



**Long Island Housing Partnership, Inc.
and Affiliates**

Combined Financial Statements and
Supplementary Information

December 31, 2018 and 2017

Long Island Housing Partnership, Inc. and Affiliates

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Independent Auditors' Report

Board of Directors
Long Island Housing Partnership, Inc. and Affiliates

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Long Island Housing Partnership, Inc. and Affiliates, which comprise the combined statements of financial position as of December 31, 2018 and 2017, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 entity'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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Long Island Housing Partnership, Inc. and Affiliates as of December 31, 2018 and 2017, 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.

Other Matters

Report on Combining and Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining and supplementary information on pages 27 to 32 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the combined 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 combined financial statements. The combining and supplementary information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Long Island Housing Partnership, Inc. and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and 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 Long Island Housing Partnership, Inc. and Affiliates' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

New York, New York
April 17, 2019

Long Island Housing Partnership, Inc. and Affiliates

Combined Statements of Financial Position
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,793,805	\$ 7,310,451
Accounts receivable, net	846,982	680,034
Due from escrow agent	19,353	19,353
Prepaid expenses and other	141,551	40,720
Current portion of notes receivable	300,000	-
Investments	4,367,005	4,538,018
	<hr/>	<hr/>
Total current assets	12,468,696	12,588,576
Notes receivable	208,983	508,983
Capitalized project costs	1,792,865	2,736,418
Fixed assets, net	101,303	134,801
	<hr/>	<hr/>
Total assets	<u>\$ 14,571,847</u>	<u>\$ 15,968,778</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 491,002	\$ 490,157
Home buyers' deposits held in escrow	19,353	19,353
Current portion of deferred revenue	11,139	18,677
Current portion of project grant advances - governmental	508,068	724,611
Current portion of project grant advances - private	526,318	143,498
Construction reserve	-	20,375
Lines of credit	205,500	205,500
Loan payable	840,000	840,000
	<hr/>	<hr/>
Total current liabilities	2,601,380	2,462,171
Deferred revenue	75,166	8,323
Project grant advances - governmental	-	508,068
Project grant advances - private	461,088	738,611
Funds held as program agent	1,915,104	2,125,583
	<hr/>	<hr/>
Total liabilities	<u>5,052,738</u>	<u>5,842,756</u>
Commitments and Contingencies		
Net Assets		
Without donor restrictions:		
Undesignated	4,290,272	4,729,710
Board-designated for operating and capital reserves	4,351,505	4,522,518
	<hr/>	<hr/>
	8,641,777	9,252,228
	<hr/>	<hr/>
With donor restrictions:		
Purpose-restricted	861,832	858,294
Restricted in perpetuity	15,500	15,500
	<hr/>	<hr/>
	877,332	873,794
	<hr/>	<hr/>
Total net assets	9,519,109	10,126,022
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 14,571,847</u>	<u>\$ 15,968,778</u>

See notes to combined financial statements

Long Island Housing Partnership, Inc. and Affiliates

Combined Statements of Activities and Changes in Net Assets

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in Net Assets Without Donor Restrictions		
Support and Revenue		
Receipts and government grants from transfer of homes	\$ 1,760,971	\$ 1,860,312
Government grants	436,551	419,933
Private grants	549,505	370,968
Contributions	130,754	117,282
Special events	168,700	103,050
Direct expenses of special events	(25,418)	(33,724)
Mortgage counseling	127,290	190,890
Technical assistance	594,284	630,290
Interest	30,613	14,817
Other income	744,105	460,245
Net assets released from donor restrictions	51,939	242,690
	<u>4,569,294</u>	<u>4,376,753</u>
Expenses		
Program services:		
Development	2,463,429	1,984,191
Counseling and education	601,449	611,455
Technical assistance	288,956	351,723
Other	493,279	472,926
	<u>3,847,113</u>	<u>3,420,295</u>
Supporting services:		
Management and general	1,062,976	1,043,074
Fundraising	98,165	30,984
	<u>5,008,254</u>	<u>4,494,353</u>
Changes in net assets without donor restrictions before investment activities	<u>(438,960)</u>	<u>(117,600)</u>
Investment interest and dividends, net of expenses	108,545	87,602
Realized and unrealized (losses) gains	(279,559)	279,975
	<u>(171,014)</u>	<u>367,577</u>
Changes in net assets without donor restrictions	<u>(609,974)</u>	<u>249,977</u>
Changes in Net Assets With Donor Restrictions		
Private grants	55,000	-
Net assets released from donor restrictions	(51,939)	(242,690)
	<u>3,061</u>	<u>(242,690)</u>
Changes in net assets	(606,913)	7,287
Net Assets, Beginning of Year	<u>10,126,022</u>	<u>10,118,735</u>
Net Assets, End of Year	<u>\$ 9,519,109</u>	<u>\$ 10,126,022</u>

See notes to combined financial statements

Long Island Housing Partnership, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services				Supporting Services			Total
	Development	Counseling and Education	Technical Assistance	Other	Total Program Services	Management and General Fundraising		
Development costs	\$ 2,128,026	\$ -	\$ -	\$ -	\$ 2,128,026	\$ -	\$ -	\$ 2,128,026
Salaries and employee benefits	214,991	443,644	216,837	367,850	1,243,322	727,450	57,811	2,028,583
Professional services	33,167	19,543	9,259	17,398	79,367	135,781	19,040	234,188
Rent and utilities	12,731	26,267	12,839	21,775	73,612	43,069	3,423	120,104
Insurance	44,136	7,472	3,652	6,194	61,454	45,384	974	107,812
Travel and auto	2,583	3,206	1,924	3,302	11,015	5,626	50	16,691
Conference and meetings	1,242	21,766	914	3,593	27,515	3,801	-	31,316
Postage	3,733	9,092	3,586	7,717	24,128	12,741	-	36,869
Printing	1,542	3,181	1,555	2,637	8,915	5,631	2,004	16,550
Office supplies and equipment	5,084	10,490	5,127	8,696	29,397	17,201	1,367	47,965
Repairs and maintenance	1,746	3,603	1,761	2,987	10,097	5,909	470	16,476
Depreciation and amortization	4,107	8,474	4,142	7,025	23,748	14,999	-	38,747
Telephone	1,434	2,958	1,446	2,452	8,290	4,851	385	13,526
Outreach	49	156	15,788	12,407	28,400	178	10,425	39,003
Subscriptions and publications	1,789	3,691	1,890	3,060	10,430	6,532	-	16,962
Interest expense	-	-	-	8,299	8,299	-	-	8,299
Other	7,069	37,906	8,236	17,887	71,098	33,823	2,216	107,137
Total expenses	\$ 2,463,429	\$ 601,449	\$ 288,956	\$ 493,279	\$ 3,847,113	\$ 1,062,976	\$ 98,165	\$ 5,008,254

See notes to combined financial statements

Long Island Housing Partnership, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended December 31, 2017

	Program Services				Total Program Services	Supporting Services		Total
	Development	Counseling and Education	Technical Assistance	Other		Management and General	Fundraising	
Development costs	\$ 1,744,569	\$ -	\$ -	\$ -	\$ 1,744,569	\$ -	\$ -	\$ 1,744,569
Salaries and employee benefits	174,613	445,568	256,303	344,586	1,221,070	678,792	23,083	1,922,945
Professional services	11,916	30,406	17,490	23,515	83,327	145,399	2,300	231,026
Rent and utilities	11,009	28,093	16,160	21,725	76,987	42,828	1,456	121,271
Insurance	3,188	8,135	4,680	6,291	22,294	39,824	-	62,118
Travel and auto	1,838	4,690	2,698	3,628	12,854	7,389	-	20,243
Conference and meetings	3,481	8,884	5,110	6,871	24,346	17,144	-	41,490
Postage	4,052	10,341	5,948	7,998	28,339	16,290	-	44,629
Printing	1,551	3,957	2,276	3,059	10,843	6,233	1,990	19,066
Office supplies and equipment	7,710	19,675	11,317	15,216	53,918	31,100	-	85,018
Repairs and maintenance	1,433	3,656	2,103	2,826	10,018	5,569	189	15,776
Depreciation and amortization	4,717	12,036	6,923	9,308	32,984	18,959	-	51,943
Telephone	1,225	3,125	1,797	2,416	8,563	4,781	141	13,485
Outreach	3,595	9,174	5,277	7,094	25,140	15,021	1,825	41,986
Subscriptions and publications	1,494	3,811	2,192	2,948	10,445	6,654	-	17,099
Interest expense	360	918	528	711	2,517	-	-	2,517
Other	7,440	18,986	10,921	14,734	52,081	7,091	-	59,172
Total expenses	\$ 1,984,191	\$ 611,455	\$ 351,723	\$ 472,926	\$ 3,420,295	\$ 1,043,074	\$ 30,984	\$ 4,494,353

