<u>1,369,830</u>	<u>-</u>
	17,112,425	13,450,995	17,908,462	12,741,230
Less - cash held for program and initiatives with donor restrictions (see Note 2)	<u>(485,594)</u>	<u>-</u>	<u>(410,075)</u>	<u>-</u>
	<u>\$ 16,626,831</u>	<u>\$ 13,450,995</u>	<u>\$ 17,498,387</u>	<u>\$ 12,741,230</u>

As a part of Urban Edge's cash management and investment policy, cash in excess of daily requirements is invested in money market funds and certificates of deposit. Urban Edge aims to maintain working capital balances of at least six months of operating expenses. As of December 31, 2022, Urban Edge and its operating affiliates had working capital (current assets less current liabilities) of \$14,884,991. As a part of Urban Edge's cash management and investment policy, \$1,000,000 had been set aside to be used to fund predevelopment activities for Urban Edge's projects in the real estate development pipeline (see Note 5). In addition to internally funding predevelopment activities, Urban Edge uses a variety of lenders in order to finance predevelopment activities prior to closing on construction and permanent financing. Urban Edge also has \$12,198,403 and \$12,002,578 held in investment accounts as of December 31, 2022 and 2021, respectively, that can be drawn at any time to fund operating expenditures, but its intention is to be held for long-term purposes (see Note 7).

On an annual basis, the Board designates 10% of Urban Edge's annual operating surplus to the Board designated reserve fund. There was no Board designation of operating surpluses during 2022. During 2021, the Board designated \$502,118 of prior year operating surpluses to the fund. The fund established by the Board may be drawn (with Board approval) to meet unexpected liquidity needs, if necessary (see Note 2). The balance of the fund as of December 31, 2022 and 2021, was \$1,548,103 and \$1,600,000, respectively.

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

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

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

In addition to the financial assets available to the Rental Programs to meet general obligations of the next twelve months, Urban Edge regularly conducts budget-to-actual variance analysis through its Asset Management function in order to identify liquidity concerns. In the event a property has an identified liquidity concern, Urban Edge works with its third-party property management company to correct the issue. Corrective measures include the possibility of Urban Edge providing the property with an operating deficit advance.

### 9. COMMITMENTS AND CONTINGENCIES

#### General Partner and Sponsor Obligations

As discussed in Notes 2, 3 and 11, Urban Edge has acted as sponsor and developer for various low-income and affordable housing developments. Most of these developments have received various forms of funding through Urban Edge from Federal, state, and local sources. The terms of these funding agreements generally require that the projects maintain affordable housing and low-income eligibility status, as defined. If such status is not maintained, Urban Edge may be obligated to remedy any defaults in the requirements and may be liable to repay certain amounts to the funders.

In addition, Urban Edge, as project sponsor, has, in some cases, agreed to advance funds to the partnerships as a guarantor of the general partners' obligation to fund operating deficits, Housing Assistance Payment contract shortfalls, development cost overruns, payments for reduced tax benefits to limited partner investors, and other circumstances affecting the partnerships, as defined in the partnership agreements.

#### Ground Lease Commitments

WW LLC entered into two ninety-nine-year ground leases commencing on October 4, 2018 (see Note 5) with Westminster and Wilshire, respectively. An annual lease payment of \$130,227 and \$59,760 is due to the extent of available cash flows. All unpaid rent accrues interest at a rate of 2.99%, compounded annually, and shall be paid by cash flow in subsequent years. All unpaid lease and accrued interest payments are due in full on the fifty-second anniversary of the lease. Ground lease revenue totaled \$189,988 for the years ended December 31, 2022 and 2021. These leases are eliminated within the rental programs.

Bancroft Dixwell entered into two eighty-year ground leases commencing on October 25, 2021 (see Note 5), with Bancroft Housing and Dixwell Park, respectively. An annual lease payment of \$273,750 and \$115,000 is due to the extent of available cash flows. All unpaid rent accrues interest at a rate of the prime interest rate plus 4%, compounded annually, and shall be paid by cash flow in subsequent years. All unpaid lease and accrued interest payments are due in full on the forty-third anniversary of the lease. Ground lease revenue totaled \$388,750 and \$64,792, respectively, for the years ended December 31, 2022 and 2021. These leases are eliminated within the rental programs.

#### Office Lease Commitment

Urban Edge entered into a lease for commercial space in Jackson Commons QALICB, which was leased by JC Owner under an agreement that began in June 2015 and was set to expire in October 2022. Monthly base rent under this agreement was approximately \$13,700 (see Note 5). Rent expense was \$104,865 for the year ended December 31, 2021. This obligation ended during 2021 with the dissolution of Jackson Commons QALICB.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 9. COMMITMENTS AND CONTINGENCIES (Continued)

#### Conditional Grant Advances

During 2020, Urban Edge received \$750,000 from the Federal Home Loan Bank of Boston, Affordable Housing Program, to fund the construction of the WW LLC project. Urban Edge must comply with all terms and conditions of the agreement, including maintaining the project as low-income housing over fifteen years ending in 2035. As such, the \$750,000 is included in conditional grant advances in the accompanying consolidating statements of financial position as of December 31, 2022 and 2021.

During 2020, Urban Edge received \$500,000 from the Federal Home Loan Bank of Boston, Affordable Housing Program, to fund the construction of the Holtzer Park project. Urban Edge must comply with all terms and conditions of the agreement, including maintaining the project as low-income housing over fifteen years ending in 2035. As such, the \$500,000 is included in conditional grant advances in the accompanying consolidating statements of financial position as of December 31, 2022 and 2021.

#### Commitments

##### *1599 Columbus*

1599 Columbus has the following commitments that have not been advanced:

- 3.35% note payable to Urban Edge, with borrowings up to \$4,556,250. All outstanding principal and interest are due at maturity (August 2064). Payments of principal and interest are due subject to cash flow, as defined in the agreement. This note is secured by a mortgage on the property. This note is expected to be funded through the sale of State LIHTC that have been allocated to the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- 3.35% note payable to Urban Edge, with borrowings up to \$3,020,000. All outstanding principal and interest are due at maturity (August 2074). Payments of principal and interest are due subject to cash flow, as defined in the agreement. This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- 4.58% note payable through the Massachusetts Housing Partnership with borrowings up to \$8,210,000. The note requires monthly payments of principal and interest beginning at closing. All outstanding principal and interest are due at maturity (November 2045). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- Non-interest bearing note payable through the DHCD Affordable Housing Trust Fund program funded by Massachusetts Housing Financing Agency (MHFA) with borrowings up to \$1,000,000. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2054). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- Non-interest bearing note payable through the DHCD Transit Oriented Development Infrastructure and Housing Support program funded by MHP with borrowings up to \$1,000,000. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2054). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- Non-interest bearing note payable through the DHCD Housing Stabilization Fund program funded by MHP with borrowings up to \$1,750,000. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2074). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 9. COMMITMENTS AND CONTINGENCIES (Continued)

#### Commitments (Continued)

##### *1599 Columbus* (Continued)

- Non-interest bearing note payable through the DHCD Community-Based Housing Fund program funded by CEDAC with borrowings up to \$600,000. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2054). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- 1.75% note payable through the DHCD Inclusionary Development program funded by the City of Boston with borrowings up to \$3,272,500. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2054). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- 1.75% note payable through the DHCD Neighborhood Housing Trust program funded by the City of Boston with borrowings up to \$1,500,000. All outstanding principal and interest are due based on net cash flow, as defined in the operating agreement, or at maturity (May 2054). This note is secured by a mortgage on the property. No amounts have been advanced under the terms of this note as of December 31, 2022.
- Funding allocations including MA LIHTC credits totaling \$5,625,000 to be available from 2024 through 2028.

### 10. RETIREMENT PLAN

Urban Edge maintains a qualified salary reduction 401(k) retirement plan. The salary reduction plan covers substantially all of its employees who have met the eligibility requirements. The Board of Directors of Urban Edge approved a matching component, under which eligible contributions are matched 50% by Urban Edge up to 4% of an employee's salary. During 2022 and 2021, Urban Edge made employer contributions of \$115,720 and \$77,685, respectively, which are included in payroll taxes and employee benefits in the accompanying consolidating statements of functional expenses. Both Urban Edge and employee contributions vest immediately.

### 11. LEASES

Urban Edge leases commercial space owned by Egleston Crossing (see Note 3) under a twenty-year agreement which expires in March 2024. This agreement may be extended by Urban Edge for one additional five-year period. Monthly base rent under this agreement is \$14,308. Urban Edge currently subleases this building to various tenants with term leases and at-will arrangements. Sub-lease income totaled \$227,908 for 2022 and 2021.

