

**The NHP Foundation and its  
Affiliated Entities**

**Consolidated Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**December 31, 2018 and 2017**

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## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
The NHP Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The NHP Foundation and its Affiliated Entities (the Organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain affiliated entities, which statements reflect total assets of \$219,645,322 and \$185,593,669 of the related consolidated total assets as of December 31, 2018 and 2017, respectively, and total public support and operating revenue of \$25,688,048 and \$22,343,035, respectively, of the related consolidated total for the years 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 of those affiliated entities, is based solely on the reports of other auditors. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 report and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The NHP Foundation and its Affiliated Entities as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Adoption of New Accounting Standard*

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board (the “FASB”)’s Accounting Standards Update (“ASU”) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”), an amendment to FASB Accounting Standards Codification (“ASC”) Topic 958 Not-for-Profit Entities (the “standard”) as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented with the exception of certain disclosures regarding liquidity and availability of resources as permitted by the standard. Our opinion is not modified with respect to this matter.

*CohnReznick LLP*

Bethesda, Maryland  
October 16, 2019

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	<u>Assets</u>	
	2018	2017
Assets:		
Cash and cash equivalents	\$ 37,293,851	\$ 44,889,762
Investments - restricted	148,886	467,970
Investments - unrestricted	77,608	373,579
Restricted cash	1,662,526	734,448
Notes receivable and accrued interest	2,191,548	880,833
Grants receivable	9,120	5,026
Investment in housing funds	2,376,774	144,240
Land, buildings, improvements and equipment, net	494,118,247	433,437,788
Mortgage escrow and utility deposits	48,581,682	28,905,368
Prepaid expenses and other assets	4,046,153	7,233,886
Working capital advances	643,776	16,381
Replacement reserves	4,617,950	5,736,419
Tenants' security deposits	1,514,694	1,376,824
Deferred development costs	4,949,521	4,983,859
Deferred other assets, net	1,541,886	1,135,753
Due from affiliates	9,746,372	7,441,577
	\$ 613,520,594	\$ 537,763,713
Total assets		
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Accounts payable and accrued expenses	\$ 10,574,644	\$ 12,515,007
Other liabilities	6,223,232	4,731,777
Tenants' security deposits	1,615,399	1,421,172
Mortgage notes payable and accrued interest, net	386,094,549	351,223,596
Notes and construction loans payable and accrued interest, net	101,277,848	79,039,366
Asset management fees payable	10,624	42,458
Accounts payable - affiliates	13,957,681	10,771,301
	519,753,977	459,744,677
Total liabilities		
Net assets:		
Without donor restrictions - controlling	51,623,550	55,535,912
Without donor restrictions - noncontrolling	42,091,943	22,424,428
	93,715,493	77,960,340
Total net assets without donor restrictions		
Net assets with donor restrictions	51,124	58,696
Total net assets	93,766,617	78,019,036
Total liabilities and net assets	\$ 613,520,594	\$ 537,763,713

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended December 31, 2018

	Without donor restrictions	With donor restrictions	Total
Public support and operating revenue:			
Rent revenue	\$ 64,445,631	\$ -	\$ 64,445,631
Developer fee revenue	6,347,638	-	6,347,638
Contributions and grants	1,015,302	19,120	1,034,422
Management fees	560,603	-	560,603
Other income (losses) in housing funds	388,834	-	388,834
Interest revenue	912,088	-	912,088
Other revenue	2,345,573	-	2,345,573
Total public support and operating revenue	76,015,669	19,120	76,034,789
Net assets released from restrictions	26,692	(26,692)	-
Total public support and operating revenue	76,042,361	(7,572)	76,034,789
Expenses:			
Program services:			
Rental operations	69,984,915	-	69,984,915
Acquisition and development	4,370,628	-	4,370,628
Asset management	977,713	-	977,713
Operation Pathways	1,198,043	-	1,198,043
Supporting services:			
Management and general	12,063,724	-	12,063,724
Fundraising services	562,063	-	562,063
Total expenses	89,157,086	-	89,157,086
Excess of revenue over expenses (expenses over revenue) before other revenue (expense)	(13,114,725)	(7,572)	(13,122,297)
Other revenue (expense):			
Gain (loss) on sale of properties	486,205	-	486,205
Total other revenue (expense)	486,205	-	486,205
Excess of revenue over expenses (expenses over revenue)	(12,628,520)	(7,572)	(12,636,092)
Excess of expenses over revenue attributable to noncontrolling interests	9,558,861	-	9,558,861
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ (3,069,659)	\$ (7,572)	\$ (3,077,231)

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES – CONTINUED

Year ended December 31, 2017

	Without donor restrictions	With donor restrictions	Total
Public support and operating revenue:			
Rent revenue	\$ 53,381,677	\$ -	\$ 53,381,677
Developer fee revenue	3,908,485	-	3,908,485
Contributions and grants	3,457,202	139,068	3,596,270
Management fees	48,425	-	48,425
Other income (losses) in housing funds	323	-	323
Interest revenue	388,617	-	388,617
Other revenue	2,631,250	-	2,631,250
Total public support and operating revenue	63,815,979	139,068	63,955,047
Net assets released from restrictions	216,872	(216,872)	-
Total public support and operating revenue	64,032,851	(77,804)	63,955,047
Expenses:			
Program services:			
Rental operations	61,357,925	-	61,357,925
Acquisition and development	3,540,391	-	3,540,391
Asset management	731,016	-	731,016
Operation Pathways	1,384,460	-	1,384,460
Supporting services:			
Management and general	12,326,585	-	12,326,585
Fundraising services	307,137	-	307,137
Total expenses	79,647,514	-	79,647,514
Excess of (expenses over revenue) revenue over expenses before other revenue (expense)	(15,614,663)	(77,804)	(15,692,467)
Other revenue (expense):			
Gain (loss) on sale of properties	40,264,074	-	40,264,074
Total other revenue (expense)	40,264,074	-	40,264,074
Excess of (expenses over revenue) revenue over expenses - continued operations	9,638,671	(77,804)	9,560,867
Excess of expenses over revenue - discontinued operations	15,010,740	-	15,010,740
Excess of (expenses over revenue) revenue over expenses	24,649,411	(77,804)	24,571,607
Excess of expenses over revenue attributable to noncontrolling interests	7,252,979	-	7,252,979
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ 31,902,390	\$ (77,804)	\$ 31,824,586

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended December 31, 2018 and 2017

	Without donor restrictions			With donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2017	\$ 38,374,259	\$ 40,913,075	\$ 79,287,334	\$ 136,500	\$ 79,423,834
Transfers in	-	(54,316,992)	(54,316,992)	-	(54,316,992)
Transfer of net assets	(14,740,737)	14,740,737	-	-	-
Capital contributions from noncontrolling interests, net of syndication costs	-	28,340,587	28,340,587	-	28,340,587
Excess of expenses over revenue attributable to noncontrolling interests	-	(7,252,979)	(7,252,979)	-	(7,252,979)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	<u>31,902,390</u>	<u>-</u>	<u>31,902,390</u>	<u>(77,804)</u>	<u>31,824,586</u>
Ending balance, December 31, 2017	55,535,912	22,424,428	77,960,340	58,696	78,019,036
Transfers in	346,630	-	346,630	-	346,630
Transfer of net assets	(1,189,333)	1,189,333	-	-	-
Capital contributions from noncontrolling interests, net of syndication costs	-	28,037,043	28,037,043	-	28,037,043
Excess of expenses over revenue attributable to noncontrolling interests	-	(9,558,861)	(9,558,861)	-	(9,558,861)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	<u>(3,069,659)</u>	<u>-</u>	<u>(3,069,659)</u>	<u>(7,572)</u>	<u>(3,077,231)</u>
Ending balance, December 31, 2018	<u>\$ 51,623,550</u>	<u>\$ 42,091,943</u>	<u>\$ 93,715,493</u>	<u>\$ 51,124</u>	<u>\$ 93,766,617</u>

See notes to consolidated financial statements



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2018

	Program services				Supporting services		Total
	Rental operations	Acquisition and Development	Asset Management	Operation Pathways	Management and general	Fundraising	
Nature of expenses:							
Salaries and benefits	\$ 9,138,111	\$ 3,998,276	\$ 830,583	\$ 800,188	\$ 2,402,109	\$ 109,282	\$ 17,278,549
Facilities and maintenance	9,465,576	-	-	-	-	-	9,465,576
Interest	18,395,716	-	-	-	185,690	-	18,581,406
Utilities	6,460,528	-	-	-	-	-	6,460,528
Insurance	2,768,496	-	-	-	63,998	-	2,832,494
Real estate taxes	2,838,619	-	-	-	-	-	2,838,619
Property management fees	-	-	-	-	2,694,108	-	2,694,108
Accounting and legal fees	-	-	-	-	1,508,433	122,194	1,630,627
Management and administration	6,020,639	93,562	36,243	396,766	2,115,719	74,065	8,736,994
Consulting	110,024	155,043	-	-	666,665	111,574	1,043,306
Marketing	-	-	-	-	403,111	86,916	490,027
Travel	34,656	123,747	110,887	1,089	518,851	58,032	847,262
Director's fees	-	-	-	-	45,000	-	45,000
Other	1,853,639	-	-	-	-	-	1,853,639
Bad debt expense	-	-	-	-	1,160,606	-	1,160,606
Contributions expense	-	-	-	-	162,769	-	162,769
Depreciation and amortization	12,898,911	-	-	-	136,665	-	13,035,576
	<u>\$ 69,984,915</u>	<u>\$ 4,370,628</u>	<u>\$ 977,713</u>	<u>\$ 1,198,043</u>	<u>\$ 12,063,724</u>	<u>\$ 562,063</u>	<u>\$ 89,157,086</u>

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES – CONTINUED

Year ended December 31, 2017

	Program services				Supporting services		Total
	Rental operations	Acquisition and Development	Asset Management	Operation Pathways	Management and general	Fundraising	
Nature of expenses:							
Salaries and benefits	\$ 8,389,531	\$ 3,206,513	\$ 626,291	\$ 859,842	\$ 2,295,356	\$ 54,418	\$ 15,431,951
Facilities and maintenance	8,768,826	-	-	-	-	-	8,768,826
Interest	11,611,596	-	-	-	326,527	-	11,938,123
Utilities	5,395,833	-	-	-	-	-	5,395,833
Insurance	2,769,190	-	-	-	73,086	-	2,842,276
Real estate taxes	2,735,105	-	-	-	-	-	2,735,105
Property management fees	214,343	-	-	-	2,085,004	-	2,299,347
Accounting and legal fees	86,430	-	-	-	1,115,522	-	1,201,952
Management and administration	6,262,190	27,818	8,968	485,284	1,804,269	5,414	8,593,943
Consulting	9,995	16,089	-	-	1,337,321	21,600	1,385,005
Marketing	3,922	1,295	66	-	373,813	174,826	553,922
Travel	11,542	288,676	95,691	4,334	343,282	50,879	794,404
Director's fees	-	-	-	-	15,000	-	15,000
Other	235,724	-	-	-	814,426	-	1,050,150
Bad debt expense	16,435	-	-	35,000	659,615	-	711,050
Contributions expense	2,454,836	-	-	-	988,017	-	3,442,853
Depreciation and amortization	12,392,427	-	-	-	95,347	-	12,487,774
	<u>\$ 61,357,925</u>	<u>\$ 3,540,391</u>	<u>\$ 731,016</u>	<u>\$ 1,384,460</u>	<u>\$ 12,326,585</u>	<u>\$ 307,137</u>	<u>\$ 79,647,514</u>

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Excess (deficit) of revenue over expenses	\$ (12,636,092)	\$ 24,571,607
Adjustments to reconcile excess (deficit) of revenue over expenses to cash provided by (used in) operating activities:		
Depreciation and amortization	13,035,576	12,487,774
Bad debt expense	1,160,606	711,050
Amortization of debt issuance costs	1,359,779	896,215
Unrealized loss on swap	(366,243)	(248,448)
(Gain) Loss on sale of properties	(486,205)	(40,264,074)
Other (income) losses in housing funds	(388,834)	(323)
Increase (decrease) in operating assets:		
Accrued interest on notes receivable	(60,037)	38,169
Prepaid expenses and other assets	2,027,127	(5,178,306)
Tenants' security deposits	(137,870)	(8,655)
Due from affiliates	(2,304,795)	(7,178,132)
Grant receivable	(4,094)	41,096
(Increase) decrease in operating liabilities:		
Accounts payable and accrued expenses	7,018,212	2,359,924
Other liabilities	1,857,698	(933,192)
Tenants' security deposits	194,227	(107,999)
Accrued interest on mortgage, notes and construction loan payable	228,520	319,441
Net cash provided by (used in) operating activities	<u>10,497,575</u>	<u>(12,493,853)</u>
Cash flows from investing activities:		
Proceeds from repayment of notes receivable	-	854,220
Issuance of notes receivable	(1,250,678)	(102,978)
Purchase of land, buildings, improvements and equipment	(104,511,948)	(65,495,318)
Purchase of other assets	(343,175)	(460,878)
Net payment (advances) of working capital	(627,395)	21,314
Net deferred development costs (additions)/ reimbursements	34,338	(3,699,459)
Cash acquired from equity transfer	-	2,587,576
Proceeds from sale of rental property	23,000,000	43,081,429
Net proceeds from (purchase of) investment in housing funds	(411,636)	789,922
Net deposits to mortgage escrow and utility deposits	(19,676,314)	(3,296,738)
Net (deposits to) withdrawals from replacement reserves	1,118,469	(89,069)
Net sales (purchases) of investments	615,055	(6,312)
Net cash used in investing activities	<u>(102,053,284)</u>	<u>(25,816,291)</u>
Cash flows from financing activities:		
Capital contributions received from noncontrolling interests	26,951,609	28,340,587
Net payment of advances from affiliates	3,197,004	715,926
Proceeds from mortgages, notes and construction loans payable	121,914,263	79,452,489
Principal payments on mortgages, notes and construction loans payable	<b>(63,540,961)</b>	<b>(33,536,079)</b>
Payments for debt issuance costs	(3,634,039)	(4,279,647)
Net cash provided by financing activities	<u>84,887,876</u>	<u>70,693,276</u>
Net increase (decrease) in cash and cash equivalents	(6,667,833)	32,383,132
Cash and cash equivalents, beginning	45,624,210	13,241,078
Cash and cash equivalents, ending	<u>\$ 38,956,377</u>	<u>\$ 45,624,210</u>

See notes to consolidated financial statements

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest, net of amount capitalized	<u>\$ 18,352,886</u>	<u>\$ 10,722,467</u>
<b>SIGNIFICANT NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Equity (deficit) transfer in	<u>\$ 346,630</u>	<u>\$ (54,316,992)</u>
Accounts payable and accrued expenses, relating to construction costs included in land buildings, improvements and equipment	<u>\$ 9,277,458</u>	<u>\$ 11,263,404</u>
Noncash capital contribution - reclassification of developer fee payable	<u>\$ 1,085,434</u>	<u>\$ -</u>
Cash and cash equivalents	<u>\$ 37,293,851</u>	<u>\$ 44,889,762</u>
Restricted cash	<u>1,662,526</u>	<u>734,448</u>
	<u>\$ 38,956,377</u>	<u>\$ 45,624,210</u>

See notes to consolidated financial statements

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2018 and 2017

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### NOTE 1 – MISSION AND ORGANIZATION

The NHP Foundation and its affiliated entities (the Organization) is in the business of creating and preserving service enriched multifamily affordable housing. The Organization accomplishes its mission primarily by acquiring and rehabilitating existing multifamily properties and, to a lesser extent, constructing new properties. The Organization uses Low Income Housing Tax Credits (LIHTC) to provide a portion of the funding for the rehabilitation of properties it owns. The Organization and its affiliates includes the following entities.

The NHP Foundation (NHPF) was incorporated in the District of Columbia on January 30, 1989 as a nonprofit charitable organization. The purpose of NHPF is to provide quality affordable multifamily housing and resident services for very low-, low- and moderate-income families. NHPF and its Affiliated Entities provide housing at 52 properties, impacting over 8,815 apartments, serving residents and community members in 15 states and the District of Columbia.

Operation Pathways, Inc. (Pathways) was incorporated in the District of Columbia on January 9, 2015 as a nonstock, nonprofit charitable organization. Prior to becoming a separate 501(c)(3), Operation Pathways operated as a division of NHPF (or “Sponsor”), with whom it is still affiliated. The purpose of Pathways is to provide resident services to properties owned by NHPF through a wide variety of educational, health, and enrichment programming. Pathways currently provides services to 27 properties in 12 states plus the District of Columbia impacting over 4,777 units of affordable housing.

In its normal course of business, NHPF uses a variety of legal structures for acquiring a property, most of which involves either setting up a number of legal entities that own a property, serve as the sole member of an entity that owns a property or serves as the general partner in a partnership that owns a property. NHPF refers to all these legal entities as its affiliated entities.

The following tables represent those entities which are included in the consolidated financial statements. The entities are organized into groups for consolidation in the consolidated financial statements based on the designation in the “Group” columns of each table. For more detailed information about each entity within or the groups see the Supplemental Information at the end of this audit.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### For profit LLC's and corporations with a controlling general partner interest, typically less than 1%

General Partner	Group	Limited Partnership	Group
Pepper Tree Manor 250 GP, LLC ("Pepper Tree GP")	Other	250 LP Pepper Tree Manor LP ("Pepper Tree")	LIHTC
VOV NHPF I, LLC ("VOV NHPF I")	Other	Alabama Ave. Affordable Housing, L.P. ("Roundtree")	LIHTC
Bayview GP, Inc. ("Bayview GP")	Other	Bayview Preservation Partners, LP ("Baryview Preservation")	LIHTC
Benning Heights GP, LLC ("Benning Heights GP")	Other	Benning Heights Investor LLC ("Benning Heights Investor")	LIHTC
NDFD II, LLC ("NDFD II")	Other	Bolton North, LP ("Bolton North")	LIHTC
Cleme 284 LLC ("Cleme 284 GP")	Other	Cleme Manor Holdings, LLC ("Cleme Manor")	LIHTC
Foxwood GP, Inc. ("Foxwood GP")	Other	Foxwood Preservation Partners, LP ("Foxwood Preservation")	LIHTC
Harvest Homes GP, LLC (1) ("Harvest Homes GP")	Other	Harvest Homes Apartments LP ("Harvest Homes")	LIHTC
Hollybush GP, Inc. ("Hollybush GP")	Other	Hollybush Preservation Partners, LP ("Hollybush Preservation")	LIHTC
Mark Twain NHPF Manager, LLC ("Mark Twain NHPF Manager")	Other	Mark Twain NHPF, LLC ("Mark Twain NHPF")	Real Estate
New Covent Managing Member, LLC ("New Covent Managing Member")	Other	New Covent, LLC	Real Estate
Orange GP, Inc. ("Orange GP")	Other	Orange Preservations Partners, LP ("Orange Preservation")	LIHTC
Plaza Borinquen 88 GP Corporation (2) ("Plaza B GP")	Other	Plaza Borinquen 88 Owner II LP ("Plaza B II")	LIHTC
Preservation Housing Partners, LLC ("Preservation Partners")	Other	Preservation Housing II, L.L.C. ("Forest Park")	LIHTC
Walnut 209, LLC ("Walnut 209")	Other	Preservation Housing IV, L.L.C. ("Walnut Square")	LIHTC
Princess Anne GP, LLC ("Princess Anne GP")	Other	Princess Anne Owner, LP ("Princess Anne Owner")	Real Estate
Ship's Cove GP LLC ("Ships Cove GP")	Other	Ship's Cove Preservation Partners Limited Partnership ("Ships Cove Preservation")	LIHTC
St. Luke's GP, Inc. ("St.Luke's GP")	Other	St. Luke's Preservation Partners, LP (3) ("St.Lukes's Preservation")	LIHTC
St. Luke's GP, Inc. ("St.Luke's GP")	Other	St Luke's Master Tenant, LLC (3) ("St.Lukes's Preservation")	LIHTC
Takoma Place GP LLC ("Takoma GP")	Other	Takoma Place SM LLC ("Takoma Place")	Real Estate
Wade Road GP, LLC ("Wade Road GP")	Other	Wade Road Investor, LLC ("Wade Road Parkchester")	LIHTC
Woodmont Crossing Manager, LLC ("Woodmont Manager")	Other	Woodmont Crossing Investor, LLC ("Woodmont Crossing")	LIHTC

(1) NHPF is a 40% member of Harvest Homes GP, LLC.

