

Mercy Housing, Inc.

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

December 31, 2018 and 2017

Mercy Housing, Inc.

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Independent Auditor's Report

Board of Directors
Mercy Housing, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Mercy Housing, Inc., which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of certain subsidiaries and affiliates of Mercy Housing, Inc. were not audited in accordance with *Government Auditing Standards* as discussed at Note 1 in the Notes to Schedule of Expenditures of Federal Awards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mercy Housing, Inc. as of December 31, 2018 and 2017, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Mercy Housing, Inc. adopted the Financial Accounting Standards Board's Accounting Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* as of and for the years ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented with the exception of certain disclosures regarding liquidity and availability of resources as provided by the standard. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 49 through 267 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Requirements (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2019, on our consideration of Mercy Housing, Inc.'s internal control over financial reporting and on our tests of its 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 Mercy Housing, Inc.'s 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 Mercy Housing, Inc.'s internal control over financial reporting and compliance.



Charlotte, North Carolina
April 18, 2019

Mercy Housing, Inc.

Consolidated Statements of Financial Position
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 81,015,708	\$ 56,927,747
Cash, tenant security deposits	9,520,472	8,978,915
Cash, restricted	43,816,547	43,582,657
Investments	10,820,449	12,807,861
Investments, restricted	53,751	9,378
Accounts receivable, net	12,264,437	13,902,320
Pledges receivable, net	25,495,878	6,310,779
Grants receivable	190,295	469,079
Current portion of notes and interest receivable	22,877,020	14,162,543
Prepaid expenses and other assets	3,123,549	2,697,685
Assets held for sale	1,208,453	-
	<u>210,386,559</u>	<u>159,848,964</u>
Total current assets		
	<u>210,386,559</u>	<u>159,848,964</u>
Property and equipment, net	<u>2,597,836,144</u>	<u>2,384,735,051</u>
Other long-term assets		
Restricted property reserves	197,276,489	191,725,809
Long-term investments	14,025,000	14,441,179
Long-term investments, restricted	2,275,000	2,215,000
Pledges receivable, net	29,872,674	22,424,382
Investments in unconsolidated entities, net	1,535,454	1,752,824
Notes and interest receivable, net	43,086,451	38,075,385
Other assets, net	22,366,469	21,712,107
	<u>310,437,537</u>	<u>292,346,686</u>
Total other long-term assets		
	<u>310,437,537</u>	<u>292,346,686</u>
Total assets	<u><u>\$ 3,118,660,240</u></u>	<u><u>\$ 2,836,930,701</u></u>

Mercy Housing, Inc.

**Consolidated Statements of Financial Position
December 31, 2018 and 2017**

	2018	2017
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 96,386,559	\$ 85,211,873
Accrued interest	5,147,862	5,366,324
Current portion of notes payable	183,763,367	203,119,864
Deferred revenue and other liabilities	7,395,141	3,264,945
Tenant security deposits	9,310,023	8,880,341
Total current liabilities	302,002,952	305,843,347
Long-term liabilities		
Accrued interest	119,491,228	107,238,626
Notes payable, less current portion, net	1,617,052,302	1,466,599,896
Deferred revenue and other liabilities	33,404,066	31,395,018
Total long-term liabilities	1,769,947,596	1,605,233,540
Total liabilities	2,071,950,548	1,911,076,887
Commitments	-	-
Net assets without donor restrictions		
Net assets without donor restrictions, controlling	312,065,300	274,639,143
Net assets without donor restrictions, noncontrolling	652,833,674	599,092,048
Total net assets without donor restrictions	964,898,974	873,731,191
Net assets with donor restrictions	81,810,718	52,122,623
Total net assets	1,046,709,692	925,853,814
Total liabilities and net assets	\$ 3,118,660,240	\$ 2,836,930,701

See Notes to Consolidated Financial Statements.

Mercy Housing, Inc.

Consolidated Statements of Activities Year Ended December 31, 2018

	Programs							
	Property Operations & Management	Resident Services	Housing Development	Mercy Loan Fund	Corporate Operations	Total	Without donor Restrictions	With donor Restrictions
Revenues								
Rent - net of vacancies	\$ 245,836,287	\$ -	\$ -	\$ -	\$ -	\$ 245,836,287	\$ 245,836,287	\$ -
Developer fees	-	-	15,188,574	-	-	15,188,574	15,188,574	-
Services fees	881,296	152,016	11,517	-	99,143	1,143,972	1,143,972	-
Philanthropy	513,485	7,002,955	34,623,808	160,599	3,913,966	46,214,813	12,628,529	33,586,284
Capital grants	846,279	79,000	20,090,001	776,500	-	21,791,780	21,791,780	-
Consulting	2,039	556,965	273,152	-	-	832,156	832,156	-
Interest	1,852,142	6,236	548,658	2,775,931	291,024	5,473,991	5,473,991	-
Other	16,831,121	-	2,118,169	440,096	1,513,197	20,902,583	20,902,583	-
Release of restricted assets	-	-	-	-	-	-	3,898,189	(3,898,189)
Total revenues	<u>266,762,649</u>	<u>7,797,172</u>	<u>72,853,879</u>	<u>4,153,126</u>	<u>5,817,330</u>	<u>357,384,156</u>	<u>327,696,061</u>	<u>29,688,095</u>
Expenses and losses								
Compensation	64,696,611	11,066,939	9,560,771	1,039,136	12,167,843	98,531,300	98,531,300	-
Administrative	13,157,603	2,148,939	2,175,883	75,799	10,901,079	28,459,303	28,459,303	-
Professional services	7,412,459	676,455	1,170,151	29,719	2,348,283	11,637,067	11,637,067	-
Depreciation and amortization	115,491,842	-	159,068	-	65,907	115,716,817	115,716,817	-
Grants	34	245,553	385,650	-	17,171	648,408	648,408	-
Facility	80,247,606	20,415	857,696	-	4,775,749	85,901,466	85,901,466	-
Interest and fees	45,576,215	99	42,971	1,180,419	709,874	47,509,578	47,509,578	-
Bad debts	1,448,780	3,617	110,952	365,346	125,618	2,054,313	2,054,313	-
Project expenses	-	-	1,863,756	-	-	1,863,756	1,863,756	-
Allocation	3,124,419	3,424,839	4,453,667	356,887	(11,359,812)	-	-	-
(Gain)/loss on sale of assets	(726,746)	-	(102,120)	-	-	(828,866)	(828,866)	-
(Gain)/loss on investment in unconsolidated entities, net	-	-	208,391	-	5,346	213,737	213,737	-
Total expenses and losses	<u>330,428,823</u>	<u>17,586,856</u>	<u>20,886,836</u>	<u>3,047,306</u>	<u>19,757,058</u>	<u>391,706,879</u>	<u>391,706,879</u>	<u>-</u>
Change in net assets								
Consolidated	(63,666,174)	(9,789,684)	51,967,043	1,105,820	(13,939,728)	(34,322,723)	(64,010,818)	29,688,095
Attributable to non-controlling interest	<u>(92,730,831)</u>	<u>-</u>	<u>(1,026)</u>	<u>-</u>	<u>-</u>	<u>(92,731,857)</u>	<u>(92,731,857)</u>	<u>-</u>
Change in net assets attributable to Mercy Housing, Inc.	<u>\$ 29,064,657</u>	<u>\$ (9,789,684)</u>	<u>\$ 51,968,069</u>	<u>\$ 1,105,820</u>	<u>\$ (13,939,728)</u>	<u>\$ 58,409,134</u>	<u>\$ 28,721,039</u>	<u>\$ 29,688,095</u>

Mercy Housing, Inc.

Consolidated Statements of Activities Year Ended December 31, 2017

	Programs							
	Property Operations & Management	Resident Services	Housing Development	Mercy Loan Fund	Corporate Operations	Total	Without donor Restrictions	With donor Restrictions
Revenues								
Rent - net of vacancies	\$ 220,484,542	\$ -	\$ -	\$ -	\$ -	\$ 220,484,542	\$ 220,484,542	\$ -
Developer fees	-	-	18,334,803	-	-	18,334,803	18,334,803	-
Services fees	1,170,463	223,760	52,337	-	15,156	1,461,716	1,461,716	-
Philanthropy	401,679	6,235,475	34,294,872	3,602,054	2,260,730	46,794,810	6,304,739	40,490,071
Capital grants	837,316	-	3,265,695	-	10,000	4,113,011	4,113,011	-
Consulting	2,070	223,795	464,245	-	-	690,110	690,110	-
Interest	1,195,047	5,646	455,933	2,152,338	187,757	3,996,721	3,996,721	-
Other	20,797,790	57,476	783,867	435,972	1,577,361	23,652,466	23,652,466	-
Release of restricted assets	-	-	-	-	-	-	21,930,624	(21,930,624)
Total revenues	<u>244,888,907</u>	<u>6,746,152</u>	<u>57,651,752</u>	<u>6,190,364</u>	<u>4,051,004</u>	<u>319,528,179</u>	<u>300,968,732</u>	<u>18,559,447</u>
Expenses and losses								
Compensation	60,927,165	10,374,874	9,075,101	929,686	11,554,281	92,861,107	92,861,107	-
Administrative	9,842,114	1,609,161	1,921,904	68,871	6,960,875	20,402,925	20,402,925	-
Professional services	6,076,163	806,023	951,122	66,973	1,300,961	9,201,242	9,201,242	-
Depreciation and amortization	107,086,898	-	122,713	-	27,715	107,237,326	107,237,326	-
Grants	6,398	39,377	1,172,242	-	73,000	1,291,017	1,291,017	-
Facility	73,031,788	35,355	772,751	-	4,897,771	78,737,665	78,737,665	-
Interest and fees	41,107,283	403	84,036	949,839	786,979	42,928,540	42,928,540	-
Bad debts	1,342,336	108,167	165,328	54,269	459,473	2,129,573	2,129,573	-
Provision for impaired assets	-	-	-	-	-	-	-	-
Project expenses	-	-	2,049,723	-	-	2,049,723	2,049,723	-
Allocation	2,890,469	5,132,121	1,940,418	333,911	(10,296,919)	-	-	-
(Gain)/loss on sale of assets	(585,143)	-	(29,351)	-	-	(614,494)	(614,494)	-
(Gain)/loss on investment in unconsolidated entities, net	-	-	379,087	-	309	379,396	379,396	-
Total expenses and losses	<u>301,725,471</u>	<u>18,105,481</u>	<u>18,605,074</u>	<u>2,403,549</u>	<u>15,764,445</u>	<u>356,604,020</u>	<u>356,604,020</u>	<u>-</u>
Change in net assets								
Consolidated	(56,836,564)	(11,359,329)	39,046,678	3,786,815	(11,713,441)	(37,075,841)	(55,635,288)	18,559,447
Attributable to non-controlling interest	<u>(78,702,782)</u>	<u>-</u>	<u>(360)</u>	<u>-</u>	<u>-</u>	<u>(78,703,142)</u>	<u>(78,703,142)</u>	<u>-</u>
Change in net assets attributable to Mercy Housing, Inc.	<u>\$ 21,866,218</u>	<u>\$ (11,359,329)</u>	<u>\$ 39,047,038</u>	<u>\$ 3,786,815</u>	<u>\$ (11,713,441)</u>	<u>\$ 41,627,301</u>	<u>\$ 23,067,854</u>	<u>\$ 18,559,447</u>

See Notes to Consolidated Financial Statements.

Mercy Housing, Inc.

**Consolidated Statements of Changes In Net Assets
Years Ended December 31, 2018 and 2017**

	Net Assets Without Donor Restrictions			Net Assets With Donor	Total Net Assets
	Controlling	Noncontrolling	Total	Restrictions	
Balance, January 1, 2017	\$ 49,442,720	\$ 539,616,947	\$ 589,059,667	\$ 224,840,770	\$ 813,900,437
Reclassification related to ASU 2016-14	213,215,517	-	213,215,517	(213,215,517)	-
Balance, January 1, 2017, as restated	262,658,237	539,616,947	802,275,184	11,625,253	813,900,437
Contributions	-	137,710,310	137,710,310	-	137,710,310
Distributions	(228,397)	(580,043)	(808,440)	-	(808,440)
Syndication	(534,727)	(1,117,434)	(1,652,161)	-	(1,652,161)
Other transfers	(10,323,824)	2,165,410	(8,158,414)	21,937,923	13,779,509
Excess (deficiency) of revenues over expenses	23,067,854	(78,703,142)	(55,635,288)	18,559,447	(37,075,841)
Balance, December 31, 2017	274,639,143	599,092,048	873,731,191	52,122,623	925,853,814
Contributions	-	147,691,354	147,691,354	-	147,691,354
Distributions	-	(531,654)	(531,654)	-	(531,654)
Syndication	(1,509,258)	(853,414)	(2,362,672)	-	(2,362,672)
Other transfers	10,214,376	167,197	10,381,573	-	10,381,573
Excess (deficiency) of revenues over expenses	28,721,039	(92,731,857)	(64,010,818)	29,688,095	(34,322,723)
Balance, December 31, 2018	<u>\$ 312,065,300</u>	<u>\$ 652,833,674</u>	<u>\$ 964,898,974</u>	<u>\$ 81,810,718</u>	<u>\$ 1,046,709,692</u>

See Notes to Consolidated Financial Statements.

Mercy Housing, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Operating activities		
Changes in net assets	\$ (34,322,723)	\$ (37,075,841)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Forgiveness of debt	(265,665)	(2,621,114)
(Gain) loss on sale of assets	(828,866)	(614,494)
Depreciation and amortization	115,716,817	107,237,326
Amortization of debt issuance costs	2,470,905	2,150,974
Provisions for loan losses and impaired assets	365,346	54,269
(Gain) loss from investments in partnerships	213,737	379,396
(Gain) loss on interest rate swap contracts	(634,296)	(509,400)
Amortization of prepaid ground lease	123,947	129,133
Net changes in current assets and liabilities that provided (used) cash		
Cash, tenant security deposits	(541,557)	(1,167,340)
Accounts receivable, net	1,637,883	(3,335,913)
Grants receivable	278,784	298,098
Pledges receivable	(26,633,391)	(25,793,764)
Prepaid expenses and other assets	(425,864)	10,623
Inventory	-	-
Accounts payable	(65,377,231)	(37,330,521)
Accrued interest payable	12,034,140	6,131,156
Deferred revenue	6,139,244	(3,481,382)
Tenant security deposits liability	429,682	1,120,019
Net cash provided by operating activities	<u>10,380,892</u>	<u>5,581,225</u>
Investing activities		
Net change in restricted cash and reserves	(5,784,570)	(50,403,885)
Net change in investments	2,299,218	(7,504,662)
(Purchase) Sale of stock	(286,300)	134,100
Purchases of property and equipment	(244,028,882)	(214,526,709)
Net change in investments in partnerships	3,633	26,537
Net change in notes receivable	(14,090,889)	(12,061,323)
Payment of tax credit fees	<u>(1,113,590)</u>	<u>(1,134,665)</u>
Net cash used in investing activities	<u>(263,001,380)</u>	<u>(285,470,607)</u>

Mercy Housing, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Financing activities		
Proceeds from notes payable	340,222,786	315,096,670
Principal payments on notes payable	(204,360,040)	(160,394,617)
Debt issuance costs	(3,951,325)	(6,648,780)
Capital contributions from investor partners	147,691,354	137,710,310
Distributions paid to investor limited partners	(531,654)	(808,440)
Syndication costs	(2,362,672)	(1,652,161)
Net cash provided by financing activities	<u>276,708,449</u>	<u>283,302,982</u>
Net increase in cash and cash equivalents	24,087,961	3,413,600
Cash and cash equivalents at beginning of year	<u>56,927,747</u>	<u>53,514,147</u>
Cash and cash equivalents at end of year	<u>\$ 81,015,708</u>	<u>\$ 56,927,747</u>
Cash paid for interest, net of amounts capitalized of \$4,294,444 and \$2,720,613, respectively	<u>\$ 27,810,292</u>	<u>\$ 29,820,277</u>

Mercy Housing, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Noncash investing and financing activities:		
Net noncash net assets of transferred entities to (from) MHI	\$ (10,381,573)	\$ (13,779,509)
Transfers of net assets of non-controlling interests	167,197	2,165,410
Property and equipment and other assets transferred to MHI	10,214,376	11,614,099
(Increase) decrease in property and equipment in payables	(76,551,917)	(62,217,441)
Increase (decrease) in accounts payable from property equipment purchases (disposals)	76,551,917	62,217,441
Increase in property and equipment from notes payable	-	(1,318,260)
Increase in notes payable from property and equipment	-	1,318,260
Increase in property and equipment from capitalized amortization	1,312,823	879,295
Capitalized amortization in property and equipment	(1,312,823)	(879,295)
Increase in other assets from prepaid expenses	162,283	134,586
Decrease in prepaid expenses from other assets	(162,283)	(134,586)
Increase in accounts payable from financing fees	-	477,686
Increase in financing fees in accounts payable	-	(477,686)
Decrease in notes payable from accrued interest	(459,460)	(325,687)
Increase in accrued interest from notes payable	459,460	325,687
Total noncash investing and financing activities	<u>\$ -</u>	<u>\$ -</u>

See Notes to Consolidated Financial Statements.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Note 1 - Organization and summary of significant accounting policies

Mercy Housing, Inc. (MHI or the Company) is a nonprofit Nebraska corporation formed in 1981 by eight congregations of women religious. MHI's mission is to create vibrant and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities. These activities are considered to comprise the major programs of the Company. Accordingly, the consolidated statements of activities include four separate programs and corporate operations, as follows: property operations and management; resident services; housing development and Mercy Loan Fund (MLF).

MHI and its affiliates receive significant funding from federal, state, and local government subsidies in various forms, including low-income housing tax credits, low-interest rate loans, grants, and rent subsidies for qualifying very low, low and moderate-income tenants.

MLF has been certified by the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund) as a Community Development Entity (CDE) and has entered into an allocation agreement with the CDFI Fund as an Allocatee under Section 45D of the Internal Revenue Code.

The Company, through a subsidiary, holds an investment in Housing Partnership Equity Trust LLC (HPET). HPET was formed by twelve mission focused non-profit organizations and is operated by Housing Partnership Network. HPET is a social-purpose Real Estate Investment Trust that provides a ready source of long-term capital enabling its members and partners to quickly and efficiently acquire affordable multifamily properties. The Company and HPET jointly own 2000 Illinois, a 128-unit multifamily project in Aurora, Illinois serving working class families and individuals.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of MHI and all of its controlled affiliates. This includes corporations, limited partnerships and limited liability companies in which MHI has a controlling interest. These entities are included in the consolidation according to generally accepted accounting principles (GAAP) which require that partnership accounts be consolidated for all limited partnerships or limited liability companies which are deemed to be controlled by the Company. All intercompany transactions have been eliminated in consolidation.

The following entities are included in the consolidated financial statements of MHI:

- Mercy Housing, Inc.
- Mercy Loan Fund (MLF)
- Mercy Housing Management Group (MHM)
- Mercy Housing Mountain Plains
 - Stapleton II Mercy, LLC
 - Bluff Mercy, LLC (Bluff Lake)
 - Mercy Housing Colorado GP, LLC
 - Mercy Housing Colorado III, LTD. (Springfield Court)
 - MHMP GP, LLC
 - Mercy Housing Colorado VI, LTD. (Merced de las Animas)
 - MHMP CO GP, Inc.
 - Mercy Bond Properties Colorado I (Franconia LLC)
 - MHMP 12 Holly Park East and West GP
 - MHMP 12 Holly Park East and West LP (Holly Park)
 - Mercy Housing Midwest

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Mercy House
Mercy Bond Properties Nebraska I (Mercy Timbercreek, LLC)
Mercy Village Joplin, Inc.
Mercy Housing Midwest Nebraska, LLC
Northglen, LP
Mercy Crestview Village Housing, LP
Western Manor, LP
Mercy Housing Southwest (MHSW)
Avondale Senior Village
Camelot Casitas
Casa de Merced
Casa de Shanti, Inc.
Decatur Place
El Mirage Senior Village
Mesa Senior Meadows
Guadalupe Senior Village
Peoria Place
Plazas de Merced
Vista Alegre
Willow Street Apartments
Mercy Housing California (MHC)
Affordable Housing Initiatives
All Hallows Community
Marin Homes for Independent Living (Camino Alto)
Cantebria Senior Homes
Mercy Senior Housing Oxnard (Casa Merced)
Francis of Assisi Community
Gault Street Senior Housing
John W. King Senior Community
Maria B. Freitas Senior Housing Corporation
Marin Housing Corporation (Martinelli House)
Mercy Family Plaza Limited Partnership (Mercy Family Plaza)
Mercy Gardens
Notre Dame Senior Housing Corporation
Oceana Senior Housing Corporation (Oceana Terrace)
Presentation Senior Housing Community
Russell Manor
Tierra Del Sol, Inc.
Garden Park Apartment Community
Mercy Oaks Village
Mercy Commercial California
MPCAL, LLC
MCC 1360 LLC
Central Coast Housing
Mercy Housing California 58, LP (Neary Lagoon Apts.)
Sycamore Street Consolidated
Mercy Housing California Family Properties
Mercy Housing California 51, LP (Bill Sorro Community)
Mercy Housing California Special Needs
Mercy Housing California 57, LP (1500 Page)
Mercy Midtown Inc.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Florin Housing Corporation GP
Mercy Housing California 77, LP (Crossroad Gardens)
Mercy Housing California 80, LP, Consolidated
3425 Orange Grove, LLC
Mercy Housing California 81, LP (Courtyard Inn)
Sunnydale Block 6 Housing Partnership, LP
Mercy Mather Veterans 3 LLC
Mercy Housing California 79, LP (Mather Phase 3)
Mercy Housing California Senior Properties (MHCSP)
 Bennett House, LP
 Dorothy Day Community, LP
 Junipero Serra, LP
 Monsignor Lyne, LP
 St. Andrew Community, LP
 Villa Columba Mercy Riverside, LP
Mercy Housing Calwest (MHCW)
 Mercy Housing California XXXIX, LP (Gleason Park)
 Mercy Housing California XL, LP (Arlington Hotel)
 Mercy Housing California XXXVIII, LP (East Leland Courts)
 Mercy Housing California XLII, LP (Boulevard Court)
 Mercy Housing California XLIV, LP (1180 Fourth Street)
 Third and LeConte Associates LP (Bayview Hill Gardens)
 Caroline Severance LLC
 Mercy Housing California XLIII, LP (Caroline Severance Manor)
 7th & H GP, LLC
 Mercy Housing California 47, LP (7th & H Street)
 Madonna Senior Housing LLC
 Mercy Housing California 53, LP (Madonna Residences)
 Mercy Housing California 52, LP (School House Station-Vista Grande)
 1100 Ocean Avenue Limited Partnership (1100 Ocean Avenue Apts.)
 55 Laguna, LP (Open House Community at 55 Laguna)
 Esparto Family Apartments, LLC
 Mercy Housing California 54, LP (Esperanza Crossing)
 Sunset Lane Apartments LLC
 Mercy Housing California 55, LP (Trailside Terrace)
 Mercy Housing California 56, LP (Jefferson Park Terrace)
 Mercy Housing California II, LP (Columbia Park)
 Coastside Senior Housing Limited Partners, LP
 El Monte Veterans Apartments LLC
 El Monte Veterans Apartments, LP
 1028 Howard Street, LLC
 Mercy Housing California 60, LP (Quinn Cottages)
 Mercy Housing California XI, LP (Madison Place)
 Mercy Eden House LLC
 Eden House, L.P.
 Transbay Block 6, LLC
 Mercy Housing California 62, LP (280 Beale)
 Sunset Valley Duplexes, LLC
 Mercy Housing California 63, LP (Sunset Valley Duplexes)
 345 Arguello, LP
 Land Park Woods, LLC

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Mercy Housing California 68, LP (Land Park Woods)
1880 Pine, LP
Transbay Block 7, LLC
Mercy Housing California 64, LP (Transbay Block 7)
Mercy Mather Veterans, LLC
Mercy Housing California 61, LP (Mather Veterans Village)
Mercy Housing California 65, LLC
Mercy Housing California 65, LP (15888 Hesperion)
Plaza Maria, LLC
Mercy Laguna LLC, GP
Laguna Senior Housing, LP (95 Laguna)
JFK Tower, LP
2698 California, LP
Mercy Housing California 66, LP (Colma Veterans Village)
455 Fell, LP (Parcel O)
Mercy Housing California 67, LP (Columbia Park)
Historic Live Oak (Odd Fellows)
Mercy Housing Camino, LLC
Mercy Housing La Cienega GP, LLC
New Dana Strand IV, LP (Camino Del Mar)
St Mary's Tower, LLC
Mercy Housing California 71, LP (St Mary's Tower)
Francis of Assisi, LLC
Mercy Housing California 69, LP (Francis of Assisi)
Mercy Housing California 59, LP (Casa de la Mission)
0623 Vernon, LLC
Mercy Housing California 48, LP (Roseville)
Esperanza Crossing II, LLC
Mercy Housing California 76, LP (Esperanza Crossing Phase II)
Mercy Transformation, LLC
Sunnydale Parcel Q Housing Partners, LP

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Candlestick Pointe 11a, a California Limited Partnership (Candlestick)
20 North Cottonwood LLC
Mercy New Hope, LP (Woodland/180 West Beamer)
Mercy Housing California 74, LP (Britton Street)
Pico Robertson LLC, GP
Mercy Housing California 73, LP (Pico Robertson)
Baldwin Rose LLC, GP
Baldwin Rose LP
Mercy Housing California 78, LP (Mission Bay Block 6)
Mercy Housing California 75, LP (Dorothy Day)
Placentia Veterans Village, LLC
Placentia Veterans Village, LP
Mercy Properties California
The Haven*
Leland House*
Osocales (McIntosh Mobile Homes)*
Richmond Hills*
Sycamore Center (Red Bluff)*
San Juan Housing Corporation
Kennedy Estates Housing Associates, LP (Kennedy Estates)
Tahoe Valley Townhomes Associates, LP (Tahoe Valley Townhomes)
Mercy Housing Northwest-Idaho, Inc.
Eagle Senior Village, Inc.
Mercy Moscow, Inc. (Hawthorne)
Independence Hill, Inc.
Boise Senior 202 GP, LLC
Boise Senior 202 Owner, LP (12th Street Senior)
Mercy Housing Lakefront (MHLF)
Laverne Courts, LLC
Washington Courts, LLC
Whitmore Apartments, LLC
111th & Wentworth Apartment Corporation
111th and Wentworth Limited Partnership (Wentworth Commons)
Belray Apartments Corporation
Belray Limited Partnership (Belray Apartments)
Harold Washington Apartments Corporation
Magnolia Limited Partnership (Carlton Apartments)
Red Door Limited Partnership (Major Jenkins Apartments)
4707 Malden Limited Partnership (Miriam Apartments)
Roseland Apartments Corporation
Roseland Limited Partnership (Holland Apartments)
South Loop Apartments Corporation
South Loop Limited Partnership (South Loop Apartments)
Winthrop Apartments Corporation
5042 Winthrop Apartments Limited Partnership (Delmar Apartments)
Near North Apartments Corporation, NFP
Near North Limited Partnership (Schiff Residences)
Malden Arms Corp. II, NFP

*Not a legal entity but is included as a separate column in Supplementary Information.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Malden Limited Partnership II (Malden Arms II)
Englewood Apartments, NFP
901 West 63rd Limited Partnership (Englewood Apartments)
Countryside Seniors, LLC
Countryside Seniors Apartments, LP (Countryside Apartments)
Johnston Center MM, LLC
Johnston Center Re-Use, LLC
HWA-850 Eastwood GP Corp., NFP
HWA-850 Eastwood Limited Partnership
Belvidere Place Corp. I, NFP
Grayslake Senior Housing Limited Partnership
104th Street MM, LLC
104th Street Limited Partnership (Pullman Wheelworks)
MHL Holdings, LLC
MHL Keating MM, LLC
The Keating Building Little Village LLC
2000 Illinois Aurora MM, LLC
2000 Illinois Aurora, LLC
St. Catherine Residence, Inc.
SC Residence MM, LLC
SC Residence, LLC (McAuley Apartments)
Roseland Place Inc., NFP
Roseland Place Limited Partnership
Mercy River West Commons Elgin LLC
Danville Veterans Housing MM, LLC
Danville Veterans Housing, LLC
Greenwich Park Apartments MM, LLC
Greenwich Park Apartments, LLC
Mercy Sterling NFP
New Sterling Park MM, LLC
New Sterling Park, LLC
Kankakee Station Senior Housing MM GP, LLC
Kankakee Station Street Senior Housing, LLC
Roseland Village
Mercy Housing South East
Mercy Place Belmont, Inc.
Mercy Housing Pembroke, Inc. (McFadden Place)
Mercy Housing Georgia Holdings, LLC (1826 Florance Street)
Marshside Village, Inc.
Allegre Point Senior Residences, Inc.
MHSE Adamsville Green Senior Partners, LLC
Adamsville Green Limited Partnership
Dublin Manor, Inc.
McAuley Manor, Inc.
Mercy Manor, Inc.
Riverview - St. Mary's Inc. (St. Mary's Riverview I)
St. Mary's Villa at Riverview II, Inc. (St. Mary's Riverview II)
St. Mary's Villa, Inc.
Sacred Heart Village I, Inc.
Sacred Heart Village II, Inc.
Sacred Heart Village III, Inc.

