

**EDEN HOUSING, INC.
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED DECEMBER 31, 2019 AND 2018

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITOR’S REPORT

Report on the Financial Statements

We have audited the accompanying combined financial statements of Eden Housing, Inc., a California nonprofit public benefit corporation, and Affiliates, which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Eden Housing, Inc. and Affiliates as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, Eden Housing, Inc. and Affiliates adopted the new accounting guidance required by accounting principles generally accepted in the United States of America on contributions, revenue recognition, financial instruments, and presentation of the combined statement of cash flows. The change in accounting principle on the combined statement of cash flows has been applied retrospectively to the prior period presented. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying supplementary information on pages 36 through 62 is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the combined financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2020 on our consideration of Eden Housing, Inc. and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eden Housing, Inc. and Affiliates' internal control over financial reporting and compliance.

Sindquist, von Husen and Joyce LLP

June 25, 2020

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,745,186	\$ 54,852,029
Investments in marketable securities (Note 3)	43,228,308	38,097,636
Impound deposits	1,874,988	2,142,013
Receivables, net – current portion (Note 5)	1,878,490	1,243,574
Prepaid expenses and other receivables	1,562,184	1,295,626
Total current assets	109,289,156	97,630,878
Restricted cash (Note 4)	108,607,060	113,898,887
Receivables, net – net of current portion (Note 5)	4,904,822	5,594,134
Notes and interest receivable (Note 6)	6,692,899	5,902,098
Grants and contributions receivable	101,416	1,552,636
Investments in other companies (Note 7)	601,672	240,893
Development in progress (Note 8)	68,412,716	19,697,930
Property and equipment, net (Note 9)	1,619,898,012	1,585,303,148
Deferred costs, net (Note 10)	4,167,359	5,612,759
Total assets	\$ 1,922,675,112	\$ 1,835,433,363
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 8,272,652	\$ 8,417,781
Deferred revenue	15,607,530	1,357,667
Line of credit (Note 11)	2,500,000	1,500,000
Interest payable – current portion (Note 12)	2,080,888	2,523,039
Notes payable – current portion (Note 12)	21,408,207	12,595,896
Total current liabilities	49,869,277	26,394,383
Accounts payable – development	13,986,518	14,755,254
Tenant security deposits	6,043,646	5,740,873
Interest rate swap liability	961,277	141,790
Interest payable – net of current portion (Note 12)	110,353,261	101,376,798
Notes payable – net of current portion (Note 12)	1,147,040,971	1,167,163,150
Total liabilities	1,328,254,950	1,315,572,248
Net assets:		
Without donor restrictions:		
Controlling interest	76,202,627	71,770,694
Controlling interest – board-designated funds (Note 13)	46,782,965	39,575,769
Non-controlling interest	468,648,850	404,795,332
Total without donor restrictions	591,634,442	516,141,795
With donor restrictions – controlling interest (Notes 13 and 14)	2,785,720	3,719,320
Total net assets	594,420,162	519,861,115
Total liabilities and net assets	\$ 1,922,675,112	\$ 1,835,433,363

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF ACTIVITIES
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Support and revenue:						
Rental income	\$ 141,610,431	\$ -	\$ 141,610,431	\$ 126,684,546	\$ -	\$ 126,684,546
Developer fees	299,696	-	299,696	82,101	-	82,101
Management and resident services fees	590,374	-	590,374	416,134	-	416,134
Ground lease income	123,675	-	123,675	120,061	-	120,061
Grants and contributions	12,376,566	-	12,376,566	8,277,908	-	8,277,908
Interest income and net investment return	3,064,265	-	3,064,265	418,218	-	418,218
Pass-through loss from equity method investments	-	-	-	(89,437)	-	(89,437)
Other income	2,532,270	-	2,532,270	2,767,416	-	2,767,416
Total support and revenue	161,530,877	(933,600)	160,597,277	138,676,947	-	138,676,947
Expenses:						
Program expenses:						
Affordable housing ownership and operations	92,610,428	-	92,610,428	83,668,211	-	83,668,211
Affordable housing property management	7,290,987	-	7,290,987	6,020,249	-	6,020,249
Affordable housing resident services	4,617,600	-	4,617,600	4,280,845	-	4,280,845
Affordable housing development	2,260,689	-	2,260,689	-	-	-
Supporting services:						
Management and general	10,002,812	-	10,002,812	7,538,029	-	7,538,029
Total expenses	116,782,516	-	116,782,516	101,507,334	-	101,507,334
Change in net assets before other (income) expenses	44,748,361	(933,600)	43,814,761	37,169,613	-	37,169,613

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF ACTIVITIES
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Other (income) expenses:						
(Income from) adjustment to property acquisitions	2,925,641	-	2,925,641	(2,874,391)	-	(2,874,391)
Forgiveness of debt	(901,172)	-	(901,172)	(1,520,000)	-	(1,520,000)
Deferred interest expense	13,704,827	-	13,704,827	12,050,926	-	12,050,926
Depreciation and amortization	51,709,211	-	51,709,211	47,289,621	-	47,289,621
Loss on retirement of property and equipment	1,698,190	-	1,698,190	628,502	-	628,502
Total other (income) expenses	69,136,697	-	69,136,697	55,574,658	-	55,574,658
Change in net assets	(24,388,336)	(933,600)	(25,321,936)	(18,405,045)	-	(18,405,045)
Net assets, beginning of year	516,141,795	3,719,320	519,861,115	402,006,164	3,719,320	405,725,484
Capital contributions, net of distributions – non-controlling interest	103,458,525	-	103,458,525	132,540,676	-	132,540,676
Purchase of non-controlling interest in projects	(3,577,542)	-	(3,577,542)	-	-	-
Net assets, end of year	\$ 591,634,442	\$ 2,785,720	\$ 594,420,162	\$ 516,141,795	\$ 3,719,320	\$ 519,861,115

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019						
	<i>Affordable Housing Ownership and Operations</i>	<i>Affordable Housing Management</i>	<i>Affordable Housing Resident Services</i>	<i>Affordable Housing Development</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Total</i>
Grants and other assistance to organizations	\$ 307,012	\$ -	\$ 13,140	\$ 221,418	\$ 541,570	\$ -	\$ 541,570
Grants and other assistance to individuals	-	-	10,336	63,611	73,947	-	73,947
Salaries and wages	15,128,457	5,050,558	2,004,991	4,094,041	26,278,047	4,503,818	30,781,865
Pension plan accruals and contributions	436,830	181,450	67,095	133,025	818,400	154,530	972,930
Other employee benefits	2,162,423	616,473	243,279	303,571	3,325,746	707,404	4,033,150
Payroll taxes	1,086,818	414,106	167,799	281,767	1,950,490	300,147	2,250,637
Management fees	747,122	-	-	5,962	753,084	-	753,084
Legal fees	630,655	7,378	-	28,353	666,386	196,639	863,025
Accounting fees	15,308	4,200	4,100	-	23,608	1,413,261	1,436,869
Other fees for services	650,232	608,350	1,673,168	146,953	3,078,703	1,265,804	4,344,507
Advertising and promotion	220,071	56,726	-	-	276,797	22	276,819
Office expenses	1,767,116	4,892	272,037	151,515	2,195,560	668,204	2,863,764
Information technology	934,738	12,911	23,508	5,414	976,571	155,171	1,131,742
Occupancy: utilities	10,548,882	-	-	-	10,548,882	38,490	10,587,372
Occupancy: repairs and maintenance	18,850,881	561	-	9,875	18,861,317	65,672	18,926,989
Occupancy: real estate taxes	1,093,383	-	-	-	1,093,383	666	1,094,049
Occupancy: property and liability insurance	3,114,337	-	-	-	3,114,337	9,460	3,123,797
Travel	104,106	249,330	73,933	55,841	483,210	101,748	584,958
Conferences, conventions and meetings	141,844	38,308	19,667	45,632	245,451	86,970	332,421
Other insurance	1,066,124	39,822	7,448	15,178	1,128,572	16,526	1,145,098
Social services	223,994	-	-	-	223,994	-	223,994
Mortgage interest	30,776,636	-	-	459,459	31,236,095	98,300	31,334,395
Ground lease	553,609	-	-	-	553,609	-	553,609
Other	2,049,852	5,920	37,100	36,891	2,129,763	219,980	2,349,743
Capitalized salaries and project costs	-	-	-	(3,797,818)	(3,797,818)	-	(3,797,818)
Total expenses reported by function on the combined statement of activities	92,610,430	7,290,985	4,617,601	2,260,688	106,779,704	10,002,812	116,782,516
Other expenses:							
Adjustment to property acquisitions	2,925,641	-	-	-	2,925,641	-	2,925,641
Deferred interest expense	13,704,827	-	-	-	13,704,827	-	13,704,827
Depreciation and amortization	51,352,920	8,170	3,379	344,742	51,709,211	-	51,709,211
Loss on retirement of property and equipment	1,494,173	-	-	204,017	1,698,190	-	1,698,190
Total expenses	\$ 162,087,991	\$ 7,299,155	\$ 4,620,980	\$ 2,809,447	\$ 176,817,573	\$ 10,002,812	\$ 186,820,385

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018						
	<i>Affordable Housing Ownership and Operations</i>	<i>Affordable Housing Management</i>	<i>Affordable Housing Resident Services</i>	<i>Affordable Housing Development</i>	<i>Total Program Services</i>	<i>Management and General</i>	<i>Total</i>
Grants and other assistance to organizations	\$ -	\$ 52,424	\$ -	\$ 359,664	\$ 412,088	\$ -	\$ 412,088
Grants and other assistance to individuals	-	-	-	71,961	71,961	-	71,961
Salaries and wages	11,761,485	4,195,925	1,861,843	3,183,643	21,002,896	3,689,892	24,692,788
Pension plan accruals and contributions	410,879	138,599	65,994	109,732	725,204	152,815	878,019
Other employee benefits	1,807,072	467,267	209,221	225,054	2,708,614	637,550	3,346,164
Payroll taxes	936,238	322,837	160,878	230,641	1,650,594	239,305	1,889,899
Management fees	481,096	-	-	-	481,096	-	481,096
Legal fees	445,628	8,894	-	26,138	480,660	150,855	631,515
Accounting fees	12,045	4,200	4,100	130,410	150,755	1,666,485	1,817,240
Other fees for services	616,637	498,111	1,617,976	449,047	3,181,771	654,099	3,835,870
Advertising and promotion	439,458	4,641	-	454	444,553	-	444,553
Office expenses	3,325,644	6,724	161,884	5,705	3,499,957	599,905	4,099,862
Information technology	969,975	2,667	53,167	833	1,026,642	181,596	1,208,238
Occupancy: utilities	10,005,231	-	-	-	10,005,231	40,191	10,045,422
Occupancy: repairs and maintenance	15,514,708	-	-	7,375	15,522,083	46,134	15,568,217
Occupancy: real estate taxes	1,609,804	-	-	-	1,609,804	1,037	1,610,841
Occupancy: property and liability insurance	2,717,065	-	65	-	2,717,130	7,379	2,724,509
Travel	98,960	214,010	67,959	63,183	444,112	73,878	517,990
Conferences, conventions and meetings	100,228	73,167	27,158	56,143	256,696	391,431	648,127
Other insurance	919,836	25,274	6,984	11,261	963,355	14,453	977,808
Social services	240,072	-	-	-	240,072	-	240,072
Mortgage interest	29,946,580	-	-	163,887	30,110,467	-	30,110,467
Ground lease	543,919	-	-	-	543,919	-	543,919
Other	765,651	5,509	43,616	-	814,776	265,019	1,079,795
Capitalized salaries and project costs	-	-	-	(5,095,131)	(5,095,131)	(1,273,995)	(6,369,126)
Total expenses reported by function on the combined statement of activities	83,668,211	6,020,249	4,280,845	-	93,969,305	7,538,029	101,507,334
Other expenses:							
Deferred interest expense	12,050,926	-	-	-	12,050,926	-	12,050,926
Depreciation and amortization	47,015,920	11,713	6,412	255,576	47,289,621	-	47,289,621
Loss on retirement of property and equipment	628,502	-	-	-	628,502	-	628,502
Total expenses	\$ 143,363,559	\$ 6,031,962	\$ 4,287,257	\$ 255,576	\$ 153,938,354	\$ 7,538,029	\$ 161,476,383

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (25,321,936)	\$ (18,405,045)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	51,709,211	47,289,622
Loss on retirement of property and equipment	1,698,190	628,502
Amortization of debt issuance costs	2,560,780	3,284,289
Net realized and unrealized (gain) loss on investments	3,014,862	(13,460)
Forgiveness of notes and interest payable	(901,172)	(1,520,000)
(Increase) decrease in assets:		
Receivables	54,396	3,140,174
Grants and contributions receivable	1,451,220	(1,241,387)
Prepaid expenses and other receivables	(266,558)	(199,782)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	809,631	1,091,079
Deferred revenue	14,366,681	(249,079)
Tenant security deposits – liability	302,773	277,964
Interest payable	8,125,633	9,892,547
Net cash provided by operating activities	57,603,711	43,975,424
Cash flows from investing activities:		
Net increase in investments in marketable securities	(7,326,047)	(13,335,586)
Net increase in investments in other companies	(360,779)	(25,000)
Net increase in notes receivable	(790,801)	(4,825,940)
Purchase of property and equipment and net increase in development in progress	(121,618,440)	(137,776,687)
Net increase in deferred costs	(252,570)	(51,272)
Net cash used in investing activities	(130,348,637)	(156,014,485)

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

EDEN HOUSING, INC. AND AFFILIATES
 COMBINED STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from financing activities:		
Advances from line of credit	2,000,000	2,000,000
Payment of line of credit	(1,000,000)	(500,000)
Payment of development payables	(14,677,481)	(19,640,877)
Capital contributions – non-controlling interest	100,063,331	133,191,115
Payment of syndication costs	(182,348)	(474,664)
Payment of debt issuance costs	(2,841,178)	(6,585,247)
Payment of mortgages and notes payable	(237,734,657)	(242,969,541)
Proceeds from long-term debt	227,451,564	242,667,118
Net cash provided by financing activities	73,079,231	107,687,904
Net increase (decrease) in cash, cash equivalents, and restricted cash	334,305	(4,351,157)
Cash, cash equivalents, and restricted cash, beginning of year	170,892,929	175,244,086
Cash, cash equivalents, and restricted cash, end of year	\$ 171,227,234	\$ 170,892,929
Supplementary information:		
Cash paid for interest – net of capitalized portion	\$ 34,358,206	\$ 30,477,350
Cash and cash equivalents	\$ 60,745,186	\$ 54,852,029
Impound deposits	1,874,988	2,142,013
Restricted cash	108,607,060	113,898,887
Total cash, cash equivalents, and restricted cash shown in the combined statements of cash flows	\$ 171,227,234	\$ 170,892,929

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

EDEN HOUSING, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Eden Housing, Inc. (EHI) was formed as a California nonprofit public benefit corporation in 1968. Its mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. Affordable housing includes multi-family rental housing, co-ops and supportive housing. EHI has developed, rehabilitated or acquired over 140 affordable housing communities and 10,400 units for these purposes across 15 California counties.

