BRIDGEWAY CAPITAL, INC.
Pittsburgh, Pennsylvania

Consolidated Financial Statements
and
Supplemental Information
September 30, 2019 and 2018

and Independent Auditors' Report Thereon

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bridgeway Capital, Inc.
Pittsburgh, Pennsylvania

We have audited the accompanying consolidated financial statements of Bridgeway Capital, Inc. (Bridgeway Capital) and its subsidiaries, Bridgeway Development Corporation (BDC) and 15CCD Corporation (15CCD) (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2019 and 2018, and the changes in their net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 2 to the financial statements, in 2019, the Organization adopted Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). Our opinion is not modified with respect to this matter. As part of the adoption of ASU 2016-14, the Organization has restated its net assets as of September 30, 2018 to comply with a required method change. (See Note 2).

Other Matters
Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating statements of financial position as of September 30, 2019 and 2018, the consolidating statements of activities and changes in net assets and consolidating statements of functional expenses for the years ended September 30, 2019 and 2018, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
January 21, 2020

BRIDGEWAY CAPITAL, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2019	September 30, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,590,146	$ 5,821,710
Investments in marketable securities	14,448,220	20,851,827
Interest and fees receivable	430,166	374,411
Grants receivable	2,346,728	1,490,557
Loans receivable, net	9,526,978	8,050,215
Other assets	313,942	288,455
Cash and cash equivalents - restricted	2,502,800	2,152,066
Total Current Assets	36,158,980	39,029,241
LONG-TERM ASSETS		
Interest receivable	206,146	175,730
Loans receivable, net	57,042,285	50,023,578
Fair value of interest rate swap	50	31,902
Other assets	626,672	440,577
Cash and cash equivalents - restricted	380,493	1,413,080
Land, buildings and equipment, net	11,294,006	10,449,814
Total Long-Term Assets	69,549,652	62,534,681
Total Assets	$ 105,708,632	$ 101,563,922
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,320,214	$ 614,131
Notes payable, net	4,238,920	1,989,266
Agency funds	-	95,000
Total Current Liabilities	5,559,134	2,698,397
LONG-TERM LIABILITIES		
Notes payable, net	56,364,805	55,906,438
Agency funds	467,500	1,481,952
Total Long-Term Liabilities	56,832,305	57,388,390
Total Liabilities	62,391,439	60,086,787
NET ASSETS		
Without donor restrictions	38,937,599	35,759,088
With donor restrictions	4,379,594	5,718,047
Total Net Assets	43,317,193	41,477,135
Total Liabilities And Net Assets	$ 105,708,632	$ 101,563,922

See notes to consolidated financial statements.

BRIDGEWAY CAPITAL, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Financing Income						
Loan interest income, net	$ 3,923,451	-	$ 3,923,451	$ 3,817,823	-	$ 3,817,823
Fees and other income	377,392	-	377,392	378,753	-	378,753
Rental income	537,109	-	537,109	508,721	-	508,721
Investment return, net	872,400	-	872,400	168,777	-	168,777
Total Financing Income	5,710,352	-	5,710,352	4,874,074	-	4,874,074
Financing Expenses						
Interest expense	1,986,978	-	1,986,978	1,707,346	-	1,707,346
Provision for loan losses	1,435,513	-	1,435,513	573,186	-	573,186
Total Financing Expenses	3,422,491	-	3,422,491	2,280,532	-	2,280,532
Net Financing Income	2,287,861	-	2,287,861	2,593,542	-	2,593,542
Other Revenue and Support						
Grants and contributions	236,319	$ 5,062,760	5,299,079	164,461	$ 4,798,563	4,963,024
Net assets released from restrictions	6,401,213	(6,401,213)	-	6,038,338	(6,038,338)	-
Total Revenues And Support	8,925,393	(1,338,453)	7,586,940	8,796,341	(1,239,775)	7,556,566
OPERATING EXPENSES						
Personnel	2,708,133	-	2,708,133	3,091,471	-	3,091,471
General and administrative	759,175	-	759,175	698,532	-	698,532
Professional and subcontracted services	913,467	-	913,467	606,411	-	606,411
Depreciation	523,292	-	523,292	434,359	-	434,359
Real estate operations	326,033	-	326,033	312,764	-	312,764
Occupancy	214,957	-	214,957	215,121	-	215,121
Grants	301,825	-	301,825	312,688	-	312,688
Total Operating Expenses	5,746,882	-	5,746,882	5,671,346	-	5,671,346
Changes In Net Assets	3,178,511	(1,338,453)	1,840,058	3,124,995	(1,239,775)	1,885,220
NET ASSETS						
Beginning of year	35,759,088	5,718,047	41,477,135	32,634,093	6,957,822	39,591,915
End of year	$ 38,937,599	$ 4,379,594	$ 43,317,193	$ 35,759,088	$ 5,718,047	$ 41,477,135

See notes to consolidated financial statements.

BRIDGEWAY CAPITAL, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019			
	Program Services	Management and General	Fundraising	Total
FINANCING EXPENSES				
Interest expense	$ 1,986,978	-	-	$ 1,986,978
Provision for loan losses	1,435,513	-	-	1,435,513
Total Financing Expenses	3,422,491	-	-	3,422,491
OPERATING EXPENSES				
Personnel	1,404,621	$ 1,047,785	$ 255,727	2,708,133
General and administrative	453,339	285,367	20,469	759,175
Professional and subcontracted services	699,302	208,282	5,883	913,467
Depreciation	513,341	7,878	2,073	523,292
Real estate operations	326,033	-	-	326,033
Occupancy	127,945	69,926	17,086	214,957
Grants	301,825	-	-	301,825
Total Operating Expenses	3,826,406	1,619,238	301,238	5,746,882
Total Functional Expenses	$ 7,248,897	$ 1,619,238	$ 301,238	$ 9,169,373

	2018			
	Program Services	Management and General	Fundraising	Total
FINANCING EXPENSES				
Interest expense	$ 1,707,346	-	-	$ 1,707,346
Provision for loan losses	573,186	-	-	573,186
Total Financing Expenses	2,280,532	-	-	2,280,532
OPERATING EXPENSES				
Personnel	1,981,973	$ 911,599	$ 197,899	3,091,471
General and administrative	449,650	237,805	11,077	698,532
Professional and subcontracted services	447,390	149,904	9,117	606,411
Depreciation	422,972	9,484	1,903	434,359
Real estate operations	312,764	-	-	312,764
Occupancy	135,969	65,848	13,304	215,121
Grants	312,688	-	-	312,688
Total Operating Expenses	4,063,406	1,374,640	233,300	5,671,346
Total Functional Expenses	$ 6,343,938	$ 1,374,640	$ 233,300	$ 7,951,878

See notes to consolidated financial statements.

