

**LONG ISLAND HOUSING PARTNERSHIP, INC.
AND AFFILIATES**



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

Years Ended December 31, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

**COMBINED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED DECEMBER 31, 2019 AND 2018

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Independent Auditors' Report

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

We have audited the accompanying combined financial statements of Long Island Housing Partnership, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of December 31, 2019, and the related combined statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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 financial position of Long Island Housing Partnership, Inc. and Affiliates as of December 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Combined Financial Statements

The combined financial statements of the Organization as of and for the year ended December 31, 2018, were audited by other auditors whose report dated April 17, 2019, expressed an unmodified opinion on those combined financial statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2019 combined financial statements of the Organization as a whole. The supplementary information on pages 23 to 28 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, the changes in net assets, and cash flows of the individual entities, 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 supplementary information has been subjected to the auditing procedures applied in the audit 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 combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Handwritten signature of Mark Paneth in black ink.

New York, New York
May 27, 2020

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents (Notes 2E, 7 and 14) | \$ 6,460,600 | \$ 6,793,805 |
| Accounts receivable, net (Note 2F) | 738,534 | 846,982 |
| Due from escrow agent | 19,353 | 19,353 |
| Prepaid expenses and other | 95,925 | 141,551 |
| Current portion of notes receivable (Notes 2F and 9) | 365,500 | 300,000 |
| Investments (Notes 2G and 4) | 4,884,411 | 4,367,005 |
| Total current assets | 12,564,323 | 12,468,696 |
| Notes receivable (Note 2F) | 3,483 | 208,983 |
| Capitalized project costs (Notes 2H and 5) | 2,820,465 | 1,792,865 |
| Property and equipment, net (Notes 2I, 2M and 6) | 78,200 | 101,303 |
| Donated land (Notes 2M and 12) | 228,040 | - |
| TOTAL ASSETS | \$ 15,694,511 | \$ 14,571,847 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 1,194,980 | \$ 491,002 |
| Home buyers' deposits held in escrow | 19,353 | 19,353 |
| Current portion of deferred revenue (Note 2J) | 40,783 | 11,139 |
| Current portion of project grant advances - governmental (Note 8) | 34,076 | 536,413 |
| Current portion of project grant advances - private (Note 8) | 957,826 | 497,973 |
| Current portion of construction reserves, current | 3,414 | - |
| Lines of credit (Note 10) | 365,500 | 205,500 |
| Loan payable (Note 9) | - | 840,000 |
| Current portion of funds held as program agent (Note 7) | 342,524 | 325,592 |
| Total current liabilities | 2,958,456 | 2,926,972 |
| Deferred revenue (Note 2J) | 87,360 | 75,166 |
| Project grant advances - private (Note 8) | 1,213,469 | 461,088 |
| Construction and land trust reserves | 23,688 | - |
| Funds held as program agent (Note 7) | 1,322,701 | 1,589,512 |
| TOTAL LIABILITIES | 5,605,674 | 5,052,738 |
| COMMITMENTS AND CONTINGENCIES (Note 11) | | |
| NET ASSETS (Notes 2D and 12) | | |
| Without donor restrictions: | | |
| Undesignated | 4,186,681 | 4,290,272 |
| Board-designated for operating and capital reserves | 4,868,911 | 4,351,505 |
| | 9,055,592 | 8,641,777 |
| With donor restrictions: | | |
| Purpose-restricted | 789,705 | 861,832 |
| Restricted in perpetuity | 243,540 | 15,500 |
| | 1,033,245 | 877,332 |
| TOTAL NET ASSETS | 10,088,837 | 9,519,109 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 15,694,511 | \$ 14,571,847 |

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

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|--|----------------------|---------------------|
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS | | |
| SUPPORT AND REVENUE (Note 2L) | | |
| Receipts and government grants from transfer of homes | \$ 1,551,800 | \$ 1,760,971 |
| Government grants | 1,513,580 | 436,551 |
| Private grants | 555,096 | 549,505 |
| Contributions (Note 2M) | 166,204 | 130,754 |
| Special events (net of direct expenses of \$21,004 and \$25,418, respectively) | 92,096 | 143,282 |
| Mortgage counseling | 140,202 | 127,290 |
| Technical assistance | 726,299 | 594,284 |
| Interest | 35,494 | 30,613 |
| Other income (Note 11) | 267,085 | 744,105 |
| Net assets released from donor restrictions (Note 12) | 297,178 | 51,939 |
| TOTAL SUPPORT AND REVENUE | 5,345,034 | 4,569,294 |
| EXPENSES (Note 2N) | | |
| Program services: | | |
| Development | 2,562,078 | 2,463,429 |
| Counseling and education | 579,078 | 601,449 |
| Technical assistance | 528,147 | 288,956 |
| Other | 514,208 | 493,279 |
| Total program services | 4,183,511 | 3,847,113 |
| Supporting services: | | |
| Management and general | 1,183,210 | 1,062,976 |
| Fundraising | 81,904 | 98,165 |
| TOTAL EXPENSES | 5,448,625 | 5,008,254 |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE INVESTMENT ACTIVITIES | (103,591) | (438,960) |
| Investment interest and dividends, net of expenses | 120,209 | 108,545 |
| Realized and unrealized gains (losses) | 397,197 | (279,559) |
| Net investment return (loss) (Note 2K) | 517,406 | (171,014) |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS | 413,815 | (609,974) |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS | | |
| Government grants | 228,040 | - |
| Private grants | 225,051 | 55,000 |
| Net assets released from donor restrictions (Note 12) | (297,178) | (51,939) |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS | 155,913 | 3,061 |
| CHANGE IN NET ASSETS | 569,728 | (606,913) |
| Net Assets - Beginning of Year | 9,519,109 | 10,126,022 |
| NET ASSETS - END OF YEAR | \$ 10,088,837 | \$ 9,519,109 |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