Urban Edge, through its general partner affiliate, Academy Homes Urban Edge, Inc., leases commercial space owned by Academy (see Note 3) under an agreement that expires upon payment of certain loans, as defined in the agreement. Academy Homes Urban Edge, Inc. pays an annual fixed payment of \$100, plus an annual payment of \$21,200, increasing 3% annually. Academy Homes Urban Edge, Inc. currently subleases this building to various tenants with term leases and at-will arrangements. Urban Edge's portion of sub-lease income totaled \$26,526 and \$25,753 for 2022 and 2021, respectively.

Urban Edge leases commercial space owned by UE Apartments (see Note 3) under an agreement that expires in December 2023, with no annual rental increase. Annual base rent under this agreement is \$21,000. Effective January 2014, the base rent will increase 2% each year. Urban Edge currently subleases this space. Sub-lease income totaled \$25,097 and \$24,605 for 2022 and 2021, respectively.

## URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

---

### 11. LEASES (Continued)

JC Owner (see Note 3) entered into a master lease with Jackson Commons QALICB for both residential and commercial space. The leases began in June 2015 and expire in May 2045. Both leases had an escalating annual rent payment beginning in 2020, as defined in the agreement. Sub-lease income totaled \$118,521 and \$127,204 for 2022 and 2021, respectively. This obligation was transferred to Urban Edge during 2021 with the dissolution of Jackson Commons QALICB. The new lease with Urban Edge is for the commercial space only and expires in May 2036. The residential space has rental contracts with the individual tenants.

Rent expense for all operating leases was \$550,059 and \$460,268 and is included in occupancy in the accompanying consolidating statements of functional expenses for the years ended December 31, 2022 and 2021, respectively. Urban Edge recorded rent on a straight-line basis over the terms of the leases in accordance with ASC Topic 840, *Leases*, through 2021. Any difference between cash payments in the lease agreements and the related expense for a given year was recorded as deferred rent.

Urban Edge elected the risk-free rate for all classes of assets and uses a 2.03% weighted-average discount rate for its leases. The weighted-average remaining lease term for Urban Edge's operating leases is 13.10 years.

The following summarizes the line items in the consolidating statement of financial position which include amounts for operating leases as of December 31, 2022:

Right-of-use assets	<u>\$ 2,683,262</u>
Current portion of lease liabilities	\$ 246,213
Lease liabilities, net	<u>2,546,643</u>
Total operating lease liabilities	<u>\$ 2,792,856</u>

The future maturities of the lease obligations were as follows as of December 31, 2022:

2023	\$ 246,213
2024	217,296
2025	210,434
2026	214,641
2027	218,931
Thereafter	<u>2,086,437</u>
Total	3,193,952
Less - present value discount	<u>(401,096)</u>
Present value of lease obligations	<u>\$ 2,792,856</u>

### 12. RECLASSIFICATION

Certain amounts in the 2021 consolidating financial statements have been reclassified to conform with the 2022 consolidating financial statement presentation.

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

**13. RESTRICTED DEPOSITS - RENTAL PROGRAMS**

As described in Note 2, the financial statements of various rental programs are required to be consolidated with those of Urban Edge. This and the following footnotes provide detailed disclosures of these rental programs' financial statements which have been aggregated in a single column in the accompanying consolidating financial statements. Many of the projects reported also prepare individual audited financial statements.

<b>Residential Properties:</b>	<u>2022</u>	<u>2021</u>
<b>Academy:</b>		
Replacement reserve	\$ 2,630,716	\$ 2,451,686
Operating reserves and escrows	<u>1,120,293</u>	<u>1,116,271</u>
	<u>3,751,009</u>	<u>3,567,957</u>
<b>Amory:</b>		
Replacement reserve	303,723	182,016
Operating reserves and escrows	<u>185,092</u>	<u>375,866</u>
	<u>488,815</u>	<u>557,882</u>
<b>Bancroft Dixwell:</b>		
Operating reserves and escrows	<u>66,010</u>	<u>60,915</u>
<b>CDB:</b>		
Replacement reserve	1,576,967	1,416,220
Operating reserves and escrows	<u>1,595,171</u>	<u>1,548,786</u>
	<u>3,172,138</u>	<u>2,965,006</u>
<b>Egleston Crossing:</b>		
Replacement reserve	165,435	152,429
Operating reserves and escrows	<u>146,919</u>	<u>132,303</u>
	<u>312,354</u>	<u>284,732</u>
<b>Ennis Highland:</b>		
Replacement reserve	26,928	22,602
Operating reserves and escrows	<u>19,424</u>	<u>9,849</u>
	<u>46,352</u>	<u>32,451</u>
<b>Harvard Hill:</b>		
Replacement reserve	22,444	68,758
Operating reserves and escrows	<u>189,078</u>	<u>181,937</u>
	<u>211,522</u>	<u>250,695</u>
<b>Holtzer Park:</b>		
Tenant security deposit	<u>61,269</u>	<u>-</u>



**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

**13. RESTRICTED DEPOSITS - RENTAL PROGRAMS (Continued)**

<b>Residential Properties: (Continued)</b>	<b>2022</b>	<b>2021</b>
<b>Jackson Commons UE:</b>		
Replacement reserve	104,816	109,913
Operating reserves and escrows	351,466	352,528
	<u>456,282</u>	<u>462,441</u>
<b>J.P. Housing:</b>		
Replacement reserve	577,261	543,464
Operating reserves and escrows	78,552	78,569
Other reserve - holdback	692,005	681,735
	<u>1,347,818</u>	<u>1,303,768</u>
<b>LBB Apartments:</b>		
Replacement reserve	332,701	346,691
Operating reserves and escrows	999,220	988,510
	<u>1,331,921</u>	<u>1,335,201</u>
<b>Montebello:</b>		
Operating reserves and escrows	4,458	4,448
	<u>4,458</u>	<u>4,448</u>
<b>Montebello Hillside:</b>		
Replacement reserve	14,734	12,616
Operating reserves and escrows	10,409	10,718
	<u>25,143</u>	<u>23,334</u>
<b>Theroch:</b>		
Replacement reserve	1,548,190	1,001,084
Other reserves	4,800,522	3,208,699
Operating reserves and escrows	225,943	207,524
	<u>6,574,655</u>	<u>4,417,307</u>
<b>UE Apartments:</b>		
Replacement reserve	812,078	771,610
Operating reserves and escrows	1,006,138	1,004,985
	<u>1,818,216</u>	<u>1,776,595</u>
<b>Walker Park:</b>		
Replacement reserve	45,506	27,341
Operating reserves and escrows	172,526	181,757
	<u>218,032</u>	<u>209,098</u>
<b>Walnut Washington:</b>		
Replacement reserve	520,434	479,833
Operating reserves and escrows	1,250,452	1,235,737
	<u>1,770,886</u>	<u>1,715,570</u>

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

**13. RESTRICTED DEPOSITS - RENTAL PROGRAMS (Continued)**

<b>Residential Properties: (Continued)</b>	<b>2022</b>	<b>2021</b>
<b>Wardman:</b>		
Replacement reserve	1,084,292	1,018,470
Operating reserves and escrows	393,370	358,148
	<u>1,477,662</u>	<u>1,376,618</u>
<b>WW LLC:</b>		
Replacement reserve	1,084,939	1,216,723
Operating reserves and escrows	927,909	928,230
	<u>2,012,848</u>	<u>2,144,953</u>
Total Residential Properties	<u>25,147,390</u>	<u>22,488,971</u>
<b>Commercial Properties:</b>		
<b>2010 Columbus:</b>		
Operating reserves and escrows	10,175	10,118
<b>Community Center:</b>		
Replacement reserve	143,300	121,171
Operating reserves and escrows	42,281	42,138
	<u>185,581</u>	<u>163,309</u>
<b>Egleston Center:</b>		
Replacement reserve	398,250	381,659
Operating reserves and escrows	60,986	60,834
	<u>459,236</u>	<u>442,493</u>
<b>JC Owner LLC:</b>		
Operating reserves and escrows	43,289	196,042
Total Commercial Properties	<u>698,281</u>	<u>811,962</u>
<b>Total Rental Properties (see Note 4)</b>	25,845,671	23,300,933
Less - current portion	<u>2,766,377</u>	<u>2,609,518</u>
Non-current portion	<u>\$ 23,079,294</u>	<u>\$ 20,691,415</u>