See notes to combined financial statements

Long Island Housing Partnership, Inc. and Affiliates

Combined Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (606,913)	\$ 7,287
Adjustments to reconcile changes in net assets to cash flows from operating activities:		
Depreciation and amortization	38,747	51,943
Realized and unrealized losses (gains)	279,559	(279,975)
Change in allowance for doubtful accounts	20,941	(1,721)
Provision for deferred rent	803	4,068
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(187,889)	375,859
Due from escrow agent	-	(14,170)
Prepaid expenses and other	(100,831)	(5,448)
Capitalized project costs	943,553	61,022
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	42	31,292
Home buyers' deposits held in escrow	-	(5,183)
Project grant advances - governmental	(724,611)	(217,127)
Project grant advances - private	105,297	882,109
Deferred revenue	59,305	-
Construction reserve	(20,375)	-
Funds held as program agent	(210,479)	(737,388)
Total adjustments	<u>204,062</u>	<u>145,281</u>
Cash flows from operating activities	<u>(402,851)</u>	<u>152,568</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,183,094)	(355,893)
Sales of investments	1,074,548	268,292
Repayments of notes receivable	-	38,500
Purchases of fixed assets	<u>(5,249)</u>	<u>-</u>
Cash flows from investing activities	<u>(113,795)</u>	<u>(49,101)</u>
Cash Flows from Financing Activities		
Repayments of lines of credit	<u>-</u>	<u>(38,500)</u>
Cash flows from financing activities	<u>-</u>	<u>(38,500)</u>
Net (decrease) increase in cash and cash equivalents	(516,646)	64,967
Cash and Cash Equivalents, Beginning of Year	<u>7,310,451</u>	<u>7,245,484</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,793,805</u>	<u>\$ 7,310,451</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 8,299</u>	<u>\$ 2,517</u>

See notes to combined financial statements

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2018 and 2017

1. Description of Organizations and Summary of Significant Accounting Policies

Long Island Housing Partnership, Inc. and its affiliated entities, Long Island Partnership Housing Development Fund Company, Inc., Nassau/Suffolk Partnership Housing Development Fund Company, Inc., Long Island Partnership Community Development Corporation, Community Development and Disaster Relief Corporation, Long Island Housing Partnership Community Development Financial Institution, Inc., Long Island Partnership CLT Housing Development Fund Company, Inc. and HG Housing Development Fund Company, Inc. are not-for-profit corporations. Two other entities (wholly-owned subsidiaries of Long Island Housing Partnership, Inc.), Long Island Senior Citizen Housing at Broadway West, Inc., and Long Island Senior Housing at Medford Landing, Inc., are for-profit corporations. The individual entities have certain directors in common and share common facilities and personnel. Long Island Housing Partnership, Inc. is reimbursed by its affiliated entities for managerial and administrative support services, including salaries and occupancy costs, based upon services rendered by common personnel and usage of common facilities.

Long Island Housing Partnership, Inc. ("LIHP") was created to address the need for and to provide affordable housing opportunities on Long Island for those who are unable to afford homes, through development, technical assistance, mortgage counseling, home buyer education, and lending programs.

Long Island Partnership Housing Development Fund Company, Inc. ("LIPHDFC") was formed for the purpose of acquiring and holding title to land from government and private sources, securing financing through various government and private grants for predevelopment and construction activities, constructing homes, and transferring land and completed units to home buyers.

Nassau/Suffolk Partnership Housing Development Fund Company, Inc. ("NSPHDFC") was organized exclusively to develop housing for persons of low income where no adequate housing exists for such persons in Nassau and/or Suffolk Counties, New York.

Long Island Partnership Community Development Corporation ("LIPCDC") was created to develop, promote, and facilitate employment, business, and educational and housing opportunities (including securing financing through various government grants for the development and construction of homes to be transferred to home buyers) for low income residents of Suffolk County, New York, and to administer various state and federally funded programs on behalf of local municipalities.

Community Development and Disaster Relief Corporation ("CDDRC") was formed to promote and support, financially and administratively, community development and redevelopment programs, including disaster relief, for the construction of new single and multi-family homes, rehabilitation of existing residences and construction and rehabilitation of community buildings and related infrastructure, through cooperation with local, state and federal levels of government and private partners.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Long Island Housing Partnership Community Development Financial Institution, Inc. ("CDFI") was created to lessen the burdens of government and to enhance the wellbeing of communities by increasing the supply of newly-constructed and rehabilitated residences (homeownership and/or rental) for community development or redevelopment programs. CDFI's mission will be met primarily through the issuance of construction, predevelopment and permanent financing loans and ancillary development services for the development of affordable housing in eligible target markets (investment areas with poverty rates of at least 20%) in Nassau and Suffolk Counties, New York.

Long Island Partnership CLT Housing Development Fund Company, Inc. ("LIPCLTHDFC") is a Community Land Trust established for the purpose of acquiring and holding title to land from government and private sources. While eligible home buyers will own the home constructed or rehabilitated on the parcel, LIPCLTHDFC will retain ownership of the acquired land in perpetuity through a 99-year ground lease with the home buyer. The community land trust model allows for the development and stewardship of permanently affordable homes, within Nassau and Suffolk Counties.

HG Housing Development Fund Company, Inc. ("HGDFC") was created as a single-purpose entity. HGDFC holds a nominal membership interest in an umbrella tax credit entity, Highland Green Residence, LLC ("HGR LLC"). HGR LLC was organized exclusively to develop, finance, construct and maintain the Highland Green Project ("HG Project"), a 118-unit affordable limited-equity cooperative development in Suffolk County. In connection with the HG Project, HGDFC holds fee title to real property, as nominee for the beneficial owner, HGR LLC. HGDFC does not control the development, construction or operation of the HG Project or the business affairs of the HGR LLC, and has provided no guarantees related to any construction and subsidy financing associated with the HG Project.

Long Island Senior Citizen Housing at Broadway West, Inc. ("LISCHBW"), under a Limited Partnership agreement, acts as co-general partner of Broadway West, L.P. (the partnership), which has constructed two developments aggregating 114 rental units for low-income senior citizens in Brentwood, Town of Islip, New York.

Long Island Senior Housing at Medford Landing, Inc. ("LISHML"), under a Limited Partnership agreement, acts as co-general partner of Medford Landing, L.P. (the partnership), which has constructed a development of 112 rental units for low-income senior citizens in Medford, Town of Brookhaven, New York.

Principles of Combination

The combined financial statements reflect the financial position and changes in net assets and cash flows of LIHP consolidated (LIHP and its wholly-owned subsidiaries, LISCHBW and LISHML) and its affiliated entities, LIPHDFC, NSPHDFC, LIPCDC, CDDRC, CDFI, HGDFC and LIPCLTHDFC (collectively, the "Organizations"). All intercompany transactions have been eliminated.

The consolidation of the wholly-owned subsidiaries in LIHP resulted in an increase in net assets without donor restrictions of approximately \$251,000 and \$250,000 in 2018 and 2017, respectively.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2018 and 2017

Basis of Accounting

The combined financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the combined statements of cash flows, the Organizations consider all highly liquid debt instruments with an original maturity of three months or less, when purchased, to be cash equivalents.

Allowance for Doubtful Accounts

Periodically, the accounts receivable and notes receivable balances are reviewed and evaluated as to their collectability. If necessary, an allowance is recorded based on these evaluations. A receivable balance is considered past due once it has not been received by its scheduled due date. At December 31, 2018 and 2017, accounts receivable were shown net of an allowance of approximately \$82,000 and \$61,000, respectively.

Investments

Investments, consisting primarily of fixed income securities and equities, are carried at fair value. Investments subject to the provisions of Accounting Standards Update ("ASU") 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share*, with no readily determinable fair values are recorded at net asset value per share as a practical expedient to estimating fair value. Gains and losses on investments are reported in the combined statements of activities and changes in net assets as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Net investment return (loss) is reported in the combined statements of activities and changes in net assets and consists of investment interest and dividend income, and realized and unrealized gains and losses, less external and direct internal investment expenses, when applicable.