| | Program Services | | | | Total Program Services | Supporting Services | | Total 2019 | Total 2018 |
|--|---------------------|-----------------------------|-------------------------|-------------------|------------------------------|---------------------------|------------------|---------------------|---------------------|
| | Development | Counseling and Education | Technical Assistance | Other | | Management and General | Fundraising | | |
| Salaries | \$ 159,706 | \$ 330,731 | \$ 244,961 | \$ 299,054 | \$ 1,034,452 | \$ 656,704 | \$ 49,136 | \$ 1,740,292 | \$ 1,655,756 |
| Payroll taxes and fringe benefits (Note 13) | 38,285 | 79,282 | 58,722 | 71,689 | 247,978 | 159,031 | 11,826 | 418,835 | 372,827 |
| Total Salaries and Related Costs | 197,991 | 410,013 | 303,683 | 370,743 | 1,282,430 | 815,735 | 60,962 | 2,159,127 | 2,028,583 |
| Development costs | 2,171,324 | - | - | - | 2,171,324 | - | - | 2,171,324 | 2,128,026 |
| Professional services (Note 2M) | 40,941 | 33,814 | 112,928 | 31,481 | 219,164 | 116,998 | 6,800 | 342,962 | 234,188 |
| Rent and utilities (Note 11A) | 11,666 | 24,158 | 17,899 | 21,843 | 75,566 | 48,024 | 3,626 | 127,216 | 120,104 |
| Insurance | 94,958 | 5,985 | 4,434 | 5,411 | 110,788 | 55,539 | 898 | 167,225 | 107,812 |
| Travel and auto | 4,566 | 14,025 | 3,158 | 5,232 | 26,981 | 7,451 | 33 | 34,465 | 16,691 |
| Conference and meetings | 1,466 | 3,234 | 1,207 | 1,674 | 7,581 | 3,506 | - | 11,087 | 31,316 |
| Postage | 3,670 | 15,262 | 5,464 | 7,428 | 31,824 | 13,629 | - | 45,453 | 36,869 |
| Printing | 486 | 3,805 | 745 | 909 | 5,945 | 2,149 | 6,412 | 14,506 | 16,550 |
| Office supplies and equipment | 6,016 | 13,113 | 9,230 | 11,264 | 39,623 | 24,817 | 1,870 | 66,310 | 47,965 |
| Repairs and maintenance | 2,074 | 4,294 | 3,182 | 3,883 | 13,433 | 8,537 | 644 | 22,614 | 16,476 |
| Depreciation and amortization (Note 6) | 3,136 | 6,494 | 4,812 | 5,872 | 20,314 | 13,884 | - | 34,198 | 38,747 |
| Telephone | 1,553 | 3,217 | 2,383 | 2,908 | 10,061 | 6,408 | 469 | 16,938 | 13,526 |
| Outreach | 11,288 | 147 | 29,724 | 13,151 | 54,310 | 254 | - | 54,564 | 39,003 |
| Subscriptions and publications | 1,666 | 4,249 | 2,556 | 3,119 | 11,590 | 8,874 | - | 20,464 | 16,962 |
| Interest expense | - | - | - | 8,075 | 8,075 | - | - | 8,075 | 8,299 |
| Other | 9,277 | 37,268 | 26,742 | 21,215 | 94,502 | 57,405 | 21,194 | 173,101 | 132,555 |
| Subtotal | <u>2,562,078</u> | <u>579,078</u> | <u>528,147</u> | <u>514,208</u> | <u>4,183,511</u> | <u>1,183,210</u> | <u>102,908</u> | <u>5,469,629</u> | <u>5,033,672</u> |
| Less: Cost of direct benefits to donors netted on the combined statements of activities | - | - | - | - | - | - | (21,004) | (21,004) | (25,418) |
| Total expenses | <u>\$ 2,562,078</u> | <u>\$ 579,078</u> | <u>\$ 528,147</u> | <u>\$ 514,208</u> | <u>\$ 4,183,511</u> | <u>\$ 1,183,210</u> | <u>\$ 81,904</u> | <u>\$ 5,448,625</u> | <u>\$ 5,008,254</u> |

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

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Program Services | | | | Supporting Services | | | Total 2018 |
|--|-------------------------|-------------------------------------|---------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------------|-----------------------|
| | Development | Counseling and Education | Technical Assistance | Other | Total Program Services | Management and General | Fundraising | |
| Salaries | \$ 172,517 | \$ 365,330 | \$ 172,517 | \$ 304,442 | \$ 1,014,806 | \$ 593,754 | \$ 47,196 | \$ 1,655,756 |
| Payroll taxes and fringe benefits (Note 13) | 42,474 | 78,314 | 44,320 | 63,408 | 228,516 | 133,696 | 10,615 | 372,827 |
| Total Salaries and Related Costs | 214,991 | 443,644 | 216,837 | 367,850 | 1,243,322 | 727,450 | 57,811 | 2,028,583 |
| Development costs | 2,128,026 | - | - | - | 2,128,026 | - | - | 2,128,026 |
| Professional services (Note 2M) | 33,167 | 19,543 | 9,259 | 17,398 | 79,367 | 135,781 | 19,040 | 234,188 |
| Rent and utilities (Note 11A) | 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 (Note 6) | 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 | 27,634 | 132,555 |
| Subtotal | 2,463,429 | 601,449 | 288,956 | 493,279 | 3,847,113 | 1,062,976 | 123,583 | 5,033,672 |
| Less: Cost of direct benefits to donors netted on the combined statements of activities | - | - | - | - | - | - | (25,418) | (25,418) |
| Total expenses | \$ 2,463,429 | \$ 601,449 | \$ 288,956 | \$ 493,279 | \$ 3,847,113 | \$ 1,062,976 | \$ 98,165 | \$ 5,008,254 |

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

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Changes in net assets | \$ 569,728 | \$ (606,913) |
| Adjustments to reconcile changes in net assets to cash flows provided by (used in) operating activities: | | |
| Donated land | (228,040) | - |
| Donated software | (11,095) | - |
| Depreciation and amortization | 34,198 | 38,747 |
| Realized and unrealized (gains) losses | (397,197) | 279,559 |
| Change in allowance for doubtful accounts | (12,828) | 20,941 |
| Provision for deferred rent | (2,592) | 803 |
| | (47,826) | (266,863) |
| Subtotal | (47,826) | (266,863) |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in assets: | | |
| Accounts receivable | 121,276 | (187,889) |
| Prepaid expenses and other | 45,626 | (100,831) |
| Capitalized project costs | (1,027,600) | 943,553 |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | 706,570 | 42 |
| Project grant advances - governmental | (502,337) | (724,611) |
| Project grant advances - private | 1,212,234 | 105,297 |
| Deferred revenue | 41,838 | 59,305 |
| Construction and land trust reserves | 27,102 | (20,375) |
| Funds held as program agent | (249,879) | (210,479) |
| | 327,004 | (402,851) |
| Net Cash Provided by (Used in) Operating Activities | 327,004 | (402,851) |
| Cash Flows from Investing Activities | | |
| Purchases of investments | (279,417) | (1,183,094) |
| Sales of investments | 159,208 | 1,074,548 |
| Advances made on notes receivable | (160,000) | - |
| Purchases of property and equipment | - | (5,249) |
| | (280,209) | (113,795) |
| Net Cash Used in Investing Activities | (280,209) | (113,795) |
| Cash Flows from Financing Activities | | |
| Borrowings on line of credit | 325,000 | - |
| Repayments on line of credit | (165,000) | - |
| Repayments on loans payable | (540,000) | - |
| | (380,000) | - |
| Net Cash Used in Financing Activities | (380,000) | - |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (333,205) | (516,646) |
| Cash and Cash Equivalents - Beginning of Year | 6,793,805 | 7,310,451 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 6,460,600 | \$ 6,793,805 |
| Supplemental disclosure of cash flow information: | | |
| Assignment of note receivable | \$ 300,000 | \$ - |
| Donated land | \$ 228,040 | \$ - |
| Donated software | \$ 11,095 | \$ - |
| Cash paid during the year for interest | \$ 8,075 | \$ 8,299 |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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 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.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