(2) Plaza Borinquen 88 Housing Development Fund Corporation, Inc is the non-profit title owner of Plaza Borinquen.

(3) St. Luke's Master Tenant leases the building from St. Luke's Preservation Partners and is consolidated with St. Luke's Preservation Partners.

### Entities with a controlling interest ranging from 47.5% to 100%

Managing/sole Member	Group	Legal Entity	Group
NHPF		A.C.T. Affordable Housing ("ACT LaSalle")	Real Estate
NHPF		Alexander House Owner, LLC ("Alexander House")	Real Estate
Anacostia Gardens GP, LLC ("Anacostia GP")	Other	Anacostia Gardens Investor, LLC ("Ancostia Gardens")	Real Estate
NHPF		Asmara Affordable Housing, Inc ("Asmara Affordable")	Real Estate
Interstate I Affordable Housing	Other	C/HP Cove, Inc. ("Clipper Cove")	Real Estate
Jamestown Affordable Housing, Inc. ("Jamestown Affordable")	Other	Cleme 284 LLC	Other
NHPF - Columbia Heights Manager LLC ("NHPF Columbia Manager")	Other	Columbia Apartments LP ("Columbia Apartments")	Other
NHPF - Columbia Heights Investor, LLC (1) ("NHPF Columbia Investor")	Other	Columbia Apartments LP ("Columbia Apartments")	Other
Columbia Apartments LP	Other	Columbia Heights Village Apartments LP (1) ("Columbia Heights Village")	Real Estate
NHPF		FCHC Virginia Community Development Corporation ("Falls Church")	Real Estate
Nannie Helen NHPF, LLC ("Nannie Helen NHPF")	Other	Nannie Helen Manager, LLC ("Nannie Helen Manager")	Other
Nannie Helen Manager, LLC ("Nannie Helen Manager")	Other	Nannie Helen Owner, LLC ("Nannie Helen Owner Strand")	Real Estate
NHPF (3)		New Covent, LLC ("New Covent")	Real Estate
NHPF		New Mark Twain, LLC ("New Mark Twain")	Real Estate
NHPF/WFH, LLC ("NHPF/WH")	Other	Workforce Housing I, LLC ("Workforce Housing I")	Other
Princess Anne Investor, LLC (2) ("Princess Anne Investor")	Other	Princess Anne Owner, LP ("Princess Anne Owner")	Real Estate
Workforce Housing I, LLC ("Workforce Housing I")	Other	The Pines Owner, LLC ("Pines at Carolina")	Real Estate

(1) NHPF-Columbia Heights Investor, LLC, whose sole member is NHPF, is the .01% limited partner.

(2) Princess Anne Investor, LLC, whose sole member is NHPF, is the 99.99% limited partner.

(3) NHPF is the 99.91% limited partner in New Covent, LLC.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### Entities holding seller notes

In some cases an affiliated entity initially purchases a property, which is held until the property is refinanced into an LIHTC structure. In order to facilitate the refinancing, that original purchasing entity will take back a seller note.

Legal Entity	Group	Partnership	Group
Cornerstone/Bayview, Inc. ("Cornerstone/Bayview")	Other	Bayview Preservation Partners, LP	LIHTC
Benning Heights Affordable, LLC ("Benning Affordable")	Other	Benning Heights Investor LLC	LIHTC
Cherry Affordable Housing, Inc. ("Cherry Affordable")	Other	Cherry Estates Limited Partnership	Not consolidated
Foxwood Affordable Housing, Inc. ("Foxwood Affordable")	Other	Foxwood Preservation Partners, LP	LIHTC
Hollybush Affordable Housing, Inc. ("Hollybush Affordable")	Other	Hollybush Preservation Partners, LP	LIHTC
Orange Affordable Housing, Inc. ("Orange Affordable")	Other	Orange Preservation Partners, LP	LIHTC
Plaza Borinquen 88 Owner LP ("Plaza B I")	Other	Plaza Borinquen 88 Owner II LP	LIHTC
Forest Park Affordable Housing, Inc. ("Forest Affordable")	Other	Preservation Housing II, L.L.C.	LIHTC
Walnut Affordable Housing, Inc. ("Walnut Affordable")	Other	Preservation Housing IV, L.L.C.	LIHTC
Milliken Affordable Housing, Inc. ("Milliken Affordable")	Other	Ship's Cove Preservation Partners Limited Partnership	LIHTC
Cornerstone/St. Luke's, Inc. ("Cornerstone St. Luke's")	Other	St. Luke's Preservation Partners, LP	LIHTC

### Investment in operating entities

Legal Entity	Group	Ownership %	Accounting Method
Cherry Estates Limited Partnership (Cherry Affordable special limited partner interest)	Not consolidated	0.01%	Equity Method
CHA LLC (CHA MM, LLC general partner interest)	Not consolidated	0.01%	Equity Method
Eagles Landing Apartments, LP (NHPF Eagles Landing GP, LLC general partner interest)	Not consolidated	0.00%	Equity Method
RAHF IV Shore Hill, LLC (NHPF-Shore Hill Manager, LLC) (1)	Not consolidated	0.01%	Cost
RAHF IV Shore Hill, LLC (NHPF-Shore Hill Investor, LLC) (2)	Not consolidated	3.00%	Cost

(1) NHPF-Shore Hill Manager, LLC is a 50% member in the sole member of the .01% Managing Member of the beneficial owner (RAHF IV Shore Hill, LLC) of Shore Hill.  
(2) NHPF-Shore Hill Investor, LLC is a 2.995% member in the beneficial owner (RAHF IV Shore Hill, LLC) of Shore Hill.

### Joint Ventures

Legal Entity	Group	Joint Venture %	Accounting Method
CHA Development, LLC	Not consolidated	50% partner	Equity Method
CHA JV, LLC	Not consolidated	50% partner	Equity Method
NDFD, LLC ("NDFD") (1)	Other	50% partner	Consolidated
Nonprofit Housing Preservation RA, Inc.	Not consolidated	40% partner	Cost Method
Nonprofit Housing Preservation SB, Inc.	Not consolidated	40% partner	Cost Method

(1) NDFD is the joint venture member in the joint venture NHPF/UA, LLC listed below under Housing Funds.

### Housing Funds

Legal Entity	Group	Ownership %	Accounting Method
NHPF/UA, LLC	Not consolidated	Equity Method	Equity Method
NHPF/UA II, LLC	Not consolidated	Equity Method	Equity Method
Housing Partnership Equity Trust, LLC	Not consolidated	0.010%	Cost

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

In accordance with accounting guidance for consolidations, NHPF has determined the presumption of control for the entities in which NHPF and/or its affiliated entities are the general partner has not been overcome, therefore NHPF has significant control over the major decisions of those entities. As a result, NHPF and/or its affiliated entities are required to consolidate the financial statements of those entities. All significant intercompany accounts and transactions have been eliminated in the consolidation process.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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Distributable cash flows from certain affiliated entities to NHPF and Interstate are restricted by covenants in the underlying mortgages or grants received by the affiliated entities. Contributions paid by the affiliated entities and received by NHPF and Interstate are eliminated in consolidation.

NHPF and its nonprofit affiliated entities conform to the accounting guidance for “Financial Statements of Not-for-Profit Organizations.” These financial statements have been prepared on the accrual basis of accounting and are intended to present net assets, revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Net assets without donor restrictions -
  - Net assets without donor restrictions - controlling - represent expendable resources that are used to carry out the operations of the Organization and are not subject to donor-imposed stipulations.
  - Net assets without donor restrictions - non-controlling - represent the aggregate balance as of December 31, 2018 and 2017 of limited partner/member equity interest in the non-wholly-owned affordable housing entities that are included in the consolidated financial statements. The majority of non-controlling net assets without donor restrictions consists of the limited partner interests in tax credit holdings.
- Net assets with donor restrictions - resources which contain donor-imposed restrictions that are satisfied either by the passage of time or by actions of the Organization. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless uses of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investments with original maturities of three months or less to be cash equivalents.

### Restricted Cash

Restricted cash consists of cash required to be segregated as specified in certain grant and loan documents.

### Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist primarily of prepaid costs, tenant account receivables and subsidy receivables.



# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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### Tenant Accounts Receivable

Tenant accounts receivables are reported net of an allowance for doubtful accounts or are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Management's estimate of the allowance is based on historical collection experience and a review of the status of tenant accounts receivables. It is reasonably possible that management's estimate of the allowance will change.

### Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage notes payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

### Deferred Costs

Deferred costs consist of tax credit fees and other intangible assets. The deferred costs are amortized over the estimated useful life using the straight-line method. Amortization expense as of December 31, 2018 and 2017 was \$200,140 and \$201,169, respectively. Estimated annual amortization expense for each of the ensuing years through December 31, 2023 is as follows:

2019	\$	106,348
2020		103,952
2021		101,963
2022		101,963
2023		100,452
Thereafter		<u>1,027,208</u>
	\$	<u><u>1,541,886</u></u>

### Deferred Development Costs

Costs incurred in the identification of potential developments are deferred. Deferred development costs are reimbursed upon the receipt of project financing for the related entity. Costs incurred on unlikely or abandoned developments are expensed when these determinations are made.

### Developer Fees Receivable

NHPF has entered into various development agreements with the affiliated tax credit and real estate entities of which, NHPF and their related general partner/member entities serve as the general partner or managing member in these entities. The agreements provide for the fee to be paid from capital contributions and future cash flows of the respective entities. Developer fees receivable presented on the combining and consolidating statement of financial position represent developer fees due from related entities for development services. Developer fees receivable, developer fee income and deferred developer fee earned from affiliates and subsidiaries shall be paid by the related entities upon receipt of the limited partner equity contribution. Any remaining developer fee receivable, and accrued interest there in, if applicable, is payable from operational cash flow of the respective projects

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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and is eliminated in consolidation. Developer fees receivable are reported at their net realizable value. Management's estimate of any allowance is based on collectability determined by future operating cash flows of the related entities. It is reasonably possible that management's estimate of allowances will change. The balance of developer fees receivable, net of allowance for uncollectible, after eliminating adjustments, as of December 31, 2018 and 2017 is \$9,676,334 and \$7,280,512, respectively, and is included in due from affiliates in the consolidated statements of financial position.

### Land, Buildings, Improvements and Equipment

Land, buildings, improvements and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of straight-line and accelerated methods. Buildings, improvements, and equipment are depreciated over lives ranging from 5 to 40 years. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statement of activities.

### Impairment of Long-Lived Assets

The Organization reviews its buildings, improvements, and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the Organization are less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized for either of the years ended December 31, 2018 and 2017.

### Investment in Housing Funds

NHPF has investments in various housing funds that are accounted for under the cost or equity method depending on the extent to which NHPF has an interest in and exercises influence over the funds.

Investment in housing funds over which NHPF exercises significant influence, but not control, are accounted for under the equity method. NHPF records its initial investments at cost, recognizes its share of income or loss, increases its investment for capital contributions, and reduces its investment balance by any distributions received.

Cash distributions that NHPF receives in excess of the carrying amount of its investment are recorded as other revenue (if certain criteria are met), and the equity method of accounting is suspended. NHPF would record future equity method earnings only after its share of cumulative earnings during the suspended period exceeds the income recognized for the excess cash distributions.

NHPF's investments in housing funds are periodically reviewed for impairment. NHPF records an impairment charge when events or circumstances change indicating that a decline in fair value below carrying value has occurred and such decline is other than temporary.

## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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The following is a summary of NHPF's investment in housing funds accounted for under the equity method:

#### Investment in NHPF/UA, LLC and Investment in NHPF/UA II, LLC

In accordance with the accounting guidance for the consolidation of variable interest entities, NHPF determines when it should include the assets, liabilities, and activities of variable interest entities ("VIE") in its financial statements, and when it should disclose information about its relationship with a VIE. The analysis that must be performed to determine which entity should consolidate a VIE focuses on control and economic factors. A VIE is a legal structure used to conduct activities or hold assets, which must be consolidated by a company if it is the primary beneficiary because it has: (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance; and (2) the obligation to absorb losses or received benefits that could potentially be significant to the VIE. If multiple unrelated parties share such power, as defined, no party will be required to consolidate the VIE. Further, the guidance requires continual reconsideration of the primary beneficiary of a VIE.

Based on this guidance the following entities meet the definition of a VIE:

- NHPF/UA, in which NDFD invests
- NHPF/UA II, in which NDFD invests

However, management does not consolidate the above interests, as they are not considered to be the primary beneficiary since multiple unrelated parties share the power to direct the activities that are considered most significant to the economic performance of these entities. NDFD currently records the amount of the investments in NHPF/UA and NHPF/UA II as an asset on the statements of financial position, recognizes its share of income or losses in the statements of activities, and discloses how it accounts for this investment in its financial statements. NDFD's balance in investment in NHPF/UA and NHPF/UA II represent the maximum exposure to loss. NDFD's exposure is assessed by the condition and financial performance of the underlying projects as well as the strength of the general partners and their guarantees.

#### Investment in Housing Partnership Equity Trust, LLC

NHPF is a member of Housing Partnership Network (HPN). HPN is a collaborative membership organization composed of significant housing and community development not-for-profit organizations that support its members through policy initiatives, capital initiatives and other programs to promote the long-term development, preservation and operation of affordable and workforce housing throughout the United States. Twelve HPN members, including NHPF, are investing members in Housing Partnership Equity Trust, LLC (HPET) and collectively hold a

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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13.48% investment in HPET. NHPF accounts for its 1.123% investment in HPET under the cost method. As such, the initial investment was recorded at cost and cash distributions are reported as income.

NHPF's maximum exposure to loss is estimated to be the entire balance of its investment in HPET, which includes its estimated future funding commitments. NHPF has no obligation to fund liabilities of HPET beyond its investment, including loans and advances. NHPF may be subject to additional losses to the extent it provides any voluntary subordinated financial support to HPET in the future.

NHPF regularly assesses its investment in HPET for impairment if NHPF believes that it may not recover the carrying amount of the investment or if the investee is unable to sustain an earnings capacity that would justify the carrying amount of the investment. Impairment is based on the amount that NHPF expects to recover from the investment should it be sold or should the investee liquidate, taking into account NHPF's claim on the investee's book value. A recordation of an impairment loss has no effect on the actual fair market value of the underlying property or performance of the overall investment. If the investment in HPET is considered to be permanently impaired, NHPF would reduce its investment balance in HPET and include such reduction in other income (losses) in housing projects on the consolidated statement of activities.

### Deferred Rent and Rent Holidays

NHPF recognizes escalating rent provisions on a straight-line basis over the lease term. Certain of NHPF's operating leases contain rent holidays. For these leases, NHPF recognizes the related rent expense on a straight-line basis at the earlier of the first rent payment or the date of possession of the leased property. The difference between the amounts charged to expense and the rent paid is recorded as deferred lease incentives and amortized over the lease term.

### Derivatives

Two of NHPF's affiliated entities, Foxwood Preservation and St. Luke's Preservation, use derivatives to manage risk and the economic impact related to interest rate movements. While the derivatives are mitigating the potential interest rate risk, as a nonprofit entity, the Organization is not permitted to use hedge accounting for its interest rate swap contracts (swaps). The swap contracts were reported at fair value and were included in other liabilities on the consolidated statement of financial position. The gains or losses resulting from the change in fair value of the swaps are shown as decreases or increases, respectively, to interest expense on the related mortgage notes.

### Rent Revenue

Rent revenue is recorded as rents become due. Rent payments received in advance are deferred until earned. All leases between the rental housing communities and its tenants are operating leases.

### Contributions and Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, including if the restriction expires in the fiscal year in which the contributions are recognized.

Revenue from certain grants is recognized by the NHPF and Pathways in full, upon written notification of the award. Grants are recognized as support without donor restrictions only to the extent of actual expenses incurred in compliance with grantor-imposed restrictions. Grants received in excess of expenses incurred are shown as assets with donor restrictions in the accompanying consolidated statement of activities.

Unconditional promises to give that are expected to be received within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows using discount rates approximating the rate of return on U.S. government securities with similar maturities.

### In-kind Contributions/Expense

Donated property and equipment are recorded at fair market value at the date of the donation.

NHPF and Pathways utilizes the services of outside volunteers. However, the fair value of these services is not recognized in the accompanying consolidated financial statements, since they do not meet the criteria of being a specialized service that would typically need to be purchased and do not enhance or create an asset.

### Developer Fee Revenue

Development fees are recorded as income in the period earned according to the developer fee agreement. If the developer fee agreement is silent as to when the developer fee is earned, NHPF recognized income in the period earned based on the percentage of completion method, taking into account the total anticipated development costs of the related project including completion and operating deficit guarantee obligations. The unearned portion is classified as deferred revenue. Development fees are carried at their net realizable value. Only the portion of development fees to be paid from operating cash flow is eliminated in consolidation.

### Construction in Progress

Costs associated with the acquisition, development and construction of housing projects are carried at cost. Construction in progress is capitalized and is included in land, buildings, improvements and equipment on the consolidated statements of financial position.

### Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and detailed in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program services are allocated between four categories: rental operations, acquisition and development, asset management and resident services. Costs allocated to rental operations relate to personnel and other costs involved in operating the properties. Costs allocated to acquisition and development relate to personnel and other costs associated with locating

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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and acquiring properties as well as construction supervision when rehabilitating the properties. Costs allocated to asset management relate to personnel and other costs associated with asset management supervision and administration of the properties. Costs allocated to resident services relate to personnel and other related expenses for the resident services programs offered at several of the Organization's rental housing communities.

### Income Taxes

NHPF and its nonprofit affiliated entities have applied for and received determination letters from the Internal Revenue Service (IRS) to be treated as tax-exempt entities pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2018 and 2017. Due to their tax-exempt status, NHPF and its nonprofit affiliated entities are not subject to income taxes. NHPF and its nonprofit affiliated entities are required to file and do file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and NHPF and its nonprofit affiliated entities have no other tax positions which must be considered for disclosure. Tax returns filed by NHPF and its nonprofit affiliated entities are subject to examination by the Internal Revenue Service for a period of three years. While no tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

The following are single member limited liability companies and therefore, these entities are treated as disregarded entities for income tax purposes and, as such, are not subject to income taxes:

- Alexander House Owner, LLC
- Anacostia Gardens Investor, LLC
- Anacostia Gardens GP, LLC
- Benning Heights Affordable, LLC
- Nannie Helen Owner, LLC
- New Covent LLC
- New Covent Managing Member, LLC
- New Mark Twain, LLC
- NHPF/WFH, LLC
- Princess Anne Investor, LLC
- Princess Anne Owner, LP
- Princess Anne GP, LLC
- The Pines Owner, LLC
- Takoma Place Investor, LLC
- Workforce Housing I, LLC

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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Rather, all items of taxable income and deductions are passed through to and are reported by NHPF or its nonprofit affiliated entities on their income tax return. Accordingly, these consolidated financial statements do not reflect a provision or benefit for income taxes for these entities. Since the entities are not required to file income tax returns, they have no filings which are open to examination by the Internal Revenue Service.

All other affiliated entities have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by the owners on their respective income tax returns. The affiliated entities' federal tax status as pass-through entities are based on their legal status as partnerships or limited liability companies. Accordingly, these affiliated entities are not required to take any tax positions in order to qualify as pass-through entities. These affiliated entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for federal income taxes for these affiliated entities. However, Roundtree, Wade Road Parkchester, Takoma Place, Anacostia Gardens, Nannie Helen Owner Strand, Benning Heights Investor and Columbia Heights Village are located in the District of Columbia and the District of Columbia does not recognize flow through entities, and therefore, income in the District of Columbia is subject to tax. Accordingly, these statements include a provision for District of Columbia income taxes in the amount of \$3,000 for both the years ended December 31, 2018 and 2017. These affiliated entities have no other tax positions which must be considered for disclosure. Income tax returns filed by these affiliated entities are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

### Use of Estimates

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

### Reclassifications

Certain amounts for the prior year have been reclassified to conform to the current year presentation.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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### NOTE 3 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end	
Cash	\$ 37,293,851
Investments - unrestricted	77,608
Accounts receivable	1,677,733
Grants receivable	<u>9,120</u>
Total financial assets available at year-end (available over the next 12 months to meet general expenditures)	<u>\$ 39,058,312</u>

The Organization receives revenue from rent, developer fees, other miscellaneous sources, as well as contributions without donor restrictions, all of which is available to meet general expenses during the next 12 months.

