Better Housing Coalition

Consolidated Financial Statements

Year Ended December 31, 2017 with Comparative Totals for 2016

DIXON HUGHES GOODMAN LLP

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DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Directors
Better Housing Coalition
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Better Housing Coalition, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of certain subsidiaries and affiliates which reflect total assets of $26,102,480, as of December 31, 2017 and total support and revenues of $2,488,589 for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated 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, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Better Housing Coalition as of December 31, 2017, 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.

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Report on Summarized Comparative Information

We have previously audited Better Housing Coalition's 2016 consolidated financial statements. We did not audit the financial statements of certain subsidiaries and affiliates, which reflect total assets of $26,789,876 as of December 31, 2016 and total support and revenues of $2,629,583 for the year then ended. Those statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries was based solely on the reports of other auditors. Our report dated May 14, 2018, expressed an unmodified opinion on those audited consolidated financial statements based on our audit and the reports of other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of functional expenses, consolidating statement of financial position and consolidating statement of activities on page 21 through 25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, which insofar as it relates to the subsidiaries and affiliates referenced in the third paragraph of this report, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Dixon Hughes Goodman LLP

Richmond, Virginia
May 14, 2018

Better Housing Coalition

Consolidated Statement of Financial Position

December 31, 2017, With Comparative Totals for 2016

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Better Housing Coalition
Consolidated Statement of Financial Position
December 31, 2017, with Comparative Totals for 2016

	2017	2016
ASSETS		
Property and equipment:		
Buildings and improvements	**$ 114,037,179**	$ 113,792,745
Land	**10,013,791**	10,013,791
Furniture, fixtures and equipment	**1,180,399**	1,105,128
Vehicles	**87,975**	87,975
Accumulated depreciation	**(40,692,662)**	(37,115,918)
Property and equipment, net	**84,626,682**	87,883,721
Current assets:		
Cash	**4,209,138**	5,148,852
Cash, restricted	**291,319**	3,766
Cash, donor restricted	**304,433**	1,584,321
Short-term investments, donor restricted	**385,202**	388,604
Restricted deposits	**6,126,598**	5,031,971
Tenant security deposits held in trust	**372,336**	309,820
Tenant receivables	**101,277**	135,810
HUD accounts receivable	**33,816**	2,304
Current receivable	**212,541**	62,246
Notes receivable	**-**	31,041
Prepaid assets	**291,445**	257,981
Total current assets	**12,328,105**	12,956,716
Other assets:		
Deposits, other	**19,135**	19,135
Receivable, net of current receivables	**37,500**	235,420
Construction in progress	**14,546,167**	14,398,417
Notes receivable	**31,791**	-
Intangible assets, net	**146,185**	191,700
Total other assets	**14,780,778**	14,844,672
Total assets	**$ 111,735,565**	$ 115,685,109

See accompanying notes.

	2017	2016
LIABILITIES AND NET ASSETS		
Long-term liabilities:		
Lines of credit for construction, net of current maturities	**$ 8,852,213**	$ 11,422,006
Notes payable, net of current maturities and debt issuance costs	**26,125,428**	30,172,648
Deferred revenue, net of current portion	**3,214,789**	3,413,778
Deferred payment note	**1,900,000**	1,900,000
Total long-term liabilities	**40,092,430**	46,908,432
Current liabilities:		
Current maturities of notes payable	**4,230,851**	1,462,900
Current maturities of deferred revenue	**198,989**	198,989
Current maturities of lines of credit for construction	**3,409,399**	288,000
Accounts payable	**322,100**	634,560
Payables related party	**20,498**	41,851
Tenant security deposits	**364,537**	294,817
Unearned revenue	**534,170**	809,304
Miscellaneous current liabilities	**68,550**	58,744
Total current liabilities	**9,149,094**	3,789,165
Total liabilities	**49,241,524**	50,697,597
Net assets:		
Unrestricted:		
Controlling interests	**25,991,089**	26,480,478
Noncontrolling interests	**27,925,165**	28,669,935
	53,916,254	55,150,413
Temporarily restricted	**8,577,787**	9,837,099
Total net assets	**62,494,041**	64,987,512
Total liabilities and net assets	**$ 111,735,565**	$ 115,685,109

Better Housing Coalition
Consolidated Statement of Activities
Year Ended December 31, 2017, with Comparative Totals for 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
Revenues and other support:				
Contributions and philanthropic support	$ 613,526	$ 363,720	**$ 977,246**	$ 1,212,369
Grants and awards	475,920	-	**475,920**	377,072
Other revenue	104,227	-	**104,227**	1,020,139
Earned fees	716,151	-	**716,151**	1,053,806
Interest and investment income (loss)	57,394	-	**57,394**	(17,473)
Revenue and other support	1,967,218	363,720	**2,330,938**	3,645,913
Revenue (expense), property sales:				
Property sales	1,809,000	-	**1,809,000**	3,157,000
Subsidies, government	338,996	-	**338,996**	409,550
Cost of property sales	(2,619,141)	-	**(2,619,141)**	(2,274,628)
Homebuyer assistance	(28,950)	-	**(28,950)**	(29,550)
Net revenue (expense) from property sales	(500,095)	-	**(500,095)**	1,262,372
Revenue, rental properties:				
Rental revenue	11,090,480	-	**11,090,480**	11,396,122
Other tenant revenue	202,772	-	**202,772**	163,503
Laundry and vending	68,801	-	**68,801**	77,656
Revenue from rental properties	11,362,053	-	**11,362,053**	11,637,281
Net assets released from restrictions	1,623,032	(1,623,032)	**-**	-
Total sales, revenues and other support	14,452,208	(1,259,312)	**13,192,896**	16,545,566
Operating expenses:				
Rental properties	8,536,605	-	**8,536,605**	8,738,695
Property development activities	1,548,376	-	**1,548,376**	1,369,579
Community social work	774,952	-	**774,952**	657,549
Fund development	520,173	-	**520,173**	650,674
Management and general	891,651	-	**891,651**	659,200
Total operating expenses	12,271,757	-	**12,271,757**	12,075,697
Change in net assets before depreciation and amortization	2,180,451	(1,259,312)	**921,139**	4,469,869
Depreciation	3,780,928	-	**3,780,928**	3,803,167
Amortization	30,004	-	**30,004**	171,418
Change in net assets	$ (1,630,481)	$ (1,259,312)	**$ (2,889,793)**	$ 495,284
Less: Increase in unrestricted net assets attributable to noncontrolling interests	(1,141,092)	-	**(1,141,092)**	(597,166)
Increase in unrestricted net assets attributable to Better Housing Coalition	$ (489,389)	$ (1,259,312)	**$ (1,748,701)**	$ 1,092,450

See accompanying notes.