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**Notes to Consolidated Financial Statements
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St. Theresa Village, Inc.
Siena Springs (Siena Springs I)
Siena Springs II
Charles Meadows Corporation
Charles Crest Corporation (Charles Crest I)
Charles Crest II, Corporation
Savannah Gardens Senior Residences, Inc.
MHSE Mauldin Center Apartments, LLC
Mercy Community Housing Georgia, Inc. (MCHGa)
 Mercy Housing Georgia I, L.L.L.P. (Heritage Place Apartments)
 Mercy Housing Georgia IV, L.P. (Heritage Corner/Heritage Row)
 Mercy Housing Georgia V, L.P. (Chamblee Senior)
 Mercy Housing Georgia VI, L.P. (The Atrium at College Town)
 MCHG Partners, Inc.
 Acquisition Properties Georgia I, LP (Magnolia Village)
 Mercy Housing Georgia X, L.P. (Savannah Gardens I)
 Mercy Lithonia Park View, Inc.
 Mercy Housing Georgia VIII L.P. (Terraces at Park View)
 MPI Highland Place, LLC
 MPI Highland Place Apartments, LP (The Hills at Fairington Apartments)
 Antioch II, LLC
 Antioch Villas, L.P.
 Mercy Housing Georgia XI GP, LLC
 Mercy Housing Georgia XI, LP (Etowah Terrace)
 MHSE Arbors, LLC
 The Arbors at Ellington, Ltd.
 MHSE Savannah Gardens Phase III GP, LLC
 Mercy Housing Georgia 12, LP (Savannah Gardens Phase III)
 MHSE Reynoldstown Senior GP, LLC
 MHSE Reynoldstown Senior, LP
 MHSE Savannah Gardens Phase IV GP, LLC
 MHSE Savannah Gardens Phase V GP, LLC
 Mercy Housing Georgia 13, LP (Savannah Gardens Phase IV)
 Mercy Housing Georgia 14, LP (Savannah Gardens Phase V)
 MHSE Renaissance Apartments, LLC
 MHSE Mercy Park GP, LLC
 Mercy Park Chamblee
Mercy Housing Northwest
 Intercommunity Housing Ferndale
 Sterling Senior Housing
 Appian Way Manager LLC
 Appian Way Mercy, LLC (Appian Way Apartments)
 New Tacoma Phase I GP LLC
 New Tacoma Phase I Owner, LP (New Tacoma Phase I)
 New Tacoma Phase II Mercy LLC
 New Tacoma Condominium Association
 Evergreen Vista 1 GP LLC
 Evergreen Vista 1 Owner, LP
 Rainer Vista Block 43 GP, LLC
 Rainer Vista Block 43 Owner, LP (Columbia City Station Apts.)
 Cobble Knoll I Mercy LLC

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Allegre Mercy Redevelopment LLLP
Villa Kathleen Redevelopment LLLP
Impact Family Village GP LLC
Impact Family Village Limited Partnership (Emerald City Commons)
Family Tree & Lincoln Way GP, LLC
Family Tree & Lincoln Way LLLP
MHNW Othello Commercial, LLC
MHNW 9 Othello East GP, LLC
MHNW 9 Othello East, LP (Mercy Othello Plaza East)
MHNW 10 Othello West GP, LLC
MHNW 10 Othello West, LP (Mercy Othello Plaza West)
MHNW 12 Eleanor Apartments GP LLC
MHNW 12 Eleanor Apartments LLLP (Eleanor Apartments)
MHNW 11 Woodlakes LLC
MHNW 11 Woodlakes LLLP
MHNW 13 Building 9 South GP, LLC
MHNW 13 Building 9 South LP
MHNW 14 Building 9 North GP, LLC
MHNW 14 Building 9 North LP
MHNW 16 Family Housing GP LLC
MHNW 16 Family Housing LLLP (Mount Baker)
Mercy Properties Washington
 Mercy Housing Washington VIII, LP (Hillside Gardens)
 Mercy Housing Washington VI, LP (Lincoln Way II)
 Mercy Housing Washington V, LP (Sterling Meadows)
 Mercy Housing Washington VII, LP (Eliza McCabe Townhomes)
 Mercy Housing Washington IX, LP (Evergreen Vista II)
 Mercy Housing Washington X, LLC (Catalina Apartments)
Mercy Housing Ohio, Inc.
Mercy Properties Washington III, LLC (Cobble Knoll I)
Mercy Properties Washington II, LLC (Cobble Knoll II)
Padre Apartments Community
Mercy Properties, Inc. (MPI)
 111 Jones Street Associates, LP (111 Jones Street Apts.)
 Britton Street Associates, LP (Britton Street Apts.)
 Mercy Housing California VII, LP (Casa San Juan)
 Mercy Housing Colorado VIII, LP (Valle de Merced)
 Mercy Housing Colorado I, LTD (Grace)
 Marlton Affordable Housing Associates (Marlton Manor)
 Mercy Housing California V, LP (Mercy Village Folsom)
 Park Terrace Apartments, LP
 Mercy Housing California X, LP (The Rose Hotel)
 San Felipe Homes, LP
 2220 10th Avenue Associates, LP (Santana Apts.)
 Mercy Housing Iowa II, LP (Sherwood Place Apts.)
 Mercy Housing California I, LP (St. Francis Terrace)
 Mercy Housing Georgia II, LLLP (Orchard Grove Apts.)
 Mercy Housing Colorado IX, LLLP (Parkside Apartments)
 Mercy Housing Arizona II, LP (Page Commons)
 Parkside Terrace Apartments, LLC
 Parkside Terraces Limited Partnership

Mercy Housing, Inc.

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Mulberry Court LLC
Mercy Housing South Carolina I, LP (Mulberry Court Apts)
Savannah Rose of Sharon, LLC
Mercy Housing Georgia III, LP (Rose of Sharon)
Mercy Housing South Dakota I, LLC (Driftwood Estates)
Mercy Housing South Dakota II, LLC (Northern Heights)
Mercy Housing Colorado XI, LLC (Pinon Terrace)
Commons on Main GP, LLC
Aromor Mercy, LLC (Aromor Apts)
Mercy Galewood SLF, Inc.
FHD Holdings LLC
Mercy Properties II, Inc.
 Mercy Housing Utah I, LP (Francis Peak View)
 Mercy Housing Idaho V, LP (Sisters Villa)
2101 Telegraph Avenue Housing, Inc.
 2101 Telegraph Avenue Associates, LP (Hamilton Apts.)
McDermott Place
 Bishop's Block, LP
South of Market Mercy Housing
 1101 Howard Street Associates, LP (1101 Howard St. Apts.)
 Mercy Housing California VI, LP (205 Jones Street Apts.)
 1475 167th Avenue Associates, LP (Bermuda Gardens)
 Centro Partners, LP (El Centro Residential)
 Riverside/Leibrandt Partners, LP (La Playa Residential)
 West 28th Street, LP (Montclair/Tolton Court)
 16th & Church Street Associates, LP (Padre Palou)
Visitation Valley Affordable Housing Corporation
 Visitation Valley Family Housing Associates (Heritage Homes)
Mercy Housing West
 Mercy Housing California XIV, LP (10th & Mission Apartments)
 Mercy Housing California XV, LP (Nueva Vista)
 Mercy Housing California XVII, LP (Derek Silva Community)
 Mercy Housing California XXIV, LP (Carter Terrace Apartments)
 Mercy Housing California XVIII, LP (Polk Street Senior Community)
 Mercy Housing California XIII, LP (Linbrook Court)
 Mercy Housing California XX, LP (Mission Creek Sr.)
 Mercy Housing California XVI, LP (Villa Madera)
 Mercy Housing California XII, LP (Villa Amador)
 Village Park Housing Associates (Village Park Apts.)
 Mercy Housing California XXI, LP (White Rock Village)
 Mercy Housing California XIX, LP (Grand & Venice)
 Mercy Housing California XXV, LP (Casa Alegre)
 Pinewood Court Apartments, LP (Terracina Pinewood Court)
 Mercy Housing California XXII, LP (The Dudley)
 Mercy Housing California XXVI, LP (Martin Luther King Village)
 Mercy Housing California XLI, LP (Westbrook Plaza)
 Mercy Housing California XXXIV, LP (Edith Witt Sr Community)
 Mercy Housing California XXVII, LP (Serna Village)
 Mercy Housing California XXVIII, LP (The Vineyard Townhomes)
 Mercy Terrace, LLC
 Mercy Housing California XXIX, LP (Grizzly Hollow Phase III)

Mercy Housing, Inc.

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New Dana Strand Townhomes, LP (New Dana Strand Townhomes)
Mercy Housing California XXXII, LP (Creekview Manor)
Mercy Housing California XXXVI, LP (Kent Gardens)
Mercy Housing California XXXI, LP (Martinelli House)
Mercy Housing California XXXV, LP (Ardenaire Apartments)
Mercy Housing California XXXIII, LP (Casa Verde)
Colonia San Martin Associates, LP
Mercy Housing California 50, LP (Vera Haile Senior Housing)
Mercy Housing California 49, LP (McAuley Meadows)
Affordable Housing Corp.
Mercy Housing Washington III, L.P. (Tahoma View)
Mercy Housing Wheaton
Clare of Assisi Homes - Westminster, Inc.
Clare Gardens, Inc.
Francis Heights, Inc.
Villa Maria, Inc.
Paducah Ministries 1, Inc. (Loan Oak Manor)
Princeton Ministries 4, Inc. (Princeton Manor)
Assisi Homes of Illinois, Inc.
Mercy Housing Franciscan Campus, Inc. (Day Spring Villa)
Richardson Ministries, Inc. (Brandywine Apartments)
Lake Wale Ministries, Inc. (Lake Wales Gardens)
Assisi Homes - Batavia Apartments, Inc.
Assisi Homes - Constitution House, Inc.
Assisi Homes - Colony Park, Inc.
Assisi Homes - Jefferson Court, Inc. (Jefferson Court Apartments)
Assisi Homes - Kenosha, Inc.
Assisi Homes - La Salle Manor, Inc.
Assisi Homes of Gurnee, Inc.
Assisi Homes of Neenah, Inc.
Canticle Place, Inc.
Marian Housing Center, Inc.
Marian Park, Inc.
Alexandria Ministries, Inc. (Alexandria Manor)
Effingham Ministries, Inc. (Colonnade Apartments)
Indianapolis Ministries 1, Inc. (Cedar Commons)
Indianapolis Ministries 2, Inc. (Spruce Manor)
Kokomo Ministries, Inc. (Kokomo Manor)
Moline Ministries 1, Inc. (Highland Manor)
Moline Ministries 2, Inc. (Sanders Apartments)
Pendleton Ministries, Inc. (Edgewood Square Apartments)
Tucson Ministries, Inc. (Western Winds)
Phoenix Ministries 3, Inc. (Lemon Grove)
Davenport Ministries, Inc. (Westview Terrace)
Saxony Manor, MM LLC
Assisi Homes - Saxony Manor, Inc.

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Revenue recognition

Rental income, principally from short-term leases on apartment units and commercial space, is recognized as the rentals become due.

MHI recognizes gifts of cash and other assets as revenue without donor restrictions unless they are received with donor restrictions. Gifts with restrictions are reported as revenue with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions. Gifts of long-lived assets with restrictions and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions and are reclassified to net assets without donor restrictions when the long-lived asset is placed in service.

Unconditional and substantiated promises to give are recorded as revenue at estimated net realizable value. Conditional promises to give are not included as revenue until the conditions are substantially met or unless the possibility that the condition will not be met is remote. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions in the period of receipt. Unconditional promises to give with payments due in future periods are discounted to present value and reported as revenue with donor restrictions.

Special event revenues are recognized when the event is held. Contributions received at or related to a special event are recorded as philanthropy in the Consolidated Statements of Activities.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, deposits in money market accounts and certificates of deposit. All highly liquid instruments with maturities of three months or less when purchased are considered to be cash equivalents. All significant balances are insured by the Federal Deposit Insurance Corporation (FDIC).

Restricted cash

The Company is subject to restrictions on certain funds received by MHI and certain subsidiaries. These funds are included in the restricted cash balance.

Many of the MHI subsidiaries are required to make monthly deposits for replacement of project assets, which are controlled by the Department of Housing and Urban Development (HUD) or other financing authorities. These subsidiaries are also required to make yearly deposits of surplus cash, if any, to residual receipts accounts. Use of residual receipt funds is contingent upon the prior written approval of HUD.

Many of the MHI subsidiaries are required to make monthly escrow deposits for taxes and insurance in a separate account held by the project. The mortgagor for the subsidiary controls these escrow deposits. These funds are included in the restricted cash balance.

Amounts received by MHI subsidiaries from HUD and other financing authorities for construction of low-income housing projects are included in the restricted cash balance.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Investments

MHI invests cash in individual certificates of deposits, treasury instruments and government agency notes. Securities with maturities greater than 90 days are recorded as investments. Debt instruments are recorded at fair value, and realized and unrealized gains and losses are recorded as unrestricted operating income or loss. MHI's intention is to hold the investments to maturity.

Accounts receivable and bad debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Non-tenant receivables are reported net of an allowance for doubtful accounts.

Property and equipment

Property and equipment have been stated at cost. The provision for depreciation is computed using the straight-line method based on estimated useful lives of the related assets. Buildings are depreciated over 27.5 to 40 years, furniture and equipment is depreciated over 3 to 10 years, and land improvements are depreciated over 15 to 20 years.

Impairment of long-lived assets

In accordance with GAAP, management continually monitors events and changes in circumstances, which could indicate that the carrying value of real estate may not be recoverable. If events or changes in circumstances are present, management assesses the recoverability of real estate by determining whether the carrying value will be recovered through the undiscounted future cash flows expected to be generated from its uses and eventual disposition. If the carrying amount of the real estate exceeds its estimated undiscounted cash flows, the impairment to be recognized is measured by the amount of its carrying value of the real estate that exceeds its fair value. No amount of impairment loss has been recognized for the years ended December 31, 2018 and 2017, respectively. Losses, when recognized, are included in the provision for impaired assets line in the Consolidated Statements of Activities.

Predevelopment project costs

The Company incurs costs in connection with properties it is considering for development as well as costs associated with properties in the initial stages of development. These costs include such items as market and environmental studies, purchase options, and legal and accounting costs. Predevelopment costs are capitalized until such time as the project is either abandoned or becomes an approved project with independent funding sources. Predevelopment project costs are charged to operations at the time a potential project is no longer considered desirable or feasible.

Allowance for loan losses

The Company maintains an allowance for loans, notes receivable and accrued interest that may not be ultimately collected. The balance maintained is based upon prior experience and management's assessment of the collectability of existing specific loans. Individual loans are written off against the allowance when they are deemed uncollectible, and increases to the allowance are charged to provision for loan losses.

Debt issuance costs

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

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Tax credit fees and related amortization

Tax credit monitoring fees are being amortized using the straight-line method over the fifteen-year tax credit compliance period.

Amortization expense for the years ended December 31, 2018 and 2017 was \$783,864 and \$669,194, respectively. Estimated amortization expense for each of the ensuing years through December 31, 2023 is as follows:

2019	\$	677,646
2020		656,525
2021		616,969
2022		547,474
2023		478,002

Investment in unconsolidated entities

MHI and its subsidiaries hold investments in limited partnerships and other entities that are not consolidated. The ownership interests range from .005 percent to 50 percent and are not consolidated as they are not controlled by the Company. For the years ended December 31, 2018 and 2017, the investment balance was \$1,535,454 and \$1,752,824, respectively. See Note 7 for additional information.

Functional allocation of expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of MHI are reported as expenses of those functional areas. A portion of shared general and administrative expenses that benefit multiple functional areas (indirect costs) are allocated across programs and corporate operations using a percentage method. Periodically, this methodology and the underlying assumptions are reviewed by management to ascertain continued relevancy and accuracy.

Basis of presentation and net assets

GAAP requires the organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Program service expenses must be segregated from management and general expenses. Contributions received are recorded as support without donor restrictions or with donor restrictions. Net assets without donor restrictions are those that have no external restrictions. Net assets with donor restrictions are those net assets for which use is limited by donors to a specific time period and/or purpose or for which use is restricted in perpetuity by donors.

New accounting standards

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations that provide otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation method to allocate costs, requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that nonprofits which chose to prepare the statement of cash flows using the direct method must also present a reconciliation (the indirect method). The Organization adopted this ASU during the year ended December 31, 2018.

As a result of the adoption of ASU 2016-14, during 2018, beginning net assets of \$213,215,517 were retrospectively reclassified to net assets without donor restrictions.

Non-controlling interest in limited partnerships

This represents the aggregate balance of third party Limited Partner or Investor Member equity interests in the limited partnerships or limited liability companies that are included in the consolidated financial statements. The aggregate negative balances, if any, of Limited Partner or Investor Member interests prior to January 1, 2010 remain in MHI's net assets.

Net assets without donor restrictions

Net Assets without donor restrictions are available for use at the discretion of the board of trustees and/or management for general operating purposes. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. See Note 9 for more information on the composition of net assets without donor restrictions.

Net assets with donor restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

MHI reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting Mercy to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board approved spending policy.

See Note 10 for more information on the composition of net assets with donor restrictions.

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Transfers of net assets

During the year ended December 31, 2018, four entities were added and no entities were removed from the consolidated financial statements. During the year ended December 31, 2017, twenty-two entities were added and one entity was removed from the consolidated financial statements. The net effect of the changes to net assets for the years ended December 31, 2018 and 2017 were increases of \$10,381,573 and \$13,779,509, respectively. The following is a summary of the changes for the year ended December 31, 2018:

Addition of entities:	
Phoenix Ministries 3, Inc. (Lemon Grove)	\$ 4,151,677
Davenport Ministries, Inc. (Westview Terrace)	1,863,304
Assisi Homes - Saxony Manor, Inc.	<u>4,366,592</u>
 Total	 <u><u>\$ 10,381,573</u></u>

The following is a summary of the changes for the year ended December 31, 2017:

Addition of entities:	
Roseland Village	\$ (55,073)
Lake Wale Ministries, Inc. (Lake Wales Gardens)	794,785
Assisi Homes - Batavia Apartments, Inc.	(674,338)
Assisi Homes - Constitution House Inc.	648,515
Assis Homes - Colony Park, Inc.	(4,635,091)
Assisi Homes - Jefferson Court, Inc. (Jefferson Court Apartments)	(1,504,966)
Assisi Homes - Kenosha, Inc.	2,423,334
Assisi Homes - La Salle Manor, Inc.	1,080,006
Assis Homes of Gurnee, Inc.	3,205,037
Assisi Homes of Neenah, Inc.	999,078
Canticle Place, Inc.	1,940,821
Marian Housing Center, Inc.	(472,548)
Marian Park, Inc.	(5,914,939)
Alexandria Ministries, Inc. (Alexandria Manor)	2,041,768
Effingham Ministries, Inc. (Colonnade Apartments)	1,603,232
Indianapolis Ministries 1, Inc. (Cedar Commons)	404,353
Indianapolis Ministries 2, Inc. (Spruce Manor)	1,407,831
Kokomo Ministries, Inc. (Kokomo Manor)	3,893,392
Moline Ministries 1, Inc. (Highland Manor)	2,090,794
Moline Ministries 2, Inc. (Sanders Apartments)	693,021
Pendleton Ministries, Inc. (Edgewood Square Apartments)	1,716,409
Tucson Ministries	1,974,439
 Transfer of entities:	
Mercy Southeast Idaho, Inc. (Hamilton Court)	8,255
 Transfer of eliminations	 <u>111,394</u>
 Total	 <u><u>\$ 13,779,509</u></u>

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Strategic health care partnerships

Throughout MHI's history, many strategic partners have pledged contributions for up to five years. MHI has eight Strategic Health Care Partners (Strategic Partners) as follows:

- Ascension Health (AH)
- Bon Secours Health System (BSH)
- Catholic Health Initiatives (CHI)
- Mercy Health Partners
- Dignity Health (DH)
- Presence Health
- St. Joseph Health System (SJH)
- Trinity Health Corporation (TH)

As of December 31, 2018 and 2017, the Company had recorded pledges receivable of \$250,000 and \$700,000 from CHI, AH, and SJH. As of December 31, 2018, future pledge payments from Strategic Partners are as follows:

For the years ending December 31,	
2019	\$ 250,000
2020	-
2021	-
2022	-
2023	-
	<hr/>
Total	<u><u>\$ 250,000</u></u>

CHI and DH provided MHI with a \$5,000,000 non-interest bearing loan and a \$3,000,000, 3 percent interest bearing loan, respectively. The loans provide working capital to support MHI's mission.

BSH, CHI, SJH, DH and TH provided MLF with loans ranging from \$1,000,000 to \$4,800,000. Proceeds from these loans are invested in communities supported by MLF. Interest rates range from 2 to 2.5 percent.

Developer and consulting fees

Developer and consulting fees are recognized during the construction period based on the percentage of construction complete. Any payments received during the construction period are recorded as deferred revenue until earned. Amounts not received by the completion date are recorded as a receivable. Developer fees that are earned during construction and paid for with investor equity or project debt are capitalized. The deferred developer fees paid from property operations are eliminated in consolidation.

Tenant subsidy payments

A portion of the rental income is in the form of subsidy payments from HUD under Section 8 of the National Housing Act. Tenants are subsidized based upon their level of income. Rent increases require HUD approval. Tenants also receive subsidy payments from US Department of Agriculture, Rural Development.

Income taxes

MHI and its consolidated nonprofit corporations are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state statutes. As a result of

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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the *Tax Cuts and Jobs Act of 2017*, effective, January 1, 2018, qualified transportation fringe benefits provided to employees are now treated as unrelated business income. For the year ended December 31, 2018 no provision for unrelated business income has been made. All nonprofit corporations are required to file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and there are no other tax positions which must be considered for disclosure. For the years ended December 31, 2018 and 2017, the Company did not identify any uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The following entities are corporate subsidiaries of MHI that are not exempt from federal and state taxes:

104th Street MM, LLC
111th & Wentworth Apartments Corporation
Affordable Housing Corporation
Affordable Housing Initiatives
Antioch II, LLC
Belray Apartments Corporation
Belvidere Place Corporation I, NFP
Countryside Seniors LLC
Danville Veterans Housing MM LLC
Englewood Apartments, NFP
Esperanza Crossing II, LLC
Greenwich Park Apartments MM, LLC
Harold Washington Apartments Corporation
HWA-850 Eastwood GP Corporation NFP
Impact Family Village Condominium Association
Impact Family Village GP, LLC
Kankakee Station Street Senior Housing MM LLC
Malden Arms Corp. II, NFP
McDermott Place
MCHG Partners, Inc.
Mercy Affordable Housing, Inc.
Mercy Commercial California
Mercy Eden House, LLC
Mercy Galewood SLF, Inc.
Mercy Housing Georgia XI GP, LLC
Mercy Lithonia Park View, Inc.
Mercy Sterling NFP
MHL Keating MM, LLC
MHMP 12 Holly Park East and West GP
MHMP CO GP, Inc.
MHSE Adamsville Green Senior Partners, LLC
MHSE Arbors LLC
MHSE Mercy Park GP LLC
MHSE Savannah Gardens IV GP
MHSE Savannah Gardens Phase III GP, LLC
MHSE Savannah Gardens V GP
MPI Highland Place LLC
Near North Apartments Corp., NFP
New Sterling Park MM, LLC

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Roseland Apartments Corporation
Savannah Rose of Sharon LLC
South Loop Apartments Corporation
Stapleton II Mercy, LLC
Winthrop Apartments Corporation
New Tacoma Condominium Association
MHNW 16 Family Housing GP, LLC

The Company accounts for income taxes related to the taxable corporate subsidiaries under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The limited partnerships and limited liability companies in which the Company has a partnership interest have elected to be treated as a pass-through entity for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The partnerships' federal tax statuses are based on their legal status as a partnership. Accordingly, the partnerships are not required to take any tax positions in order to qualify as a pass-through entity. The partnerships are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the partnerships have no other tax positions which must be considered for disclosure. Income tax returns filed by the entities are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

Fair value

The carrying amounts of the Company's cash and cash equivalents, receivables, payables and accrued expenses approximate fair value due to the short-term nature of these instruments. The fair value of the Company's long-term notes receivable and notes payable is assessed by management based on analysis of underlying investments and historical trends. It is impracticable to estimate the fair value of the Company's financial guarantees because there are no quoted market prices for transactions that are similar in nature. See Note 14.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in these financial statements and the accompanying notes. Actual results could differ from those estimates.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Derivative instruments and hedging activities

During the years ended December 31, 2018 and 2017, the Company had eight interest rate swap contracts outstanding that were used to mitigate the economic impact of changes in interest rates. The swaps are designated as cash flow hedges and are being used to offset the risk of changes in cash flows associated with benchmark interest payments on its variable rate mortgage loans. MHI reassesses the hedge on an ongoing basis to determine if it continues to be effective. Changes in the fair value of the interest rate swap contracts are recorded in the Consolidated Statement of Activities. As of December 31, 2018 and 2017, there was no hedge ineffectiveness. The swaps are reported in notes payable at fair value on the Consolidated Statements of Financial Position. See Note 14 for additional information on derivative instruments and hedging activities.