Capitalized Project Costs

All costs related to the construction or renovation of homes, which are not reimbursed by government or private grant funds, are capitalized until such time as the homes are transferred to home buyers.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2018 and 2017

Fixed Assets

Fixed assets consist of furniture, equipment, leasehold improvements, and computer software which are recorded at cost. Depreciation of furniture and equipment is provided over the estimated useful lives (ranging from three to ten years) of the assets using the straight-line method. Amortization of leasehold improvements is provided over the shorter of their useful lives or the remainder of the lease period using the straight-line method. Amortization of software development costs is provided over five years, the estimated useful lives of the software programs. Upon disposal, the cost and related accumulated depreciation or amortization is removed from the respective accounts and any resulting gain or loss is included in revenues or expenses. The Organizations capitalize all purchases of property and equipment in excess of \$5,000.

Deferred Revenue

Deferred revenue represents fees that have been received by the Organizations for monitoring services. One half of monitoring fees received are earned in the first year, with the remainder earned proportionately on an annual basis over the remaining term of the monitoring period, up to 120 months. Amounts not yet earned by the end of the fiscal year are reported as deferred revenue.

Net Asset Classification

The net assets of the Organizations and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of resources for which there are no restrictions by donors as to their use. Contributions and grants with donor-imposed restrictions that are met in the same period in which the contributions or grants are recognized are reported as changes in net assets without donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for operating and capital reserves. Funds invested in operating and capital reserves are allocated from revenue amounts in excess of one year's combined operating expenses, and require board approval.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Net Assets With Donor Restrictions

Net assets with donor restrictions are 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 specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organizations report gifts of land, buildings, and equipment as contributions without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from donor restrictions.

Measure of Operations

The Organizations' operating revenues in excess of expenses includes all operating revenues and expenses that are an integral part of the programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from board-designated and other non-operating funds, when applicable, to support current operating activities. The measure of operations excludes net investment return (loss).

Revenue Recognition

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Revenue is recognized when earned. The Organizations recognize revenue on government grants up to contracted levels when services are provided. Grant funds, program service fees, such as monitoring and technical assistance and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively, at which time they are recognized as revenue.

Receipts and government grants on transfer of homes represent the revenue recognized at the time a unit is transferred to a home buyer, and includes the cost of homes built or renovated.

Donated Services, Property and Interest

Donated professional services and property are recorded at estimated fair value when received. For funds borrowed by the Organizations at no or below fair value interest rate, donated interest income is included in contributions and offset by imputed interest expense, included in project costs/program expenses. Interest is calculated using the borrowing rate of the Organizations.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and employee benefits are allocated on the basis of estimated time and effort. Other expenses that are allocated include rent and utilities, office supplies and equipment, telephone, repairs and maintenance, insurance, and depreciation and amortization, which are allocated on the basis of the percentage of program services and general and administrative time in relation to total employee time.

Concentrations of Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed federally-insured limits. To date, the Organizations have not experienced losses in any of these accounts. Investments consist of diversified investment vehicles, managed by an investment manager, whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on an annual basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organizations.

Tax Status

LIHP and its affiliated entities, LIPHDFC, NSPHDFC, LIPCDC, CDDRC, CDFI and LIPCLTHDFC are not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and qualify as not-for-profit organizations under New York State law. No provision for federal or state income taxes is required.

HGHDFC is a New York State not-for-profit organization exempt from New York State income taxes. No provision for federal or state income taxes is required.

LISCHBW and LISHML are for-profit corporations. Provisions for federal and state income taxes have been included in management and general expenses in the combined financial statements.

Uncertain Tax Positions

Management has evaluated the Organizations' tax positions and concluded that the Organizations have not taken any uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of Accounting Standards Codification 740.

Reclassifications

Certain reclassifications of 2017 amounts previously reported have been made in the accompanying combined financial statements to maintain consistency between years presented. The reclassifications have no impact on previously reported net assets or changes in net assets.

Long Island Housing Partnership, Inc. and Affiliates

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Subsequent Events

The Organizations have evaluated all subsequent events from the date of the combined statements of financial position through April 17, 2019, which represents the date these combined financial statements are available to be issued. There were no events or transactions occurring during the subsequent event reporting period which require recognition or disclosure in the combined financial statements.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is evaluating the impact of ASU 2014-09 on the Organizations' combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the combined statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Management is evaluating the impact of ASU 2016-02 on the Organizations' combined financial statements.

Adopted Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in the combined financial statements and footnotes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 was effective for fiscal years beginning after December 15, 2017. Management adopted the provisions of this new standard in 2018 and applied the changes retrospectively, except for the disclosures around liquidity and availability of resources, which have been presented for 2018 only, as allowed by ASU 2016-14.

The new standard changes the following aspects of the combined financial statements:

- The unrestricted net assets class has been renamed Net Assets Without Donor Restrictions;
- The temporarily and permanently restricted net asset classes have been combined into a single net assets class called Net Assets With Donor Restrictions;
- The combined statements of functional expenses for 2018 and 2017 have been revised to reflect major program activities and have been presented with the basic combined financial statements;
- Investment expenses for 2018 and 2017 are included in net investment income;
- New disclosures regarding the functional allocation of expenses, and liquidity and the availability of resources at and for the year ended December 31, 2018 have been added.

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December 31, 2018 and 2017

Prior year investment expenses of approximately \$16,000 were reclassified to investment return, which resulted in a decrease in other expenses and a decrease in investment return. Certain other prior year amounts were also reclassified to conform to the new presentation requirements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The core principle of ASU 2018-08 is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made, by assisting 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. Although ASU 2018-08 is effective for fiscal years beginning after December 15, 2018, the Organizations elected early adoption as permitted by the ASU during the year ended December 31, 2017.

2. Liquidity and Availability of Resources

The following reflects the Organizations' financial assets at December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statements of financial position date. Amounts not available include amounts set aside for long-term investing that could be drawn upon with the approval of the Board of Directors.

Financial assets at year-end:	
Cash and cash equivalents	\$ 6,793,805
Accounts receivable, net of allowance	846,982
Investments	<u>4,367,005</u>
Total financial assets at year end	12,007,792
Less amounts unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Funds held as program agent	(1,915,104)
Cash held for specific purposes	(2,036,014)
Purpose restrictions	(861,832)
Restriction in perpetuity	(15,500)
Board-designated for operating and capital reserves	<u>(4,351,505)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,827,837</u>

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2018 and 2017

At December 31, 2018, the Organizations have \$2,827,837 of financial assets available within one year of the combined statement of financial position date to meet cash needs for general expenditures. The Organizations' practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash in excess of daily requirements is invested in savings and money market accounts. Board-designated operating and capital reserves, and the income from donor-restricted funds and board-designated operating and capital reserves are intended to be reinvested for the long-term, but these amounts can be drawn upon in the event of an unanticipated liquidity need. Available lines of credit are for use by the CDFI as capital to fund anticipated pre-development loans on affordable housing projects, and are not intended for use by the Organizations for liquidity needs.