HG Housing Development Fund Company, Inc. ("HGHDFC") was created as a single-purpose entity. HGHDFC 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, HGHDFC holds fee title to real property, as nominee for the beneficial owner, HGR LLC. HGHDFC 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***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, LIPCLTHDFC and HGHDFC (collectively, the "Organization"). 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 \$58,000 and \$214,000 in 2019 and 2018, respectively.

B. ***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. The Organization adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

C. ***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.

D. ***Basis of Presentation*** - The Organization maintains its net assets under the following two classes:

- a. Net assets without donor restrictions – consists 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, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. Net assets with donor restrictions - represents 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 Organization reports 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 as net assets released from donor restrictions.
- E. **Cash and Cash Equivalents** - The Organization considers all highly liquid debt instruments with an original maturity of three months or less, when purchased, to be cash equivalents. As of December 31, 2019, cash and cash equivalents include funds held as program agent that amounted to approximately \$1,665,000 and \$1,915,000, respectively (Note 7), and cash held for specific purposes that amounted to approximately \$2,232,000 and \$2,036,000, respectively.
- F. **Allowance for Doubtful Accounts** - The Organization determines whether an allowance for uncollectible accounts should be provided for accounts receivable and notes receivable. A receivable balance is considered past due once it has not been received by its scheduled due date. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of December 31, 2019 and 2018, the Organization determined an allowance of approximately \$68,000 and \$82,000, respectively, was necessary for accounts receivable and no allowance for notes receivable.
- G. **Investments** - Investments consisting primarily of fixed income securities and equities, are carried at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels as described in Note 4.
- H. **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.
- I. **Property and Equipment** - Property and equipment 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 Organization capitalizes all purchases of property and equipment in excess of \$5,000.
- J. **Deferred Revenue** - Deferred revenue represents fees that have been received by the Organization 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.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. **Measure of Operations** - The Organization's 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).

L. **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 Organization recognizes 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.

M. **Donated Services, Property and Interest** - Donated professional services and property are recorded at estimated fair value when received. For funds borrowed by the Organization 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 Organization. Donated legal services included in the combined statements of activities as contributions and expenses were approximately \$30,000 for the years ended December 31, 2019 and 2018. Donated properties amounted to approximately \$239,000 and are included in the combined statements of financial position.

N. **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.

O. **Recent Accounting Pronouncements** - In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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. The Organization adopted ASU 2014-09 and its related amendments effective for January 1, 2019, using the full retrospective approach. Following the adoption of ASU 2014-09, the Organization continues to recognize revenue from customers as services are provided, which corresponds to the year in which the related services are rendered. There was no material impact to the combined financial statements as a result of adoption. ASU 2014-09 has been applied retrospectively to all periods presented, with no effect on net assets on previously issued combined financial statements.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization elected early adoption as permitted by the ASU during the year ended December 31, 2017.

P. **Reclassifications** - Certain line items in the December 31, 2018 combined financial statements have been reclassified to conform to the December 31, 2019 presentation. Such reclassifications had no effect on net assets previously reported.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets at December 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statement 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 | \$ 6,460,600 |
| Accounts receivable, net of allowance | 738,534 |
| Investments | <u>4,884,411</u> |
| Total financial assets at year end | 12,083,545 |
| Less amounts unavailable for general expenditures within one year, due to: | |
| Contractual or donor-imposed restrictions: | |
| Funds held as program agent | (1,665,225) |
| Cash held for specific purposes | (2,232,473) |
| Purpose restrictions | (789,705) |
| Restriction in perpetuity | (15,500) |
| Board-designated for operating and capital reserves | <u>(4,868,911)</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 2,511,731</u> |

At December 31, 2019, the Organization has \$2,511,731 of financial assets available within one year of the combined statement of financial position date to meet cash needs for general expenditures. The Organization's 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 CDFI as capital to fund anticipated pre-development loans on affordable housing projects, and are not intended for use by the Organization for liquidity needs (Note 10).

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following at December 31:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------|-------------------------|-------------------------|
| Cash | \$ 1,798 | \$ 6,604 |
| Bonds | 2,332,698 | 2,162,370 |
| Equity securities | 989,884 | 786,991 |
| Mutual funds | 112,585 | 97,315 |
| Dynamic asset allocation funds | <u>1,447,446</u> | <u>1,313,725</u> |
| Total Investments | <u>\$ 4,884,411</u> | <u>\$ 4,367,005</u> |

The components of investment return for the years ended December 31:

| | <u>2019</u> | <u>2018</u> |
|---------------------------|---------------------|---------------------|
| Dividends and interest | \$ 135,248 | \$ 125,739 |
| Unrealized gains (losses) | 385,164 | (346,370) |
| Realized gains | <u>12,033</u> | <u>66,811</u> |
| | 532,445 | (153,820) |
| Less: Investment fees | <u>(15,039)</u> | <u>(17,194)</u> |
| | <u>\$ 517,406</u> | <u>\$ (171,014)</u> |

Fair value is a market-based measurement that is determined based on one or more inputs using assumptions that market participants would use in pricing the asset or liability. In determining fair value, the Organization utilizes a valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs, to the extent possible in its assessment of fair value. These inputs also form the basis of the fair value hierarchy which is used to categorize a fair value measurement into one of three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended December 31, 2019 and 2018 there were no transfers in or out of levels 1 or 2.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The Organization invests 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. Funds are redeemable daily, upon request, on regular trading days that the New York Stock Exchange is open. No redemption restrictions exist. The redemption value is calculated at the next-determined net asset value after the redemption request is received in proper form, and is typically paid out in one to two business days. At December 31, 2019 and 2018, the Funds did not have any unfunded commitments and had total net asset values of approximately \$1,447,000 and \$1,314,000, respectively.