Reclassifications

Reclassifications have been made to the prior year balances to conform to the current year presentation.

Note 2 - Cash and investments

Cash and investments are categorized as unrestricted, which include board-designated amounts for a specific purpose, or restricted. Unrestricted cash held by the properties is generally not available for corporate purposes but is instead limited for use within the individual properties, with the exception of amounts owed to corporate operating entities for partnership and asset management fees and reimbursement of operating advances.

At December 31, 2018 and 2017, cash and investments were as follows:

	2018	2017
Unrestricted Cash - Properties	\$ 59,916,364	\$ 43,318,966
Unrestricted Cash/Investments - MLF	380,580	1,052,096
Unrestricted Cash - Board Designated	-	175,392
Unrestricted ST investments	4,680,449	2,150,000
Unrestricted LT investments	791,000	7,475,000
Unrestricted Cash/Investments - Corporate Operating Entities	30,693,764	12,381,293
Unrestricted Investments - Board Designated, Current	3,690,000	10,657,861
Unrestricted Investments - Board Designated, Non-Current	5,709,000	6,966,179
Total Unrestricted and Designated Cash/Investments	105,861,157	84,176,787
Restricted ST investments	53,751	-
Restricted LT investments	2,275,000	-
Restricted Cash - Tenant Security Deposits	9,520,472	8,978,915
Restricted Cash/Investments - Corporate Entities (including MLF)	21,055,908	18,583,084
Restricted Cash - Properties	22,760,639	27,223,951
Restricted Cash - LT Restricted Property Reserves, Board Designated	-	3,048,281
Restricted Cash - LT Restricted Property Reserves	197,276,489	188,677,528
Total cash and investments	\$ 358,803,416	\$ 330,688,546

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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MHI invests in certificates of deposit which are carried at par value as they are held to maturity. Realized and unrealized gains and losses are recorded in the Consolidated Statements of Activities as unrestricted operating income or loss. Maturity dates range from January 2019 to September 2023. The approximate market value of the investments was \$107,140,532 and \$85,043,427 as of December 31, 2018 and 2017 as follows:

	2018	2017
Certificates of deposit	\$ 90,167,697	\$ 72,098,722
Money market accounts	16,969,084	12,935,327
Equities	3,751	9,378
Total certificates of deposit, money market accounts, and equities	<u>\$ 107,140,532</u>	<u>\$ 85,043,427</u>

MHI recorded investment income of \$2,698,061 and \$1,844,379 during the years ended December 31, 2018 and 2017, respectively.

Liquidity and availability of resources

MHI's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

Cash and cash equivalents, properties and corporate	\$ 81,015,708
Investments	24,845,449
Accounts receivable, net	12,274,976
Pledges receivable, net	25,495,878
Grants receivable	190,295
Restricted deposits and funded reserves	9,850,835
Current portion of notes and interest receivable	<u>22,877,020</u>
Total financial assets available within one year	176,550,161
Less:	
Amounts unavailable to management without board approval	
Amounts in pledges receivable intended for capital expenditure	19,432,044
Board designated, property improvements	5,709,000
Board designated, software implementation	<u>3,690,000</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 147,719,117</u>

MHI maintains policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, Mercy invests cash that exceeds short-term requirements in liquid short-term investments including brokered certificates of deposit, United States treasury & agency securities, and commercial paper.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Only amounts related to restricted deposits and funded reserves anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

To help mitigate unanticipated liquidity needs, MHI has committed operating lines of credit totaling \$4,000,000, which can be drawn upon at any time. In addition, MHI has board designated net assets without donor restrictions that, with board approval, could be made available for current operations.

Note 3 - Pledges

Pledges and unconditional promises to give are recorded as revenue at estimated net realizable value based on historical trends. Pledges with payments due in future periods are discounted to present value and are reported as revenue with donor restrictions.

As of December 31, 2018, future pledge payments are as follows:

For the year ending December 31,	
2018	\$ 25,495,878
2019	30,500,000
2020	-
2021	-
2022	-
Total pledges receivable	<u>55,995,878</u>
Allowance and discount	<u>(627,326)</u>
Total pledges receivable, net of allowance and discount	<u><u>\$ 55,368,552</u></u>

The amount of pledges written off was \$25,556 and \$1,034 for the years ended December 31, 2018 and 2017, respectively.

Note 4 - Grants receivable

Grants receivable consist of amounts due under grant awards for which the revenue has been recognized either as with or without donor restrictions.

The amount due as of December 31, 2018 and 2017 was \$190,295 and \$469,079, respectively.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Note 5 - Notes and interest receivable

Notes receivable and interest receivable

As of December 31, 2018 and 2017, MHI has total notes receivable outstanding of \$65,963,471 and \$52,237,928, respectively. MLF holds \$55,725,977 and \$41,336,835 of notes and interest receivable as of December 31, 2018 and 2017, respectively, in connection with 53 and 47 loans, respectively. MLF offers loan products of varying terms and maturities to socially responsible developers to finance the development of multifamily homes for rental. MLF offers acquisition, construction and rehabilitation, bridge loan for affordable housing projects, and secured predevelopment loans.

Risk management

For each loan, MLF conducts a risk rating analysis by reviewing the following criteria: financial condition, property performance, development plan, real estate development staff capacity and experience, strong sponsor/guarantor, payment of taxes and insurance, and low-income housing tax credit takeout. Each criterion is rated and an overall risk rating is determined based on the primary source of repayment. There are six risk ratings which are labeled as follows: 1 - 3 (pass and assigned to underwriting), 4 (special mention), 5 (sub-standard), 6 (doubtful). When the risk rating on a loan has been listed as a special mention, the loan is added to a watch-list and monitored closely. When the risk rating on a loan has been listed as substandard the loan is deemed to not be performing as expected and a loss on a loan is considered possible and recorded if determinable. When the risk rating on a loan has been listed as doubtful, it is considered to be a partially or fully uncollectible loan. MLF conducts a comprehensive review of all outstanding loans at least annually.

As part of MLF's risk rating analysis, a corresponding reserve has been allocated to each loan in the loan portfolio. The total of these reserves as indicated by the Organization's risk rating analysis for the years ended December 31, 2018 and 2017 was \$2,393,083 (4.5% of the loan portfolio) and \$2,027,737 (5.2% of the loan portfolio), respectively.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

The table below details MLF's loans according to their risk rating categories for the years ended December 31, 2018 and 2017:

	<u>P-1</u>	<u>P-2</u>	<u>P-3</u>	<u>Special mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
December 31, 2018	\$ 11,145,349	\$ 25,580,135	\$ 17,207,158	\$ 1,675,000	\$ 118,335	\$ -	\$ 55,725,977
December 31, 2017	\$ 8,840,018	\$ 18,336,199	\$ 12,022,918	\$ 1,996,644	\$ 141,056	\$ -	\$ 41,336,835

Total allowances at December 31, 2018 and 2017 consisted of the following:

	<u>MLF</u>	<u>MHSW</u>	<u>MHC</u>	<u>CCH</u>	<u>MPI</u>	<u>MHI</u>	<u>Total</u>
Balance at January 1, 2017	\$ 1,973,468	\$ 556,607	\$ 21,976	\$ 80,706	\$ 428,667	\$ 34,147	\$ 3,095,571
Increase/Decrease to allowance charged to:							
Provision for impaired assets	54,269	-	-	-	-	-	54,269
Loans charged off	-	(55,104)	-	-	-	-	(55,104)
Recoveries of loans charged off	-	-	-	-	-	-	-
Balance at December 31, 2017	2,027,737	501,503	21,976	80,706	428,667	34,147	3,094,736
Increase/Decrease to allowance charged to:							
Provision for impaired assets	365,346	-	-	-	-	-	365,346
Loans charged off	-	(55,104)	(607)	-	-	-	(55,711)
Recoveries of loans charged off	-	-	-	-	-	-	-
Balance at December 31, 2018	<u>\$ 2,393,083</u>	<u>\$ 446,399</u>	<u>\$ 21,369</u>	<u>\$ 80,706</u>	<u>\$ 428,667</u>	<u>\$ 34,147</u>	<u>\$ 3,404,371</u>

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Note 6 - Property and equipment and assets held for sale

Property and equipment

Property and equipment at December 31, 2018 and 2017 consisted of the following:

	2018	2017
Land and land improvements	\$ 348,024,050	\$ 331,799,693
Buildings	2,906,135,289	2,674,827,427
Furniture and equipment	114,198,732	100,907,212
Predevelopment project costs	10,325,436	6,869,507
Construction in progress	243,011,537	190,534,665
Total property and equipment	3,621,695,044	3,304,938,504
Less accumulated depreciation	(1,023,858,900)	(920,203,453)
Property and equipment, net	<u>\$ 2,597,836,144</u>	<u>\$ 2,384,735,051</u>

For the years ended December 31, 2018 and 2017, depreciation expense was \$114,932,953 and \$106,568,132, respectively.

In 2016, the Company entered into an agreement with Wheaton Franciscan Services Inc. and Franciscan Ministries Inc. (collectively referred to as Franciscan Ministries) for the transfer of ownership of 33 entities comprising 3,601 apartment units (the FMI Transfer). The transfer of each asset is contingent upon the receipt of all required federal and state approvals. In addition, Franciscan Ministries agreed to provide MHI with a \$6,000,000 unrestricted cash gift, subject to the completion of pre-determined activities related to the above transfer.

During 2018, the ownership of three entities was transferred to the Company. In conjunction with this transfer, property and equipment increased by \$18,108,561 and assumed property mortgages increased by \$11,115,763. During 2017, the ownership of twenty-one entities was transferred to the Company. In conjunction with this transfer, property and equipment increased by \$80,046,584 and assumed property mortgages increased by \$76,113,814.

Assets held for sale

In accordance with GAAP, the results of operations for properties classified as held for sale at the end of the current period are required to be classified as held for sale in the current and prior periods. Real estate assets held for sale are measured at the lower of the carrying amount or the fair value less costs to sell. Once an asset is classified as held for sale no further depreciation is recorded. At December 31, 2018, the Company considered the assets of Brandywine, Inc. as held for sale. Management believes that the fair value less costs to sell exceeds the carrying amount of this project, therefore no loss has been charged to operations for 2018. At December 31, 2017, the Company had no assets held for sale.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements
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Following is summarized information regarding assets classified as held for sale:

	2018	2017
Total assets	\$ 1,482,248	\$ -
Total liabilities	1,145,590	-
Discontinued operations	30,527	-

Note 7 - Investments in unconsolidated entities

MHI and its subsidiaries hold investments in limited partnerships and other entities that are not consolidated. As of December 31, 2018 and 2017, MHI is invested in the following non-consolidating entities:

- Housing Partnership Equity Trust, LLC
- Housing Partnership Network, Inc.
- Mercy Loan Fund Sub-CDE 1, LLC
- Sunnydale Development Company LLC
- Galewood SLF Associates, LP
- Brentwood Green Valley Apartments, Inc.
- Truckee Riverview Housing Associates

The Company's investment in the projects shown above is as follows:

Investment in unconsolidated entities as of January 1, 2017	\$ 2,158,757
Other transfers	(26,537)
Equity in project earnings (loss)	<u>(379,396)</u>
Investment in unconsolidated entities as of December 31, 2017	1,752,824
Other transfers	(1,818)
Distributions from cash flow	(1,815)
Equity in project earnings (loss)	<u>(213,737)</u>
Investment in unconsolidated entities as of December 31, 2018	<u><u>\$ 1,535,454</u></u>

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Note 8 - Notes payable

Notes payable as of December 31, 2018 and 2017 include both secured and unsecured borrowings and consist of the following:

	<u>2018</u>	<u>2017</u>
Unsecured Corporate Operating and Predevelopment Loans:		
US Bank - Revolving loan bearing interest at thirty day LIBOR plus 3.00% as of December 31, 2018 and 2017, payable monthly. The allowable borrowing under this line is \$7,500,000. The rate at December 31, 2018 and 2017 is 5.52% and 4.57%, respectively. Commitment expires December 31, 2021. ⁽¹⁾	\$ -	\$ -
California Bank & Trust - Revolving predevelopment line of credit agreement with ZB, N.A. dba California Bank & Trust. The agreement provides for borrowing up to \$8,000,000 at thirty day LIBOR plus 2.10%, payable monthly. The rate at December 31, 2018 and 2017 is 4.45% and 3.66%, respectively. The maturity date of the line of credit is December 31, 2020. Initial proceeds from this loan were used to retire the remaining balance of the JP Morgan Chase loan in 2017.	4,718,702	5,190,334
Investor Loans to Mercy Loan Fund. Notes bearing interest from 0% to 5% and maturing through 2028. Available balances under these notes were \$10,322,504 and \$13,560,482 as of December 31, 2018 and 2017, respectively.	47,840,481	42,019,843
Other Notes Payable, bearing interest from 0% to 3% and maturing through October 2023. Available balances were \$1,500,000 as of December 31, 2018 and 2017.	<u>16,018,470</u>	<u>17,559,418</u>
Subtotal - Unsecured Corporate Operating and Predevelopment Loans	68,577,653	64,769,595

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Loans secured by the respective properties:		
Construction loans, bearing interest from 0% to 5.52%, with both fixed and variable interest rates, to be repaid in full or converted to permanent loans through 2021. Available balances are \$317,685,915 and \$411,095,637 as of December 31, 2018 and 2017, respectively.	527,627,952	462,818,058
Permanent loans, bearing interest from 0% to 10%, generally with principal and interest due monthly, to be repaid in full through 2078. All funds available under these notes are fully drawn as of December 31, 2018 and 2017, respectively.	<u>1,237,118,652</u>	<u>1,173,939,240</u>
Total debt	1,833,324,257	1,701,526,893
Less debt issuance costs, net	<u>(32,508,588)</u>	<u>(31,807,133)</u>
Total	1,800,815,669	1,669,719,760
Less current portion	<u>(183,763,367)</u>	<u>(203,119,864)</u>
Non-current portion	<u>\$ 1,617,052,302</u>	<u>\$ 1,466,599,896</u>

(1) As of December 31, 2018 and 2017, the Company had standby Letters of Credit of \$250,000 issued under the operating sub-limit. Effective March 31, 2019, the US Bank revolving loan was amended to bear interest at thirty day LIBOR plus 2.10% with a commitment expiration of December 31, 2021.

For the years ended December 31, 2018 and 2017, \$42,315,337 and \$38,102,407 of interest expense was incurred and is included in interest and fees on the consolidated statement of activities.

Future minimum principal maturities of notes payable are as follows:

For the year ending December 31, 2019	\$ 183,763,367
2020	103,393,362
2021	56,290,239
2022	27,595,423
2023	27,697,694
Thereafter	<u>1,434,584,172</u>
Total maturities	<u>\$ 1,833,324,257</u>

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Included in current maturities as of December 31, 2018 and 2017 is construction debt totaling \$154,230,394 and \$189,114,548 respectively, that has committed sources of repayment including proceeds from permanent debt and/or low income housing tax credit equity.

Note 9 - Net assets without donor restrictions

MHI's net assets without donor restrictions are comprised of undesignated amounts for the following purposes at:

	December 31, 2018	December 31, 2017
Net assets without donor restrictions - controlling		
Undesignated	\$ 302,666,300	\$ 253,791,430
Board designated, property improvements	5,709,000	17,847,713
Board designated, software implementation	3,690,000	3,000,000
	<hr/>	<hr/>
Total net assets without donor restrictions - controlling	312,065,300	274,639,143
Net assets without donor restrictions - noncontrolling		
	<hr/>	<hr/>
	652,833,674	599,092,048
	<hr/>	<hr/>
	<u>\$ 964,898,974</u>	<u>\$ 873,731,191</u>

Board designated for property improvements

MHI's board has designated funds be set aside to perform essential property improvements including but not limited to repairs, improvements, replacements, alterations, and additions to existing properties.

Board designated for software implementation

MHI's board has designated funds to be set aside for a comprehensive software implementation program which includes property and disbursements management as well as accounting and data systems.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements
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Note 10 - Net assets with donor restrictions

MHI's net assets with donor restrictions are restricted for the following purposes or periods, as follows:

	December 31, 2018	December 31, 2017
Subject to expenditure for specified purpose:		
Construction of affordable housing	\$ 75,106,804	\$ 46,516,780
Resident services	1,958,233	2,203,843
Total subject to expenditure for specified purpose	<u>77,065,037</u>	<u>48,720,623</u>
Subject to expenditure for a specified time:		
Land lease for use in affordable housing	1,343,681	-
Total subject to expenditure for a specified time	<u>1,343,681</u>	<u>-</u>
With donor restrictions in perpetuity		
Land for use in affordable housing	3,402,000	3,402,000
Total with donor restrictions in perpetuity	<u>3,402,000</u>	<u>3,402,000</u>
Total net assets with donor restrictions	<u><u>\$ 81,810,718</u></u>	<u><u>\$ 52,122,623</u></u>

Note 11 - Lease commitments

The Company leases land, office space and equipment under non-cancelable operating lease agreements that expire through 2118. Future minimum lease payments are as follows:

	Office and Leases	Property Leases	Total Leases
For the year ending December 31,			
2019	\$ 2,049,603	\$ 697,863	\$ 2,747,466
2020	1,799,107	717,871	2,516,978
2021	1,642,244	796,359	2,438,603
2022	1,483,788	797,693	2,281,481
2023	1,494,434	799,065	2,293,499
Thereafter	<u>10,231,810</u>	<u>32,050,648</u>	<u>42,282,458</u>
Total future minimum lease payments	<u><u>\$ 18,700,986</u></u>	<u><u>\$ 35,859,499</u></u>	<u><u>\$ 54,560,485</u></u>

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Lease expense for operating leases was approximately \$2,849,133 and \$2,045,274 for the years ended December 31, 2018 and 2017, respectively, and is included in facilities expense. As of December 31, 2018 and 2017 ground leases at ten and nine projects, respectively, have been prepaid and are amortizing over the related lives through 2115. Prepaid lease expense as of December 31, 2018 and 2017 was \$14,859,954 and \$16,157,780, respectively, and is included in prepaid expenses and other assets, net on the statements of financial position.

Note 12 - Related party transactions

The Company has significant related party transactions with affiliates. It provides a considerable amount of funding in connection with the development of projects. It also provides development services, fund raising assistance, property management, resident services and administrative services. In certain cases, the Company pays operating expenses on behalf of and provides management services to affiliates. These costs are reimbursed to the Company on a monthly basis. In certain instances, such as when individual properties may be experiencing cash flow difficulties, repayment may be delayed, providing the property with an informal source of funds.

Notes and interest receivable, affiliates

The amounts loaned by the Company primarily represent predevelopment and development loans to consolidated affiliates. These loans are generally collateralized with real estate of the funded property. Many of these loans do not require payments until after the scheduled maturity of the related first mortgages. The loans with subsidiaries are eliminated in consolidation. Interest payments generally are subject to available cash flow. In some cases, loans are required to be repaid earlier. This usually occurs in situations where the underlying source of the loan is required to be repaid earlier as well.

Development fee income

Generally, all development fee income is earned in connection with affiliated entities. Development fees which are paid from operating cash flows from affiliated entities are eliminated in consolidation. Many of these fees are required to be deferred and paid from cash flows of the related property.

Other fee income

Substantially all of the property management, data processing, and bookkeeping fee income earned by MHM is related to services provided to consolidated affiliates. In addition, the general partners earn partnership management fees for oversight of the properties. Property management fees, data processing fees, bookkeeping fees, and partnership management fees associated with controlled entities are eliminated in consolidation. Such fee income is included in service fees. The elimination of these fees is allocated to the controlling interest.

Note 13 - Guarantees

MHI has entered into various agreements with certain limited partnerships or their affiliated general partners whereby the Company guarantees to loan funds to the partnerships in the event that the partnerships incur operating deficits as defined in the respective partnership agreements or fail to meet their current financial obligations. These agreements expire at various times from 2019 through the terms of the underlying partnership or debt agreements. Loans made pursuant to these guarantees are generally interest-free and unsecured. The maximum potential amount of future payments under these guarantees is equal to the amount guaranteed to the partnerships under the tax indemnification agreements discussed below.

Mercy Housing, Inc.

Notes to Consolidated Financial Statements December 31, 2018 and 2017

MHI has entered into various agreements with certain limited partnerships and limited liability companies or their affiliated general partners or members whereby MHI offers tax indemnification in the event of low-income housing tax credit recapture. MHI's potential liability under these agreements is dependent upon IRS audits and final letters of determination of the limited partnerships' qualified basis in tax credit properties. Similarly, MHI has entered into agreements with state and local governments who have provided loans to certain limited partnerships for the development of affordable housing whereby MHI has guaranteed any recapture of the loans resulting from non-compliance with affordable housing requirements. Management is not aware of any known liability for tax credit or loan recapture. The maximum potential liability under these guarantees as of December 31, 2018 is \$1,148,611,042 relating to 117 limited partnerships. MHI has not been required to fund any amounts under these guarantees and has not recorded any liabilities associated with these guarantees.

MHI provides guarantees to certain lenders who provide financing for the acquisition and construction of low-income housing projects developed by certain limited partnerships. Under these guarantees, MHI provides assurance of project completion and provides repayment guarantees for the associated loans. The guarantees terminate when construction is complete and permanent financing repays the construction loans. As of December 31, 2018, MHI had provided guarantees on 26 acquisition and construction loans of \$558,539,402 of which \$302,902,308 was outstanding. As of December 31, 2017, MHI had provided guarantees on 29 acquisition and construction loans of \$619,037,320 of which \$324,953,789 was outstanding.

The Company has also issued other guarantees to secure financing on various projects. As of December 31, 2018, \$6,288,226 was outstanding. MHI has not been required to fund any amounts under these guarantees.

The Company also guarantees certain surety bonds covering construction and utilities deposits. As of December 31, 2018, \$3,118,157 was outstanding.

Note 14 - Fair value

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

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

Mercy Housing, Inc.

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

The net unrealized gain/(loss) on the interest rate swap contracts during 2018 and 2017 of \$634,295 and \$509,400 respectively, is classified within level 2 of the fair value hierarchy. The unrealized gain/(loss) on certificates of deposit during 2018 and 2017 of \$(1,467,303) and \$(341,278), respectively, is classified within level 1 of the fair value hierarchy. No other assets or liabilities are measured at fair value as of December 31, 2018 and 2017.

The following table presents the financial assets and liabilities that the Company measured at fair value on a recurring basis as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Net interest rate swap-asset/(liability)	\$ -	\$ (1,995,883)	\$ -	\$ (1,995,883)
Certificates of deposit	90,167,697	-	-	90,167,697
Money market accounts	16,969,084	-	-	16,969,084
Equities	3,751	-	-	3,751

The following table presents the financial assets and liabilities that the Company measured at fair value on a recurring basis as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Net interest rate swap-asset/(liability)	\$ -	\$ (2,630,178)	\$ -	\$ (2,630,178)
Certificates of deposit	72,098,722	-	-	72,098,722
Money market accounts	12,935,327	-	-	12,935,327
Equities	9,378	-	-	9,378

On a recurring basis, the Company measures its interest rate swap contracts at their estimated fair value. In determining the fair value of the interest rate swap contracts, the Company uses the present value of expected cash flows based on observable market interest rate yield curve commensurate with the term of the instrument. In determining the fair value of the certificates of deposit, the Company uses quoted market prices and other relevant information generated by market transactions. See "Derivative Instruments and Hedging Activities" in Note 1 for additional information regarding the swaps.

Note 15 - Employee retirement plan

The Company has a defined contribution employee 403(b) retirement plan covering eligible employees. Generally, employee contributions to the plan consist of a percentage based on eligible employees' compensation. MHI matches dollar for dollar an employee's contribution up to 4 percent commencing on the employee's second year of service. Additionally, at the completion of three and seven years of service, MHI makes additional contributions equal to 1 percent and 1 percent, respectively, of the employee's gross earnings regardless of whether or not the employee participates in the plan. Contribution costs of property site staff are passed through to the managed projects. The Company contributed \$2,404,936 and \$1,591,249 for the years ended December 31, 2018 and 2017, respectively.

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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Note 16 - Insurance

The Company uses a combination of insurance and risk retention to manage a number of risks, including, but not limited to, general liability, property and the Company's obligation for employee-related health care benefits. Liabilities relating to these claims associated with these risks are estimated by considering historical claims experience, including frequency, severity, demographic factors, and other actuarial assumptions. In estimating the liability for such claims, the Company periodically analyzes historical trends, including loss development, and applies appropriate loss development factors to the incurred costs associated with the claims. Additionally, the Company retains some of the risk related to workers compensation.

Aggregated reserves relating to retained risk were \$6,267,817 and \$5,925,541 as of December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, \$4,020,818 and \$5,229,542, respectively are outstanding and included in accounts payable and accrued expenses.

The Company maintains a restricted cash balance to pay future claims related to all areas of retained risk. As of December 31, 2018 and 2017, the Company held \$9,877,782 and \$8,584,652, respectively, in restricted cash to pay future insurance claims.

Note 17 - Commitments and contingencies

Property management agreements

MHM, a subsidiary corporation of MHI, serves under contract as the management agent for several affiliated corporations and partnerships of MHI. In addition, MHM provides management services to unaffiliated affordable housing projects at competitive rates.

Grant and property use restrictions

Many of the properties owned and operated by MHI and its subsidiaries were developed using monies provided by grants and restrictive, low interest rate loans. The terms of these loans restrict the use of the property and generally require it be rented to qualified low-income tenants for the period of the grant or related loan term. MHI and its subsidiaries also receive grants with restrictions other than property use. Failure to comply with the terms of the grant or the loans would result in a requirement to repay a portion or all of the proceeds received.

Rental assistance contracts

Many of the properties owned by or affiliated with the Company have entered into rental assistance contracts with HUD. These contracts have various terms and require the affiliate projects to operate as low-income housing properties and to obtain HUD approval of all rent increases.