In addition to providing services as a real estate developer, EHI directly owns three affordable housing properties known as Del Nido, Grove Way, and 10th & D, which provide housing for low- and moderate-income individuals and families. Del Nido is owned by Eden Del Nido LLC, of which EHI is the sole member.

EHI also holds managing member interests in LLCs holding title to land. EHI holds a 60% managing member interest in Light Tree Land LLC, which owns a parcel of land in East Palo Alto, CA leased to an affiliate that provides affordable housing. EHI holds a 75% managing member interest in Eden Pratt Development LLC, which owns a parcel of land in Mountain View, CA that is anticipated to be developed into affordable housing.

EHI is affiliated with and under common board control with other not-for-profit corporations which have been formed either as supporting entities to EHI, or as instruments to further EHI’s organizational objectives. These entities, which are included in the combined financial statements of EHI in accordance with accounting principles generally accepted in the United States of America (GAAP), are:

- **Eden Housing Management, Inc. (EHMI)** provides property management services in connection with the operations of affordable housing and elderly housing projects. EHMI currently provides property management services for over 9,600 units.
- **Eden Housing Resident Services, Inc. (EHRSI)** develops and supports viable social services to the projects’ residents. EHRSI provides social services to over 5,000 residents annually.
- **Eden Investments, Inc. (EII)** forms and controls limited partnerships that own affordable housing properties. Most of the limited partnerships participate in the Low-Income Housing Tax Credit program described in Section 42 of the Internal Revenue Code. EII is the managing general partner or member of the limited partnerships or LLCs, respectively. Since EII controls each entity as defined by GAAP, the entities are consolidated in these financial statements and include:

<i>General Partner (If LLC, controlled by EII)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Antioch Eden Rivertown LLC	Antioch Eden Rivertown, L.P.	Rivertown Place
Brentwood Senior Housing LLC	Brentwood Senior Commons, L.P.	Brentwood Senior
Catalonia Two LLC	Catalonia Two, L.P.	Catalonia
CHHP LLC	CHHP, L.P.	Cypress Glen/Harris Court/Huntwood Commons
Connell Apartments LLC	Connell Apartments, L.P.	Connell
CRWC LLC	CRWC, L.P.	Corona Ranch/Washington Creek
Downtown River LLC	Downtown River Associates, L.P.	Downtown River
Dublin Senior LLC	Dublin Senior Limited Partnership	Wicklow Square
Eden 819 North Rengstorff Studios LLC	819 North Rengstorff Studio Apartments, L.P.	819 North Rengstorff Studios
Eden Altenheim I LLC	Historic Altenheim Partners, L.P.	Altenheim I
Eden Arroyo Vista LLC	Eden Arroyo Vista Associates, L.P.	Arroyo Vista
Eden Baywood Apartments LLC	Eden Baywood Apartments, L.P.	Eden Baywood
Eden Brookwood LLC	N/A	N/A
Eden Coronado Terrace GP LLC	Eden Coronado Terrace LP	N/A
Eden Coronado Terrace GP LLC	Eden Coronado Terrace 2, L.P.	Coronado Terrace

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<i>General Partner (If LLC, controlled by EII)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Eden Cril LLC	EHP EC Magnolia, L.P.	EC Magnolia
Eden Cril LLC	EHP Olive Tree Plaza, L.P.	Olive Tree Plaza
Eden Cril LLC	EHP Redwood Lodge, L.P.	Redwood Lodge
Eden Dougherty LLC	Eden Dougherty, L.P.	Wexford Way/Carlow Court
Eden Faith Manor LLC	N/A	N/A
Eden Ford Family LLC	Ford Road Family Housing, L.P.	Ford Road Plaza
Eden Harbour Point, LLC	Maritime Apartments Investors, L.P.	Land under development
Eden Investments, Inc.	Ashland Village Apartments, L.P.	Ashland Village
Eden Investments, Inc.	Eden Rivertown Limited Partnership	West Rivertown
Eden Investments, Inc.	Eden Victoria Limited Partnership	Victoria Green
Eden Investments, Inc.	Eden Woodside Court, L.P.	Woodside Court
Eden Investments, Inc.	EHP Fuller Lodge, L.P.	Fuller Lodge
Eden Investments, Inc.	EHP Issei Terrace, L.P.	Eden Issei
Eden Investments, Inc.	EHP Sequoia Manor, L.P.	Sequoia Manor
Eden Investments, Inc.	Fireside Affordable Housing Associates	Fireside
Eden Investments, Inc.	Lafayette Senior, L.P.	Belle Terre
Eden Investments, Inc.	New Altheim Partners, L.P.	Altheim II
Eden Investments, Inc.	Palo Alto Family, L.P.	801 Alma
Eden Investments, Inc.	Quail Run Alameda County L.P.	Quail Run 2
Eden Investments, Inc.	Southport Yolo L.P.	Savannah at Southport
Eden Investments, Inc.	Warner Creek Senior Housing, L.P.	Warner Creek
Eden Lodge LLC	Eden Lodge, L.P.	Eden Lodge
Eden Orvieto LLC	N/A	N/A
Eden Sequoia, LLC	Granite Ridge Investors, L.P.	Land under development
Eden Sereno LLC	Sereno Village Associates	Sereno Village
Eden South Hayward LLC	Eden South Hayward, L.P.	Alta Mira
Eden Surf LLC	Eden Surf Associates, L.P.	Surf Apartments
Eden-Sycamore LLC	Eden-Sycamore, L.P.	Samara Terrace
Eden Timber, LLC	Timber Street Investors, L.P.	Land under development
Eden Vista Terrace GP LLC	Eden Vista Terrace 2, L.P.	Vista Terrace
Eden Windscape LLC	Reseda Boulevard Associates	Windscape
Gallup and Mesa LLC	Gallup and Mesa, L.P.	N/A
GBGEH LLC	GBGEH, L.P.	Glen Berry/Glen Eden
Grand/C LLC	Grand/C Limited Partnership	Hayward Senior
Healdsburg Family LLC	Healdsburg Family, L.P.	Foss Creek
Leidig Court LLC	N/A	Leidig Court
LPSL LLC	LPSL, L.P.	Las Palmas
Mission Court MGP LLC	Mission Court Four, L.P. Mission Court Nine, L.P. Santa Rosa Housing Partners Limited Partnership	Pauline Weaver
Quail Run Eden, LLC	Quail Run	Quail Run
Redwoods Wheeler LLC	Redwoods Wheeler, L.P. Ridge View Commons II Associates, L.P.	Redwoods/Wheeler Manor
Ridgeview Commons LLC	N/A	N/A
Saklan Avenue LLC	Saklan Avenue Limited Partnership	Walker Landing
Sara Conner Court LLC	Sara Conner Court, L.P.	Sara Conner Court
SJ Auzerais LLC	SJ Auzerais, L.P.	Land under development
Stone Pine Meadow Two LLC	Stone Pine Meadow Two, L.P.	N/A
Stoney Creek Two LLC	Stoney Creek Two, L.P. Tennyson Preservation Limited Partnership	Stoney Creek
Tennyson Gardens, LLC	N/A	N/A
Tienda Drive Senior Apartments LLC	Tienda Drive Senior Apartments, L.P.	Cranes Landing

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<i>General Partner (If LLC, controlled by EII)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Villa Springs LLC	Villa Springs Apartments, L.P.	Villa Springs
Warm Springs Village Four GP, LLC	Warm Springs Village Four, L.P.	Warm Springs Village
Warm Springs Village Nine GP, LLC	Warm Springs Village Nine, L.P.	Warm Springs Village

- **Eden Development, Inc. (EDI)** is a multi-county Community Housing Development Organization (CHDO) serving Alameda, Contra Costa, San Joaquin, and San Mateo Counties. A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for the designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organization structure, capacity, and experience. EDI is the managing general partner or member of limited partnerships or LLCs, respectively, that are consolidated in these financial statements:

<i>General Partner (If LLC, controlled by EDI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Alameda Point Family LLC	Alameda Point Family, L.P.	N/A
Alameda Point Senior LLC	Alameda Point Senior, L.P.	Corsair Flats
Dublin Family LLC	Dublin Family, L.P.	Valor Crossing
EB LLC	EB, L.P.	East Bluff
El Cerrito Senior LLC	El Cerrito Senior, L.P.	Hana Gardens
Eden Development, Inc.	B Grand, L.P.	Weinreb Place
Eden Development, Inc.	Estabrook Senior Housing, L.P.	Estabrook Place
Eden Development, Inc.	Hillview Glen Housing Partners, L.P.	Hillview Glen
Eden Development, Inc.	Peralta Seniors, L.P.	Cottonwood
Eden Development, Inc.	Union Court Limited Partnership	Union Court
Gotta Have Faith LLC	Gotta Have Faith LP	Faith Manor/Tennyson Gardens
Irwin Way LLC	Irwin Way Limited Partnership	Monteverde Senior
Light Tree Two LLC	Light Tree Two, L.P.	N/A
Light Tree Three LLC	Light Tree Three, L.P.	N/A
Montgomery Plaza LLC	Montgomery Plaza, L.P.	Montgomery Plaza
New Del Nido LLC	New Del Nido, L.P.	N/A
Ruby Street LLC	Ruby Street, L.P.	Land under development
San Leandro Parrott LLC	San Leandro Parrott, L.P.	Land under development
Santa Rosa Quail Run LLC	Santa Rosa Quail Run, L.P.	N/A
Vallejo PSH LLC	Vallejo PSH, L.P.	N/A
VL LLC	VL, L.P.	Virginia Lane

- **Eden South Bay, Inc. (ESBI)** is a state CHDO formed pursuant to an agreement between EHI and South County Housing Corporation (SCHC) to preserve SCHC's rental portfolio and to continue to have a community-based presence in Monterey, San Benito, Santa Clara, and Santa Cruz Counties. ESBI is the managing general partner or member of limited partnerships or LLCs, respectively, that are consolidated in these financial statements:

<i>General Partner/Owner (If LLC, controlled by ESBI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Camphora LLC	Camphora Associates, L.P.	Camphora
Corralitos Creek Apartments LLC	Corralitos Creek Associates	Corralitos Creek
Crest Avenue Housing LLC	Crest Avenue Associates, L.P.	Crest Avenue
Depot Commons LLC	N/A	Depot Commons
Depot Willows LLC	Depot Willows, L.P.	N/A
Gateway Palms LLC	Gateway Palms Associates, L.P.	Gateway Palms

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<i>General Partner/Owner (If LLC, controlled by ESBI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Gilroy Sobrato Studios LLC	N/A	Gilroy Sobrato
Jasmine Square LLC	Church & Monterey Road Associates	Jasmine Square
MRW GP LLC	MRW, L.P.	Monterra Village
Pacific Terrace Apartments LLC	Pacific Terrace Associates	Pacific Terrace
Royal Court Housing LLC	Royal Court Associates	Royal Court
Skeels Hotel LLC	N/A	Skeels Hotel
Skeels Villa LLC	Skeels Villa, L.P.	N/A
	Gilroy Transitional Housing Center	
Sobrato Transitional LLC	Associates	Sobrato Family
University Village LLC	University Village Associates	University Village
Villa Ciolino LLC	Villa Ciolino Associates	Villa Ciolino
Vista Point LLC	Jewell Avenue Associates	Vista Point
Vista Verde LLC	Vista Verde Housing Associates	Vista Verde

- **Eden South County, Inc. (ESCI)** was formed pursuant to an agreement between EHI and South County Housing Corporation (SCHC) to preserve SCHC’s rental portfolio. ESCI is the managing general partner or member of limited partnerships or LLCs, respectively, that are consolidated in these financial statements:

<i>General Partner/Owner (If LLC, controlled by ESCI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Aspen Grove Apartments LLC	N/A	Aspen Grove
Aspen Maple Trees LLC	N/A	N/A
Charles Cypress LLC	Charles Cypress, L.P.	Charles Apartments/Cypress Gardens
Cypress Gardens LLC	N/A	N/A
Jardines LLC	N/A	Jardines de Boronda
Lincoln Meadows LLC	N/A	Lincoln Square
Maple Gardens Apartments LLC	N/A	Maple Gardens
Monticelli LLC	Monticelli Housing Associates	Monticelli
Nuevo Amanecer LLC	Salinas Road Associates	Nuevo Amanecer
Nuevo Sol LLC	N/A	Nuevo Sol/Barson Street
Pacific Family MHP LLC	N/A	Pacific Family Mobile Home Park
Pajaro Court LLC	N/A	Pajaro Court
Pleasant Acres MHP LLC	N/A	Pleasant Acres Mobile Home Park
Rancho Rustic LLC	Rancho Rustic, L.P.	Rancho Park/Rustic Gardens
Riverside MHP LLC	N/A	Riverside Mobile Home Park
Seacliff Highlands Apartments LLC	Seacliff Highlands Associates	Seacliff Highlands
The Trees Apartments LLC	N/A	The Trees
Tierra Linda LLC	Tierra Linda Associates	Tierra Linda
Vista Verde Childcare LLC	N/A	Vista Verde Childcare
Westside Terrace Housing LLC	N/A	Westside Terrace
Willows LLC	Edmundson Associates	The Willows

- **Eden Vacaville Housing, Inc. (EVHI)** was formed pursuant to an agreement between EHI and Vacaville Community Housing, Inc. (VCH) to take over the ownership of VCH’s rental portfolio and to continue to have a community-based presence in the region served by VCH. EVHI is the managing general partner or member of the following limited partnerships or LLCs, respectively, that are consolidated in these financial statements:

<i>General Partner (If LLC, controlled by EVHI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Eden Meadows Holly LLC	N/A	N/A

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<i>General Partner (If LLC, controlled by EVHI)</i>	<i>Limited Partnership</i>	<i>Property Name</i>
Eden VCH LLC	N/A	Willows/ Highlands/ Hillside/ Orchard Maples
Eden Trower Housing LLC	N/A	N/A

- **Baywood Apartments, Inc. (BAI)**, serves as limited partner when a buy out of a third-party investor limited partner occurs. It also serves as a managing general partner of Livermore Housing Associates, which owns an affordable housing community known as Owl’s Landing. BAI is the limited partner of the following limited partnerships that are controlled by other EHI affiliates and consolidated in these financial statements:

<i>Limited Partnerships</i>	
Alameda Point Family, L.P.	New Del Nido, L.P.
Church & Monterey Road Associates	Pacific Terrace Associates
Chynoweth Housing Associates	Reseda Boulevard Associates
Corralitos Creek Associates	Ridge View Commons Associates
Depot Willows, L.P.	Ridge View Commons II Associates, L.P.
Downtown River Associates, L.P.	Riverhouse Associates
Dublin Senior Limited Partnership LP	Ruby Street, L.P.
Eden Arroyo Vista Associates, L.P.	San Leandro Parrott, L.P.
Eden Coronado Terrace, L.P.	Santa Rosa Housing Partners Limited Partnership
Eden Palms Associates	Santa Rosa Quail Run, L.P.
Eden Rivertown Limited Partnership	Seacliff Highlands Associates
Eden Surf Associates, L.P.	Sereno Village Associates
Eden Victoria Limited Partnership	SJ Auzerais, L.P.
Eden-Sycamore, L.P.	Skeels Villa, L.P.
Edmundson Associates	SPM Housing Associates
Gallup and Mesa, L.P.	Stone Pine Meadow Two, L.P.
Granite Ridge Investors, L.P.	Tennyson Preservation Limited Partnership
Hillview Glen Housing Partners, L.P.	Tierra Linda Associates
Jewell Avenue Associates	Timber Street Investors, L.P.
Light Tree Housing Partners	Union Court Limited Partnership
Light Tree Two, L.P.	Vallejo PSH, L.P.
Light Tree Three, L.P.	Villa Ciolino Associates
Maritime Apartments Investors, L.P.	Vista Verde Housing Associates
Monticelli Housing Associates	

- **Eden Commercial, Inc.** and **Rengstorff Commercial, Inc.** (as member of Rengstorff Commercial LLC) operate commercial space developed in conjunction with affordable housing projects.
- **Stevenson Land Corporation** owns a 4.1 acre parcel of land in Fremont with a 99 year ground lease to Park Vista Apartments, an affordable housing complex owned by an unrelated third-party. Payments on the lease are returned to the City of Fremont to pay down the related land loan with the City.
- **Peralta Mixed-Use Association**, a not-for-profit mutual benefit corporation, is a condominium management association providing management and maintenance of the common area owned by the members. The members of the common interest development include an affiliate providing affordable housing, and the other member is a third-party providing commercial health services.