Better Housing Coalition
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2017, with Comparative Totals for 2016

	2017					2016
	Unrestricted			Temporarily Restricted		
	Controlling Interest	Noncontrolling Interest	Total Unrestricted	Controlling Interest	Total	Total
Net assets, beginning of year	$ 26,480,478	$ 28,669,935	$ 55,150,413	$ 9,837,099	**$ 64,987,512**	$ 64,694,225
Equity investments	-	396,322	396,322	-	**396,322**	(201,997)
Changes in net assets	(489,389)	(1,141,092)	(1,630,481)	(1,259,312)	**(2,889,793)**	495,284
Net assets, end of year	$ 25,991,089	$ 27,925,165	$ 53,916,254	$ 8,577,787	**$ 62,494,041**	$ 64,987,512

See accompanying notes.

Better Housing Coalition
Consolidated Statement of Cash Flows
Year Ended December 31, 2017, with Comparative Totals for 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	**$ (2,889,793)**	$ 495,284
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	**3,810,932**	3,974,585
Interest, debt issuance costs	**22,348**	22,480
Bad debt expense (recovery)	**55,696**	(13,555)
(Gain) loss on disposal of property	**153,737**	(1,155,454)
Amortization of deferred revenue	**(198,989)**	(198,989)
Changes in assets and liabilities:		
Tenant receivables	**(21,163)**	123,903
Accounts receivable	**47,625**	(16,466)
HUD receivables	**(31,512)**	35,879
Prepaid expenses	**(33,464)**	3,250
Tenant security and other deposits	**7,204**	18,390
Construction in progress	**(147,750)**	(11,854,619)
Accounts payable and miscellaneous current liabilities	**(302,654)**	152,653
Payables related party	**(21,353)**	23,597
Accrued interest	**-**	(123,203)
Unearned revenue	**(275,134)**	413,253
Net cash provided (used) by operating activities	**175,730**	(8,099,012)
Cash flows from investing activities:		
Net change in restricted deposits	**(1,094,627)**	(134,590)
Purchase of property	**(882,355)**	(507,507)
Proceeds from sale of property	**280,000**	2,030,000
Purchase of equipment	**(75,271)**	(81,844)
Redemption (purchase) of certificate of deposits	**3,402**	(25,775)
Net change in notes receivable	**(750)**	(750)
Payments of loan costs and tax credit fees	**15,511**	344
Net cash provided (used) by investing activities	**(1,754,090)**	1,279,878
Cash flows from financing activities:		
Proceeds on lines of credit for construction	**1,224,262**	11,612,275
Payment on lines of credit for construction	**(672,656)**	-
Proceeds on notes payable	**44,619**	3,780,000
Payments on notes payable	**(1,346,236)**	(2,263,550)
Payments on bonds payable	**-**	(4,620,000)
Equity investments	**396,322**	(201,997)
Net cash provided by financing activities	**(353,689)**	8,306,728
Net increase(decrease) in cash	**(1,932,049)**	1,487,594

See accompanying notes.

	2017	2016
Cash, beginning of year	**6,736,939**	5,249,345
Cash, end of year	**$ 4,804,890**	$ 6,736,939
Reconciliation of cash:		
Cash	**$ 4,209,138**	$ 5,148,852
Cash, restricted	**291,319**	3,766
Cash, donor restricted	**304,433**	1,584,321
Cash, end of year	**$ 4,804,890**	$ 6,736,939
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ 1,561,148**	$ 1,677,805

Notes to Consolidated Financial Statements

1. Organization and Nature of Activities

Better Housing Coalition (Coalition) is a not-for-profit corporation whose mission is to develop affordable housing communities in the Richmond, Virginia, metropolitan area. It serves as a sponsor/developer of both single family and multifamily dwellings in the Richmond metropolitan area. In addition, it provides community social work services to several multifamily housing communities. The Coalition derives its revenues from individual and corporate contributions, grants, fees from real estate development and management activities and rental income including property sales.

2. Summary of Significant Accounting Policies

Accounting method

The consolidated financial statements of the Coalition have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America; revenue and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies are described below to enhance the usefulness of the consolidated financial statements to the reader.

Consolidated financial statements

The consolidated financial statements include the accounts of the Coalition, Richmond Affordable Housing Inc., a developer of affordable single family dwellings, BHC Management Company, organized to operate and maintain the rental properties outlined below, and all of the rental property entities listed below. The Coalition has common control since it has economic interest, as well as the majority voting power on the board of these entities. The consolidated financial statements include the accounts of limited partnership or limited liability companies in which the Coalition or one of its wholly-owned subsidiaries is the general partner or managing member, but does not hold a majority financial interest. All material inter-company accounts and transactions have been eliminated in consolidation.