BRIDGEWAY CAPITAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 1,840,058	$ 1,885,220
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Provision for loan losses	1,435,513	573,186
Depreciation and amortization	557,865	468,931
Net realized and unrealized (gains) losses on investments	(354,048)	186,113
Change in fair value of interest rate swap	31,852	(43,151)
Changes in assets and liabilities:		
Grants, fees and interest receivable	(942,342)	2,145,012
Other assets	(211,582)	(100,473)
Accounts payable and accrued expenses	706,083	(363,246)
Net Cash Provided By Operating Activities	3,063,399	4,751,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans receivable disbursed	(22,368,151)	(18,764,591)
Loans receivable repayments	12,437,168	16,192,784
Acquisition of land, buildings and equipment	(1,367,484)	(2,234,469)
Purchases of investments	(3,586,768)	(6,966,257)
Proceeds from sales of investments	10,344,423	939,343
Changes in agency funds	(1,109,452)	(217,555)
Net Cash Used In Investing Activities	(5,650,264)	(11,050,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on notes payable	8,303,370	11,099,900
Repayments on notes payable	(5,629,922)	(4,184,675)
Net Cash Provided By Financing Activities	2,673,448	6,915,225
Net Increase In Cash, Restricted Cash And Cash Equivalents	86,583	616,072
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS		
Beginning of year	9,386,856	8,770,784
End of year	$ 9,473,439	$ 9,386,856
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Cash paid during the period for interest	$ 1,932,587	$ 1,693,859
Changes in accounts payable related to the acquisition of land, buildings and equipment	$ 594,002	$ (504,969)

See notes to consolidated financial statements.

NOTE 1 - ORGANIZATION

The accompanying consolidated financial statements include the accounts of Bridgeway Capital, Inc. (Bridgeway Capital) and its subsidiaries, Bridgeway Development Corporation (BDC) and 15CCD Corporation (15CCD), collectively referred to as the Organization.

Bridgeway Capital, a Pennsylvania nonprofit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), was founded in 1990 and strives to make western Pennsylvania a thriving region for all by providing capital and educational opportunities to entrepreneurs and growing small businesses to create new businesses and new jobs; to nonprofits to help sustain and expand the services they provide; and to community development organizations working to revitalize distressed communities. Most of Bridgeway Capital's loans benefit low-income people in western Pennsylvania through employment opportunities at the small businesses that Bridgeway Capital finances, through the services provided by its nonprofit borrowers, or through the real estate projects undertaken by Bridgeway Capital's community development borrowers. Bridgeway Capital is a member of Opportunity Finance Network (OFN), certified as a Community Development Financial Institution by the U.S. Department of the Treasury, and is accredited by the Commonwealth of Pennsylvania Community Development Bank. The Organization is rated by Aeris, a community development financial institution rating agency.

BDC is a Pennsylvania nonprofit corporation, wholly owned by Bridgeway Capital, established in August 2012 for the purpose of owning a commercial rental real estate building as a space for small businesses and nonprofit companies in a low-income community. BDC was converted to a nonprofit corporation during fiscal 2015 and is exempt from income taxes under IRC Section 501(c)(2).

15CCD is a Pennsylvania nonprofit corporation, wholly owned by Bridgeway Capital, established in July 2014 for the purpose of engaging in commercial real estate development activities, principally in low-income communities. 15CCD was converted to a nonprofit corporation during fiscal 2015 and the Organization has not yet applied for exemption from federal income tax.

The Organization offers three primary loan products used to benefit low-income people: 1) small business loans, 2) nonprofit loans and 3) community development loans. Small business borrowers are prospective or existing small businesses that demonstrate the motivation to launch or expand businesses, but are unable to obtain financing from conventional sources. Nonprofit organizations obtain loans from Bridgeway Capital to fill capital gaps due to the nonprofit sector's structural barriers in accessing conventional debt, investment capital or equity markets. Community development borrowers seek patient capital that is unavailable from traditional sources to finance predevelopment and development costs for affordable housing, commercial real estate and community facilities projects, principally in low-income communities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying consolidated financial statements follows:

Basis of Accounting - The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation - The consolidated financial statements include accounts of the entities described in Note 1. All significant intercompany balances and transactions are eliminated in consolidation.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Loans Receivable and Allowance for Loan Losses - Bridgeway Capital evaluates the creditworthiness of potential borrowers on a case-by-case basis. The amount of collateral obtained, if deemed necessary by Bridgeway Capital upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, and property and equipment.

Loans receivable are stated at the amount management expects to collect from outstanding balances, representing unpaid principal less an allowance for loan losses. Amounts due are presented net of any loan participations by other lenders. At September 30, 2019 and 2018, there were no significant concentrations of credit risk to individual borrowers.

The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in the active process of collection. Loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off in the current year is reversed against interest income, and uncollected interest income recorded in previous years is charged off against the allowance for loan losses. The interest on these loans is accounted for on the cash basis or cost-recovery method until qualifying for return to accrual status. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

An allowance for loan losses is established through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes collection of a loan balance is unlikely or when the value is deemed to be impaired. Subsequent recoveries of these loan losses are added back to the allowance at the time of receipt. There were no impaired loans as of September 30, 2019 and 2018.

The allowance for loan losses is evaluated monthly by management. The allowance is based on payment performance criteria and management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions.

The determination of the adequacy of the allowance for loan losses is based on estimates that are sensitive to significant changes in the economic environment and market conditions. While management uses all available information to estimate losses on loans, it is reasonably possible that adjustments in the carrying amounts of loans may be necessary in the near term based on changes in local economic conditions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents - The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The majority of cash and cash equivalents are on deposit with five financial institutions. Account balances at September 30, 2019 and 2018 exceeded the Federal Deposit Insurance Corporation (FDIC) limit. The Organization believes it has placed these cash investments with high credit-quality financial institutions and does not believe it is exposed to any significant credit risk on its cash and cash equivalents.

Restricted Cash and Cash Equivalents - Restricted cash and cash equivalents represent cash on hand related to the agency funds held by the Organization, the New Markets Tax Credit financing obtained for the substantial renovation of the commercial rental building owned by BDC, and loss reserves or holding accounts required by investor covenants or programs. The Organization considers restricted cash due in one year or less to be short term in nature.

Grants Receivable - Grants receivable represent amounts due from various foundations, government agencies and corporations under grant agreements. The grants receivable are expected to be collected within the next year and are recorded at their estimated future net realizable value and based upon management's analysis no allowance is necessary as of September 30, 2019 and 2018.