Construction contracts

The Company has entered into construction contracts with various third party contractors to construct and rehabilitate projects in the original amount of \$590,867,922 and \$654,142,309 as of December 31, 2018 and 2017, respectively. During 2018 and 2017, change orders totaled \$42,300,359 and \$38,828,573, respectively. As of December 31, 2018 and 2017, \$48,240,430 and \$39,232,026 remains payable, respectively, which includes retainage payable of \$21,673,148 and \$15,769,158, respectively, and is included in accounts payable and accrued expenses.

Mercy Housing, Inc.

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Surplus cash and residual receipts

Many of the properties owned by MHI and its subsidiaries are subject to HUD regulatory agreements, which restrict the use of the property and limit the use of project cash. Under these regulatory agreements, many of the subsidiaries are precluded from receiving any distributions of operating cash. A surplus cash calculation is required to be prepared annually and any surplus cash, as defined, is required to be deposited in a residual receipts account controlled by HUD.

Letters of credit

In connection with certain project developments, MHI is contingently liable on several letters of credit, expiring on various dates (see Note 8).

Litigation

MHI and its subsidiaries are named in claims and legal actions in the normal course of its business. Based upon the opinion of counsel, management believes the outcome of such matters will not have a material adverse effect on the financial position or changes in the net assets of the Company.

Other

As general partners in various partnerships, the Company and other consolidated entities may be subject to other liabilities, should an affected partnership's assets become insufficient to meet its obligations.

Note 18 - Risks and uncertainties

The following important factors could adversely impact the Company. These factors could cause actual results to differ materially from any forward-looking and other statements that were made in periodic reports, news releases, annual reports and other written reports or communication.

MHI obtains and employs substantial capital and operating subsidies from various federal, state and local governmental agencies, including the federal departments of HUD, USDA and the Veterans Administration. The new administration and congressional leadership have expressed an interest in reducing spending for these federal agencies. Legislative or regulatory changes in the operations or funding of federal, state and local programs could have a material impact on future results. In addition, MHI obtains funding from private equity groups including national, state and local banks and financial institutions. This funding is also based on a number of government programs, including the Low Income Housing Tax Credit (LIHTC) and the Community Reinvestment Act (CRA). Legislative changes (including changes to Federal Income Tax laws) could impact the level of funding received from these groups and could have a material impact on future results. Management continues to employ diversification strategies to offset any concentration with any one specific lending institution or government agency. Changes in the current economic and credit market (e.g., a rise in inflation and/or interest rates) environment could increase the cost of capital or limit the ability to access capital. Failure to comply with covenants and conditions imposed by the agreements governing the Company's indebtedness could restrict future borrowing or cause debt to become immediately due and payable. Failure to renew existing loans could impact working capital, capital expenditures, acquisitions, debt service or other business needs.

The Company and its subsidiaries invested assets consisting of Bank Certificates of Deposits (CDs) and money market funds which invest in CDs, commercial paper, US Treasury bills, US Agency bonds, notes, and repurchase agreements. Investment policy and guidelines are established by the Finance Committee of the board of trustees. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest

Mercy Housing, Inc.

**Notes to Consolidated Financial Statements
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rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the consolidated statements of financial position as of December 31, 2017. The investment policy and guidelines consider liquidity and risk for each entity and each pool of assets and attempt to diversify asset classes to mitigate risks over the applicable time horizons.

Increased development costs, supply and labor shortages, entitlement delays, uninsured losses from natural disasters and other factors may negatively affect the future results of the Company. Property operations and development is subject to warranty and liability claims that can be significant.

Note 19 - Subsequent events

Events that occur after the statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Company through April 18, 2019 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that would require disclosure in the notes to the consolidated financial statements.

Supplementary Information

Mercy Housing, Inc.

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Mercy Housing, Inc.
Consolidating Statement of Financial Position
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			Mercy Housing	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy
			Management Group	Housing Mountain	Housing California	Housing Northwest-	Housing Lakefront	Housing South East
	Mercy Housing, Inc.	Mercy Loan Fund		Plains		Idaho, Inc.		
Assets								
Current assets								
Cash and cash equivalents	\$ 11,960,331	\$ 2,902,955	\$ -	\$ 1,956,810	\$ 32,126,787	\$ 72,163	\$ 2,825,455	\$ 1,246,729
Cash, tenant security deposits	-	-	-	354,520	2,901,938	47,705	713,802	830,779
Cash, restricted	20,630,585	704,696	-	264,151	20,080,056	-	709,344	266,598
Investments	2,450,000	-	-	-	8,370,449	-	-	-
Investments, restricted	3,751	2,260,605	-	-	-	-	-	50,000
Accounts receivable, net	3,198,535	56,965	3,594,432	215,825	3,795,621	35,101	652,082	665,297
Due from affiliate, net	163,861,712	66,621	61,221,628	8,574,957	60,364,718	1,591,699	16,958,000	356,898
Pledges receivable, net	353,168	-	-	-	12,008,350	-	420,150	79,090
Grants receivable	-	-	-	-	54,935	-	135,360	-
Current portion of notes and interest receivable	-	24,995,268	-	-	95,777	-	-	-
Current portion of notes and interest receivable, affiliates	8,005,025	-	-	283,006	322,024	37,204	-	249,114
Prepaid expenses and other assets	2,290,831	27,899	185,086	251,280	2,362,249	26,671	721,004	483,815
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	212,753,938	31,015,009	65,001,146	11,900,549	142,482,904	1,810,543	23,135,197	4,228,320
Property and equipment								
Land and land improvements	855,000	-	-	10,433,319	126,999,740	1,713,941	31,076,185	31,689,885
Buildings	236,925	-	-	104,040,078	1,072,834,367	14,224,463	340,598,130	222,555,740
Furniture and equipment	7,319,367	-	11,330	3,902,633	33,693,040	699,713	9,111,781	9,066,425
Predevelopment project costs	-	-	-	7,500	9,429,928	-	1,093,849	290,209
Construction in progress	-	-	-	4,547,766	176,791,859	-	-	-
Accumulated depreciation	(3,891,703)	-	(11,330)	(48,313,626)	(220,548,397)	(5,793,865)	(109,328,046)	(82,596,007)
Net property and equipment	4,519,589	-	-	74,617,670	1,199,200,537	10,844,252	272,551,899	181,006,252
Other long-term assets								
Restricted property reserves	-	-	-	15,246,970	82,508,859	1,010,977	22,628,245	10,795,497
Long-term investments	7,525,000	-	-	-	6,500,000	-	-	-
Long-term investments, restricted	-	-	-	-	575,000	-	-	1,050,000
Due from affiliates	775,972	-	-	-	(268,188)	-	-	281,365
Pledges receivable, net	-	-	-	-	17,629,775	-	-	-
Investments in limited partnerships, net	775,631	-	-	-	(11,485,767)	-	(2,271,513)	-
Notes and interest receivable, net	8,884,065	45,268,785	-	-	2,187,091	56,604	75,000	-
Notes and interest receivable, affiliates	3,192,351	-	-	8,865,718	7,564,354	-	-	88,096
Allowance for impaired assets	-	-	-	(545,883)	-	-	-	-
Other assets, net	-	467,800	-	313,925	15,665,762	29,850	1,225,179	1,147,311
Total other long-term assets	21,153,019	45,736,585	-	23,880,730	120,876,886	1,097,431	21,656,911	13,362,269
Total assets	\$ 238,426,546	\$ 76,751,594	\$ 65,001,146	\$ 110,398,949	\$ 1,462,560,327	\$ 13,752,226	\$ 317,344,007	\$ 198,596,841

Mercy Housing, Inc.
Consolidating Statement of Financial Position
December 31, 2018

			Mercy Housing	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy	Consolidated Mercy
			Management Group	Housing Mountain	Housing California	Housing Northwest-	Housing Lakefront	Housing South East
	Mercy Housing, Inc.	Mercy Loan Fund		Plains		Idaho, Inc.		
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 9,900,511	\$ 154,698	\$ 4,242,440	\$ 5,227,969	\$ 54,314,182	\$ 106,625	\$ 4,983,803	\$ 4,737,185
Due to affiliates	157,461,540	-	63,891,952	13,584,580	21,749,550	2,679,428	17,952,986	20,696,796
Accrued interest	110,727	250,209	-	111,081	2,835,943	-	574,529	157,112
Accrued interest, affiliates	32,870	-	-	38,376	-	2,273	-	-
Current portion of notes payable	1,792,056	13,787,000	-	505,472	150,891,245	-	1,400,545	7,800,923
Current portion of notes payable, affiliates	1,900,546	78,586	-	255,386	3,797,490	5,770	3,889,827	695,500
Deferred revenue and other liabilities	7,585,605	1	15,898	71,769	2,867,635	20,531	210,726	149,282
Tenant security deposits	-	-	-	331,388	3,012,212	46,810	707,964	638,518
Total current liabilities	178,783,855	14,270,494	68,150,290	20,126,021	239,468,257	2,861,437	29,720,380	34,875,316
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	3,000,000	-
Accrued interest	79,462	-	-	751,575	46,524,039	34,028	5,374,876	448,022
Accrued interest, affiliates	-	-	-	26,352	175,770	-	3,603	-
Notes payable, less current portion, net	18,450,536	33,422,061	-	33,146,552	741,392,473	1,123,057	159,005,498	62,475,562
Notes payable, less current portion, affiliates	6,158,731	552,834	-	9,501,498	1,718,312	434,218	724,025	-
Deferred revenue and other liabilities	545,777	4,500,000	-	11,864	19,606,939	-	1,530,902	882,707
Total long-term liabilities	25,234,506	38,474,895	-	43,437,841	809,417,533	1,591,303	169,638,904	63,806,291
Total liabilities	204,018,361	52,745,389	68,150,290	63,563,862	1,048,885,790	4,452,740	199,359,284	98,681,607
Net assets								
Net assets without donor restrictions, controlling	32,127,286	23,456,205	(3,149,144)	45,108,018	377,354,144	9,198,451	113,829,954	98,313,304
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	32,127,286	23,456,205	(3,149,144)	45,108,018	377,354,144	9,198,451	113,829,954	98,313,304
Net assets with donor restrictions	2,280,899	550,000	-	1,727,069	36,320,393	101,035	4,154,769	1,601,930
Total net assets	34,408,185	24,006,205	(3,149,144)	46,835,087	413,674,537	9,299,486	117,984,723	99,915,234
Total liabilities and net assets	\$ 238,426,546	\$ 76,751,594	\$ 65,001,146	\$ 110,398,949	\$ 1,462,560,327	\$ 13,752,226	\$ 317,344,007	\$ 198,596,841

Mercy Housing, Inc.
Consolidating Statement of Financial Position
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	Consolidated Mercy Housing Northwest	Mercy Housing Ohio, Inc.	Mercy Properties Washington III, LLC (Cobble Knoll I)	Mercy Properties Washington II, LLC (Cobble Knoll II)	Padre Apartments Community	Consolidated General Partners	Eliminations	Consolidated Mercy Housing, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ 3,134,784	\$ -	\$ 317,686	\$ 159,053	\$ 79,354	\$ 26,731,423	\$ (2,497,822)	\$ 81,015,708
Cash, tenant security deposits	639,009	-	154,435	107,134	18,421	3,752,729	-	9,520,472
Cash, restricted	981,637	-	-	128,001	-	603,779	(552,300)	43,816,547
Investments	-	-	-	-	-	-	-	10,820,449
Investments, restricted	-	-	-	-	-	-	(2,260,605)	53,751
Accounts receivable, net	304,927	-	124,644	87,827	-	2,481,775	(2,948,594)	12,264,437
Due from affiliate, net	10,478,594	522,212	24,461	2,193	-	64,717	(324,088,410)	-
Pledges receivable, net	12,635,120	-	-	-	-	-	-	25,495,878
Grants receivable	-	-	-	-	-	-	-	190,295
Current portion of notes and interest receivable	-	-	-	-	-	-	(2,214,025)	22,877,020
Current portion of notes and interest receivable, affiliates	64,503	-	-	-	-	-	(8,960,876)	-
Prepaid expenses and other assets	444,481	-	38,666	65,776	9,338	2,100,232	(5,883,779)	3,123,549
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	1,208,453	-	1,208,453
Total current assets	28,683,055	522,212	659,892	549,984	107,113	36,943,108	(349,406,411)	210,386,559
Property and equipment								
Land and land improvements	30,785,864	-	2,946,612	1,692,679	118,488	111,008,545	(1,296,208)	348,024,050
Buildings	206,298,631	-	13,547,414	12,262,706	4,399,790	939,043,192	(23,906,147)	2,906,135,289
Furniture and equipment	6,086,954	-	178,515	138,508	129,283	43,861,183	-	114,198,732
Predevelopment project costs	52,088	-	-	-	-	-	(548,138)	10,325,436
Construction in progress	59,325,841	-	-	-	-	2,757,177	(411,106)	243,011,537
Accumulated depreciation	(57,072,354)	-	(6,905,965)	(5,810,921)	(2,690,261)	(488,142,246)	7,245,821	(1,023,858,900)
Net property and equipment	245,477,024	-	9,766,576	8,282,972	1,957,300	608,527,851	(18,915,778)	2,597,836,144
Other long-term assets								
Restricted property reserves	9,529,048	-	1,203,085	1,847,567	560,877	51,946,727	(1,363)	197,276,489
Long-term investments	-	-	-	-	-	-	-	14,025,000
Long-term investments, restricted	650,000	-	-	-	-	-	-	2,275,000
Due from affiliates	-	-	-	-	-	-	(789,149)	-
Pledges receivable, net	12,242,899	-	-	-	-	-	-	29,872,674
Investments in limited partnerships, net	631,725	-	-	-	-	984,767	12,900,611	1,535,454
Notes and interest receivable, net	-	-	-	-	-	1,332,040	(14,717,134)	43,086,451
Notes and interest receivable, affiliates	65,606	-	-	-	-	1,197,412	(20,973,537)	-
Allowance for impaired assets	-	-	-	-	-	-	545,883	-
Other assets, net	849,528	-	-	-	-	2,667,114	-	22,366,469
Total other long-term assets	23,968,806	-	1,203,085	1,847,567	560,877	58,128,060	(23,034,689)	310,437,537
Total assets	\$ 298,128,885	\$ 522,212	\$ 11,629,553	\$ 10,680,523	\$ 2,625,290	\$ 703,599,019	\$ (391,356,878)	\$ 3,118,660,240

Mercy Housing, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Housing Northwest	Mercy Housing Ohio, Inc.	Mercy Properties Washington III, LLC (Cobble Knoll I)	Mercy Properties Washington II, LLC (Cobble Knoll II)	Padre Apartments Community	Consolidated General Partners	Eliminations	Consolidated Mercy Housing, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 9,037,453	\$ -	\$ 407,797	\$ 478,612	\$ 37,377	\$ 10,086,686	\$ (7,328,779)	\$ 96,386,559
Due to affiliates	7,208,765	3,523,275	167,038	18,461	-	8,591,539	(317,525,910)	-
Accrued interest	199,860	-	44,961	19,058	5,331	845,997	(6,946)	5,147,862
Accrued interest, affiliates	-	-	-	-	-	38,836	(112,355)	-
Current portion of notes payable	894,287	-	510,246	342,269	249,216	5,590,108	-	183,763,367
Current portion of notes payable, affiliates	52,088	-	-	-	-	216,695	(10,891,888)	-
Deferred revenue and other liabilities	134,867	-	40,435	29,808	340	1,004,843	(4,736,599)	7,395,141
Tenant security deposits	623,508	-	148,322	100,530	17,921	3,682,850	-	9,310,023
Total current liabilities	18,150,828	3,523,275	1,318,799	988,738	310,185	30,057,554	(340,602,477)	302,002,952
Long-term liabilities								
Due to affiliates	-	-	-	-	-	1,478,712	(4,478,712)	-
Accrued interest	1,307,890	-	-	-	230,048	64,741,288	-	119,491,228
Accrued interest, affiliates	-	-	-	-	-	7,097,084	(7,302,809)	-
Notes payable, less current portion, net	127,104,976	-	9,218,273	9,226,697	1,096,958	424,342,638	(2,952,979)	1,617,052,302
Notes payable, less current portion, affiliates	411,470	-	-	-	-	34,458,646	(53,959,734)	-
Deferred revenue and other liabilities	43,521	-	-	-	1,539	7,976,361	(1,695,544)	33,404,066
Total long-term liabilities	128,867,857	-	9,218,273	9,226,697	1,328,545	540,094,729	(70,389,778)	1,769,947,596
Total liabilities	147,018,685	3,523,275	10,537,072	10,215,435	1,638,730	570,152,283	(410,992,255)	2,071,950,548
Net assets								
Net assets without donor restrictions, controlling	118,637,476	(3,001,063)	1,092,481	465,088	986,560	130,845,278	(633,198,738)	312,065,300
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	652,833,674	652,833,674
Total net assets without donor restrictions	118,637,476	(3,001,063)	1,092,481	465,088	986,560	130,845,278	19,634,936	964,898,974
Net assets with donor restrictions	32,472,724	-	-	-	-	2,601,458	441	81,810,718
Total net assets	151,110,200	(3,001,063)	1,092,481	465,088	986,560	133,446,736	19,635,377	1,046,709,692
Total liabilities and net assets	\$ 298,128,885	\$ 522,212	\$ 11,629,553	\$ 10,680,523	\$ 2,625,290	\$ 703,599,019	\$ (391,356,878)	\$ 3,118,660,240

Mercy Housing, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

				Consolidated Mercy		Consolidated Mercy		
		Mercy Housing		Housing Mountain	Consolidated Mercy	Housing Northwest-	Consolidated Mercy	Consolidated Mercy
	Mercy Housing, Inc.	Loan Fund	Management Group	Plains	Housing California	Idaho, Inc.	Housing Lakefront	Housing South East
Revenues								
Rent - net of vacancies	\$ -	\$ -	\$ -	\$ 12,861,330	\$ 66,732,454	\$ 1,054,694	\$ 27,499,540	\$ 22,090,983
Developer fees	-	-	-	1,346,193	12,184,599	-	-	81,310
Services fees	5,072,469	-	18,110,446	896,609	1,938,134	4,375	2,851,485	122,173
Philanthropy	5,118,938	160,599	-	1,020,565	33,044,850	64,865	5,420,201	567,731
Capital grants	-	776,500	-	3,052	7,598,706	-	451,647	79,500
Consulting	-	-	25,860	111,206	718,910	-	-	-
Interest	1,428,053	4,076,577	-	526,383	1,449,518	5,539	244,583	404,734
Other	10,814,765	478,922	2,264,184	510,217	9,970,893	13,729	1,523,964	945,502
Total revenues	22,434,225	5,492,598	20,400,490	17,275,555	133,638,064	1,143,202	37,991,420	24,291,933
Expenses and losses								
Compensation	15,046,901	1,071,280	10,709,987	4,813,305	25,317,742	297,877	10,610,445	6,480,285
Administrative	11,063,988	98,147	1,039,943	2,192,031	12,699,186	217,470	4,131,141	4,001,641
Professional services	2,423,703	29,719	1,174,023	294,668	2,914,963	54,129	1,157,250	581,999
Depreciation and amortization	65,907	-	-	4,366,319	39,800,865	678,089	12,853,759	9,548,844
Grants	1,781,408	-	-	10,250	772,864	-	233,758	66,497
Facility	4,793,857	109	1,195	4,130,428	22,128,597	367,623	12,995,324	9,661,668
Interest and fees	1,567,970	1,180,402	36,525	1,585,347	19,300,998	59,228	5,187,529	3,298,476
Bad debts	810,489	365,346	280,852	561,946	477,129	76,235	243,889	235,090
Project expenses	-	-	-	-	1,251,819	-	600,378	11,559
Allocation	(13,877,936)	356,887	5,208,693	733,154	4,573,202	25,472	1,562,612	548,409
(Gain) loss on sale of assets	196,847	-	-	-	(117,895)	-	(301,232)	-
(Gain) loss on investment in limited partnership	(225,940)	-	-	-	937,024	-	134,318	-
Total expenses and losses	23,647,194	3,101,890	18,451,218	18,687,448	130,056,494	1,776,123	49,409,171	34,434,468
Excess (deficiency) of revenues over expenses	(1,212,969)	2,390,708	1,949,272	(1,411,893)	3,581,570	(632,921)	(11,417,751)	(10,142,535)
Net assets at beginning of year	35,621,154	21,615,497	(5,098,416)	41,092,729	322,612,725	9,932,407	104,881,382	109,288,319
Other transfers to (from) net assets	-	-	-	7,154,251	87,480,242	-	24,521,092	769,450
Net assets at end of year	\$ 34,408,185	\$ 24,006,205	\$ (3,149,144)	\$ 46,835,087	\$ 413,674,537	\$ 9,299,486	\$ 117,984,723	\$ 99,915,234

Mercy Housing, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Consolidated Mercy Housing Northwest	Mercy Housing Ohio, Inc.	Mercy Properties Washington III, LLC (Cobble Knoll I)	Mercy Properties Washington II, LLC (Cobble Knoll II)	Padre Apartments Community	Consolidated General Partners	Eliminations	Consolidated Mercy Housing, Inc.
Revenues								
Rent - net of vacancies	\$ 13,798,212	\$ -	\$ 3,020,425	\$ 2,713,209	\$ 810,137	\$ 95,441,098	\$ (185,795)	\$ 245,836,287
Developer fees	1,576,472	-	-	-	-	-	-	15,188,574
Services fees	37,500	-	-	-	-	16,032	(27,905,251)	1,143,972
Philanthropy	1,732,526	-	-	-	-	461,936	(1,377,398)	16,585,038
Capital grants	-	-	-	-	-	13,022,375	(140,000)	51,421,555
Consulting	-	-	-	-	-	-	(23,820)	832,156
Interest	73,016	-	42,537	1,366	6,973	685,791	(3,471,079)	5,473,991
Other	672,920	10,043	219,825	65,153	19,427	7,332,996	(13,939,957)	20,902,583
Total revenues	17,890,646	10,043	3,282,787	2,779,728	836,537	116,960,228	(47,043,300)	357,384,156
Expenses and losses								
Compensation	5,290,746	-	730,450	695,488	127,064	20,153,394	(2,813,664)	98,531,300
Administrative	2,290,292	28,315	370,049	331,613	89,494	17,198,373	(27,292,380)	28,459,303
Professional services	464,773	2,501	49,150	37,551	9,857	4,947,975	(2,505,194)	11,637,067
Depreciation and amortization	8,690,679	-	614,972	552,135	177,618	39,230,615	(862,985)	115,716,817
Grants	140,034	-	-	-	-	503,182	(2,859,585)	648,408
Facility	4,794,701	-	1,143,608	946,582	218,759	32,621,304	(7,902,289)	85,901,466
Interest and fees	2,402,835	58,617	289,958	344,209	104,063	15,479,902	(3,386,481)	47,509,578
Bad debts	45,383	-	48,794	12,853	-	360,858	(1,464,551)	2,054,313
Project expenses	-	-	-	-	-	-	-	1,863,756
Allocation	862,557	6,950	-	-	-	-	-	-
(Gain) loss on sale of assets	146,458	-	(483,209)	(73,880)	-	150,011	(345,966)	(828,866)
(Gain) loss on investment in limited partnership	(220,907)	-	-	-	-	1,332,771	(1,743,529)	213,737
Total expenses and losses	24,907,551	96,383	2,763,772	2,846,551	726,855	131,978,385	(51,176,624)	391,706,879
Excess (deficiency) of revenues over expenses	(7,016,905)	(86,340)	519,015	(66,823)	109,682	(15,018,157)	4,133,324	(34,322,723)
Net assets at beginning of year	139,758,433	(2,914,723)	573,466	531,911	876,878	130,107,211	16,974,841	925,853,814
Other transfers to (from) net assets	18,368,672	-	-	-	-	18,357,682	(1,472,788)	155,178,601
Net assets at end of year	\$ 151,110,200	\$ (3,001,063)	\$ 1,092,481	\$ 465,088	\$ 986,560	\$ 133,446,736	\$ 19,635,377	\$ 1,046,709,692

Mercy Housing Mountain Plains
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Mountain Plains	Stapleton II Mercy, LLC	Bluff Mercy, LLC (Bluff Lake)	Mercy Housing Colorado GP, LLC	Mercy Housing Colorado III, LTD. (Springfield Court)	MHMP GP, LLC	Mercy Housing Colorado VI, LTD. (Merced de las Animas)	MHMP CO GP, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ -	\$ 263,832	\$ -	\$ 282,212	\$ -	\$ 159,100	\$ -
Cash, tenant security deposits	-	-	15,010	-	25,382	-	24,385	-
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	36,032	-	28,952	-	2	-	3,107	-
Due from affiliate, net	5,026,879	-	-	36,540	-	66,607	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	367,006	-	-	-	-	-	-	-
Prepaid expenses and other assets	24,894	-	17,854	-	9,964	-	6,982	-
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	5,454,811	-	325,648	36,540	317,560	66,607	193,574	-
Property and equipment								
Land and land improvements	-	-	2,148,342	-	857,845	-	1,251,231	-
Buildings	-	-	12,167,538	-	4,557,331	-	5,228,014	-
Furniture and equipment	-	-	479,689	-	216,760	-	292,090	-
Predevelopment project costs	7,500	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(3,652,142)	-	(4,178,579)	-	(4,628,814)	-
Net property and equipment	7,500	-	11,143,427	-	1,453,357	-	2,142,521	-
Other long-term assets								
Restricted property reserves	-	-	911,848	-	799,256	-	102,017	-
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	1,727,077	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	100	1,379,909	-	(1,770)	-	(20,249)	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	9,787,343	-	-	-	-	-	-	-
Allowance for impaired assets	(545,883)	-	-	-	-	-	-	-
Other assets, net	-	-	54,836	-	-	-	15,433	-
Total other long-term assets	10,968,637	1,379,909	966,684	(1,770)	799,256	(20,249)	117,450	-
Total assets	\$ 16,430,948	\$ 1,379,909	\$ 12,435,759	\$ 34,770	\$ 2,570,173	\$ 46,358	\$ 2,453,545	\$ -