Legal Entity	Known As
Senior housing communities:	
Affordable Residences in Chesterfield, Inc.	Rockwood Village
1617-1621 Grove Avenue LP*	Columns on Grove
Market Square Elderly Housing LP*	Market Square
Market Square Elderly Housing LP Phase II	Market Square Phase II
Market Square Elderly Housing LP Phase III	Market Square Phase III
Nine Mile Road LLC	Carter Woods Senior Apts
Nine Mile Road II LLC	Carter Woods Senior Apts Phase II
Richmond Urban Senior Housing, Inc.	Monarch Woods
300 Randolph Street LLC	Randolph Place
1208 North 28th St. LLC	Beckstoffer Seniors
Claiborne Square LLC	Claiborne Square

Multifamily housing communities:	
Affordable Historic Residences of Richmond LP*	St. Andrews
Affordable Residences in Chesterfield II, Inc.	Winchester Greens
Cary 2000 Phase III LP*	Cary Townhomes
4101 North Avenue LLC	Lincoln Mews
4101 North Avenue II LLC	Lincoln Mews II
North Oak LLC	North Oak
Beckstoffer Lofts LLC	Beckstoffer Lofts
Richmond Scattered Sites East LLC	Jefferson Mews
Richmond Scattered Sites West LLC	CaryWest
2230 Venable Street, LLC**	Goodwyn at Union Hill
Commercial properties:	
Winchester Commons LLC*	Winchester Commons I
Winchester Commons II LLC*	Winchester Commons II

*These entities are consolidated in the financials of Richmond Affordable Housing, Inc.

**This project is new for 2017.

Basis of presentation

The consolidated financial statements report amounts separately by classes of net assets as follows:

Unrestricted net assets represent resources over which the Board of Directors (Board) have discretionary control and are used to carry out operations. If the Board specifies a purpose where none has been stated by the original donor or other providers of funding, such funds are classified as Board designated funds.

Temporarily restricted net assets include resources whose use by the Coalition is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Coalition pursuant to those stipulations.

Permanently restricted net assets include resources whose use by the Coalition is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Coalition. The Coalition had no permanently restricted net assets at December 31, 2017 and 2016.

Public support and revenue

Public support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. If the restrictions expire in the year in which the revenues are recognized, then the revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions are recognized in the period received. Unconditional pledges are recognized in the period made. Conditional pledges are not recognized until the conditions on which they depend are substantially met.

Contributions to be received after one year are discounted at an appropriate rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges receivable is provided, when necessary, based upon management's judgment considering factors such as prior collection history, type of contribution and nature of fundraising activity.

Contributions received with donor-imposed restrictions are reported as revenues of the temporarily restricted net asset class unless the restriction expires in the same year in which the revenues are recognized, in which case the revenues are reported as increases in unrestricted net assets. Contributions of land, building and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class.

Revenue from government grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreement. Revenue from program service fees is recognized when the service is completed.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated schedule of functional expenses. Accordingly, certain costs have been allocated as program, management and general, and fund development.

Receivables

Management reviews receivables, and any that are considered to be uncollectible are charged to expense. There was no allowance for doubtful accounts at December 31, 2017 and 2016.

Income recognition

Rental and commercial income is recognized for property rentals as they accrue. Lease terms are generally one to ten years. Advance receipts of rental income are deferred and classified as unearned revenue until earned.

Revenue from property sales is recognized when the property is sold.

Impairment of long-lived assets

Long-lived assets and certain intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Coalition reviews applicable intangible assets and long-lived assets on a periodic basis. When events or changes in circumstances indicate an asset may not be recoverable, the Coalition estimates the future cash flows expected to result from the use of the asset. If the sum of the expected undiscounted cash flows is less than the carrying value of the asset, an impairment loss is recognized. The impairment loss is recognized by measuring the difference between the carrying value of the asset group and the fair value of the asset group.

The Coalition's estimates of fair values are based on the best information available and require the use of estimates, judgments and projections as considered necessary. The actual results may vary significantly. There were no impairment losses in 2017 and 2016.

Property and equipment

Property and equipment are stated at cost and depreciated by straight-line and accelerated methods over estimated useful lives which range as follows:

Buildings and improvements	5 - 40 years
Furniture, fixtures and equipment	5 - 15 years
Vehicles	5 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in current year's operations.

Construction in progress

The costs associated with the acquisition and renovation of housing units is included in construction in progress until a unit is sold. Construction in progress of single family homes held for sale at December 31, 2017 is $305,531.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

Fair value of financial instruments

The carrying amounts of cash, escrows and reserves, receivables, prepaid expenses, deposits, account payable, accrued expenses and security deposits approximate fair value because of the short maturities of these instruments. Variable rate loans approximate fair value because of the variable rate. The fair value of the fixed-rate long-term debt was approximately $23,000,000 and $27,000,000 at December 31, 2017 and 2016, respectively, which is based on market rates for similar loans.

Donated services

A substantial number of unpaid volunteers have made significant contributions of their time. The value of this contributed time is not reflected in these consolidated statements because no objective basis is available to measure the value of such services.

Gifts-in kind

Gifts of real estate, professional services, cash and personal property are recorded at their estimated fair market value and recorded as revenue when received.

Cash equivalents

For purposes of the consolidated statement of cash flows, the Coalition considers all unrestricted highly liquid investments with a purchased maturity of three months or less to be cash equivalents.

Income taxes

Better Housing Coalition and its affiliates, Affordable Residences in Chesterfield, Affordable Residences in Chesterfield II, Richmond Affordable Housing and Richmond Urban Senior Housing, are nonprofit charitable organizations other than private foundations, as defined by Internal Revenue Code Section 501(c)(3) and are not subject to federal or Virginia income taxes. BHC Management Company has been granted tax exempt status under Internal Revenue Code Section 501(c)(4).

The Coalition's controlled limited liability partnerships and limited liability companies are subject to federal and state income taxes at the partner and member level. Better Housing Coalition and its non-profit subsidiaries noted above, have a partner or member interest in each of these taxable entities, accordingly, the accompanying consolidated financial statements do not reflect provision of federal or state income taxes.

Subsequent events

In preparing these consolidated financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through May 14, 2018, the date the consolidated financial statements were available to be issued.

3. Concentrations

The Coalition depends on grants, contributions and other public support to fund its operations. Significant changes in the amounts received could significantly affect operations.

Financial instruments which potentially subject the Coalition to concentrations of credit risk consist of cash and unsecured receivables. The Coalition maintains its cash balances with financial institutions located in Richmond, Virginia. The Coalition places its cash with high credit quality financial institutions. Accounts at the institutions are secured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2017 and 2016, uninsured cash deposits were $5,613,359 and $5,648,262, respectively. Management rationally assesses the solvency of the financial institutions.

The Coalition's ability to collect its receivables is dependent upon the financial condition of the debtor or lessee and management routinely assesses their credit quality.