14. MORTGAGE AND NOTES PAYABLE

Entity	Lender	Security	Interest Rate	Maturity	Outstanding Balance	
					2022	2021
<b>Operating - Project Development Notes:</b>						
1599 Columbus	CEDAC	Unsecured	2.00%	January 2023	\$ -	\$ 1,200,000
1599 Columbus	CEDAC	Unsecured	4.50%	January 2023	-	886,959
4151 LLC	Community Housing Capital	Unsecured	5.50%	May 2023	1,245,469	1,220,830
UEHC	The Life Initiative	Unsecured	6.00%	December 2025	85,250	918,846
Total Operating - Project Development Notes					1,330,719	4,226,635
<b>Residential Properties:</b>						
1599 Columbus	Silicon Valley Bank	Mortgage on the property	5.30%	Sooner of the date three years after closing or the date on which initial advance of proceeds are made	2,730,793	-
1599 Columbus	Eastern Bank	Mortgage on the property	0.00%	December 2025	50,001	-
Academy Homes	MassHousing	Mortgage and equipment on the property, pledge of escrow and reserve accounts, assignment of leases and rents	5.85%	July 2040	5,399,278	5,570,246
Amory Terrace	MassHousing	Mortgage and equipment on the property, pledge of escrow and reserve accounts, assignment of leases and rents	6.05%	July 2045	3,660,847	3,734,902
Bancroft Dixwell	MHFA	Mortgage on the property	2.63%/1.88%	** October 2024 Forty years from commencement, no later than	15,838,330	5,386,464
Bancroft Dixwell	MHFA	Mortgage on the property	3.50%	November 2064	2,859,116	-
CDB	MHFA	Mortgage on the property	4.00%	March 2057	9,457,169	9,583,678
Egleston Crossing	MHP	Mortgage on the property	5.90%	March 2025	3,926,555	4,136,980
Egleston Crossing	MHP	Mortgage on the property	2.00%	March 2025	750,000	750,000
Egleston Crossing	MHP	Mortgage on the property	6.29%	March 2025	271,796	284,430
Harvard Hill	MHP	Mortgage on the property	6.65%	November 2024	1,148,176	1,216,773
Holtzer Park	Silicon Valley Bank	Mortgage on the property	3.00%	September 2023	4,027,000	9,540,160
Holtzer Park	Silicon Valley Bank	Mortgage on the property	3.00%	September 2042	3,700,472	3,720,072
Holtzer Park	Silicon Valley Bank	Mortgage on the property	3.00%	September 2042	1,652,928	1,652,928
Holtzer Park	Silicon Valley Bank	Mortgage on the property	3.00%	September 2042	1,293,019	1,300,000
Holtzer Park	Citizens - MHEF Equity Fund II LLC	Unsecured	0.00%	Sooner of the receipt of the second installment of capital or December 31, 2022	-	1,127,745
J.P. Housing	MHP	Mortgage on the property	7.35%	April 2032	2,304,278	2,358,560
Jackson Commons UE	RBS - Citizens	Mortgage on the property	5.93%	December 2031	1,176,368	1,198,569
LBB Apartments	MassHousing	Mortgage on the property	3.40%	January 2054	3,510,425	3,572,992
Montebello	Urban Edge	Mortgage on the property	10.00%	December 2024	140,162	140,162
Montebello	MHP	Mortgage on the property	0.00%	October 2027	137,690	137,690
Montebello	Urban Edge	Mortgage on the property	12.00%	December 2024	96,830	96,830
Montebello	Urban Edge	Mortgage on the property	3.00%	December 2024	61,000	61,000
Montebello	Urban Edge	Unsecured	12.00%	December 2024	55,657	55,657
Montebello Hillside	Urban Edge	Unsecured	5.00%	June 2027	28,061	28,061
Montebello Hillside	BlueHub Community Loan Fund	Mortgage on the property	4.25%	June 2027	-	156,444
UE Apartments	MassHousing	Mortgage on the property	5.50%	December 2052	4,004,881	4,055,662

URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

14. MORTGAGE AND NOTES PAYABLE (Continued)

Entity	Lender	Security	Interest Rate	Maturity	Outstanding Balance	
					2022	2021
<b>Residential Properties: (Continued)</b>						
Walker Park	MDFA	Mortgage and equipment on the property, assignment of leases and rents	3.88%	July 2050	2,375,458	2,423,621
Walnut Washington	MDFA	Mortgage and equipment on the property, assignment of leases and rents	4.40%	September 2034	6,202,019	6,353,500
Wardman	MHP	Mortgage on the property	3.83%	July 2059	17,305,112	17,517,971
WW LLC	Silicon Valley Bank	Mortgage on the property	5.14%	October 2040	5,745,570	5,806,264
Total Mortgage and Notes Payable - Residential Properties					99,908,991	91,967,361
<b>Commercial Properties:</b>						
2010 Columbus	Radius Bank	Mortgage on the property	5.28%	September 2024	474,485	491,575
Community Center	Silicon Valley Bank	Mortgage on the property	3.72%	July 2030	1,047,095	1,162,717
Egleston Center	PCI	Mortgage on the property	5.00%	December 2030	841,436	874,530
Egleston Center	City of Boston	Mortgage on the property	2.00%	December 2040	597,794	597,794
JC Owner	MHIC Citizens NMTC	Mortgage on the property	5.03%	April 2030	1,784,814	1,851,272
Total Mortgage and Notes Payable - Commercial Properties					4,745,624	4,977,888
Total mortgage and notes payable					105,985,334	101,171,884
Less - unamortized debt issuance costs					2,802,635	2,665,333
Less - current portion					7,155,504	3,525,370
Less - eliminations					381,710	381,710
Total long-term debt, net					\$ 95,645,485	\$ 94,599,471

\*\* This mortgage payable is two separate issuances of notes which bear different interest rates.

Accrued interest on mortgage and notes payable totaled \$1,839,081 and \$1,665,596 for the years ended December 31, 2022 and 2021, respectively.

Debt issuance costs totaled \$4,005,708 and \$3,660,289 for the years ended December 31, 2022 and 2021, respectively. Accumulated amortization on debt issuance costs totaled \$1,203,073 and \$994,956 for the years ended December 31, 2022 and 2021, respectively. Debt issuance costs are amortized to interest expense and totaled \$124,059 and \$133,422 for the years ended December 31, 2022 and 2021, respectively. These amounts are included in interest and bank fees in the accompanying consolidating statements of functional expenses. Amortization of debt issuance costs for the next five years is expected to be approximately \$145,000.

Maturities of the long-term debt and amortization of debt issuance costs for the next five years are as follows:

Year Ending December 31	Operating	Rental Programs	Total
2023	\$ 1,245,469	\$ 5,910,035	\$ 7,155,504
2024	\$ -	\$ 18,924,826	\$ 18,924,826
2025	\$ 85,250	\$ 8,716,288	\$ 8,801,538
2026	\$ -	\$ 1,548,364	\$ 1,548,364
2027	\$ -	\$ 1,758,276	\$ 1,758,276