Mercy Housing Mountain Plains
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Mountain Plains	Stapleton II Mercy, LLC	Bluff Mercy, LLC (Bluff Lake)	Mercy Housing Colorado GP, LLC	Mercy Housing Colorado III, LTD. (Springfield Court)	MHMP GP, LLC	Mercy Housing Colorado VI, LTD. (Merced de las Animas)	MHMP CO GP, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 122,964	\$ 1,675	\$ 39,370	\$ -	\$ 16,228	\$ -	\$ 30,919	\$ 1,675
Due to affiliates	3,892,397	(42,682)	59,702	43,334	-	22,789	23,227	10,403
Accrued interest	-	-	10,926	-	12,558	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	10,870	-
Current portion of notes payable	8,303	-	47,341	-	24,313	-	-	-
Current portion of notes payable, affiliates	91,500	-	-	-	-	-	57,021	-
Deferred revenue and other liabilities	-	-	16,841	-	378	-	5,917	-
Tenant security deposits	-	-	14,166	-	24,878	-	23,495	-
Total current liabilities	4,115,164	(41,007)	188,346	43,334	78,355	22,789	151,449	12,078
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	499,346	-	441,929	-	863,503	-
Notes payable, less current portion, net	43,834	-	1,574,636	-	2,903,745	-	-	-
Notes payable, less current portion, affiliates	-	-	2,249,000	-	606,653	-	2,391,095	-
Deferred revenue and other liabilities	-	-	-	-	3,014	-	1,719	-
Total long-term liabilities	43,834	-	4,322,982	-	3,955,341	-	3,256,317	-
Total liabilities	4,158,998	(41,007)	4,511,328	43,334	4,033,696	22,789	3,407,766	12,078
Net assets								
Net assets without donor restrictions, controlling	10,669,628	1,420,916	7,924,431	(8,564)	(1,463,523)	23,569	(954,221)	(12,078)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	10,669,628	1,420,916	7,924,431	(8,564)	(1,463,523)	23,569	(954,221)	(12,078)
Net assets with donor restrictions	1,602,322	-	-	-	-	-	-	-
Total net assets	12,271,950	1,420,916	7,924,431	(8,564)	(1,463,523)	23,569	(954,221)	(12,078)
Total liabilities and net assets	\$ 16,430,948	\$ 1,379,909	\$ 12,435,759	\$ 34,770	\$ 2,570,173	\$ 46,358	\$ 2,453,545	\$ -

Mercy Housing Mountain Plains
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Bond Properties Colorado I (Franconia LLC)	MHMP 12 Holly Park East and West GP	MHMP 12 Holly Park East and West LP (Holly Park)	Consolidated Mercy Housing Midwest	Consolidated Mercy Housing Southwest	Eliminations	Consolidated Mercy Housing Mountain Plains
Assets							
Current assets							
Cash and cash equivalents	\$ 297,433	\$ -	\$ 2,667	\$ 742,690	\$ 208,876	\$ -	\$ 1,956,810
Cash, tenant security deposits	12,520	-	27,284	128,332	121,607	-	354,520
Cash, restricted	-	-	231,613	32,538	-	-	264,151
Investments	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-
Accounts receivable, net	1,841	-	26,446	41,415	110,905	(32,875)	215,825
Due from affiliate, net	-	-	-	2,879,755	2,127,235	(1,562,059)	8,574,957
Pledges receivable, net	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	(84,000)	283,006
Prepaid expenses and other assets	6,670	-	23,147	86,541	76,656	(1,428)	251,280
Inventory	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-
Total current assets	318,464	-	311,157	3,911,271	2,645,279	(1,680,362)	11,900,549
Property and equipment							
Land and land improvements	622,232	-	1,504,584	2,512,895	1,536,190	-	10,433,319
Buildings	2,437,800	-	17,042,490	33,191,945	29,670,979	(256,019)	104,040,078
Furniture and equipment	164,652	-	724,744	518,260	1,506,438	-	3,902,633
Predevelopment project costs	-	-	-	-	-	-	7,500
Construction in progress	-	-	6,274,843	-	-	(1,727,077)	4,547,766
Accumulated depreciation	(972,986)	-	(806,986)	(13,600,623)	(20,536,791)	63,295	(48,313,626)
Net property and equipment	2,251,698	-	24,739,675	22,622,477	12,176,816	(1,919,801)	74,617,670
Other long-term assets							
Restricted property reserves	126,635	-	8,824,644	2,339,838	2,142,732	-	15,246,970
Long-term investments	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	(1,727,077)	-
Pledges receivable, net	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	(768,396)	-	-	-	(589,594)	-
Notes and interest receivable, net	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	(921,625)	8,865,718
Allowance for impaired assets	-	-	-	-	-	-	(545,883)
Other assets, net	-	-	148,380	95,276	-	-	313,925
Total other long-term assets	126,635	(768,396)	8,973,024	2,435,114	2,142,732	(3,238,296)	23,880,730
Total assets	\$ 2,696,797	\$ (768,396)	\$ 34,023,856	\$ 28,968,862	\$ 16,964,827	\$ (6,838,459)	\$ 110,398,949

Mercy Housing Mountain Plains
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Bond Properties Colorado I (Franconia LLC)	MHMP 12 Holly Park East and West GP	MHMP 12 Holly Park East and West LP (Holly Park)	Consolidated Mercy Housing Midwest	Consolidated Mercy Housing Southwest	Eliminations	Consolidated Mercy Housing Mountain Plains
Liabilities							
Current liabilities							
Accounts payable and accrued expenses	\$ 20,599	\$ -	\$ 3,886,809	\$ 702,759	\$ 445,346	\$ (40,375)	\$ 5,227,969
Due to affiliates	-	1,034	1,525,698	4,528,869	5,143,436	(1,623,627)	13,584,580
Accrued interest	-	-	57,463	30,134	-	-	111,081
Accrued interest, affiliates	10,681	-	-	-	20,147	(3,322)	38,376
Current portion of notes payable	-	-	211,921	213,594	-	-	505,472
Current portion of notes payable, affiliates	42,547	-	84,000	-	82,190	(101,872)	255,386
Deferred revenue and other liabilities	561	-	8,166	15,010	24,896	-	71,769
Tenant security deposits	12,067	-	25,824	118,133	112,825	-	331,388
Total current liabilities	86,455	1,034	5,799,881	5,608,499	5,828,840	(1,769,196)	20,126,021
Long-term liabilities							
Due to affiliates	-	-	-	-	4,959	(4,959)	-
Accrued interest	-	-	-	751,575	-	-	751,575
Accrued interest, affiliates	-	-	-	-	-	(1,778,426)	26,352
Notes payable, less current portion, net	(5,170)	-	17,307,705	11,464,643	(142,841)	-	33,146,552
Notes payable, less current portion, affiliates	2,287,826	-	-	285,000	4,753,195	(3,071,271)	9,501,498
Deferred revenue and other liabilities	1,418	-	1,727,077	643	5,070	(1,727,077)	11,864
Total long-term liabilities	2,284,074	-	19,034,782	12,501,861	4,620,383	(6,581,733)	43,437,841
Total liabilities	2,370,529	1,034	24,834,663	18,110,360	10,449,223	(8,350,929)	63,563,862
Net assets							
Net assets without donor restrictions, controlling	326,268	(769,430)	9,189,193	10,749,449	6,499,910	1,512,470	45,108,018
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-
Total net assets without donor restrictions	326,268	(769,430)	9,189,193	10,749,449	6,499,910	1,512,470	45,108,018
Net assets with donor restrictions	-	-	-	109,053	15,694	-	1,727,069
Total net assets	326,268	(769,430)	9,189,193	10,858,502	6,515,604	1,512,470	46,835,087
Total liabilities and net assets	\$ 2,696,797	\$ (768,396)	\$ 34,023,856	\$ 28,968,862	\$ 16,964,827	\$ (6,838,459)	\$ 110,398,949

**Mercy Housing Mountain Plains
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Housing Mountain Plains	Stapleton II Mercy, LLC	Bluff Mercy, LLC (Bluff Lake)	Mercy Housing Colorado GP, LLC	Mercy Housing Colorado III, LTD. (Springfield Court)	MHMP GP, LLC	Mercy Housing Colorado VI, LTD. (Merced de las Animas)	MHMP CO GP, Inc.
Revenues								
Rent - net of vacancies	\$ -	\$ -	\$ 896,124	\$ -	\$ 613,633	\$ -	\$ 465,516	\$ -
Developer fees	2,357,310	-	-	-	-	-	-	-
Services fees	946,342	57,963	-	10,000	-	10,956	-	-
Philanthropy	793,875	-	-	-	-	-	-	-
Capital grants	3,000	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	686,636	-	608	-	9,672	-	479	-
Other	400,813	-	16,095	-	432,493	-	1,715	-
Total revenues	5,187,976	57,963	912,827	10,000	1,055,798	10,956	467,710	-
Expenses and losses								
Compensation	1,344,526	-	192,105	-	103,396	-	120,300	-
Administrative	233,306	58,073	193,740	7,435	66,613	11,066	58,826	110
Professional services	30,144	934	11,535	934	3,638	944	8,837	955
Depreciation and amortization	-	-	574,677	-	175,405	-	256,212	-
Grants	316,889	-	-	300	-	-	-	-
Facility	230	-	241,392	-	200,829	-	122,194	-
Interest and fees	2,097	-	219,712	-	188,522	-	158,517	-
Bad debts	683,141	-	6,093	-	895	-	149	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	479,026	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	26	-	(316)	-	257	-	-
Total expenses and losses	3,089,359	59,033	1,439,254	8,353	739,298	12,267	725,035	1,065
Excess (deficiency) of revenues over expenses	2,098,617	(1,070)	(526,427)	1,647	316,500	(1,311)	(257,325)	(1,065)
Net assets at beginning of year	10,173,333	1,421,986	8,450,858	(10,211)	(1,480,023)	24,880	(696,896)	(11,013)
Other transfers to (from) net assets	-	-	-	-	(300,000)	-	-	-
Net assets at end of year	\$ 12,271,950	\$ 1,420,916	\$ 7,924,431	\$ (8,564)	\$ (1,463,523)	\$ 23,569	\$ (954,221)	\$ (12,078)

**Mercy Housing Mountain Plains
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Bond Properties Colorado I (Franconia LLC)	MHMP 12 Holly Park East and West GP	MHMP 12 Holly Park East and West LP (Holly Park)	Consolidated Mercy Housing Midwest	Consolidated Mercy Housing Southwest	Eliminations	Consolidated Mercy Housing Mountain Plains
Revenues							
Rent - net of vacancies	\$ 560,636	\$ -	\$ 1,964,969	\$ 4,234,780	\$ 4,125,672	\$ -	\$ 12,861,330
Developer fees	-	-	-	-	-	(1,011,117)	1,346,193
Services fees	-	-	-	56,445	212,102	(397,199)	896,609
Philanthropy	-	-	-	205,627	138,952	(117,889)	1,020,565
Capital grants	-	-	-	-	52	-	3,052
Consulting	-	-	-	111,206	-	-	111,206
Interest	532	-	14,806	7,756	9,370	(203,476)	526,383
Other	4,940	-	21,403	123,683	42,195	(533,120)	510,217
Total revenues	566,108	-	2,001,178	4,739,497	4,528,343	(2,262,801)	17,275,555
Expenses and losses							
Compensation	94,334	-	285,220	1,279,540	1,393,884	-	4,813,305
Administrative	80,758	-	258,375	671,538	633,287	(81,096)	2,192,031
Professional services	16,008	934	155,149	69,981	312,955	(318,280)	294,668
Depreciation and amortization	114,315	-	686,392	1,359,123	1,209,505	(9,310)	4,366,319
Grants	-	-	-	-	250	(307,189)	10,250
Facility	135,759	-	559,274	1,597,404	1,273,346	-	4,130,428
Interest and fees	138,741	-	284,006	444,470	320,225	(170,943)	1,585,347
Bad debts	286	-	32,123	35,157	14,083	(209,981)	561,946
Project expenses	-	-	-	-	-	-	-
Allocation	-	-	-	162,567	91,561	-	733,154
(Gain) loss on sale of assets	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	26	-	-	-	7	-
Total expenses and losses	580,201	960	2,260,539	5,619,780	5,249,096	(1,096,792)	18,687,448
Excess (deficiency) of revenues over expenses	(14,093)	(960)	(259,361)	(880,283)	(720,753)	(1,166,009)	(1,411,893)
Net assets at beginning of year	370,361	(768,470)	1,957,196	11,776,192	7,236,357	2,648,179	41,092,729
Other transfers to (from) net assets	(30,000)	-	7,491,358	(37,407)	-	30,300	7,154,251
Net assets at end of year	\$ 326,268	\$ (769,430)	\$ 9,189,193	\$ 10,858,502	\$ 6,515,604	\$ 1,512,470	\$ 46,835,087

Mercy Housing Midwest
Consolidating Statement of Financial Position
December 31, 2018

	<div>Mercy Bond</div> <div>Properties Nebraska</div> <div>Mercy Housing</div>							
	Mercy Housing	Mercy House	I (Mercy	Mercy Village	Mercy Housing		Mercy Crestview	
	Midwest		Timbercreek, LLC)	Joplin, Inc.	Midwest Nebraska, LLC	Northglen, LP	Village Housing, LP	Western Manor, LP
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 2,288	\$ 68,508	\$ 4,215	\$ -	\$ 186,171	\$ 331,006	\$ 150,502
Cash, tenant security deposits	-	501	26,842	21,967	-	23,871	38,952	16,199
Cash, restricted	-	-	-	250	-	-	29,553	2,735
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	7,050	2,103	16,205	889	-	660	4,807	9,701
Due from affiliate, net	2,879,755	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	9,967	2,230	23,371	9,080	-	8,584	21,270	12,039
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	2,896,772	7,122	134,926	36,401	-	219,286	425,588	191,176
Property and equipment								
Land and land improvements	-	30,770	1,378,986	17,200	-	563,654	2,147,280	451,808
Buildings	-	471,180	7,854,764	4,742,421	-	4,178,173	11,207,568	5,943,107
Furniture and equipment	18,169	42,168	309,109	33,133	-	28,232	48,299	39,150
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(18,169)	(497,467)	(4,900,810)	(1,993,119)	-	(1,252,845)	(3,554,764)	(1,695,723)
Net property and equipment	-	46,651	4,642,049	2,799,635	-	3,517,214	9,848,383	4,738,342
Other long-term assets								
Restricted property reserves	-	35,490	251,036	218,439	-	422,964	962,199	449,710
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	772,408	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	33,994	16,772	44,510
Total other long-term assets	-	35,490	251,036	218,439	772,408	456,958	978,971	494,220
Total assets	\$ 2,896,772	\$ 89,263	\$ 5,028,011	\$ 3,054,475	\$ 772,408	\$ 4,193,458	\$ 11,252,942	\$ 5,423,738

Mercy Housing Midwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Midwest	Mercy House	Mercy Bond Properties Nebraska I (Mercy Timbercreek, LLC)	Mercy Village Joplin, Inc.	Mercy Housing Midwest Nebraska, LLC	Northglen, LP	Mercy Crestview Village Housing, LP	Western Manor, LP
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 41,357	\$ 23,956	\$ 214,406	\$ 47,777	\$ -	\$ 83,491	\$ 201,714	\$ 90,058
Due to affiliates	2,635,035	414,721	1,330,901	-	8,109	144,493	-	-
Accrued interest	-	1,562	18,401	-	-	-	7,806	2,365
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	13,465	131,967	-	-	-	45,429	22,733
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	5,665	13	-	1,066	314	7,952
Tenant security deposits	-	1	23,953	20,699	-	21,845	37,715	13,920
Total current liabilities	2,676,392	453,705	1,725,293	68,489	8,109	250,895	292,978	137,028
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	29,886	-	721,689	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	254,854	1,050,645	373,067
Notes payable, less current portion, net	147,500	194,845	7,508,435	-	-	838,161	1,776,951	998,751
Notes payable, less current portion, affiliates	-	-	-	-	-	1,465,000	4,910,051	1,890,000
Deferred revenue and other liabilities	-	-	373	-	-	270	-	-
Total long-term liabilities	177,386	194,845	8,230,497	-	-	2,558,285	7,737,647	3,261,818
Total liabilities	2,853,778	648,550	9,955,790	68,489	8,109	2,809,180	8,030,625	3,398,846
Net assets								
Net assets without donor restrictions, controlling	(66,059)	(559,287)	(4,927,779)	2,985,986	764,299	1,384,278	3,222,317	2,024,892
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(66,059)	(559,287)	(4,927,779)	2,985,986	764,299	1,384,278	3,222,317	2,024,892
Net assets with donor restrictions	109,053	-	-	-	-	-	-	-
Total net assets	42,994	(559,287)	(4,927,779)	2,985,986	764,299	1,384,278	3,222,317	2,024,892
Total liabilities and net assets	\$ 2,896,772	\$ 89,263	\$ 5,028,011	\$ 3,054,475	\$ 772,408	\$ 4,193,458	\$ 11,252,942	\$ 5,423,738

Mercy Housing Midwest
Consolidating Statement of Financial Position
December 31, 2018

	Eliminations	Consolidated Mercy Housing Midwest
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 742,690
Cash, tenant security deposits	-	128,332
Cash, restricted	-	32,538
Investments	-	-
Investments, restricted	-	-
Accounts receivable, net	-	41,415
Due from affiliate, net	-	2,879,755
Pledges receivable, net	-	-
Grants receivable	-	-
Current portion of notes and interest receivable	-	-
Current portion of notes and interest receivable, affiliates	-	-
Prepaid expenses and other assets	-	86,541
Inventory	-	-
Assets held for sale	-	-
Total current assets	-	3,911,271
Property and equipment		
Land and land improvements	(2,076,803)	2,512,895
Buildings	(1,205,268)	33,191,945
Furniture and equipment	-	518,260
Predevelopment project costs	-	-
Construction in progress	-	-
Accumulated depreciation	312,274	(13,600,623)
Net property and equipment	(2,969,797)	22,622,477
Other long-term assets		
Restricted property reserves	-	2,339,838
Long-term investments	-	-
Long-term investments, restricted	-	-
Due from affiliates	-	-
Pledges receivable, net	-	-
Investments in limited partnerships, net	(772,408)	-
Notes and interest receivable, net	-	-
Notes and interest receivable, affiliates	-	-
Allowance for impaired assets	-	-
Other assets, net	-	95,276
Total other long-term assets	(772,408)	2,435,114
Total assets	\$ (3,742,205)	\$ 28,968,862

Mercy Housing Midwest
Consolidating Statement of Financial Position
December 31, 2018

	Eliminations	Consolidated Mercy Housing Midwest
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ -	\$ 702,759
Due to affiliates	(4,390)	4,528,869
Accrued interest	-	30,134
Accrued interest, affiliates	-	-
Current portion of notes payable	-	213,594
Current portion of notes payable, affiliates	-	-
Deferred revenue and other liabilities	-	15,010
Tenant security deposits	-	118,133
	<u>(4,390)</u>	<u>5,608,499</u>
Total current liabilities		
	<u>(4,390)</u>	<u>5,608,499</u>
Long-term liabilities		
Due to affiliates	-	-
Accrued interest	-	751,575
Accrued interest, affiliates	(1,678,566)	-
Notes payable, less current portion, net	-	11,464,643
Notes payable, less current portion, affiliates	(7,980,051)	285,000
Deferred revenue and other liabilities	-	643
	<u>(9,658,617)</u>	<u>12,501,861</u>
Total long-term liabilities		
	<u>(9,658,617)</u>	<u>12,501,861</u>
Total liabilities	<u>(9,663,007)</u>	<u>18,110,360</u>
Net assets		
Net assets without donor restrictions, controlling	5,920,802	10,749,449
Net assets without donor restrictions, noncontrolling	-	-
Total net assets without donor restrictions	<u>5,920,802</u>	<u>10,749,449</u>
Net assets with donor restrictions	<u>-</u>	<u>109,053</u>
Total net assets	<u>5,920,802</u>	<u>10,858,502</u>
Total liabilities and net assets	<u>\$ (3,742,205)</u>	<u>\$ 28,968,862</u>

Mercy Housing Midwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

			Mercy Bond Properties Nebraska I (Mercy Timbercreek, LLC)	Mercy Village Joplin, Inc.	Mercy Housing Midwest Nebraska, LLC	Northglen, LP	Mercy Crestview Village Housing, LP	Western Manor, LP
	Mercy Housing Midwest	Mercy House						
Revenues								
Rent - net of vacancies	\$ -	\$ -	\$ 1,358,510	\$ 356,135	\$ -	\$ 467,249	\$ 1,436,921	\$ 615,965
Developer fees	-	-	-	-	-	-	-	-
Services fees	180,299	-	-	-	-	-	-	-
Philanthropy	205,627	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	111,206	-	-	-	-	-	-	-
Interest	335,882	19	1,186	123	-	351	2,962	1,068
Other	406,150	-	63,617	8,764	-	17,039	19,234	14,776
Total revenues	1,239,164	19	1,423,313	365,022	-	484,639	1,459,117	631,809
Expenses and losses								
Compensation	446,638	-	264,513	137,150	-	71,605	231,090	128,544
Administrative	99,230	697	173,091	70,531	55	77,653	164,034	86,247
Professional services	6,137	6,630	14,745	9,580	934	14,068	99,035	42,706
Depreciation and amortization	-	2,349	316,431	191,511	-	171,278	484,472	236,910
Grants	-	-	-	-	-	-	-	-
Facility	92	33,785	534,589	130,067	-	204,511	486,042	208,318
Interest and fees	2,301	19,354	281,817	-	-	41,433	315,882	117,518
Bad debts	302,015	-	26,883	-	-	6,248	9,194	2,885
Project expenses	-	-	-	-	-	-	-	-
Allocation	162,567	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	62	-	-	-
Total expenses and losses	1,018,980	62,815	1,612,069	538,839	1,051	586,796	1,789,749	823,128
Excess (deficiency) of revenues over expenses	220,184	(62,796)	(188,756)	(173,817)	(1,051)	(102,157)	(330,632)	(191,319)
Net assets at beginning of year	(177,190)	(496,491)	(4,739,023)	3,159,803	765,350	1,486,435	3,586,824	2,219,743
Other transfers to (from) net assets	-	-	-	-	-	-	(33,875)	(3,532)
Net assets at end of year	\$ 42,994	\$ (559,287)	\$ (4,927,779)	\$ 2,985,986	\$ 764,299	\$ 1,384,278	\$ 3,222,317	\$ 2,024,892

Mercy Housing Midwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Eliminations	Consolidated Mercy Housing Midwest
Revenues		
Rent - net of vacancies	\$ -	\$ 4,234,780
Developer fees	-	-
Services fees	(123,854)	56,445
Philanthropy	-	205,627
Capital grants	-	-
Consulting	-	111,206
Interest	(333,835)	7,756
Other	(405,897)	123,683
Total revenues	<u>(863,586)</u>	<u>4,739,497</u>
Expenses and losses		
Compensation	-	1,279,540
Administrative	-	671,538
Professional services	(123,854)	69,981
Depreciation and amortization	(43,828)	1,359,123
Grants	-	-
Facility	-	1,597,404
Interest and fees	(333,835)	444,470
Bad debts	(312,068)	35,157
Project expenses	-	-
Allocation	-	162,567
(Gain) loss on sale of assets	-	-
(Gain) loss on investment in limited partnership	(62)	-
Total expenses and losses	<u>(813,647)</u>	<u>5,619,780</u>
Excess (deficiency) of revenues over expenses	(49,939)	(880,283)
Net assets at beginning of year	5,970,741	11,776,192
Other transfers to (from) net assets	-	(37,407)
Net assets at end of year	<u>\$ 5,920,802</u>	<u>\$ 10,858,502</u>

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Southwest	Avondale Senior Village	Camelot Casitas	Casa de Merced	Casa de Shanti, Inc.	Decatur Place
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ 33,166	\$ 10,419	\$ 15,480	\$ 7,396	\$ 58,403
Cash, tenant security deposits	-	10,767	1,549	9,756	6,008	37,112
Cash, restricted	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-
Accounts receivable, net	3,800	49	-	540	-	96,306
Due from affiliate, net	2,110,500	-	-	-	-	16,735
Pledges receivable, net	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-
Current portion of notes and interest receivable	9,815	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	144,816	-	-	-	-	-
Prepaid expenses and other assets	5,895	5,062	1,079	6,346	3,817	22,961
Inventory	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-
Total current assets	<u>2,274,826</u>	<u>49,044</u>	<u>13,047</u>	<u>32,122</u>	<u>17,221</u>	<u>231,517</u>
Property and equipment						
Land and land improvements	-	139,772	68,890	119,815	92,256	398,398
Buildings	-	2,536,398	476,060	2,120,949	1,348,935	10,776,491
Furniture and equipment	-	110,170	5,570	101,822	65,924	647,941
Predevelopment project costs	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Accumulated depreciation	-	(1,567,604)	(306,963)	(1,699,035)	(1,136,812)	(6,818,166)
Net property and equipment	<u>-</u>	<u>1,218,736</u>	<u>243,557</u>	<u>643,551</u>	<u>370,303</u>	<u>5,004,664</u>
Other long-term assets						
Restricted property reserves	-	109,117	36,956	133,822	86,434	1,152,294
Long-term investments	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Investments in limited partnerships, net	11,785	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-
Total other long-term assets	<u>11,785</u>	<u>109,117</u>	<u>36,956</u>	<u>133,822</u>	<u>86,434</u>	<u>1,152,294</u>
Total assets	<u><u>\$ 2,286,611</u></u>	<u><u>\$ 1,376,897</u></u>	<u><u>\$ 293,560</u></u>	<u><u>\$ 809,495</u></u>	<u><u>\$ 473,958</u></u>	<u><u>\$ 6,388,475</u></u>

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Southwest	Avondale Senior Village	Camelot Casitas	Casa de Merced	Casa de Shanti, Inc.	Decatur Place
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	\$ 24,700	\$ 21,721	\$ 12,198	\$ 17,402	\$ 23,564	\$ 154,270
Due to affiliates	5,143,436	19,604	13,025	27,964	68,910	-
Accrued interest	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	20,147
Current portion of notes payable	-	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	82,190
Deferred revenue and other liabilities	-	1,116	35	1,660	20	9,817
Tenant security deposits	-	9,967	1,048	9,741	5,382	36,270
Total current liabilities	5,168,136	52,408	26,306	56,767	97,876	302,694
Long-term liabilities						
Due to affiliates	-	-	-	-	-	4,959
Accrued interest	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	-	-	-	(142,841)
Notes payable, less current portion, affiliates	-	-	-	-	-	4,753,195
Deferred revenue and other liabilities	-	-	-	-	-	5,070
Total long-term liabilities	-	-	-	-	-	4,620,383
Total liabilities	5,168,136	52,408	26,306	56,767	97,876	4,923,077
Net assets						
Net assets without donor restrictions, controlling	(2,897,219)	1,324,489	267,254	752,728	376,082	1,465,398
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-
Total net assets without donor restrictions	(2,897,219)	1,324,489	267,254	752,728	376,082	1,465,398
Net assets with donor restrictions	15,694	-	-	-	-	-
Total net assets	(2,881,525)	1,324,489	267,254	752,728	376,082	1,465,398
Total liabilities and net assets	\$ 2,286,611	\$ 1,376,897	\$ 293,560	\$ 809,495	\$ 473,958	\$ 6,388,475