4. Retirement Plans

On January 1, 1997, the Coalition established a 403(b) retirement plan. Currently, the Coalition matches employee contributions up to 5% of an employee's salary. Employees are eligible for benefits after they are at least 21 years of age and have completed one year of service with at least 1,000 hours and are fully vested after three years of service. The Coalition's contribution to this plan in 2017 and 2016 was $146,229 and $131,751, respectively. In 2008, the plan was amended to bring it into compliance with the plan document requirements of the final 403(b) regulations. The plan was also amended in 2008 to allow for up to 2% base contribution for eligible employees effective January 1, 2009. The Coalition contributed 1% of base in 2017 and 2016.

The Coalition maintains a 457(b) Deferred Compensation Plan for certain eligible employees. At the Board of Directors discretion the Coalition matches 25% of the employees' contributions up to the Internal Revenue Code limits of $18,000 or 100% of the employee's compensation. The plan also provides certain catch-up provisions for participants age 50 or over. The amounts contributed by the Coalition vest immediately. The Coalition's contribution to this plan in 2017 and 2016 was $10,836 and $9,528, respectively.

The Coalition is also a participating partner agency in a multiple-employer noncontributory defined benefit plan with the United Way of Greater Richmond and Petersburg who is the administrator. Participants in the plan become fully vested after three years of service. The actuarial present value of vested and non-vested accumulated plan benefits and the net assets available for benefits are not determined for the individual entities participating in this multiple-employer plan.

Future benefit accruals in the plan were frozen by the United Way on December 31, 2008 and the plan will be terminated when fully funded. Future contributions will be based on each agency's share of the plan's termination liability. Contributions to the plan began in 2010. The Coalition's contribution to this plan in 2017 and 2016 was $91,805 and $89,341, respectively.

All employees who were at least 21 years of age and had completed one year of service with 1,000 hours were enrolled in the defined benefit plan. Employees were vested having either completed three years of service or attaining early retirement age. Employees are eligible for full accrued benefits at age 65. Benefits are actuarially reduced according to age for eligible employees who retire prior to qualifying for full retirement benefits. The annual retirement benefit payable at age 65 is computed as follows: 1.5% of the final average earnings multiplied by the employee's credited service plus .5% of the final average earnings in excess of the social security average multiplied by the total years of credited service up to maximum of 35 years.

5. Restricted Deposits

The Coalition, through its subsidiaries, is required to maintain certain escrow accounts. The following shows the activity in those accounts for 2017 and 2016.

	Beginning Balance January 1, 2017	Additions and Interest	Withdrawals and Transfers	Ending Balance December 31, 2017
Operating reserve	**$ 2,055,760**	**$ 1,003,858**	**$ -**	**$ 3,059,618**
Taxes and insurance reserve	**652,004**	**967,803**	**1,008,431**	**611,376**
Repair and replacement reserve	**2,324,207**	**564,203**	**432,806**	**2,455,604**
	$ 5,031,971	**$ 2,535,864**	**$ 1,441,237**	**$ 6,126,598**

	Beginning Balance January 1, 2016	Additions and Interest	Withdrawals and Transfers	Ending Balance December 31, 2016
Administrative fee reserve	$ 1,183	$ 1,775	$ 2,958	$ -
Debt service reserve	469,799	4,671	474,470	-
Operating reserve	1,927,069	153,709	25,018	2,055,760
Principal and interest escrow	225,964	654,095	880,059	-
Taxes and insurance reserve	466,870	1,037,145	852,011	652,004
Repair and replacement reserve	1,806,496	561,367	43,656	2,324,207
	$ 4,897,381	$ 2,412,762	$ 2,278,174	$ 5,031,971

6. Lease Commitments

Effective May 1, 2011, the Coalition entered into a property lease agreement with Cornerstone Architects, PLC for office space located at 23 W. Broad St., Suite 100. The lease is effective for three years through April 30, 2014, with no annual rent escalation. The property lease agreement was extended for another three years effective May 1, 2014 through April 30, 2017. It was extended for another three years effective May 1, 2017 through April 30, 2020 and amended to include additional office space located at 23 W. Broad St., Suite 303 and common area & maintenance charges (CAM). Annual base rent increases at a rate of 3% and CAM is subject to a 2% annual cap.

Future minimum lease payments due under the lease are as follows for year ending December 31:

2018	$ 114,260
2019	117,056
2020	39,332
	$ 270,648

7. Capital Advances

The Coalition, through a subsidiary, received from the Department of Housing and Urban Development a capital advance of $4,855,000 for construction of a low-income elderly housing community known as Rockwood Village. The capital advance agreement dated April 1, 1999, bears no interest and is not required to be repaid so long as the housing remains available to eligible very low-income households for a period of 40 years in accordance with Section 202 of the Housing Act of 1959, as amended. The capital advance is secured by a deed of trust on the property. Upon noncompliance with the agreement, the capital advance shall become immediately due and payable at an annual interest rate of 5.75%.

In addition, the Coalition through a subsidiary received a capital advance from the Department of Housing and Urban Development of $4,321,600 for construction of a low-income elderly housing community known as Monarch Woods. The capital advance agreement dated July 2, 2002, bears no interest and is not required to be repaid as long as the housing remains available to eligible very low income households for a period of 40 years in accordance with Section 202 of the Housing Act of 1959, as amended. The capital advance is secured by a deed of trust on the property. Upon noncompliance with the agreement, the capital advance shall become immediately due and payable at an annual interest rate of 5.75%.

Department of Housing and Urban Development capital advances granted were $9,176,600, less accumulated depreciation associated with the properties of $3,400,464, and $3,194,705 as of December 31, 2017 and 2016, respectively, and are reflected in the Coalition’s temporarily restricted net assets.

8. Lines of Credit Used for Operations

The Coalition had a line of credit with a local bank. The total amount available under this arrangement for 2016 was $500,000. There were no amounts outstanding at December 31, 2016. The credit line is guaranteed by Better Housing Coalition. Interest rate on the line is the Wall Street Journal Prime plus 1%. The line was cancelled during 2017.