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- **Single-purpose not-for-profit corporations** are direct owners of affordable housing properties or hold a controlling general partner interest in their respective limited partnerships providing affordable housing. The properties receive financing from the U.S. Department of Housing and Urban Development (HUD), the Department of Housing and Community Development, the California Housing Finance Agency, or other sources, and include:

<i>General Partner/Owner</i>	<i>Limited Partnership</i>	<i>Property Name</i>
California Preservation, Inc.	Josephine Lum Lodge, L.P.	Josephine Lum Lodge
Catalonia, Inc./Eden Cambrian LLC	Eden Cambrian, L.P.	Cambrian Center
CDLA, Inc.	N/A	Casa De Los Amigos
Central Valley Senior Housing Corporation	N/A	Almond Court
Charles Apartments Housing Corporation	N/A	N/A
Chynoweth Housing, Inc.	Chynoweth Housing Associates	Ohlone Chynoweth
Contra Costa County Housing Corporation	N/A	Emerson Arms
Corona Crescent, Inc.	N/A	N/A
Corona/Ely Ranch, Inc.	N/A	N/A
EC Magnolia Court, Inc.	N/A	N/A
Eden Alvarado Niles, Inc.	N/A	Rosewood Terrace
Eden/Hope Villa Esperanza, Inc.	N/A	Villa Esperanza
Eden Issei Housing, Inc.	N/A	N/A
Eden Palms, Inc.	Eden Palms Associates	Eden Palms
Ellis Lake Townhomes, Inc.	Riverhouse Associates	Riverhouse Hotel
Ford Road Supportive Housing, Inc.	N/A	Ford Road Plaza
Fuller Lodge, Inc.	N/A	N/A
Gardella Plaza, Inc.	N/A	Vandenburgh Villa
Light Tree Housing Corporation	Light Tree Housing Partners	Light Tree
Manteca Senior Housing Corporation	N/A	Almond Terrace
Monterey Road Supportive Housing Corporation	N/A	Edenvale
Pacific Grove Supportive Housing, Inc.	N/A	Pacific Grove
Peace Grove, Inc.	N/A	Kirker Court
RVC Investments, Inc.	Ridge View Commons Associates	Ridgeview Commons
San Leandro Supportive Housing, Inc.	N/A	Fuller Gardens
SPM Affordable Housing Corporation	SPM Housing Associates	Stone Pine Meadows
Stoney, Inc.	N/A	N/A
Sycamore Glen Senior Housing, Inc.	N/A	N/A
Sycamore Square Housing Corporation	N/A	Sycamore Square Apartments
UC Independent, Inc.	N/A	Wisteria Place
Virginia Lane Housing, Inc.	N/A	N/A

- The combined financial statements do not include single purpose not-for-profit corporations for which EHI's officers and/or board are not deemed to have majority control, namely Redwood Lodge, Inc., Sequoia Manor, Inc., Sparks Way Commons, Inc., and MV Central Park, Inc.

The combined financial statements also do not consolidate certain affordable housing investments for which EHI and Affiliates are not deemed to have majority control, namely:

<i>Investment</i>	<i>Ownership Interest</i>
Chesley Avenue LLC	50.00%
Miraflores Senior LLC	50.00%

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<i>Investment</i>	<i>Ownership Interest</i>
Nugent Square LLC	50.00%
Gough Street Housing LLC	21.00%
John Street Housing LLC	21.00%
Trower Housing Partners, L.P.	0.0041%
Meadows Holly Partners, L.P.	0.0049%
Brookwood Terrace Family Apartments, L.P.	0.005%
Orvieto Family Apartments, L.P.	0.005%

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

Not-for-Profit Corporations:

The combined financial statements include the accounts of EHI (Parent) and other not-for-profit entities that are commonly controlled by EHI's Officers or Board of Directors, including those not-for-profit entities that are majority controlled by EHI. Other not-for-profit entities, over which EHI does not exercise majority control, are not included in the combined financial statements. All material intercompany balances and transactions have been eliminated in the combined financial statements.

Limited Partnerships:

Partnerships that are controlled by EHI or its affiliated not-for-profit entities are included in the combined financial statements. Partnerships over which EHI or its affiliates exercise significant influence are included in the financial statements using the equity method of accounting.

The controlling general partnership interests generally range from .01% to 1.0% with the remainder of the partnership's equity held by a limited partner and shown as non-controlling interests in net assets without donor restrictions.

Limited Liability Companies:

Limited liability companies that are controlled by EHI or its affiliated not-for-profit entities are included in the combined financial statements.

Eliminations:

Material intercompany balances and transactions between controlled entities are eliminated in the combined financial statements. Examples include: elimination of developer fee revenue on EHI's books against the developer fee cost which is capitalized in the building cost on a partnership's books; elimination of partnership management, property management, accounting and other fees on the books of EHI, EHMI, EHRSI and Other Entities against the corresponding operating expenses on a partnership or property's books; elimination of receivables from partnerships and properties on EHI and certain affiliates' books against the corresponding payables on the partnerships and properties' books. Financial statements for each of the major business components, prior to eliminations, are available in the Supplementary Information: Combining Schedules.

Accounting Method

EHI and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

EDEN HOUSING, INC. AND AFFILIATES
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Use of Estimates

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

Basis of Presentation

EHI and Affiliates report information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions include those assets over which the board of directors has discretionary control in carrying out the operations of EHI and Affiliates, together with board designated funds.

Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restriction ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

Business Combination/Asset Acquisition

EHI and Affiliates acquire interests in partnerships and limited liability companies that own real estate. At the time of acquisition, EHI and Affiliates consider whether the acquisition represents an acquisition of a business. EHI and Affiliates account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. When the acquisition of partnerships and limited liability companies does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values.

EHI and Affiliates account for each business combination by applying the acquisition method. EHI and Affiliates measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. For each business combination, EHI and Affiliates measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. When a business combination involves an acquisition of affordable housing and related projects with long term restrictions on affordability and use, EHI and Affiliates measure the identifiable assets acquired, liabilities assumed and non-controlling interests, if any, at their acquisition-date carrying values when there is no readily available market information with similar terms and restrictions. When liabilities assumed exceed the acquisition-date carrying value, the identifiable assets acquired are measured at a value equal to the liabilities assumed.

In 2018, EHI and Affiliates elected to early adopt the updated definition of a business in accounting for the purchase of certain properties. This allowed EHI and Affiliates to recognize the purchase of those properties as an asset acquisition instead of a business combination. Certain acquisition-related costs, such as finder's fees, advisory, legal, professional, other consulting fees, and other general administrative costs are recorded as part of the asset acquisition cost, which would otherwise be recorded as expenses in the period in which the costs are incurred and the services received under a business combination.

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Cash, Cash Equivalents, and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use such as development cash, replacement reserves, operating reserves, tax and insurance impound accounts, other reserves, and tenant security deposits. EHI and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including the restricted cash, was approximately \$68,000,000 as of December 31, 2019. EHI and Affiliates have not experienced any losses in such accounts.

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, money market accounts and investments with original maturities of three months or less qualify as cash equivalents.

EHI and Affiliates adopted the new accounting guidance required by GAAP and changed their presentation of the combined statements of cash flows. As a result, the 2018 combined statement of cash flows has been restated to include cash, cash equivalents, and restricted cash.

Investments – Fair Value Measurements

Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

GAAP establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of EHI. Unobservable inputs, if any, reflects EHI's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that EHI has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Investments in Other Companies

Investments in other companies, over which EHI's officers or board of directors are deemed to have 100% or majority control, are eliminated in the combined financial statements.

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Investments in other companies, over which EHI's officers or board of directors are deemed not to have majority control but have significant influence, are accounted for using equity method of accounting. Under the equity method, investments are initially recorded at cost then adjusted for the proportionate share in undistributed earnings or losses.

Investments in other companies, over which EHI's officers and/or board are deemed not to have significant influence are accounted for using fair value. Since fair values of these equity securities are not readily determinable, the investments are estimated at cost, adjusted by any impairment and changes resulting from observable price changes in orderly transactions for identical or similar investments.

Revenue Recognition

Grants and Contributions:

Contributions are recognized as revenue when cash, securities or other assets, an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Government grants are treated as contributions. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as support without donor restrictions.

A portion of EHI and Affiliates revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when EHI and Affiliates have incurred qualifying expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are recorded as deferred revenue. An amount of \$12,476,562 was received by EHI prior to incurring qualifying expenditures and is included in deferred revenue in the combined statement of financial position as of December 31, 2019. An unreceived amount of \$1,500,000 of EHI cost-reimbursable grants has not been recognized as of December 31, 2019.

EHI and Affiliates has adopted the new accounting guidance required by GAAP on contributions. Management believes the standard improves the usefulness and understandability of EHI and Affiliates' financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way EHI and Affiliates recognizes revenue from grants and contributions, and therefore no changes to the previously issued audited combined financial statements were required on a retrospective basis.

Revenue from Contracts with Customers

Rental Income:

Rental income for owned property is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Revenue from resident fees, rents and services is recognized in the period rendered.

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Developer Fees:

Developer fees for development of multi-family rental projects that are in development or under construction are recognized under the percentage-of-completion method. Developer fees for projects that are in the predevelopment or preconstruction stage are generally recognized as revenue on the cash basis of accounting. Management believes that the amount of cash received during predevelopment stage is commensurate to the work performed during that period.

Developer fees recognized from combined affiliates or consolidated subsidiaries are eliminated as intercompany transactions. EHI estimates that 60% to 70% of its developer fees up to a certain maximum amount cover related project costs. Project costs include costs of development, such as consultants, allocated internal salaries and benefits, related overhead, and other non-reimbursed fees that are ordinarily capitalized. Real property costs have been reduced by \$73,060,799 and \$58,907,825, the remaining portion of developer fees exceeding project costs as of December 31, 2019 and 2018, respectively.

Management Fee Revenue and Related Accounts:

EHMI provides property management and bookkeeping services. EHI and certain affiliates provide asset and partnership management services. Income is earned in accordance with the terms of the agreements and recorded as revenue. Such intercompany revenue has been eliminated in the combined financial statements. EHMI also provides marketing and other services.

During 2019, EHI and Affiliates has adopted the new accounting guidance required by GAAP on revenue recognition. Management believes the standard improves the usefulness and understandability of EHI and Affiliates' financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way EHI and Affiliates recognize revenue from grants and contributions, and therefore no changes to the previously issued audited combined financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Allowances for Uncollectible Accounts

EHI and Affiliates record an allowance for doubtful collections based on a review of outstanding receivables, existing economic conditions or specific situations. An allowance for doubtful collections is recorded for tenant rent receivables outstanding for more than 90 days.

Development in Progress

EHI incurs costs during the predevelopment phase of each affordable housing project undertaken. Such costs include governmental, legal, and consulting fees needed to investigate the feasibility and arrange for the financing of each project under construction, as well as construction costs.

Any funds expended on a project that do not pass beyond the predevelopment stage are recorded as expenses when further activity on the project ceases.

Development in progress includes costs of construction or rehabilitation of housing projects that have not been completed. Development in progress is not depreciated until the completion of the development.

Property and Equipment, and Deferred Costs

Property and equipment are stated at cost of acquisition or construction, or fair value if donated. Assets with an individual cost equal to \$2,500 or more are capitalized. Maintenance, repair, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

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Deferred costs are incurred in order to obtain tax credits and ground leases for the properties. Deferred costs also include other refundable deposits. Deferred costs are stated at cost and amortized on a straight-line basis. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	15 to 40 years
Furniture, fixtures and equipment	5 to 10 years
Tax credit costs	10 years

In accordance with GAAP, EHI and Affiliates review their property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There was no impairment loss recognized in 2019 and 2018.

Land

Purchased land is carried at cost. Donated land is carried at estimated fair value at the date of donation.

Debt Issuance Costs

Costs incurred in order to obtain construction and permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the term of the loan. Debt issuance costs are reported as a direct deduction from the face amount of the related debt.

Capitalized Interest

EHI and Affiliates capitalized interest incurred during development as a component of development in progress and building and improvement costs. EHI and Affiliates capitalized interest of approximately \$1,156,000 and \$2,746,000 in 2019 and 2018, respectively.

Income Taxes

EHI and the other not-for-profit corporations are tax-exempt pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections. Stevenson Land Corporation is tax-exempt pursuant to the Internal Revenue Code Section 501(c)(2) and related California code sections. The income or loss from the partnerships is reported by the partners on their income tax returns. The combined financial statements also include certain corporations that are not tax-exempt.

No income tax provision has been included in the combined financial statements for the single member limited liability companies which are generally considered disregarded entities. The income or loss of the LLCs is included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the combined financial statements.