Additionally, in the normal course of business the Organization will make expenditures related to the acquisition and rehabilitation of properties. At any point in time, the Organization has a balance of these expenses shown as deferred development costs on the accompanying statement of financial position. These expenditures are reimbursed to the Organization from funding for the acquisition and rehabilitation of our properties. The total of these expenditures at December 31, 2018 was \$4,949,521 and is included in the consolidated statement of financial position as deferred development costs. Such funds, when reimbursed to the Organization, are then available to be used to acquire new properties and cover the up-front costs of new rehabilitation efforts.

### NOTE 4 - HOUSING ASSISTANCE AGREEMENTS

The Federal Housing Administration (FHA) has contracted with certain affiliated entities under Section 8 of the Housing Act of 1937, to make housing assistance payments on behalf of qualified tenants. The various contracts have expiration dates ranging from 2019 through 2035.

The affiliated entities receive a substantial amount of revenue from these contracts, and therefore, if the contracts are not extended or replaced, operating results will be adversely affected. Management plans to renew the contracts prior to the expiration of their terms, for the maximum renewal term available.

### NOTE 5 - INVESTMENTS

At December 31, 2018 and 2017, investments held in brokerage investment accounts consists of certificates of deposits in the amount of \$226,494 and \$841,549, respectively.

It is management's opinion that the fair value of these investments approximates their carrying amount on the books of NHPF. As of December 31, 2018 and 2017, \$148,886 and \$467,970, respectively, is restricted pursuant to various agreements.



# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### NOTE 6 - INVESTMENTS IN OPERATING ENTITIES

As of December 31, 2018, and 2017, NHPF and its affiliates have investments in operating entities that it accounts for under the cost or equity method. These investments are summarized in the table below:

Operating Entity	Date of Initial Investment	Accounting Method	12/31/2018	12/31/2017
Housing Partnership Equity Trust, LLC	Various	Cost	\$ 184,030	\$ 184,052
NHPF-Shore Hill Investor, LLC	2018	Cost	1,515,320	-
NHPF-Shore Hill Manager, LLC	2018	Cost	2,530	-
Total cost method investments			<u>1,701,880</u>	<u>184,052</u>
CHA LLC	2016	Equity	(36)	-
Cherry Estates	2011	Equity	1,821	1,820
Eagles Landing	2015	Equity	44,339	44,342
NHPF/UA, LLC	2016	Equity	627,685	-
NHPF/UA II, LLC	2017	Equity	33,585	(85,974)
NHPF/WFH, LLC	2017	Equity	(32,500)	-
Total equity method investments			<u>674,894</u>	<u>(39,812)</u>
<b>Total cost and equity method investments</b>			<u><b>\$ 2,376,774</b></u>	<u><b>\$ 144,240</b></u>

The combined equity investments as of and for the years ended December 31, 2018 and 2017 are summarized below:

Investments in operating entities at January 1, 2017	\$ 737,280
Capital contributions paid	44,342
Distributions received	(821,757)
Equity in income of Operating Entities	<u>323</u>
Investments in operating entities at December 31, 2017	\$ (39,812)
Capital contributions paid	381,550
Distributions received	(55,678)
Equity in losses of operating entities	<u>388,834</u>
Investments in operating entities at December 31, 2018	<u><u>\$ 674,894</u></u>

The combined summary financial information of the equity investments as of December 31, 2018 and 2017 and for the years then ended, are as follows:

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### BALANCE SHEET

	2018	2017
Cash and cash equivalents	\$ 690,235	\$ 1,133,481
Restricted cash	1,294,301	573,148
Investment in properties	628,569	(164,146)
Land, buildings, improvements and equipment, net	28,983,164	27,225,193
Mortgage escrow and utility deposits	74,701	15,524,073
Prepaid expenses and other assets	816,113	224,013
Replacement reserves	20,425	350,820
Tenants' security deposits	59,355	22,123
Due from affiliate	24,596	5,193
	<u>32,591,459</u>	<u>44,893,898</u>
Total assets	<u>\$ 32,591,459</u>	<u>\$ 44,893,898</u>
 <b>LIABILITIES AND MEMBERS' EQUITY</b>		
Accounts payable and accrued expenses	\$ 1,647,516	\$ 1,286,897
Other liabilities	1,758,256	875,976
Tenants' security deposits	50,712	43,390
Mortgage notes payable	17,387,145	15,902,360
Notes and construction loans payable with accrued interest	3,002,510	17,641,639
	<u>23,846,139</u>	<u>35,750,262</u>
Total liabilities	<u>23,846,139</u>	<u>35,750,262</u>
Members' equity		
NHPF member equity	674,894	(39,812)
Other members' equity	8,070,426	9,183,448
	<u>8,745,320</u>	<u>9,143,636</u>
Total members' equity	<u>8,745,320</u>	<u>9,143,636</u>
Total liabilities and members' equity	<u>\$ 32,591,459</u>	<u>\$ 44,893,898</u>

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### STATEMENT OF OPERATIONS

	2018	2017
Revenue		
Rent revenue	\$ 3,205,484	\$ 2,656,770
Asset management fees	389,141	195,527
Interest revenue	6,822	94,024
Other revenue	32,479	1,089,257
Total revenue	3,633,926	4,035,578
Operating expenses		
Legal expense	13,902	33,179
Other professional fees	22,500	115,200
Travel	-	15,346
Office expenses	833,066	1,299,920
Miscellaneous operating expenses	4,430,957	3,572,071
Total operating expenses	5,300,425	5,035,716
Net loss before equity in losses	(1,666,499)	(1,000,138)
Equity in losses	-	-
Net loss	\$ (1,666,499)	\$ (1,000,138)
NHPF share of net income (loss)	\$ 388,834	\$ 323
Other members' share of net (loss) income	\$ (2,055,333)	\$ (1,000,461)

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### NOTE 7 - NOTES RECEIVABLE AND ACCRUED INTEREST

Notes receivable and accrued interest consist of the following:

Affiliated Entity	Description	2018 Note Balance	2017 Note Balance	2018 Accrued Interest	2017 Accrued Interest	Maturity Date	Interest Rate	Borrowers
Cornertone/Bayview	HTCC Loan	\$ 500,000	\$ 500,000	\$ 82,232	\$ 66,925	12/1/2054	2.70%	Bayview Preservation
Cornertone/Bayview	Seller Loan	10,285,139	10,332,544	169,151	251,613	12/1/2054	2.40%	Bayview Preservation
NHPF	Mirror Loan	-	8,789,659	-	29,304	2/8/2019	3.63%	Bolton North
NHPF	Promissory Note	-	2,339,025	-	11,208	6/1/2018	5.75%	New Mark Twain
NHPF	HUD Loan	2,740,408	2,740,408	144,129	73,799	1/1/2049	2.75%	Benning Heights Investor
Miliken Affordable	Seller Loan	5,185,000	5,185,000	735,554	470,119	12/31/2056	7.00%	Ships Cove Preservation
Miliken Affordable	Reserve Note	1,252,000	1,252,000	210,797	113,518	12/31/2056	7.00%	Ships Cove Preservation
Cherry Affordable	Seller Loan	73,481	98,300	4,678	4,678	7/14/2046	3.86%	Cherry Estates L.P
Falls Church	Loan	514,249	349,250	53,207	27,494	[2]	5.00%	Alexander House
Falls Church	Seller Loan	-	36,000	-	30,405	12/1/2016	6.00%	420 S. Virginia Ave.
Falls Church	Loan	2,000,000	708,370	82,355	3,086	[1]	5.00%	Cambridge
Forest Affordable	Seller Loan	1,433,253	1,765,974	15,442	14,449	3/19/2037	1.00%	Forest Park
Foxwood Affordable	Seller Loan	12,800,000	12,800,000	6,681,287	5,888,879	6/30/2046	4.24%	Foxwood Preservation
Hollybush Affordable	Seller Loan	5,817,529	6,056,295	130,695	132,022	12/31/2055	3.28%	Hollybush Preservation
Jamestown Affordable	Acquisition Loan	3,000,000	3,000,000	397,505	307,803	8/25/2024	2.99%	Cleme Manor
Jamestown Affordable	Acquisition Loan	1,200,000	1,200,000	51,901	16,023	8/25/2024	2.99%	Cleme Manor
NHPF	Mortgage	184,250	184,250	58,179	27,096	11/30/2049	8.00%	Harvest Homes
NHPF	Sponsor Loan	-	150,000	-	518	1/15/2015	6.00%	Clipper Cove
NHPF	Sponsor Loan	983,399	-	7,013	-	2/15/2025	8.50%	Clipper Cove
NHPF	Sponsor Loan	1,450,000	1,450,000	164,188	149,688	3/19/2037	1.00%	Forest Park
NHPF	Sponsor Loan	1,045,000	1,045,000	118,442	108,854	3/1/2044	1.00%	Walnut Square
NHPF	Sponsor Loan	600,000	600,000	68,515	62,515	3/1/2044	1.00%	Walnut Square
NHPF	Sponsor Loan	250,000	250,000	134,865	134,147	3/1/2027	5.15%	Walnut Square
NHPF	Sponsor Loan	254,721	295,814	799	6,389	12/31/2051	1.00%	Alabama Ave. Roundtree
NHPF	Seller Loan	1,718,958	-	-	-	4/1/2060	8.00%	Mark Twain NHPF
Orange Affordable	Seller Loan	17,800,000	17,800,000	4,370,371	3,767,905	12/31/2052	3.53%	Orange Preservation
Plaza B I	Gap Loan	109,190	109,190	15,695	2,527	6/1/2046	3.14%	Plaza B II
Plaza B I	Seller Loan	4,250,669	4,250,669	645,633	496,577	6/1/2046	3.14%	Plaza B II
Plaza B I	Reserve Note	336,256	336,256	49,881	38,474	6/1/2046	3.14%	Plaza B II
NHPF	Promissory Note	511,343	562,654	-	-	12/18/2044	0.00%	St Luke's GP
St Luke GP	Promissory Note	511,343	562,654	-	-	12/18/2044	0.00%	St Luke's Preservation
Cornerstone St. Luke's	Seller Loan	4,815,000	4,815,000	2,150,204	1,871,382	12/18/2044	4.17%	St Luke's Preservation
	Sub-total	81,621,188	89,564,312	16,542,718	14,107,397			
	Less: Allowance	(2,740,408)	(2,740,408)	(144,129)	-			
	Eliminations	(76,787,432)	(85,981,234)	(16,300,389)	(14,069,234)			
	Total	\$ 2,093,348	\$ 842,670	\$ 98,200	\$ 38,163			

[1] - Loan is due by the third equity installment received at rental achievement.

[2] - Loan is included in a promissory note dated March 11, 2019 and the previous note was cancelled. The maturity date is the earlier of (i) borrow's closing on the LIHTC, (ii) Borrower's sale of the Alexander House Apartments and (iii) March 11, 2022.

## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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#### NOTE 8 - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT, NET

As of December 31, 2018 and 2017, land, buildings, improvements and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 63,650,019	\$ 56,828,389
Buildings, improvements and equipment	<u>521,216,194</u>	<u>457,660,212</u>
	584,866,213	514,488,601
Less: Accumulated depreciation	<u>(90,747,966)</u>	<u>(81,050,813)</u>
	<u>\$ 494,118,247</u>	<u>\$ 433,437,788</u>

Depreciation expense for 2018 and 2017 amounted to \$12,822,109 and \$12,286,605, respectively. Construction in progress of \$9,300,869 and \$15,159,975 at December 31, 2018 and 2017, respectively, is included in buildings, improvements and equipment. Accumulated depreciation includes a one-time elimination adjustment related to intercompany gain on sales. Refer to Note 13 for the acquisition and disposition of properties during 2018 and 2017.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### NOTE 9 - NOTES AND CONSTRUCTION LOANS PAYABLE

Notes payable and accrued interest consist of the following:

Affiliated Entity	2018 Note Balance	2017 Note Balance	2018 Accrued Interest	2017 Accrued Interest	Maturity Date	Interest Rate	Lenders
NHPF	\$ 1,791,714	\$ 2,112,500	\$ 20,157	\$ 56,250	2023	4.500%	Prudential Insurance Company of America
NHPF	2,250,000	2,500,000	17,250	19,167	2023	3.000%	Prudential Insurance Company of America
NHPF-Bolton	-	8,789,659	-	29,302	Repaid	3.810%	PNC Bank
NHPF-Deanwood	325,000	325,000	5,281	8,801	Repaid	6.500%	National Housing Trust
NHPF-Calagno	-	500,000	-	2,375	Repaid	6.000%	Community Capital
NHPF-Ridgecrest	-	1,428,000	-	33,528	Repaid	5.750%	National Housing Trust
NHPF-Ridgecrest	1,628,000	-	23,403	-	At Conversion	5.750%	Capital Impact Partner's
NHPF-Mark Twain	-	100,000	-	5,450	Repaid	6.000%	Corporation for Supportive Housing
NHPF-Woodmont	-	1,201,450	-	11,147	Repaid	6.000%	Local Initiatives Support Corporation
Alabama Ave. (Roundtree) - Sponsor Loan	516,983	603,701	2,696	12,279	2051	1.000%	NHPF and VOV Community Development Corp.
Alexander House - Bridge Loan	514,250	349,250	52,682	27,494	At Recapitalization	5.000%	Falls Church
Anacostia Gardens	286,841	-	6,439	-	At Recapitalization	8.000%	NHPF
Bayview Preservation - Seller Loan	10,285,139	10,332,544	169,151	251,613	2054	2.400%	Cornerstone/Bayview Inc.
Bayview Preservation - HTCC Loan	500,000	500,000	82,232	66,925	2054	2.700%	Cornerstone/Bayview Inc.
Benning Heights Investor	2,740,408	2,740,408	151,204	73,799	2049	2.750%	NHPF
Benning Heights Investor	14,800	-	284	-	2019	5.000%	NHPF
Benning Heights Investor	14,681,192	10,436,193	57,006	-	2049	2.250%	Citibank
Benning Heights Investor	5,012,387	5,012,387	298,749	150,372	2049	3.000%	District of Columbia Department of Housing and Community Development
Bolton North - Bridge loan	8,185,074	8,789,657	30,388	29,304	2023	Varies	PNC Bank
Bolton North - Sponsor Loan	500,000	-	10,308	-	2035	2.660%	NHPF/UA II, LLC
Cleme Manor - City Loan	3,000,000	3,000,000	400,503	307,803	2024	2.990%	Jamestown Affordable Housing, Inc.
Cleme Manor - Owner Loan	1,200,000	1,200,000	52,382	16,023	2024	2.990%	Jamestown Affordable Housing, Inc.
Clipper Cove	-	300,000	-	740	Refinanced	6.000%	NHPF/TPI
Clipper Cove	655,602	-	4,799	-	At Recapitalization	8.500%	TPI
Clipper Cove	983,399	-	7,198	-	At Recapitalization	8.500%	NHPF
Forest Park - Seller Loan	1,438,914	1,765,974	9,684	14,449	2037	1.000%	Forest Park Affordable Housing, Inc.
Forest Park - NHPF Loan	1,450,000	1,450,000	164,189	149,689	2037	1.000%	NHPF
Foxwood Preservation - Seller Loan	12,800,000	12,800,000	6,681,287	5,888,879	2046	4.240%	Foxwood Affordable Housing, Inc.
Harvest Homes	-	7,746,035	-	28,340	Converted	Varies	JP Morgan Chase
Harvest Homes	184,250	184,250	48,310	31,043	2049	8.000%	NHPF
Hollybush Preservation - Seller Loan	5,817,528	6,056,295	130,695	132,022	2055	3.280%	Hollybush
Jamestown	4,200,000	4,200,000	-	-	2024	0.000%	Dept. of Housing and Community Development
New Mark Twain	-	2,339,025	-	11,208	Refinanced	6.000%	The Chicago Community Loan Fund
Mark Twain NHPF	4,993,584	-	-	-	2060	8.000%	Chicago Community Loan Fund
Mark Twain NHPF	18,498,521	-	22,609	-	2060	8.000%	City of Chicago
Mark Twain NHPF - Sponsor Loan	1,699,090	-	-	-	2060	8.000%	NHPF
Nannie Helen Owner Strand	4,653,975	3,454,886	167,993	-	2057	3.000%	Office of the Deputy Mayor for Planning and Economic Development
New Covent	328,004	-	-	-	2023	8.000%	NHPF
Orange Preservation - Seller Loan	17,800,000	17,800,000	4,375,985	3,767,905	2052	3.530%	Orange Affordable Housing, Inc.
Plaza B II-Seller Note	4,250,669	4,250,669	645,634	566,862	2046	3.140%	Plaza B I
Plaza B II-Reserve Note	336,256	336,256	49,881	38,474	2046	3.140%	Plaza B I
Plaza B II-Gap Note	109,190	109,190	15,695	2,527	2046	3.140%	Plaza B I
Plaza B II - HDC 2nd	1,920,000	1,920,000	1,600	-	2046	1.000%	New York City Housing Development Corporation
St. Luke's Preservation - Seller Loan	4,815,000	4,815,000	2,150,204	1,871,381	2044	4.170%	Cornerstone/St. Luke's, Inc.
St. Luke's Preservation - Promissory Note	511,343	562,654	-	-	N/A	0.000%	St. Luke's GP, Inc.
St. Luke's GP-Promissory Note	511,343	562,654	-	-	N/A	0.000%	NHPF
Ships Cove Preservation	-	1,827,000	-	-	Converted	Varies	Citizen Bank
Ships Cove Preservation	-	848,535	-	-	Converted	Varies	Citizen Bank
Takoma Place	4,450,000	-	20,194	-	2020	5.270%	District of Columbia Housing Finance Agency
Takoma Place	13,637,505	13,712,505	354,427	68,563	2020	3.000%	DCHD
Pines at Carolina	3,700,000	3,700,000	20,813	-	2023	6.750%	LIIF Housing Preservation Fund, LLC
Wade Road Parkchester	9,500,000	8,968,368	-	27,129	2056	3.760%	Citibank
Walnut Square - NHPF Loan	1,045,001	1,045,001	177,945	108,854	2044	1.000%	NHPF
Walnut Square - NHPF Loan	600,000	600,000	102,169	62,515	2044	1.000%	NHPF
Walnut Square - NHPF Loan	250,000	250,000	42,570	134,147	2027	5.150%	NHPF
Walnut Square - TCAP	1,000,000	1,000,000	78,877	68,822	2051	1.000%	TCAP - Louisiana Housing Finance Agency
Sub-total	175,570,962	162,525,046	16,652,873	14,075,181			
Eliminations	(73,720,484)	(82,284,641)	(15,504,609)	(13,527,188)			
Total	101,850,478	80,240,405	\$ 1,148,264	\$ 547,993			
Unamortized debt issuance costs	(1,720,894)	(1,749,032)					
Total	100,129,584	78,491,373					
Accrued Interest	1,148,264	547,993					
Balance, Net of Unamortized Debt Issuance Costs	\$ 101,277,848	\$ 79,039,366					

## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

For the years ended December 31, 2018 and 2017, total interest costs of \$2,949,669 and \$1,780,366, respectively, were incurred and expensed. For the years ended December 31, 2018 and 2017, amortization of debt issuance costs of \$28,138 and \$118,963, respectively, were included in total interest costs expensed.

Debt issuance costs, net of accumulated amortization, as of December 31, 2018 and 2017, totaled \$1,720,894 and \$1,749,032, respectively, and are related to the notes and construction loans payable. Amortization of the debt issuance costs is based on imputed rates ranging from 5.08% to 6.60%.