9. Lines of Credit Used for Construction

Richmond Affordable Housing, Inc. has three construction lines of credit with lending foundations and local banks to build and acquire single family homes and predevelopment work. The total amount available under these arrangements is $6,530,000. The total amount outstanding at December 31, 2017 and 2016 was $3,759,389 and $3,658,363, respectively. The credit lines are secured by deeds of trust on homes under development and/or guaranteed by Better Housing Coalition. Interest rates on these agreements are 7%, the Wall Street Journal Prime plus 1%, and LIBOR plus 3%. The balances on the lines of credit have maturity dates of September 2018, October 2018, and April 2019.

Better Housing Coalition has three construction lines of credit with lending foundations and local banks for predevelopment work and to build single family homes. The total amount available in 2017 and 2016 under these arrangements is $2,250,000 and $2,000,000, respectively. The total amount outstanding at December 31, 2017 and 2016 was $0 and $11,250, respectively. The credit lines are secured by deeds of trust on certain properties under development and/or guaranteed by Better Housing Coalition. Interest rates on these agreements are 4.25%, 6%, and the Wall Street Journal Prime plus 1%. The lines of credit have maturity dates of October 2018, November 2018, and May 2019.

In 2016, Affordable Residences in Chesterfield II, Inc. obtained a construction loan payable with a local bank. The total amount available both in 2017 and 2016 under this arrangement is $8,957,000. The total amount outstanding at December 31, 2017 and 2016 was $8,502,223 and $8,040,393, respectively. The note bears interest at a rate of LIBOR plus 2.65% and matures in April 2020.

10. Letter of Credit Available for Construction

Richmond Affordable Housing, Inc. has a letter of credit with a local bank to build and acquire single family homes and predevelopment work. The total amount available under this arrangement is $1,000,000. There were no amounts outstanding at December 31, 2017 and 2016. The letter of credit fee on this agreement is 1.5% of each letter annually, with a minimum of $350. The letter of credit is required to be renewed annually.

11. Notes Payable to Finance Rental Properties

The Coalition, through its various consolidated affiliated organizations and partnerships, has notes payable secured by real estate for rental properties throughout the City of Richmond, Chesterfield County, Petersburg and Henrico County.

	2017	2016
Mortgage notes payable to Virginia Housing Development Authority (VHDA), with principal and interest due ranging from $3,053 through $29,031 bearing interest at 0% to 8.25%, maturing from February 2021 through March 2056.	**$ 26,020,272**	$ 26,681,706
Mortgage note payable to Virginia Housing Partnership Revolving Fund, with principal and interest of $1,601, bearing interest at 2%, maturing November 2024.	**109,210**	357,047
Mortgage note payable to Federal Home Loan Bank of Atlanta bearing interest at 3%, with monthly principal and interest payments of $7,143 through June 2026.	**652,696**	717,470
Mortgage note payable to Virginia Community Capital, Inc. with monthly principal and interest of $1,848 due monthly, bearing interest at 2%, maturing April 2020.	**323,786**	339,221

Note payable to St. Andrew's Association, 0% interest, due on demand.	**30,000**	30,000
Note payable to Community Capital Bank of Virginia bearing interest at 5.75%, with monthly principal and interest payments of $3,713 through July 2017. Note was paid off in full during 2017.	**-**	391,032
Note payable to an investor bearing interest at LIBOR plus 1.5%. Principal and interest payments are due in full in September 2018.	**3,344,663**	3,242,641
Note payable to Restoration of Petersburg Community Development Corporation bearing interest at 4.64% with monthly principal and interest payments of $1,000 through December, 2085.	**247,261**	247,754
	30,727,888	32,006,871
Current maturities	**(4,230,851)**	(1,462,900)
	$ 26,497,037	$ 30,543,971

The liability of the Coalition under the mortgage notes is limited to the underlying value of the real estate collateralized.

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the mortgage note. Amortization of debt issuance costs is reported as a component of interest expense over the term of the loan. Unamortized debt issuance costs were $371,609 and $371,323 as of December 31, 2017 and 2016, respectively. Amortization was $21,023 and $22,480 for 2017 and 2016, respectively, and is included in interest expense.

The following are the components of the mortgage payable as shown on the consolidated statement of financial position at December 31, 2017:

	2017	**2016**
Mortgage payable	**$ 30,727,888**	$ 32,006,871
Unamortized debt issuance costs	**(371,609)**	(371,323)
	30,356,279	31,635,548
Current portion	**(4,230,851)**	(1,462,900)
	$ 26,125,428	$ 30,172,648

Aggregate maturities of the long-term debt for future years are as follows:

2018	$ 4,230,851
2019	933,007
2020	982,915
2021	808,802
2022	770,828
Thereafter	23,001,485
	$ 30,727,888

12. Intangible Assets

The Coalition has certain costs relating to acquiring property which it has capitalized and these costs are being amortized based on the schedule below:

	Term	2017	2016
Tax credits	5 – 37 years	**$ 331,605**	$ 327,362
Capitalized interest	27.5 years	**50,256**	124,221
		381,861	451,583
Accumulated amortization		**(235,676)**	(259,883)
		$ 146,185	$ 191,700

Amortization expense for intangible assets was $30,004 and $171,418 for 2017 and 2016, respectively. The Coalition expects amortization expense for each of the next five fiscal years starting 2018 through 2022 to be $19,186.

13. Temporarily Restricted Net Assets

The Coalition and its controlled entities have $8,577,787 and $9,837,099 in temporarily restricted net assets as of December 31, 2017 and 2016, respectively. Those restricted net assets consist of the following items detailed in the schedule below:

	2017	2016
Restricted by donors	**$ 877,371**	$ 1,930,924
Capital advances from HUD restricted for low income elderly housing	**5,776,136**	5,981,895
Contributed land from HUD restricted for affordable housing	**1,924,280**	1,924,280
	$ 8,577,787	$ 9,837,099

The Coalition is the beneficiary of an endowment held by the Community Foundation, the distributions from which are restricted to the development of new real estate activities. The value of such distributions is undeterminable and the determination of future benefits is uncertain and also undeterminable.