EHI and Affiliates believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements. EHI and Affiliates' federal and state income tax and information returns for the fiscal years ended 2016 through 2018 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

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Guarantees

GAAP requires a liability to be recorded for the fair value of the stand ready obligation associated with a guarantee issued. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control (see Note 17).

Allocation of Partnership Income/Loss and Tax Credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of each partnership. Because the limited partners' losses are limited to their investments, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Related-Party Transactions

Most related-party transactions have been eliminated in the combined financial statements. The remaining related-party transactions are not material.

Functional Expenses

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities. Accordingly, certain costs are allocated among program expenses and supporting services based on estimates of employees' time incurred and on usage of resources. Program expenses include all expenses relating to development, management of properties, and resident services. Supporting services consist of management and general purposes. Fundraising expenses are not significant and are included in supporting services.

Subsequent Events

Management has evaluated subsequent events through June 25, 2020, the date on which the financial statements were available to be issued (see Note 19).

Reclassification

Certain amounts previously reported in the 2018 financial statements were reclassified to conform to the 2019 presentation for comparative purposes.

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NOTE 3 – INVESTMENTS IN MARKETABLE SECURITIES

The following tables present information about EHI’s investments measured at fair value on a recurring basis as of December 31, 2019 and 2018, and indicate the fair value hierarchy of the valuation techniques utilized to determine the fair values:

	2019		2018	
	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Cost</i>	<i>Quoted Prices in Active Markets for Identical Assets (Level 1)</i>	<i>Cost</i>
U.S. treasuries	\$ 10,731,860	\$ 10,618,581	\$ 9,910,762	\$ 9,865,890
Certificates of deposit	3,802,547	3,791,294	4,117,985	4,125,902
Money market instruments	2,739,073	2,710,095	6,923,172	6,903,511
Government securities	6,235,765	6,192,500	6,081,172	6,079,023
Mutual funds	13,455,196	13,374,267	7,438,972	7,442,983
Exchange traded funds	6,121,892	4,945,912	3,625,573	3,555,270
Private equity funds	141,975	-	-	-
	<u>\$ 43,228,308</u>	<u>\$ 41,632,649</u>	<u>\$ 38,097,636</u>	<u>\$ 37,972,579</u>

NOTE 4 – RESTRICTED CASH

Restricted cash as of December 31, 2019 and 2018 consists of the following:

	2019	2018
Development cash	\$ 30,034,548	\$ 41,784,906
Replacement reserves	28,136,020	24,215,957
Operating reserves	24,698,989	22,360,452
Subsidy transition reserves	7,918,257	7,100,121
Tenant security deposits	6,134,292	5,832,222
Services reserves	3,445,698	3,290,545
Bond and loan fee reserves	2,621,422	2,524,893
Residual receipts	1,887,606	2,231,912
NOI reserves	1,519,671	3,160,352
Other	2,210,557	1,397,527
Total	<u>\$ 108,607,060</u>	<u>\$ 113,898,887</u>

Development Cash

EHI and certain affiliates hold development cash that is earmarked for the rehabilitation of various properties, or for repayment of construction loans at the time of permanent loan conversion.

Replacement and Operating Reserves

EHI and Affiliates are required to maintain replacement and repair reserves for property and equipment as well as operating reserves in accordance with partnership and other lenders’ regulatory agreements.

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Subsidy Transition Reserves

Certain affiliates are required to maintain subsidy transition reserves to protect against the potential loss of rental subsidy contracts in accordance with partnership and other lenders' regulatory agreements.

Tenant Security Deposits

EHI and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

Services Reserves

Certain affiliates are required to maintain services reserves to subsidize the cost of providing supportive services to the property residents in accordance with partnership and other lenders' regulatory agreements.

Bond and Loan Fee Reserves

Certain affiliates are required to maintain reserves to pay for bond and loan fees in accordance with partnership and other lenders' regulatory agreements.

Residual Receipts

Certain affiliates are required to deposit excess cash, as defined by HUD, into separate bank accounts in accordance with the HUD regulatory agreements.

NOI Reserves

Certain affiliates are required to maintain NOI reserves to pay for rehabilitation costs or for repayment of construction loans in accordance with partnership and other lenders' regulatory agreements.

Other

Certain affiliates are required to maintain other reserves specifically identified by investors or lenders in partnerships.

NOTE 5 – RECEIVABLES

Receivables as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Tenant and rent subsidy	\$ 1,947,735	\$ 1,104,557
Developer fees	1,705,529	2,062,552
Ground lease	1,637,768	1,527,148
Incentive, asset and partnership management fees	523,454	483,709
Escrow and other deposits	296,094	263,126
Property taxes	424,506	170,048
Property payroll	-	531,369
Other	717,529	1,108,505
Total	<u>7,252,615</u>	<u>7,251,014</u>
Less: allowance for doubtful collections	<u>(469,303)</u>	<u>(413,306)</u>
	6,783,312	6,837,708
Less: current portion	<u>(1,878,490)</u>	<u>(1,243,574)</u>
Non-current portion	<u>\$ 4,904,822</u>	<u>\$ 5,594,134</u>

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NOTE 6 – NOTES AND INTEREST RECEIVABLE

Notes and interest receivable are summarized as follows:

	2019	2018
Notes receivable from buyers of units in the La Solanita and La Solana projects, due only upon sale of the property to persons not qualifying as low-income families, with interest ranging from 8% to 10% per annum.	\$ 25,350	\$ 25,350
Notes receivable from buyers of units in the Tyrrell Gardens project, due only upon sale of the property to persons not qualifying as low-income families, with interest at 8% per annum.	60,200	60,200
Note receivable from Cal-Livermore, Inc., with interest at 5% per annum. Principal and interest are repayable at some future date.	100,000	100,000
Note receivable from San Pablo Associates, bore no interest. Annual payments were to be made from excess/distributable cash, with the entire principal and interest due in full in May 2021. The note was repaid in full in 2019.	-	60,000
Note receivable from Miraflores Senior, L.P., in the maximum amount of \$4,365,496, bears no interest. Annual payments are to be made from excess/distributable cash, with the entire principal and interest due in the earlier of February 2074 or 55 years from the close of permanent financing.	4,365,496	3,635,497
Note receivable from Meadows Holly Partners, L.P., with interest at 6.25% compounded. Annual payments are to be made from excess/distributable cash, with the entire principal and interest due in August 2057.	1,705,210	1,705,210
Total notes receivable	6,256,256	5,586,257
Accrued interest on notes receivable	436,643	315,841
Total notes and interest receivable	\$ 6,692,899	\$ 5,902,098

NOTE 7 – INVESTMENTS IN OTHER COMPANIES

EHI and Affiliates have investments in other companies accounted for under the fair value method in the amount of \$650,000 and \$375,000 as of December 31, 2019 and 2018, respectively.

EHI and Affiliates also have investments in housing properties for which EHI and Affiliates are not deemed to have majority control and therefore not consolidated. These investments are accounted for under the equity method and approximate a deficit of \$48,000 and \$134,000 as of December 31, 2019 and 2018, respectively. The financial position and activity are summarized below:

	2019	2018
Total assets	\$ 143,713,651	\$ 139,697,535
Total liabilities	111,116,295	129,689,323
Partners' capital	32,597,356	10,008,212
Net income (loss)	218,817	(2,661,319)

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NOTE 8 – DEVELOPMENT IN PROGRESS

Development in progress consists of the following as of December 31, 2019 and 2018:

<i>Property</i>	<i>Owner</i>	<i>Type</i>	<i>Expected Completion Date</i>	<i>2019</i>	<i>2018</i>
Corsair Flats	Alameda Point Senior, L.P.	New construction	2020	\$ 20,667,459	\$ -
Warm Springs Nine	Warm Springs Village Nine, L.P.	New construction	2020	13,212,594	-
Warm Springs Four	Warm Springs Village Four, L.P.	New construction	2020	12,004,678	-
Faith Manor and Tennyson Gardens	Gotta Have Faith, L.P.	Rehabilitation	2020	5,899,893	5,012,550
Charles Apartments and Cypress Gardens	Charles Cypress, L.P.	Rehabilitation	2020	2,069,195	5,006,153
Light Tree	Light Tree Two, L.P.	New construction	2022 to 2023	1,766,016	586,504
Light Tree	Light Tree Three, L.P.	Rehabilitation	2022 to 2023	1,036,989	-
Parrott Street	San Leandro Parrott, L.P.	New construction	2021	1,681,066	-
Ruby Street	Ruby Street, L.P.	New construction	2022 to 2023	599,592	-
Eden Pratt	Eden Pratt Development LLC	New construction	2022 to 2023	560,741	192,491
SJ Auzerais	SJ Auzerais, L.P.	New construction	2022 to 2023	413,550	-
Granite Ridge	Granite Ridge Investors, L.P.	New construction	2022 to 2023	140,229	-
Elk Grove	Maritime Apartments Investors, L.P.	New construction	2022 to 2023	96,802	-
Other	Various	Rehabilitation	2019 to 2020	309,910	688,787
Portfolio rehabilitation	Various	Rehabilitation	2019 to 2023	4,962,376	2,268,043
Predevelopment and site control	Eden Housing, Inc.	New construction	2020 to 2023	2,991,626	5,824,401
Corporate offices	Eden Housing, Inc.	Other	2019	-	119,001
Total development in progress				<u>\$ 68,412,716</u>	<u>\$ 19,697,930</u>

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 252,099,740	\$ 235,372,369
Building and improvements	1,732,968,972	1,668,760,276
Furniture and equipment	41,493,619	39,836,146
	<u>2,026,562,331</u>	<u>1,943,968,791</u>
Less: accumulated depreciation	(406,664,319)	(358,665,643)
Total property and equipment	<u>\$1,619,898,012</u>	<u>\$1,585,303,148</u>

Depreciation expense was \$51,403,129 and \$46,922,555 in 2019 and 2018, respectively.

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NOTE 10 – DEFERRED COSTS

Deferred costs are summarized as follows:

	2019	2018
Tax credit fees	\$ 3,825,621	\$ 3,551,992
Ground lease costs	2,385,435	2,385,435
Other	309,565	799,677
	6,520,621	6,737,104
Less: accumulated amortization	(2,353,262)	(1,124,345)
Total deferred costs	\$ 4,167,359	\$ 5,612,759

Amortization expense was \$306,082 and \$367,066 in 2019 and 2018, respectively.

NOTE 11 – LINE OF CREDIT

EHI has a \$3,500,000 unsecured revolving line of credit with Wells Fargo Bank, of which \$2,500,000 and \$1,500,000 was outstanding as of December 31, 2019 and 2018, respectively. Bank advances on the credit line bear interest at a variable rate based on 1-month LIBOR, and are due on maturity, October 27, 2021. As a sub-feature of the line of credit, the bank agrees to issue standby letters of credit, where requested, not to exceed an aggregate of \$3,500,000. Any amount of drawn letters of credit shall proportionately reduce the amount available to borrow on the line of credit. EHI is also required to maintain at all times net unencumbered liquid assets of not less than \$3,500,000. Accrued interest was \$9,566 and \$0- as of December 31, 2019 and 2018, respectively. Interest expense was \$90,021 and \$25,180 in 2019 and 2018, respectively.

NOTE 12 – NOTES PAYABLE

Notes payable are generally secured by the respective properties and consist of the following:

	2019		2018	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Construction loans, bearing variable interest rates, with interest only payments due monthly, to be repaid in full or partially converted to permanent loans through 2021. ⁽¹⁾ Interest expense was \$6,957,760 and \$7,932,403 in 2019 and 2018, respectively.	\$ 169,538	\$ 81,622,640	\$ 684,923	\$ 222,880,751
Bond and permanent loans, bearing interest from 1% to 9%, generally with principal and interest due monthly, to be repaid in full through 2050. Bond principal payments may be accumulated in a principal fund held by a trustee. Interest expense was \$20,987,768 and \$18,893,775 in 2019 and 2018, respectively.	4,271,559	504,364,743	3,998,671	413,089,103

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	2019		2018	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Federal loans, generally non-interest bearing, with principal payments generally deferred through 2072, at which time all outstanding principal is due or will be forgiven. Interest expense was \$-0- in 2019 and 2018.	-	39,374,000	-	39,580,377
State loans, bearing 3% interest, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2075. Interest expense was \$4,361,022 and \$4,255,820 in 2019 and 2018, respectively.	30,602,591	174,326,626	27,589,652	169,105,720
County loans, bearing interest from 0% to 6%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2073. Interest expense was \$2,180,704 and \$2,031,282 in 2019 and 2018, respectively.	19,007,724	100,871,612	17,446,830	94,148,945
Local loans, bearing interest from 0% to 6%, generally payable out of excess cash, to be repaid in full through 2075. Interest expense was \$5,144,740 and \$4,699,514 in 2019 and 2018, respectively.	56,180,374	232,697,328	51,811,077	230,299,318
Land loans, bearing variable interest, generally with interest-only payments due monthly from an interest reserve, to be repaid in full through 2021, subject to applicable extension terms, non-recourse and secured by the underlying land. Interest expense was \$1,231,318 and \$454,933 in 2019 and 2018, respectively.	45,160	30,050,000	-	9,700,000
Other loans, bearing interest from 0% to 5%, generally payable out of excess cash, to be repaid in full through 2071. Interest expense was \$787,042 and \$609,377 in 2019 and 2018, respectively.	2,157,203	18,979,209	2,368,684	14,408,413
Total	112,434,149	1,182,286,158	103,899,837	1,193,212,627
Less:				
Unamortized debt issuance costs ⁽²⁾	-	(13,836,980)	-	(13,453,581)
Current portion	(2,080,888)	(21,408,207)	(2,523,039)	(12,595,896)
Long-term portion	\$ 110,353,261	\$ 1,147,040,971	\$ 101,376,798	\$ 1,167,163,150

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- (1) Construction loans will be extended or repaid using funds from permanent lenders, limited partners or other sources.
- (2) Costs incurred to obtain construction and permanent financing were \$23,205,635 and \$22,671,508 as of December 31, 2019 and 2018, respectively, and are amortized on a straight-line basis into interest expense over the term of the respective loans. Interest expense for amortization of debt issuance costs was \$2,560,780 and \$3,284,289 in 2019 and 2018, respectively.