3. Fair Value Measurements

The following tables represent the fair value hierarchy for the Organizations' financial assets and liabilities measured at fair value on a recurring basis at December 31, 2018 and 2017. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

The Organizations invest in open-end dynamic asset allocation funds (the "Funds") that have no readily determinable fair value. The Funds are recorded at net asset value, which represents fair value, and is based on the values provided by the general partner/funds manager of the Funds. The Funds' investment objectives are to moderate the volatility of equity- and fixed income-oriented asset allocations over the long term. The Funds may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide investment exposure to a variety of asset classes. At December 31, 2018 and 2017, the Funds did not have any unfunded commitments and had total net asset values of approximately \$1,314,000 and \$1,356,000, respectively.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2018 and 2017

The following tables represent the fair value hierarchy for the Organizations' financial assets and liabilities measured at fair value on a recurring basis at December 31, 2018 and 2017:

Fair Value Measurements at December 31, 2018				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Bonds	\$ 2,162,370	\$ -	\$ -	\$ 2,162,370
Equity securities	786,991	-	-	786,991
Mutual funds	97,315	-	-	97,315
Total	<u>\$ 3,046,676</u>	<u>\$ -</u>	<u>\$ -</u>	3,046,676
Cash				6604
Investments measured at net asset value (a)				<u>1,313,725</u>
Total investments				<u>\$ 4,367,005</u>

Fair Value Measurements at December 31, 2017				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Bonds	\$ 2,109,331	\$ -	\$ -	\$ 2,109,331
Equity securities	1,071,883	-	-	1,071,883
Total	<u>\$ 3,181,214</u>	<u>\$ -</u>	<u>\$ -</u>	3,181,214
Cash				849
Investments measured at net asset value (a)				<u>1,355,955</u>
Total investments				<u>\$ 4,538,018</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the combined statements of financial position.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Realized and unrealized (losses) gains include the following:

	<u>2018</u>	<u>2017</u>
Unrealized (losses) gains	\$ (346,370)	\$ 262,845
Realized gains	<u>66,811</u>	<u>17,130</u>
Net	<u>\$ (279,559)</u>	<u>\$ 279,975</u>

4. Capitalized Project Costs

Capitalized project costs consist of the following:

	<u>2018</u>	<u>2017</u>
Neighborhood Stabilization Program (a)	\$ 240,673	\$ 1,285,654
Islip IX - Brentwood (b)	120,285	104,384
Islip Housing Authority (c)	332,582	405,871
Rebuild Long Island (d)	296,667	240,538
Brookhaven Scattered Sites (e)	287,633	177,622
Suffolk County Scattered Sites (f)	309,302	226,486
Other (g)	<u>205,723</u>	<u>295,863</u>
Total	<u>\$ 1,792,865</u>	<u>\$ 2,736,418</u>

- (a) **Neighborhood Stabilization Program** - The Organizations were awarded federal funds for the purchase and rehabilitation of foreclosed and abandoned homes on Long Island, New York, which are to be transferred to eligible home buyers. 5 units and 2 units were transferred to eligible home buyers in 2018 and 2017, respectively.
- (b) **Islip IX - Brentwood** - NSPHDFC has 11 homes being constructed on scattered sites in Brentwood. The properties were transferred to NSPHDFC from the Islip Community Development Agency who received the properties from Suffolk County through the 72-H program. Construction was completed on three homes at the end of 2016 with closings taking place in early 2017. Funding was provided by the New York State Affordable Housing Corporation ("NYS AHC") and additional funding was provided through the Federal HOME Investment Partnership Program ("HOME").
- (c) **Islip Housing Authority** - LIPCDC was awarded funding by the Town of Islip Housing Authority for the purchase and rehabilitation of foreclosed homes in the Town of Islip, New York. One home was transferred in 2013 and the two remaining homes were transferred in 2018.
- (d) **Rebuild Long Island** - NSPHDFC acquired 9 and 14 homes from New York State in 2017 and 2016, respectively, which were damaged by Hurricane Sandy. NSPHDFC was awarded both public and private grants to construct and transfers homes on these properties to eligible home buyers.

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Notes to Combined Financial Statements

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- (e) **Brookhaven Scattered Sites** - This program consists of 15 affordable units on scattered sites within the hamlets of Bellport and East Patchogue in the Township of Brookhaven. All of these homes will be sold to persons earning at or below 80% of the Area Median Income ("AMI"). The LIPHDFC and the LIPCDC will develop all the units. It is anticipated that NYS AHC funding will be utilized, as well as Federal HOME funds.
- (f) **Suffolk County Scattered Sites** - This program consists of 15 affordable homes on scattered sites in the Townships of Babylon, Brookhaven and Smithtown. All of these homes will be sold to persons earning at or below 80% of the AMI. The LIPHDFC and the LIPCDC will develop all the units. It is anticipated that NYS AHC funding will be utilized, as well as Federal HOME funds.
- (g) **Other** - Includes predevelopment costs, principally for several Partnerships for New Homes Programs, including North Bellport V, Suffolk County Land Bank and Southampton scattered sites, and a rehabilitation project in the Village of Patchogue.

5. Fixed Assets

Fixed assets consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 267,426	\$ 267,426
Leasehold improvements	368,792	363,543
Computer software	115,152	115,152
	<u>751,370</u>	<u>746,121</u>
Less accumulated depreciation and amortization	<u>(650,067)</u>	<u>(611,320)</u>
Total	<u>\$ 101,303</u>	<u>\$ 134,801</u>

6. Funds Held as Program Agent

The Organizations are holding funds which will be paid out to beneficiaries participating in the respective programs. Funds held as program agent consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Neighborhood Stabilization Program ("NSP")	\$ 608,566	\$ 579,122
Smart Growth Development and Community Stabilization Program ("HELP Phase II")	713,741	936,804
Homeownership and Economic Stabilization for Long Island Program ("HELP Phase I")	113,115	163,100
Nassau County Down Payment Assistance Program	257,356	250,081
Employer Assisted Housing Program	222,277	196,427
New York State Affordable Housing Corporation Home Improvement Program ("NYS AHC HIP")	49	49
Total	<u>\$ 1,915,104</u>	<u>\$ 2,125,583</u>

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements

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7. Project Grant Advances

Project grant advances are funds received from various funding sources for which the related project services have not yet been completed. Project grant advances consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Governmental:		
Neighborhood Stabilization Program ("NSP")	\$ 218,435	\$ 788,149
Homeowner Protection Program ("HOPP")	-	14,901
Islip Housing Authority Stabilization Program	209,633	264,633
Rebuild Long Island - Nassau County HOME funding	<u>80,000</u>	<u>164,996</u>
Governmental total	<u>\$ 508,068</u>	<u>\$ 1,232,679</u>
Private:		
Rebuild Long Island	\$ 758,882	\$ 644,017
North Bellport V	181,251	200,000
Others	<u>47,273</u>	<u>38,092</u>
Private total	<u>\$ 987,406</u>	<u>\$ 882,109</u>

8. Loan Payable

Loan payable consists of amounts to the New York State Housing Development Fund in the amount of \$840,000 at December 31, 2018 and 2017, respectively. The loan was provided to LIPHDFC to finance predevelopment costs under a disbursement agreement with New York State Division of Housing and Community Renewal ("NYS HCR"). In December 2004, LIPHDFC executed a loan agreement to provide interim financing of up to \$300,000, to another unaffiliated not-for-profit corporation, to develop an affordable housing project. At December 31, 2018 and 2017, non-interest-bearing notes receivable for \$300,000 were collateralized by a mortgage on the development property. The due date of the loan was December 2018. The loan will not be extended. NYS HCR has agreed to accept assignment of the \$300,000 notes receivable. LIPHDFC intends to repay the remaining \$540,000 of the loan payable and terminate its disbursement agreement with NYS HCR in 2019.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
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9. Lines of Credit

In December 2014, CDFI closed on a three-year, unsecured, revolving line of credit agreement with a bank in the amount of \$1,000,000, guaranteed by NSPHDFC. The maturity date was subsequently extended to December 1, 2019. The line will be used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by the Organizations. Borrowings on the line accrue interest at an annual fixed rate of 2% and interest expense amounted to approximately \$800 and \$2,000 in 2018 and 2017, respectively. At December 31, 2018 and 2017, there was \$40,000 outstanding on the line.

In March 2017, CDFI closed on a two-year, unsecured, revolving line of credit agreement with a bank in the amount of \$1,000,000, guaranteed by LIHP. The maturity date was subsequently extended to June 2019. The line will be used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by the Organizations. Borrowings on the line accrue interest at an annual fixed rate of prime (4%) minus .5% through February 2018, then prime thereafter (5.5% at December 31, 2018). Interest expense amounted to approximately \$7,000 and \$200 in 2018 and 2017, respectively. At December 31, 2018 and 2017, there was \$165,500 outstanding on the line.

In December 2017, CDFI closed on a five-year line of credit in the amount of \$1,000,000, guaranteed by LIHP. The line will be used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by the Organizations. Borrowings on the line accrue interest at an annual fixed rate of 2.5%. At December 31, 2018 and 2017, there was no balance outstanding on the line and no interest expense incurred.

10. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of long-term investments designated by the Board of Directors for operating and capital reserves. These funds can be drawn upon in the event of financial distress or an immediate liquidity need. The balance of operating and capital reserves totaled approximately \$4,352,000 and \$4,523,000 at December 31, 2018 and 2017, respectively.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Purpose-restricted:		
Home Ownership Development, Education, and Training Programs	\$ 408,580	\$ 405,042
HEMAP Program - Gap Mortgage Payment Assistance (a)	<u>453,252</u>	<u>453,252</u>
Total purpose-restricted	861,832	858,294
Restricted in perpetuity:		
Subject to spending policy and appropriation: General use (b)	<u>15,500</u>	<u>15,500</u>
Total restricted in perpetuity	<u>15,500</u>	<u>15,500</u>
Total net assets with donor restrictions	<u>\$ 877,332</u>	<u>\$ 873,794</u>

(a) The HEMAP program provides gap mortgage payment assistance to homeowners (not to exceed \$20,000 to a qualified applicant) who have suffered financial hardship beyond their control. The HEMAP program shall utilize at least 80% of the funds to provide short-term revolving loans to qualified applicants, and for the remaining 20% of the funds, the program may issue soft mortgages to qualified applicants (so that applicants may avoid foreclosure). Funds advanced under the program are subject to recapture upon the sale, rental, or refinancing of the home or upon the failure to occupy the home as a principal residence. Funds advanced under the program aggregated approximately \$47,000 at December 31, 2018 and 2017.

(b) Amounts restricted in perpetuity consists of funds established by donors to provide income to support general operations, once appropriated for expenditures.

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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Satisfaction of purpose restrictions:		
Home Ownership Development, Education, and Training Programs	<u>\$ 51,939</u>	<u>\$ 242,690</u>

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
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11. Pension Plan

Effective January 1, 2011, LIHP established a 403(b) Thrift Plan (the "Plan"). All employees with at least six months of continuous service, who are at least 21 years of age, are eligible to participate. Benefits are fully vested after three years. The Plan provides for a matching contribution up to 4% of salary, and an additional discretionary non-matching annual contribution, as approved by the Board of Directors. In 2018 and 2017, LIHP contributed 3% of participants' salaries (approximately \$41,000 and \$44,000, respectively) in discretionary contributions.

12. Donated Services

Donated legal services included in the combined statements of activities and changes in net assets as contributions and expenses were approximately \$30,000 and \$14,000 for the years ended December 31, 2018 and 2017, respectively.

13. Commitments and Contingencies

Highland Green Project ("HG Project")

LIHP established HG Housing Development Fund Company, Inc. ("HGDFC"), a not-for-profit affiliate in connection with the HG Project, a 118 unit affordable limited-equity cooperative complex in Suffolk County. In December 2014, HGR LLC and a third-party co-developer closed on the real property purchase and related construction and subsidy financing. Pursuant to a Declaration of Interest and Nominee Agreement between HGR LLC and HGDFC, HGDFC holds title to the property solely as a nominee for HGR LLC, but holds no equitable, beneficial or other interest in the property acquired.

HGDFC received \$2,140,200 in NYS AHC funds which were subsequently loaned to the HG Project's beneficial owner, HGR LLC, during the construction period. These funds are subject to recapture and repayment to NYS AHC upon the later of the qualified use period, or thirty years after the date of conversion of the HG Project to permanent financing.

HGDFC also received \$1,000,000 in HELP Phase II funds, which was disbursed incrementally upon sale of each unit to eligible home buyers. At December 31, 2017, all HELP Phase II funds were disbursed upon transfer of the last HG Project unit. All funds are subject to recapture upon the sale, rental, or refinancing of the home, or upon the home buyer's failure to occupy the home as a principal residence.

Similar to other recapture obligations disclosed herein, the amounts disbursed in connection with the HG Project are not recorded in the accompanying combined financial statements until such recapture is determined to be probable.

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Notes to Combined Financial Statements

December 31, 2018 and 2017

Employer Assisted Housing Program ("EAHP")

EAHP assists Long Island businesses to recruit and retain qualified employees by providing financial assistance and housing counseling to eligible employees. Multiple grants were awarded by the NYS AHC to assist these employees by providing down payment assistance of \$9,000 or \$14,000 and rehabilitation funds up to \$14,000 or \$24,000 to eligible participants, depending on household income and program guidelines. At December 31, 2018 and 2017, funds advanced under the program aggregated approximately \$8,147,000 and \$6,934,000, respectively, and are subject to recapture.

Homeownership and Economic Stabilization for Long Island Program ("HELP Phase I")

In October 2006, LIHP was awarded a New York Economic Development Capital Program ("NYEDCP") grant of \$25,000,000 to administer the HELP Phase I program. Funds advanced under either component of the HELP Phase I program are subject to recapture over the grant period upon the sale, rental, or refinancing of the home or upon the failure to occupy the home as a principal residence. At December 31, 2018 and 2017, funds advanced under the program, aggregating approximately \$23,428,000 and \$21,690,000, respectively.

The HELP Phase I program has two components:

Employer Assisted Housing Program

An employer with one or more non-related employees who has or creates a recognized housing assistance benefit program as part of an employee benefit package may receive matching funds from HELP for each of their qualified employees. The Employer Assisted Housing portion of the HELP Phase I Program ended in 2018.

Smart Growth Development Assistance for Workforce Housing Program

Any developer building five or more workforce homes in downtown areas, hamlet centers, or redeveloped properties using "Smart Growth" principles can obtain a grant of up to \$25,000 (per home).

Neighborhood Stabilization Program ("NSP")

The Neighborhood Stabilization Program is a U.S. Department of Housing and Urban Development ("HUD") funded program which provides for the purchase and rehabilitation of homes in targeted communities on Long Island, New York. In 2009, the Organizations was awarded a total of approximately \$10,403,000 by various state and local municipalities. At December 31, 2018 and 2017, outstanding funds advanced under this program aggregated approximately \$228,000 and \$1,064,000, respectively.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
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HELP Phase II Smart Growth Development and Community Stabilization Program ("HELP Phase II")

In April 2008, LIHP was awarded a grant of \$6,000,000 for this program as a component of the existing HELP program, through a Memorandum of Understanding with the New York State Housing Finance Agency ("HFA"). Funds advanced under HELP Phase II are subject to a recapture provision in the event of sale, refinance or failure to occupy the home as a principal residence. Grants of up to \$50,000 are given for community stabilization projects, providing qualified applicants with down payment assistance, as well as funds for the rehabilitation of homes purchased. Grants of \$25,000 per home are available for qualified applicants purchasing homes within a smart growth development. At December 31, 2018 and 2017, funds disbursed under the program, aggregating approximately \$4,781,000 and \$4,591,000, respectively, are subject to recapture.

Operating Lease

The Organizations lease office space under an operating lease expiring in 2023. The lease provides for escalations for certain operating expenses and real estate taxes, and scheduled base rent increases over the lease term. Rent expense is recognized on a straight-line basis over the term of the lease. Minimum future rental payments under the lease are approximately as follows:

Years ending December 31:		
2019	\$	88,000
2020		92,000
2021		95,500
2022		99,500
2023		<u>59,000</u>
Total	\$	<u>434,000</u>

Rent expense (including charges for operating expenses) amounted to approximately \$100,000 in 2018 and 2017.

Long Island Housing Partnership, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2018 and 2017

Notes and Mortgages

In December 2008, the Town of Islip Community Development Agency ("TOICDA") transferred to NSPHDFC nine parcels of land, in consideration of a nominal fee, for the construction of affordable homes in the Town of Islip. In connection therewith, NSPHDFC entered into nine separate non-interest-bearing grant enforcement non-recourse notes payable and mortgage agreements with TOICDA (collateralized by the land) in the aggregate amount of \$1,065,000. At closings, when the homes are transferred to eligible home buyers, the related grant enforcement notes payable and mortgage agreements will be cancelled. The eligible home buyers will concurrently enter into replacement grant enforcement notes payable and mortgage agreements with TOICDA, in an amount representing the recapture obligation, as defined by TOICDA. If NSPHDFC does not construct homes on the land, the parcels revert to TOICDA and the notes will be satisfied and the mortgages released. At December 31, 2018 and 2017, \$265,000 of the notes payable and mortgage agreements in connection with 3 of the 9 parcels were cancelled, as these parcels and the constructed homes were transferred to eligible home buyers. The combined financial statements at December 31, 2018 and 2017 do not include the land or notes payable, as the notes payable represent the recapture obligation, which is cancelled upon transfer of homes by NSPHDFC to the eligible home buyers.