14. Land Lease

The buildings owned by Affordable Historic Residences of Richmond, LP are subject to a land lease. The lease provides for monthly rent subject to an annual escalator and requires the partnership to pay all related real estate taxes and maintain insurance on the property. The initial lease term ends December 2031 with an option available for eight additional years. The lease contains covenants requiring the property to be operated to assist the housing needs of low-income families. Current monthly rent payable is $1,419.

Future rent payments required by the lease are:

2018	$	17,109
2019		17,623
2020		18,151
2021		18,696
2022		19,257
Thereafter		201,500
	$	292,336

15. Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing expense for 2017 and 2016 was $199,952 and $284,335, respectively.

16. Related Party Transactions

Asset management fees

The Coalition is required through a consolidated entity to pay Community Equity Fund XIV, Inc., the investor member, an annual asset management fee. The asset management fee will increase at the rate of 4% each year. Total fees of $7,014 and $6,744 were incurred during 2017 and 2016, respectively. Of these amounts, $7,014 and $6,744 remain payable as of December 31, 2017 and 2016, respectively.

The Coalition is required through a consolidated entity to pay Community Equity Fund VII A, LP, the investor member, an annual asset management fee. The asset management fee will increase at the rate of 4% each year. Total fees of $- and $5,828 were incurred and remain payable as of December 31, 2017 and 2016, respectively.

The Coalition is required through a consolidated entity to pay Community Equity Fund XV, LP, the investor member, an annual asset management fee. The asset management fee will increase at a rate of 3% each year. Total fees of $6,764 and $6,567 were incurred during 2017 and 2016, respectively. Of these amounts, $6,764 and $6,567 remain payable as of December 31, 2017 and 2016, respectively.

The Coalition is required through consolidated entities to pay NEF Assignment Corporation, the investor member, annual asset management fees. The asset management fees will increase at a rate of 3% each year. Total fees were $10,997 and $10,677 for 2017 and 2016, respectively. Total fees of $10,997 and $10,667 remain payable as of December 31, 2017 and 2016, respectively.

The Coalition is required through consolidated entities to pay Housing Capital Corporation, the investor member, annual asset management fees totaling $34,398 and $42,637 for 2017 and 2016, respectively.

The Coalition is required through a consolidated entity to pay Bank of America CDC Special Holding Company, Inc., the special investor member, an annual asset management fee. The asset management fee will increase at the rate of 3% each year and is payable from future cash flows. Total fees of $5,464 and $5,305 were incurred during 2017 and 2016, respectively. As of December 31, 2017 and 2016, $5,464 and $5,305, respectively, remained payable.

Investor service fee

The Coalition is required through two consolidated entities to pay Enterprise Community Investment, Inc. annual investor service fees in accordance with the investor services agreements. Total fees of $13,582 and $13,125 were incurred during the year ended December 31, 2017 and 2016, respectively. As of December 31, 2016, $6,720 remained payable. The investor services fees will increase at the rate of 3% and 4% each year to the extent the entities have available cash flow.

17. Deferred Revenue

Lincoln Mews II has received a grant of $4,008,253 as part of Section 1602 Tax Credit Exchange Program of the American Recovery and Reinvestment Act of 2009. Lincoln Mews II must comply with section 1602 by meeting certain requirements, including tenant eligibility and rental charges as restricted in accordance with Internal Revenue Code Section 42. Management has certified that compliance has been met. The total amount of the grant was recorded as deferred revenue and will be amortized over the compliance period. During both 2017 and 2016, $145,755 was amortized to income. At December 31, 2017 and 2016, deferred revenue was $2,961,289 and $3,107,044, respectively. Compliance with these regulations must be maintained in each of the fifteen consecutive years of the compliance period. Failure to maintain compliance could result in default and the recapture of 6.67% of the grant amount for each year of noncompliance.

Claiborne Square, LLC has a grant agreement with VHDA for exchange funds of $798,510 to be used in the construction of the project. The cash grant provided by VHDA is in exchange for low-income housing tax credits. The grant revenue will be recognized evenly over the 15 year tax credit compliance period. During both 2017 and 2016, $53,234 was amortized to income. At December 31, 2017 and 2016, deferred revenue was $452,489 and $505,723, respectively.

18. Deferred Payment Note

Claiborne Square, LLC has a deferred payment note with VHDA of $1,900,000 with an interest rate of zero percent. Repayment of the principal shall be deferred through December 31, 2041. Beginning on December 31, 2042, one-twentieth (1/20th) of the principal balance shall be due and payable on December 31 of each year until December 31, 2061, at which time the balance of principal remaining unpaid shall be due and payable.

19. Project Rental Assistance Contracts

The U.S. Department of Housing and Urban Development has contracted with Richmond Urban Senior Housing, Inc. and Affordable Residences in Chesterfield, Inc. to make housing assistance payments on behalf of qualified tenants. For 2017 and 2016, $346,839 and $310,974 was received in assistance payments. The current contracts expire January 31, 2019 and August 31, 2018, respectively, and if not renewed could substantially impact the rental income of the individual properties.

20. Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Coalition's consolidated financial statements for the year ended December 31, 2016, from which the summarized information was derived.

21. Commitments and Contingencies

Except to the extent of $3,298,830 of guarantees provided by the Better Housing Coalition to various consolidated entities, the creditors of these partnerships and limited liability companies have no further recourse against the Coalition. In addition to $3,298,830 of guarantees provided by the Coalition to various consolidated entities, there are guarantees for credit adjustments that would be difficult to value.

Richmond Affordable Housing, Inc. has contracted with various builders for the construction of single-family homes. The total contract amount of the construction in process at year-end is $393,416, of which $17,393 was outstanding on those contracts at December 31, 2017.

22. Rental Income

In June 2012, Winchester Commons II, LLC entered into a rental agreement with Capital Area Health Network. The lease is effective for five years through May 31, 2018 with the option to renew the lease for an additional five years. The Organization received $36,591 in rental income during 2017.

In July 2016, the Winchester Commons I & II entered into rental agreements with Chesterfield Community Services Board. The leases are effective for five years through June 30, 2021 with the option to renew the lease for an additional five years. The Organization received $153,247 in rental income during 2017.