Principal payments toward notes payable for the next five years are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated. Minimum required payments on amortizing loans are estimated as follows:

<i>Year Ended December 31,</i>	<i>Principal Payments</i>
2020	\$ 21,408,207
2021	45,788,263
2022	18,971,394
2023	13,568,005
2024	26,638,550

NOTE 13 – NET ASSETS

Reconciliation of Net Assets

	2019		
	<i>Controlling Interest</i>	<i>Non-controlling Interest</i>	<i>Total</i>
Balance, beginning of year	\$ 115,065,783	\$ 404,795,332	\$ 519,861,115
Capital contributions, net of distributions	-	103,458,525	103,458,525
Purchase of non-controlling interest in projects	-	(3,577,542)	(3,577,542)
Non-controlling interest in projects transferred from non-affiliate	6,292,156	(6,292,156)	-
Change in net assets	4,413,373	(29,735,309)	(25,321,936)
Balance, end of year	\$ 125,771,312	\$ 468,648,850	\$ 594,420,162
	2018		
	<i>Controlling Interest</i>	<i>Non-controlling Interest</i>	<i>Total</i>
Balance, beginning of year	\$ 97,024,735	\$ 308,700,749	\$ 405,725,484
Capital contributions, net of distributions	-	132,540,676	132,540,676
Change in net assets	18,041,048	(36,446,093)	(18,405,045)
Balance, end of year	\$ 115,065,783	\$ 404,795,332	\$ 519,861,115

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Net Assets without Donor Restrictions – Board-Designated Funds

EHI established a revolving Program Fund to be utilized for Board-designated mission purpose investments. Program funds are available for investments in new programs, acquisitions, predevelopment costs, infrastructure or capital improvements. Of the total Program Fund balance as of December 31, 2019 and 2018, \$19,514,896 and \$20,010,200, respectively, was unspent and included in cash and cash equivalents and investments. These funds are not available for general operations without EHI Board approval. Activities of the fund are as follows:

	2019			
	<i>December 31, 2018</i>	<i>Additions and Earnings</i>	<i>Non-recoverable Expenditures for Special Projects</i>	<i>December 31, 2019</i>
Program Fund	\$ 39,575,769	\$ 7,207,196	\$ -	\$ 46,782,965
	2018			
	<i>December 31, 2017</i>	<i>Additions and Earnings</i>	<i>Non-recoverable Expenditures for Special Projects</i>	<i>December 31, 2018</i>
Program Fund	\$ 33,805,585	\$ 5,923,771	\$ (153,587)	\$ 39,575,769

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of capital grants from NeighborWorks America totaling \$2,785,720 and \$3,719,320 as of December 31, 2019 and 2018, respectively (see Note 14).

NOTE 14 – NEIGHBORWORKS AMERICA (NWA) GRANTS

EHI received the following NWA grants:

Support without Donor Restrictions

NWA provided \$557,500 and \$544,375 of grants without donor restrictions in 2019 and 2018, respectively, to support program activities and operations.

Support with Donor Restrictions

NWA provided capital grants totaling \$3,719,320 to EHI, a portion of which was assigned from another non-profit housing developer. This amount has donor restrictions, although NWA will consider requests to transfer a portion of the total restricted funds received over time to funds without donor restrictions. In 2019, NWA approved an amount of \$933,600 to be released from restrictions.

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The NWA capital funds have been disbursed for development of the following affordable housing projects as of December 31, 2019 and 2018:

<i>Funds Held by/Used by</i>	<i>Purpose</i>	2019		2018	
		<i>Amount</i>	<i>Releases from Restrictions</i>	<i>Amount</i>	<i>Releases from Restrictions</i>
Camphora Associates, L.P.	Camphora Apartments	\$ 100,000	\$ -	\$ 100,000	\$ -
Connell Apartments, L.P.	Connell Apartments	-	(98,507)	98,507	-
Corralitos Creek Associates	Corralitos Creek Apartments	-	(492,000)	492,000	-
Crest Avenue Associates	Crest Avenue Apartments	320,000	-	320,000	-
Gilroy Transitional Housing Center Associates	Gilroy Transitional Apartments	625,000	-	625,000	-
Church & Monterey Road Associates	Jasmine Square Apartments	295,000	-	295,000	-
MRW, L.P.	Monterra Village Apartments	-	(61,370)	61,370	-
Salinas Road Associates	Nuevo Amanecer	143,000	-	143,000	-
Pacific Family MHP LLC	Pacific Family MHP	100,000	-	100,000	-
Pleasant Acres MHP LLC	Pleasant Acres MHP	115,720	-	115,720	-
Riverside MHP LLC	Riverside MHP	100,000	-	100,000	-
Royal Court Associates	Royal Court Apartments	200,000	-	200,000	-
Seacliff Highlands Associates	Seacliff Highlands Apartments	-	(100,000)	100,000	-
Villa Ciolino Associates	Villa Ciolino	-	(181,723)	181,723	-
VL, L.P.	Virginia Lane	125,000	-	125,000	-
Jewell Avenue Associates	Vista Point at Pacific Grove	462,000	-	462,000	-
Vista Verde Housing Associates	Vista Verde	100,000	-	100,000	-
Vista Verde Childcare LLC	Vista Verde Childcare	100,000	-	100,000	-
Total		\$ 2,785,720	\$ (933,600)	\$ 3,719,320	\$ -

NOTE 15 – LIQUIDITY AND AVAILABILITY

Financial assets as of December 31, 2019 and 2018 consist of the following:

	2019		
	<i>Eden Housing, Inc. and Other Supporting Entities</i>	<i>Affordable Housing Properties</i>	<i>Total</i>
Cash and cash equivalents	\$ 19,938,720	\$ 40,806,466	\$ 60,745,186
Investments in marketable securities	43,228,308	-	43,228,308
Impound deposits	39,732	1,835,256	1,874,988
Receivables, net – current portion	400,059	1,478,431	1,878,490
Total	\$ 63,606,819	\$ 44,120,153	\$ 107,726,972

EDEN HOUSING, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018		
	<i>Eden Housing, Inc. and Other Supporting Entities</i>	<i>Affordable Housing Properties</i>	<i>Total</i>
Cash and cash equivalents	\$ 17,849,130	\$ 37,002,899	\$ 54,852,029
Investments in marketable securities	38,097,636	-	38,097,636
Impound deposits	-	2,142,013	2,142,013
Receivables, net – current portion	560,699	682,875	1,243,574
Total	\$ 56,507,465	\$ 39,827,787	\$ 96,335,252

EHI and Affiliates have \$107,726,972 and \$96,335,252 of financial assets available within one year of the combined statements of financial position dates consisting of the amounts described above. Financial assets include amounts that will be used to pay accounts payable, accrued expenses and other distributions from operating cash flow, if any, in the subsequent year. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the combined statements of financial position dates. As part of its liquidity management, EHI establishes and maintains a short-term, mid-term and long-term reserve at levels approved by the board of directors annually. In addition, the affordable housing properties maintain reserve accounts as described in Note 4, a portion of which may be available to cover debt service, capital expenditures and performance of resident services within one year of combined statements of financial position dates upon approval from regulatory agencies. In addition, the affordable housing properties can defer payment of property management fees, or receive advances from the management agent, in the event of an unanticipated liquidity need.

NOTE 16 – EMPLOYEE BENEFIT PLANS

EHI established a 401(k) plan effective January 1, 1999. Employees are eligible to participate in the plan after completing one month of service. Participants can contribute a percentage of their compensation annually to the plan, subject to certain annual limits set forth by the Internal Revenue Service. The 401(k) plan also provides for an annual discretionary employer contribution after one year of service for employees who work more than 1,000 hours per year and are at least 18 years of age or older. Employer contributions of \$960,040 and \$857,116 was equal to 5% of eligible compensation annually in 2019 and 2018, respectively, as determined by the board of directors. Employer contributions are fully vested after three years of service.

EHI also sponsors a 403(b) plan for highly compensated employees in order to assist in planning for retirement. Contributions to the 403(b) plan are 100% employee contributions.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Operating Deficit Guaranty

EHI has provided operating deficit guarantees for its various affiliates and projects. EHI will cover operating deficits as required up to a stated limit. EHI does not require any collateral or other security from its affiliates and projects related to the operating deficit guarantees. A reasonable estimate of the outstanding operating deficit guarantees as of December 31, 2019 amounted to approximately \$26,000,000. Management believes that the likelihood of funding a material amount of any of the operating deficit guarantees is remote.

EDEN HOUSING, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Loan Guaranty

EHI has provided loan guarantees for its various affiliates and projects. EHI will be responsible for repaying a loan if, when the loan becomes due, the respective affiliate or project does not make payment on the loan. EHI does not require any collateral or other security from its affiliates and projects related to the loan guarantees. A reasonable estimate of the outstanding loan guarantees as of December 31, 2019 amounted to approximately \$83,600,000. Management believes that the likelihood of funding a material amount of any of the loan guarantees is remote.

Tax Credit Indemnification

EHI has provided indemnifications with regard to tax benefits projected for its various affiliates and projects. EHI has guaranteed an aggregate amount of approximately \$342,800,000 to the limited partner investors for tax credits and other tax benefits for various affiliated limited partnerships as of December 31, 2019. Management believes that the likelihood of funding a material amount of any of the tax credit guarantees is remote.

Grants and Loans

In connection with various federal, state and city grants and loan programs, EHI and Affiliates are obligated to operate in accordance with those grant and loan requirements and is subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that EHI and Affiliates refund payment of grant or loan funds. Management believes the likelihood of funding a repayment of grant or loan funds is remote.

Purchase Option

In connection with the development of affordable housing projects which are owned by limited partnerships, affiliates of EHI have acquired the options to purchase the projects at the close of the projects' 15-year compliance period.

NOTE 18 – ACQUISITION AGREEMENTS WITH OTHER HOUSING DEVELOPERS

Memorandum of Understanding with Vacaville Community Housing, Inc.

During 2017, EHI and Affiliates were selected by Vacaville Community Housing, Inc. (VCH) to evaluate the potential acquisition of VCH's rental portfolio. VCH's rental portfolio consists of various ownership structures, including general partner interests, directly-owned properties, and others in new construction and substantial rehabilitation. EHI is not required to assume ownership of assets not in the best interest of either parties to assume, however, the parties agreed to work cooperatively to select another entity to transfer the assets to in that instance.

On August 16, 2017, an EHI affiliate substituted VCH as a managing general partner of Meadows Holly Partners, L.P., a partnership that purchased 82 units located in Vacaville and formerly owned by VCH, known as Meadows Holly Apartments. In 2018, a seller carryback loan in the original amount of \$1,705,210 was assigned to EVHI (see Note 6). Effective January 1, 2019, EHMI was contracted for property management services for the property.

On October 19, 2018, EHI and VCH completed the transfer of 319 units known as Orchard Maples, Willows, Hillside and Highlands Apartments to Eden VCH LLC, a wholly owned affiliate of EVHI. Effective January 1, 2020, EHMI was contracted for property management services for the property.

On October 23, 2018, an EHI affiliate substituted VCH as a managing general partner of Trower Housing Partners, L.P., a partnership developing a 39 unit project in Vacaville known as Rocky Hill Apartments. EHMI has also been contracted for its lease-up and property management services at the property.

On January 1, 2020, EHMI was contracted for property management services for the final two properties where VCH holds general partner interest, consisting of 134 and 65 units. EHI is continuing to work with VCH and their partners to determine future ownership of these properties.

EDEN HOUSING, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 19 – SUBSEQUENT EVENTS

Subsequent to December 31, 2019, EHI and Affiliates completed acquisition of parcels of land in two California cities, Watsonville and Newark, for consideration totaling \$7,820,000. The acquisition was partially financed with \$6,308,000 interest-only loans due between April 2022 and May 2022, subject to applicable extension provisions. EHI plans to develop the parcels of land into affordable housing communities.

Subsequent to December 31, 2019, EHI obtained control of Sycamore Glen Apartments, the final asset included in the Orderly Transition Agreement with South County Housing Corporation. At the same time, the project's permanent debt was refinanced and will undergo moderate rehabilitation.

The emergence and spread of the coronavirus (COVID-19) during 2020 has affected businesses and economic activities in the U.S. and beyond. The extent of the impact of COVID-19 on EHI and Affiliates' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the effects on residents, supply chains, service providers, and business partners, and changes in business practices, all of which are uncertain and cannot be determined at this time. Due to the uncertainty of the current economic conditions, EHI and Affiliates requested and received loan funds totaling \$6,358,600 from the Paycheck Protection Program (PPP), a program authorized under the CARES Act and the PPP Flexibility Act, to support ongoing operations and to retain workers and maintain payroll. Loan funds are fully guaranteed by the Small Business Administration and eligible for forgiveness if used on eligible costs for a covered period of 8-weeks after loan disbursement, including the requirement to maintain staff and compensation levels. EHI and Affiliates may choose to extend the covered period to 24-weeks after loan disbursement. Any unforgiven funds will be due by April 2022. EHI and Affiliates may renegotiate the loan terms to extend the maturity date to April 2025.

**SUPPLEMENTARY INFORMATION:
COMBINING SCHEDULES**

EDEN HOUSING, INC. AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019							
<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 17,260,993	\$ 700,246	\$ 145,545	\$ 40,806,466	\$ 1,831,936	\$ 60,745,186	\$ -	\$ 60,745,186
Investments in marketable securities	43,228,308	-	-	-	-	43,228,308	-	43,228,308
Impound deposits	-	-	-	1,835,256	39,732	1,874,988	-	1,874,988
Receivables, net – current portion	32,190,361	1,240,623	98,514	1,478,431	-	35,007,929	(33,129,439)	1,878,490
Notes and interest receivable – current portion	5,526,171	-	-	-	-	5,526,171	(5,526,171)	-
Prepaid expenses and other receivables	52,205	-	-	1,729,382	4,415	1,786,002	(223,818)	1,562,184
Total current assets	98,258,038	1,940,869	244,059	45,849,535	1,876,083	148,168,584	(38,879,428)	109,289,156
Restricted cash	12,203,433	-	-	96,025,412	378,215	108,607,060	-	108,607,060
Receivables, net – net of current portion	53,005,912	60,816	-	1,194,126	7,617,269	61,878,123	(56,973,301)	4,904,822
Notes and interest receivable – net of current portion	131,755,932	-	-	-	138,756,267	270,512,199	(263,819,300)	6,692,899
Grants and contributions receivable	101,416	-	-	-	-	101,416	-	101,416
Investments in related parties and other companies	24,385	-	-	-	(114,353,508)	(114,329,123)	114,930,795	601,672
Development in progress	8,436,437	-	-	61,014,292	-	69,450,729	(1,038,013)	68,412,716
Property and equipment, net	3,271,627	6,642	1,421	1,682,103,136	7,575,985	1,692,958,811	(73,060,799)	1,619,898,012
Deferred costs, net	-	-	-	4,167,359	-	4,167,359	-	4,167,359
Total assets	\$ 307,057,180	\$ 2,008,327	\$ 245,480	\$ 1,890,353,860	\$ 41,850,311	\$ 2,241,515,158	\$ (318,840,046)	\$ 1,922,675,112