Financial assets carried at fair value as of December 31, 2019 are classified in the table as follows:

| | <u>Level 1</u> | <u>Total</u> |
|---|---------------------|---------------------|
| Investments Carried at Fair Value | | |
| Bonds | \$ 2,332,698 | \$ 2,332,698 |
| Equity securities | 989,884 | 989,884 |
| Mutual funds | <u>112,585</u> | <u>112,585</u> |
| Total | 3,435,167 | 3,435,167 |
| Cash | - | 1,798 |
| Investments measured at net asset value (a) | <u>-</u> | <u>1,447,446</u> |
| Total investments | <u>\$ 3,435,167</u> | <u>\$ 4,884,411</u> |

Financial assets carried at fair value as of December 31, 2018 are classified in the table as follows:

| | <u>Level 1</u> | <u>Total</u> |
|---|---------------------|---------------------|
| Investments Carried at Fair Value | | |
| Bonds | \$ 2,162,370 | \$ 2,162,370 |
| Equity securities | 786,991 | 786,991 |
| Mutual funds | <u>97,315</u> | <u>97,315</u> |
| Total | 3,046,676 | 3,046,676 |
| Cash | - | 6,604 |
| Investments measured at net asset value (a) | <u>-</u> | <u>1,313,725</u> |
| Total investments | <u>\$ 3,046,676</u> | <u>\$ 4,367,005</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, 2019 AND 2018

NOTE 5 - CAPITALIZED PROJECT COSTS

Capitalized project costs consist of the following at December 31:

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Neighborhood Stabilization Program (a) | \$ - | \$ 240,673 |
| Islip IX - Brentwood (b) | 581,529 | 120,285 |
| Islip Housing Authority (c) | - | 332,582 |
| Rebuild Long Island (d) | 1,077,231 | 296,667 |
| Brookhaven Scattered Sites (e) | 297,113 | 287,633 |
| Suffolk County Scattered Sites (f) | 448,294 | 309,302 |
| Other (g) | 416,298 | 205,723 |
| Total | <u>\$ 2,820,465</u> | <u>\$ 1,792,865</u> |

- (a) **Neighborhood Stabilization Program** - The Organization was awarded federal funds for the purchase and rehabilitation of foreclosed and abandoned homes on Long Island, New York, which were transferred to eligible home buyers. 5 units were transferred to eligible home buyers in 2018, and the remaining 2 units were transferred in 2019.
- (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 3 homes at the end of 2016 with closings taking place in early 2017. Construction was completed on an additional 2 homes at the end of 2019 with closings taking place in early 2020. 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 2 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 transfer homes on these properties to eligible home buyers. In 2019, the Organization rebuilt and sold its first 2 homes, with purchasers in contract for 2 other homes.
- (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"). LIPHDFC and 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. LIPHDFC and LIPCDC will develop all the units. Construction began on 2 homes during 2019 and the related closings are expected to take place in 2020. 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 ("SCLB") and a rehabilitation project in the Village of Patchogue. Rehabilitation was completed on 4 SCLB properties, 2 of which sold in 2019. Construction was also completed on the Village of Patchogue property at the end of 2019, with the closing taking place in early 2020.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

| | <u>2019</u> | <u>2018</u> |
|--|------------------|-------------------|
| Furniture and equipment | \$ 267,426 | \$ 267,426 |
| Leasehold improvements | 368,792 | 368,792 |
| Computer software | <u>126,247</u> | <u>115,152</u> |
| | 762,465 | 751,370 |
| Less accumulated depreciation and amortization | <u>(684,265)</u> | <u>(650,067)</u> |
| Total | <u>\$ 78,200</u> | <u>\$ 101,303</u> |

For the years ended December 31, 2019 and 2018, depreciation and amortization expenses amounted to \$34,198 and \$38,747, respectively.

NOTE 7 – FUNDS HELD AS PROGRAM AGENT

The Organization holds 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:

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Neighborhood Stabilization Program ("NSP") | \$ 282,974 | \$ 608,566 |
| Smart Growth Development and Community Stabilization Program ("HELP Phase II") | 713,741 | 713,741 |
| Homeownership and Economic Stabilization for Long Island Program ("HELP Phase I") | 160,250 | 113,115 |
| Nassau County Down Payment Assistance Program | 260,781 | 257,356 |
| Employer Assisted Housing Program | 187,877 | 222,277 |
| New York State Affordable Housing Corporation Home Improvement Program ("NYS AHC HIP") | <u>59,602</u> | <u>49</u> |
| Total | <u>\$ 1,665,225</u> | <u>\$ 1,915,104</u> |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 8 – 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:

| | 2019 | 2018 |
|--|--------------|------------|
| Governmental: | | |
| Neighborhood Stabilization Program ("NSP") | \$ - | \$ 218,435 |
| State of New York Mortgage Agency ("SONYMA") | 14,076 | 28,345 |
| Islip Housing Authority Stabilization Program | - | 209,633 |
| Rebuild Long Island - Nassau County HOME funding | 20,000 | 80,000 |
| Governmental total | \$ 34,076 | \$ 536,413 |
| Private: | | |
| Community Land Trust - Rebuild Long Island | \$ 832,483 | \$ 758,882 |
| Community Land Trust | 1,191,200 | 17,815 |
| North Bellport V | 140,596 | 181,251 |
| Others | 7,016 | 1,113 |
| Private total | \$ 2,171,295 | \$ 959,061 |

NOTE 9 – LOAN PAYABLE

Loan payable at December 31, 2018 consisted of amounts to the New York State Housing Development Fund in the amount of \$840,000. 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, non-interest-bearing notes receivable for \$300,000 were collateralized by a mortgage on the development property. In 2019, the \$300,000 notes receivable were assigned to NYS HCR, the remaining \$540,000 of the loan payable was repaid and LIPHDFC's disbursement agreement with NYS HCR was terminated.