15. CONTINGENT LOANS AND ADVANCES

Entity	Lender	Security	Interest Rate	Maturity	2022		2021	
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
<b>Operating:</b>								
UEHC	City of Boston DND	Mortgage on Egleston Crossing's property	4.84%	March 2034	\$ 442,602	\$ -	\$ 442,602	\$ -
UEHC	Federal Home Loan Bank	Mortgage on Egleston Crossing's property	0.00%	****	300,000	-	300,000	-
UEHC	City of Boston	Mortgage on Montebello's property	3.00%	N/A	61,000	-	61,000	-
Total Contingent Loans and Advances - Operating					803,602	-	803,602	-
<b>Residential Properties:</b>								
1599 Columbus	CEDAC	Mortgage on the property	0.00%	May 2054	1,045,000	-	-	-
1599 Columbus	CEDAC	Mortgage on the property	0.00%	May 2054	522,500	-	-	-
1599 Columbus	Urban Edge	Mortgage on the property	3.00%	August 2064	57,487	-	-	-
Academy Homes	HUD	Mortgage on the property	6.16%	July 2038	4,400,000	6,620,815	4,400,000	6,349,775
Academy Homes	HUD	Mortgage on the property	5.25%	December 2038	2,500,000	2,945,858	2,500,000	2,794,493
Academy Homes	DHCD	Mortgage on the property	6.00%	December 2028	500,000	1,521,207	500,000	1,406,799
Academy Homes	City of Boston	Mortgage on the property	6.00%	December 2028	500,000	1,484,843	500,000	1,372,493
Academy Homes	Urban Edge/NHT	Mortgage on the property	0.01%	December 2028	500,000	1,180	500,000	1,130
Amory Terrace	City of Boston	Mortgage on the property	6.50%	April 2034	1,259,691	2,763,564	1,259,691	2,518,009
Amory Terrace	City of Boston	Mortgage on the property	5.00%	April 2034	1,138,000	1,580,833	1,138,000	1,451,367
Amory Terrace	DHCD	Mortgage on the property	0.00%	May 2034	1,000,000	-	1,000,000	-
Amory Terrace	MassHousing	Mortgage on the property	3.00%	July 2045	844,500	454,625	844,500	429,290
Amory Terrace	DHCD	Mortgage on the property	5.00%	April 2034	750,000	1,081,125	750,000	993,929
CDB	Urban Edge	Mortgage on the property	3.90%	December 2057	10,065,778	2,007,677	10,065,778	1,942,224
CDB	Just-A-Start	Mortgage on the property	2.57%	December 2057	1,365,000	195,565	1,365,000	156,463
CDB	HUD	Mortgage on the property	1.00%	N/A	430,569	4,306	596,644	6,579
Egleston Crossing	MassHousing	Mortgage on the property	0.00%	March 2044	1,000,000	-	1,000,000	-
Egleston Crossing	DHCD	Mortgage on the property	4.84%	March 2044	750,000	1,027,450	750,000	945,396
Egleston Crossing	City of Boston	Mortgage on the property	6.50%	March 2034	750,000	1,662,984	750,000	1,515,720
Egleston Crossing	City of Boston	Mortgage on the property	4.84%	March 2034	729,786	937,421	729,786	860,451
Egleston Crossing	Urban Edge	Mortgage on the property	6.50%	March 2034	500,000	959,645	500,000	870,555
Egleston Crossing	Urban Edge	Mortgage on the property	6.50%	March 2034	493,400	1,070,899	493,400	975,429
Egleston Crossing	Urban Edge	Mortgage on the property	4.84%	March 2034	460,898	619,764	460,898	569,872
Egleston Crossing	Urban Edge	Mortgage on the property	6.50%	March 2034	300,000	672,426	300,000	613,081
Egleston Crossing	Urban Edge	Mortgage on the property	6.50%	March 2034	175,360	334,087	175,360	302,984
Ennis Highland	DND	Mortgage on the property	0.00%	October 2033	288,557	-	288,557	-
Ennis Highland	DHCD	Mortgage on the property	0.00%	May 2035	61,685	-	61,685	-
Harvard Hill	DHCD	Mortgage on the property	0.00%	August 2032	740,000	-	740,000	-
Harvard Hill	NHT	Mortgage on the property	0.00%	August 2032	300,000	-	300,000	-
Holtzer Park	Urban Edge	Mortgage on the property	3.80%	September 2062	4,584,375	-	-	-
Holtzer Park	City of Boston	Mortgage on the property	1.15%	May 2052	1,612,500	-	1,210,515	-
Holtzer Park	DHCD	Mortgage on the property	1.15%	May 2052	1,071,821	-	-	-
Holtzer Park	City of Boston	Mortgage on the property	1.15%	May 2052	966,150	-	966,150	-
Holtzer Park	CEDAC	Mortgage on the property	1.15%	May 2052	950,000	-	835,060	-
Holtzer Park	DHCD	Mortgage on the property	1.15%	May 2052	655,841	-	394,656	-
Holtzer Park	City of Boston NHT	Mortgage on the property	1.15%	May 2052	622,286	-	176,483	-
Holtzer Park	CEDAC	Mortgage on the property	1.15%	May 2052	589,000	-	-	-
Holtzer Park	Urban Edge	Mortgage on the property	0.00%	November 2062	500,000	-	500,000	-
Holtzer Park	CEDAC	Mortgage on the property	1.15%	May 2052	461,528	-	461,528	-
Holtzer Park	DHCD	Mortgage on the property	1.15%	May 2072	443,467	-	443,467	-
Holtzer Park	Urban Edge	Mortgage on the property	1.15%	September 2062	86,633	-	87,356	-

URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

15. CONTINGENT LOANS AND ADVANCES (Continued)

Entity	Lender	Security	Interest Rate	Maturity	2022		2021		
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest	
<b>Residential Properties: (Continued)</b>									
J.P. Housing	DHCD	Mortgage on the property	0.00%	***	2,619,449	-	3,275,541	-	
J.P. Housing	City of Boston	Mortgage on the property	0.00%	June 2052	**	1,266,658	-	1,266,658	
J.P. Housing	NHT	Mortgage on the property	0.00%	****	982,657	-	982,657	-	
J.P. Housing	DHCD	Mortgage on the property	0.00%	June 2041	-	497,972	-	497,972	
J.P. Housing	City of Boston	Mortgage on the property	0.00%	June 2052	**	448,657	-	448,657	
J.P. Housing	Federal Home Loan Bank	Mortgage on the property	0.00%	December 2025	-	400,000	-	400,000	
J.P. Housing	City of Boston	Mortgage on the property	0.00%	December 2045	****	366,114	66,632	366,114	
J.P. Housing	Urban Edge	Unsecured	0.00%	January 2051	-	242,690	-	242,690	
J.P. Housing	City of Boston	Mortgage on the property	0.00%	December 2045	-	36,611	-	36,611	
Jackson Commons UE	City of Boston	Mortgage on the property	3.00%	January 2045	**	1,035,203	224,921	1,035,203	
Jackson Commons UE	Urban Edge	Mortgage on the property	4.50%	December 2053	**	714,648	101,836	714,648	
Jackson Commons UE	DHCD AHT	Mortgage on the property	1.50%	January 2045	**	616,196	38,532	616,196	
Jackson Commons UE	DHCD HSF	Mortgage on the property	1.50%	January 2065	**	318,283	20,452	318,283	
Jackson Commons UE	DND NHT	Mortgage on the property	3.00%	January 2045	**	50,000	10,496	50,000	
LBB Apartments	LPCDC	Mortgage on the property	3.00%	January 2054	**	8,325,193	1,799,263	8,325,193	
LBB Apartments	Urban Edge	Mortgage on the property	0.00%	January 2054	-	671,490	-	671,490	
LBB Apartments	DHCD	Mortgage on the property	0.00%	January 2054	**	580,873	-	652,484	
LBB Apartments	LPCDC	Mortgage on the property	0.00%	January 2054	-	534,680	-	534,680	
LBB Apartments	MassHousing - SHARP	Mortgage on the property	4.25%	January 2054	-	500,149	215,297	500,149	
LBB Apartments	City of Boston	Mortgage on the property	0.00%	January 2054	**	387,250	-	434,991	
LBB Apartments	DHCD	Mortgage on the property	0.00%	January 2054	**	387,250	-	434,991	
LBB Apartments	DHCD	Mortgage on the property	0.00%	December 2063	**	387,250	-	434,991	
UE Apartments	Urban Edge	Mortgage on the property	3.75%	January 2053	**	6,943,516	3,091,477	6,943,516	
UE Apartments	Urban Edge	Mortgage on the property	1.00%	December 2061	-	632,326	64,427	632,326	
UE Apartments	DHCD	Mortgage on the property	0.00%	December 2062	**	603,200	-	622,359	
UE Apartments	DHCD	Mortgage on the property	0.00%	January 2053	**	603,200	-	622,359	
UE Apartments	City of Boston	Mortgage on the property	0.00%	January 2053	**	474,001	-	489,280	
UE Apartments	Urban Edge	Mortgage on the property	3.75%	January 2053	-	450,000	200,937	450,000	
UE Apartments	Urban Edge	Mortgage on the property	1.00%	December 2061	-	448,371	45,684	448,371	
UE Apartments	City of Boston	Mortgage on the property	0.00%	January 2053	**	429,814	-	443,466	
UE Apartments	MassHousing	Mortgage on the property	4.30%	January 2053	-	243,235	117,615	243,235	
UE Apartments	MassHousing	Mortgage on the property	4.30%	January 2053	-	159,065	76,336	159,065	
Walker Park	Urban Edge	Mortgage on the property	3.00%	July 2062	**	3,122,174	175,575	3,122,174	
Walker Park	City of Boston	Mortgage on the property	1.00%	July 2048	**	1,000,000	43,359	1,000,000	
Walker Park	MHP	Mortgage on the property	0.00%	July 2068	**	1,000,000	-	1,000,000	
Walker Park	DHCD - AHT	Mortgage on the property	0.00%	July 2048	**	1,000,000	-	1,000,000	
Walker Park	City of Boston	Mortgage on the property	1.00%	July 2048	**	966,982	9,670	1,000,000	
Walker Park	City of Boston	Mortgage on the property	1.00%	July 2048	**	652,495	6,525	675,240	
Walker Park	DHCD	Mortgage on the property	0.00%	July 2048	**	650,000	-	650,000	
Walker Park	CEDAC	Mortgage on the property	0.00%	July 2048	**	534,826	-	534,826	
Walker Park	DHCD	Mortgage on the property	0.00%	July 2048	**	275,240	-	275,240	
Walker Park	Urban Edge	Mortgage on the property	0.00%	July 2062	**	193,248	-	200,000	
Walker Park	Urban Edge	Mortgage on the property	2.75%	December 2028	**	-	-	39,715	
Walnut Washington	Urban Edge	Mortgage on the property	5.50%	September 2044	**	6,895,054	1,473,697	6,895,054	