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2019							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable and accrued expenses	\$ 1,728,454	\$ 779,664	\$ 178,994	\$ 6,046,014	\$ 170,647	\$ 8,903,773	\$ (631,121)	\$ 8,272,652
Related-party payable – current portion	7,736	1,201,354	295	-	-	1,209,385	(1,209,385)	-
Deferred revenue	-	-	-	3,124,465	12,476,566	15,601,031	6,499	15,607,530
Line of credit	2,500,000	-	-	-	-	2,500,000	-	2,500,000
Interest payable – current portion	64,125	-	-	2,016,763	-	2,080,888	-	2,080,888
Notes payable – current portion	5,501,366	-	-	15,906,841	-	21,408,207	-	21,408,207
Total current liabilities	9,801,681	1,981,018	179,289	27,094,083	12,647,213	51,703,284	(1,834,007)	49,869,277
Accounts payable – development	139,665	-	-	13,846,853	-	13,986,518	-	13,986,518
Related-party payable – net of current portion	-	-	3,985	67,294,026	22,488,353	89,786,364	(89,786,364)	-
Tenant security deposits	-	-	-	6,006,053	37,593	6,043,646	-	6,043,646
Interest rate swap liability	-	-	-	961,277	-	961,277	-	961,277
Interest payable – net of current portion	-	-	-	124,484,265	261,600	124,745,865	(14,392,604)	110,353,261
Notes payable – net of current portion	4,306,100	-	-	1,366,953,470	30,734,268	1,401,993,838	(254,952,867)	1,147,040,971
Total liabilities	14,247,446	1,981,018	183,274	1,606,640,027	66,169,027	1,689,220,792	(360,965,842)	1,328,254,950
Net assets:								
Controlling interest	292,809,734	27,309	62,206	(184,612,546)	(24,641,187)	83,645,516	42,125,796	125,771,312
Non-controlling interest	-	-	-	468,326,379	322,471	468,648,850	-	468,648,850
Total net assets	292,809,734	27,309	62,206	283,713,833	(24,318,716)	552,294,366	42,125,796	594,420,162
Total liabilities and net assets	\$ 307,057,180	\$ 2,008,327	\$ 245,480	\$ 1,890,353,860	\$ 41,850,311	\$ 2,241,515,158	\$ (318,840,046)	\$ 1,922,675,112

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 12,899,662	\$ 1,046,884	\$ 305,901	\$ 37,002,899	\$ 3,596,683	\$ 54,852,029	\$ -	\$ 54,852,029
Investments in marketable securities	38,097,636	-	-	-	-	38,097,636	-	38,097,636
Impound deposits	-	-	-	2,142,013	-	2,142,013	-	2,142,013
Receivables, net – current portion	24,387,141	575,460	-	682,875	8,376	25,653,852	(24,410,278)	1,243,574
Notes and interest receivable – current portion	6,273,695	-	-	-	-	6,273,695	(6,273,695)	-
Prepaid expenses and other receivables	27,000	4,571	-	1,399,130	39,333	1,470,034	(174,408)	1,295,626
Total current assets	81,685,134	1,626,915	305,901	41,226,917	3,644,392	128,489,259	(30,858,381)	97,630,878
Restricted cash	26,852,925	-	-	86,621,065	424,897	113,898,887	-	113,898,887
Receivables, net – net of current portion	48,531,629	496,557	156,162	2,175,673	6,816,273	58,176,294	(52,582,160)	5,594,134
Notes and interest receivable – net of current portion	107,026,396	-	-	-	124,570,780	231,597,176	(225,695,078)	5,902,098
Grants and contributions receivable	1,552,636	-	-	-	-	1,552,636	-	1,552,636
Investments in related parties and other companies	636,771	-	-	-	(115,342,582)	(114,705,811)	114,946,704	240,893
Development in progress	7,975,095	-	-	12,121,073	-	20,096,168	(398,238)	19,697,930
Property and equipment, net	2,547,809	14,812	4,799	1,638,433,038	3,210,515	1,644,210,973	(58,907,825)	1,585,303,148
Deferred costs, net	-	-	-	5,612,759	-	5,612,759	-	5,612,759
Total assets	\$ 276,808,395	\$ 2,138,284	\$ 466,862	\$ 1,786,190,525	\$ 23,324,275	\$ 2,088,928,341	\$ (253,494,978)	\$ 1,835,433,363

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable and accrued expenses	\$ 1,547,970	\$ 589,922	\$ 190,615	\$ 5,882,528	\$ 195,599	\$ 8,406,634	\$ 11,147	\$ 8,417,781
Related-party payable – current portion	10,180	1,508,054	46,558	-	-	1,564,792	(1,564,792)	-
Deferred revenue	-	-	-	1,092,010	265,657	1,357,667	-	1,357,667
Line of credit	1,500,000	-	-	-	-	1,500,000	-	1,500,000
Interest payable – current portion	19,383	-	-	2,503,656	-	2,523,039	-	2,523,039
Notes payable – current portion	95,472	-	-	12,500,424	-	12,595,896	-	12,595,896
Total current liabilities	3,173,005	2,097,976	237,173	21,978,618	461,256	27,948,028	(1,553,645)	26,394,383
Accounts payable – development	77,773	-	-	14,677,481	-	14,755,254	-	14,755,254
Related-party payable – net of current portion	108,936	-	6,609	58,951,208	16,083,598	75,150,351	(75,150,351)	-
Tenant security deposits	-	-	-	5,704,661	36,212	5,740,873	-	5,740,873
Interest rate swap liability	-	-	-	141,790	-	141,790	-	141,790
Interest payable – net of current portion	-	-	-	111,125,197	235,440	111,360,637	(9,983,839)	101,376,798
Notes payable – net of current portion	4,668,684	-	-	1,355,273,929	30,747,323	1,390,689,936	(223,526,786)	1,167,163,150
Total liabilities	8,028,398	2,097,976	243,782	1,567,852,884	47,563,829	1,625,786,869	(310,214,621)	1,315,572,248
Net assets:								
Controlling interest	268,779,997	40,308	223,080	(186,135,220)	(24,562,025)	58,346,140	56,719,643	115,065,783
Non-controlling interest	-	-	-	404,472,861	322,471	404,795,332	-	404,795,332
Total net assets	268,779,997	40,308	223,080	218,337,641	(24,239,554)	463,141,472	56,719,643	519,861,115
Total liabilities and net assets	\$ 276,808,395	\$ 2,138,284	\$ 466,862	\$ 1,786,190,525	\$ 23,324,275	\$ 2,088,928,341	\$ (253,494,978)	\$ 1,835,433,363

EDEN HOUSING, INC. AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Support and revenue:								
Rental income	\$ -	\$ -	\$ -	\$ 141,623,578	\$ 325,377	\$ 141,948,955	\$ (338,524)	\$ 141,610,431
Developer fees, including interest	20,667,078	-	-	-	299,696	20,966,774	(20,667,078)	299,696
Management and resident services fees	3,417,624	8,758,180	4,384,259	-	3,008,224	19,568,287	(18,977,913)	590,374
Ground lease income	525,796	-	-	-	273,675	799,471	(675,796)	123,675
Grants and contributions	2,548,462	4,450	20,890	142,946	9,659,818	12,376,566	-	12,376,566
Interest income and net investment return	5,226,655	-	-	672,481	2,961,031	8,860,167	(5,795,902)	3,064,265
Pass-through loss from equity method investments	(807,122)	-	-	-	(19,426,050)	(20,233,172)	20,233,172	-
Other income	184,170	3,008	4,176	2,049,935	290,981	2,532,270	-	2,532,270
Total support and revenue	31,762,663	8,765,638	4,409,325	144,488,940	(2,607,248)	186,819,318	(26,222,041)	160,597,277
Expenses:								
Program expenses:								
Affordable housing ownership and operations	-	-	-	108,435,298	4,032,255	112,467,553	(19,857,125)	92,610,428
Affordable housing property management	-	7,290,987	-	-	-	7,290,987	-	7,290,987
Affordable housing resident services	-	-	4,617,600	-	-	4,617,600	-	4,617,600
Affordable housing development	6,058,507	-	-	-	-	6,058,507	(3,797,818)	2,260,689
Supporting services:								
Management and general	5,660,591	2,572,827	285,870	1,254,190	229,334	10,002,812	-	10,002,812
Total expenses	11,719,098	9,863,814	4,903,470	109,689,488	4,261,589	140,437,459	(23,654,943)	116,782,516
Change in net assets before other (income) expenses	20,043,565	(1,098,176)	(494,145)	34,799,452	(6,868,837)	46,381,859	(2,567,098)	43,814,761
Other (income) expenses:								
Adjustment to property acquisitions	-	-	-	2,925,641	-	2,925,641	-	2,925,641
Forgiveness of debt	-	-	-	(901,172)	-	(901,172)	-	(901,172)
Deferred interest expense	-	-	-	18,859,861	13,080	18,872,941	(5,168,114)	13,704,827
Depreciation and amortization	344,742	8,170	3,379	52,790,336	181,895	53,328,522	(1,619,311)	51,709,211
Loss on retirement of property and equipment	204,017	-	-	1,494,173	-	1,698,190	-	1,698,190
Contributions from related parties	(13,825,584)	(1,100,047)	(351,650)	(57,407)	(7,802,630)	(23,137,318)	23,137,318	-
Contributions to related parties	9,290,653	6,700	15,000	365,701	13,446,429	23,124,483	(23,124,483)	-
Total other (income) expenses	(3,986,172)	(1,085,177)	(333,271)	75,477,133	5,838,774	75,911,287	(6,774,590)	69,136,697
Change in net assets	24,029,737	(12,999)	(160,874)	(40,677,681)	(12,707,611)	(29,529,428)	4,207,492	(25,321,936)
Net assets, beginning of year	268,779,997	40,308	223,080	218,337,641	(24,239,554)	463,141,472	56,719,643	519,861,115
Capital contributions, net of distributions	-	-	-	106,053,873	6,336,293	112,390,166	(8,931,641)	103,458,525
Purchase of non-controlling interest in projects	-	-	-	-	-	-	(3,577,542)	(3,577,542)
Non-controlling interest in projects transferred from non-affiliate	-	-	-	-	6,292,156	6,292,156	(6,292,156)	-
Net assets, end of year	\$ 292,809,734	\$ 27,309	\$ 62,206	\$ 283,713,833	(24,318,716)	\$ 552,294,366	\$ 42,125,796	\$ 594,420,162

EDEN HOUSING, INC. AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Support and revenue:								
Rental income	\$ -	\$ -	\$ -	\$ 126,672,856	\$ 343,299	\$ 127,016,155	\$ (331,609)	\$ 126,684,546
Developer fees, including interest	28,997,170	-	-	-	-	28,997,170	(28,915,069)	82,101
Management and resident services fees	3,207,862	8,070,183	3,937,431	-	2,870,684	18,086,160	(17,670,026)	416,134
Ground lease income	501,393	-	-	-	270,061	771,454	(651,393)	120,061
Grants and contributions	6,269,946	-	82,550	162,127	1,763,285	8,277,908	-	8,277,908
Interest income and net investment return	3,009,246	-	-	564,750	686,781	4,260,777	(3,842,559)	418,218
Pass-through loss from equity method investments	(345,107)	-	-	-	(24,027,460)	(24,372,567)	24,283,130	(89,437)
Other income	161,301	4,655	-	2,576,721	24,739	2,767,416	-	2,767,416
Total support and revenue	41,801,811	8,074,838	4,019,981	129,976,454	(18,068,611)	165,804,473	(27,127,526)	138,676,947
Expenses:								
Program expenses:								
Affordable housing ownership and operations	-	-	-	98,835,758	3,485,481	102,321,239	(18,653,028)	83,668,211
Affordable housing property management	-	6,020,249	-	-	-	6,020,249	-	6,020,249
Affordable housing resident services	-	-	4,280,845	-	-	4,280,845	-	4,280,845
Affordable housing development	5,095,131	-	-	-	-	5,095,131	(5,095,131)	-
Supporting services:								
Management and general	2,242,428	4,029,287	623,130	1,647,744	269,435	8,812,024	(1,273,995)	7,538,029
Total expenses	7,337,559	10,049,536	4,903,975	100,483,502	3,754,916	126,529,488	(25,022,154)	101,507,334
Change in net assets before other (income) expenses	34,464,252	(1,974,698)	(883,994)	29,492,952	(21,823,527)	39,274,985	(2,105,372)	37,169,613
Other (income) expenses:								
Income from property acquisitions	-	-	-	(2,874,391)	-	(2,874,391)	-	(2,874,391)
Forgiveness of debt	-	-	-	(1,520,000)	-	(1,520,000)	-	(1,520,000)
Deferred interest expense	-	-	-	15,495,247	-	15,495,247	(3,444,321)	12,050,926
Depreciation and amortization	255,576	11,713	6,412	48,907,926	7,645	49,189,272	(1,899,651)	47,289,621
Loss on retirement of property and equipment	-	-	-	628,502	-	628,502	-	628,502
Contributions from related parties	(14,201,310)	(800,000)	(772,500)	(111,182)	(8,305,952)	(24,190,944)	24,190,944	-
Contributions to related parties	9,371,883	-	-	12,977,309	1,935,695	24,284,887	(24,284,887)	-
Total other (income) expenses	(4,573,851)	(788,287)	(766,088)	73,503,411	(6,362,612)	61,012,573	(5,437,915)	55,574,658
Change in net assets	39,038,103	(1,186,411)	(117,906)	(44,010,459)	(15,460,915)	(21,737,588)	3,332,543	(18,405,045)
Net assets, beginning of year	229,741,894	1,226,719	340,986	194,620,956	(94,963,801)	330,966,754	74,758,730	405,725,484
Transfer (to) from other consolidating column	-	-	-	(69,772,083)	69,772,083	-	-	-
Controlling interest in projects transferred from non-affiliate	-	-	-	-	12,207,896	12,207,896	(12,207,896)	-
Capital contributions, net of distributions	-	-	-	137,499,227	4,205,183	141,704,410	(9,163,734)	132,540,676
Net assets, end of year	\$ 268,779,997	\$ 40,308	\$ 223,080	\$ 218,337,641	\$ (24,239,554)	\$ 463,141,472	\$ 56,719,643	\$ 519,861,115