NOTE 10 – 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, 2020. The line will be used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by the Organization. Borrowings on the line accrue interest at an annual fixed rate of 2% and interest expense amounted to approximately \$1,500 and \$800 in 2019 and 2018, respectively. At December 31, 2019 and 2018, there was \$200,000 and \$40,000, respectively, 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 was used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by the Organization. Borrowings on the line accrued interest at an annual fixed rate of prime (4%) minus .5% through February 2019, then prime thereafter (5.5% at December 31, 2019). Interest expense amounted to approximately \$5,000 and \$7,500 in 2019 and 2018, respectively. At December 31, 2018, there was \$165,500 outstanding on the line. This balance was paid in full in 2019 and the line was closed.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 10 – LINES OF CREDIT (Continued)

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 Organization. Borrowings on the line accrue interest at an annual fixed rate of 2.5%. At December 31, 2019, there was \$165,500 outstanding on the line and interest expense amounted to approximately \$1,700. At December 31, 2018, there was no balance outstanding on the line and no interest expense incurred.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Lease Commitments

The Organization leases 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: | | |
| 2020 | \$ | 92,000 |
| 2021 | | 95,500 |
| 2022 | | 99,500 |
| 2023 | | <u>59,000</u> |
| Total | <u>\$</u> | <u>346,000</u> |

Rent expense (including charges for operating expenses) amounted to approximately \$100,000 for each of the years ended December 31, 2019 and 2018.

B. Litigation

The Organization is 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 Organization. Nevertheless, due to the uncertainty of the settlement process, management's view of the outcome may be modified in the future.

C. 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, 2019 and 2018, \$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, 2019 and 2018 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.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
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NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

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 for the year ended December 31, 2018.

D. Recapture Commitments

Highland Green Project ("HG Project")

LIHP established HGHDFC, 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 HGHDFC, HGHDFC holds title to the property solely as a nominee for HGR LLC, but holds no equitable, beneficial or other interest in the property acquired.

HGHDFC 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.

HGHDFC 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.

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, 2019 and 2018, funds advanced under the program aggregated approximately \$9,522,000 and \$8,147,000, 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, 2019 and 2018, funds advanced under the program, aggregating approximately \$23,518,000 and \$23,428,000, respectively.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
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DECEMBER 31, 2019 AND 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

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 Organization was awarded a total of approximately \$10,403,000 by various state and local municipalities. At December 31, 2018, outstanding funds advanced under this program aggregated approximately \$228,000. There were no outstanding funds advanced at December 31, 2019.

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, 2019 and 2018, funds disbursed under the program, aggregating approximately \$4,781,000, are subject to recapture.

E. Income Taxes

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.

The Organization believes it has no uncertain tax positions as of December 31, 2019 and 2018 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 12 – NET ASSETS

Net Assets Without Donor Restrictions – Board designated

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 \$4,869,000 and \$4,352,000 at December 31, 2019 and 2018, respectively.

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

| | 2019 | 2018 |
|---|--------------|------------|
| Purpose-restricted: | | |
| Home Ownership Development, Education, and Training Programs | \$ 336,453 | \$ 408,580 |
| HEMAP Program - Gap Mortgage Payment Assistance (a) | 453,252 | 453,252 |
| Total purpose-restricted | 789,705 | 861,832 |
| Restricted in perpetuity: | | |
| Subject to spending policy and appropriation: | | |
| Donated land (b) | 228,040 | - |
| General use (c) | 15,500 | 15,500 |
| Total restricted in perpetuity | 243,540 | 15,500 |
| Total net assets with donor restrictions | \$ 1,033,245 | \$ 877,332 |

(a) The Home Emergency Mortgage Assistance Program (“HEMAP”) 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 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, 2019 and 2018.

(b) Donated land represents land received from various municipalities held by LIPCLTHDFC and restricted in perpetuity for affordable purposes.

(c) Amounts restricted in perpetuity consist 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:

| | 2019 | 2018 |
|---|------------|-----------|
| Satisfaction of purpose restrictions: | | |
| Home Ownership Development, Education, and Training Programs | \$ 297,178 | \$ 51,939 |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 13 – 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 2019 and 2018, LIHP contributed 3% of participants' salaries in discretionary contributions in the amount of approximately \$43,000 and \$41,000, respectively.

NOTE 14 – CONCENTRATION

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 Organization has 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 Organization.

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with a financial institution that exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limits of \$250,000 by approximately \$2,622,000 at six banks at December 31, 2019.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the combined statement of financial position through May 27, 2020, the date the combined financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The Organization could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Organization's mission, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Organization cannot predict the extent to which its financial condition and results of operations will be affected.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity's average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Organization's employees. The Organization applied for this loan through an SBA authorized lender and received \$347,900 in April 2020.