Investments - Investments are recorded at fair value. Realized and unrealized gains and losses on investments are reflected in revenue and support without donor restrictions on the consolidated statements of activities and changes in net assets in investment return, net.

Bridgeway Capital has investments in money market funds (classified as cash and cash equivalents in the consolidated statement of financial position), corporate bonds, mutual funds, government securities, equity securities and mortgage-backed securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the consolidated statements of financial position.

Land, Buildings and Equipment - Land, buildings and equipment acquired are recorded at lower of cost or fair value. Depreciation is provided by the straight-line method over the estimated useful lives of the assets. The estimated useful lives of rental buildings and improvements range from 20 to 25 years. The estimated useful lives of office furniture and equipment range from three to 10 years.

The rental building and improvements comprise a commercial property, which is stated at cost. Costs to complete construction are held in construction-in-progress. Once completed, these costs are reclassified into rental buildings and improvements, and are depreciated using the straight-line method over 20 to 25 years. Rental revenue is recognized straight-line over the life of the lease by the Organization.

Impairment of Long-Lived Assets - Management of the Organization reviews the carrying amount of land, buildings and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. No such events occurred in 2019 or 2018. Management would then consider the undiscounted cash flow expected to be generated by the use of the asset and its eventual disposition to determine when, and if, impairment has occurred. Any write-downs due to impairment are charged to the consolidated statement of activities and changes in net assets at the time impairment is identified. No such write-downs were required in 2019 and 2018.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Net Asset Restrictions - Contractual revenue is recognized when earned under the terms of the contracts. Contributions received are recorded without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. In 2019 and 2018 respectively, the net assets with donor restrictions of the Organization were approximately $1,264,000 and $2,517,000 for lending activities, $2,601,000 and $1,337,000 for program operations, and $515,000 and $1,864,000 for capital asset acquisition and planning.

Agency Funds - Agency funds represent assets transferred to the Organization by a third party and committed to be used by an unaffiliated beneficiary. The agency funds' restricted cash and respective liabilities are classified as current or long-term based on contractual terms and expected usage of the funds.

Derivative Financial Instruments - The Organization uses derivatives to manage risk related to interest rate movements. The Organization's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate contracts to convert variable rate debt to a fixed rate. The Organization is exposed to credit losses from counterparty (its lending bank) nonperformance, but does not anticipate any losses from its agreements, which are with a major financial institution.

Derivative financial instruments are to be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments used for hedging purposes by nonprofit organizations are recognized annually in income. The Organization reflects changes in the fair value of its interest rate swap in financing expense as a component of investor interest on the consolidated statements of activities and changes in net assets.

Income Taxes - The Organization follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification) topic on Income Taxes, which prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in consolidated financial statements. The Organization provides parking and transit funds to employees through a pretax qualified reimbursement plan, which is now considered to be unrelated business income for nonprofit organizations under the Tax Cuts and Jobs Act of 2017. Management has determined that the unrelated business income relating to these fringe benefits is not significant. The Organization's consolidated statements of financial position at September 30, 2019 and 2018 do not include any liabilities associated with uncertain tax positions; further, the Organization has no unrecognized tax benefits. The Organization would accrue interest and penalties related to unrecognized tax benefits in income tax expense, if any were to be incurred. The Organization is no longer subject to examination of its tax returns for fiscal years before 2016.

Functional Expense Allocation - The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses, including personnel, general and administrative, depreciation and occupancy related expenses that cannot be directly attributed to a specific program are charged to a program on a basis of time and effort.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - The Organization has implemented the provisions of the FASB Codification topic Fair Value Measurements and Disclosures, which established a framework for measuring fair value and expanded disclosures related to fair value measurements. The Organization applies the provision of the Fair Value Measurements and Disclosures topic to its recurring measurements. (See Note 11.)

Recently Adopted Accounting Pronouncements - In August 2016, the FASB issued ASU No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit classifies its net assets, as well as the information it presents in financial statements and notes its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," creates a disclosure about liquidity and availability of resources, and presents expenses by both their natural and functional classification. These changes have been applied retrospectively in the 2018 consolidated financial statements with no effect on the changes in net assets or net assets.

A recap of the net asset reclassifications recorded by the adoption of the ASU 2016-14 as of September 30, 2018 follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
As previously presented:			
Unrestricted	$ 35,759,088	-	$ 35,759,088
Temporarily restricted	-	$ 5,712,547	5,712,547
Permanently restricted	-	5,500	5,500
Net assets, as restated	$ 35,759,088	$ 5,718,047	$ 41,477,135

Recent Accounting Pronouncements - In May 2014, the FASB issued ASU No. 2014-09 Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), the result of a joint project of FASB and the International Accounting Standards Board (IASB) to clarify the principles for recognizing revenue and to develop a common revenue standard for use in the U.S. and internationally. ASU 2014-09 supersedes the revenue recognition requirements in Topic 605 of the FASB Codification and most industry-specific guidance throughout the Industry Topics of the Codification. It enhances comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, reduces the number of requirements an entity must consider for recognizing revenue, and requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU 2015-14, a deferral on the implementation date, and this guidance is effective for annual reporting periods beginning after December 15, 2018. ASU 2014-09 requires either retrospective application by restating each prior period presented in the financial statements, or retrospective application by recording the cumulative effect on prior reporting periods to beginning net assets in the year that the standard becomes effective. The Organization is assessing the impact that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842) (ASU 2016-02), the result of a joint project of FASB and IASB to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 amends Topic 842 to require a lessee to recognize a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term initially measured at the present value of the lease payments. The lessee should also include payments to be made on an optional lease extension if the company is reasonably certain that the extension will be exercised when measuring the asset and liability. Companies will be permitted to make an accounting policy election to not recognize leases with a term of 12 months or less. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. Early application is permitted. The Organization is assessing the impact that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-08 Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08), which should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 Not-for-Profit Entities or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for transactions in which the entity serves as a resource recipient for annual periods beginning after December 15, 2018. For transactions in which the entity serves as the resource provider, ASU 2018-08 is effective for annual periods beginning after December 15, 2019. The Organization is assessing the impact that ASU 2018-08 will have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which presents a new standard to evaluate credit losses related to financial assets measured at amortized cost and investments in debt securities. The standard calls for financial assets measured at amortized costs to be presented at the net amount expected to be collected. These financial assets include loans receivable from customers and trade receivables. Investments in debt securities are defined as trading, available-for-sale and held-to-maturity. The ASU requires that the allowance of the debt securities be recorded as an allowance rather than a direct write-down. ASU No. 2016-13 was amended by ASU 2018-19 and is effective for annual periods beginning after December 15, 2021. The Organization is currently assessing the impact that the ASU will have on the consolidated financial statements and related disclosures.

