Investing in Impact

Bridgeway Capital's 2019 Annual Report
Greetings,

2019 was a year of both continuity and change for Bridgeway Capital. We continued to invest in the people and places in western Pennsylvania most in need of patient, flexible capital. We made 98 loans and 32 grants totaling more than $23 million, a new record for the organization. Our loan programs helped our customers access opportunity and achieve lasting impact for our region.

Achievements from 2019 include:

- 73 small businesses received loans from Bridgeway, and we provided 1,607 hours of technical assistance that helped entrepreneurs with marketing, legal, and financial planning and accounting.
- 164 units of affordable housing were created or preserved with the support of Bridgeway financing.
- 7800 Susquehanna Street is now fully occupied with 25 small businesses and nonprofit organizations creating change and opportunity in the Homewood neighborhood of Pittsburgh.
- Bridgeway opened the Sarah B. Campbell Enterprise Center at 7800 Susquehanna Street to serve as a resource for community groups and local entrepreneurs.

We successfully sustained our high impact work through a transition in leadership. Bridgeway’s founder and former President and CEO Mark Peterson retired in 2019. T.J. Bogdewic assumed the role of President and CEO on July 1, 2019, while Mark continued on in an advisory role through the end of the year. We are proud to report that our work has progressed unabated thanks to a dedicated staff and Board of Directors that ensures a steadfast focus on our mission.

Bridgeway continued to maintain strong financial performance. We manage our assets prudently and effectively, blending grants with debt capital to take measured risk and offer the products and services our customers need. In 2019, our net loss rate was only 1.3 percent of loans outstanding. Total assets grew to nearly $106 million, while total net assets grew to more than $43 million.

As we enter a new decade, Bridgeway remains dedicated to the important work of creating financial opportunity that leads to future prosperity. While our region experiences change, Bridgeway will remain a constant, committed to ensuring that western Pennsylvania’s economy thrives for everyone.

Sincerely,

T.J. Bogdewic
President & CEO

Chuck Broff
Chairperson, Board of Directors
Financial Strength

2019 Lending

- 32% | Small Business
- 27% | Housing
- 21% | Commercial Real Estate
- 12% | Nonprofits
- 4% | Craft Business Accelerator
- 4% | Healthy Food Access

Aeris, an independent evaluator of CDFI financial performance and social impact, completed an in-depth examination of Bridgeway’s loan files, lending process, portfolio, financial history, and mission impact. Bridgeway earned a ★★★ AA- rating.

Statement of Financial Position

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Receivable (Net)</td>
<td>$66,569,263</td>
<td>$58,073,703</td>
</tr>
<tr>
<td>Cash &amp; Investments</td>
<td>$23,921,659</td>
<td>$38,238,683</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$15,217,710</td>
<td>$13,251,446</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$105,708,632</strong></td>
<td><strong>$101,563,922</strong></td>
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<thead>
<tr>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Notes Payable</td>
<td>$60,603,725</td>
<td>$57,895,704</td>
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<tr>
<td>Other Liabilities</td>
<td>$1,787,714</td>
<td>$2,191,083</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$62,391,439</strong></td>
<td><strong>$60,866,787</strong></td>
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<table>
<thead>
<tr>
<th>NET ASSETS</th>
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<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>$38,937,599</td>
<td>$35,759,088</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>$4,379,594</td>
<td>$5,718,047</td>
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<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>$43,317,193</strong></td>
<td><strong>$41,477,135</strong></td>
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</tbody>
</table>

| **TOTAL LIABILITIES & NET ASSETS**          | **$105,708,632** | **$101,563,922** |

Statement of Activities

<table>
<thead>
<tr>
<th>REVENUE AND SUPPORT</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions &amp; Grants</td>
<td>$5,299,079</td>
<td>$4,963,024</td>
</tr>
<tr>
<td>Program Income</td>
<td>$4,837,952</td>
<td>$4,705,297</td>
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<tr>
<td>Investment Income</td>
<td>$872,400</td>
<td>$168,777</td>
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<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>$11,009,431</strong></td>
<td><strong>$9,837,098</strong></td>
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<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
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<tbody>
<tr>
<td>Program</td>
<td>$7,248,897</td>
<td>$6,343,838</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>$1,619,238</td>
<td>$1,374,640</td>
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<tr>
<td>Fundraising</td>
<td>$301,238</td>
<td>$233,300</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$9,169,373</strong></td>
<td><strong>$7,951,788</strong></td>
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</table>

| CHANGE IN NET ASSETS                        | $1,840,058      | $1,885,220      |
“Bridgeway helped us provide a safe and supportive environment for women to realize a hopeful future.”