15. CONTINGENT LOANS AND ADVANCES (Continued)

Entity	Lender	Security	Interest Rate	Maturity	2022		2021		
					Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest	
<b>Residential Properties: (Continued)</b>									
WW LLC	Urban Edge	Mortgage on the property	4.35%	October 2070					
WW LLC	HUD	Mortgage on the property	1.00%	September 2045	**	2,892,990	291,422	2,892,990	158,675
WW LLC	DHCD - AHTF	Mortgage on the property	0.00%	October 2070		1,942,229	46,760	1,942,229	18,955
WW LLC	DHCD - HSF	Mortgage on the property	0.00%	October 2070		1,000,000	-	1,000,000	-
WW LLC	Urban Edge	Mortgage on the property	0.00%	July 2035		900,000	-	900,000	-
WW LLC	DND - NHT	Mortgage on the property	0.00%	October 2070		750,000	-	750,000	-
WW LLC	Urban Edge	Mortgage on the property	4.35%	October 2070		750,000	-	750,000	-
WW LLC	CEDAC	Mortgage on the property	0.00%	July 2070		614,250	62,072	614,250	33,878
WW LLC	CEDAC	Mortgage on the property	0.00%	October 2050		500,000	-	500,000	-
WW LLC	Urban Edge	Mortgage on the property	4.35%	October 2070	**	440,124	-	440,124	-
						133,932	14,271	133,932	8,093
Total Contingent Loans and Advances - Residential Properties						104,541,357	36,143,530	96,654,464	33,710,837
<b>Commercial Properties:</b>									
JC Owner	DHCD	Mortgage on the property	0.00%	January 2045	**	970,535	-	944,649	-
JC Owner	DHCD - AHT	Mortgage on the property	0.00%	January 2045		686,878	-	712,764	-
JC Owner	DND - NHT	Mortgage on the property	0.00%	January 2055	**	678,208	-	678,208	-
JC Owner	Boston Redevelopment Authority	Mortgage on the property	0.00%	January 2045	**	387,547	-	387,547	-
Total Contingent Loans and Advances - Commercial Properties						2,723,168	-	2,723,168	-
Total Contingent Loans and Advances						108,068,127	36,143,530	100,181,234	33,710,837
Less - current portion						249,363	407,806	89,490	842,459
Less - eliminations						42,428,620	11,187,076	37,833,948	10,364,755
Total non-current Contingent Loans and Advances						\$ 65,390,144	\$ 24,548,648	\$ 62,257,796	\$ 22,503,623

\*\* These notes could have principal or interest payments due in any given year based on net cash flow as defined in the operating or debt agreements.

\*\*\* Note payable under the Tax Credit Exchange (TCX) program. Principal is repayable only upon a recapture event, and only in an amount equal to the tax credit recapture amount. The amount subject to recapture is equal to the original note principal, reduced every year by 6.67%. Under these terms, \$656,092 of the note's principal was forgiven in 2022 and 2021 and is included in forgiveness of debt in the accompanying consolidating statements of activities.

\*\*\*\* Conditional grant where no payments are due. The note is expected to be converted to a grant at the end of the fifteen-year compliance period. This note is guaranteed by Urban Edge. During 2022, there was \$9,519 of deferred interest forgiven on the note.

URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Notes to Consolidating Financial Statements  
December 31, 2022 and 2021

16. RENTAL PROGRAMS

Statement of Financial Position Summary, as of December 31, 2022:

	Total Assets	Total Liabilities	Net Assets Attributable to Urban Edge	Non- Controlling Interests	Total Net Assets (Deficit)
<b>Residential Properties:</b>					
1599 Columbus	\$ 8,134,202	\$ 5,664,424	\$ 20,353	\$ 2,449,425	\$ 2,469,778
Academy	11,493,341	26,967,211	(15,473,870)	-	(15,473,870)
Amory	11,502,001	14,732,949	(3,230,948)	-	(3,230,948)
Bancroft Housing	1,930,967	8,975	1,921,992	-	1,921,992
Bancroft Dixwell	43,980,523	43,464,034	(2,605,439)	3,121,928	516,489
CDB	31,090,645	23,868,153	(262)	7,222,754	7,222,492
Dixwell Park	840,563	-	840,563	-	840,563
Egleston Crossing	11,991,638	18,710,512	(6,718,874)	-	(6,718,874)
Ennis Highland	331,011	507,020	(176,009)	-	(176,009)
Harvard Hill	2,537,794	2,653,146	(115,352)	-	(115,352)
Holtzer Park	34,751,912	24,886,624	53	9,865,235	9,865,288
Jackson Commons UE	9,106,225	4,378,180	(103)	4,728,148	4,728,045
J.P. Housing	13,020,761	10,703,431	2,317,330	-	2,317,330
LBB Apartments	20,914,081	17,248,208	(369)	3,666,242	3,665,873
Montebello	212,193	1,698,531	(752,980)	(733,358)	(1,486,338)
Montebello Hillside	630,179	50,652	579,527	-	579,527
Theroch	14,893,141	553,431	7,313,249	7,026,461	14,339,710
UE Apartments	18,389,881	18,925,966	(658)	(535,427)	(536,085)
Walker Park	16,634,683	11,856,643	(136)	4,778,176	4,778,040
Walnut Washington	17,986,304	14,574,693	(160)	3,411,771	3,411,611
Wardman	9,412,460	16,934,043	(7,521,583)	-	(7,521,583)
Westminster	1,013,482	2,757	1,010,725	-	1,010,725
Wilshire	995,007	-	995,007	-	995,007
WW LLC	29,174,075	22,555,235	(921,719)	7,540,559	6,618,840
Total Residential Properties	<u>310,967,069</u>	<u>280,944,818</u>	<u>(22,519,663)</u>	<u>52,541,914</u>	<u>30,022,251</u>
<b>Commercial Properties:</b>					
2010 Columbus	305,172	493,789	(188,617)	-	(188,617)
Community Center	2,664,011	1,080,203	1,583,808	-	1,583,808
Egleston Center	946,315	1,732,452	(786,137)	-	(786,137)
JC Owner	7,789,143	4,361,822	3,427,321	-	3,427,321
Total Commercial Properties	<u>11,704,641</u>	<u>7,668,266</u>	<u>4,036,375</u>	<u>-</u>	<u>4,036,375</u>
Total Rental Programs	322,671,710	288,613,084	(18,483,288)	52,541,914	34,058,626
Total Rental Eliminations	<u>(28,395,192)</u>	<u>(28,395,184)</u>	<u>(8)</u>	<u>-</u>	<u>(8)</u>
<b>Total Rental Programs</b>	<u>\$ 294,276,518</u>	<u>\$ 260,217,900</u>	<u>\$ (18,483,296)</u>	<u>\$ 52,541,914</u>	<u>\$ 34,058,618</u>



## 16. RENTAL PROGRAMS (Continued)

Statement of Activities and Changes in Net Assets Summary, for the Year Ended December 31, 2022:

	Total Revenue	Total Expenses	Total Changes in Net Assets	Less: Non- Controlling Interests	Changes in Net Assets Attributable to Urban Edge
<b>Residential Properties:</b>					
1599 Columbus	\$ -	\$ 3,950	\$ (3,950)	\$ -	\$ (3,950)
Academy	5,386,015	6,078,586	(692,571)	-	(692,571)
Amory	1,395,683	2,089,761	(694,078)	-	(694,078)
Bancroft Housing	1,117,387	16,526	1,100,861	-	1,100,861
Bancroft Dixwell	2,277,217	2,749,503	(472,286)	(472,239)	(47)
CDB	2,415,319	2,946,920	(531,601)	(531,548)	(53)
Dixwell Park	472,343	17,454	454,889	-	454,889
Egleston Crossing	1,502,024	2,353,651	(851,627)	-	(851,627)
Ennis Highland	62,660	59,618	3,042	-	3,042
Harvard Hill	675,483	630,223	45,260	-	45,260
Holtzer Park	540,903	1,008,763	(467,860)	(467,813)	(47)
Jackson Commons UE	641,971	904,979	(263,008)	(262,982)	(26)
J.P. Housing	2,322,736	2,025,914	296,822	-	296,822
LBB Apartments	2,022,766	2,460,960	(438,194)	(438,150)	(44)
Montebello	134,159	171,998	(37,839)	(18,670)	(19,169)
Montebello Hillside	109,013	90,314	18,699	-	18,699
Theroch	5,487,018	3,891,649	1,595,369	781,731	813,638
UE Apartments	1,562,529	2,210,285	(647,756)	(647,691)	(65)
Walker Park	1,007,742	1,225,024	(217,282)	(217,260)	(22)
Walnut Washington	1,782,769	2,097,735	(314,966)	(314,935)	(31)
Wardman	3,035,331	2,629,920	405,411	-	405,411
Westminster	133,535	-	133,535	-	133,535
Wilshire	61,552	-	61,552	-	61,552
WW LLC	1,981,782	2,624,803	(643,021)	(642,957)	(64)
Total Residential Properties	36,127,937	38,288,536	(2,160,599)	(3,232,514)	1,071,915
<b>Commercial Properties:</b>					
2010 Columbus	124,847	98,559	26,288	-	26,288
Community Center	326,667	311,409	15,258	-	15,258
Egleston Center	265,511	234,358	31,153	-	31,153
JC Owner	483,070	299,635	183,435	-	183,435
Total Commercial Properties	1,200,095	943,961	256,134	-	256,134
Total Rental Programs	37,328,032	39,232,497	(1,904,465)	(3,232,514)	1,328,049
Total Rental Eliminations	(1,720,554)	(1,720,546)	(8)	-	(8)
<b>Total Rental Programs</b>	<b>\$ 35,607,478</b>	<b>\$ 37,511,951</b>	<b>\$ (1,904,473)</b>	<b>\$ (3,232,514)</b>	<b>\$ 1,328,041</b>