Subsequent Events - The Organization has evaluated subsequent events through January 21, 2020, the date on which the consolidated financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to balance risk and returns to prioritize capital preservation. The below reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts that are not available for general use due to donor-imposed restrictions, and liquidity resources available within one year of the consolidated statement of financial position date.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Financial assets available at September 30, 2019*	$	21,468,532
Less those unavailable for general expenditure within one consolidated year, due to donor-imposed time or purpose restrictions		(3,288,610)
Less cash and cash equivalents required to be held as loan loss reserve		(211,102)
Total financial assets available within one year	$	17,968,820

* Financial assets includes cash and cash equivalents, investments in marketable securities, and interest and fees receivable of $430,166 included in current assets.

At September 30, 2019, total financial assets and liquidity resources available within one year are available to be used to fund general expenditures and lending activities. The above does not reflect loans receivable or liquidity resources available to fund loan originations as the Organization manages its portfolio of loans receivable to match debt maturities.

Subsequent to the financial statement date, in October 2019, the Organization entered into a $2,000,000 line of credit with a commercial bank available for general corporate purposes, without restriction.

NOTE 4 - LOANS RECEIVABLE

Loans receivable at September 30 consist of the following:

		2019		2018
Outstanding principal	$	70,072,909	$	61,130,309
Less - Loan loss reserve		3,503,646		3,056,516
		66,569,263		58,073,793
Less - Current portion, net of loan loss reserve		9,526,978		8,050,215
Loans receivable, net of current portion	$	57,042,285	$	50,023,578

The total recorded loans on nonaccrual status were approximately $1,823,000 and $1,166,000 at September 30, 2019 and 2018, respectively, and there were no recorded loans past due 90 days or more and still accruing interest at September 30, 2019 and 2018.

Approximate aggregate maturities of the loans receivable at September 30 are as follows:

Fiscal Year Ending September 30		Amount
2020	$	10,029,000
2021		6,201,000
2022		5,054,000
2023		6,356,000
2024		4,426,000
Thereafter		38,007,000
	$	70,073,000

NOTE 4 - LOANS RECEIVABLE (Continued)

Activity in the reserve for loan losses is summarized for the years ended September 30 as follows:

	2019	2018
Balance, beginning of year	$ 3,056,516	$ 2,951,325
Recoveries	151,730	252,209
Charge-offs	(1,140,113)	(720,204)
Provision charged to current expense	1,435,513	573,186
Balance, end of year	$ 3,503,646	$ 3,056,516

NOTE 5 - INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities at September 30 consisted of the following:

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equity securities	$ 1,815,581	$ 1,526,320	$ 2,417,040	$ 1,949,898
Corporate and bond funds	3,278,690	3,255,901	6,063,677	6,112,549
Domestic taxable bonds	5,755,670	5,644,076	7,165,019	7,310,963
International taxable bonds	76,107	82,914	75,327	77,012
Mortgage-backed bonds	394,440	408,727	490,313	521,952
U.S. government bonds	3,127,732	3,117,318	4,640,451	4,755,806
	$ 14,448,220	$ 14,035,256	$ 20,851,827	$ 20,728,180

NOTE 6 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at September 30 consisted of the following:

	2019	2018
Land	$ 1,541,210	$ 1,342,192
Rental buildings and improvements	10,987,551	9,917,844
Office furniture and equipment	484,628	413,538
	13,013,389	11,673,574
Less - Accumulated depreciation	1,767,050	1,243,758
	11,246,339	10,429,816
Construction-in-progress	47,667	19,998
	$ 11,294,006	$ 10,449,814

NOTE 7 - NOTES PAYABLE

Notes payable at September 30 consisted of the following:

	Interest Rates	Effective Interest Rates	Maturity Dates	Note Balances 2019	Note Balances 2018
*Commercial Banks					
Various Financial Institutions - Multiple	2.00-5.32%	Same***	Mar. 2020-Aug. 2028	$ 30,875,000	$ 33,414,130
*Federal Government Agencies					
**CDFI Fund Bond Guarantee Program	3.00-3.61	3.61 - 4.22%	Mar. 2045	12,657,037	10,208,735
**U.S. Department of Agriculture	1.00	Same	Jun. 2047	377,500	150,000
**U.S. Small Business Administration	1.25	Same	Sep. 2019	-	87,365
**U.S. Small Business Administration	0.38	Same	Jan. 2021	117,383	205,029
**U.S. Small Business Administration	0.38	Same	Jun. 2024	783,771	946,983
*Limited Partnerships					
**Pittsburgh Urban Initiatives Sub-CDE 13, LP	0.72	0.82	Dec. 2049	5,760,000	5,760,000
**PNC CDE 50, LP	0.72	1.11	Dec. 2049	1,000,000	1,000,000
*Nonprofit Organizations					
Anonymous Foundation	3.00	Same	Jun. 2022	850,000	850,000
Anonymous Foundation	3.00	Same	Jun. 2023	400,000	400,000
Opportunity Finance Network	4.00	Same	Mar. 2021	1,000,000	1,000,000
Opportunity Finance Network	4.50	Same	Oct. 2025	1,000,000	1,000,000
Private Investor					
Anonymous	4.00	Same	Jul. 2023	10,000	10,000
Religious Organization					
Anonymous - Multiple	0.00-4.00	Same	Oct. 2019-Jul. 2023	300,000	300,000
*State and Local Government Agencies					
Commonwealth of Pennsylvania - Multiple	1.00-2.00	Same	Jun. 2022-Jun. 2029	2,394,000	2,019,000
Erie County Gaming Revenue Authority	1.00-3.00	Same	Feb. 2026-Nov. 2028	3,500,000	1,000,000
				61,024,691	58,351,242
Less - Deferred financing costs				420,966	455,538
				60,603,725	57,895,704
Less - Current portion of notes payable, net of deferred financing costs				4,238,920	1,989,266
Notes payable, net of current portion and deferred financing costs				$ 56,364,805	$ 55,906,438

* The notes payable in these categories were not issued through a prospectus or private placement memorandum, and none of the counterparties to these notes are considered to be related parties under ASC 850-10.

** Borrowings under the CDFI Fund, USDA and SBA notes payable are secured by the related cash held by the Organization and loans outstanding that were funded from the proceeds of these notes. Borrowings under Pittsburgh Urban Initiatives Sub-CDE 13, LP and PNC CDE 50, LP are secured by a mortgage, assignment of leases and rents, security agreement and fixture filing on the rental building at 7800 Susquehanna Street in Pittsburgh, Pennsylvania, which is owned by BDC. (See Note 12.) All other borrowings are unsecured.