In January 2016, Affordable Residences in Chesterfield II, Inc. entered into a rental agreement with Genesis Learning Center, LLC. The lease is effective for three years through December 31, 2018 with the option to renew the lease for an additional two years. The Organization received $48,254 in rental income during 2017

Expected rental income under these leases for the years subsequent to 2017 is as follows:

2018	$	242,746
2019		200,646
2020		206,292
2021		110,235
	$	759,919

23. Subsequent Event

On January 26, 2018, a release and settlement agreement was reached regarding litigation involving the property at 3200 West Broad Street (Property). In March 2018, the Board resolved to sell the Property. As of the date of these financial statements, no sale has occurred.

The Property has a book value of $6,661,280 at December 31, 2017 and is included in construction in progress on the consolidated statement of financial position.

Supplementary Information

Better Housing Coalition

Consolidated Schedule of Functional Expenses

Year Ended December 31, 2017, with Comparative Totals for 2016

	2017						2016
	Program						
	Rental Properties	Property Development	Community Social Work	Management and General	Fund Development	Total	Total
Personnel and benefits	$ 1,396,504	$ 952,511	$ 678,851	$ 648,505	$ 386,971	**$ 4,063,342**	$ 4,009,855
Professional and consulting	219,240	93,666	19,275	85,506	23,813	**441,500**	352,408
Travel and training	53,677	21,850	13,319	22,589	7,964	**119,399**	148,209
Advertising and marketing	104,208	14,377	6,485	9,707	65,175	**199,952**	284,335
Interest and financial services	1,597,306	115,759	1,305	8,693	2,231	**1,725,294**	1,650,684
Taxes and insurance	1,030,926	55,950	995	6,798	829	**1,095,498**	1,117,472
Dues, memberships and subscriptions	9,250	4,966	1,449	7,067	5,748	**28,480**	21,293
Equipment	84,667	5,883	3,227	9,196	773	**103,746**	125,130
Office	129,582	19,873	5,316	12,692	6,187	**173,650**	172,795
Bad debt	55,696	-	-	-	-	**55,696**	(13,555)
Occupancy	29,104	33,036	7,624	52,095	6,353	**128,212**	123,708
Utilities	1,241,077	56,260	590	4,030	491	**1,302,448**	1,146,062
Resident services	27,124	367	22,367	524	10,521	**60,903**	41,806
Board and committee	3,713	4,365	1,007	6,884	1,000	**16,969**	15,734
Property operations	1,750,948	160,873	835	3,741	456	**1,916,853**	1,949,962
Property maintenance and repairs	805,911	-	-	-	-	**805,911**	673,805
Miscellaneous	(120,583)	-	-	-	-	**(120,583)**	96,469
Telephone and communications	118,255	8,640	12,307	13,624	1,661	**154,487**	159,525
Expenses before depreciation and amortization	8,536,605	1,548,376	774,952	891,651	520,173	**12,271,757**	12,075,697
Depreciation	3,744,539	26,885	1,097	7,493	914	**3,780,928**	3,803,167
Amortization	30,004	-	-	-	-	**30,004**	171,418
Total depreciation and amortization	3,774,543	26,885	1,097	11,381	914	**3,810,932**	3,974,585
Total expenses	$ 12,311,148	$ 1,575,261	$ 776,049	$ 899,144	$ 521,087	**$ 16,082,689**	$ 16,050,282

Better Housing Coalition
Consolidating Statement of Financial Position
December 31, 2017

	Total LIHTC Multifamily	Extended Use Compliance Multifamily	Other Multifamily	Better Housing Coalition (Parent)	Single Family and Land Holding	Commercial Rental	Total
ASSETS							
Property and equipment:							
Buildings and improvements	$ 69,217,148	$ 7,878,443	$ 34,542,931	$ -	$ 513,911	$ 1,884,746	$ 114,037,179
Land	5,042,478	311,000	2,846,721	640,000	1,173,592	-	10,013,791
Furniture, fixtures and equipment	734,739	13,850	194,642	229,638	7,530	-	1,180,399
Vehicles	42,475	-	6,128	39,372	-	-	87,975
Accumulated depreciation	(20,852,382)	(4,492,181)	(14,223,813)	(248,697)	(327,883)	(547,706)	(40,692,662)
Property and equipment, net	54,184,458	3,711,112	23,366,609	660,313	1,367,150	1,337,040	84,626,682
Current assets:							
Cash	791,847	106,777	516,964	1,358,895	1,320,630	114,025	4,209,138
Cash, restricted	50	54,973	-	1	232,580	3,715	291,319
Cash, donor restricted	-	-	-	304,433	-	-	304,433
Short-term investments, donor restricted	-	-	-	385,202	-	-	385,202
Restricted deposits	3,742,665	211,404	1,130,256	1,000,000	-	42,273	6,126,598
Tenant security deposits held in trust	236,455	22,347	113,533	-	1	-	372,336
Tenant receivables, net	67,839	2,578	9,129	-	8,775	12,956	101,277
HUD accounts receivable	-	-	33,816	-	-	-	33,816
Current accounts receivable	-	-	128,716	73,438	10,387	-	212,541
Prepaid assets	258,767	-	30,858	1,820	-	-	291,445
Total current assets	5,097,623	398,079	1,963,272	3,123,789	1,572,373	172,969	12,328,105
Other assets:							
Deposits, other	-	-	-	4,783	14,352	-	19,135
Accounts receivable, net of current receivables	-	-	-	37,500	-	-	37,500
Construction in progress	-	-	5,855,958	-	8,690,209	-	14,546,167
Notes receivable	-	-	-	-	31,791	-	31,791
Intangible assets, net	113,016	33,169	-	-	-	-	146,185
Total other assets	113,016	33,169	5,855,958	42,283	8,736,352	-	14,780,778
Total assets	$ 59,395,097	$ 4,142,360	$ 31,185,839	$ 3,826,385	$ 11,675,875	$ 1,510,009	$ 111,735,565