Total minimum principal payments for the next five years and thereafter on notes payable are due as follows:

	NHPF	Real Estate Entities	Tax Credit Entities	Other Entities	Eliminations	Total
December 31,						
2019	\$ 325,000	\$ 801,091	\$ 8,199,874	\$ -	\$ (815,891)	\$ 8,510,074
2020	-	18,087,505	-	-	-	18,087,505
2021	1,628,000	-	-	-	-	1,628,000
2022	-	-	-	-	-	-
2023	4,041,714	4,028,004	-	-	(328,004)	7,741,714
Thereafter	-	31,484,171	102,264,260	4,711,343	(72,576,589)	65,883,185
	<u>5,994,714</u>	<u>54,400,771</u>	<u>110,464,134</u>	<u>4,711,343</u>	<u>(73,720,484)</u>	<u>101,850,478</u>
Unamortized debt issuance costs	-	(857,713)	(863,181)	-	-	(1,720,894)
	<u>\$ 5,994,714</u>	<u>\$ 53,543,058</u>	<u>\$ 109,600,953</u>	<u>\$ 4,711,343</u>	<u>\$ (73,720,484)</u>	<u>\$ 100,129,584</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
YEARS ENDED DECEMBER 31, 2018 and 2017

NOTE 10 - MORTGAGE NOTES PAYABLE

Mortgage notes payable and accrued interest consist of the following:

Affiliated Entity	2018 Mortgage Amount	2017 Mortgage Amount	2018 Accrued Interest	2017 Accrued Interest	Maturity Date	Interest Rate	Description or Mortgagee
Pepper Tree	\$ 3,582,004	\$ 3,652,935	\$ -	\$ -	2022	5.000%	PNC Bank
Pepper Tree	3,231,400	3,359,800	-	-	2044	0.000%	Texas Dept. of Housing and Community Affairs
ACT LaSalle	902,857	915,000	7,794	-	2028	4.870%	Bellwether Enterprise Mortgage Investment LLC
ACT LaSalle	882,277	889,698	1,470	-	2037	2.000%	City of Charlotte
Alabama Ave. Roundtree	4,770,000	4,840,000	55,332	56,144	2048	2.320%	District of Columbia Housing Finance Agency
Alabama Ave. Roundtree	5,000,000	5,000,000	267,546	261,171	2051	1.000%	District of Columbia Department of Housing and Community Development
Alexander House	4,800,000	4,800,000	-	-	2019	Varies	Enterprise Community Loan Fund Inc.
Alexander House	900,000	900,000	-	-	At Conversion	6.000%	Enterprise Community Loan Fund Inc.
Anacostia Gardens	6,400,000	6,400,000	32,099	26,450	2019	variable	Eagle Bank
Anacostia Gardens	2,400,000	2,400,000	12,000	12,000	At Recapitalization	6.000%	Local Initiatives Support Corporation
Bayview Preservation	15,153,408	15,262,010	80,979	80,979	2054	6.250%	Connecticut Housing Finance Authority
Bolton North	24,795,000	25,200,000	189,141	257,138	2034	variable	Maryland Community Development Administration
Clipper Cove	15,897,775	16,286,848	50,926	52,172	2023	3.720%	PNC Bank
Clipper Cove	8,335,561	8,453,691	37,038	37,563	2023	5.160%	PNC Bank
Cleme Manor	17,860,815	14,933,422	8,081	41,220	At Conversion	3.250%	PNC Bank
Columbia Heights Village	61,299,506	92,103,279	185,806	-	2022	3.520%	Enterprise Mortgage Investments, LLC
Columbia Heights Village	28,959,808	-	116,459	-	2022	4.670%	Bellwether Enterprise Mortgage Investments, LLC
Falls Church	-	6,235,400	-	20,954	Refinanced	3.368%	Oak Grove Commercial Mortgage, LLC
Falls Church	7,471,087	-	28,822	-	2028	4.780%	Jones Lang LaSalle Multifamily LLC
Foxwood Preservation	10,954,222	11,114,665	-	-	2046	variable	Bank of America, N.A./Pennsylvania Housing Finance Agency
Harvest Homes	595,078	600,000	2,967	1,062	2036	5.790%	JPMorgan Chase Bank
Harvest Homes	1,039,544	519,772	85,213	25,319	2049	7.000%	The Peoples Community Development Associations Chicago
Hollybush Preservation	14,075,000	14,225,000	122,749	123,594	2022	2.25%/3.55%	New Jersey Housing and Mortgage Finance Agency
Mark Twain NHPF	27,325,000	-	-	-	2060	4.400%	Bellwether Enterprises Real Estate Capital, LLC
New Covent	5,000,000	5,000,000	62,890	-	2019	5.250%	Community Investment Corporation
New Covent	2,220,000	2,220,000	10,702	9,546	2019	6.000%	Chicago Community Loan Fund
New Mark Twain	-	16,600,000	-	108,080	Refinanced	variable	PCI Investor Lender Fund III LLC
New Mark Twain	-	5,250,000	-	25,477	Refinanced	6.000%	Chicago Community Loan Fund
Orange Preservations	17,180,000	17,445,000	255,199	257,293	2028	4.839%	New Jersey Housing and Mortgage Finance Agency
Plaza B II	8,222,426	8,390,000	40,770	41,304	2046	5.950%	New York City Housing Development Corporation
Forest Park	4,743,290	4,843,381	26,879	27,446	2027	6.800%	Pacific Life Insurance Company
Walnut Square	2,334,977	2,378,810	14,263	14,531	2028	7.330%	Pacific Life Insurance Company
Walnut Square	19,777,452	19,749,073	104,980	122,515	2044	1.000%	Louisiana Housing Finance Authority
Princess Anne Owner	9,397,500	-	48,230	-	2019	5.960%	LIIF Housing Preservation Fund, LLC
Ship's Cove Preservation	10,653,304	10,804,374	35,951	35,515	2034	4.090%	Massachusetts Development Finance Agency
St. Luke's Preservation	4,000,000	4,000,000	-	6,627	2042	variable	Industrial Development Authority of the City of St. Louis, Missouri
Takoma Place	-	2,335,909	-	8,269	2020	variable	Citibank NA
Pines at Carolina	14,492,765	14,783,156	41,808	-	2023	3.350%	Jones Lang LaSalle Multifamily, LLC
Wade Road Parkchester	6,413,410	6,413,410	18,528	-	2056	1.000%	DC Department of Housing and Community Development
Wade Road Parkchester	-	717,462	-	2,231	Refinanced	variable	Citibank NA
Woodmont Crossing	25,398,000	-	93,003	-	2058	4.400%	District of Columbia Housing Finance Agency
Sub-total	396,463,466	359,022,095	2,037,625	1,654,600			
Eliminations	-	-	-	(27,096)			
Total	396,463,466	359,022,095	\$ 2,037,625	\$ 1,627,504			
Unamortized debt issuance costs	(12,406,542)	(9,426,003)					
Accrued Interest	2,037,625	1,627,504					
Balance, Net of Unamortized Debt Issuance Costs	\$ 386,094,549	\$ 351,223,596					



## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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As of December 31, 2018, and 2017, all other mortgage notes payable are solely collateralized by the respective rental properties owned by the affiliated entities responsible for each mortgage. NHPF has provided no underlying guarantees on other mortgage notes, other than standard guarantees for fraud and other “bad boy” acts. Principal and interest are payable monthly on all mortgage notes except those financed with tax-exempt bonds. On tax-exempt bond financing, the bond payments are made in accordance with the various bond agreements. All loan agreements require various periodic escrow deposits for taxes, insurance and replacement of property assets.

Total principal payments on mortgage notes are due as follows:

<u>Year ending December 31,</u>	<u>Total</u>
2019	\$ 54,217,895
2020	5,435,140
2021	5,678,965
2022	90,623,856
2023	16,547,379
Thereafter	<u>223,960,231</u>
	396,463,466
Unamortized debt issuance costs	<u>(12,406,542)</u>
	<u>\$ 384,056,924</u>

For the years ended December 31, 2018 and 2017, total interest costs of \$15,997,980 and \$10,308,928, respectively, were incurred, of which \$1,167,263 and \$151,171, respectively, were capitalized and \$15,631,737 and \$10,157,757, respectively, were expensed. For the years ended December 31, 2018 and 2017, amortization of debt issuance costs of \$1,331,641 and \$777,252, respectively, were included in total interest costs expensed. For the years ended December 31, 2018 and 2017, the unrealized gains on the interest rate liability of \$366,243 and \$248,448, respectively, were included in total interest costs expensed.

Debt issuance costs, net of accumulated amortization, as of December 31, 2018 and 2017, totaled \$12,406,542 and \$9,426,003, respectively, and are related to the mortgage notes payable. Amortization of the debt issuance costs on the above notes results in an effective yield between 1.78% to 8.40%.

#### Interest Rate Swap Contracts

To manage risk and the economic impact related to interest rate movements on loans funded with variable rate tax-exempt bonds, three affiliated entities, Asmara, Foxwood Preservation and St.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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Luke's Preservation, have entered into swap contracts. Under the Asmara contract, Asmara paid a fixed interest rate of 1.6495% per annum and received a floating interest rate based on the USD-SIFMA Municipal Swap Index (0.72% as of December 31, 2017). During 2017, the swap matured and the properties were sold to an unrelated third party. Under Foxwood Preservation's contract, Foxwood Preservation pays a fixed interest rate of 3.81% per annum and receives a floating rate based on the USD-SIFMA Municipal Swap Index (1.71% and 1.22% at December 31, 2018 and 2017, respectively). This swap matures on December 1, 2025. Under the St. Luke's Preservation contract, St. Luke's Preservation pays a fixed interest rate of 3.68% per annum and receives a floating interest rate based on the USD-SIFMA Municipal Swap Index (1.71% and 1.22% at December 31, 2018 and 2017, respectively). This swap contract matures on December 1, 2026.

The fair value of the interest rate swap liability represents an estimate of the amount that the affiliated entities would have to pay the other party to the swap contracts to cancel the swaps as of December 31, 2018 and 2017 and is based on current interest rates for similar contracts. The recorded amount of the liability or asset representing the fair value of the swap contracts will vary from year-to-year with fluctuations in the interest rates and the swaps move closer to their maturity dates. The change in the fair value of the interest rate swaps is recorded in interest expense on the consolidated statement of activities and statement of functional expenses for the years ended December 31, 2018 and 2017. At December 31, 2018 and 2017, the interest rate swap contracts represent a liability of \$1,734,349 and \$2,100,592, which is included in other liabilities on the consolidated statements of financial position.

### NOTE 11 - LEASES

NHPF leased office space under a standard commercial operating lease extending through September 30, 2018 for its main office in New York, NY. In January, 2017 the lease agreement was amended to reflect new office space and the lease was extended through March, 2027. NHPF leases office space under a standard commercial operating leases extending through December 31, 2026 for its Washington, DC office. Rent expense for the years ended December 31, 2018 and 2017 totaled \$945,065 and \$961,885, respectively, which is net of all sublease payments and rent concessions.

Future minimum lease commitments at December 31, 2018, are as follows:

2019	\$	958,726
2020		981,388
2021		1,004,587
2022		1,060,442
2023		1,096,178
Thereafter		<u>3,611,346</u>
	\$	<u><u>8,712,667</u></u>

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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### NOTE 12 - FAIR VALUE

Accounting standards require disclosure of fair value information about financial instruments when it is practicable to estimate that value. Mortgage and other notes payable that were issued in conjunction with a regulatory agreement with various mortgage lenders, whereby the project receives U.S. Department of Housing and Urban Development (HUD) financial assistance in return for providing housing for low- and moderate-income tenants, or are with various state and local housing authorities, were not subject to market conditions at the time of original issuance. Current financing rates are not determinable since the projects are dependent on HUD financial assistance for operation. These circumstances make it impracticable to estimate the fair value of the mortgage and other notes. The carrying amount approximates fair value for other assets and liabilities reported on the consolidated statement of financial position that require disclosure under these standards.

The accounting standard for fair value measurement and disclosures defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. The accounting standard was applied to the Organization's financial assets and liabilities, and to certain non-financial assets and liabilities. Fair value is defined by the accounting standard for fair value measurement and disclosures as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value the Organization uses when measuring fair value:

- a. Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access;
- b. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and
- c. Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

The gain on the interest rate swap contracts of \$366,243 for 2018 and the gain on the interest rate swap contracts of \$248,448 for 2017, are classified within level 2 of the fair value hierarchy, and are included as an increase in interest expense on the consolidated statement of functional expenses. No other assets or liabilities are measured at fair value as of December 31, 2018 or 2017. The following tables present the fair value of liabilities measured on a recurring basis as of December 31, 2018 and 2017:

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

	Level 1	Level 2	Level 3	December 31, 2018 Net balance
Interest rate swap contracts	\$ -	\$ 1,734,349	\$ -	\$ 1,734,349

  

	Level 1	Level 2	Level 3	December 31, 2017 Net balance
Interest rate swap contracts	\$ -	\$ 2,100,592	\$ -	\$ 2,100,592

On a recurring basis, the Organization measures its interest rate swap contracts at their estimated fair value. In determining the fair value of the interest rate swap derivatives, management uses the present value of expected cash flows based on market observable interest rate yield curve commensurate with the term of the instrument. The Organization incorporates credit valuation adjustments to appropriately reflect both the Organization's nonperformance risk and that of the respective counterparty in the fair value measurement. The credit valuation adjustments utilize level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Organization. However, management determined that as of December 31, 2018 and 2017, the impact of the credit valuation adjustments were not significant to the overall valuation of the swaps. As a result, the fair value of the swaps is considered to be based primarily on level 2 inputs.

### NOTE 13 - ACQUISITION AND DISPOSITION OF PROPERTIES

The following table reflects properties acquired during the two year period covered by these financial statements:

Date	Property	Location	Units	Purchase price	Funding
3/14/2017	Takoma Place	Washington DC	105	\$ 14,000,000	Citibank \$8.5M LISC \$8.2M Bellwether \$915K
5/25/2017	LaSalle at Lincoln Heights	Charlotte, NC	60	\$ 1,543,000	City of Charlotte \$911K
8/22/2017	Strand	Washington DC	86	\$ 3,030,001	District of Columbia \$9.9M Bellwether \$29,365,000 Enterprise Community Loan Fund \$5M Enterprise Multifamily Opportunity Fund \$4.95M
12/28/2017	Columbia Heights Village	Washington, DC	406	\$ 33,000,100	District of Columbia \$25.5M Royal Bank of Canada (RBC) \$12.1M LIIF, NHPT, and Morgan Stanley \$9.357M
5/15/2018	Princess Anne Townhomes	Princess Anne MD	120	\$ 8,770,000	
11/7/2018	Shore Hills *	Brooklyn, NY	558	\$ 149,410,000	Prudential \$102.2M
12/21/2018	Mark Twain NHPF LLC	Chicago, IL	152	\$ 23,000,000	Bellwether \$18.5M

\* NHPF's investment in Shore Hills is 2.995%

## THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

The following table reflects properties sold during the two-year period covered by these financial statements:

<u>Date</u>	<u>Property</u>	<u>Location</u>	<u>Sales Price</u>	<u>Gain</u>
5/12/2017	Copper and Magnolia	Baton Rouge LA	\$ 18,000,000	\$ 6,890,218
11/28/2017	Virginia Village	Falls Church VA	\$ 680,000	\$ 584,246
12/13/2017	Asmara (5 properties)	Dallas and Fort Worth, TX	\$ 45,000,000	\$ 32,789,610
12/21/2018	New Mark Twain, LLC	Chicago, IL	\$ 23,000,000	\$ 4,820,317

The total excess of revenue over expenses from discontinued operations for the years ended December 31, 2018 and 2017 was as follows:

	<u>2018</u>	<u>2017</u>
Asmara Affordable Housing, Inc.	\$ -	\$ 5,055,450
New Mark Twain, LLC	-	-
Preserving Louisiana's Affordable Housing I, LLC (Copper)	-	4,783,559
Preserving Louisiana's Affordable Housing II, LLC (Magnolia)	-	5,332,854
Virginia Village Apartments	-	(161,123)
Total	<u>\$ -</u>	<u>\$ 15,010,740</u>

The following table represents net assets transferred in during the years ended December 31, 2018 and 2017 from acquisition of general partner interests in the following properties:

	<u>2018</u>	<u>2017</u>
Columbia Heights Village Apartments LP	\$ -	\$ (25,316,148)
Bolton North LP	-	(5,627,904)
Columbia Apartments LP	-	(23,372,940)
NDFD LLC	346,630	-
	<u>\$ 346,630</u>	<u>\$ (54,316,992)</u>

On August 1, 2012, NDFD, a wholly-owned subsidiary of NHPF, entered into a limited liability company agreement with UA-NHPF Fund Member LLC to form NHPF/UA. On August 8, 2012, NHPF/UA entered into an agreement with PNC Bank National Association (PNC) to form NHP Foundation – Urban Atlantic Fund I LLC (the Fund). The purpose of the Fund is to develop a pipeline of low income tax credit transactions. The Fund will acquire, hold, sell, dispose of and otherwise deal with interests in multi-family projects that qualify both as affordable housing and public welfare investments.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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Properties included in the Fund as of December 31, 2018 are as follows:

- New Countryside LLC (Countryside)
- New Exchange Place LLC (Exchange Place)
- New Flanders LLC (Flanders)
- Lancaster Owner, LLC (Lancaster)

On August 9, 2017, NHPF Foundation-Urban Atlantic Fund I LLC and Columbia Housing SLP Corporation sold their limited partnership interests to NHPF/UA Bolton, LLC.

### NOTE 14 - RESTRICTIONS AND LIMITATIONS ON NET ASSETS

During the years ended December 31, 2018 and 2017, net assets released from temporary donor restrictions and the events and transactions which caused the restrictions to expire are \$26,692 and \$216,872, respectively, for expenses incurred for donor specified purposes.

As of December 31, 2018, and 2017, the balance of donor restricted net assets was \$51,124 and \$58,696, respectively, which is comprised of gifts and other unexpended revenue restricted to specific programs.

### NOTE 15 - PROPERTY MANAGEMENT

The NHP Foundation uses third party property management companies to manage the day-to-day operations of its properties

### NOTE 16 - COMMITMENTS AND CONTINGENCIES

#### Guarantees

During the normal course of owning, rehabilitating and operating multifamily affordable housing properties, NHPF makes certain guarantees and enters into agreements containing certain obligations. The typical guarantees are:

#### Operating Deficit Guarantee

With the exception of Forest, NHPF is obligated to fund operating deficits beginning at a specified time, frequently rental stabilization not to exceed a specified time and amount. In the case of Forest, NHPF has guaranteed the property will operate at a sustainable level for the entire 15-year tax credit compliance period.

#### Tax Credit Recapture

These are summarized below: Under certain circumstances, the GP may be required to repurchase the equity investor's interest if the property does not generate the promised amount of housing tax credits on schedule.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

### Construction Completion

NHPF is responsible for any cost overruns relating to development cost, bills, expenses, charges, cost and fees relating to the construction of or rehabilitation completion of the property.

The following table summarizes the guarantees by property.

<u>Property</u>	<u>Type</u>	<u>Operating Deficit Guarantee</u>	<u>Tax Credit Recapture Guarantee</u>	<u>Construction Completion Guarantee</u>
Forest Park	LIHTC	Yes	Yes	N/A
Walnut Square	LIHTC	No	Yes	N/A
Foxwood Preservation	LIHTC	No	Yes	N/A
St. Luke's Preservation	LIHTC	Yes	Yes	N/A
Orange Preservation	LIHTC	No	Yes	N/A
Roundtree	LIHTC	Yes	Yes	N/A
Bayview Preservation	LIHTC	Yes	Yes	N/A
Hollybush Preservation	LIHTC	Yes	Yes	N/A
Plaza B II	LIHTC	Yes	Yes	N/A
Harvest Homes	LIHTC	Yes	Yes	N/A
Cleme Manor	LIHTC	Yes – Not yet active	Yes	N/A
Ships Cove Preservation	LIHTC	Yes	Yes	N/A
Wade Road Parkchester	LIHTC	Yes	Yes	N/A
Benning Heights Investor	LIHTC	Yes – Not yet active	Yes	Yes
Woodmont Crossing	LIHTC	Yes – Not yet active	Yes	N/A
Takoma Place	LIHTC	Yes – Not yet active	Yes	Yes
Bolton North	LIHTC	Yes – Not yet active	Yes	Yes

### Litigation

In the ordinary course of business, NHPF and its affiliated entities are involved in a number of lawsuits, claims and assessments. In the opinion of management, no loss contingencies are required to be recorded in the accompanying financial statements.