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

| | 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 | 2019 Combined |
|--|---|---|--|---|---|---|--|--|--------------|----------------------|
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 3,040,529 | \$ 1,245,615 | \$ 487,569 | \$ 18,607 | \$ 1 | \$ 1,137,407 | \$ - | \$ 530,872 | \$ - | \$ 6,460,600 |
| Accounts receivable, net | 602,414 | 48,024 | 16,200 | - | - | 9,682 | - | 62,214 | - | 738,534 |
| Due (to) from affiliates | (2,744,901) | 192,963 | 2,210,732 | (162,254) | (25,325) | (251,334) | (4,682) | 784,801 | - | - |
| Due from escrow agent | - | - | 19,353 | - | - | - | - | - | - | 19,353 |
| Prepaid expenses and other | 37,600 | - | 39,014 | - | - | - | - | 19,311 | - | 95,925 |
| Current portion of notes receivable | - | - | - | - | - | 365,500 | - | - | - | 365,500 |
| Investments | 4,884,411 | - | - | - | - | - | - | - | - | 4,884,411 |
| | <u>5,820,053</u> | <u>1,486,602</u> | <u>2,772,868</u> | <u>(143,647)</u> | <u>(25,324)</u> | <u>1,261,255</u> | <u>(4,682)</u> | <u>1,397,198</u> | <u>-</u> | <u>12,564,323</u> |
| Total current assets | | | | | | | | | | |
| Notes receivable | - | - | - | - | - | 3,483 | - | - | - | 3,483 |
| Capitalized project costs | 11,197 | 833,690 | 1,658,757 | 11,148 | - | - | - | 305,673 | - | 2,820,465 |
| Property and equipment, net | 78,200 | - | - | - | - | - | - | - | - | 78,200 |
| Donated land | - | - | 56,971 | - | - | - | - | 171,069 | - | 228,040 |
| | <u>5,909,450</u> | <u>2,320,292</u> | <u>4,488,596</u> | <u>(132,499)</u> | <u>(25,324)</u> | <u>1,264,738</u> | <u>(4,682)</u> | <u>1,873,940</u> | <u>-</u> | <u>15,694,511</u> |
| TOTAL ASSETS | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 319,086 | \$ 68,733 | \$ 758,594 | \$ 4,004 | \$ - | \$ 5,637 | \$ 3,500 | \$ 35,426 | \$ - | \$ 1,194,980 |
| Home buyers' deposits held in escrow | - | - | 19,353 | - | - | - | - | - | - | 19,353 |
| Current portion of deferred revenue | 40,783 | - | - | - | - | - | - | - | - | 40,783 |
| Current portion of project grant advances - governmental | 34,076 | - | - | - | - | - | - | - | - | 34,076 |
| Current portion of project grant advances - private | 210,926 | - | - | - | - | - | - | 746,900 | - | 957,826 |
| Current portion of construction reserve | - | - | - | - | - | - | - | 3,414 | - | 3,414 |
| Lines of credit | - | - | - | - | - | 365,500 | - | - | - | 365,500 |
| Loan payable | - | - | - | - | - | - | - | - | - | - |
| Current portion of funds held as program agent | 59,550 | 282,974 | - | - | - | - | - | - | - | 342,524 |
| | <u>664,421</u> | <u>351,707</u> | <u>777,947</u> | <u>4,004</u> | <u>-</u> | <u>371,137</u> | <u>3,500</u> | <u>785,740</u> | <u>-</u> | <u>2,958,456</u> |
| Total current liabilities | | | | | | | | | | |
| Deferred revenue | 87,360 | - | - | - | - | - | - | - | - | 87,360 |
| Project grant advances - private | 419,812 | - | - | - | - | - | - | 793,657 | - | 1,213,469 |
| Construction and land trust reserves | - | - | - | - | - | - | - | 23,688 | - | 23,688 |
| Funds held as program agent | 1,322,701 | - | - | - | - | - | - | - | - | 1,322,701 |
| | <u>2,494,294</u> | <u>351,707</u> | <u>777,947</u> | <u>4,004</u> | <u>-</u> | <u>371,137</u> | <u>3,500</u> | <u>1,603,085</u> | <u>-</u> | <u>5,605,674</u> |
| TOTAL LIABILITIES | | | | | | | | | | |
| Without donor restrictions: | | | | | | | | | | |
| Undesignated | (2,243,960) | 1,968,585 | 3,653,678 | (136,503) | (25,324) | 893,601 | (8,182) | 84,786 | - | 4,186,681 |
| Board-designated for operating and capital reserves | 4,868,911 | - | - | - | - | - | - | - | - | 4,868,911 |
| | <u>2,624,951</u> | <u>1,968,585</u> | <u>3,653,678</u> | <u>(136,503)</u> | <u>(25,324)</u> | <u>893,601</u> | <u>(8,182)</u> | <u>84,786</u> | <u>-</u> | <u>9,055,592</u> |
| With donor restrictions: | | | | | | | | | | |
| Purpose-restricted | 774,705 | - | - | - | - | - | - | 15,000 | - | 789,705 |
| Restricted in perpetuity | 15,500 | - | 56,971 | - | - | - | - | 171,069 | - | 243,540 |
| | <u>790,205</u> | <u>-</u> | <u>56,971</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>186,069</u> | <u>-</u> | <u>1,033,245</u> |
| TOTAL NET ASSETS (DEFICIT) | <u>3,415,156</u> | <u>1,968,585</u> | <u>3,710,649</u> | <u>(136,503)</u> | <u>(25,324)</u> | <u>893,601</u> | <u>(8,182)</u> | <u>270,855</u> | <u>-</u> | <u>10,088,837</u> |
| TOTAL LIABILITIES AND NET ASSETS (DEFICIT) | <u>\$ 5,909,450</u> | <u>\$ 2,320,292</u> | <u>\$ 4,488,596</u> | <u>\$ (132,499)</u> | <u>\$ (25,324)</u> | <u>\$ 1,264,738</u> | <u>\$ (4,682)</u> | <u>\$ 1,873,940</u> | <u>\$ -</u> | <u>\$ 15,694,511</u> |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF 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 | 2018 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 |
| Property and equipment, 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 | | | | | | | | | | |
| 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 | 108,345 | 218,435 | - | 209,633 | - | - | - | - | - | 536,413 |
| Current portion of project grant advances - private | 302,838 | - | - | - | - | - | - | 195,135 | - | 497,973 |
| Current portion of construction reserve | - | - | - | - | - | - | - | - | - | - |
| Lines of credit | - | - | - | - | - | 205,500 | - | - | - | 205,500 |
| Loan payable | - | 840,000 | - | - | - | - | - | - | - | 840,000 |
| Current portion of funds held as program agent | - | 325,592 | - | - | - | - | - | - | - | 325,592 |
| Total current liabilities | 776,768 | 1,441,195 | 51,672 | 247,517 | 60,734 | 207,342 | 1,650 | 196,979 | 56,885 | 2,926,972 |
| 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 | 282,974 | - | - | - | - | - | - | - | 1,589,512 |
| 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 |
| Net Assets | | | | | | | | | | |
| 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 |
| | <u>2,560,703</u> | <u>1,882,596</u> | <u>3,368,832</u> | <u>(103,763)</u> | <u>(25,299)</u> | <u>936,018</u> | <u>(4,682)</u> | <u>27,372</u> | <u>-</u> | <u>8,641,777</u> |