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	El Mirage Senior	Mesa Senior	Guadalupe Senior			
	Village	Meadows	Village	Peoria Place	Plazas de Merced	Vista Alegre
Assets						
Current assets						
Cash and cash equivalents	\$ 9,956	\$ 9,073	\$ 20,129	\$ 5,595	\$ 8,526	\$ 12,776
Cash, tenant security deposits	12,530	10,498	5,604	2,979	5,023	17,308
Cash, restricted	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-
Accounts receivable, net	848	543	783	3,030	270	4,510
Due from affiliate, net	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-
Prepaid expenses and other assets	5,885	6,082	3,228	2,337	3,666	8,132
Inventory	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-
Total current assets	<u>29,219</u>	<u>26,196</u>	<u>29,744</u>	<u>13,941</u>	<u>17,485</u>	<u>42,726</u>
Property and equipment						
Land and land improvements	77,415	192,606	45,000	72,820	55,045	223,340
Buildings	2,073,781	2,176,298	1,164,694	1,014,413	1,627,617	3,541,071
Furniture and equipment	143,376	100,560	49,045	34,583	70,057	145,677
Predevelopment project costs	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Accumulated depreciation	<u>(1,649,512)</u>	<u>(1,557,414)</u>	<u>(867,309)</u>	<u>(626,612)</u>	<u>(1,386,097)</u>	<u>(2,305,400)</u>
Net property and equipment	<u>645,060</u>	<u>912,050</u>	<u>391,430</u>	<u>495,204</u>	<u>366,622</u>	<u>1,604,688</u>
Other long-term assets						
Restricted property reserves	94,858	71,015	93,291	29,669	80,961	188,975
Long-term investments	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-
Total other long-term assets	<u>94,858</u>	<u>71,015</u>	<u>93,291</u>	<u>29,669</u>	<u>80,961</u>	<u>188,975</u>
Total assets	<u>\$ 769,137</u>	<u>\$ 1,009,261</u>	<u>\$ 514,465</u>	<u>\$ 538,814</u>	<u>\$ 465,068</u>	<u>\$ 1,836,389</u>

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	El Mirage Senior Village	Mesa Senior Meadows	Guadalupe Senior Village	Peoria Place	Plazas de Merced	Vista Alegre
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	\$ 25,682	\$ 37,647	\$ 33,602	\$ 19,986	\$ 28,447	\$ 28,491
Due to affiliates	-	5,000	-	35,402	66,243	-
Accrued interest	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	20,000	-
Deferred revenue and other liabilities	1,295	2,935	300	4,043	976	2,677
Tenant security deposits	11,320	9,741	4,750	2,303	4,662	15,703
Total current liabilities	38,297	55,323	38,652	61,734	120,328	46,871
Long-term liabilities						
Due to affiliates	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	-	-	-	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	-	-	-
Total long-term liabilities	-	-	-	-	-	-
Total liabilities	38,297	55,323	38,652	61,734	120,328	46,871
Net assets						
Net assets without donor restrictions, controlling	730,840	953,938	475,813	477,080	344,740	1,789,518
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-
Total net assets without donor restrictions	730,840	953,938	475,813	477,080	344,740	1,789,518
Net assets with donor restrictions	-	-	-	-	-	-
Total net assets	730,840	953,938	475,813	477,080	344,740	1,789,518
Total liabilities and net assets	\$ 769,137	\$ 1,009,261	\$ 514,465	\$ 538,814	\$ 465,068	\$ 1,836,389

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	Willow Street Apartments	Eliminations	Consolidated Mercy Housing Southwest
Assets			
Current assets			
Cash and cash equivalents	\$ 17,957	\$ -	\$ 208,876
Cash, tenant security deposits	2,473	-	121,607
Cash, restricted	-	-	-
Investments	-	-	-
Investments, restricted	-	-	-
Accounts receivable, net	226	-	110,905
Due from affiliate, net	-	-	2,127,235
Pledges receivable, net	-	-	-
Grants receivable	-	-	-
Current portion of notes and interest receivable	-	(9,815)	-
Current portion of notes and interest receivable, affiliates	-	(144,816)	-
Prepaid expenses and other assets	2,166	-	76,656
Inventory	-	-	-
Assets held for sale	-	-	-
	<u>22,822</u>	<u>(154,631)</u>	<u>2,645,279</u>
Total current assets			
Property and equipment			
Land and land improvements	50,833	-	1,536,190
Buildings	1,280,311	(466,039)	29,670,979
Furniture and equipment	31,713	-	1,506,438
Predevelopment project costs	-	-	-
Construction in progress	-	-	-
Accumulated depreciation	(922,120)	306,253	(20,536,791)
	<u>440,737</u>	<u>(159,786)</u>	<u>12,176,816</u>
Net property and equipment			
Other long-term assets			
Restricted property reserves	65,340	-	2,142,732
Long-term investments	-	-	-
Long-term investments, restricted	-	-	-
Due from affiliates	-	-	-
Pledges receivable, net	-	-	-
Investments in limited partnerships, net	-	(11,785)	-
Notes and interest receivable, net	-	-	-
Notes and interest receivable, affiliates	-	-	-
Allowance for impaired assets	-	-	-
Other assets, net	-	-	-
	<u>65,340</u>	<u>(11,785)</u>	<u>2,142,732</u>
Total other long-term assets			
Total assets	<u>\$ 528,899</u>	<u>\$ (326,202)</u>	<u>\$ 16,964,827</u>

Mercy Housing Southwest
Consolidating Statement of Financial Position
December 31, 2018

	Willow Street Apartments	Eliminations	Consolidated Mercy Housing Southwest
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 17,636	\$ -	\$ 445,346
Due to affiliates	-	(236,148)	5,143,436
Accrued interest	-	-	-
Accrued interest, affiliates	-	-	20,147
Current portion of notes payable	-	-	-
Current portion of notes payable, affiliates	-	(20,000)	82,190
Deferred revenue and other liabilities	22	-	24,896
Tenant security deposits	1,938	-	112,825
Total current liabilities	19,596	(256,148)	5,828,840
Long-term liabilities			
Due to affiliates	-	-	4,959
Accrued interest	-	-	-
Accrued interest, affiliates	-	-	-
Notes payable, less current portion, net	-	-	(142,841)
Notes payable, less current portion, affiliates	-	-	4,753,195
Deferred revenue and other liabilities	-	-	5,070
Total long-term liabilities	-	-	4,620,383
Total liabilities	19,596	(256,148)	10,449,223
Net assets			
Net assets without donor restrictions, controlling	509,303	(70,054)	6,499,910
Net assets without donor restrictions, noncontrolling	-	-	-
Total net assets without donor restrictions	509,303	(70,054)	6,499,910
Net assets with donor restrictions	-	-	15,694
Total net assets	509,303	(70,054)	6,515,604
Total liabilities and net assets	\$ 528,899	\$ (326,202)	\$ 16,964,827

**Mercy Housing Southwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Housing Southwest	Avondale Senior Village	Camelot Casitas	Casa de Merced	Casa de Shanti, Inc.	Decatur Place
Revenues						
Rent - net of vacancies	\$ -	\$ 319,162	\$ 71,654	\$ 289,740	\$ 210,245	\$ 1,757,919
Developer fees	-	-	-	-	-	-
Services fees	212,102	-	-	-	-	-
Philanthropy	138,952	-	-	-	-	-
Capital grants	52	-	-	-	-	-
Consulting	-	-	-	-	-	-
Interest	1,150	56	52	153	121	7,436
Other	6	1,486	243	1,270	1,605	25,118
Total revenues	<u>352,262</u>	<u>320,704</u>	<u>71,949</u>	<u>291,163</u>	<u>211,971</u>	<u>1,790,473</u>
Expenses and losses						
Compensation	249,282	86,137	19,820	127,907	80,586	272,836
Administrative	60,964	46,736	9,941	43,933	32,294	186,582
Professional services	6,425	11,421	8,873	8,380	11,383	202,126
Depreciation and amortization	-	96,285	20,587	81,978	52,073	484,637
Grants	250	-	-	-	-	-
Facility	67	96,020	25,653	78,082	74,437	530,410
Interest and fees	61,143	-	-	419	-	258,663
Bad debts	1,150	-	-	-	680	5,096
Project expenses	-	-	-	-	-	-
Allocation	91,561	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-
Total expenses and losses	<u>470,842</u>	<u>336,599</u>	<u>84,814</u>	<u>340,699</u>	<u>251,453</u>	<u>1,940,350</u>
Excess (deficiency) of revenues over expenses	(118,580)	(15,895)	(12,925)	(49,536)	(39,482)	(149,877)
Net assets at beginning of year	(2,762,945)	1,340,384	280,179	802,264	415,564	1,615,275
Other transfers to (from) net assets	-	-	-	-	-	-
Net assets at end of year	<u>\$ (2,881,525)</u>	<u>\$ 1,324,489</u>	<u>\$ 267,254</u>	<u>\$ 752,728</u>	<u>\$ 376,082</u>	<u>\$ 1,465,398</u>

Mercy Housing Southwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	El Mirage Senior Village	Mesa Senior Meadows	Guadalupe Senior Village	Peoria Place	Plazas de Merced	Vista Alegre
Revenues						
Rent - net of vacancies	\$ 279,899	\$ 247,100	\$ 149,582	\$ 100,562	\$ 218,400	\$ 346,322
Developer fees	-	-	-	-	-	-
Services fees	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Consulting	-	-	-	-	-	-
Interest	48	76	81	6	82	49
Other	990	1,234	1,797	4,091	1,475	2,833
Total revenues	280,937	248,410	151,460	104,659	219,957	349,204
Expenses and losses						
Compensation	112,662	121,718	61,648	23,578	90,370	114,772
Administrative	45,247	41,828	25,599	16,319	30,212	68,066
Professional services	8,380	8,380	8,230	10,886	8,381	9,580
Depreciation and amortization	80,867	81,203	43,495	37,042	63,061	137,461
Grants	-	-	-	-	-	-
Facility	87,861	74,077	51,077	43,276	67,067	109,447
Interest and fees	-	-	-	-	-	-
Bad debts	-	329	-	6,784	44	-
Project expenses	-	-	-	-	-	-
Allocation	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-
Total expenses and losses	335,017	327,535	190,049	137,885	259,135	439,326
Excess (deficiency) of revenues over expenses	(54,080)	(79,125)	(38,589)	(33,226)	(39,178)	(90,122)
Net assets at beginning of year	784,920	1,033,063	514,402	510,306	383,918	1,879,640
Other transfers to (from) net assets	-	-	-	-	-	-
Net assets at end of year	\$ 730,840	\$ 953,938	\$ 475,813	\$ 477,080	\$ 344,740	\$ 1,789,518

Mercy Housing Southwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Willow Street Apartments	Eliminations	Consolidated Mercy Housing Southwest
Revenues			
Rent - net of vacancies	\$ 135,087	\$ -	\$ 4,125,672
Developer fees	-	-	-
Services fees	-	-	212,102
Philanthropy	-	-	138,952
Capital grants	-	-	52
Consulting	-	-	-
Interest	60	-	9,370
Other	47	-	42,195
Total revenues	135,194	-	4,528,343
Expenses and losses			
Compensation	32,568	-	1,393,884
Administrative	25,566	-	633,287
Professional services	10,510	-	312,955
Depreciation and amortization	47,762	(16,946)	1,209,505
Grants	-	-	250
Facility	35,872	-	1,273,346
Interest and fees	-	-	320,225
Bad debts	-	-	14,083
Project expenses	-	-	-
Allocation	-	-	91,561
(Gain) loss on sale of assets	-	-	-
(Gain) loss on investment in limited partnership	-	-	-
Total expenses and losses	152,218	(16,946)	5,249,096
Excess (deficiency) of revenues over expenses	(17,084)	16,946	(720,753)
Net assets at beginning of year	526,387	(87,000)	7,236,357
Other transfers to (from) net assets	-	-	-
Net assets at end of year	\$ 509,303	\$ (70,054)	\$ 6,515,604

Mercy Housing California
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California	Affordable Housing Initiatives	All Hallows Community	Marin Homes for Independent Living (Camino Alto)	Cantebria Senior Homes	Mercy Senior Housing Oxnard (Casa Merced)	Francis of Assisi Community	Gault Street Senior Housing
Assets								
Current assets								
Cash and cash equivalents	\$ 8,426,540	\$ -	\$ 171,975	\$ 28,754	\$ 7,742	\$ 23,039	\$ 1,759,005	\$ 12,472
Cash, tenant security deposits	-	-	13,133	7,989	14,914	12,186	-	15,029
Cash, restricted	103,477	-	-	-	150	-	28,142	10,292
Investments	8,370,449	-	-	-	-	-	-	-
Investments, restricted	33,044,850	-	-	-	-	-	-	-
Accounts receivable, net	475,050	-	16,228	14	-	789	-	883
Due from affiliate, net	73,780,704	-	-	-	64	-	-	-
Pledges receivable, net	12,008,350	-	-	-	-	-	-	-
Grants receivable	54,935	-	-	-	-	-	-	-
Current portion of notes and interest receivable	95,777	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	1,154,230	-	-	-	-	-	-	-
Prepaid expenses and other assets	226,268	-	12,794	6,845	8,526	7,638	-	6,372
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	137,740,630	-	214,130	43,602	31,396	43,652	1,787,147	45,048
Property and equipment								
Land and land improvements	3,060,518	-	164,430	389,000	20,827	323,400	417,514	-
Buildings	1,979,002	-	3,251,011	2,273,478	5,248,809	4,202,859	-	4,664,224
Furniture and equipment	443,320	-	1,101,727	178,850	19,879	92,485	-	66,363
Predevelopment project costs	3,435,494	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(657,116)	-	(2,681,379)	(1,951,121)	(2,612,940)	(3,085,341)	-	(2,502,009)
Net property and equipment	8,261,218	-	1,835,789	890,207	2,676,575	1,533,403	417,514	2,228,578
Other long-term assets								
Restricted property reserves	214,426	-	1,298,618	638,354	128,198	160,414	1,629	180,370
Long-term investments	6,500,000	-	-	-	-	-	-	-
Long-term investments, restricted	575,000	-	-	-	-	-	-	-
Due from affiliates	12,650,631	-	-	-	-	-	-	-
Pledges receivable, net	17,629,775	-	-	-	-	-	-	-
Investments in limited partnerships, net	(1,625,890)	330,704	-	-	-	-	-	-
Notes and interest receivable, net	2,165,091	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	18,000,847	-	-	-	-	-	599,571	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	56,109,880	330,704	1,298,618	638,354	128,198	160,414	601,200	180,370
Total assets	\$ 202,111,728	\$ 330,704	\$ 3,348,537	\$ 1,572,163	\$ 2,836,169	\$ 1,737,469	\$ 2,805,861	\$ 2,453,996

Mercy Housing California
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California	Affordable Housing Initiatives	All Hallows Community	Marin Homes for Independent Living (Camino Alto)	Cantebria Senior Homes	Mercy Senior Housing Oxnard (Casa Merced)	Francis of Assisi Community	Gault Street Senior Housing
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 2,919,185	\$ 2,335	\$ 431,339	\$ 148,890	\$ 100,868	\$ 26,711	\$ 1,629	\$ 32,939
Due to affiliates	19,388,767	83,474	-	-	6,916	32,000	103,284	-
Accrued interest	51,710	-	14,751	8,234	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	599,745	-	65,009	31,911	-	-	-	-
Current portion of notes payable, affiliates	3,714,038	-	-	-	-	-	-	-
Deferred revenue and other liabilities	900,202	-	185	964	1,101	12	-	1,239
Tenant security deposits	-	-	11,422	7,989	14,262	11,686	-	14,529
Total current liabilities	27,573,647	85,809	522,706	197,988	123,147	70,409	104,913	48,707
Long-term liabilities								
Due to affiliates	60,000	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	6,710,000	-	3,225,488	1,663,079	-	-	-	-
Notes payable, less current portion, affiliates	464,136	-	-	-	-	-	-	-
Deferred revenue and other liabilities	898,014	-	-	-	-	-	-	-
Total long-term liabilities	8,132,150	-	3,225,488	1,663,079	-	-	-	-
Total liabilities	35,705,797	85,809	3,748,194	1,861,067	123,147	70,409	104,913	48,707
Net assets								
Net assets without donor restrictions, controlling	97,713,241	244,895	(399,657)	(288,904)	2,713,022	1,667,060	2,700,948	2,405,289
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	97,713,241	244,895	(399,657)	(288,904)	2,713,022	1,667,060	2,700,948	2,405,289
Net assets with donor restrictions	36,106,070	-	-	-	-	-	-	-
Total net assets	133,819,311	244,895	(399,657)	(288,904)	2,713,022	1,667,060	2,700,948	2,405,289
Total liabilities and net assets	\$ 169,525,108	\$ 330,704	\$ 3,348,537	\$ 1,572,163	\$ 2,836,169	\$ 1,737,469	\$ 2,805,861	\$ 2,453,996

Mercy Housing California
Consolidating Statement of Financial Position
December 31, 2018

	John W. King Senior Community	Maria B. Freitas Senior Housing Corporation	Marin Housing Corporation (Martinelli House)	Mercy Family Plaza Limited Partnership (Mercy Family Plaza)	Mercy Gardens	Notre Dame Senior Housing Corporation	Oceana Senior Housing Corporation (Oceana Terrace)	Presentation Senior Housing Community
Assets								
Current assets								
Cash and cash equivalents	\$ 79,835	\$ 31,798	\$ 5	\$ 382,643	\$ 27,551	\$ 24,671	\$ 9,030	\$ 95,295
Cash, tenant security deposits	27,762	21,643	-	35,395	6,496	26,130	14,593	35,512
Cash, restricted	11,723	300	-	-	68	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	9,079	365	-	5	-	-	25,465	361
Due from affiliate, net	-	-	-	-	10	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	23,560	14,492	-	5,582	4,899	15,805	9,382	27,662
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	151,959	68,598	5	423,625	39,024	66,606	58,470	158,830
Property and equipment								
Land and land improvements	1,042,148	785,749	-	1,037,824	95,609	2,000,000	400,000	1,797,674
Buildings	13,637,822	6,128,030	-	1,412,164	3,916,200	8,562,895	3,738,434	14,146,143
Furniture and equipment	266,166	204,698	-	52,875	79,530	294,266	212,167	484,853
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(8,600,592)	(4,840,054)	-	(2,055,433)	(2,376,428)	(6,821,836)	(3,237,708)	(9,611,660)
Net property and equipment	6,345,544	2,278,423	-	447,430	1,714,911	4,035,325	1,112,893	6,817,010
Other long-term assets								
Restricted property reserves	584,571	216,509	-	478,076	107,698	308,347	77,142	1,178,986
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	4,706,663	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	584,571	216,509	4,706,663	478,076	107,698	308,347	77,142	1,178,986
Total assets	\$ 7,082,074	\$ 2,563,530	\$ 4,706,668	\$ 1,349,131	\$ 1,861,633	\$ 4,410,278	\$ 1,248,505	\$ 8,154,826

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	John W. King Senior Community	Maria B. Freitas Senior Housing Corporation	Marin Housing Corporation (Martinelli House)	Mercy Family Plaza Limited Partnership (Mercy Family Plaza)	Mercy Gardens	Notre Dame Senior Housing Corporation	Oceana Senior Housing Corporation (Oceana Terrace)	Presentation Senior Housing Community
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 98,635	\$ 48,303	\$ -	\$ 30,413	\$ 185,462	\$ 79,934	\$ 73,302	\$ 69,414
Due to affiliates	10,000	-	-	17,149	8,019	-	-	-
Accrued interest	-	-	-	3,221	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	153,467	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	435	-	48	1,966	397	1,802	1,580
Tenant security deposits	27,262	21,393	-	34,270	5,996	25,630	15,092	38,105
Total current liabilities	135,897	70,131	-	238,568	201,443	105,961	90,196	109,099
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	569,921	-	896,685	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	-	586,427	1,060,319	-	618,000	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	2,179	-	-	-	2,320	1,476	-
Total long-term liabilities	-	2,179	-	586,427	1,630,240	2,320	1,516,161	-
Total liabilities	135,897	72,310	-	824,995	1,831,683	108,281	1,606,357	109,099
Net assets								
Net assets without donor restrictions, controlling	6,946,177	2,491,220	4,706,668	524,136	29,950	4,301,997	(357,852)	8,045,727
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	6,946,177	2,491,220	4,706,668	524,136	29,950	4,301,997	(357,852)	8,045,727
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	6,946,177	2,491,220	4,706,668	524,136	29,950	4,301,997	(357,852)	8,045,727
Total liabilities and net assets	\$ 7,082,074	\$ 2,563,530	\$ 4,706,668	\$ 1,349,131	\$ 1,861,633	\$ 4,410,278	\$ 1,248,505	\$ 8,154,826

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	Russell Manor	Tierra Del Sol, Inc.	Garden Park Apartment Community	Mercy Oaks Village	Mercy Commercial California	MPCAL, LLC	MCC 1360 LLC	Central Coast Housing
Assets								
Current assets								
Cash and cash equivalents	\$ 43,209	\$ 35,299	\$ 177,334	\$ 24,632	\$ 418,064	\$ 291,878	\$ -	\$ 50,219
Cash, tenant security deposits	20,699	24,160	7,110	21,738	-	-	-	4,906
Cash, restricted	-	10,287	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	3,609	90	5,743	490	18,475	140,568	-	-
Due from affiliate, net	-	-	-	-	138,983	-	3,206,130	53,222
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	11,349	22,431	6,107	10,637	15,962	39,565	-	1,910
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	78,866	92,267	196,294	57,497	591,484	472,011	3,206,130	110,257
Property and equipment								
Land and land improvements	242,906	1,213,204	569,084	9,960	-	5,845	-	211,256
Buildings	5,620,247	11,819,406	5,230,128	7,831,977	302,626	2,586,820	-	661,257
Furniture and equipment	388,365	31,415	54,216	84,829	-	-	-	13,971
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(4,659,703)	(5,005,245)	(2,158,247)	(3,584,732)	(178,487)	(218,427)	-	(380,156)
Net property and equipment	1,591,815	8,058,780	3,695,181	4,342,034	124,139	2,374,238	-	506,328
Other long-term assets								
Restricted property reserves	475,968	614,497	1,047,996	204,422	588,526	275,324	-	86,289
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	(189,410)
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	84,787	-	-
Total other long-term assets	475,968	614,497	1,047,996	204,422	588,526	360,111	-	(103,121)
Total assets	\$ 2,146,649	\$ 8,765,544	\$ 4,939,471	\$ 4,603,953	\$ 1,304,149	\$ 3,206,360	\$ 3,206,130	\$ 513,464

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	Russell Manor	Tierra Del Sol, Inc.	Garden Park Apartment Community	Mercy Oaks Village	Mercy Commercial California	MPCAL, LLC	MCC 1360 LLC	Central Coast Housing
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 35,472	\$ 37,992	\$ 43,394	\$ 31,352	\$ 35,781	\$ 72,996	\$ -	\$ 5,514
Due to affiliates	11,778	1,475,878	146,670	10,000	2,962,618	-	54,167	-
Accrued interest	-	-	-	-	-	206,101	-	88
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-	37,565	-	1,488
Current portion of notes payable, affiliates	-	96,934	-	-	-	-	-	-
Deferred revenue and other liabilities	1,183	-	996	559	6,752	-	-	-
Tenant security deposits	20,242	23,750	6,373	21,428	78,577	33,000	-	4,405
Total current liabilities	68,675	1,634,554	197,433	63,339	3,083,728	349,662	54,167	11,495
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	223,752	-	1,155,100	69,765	-	-	-	144,541
Accrued interest, affiliates	-	-	-	-	-	-	-	175,770
Notes payable, less current portion, net	356,551	(16,333)	3,220,544	478,373	-	2,790,750	-	220,989
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	180,000
Deferred revenue and other liabilities	1,790	-	-	-	295,899	228,293	-	-
Total long-term liabilities	582,093	(16,333)	4,375,644	548,138	295,899	3,019,043	-	721,300
Total liabilities	650,768	1,618,221	4,573,077	611,477	3,379,627	3,368,705	54,167	732,795
Net assets								
Net assets without donor restrictions, controlling	1,495,881	6,933,000	366,394	3,992,476	(2,075,478)	(162,345)	3,151,963	(219,331)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,495,881	6,933,000	366,394	3,992,476	(2,075,478)	(162,345)	3,151,963	(219,331)
Net assets with donor restrictions	-	214,323	-	-	-	-	-	-
Total net assets	1,495,881	7,147,323	366,394	3,992,476	(2,075,478)	(162,345)	3,151,963	(219,331)
Total liabilities and net assets	\$ 2,146,649	\$ 8,765,544	\$ 4,939,471	\$ 4,603,953	\$ 1,304,149	\$ 3,206,360	\$ 3,206,130	\$ 513,464

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	Mercy Housing California 58, LP (Neary Lagoon Apts.)	Sycamore Street Consolidated	Mercy Housing California Family Properties	Mercy Housing California 51, LP (Bill Sorro Community)	Mercy Housing California Special Needs	Mercy Housing California 57, LP (1500 Page)	Mercy Midtown Inc.	Florin Housing Corporation GP
Assets								
Current assets								
Cash and cash equivalents	\$ 61,890	\$ 146,742	\$ -	\$ 482,313	\$ -	\$ 49,325	\$ 167,260	\$ -
Cash, tenant security deposits	55,751	49,731	-	75,929	-	6,850	89,291	-
Cash, restricted	811	-	-	67,123	-	90,494	86,278	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	3,651	12,109	-	46,461	-	4,065	120,574	-
Due from affiliate, net	-	-	-	-	15,914	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	23,909	10,402	-	41,407	-	5,980	56,774	-
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	146,012	218,984	-	713,233	15,914	156,714	520,177	-
Property and equipment								
Land and land improvements	438,540	1,560,000	-	1,168,786	-	548,099	-	-
Buildings	18,754,435	3,776,013	-	37,309,078	-	9,588,685	8,674,177	-
Furniture and equipment	422,915	-	-	526,234	-	88,093	68,956	-
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(4,414,445)	(1,062,255)	-	(2,673,550)	-	(593,693)	(137,157)	-
Net property and equipment	15,201,445	4,273,758	-	36,330,548	-	9,631,184	8,605,976	-
Other long-term assets								
Restricted property reserves	769,897	339,386	-	407,170	-	721,737	250,077	-
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	1,273,485	-	(13,846)	-	-	(7,548,536)
Notes and interest receivable, net	-	-	2,377,000	-	2,347,800	-	-	-
Notes and interest receivable, affiliates	-	-	(2,377,000)	-	(2,347,800)	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	50,459	-	-	42,099	-	25,519	-	-
Total other long-term assets	820,356	339,386	1,273,485	449,269	(13,846)	747,256	250,077	(7,548,536)
Total assets	\$ 16,167,813	\$ 4,832,128	\$ 1,273,485	\$ 37,493,050	\$ 2,068	\$ 10,535,154	\$ 9,376,230	\$ (7,548,536)