### **NOTE 17 - JOINT AND SEVERAL LIABILITY**

On March 12, 2015, NHPF through a joint venture with Urban Atlantic, an unrelated party, closed a revolving line of credit for \$10,000,000 with the Low-Income Investment Fund (“LIIF”). This facility will be used to purchase multi-family properties where the tenants earn between 80% and 120% of the Area Median Income. The line of credit will be secured by the underlying properties. NHPF and Urban Atlantic have jointly and severally guaranteed the line of credit. As of December 31, 2018, no funds have been drawn on this line of credit.

During 2016, the joint venture was modified with Urban Atlantic withdrawing from the joint venture leaving NHPF as the sole guarantor. Also, during 2016, \$3,700,000 was drawn against this line and used in the purchase of Pines.

# THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED YEARS ENDED DECEMBER 31, 2018 and 2017

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The LIIF line specified a period of three years from the Closing Date during which funds could be drawn from the line (“the Origination Period”). The Origination Period ended during 2018.

### NOTE 18 - CONCENTRATION OF CREDIT RISK

The Organization and its affiliated entities maintain its cash balances at various financial institutions. The institutions are members of the Federal Deposit Insurance Corporation (FDIC). Money market fund balances, classified as cash and cash equivalents or restricted cash on the consolidated statements of financial position, are protected by the Securities Investor Protection Corporation (SIPC). During 2018 and 2017, the balance in these accounts may have, from time-to-time, exceeded the FDIC and SIPC insurance limits; however, the Organization and its affiliated entities have not experienced any losses with respect to these balances in excess of the government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash and cash equivalent balances at December 31, 2018 and 2017.

### NOTE 19 - SUBSEQUENT EVENTS

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through October 15, 2019 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that could require recognition in the consolidated financial statements. However, certain subsequent events have occurred that require disclosure as discussed in the following paragraphs:

On February 26, 2019, NHPF acquired Ridgecrest Courts, a 272-unit property located in Washington DC for a purchase price of \$25,560,000, funded through a \$21,075,000 loan from JP Morgan Chase and a loan of \$7,500,000 from Capital Impact Partners.

On April 17, 2019, NHPF purchased Center City, a 49-unit multifamily affordable housing property located in Newark NJ for a purchase price of \$3,416,197 funded through a \$4,488,400 loan from Orix Real Estate Capital.

On April 17, 2019, NHPF acquired Irvine Turner, a 93-unit multifamily affordable housing property located in Newark, NJ, for a purchase price of \$6,553,803 funded with a \$8,871,000 loan from Orix Real Estate Capital.



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees  
The NHP Foundation

### Report on Supplementary Information

We have audited the consolidated financial statements of The NHP Foundation and its Affiliated Entities as of and for the year ended December 31, 2018, and our report thereon dated October 16, 2019, which expressed an unmodified opinion on those financial statements, appears on pages 3 and 4. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 42 through 89, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit 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, based on our audit and the reports of other auditors, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The information on pages 47 through 89, marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*CohnReznick LLP*

Bethesda, Maryland  
October 16, 2019

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2018

	The NHP Foundation	Operation Pathways	Interstate	All Real Estate Entities	Consolidated Eliminations	Total
Assets:						
Cash and cash equivalents	\$ 26,385,712	\$ 72,007	\$ 4,837	\$ 10,831,295	\$ -	\$ 37,293,851
Investments - restricted	148,886	-	-	-	-	148,886
Investments - unrestricted	77,608	-	-	-	-	77,608
Restricted cash	1,662,526	-	-	-	-	1,662,526
Notes receivable and accrued interest	7,549,672	-	-	87,729,697	(93,087,821)	2,191,548
Grant receivable	-	9,120	-	-	-	9,120
Investments in housing funds	63,210,756	-	-	(21,461,592)	(39,372,390)	2,376,774
Land, buildings, improvements and equipment, net	476,300	-	-	528,664,002	(35,022,055)	494,118,247
Mortgage escrow and utility deposits	-	-	-	48,581,682	-	48,581,682
Prepaid expenses and other assets	302,889	-	-	3,801,659	(58,395)	4,046,153
Replacement reserves	-	-	-	4,617,950	-	4,617,950
Tenants' security deposits	-	-	-	1,514,694	-	1,514,694
Deferred development costs	5,671,297	-	-	-	(721,776)	4,949,521
Deferred other costs, net	-	-	-	1,541,886	-	1,541,886
Asset management and resident service fees receivable	47,501	-	-	-	(47,501)	-
Advances receivable	5,625,400	6,496	744,710	382,599	(6,115,429)	643,776
Due from affiliates	13,889,901	(475,445)	-	1,305,832	(4,973,916)	9,746,372
<b>Total assets</b>	<b>\$ 125,048,448</b>	<b>\$ (387,822)</b>	<b>\$ 749,547</b>	<b>\$ 667,509,704</b>	<b>\$ (179,399,283)</b>	<b>\$ 613,520,594</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
SUPPLEMENTARY INFORMATION - CONTINUED  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2018

	The NHP Foundation	Operation Pathways	Interstate	All Real Estate Entities	Consolidated Eliminations	Total
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 843,949	\$ 159,556	\$ -	\$ 9,806,169	\$ (235,030)	\$ 10,574,644
Other liabilities	3,619,068	35,000	-	2,569,164	-	6,223,232
Tenants' security deposits	-	-	-	1,615,399	-	1,615,399
Mortgage notes payable and accrued interest	-	-	-	386,094,549	-	386,094,549
Notes and construction loans payable and accrued interest	6,060,805	-	-	184,442,136	(89,225,093)	101,277,848
Accounts payable - affiliates	247,006	-	-	24,584,177	(10,873,502)	13,957,681
Asset management fees payable	-	-	-	183,125	(172,501)	10,624
<b>Total liabilities</b>	<b>10,770,828</b>	<b>194,556</b>	<b>-</b>	<b>609,294,719</b>	<b>(100,506,126)</b>	<b>519,753,977</b>
<b>Net assets:</b>						
Without donor restrictions - controlling	114,277,620	(633,502)	749,547	16,123,042	(78,893,157)	51,623,550
Without donor restrictions - noncontrolling	-	-	-	42,091,943	-	42,091,943
<b>Total net assets without donor restrictions</b>	<b>114,277,620</b>	<b>(633,502)</b>	<b>749,547</b>	<b>58,214,985</b>	<b>(78,893,157)</b>	<b>93,715,493</b>
Net assets with donor restrictions	-	51,124	-	-	-	51,124
<b>Total net assets</b>	<b>114,277,620</b>	<b>(582,378)</b>	<b>749,547</b>	<b>58,214,985</b>	<b>(78,893,157)</b>	<b>93,766,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 125,048,448</b>	<b>\$ (387,822)</b>	<b>\$ 749,547</b>	<b>\$ 667,509,704</b>	<b>\$ (179,399,283)</b>	<b>\$ 613,520,594</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2018

	Without Donor Restrictions				With Donor Restrictions				
	The NHP Foundation	Operation Pathways	Interstate	All Real Estate Entities	Total Unrestricted	Operation Pathways	Total Temporarily Restricted	Consolidation Eliminations	Total
Public support and operating revenue:									
Rent revenue	\$ -	\$ -	\$ -	\$ 64,445,631	\$ 64,445,631	\$ -	\$ -	\$ -	\$ 64,445,631
Developer fee revenue	7,509,927	-	-	-	7,509,927	-	-	(1,162,289)	6,347,638
Contributions and grants	3,074,370	391,518	-	3,785	3,469,673	19,120	19,120	(2,454,371)	1,034,422
Management fees	340,100	883,592	58,804	857,609	2,140,105	-	-	(1,579,502)	560,603
Other income (losses) in housing funds	1,057,741	-	-	707,747	1,765,488	-	-	(1,376,654)	388,834
Interest revenue	1,155,140	-	-	3,279,409	4,434,549	-	-	(3,522,461)	912,088
Other revenue	1,028,912	1,400	-	3,145,414	4,175,726	-	-	(1,830,153)	2,345,573
	14,166,190	1,276,510	58,804	72,439,595	87,941,099	19,120	19,120	(11,925,430)	76,034,789
Net assets released from restrictions	-	26,692	-	-	26,692.00	(26,692)	(26,692)	-	-
Total public support and operating revenue	14,166,190	1,303,202	58,804	72,439,595	87,967,791	(7,572)	(7,572)	(11,925,430)	76,034,789
Expenses:									
Program services:									
Rental operations	-	-	-	77,056,374	77,056,374	-	-	(7,071,459)	69,984,915
Acquisition and development	4,370,628	-	-	-	4,370,628	-	-	-	4,370,628
Asset management	977,713	-	-	-	977,713	-	-	-	977,713
Operation Pathways	-	1,198,043	-	-	1,198,043	-	-	-	1,198,043
Supporting services:									
Management and general	7,374,355	339,603	141,569	7,513,359	15,368,886	-	-	(3,305,162)	12,063,724
Fundraising services	502,597	59,466	-	-	562,063	-	-	-	562,063
Total expenses	13,225,293	1,597,112	141,569	84,569,733	99,533,707	-	-	(10,376,621)	89,157,086
Excess of revenue over expenses (expenses over revenue) before other revenue (expense)	940,897	(293,910)	(82,765)	(12,130,138)	(11,565,916)	(7,572)	(7,572)	(1,548,809)	(13,122,297)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
 SUPPLEMENTARY INFORMATION - CONTINUED  
 CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED

Year ended December 31, 2018

	Without Donor Restrictions				With Donor Restrictions				
	The NHP Foundation	Operation Pathways	Interstate	All Real Estate Entities	Total Unrestricted	Operation Pathways	Total Temporarily Restricted	Consolidation Eliminations	Total
Other revenue (expense):									
Gain (loss) on sale of properties	1,681,841	-	-	4,820,317	6,502,158	-	-	(6,015,953)	486,205
Total other revenue (expense)	1,681,841	-	-	4,820,317	6,502,158	-	-	(6,015,953)	486,205
Excess of revenue over expenses (expenses over revenue)	2,622,738	(293,910)	(82,765)	(7,309,821)	(5,063,758)	(7,572)	(7,572)	(7,564,762)	(12,636,092)
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	9,558,861	9,558,861	-	-	-	9,558,861
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	<u>\$ 2,622,738</u>	<u>\$ (293,910)</u>	<u>\$ (82,765)</u>	<u>\$ 2,249,040</u>	<u>\$ 4,495,103</u>	<u>\$ (7,572)</u>	<u>\$ (7,572)</u>	<u>\$ (7,564,762)</u>	<u>\$ (3,077,231)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
SUPPLEMENTARY INFORMATION - CONTINUED  
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2018

	Without donor restrictions							With donor restrictions		
	Controlling						Noncontrolling	Controlling	Net Assets	
	The NHP Foundation	Operation Pathways	Interstate	All Real Estate Entities	Consolidated eliminations	Subtotal	All Real Estate Entities			Total
Beginning balance, January 1, 2018	\$ 111,654,882	\$ (339,592)	\$ 832,312	\$ 25,010,419	\$ (81,622,109)	\$ 55,535,912	\$ 22,424,428	\$ 77,960,340	\$ 58,696	\$ 78,019,036
Transfers in	-	-	-	(7,292,393)	7,639,023	346,630	-	346,630	-	346,630
Capital contributions from noncontrolling interests, net of syndication costs	-	-	-	-	-	-	28,037,043	28,037,043	-	28,037,043
Contributions from / (distributions to) controlling interests	-	-	-	(2,517,256)	2,517,256	-	-	-	-	-
Other changes in equity	-	-	-	(137,435)	137,435	-	-	-	-	-
Transfer of net assets	-	-	-	(1,189,333)	-	(1,189,333)	1,189,333	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	-	-	-	(9,558,861)	(9,558,861)	-	(9,558,861)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	2,622,738	(293,910)	(82,765)	2,249,040	(7,564,762)	(3,069,659)	-	(3,069,659)	(7,572)	(3,077,231)
Ending balance, December 31, 2018	<u>\$ 114,277,620</u>	<u>\$ (633,502)</u>	<u>\$ 749,547</u>	<u>\$ 16,123,042</u>	<u>\$ (78,893,157)</u>	<u>\$ 51,623,550</u>	<u>\$ 42,091,943</u>	<u>\$ 93,715,493</u>	<u>\$ 51,124</u>	<u>\$ 93,766,617</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
SUPPLEMENTARY INFORMATION - CONTINUED  
UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUMMARY

December 31, 2018

	NHPF	Operation Pathways	Interstate	All Real Estate Entities	Elimination Entries	Total
Assets:						
Cash and cash equivalents	\$ 26,385,712	\$ 72,007	\$ 4,837	\$ 10,831,295	\$ -	\$ 37,293,851
Investments - restricted	148,886	-	-	-	-	148,886
Investments - unrestricted	77,608	-	-	-	-	77,608
Restricted cash	1,662,526	-	-	-	-	1,662,526
Notes receivable and accrued interest	7,549,672	-	-	87,729,697	(93,087,821)	2,191,548
Grants receivable	-	9,120	-	-	-	9,120
Investments in housing funds	63,210,756	-	-	(21,461,592)	(39,372,390)	2,376,774
Land, buildings, improvements and equipment, net	476,300	-	-	528,664,002	(35,022,055)	494,118,247
Mortgage escrow and utility deposits	-	-	-	48,581,682	-	48,581,682
Prepaid expenses and other assets	302,889	-	-	3,801,659	(58,395)	4,046,153
Replacement reserves	-	-	-	4,617,950	-	4,617,950
Tenants' security deposits	-	-	-	1,514,694	-	1,514,694
Deferred development costs	5,671,297	-	-	-	(721,776)	4,949,521
Deferred other costs, net	-	-	-	1,541,886	-	1,541,886
Management fees receivable	47,501	-	-	-	(47,501)	-
Advances - current	4,194,610	6,496	744,710	382,599	(4,679,643)	648,772
Advances - future developments	1,430,790	-	-	-	(1,435,786)	(4,996)
Due from affiliates	13,889,901	(475,445)	-	1,305,832	(4,973,916)	9,746,372
	<u>\$ 125,048,448</u>	<u>\$ (387,822)</u>	<u>\$ 749,547</u>	<u>\$ 667,509,704</u>	<u>\$ (179,399,283)</u>	<u>\$ 613,520,594</u>
Total assets	<u>\$ 125,048,448</u>	<u>\$ (387,822)</u>	<u>\$ 749,547</u>	<u>\$ 667,509,704</u>	<u>\$ (179,399,283)</u>	<u>\$ 613,520,594</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SUMMARY - CONTINUED

December 31, 2018

	NHPF	Operation Pathways	Interstate	All Real Estate Entities	Elimination Entries	Total
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 843,949	\$ 159,556	\$ -	\$ 9,806,169	\$ (235,030)	\$ 10,574,644
Other liabilities	3,619,068	35,000	-	2,569,164	-	6,223,232
Tenants' security deposits	-	-	-	1,615,399	-	1,615,399
Mortgage notes payable and accrued interest	-	-	-	386,094,549	-	386,094,549
Notes and construction loans payable and accrued interest	6,060,805	-	-	184,442,136	(89,225,093)	101,277,848
Accounts payable - affiliates	247,006	-	-	24,584,177	(10,873,502)	13,957,681
Asset management fees payable	-	-	-	183,125	(172,501)	10,624
<b>Total liabilities</b>	<b>10,770,828</b>	<b>194,556</b>	<b>-</b>	<b>609,294,719</b>	<b>(100,506,126)</b>	<b>519,753,977</b>
<b>Net assets:</b>						
Beginning net assets	111,654,882	(280,896)	832,312	47,434,847	(81,622,109)	78,019,036
Transfers in (out)	-	-	-	(7,292,393)	7,639,023	346,630
Contributions (distributions), net of syndication costs	-	-	-	25,519,787	2,517,256	28,037,043
Change in equity	-	-	-	(137,435)	137,435	-
Excess of revenue over expenses (expenses over revenue)	2,622,738	(301,482)	(82,765)	(7,309,821)	(7,564,762)	(12,636,092)
<b>Total net assets</b>	<b>114,277,620</b>	<b>(582,378)</b>	<b>749,547</b>	<b>58,214,985</b>	<b>(78,893,157)</b>	<b>93,766,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 125,048,448</b>	<b>\$ (387,822)</b>	<b>\$ 749,547</b>	<b>\$ 667,509,704</b>	<b>\$ (179,399,283)</b>	<b>\$ 613,520,594</b>



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
 SUPPLEMENTARY INFORMATION - CONTINUED  
 UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES – SUMMARY

Year ended December 31, 2018

	NHPF	Operation Pathways	Interstate	All Real Estate Entities	Elimination Entries	Total
Rent revenue	\$ -	\$ -	\$ -	\$ 64,445,631	\$ -	\$ 64,445,631
Contribution income - affiliates	2,607,248	139,949	-	3,386	(2,454,371)	296,212
Contribution income - non-affiliates	467,122	270,689	-	399	-	738,210
Asset management fees	340,100	-	58,804	857,609	(734,886)	521,627
Resident service fees	-	883,592	-	-	(844,616)	38,976
Developer fee income	7,509,927	1,265	-	-	(1,162,289)	6,348,903
Interest income	1,155,140	-	-	3,279,409	(3,522,461)	912,088
Other revenue	1,028,912	135	-	3,145,414	(1,830,153)	2,344,308
Gain (loss) on sale of properties	1,681,841	-	-	4,820,317	(6,015,953)	486,205
Other losses (income) in investment in housing funds	1,057,741	-	-	707,747	(1,376,654)	388,834
<b>Total revenue</b>	<b>15,848,031</b>	<b>1,295,630</b>	<b>58,804</b>	<b>77,259,912</b>	<b>(17,941,383)</b>	<b>76,520,994</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES – SUMMARY - CONTINUED

Year ended December 31, 2018

	NHPF	Operation Pathways	Interstate	Real Estates Entities	Elimination Entries	Total
Salaries and benefits	7,117,677	1,022,853	-	9,138,019	-	17,278,549
Facilities and maintenance	-	-	-	9,532,243	(66,667)	9,465,576
Interest	185,690	-	-	21,418,028	(3,022,312)	18,581,406
Utilities	-	-	-	6,460,528	-	6,460,528
Insurance	63,998	-	-	2,768,496	-	2,832,494
Real estate taxes	-	-	-	2,838,619	-	2,838,619
Property management fees	-	-	-	2,583,835	-	2,583,835
Asset management fees	-	-	-	407,384	(297,111)	110,273
Accounting expense	239,342	15,900	-	500,625	-	755,867
Legal	248,194	9,984	-	616,582	-	874,760
Management and administration	2,280,248	435,832	275	6,249,236	(228,597)	8,736,994
Consulting expense	871,414	-	-	171,892	-	1,043,306
Marketing	194,627	12,355	-	283,045	-	490,027
Travel	712,418	100,188	-	34,656	-	847,262
Bad debt expense	144,131	-	-	1,160,606	(144,131)	1,160,606
Directors fee expense	45,000	-	-	-	-	45,000
Resident service fees	844,616	-	-	-	(844,616)	-
Contributions expense	141,273	-	141,294	2,925,475	(3,045,273)	162,769
Other financial expense	-	-	-	2,117,835	(264,196)	1,853,639
Depreciation	136,665	-	-	15,162,489	(2,463,718)	12,835,436
Amortization	-	-	-	200,140	-	200,140
<b>Total expense</b>	<b>13,225,293</b>	<b>1,597,112</b>	<b>141,569</b>	<b>84,569,733</b>	<b>(10,376,621)</b>	<b>89,157,086</b>
Excess of expense over revenue (expenses over revenue)	2,622,738	(301,482)	(82,765)	(7,309,821)	(7,564,762)	(12,636,092)
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	9,558,861	-	9,558,861
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	<u>\$ 2,622,738</u>	<u>\$ (301,482)</u>	<u>\$ (82,765)</u>	<u>\$ 2,249,040</u>	<u>\$ (7,564,762)</u>	<u>\$ (3,077,231)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES

December 31, 2018

	ACT LaSalle	Alexander House	Anacostia Garden	Clipper Cove	Columbia Heights Village	Falls Church
<b>Assets:</b>						
Cash and cash equivalents	\$ 15,612	\$ 11,435	\$ 75,770	\$ 154,001	\$ 1,546,991	\$ 2,194,234
Investments - unrestricted	-	-	-	-	-	-
Notes receivable and accrued interest	-	-	-	-	-	2,649,811
Investments in housing funds	-	-	-	-	-	-
Land, buildings, improvements and equipment, net	1,671,128	5,812,253	8,226,360	7,289,018	32,154,594	3,934,356
Mortgage escrow and utility deposits	13,591	28,764	111,945	588,258	3,547,523	135,013
Prepaid expenses and other assets	7,714	65,592	67,429	212,251	288,027	12,822
Replacement reserves	204,867	-	-	-	-	65,203
Tenants' security deposits	15,755	18,859	-	52,135	131,592	39,757
Deferred other costs, net	-	-	-	-	24,500	-
Due from affiliates	7,711	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,936,378</b>	<b>\$ 5,936,903</b>	<b>\$ 8,481,504</b>	<b>\$ 8,295,663</b>	<b>\$ 37,693,227</b>	<b>\$ 9,031,196</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 25,707	\$ 40,266	\$ 255,086	\$ 43,692	\$ 240,493	\$ 74,893
Other liabilities	5,361	3,250	1,939	6,345	55,251	95
Tenants' security deposits	15,308	18,032	66,733	82,456	131,133	39,757
Mortgage notes payable and accrued interest	1,782,018	5,693,000	8,830,615	24,082,049	89,076,700	7,351,711
Notes and construction loans payable and accrued interest	-	566,932	293,280	1,650,998	-	-
Accounts payable - affiliates	700	570,262	-	-	19,849	330,605
Asset management fees payable	-	-	-	-	-	32,500
<b>Total liabilities</b>	<b>1,829,094</b>	<b>6,891,742</b>	<b>9,447,653</b>	<b>25,865,540</b>	<b>89,523,426</b>	<b>7,829,561</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	ACT LaSalle	Alexander House	Anacostia Garden	Clipper Cove	Columbia Heights Village	Falls Church
Net assets:						
Beginning net assets (GP)	229,973	(578,314)	(430,808)	(16,745,935)	(25,372,813)	1,609,510
Beginning net assets (LP)	-	-	-	(940,520)	(25,421,113)	-
Transfers in (out) (GP)	-	-	-	-	(2,167,847)	-
Transfers in (out) (LP)	-	-	-	-	2,167,847	-
Contribution/distribution (GP)	-	-	-	-	(2,164,989)	-
Contribution/distribution (LP)	-	-	-	-	(920,007)	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(122,689)	(376,525)	(535,341)	116,578	2,048,723	(407,875)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	-
Ending net asset (GP)	107,284	(954,839)	(966,149)	(16,629,357)	(27,656,926)	1,201,635
Ending net asset (LP)	-	-	-	(940,520)	(24,173,273)	-
Total net assets	107,284	(954,839)	(966,149)	(17,569,877)	(51,830,199)	1,201,635
Total liabilities and net assets	\$ 1,936,378	\$ 5,936,903	\$ 8,481,504	\$ 8,295,663	\$ 37,693,227	\$ 9,031,196

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

Asmara Affordable

	Creek Hollow	Heritage Square	The Highlands	The Grove at Trinity Mills	Stone Ridge	Mark Twain NHPF
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments - unrestricted	-	-	-	-	-	-
Notes receivable and accrued interest	-	-	-	-	-	-
Investments in housing funds	-	-	-	-	-	-
Land, buildings, improvements and equipment, net	-	-	-	-	-	22,387,664
Mortgage escrow and utility deposits	-	-	-	-	-	27,832,311
Prepaid expenses and other assets	-	-	-	-	-	148,198
Replacement reserves	-	-	-	-	-	256,416
Tenants' security deposits	-	-	-	-	-	-
Deferred other costs, net	-	-	-	-	-	65,538
Due from affiliates	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,690,127</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,515
Other liabilities	-	-	-	-	-	27,940
Tenants' security deposits	-	-	-	-	-	28,160
Mortgage notes payable and accrued interest	-	-	-	-	-	26,268,856
Notes and construction loans payable and accrued interest	-	-	-	-	-	25,213,804
Accounts payable - affiliates	-	-	-	-	-	103,136
Asset management fees payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,898,411</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	Asmara Affordable					Mark Twain NHPF
	Creek Hollow	Heritage Square	The Highlands	The Grove at Trinity Mills	Stone Ridge	
Net assets:						
Beginning net assets (GP)	197,452	226,748	193,512	548,427	226,646	-
Beginning net assets (LP)	-	-	-	-	-	-
Transfers in (out) (GP)	-	-	-	-	-	(4,710,632)
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	-	-	-	-
Contribution/distribution (LP)	-	-	-	-	-	3,525,830
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(197,452)	(226,748)	(193,512)	(548,427)	(226,646)	-
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	(23,482)
Ending net asset (GP)	-	-	-	-	-	(4,710,632)
Ending net asset (LP)	-	-	-	-	-	3,502,348
Total net assets	-	-	-	-	-	(1,208,284)
Total liabilities and net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,690,127

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	Nannie Helen Owner Strand	New Covent	New Mark Twain	Princess Anne Owner	Takoma Place	Pines at Carolina	Total
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ 87,131	\$ 85,025	\$ 7,288	\$ 69,739	\$ 78,747	\$ 4,325,973
Investments - unrestricted	-	-	-	-	-	-	-
Notes receivable and accrued interest	-	-	-	-	-	-	2,649,811
Investments in housing funds	-	-	-	-	-	-	-
Land, buildings, improvements and equipment, net	4,977,359	7,120,765	-	8,983,278	16,500,131	17,506,210	136,563,116
Mortgage escrow and utility deposits	-	33,868	-	174,669	2,284,520	74,141	34,824,603
Prepaid expenses and other assets	-	47,915	88,402	167,429	93,907	79,865	1,279,551
Replacement reserves	-	114,847	-	-	-	165,595	806,928
Tenants' security deposits	-	6,800	-	40,100	53,216	82,345	440,559
Deferred other costs, net	-	-	-	98,975	107,847	-	296,860
Due from affiliates	-	-	-	9,202	-	5,053	21,966
<b>Total assets</b>	<b>\$ 4,977,359</b>	<b>\$ 7,411,326</b>	<b>\$ 173,427</b>	<b>\$ 9,480,941</b>	<b>\$ 19,109,360</b>	<b>\$ 17,991,956</b>	<b>\$ 181,209,367</b>
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ -	\$ 148,915	\$ 58,395	\$ 337,565	\$ 84,881	\$ 69,910	\$ 1,636,318
Other liabilities	-	9,233	-	3,946	11,628	43,916	168,904
Tenants' security deposits	-	-	-	43,523	51,679	77,502	554,283
Mortgage notes payable and accrued interest	-	7,293,592	-	9,379,563	-	14,416,312	194,174,416
Notes and construction loans payable and accrued interest	4,821,968	328,004	-	-	17,616,948	3,708,278	54,200,212
Accounts payable - affiliates	323,384	11,320	-	76,604	577,561	-	2,013,421
Asset management fees payable	-	-	-	-	-	-	32,500
<b>Total liabilities</b>	<b>5,145,352</b>	<b>7,791,064</b>	<b>58,395</b>	<b>9,841,201</b>	<b>18,342,697</b>	<b>18,315,918</b>	<b>252,780,054</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	Nannie Helen Owner Strand	New Covent	New Mark Twain	Princess Anne Owner	Takoma Place	Pines at Carolina	Total
Net assets:							
Beginning net assets (GP)	-	163,401	(2,074,348)	-	(870,335)	244,443	(42,432,441)
Beginning net assets (LP)	-	-	-	-	-	-	(26,361,633)
Transfers in (out) (GP)	-	-	-	-	-	-	(6,878,479)
Transfers in (out) (LP)	-	-	-	-	-	-	2,167,847
Contribution/distribution (GP)	-	-	-	3,386	-	(75,000)	(2,236,603)
Contribution/distribution (LP)	-	-	-	-	2,404,400	-	5,010,223
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(79,797)	(543,139)	2,189,380	(363,646)	(77)	(493,405)	39,402
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	(88,196)	-	-	-	(767,325)	-	(879,003)
Ending net asset (GP)	(79,797)	(379,738)	115,032	(360,260)	(870,412)	(323,962)	(51,508,121)
Ending net asset (LP)	(88,196)	-	-	-	1,637,075	-	(20,062,566)
Total net assets	(167,993)	(379,738)	115,032	(360,260)	766,663	(323,962)	(71,570,687)
Total liabilities and net assets	\$ 4,977,359	\$ 7,411,326	\$ 173,427	\$ 9,480,941	\$ 19,109,360	\$ 17,991,956	\$ 181,209,367



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - REAL ESTATE ENTITIES

December 31, 2018

	ACT LaSalle	Alexander House	Anacostia Garden	Clipper Cove	Columbia Heights Village	Falls Church
Rent revenue	\$ 364,776	\$ 844,048	\$ 1,196,438	\$ 4,609,581	\$ 11,968,905	\$ 1,328,685
Contribution income - non-affiliates	-	-	-	-	-	399
Interest income	168	460	334	-	19,952	122,507
Other revenue	3,106	32,385	9,916	265,980	152,911	11,323
Gain (loss) on sale of properties	-	-	-	-	-	-
<b>Total revenue</b>	<b>368,050</b>	<b>876,893</b>	<b>1,206,688</b>	<b>4,875,561</b>	<b>12,141,768</b>	<b>1,462,914</b>
Salaries and benefits	89,312	172,083	260,302	547,371	910,493	702,858
Facilities and maintenance	137,160	193,097	298,952	551,206	1,744,898	213,205
Interest	71,152	426,105	546,153	1,243,887	3,996,394	416,535
Utilities	35,931	91,217	215,437	351,440	584,721	113,775
Insurance	11,530	33,345	37,343	440,477	147,091	30,408
Real estate taxes	-	81,740	69,324	233,589	588	6,224
Property management fees	28,800	51,300	59,400	165,423	356,030	46,681
Asset management fees	1,800	-	-	59,080	47,022	65,000
Accounting expense	13,800	11,991	11,126	12,000	19,498	52,454
Legal	-	1,714	10,265	9,227	39,450	20,977
Management and administration	46,610	41,205	12,994	270,293	235,054	58,696
Consulting expense	-	-	2,768	-	30,442	-
Marketing	566	958	8,781	12,868	8,227	18,606
Bad debt expense	1,130	5,348	45,733	41,696	111,848	-
Travel	-	164	-	117	17,961	535
Contributions expense	-	-	-	-	-	-
Depreciation	51,603	142,965	163,451	815,435	1,118,100	124,835
Amortization	1,345	-	-	-	4,598	-
Other financial expense and acquisition fee	-	186	-	4,874	720,630	-
<b>Total expense</b>	<b>490,739</b>	<b>1,253,418</b>	<b>1,742,029</b>	<b>4,758,983</b>	<b>10,093,045</b>	<b>1,870,789</b>
Excess of (expense over revenue) revenue over expense	(122,689)	(376,525)	(535,341)	116,578	2,048,723	(407,875)
Excess of (expenses over revenue) revenue over expenses attributable to noncontrolling interests	-	-	-	-	-	-
Excess of (expenses over revenue) revenue over expenses attributable to the Organization	\$ (122,689)	\$ (376,525)	\$ (535,341)	\$ 116,578	\$ 2,048,723	\$ (407,875)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	Asmara Affordable					
	Creek Hollow	Heritage Square	The Highlands	The Grove at Trinity Mills	Stone Ridge	Mark Twain NHPF
Rent revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,022
Contribution income - non-affiliates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Gain (loss) on sale of properties	-	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,022</b>
Salaries and benefits	-	-	-	-	-	-
Facilities and maintenance	-	-	-	-	-	68,434
Interest	-	-	-	-	-	650
Utilities	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	(37,370)
Property management fees	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Management and administration	-	-	-	-	-	1,160
Consulting expense	-	-	-	-	-	-
Marketing	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Contributions expense	135,300	130,230	99,645	687,497	257,906	-
Depreciation	-	-	-	-	-	11,630
Amortization	-	-	-	-	-	-
Other financial expense and acquisition fee	62,152	96,518	93,867	(139,070)	(31,260)	-
<b>Total expense</b>	<b>197,452</b>	<b>226,748</b>	<b>193,512</b>	<b>548,427</b>	<b>226,646</b>	<b>44,504</b>
<b>Excess of (expense over revenue) revenue over expense</b>	<b>(197,452)</b>	<b>(226,748)</b>	<b>(193,512)</b>	<b>(548,427)</b>	<b>(226,646)</b>	<b>(23,482)</b>
<b>Excess of (expenses over revenue) revenue over expenses attributable to noncontrolling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,482</b>
<b>Excess of (expenses over revenue) revenue over expenses attributable to the Organization</b>	<b>\$ (197,452)</b>	<b>\$ (226,748)</b>	<b>\$ (193,512)</b>	<b>\$ (548,427)</b>	<b>\$ (226,646)</b>	<b>\$ -</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - REAL ESTATE ENTITIES - CONTINUED

December 31, 2018

	Nannie Helen Owner Strand	New Covent	New Mark Twain	Princess Anne Owner	Takoma Place	Pines at Carolina	Total
Rent revenue	\$ -	\$ 320,425	\$ 1,101,644	\$ 899,292	\$ 1,265,323	\$ 1,963,487	\$ 25,883,626
Contribution income - non-affiliates	-	-	-	-	-	-	399
Interest income	-	-	1	464	1,422	42	145,350
Other revenue	-	150,356	48,754	1,917	13,824	45,397	735,869
Gain (loss) on sale of properties	-	-	4,820,317	-	-	-	4,820,317
<b>Total revenue</b>	<b>-</b>	<b>470,781</b>	<b>5,970,716</b>	<b>901,673</b>	<b>1,280,569</b>	<b>2,008,926</b>	<b>31,585,561</b>
Salaries and benefits	-	215,266	286,392	178,992	320,409	299,608	3,983,086
Facilities and maintenance	-	96,985	58,705	92,203	294,418	406,794	4,156,057
Interest	167,993	383,409	2,173,732	412,200	556,023	839,082	11,233,315
Utilities	-	47,893	125,267	164,689	166,278	186,480	2,083,128
Insurance	-	41,628	76,914	47,215	39,231	74,821	980,003
Real estate taxes	-	-	-	52,482	-	-	406,577
Property management fees	-	25,237	65,513	35,696	60,275	78,716	973,071
Asset management fees	-	-	-	-	-	-	172,902
Accounting expense	-	12,000	12,000	12,862	14,780	12,708	185,219
Legal	-	31,268	30,750	6,254	14,926	18,059	182,890
Management and administration	-	64,578	257,936	29,181	292,371	66,856	1,376,934
Consulting expense	-	15,925	9,525	714	-	-	59,374
Marketing	-	18	268	11,649	5,880	8,610	76,431
Bad debt expense	-	17,723	95,351	99,110	-	61,311	479,250
Travel	-	424	2,440	-	783	-	22,424
Contributions expense	-	-	-	-	-	-	1,310,578
Depreciation	-	61,352	561,287	121,572	256,429	439,286	3,867,945
Amortization	-	-	25,256	-	-	-	31,199
Other financial expense and acquisition fee	-	214	-	500	26,168	10,000	844,779
<b>Total expense</b>	<b>167,993</b>	<b>1,013,920</b>	<b>3,781,336</b>	<b>1,265,319</b>	<b>2,047,971</b>	<b>2,502,331</b>	<b>32,425,162</b>
Excess of (expense over revenue) revenue over expense	(167,993)	(543,139)	2,189,380	(363,646)	(767,402)	(493,405)	(839,601)
Excess of (expenses over revenue) revenue over expenses attributable to noncontrolling interests	88,196	-	-	-	767,325	-	879,003
Excess of (expenses over revenue) revenue over expenses attributable to the Organization	<u>\$ (79,797)</u>	<u>\$ (543,139)</u>	<u>\$ 2,189,380</u>	<u>\$ (363,646)</u>	<u>\$ (77)</u>	<u>\$ (493,405)</u>	<u>\$ 39,402</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION – TAX CREDIT ENTITIES

December 31, 2018

	Alabama Ave. (Roundtree)	Bayview Preservation	Benning Heights Investor	Bolton North	Cleme Manor	Foxwood Preservation
<b>Assets:</b>						
Cash and cash equivalents	\$ 304,236	\$ 512,002	\$ 240,073	\$ 278,370	\$ 269,339	\$ 309,556
Land, buildings, improvements and equipment, net	11,453,710	28,296,185	28,407,254	29,180,357	36,364,899	24,155,140
Mortgage escrow and utility deposits	676,220	1,717,635	588,910	441,824	677,624	971,429
Prepaid expenses and other assets	41,494	277,375	61,689	88,420	305,950	93,196
Replacement reserves	138,247	763,590	416,853	96,695	65,100	260,201
Tenants' security deposits	46,470	162,992	28,563	66,246	41,171	111,833
Deferred other costs, net	33,590	44,220	58,640	186,967	78,968	59,894
Due from affiliates	-	-	-	-	-	-
Contributions receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 12,693,967</b>	<b>\$ 31,773,999</b>	<b>\$ 29,801,982</b>	<b>\$ 30,338,879</b>	<b>\$ 37,803,051</b>	<b>\$ 25,961,249</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 40,186	\$ 81,011	\$ 1,810,321	\$ 433,530	\$ 1,569,268	\$ 118,823
Other liabilities	6,183	22,049	3,705	23,581	40,170	1,307,691
Tenants' security deposits	47,329	162,522	27,043	65,149	41,121	110,184
Mortgage notes payable and accrued interest	9,578,759	15,046,224	-	23,436,482	16,193,875	10,544,862
Notes and construction loans payable and accrued interest	519,679	11,036,522	22,092,849	8,725,770	4,652,885	19,481,287
Accounts payable - affiliates	7,500	3,528	1,202,350	3,123,916	4,654,972	584,835
Asset management fees payable	30,000	-	-	-	-	90,000
<b>Total liabilities</b>	<b>10,229,636</b>	<b>26,351,856</b>	<b>25,136,268</b>	<b>35,808,428</b>	<b>27,152,291</b>	<b>32,237,682</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION – TAX CREDIT ENTITIES - CONTINUED

December 31, 2018

	Alabama Ave. (Roundtree)	Bayview Preservation	Benning Heights Investor	Bolton North	Cleme Manor	Foxwood Preservation
Net assets:						
Beginning net assets (GP)	(151)	(97)	256,593	(3,054,256)	(851,654)	(1,135)
Beginning net assets (SLP)	(254)	10	-	-	-	(1,234)
Beginning net assets (LP)	2,719,883	5,701,280	2,213,923	(2,024,249)	12,337,281	(5,212,696)
Transfers in (out) (GP)	-	-	-	-	-	-
Transfers in (out) (SLP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	-	100	-	-
Contribution/distribution (SLP)	-	-	-	(499,890)	-	-
Contribution/distribution (LP)	-	-	3,645,500	971,320	15,043	-
Changes in Equity (GP)	-	-	-	-	-	-
Excess of expenses over revenue attributable to the Organization (GP)	(25)	(28)	(145)	(94,639)	(85)	(106)
Excess of expense over revenue attributable to noncontrolling interests (SLP)	(26)	-	-	(94,552)	-	(107)
Excess of expenses over revenue attributable to noncontrolling interests (LP)	(255,096)	(279,022)	(1,450,157)	(673,383)	(849,825)	(1,061,155)
Ending net asset (GP)	(176)	(125)	256,448	(3,148,795)	(851,739)	(1,241)
Ending net asset (SLP)	(280)	10	-	(594,442)	-	(1,341)
Ending net asset (LP)	2,464,787	5,422,258	4,409,266	(1,726,312)	11,502,499	(6,273,851)
Total net assets	2,464,331	5,422,143	4,665,714	(5,469,549)	10,650,760	(6,276,433)
Total liabilities and net assets	\$ 12,693,967	\$ 31,773,999	\$ 29,801,982	\$ 30,338,879	\$ 37,803,051	\$ 25,961,249

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - TAX CREDIT ENTITIES - CONTINUED