*** At September 30, 2019, five notes payable to commercial banks totaling $12,500,000 had effective interest rates that were approximately five to 25 basis points higher than their stated interest rates but still fell within the interest rate range for the category.

NOTE 7 - NOTES PAYABLE (Continued)

At September 30, 2019 and 2018, borrowings from commercial banks consisted of 23 and 24 fixed-rate loans, respectively, and 0 variable rate loans; borrowings from religious organizations consisted of 10 fixed-rate loans; and borrowings from state government agencies consisted of seven and five fixed-rate loans, respectively.

Amortization expense of financing costs recognized for 2019 and 2018 was approximately $35,000. The current portion of deferred financing costs presented as a reduction to the current portion of notes payable was approximately $35,000 for the years ended 2019 and 2018, respectively.

Approximate aggregate payments due on the notes payable as of September 30 are as follows:

Fiscal Year Ending September 30	Amount
2020	$ 4,268,000
2021	9,630,000
2022	2,923,000
2023	1,735,000
2024	6,278,000
Thereafter	36,191,000
	$ 61,025,000

Bridgeway Capital has an interest rate swap agreement with a commercial bank. Under the swap, Bridgeway Capital agrees to pay fixed rates of interest of 4.85% on its notes and to receive a variable rate based upon London InterBank Offered Rate (2.016% at September 30, 2019) on approximately $2,500,000 notional amount of indebtedness. The contract matures on March 16, 2020.

The Organization is required to maintain various financial and operational covenants related to the various outstanding notes, none of which the Organization was in violation of at September 30, 2019 and 2018.

NOTE 8 - RETIREMENT PLAN

Bridgeway Capital maintains a 401(k) retirement plan, which operates in accordance with the “safe harbor” provisions of Section 401(k)(12) and/or Section 401(m)(11) of the IRC. Under the plan, participants may elect to contribute a portion of their compensation up to Internal Revenue Service limits. This plan is open to all Bridgeway Capital employees. Retirement expense totaled approximately $164,000 and $170,000 for 2019 and 2018, respectively.

NOTE 9 - OPERATING LEASES

The Organization leases its office facilities and other office equipment under operating leases with terms of 12 to 72 months, which expire at various times through February 2024. Total rent expense under these leases was approximately $221,000 and $220,000 in 2019 and 2018, respectively. Approximate future minimum rentals for these leases at September 30 are as follows:

Fiscal Year Ending September 30	Amount
2020	$ 216,000
2021	212,000
2022	177,000
2023	7,000
2024	2,000
	$ 614,000

NOTE 10 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Organization has commitments, lawsuits, claims and contingent liabilities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization’s results of operations, cash flows or statement of financial position.

Commitments to extend credit are agreements to lend to an organization as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Loan commitments outstanding were approximately $8,189,000 and $6,656,000 at September 30, 2019 and 2018, respectively.

As of September 30, 2019, the Organization has an opportunity to receive $125,000 in grant funding from a foundation upon satisfying certain conditions. This funding is expected to be received in fiscal year 2020.

As of September 30, 2019, the Organization has an opportunity to receive $1,223,551 in grant funding from the Appalachian Regional Commission upon satisfying certain conditions. This funding is expected to be received in fiscal years 2020 through 2022.

As of September 30, 2019, the Organization has an opportunity to receive $227,029 in grant funding from the U.S. Small Business Administration upon satisfying certain conditions. This funding is expected to be received in fiscal year 2020.

As of September 30, 2019, the Organization has an opportunity to receive $500,000 in grant funding from the Commonwealth of Pennsylvania upon satisfying certain conditions. This funding is expected to be received in fiscal year 2021.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)

As of September 30, 2019, the Organization has $1,000,000 available from a credit facility at a commercial bank. Advances on this facility are available through April 2020.

As of September 30, 2019, the Organization has $1,855,000 available from a $15,000,000 term loan agreement from the CDFI Bond Guarantee Program through Opportunity Finance Network as the qualified issuer. Advances on this facility are available through September 2020.

As of September 30, 2019, the Organization has $622,500 available from a $1,000,000 term loan agreement from the United States Department of Agriculture. Advances on this facility are available through June 2020.

As of September 30, 2019, the Organization has approximately $164,000 contractually committed for renovation in progress of the commercial rental building at 7800 Susquehanna Street in Pittsburgh, Pennsylvania, which is owned by BDC.

NOTE 11 - FAIR VALUE MEASUREMENT

The framework for measuring fair value provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date, giving the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). The lowest level of input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy.

The three levels of inputs that may be used to measure fair value are defined as:

> Level 1 - Inputs to the valuation methodology are based on unadjusted quoted prices in an active market for identical assets or liabilities.
>
> Level 2 - Inputs to the valuation methodology are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.
>
> Level 3 - Inputs to the valuation methodology are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect the Organization’s best estimate of what market participants would use in valuing the asset or liability at the measurement date.

There have been no changes in the methodologies used at September 30, 2019 and 2018.

The Organization’s financial instruments consist primarily of investments and an interest rate swap. The carrying amount of the Organization’s interest rate swap approximates fair value at September 30, 2019 and 2018.

NOTE 11 - FAIR VALUE MEASUREMENT (Continued)

The Organization's assets that are measured at fair value on a recurring basis at September 30 are as follows:

	2019			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 870,591	-	-	$ 870,591
International	768,078	-	-	768,078
Absolute return	110,904	-	-	110,904
Real estate	32,981	-	-	32,981
Infrastructure	33,027	-	-	33,027
Corporate bonds and bond funds	3,278,690	-	-	3,278,690
Domestic taxable bonds	5,755,670	-	-	5,755,670
International taxable bonds	76,107	-	-	76,107
Mortgage-backed bonds	-	$ 394,440	-	394,440
U.S. government bonds	1,690,463	1,437,269	-	3,127,732
Total investments	12,616,511	1,831,709	-	14,448,220
Interest rate swap	-	50	-	50
	$ 12,616,511	$ 1,831,759	-	$ 14,448,270

	2018			
	Level 1	Level 2	Level 3	Total
Equities:				
Domestic	$ 1,191,472	-	-	$ 1,191,472
International	1,034,431	-	-	1,034,431
Absolute return	105,392	-	-	105,392
Real estate	42,253	-	-	42,253
Infrastructure	43,492	-	-	43,492
Corporate bonds and bond funds	6,063,677	-	-	6,063,677
Domestic taxable bonds	7,165,019	-	-	7,165,019
International taxable bonds	75,327	-	-	75,327
Mortgage-backed bonds	-	$ 490,313	-	490,313
U.S. government bonds	1,845,776	2,794,675	-	4,640,451
Total investments	17,566,839	3,284,988	-	20,851,827
Interest rate swap	-	31,902	-	31,902
	$ 17,566,839	$ 3,316,890	-	$ 20,883,729

NOTE 11 - FAIR VALUE MEASUREMENT (Continued)

The fair value of investments categorized as Level 1 includes investments in common stock and mutual funds, the fair value of which are based on quoted market prices for identical securities traded in active markets that are readily and regularly available to the Organization.