## 16. RENTAL PROGRAMS (Continued)

Statement of Financial Position Summary, as of December 31, 2021:

	Total Assets	Total Liabilities	Net Assets Attributable to Urban Edge	Non- Controlling Interests	Total Net Assets (Deficit)
<b>Residential Properties:</b>					
Academy	\$ 11,930,770	\$ 26,604,907	\$ (14,674,137)	\$ -	\$ (14,674,137)
Amory	11,840,787	14,377,657	(2,536,870)	-	(2,536,870)
Bancroft Housing	838,004	16,873	821,131	-	821,131
Bancroft Dixwell	8,243,486	7,254,711	(2,605,392)	3,594,167	988,775
CDB	31,727,502	23,973,409	(209)	7,754,302	7,754,093
Dixwell Park	388,676	3,002	385,674	-	385,674
Egleston Crossing	12,439,883	18,307,130	(5,867,247)	-	(5,867,247)
Ennis Highland	327,623	506,674	(179,051)	-	(179,051)
Harvard Hill	2,361,832	2,522,444	(160,612)	-	(160,612)
Holtzer Park	25,015,099	25,015,439	(340)	-	(340)
Jackson Commons UE	9,367,813	4,376,760	(77)	4,991,130	4,991,053
J.P. Housing	13,175,486	11,154,978	2,020,508	-	2,020,508
LBB Apartments	21,511,604	17,375,312	(322)	4,136,614	4,136,292
Montebello	215,117	1,663,616	(733,810)	(714,689)	(1,448,499)
Montebello Hillside	765,007	204,179	560,828	-	560,828
Theroch	13,189,289	444,948	6,499,611	6,244,730	12,744,341
UE Apartments	18,669,345	18,557,674	(594)	112,265	111,671
Walker Park	17,161,980	12,166,658	(114)	4,995,436	4,995,322
Walnut Washington	18,430,556	14,703,979	(129)	3,726,706	3,726,577
Wardman	9,650,910	17,107,507	(7,456,597)	-	(7,456,597)
Westminster	879,947	2,757	877,190	-	877,190
Wilshire	933,455	-	933,455	-	933,455
WW LLC	23,494,792	16,232,931	(921,655)	8,183,516	7,261,861
Total Residential Properties	252,558,963	232,573,545	(23,038,759)	43,024,177	19,985,418
<b>Commercial Properties:</b>					
2010 Columbus	290,276	505,181	(214,905)	-	(214,905)
Community Center	2,757,439	1,188,889	1,568,550	-	1,568,550
Egleston Center	961,191	1,728,481	(767,290)	-	(767,290)
JC Owner	7,629,091	4,385,205	3,243,886	-	3,243,886
Total Commercial Properties	11,637,997	7,807,756	3,830,241	-	3,830,241
Total Rental Programs	264,196,960	240,381,301	(19,208,518)	43,024,177	23,815,659
Total Rental Eliminations	(643,702)	(643,702)	-	-	-
<b>Total Rental Programs</b>	<b>\$ 263,553,258</b>	<b>\$ 239,737,599</b>	<b>\$ (19,208,518)</b>	<b>\$ 43,024,177</b>	<b>\$ 23,815,659</b>

## 16. RENTAL PROGRAMS (Continued)

Statement of Activities and Changes in Net Assets Summary, for the Year Ended December 31, 2021:

	Total Revenue	Total Expenses	Total Changes in Net Assets	Less: Non- Controlling Interests	Changes in Net Assets Attributable to Urban Edge
<b>Residential Properties:</b>					
Academy	\$ 5,273,575	\$ 5,988,386	\$ (714,811)	\$ -	\$ (714,811)
Amory	1,357,007	1,967,583	(610,576)	-	(610,576)
Bancroft Housing	1,193,341	823,716	369,625	-	369,625
Bancroft Dixwell	477,514	297,000	180,514	180,496	18
CDB	2,426,203	2,730,359	(304,156)	(304,126)	(30)
Dixwell Park	579,561	659,591	(80,030)	-	(80,030)
Egleston Crossing	1,510,270	2,325,272	(815,002)	-	(815,002)
Ennis Highland	62,322	60,142	2,180	-	2,180
Harvard Hill	670,461	596,773	73,688	-	73,688
Jackson Commons UE	640,127	831,004	(190,877)	(190,858)	(19)
J.P. Housing	2,245,115	2,043,094	202,021	-	202,021
LBB Apartments	2,032,957	2,342,862	(309,905)	(309,874)	(31)
Montebello	152,599	166,826	(14,227)	(7,020)	(7,207)
Montebello Hillside	116,091	50,108	65,983	-	65,983
Theroch	5,360,285	3,445,439	1,914,846	938,275	976,571
UE Apartments	1,604,829	2,138,139	(533,310)	(533,256)	(54)
Walker Park	985,178	1,194,525	(209,347)	(209,326)	(21)
Walnut Washington	1,756,462	2,057,650	(301,188)	(301,158)	(30)
Wardman	2,930,702	2,526,515	404,187	-	404,187
Westminster	137,107	2,733	134,374	-	134,374
Wilshire	58,760	-	58,760	-	58,760
WW LLC	1,905,647	2,602,213	(696,566)	(696,496)	(70)
Total Residential Properties	<u>33,476,113</u>	<u>34,849,930</u>	<u>(1,373,817)</u>	<u>(1,433,343)</u>	<u>59,526</u>
<b>Commercial Properties:</b>					
2010 Columbus	107,223	87,809	19,414	-	19,414
Community Center	326,027	322,492	3,535	-	3,535
Egleston Center	258,230	221,684	36,546	-	36,546
JC Owner	643,914	584,758	59,156	-	59,156
Total Commercial Properties	<u>1,335,394</u>	<u>1,216,743</u>	<u>118,651</u>	<u>-</u>	<u>118,651</u>
Total Rental Programs	34,811,507	36,066,673	(1,255,166)	(1,433,343)	178,177
Total Rental Eliminations	<u>(189,987)</u>	<u>(189,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Rental Programs</b>	<u>\$ 34,621,520</u>	<u>\$ 35,876,686</u>	<u>\$ (1,255,166)</u>	<u>\$ (1,433,343)</u>	<u>\$ 178,177</u>

## **SUPPLEMENTARY INFORMATION**

The supplementary information on pages 57 to 61 presents the individual financial statements of certain of Urban Edge's Rental Programs, which are not required by regulatory authority or other third parties to publish separate audited financial statements. Separate financial statements of all other Rental Programs are available from Urban Edge by request.