Better Housing Coalition
Consolidating Statement of Financial Position
December 31, 2017 **(Continued)**

	Total LIHTC Multifamily	Extended Use Compliance Multifamily	Other Multifamily	Better Housing Coalition (Parent)	Single Family and Land Holding	Commercial Rental	Total
LIABILITIES AND NET ASSETS							
Long-term liabilities:							
Lines of credit for construction, net of current maturities	$ -	$ -	$ 8,502,223	$ -	$ 349,990	$ -	$ 8,852,213
Notes payable, net of current maturities and debt issuance costs	23,532,504	636,251	1,370,780	-	-	585,893	26,125,428
Deferred revenue, net of current portion	3,214,789	-	-	-	-	-	3,214,789
Deferred payment note	1,900,000	-	-	-	-	-	1,900,000
Total long-term liabilities	28,647,293	636,251	9,873,003	-	349,990	585,893	40,092,430
Current liabilities:							
Current maturities of notes payable	746,090	46,436	26,859	-	3,344,663	66,803	4,230,851
Current maturities of deferred revenue	198,989	-	-	-	-	-	198,989
Current maturities of lines of credit	-	-	-	-	3,409,399	-	3,409,399
Accounts payable	83,570	2,711	175,109	3,991	56,719	-	322,100
Payables related party	20,498	-	-	-	-	-	20,498
Tenant security deposits	226,443	20,847	113,533	-	-	3,714	364,537
Unearned revenue	25,830	1,908	9,492	218,505	275,361	3,074	534,170
Miscellaneous current liabilities	52,721	8,666	5,717	1,446	-	-	68,550
Total current liabilities	1,354,141	80,568	330,710	223,942	7,086,142	73,591	9,149,094
Total liabilities	30,001,434	716,819	10,203,713	223,942	7,436,132	659,484	49,241,524
Total net assets	29,393,663	3,425,541	20,982,126	3,602,443	4,239,743	850,525	62,494,041
Total liabilities and net assets	$ 59,395,097	$ 4,142,360	$ 31,185,839	$ 3,826,385	$ 11,675,875	$ 1,510,009	$ 111,735,565

Better Housing Coalition
Consolidating Statement of Activities
Year Ended December 31, 2017

	Total LIHTC Multifamily	Extended Use Compliance Multifamily	Other Multifamily	Better Housing Coalition (Parent)	Single Family and Land Holding	Commercial Rental	Total
Revenues and other support:							
Contributions and philanthropic support	$ -	$ -	$ -	$ 977,246	$ -	$ -	$ 977,246
Grants and awards	-	-	-	475,920	-	-	475,920
Other revenue	211	3,391	41	91,970	8,614	-	104,227
Earned fees	-	-	-	394,110	322,041	-	716,151
Interest and investment income	10,158	1,407	833	44,246	750	-	57,394
Total revenue and other support	10,369	4,798	874	1,983,492	331,405	-	2,330,938
Revenue (expenses), property sales:							
Property sales	-	280,000	-	-	1,529,000	-	1,809,000
Subsidies, government	-	-	-	-	338,996	-	338,996
Cost of property sales	-	(156,175)	-	-	(2,462,966)	-	(2,619,141)
Homebuyer assistance	-	-	-	-	(28,950)	-	(28,950)
Net revenue (expenses) from property sales	-	123,825	-	-	(623,920)	-	(500,095)
Revenue, rental properties:							
Rental revenue	6,506,122	716,851	3,555,256	-	89,905	222,346	11,090,480
Other tenant revenue	119,109	8,326	75,337	-	-	-	202,772
Laundry and vending	52,167	5,493	11,141	-	-	-	68,801
Total revenue from rental properties	6,677,398	730,670	3,641,734	-	89,905	222,346	11,362,053
Total sales, revenue and other support	6,687,767	859,293	3,642,608	1,983,492	(202,610)	222,346	13,192,896

	Total LIHTC Multifamily	Extended Use Compliance Multifamily	Other Multifamily	Better Housing Coalition (Parent)	Single Family and Land Holding	Commercial Rental	Total
Operating expenses:							
Personnel and benefits	644,370	89,424	314,731	2,473,552	541,265	-	4,063,342
Professional and consulting	111,860	8,505	52,993	228,699	39,443	-	441,500
Travel and training	22,914	4,880	13,764	70,316	7,525	-	119,399
Advertising and marketing	67,665	3,472	27,863	92,731	8,221	-	199,952
Interest & Financial services	1,138,658	50,445	382,236	22,407	110,231	21,317	1,725,294
Taxes and insurance	595,978	70,383	341,791	16,579	51,640	19,127	1,095,498
Dues, memberships and subscriptions	3,816	460	1,183	22,536	485	-	28,480
Equipment	45,430	3,924	30,380	23,961	51	-	103,746
Office	93,684	8,102	24,822	39,069	7,782	191	173,650
Bad debt	65,046	(4)	(13,385)	-	4,039	-	55,696
Occupancy	308	367	475	127,062	-	-	128,212
Utilities	868,840	90,138	270,941	9,829	53,704	8,996	1,302,448
Resident services	9,763	1,325	15,756	34,024	35	-	60,903
Board and committee	9	9	-	16,951	-	-	16,969
Property operations	1,033,754	128,760	584,303	9,412	158,501	2,123	1,916,853
Property maintenance and repairs	425,485	120,511	252,902	-	-	7,013	805,911
Miscellaneous	(101,977)	13,396	(83,343)	38,841	12,500	-	(120,583)
Telephone and communications	68,718	7,386	34,840	43,543	-	-	154,487
Total operating expenses	5,094,321	601,483	2,252,252	3,269,512	995,422	58,767	12,271,757
Change in net assets before depreciation and amortization	1,593,446	257,810	1,390,356	(1,286,020)	(1,198,032)	163,579	921,139
Depreciation	2,518,878	299,758	873,556	18,276	22,133	48,327	3,780,928
Amortization	21,858	6,821	1,325	-	-	-	30,004
Change in net assets	$ (947,290)	$ (48,769)	$ 515,475	$ (1,304,296)	$ (1,220,165)	$ 115,252	$ (2,889,793)