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	Mercy Housing California 58, LP (Neary Lagoon Apts.)	Sycamore Street Consolidated	Mercy Housing California Family Properties	Mercy Housing California 51, LP (Bill Sorro Community)	Mercy Housing California Special Needs	Mercy Housing California 57, LP (1500 Page)	Mercy Midtown Inc.	Florin Housing Corporation GP
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 57,891	\$ 36,530	\$ 1,952	\$ 84,454	\$ 3,092	\$ 38,074	\$ 154,598	\$ -
Due to affiliates	28,981	26,294	7,862	-	19,834	-	20,460	392,305
Accrued interest	-	4,660	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	75,386	-	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	1,242	25,459	-	8,146	-	8,383	4,037	-
Tenant security deposits	55,326	42,724	-	75,457	-	7,015	86,120	-
Total current liabilities	143,440	211,053	9,814	168,057	22,926	53,472	265,215	392,305
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	3,377,478	1,158,583	-	60,556	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	7,248,791	3,912,201	-	19,046,167	-	3,567,618	-	-
Notes payable, less current portion, affiliates	-	-	-	2,377,000	-	-	-	-
Deferred revenue and other liabilities	4,394	2,109	-	98,500	-	-	-	-
Total long-term liabilities	10,630,663	5,072,893	-	21,582,223	-	3,567,618	-	-
Total liabilities	10,774,103	5,283,946	9,814	21,750,280	22,926	3,621,090	265,215	392,305
Net assets								
Net assets without donor restrictions, controlling	5,393,710	(451,818)	1,263,671	15,742,770	(20,858)	6,914,064	9,111,015	(7,940,841)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	5,393,710	(451,818)	1,263,671	15,742,770	(20,858)	6,914,064	9,111,015	(7,940,841)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	5,393,710	(451,818)	1,263,671	15,742,770	(20,858)	6,914,064	9,111,015	(7,940,841)
Total liabilities and net assets	\$ 16,167,813	\$ 4,832,128	\$ 1,273,485	\$ 37,493,050	\$ 2,068	\$ 10,535,154	\$ 9,376,230	\$ (7,548,536)

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	Mercy Housing California 77, LP (Crossroad Gardens)	Mercy Housing California 80, LP Consolidated	3425 Orange Grove LLC	Mercy Housing California 81, LP (Courtyard Inn)	Sunnydale Block 6 Housing Partnership, LP	Mercy Mather Veterans 3 LLC	Mercy Housing California 79, LP (Mather Phase 3)	Consolidated Mercy Housing California Senior Properties
Assets								
Current assets								
Cash and cash equivalents	\$ 191,450	\$ 92,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,118,843
Cash, tenant security deposits	44,072	63,817	-	-	-	-	-	90,441
Cash, restricted	107,515	120,062	-	8,911	210,318	-	129,391	750
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	3,246	2,809	-	-	-	-	51,437	95,785
Due from affiliate, net	-	22,287	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	13,776	21,389	-	141,022	150,000	-	-	61,454
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	360,059	322,783	-	149,933	360,318	-	180,828	2,367,273
Property and equipment								
Land and land improvements	1,683,230	902,403	-	799,441	-	-	-	1,545,844
Buildings	14,721,216	2,956,217	-	7,011,188	-	-	-	16,611,803
Furniture and equipment	312,480	266,131	-	107,749	-	-	-	1,470,875
Predevelopment project costs	-	-	-	-	982,085	-	-	-
Construction in progress	-	4,450,998	-	3,201,470	-	-	6,868,758	-
Accumulated depreciation	(531,350)	(256,867)	-	-	-	-	-	(7,141,983)
Net property and equipment	16,185,576	8,318,882	-	11,119,848	982,085	-	6,868,758	12,486,539
Other long-term assets								
Restricted property reserves	1,657,274	-	-	-	-	-	-	3,241,714
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	(3,572)	-	-	90	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	7,912	133,134	-	188,018	-	-	54,390	-
Total other long-term assets	1,665,186	133,134	(3,572)	188,018	-	90	54,390	3,241,714
Total assets	\$ 18,210,821	\$ 8,774,799	\$ (3,572)	\$ 11,457,799	\$ 1,342,403	\$ 90	\$ 7,103,976	\$ 18,095,526

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	Mercy Housing California 77, LP (Crossroad Gardens)	Mercy Housing California 80, LP Consolidated	3425 Orange Grove LLC	Mercy Housing California 81, LP (Courtyard Inn)	Sunnydale Block 6 Housing Partnership, LP	Mercy Mather Veterans 3 LLC	Mercy Housing California 79, LP (Mather Phase 3)	Consolidated Mercy Housing California Senior Properties
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 119,376	\$ 1,990,936	\$ -	\$ 778,156	\$ 157,793	\$ 90	\$ 1,593,472	\$ 1,388,575
Due to affiliates	391,369	540,264	100	20,220	-	-	298,853	39,151
Accrued interest	33,656	9,112	-	-	-	-	12,601	213,575
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	9,809,105	1,382,470	-	-	-	-	-	448,688
Current portion of notes payable, affiliates	-	47,814	-	233,478	248,784	-	-	-
Deferred revenue and other liabilities	-	8,852	-	-	-	-	-	10,099
Tenant security deposits	45,281	58,354	-	-	-	-	-	85,298
Total current liabilities	10,398,787	4,037,802	100	1,031,854	406,577	90	1,904,926	2,185,386
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	78,710	3,556,886	-	7,521	18,827	-	-	708,316
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	5,863,150	7,604,001	-	8,250,422	935,227	-	3,600,112	12,304,157
Notes payable, less current portion, affiliates	2,087,284	-	-	-	-	-	110,001	-
Deferred revenue and other liabilities	1,530,575	-	-	-	-	-	-	77,283
Total long-term liabilities	9,559,719	11,160,887	-	8,257,943	954,054	-	3,710,113	13,089,756
Total liabilities	19,958,506	15,198,689	100	9,289,797	1,360,631	90	5,615,039	15,275,142
Net assets								
Net assets without donor restrictions, controlling	(1,747,685)	(6,423,890)	(3,672)	2,168,002	(18,228)	-	1,488,937	2,820,384
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(1,747,685)	(6,423,890)	(3,672)	2,168,002	(18,228)	-	1,488,937	2,820,384
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(1,747,685)	(6,423,890)	(3,672)	2,168,002	(18,228)	-	1,488,937	2,820,384
Total liabilities and net assets	\$ 18,210,821	\$ 8,774,799	\$ (3,572)	\$ 11,457,799	\$ 1,342,403	\$ 90	\$ 7,103,976	\$ 18,095,526

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	Consolidated Mercy Housing Calwest	Consolidated Mercy Properties California	Consolidated San Juan Housing Corporation	Eliminations	Consolidated Mercy Housing California
Assets					
Current assets					
Cash and cash equivalents	\$ 15,519,858	\$ 728,290	\$ 447,407	\$ -	\$ 32,126,787
Cash, tenant security deposits	1,936,555	45,520	134,586	-	2,901,938
Cash, restricted	19,093,964	-	-	-	20,080,056
Investments	-	-	-	-	8,370,449
Investments, restricted	-	-	-	-	33,044,850
Accounts receivable, net	2,562,503	457	21,226	(284,146)	3,337,391
Due from affiliate, net	1,133,532	121,325	-	(18,107,453)	60,364,718
Pledges receivable, net	-	-	-	-	12,008,350
Grants receivable	-	-	-	-	54,935
Current portion of notes and interest receivable	-	-	-	-	95,777
Current portion of notes and interest receivable, affiliates	-	-	-	(832,206)	322,024
Prepaid expenses and other assets	1,902,812	17,398	51,122	(612,982)	2,362,249
Inventory	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Total current assets	42,149,224	912,990	654,341	(19,836,787)	175,069,524
Property and equipment					
Land and land improvements	97,439,040	5,484,234	1,643,175	-	126,999,740
Buildings	848,188,587	13,541,211	7,930,024	(23,441,799)	1,072,834,367
Furniture and equipment	22,403,810	165,798	3,790,024	-	33,693,040
Predevelopment project costs	5,012,349	-	-	-	9,429,928
Construction in progress	164,924,669	34,247	-	(2,688,283)	176,791,859
Accumulated depreciation	(122,191,828)	(9,898,406)	(9,232,962)	4,804,713	(220,548,397)
Net property and equipment	1,015,776,627	9,327,084	4,130,261	(21,325,369)	1,199,200,537
Other long-term assets					
Restricted property reserves	64,907,762	702,419	645,063	-	82,508,859
Long-term investments	-	-	-	-	6,500,000
Long-term investments, restricted	-	-	-	-	575,000
Due from affiliates	-	60,000	-	(12,978,819)	(268,188)
Pledges receivable, net	-	-	-	-	17,629,775
Investments in limited partnerships, net	(16,301,876)	-	-	12,593,084	(11,485,767)
Notes and interest receivable, net	-	22,000	-	(4,724,800)	2,187,091
Notes and interest receivable, affiliates	1,397,285	-	-	(12,415,212)	7,564,354
Allowance for impaired assets	-	-	-	-	-
Other assets, net	15,079,444	-	-	-	15,665,762
Total other long-term assets	65,082,615	784,419	645,063	(17,525,747)	120,876,886
Total assets	\$ 1,123,008,466	\$ 11,024,493	\$ 5,429,665	\$ (58,687,903)	\$ 1,495,146,947

Mercy Housing California
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Housing Calwest	Consolidated Mercy Properties California	Consolidated San Juan Housing Corporation	Eliminations	Consolidated Mercy Housing California
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 43,271,464	\$ 149,291	\$ 188,846	\$ (212,268)	\$ 54,314,182
Due to affiliates	15,467,142	103,515	112,090	(20,029,610)	21,749,550
Accrued interest	1,693,592	570,063	14,579	-	2,835,943
Accrued interest, affiliates	-	-	-	-	-
Current portion of notes payable	138,083,122	76,593	126,696	-	150,891,245
Current portion of notes payable, affiliates	76,687	631,519	-	(1,251,764)	3,797,490
Deferred revenue and other liabilities	2,475,164	2,045	4,009	(599,222)	2,867,635
Tenant security deposits	1,960,994	46,440	133,792	-	3,012,212
Total current liabilities	203,028,165	1,579,466	580,012	(22,092,864)	239,468,257
Long-term liabilities					
Due to affiliates	-	-	-	(60,000)	-
Accrued interest	31,704,077	549,392	2,243,929	-	46,524,039
Accrued interest, affiliates	807,319	-	-	(807,319)	175,770
Notes payable, less current portion, net	639,739,246	3,860,466	6,894,528	(2,347,800)	741,392,473
Notes payable, less current portion, affiliates	19,103,536	-	-	(22,603,645)	1,718,312
Deferred revenue and other liabilities	28,422,450	12,500	4,729	(11,975,572)	19,606,939
Total long-term liabilities	719,776,628	4,422,358	9,143,186	(37,794,336)	809,417,533
Total liabilities	922,804,793	6,001,824	9,723,198	(59,887,200)	1,048,885,790
Net assets					
Net assets without donor restrictions, controlling	200,203,673	5,022,669	(4,293,533)	1,199,297	377,354,144
Net assets without donor restrictions, noncontrolling	-	-	-	-	-
Total net assets without donor restrictions	200,203,673	5,022,669	(4,293,533)	1,199,297	377,354,144
Net assets with donor restrictions	-	-	-	-	36,320,393
Total net assets	200,203,673	5,022,669	(4,293,533)	1,199,297	413,674,537
Total liabilities and net assets	\$ 1,123,008,466	\$ 11,024,493	\$ 5,429,665	\$ (58,687,903)	\$ 1,462,560,327

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California	Affordable Housing Initiatives	All Hallows Community	Marin Homes for Independent Living (Camino Alto)	Cantebria Senior Homes	Mercy Senior Housing Oxnard (Casa Merced)	Francis of Assisi Community	Gault Street Senior Housing
Revenues								
Rent - net of vacancies	\$ -	\$ -	\$ 985,865	\$ 375,486	\$ 357,828	\$ 367,943	\$ -	\$ 267,320
Developer fees	15,757,756	-	-	-	-	-	-	-
Services fees	5,236,567	-	-	-	-	-	-	-
Philanthropy	33,044,850	-	-	-	-	-	-	-
Capital grants	475,050	-	-	-	-	-	-	-
Consulting	988,560	-	-	-	-	-	-	-
Interest	965,131	-	15,171	1,218	59	100	-	109
Other	15,092,094	-	(2,166)	3,330	2,821	4,867	479,657	3,459
Total revenues	71,560,008	-	998,870	380,034	360,708	372,910	479,657	270,888
Expenses and losses								
Compensation	10,968,213	-	248,472	91,098	140,915	123,636	-	95,188
Administrative	2,462,528	910	143,372	40,286	85,620	61,465	13,282	60,332
Professional services	998,640	467	8,380	11,937	17,998	48,820	1,900	23,245
Depreciation and amortization	134,074	-	223,438	63,615	195,831	156,237	-	175,918
Grants	1,007,649	-	-	-	-	-	1,979,657	-
Facility	420,887	-	161,850	87,697	152,139	122,515	-	94,322
Interest and fees	29,623	-	178,539	101,951	-	-	-	-
Bad debts	207,927	-	-	-	126	-	-	-
Project expenses	1,251,819	-	-	-	-	-	-	-
Allocation	4,573,202	-	-	-	-	-	-	-
(Gain) loss on sale of assets	(95,064)	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	(312)	(35)	-	-	-	-	-	-
Total expenses and losses	21,959,186	1,342	964,051	396,584	592,629	512,673	1,994,839	449,005
Excess (deficiency) of revenues over expenses	49,600,822	(1,342)	34,819	(16,550)	(231,921)	(139,763)	(1,515,182)	(178,117)
Net assets at beginning of year	84,218,489	246,237	(434,476)	(272,354)	2,944,943	1,806,823	2,551,979	2,583,406
Other transfers to (from) net assets	-	-	-	-	-	-	1,664,151	-
Net assets at end of year	\$ 133,819,311	\$ 244,895	\$ (399,657)	\$ (288,904)	\$ 2,713,022	\$ 1,667,060	\$ 2,700,948	\$ 2,405,289

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	John W. King Senior Community	Maria B. Freitas Senior Housing Corporation	Marin Housing Corporation (Martinelli House)	Mercy Family Plaza Limited Partnership (Mercy Family Plaza)	Mercy Gardens	Notre Dame Senior Housing Corporation	Oceana Senior Housing Corporation (Oceana Terrace)	Presentation Senior Housing Community
Revenues								
Rent - net of vacancies	\$ 997,333	\$ 596,092	\$ -	\$ 786,490	\$ 243,663	\$ 619,129	\$ 361,316	\$ 1,211,144
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	4	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	268	195	176,819	99	62	143	57	5,868
Other	16,499	63,463	-	6,505	2,192	7,528	3,673	5,343
Total revenues	1,014,100	659,750	176,819	793,094	245,921	626,800	365,046	1,222,355
Expenses and losses								
Compensation	528,763	233,780	-	15,886	98,066	254,905	134,180	526,464
Administrative	134,423	167,028	15,000	69,285	46,627	137,240	66,026	160,198
Professional services	16,483	9,580	-	8,125	8,230	13,843	20,374	10,115
Depreciation and amortization	509,237	227,216	-	104,677	152,271	321,592	166,075	567,136
Grants	-	-	185,063	-	-	-	-	-
Facility	249,089	201,678	-	207,512	143,652	197,435	168,600	434,907
Interest and fees	15	-	-	41,154	31,855	102	36,808	-
Bad debts	-	-	-	-	-	1,544	-	242
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	1,438,010	839,282	200,063	446,639	480,701	926,661	592,063	1,699,062
Excess (deficiency) of revenues over expenses	(423,910)	(179,532)	(23,244)	346,455	(234,780)	(299,861)	(227,017)	(476,707)
Net assets at beginning of year	7,370,087	2,670,752	4,729,912	207,681	264,730	4,601,858	(130,835)	8,522,434
Other transfers to (from) net assets	-	-	-	(30,000)	-	-	-	-
Net assets at end of year	\$ 6,946,177	\$ 2,491,220	\$ 4,706,668	\$ 524,136	\$ 29,950	\$ 4,301,997	\$ (357,852)	\$ 8,045,727

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Russell Manor	Tierra Del Sol, Inc.	Garden Park Apartment Community	Mercy Oaks Village	Mercy Commercial California	MPCAL, LLC	MCC 1360 LLC	Central Coast Housing
Revenues								
Rent - net of vacancies	\$ 489,228	\$ 605,031	\$ 391,380	\$ 414,262	\$ 937,525	\$ 408,842	\$ -	\$ 55,724
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	38,152	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	6,854	6,853	15,347	112	5,766	2,736	-	41
Other	679	6,420	249,766	6,724	154,903	219,307	-	158
Total revenues	496,761	618,304	656,493	421,098	1,136,346	630,885	-	55,923
Expenses and losses								
Compensation	162,687	206,005	156,451	135,965	240,818	-	-	26,080
Administrative	78,865	116,610	38,989	79,500	64,503	98,326	800	5,544
Professional services	9,580	10,305	210,476	43,502	4,810	6,952	-	-
Depreciation and amortization	203,589	485,510	193,195	296,516	23,655	120,258	-	16,543
Grants	-	-	-	-	-	-	-	-
Facility	158,849	260,211	124,442	140,276	691,898	387,444	-	22,299
Interest and fees	10,752	4,172	93,433	5,978	-	153,621	-	7,415
Bad debts	-	-	4,858	-	-	-	-	383
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	44
Total expenses and losses	624,322	1,082,813	821,844	701,737	1,025,684	766,601	800	78,308
Excess (deficiency) of revenues over expenses	(127,561)	(464,509)	(165,351)	(280,639)	110,662	(135,716)	(800)	(22,385)
Net assets at beginning of year	1,623,442	7,611,832	531,745	4,273,115	(2,186,140)	(26,629)	3,152,763	(196,946)
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 1,495,881	\$ 7,147,323	\$ 366,394	\$ 3,992,476	\$ (2,075,478)	\$ (162,345)	\$ 3,151,963	\$ (219,331)

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California 58, LP (Neary Lagoon Apts.)	Sycamore Street Consolidated	Mercy Housing California Family Properties	Mercy Housing California 51, LP (Bill Sorro Community)	Mercy Housing California Special Needs	Mercy Housing California 57, LP (1500 Page)	Mercy Midtown Inc.	Florin Housing Corporation GP
Revenues								
Rent - net of vacancies	\$ 908,310	\$ 796,970	\$ -	\$ 1,025,384	\$ -	\$ 157,696	\$ 1,356,899	\$ -
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	15,914	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	2,377,000	-	2,347,800	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	225	1,842	-	113	-	15	71	-
Other	13,726	23,015	-	17,729	-	19,488	4,801,438	-
Total revenues	922,261	821,827	2,377,000	1,043,226	2,363,714	177,199	6,158,408	-
Expenses and losses								
Compensation	201,394	152,696	-	153,275	-	31,271	516,560	-
Administrative	164,133	98,105	204	169,821	15,968	55,033	256,485	747
Professional services	89,269	81,882	934	112,260	934	24,830	122,517	934
Depreciation and amortization	778,008	340,561	-	1,495,725	-	293,045	137,157	-
Grants	-	-	-	-	-	-	-	-
Facility	379,760	195,593	-	371,458	-	41,946	1,042,432	-
Interest and fees	198,222	129,357	-	239,548	-	49,005	35	-
Bad debts	-	-	2,377,000	7,346	2,347,800	7,317	145,030	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	151	-	33	-	-	157
Total expenses and losses	1,810,786	998,194	2,378,289	2,549,433	2,364,735	502,447	2,220,216	1,838
Excess (deficiency) of revenues over expenses	(888,525)	(176,367)	(1,289)	(1,506,207)	(1,021)	(325,248)	3,938,192	(1,838)
Net assets at beginning of year	6,282,235	(275,451)	1,264,960	11,100,361	(19,837)	4,802,252	5,172,823	(1,637,604)
Other transfers to (from) net assets	-	-	-	6,148,616	-	2,437,060	-	(6,301,399)
Net assets at end of year	\$ 5,393,710	\$ (451,818)	\$ 1,263,671	\$ 15,742,770	\$ (20,858)	\$ 6,914,064	\$ 9,111,015	\$ (7,940,841)

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California 77, LP (Crossroad Gardens)	Mercy Housing California 80, LP Consolidated	3425 Orange Grove LLC	Mercy Housing California 81, LP (Courtyard Inn)	Sunnydale Block 6 Housing Partnership, LP	Mercy Mather Veterans 3 LLC	Mercy Housing California 79, LP (Mather Phase 3)	Consolidated Mercy Housing California Senior Properties
Revenues								
Rent - net of vacancies	\$ 709,529	\$ 492,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,849,100
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	15,028
Other	13,933	3,433	-	-	-	-	-	191,584
Total revenues	<u>723,462</u>	<u>496,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,055,712</u>
Expenses and losses								
Compensation	151,325	149,455	-	-	-	-	-	1,198,747
Administrative	115,708	67,303	-	60,287	930	-	125	1,017,817
Professional services	52,357	48,790	-	4,399	4,399	-	4,399	126,099
Depreciation and amortization	442,690	256,867	-	-	-	-	-	1,023,696
Grants	-	-	-	-	-	-	-	9,220,094
Facility	181,516	182,884	-	-	-	-	-	1,130,223
Interest and fees	268,689	40,574	-	-	-	-	-	1,239,711
Bad debts	-	-	-	-	-	-	-	577
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	3,672	-	-	-	-	-
Total expenses and losses	<u>1,212,285</u>	<u>745,873</u>	<u>3,672</u>	<u>64,686</u>	<u>5,329</u>	<u>-</u>	<u>4,524</u>	<u>14,956,964</u>
Excess (deficiency) of revenues over expenses	(488,823)	(249,868)	(3,672)	(64,686)	(5,329)	-	(4,524)	(8,901,252)
Net assets at beginning of year	(1,246,362)	-	-	-	(4,399)	-	-	2,772,603
Other transfers to (from) net assets	(12,500)	(6,174,022)	-	2,232,688	(8,500)	-	1,493,461	8,949,033
Net assets at end of year	<u>\$ (1,747,685)</u>	<u>\$ (6,423,890)</u>	<u>\$ (3,672)</u>	<u>\$ 2,168,002</u>	<u>\$ (18,228)</u>	<u>\$ -</u>	<u>\$ 1,488,937</u>	<u>\$ 2,820,384</u>

Mercy Housing California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Consolidated Mercy Housing Calwest	Consolidated Mercy Properties California	Consolidated San Juan Housing Corporation	Eliminations	Consolidated Mercy Housing California
Revenues					
Rent - net of vacancies	\$ 43,115,055	\$ 781,970	\$ 1,415,703	\$ (348,335)	\$ 66,732,454
Developer fees	-	-	-	(3,573,157)	12,184,599
Services fees	28,982	-	-	(3,381,485)	1,938,134
Philanthropy	-	54,000	-	(54,000)	33,044,850
Capital grants	2,340,368	58,488	-	-	7,598,706
Consulting	-	-	-	(269,650)	718,910
Interest	362,789	851	3,401	(137,825)	1,449,518
Other	4,066,665	733,422	33,738	(16,274,500)	9,970,893
Total revenues	49,913,859	1,628,731	1,452,842	(24,038,952)	133,638,064
Expenses and losses					
Compensation	7,875,455	182,799	317,193	-	25,317,742
Administrative	6,506,815	68,892	214,127	(260,073)	12,699,186
Professional services	3,778,287	49,695	29,812	(3,100,596)	2,914,963
Depreciation and amortization	30,536,750	518,678	433,546	(792,441)	39,800,865
Grants	3,519,615	-	-	(15,139,214)	772,864
Facility	14,257,198	244,643	506,759	(833,517)	22,128,597
Interest and fees	16,089,406	180,392	305,548	(134,907)	19,300,998
Bad debts	154,462	-	3,064	(4,780,547)	477,129
Project expenses	-	-	-	-	1,251,819
Allocation	-	-	-	-	4,573,202
(Gain) loss on sale of assets	(22,831)	-	-	-	(117,895)
(Gain) loss on investment in limited partnership	1,291,758	-	-	(358,444)	937,024
Total expenses and losses	83,986,915	1,245,099	1,810,049	(25,399,739)	130,056,494
Excess (deficiency) of revenues over expenses	(34,073,056)	383,632	(357,207)	1,360,787	3,581,570
Net assets at beginning of year	163,105,663	4,639,037	(3,936,326)	(6,072,078)	322,612,725
Other transfers to (from) net assets	71,171,066	-	-	5,910,588	87,480,242
Net assets at end of year	\$ 200,203,673	\$ 5,022,669	\$ (4,293,533)	\$ 1,199,297	\$ 413,674,537

Mercy Housing California Senior Properties
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California Senior		Dorothy Day			St. Andrew	
	Properties	Bennett House, LP	Community, LP	Junipero Serra, LP	Monsignor Lyne, LP	Community, LP	
Assets							
Current assets							
Cash and cash equivalents	\$ -	\$ 63,720	\$ 1,353,387	\$ 161,116	\$ 308,147	\$ 127,499	
Cash, tenant security deposits	-	27,286	1,669	9,347	7,279	17,583	
Cash, restricted	-	300	-	-	-	-	
Investments	-	-	-	-	-	-	
Investments, restricted	-	-	-	-	-	-	
Accounts receivable, net	-	48,969	-	65	-	46,083	
Due from affiliate, net	-	-	-	-	-	-	
Pledges receivable, net	-	-	-	-	-	-	
Grants receivable	-	-	-	-	-	-	
Current portion of notes and interest receivable	-	-	-	-	-	-	
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	
Prepaid expenses and other assets	-	14,518	-	8,776	6,479	11,728	
Inventory	-	-	-	-	-	-	
Assets held for sale	-	-	-	-	-	-	
Total current assets	-	154,793	1,355,056	179,304	321,905	202,893	
Property and equipment							
Land and land improvements	-	393,690	-	19,791	210,151	575,836	
Buildings	-	4,315,190	-	2,131,532	2,077,485	3,686,235	
Furniture and equipment	-	325,651	-	87,495	577,842	294,272	
Predevelopment project costs	-	-	-	-	-	-	
Construction in progress	-	-	-	-	-	-	
Accumulated depreciation	-	(2,012,352)	-	(743,083)	(1,026,183)	(1,500,818)	
Net property and equipment	-	3,022,179	-	1,495,735	1,839,295	3,055,525	
Other long-term assets							
Restricted property reserves	-	1,342,352	1,819	403,421	492,889	263,651	
Long-term investments	-	-	-	-	-	-	
Long-term investments, restricted	-	-	-	-	-	-	
Due from affiliates	-	-	-	-	-	-	
Pledges receivable, net	-	-	-	-	-	-	
Investments in limited partnerships, net	2,807,161	-	-	-	-	-	
Notes and interest receivable, net	-	-	-	-	-	-	
Notes and interest receivable, affiliates	-	-	-	-	-	-	
Allowance for impaired assets	-	-	-	-	-	-	
Other assets, net	-	-	-	-	-	-	
Total other long-term assets	2,807,161	1,342,352	1,819	403,421	492,889	263,651	
Total assets	\$ 2,807,161	\$ 4,519,324	\$ 1,356,875	\$ 2,078,460	\$ 2,654,089	\$ 3,522,069	