December 31, 2018

	Harvest Homes	Hollybush Preservation	Orange Preservation	Pepper Tree	Plaza B II	Forest Park
<b>Assets:</b>						
Cash and cash equivalents	\$ 91,586	\$ 827,247	\$ 505,525	\$ 344,285	\$ 323,093	\$ 531,903
Land, buildings, improvements and equipment, net	13,174,214	23,941,757	32,305,756	11,581,407	21,051,141	12,087,198
Mortgage escrow and utility deposits	196,232	1,033,659	1,736,331	347,084	808,397	365,646
Prepaid expenses and other assets	16,177	106,797	221,036	41,951	186,643	104,319
Replacement reserves	70,927	297,592	325,736	79,444	156,315	149,700
Tenants' security deposits	29,250	81,827	119,616	4,788	27,151	79,200
Deferred other costs, net	58,285	108,623	82,565	6,374	32,185	18,271
Due from affiliates	-	-	-	-	141,257	-
Contributions receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 13,636,671</b>	<b>\$ 26,397,502</b>	<b>\$ 35,296,565</b>	<b>\$ 12,405,333</b>	<b>\$ 22,726,182</b>	<b>\$ 13,336,237</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 130,555	\$ 144,795	\$ 289,499	\$ 217,260	\$ 128,995	\$ 61,086
Other liabilities	-	54,539	9,707	4,105	16,290	85,015
Tenants' security deposits	29,974	80,326	118,113	4,576	27,151	79,200
Mortgage notes payable and accrued interest	1,717,684	13,625,618	16,835,985	6,728,736	7,425,336	4,695,935
Notes and construction loans payable and accrued interest	232,560	5,948,223	22,175,985	-	7,328,925	3,062,787
Accounts payable - affiliates	194,171	699	4,102	662,773	2,367,722	1,222,225
Asset management fees payable	-	5,000	-	20,000	-	-
<b>Total liabilities</b>	<b>2,304,944</b>	<b>19,859,200</b>	<b>39,433,391</b>	<b>7,637,450</b>	<b>17,294,419</b>	<b>9,206,248</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - TAX CREDIT ENTITIES - CONTINUED

December 31, 2018

	Harvest Homes	Hollybush Preservation	Orange Preservation	Pepper Tree	Plaza B II	Forest Park
Net assets:						
Beginning net assets (GP)	409,928	76	(818)	(39,734)	(85)	(568)
Beginning net assets (SLP)	-	(26)	(923)	-	-	10
Beginning net assets (LP)	9,039,462	6,758,973	(3,131,849)	3,767,242	5,424,800	4,397,038
Transfers in (out) (GP)	-	-	-	-	-	-
Transfers in (out) (SLP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	-	(25,048)	-	-
Contribution/distribution (SLP)	-	-	-	-	-	-
Contribution/distribution (LP)	2,382,800	-	-	953,931	567,085	(6,057)
Changes in Equity (GP)	-	-	-	-	-	-
Excess of expenses over revenue attributable to the Organization (GP)	(50)	(22)	(101)	11	(56)	(26)
Excess of expense over revenue attributable to noncontrolling interests (SLP)	-	(22)	(100)	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests (LP)	(500,413)	(220,677)	(1,003,035)	111,481	(559,981)	(260,408)
Ending net asset (GP)	409,878	54	(919)	(64,771)	(141)	(594)
Ending net asset (SLP)	-	(48)	(1,023)	-	-	10
Ending net asset (LP)	10,921,849	6,538,296	(4,134,884)	4,832,654	5,431,904	4,130,573
Total net assets	11,331,727	6,538,302	(4,136,826)	4,767,883	5,431,763	4,129,989
Total liabilities and net assets	\$ 13,636,671	\$ 26,397,502	\$ 35,296,565	\$ 12,405,333	\$ 22,726,182	\$ 13,336,237

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - TAX CREDIT ENTITIES - CONTINUED

December 31, 2018

	Walnut Square	Ships Cove Preservation	St. Luke's Preservation	Wade Road Parkchester	Woodmont Crossing	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 421,232	\$ 240,701	\$ 108,927	\$ 628,258	\$ 124,398	\$ 6,060,731
Land, buildings, improvements and equipment, net	28,233,975	13,512,350	16,743,067	20,796,864	39,815,612	391,100,886
Mortgage escrow and utility deposits	785,815	859,558	1,000,379	745,024	805,312	13,757,079
Prepaid expenses and other assets	119,499	356,532	86,411	104,218	301,598	2,513,305
Replacement reserves	372,829	189,532	428,261	-	-	3,811,022
Tenants' security deposits	86,981	53,378	32,971	17,310	84,388	1,074,135
Deferred other costs, net	29,695	34,107	232,887	51,576	128,179	1,245,026
Due from affiliates	-	-	-	71,708	-	212,965
Contributions receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30,050,026</b>	<b>\$ 15,246,158</b>	<b>\$ 18,632,903</b>	<b>\$ 22,414,958</b>	<b>\$ 41,259,487</b>	<b>\$ 419,775,149</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 81,093	\$ 87,288	\$ 62,279	\$ 147,955	\$ 2,762,663	\$ 8,166,607
Other liabilities	41,387	5,514	472,809	41,291	266,224	2,400,260
Tenants' security deposits	87,795	49,765	32,971	16,260	81,637	1,061,116
Mortgage notes payable and accrued interest	22,026,965	10,270,262	3,527,458	5,567,626	24,698,326	191,920,133
Notes and construction loans payable and accrued interest	3,296,562	-	7,476,547	9,500,000	-	125,530,581
Accounts payable - affiliates	648,174	216,962	748,931	222,596	5,860,876	21,726,332
Asset management fees payable	-	5,625	-	-	-	150,625
<b>Total liabilities</b>	<b>26,181,976</b>	<b>10,635,416</b>	<b>12,320,995</b>	<b>15,495,728</b>	<b>33,669,726</b>	<b>\$ 350,955,654</b>



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - TAX CREDIT ENTITIES - CONTINUED

December 31, 2018

	Walnut Square	Ships Cove Preservation	St. Luke's Preservation	Wade Road Parkchester	Woodmont Crossing	Total
Net assets:						
Beginning net assets (GP)	(780)	(2,724,752)	(198,982)	8,865	-	(6,197,550)
Beginning net assets (SLP)	(779)	-	(460)	-	-	(3,656)
Beginning net assets (LP)	4,990,809	3,531,249	7,407,438	2,555,603	-	60,476,187
Transfers in (out) (GP)	-	-	198,514	-	-	198,514
Transfers in (out) (SLP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	(198,514)	-	-	(198,514)
Contribution/distribution (GP)	-	-	-	-	90	(24,858)
Contribution/distribution (SLP)	-	-	-	-	-	(499,890)
Contribution/distribution (LP)	-	4,679,229	-	4,686,316	7,701,391	25,596,558
Changes in Equity (GP)	-	(137,435)	-	-	-	(137,435)
Excess of expenses over revenue attributable to the Organization (GP)	(112)	(66)	(368,548)	(84,713)	(10)	(548,721)
Excess of expense over revenue attributable to noncontrolling interests (SLP)	(112)	(7)	(53)	-	-	(94,979)
Excess of expenses over revenue attributable to noncontrolling interests (LP)	(1,120,976)	(737,476)	(527,487)	(246,841)	(111,710)	(9,746,161)
Ending net asset (GP)	(892)	(2,862,253)	(369,016)	(75,848)	80	(6,710,050)
Ending net asset (SLP)	(891)	(7)	(513)	-	-	(598,525)
Ending net asset (LP)	3,869,833	7,473,002	6,681,437	6,995,078	7,589,681	76,128,070
Total net assets	3,868,050	4,610,742	6,311,908	6,919,230	7,589,761	68,819,495
Total liabilities and net assets	\$ 30,050,026	\$ 15,246,158	\$ 18,632,903	\$ 22,414,958	\$ 41,259,487	\$ 419,775,149

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - TAX CREDIT ENTITIES

Year ended December 31, 2018

	Alabama Ave. (Roundtree)	Bayview Preservation	Benning Heights Investor	Bolton North	Cleme Manor	Foxwood Preservation
Rent revenue	\$ 988,055	\$ 3,749,098	\$ 1,842,440	\$ 3,026,453	\$ 2,673,554	\$ 2,769,025
Interest income	1,657	9,891	2,821	556	17	1,012
Other revenue	32,672	34,037	39,857	62,082	66,312	64,371
Total revenue	<u>1,022,384</u>	<u>3,793,026</u>	<u>1,885,118</u>	<u>3,089,091</u>	<u>2,739,883</u>	<u>2,834,408</u>
Salaries and benefits	218,279	404,560	347,070	184,051	335,769	375,193
Facilities and maintenance	107,553	497,565	360,584	258,090	315,553	458,817
Interest	186,549	1,217,578	864,478	932,267	692,199	980,601
Utilities	63,207	441,140	131,879	452,706	261,820	399,436
Insurance	45,303	108,701	93,115	38,263	227,940	117,100
Real estate taxes	-	304,164	-	106,384	226,534	266,611
Property management fees	50,956	149,552	93,056	109,824	109,466	129,062
Asset management fees	30,000	-	-	-	42,436	15,000
Accounting expense	20,282	11,584	55,653	2,200	15,000	15,650
Legal	1,124	9,674	176,472	39,978	1,071	14,456
Management and administration	184,301	166,951	478,334	675,062	132,004	280,450
Consulting expense	10,448	-	3,068	-	1,745	3,466
Marketing	9,446	12,568	1,630	3,656	31,432	22,160
Travel	1,056	-	-	-	-	6,801
Bad debt expense	6,270	36,410	39,323	5,399	-	16,510
Other financial expense and acquisition fee	-	-	2,254	317,176	162,506	-
Depreciation	338,751	707,516	688,504	732,184	1,034,318	784,983
Amortization	4,006	4,113	-	94,425	-	9,480
Total expense	<u>1,277,531</u>	<u>4,072,076</u>	<u>3,335,420</u>	<u>3,951,665</u>	<u>3,589,793</u>	<u>3,895,776</u>
Excess of (expenses over revenue) revenue over expense	(255,147)	(279,050)	(1,450,302)	(862,574)	(849,910)	(1,061,368)
Excess of expenses over revenue attributable to noncontrolling interests	<u>255,122</u>	<u>279,022</u>	<u>1,450,157</u>	<u>767,935</u>	<u>849,825</u>	<u>1,061,262</u>
Excess of expenses over revenue attributable to the Organization	<u>\$ (25)</u>	<u>\$ (28)</u>	<u>\$ (145)</u>	<u>\$ (94,639)</u>	<u>\$ (85)</u>	<u>\$ (106)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - TAX CREDIT ENTITIES - CONTINUED

Year ended December 31, 2018

	Harvest Homes	Hollybush Preservation	Orange Preservation	Pepper Tree	Plaza B II	Forest Park
Rent revenue	\$ 347,753	\$ 3,172,309	\$ 3,556,098	\$ 1,966,413	\$ 2,223,623	\$ 2,542,708
Interest income	2,454	186	225	770	4,687	443
Other revenue	4,687	64,055	37,540	(3,776)	2,843	55,468
Total revenue	<u>354,894</u>	<u>3,236,550</u>	<u>3,593,863</u>	<u>1,963,407</u>	<u>2,231,153</u>	<u>2,598,619</u>
Salaries and benefits	68,228	464,778	457,945	317,606	362,920	276,458
Facilities and maintenance	43,646	332,542	560,095	280,626	208,106	422,394
Interest	149,277	741,851	1,288,588	203,842	777,027	370,688
Utilities	59,248	213,300	231,600	180,884	304,251	318,669
Insurance	20,689	87,147	172,360	86,725	55,737	240,623
Real estate taxes	53,407	336,020	314,423	155,106	185,405	135,192
Property management fees	20,420	135,698	151,856	99,656	60,552	103,521
Asset management fees	19,321	5,000	5,000	20,000	7,500	-
Accounting expense	12,162	9,286	17,600	9,113	25,504	4,440
Legal	873	24,648	33,876	7,830	438	-
Management and administration	13,780	338,317	406,722	88,610	84,557	205,277
Consulting expense	1,099	13,061	9,900	9,750	19,405	18,462
Marketing	28	4,265	9,135	19,767	-	34,820
Travel	-	1,606	309	-	-	-
Bad debt expense	7,614	64,017	53,231	-	51,237	28,313
Other financial expense and acquisition fee	1,195	-	-	-	8,595	-
Depreciation	379,887	676,221	874,903	370,823	637,003	695,811
Amortization	4,483	9,514	9,556	1,577	2,953	4,385
Total expense	<u>855,357</u>	<u>3,457,271</u>	<u>4,597,099</u>	<u>1,851,915</u>	<u>2,791,190</u>	<u>2,859,053</u>
Excess of (expenses over revenue) revenue over expense	(500,463)	(220,721)	(1,003,236)	111,492	(560,037)	(260,434)
Excess of expenses over revenue attributable to noncontrolling interests	<u>500,413</u>	<u>220,699</u>	<u>1,003,135</u>	<u>(111,481)</u>	<u>559,981</u>	<u>260,408</u>
Excess of expenses over revenue attributable to the Organization	<u>\$ (50)</u>	<u>\$ (22)</u>	<u>\$ (101)</u>	<u>\$ 11</u>	<u>\$ (56)</u>	<u>\$ (26)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - TAX CREDIT ENTITIES - CONTINUED

Year ended December 31, 2018

	Walnut Square	Ships Cove Preservation	St. Luke's Preservation	Wade Road Parkchester	Woodmont Crossing	Total
Rent revenue	\$ 2,064,682	\$ 2,395,011	\$ 1,099,835	\$ 1,494,373	\$ 2,650,575	\$ 38,562,005
Interest income	824	7,546	218	745	9,288	43,340
Other revenue	62,763	33,606	56,510	732,862	13,502	1,359,391
Total revenue	<u>2,128,269</u>	<u>2,436,163</u>	<u>1,156,563</u>	<u>2,227,980</u>	<u>2,673,365</u>	<u>39,964,736</u>
Salaries and benefits	219,349	356,961	251,522	217,706	241,952	5,100,347
Facilities and maintenance	450,035	268,668	193,692	187,995	430,225	5,376,186
Interest	432,869	470,423	345,258	390,216	141,002	10,184,713
Utilities	273,443	450,280	124,170	108,751	362,616	4,377,400
Insurance	262,021	56,491	74,226	32,077	69,975	1,788,493
Real estate taxes	83,858	196,693	68,245	-	-	2,432,042
Property management fees	83,691	96,324	47,880	78,016	91,234	1,610,764
Asset management fees	-	7,725	7,500	-	45,000	204,482
Accounting expense	4,440	34,702	24,850	36,640	-	299,106
Legal	-	29,323	14,798	6,214	72,917	433,692
Management and administration	197,438	422,049	197,209	890,933	55,648	4,817,642
Consulting expense	7,367	-	14,747	-	-	112,518
Marketing	13,361	9,392	27,868	351	6,735	206,614
Travel	-	-	488	1,027	945	12,232
Bad debt expense	56,552	7,861	146,030	6,126	156,463	681,356
Other financial expense and acquisition fee	209,326	127,083	-	363	425,027	1,253,525
Depreciation	950,478	637,301	508,465	599,114	678,282	11,294,544
Amortization	5,241	2,436	5,703	4,005	7,064	168,941
Total expense	<u>3,249,469</u>	<u>3,173,712</u>	<u>2,052,651</u>	<u>2,559,534</u>	<u>2,785,085</u>	<u>50,354,597</u>
Excess of (expenses over revenue) revenue over expense	(1,121,200)	(737,549)	(896,088)	(331,554)	(111,720)	(10,389,861)
Excess of expenses over revenue attributable to noncontrolling interests	<u>1,121,088</u>	<u>737,483</u>	<u>527,540</u>	<u>246,841</u>	<u>111,710</u>	<u>9,841,140</u>
Excess of expenses over revenue attributable to the Organization	<u>\$ (112)</u>	<u>\$ (66)</u>	<u>\$ (368,548)</u>	<u>\$ (84,713)</u>	<u>\$ (10)</u>	<u>\$ (548,721)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
 SUPPLEMENTARY INFORMATION - CONTINUED  
 UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES

December 31, 2018

	<u>Anacostia GP</u>	<u>Bayview GP</u>	<u>Benning Affordable</u>	<u>Benning Heights GP</u>	<u>Cherry Affordable</u>	<u>Cleme 284 GP</u>	<u>Columbia Apartments</u>
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,591
Notes receivable and accrued interest	-	-	-	-	78,159	-	-
Investment in housing funds	(966,049)	(125)	-	315,835	1,752	(851,739)	(49,379,968)
Land, buildings, improvements and equipment, net	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-
Advances - current	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	72,727	30,968
<b>Total assets</b>	<b>\$ (966,049)</b>	<b>\$ (125)</b>	<b>\$ -</b>	<b>\$ 315,835</b>	<b>\$ 79,911</b>	<b>\$ (779,012)</b>	<b>\$ (48,904,409)</b>
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,246	\$ -	\$ -
Other liabilities	-	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	-	-	-	-
Accounts payable - affiliates	100	10	-	100	-	-	284,151
<b>Total liabilities</b>	<b>100</b>	<b>10</b>	<b>-</b>	<b>100</b>	<b>2,246</b>	<b>-</b>	<b>284,151</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	<u>Anacostia GP</u>	<u>Bayview GP</u>	<u>Benning Affordable</u>	<u>Benning Heights GP</u>	<u>Cherry Affordable</u>	<u>Cleme 284 GP</u>	<u>Columbia Apartments</u>
Net assets:							
Beginning net assets (GP)	(430,808)	(107)	54,660	315,780	102,552	(810,754)	(37,137,312)
Beginning net assets (LP)	-	-	-	-	-	-	(11,686,470)
Transfers in (out) (GP)	-	-	-	-	-	-	780,000
Transfers in (out) (LP)	-	-	-	-	-	-	(780,000)
Contribution/distribution (GP)	-	-	-	100	-	-	(589,838)
Contribution/distribution (LP)	-	-	-	-	-	-	(2,069,848)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(535,341)	(28)	(54,660)	(115)	(24,887)	31,742	1,147,455
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	(30)	-	-	1,147,453
Ending net asset (GP)	(966,149)	(135)	-	315,765	77,665	(779,012)	(35,799,695)
Ending net asset (LP)	-	-	-	(30)	-	-	(13,388,865)
Total net assets	<u>(966,149)</u>	<u>(135)</u>	<u>-</u>	<u>315,735</u>	<u>77,665</u>	<u>(779,012)</u>	<u>(49,188,560)</u>
Liabilities and net assets	<u>\$ (966,049)</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ 315,835</u>	<u>\$ 79,911</u>	<u>\$ (779,012)</u>	<u>\$ (48,904,409)</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Cornerstone Bayview	Cornerstone St. Luke's	Forest Affordable	Foxwood Affordable	Foxwood GP	Harvest Homes GP	Hollybush Affordable
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable and accrued interest	11,036,522	6,965,204	1,448,695	19,481,287	-	-	5,948,224
Investment in housing funds	-	-	-	-	(1,056)	410,021	-
Land, buildings, improvements and equipment, net	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-
Advances - current	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	90,000	37,989	-
<b>Total assets</b>	<b>\$ 11,036,522</b>	<b>\$ 6,965,204</b>	<b>\$ 1,448,695</b>	<b>\$ 19,481,287</b>	<b>\$ 88,944</b>	<b>\$ 448,010</b>	<b>\$ 5,948,224</b>
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	-	-	-	-
Accounts payable - affiliates	-	-	-	-	100	100	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Cornerstone Bayview	Cornerstone St. Luke's	Forest Affordable	Foxwood Affordable	Foxwood GP	Harvest Homes GP	Hollybush Affordable
Net assets:							
Beginning net assets (GP)	11,151,082	6,686,382	1,780,425	18,688,879	78,977	428,729	6,188,317
Beginning net assets (LP)	-	-	-	-	-	-	-
Transfers in (out) (GP)	-	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	-	-	-	-	-
Contribution/distribution (LP)	-	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(114,560)	278,822	(331,730)	792,408	7,499	7,672	(240,093)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	2,368	11,509	-
Ending net asset (GP)	11,036,522	6,965,204	1,448,695	19,481,287	86,476	436,401	5,948,224
Ending net asset (LP)	-	-	-	-	2,368	11,509	-
Total net assets	11,036,522	6,965,204	1,448,695	19,481,287	88,844	447,910	5,948,224
Liabilities and net assets	\$ 11,036,522	\$ 6,965,204	\$ 1,448,695	\$ 19,481,287	\$ 88,944	\$ 448,010	\$ 5,948,224