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Cash flows from operating activities:								
Change in net assets	\$ 24,029,737	\$ (12,999)	\$ (160,874)	\$ (40,677,681)	\$ (12,707,611)	\$ (29,529,428)	\$ 4,207,492	\$ (25,321,936)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	344,742	8,170	3,379	52,790,336	181,895	53,328,522	(1,619,311)	51,709,211
Loss on retirement of property and equipment	204,017	-	-	1,494,173	-	1,698,190	-	1,698,190
Amortization of debt issuance costs	51,490	-	-	2,509,290	-	2,560,780	-	2,560,780
Net realized and unrealized loss on investments	2,195,375	-	-	819,487	-	3,014,862	-	3,014,862
Forgiveness of notes and interest payable	-	-	-	(901,172)	-	(901,172)	-	(901,172)
(Forgiveness) write off of related-party advances	-	(1,100,000)	(279,000)	-	-	(1,379,000)	1,379,000	-
Contribution of sale proceeds from related parties	(11,799,226)	-	-	-	11,799,226	-	-	-
Loss from investment in partnerships and other companies	807,122	-	-	-	19,426,050	20,233,172	(20,233,172)	-
(Increase) decrease in assets:								
Receivables	(7,000,470)	(229,422)	(38,913)	185,991	(792,620)	(7,875,434)	7,929,830	54,396
Interest receivable	(275,527)	-	-	-	-	(275,527)	275,527	-
Grants and contributions receivable	1,451,220	-	-	-	-	1,451,220	-	1,451,220
Prepaid expenses and other receivables	(25,205)	4,571	96,560	(330,252)	34,918	(219,408)	(47,150)	(266,558)
Increase (decrease) in liabilities:								
Accounts payable and accrued expenses	57,165	189,742	(11,621)	1,173,172	(24,952)	1,383,506	(573,875)	809,631
Related-party payable	(111,380)	793,300	230,113	(11,609,591)	-	(10,697,558)	10,697,558	-
Deferred revenue	123,317	-	-	2,032,455	12,210,909	14,366,681	-	14,366,681
Tenant security deposits – liability	-	-	-	301,392	1,381	302,773	-	302,773
Interest payable	44,743	-	-	12,463,496	26,160	12,534,399	(4,408,766)	8,125,633
Net cash provided by (used in) operating activities	10,097,120	(346,638)	(160,356)	20,251,096	30,155,356	59,996,578	(2,392,867)	57,603,711

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Cash flows from investing activities:								
Net increase in investments in marketable securities	(7,326,047)	-	-	-	-	(7,326,047)	-	(7,326,047)
Net increase in investments in related-parties and other companies	(194,736)	-	-	-	(14,122,968)	(14,317,704)	13,956,925	(360,779)
Net increase in related-party advances	(8,124,907)	-	-	-	-	(8,124,907)	8,124,907	-
Net increase in notes receivable	(9,059,384)	-	-	-	(25,984,713)	(35,044,097)	34,253,296	(790,801)
Reimbursement of predevelopment expenditures	5,557,364	-	-	-	-	5,557,364	(5,557,364)	-
Purchase of property and equipment and net increase in development in progress	(7,229,391)	-	-	(111,796,806)	(4,547,365)	(123,573,562)	1,955,122	(121,618,440)
Net increase in deferred costs	-	-	-	(252,570)	-	(252,570)	-	(252,570)
Net cash used in investing activities	(26,377,101)	-	-	(112,049,376)	(44,655,046)	(183,081,523)	52,732,886	(130,348,637)
Cash flows from financing activities:								
Advances from line of credit	2,000,000	-	-	-	-	2,000,000	-	2,000,000
Payment of line of credit	(1,000,000)	-	-	-	-	(1,000,000)	-	(1,000,000)
Payment of development payables	-	-	-	(14,677,481)	-	(14,677,481)	-	(14,677,481)
Proceeds from related-party advances	-	-	-	-	6,404,755	6,404,755	(6,404,755)	-
Capital contributions, net of distributions	-	-	-	106,236,221	6,336,293	112,572,514	(12,509,183)	100,063,331
Payment of syndication costs	-	-	-	(182,348)	-	(182,348)	-	(182,348)
Payment of debt issuance costs	-	-	-	(2,841,178)	-	(2,841,178)	-	(2,841,178)
Payment of mortgages and notes payable	(208,180)	-	-	(238,354,600)	(13,055)	(238,575,835)	841,178	(237,734,657)
Proceeds from long-term debt	5,200,000	-	-	254,518,823	-	259,718,823	(32,267,259)	227,451,564
Net cash provided by financing activities	5,991,820	-	-	104,699,437	12,727,993	123,419,250	(50,340,019)	73,079,231
Net increase (decrease) in cash, cash equivalents, and restricted cash	(10,288,161)	(346,638)	(160,356)	12,901,157	(1,771,697)	334,305	-	334,305
Cash, cash equivalents, and restricted cash, beginning of year	39,752,587	1,046,884	305,901	125,765,977	4,021,580	170,892,929	-	170,892,929
Cash, cash equivalents, and restricted cash, end of year	\$ 29,464,426	\$ 700,246	\$ 145,545	\$ 138,667,134	\$ 2,249,883	\$ 171,227,234	\$ -	\$ 171,227,234

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Supplementary information:								
Cash paid for interest – net of capitalized portion	\$ 522,582	\$ -	\$ -	\$ 33,835,624	\$ -	\$ 34,358,206	\$ -	\$ 34,358,206
Noncash investing and financing activity:								
Non-controlling interest in projects transferred from non-affiliate	\$ -	\$ -	\$ -	\$ -	\$ 6,292,156	\$ 6,292,156	\$ (6,292,156)	\$ -
Transfer of assets and liabilities to affiliates	\$ 11,779,226	\$ -	\$ -	\$ -	\$ (11,779,226)	\$ -	\$ -	\$ -
Cash and cash equivalents	\$ 17,260,993	\$ 700,246	\$ 145,545	\$ 40,806,466	\$ 1,831,936	\$ 60,745,186	\$ -	\$ 60,745,186
Impound deposits	-	-	-	1,835,256	39,732	1,874,988	-	1,874,988
Restricted cash	12,203,433	-	-	96,025,412	378,215	108,607,060	-	108,607,060
Total cash, cash equivalents, and restricted cash shown in the combining statements of cash flows	\$ 29,464,426	\$ 700,246	\$ 145,545	\$ 138,667,134	\$ 2,249,883	\$ 171,227,234	\$ -	\$ 171,227,234

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Cash flows from operating activities:								
Change in net assets	\$ 39,038,103	\$ (1,186,411)	\$ (117,906)	\$ (44,010,459)	\$ (15,460,915)	\$ (21,737,588)	\$ 3,332,543	\$ (18,405,045)
Adjustments to reconcile change in net assets to net cash provided by operating activities:								
Depreciation and amortization	255,575	11,713	6,412	48,907,926	7,645	49,189,271	(1,899,649)	47,289,622
Loss on retirement of property and equipment	-	-	-	628,502	-	628,502	-	628,502
Amortization of debt issuance costs	-	-	-	3,284,289	-	3,284,289	-	3,284,289
Net realized and unrealized gain on investments	(13,460)	-	-	-	-	(13,460)	-	(13,460)
Forgiveness of notes and interest payable	-	-	-	(1,520,000)	-	(1,520,000)	-	(1,520,000)
Loss from investment in partnerships and other companies	345,107	-	-	-	24,027,460	24,372,567	(24,372,567)	-
(Increase) decrease in assets:								
Receivables	(16,365,672)	197,383	27,070	3,528,888	511,275	(12,101,056)	15,241,230	3,140,174
Interest receivable	(1,182,032)	-	-	-	-	(1,182,032)	1,182,032	-
Grants and contributions receivable	(1,241,387)	-	-	-	-	(1,241,387)	-	(1,241,387)
Prepaid expenses and other receivables	21,937	(240)	2,733	(380,991)	(17,629)	(374,190)	174,408	(199,782)
Increase (decrease) in liabilities:								
Accounts payable and accrued expenses	178,306	235,147	64,284	724,459	(160,340)	1,041,856	49,223	1,091,079
Related-party payable	(3,174)	1,154,807	39,075	(16,787,439)	-	(15,596,731)	15,596,731	-
Deferred revenue	-	-	-	(242,449)	(6,630)	(249,079)	-	(249,079)
Tenant security deposits – liability	-	-	-	340,410	(62,446)	277,964	-	277,964
Interest payable	(2,398)	-	-	12,082,090	13,080	12,092,772	(2,200,225)	9,892,547
Net cash provided by operating activities	21,030,905	412,399	21,668	6,555,226	8,851,500	36,871,698	7,103,726	43,975,424

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Cash flows from investing activities:								
Net increase in investments in marketable securities	(13,335,586)	-	-	-	-	(13,335,586)	-	(13,335,586)
Net (increase) decrease in investments in related-parties and other companies	87,491	-	-	-	(20,976,355)	(20,888,864)	20,863,864	(25,000)
Net decrease in related-party advances	(2,425,550)	-	-	-	-	(2,425,550)	2,425,550	-
Net increase in notes receivable	(6,462,093)	-	-	-	(6,241,144)	(12,703,237)	7,877,297	(4,825,940)
Reimbursement of predevelopment expenditures	5,407,748	-	-	-	-	5,407,748	(5,407,748)	-
Purchase of property and equipment and net increase in development in progress	(9,288,024)	-	-	(126,317,505)	-	(135,605,529)	(2,171,158)	(137,776,687)
Net increase in deferred costs	-	-	-	(51,272)	-	(51,272)	-	(51,272)
Net cash used in investing activities	(26,016,014)	-	-	(126,368,777)	(27,217,499)	(179,602,290)	23,587,805	(156,014,485)
Cash flows from financing activities:								
Advances from line of credit	2,000,000	-	-	-	-	2,000,000	-	2,000,000
Payment of line of credit	(500,000)	-	-	-	-	(500,000)	-	(500,000)
Payment of development payables	-	-	-	(19,640,877)	-	(19,640,877)	-	(19,640,877)
Proceeds from related-party advances	-	-	-	-	2,398,266	2,398,266	(2,398,266)	-
Capital contributions, net of distributions	-	-	-	137,276,444	17,152,194	154,428,638	(21,237,523)	133,191,115
Payment of syndication costs	-	-	-	(474,664)	-	(474,664)	-	(474,664)
Payment of debt issuance costs	-	-	-	(6,585,247)	-	(6,585,247)	-	(6,585,247)
Payment of mortgages and notes payable	(120,682)	-	-	(249,160,280)	(273,826)	(249,554,788)	6,585,247	(242,969,541)
Proceeds from long-term debt	-	-	-	256,308,107	-	256,308,107	(13,640,989)	242,667,118
Net cash provided by financing activities	1,379,318	-	-	117,723,483	19,276,634	138,379,435	(30,691,531)	107,687,904
Net increase (decrease) in cash, cash equivalents, and restricted cash	(3,605,791)	412,399	21,668	(2,090,068)	910,635	(4,351,157)	-	(4,351,157)
Cash, cash equivalents, and restricted cash, beginning of year	43,358,378	634,485	284,233	127,856,045	3,110,945	175,244,086	-	175,244,086
Cash, cash equivalents, and restricted cash, end of year	\$ 39,752,587	\$ 1,046,884	\$ 305,901	\$ 125,765,977	\$ 4,021,580	\$ 170,892,929	\$ -	\$ 170,892,929

EDEN HOUSING, INC. AND AFFILIATES
 COMBINING SCHEDULES OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2018							
	<i>Eden Housing, Inc.</i>	<i>Eden Housing Management, Inc.</i>	<i>Eden Housing Resident Services, Inc.</i>	<i>Affordable Housing Properties</i>	<i>Other Entities</i>	<i>Pre-combined Total</i>	<i>Eliminations</i>	<i>Combined Total</i>
Supplementary information:								
Cash paid for interest – net of capitalized portion	\$ 401,901	\$ -	\$ -	\$ 30,075,449	\$ -	\$ 30,477,350	\$ -	\$ 30,477,350
Noncash investing and financing activity:								
Transfer (to) from other consolidating column	\$ -	\$ -	\$ -	\$ (69,772,083)	\$ 69,772,083	\$ -	\$ -	\$ -
Cash and cash equivalents	\$ 12,899,662	\$ 1,046,884	\$ 305,901	\$ 37,002,899	\$ 3,596,683	\$ 54,852,029	\$ -	\$ 54,852,029
Impound deposits	-	-	-	2,142,013	-	2,142,013	-	2,142,013
Restricted cash	26,852,925	-	-	86,621,065	424,897	113,898,887	-	113,898,887
Total cash, cash equivalents, and restricted cash shown in the combining statements of cash flows	\$ 39,752,587	\$ 1,046,884	\$ 305,901	\$ 125,765,977	\$ 4,021,580	\$ 170,892,929	\$ -	\$ 170,892,929

**SUPPLEMENTARY INFORMATION:
NEIGHBORWORKS AMERICA CAPITAL FUND**

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF FINANCIAL POSITION AND ACTIVITIES –
NEIGHBORWORKS AMERICA CAPITAL FUND
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Notes receivable:		
Assumed from another nonprofit developer	\$ 3,544,320	\$ 3,544,320
Awarded to EHI	175,000	175,000
Total assets	\$ 3,719,320	\$ 3,719,320
NET ASSETS		
Net assets:		
Without donor restrictions:		
Net assets, beginning of year	\$ -	\$ -
Change in net assets – capital grants from NeighborWorks America	-	-
Net assets released from restrictions	933,600	-
Total net assets without donor restrictions, end of year	933,600	-
With donor restrictions:		
Net assets, beginning of year	3,719,320	3,719,320
Change in net assets – capital grants from NeighborWorks America	-	-
Net assets released from restrictions	(933,600)	-
Total net assets with donor restrictions, end of year	2,785,720	3,719,320
Net assets, end of year	\$ 3,719,320	\$ 3,719,320

**SUPPLEMENTARY INFORMATION:
EDEN HOUSING, INC. ONLY**

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF FINANCIAL POSITION – EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,260,993	\$ 12,899,662
Investments in marketable securities	43,228,308	38,097,636
Related-party receivables, net – current portion	32,190,361	24,387,141
Notes and interest receivable – current portion	5,526,171	6,273,695
Prepaid expenses and other receivables	52,205	27,000
Total current assets	98,258,038	81,685,134
Restricted cash	12,203,433	26,852,925
Related-party receivables, net – net of current portion	53,005,912	48,531,629
Notes and interest receivable – net of current portion	131,755,932	107,026,396
Grants and contributions receivable	101,416	1,552,636
Investments in related parties and other companies	24,385	636,771
Development in progress	8,436,437	7,975,095
Property and equipment, net	3,271,627	2,547,809
Total assets	\$ 307,057,180	\$ 276,808,395
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,728,454	\$ 1,547,970
Related-party payable – current portion	7,736	10,180
Line of credit	2,500,000	1,500,000
Interest payable	64,125	19,383
Notes payable – current portion	5,501,366	95,472
Total current liabilities	9,801,681	3,173,005
Accounts payable – development	139,665	77,773
Related-party payable – net of current portion	-	108,936
Notes payable – net of current portion	4,306,100	4,668,684
Total liabilities	14,247,446	8,028,398
Net assets:		
Without donor restrictions:		
Undesignated	243,241,049	225,484,908
Board-designated funds	46,782,965	39,575,769
Total without donor restrictions	290,024,014	265,060,677
With donor restrictions	2,785,720	3,719,320
Total net assets	292,809,734	268,779,997
Total liabilities and net assets	\$ 307,057,180	\$ 276,808,395