Under the Federal Home Loan Bank ("FHLB") Affordable Housing Program, LIHP, as Broadway West, L.P.'s ("BW") project sponsor, received Affordable Housing Program subsidies (conditional grants) in the amounts of approximately \$1,283,000 from a member bank, that it has passed on (as required by the FHLB) to BW for the development of two senior rental projects, Broadway West I and Broadway West II, respectively. The member bank held two non-interest-bearing notes executed by LIHP and collateralized by BW's projects' real estate. One note (approximately \$758,000) matured in May 2016 and the remaining note matured in December 2018 (\$525,000). Both notes were deemed satisfied and the mortgages released upon maturity. In December 2018, Broadway West I and Broadway West II were sold to a third party. In connection with the sale, LIHP received a sponsor fee of \$250,000 and LISCHBW received a partnership distribution of approximately \$97,000, all of which were recorded as other income in the combined statements of activities and changes in net assets.

Litigation

The Organizations are subject to lawsuits and claims with respect to matters arising in the normal course of business. All claims have been forwarded to the insurance carriers' counsel for disposition. In the opinion of management, the ultimate liabilities, if any, from these lawsuits and claims will not materially affect the combined financial position of the Organizations. Nevertheless, due to the uncertainty of the settlement process, management's view of the outcome may be modified in the future.

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Financial Position
December 31, 2018

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Assets										
Current Assets										
Cash and cash equivalents	\$ 3,131,133	\$ 1,666,715	\$ 486,283	\$ 23,487	\$ 3,130	\$ 1,129,083	\$ -	\$ 353,974	\$ -	\$ 6,793,805
Accounts receivable, net	504,137	341,442	2,300	-	54,255	1,733	-	-	56,885	846,982
Due (to) from affiliates	(2,424,940)	602,293	2,507,226	(239,109)	(21,950)	(196,439)	(3,032)	(224,049)	-	-
Due from escrow agent	-	-	19,353	-	-	-	-	-	-	19,353
Prepaid expenses and other	65,487	-	57,675	-	-	-	-	18,389	-	141,551
Current portion of notes receivable	300,000	-	-	-	-	-	-	-	-	300,000
Investments	4,367,005	-	-	-	-	-	-	-	-	4,367,005
Total current assets	5,942,822	2,610,450	3,072,837	(215,622)	35,435	934,377	(3,032)	148,314	56,885	12,468,696
Notes receivable	-	-	-	-	-	208,983	-	-	-	208,983
Capitalized project costs	13,470	996,315	347,667	359,376	-	-	-	76,037	-	1,792,865
Fixed assets, net	101,303	-	-	-	-	-	-	-	-	101,303
Total assets	\$ 6,057,595	\$ 3,606,765	\$ 3,420,504	\$ 143,754	\$ 35,435	\$ 1,143,360	\$ (3,032)	\$ 224,351	\$ 56,885	\$ 14,571,847
Liabilities and Net Assets (Deficit)										
Current Liabilities										
Accounts payable and accrued expenses	\$ 354,446	\$ 57,168	\$ 32,319	\$ 37,884	\$ 60,734	\$ 1,842	\$ 1,650	\$ 1,844	\$ 56,885	\$ 491,002
Home buyers' deposits held in escrow	-	-	19,353	-	-	-	-	-	-	19,353
Current portion of deferred revenue	11,139	-	-	-	-	-	-	-	-	11,139
Current portion of project grant advances - governmental	80,000	218,435	-	209,633	-	-	-	-	-	508,068
Current portion of project grant advances - private	331,183	-	-	-	-	-	-	195,135	-	526,318
Construction reserve	-	-	-	-	-	-	-	-	-	-
Lines of credit	-	-	-	-	-	205,500	-	-	-	205,500
Loan payable	-	840,000	-	-	-	-	-	-	-	840,000
Total current liabilities	776,768	1,115,603	51,672	247,517	60,734	207,342	1,650	196,979	56,885	2,601,380
Deferred revenue	75,166	-	-	-	-	-	-	-	-	75,166
Project grant advances - governmental	-	-	-	-	-	-	-	-	-	-
Project grant advances - private	461,088	-	-	-	-	-	-	-	-	461,088
Funds held as program agent	1,306,538	608,566	-	-	-	-	-	-	-	1,915,104
Total liabilities	2,619,560	1,724,169	51,672	247,517	60,734	207,342	1,650	196,979	56,885	5,052,738
Without donor restrictions:										
Undesignated	(1,790,802)	1,882,596	3,368,832	(103,763)	(25,299)	936,018	(4,682)	27,372	-	4,290,272
Board-designated for operating and capital reserves	4,351,505	-	-	-	-	-	-	-	-	4,351,505
	2,560,703	1,882,596	3,368,832	(103,763)	(25,299)	936,018	(4,682)	27,372	-	8,641,777
With donor restrictions:										
Purpose-restricted	861,832	-	-	-	-	-	-	-	-	861,832
Restricted in perpetuity	15,500	-	-	-	-	-	-	-	-	15,500
	877,332	-	-	-	-	-	-	-	-	877,332
Total net assets (deficit)	3,438,035	1,882,596	3,368,832	(103,763)	(25,299)	936,018	(4,682)	27,372	-	9,519,109
Total liabilities and net assets (deficit)	\$ 6,057,595	\$ 3,606,765	\$ 3,420,504	\$ 143,754	\$ 35,435	\$ 1,143,360	\$ (3,032)	\$ 224,351	\$ 56,885	\$ 14,571,847

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Financial Position
December 31, 2017

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Assets										
Current Assets										
Cash and cash equivalents	\$ 3,747,256	\$ 1,581,561	\$ 616,361	\$ 30,480	\$ 5,729	\$ 1,325,746	\$ 3,318	\$ -	\$ -	\$ 7,310,451
Accounts receivable, net	313,882	338,445	35,000	-	70,540	1,435	-	-	79,268	680,034
Interest in net assets of affiliate	-	7,449	-	-	-	-	-	-	7,449	-
Due (to) from affiliates	(2,986,330)	626,207	2,997,024	(264,272)	(18,425)	(358,826)	(1,532)	6,154	-	-
Due from escrow agent	-	-	19,353	-	-	-	-	-	-	19,353
Prepaid expenses and other	35,954	448	3,322	498	-	249	-	249	-	40,720
Current portion of notes receivable	-	-	-	-	-	-	-	-	-	-
Investments	4,538,018	-	-	-	-	-	-	-	-	4,538,018
Total current assets	5,648,780	2,554,110	3,671,060	(233,294)	57,844	968,604	1,786	6,403	86,717	12,588,576
Notes receivable	300,000	-	-	-	-	208,983	-	-	-	508,983
Capitalized project costs	5,344	1,912,916	344,922	473,236	-	-	-	-	-	2,736,418
Fixed assets, net	134,801	-	-	-	-	-	-	-	-	134,801
Total assets	\$ 6,088,925	\$ 4,467,026	\$ 4,015,982	\$ 239,942	\$ 57,844	\$ 1,177,587	\$ 1,786	\$ 6,403	\$ 86,717	\$ 15,968,778
Liabilities and Net Assets (Deficit)										
Current Liabilities										
Accounts payable and accrued expenses	\$ 346,843	\$ 71,819	\$ 61,055	\$ 4,090	\$ 79,268	\$ 1,674	\$ 3,000	\$ 1,676	\$ 79,268	\$ 490,157
Home buyers' deposits held in escrow	-	-	19,353	-	-	-	-	-	-	19,353
Current portion of deferred revenue	18,677	-	-	-	-	-	-	-	-	18,677
Current portion of project grant advances - governmental	99,897	569,714	-	55,000	-	-	-	-	-	724,611
Current portion of project grant advances - private	143,498	-	-	-	-	-	-	-	-	143,498
Construction reserve	-	-	-	20,375	-	-	-	-	-	20,375
Lines of credit	-	-	-	-	-	205,500	-	-	-	205,500
Loan payable	-	840,000	-	-	-	-	-	-	-	840,000
Total current liabilities	608,915	1,481,533	80,408	79,465	79,268	207,174	3,000	1,676	79,268	2,462,171
Deferred revenue	8,323	-	-	-	-	-	-	-	-	8,323
Project grant advances - governmental	80,000	218,435	-	209,633	-	-	-	-	-	508,068
Project grant advances - private	738,611	-	-	-	-	-	-	-	-	738,611
Funds held as program agent	1,543,398	579,122	-	-	-	-	3,063	-	-	2,125,583
Total liabilities	2,979,247	2,279,090	80,408	289,098	79,268	207,174	6,063	1,676	79,268	5,842,756
Net Assets										
Without donor restrictions:										
Undesignated	(2,286,634)	2,169,848	3,935,574	(38,517)	(21,424)	970,413	(4,277)	4,727	-	4,729,710
Board-designated for operating and capital reserves	4,522,518	-	-	-	-	-	-	-	-	4,522,518
	2,235,884	2,169,848	3,935,574	(38,517)	(21,424)	970,413	(4,277)	4,727	-	9,252,228
With donor restrictions:										
Purpose-restricted	858,294	18,088	-	(10,639)	-	-	-	-	7,449	858,294
Restricted in perpetuity	15,500	-	-	-	-	-	-	-	-	15,500
	873,794	18,088	-	(10,639)	-	-	-	-	7,449	873,794
Total net assets (deficit)	3,109,678	2,187,936	3,935,574	(49,156)	(21,424)	970,413	(4,277)	4,727	7,449	10,126,022
Total liabilities and net assets (deficit)	\$ 6,088,925	\$ 4,467,026	\$ 4,015,982	\$ 239,942	\$ 57,844	\$ 1,177,587	\$ 1,786	\$ 6,403	\$ 86,717	\$ 15,968,778