Included in Level 2 were mortgage-backed bonds, U.S. government bonds and interest rate swap. Fair value of bonds is based on quoted market prices for similar securities in active markets; for identical or similar assets in inactive markets; and inputs that are derived from observable market data. The fair value of the interest rate swap is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivative, including the period to maturity, and while there are no quoted prices in active markets, it uses observable market-based inputs, including interest rate curves.

NOTE 12 - NEW MARKETS TAX CREDIT FINANCING

In July of 2015, the Organization participated in a New Markets Tax Credit (NMTC) transaction pursuant to Section 45D of the IRC. The purpose of the transaction was to finance the substantial renovation of the commercial rental building at 7800 Susquehanna Street in Pittsburgh, Pennsylvania, which is owned by BDC. An NMTC transaction assists an eligible business in making investments in certain communities. The leveraged structure for the purpose of generating the NMTCs was used. Details of the NMTC transactions are as follows:

> PNC Community Partners, Inc. (PNC CP) and Pittsburgh Urban Initiatives, LLC (PUI) each provided a portion of their NMTC allocation from the Community Development Financial Institutions Fund of the Department of the Treasury (CDFI Fund) to BDC totaling $7,000,000.
>
> Bridgeway Capital acted as the leverage lender by loaning $4,816,000 of the $7,000,000 to 7800 Susquehanna Investment Fund, LLC (Susquehanna Fund), which is wholly owned by PNC New Markets Investment Partners, LLC (PNC NMIP).
>
> PNC NMIP loaned the remaining $2,184,000 of the $7,000,000 to Susquehanna Fund.
>
> Susquehanna Fund made qualified equity investments (QEI) of $6,000,000 in Pittsburgh Urban Initiatives Sub-CDE 13, LP and $1,000,000 in PNC CDE 50, LP. These two certified community development entities (Sub-CDEs) generate the NMTCs from the allocations, and are each 99.99% owned by Susquehanna Fund through the QEIs and 0.01% owned by PUI and PNC CP, respectively.
>
> The two Sub-CDEs utilized $6,760,000 of the QEIs to make qualified low-income community investments (QLICIs) in BDC. (See Note 7.)

After the seven-year NMTC compliance period expires on December 31, 2022, it is anticipated through an option agreement that Bridgeway Capital will be given the option to purchase a 100% interest in Susquehanna Fund from PNC NMIP for $1,000.

NOTE 12 - NEW MARKETS TAX CREDIT FINANCING (Continued)

Given the structure of the NMTC transaction and the various ownership interests described, management has taken the position that while BDC is a beneficiary of this transaction by way of below-market financing, BDC is not the primary beneficiary. The primary beneficiary in this transaction is the receiver of the tax credits created through the allocations.

Since BDC is determined to not be the primary beneficiary of the transaction and holds no ownership or voting interests in Susquehanna Fund or either of the Sub-CDEs, activities from those entities are not consolidated in these consolidated financial statements. Accordingly, interest income and expense associated with the leverage loan and QLICIs have not been eliminated in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

BRIDGEWAY CAPITAL, INC.

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

	September 30, 2019				
	Bridgeway Capital	BDC	15CCD	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 5,687,151	$ 532,410	$ 370,585	-	$ 6,590,146
Investments in marketable securities	14,448,220	-	-	-	14,448,220
Interest and fees receivable	1,293,200	4,897	-	$ (867,931)	430,166
Grants receivable	2,346,728	-	-	-	2,346,728
Loans receivable, net	9,602,668	-	-	(75,690)	9,526,978
Other assets	272,172	37,813	3,957	-	313,942
Cash and cash equivalents - restricted	2,476,616	26,184	-	-	2,502,800
Total Current Assets	36,126,755	601,304	374,542	(943,621)	36,158,980
LONG-TERM ASSETS					
Interest receivable	206,146	-	-	-	206,146
Loans receivable, net	57,590,849	-	-	(548,564)	57,042,285
Fair value of interest rate swap	50	-	-	-	50
Other assets	273,692	58,411	294,569	-	626,672
Cash and cash equivalents - restricted	304,137	76,356	-	-	380,493
Investments in subsidiaries	4,219,391	-	-	(4,219,391)	-
Land, buildings and equipment, net	86,226	10,451,951	970,829	(215,000)	11,294,006
Total Long-Term Assets	62,680,491	10,586,718	1,265,398	(4,982,955)	69,549,652
Total Assets	$ 98,807,246	$ 11,188,022	$ 1,639,940	$ (5,926,576)	$ 105,708,632
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	$ 702,890	$ 1,481,528	$ 3,727	$ (867,931)	$ 1,320,214
Notes payable, net	4,248,632	69,962	-	(79,674)	4,238,920
Agency funds	-	-	-	-	-
Total Current Liabilities	4,951,522	1,551,490	3,727	(947,605)	5,559,134
LONG-TERM LIABILITIES					
Notes payable, net	49,888,887	7,053,354	-	(577,436)	56,364,805
Agency funds	467,500	-	-	-	467,500
Total Long-Term Liabilities	50,356,387	7,053,354	-	(577,436)	56,832,305
Total Liabilities	55,307,909	8,604,844	3,727	(1,525,041)	62,391,439
NET ASSETS					
Without donor restrictions	39,119,743	2,583,178	1,636,213	(4,401,535)	38,937,599
With donor restrictions	4,379,594	-	-	-	4,379,594
Total Net Assets	43,499,337	2,583,178	1,636,213	(4,401,535)	43,317,193
Total Liabilities And Net Assets	$ 98,807,246	$ 11,188,022	$ 1,639,940	$ (5,926,576)	$ 105,708,632