Jillian Giles, Pearl’s Serenity House

Clients As Catalysts

**Hazelwood Initiative**

*Developing affordable housing that grows with neighborhoods*

Hazelwood Initiative strives for development without displacement by making affordable housing and commercial space available to local low-income families and entrepreneurs in Hazelwood and Glen Hazel. Hazelwood Initiative supports the growth of community businesses with retail and mixed-use spaces, and its Homeownership Incubator project helps renters become owners by reserving part of their rent payments for eventual down payments. With its mission to expand local business and increase homeownership, Hazelwood Initiative is helping reduce blight, build community, and ensure that its residents remain active stakeholders in the area’s growth.

**Pearl's Serenity House**

*Sustaining social services that foster a sisterhood for a more hopeful future*

Jillian Giles founded Pearl’s Serenity House—McKeesport’s first women-only, long-term housing facility—to support survivors of domestic violence, drug abuse, and homelessness beyond the 30 days offered at most shelters. Pearl’s Serenity House offers women in transitional situations a longer-term living situation to heal and establish self-sufficiency before moving on. With funding from Bridgeway, Giles was able to renovate Pearl’s Serenity House and acquire equipment. By creating an intimate, home-like atmosphere staffed with trained counselors, Pearl’s is able to foster meaningful sisterhood and personal growth among its residents, empowering them for the next chapters of their lives.

**Supreme Traffic Control**

*Providing a second chance at employment and a living wage*

With his business, Supreme Traffic Control, Floyd Edwards, Jr., provides living-wage jobs while offering a much-needed service to the growing city of Pittsburgh. Edwards works with more than 27 full-time and almost 50 part-time or seasonal employees to offer on-site traffic control, traffic control training, and work zone safety. Edwards launched the business in the years after his incarceration, and Bridgeway invested in Edwards’ vision and worked with him to develop a viable business model. Bridgeway has helped Supreme Traffic Control to flourish and to pass that success on to people whom employers might otherwise overlook, enriching the community and sparking new hope.

**Riverside Family Market**

*Increasing access to fresh, healthy foods in food-insecure communities*

Adam Giles, owner of Riverside Family Market is continuing a family business tradition that goes back to his grandfather: offering fresh, healthy food and a sense of community to the people of Point Marion. Giles faced challenges with traditional banks, but with capital from Bridgeway, he was able to purchase a storefront, make renovations, acquire inventory, and introduce new products. Now, Riverside Family Market has opened a local grocery store where it was needed, rehabilitated existing real estate, created jobs, and helped improve the health of its community.
$23 MILLION
in loans and grants
invested in communities

Lundon Boutique

Igniting economic activity by growing small business startups

Lundon Dunbar began her trendy clothing store, Lundon Boutique, in her home, but it quickly outgrew that space. Then it outgrew a rented storefront on Pittsburgh’s Northside. Dunbar realized she would need to move her business to expand. With a small business microloan from Bridgeway Capital, she was able to relocate Lundon Boutique to Ross Park Mall, as well as renovate her new storefront and expand her product line. Now, Dunbar is reaching new markets, increasing sales, and growing her workforce. Bridgeway helps women-owned businesses access new economic opportunities and build businesses that contribute to a vibrant regional economy.

Roxian Theater

Building vibrant business corridors in disinvested communities

McKees Rocks, a town built around industry, has been impacted by the displacement of manufacturing. Now the neighborhood is establishing itself as a model for renewal. Anchor institutions, like the Father Ryan Arts Center and Roxian Theater, as well as community partners, passionate residents, and engaged entrepreneurs, are catalysts for neighborhood vibrancy and economic vitality. Bridgeway has funded multiple real estate projects in McKees Rocks that have transformed vacant properties into community assets. We understand the dynamics of financing depreciated properties in disinvested neighborhoods. Where many lenders saw the complex real estate transactions as obstacles, we saw the opportunity to help build a resilient community.

“Bridgeway helped me open a new retail space to reach new markets and expand my business.”

Lundon Dunbar, Lundon Boutique
2019 **Impact**

We invest in people and places to build a stronger regional economy for all.

**PLACE**

- **$23** million in loans and grants invested in communities, representing 98 loans and 32 grants

**PEOPLE**

- **35** loans to minority-led enterprises

**BUSINESS ACCELERATOR**

- **1,607** hours of business services and guidance delivered to entrepreneurs

**PLACE**

- **96%** of dollars lent, representing 99 loans, were to projects in low-to-moderate income neighborhoods

**PEOPLE**

- **30** loans to woman-led enterprises

**BUSINESS ACCELERATOR**

- **84%** of business accelerator services accessed by minority entrepreneurs

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“Bridgeway helped us offer affordable housing and retail space focused on development without displacement.”

*Sonya Tilghman, Hazelwood Initiative*

To learn more visit: [bridgewaycapital.org](http://bridgewaycapital.org)