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Activities and Changes in Net Assets
Year Ended December 31, 2018

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Changes in Net Assets (Deficit) Without Donor Restrictions										
Support and Revenue										
Receipts and government grants from transfer of homes	\$ 122,870	\$ 1,374,631	\$ 108,095	\$ 155,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760,971
Government grants	387,825	-	-	-	48,726	-	-	-	-	436,551
Private grants	137,424	33,968	197,960	1,752	-	-	-	178,401	-	549,505
Contributions	115,981	1,387	694	1,387	-	1,594	-	9,711	-	130,754
Special events	168,700	-	-	-	-	-	-	-	-	168,700
Direct expenses of special events	(25,418)	-	-	-	-	-	-	-	-	(25,418)
Mortgage counseling	127,290	-	-	-	-	-	-	-	-	127,290
Technical assistance	643,010	-	-	-	-	-	-	-	48,726	594,284
Interest	8,803	4,220	2,303	15	-	15,272	-	-	-	30,613
Other income	734,654	7,951	-	-	-	-	1,500	-	-	744,105
Reimbursement from affiliates	754,514	-	-	-	-	-	-	-	754,514	-
Net assets released from donor restrictions	51,939	1,262	5,960	6,187	-	-	-	33,817	47,226	51,939
Total support and revenue	3,227,592	1,423,419	315,012	164,716	48,726	16,866	1,500	221,929	850,466	4,569,294
Expenses										
Program services:										
Development	378,208	1,656,732	407,499	162,907	-	-	-	165,718	307,635	2,463,429
Counseling and education	601,449	-	-	-	-	-	-	-	-	601,449
Technical assistance	288,956	-	-	-	48,726	-	-	-	48,726	288,956
Other	484,286	-	-	-	-	25,500	-	-	16,507	493,279
Total program services	1,752,899	1,656,732	407,499	162,907	48,726	25,500	-	165,718	372,868	3,847,113
Supporting services:										
Management and general	976,076	50,457	351,480	50,229	3,875	25,761	1,905	33,566	430,373	1,062,976
Fundraising	98,165	-	-	-	-	-	-	-	-	98,165
Distribution to beneficiaries	47,225	-	-	-	-	-	-	-	47,225	-
Total expenses	2,874,365	1,707,189	758,979	213,136	52,601	51,261	1,905	199,284	850,466	5,008,254
Changes in net assets (deficit) without donor restrictions before investment activities	353,227	(283,770)	(443,967)	(48,420)	(3,875)	(34,395)	(405)	22,645	-	(438,960)
Investment interest and dividends, net of expenses	17,728	12,890	77,927	-	-	-	-	-	-	108,545
Realized and unrealized (losses) gains	(45,659)	(33,198)	(200,702)	-	-	-	-	-	-	(279,559)
Net investment (loss) return	(27,931)	(20,308)	(122,775)	-	-	-	-	-	-	(171,014)
Changes in net assets (deficit) without donor restrictions	325,296	(304,078)	(566,742)	(48,420)	(3,875)	(34,395)	(405)	22,645	-	(609,974)
Changes in Net Assets With Donor Restrictions										
Private grants	55,000	-	-	-	-	-	-	-	-	55,000
Interest in net assets of recipient	-	-	5,960	-	-	-	-	33,817	39,777	-
Net assets released from donor restrictions	(51,939)	(1,262)	(5,960)	(6,187)	-	-	-	(33,817)	(47,226)	(51,939)
Changes in net assets (deficit) with donor restrictions	3,061	(1,262)	-	(6,187)	-	-	-	-	(7,449)	3,061
Changes in net assets (deficit)	328,357	(305,340)	(566,742)	(54,607)	(3,875)	(34,395)	(405)	22,645	(7,449)	(606,913)
Net Assets (Deficit), Beginning of Year	3,109,678	2,187,936	3,935,574	(49,156)	(21,424)	970,413	(4,277)	4,727	7,449	10,126,022
Net Assets (Deficit), End of Year	\$ 3,438,035	\$ 1,882,596	\$ 3,368,832	\$ (103,763)	\$ (25,299)	\$ 936,018	\$ (4,682)	\$ 27,372	\$ -	\$ 9,519,109

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Activities and Changes in Net Assets
Year Ended December 31, 2017

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Changes in Net Assets (Deficit) Without Donor Restrictions										
Support and Revenue										
Receipts and government grants from transfer of homes	\$ 311,982	\$ 750,979	\$ 797,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,860,312
Government grants	419,933	-	-	-	195,956	-	-	-	195,956	419,933
Private grants	181,408	58,342	104,285	4,600	-	-	-	22,333	-	370,968
Contributions	108,442	355	355	355	-	355	-	7,420	-	117,282
Special events	103,050	-	-	-	-	-	-	-	-	103,050
Direct expenses of special events	(33,724)	-	-	-	-	-	-	-	-	(33,724)
Mortgage counseling	190,890	-	-	-	-	-	-	-	-	190,890
Technical assistance	630,290	-	-	-	-	-	-	-	-	630,290
Interest	5,725	1,773	2,292	23	-	4,749	255	-	-	14,817
Other income	459,995	-	-	-	-	250	-	-	-	460,245
Reimbursement from affiliates	561,248	-	-	-	-	-	-	-	561,248	-
Net assets released from donor restrictions	242,690	80,100	55,285	10,639	-	-	-	19,882	165,906	242,690
Total support and revenue	3,181,929	891,549	959,568	15,617	195,956	5,354	255	49,635	923,110	4,376,753
Expenses										
Program services:										
Development	515,312	787,065	761,224	15,660	-	-	-	5,107	100,177	1,984,191
Counseling and education	611,455	-	-	-	-	-	-	-	-	611,455
Technical assistance	351,723	-	-	-	195,955	-	-	-	195,955	351,723
Other	463,523	-	-	-	-	37,012	-	-	27,609	472,926
Total program services	1,942,013	787,065	761,224	15,660	195,955	37,012	-	5,107	323,741	3,420,295
Supporting services:										
Management and general	930,181	52,237	368,461	51,215	3,582	28,028	3,032	39,801	433,463	1,043,074
Fundraising	30,984	-	-	-	-	-	-	-	-	30,984
Distribution to Beneficiaries	165,906	-	-	-	-	-	-	-	165,906	-
Total expenses	3,069,084	839,302	1,129,685	66,875	199,537	65,040	3,032	44,908	923,110	4,494,353
Changes in net assets (deficit) without donor restrictions before investment activities	112,845	52,247	(170,117)	(51,258)	(3,581)	(59,686)	(2,777)	4,727	-	(117,600)
Investment interest and dividends, net of expenses	14,307	10,403	62,892	-	-	-	-	-	-	87,602
Realized and unrealized (losses) gains	45,727	33,247	201,001	-	-	-	-	-	-	279,975
Net investment return	60,034	43,650	263,893	-	-	-	-	-	-	367,577
Changes in net assets (deficit) without donor restrictions	172,879	95,897	93,776	(51,258)	(3,581)	(59,686)	(2,777)	4,727	-	249,977
Changes in Net Assets With Donor Restrictions										
Private grants	-	-	-	-	-	-	-	19,882	19,882	-
Interest in net assets of recipient	-	-	55,285	-	-	-	-	-	55,285	-
Net assets released from donor restrictions	(242,690)	(80,100)	(55,285)	(10,639)	-	-	-	(19,882)	(165,906)	(242,690)
Changes in net assets (deficit) with donor restrictions	(242,690)	(80,100)	-	(10,639)	-	-	-	-	(90,739)	(242,690)
Changes in net assets (deficit)	(69,811)	15,797	93,776	(61,897)	(3,581)	(59,686)	(2,777)	4,727	(90,739)	7,287
Net Assets (Deficit), Beginning of Year	3,179,489	2,172,139	3,841,798	12,741	(17,843)	1,030,099	(1,500)	-	98,188	10,118,735
Net Assets (Deficit), End of Year	\$ 3,109,678	\$ 2,187,936	\$ 3,935,574	\$ (49,156)	\$ (21,424)	\$ 970,413	\$ (4,277)	\$ 4,727	\$ 7,449	\$ 10,126,022