| With donor restrictions: | | | | | | | | | | |
| Purpose-restricted | 861,832 | - | - | - | - | - | - | - | - | 861,832 |
| Restricted in perpetuity | 15,500 | - | - | - | - | - | - | - | - | 15,500 |
| | <u>877,332</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>877,332</u> |
| 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 ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | 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 | 2019 Combined |
|--|---|---|--|---|---|---|--|--|------------------|----------------------|
| CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS | | | | | | | | | | |
| Support and Revenue: | | | | | | | | | | |
| Receipts and government grants | | | | | | | | | | |
| from transfer of homes | \$ 41,641 | \$ 850,243 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 659,916 | \$ - | \$ 1,551,800 |
| Government grants | 1,187,050 | 30,000 | 296,530 | - | - | - | - | - | - | 1,513,580 |
| Private grants | 132,510 | 80,077 | 39,399 | 5,339 | - | - | - | 297,771 | - | 555,096 |
| Contributions | 166,204 | - | - | - | - | - | - | - | - | 166,204 |
| Special events (net of direct expenses of \$21,004) | 92,096 | - | - | - | - | - | - | - | - | 92,096 |
| Mortgage counseling | 140,202 | - | - | - | - | - | - | - | - | 140,202 |
| Technical assistance | 726,299 | - | - | - | - | - | - | - | - | 726,299 |
| Interest | 9,901 | 5,529 | 2,280 | 330 | - | 17,454 | - | - | - | 35,494 |
| Other income | 240,941 | 12,548 | 3,090 | - | - | - | - | 10,506 | - | 267,085 |
| Reimbursement from affiliates | 854,248 | - | - | - | - | - | - | - | 854,248 | - |
| Net assets released from donor restrictions | 147,178 | 18,926 | 121,373 | 1,115 | - | - | - | 202,815 | 194,229 | 297,178 |
| Total support and revenue | <u>3,738,270</u> | <u>997,323</u> | <u>462,672</u> | <u>6,784</u> | <u>-</u> | <u>17,454</u> | <u>-</u> | <u>1,171,008</u> | <u>1,048,477</u> | <u>5,345,034</u> |
| Expenses: | | | | | | | | | | |
| Program services: | | | | | | | | | | |
| Development | 922,629 | 867,223 | 352,570 | 11,540 | - | - | - | 792,447 | 384,331 | 2,562,078 |
| Counseling and education | 579,078 | - | - | - | - | - | - | - | - | 579,078 |
| Technical assistance | 528,147 | - | - | - | - | - | - | - | - | 528,147 |
| Other | 505,341 | - | - | - | - | - | - | - | - | 505,341 |
| Total program services | 2,535,195 | 867,223 | 352,570 | 11,540 | - | 25,032 | - | 792,447 | 400,496 | 4,183,511 |
| Supporting services: | | | | | | | | | | |
| Management and general | 1,069,528 | 105,553 | 85,081 | 27,984 | 25 | 34,839 | 3,500 | 310,452 | 453,752 | 1,183,210 |
| Fundraising | 81,904 | - | - | - | - | - | - | - | - | 81,904 |
| Distribution to Beneficiaries | 71,900 | - | 111,634 | - | - | - | - | 10,695 | 194,229 | - |
| Total expenses | <u>3,758,527</u> | <u>972,776</u> | <u>549,285</u> | <u>39,524</u> | <u>25</u> | <u>59,871</u> | <u>3,500</u> | <u>1,113,594</u> | <u>1,048,477</u> | <u>5,448,625</u> |
| CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS BEFORE INVESTMENT ACTIVITIES | <u>(20,257)</u> | <u>24,547</u> | <u>(86,613)</u> | <u>(32,740)</u> | <u>(25)</u> | <u>(42,417)</u> | <u>(3,500)</u> | <u>57,414</u> | <u>-</u> | <u>(103,591)</u> |
| Investment interest and dividends, net of expenses | 19,633 | 14,275 | 86,301 | - | - | - | - | - | - | 120,209 |
| Realized and unrealized gains (losses) | 64,872 | 47,167 | 285,158 | - | - | - | - | - | - | 397,197 |
| Net investment return (loss) | 84,505 | 61,442 | 371,459 | - | - | - | - | - | - | 517,406 |
| CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS | <u>64,248</u> | <u>85,989</u> | <u>284,846</u> | <u>(32,740)</u> | <u>(25)</u> | <u>(42,417)</u> | <u>(3,500)</u> | <u>57,414</u> | <u>-</u> | <u>413,815</u> |
| CHANGES IN NET ASSETS (DEFICIT) WITH DONOR RESTRICTIONS | | | | | | | | | | |
| Government grants | - | - | 168,656 | - | - | - | - | 59,384 | - | 228,040 |
| Private grants | 60,051 | - | - | - | - | - | - | 165,000 | - | 225,051 |
| Interest in net assets of recipient | - | 18,926 | 9,688 | 1,115 | - | - | - | 164,500 | 194,229 | - |
| Net assets released from donor restrictions | (147,178) | (18,926) | (121,373) | (1,115) | - | - | - | (202,815) | (194,229) | (297,178) |
| CHANGES IN NET ASSETS (DEFICIT) WITH DONOR RESTRICTIONS | <u>(87,127)</u> | <u>-</u> | <u>56,971</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>186,069</u> | <u>-</u> | <u>155,913</u> |
| TOTAL CHANGES IN NET ASSETS (DEFICIT) | <u>(22,879)</u> | <u>85,989</u> | <u>341,817</u> | <u>(32,740)</u> | <u>(25)</u> | <u>(42,417)</u> | <u>(3,500)</u> | <u>243,483</u> | <u>-</u> | <u>569,728</u> |
| Net Assets (Deficit) - Beginning of Year | 3,438,035 | 1,882,596 | 3,368,832 | (103,763) | (25,299) | 936,018 | (4,682) | 27,372 | - | 9,519,109 |
| NET ASSETS (DEFICIT) - END OF YEAR | <u>\$ 3,415,156</u> | <u>\$ 1,968,585</u> | <u>\$ 3,710,649</u> | <u>\$ (136,503)</u> | <u>\$ (25,324)</u> | <u>\$ 893,601</u> | <u>\$ (8,182)</u> | <u>\$ 270,855</u> | <u>\$ -</u> | <u>\$ 10,088,837</u> |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINING STATEMENT OF ACTIVITIES
FOR THE 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 | 2018 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 (net of direct expenses of \$25,418) | 143,282 | - | - | - | - | - | - | - | - | 143,282 |
| 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 | <u>3,227,592</u> | <u>1,423,419</u> | <u>315,012</u> | <u>164,716</u> | <u>48,726</u> | <u>16,866</u> | <u>1,500</u> | <u>221,929</u> | <u>850,466</u> | <u>4,569,294</u> |
| 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 | <u>1,752,899</u> | <u>1,656,732</u> | <u>407,499</u> | <u>162,907</u> | <u>48,726</u> | <u>25,500</u> | <u>-</u> | <u>165,718</u> | <u>372,868</u> | <u>3,847,113</u> |
| 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 | <u>2,874,365</u> | <u>1,707,189</u> | <u>758,979</u> | <u>213,136</u> | <u>52,601</u> | <u>51,261</u> | <u>1,905</u> | <u>199,284</u> | <u>850,466</u> | <u>5,008,254</u> |
| CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS BEFORE INVESTMENT ACTIVITIES | <u>353,227</u> | <u>(283,770)</u> | <u>(443,967)</u> | <u>(48,420)</u> | <u>(3,875)</u> | <u>(34,395)</u> | <u>(405)</u> | <u>22,645</u> | <u>-</u> | <u>(438,960)</u> |
| 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 return | (27,931) | (20,308) | (122,775) | - | - | - | - | - | - | (171,014) |
| CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS | <u>325,296</u> | <u>(304,078)</u> | <u>(566,742)</u> | <u>(48,420)</u> | <u>(3,875)</u> | <u>(34,395)</u> | <u>(405)</u> | <u>22,645</u> | <u>-</u> | <u>(609,974)</u> |
| CHANGES IN NET ASSETS (DEFICIT) 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 | <u>3,061</u> | <u>(1,262)</u> | <u>-</u> | <u>(6,187)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(7,449)</u> | <u>3,061</u> |
| TOTAL CHANGES IN NET ASSETS (DEFICIT) | <u>328,357</u> | <u>(305,340)</u> | <u>(566,742)</u> | <u>(54,607)</u> | <u>(3,875)</u> | <u>(34,395)</u> | <u>(405)</u> | <u>22,645</u> | <u>(7,449)</u> | <u>(606,913)</u> |
| 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 | <u>\$ 3,438,035</u> | <u>\$ 1,882,596</u> | <u>\$ 3,368,832</u> | <u>\$ (103,763)</u> | <u>\$ (25,299)</u> | <u>\$ 936,018</u> | <u>\$ (4,682)</u> | <u>\$ 27,372</u> | <u>\$ -</u> | <u>\$ 9,519,109</u> |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | 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 | 2019 Combined |
|---|---|---|--|---|---|---|--|--|--------------|---------------------|
| Cash Flows from Operating Activities | | | | | | | | | | |
| Changes in net assets | \$ (22,879) | \$ 85,989 | \$ 341,817 | \$ (32,740) | \$ (25) | \$ (42,417) | \$ (3,500) | \$ 243,483 | \$ - | \$ 569,728 |
| Adjustments to reconcile changes in net assets to net cash flows from operating activities: | | | | | | | | | | |
| Donated land | - | - | (56,971) | - | - | - | - | (171,069) | - | (228,040) |
| Donated software | (11,095) | - | - | - | - | - | - | - | - | (11,095) |
| Assignment of note receivable | 300,000 | - | - | - | - | - | - | - | - | 300,000 |
| Depreciation and amortization | 34,198 | - | - | - | - | - | - | - | - | 34,198 |
| Realized and unrealized gains | (397,197) | - | - | - | - | - | - | - | - | (397,197) |
| Change in allowance for doubtful accounts | (12,828) | - | - | - | - | - | - | - | - | (12,828) |
| Provision for deferred rent | (2,592) | - | - | - | - | - | - | - | - | (2,592) |
| Subtotal | (112,393) | 85,989 | 284,846 | (32,740) | (25) | (42,417) | (3,500) | 72,414 | - | 252,174 |
| Changes in operating assets and liabilities: | | | | | | | | | | |
| (Increase) decrease in assets: | | | | | | | | | | |
| Accounts receivable | (85,449) | 293,418 | (13,900) | - | 54,255 | (7,949) | - | (62,214) | 79,268 | 98,893 |
| Due (to) from affiliates | 319,961 | 409,330 | 296,494 | (76,855) | 3,375 | 54,895 | 1,650 | (1,008,850) | - | - |
| Prepaid expenses and other | 27,887 | - | 18,661 | - | - | - | - | (922) | - | 45,626 |
| Capitalized project costs | 2,273 | 162,625 | (1,311,090) | 348,228 | - | - | - | (229,636) | - | (1,027,600) |
| Increase (decrease) in liabilities: | | | | | | | | | | |
| Accounts payable and accrued expenses | (32,768) | 11,565 | 726,275 | (33,880) | (60,734) | 3,795 | 1,850 | 33,582 | (79,268) | 728,953 |
| Project grant advances - governmental | (45,924) | (218,435) | - | (209,633) | - | - | - | - | - | (473,992) |
| Project grant advances - private | (161,533) | - | - | - | - | - | - | 1,345,422 | - | 1,183,889 |
| Deferred revenue | 41,838 | - | - | - | - | - | - | - | - | 41,838 |
| Construction and land trust reserves | - | - | - | - | - | - | - | 27,102 | - | 27,102 |
| Funds held as program agent | 75,713 | (325,592) | - | - | - | - | - | - | - | (249,879) |
| Net Cash Provided by (Used in) Operating Activities | 29,605 | 418,900 | 1,286 | (4,880) | (3,129) | 8,324 | - | 176,898 | - | 627,004 |
| Cash Flows from Investing Activities | | | | | | | | | | |
| Purchases of investments | (279,417) | - | - | - | - | - | - | - | - | (279,417) |
| Sales of investments | 159,208 | - | - | - | - | - | - | - | - | 159,208 |
| Advances made on notes receivable | - | - | - | - | - | (160,000) | - | - | - | (160,000) |
| Net Cash Used in Investing Activities | (120,209) | - | - | - | - | (160,000) | - | - | - | (280,209) |
| Cash Flows from Financing Activities | | | | | | | | | | |
| Borrowings on line of credit | - | - | - | - | - | 325,000 | - | - | - | 325,000 |
| Repayments on line of credit | - | - | - | - | - | (165,000) | - | - | - | (165,000) |
| Repayments on loans payable | - | (840,000) | - | - | - | - | - | - | - | (840,000) |
| Net Cash Provided by (Used in) Financing Activities | - | (840,000) | - | - | - | 160,000 | - | - | - | (680,000) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (90,604) | (421,100) | 1,286 | (4,880) | (3,129) | 8,324 | - | 176,898 | - | (333,205) |
| Cash and Cash Equivalents - Beginning of Year | 3,131,133 | 1,666,715 | 486,283 | 23,487 | 3,130 | 1,129,083 | - | 353,974 | - | 6,793,805 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 3,040,529 | \$ 1,245,615 | \$ 487,569 | \$ 18,607 | \$ 1 | \$ 1,137,407 | \$ - | \$ 530,872 | \$ - | \$ 6,460,600 |

LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES
COMBINING STATEMENT OF CASH FLOWS
FOR THE 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 | 2018 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 |
| Subtotal | 668,407 | (305,340) | (566,742) | (54,607) | (3,875) | (34,395) | (405) | 22,645 | (7,449) | (266,863) |
| 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 | - | - |
| 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 and land trust reserves | - | - | - | (20,375) | - | - | - | - | - | (20,375) |
| Funds held as program agent | (236,860) | 29,444 | - | - | - | - | (3,063) | - | - | (210,479) |
| Net Cash Provided by (Used in) 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 Used in Investing Activities | (113,795) | - | - | - | - | - | - | - | - | (113,795) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (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 |