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Hollybush GP	Jamestown Affordable	Mark Twain NHPF Manager	Milliken Affordable	Nannie Helen Manager	Nannie Helen NHPF, LLC
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable and accrued interest	-	4,649,406	-	7,383,351	-	-
Investment in housing funds	54	(819,912)	49	-	(167,893)	(79,749)
Land, buildings, improvements and equipment, net	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	52	-
Advances - current	-	-	100	-	48	100
Due from affiliates	-	-	-	18,504	-	-
<b>Total assets</b>	<b>\$ 54</b>	<b>\$ 3,829,494</b>	<b>\$ 149</b>	<b>\$ 7,401,855</b>	<b>\$ (167,793)</b>	<b>\$ (79,649)</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Other liabilities						
Notes and construction loans payable and accrued interest	-	4,200,000	-	-	-	-
Accounts payable - affiliates	100	107,467	48	-	100	48
<b>Total liabilities</b>	<b>100</b>	<b>4,308,467</b>	<b>48</b>	<b>-</b>	<b>100</b>	<b>48</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Hollybush GP	Jamestown Affordable	Mark Twain NHPF Manager	Milliken Affordable	Nannie Helen Manager	Nannie Helen NHPF, LLC
Net assets:						
Beginning net assets (GP)	(24)	(565,409)	-	7,080,456	-	-
Beginning net assets (LP)	-	-	-	-	-	-
Transfers in (out) (GP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	100	-	100	100
Contribution/distribution (LP)	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(17)	86,436	1	321,399	(167,993)	(79,797)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	(5)	-	-	-	-	-
Ending net asset (GP)	(41)	(478,973)	101	7,401,855	(167,893)	(79,697)
Ending net asset (LP)	(5)	-	-	-	-	-
Total net assets	(46)	(478,973)	101	7,401,855	(167,893)	(79,697)
Liabilities and net assets	\$ 54	\$ 3,829,494	\$ 149	\$ 7,401,855	\$ (167,793)	\$ (79,649)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	NDFD I	NDFD II	New Covent Managing Member	NHPF Columbia Investor	NHPFColumbia Manager	NHPF/WH
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable and accrued interest	-	-	-	-	-	-
Investment in housing funds	(2,222,754)	48	(7)	983,790	33,819,291	(356,462)
Land, buildings, improvements and equipment, net	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-
Advances - current	-	-	-	-	-	-
Due from affiliates	-	-	-	99	-	-
<b>Total assets</b>	<b>\$ (2,222,754)</b>	<b>\$ 48</b>	<b>\$ (7)</b>	<b>\$ 983,889</b>	<b>\$ 33,819,291</b>	<b>\$ (356,462)</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	-	-	-
Accounts payable - affiliates	167,268	-	-	99	-	-
<b>Total liabilities</b>	<b>167,268</b>	<b>-</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>-</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	NDFD I	NDFD II	New Covent Managing Member	NHPF Columbia Investor	NHPFColumbia Manager	NHPF/WH
Net assets:						
Beginning net assets (GP)	(132,286)	34	42	-	33,261,674	(324,598)
Beginning net assets (LP)	-	-	-	-	-	-
Transfers in (out) (GP)	(2,581,761)	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	100	-	99	(589,838)	461,541
Contribution/distribution (LP)	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	324,025	(86)	(49)	983,691	1,147,455	(493,405)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	-
Ending net asset (GP)	(2,390,022)	48	(7)	983,790	33,819,291	(356,462)
Ending net asset (LP)	-	-	-	-	-	-
Total net assets	(2,390,022)	48	(7)	983,790	33,819,291	(356,462)
Liabilities and net assets	\$ (2,222,754)	\$ 48	\$ (7)	\$ 983,889	\$ 33,819,291	\$ (356,462)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Orange Affordable	Orange GP	Pepper Tree GP	Plaza B I	Plaza B GP	Preservation Partners
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable and accrued interest	22,170,371	-	-	5,407,324	-	-
Investment in housing funds	-	(922)	(64,770)	-	(83)	(26)
Land, buildings, improvements and equipment, net	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	8,726	-	-
Advances - current	-	-	-	-	-	341,647
Due from affiliates	-	-	20,000	222,758	70,081	-
<b>Total assets</b>	<b>\$ 22,170,371</b>	<b>\$ (922)</b>	<b>\$ (44,770)</b>	<b>\$ 5,638,808</b>	<b>\$ 69,998</b>	<b>\$ 341,621</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	-	-	-
Accounts payable - affiliates	-	100	-	250,447	100	-
<b>Total liabilities</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>250,445</b>	<b>100</b>	<b>-</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Orange Affordable	Orange GP	Pepper Tree GP	Plaza B I	Plaza B GP	Preservation Partners
Net assets:						
Beginning net assets (GP)	21,567,905	(921)	(19,733)	5,222,252	55,111	341,647
Beginning net assets (LP)	-	-	-	-	-	-
Transfers in (out) (GP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	-	-	-	-
Contribution/distribution (LP)	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	602,466	(101)	(25,037)	166,111	14,787	(26)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	-
Ending net asset (GP)	22,170,371	(1,022)	(44,770)	5,388,363	69,898	341,621
Ending net asset (LP)	-	-	-	-	-	-
Total net assets	22,170,371	(1,022)	(44,770)	5,388,363	69,898	341,621
Liabilities and net assets	\$ 22,170,371	\$ (922)	\$ (44,770)	\$ 5,638,808	\$ 69,998	\$ 341,621

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Princess Anne GP	Princess Anne Investor	Ships Cove GP	St. Luke's GP	Takoma GP	VOV-NHPF I
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable and accrued interest	-	-	-	511,343	-	-
Investment in housing funds	(36)	(360,224)	174,579	(433)	(1,494,899)	(179)
Land, buildings, improvements and equipment, net	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-
Advances - current	-	3,386	-	-	-	-
Due from affiliates	-	-	-	-	-	30,000
<b>Total assets</b>	<b>\$ (36)</b>	<b>\$ (356,838)</b>	<b>\$ 174,579</b>	<b>\$ 510,910</b>	<b>\$ (1,494,899)</b>	<b>\$ 29,821</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	511,343	-	-
Accounts payable - affiliates	-	3,386	-	200	100	30,100
<b>Total liabilities</b>	<b>-</b>	<b>3,386</b>	<b>-</b>	<b>511,543</b>	<b>100</b>	<b>30,100</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Princess Anne GP	Princess Anne Investor	Ships Cove GP	St. Luke's GP	Takoma GP	VOV-NHPF I
Net assets:						
Beginning net assets (GP)	-	-	174,545	(534)	(870,335)	(254)
Beginning net assets (LP)	-	-	-	-	-	-
Transfers in (out) (GP)	-	-	-	-	-	-
Transfers in (out) (LP)	-	-	-	-	-	-
Contribution/distribution (GP)	-	-	100	-	-	-
Contribution/distribution (LP)	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	(36)	(360,224)	(66)	(99)	(624,664)	(12)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	(13)
Ending net asset (GP)	(36)	(360,224)	174,579	(633)	(1,494,999)	(266)
Ending net asset (LP)	-	-	-	-	-	(13)
Total net assets	(36)	(360,224)	174,579	(633)	(1,494,999)	(279)
Liabilities and net assets	\$ (36)	\$ (356,838)	\$ 174,579	\$ 510,910	\$ (1,494,899)	\$ 29,821



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	<u>Wade Road GP</u>	<u>Walnut 209</u>	<u>Walnut Affordable</u>	<u>Woodmont Manager</u>	<u>Workforce Housing, I</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,591
Notes receivable and accrued interest	-	-	-	-	-	85,079,886
Investment in housing funds	(75,841)	(112)	-	90	(323,862)	(21,461,592)
Land, buildings, improvements and equipment, net	-	-	1,000,000	-	-	1,000,000
Prepaid expenses and other assets	-	-	-	25	-	8,803
Advances - current	-	37,243	-	75	-	382,599
Due from affiliates	173,579	189,196	-	115,000	-	1,070,901
<b>Total assets</b>	<b>\$ 97,738</b>	<b>\$ 226,327</b>	<b>\$ 1,000,000</b>	<b>\$ 115,190</b>	<b>\$ (323,862)</b>	<b>\$ 66,525,188</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,244
Other liabilities	-	-	-	-	-	-
Notes and construction loans payable and accrued interest	-	-	-	-	-	4,711,343
Accounts payable - affiliates	100	-	-	100	100	844,424
<b>Total liabilities</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>5,559,011</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF FINANCIAL POSITION - OTHER ENTITIES - CONTINUED

December 31, 2018

	Wade Road GP	Walnut 209	Walnut Affordable	Woodmont Manager	Workforce Housing, I	Total
Net assets:						
Beginning net assets (GP)	8,842	37,243	1,000,049	-	(292,098)	73,640,410
Beginning net assets (LP)	-	-	-	-	-	(11,686,470)
Transfers in (out) (GP)	-	-	-	-	-	(1,801,761)
Transfers in (out) (LP)	-	-	-	-	-	(780,000)
Contribution/distribution (GP)	-	-	-	100	461,541	(255,795)
Contribution/distribution (LP)	-	-	-	-	-	(2,069,848)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization (GP)	88,796	189,084	(49)	114,990	(493,405)	2,758,359
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests (LP)	-	-	-	-	-	1,161,282
Ending net asset (GP)	97,638	226,327	1,000,000	115,090	(323,962)	74,341,213
Ending net asset (LP)	-	-	-	-	-	(13,375,036)
Total net assets	97,638	226,327	1,000,000	115,090	(323,962)	60,966,177
Liabilities and net assets	\$ 97,738	\$ 226,327	\$ 1,000,000	\$ 115,190	\$ (323,862)	\$ 66,525,188

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES  
 SUPPLEMENTARY INFORMATION - CONTINUED  
 UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES

Year ended December 31, 2018

	Anacostia GP	Bayview GP	Benning Affordable	Benning Heights GP	Cherry Affordable	Cleme 284 GP	Columbia Apartments
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	-	-	-	31,827	253,919
Developer fee income	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	1,497
Other revenue	-	-	-	-	-	-	-
Other (losses) income in housing funds	(535,341)	(28)	-	(145)	(68)	(85)	2,048,517
<b>Total revenue</b>	<b>(535,341)</b>	<b>(28)</b>	<b>-</b>	<b>(145)</b>	<b>(68)</b>	<b>31,742</b>	<b>2,303,933</b>
Salaries and benefits	-	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	-	-
Management and administration	-	-	54,660	-	-	-	-
Contributions expense	-	-	-	-	24,819	-	-
Other financial expenses and acquisition fee	-	-	-	-	-	-	9,025
<b>Total expense</b>	<b>-</b>	<b>-</b>	<b>54,660</b>	<b>-</b>	<b>24,819</b>	<b>-</b>	<b>9,025</b>
 Excess of (expense over revenue) revenue over expense	 \$ (535,341)	 \$ (28)	 \$ (54,660)	 \$ (145)	 \$ (24,887)	 \$ 31,742	 \$ 2,294,908
 Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	 -	 -	 -	 30	 -	 -	 (1,147,453)
 Excess of revenue over expenses (expenses over revenue) attributable to the Organization	 <u>\$ (535,341)</u>	 <u>\$ (28)</u>	 <u>\$ (54,660)</u>	 <u>\$ (115)</u>	 <u>\$ (24,887)</u>	 <u>\$ 31,742</u>	 <u>\$ 1,147,455</u>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	Cornerstone Bayview	Cornerstone St. Luke's	Forest Affordable	Foxwood Affordable	Foxwood GP	Harvest Homes GP	Hollybush Affordable
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	-	-	10,000	19,231	-
Developer fee income	-	-	-	-	-	-	-
Interest income	261,230	278,822	15,440	792,408	-	-	193,283
Other revenue	-	-	-	-	-	-	-
Other (losses) income in housing funds	-	-	-	-	(133)	(50)	-
<b>Total revenue</b>	<b>261,230</b>	<b>278,822</b>	<b>15,440</b>	<b>792,408</b>	<b>9,867</b>	<b>19,181</b>	<b>193,283</b>
Salaries and benefits	-	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	-	-
Management and administration	-	-	-	-	-	-	-
Contributions expense	375,790	-	347,170	-	-	-	433,376
Other financial expenses and acquisition fee	-	-	-	-	-	-	-
<b>Total expense</b>	<b>375,790</b>	<b>-</b>	<b>347,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433,376</b>
Excess of (expense over revenue) revenue over expense	\$ (114,560)	\$ 278,822	\$ (331,730)	\$ 792,408	\$ 9,867	\$ 19,181	\$ (240,093)
Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	-	-	-	-	(2,368)	(11,509)	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ (114,560)	\$ 278,822	\$ (331,730)	\$ 792,408	\$ 7,499	\$ 7,672	\$ (240,093)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	Hollybush GP	Jamestown Affordable	Mark Twain NHPF Manager	Milliken Affordable	Nannie Helen Manager	Nannie Helen NHPF, LLC
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	-	-	-	-
Developer fee income	-	-	-	-	-	-
Interest income	-	125,580	-	500,149	-	-
Other revenue	-	-	-	-	-	-
Other (losses) income in housing funds	(22)	31,742	1	-	(167,993)	(79,797)
<b>Total revenue</b>	<b>(22)</b>	<b>157,322</b>	<b>1</b>	<b>500,149</b>	<b>(167,993)</b>	<b>(79,797)</b>
Salaries and benefits	-	54,586	-	-	-	-
Accounting expense	-	16,300	-	-	-	-
Asset management fees	-	-	-	-	-	-
Management and administration	-	-	-	-	-	-
Contributions expense	-	-	-	166,813	-	-
Other financial expenses and acquisition fee	-	-	-	11,937	-	-
<b>Total expense</b>	<b>-</b>	<b>70,886</b>	<b>-</b>	<b>178,750</b>	<b>-</b>	<b>-</b>
Excess of (expense over revenue) revenue over expense	\$ (22)	\$ 86,436	\$ 1	\$ 321,399	\$ (167,993)	\$ (79,797)
Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	5	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ (17)	\$ 86,436	\$ 1	\$ 321,399	\$ (167,993)	\$ (79,797)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	NDFD I	NDFD II	New Covent Managing Member	NHPF Columbia Investor	NHPFColumbia Manager	NHPF/WH
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	-	-	-	-
Developer fee income	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Other revenue	-	-	-	983,486	-	-
Other (losses) income in housing funds	324,025	(86)	(49)	205	1,147,455	(493,405)
<b>Total revenue</b>	<b>324,025</b>	<b>(86)</b>	<b>(49)</b>	<b>983,691</b>	<b>1,147,455</b>	<b>(493,405)</b>
Salaries and benefits	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	-
Management and administration	-	-	-	-	-	-
Contributions expense	-	-	-	-	-	-
Other financial expenses and acquisition fee	-	-	-	-	-	-
<b>Total expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Excess of (expense over revenue) revenue over expense	 <b>\$ 324,025</b>	 <b>\$ (86)</b>	 <b>\$ (49)</b>	 <b>\$ 983,691</b>	 <b>\$ 1,147,455</b>	 <b>\$ (493,405)</b>
 Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	 <b>-</b>	 <b>-</b>	 <b>-</b>	 <b>-</b>	 <b>-</b>	 <b>-</b>
 Excess of revenue over expenses (expenses over revenue) attributable to the Organization	 <b>\$ 324,025</b>	 <b>\$ (86)</b>	 <b>\$ (49)</b>	 <b>\$ 983,691</b>	 <b>\$ 1,147,455</b>	 <b>\$ (493,405)</b>

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	Orange Affordable	Orange GP	Pepper Tree GP	Plaza B I	Plaza B GP	Preservation Partners
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	20,000	-	14,857	-
Developer fee income	-	-	-	-	-	-
Interest income	757,630	-	-	164,680	-	-
Other revenue	-	-	-	-	-	-
Other (losses) income in housing funds	-	(101)	11	-	(70)	(26)
<b>Total revenue</b>	<b>757,630</b>	<b>(101)</b>	<b>20,011</b>	<b>164,680</b>	<b>14,787</b>	<b>(26)</b>
Salaries and benefits	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	-
Management and administration	-	-	-	-	-	-
Contributions expense	155,164	-	45,048	-	-	-
Other financial expenses and acquisition fee	-	-	-	(1,431)	-	-
<b>Total expense</b>	<b>155,164</b>	<b>-</b>	<b>45,048</b>	<b>(1,431)</b>	<b>-</b>	<b>-</b>
Excess of (expense over revenue) revenue over expense	\$ 602,466	\$ (101)	\$ (25,037)	\$ 166,111	\$ 14,787	\$ (26)
Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	-	-	-	-	-	-
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ 602,466	\$ (101)	\$ (25,037)	\$ 166,111	\$ 14,787	\$ (26)

THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	Princess Anne GP	Princess Anne Investor	Ships Cove GP	St. Luke's GP	Takoma GP	VOV-NHPF I
Contribution affiliates	\$ -	\$ 3,386	\$ -	\$ -	\$ -	\$ -
Asset management fees	-	-	-	-	-	30,000
Developer fee income	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Other (losses) income in housing funds	(36)	(363,610)	(66)	(99)	(624,664)	(25)
<b>Total revenue</b>	<b>(36)</b>	<b>(360,224)</b>	<b>(66)</b>	<b>(99)</b>	<b>(624,664)</b>	<b>29,975</b>
Salaries and benefits	-	-	-	-	-	-
Accounting expense	-	-	-	-	-	-
Asset management fees	-	-	-	-	-	30,000
Management and administration	-	-	-	-	-	-
Contributions expense	-	-	-	-	-	-
Other financial expenses and acquisition fee	-	-	-	-	-	-
<b>Total expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
 Excess of (expense over revenue) revenue over expense	 \$ (36)	 \$ (360,224)	 \$ (66)	 \$ (99)	 \$ (624,664)	 \$ (25)
 Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	 -	 -	 -	 -	 -	 13
 Excess of revenue over expenses (expenses over revenue) attributable to the Organization	 \$ (36)	 \$ (360,224)	 \$ (66)	 \$ (99)	 \$ (624,664)	 \$ (12)



THE NHP FOUNDATION AND ITS AFFILIATED ENTITIES

SUPPLEMENTARY INFORMATION - CONTINUED

UNAUDITED CONSOLIDATING STATEMENT OF ACTIVITIES - OTHER ENTITIES - CONTINUED

Year ended December 31, 2018

	Wade Road GP	Walnut 209	Walnut Affordable	Woodmont Manager	Workforce Housing, I	Total
Contribution affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,386
Asset management fees	173,579	189,196	-	115,000	-	857,609
Developer fee income	-	-	-	-	-	-
Interest income	-	-	-	-	-	3,090,719
Other revenue	-	-	66,668	-	-	1,050,154
Other (losses) income in housing funds	(84,783)	(112)	-	(10)	(493,405)	707,747
<b>Total revenue</b>	<b>88,796</b>	<b>189,084</b>	<b>66,668</b>	<b>114,990</b>	<b>(493,405)</b>	<b>5,709,615</b>
Salaries and benefits	-	-	-	-	-	54,586
Accounting expense	-	-	-	-	-	16,300
Asset management fees	-	-	-	-	-	30,000
Management and administration	-	-	-	-	-	54,660
Contributions expense	-	-	66,717	-	-	1,614,897
Other financial expenses and acquisition fee	-	-	-	-	-	19,531
<b>Total expense</b>	<b>-</b>	<b>-</b>	<b>66,717</b>	<b>-</b>	<b>-</b>	<b>1,789,974</b>
Excess of (expense over revenue) revenue over expense	\$ 88,796	\$ 189,084	\$ (49)	\$ 114,990	\$ (493,405)	\$ 3,919,641
Excess of (expense over revenue) revenue over expense attributable to noncontrolling interests	-	-	-	-	-	(1,161,282)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	\$ 88,796	\$ 189,084	\$ (49)	\$ 114,990	\$ (493,405)	\$ 2,758,359

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