September 30, 2018				
Bridgeway Capital	BDC	15CCD	Eliminations	Total
$ 5,046,613	$ 358,417	$ 416,680	-	$ 5,821,710
20,851,827	-	-	-	20,851,827
1,165,819	50,897	-	$ (842,305)	374,411
1,490,557	-	-	-	1,490,557
8,125,905	-	-	(75,690)	8,050,215
247,432	38,485	2,538	-	288,455
2,125,393	26,673	-	-	2,152,066
39,053,546	474,472	419,218	(917,995)	39,029,241
175,730	-	-	-	175,730
50,647,833	-	-	(624,255)	50,023,578
31,902	-	-	-	31,902
273,516	91,205	75,856	-	440,577
1,313,322	99,758	-	-	1,413,080
3,660,703	-	-	(3,660,703)	-
104,563	9,798,440	771,811	(225,000)	10,449,814
56,207,569	9,989,403	847,667	(4,509,958)	62,534,681
$ 95,261,115	$ 10,463,875	$ 1,266,885	$ (5,427,953)	$ 101,563,922
$ 579,657	$ 869,672	$ 7,107	$ (842,305)	$ 614,131
1,998,978	69,962	-	(79,674)	1,989,266
95,000	-	-	-	95,000
2,673,635	939,634	7,107	(921,979)	2,698,397
49,440,232	7,123,316	-	(657,110)	55,906,438
1,481,952	-	-	-	1,481,952
50,922,184	7,123,316	-	(657,110)	57,388,390
53,595,819	8,062,950	7,107	(1,579,089)	60,086,787
35,947,249	2,400,925	1,259,778	(3,848,864)	35,759,088
5,718,047	-	-	-	5,718,047
41,665,296	2,400,925	1,259,778	(3,848,864)	41,477,135
$ 95,261,115	$ 10,463,875	$ 1,266,885	$ (5,427,953)	$ 101,563,922

The independent auditors' report should be read with these consolidating financial statements

BRIDGEWAY CAPITAL, INC.

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019				
	Bridgeway Capital	BDC	15CCD	Eliminations	Total
REVENUES AND SUPPORT					
Financing Income					
Loan interest income, net	$ 3,930,416	-	-	$ (6,965)	$ 3,923,451
Fee and other income	463,597	-	-	(86,205)	377,392
Rental income	-	$ 537,109	-	-	537,109
Investment return, net	866,278	3,510	$ 2,612	-	872,400
Total Financing Income	5,260,291	540,619	2,612	(93,170)	5,710,352
Financing Expenses					
Interest expense	1,928,594	65,349	-	(6,965)	1,986,978
Provision for loan losses	1,431,530	-	-	3,983	1,435,513
Total Financing Expenses	3,360,124	65,349	-	(2,982)	3,422,491
Net Financing Income	1,900,167	475,270	2,612	(90,188)	2,287,861
Other Revenue and Support					
Grants and contributions	5,299,079	-	-	-	5,299,079
Total Revenues and Support	7,199,246	475,270	2,612	(90,188)	7,586,940
OPERATING EXPENSES					
Personnel	2,708,133	-	-	-	2,708,133
General and administrative	713,989	107,939	23,452	(86,205)	759,175
Professional and subcontracted services	801,408	89,124	22,935	-	913,467
Depreciation	24,189	509,103	-	(10,000)	523,292
Real estate operations	-	306,233	19,800	-	326,033
Occupancy	214,957	-	-	-	214,957
Grants	301,825	-	-	-	301,825
Total Operating Expenses	4,764,501	1,012,399	66,187	(96,205)	5,746,882
Changes in Net Assets Before Equity In Change in Net Assets of Subsidiaries	2,434,745	(537,129)	(63,575)	6,017	1,840,058
EQUITY IN CHANGE IN NET ASSETS OF SUBSIDIARIES	(600,704)	-	-	600,704	-
Changes In Net Assets	1,834,041	(537,129)	(63,575)	606,721	1,840,058
EQUITY CONTRIBUTION IN SUBSIDIARIES	-	719,382	440,010	(1,159,392)	-
Total Change In Net Assets	1,834,041	182,253	376,435	(552,671)	1,840,058
NET ASSETS					
Beginning of year	41,665,296	2,400,925	1,259,778	(3,848,864)	41,477,135
End of year	$ 43,499,337	$ 2,583,178	$ 1,636,213	$ (4,401,535)	$ 43,317,193

2018				
Bridgeway Capital	BDC	15CCD	Eliminations	Total
$ 3,824,888	-	-	$ (7,065)	$ 3,817,823
425,150	-	-	(46,397)	378,753
-	$ 508,721	-	-	508,721
167,462	1,315	-	-	168,777
4,417,500	510,036	-	(53,462)	4,874,074
1,648,962	65,449	-	(7,065)	1,707,346
610,025	-	-	(36,839)	573,186
2,258,987	65,449	-	(43,904)	2,280,532
2,158,513	444,587	-	(9,558)	2,593,542
4,963,024	-	-	-	4,963,024
7,121,537	444,587	-	(9,558)	7,556,566
3,091,471	-	-	-	3,091,471
660,544	70,533	$ 13,852	(46,397)	698,532
467,950	82,123	56,338	-	606,411
29,094	415,265	-	(10,000)	434,359
-	302,390	10,374	-	312,764
215,121	-	-	-	215,121
312,688	-	-	-	312,688
4,776,868	870,311	80,564	(56,397)	5,671,346
2,344,669	(425,724)	(80,564)	46,839	1,885,220
(506,288)	-	-	506,288	-
1,838,381	(425,724)	(80,564)	553,127	1,885,220
-	1,128,815	422,211	(1,551,026)	-
1,838,381	703,091	341,647	(997,899)	1,885,220
39,826,915	1,697,834	918,131	(2,850,965)	39,591,915
$ 41,665,296	$ 2,400,925	$ 1,259,778	$ (3,848,864)	$ 41,477,135

The independent auditors' report should be read with these consolidating financial statements

BRIDGEWAY CAPITAL, INC.

CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

2019

	Bridgeway Capital				BDC		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Total
FINANCING EXPENSES							
Interest expense	$ 1,928,594	-	-	$ 1,928,594	$ 65,349	-	$ 65,349
Provision for loan losses	1,431,530	-	-	1,431,530	-	-	-
Total Financing Expenses	3,360,124	-	-	3,360,124	65,349	-	65,349
OPERATING EXPENSES							
Personnel	1,404,621	$ 1,047,785	$ 255,727	2,708,133	-	-	-
General and administrative	408,415	285,105	20,469	713,989	75,490	$ 32,449	107,939
Professional and subcontracted services	592,598	202,927	5,883	801,408	86,344	2,780	89,124
Depreciation	14,238	7,878	2,073	24,189	509,103	-	509,103
Real estate operations	-	-	-	-	306,233	-	306,233
Occupancy	127,945	69,926	17,086	214,957	-	-	-
Grants	301,825	-	-	301,825	-	-	-
Total Operating Expenses	2,849,642	1,613,621	301,238	4,764,501	977,170	35,229	1,012,399
Total Functional Expenses	$ 6,209,766	$ 1,613,621	$ 301,238	$ 8,124,625	$ 1,042,519	$ 35,229	$ 1,077,748

2018

	Bridgeway Capital				BDC		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Total
FINANCING EXPENSES							
Interest expense	$ 1,648,962	-	-	$ 1,648,962	$ 65,449	-	$ 65,449
Provision for loan losses	610,025	-	-	610,025	-	-	-
Total Financing Expenses	2,258,987	-	-	2,258,987	65,449	-	65,449
OPERATING EXPENSES							
Personnel	1,981,973	$ 911,599	$ 197,899	3,091,471	-	-	-
General and administrative	411,905	237,562	11,077	660,544	32,746	$ 37,787	70,533
Professional and subcontracted services	314,129	144,704	9,117	467,950	79,423	2,700	82,123
Depreciation	17,707	9,484	1,903	29,094	415,265	-	415,265
Real estate operations	-	-	-	-	302,390	-	302,390
Occupancy	135,969	65,848	13,304	215,121	-	-	-
Grants	312,688	-	-	312,688	-	-	-
Total Operating Expenses	3,174,371	1,369,197	233,300	4,776,868	829,824	40,487	870,311
Total Functional Expenses	$ 5,433,358	$ 1,369,197	$ 233,300	$ 7,035,855	$ 895,273	$ 40,487	$ 935,760

	2019				
	15CCD				
	Program Services	Management and General	Total	Eliminations	Total Expenses
	-	-	-	$ (6,965)	$ 1,986,978
	-	-	-	3,983	1,435,513
	-	-	-	(2,982)	3,422,491
	-	-	-	-	2,708,133
	$ 2,634	$ 20,818	$ 23,452	(86,205)	759,175
	20,360	2,575	22,935	-	913,467
	-	-	-	(10,000)	523,292
	19,800	-	19,800	-	326,033
	-	-	-	-	214,957
	-	-	-	-	301,825
	42,794	23,393	66,187	(96,205)	5,746,882
	$ 42,794	$ 23,393	$ 66,187	$ (99,187)	$ 9,169,373

	2018				
	15CCD				
	Program Services	Management and General	Total	Eliminations	Total Expenses
	-	-	-	$ (7,065)	$ 1,707,346
	-	-	-	(36,839)	573,186
	-	-	-	(43,904)	2,280,532
	-	-	-	-	3,091,471
	$ 4,999	$ 8,853	$ 13,852	(46,397)	698,532
	53,838	2,500	56,338	-	606,411
	-	-	-	(10,000)	434,359
	10,374	-	10,374	-	312,764
	-	-	-	-	215,121
	-	-	-	-	312,688
	69,211	11,353	80,564	(56,397)	5,671,346
	$ 69,211	$ 11,353	$ 80,564	$ (100,301)	$ 7,951,878

The independent auditors' report should be read with these consolidating financial statements

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REPORTING UNDER *GOVERNMENT AUDITING STANDARDS* AND UNIFORM GUIDANCE

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Bridgeway Capital, Inc.
Pittsburgh, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Bridgeway Capital, Inc. (Bridgeway Capital) and its subsidiaries, Bridgeway Development Corporation (BDC) and 15CCD Corporation (15CCD), collectively referred to as the Organization, which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that may be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses might exist that have not been identified.

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Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
January 21, 2020

BRIDGEWAY CAPITAL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/ Identifying Number	Total Federal Expenditures
SMALL BUSINESS ADMINISTRATION			
Microloan Program (loans)	59.046	N/A	$ 509,500
Microloan Program - 2018	59.046	SBAHQ-18-Y-0140	214,288
Microloan Program - 2019	59.046	SBAHQ-19-Y-0012	22,904
Total Small Business Administration			746,692
DEPARTMENT OF THE TREASURY			
Community Development Financial Institutions Bond Guarantee Program (loans)	21.014	N/A	4,738,453
Community Development Financial Institutions Program - 2015 (HFFI-FA)	21.020	151FA013422	98,631
Community Development Financial Institutions Program - 2018 (FA)	21.020	181FA022883	868,547
Community Development Financial Institutions Program - 2018 (HFFI-FA)	21.020	181HF023312	750,000
Total Department of the Treasury			6,455,631
UNITED STATES DEPARTMENT OF AGRICULTURE			
Intermediary Relending Program (loans)	10.767	N/A	393,824
Total Expenditures Of Federal Awards			$ 7,596,147

The independent auditors' report should be read with notes to the Schedule of Expenditures of Federal Awards.

BRIDGEWAY CAPITAL, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Bridgeway Capital, Inc. (Bridgeway Capital) and its subsidiaries, Bridgeway Development Corporation (BDC) and 15CCD Corporation (15CCD), collectively referred to as the Organization, for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance, Audits of States, Local Governments and Non Profit Organizations. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - BOND AND BOND GUARANTEE PROGRAMS

The loan programs listed subsequently are administered directly by the Organization, and balances and transactions relating to these programs are included in the Organization's basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at September 30, 2019 consists of:

CFDA Number	Program Name	Outstanding Balance at September 30, 2019
21.014	Community Development Financial Institutions Bond Guarantee Program	$ 11,270,293
59.046	Small Business Administration Microloan Program	895,337
10.767	United States Department of Agriculture Intermediary Relending Program	520,608

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Bridgeway Capital, Inc.
Pittsburgh, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Bridgeway Capital, Inc. (Bridgeway Capital) and its subsidiaries, Bridgeway Development Corporation (BDC) and 15CCD Corporation (15CCD), collectively referred to as the Organization, compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

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Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
January 21, 2020

BRIDGEWAY CAPITAL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America:			Unmodified	
Internal control over financial reporting: Material weakness(es) identified?	-	yes	X	no
Significant deficiency(ies) identified?	-	yes	X	none reported
Noncompliance material to financial statements noted	-	yes	X	no

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	-	yes	X	no
Significant deficiency(ies) identified?	-	yes	X	none reported
Type of auditor's report on compliance for major federal programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	-	yes	X	no

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
21.014	Community Development Financial Institutions Bond Guarantee Program
21.020	Community Development Financial Institutions Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X	yes

The independent auditor's report on compliance should be read with this schedule.

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, grant agreements and abuse related to the financial statements for which Government Auditing Standards require reporting.

There were no findings noted in the current year that are required to be reported in accordance with Government Auditing Standards.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs and material abuse.)

There were no findings noted in the current year that are required to be reported in accordance with 2 CFR 200.516(a).