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

 Supplementary Statement of Financial Position of Selected Rental Programs  
 December 31, 2022

<b>Assets</b>	<b>2010 Columbus</b>	<b>Community Center</b>	<b>Egleston Center</b>	<b>Ennis Highland</b>	<b>Harvard Hill</b>	<b>Montebello Hillside</b>	<b>JC Owner</b>	<b>Dixwell Park</b>	<b>Bancroft Housing</b>	<b>Wilshire</b>	<b>Westminster</b>
<b>Current Assets:</b>											
Cash	\$ 49,862	\$ 104,767	\$ 195,223	\$ 56,412	\$ 93,185	\$ 46,202	\$ 415,207	\$ 239,337	\$ 669,072	\$ 165,815	\$ 553,919
Current portion of restricted deposits	10,175	42,281	60,986	19,424	56,806	10,409	9,246	-	-	-	-
Contracts, loans and other receivables, net	-	315	1,805	3,681	41,185	11,244	106,353	5,505	18,943	-	-
Current portion of due from affiliates	-	-	-	992	60,685	-	-	-	-	175,192	219,438
Prepaid expenses and other	24,682	4,714	2,283	732	8,569	723	4,111	61,965	81,138	-	-
<b>Total current assets</b>	<b>84,719</b>	<b>152,077</b>	<b>260,297</b>	<b>81,241</b>	<b>260,430</b>	<b>68,578</b>	<b>534,917</b>	<b>306,807</b>	<b>769,153</b>	<b>341,007</b>	<b>773,357</b>
Restricted Deposits, net of current portion	-	143,300	398,250	26,928	154,716	14,734	34,043	-	-	-	-
Due from Affiliates, net of current portion	-	-	-	-	-	-	-	485,524	1,109,835	-	-
Property and Equipment, net	220,453	2,368,634	287,768	222,842	2,122,648	546,867	7,220,183	48,232	51,979	654,000	240,125
<b>Total assets</b>	<b>\$ 305,172</b>	<b>\$ 2,664,011</b>	<b>\$ 946,315</b>	<b>\$ 331,011</b>	<b>\$ 2,537,794</b>	<b>\$ 630,179</b>	<b>\$ 7,789,143</b>	<b>\$ 840,563</b>	<b>\$ 1,930,967</b>	<b>\$ 995,007</b>	<b>\$ 1,013,482</b>
<b>Liabilities and Net Assets</b>											
<b>Current Liabilities:</b>											
Current portion of mortgage and notes payable	\$ 18,047	\$ 120,065	\$ 68,988	\$ -	\$ 73,265	\$ 9,620	\$ 75,417	\$ -	\$ -	\$ -	\$ -
Current portion of accrued interest	2,162	3,356	15,623	-	6,363	9,079	7,232	-	-	-	-
Current portion of accounts payable and other liabilities	11,979	26,660	10,544	10,194	179,484	10,346	52,730	-	8,975	-	2,757
Deferred revenue and advances payable	5,163	3,092	50,044	-	42,922	3,166	4,896	-	-	-	-
Current portion of due to affiliates	-	-	-	-	40,000	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>37,351</b>	<b>153,173</b>	<b>145,199</b>	<b>10,194</b>	<b>342,034</b>	<b>32,211</b>	<b>140,275</b>	<b>-</b>	<b>8,975</b>	<b>-</b>	<b>2,757</b>
<b>Long-term Liabilities:</b>											
Mortgage and notes payable, net	456,438	927,030	1,348,629	-	1,046,911	18,441	1,488,440	-	-	-	-
Due to affiliates, net of current portion	-	-	-	146,584	224,201	-	-	-	-	-	-
Accounts payable and other liabilities, net of current portion	-	-	-	-	-	-	9,939	-	-	-	-
Accrued interest, net of current portion	-	-	238,624	-	-	-	-	-	-	-	-
Contingent loans and advances	-	-	-	350,242	1,040,000	-	2,723,168	-	-	-	-
<b>Total long-term liabilities</b>	<b>456,438</b>	<b>927,030</b>	<b>1,587,253</b>	<b>496,826</b>	<b>2,311,112</b>	<b>18,441</b>	<b>4,221,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>493,789</b>	<b>1,080,203</b>	<b>1,732,452</b>	<b>507,020</b>	<b>2,653,146</b>	<b>50,652</b>	<b>4,361,822</b>	<b>-</b>	<b>8,975</b>	<b>-</b>	<b>2,757</b>
<b>Net Assets:</b>											
<b>Without donor restrictions:</b>											
Operating	65,415	118,969	184,086	71,047	(8,339)	45,987	425,978	792,331	1,870,013	341,007	770,600
Property and equipment	(254,032)	1,464,839	(970,223)	(247,056)	(107,013)	533,540	3,001,343	48,232	51,979	654,000	240,125
<b>Total net assets without donor restrictions</b>	<b>(188,617)</b>	<b>1,583,808</b>	<b>(786,137)</b>	<b>(176,009)</b>	<b>(115,352)</b>	<b>579,527</b>	<b>3,427,321</b>	<b>840,563</b>	<b>1,921,992</b>	<b>995,007</b>	<b>1,010,725</b>
<b>Total liabilities and net assets</b>	<b>\$ 305,172</b>	<b>\$ 2,664,011</b>	<b>\$ 946,315</b>	<b>\$ 331,011</b>	<b>\$ 2,537,794</b>	<b>\$ 630,179</b>	<b>\$ 7,789,143</b>	<b>\$ 840,563</b>	<b>\$ 1,930,967</b>	<b>\$ 995,007</b>	<b>\$ 1,013,482</b>

**URBAN EDGE HOUSING CORPORATION AND AFFILIATES**

 Supplementary Statement of Financial Position of Selected Rental Programs  
 December 31, 2021

<b>Assets</b>	<b>2010 Columbus</b>	<b>Community Center</b>	<b>Egleston Center</b>	<b>Ennis Highland</b>	<b>Harvard Hill</b>	<b>Montebello Hillside</b>	<b>JC Owner</b>	<b>Dixwell Park</b>	<b>Bancroft Housing</b>	<b>Wilshire</b>	<b>Westminster</b>
<b>Current Assets:</b>											
Cash	\$ 33,216	\$ 90,024	\$ 165,944	\$ 31,996	\$ 95,856	\$ 173,742	\$ 136,339	\$ 307,779	\$ 446,898	\$ 139,325	\$ 492,111
Current portion of restricted deposits	10,118	42,138	60,834	9,849	51,628	10,718	9,235	-	-	-	-
Contracts, loans and other receivables, net	13,007	-	1,786	14,226	21,859	16,013	71,501	3,098	-	-	-
Due from affiliates	-	-	-	-	-	-	-	29,567	317,454	140,130	147,711
Prepaid expenses and other	1,492	3,939	2,190	682	6,970	647	5,366	-	21,673	-	-
<b>Total current assets</b>	<b>57,833</b>	<b>136,101</b>	<b>230,754</b>	<b>56,753</b>	<b>176,313</b>	<b>201,120</b>	<b>222,441</b>	<b>340,444</b>	<b>786,025</b>	<b>279,455</b>	<b>639,822</b>
Restricted Deposits, net of current portion	-	121,171	381,659	22,602	199,067	12,616	186,807	-	-	-	-
Property and Equipment, net	232,443	2,500,167	348,778	248,268	1,986,452	551,271	7,219,843	48,232	51,979	654,000	240,125
<b>Total assets</b>	<b>\$ 290,276</b>	<b>\$ 2,757,439</b>	<b>\$ 961,191</b>	<b>\$ 327,623</b>	<b>\$ 2,361,832</b>	<b>\$ 765,007</b>	<b>\$ 7,629,091</b>	<b>\$ 388,676</b>	<b>\$ 838,004</b>	<b>\$ 933,455</b>	<b>\$ 879,947</b>
<b>Liabilities and Net Assets</b>											
<b>Current Liabilities:</b>											
Current portion of mortgage and notes payable	\$ 17,108	\$ 115,625	\$ 61,783	\$ -	\$ 68,597	\$ 4,353	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of accrued interest	2,239	3,727	15,765	-	6,743	7,948	8,277	-	-	-	-
Current portion of accounts payable and other liabilities	11,367	22,029	7,786	9,848	53,939	10,832	23,149	3,002	1,040	-	2,757
Deferred revenue and advances payable	-	416	18,341	-	18,436	7,378	4,981	-	-	-	-
Current portion of due to affiliates	-	-	-	-	-	-	-	-	15,833	-	-
<b>Total current liabilities</b>	<b>30,714</b>	<b>141,797</b>	<b>103,675</b>	<b>9,848</b>	<b>147,715</b>	<b>30,511</b>	<b>36,407</b>	<b>3,002</b>	<b>16,873</b>	<b>-</b>	<b>2,757</b>
<b>Long-term Liabilities:</b>											
Mortgage and notes payable, net	474,467	1,047,092	1,386,182	-	1,110,528	173,668	1,615,691	-	-	-	-
Due to affiliates, net of current portion	-	-	-	146,584	224,201	-	-	-	-	-	-
Accounts payable and other liabilities, net of current portion	-	-	-	-	-	-	9,939	-	-	-	-
Accrued interest, net of current portion	-	-	238,624	-	-	-	-	-	-	-	-
Contingent loans and advances	-	-	-	350,242	1,040,000	-	2,723,168	-	-	-	-
<b>Total long-term liabilities</b>	<b>474,467</b>	<b>1,047,092</b>	<b>1,624,806</b>	<b>496,826</b>	<b>2,374,729</b>	<b>173,668</b>	<b>4,348,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>505,181</b>	<b>1,188,889</b>	<b>1,728,481</b>	<b>506,674</b>	<b>2,522,444</b>	<b>204,179</b>	<b>4,385,205</b>	<b>3,002</b>	<b>16,873</b>	<b>-</b>	<b>2,757</b>
<b>Net Assets:</b>											
<b>Without donor restrictions:</b>											
Operating	44,227	109,929	188,862	46,905	97,195	174,962	371,179	337,442	769,152	279,455	637,065
Property and equipment	(259,132)	1,458,621	(956,152)	(225,956)	(257,807)	385,866	2,872,707	48,232	51,979	654,000	240,125
<b>Total net assets without donor restrictions</b>	<b>(214,905)</b>	<b>1,568,550</b>	<b>(767,290)</b>	<b>(179,051)</b>	<b>(160,612)</b>	<b>560,828</b>	<b>3,243,886</b>	<b>385,674</b>	<b>821,131</b>	<b>933,455</b>	<b>877,190</b>
<b>Total liabilities and net assets</b>	<b>\$ 290,276</b>	<b>\$ 2,757,439</b>	<b>\$ 961,191</b>	<b>\$ 327,623</b>	<b>\$ 2,361,832</b>	<b>\$ 765,007</b>	<b>\$ 7,629,091</b>	<b>\$ 388,676</b>	<b>\$ 838,004</b>	<b>\$ 933,455</b>	<b>\$ 879,947</b>

URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Supplementary Statement of Activities of Selected Rental Programs  
For the Year Ended December 31, 2022

	<u>2010 Columbus</u>	<u>Community Center</u>	<u>Egleston Center</u>	<u>Ennis Highland</u>	<u>Harvard Hill</u>	<u>Montebello Hillside</u>	<u>JC Owner</u>	<u>Dixwell Park</u>	<u>Bancroft Housing</u>	<u>Wilshire</u>	<u>Westminster</u>
<b>Net Assets Without Donor Restrictions:</b>											
Operating revenues:											
Rental income, net of vacancies	\$ 120,044	\$ 325,896	\$ 240,087	\$ 61,812	\$ 672,341	\$ 108,410	\$ 443,984	\$ 466,357	\$ 1,064,210	\$ 59,972	\$ 130,016
Interest income and other	<u>4,803</u>	<u>771</u>	<u>25,424</u>	<u>848</u>	<u>3,142</u>	<u>603</u>	<u>39,086</u>	<u>5,986</u>	<u>53,177</u>	<u>1,580</u>	<u>3,519</u>
Total operating revenues	<u>124,847</u>	<u>326,667</u>	<u>265,511</u>	<u>62,660</u>	<u>675,483</u>	<u>109,013</u>	<u>483,070</u>	<u>472,343</u>	<u>1,117,387</u>	<u>61,552</u>	<u>133,535</u>
Operating expenses:											
Rental Programs	83,074	167,059	164,998	30,704	540,971	85,910	299,635	17,454	16,526	-	-
Depreciation	<u>15,485</u>	<u>144,350</u>	<u>69,360</u>	<u>28,914</u>	<u>89,252</u>	<u>4,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>98,559</u>	<u>311,409</u>	<u>234,358</u>	<u>59,618</u>	<u>630,223</u>	<u>90,314</u>	<u>299,635</u>	<u>17,454</u>	<u>16,526</u>	<u>-</u>	<u>-</u>
Changes in net assets without donor restrictions	<u>\$ 26,288</u>	<u>\$ 15,258</u>	<u>\$ 31,153</u>	<u>\$ 3,042</u>	<u>\$ 45,260</u>	<u>\$ 18,699</u>	<u>\$ 183,435</u>	<u>\$ 454,889</u>	<u>\$ 1,100,861</u>	<u>\$ 61,552</u>	<u>\$ 133,535</u>

URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Supplementary Statement of Activities of Selected Rental Programs  
For the Year Ended December 31, 2021

	<u>2010 Columbus</u>	<u>Community Center</u>	<u>Egleston Center</u>	<u>Ennis Highland</u>	<u>Harvard Hill</u>	<u>Montebello Hillside</u>	<u>JC Owner</u>	<u>Dixwell Park</u>	<u>Bancroft Housing</u>	<u>Wilshire</u>	<u>Westminster</u>
<b>Net Assets Without Donor Restrictions:</b>											
Operating revenues:											
Rental income, net of vacancies	\$ 107,223	\$ 325,896	\$ 235,294	\$ 61,812	\$ 667,997	\$ 115,645	\$ 603,911	\$ 578,102	\$ 1,183,370	\$ 56,997	\$ 132,992
Interest income and other	-	131	22,936	510	2,464	446	40,003	1,459	9,971	1,763	4,115
Total operating revenues	<u>107,223</u>	<u>326,027</u>	<u>258,230</u>	<u>62,322</u>	<u>670,461</u>	<u>116,091</u>	<u>643,914</u>	<u>579,561</u>	<u>1,193,341</u>	<u>58,760</u>	<u>137,107</u>
Operating expenses:											
Rental Programs	72,324	178,142	152,324	31,228	507,521	45,704	465,736	498,155	786,538	-	2,733
Depreciation	15,485	144,350	69,360	28,914	89,252	4,404	119,022	73,428	37,178	-	-
Total operating expenses	<u>87,809</u>	<u>322,492</u>	<u>221,684</u>	<u>60,142</u>	<u>596,773</u>	<u>50,108</u>	<u>584,758</u>	<u>571,583</u>	<u>823,716</u>	<u>-</u>	<u>2,733</u>
Changes in net assets without donor restrictions from operations	19,414	3,535	36,546	2,180	73,688	65,983	59,156	7,978	369,625	58,760	134,374
Other expenses:											
Deferred interest	-	-	-	-	-	-	-	(88,008)	-	-	-
Changes in net assets without donor restrictions	<u>\$ 19,414</u>	<u>\$ 3,535</u>	<u>\$ 36,546</u>	<u>\$ 2,180</u>	<u>\$ 73,688</u>	<u>\$ 65,983</u>	<u>\$ 59,156</u>	<u>\$ (80,030)</u>	<u>\$ 369,625</u>	<u>\$ 58,760</u>	<u>\$ 134,374</u>



URBAN EDGE HOUSING CORPORATION AND AFFILIATES

Supplementary Statements of Changes in Net Assets of Selected Rental Programs  
For the Years Ended December 31, 2022 and 2021

	<u>2010 Columbus</u>	<u>Community Center</u>	<u>Egleston Center</u>	<u>Ennis Highland</u>	<u>Harvard Hill</u>	<u>Montebello Hillside</u>	<u>JC Owner</u>	<u>Dixwell Park</u>	<u>Bancroft Housing</u>	<u>Wilshire</u>	<u>Westminster</u>
<b>Net Assets, December 31, 2020</b>	\$ (234,319)	\$ 1,565,015	\$ (753,836)	\$ (181,231)	\$ (234,300)	\$ 494,845	\$ 1,278,498	\$ (1,733,690)	\$ 260,315	\$ 874,695	\$ 560,045
Changes in net assets without donor restrictions	19,414	3,535	36,546	2,180	73,688	65,983	59,156	(80,030)	369,625	58,760	134,374
Capital contributions - NCI	-	-	-	-	-	-	100,000	-	-	-	-
Distributions	-	-	(50,000)	-	-	-	(9,503)	-	(44,598)	-	-
Interest payment on related party loans	-	-	-	-	-	-	-	-	-	-	182,771
Excess of purchase price over carrying amount and related transaction costs	-	-	-	-	-	-	-	2,199,394	235,789	-	-
Net asset transfer	-	-	-	-	-	-	1,815,735	-	-	-	-
<b>Net Assets, December 31, 2021</b>	(214,905)	1,568,550	(767,290)	(179,051)	(160,612)	560,828	3,243,886	385,674	821,131	933,455	877,190
Changes in net assets without donor restrictions	26,288	15,258	31,153	3,042	45,260	18,699	183,435	454,889	1,100,861	61,552	133,535
Distributions	-	-	(50,000)	-	-	-	-	-	-	-	-
<b>Net Assets, December 31, 2022</b>	<u>\$ (188,617)</u>	<u>\$ 1,583,808</u>	<u>\$ (786,137)</u>	<u>\$ (176,009)</u>	<u>\$ (115,352)</u>	<u>\$ 579,527</u>	<u>\$ 3,427,321</u>	<u>\$ 840,563</u>	<u>\$ 1,921,992</u>	<u>\$ 995,007</u>	<u>\$ 1,010,725</u>