Amounts do not include EHI's controlled LLCs, Eden Del Nido LLC, Light Tree Land LLC, and Eden Pratt Development LLC, and directly-owned project, Grove Way and 10th & D.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF ACTIVITIES – EDEN HOUSING, INC. ONLY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Support and revenue:						
Developer fees, including interest	\$ 20,667,078	\$ -	\$ 20,667,078	\$ 28,997,170	\$ -	\$ 28,997,170
Management fees	3,417,624	-	3,417,624	3,207,862	-	3,207,862
Ground lease income	525,796	-	525,796	501,393	-	501,393
Grants and contributions	2,548,462	-	2,548,462	6,269,946	-	6,269,946
Interest income and net investment return	5,226,655	-	5,226,655	3,009,246	-	3,009,246
Pass-through loss from equity method investments	(807,122)	-	(807,122)	(345,107)	-	(345,107)
Other income	184,170	-	184,170	161,301	-	161,301
Net assets released from restrictions	933,600	(933,600)	-	-	-	-
Total support and revenue	<u>32,696,263</u>	<u>(933,600)</u>	<u>31,762,663</u>	<u>41,801,811</u>	<u>-</u>	<u>41,801,811</u>
Expenses:						
Program expenses:						
Affordable housing development	6,058,507	-	6,058,507	5,095,131	-	5,095,131
Supporting services:						
Management and general	5,660,591	-	5,660,591	2,242,428	-	2,242,428
Total expenses	<u>11,719,098</u>	<u>-</u>	<u>11,719,098</u>	<u>7,337,559</u>	<u>-</u>	<u>7,337,559</u>
Change in net assets before other (income) expenses	<u>20,977,165</u>	<u>(933,600)</u>	<u>20,043,565</u>	<u>34,464,252</u>	<u>-</u>	<u>34,464,252</u>

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF ACTIVITIES – EDEN HOUSING, INC. ONLY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Other (income) expenses:						
Depreciation and amortization	344,742	-	344,742	255,576	-	255,576
Loss on retirement of property and equipment	204,017	-	204,017	-	-	-
Contributions from related parties	(13,825,584)	-	(13,825,584)	(14,201,310)	-	(14,201,310)
Contributions to related parties	9,290,653	-	9,290,653	9,371,883	-	9,371,883
Total other (income) expenses	(3,986,172)	-	(3,986,172)	(4,573,851)	-	(4,573,851)
Change in net assets	24,963,337	(933,600)	24,029,737	39,038,103	-	39,038,103
Net assets, beginning of year	265,060,677	3,719,320	268,779,997	226,022,574	3,719,320	229,741,894
Net assets, end of year	\$ 290,024,014	\$ 2,785,720	\$ 292,809,734	\$ 265,060,677	\$ 3,719,320	\$ 268,779,997

Amounts do not include EHI's controlled LLCs, Eden Del Nido LLC, Light Tree Land LLC, and Eden Pratt Development LLC, and directly-owned project, Grove Way and 10th & D.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF FUNCTIONAL EXPENSES – EDEN HOUSING, INC. ONLY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	<i>Program Services</i>	<i>Management and General</i>	<i>Total</i>	<i>Program Services</i>	<i>Management and General</i>	<i>Total</i>
Grants and other assistance to organizations	\$ 221,418	\$ -	\$ 221,418	\$ 359,664	\$ -	\$ 359,664
Grants and other assistance to individuals	63,611	-	63,611	71,961	-	71,961
Salaries and wages	4,094,041	3,140,804	7,234,845	3,183,643	1,160,881	4,344,524
Pension plan accruals and contributions	133,025	114,084	247,109	109,732	47,164	156,896
Other employee benefits	303,571	387,095	690,666	225,054	218,957	444,011
Payroll taxes	281,767	201,506	483,273	230,641	73,677	304,318
Management fees	5,962	-	5,962	-	-	-
Legal fees	28,353	86,150	114,503	26,138	51,809	77,947
Accounting fees	-	113,096	113,096	130,410	-	130,410
Other fees for services	146,953	876,407	1,023,360	449,047	224,640	673,687
Advertising and promotion	-	9	9	454	-	454
Office expenses	151,515	323,031	474,546	5,705	208,727	214,432
Information technology	5,414	74,473	79,887	833	62,366	63,199
Occupancy: utilities	-	15,396	15,396	-	13,803	13,803
Occupancy: repairs and maintenance	9,875	26,269	36,144	7,375	15,844	23,219
Occupancy: real estate taxes	-	666	666	-	356	356
Occupancy: property and liability insurance	-	9,460	9,460	-	2,534	2,534
Travel	55,841	83,866	139,707	63,183	25,372	88,555
Conferences, conventions and meetings	45,632	71,489	117,121	56,143	134,431	190,574
Other insurance	15,178	11,670	26,848	11,261	-	11,261
Mortgage interest	459,459	98,300	557,759	163,887	-	163,887
Ground lease	-	-	-	-	-	-
Other	36,892	26,820	63,712	-	1,867	1,867
Total expenses reported by function on the combining schedules of activities	6,058,507	5,660,591	11,719,098	5,095,131	2,242,428	7,337,559
Other expenses:						
Depreciation and amortization	344,742	-	344,742	255,576	-	255,576
Loss on retirement of property and equipment	204,017	-	204,017	-	-	-
Contributions to related parties	9,290,653	-	9,290,653	9,371,883	-	9,371,883
Total expenses	\$ 15,897,919	\$ 5,660,591	\$ 21,558,510	\$ 14,722,590	\$ 2,242,428	\$ 16,965,018

Amounts do not include EHI's controlled LLCs, Eden Del Nido LLC, Light Tree Land LLC, and Eden Pratt Development LLC, and directly-owned project, Grove Way and 10th & D.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF CASH FLOWS – EDEN HOUSING, INC. ONLY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 24,029,737	\$ 39,038,103
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	344,742	255,575
Loss on retirement of property and equipment	204,017	-
Amortization of debt issuance costs	51,490	-
Net realized and unrealized (gain) loss on investments	2,195,375	(13,460)
Contribution of sale proceeds from related parties	(11,799,226)	-
Loss from investment in partnerships and other companies	807,122	345,107
(Increase) decrease in assets:		
Receivables	(7,000,470)	(16,365,672)
Interest receivable	(275,527)	(1,182,032)
Grants and contributions receivable	1,451,220	(1,241,387)
Prepaid expenses and other receivables	(25,205)	21,937
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	57,165	178,306
Related-party payable	(111,380)	(3,174)
Deferred revenue	123,317	-
Interest payable	44,743	(2,398)
	10,097,120	21,030,905

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF CASH FLOWS – EDEN HOUSING, INC. ONLY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from investing activities:		
Net increase in investments in marketable securities	(7,326,047)	(13,335,586)
Net (increase) decrease in investments in related-parties and other companies	(194,736)	87,491
Net increase in related-party advances	(8,124,907)	(2,425,550)
Net increase in notes receivable	(9,059,384)	(6,462,093)
Reimbursement of predevelopment expenditures	5,557,364	5,407,748
Purchase of property and equipment and net increase in development in progress	(7,229,391)	(9,288,024)
Net cash used in investing activities	(26,377,101)	(26,016,014)
Cash flows from financing activities:		
Advances from line of credit	2,000,000	2,000,000
Payment of line of credit	(1,000,000)	(500,000)
Payment of mortgages and notes payable	(208,180)	(120,682)
Proceeds from long-term debt	5,200,000	-
Net cash provided by financing activities	5,991,820	1,379,318
Net decrease in cash, cash equivalents, and restricted cash	(10,288,161)	(3,605,791)
Cash, cash equivalents, and restricted cash, beginning of year	39,752,587	43,358,378
Cash, cash equivalents, and restricted cash, end of year	\$ 29,464,426	\$ 39,752,587
Supplementary information:		
Cash paid for interest – net of capitalized portion	\$ 522,582	\$ 401,901
Noncash investing and financing activity:		
Transfer of assets from affiliates	\$ 11,779,226	\$ -
Cash and cash equivalents	\$ 17,260,993	\$ 12,899,662
Restricted cash	12,203,433	26,852,925
Total cash, cash equivalents, and restricted cash shown in the schedules of cash flows – Eden Housing, Inc. only	\$ 29,464,426	\$ 39,752,587

Amounts do not include EHI's controlled LLCs, Eden Del Nido LLC, Light Tree Land LLC, and Eden Pratt Development LLC, and directly-owned project, Grove Way and 10th & D.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF RELATED-PARTY RECEIVABLES –
EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

Related-party receivables as of December 31, 2019 and 2018 are as follows:

	2019	2018
Receivable:		
Developer fees	\$ 54,335,298	\$ 52,154,759
Advances for general partner equity and other long-term purposes	16,983,764	10,457,508
Incentive, asset and partnership management fees	6,192,178	5,926,460
Advances for development costs	6,002,114	1,201,012
Ground leases	1,496,875	2,733,977
Advances for operations and other short-term purposes	1,403,869	1,674,711
Other	282,175	270,343
Total	86,696,273	74,418,770
Less: allowance for doubtful collections	(1,500,000)	(1,500,000)
	85,196,273	72,918,770
Less: current portion	(32,190,361)	(24,387,141)
Long-term portion	\$ 53,005,912	\$ 48,531,629

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF NOTES RECEIVABLE –
EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

Notes receivable as of December 31, 2019 and 2018 are as follows:

	2019	2018
Seller carryback notes	\$ 67,569,951	\$ 57,965,706
Sponsor notes	50,298,533	38,070,738
NWA project notes assumed from another nonprofit developer	3,544,320	3,544,320
Reserve funding note	1,572,881	2,965,637
Equity funding note	1,310,000	1,300,000
Solar project notes	47,094	79,842
Other project notes ⁽¹⁾	1,683,161	1,781,928
	<hr/>	<hr/>
Total notes receivable	126,025,940	105,708,171
Interest receivable	11,256,163	7,591,920
	<hr/>	<hr/>
Total notes and interest receivable	137,282,103	113,300,091
Less: current portion	(5,526,171)	(6,273,695)
	<hr/>	<hr/>
Long-term portion	\$ 131,755,932	\$ 107,026,396
	<hr/>	<hr/>

⁽¹⁾ These pertain to financing provided by EHI to other affiliates for development and other project-specific purposes.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF NOTES PAYABLE – EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

Notes payable of Eden Housing, Inc. secured by property unless otherwise noted are as follows:

	2019		2018	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<u><i>Equity Equivalent Investment Notes</i></u>				
Wells Fargo Community Development Corporation, bears simple interest at 2%, interest-only paid quarterly until February 2, 2022, and thereafter, principal and interest payments due quarterly to fully amortize by maturity, February 2, 2024.	\$ 10,000	\$ 2,000,000	\$ 10,000	\$ 2,000,000
Union Bank, in an original amount of \$1,500,000, bears simple interest at 2.5%, interest paid quarterly with principal and any unpaid interest due in full on maturity. Subsequent to December 31, 2018, the loan was extended to April 1, 2021.	9,375	1,500,000	9,375	1,500,000
Total equity equivalent investment notes	19,375	3,500,000	19,375	3,500,000
<u><i>Amortizing / Interest-Only Notes</i></u>				
<u><i>Grand C Office Building</i></u>				
California Community Reinvestment Corporation, in an original amount of \$700,000, with monthly installments of principal and interest of \$4,517, bears simple interest at 6.7%, and is due on June 20, 2022.	3,241	580,418	-	593,998
<u><i>Grand/C L.P.</i></u>				
City of Hayward, for the development of affordable rental housing, maximum amount \$507,000, with monthly payments of principal and interest in the amount of \$4,452, bears simple interest at 5.1% per annum, and due on the earliest of a transfer of the development or any portion thereof other than a transfer as permitted or approved by the Agency, or occurrence of a default, or February 1, 2022.	531	125,152	-	167,196

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF NOTES PAYABLE – EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

	2019		2018	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
<u>Arroyo Vista</u>				
Enterprise Community Loan Fund, Inc., for predevelopment costs, in an original amount of \$160,000, with monthly payments of principal and interest in the amount of \$1,741, bears simple interest at 7.5% per annum, and due December 31, 2020.	-	19,412	8	36,562
Enterprise Community Partners, Inc., for predevelopment costs, with monthly payments of interest only in the amount of \$344, bears simple interest at 2% per annum and due December 31, 2020.	-	200,000	-	200,000
<u>Solar Project</u>				
The San Francisco Foundation, in an original amount of \$500,000, with semi-annual payments of principal and interest in the amount of \$17,234, bears compounded interest at 5%, and is due on July 1, 2020.	-	16,636	-	49,042
<u>Quail Run</u>				
Housing Trust Silicon Valley, with monthly payments of interest only, bears simple interest at 6% per annum and due January 25, 2021. The loan was subsequently paid off in March 2020.	25,834	5,000,000	-	-
Total amortizing / interest-only notes	29,606	5,941,618	8	1,046,798
<u>Deferred Notes</u>				
<u>Tyrell Gardens</u>				
Funds due to the City of Hayward upon collection from homeowners.	-	217,358	-	217,358
<u>Gallup and Mesa</u>				
City of San Jose, for predevelopment costs, bears simple interest at 4% per annum and due September 29, 2020.	5,578	200,000	-	-
Total deferred notes	5,578	417,358	-	217,358

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF NOTES PAYABLE – EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

	2019		2018	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Total	54,559	9,858,976	19,383	4,764,156
Less:				
Unamortized debt issuance costs ⁽¹⁾	-	(51,510)	-	-
Current portion	(54,559)	(5,501,366)	(19,383)	(95,472)
Non-current portion	\$ -	\$ 4,306,100	\$ -	\$ 4,668,684

- ⁽¹⁾ Costs incurred in order to obtain construction financing were \$103,000 and are amortized on a straight-line basis into interest expense over the term of the loan. Interest expense for amortization of debt issuance costs was \$51,490 in 2019.

EDEN HOUSING, INC. AND AFFILIATES
SCHEDULES OF CONTROLLING INTEREST – BOARD-DESIGNATED
FUNDS – EDEN HOUSING, INC. ONLY
DECEMBER 31, 2019 AND 2018

Board-designated funds consist of the following as of December 31, 2019 and 2018:

	2019	2018
Unrestricted cash and investments – program funds	\$ 19,514,896	\$ 20,010,200
Related-party receivables	12,664,934	6,702,007
Notes receivable	6,512,253	6,623,001
Investments in related parties and other companies	3,244,105	2,853,319
Development in progress	4,846,777	3,387,242
Total board-designated net assets	\$ 46,782,965	\$ 39,575,769