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Cash Flows
Year Ended December 31, 2018

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Cash Flows from Operating Activities										
Changes in net assets	\$ 328,357	\$ (305,340)	\$ (566,742)	\$ (54,607)	\$ (3,875)	\$ (34,395)	\$ (405)	\$ 22,645	\$ (7,449)	\$ (606,913)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:										
Depreciation and amortization	38,747	-	-	-	-	-	-	-	-	38,747
Realized and unrealized losses	279,559	-	-	-	-	-	-	-	-	279,559
Change in allowance for doubtful accounts	20,941	-	-	-	-	-	-	-	-	20,941
Provision for deferred rent	803	-	-	-	-	-	-	-	-	803
Changes in operating assets and liabilities:										
(Increase) decrease in assets:										
Accounts receivable	(211,196)	(2,997)	32,700	-	16,285	(298)	-	-	22,383	(187,889)
Interest in net assets of affiliate	-	7,449	-	-	-	-	-	-	7,449	-
Due (to) from affiliates	(561,390)	23,914	489,798	(25,163)	3,525	(162,387)	1,500	230,203	-	-
Due from escrow agent	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other	(29,533)	448	(54,353)	498	-	249	-	(18,140)	-	(100,831)
Capitalized project costs	(8,126)	916,601	(2,745)	113,860	-	-	-	(76,037)	-	943,553
Increase (decrease) in liabilities:										
Accounts payable and accrued expenses	6,800	(14,651)	(28,736)	33,794	(18,534)	168	(1,350)	168	(22,383)	42
Project grant advances - governmental	(99,897)	(569,714)	-	(55,000)	-	-	-	-	-	(724,611)
Project grant advances - private	(89,838)	-	-	-	-	-	-	195,135	-	105,297
Deferred revenue	59,305	-	-	-	-	-	-	-	-	59,305
Construction reserve	-	-	-	(20,375)	-	-	-	-	-	(20,375)
Funds held as program agent	(236,860)	29,444	-	-	-	-	(3,063)	-	-	(210,479)
Total adjustments	(830,685)	390,494	436,664	47,614	1,276	(162,268)	(2,913)	331,329	7,449	204,062
Net cash flows from operating activities	(502,328)	85,154	(130,078)	(6,993)	(2,599)	(196,663)	(3,318)	353,974	-	(402,851)
Cash Flows from Investing Activities										
Purchases of investments	(1,183,094)	-	-	-	-	-	-	-	-	(1,183,094)
Sales of investments	1,074,548	-	-	-	-	-	-	-	-	1,074,548
Purchases of fixed assets	(5,249)	-	-	-	-	-	-	-	-	(5,249)
Net cash flows from investing activities	(113,795)	-	-	-	-	-	-	-	-	(113,795)
Net (decrease) increase in cash	(616,123)	85,154	(130,078)	(6,993)	(2,599)	(196,663)	(3,318)	353,974	-	(516,646)
Cash and Cash Equivalents, Beginning of Year	3,747,256	1,581,561	616,361	30,480	5,729	1,325,746	3,318	-	-	7,310,451
Cash and Cash Equivalents, End of Year	\$ 3,131,133	\$ 1,666,715	\$ 486,283	\$ 23,487	\$ 3,130	\$ 1,129,083	\$ -	\$ 353,974	\$ -	\$ 6,793,805

Long Island Housing Partnership, Inc. and Affiliates

Combining Statement of Cash Flows

Year Ended December 31, 2017

	Long Island Housing Partnership, Inc., and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Long Island Partnership CLT Housing Development Fund Company, Inc.	Eliminations	Combined
Cash Flows from Operating Activities										
Changes in net assets	\$ (69,811)	\$ 15,797	\$ 93,776	\$ (61,897)	\$ (3,581)	\$ (59,686)	\$ (2,777)	\$ 4,727	\$ (90,739)	\$ 7,287
Adjustments to reconcile changes in net assets to net cash flows from operating activities:										
Depreciation and amortization	51,943	-	-	-	-	-	-	-	-	51,943
Realized and unrealized gains	(279,975)	-	-	-	-	-	-	-	-	(279,975)
Change in allowance for doubtful accounts	(1,721)	-	-	-	-	-	-	-	-	(1,721)
Provision for deferred rent	4,068	-	-	-	-	-	-	-	-	4,068
Changes in operating assets and liabilities:										
(Increase) decrease in assets:										
Accounts receivable	79,046	143,197	-	-	74,346	2	-	-	(79,268)	375,859
Interest in net assets of affiliate	-	90,739	-	-	-	-	-	-	90,739	-
Due from affiliates	-	(188,883)	(29,137)	-	-	-	-	(6,154)	(224,174)	-
Due from escrow agent	-	5,183	(19,353)	-	-	-	-	-	-	(14,170)
Prepaid expenses and other	(11,341)	2,741	2,887	763	-	(249)	-	(249)	-	(5,448)
Capitalized project costs	8,671	267,076	(159,626)	(55,099)	-	-	-	-	-	61,022
Increase (decrease) in liabilities:										
Accounts payable and accrued expenses	17,211	(43,377)	59,584	24	75,768	(1,826)	1,500	1,676	79,268	31,292
Home buyers' deposits held in escrow	-	(5,183)	-	-	-	-	-	-	-	(5,183)
Project grant advances - Governmental	140,940	(358,067)	-	-	-	-	-	-	-	(217,127)
Project grant advances - Private	882,109	-	-	-	-	-	-	-	-	882,109
Funds held as program agent	386,850	(125,052)	-	-	-	-	(999,186)	-	-	(737,388)
Due to affiliates	116,196	-	-	16,899	(141,304)	230,851	1,532	-	224,174	-
Total adjustments	1,393,997	(211,626)	(145,645)	(37,413)	8,810	228,778	(996,154)	(4,727)	90,739	145,281
Net cash flows from operating activities	1,324,186	(195,829)	(51,869)	(99,310)	5,229	169,092	(998,931)	-	-	152,568
Cash Flows from Investing Activities										
Purchases of investments	(355,893)	-	-	-	-	-	-	-	-	(355,893)
Sales of investments	268,292	-	-	-	-	-	-	-	-	268,292
Repayments of notes receivable	-	-	-	-	-	38,500	-	-	-	38,500
Net cash flows from investing activities	(87,601)	-	-	-	-	38,500	-	-	-	(49,101)
Cash Flows from Financing Activities										
Repayments of lines of credit	-	-	-	-	-	(38,500)	-	-	-	(38,500)
Net cash flows from financing activities	-	-	-	-	-	(38,500)	-	-	-	(38,500)
Net increase (decrease) in cash	1,236,585	(195,829)	(51,869)	(99,310)	5,229	169,092	(998,931)	-	-	64,967
Cash and Cash Equivalents, Beginning of Year	2,510,671	1,777,390	668,230	129,790	500	1,156,654	1,002,249	-	-	7,245,484
Cash and Cash Equivalents, End of Year	\$ 3,747,256	\$ 1,581,561	\$ 616,361	\$ 30,480	\$ 5,729	\$ 1,325,746	\$ 3,318	\$ -	\$ -	\$ 7,310,451