Mercy Housing California Senior Properties
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California Senior		Dorothy Day			St. Andrew
	Properties	Bennett House, LP	Community, LP	Junipero Serra, LP	Monsignor Lyne, LP	Community, LP
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	\$ 3,092	\$ 359,532	\$ 13,279	\$ 305,222	\$ 552,671	\$ 109,479
Due to affiliates	12,036	-	26,539	-	-	-
Accrued interest	-	78,376	-	28,472	20,130	35,796
Accrued interest, affiliates	-	-	-	-	-	-
Current portion of notes payable	-	135,000	-	70,016	53,672	95,000
Current portion of notes payable, affiliates	-	-	-	-	-	-
Deferred revenue and other liabilities	-	23	-	4,020	-	3,712
Tenant security deposits	-	26,786	-	8,576	6,997	17,467
Total current liabilities	<u>15,128</u>	<u>599,717</u>	<u>39,818</u>	<u>416,306</u>	<u>633,470</u>	<u>261,454</u>
Long-term liabilities						
Due to affiliates	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	708,316
Accrued interest, affiliates	-	-	-	-	-	-
Notes payable, less current portion, net	-	3,918,391	-	1,702,287	1,388,117	2,581,234
Notes payable, less current portion, affiliates	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	73,635	-	1,758
Total long-term liabilities	<u>-</u>	<u>3,918,391</u>	<u>-</u>	<u>1,775,922</u>	<u>1,388,117</u>	<u>3,291,308</u>
Total liabilities	<u>15,128</u>	<u>4,518,108</u>	<u>39,818</u>	<u>2,192,228</u>	<u>2,021,587</u>	<u>3,552,762</u>
Net assets						
Net assets without donor restrictions, controlling	2,792,033	1,216	1,317,057	(113,768)	632,502	(30,693)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-
Total net assets without donor restrictions	<u>2,792,033</u>	<u>1,216</u>	<u>1,317,057</u>	<u>(113,768)</u>	<u>632,502</u>	<u>(30,693)</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>2,792,033</u>	<u>1,216</u>	<u>1,317,057</u>	<u>(113,768)</u>	<u>632,502</u>	<u>(30,693)</u>
Total liabilities and net assets	<u>\$ 2,807,161</u>	<u>\$ 4,519,324</u>	<u>\$ 1,356,875</u>	<u>\$ 2,078,460</u>	<u>\$ 2,654,089</u>	<u>\$ 3,522,069</u>

Mercy Housing California Senior Properties
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy		
	Villa Columbia Mercy		Housing California
	Riverside, LP	Eliminations	Senior Properties
Assets			
Current assets			
Cash and cash equivalents	\$ 104,974	\$ -	\$ 2,118,843
Cash, tenant security deposits	27,277	-	90,441
Cash, restricted	450	-	750
Investments	-	-	-
Investments, restricted	-	-	-
Accounts receivable, net	668	-	95,785
Due from affiliate, net	1,579	(1,579)	-
Pledges receivable, net	-	-	-
Grants receivable	-	-	-
Current portion of notes and interest receivable	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-
Prepaid expenses and other assets	19,953	-	61,454
Inventory	-	-	-
Assets held for sale	-	-	-
Total current assets	<u>154,901</u>	<u>(1,579)</u>	<u>2,367,273</u>
Property and equipment			
Land and land improvements	346,376	-	1,545,844
Buildings	4,401,361	-	16,611,803
Furniture and equipment	185,615	-	1,470,875
Predevelopment project costs	-	-	-
Construction in progress	-	-	-
Accumulated depreciation	<u>(1,859,547)</u>	<u>-</u>	<u>(7,141,983)</u>
Net property and equipment	<u>3,073,805</u>	<u>-</u>	<u>12,486,539</u>
Other long-term assets			
Restricted property reserves	737,582	-	3,241,714
Long-term investments	-	-	-
Long-term investments, restricted	-	-	-
Due from affiliates	-	-	-
Pledges receivable, net	-	-	-
Investments in limited partnerships, net	-	(2,807,161)	-
Notes and interest receivable, net	-	-	-
Notes and interest receivable, affiliates	-	-	-
Allowance for impaired assets	-	-	-
Other assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total other long-term assets	<u>737,582</u>	<u>(2,807,161)</u>	<u>3,241,714</u>
Total assets	<u><u>\$ 3,966,288</u></u>	<u><u>\$ (2,808,740)</u></u>	<u><u>\$ 18,095,526</u></u>

Mercy Housing California Senior Properties
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy		
	Villa Columbia Mercy		Housing California
	Riverside, LP	Eliminations	Senior Properties
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 45,300	\$ -	\$ 1,388,575
Due to affiliates	2,155	(1,579)	39,151
Accrued interest	50,801	-	213,575
Accrued interest, affiliates	-	-	-
Current portion of notes payable	95,000	-	448,688
Current portion of notes payable, affiliates	-	-	-
Deferred revenue and other liabilities	2,344	-	10,099
Tenant security deposits	25,472	-	85,298
Total current liabilities	221,072	(1,579)	2,185,386
Long-term liabilities			
Due to affiliates	-	-	-
Accrued interest	-	-	708,316
Accrued interest, affiliates	-	-	-
Notes payable, less current portion, net	2,714,128	-	12,304,157
Notes payable, less current portion, affiliates	-	-	-
Deferred revenue and other liabilities	1,890	-	77,283
Total long-term liabilities	2,716,018	-	13,089,756
Total liabilities	2,937,090	(1,579)	15,275,142
Net assets			
Net assets without donor restrictions, controlling	1,029,198	(2,807,161)	2,820,384
Net assets without donor restrictions, noncontrolling	-	-	-
Total net assets without donor restrictions	1,029,198	(2,807,161)	2,820,384
Net assets with donor restrictions	-	-	-
Total net assets	1,029,198	(2,807,161)	2,820,384
Total liabilities and net assets	\$ 3,966,288	\$ (2,808,740)	\$ 18,095,526

Mercy Housing California Senior Properties
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California Senior Properties		Dorothy Day Bennett House, LP Community, LP Junipero Serra, LP			St. Andrew Monsignor Lyne, LP Community, LP	
Revenues							
Rent - net of vacancies	\$ -	\$ 1,117,426	\$ 1,126,924	\$ 654,905	\$ 798,817	\$ 1,227,314	
Developer fees	-	-	-	-	-	-	
Services fees	-	-	-	-	-	-	
Philanthropy	-	-	-	-	-	-	
Capital grants	-	-	-	-	-	-	
Consulting	-	-	-	-	-	-	
Interest	-	698	1,696	1,234	1,756	2,710	
Other	-	9,538	126,638	28,265	19,964	2,927	
Total revenues	-	1,127,662	1,255,258	684,404	820,537	1,232,951	
Expenses and losses							
Compensation	-	203,977	217,115	159,114	138,560	191,448	
Administrative	205	216,998	100,032	100,840	328,379	135,228	
Professional services	934	22,501	22,774	10,296	31,379	8,980	
Depreciation and amortization	-	189,992	163,369	122,537	172,763	186,927	
Grants	-	-	9,220,094	-	-	-	
Facility	-	206,316	181,165	163,137	107,388	204,095	
Interest and fees	-	255,413	472,104	102,105	76,798	146,198	
Bad debts	-	-	376	-	-	-	
Project expenses	-	-	-	-	-	-	
Allocation	-	-	-	-	-	-	
(Gain) loss on sale of assets	-	-	-	-	-	-	
(Gain) loss on investment in limited partnership	(48,432)	-	-	-	-	-	
Total expenses and losses	(47,293)	1,095,197	10,377,029	658,029	855,267	872,876	
Excess (deficiency) of revenues over expenses	47,293	32,465	(9,121,771)	26,375	(34,730)	360,075	
Net assets at beginning of year	2,744,740	(31,249)	1,489,795	(140,143)	667,232	(390,768)	
Other transfers to (from) net assets	-	-	8,949,033	-	-	-	
Net assets at end of year	<u>\$ 2,792,033</u>	<u>\$ 1,216</u>	<u>\$ 1,317,057</u>	<u>\$ (113,768)</u>	<u>\$ 632,502</u>	<u>\$ (30,693)</u>	

Mercy Housing California Senior Properties
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Villa Columbia Mercy		Consolidated Mercy
	Riverside, LP	Eliminations	Housing California
			Senior Properties
Revenues			
Rent - net of vacancies	\$ 923,714	\$ -	\$ 5,849,100
Developer fees	-	-	-
Services fees	-	-	-
Philanthropy	-	-	-
Capital grants	-	-	-
Consulting	-	-	-
Interest	6,934	-	15,028
Other	4,252	-	191,584
Total revenues	<u>934,900</u>	<u>-</u>	<u>6,055,712</u>
Expenses and losses			
Compensation	288,533	-	1,198,747
Administrative	136,135	-	1,017,817
Professional services	29,235	-	126,099
Depreciation and amortization	188,108	-	1,023,696
Grants	-	-	9,220,094
Facility	268,122	-	1,130,223
Interest and fees	187,093	-	1,239,711
Bad debts	201	-	577
Project expenses	-	-	-
Allocation	-	-	-
(Gain) loss on sale of assets	-	-	-
(Gain) loss on investment in limited partnership	-	48,432	-
Total expenses and losses	<u>1,097,427</u>	<u>48,432</u>	<u>14,956,964</u>
Excess (deficiency) of revenues over expenses	(162,527)	(48,432)	(8,901,252)
Net assets at beginning of year	1,191,725	(2,758,729)	2,772,603
Other transfers to (from) net assets	-	-	8,949,033
Net assets at end of year	<u>\$ 1,029,198</u>	<u>\$ (2,807,161)</u>	<u>\$ 2,820,384</u>

Mercy Housing Calwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Calwest	Mercy Housing California XXXIX, LP (Gleason Park)	Mercy Housing California XL, LP (Arlington Hotel)	Mercy Housing California XXXVIII, LP (East Leland Courts)	Mercy Housing California XLII, LP (Boulevard Court)	Mercy Housing California XLIV, LP (1180 Fourth Street)	Third and LeConte Associates LP (Bayview Hill Gardens)	Caroline Severance LLC	Mercy Housing California XLIII, LP (Caroline Severance Manor)
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 88,106	\$ 416,186	\$ 113,354	\$ 364,588	\$ 861,748	\$ 766,850	\$ -	\$ 3,759
Cash, tenant security deposits	-	57,754	50,320	60,761	17,934	131,458	17,989	-	104,093
Cash, restricted	5,000,126	-	-	-	177,409	69,494	-	-	166,398
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	4,185	257,014	3,954	9,984	199,149	47,246	-	19,971
Due from affiliate, net	1,226,194	-	931	-	-	-	-	27,032	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	18,569	35,270	19,797	13,759	91,144	30,809	-	31,212
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	6,226,320	168,614	759,721	197,866	583,674	1,352,993	862,894	27,032	325,433
Property and equipment									
Land and land improvements	-	1,065,441	3,972,090	2,754,496	3,090,021	1,797,403	2,416,056	-	3,897,034
Buildings	-	19,967,352	35,699,518	19,453,560	13,825,757	63,575,784	28,857,931	-	26,976,176
Furniture and equipment	-	192,394	2,037,933	336,064	847,781	2,673,574	991,710	-	471,957
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	45,004	-	-	-
Accumulated depreciation	-	(6,250,179)	(11,013,878)	(8,928,573)	(5,080,780)	(9,414,692)	(7,089,391)	-	(5,625,194)
Net property and equipment	-	14,975,008	30,695,663	13,615,547	12,682,779	58,677,073	25,176,306	-	25,719,973
Other long-term assets									
Restricted property reserves	-	1,572,332	3,180,778	533,906	4,009,379	1,079,990	746,524	-	648,302
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(54,233,597)	-	-	-	-	-	-	(6,232)	-
Notes and interest receivable, net	50,000	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	8,355,384	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	63,958	51,403	13,323	56,026	67,199	57,902	-	60,047
Total other long-term assets	(45,828,213)	1,636,290	3,232,181	547,229	4,065,405	1,147,189	804,426	(6,232)	708,349
Total assets	\$ (39,601,893)	\$ 16,779,912	\$ 34,687,565	\$ 14,360,642	\$ 17,331,858	\$ 61,177,255	\$ 26,843,626	\$ 20,800	\$ 26,753,755

Mercy Housing Calwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Calwest	Mercy Housing California XXXIX, LP (Gleason Park)	Mercy Housing California XL, LP (Arlington Hotel)	Mercy Housing California XXXVIII, LP (East Leland Courts)	Mercy Housing California XLII, LP (Boulevard Court)	Mercy Housing California XLIV, LP (1180 Fourth Street)	Third and LeConte Associates LP (Bayview Hill Gardens)	Caroline Severance LLC	Mercy Housing California XLIII, LP (Caroline Severance Manor)
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 3,092	\$ 32,735	\$ 115,534	\$ 41,656	\$ 105,431	\$ 208,918	\$ 175,146	\$ 1,429	\$ 84,046
Due to affiliates	974,483	22,510	36,366	37,723	89,633	64,893	106,739	38,939	27,320
Accrued interest	-	-	-	3,140	-	6,280	-	-	15,676
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	42,640	-	68,021	-	-	176,248
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	4,699	553,717	222	1,115,420	322,181	9,116	-	4,065
Tenant security deposits	-	57,341	47,630	56,169	20,410	131,022	17,246	-	102,962
Total current liabilities	<u>977,575</u>	<u>117,285</u>	<u>753,247</u>	<u>181,550</u>	<u>1,330,894</u>	<u>801,315</u>	<u>308,247</u>	<u>40,368</u>	<u>410,317</u>
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	4,413,839	1,855,993	632,744	1,275,854	1,614,175	-	2,474,744
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	1,187,838	21,309,190	33,472,658	11,538,792	10,763,970	37,532,014	18,101,459	-	16,799,065
Notes payable, less current portion, affiliates	1,139,500	1,201,238	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	8,299,583	-	7,438,025	15,000	-	-	171,276
Total long-term liabilities	<u>2,327,338</u>	<u>22,510,428</u>	<u>46,186,080</u>	<u>13,394,785</u>	<u>18,834,739</u>	<u>38,822,868</u>	<u>19,715,634</u>	<u>-</u>	<u>19,445,085</u>
Total liabilities	<u>3,304,913</u>	<u>22,627,713</u>	<u>46,939,327</u>	<u>13,576,335</u>	<u>20,165,633</u>	<u>39,624,183</u>	<u>20,023,881</u>	<u>40,368</u>	<u>19,855,402</u>
Net assets									
Net assets without donor restrictions, controlling	(42,906,806)	(5,847,801)	(12,251,762)	784,307	(2,833,775)	21,553,072	6,819,745	(19,568)	6,898,353
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	<u>(42,906,806)</u>	<u>(5,847,801)</u>	<u>(12,251,762)</u>	<u>784,307</u>	<u>(2,833,775)</u>	<u>21,553,072</u>	<u>6,819,745</u>	<u>(19,568)</u>	<u>6,898,353</u>
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	<u>(42,906,806)</u>	<u>(5,847,801)</u>	<u>(12,251,762)</u>	<u>784,307</u>	<u>(2,833,775)</u>	<u>21,553,072</u>	<u>6,819,745</u>	<u>(19,568)</u>	<u>6,898,353</u>
Total liabilities and net assets	<u>\$ (39,601,893)</u>	<u>\$ 16,779,912</u>	<u>\$ 34,687,565</u>	<u>\$ 14,360,642</u>	<u>\$ 17,331,858</u>	<u>\$ 61,177,255</u>	<u>\$ 26,843,626</u>	<u>\$ 20,800</u>	<u>\$ 26,753,755</u>

Mercy Housing Calwest
Consolidating Statement of Financial Position
December 31, 2018

	7th & H GP, LLC	Mercy Housing California 47, LP (7th & H Street)	Madonna Senior Housing LLC	Mercy Housing California 53, LP (Madonna Residences)	Mercy Housing California 52, LP (School House Station-Vista Grande)	1100 Ocean Avenue Limited Partnership (1100 Ocean Avenue Apts.)	55 Laguna, LP (Open House Community at 55 Laguna)	Esparto Family Apartments, LLC	Mercy Housing California 54, LP (Esperanza Crossing)
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 86,885	\$ -	\$ 390,698	\$ 382,625	\$ 509,366	\$ 179,721	\$ -	\$ 28,627
Cash, tenant security deposits	-	83,975	-	56,393	81,512	56,010	33,050	-	31,774
Cash, restricted	-	-	-	-	-	933,710	148,509	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	77,490	-	41,316	12,786	89,651	188,115	-	2,747
Due from affiliate, net	97,026	-	105,000	-	-	1,136	87,629	47,459	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	35,298	-	27,325	22,584	46,437	44,189	-	11,288
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	97,026	283,648	105,000	515,732	499,507	1,636,310	681,213	47,459	74,436
Property and equipment									
Land and land improvements	-	4,434,686	-	5,722	20,714	1,278,420	2,037,195	-	2,946,584
Buildings	-	36,005,174	-	11,321,773	20,510,880	29,669,712	23,406,807	-	8,432,461
Furniture and equipment	-	931,312	-	288,734	181,140	958,726	450,269	-	181,490
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(9,358,293)	-	(2,999,510)	(3,419,857)	(3,435,280)	(2,279,901)	-	(2,196,161)
Net property and equipment	-	32,012,879	-	8,616,719	17,292,877	28,471,578	23,614,370	-	9,364,374
Other long-term assets									
Restricted property reserves	-	4,333,493	-	3,416,913	553,127	841,917	341,200	-	260,050
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	14,206,087	-	29,093	-	-	-	-	(269)	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	75,426	-	1,073,711	17,611	32,317	2,255,658	-	24,411
Total other long-term assets	14,206,087	4,408,919	29,093	4,490,624	570,738	874,234	2,596,858	(269)	284,461
Total assets	\$ 14,303,113	\$ 36,705,446	\$ 134,093	\$ 13,623,075	\$ 18,363,122	\$ 30,982,122	\$ 26,892,441	\$ 47,190	\$ 9,723,271

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	7th & H GP, LLC	Mercy Housing California 47, LP (7th & H Street)	Madonna Senior Housing LLC	Mercy Housing California 53, LP (Madonna Residences)	Mercy Housing California 52, LP (School House Station-Vista Grande)	1100 Ocean Avenue Limited Partnership (1100 Ocean Avenue Apts.)	55 Laguna, LP (Open House Community at 55 Laguna)	Esparto Family Apartments, LLC	Mercy Housing California 54, LP (Esperanza Crossing)
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 1,429	\$ 204,770	\$ 1,429	\$ 379,816	\$ 75,898	\$ 96,727	\$ 57,871	\$ 1,429	\$ 88,795
Due to affiliates	128,150	-	121,181	-	193,168	45,943	38,823	63,624	28,836
Accrued interest	-	-	-	-	26,163	-	-	-	2,804
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	118,243	-	-	-	85,180
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	13,066	-	11,131	2,883	207,625	5,006	-	694
Tenant security deposits	-	83,094	-	59,691	79,972	54,114	32,320	-	31,303
Total current liabilities	129,579	300,930	122,610	450,638	496,327	404,409	134,020	65,053	237,612
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	567,764	-	976,705	566,206	787,022	1,006,195	-	620,432
Accrued interest, affiliates	-	-	-	-	807,319	-	-	-	-
Notes payable, less current portion, net	-	10,938,985	-	9,134,371	7,729,816	17,340,767	7,909,241	-	4,187,963
Notes payable, less current portion, affiliates	-	-	-	-	4,452,969	700,000	-	-	-
Deferred revenue and other liabilities	-	-	-	1,753	53,959	15,000	155,267	-	-
Total long-term liabilities	-	11,506,749	-	10,112,829	13,610,269	18,842,789	9,070,703	-	4,808,395
Total liabilities	129,579	11,807,679	122,610	10,563,467	14,106,596	19,247,198	9,204,723	65,053	5,046,007
Net assets									
Net assets without donor restrictions, controlling	14,173,534	24,897,767	11,483	3,059,608	4,256,526	11,734,924	17,687,718	(17,863)	4,677,264
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	14,173,534	24,897,767	11,483	3,059,608	4,256,526	11,734,924	17,687,718	(17,863)	4,677,264
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	14,173,534	24,897,767	11,483	3,059,608	4,256,526	11,734,924	17,687,718	(17,863)	4,677,264
Total liabilities and net assets	\$ 14,303,113	\$ 36,705,446	\$ 134,093	\$ 13,623,075	\$ 18,363,122	\$ 30,982,122	\$ 26,892,441	\$ 47,190	\$ 9,723,271

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	Sunset Lane Apartments LLC	Mercy Housing California 55, LP (Trailside Terrace)	Mercy Housing California 56, LP (Jefferson Park Terrace)	Mercy Housing California II, LP (Columbia Park)	Coastside Senior Housing Limited Partners, LP	El Monte Veterans Apartments LLC	El Monte Veterans Apartments, LP	1028 Howard Street, LLC	Mercy Housing California 60, LP (Quinn Cottages)
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 2,973	\$ 48,640	\$ -	\$ 117,803	\$ -	\$ 145,996	\$ 237,633	\$ 23,705
Cash, tenant security deposits	-	26,816	47,801	-	12,746	-	33,784	29,404	8,891
Cash, restricted	-	400	42,105	-	238,742	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	14,174	2,217	-	32,223	-	3,919	80	6,211
Due from affiliate, net	9,917	-	-	-	-	20,265	30,728	54	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	9,816	16,893	-	25,331	-	11,844	8,475	26,223
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	9,917	54,179	157,656	-	426,845	20,265	226,271	275,646	65,030
Property and equipment									
Land and land improvements	-	1,483,689	1,880,926	-	675,178	-	1,293,775	-	1,103,953
Buildings	-	10,301,452	14,974,805	-	13,057,001	-	10,052,380	3,526,770	4,347,918
Furniture and equipment	-	193,052	207,933	-	403,093	-	596,258	86,746	273,119
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	2,567	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,817,881)	(3,177,531)	-	(3,002,727)	-	(2,082,164)	(991,127)	(1,180,117)
Net property and equipment	-	10,162,879	13,886,133	-	11,132,545	-	9,860,249	2,622,389	4,544,873
Other long-term assets									
Restricted property reserves	-	279,896	242,298	-	495,091	-	627,529	224,921	3,881,629
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(304)	-	-	-	-	82,415	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	25,674	42,004	-	31,286	-	32,322	-	14,215
Total other long-term assets	(304)	305,570	284,302	-	526,377	82,415	659,851	224,921	3,895,844
Total assets	\$ 9,613	\$ 10,522,628	\$ 14,328,091	\$ -	\$ 12,085,767	\$ 102,680	\$ 10,746,371	\$ 3,122,956	\$ 8,505,747

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	Sunset Lane Apartments LLC	Mercy Housing California 55, LP (Trailside Terrace)	Mercy Housing California 56, LP (Jefferson Park Terrace)	Mercy Housing California II, LP (Columbia Park)	Coastside Senior Housing Limited Partners, LP	El Monte Veterans Apartments LLC	El Monte Veterans Apartments, LP	1028 Howard Street, LLC	Mercy Housing California 60, LP (Quinn Cottages)
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 1,429	\$ 25,191	\$ 55,416	\$ -	\$ 46,731	\$ 1,429	\$ 33,493	\$ 29,790	\$ 37,695
Due to affiliates	25,887	29,042	77,831	-	22,510	33,054	20,551	-	5,922
Accrued interest	-	1,239	8,817	-	3,687	-	-	431	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	19,680	31,815	-	48,227	-	-	31,591	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	782	794	-	1,073	-	532	9	1,073
Tenant security deposits	-	26,316	47,301	-	11,679	-	33,639	28,403	8,450
Total current liabilities	27,316	102,250	221,974	-	133,907	34,483	88,215	90,224	53,140
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	675,699	727,449	-	275,384	-	402,689	1,287,776	389,903
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	4,520,942	5,733,831	-	4,033,459	-	4,049,165	2,131,763	4,892,432
Notes payable, less current portion, affiliates	-	-	1,074,176	-	587,838	-	-	-	-
Deferred revenue and other liabilities	-	-	237,396	-	1,247,467	-	-	-	-
Total long-term liabilities	-	5,196,641	7,772,852	-	6,144,148	-	4,451,854	3,419,539	5,282,335
Total liabilities	27,316	5,298,891	7,994,826	-	6,278,055	34,483	4,540,069	3,509,763	5,335,475
Net assets									
Net assets without donor restrictions, controlling	(17,703)	5,223,737	6,333,265	-	5,807,712	68,197	6,206,302	(386,807)	3,170,272
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(17,703)	5,223,737	6,333,265	-	5,807,712	68,197	6,206,302	(386,807)	3,170,272
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(17,703)	5,223,737	6,333,265	-	5,807,712	68,197	6,206,302	(386,807)	3,170,272
Total liabilities and net assets	\$ 9,613	\$ 10,522,628	\$ 14,328,091	\$ -	\$ 12,085,767	\$ 102,680	\$ 10,746,371	\$ 3,122,956	\$ 8,505,747

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	Mercy Housing California XI, LP (Madison Place)	Mercy Eden House LLC	Eden House, L.P.	Transbay Block 6, LLC	Mercy Housing California 62, LP (280 Beale)	Sunset Valley Duplexes, LLC	Mercy Housing California 63, LP (Sunset Valley Duplexes)	345 Arguello, LP	Land Park Woods, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ 22,814	\$ -	\$ 570,826	\$ -	\$ 477,909	\$ -	\$ 107,905	\$ 570,682	\$ -
Cash, tenant security deposits	31,594	-	82,767	-	67,643	-	46,845	17,977	-
Cash, restricted	-	-	-	-	98,056	-	-	135,044	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	1,960	-	11,091	-	98,450	-	1,619	170,781	-
Due from affiliate, net	10,285	243,311	568	85,550	-	8,500	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	9,107	-	25,101	-	32,824	-	13,981	26,835	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	75,760	243,311	690,353	85,550	774,882	8,500	170,350	921,319	-
Property and equipment									
Land and land improvements	324,803	-	1,060,410	-	985,629	-	10,276,046	75,402	-
Buildings	4,105,292	-	11,326,978	-	24,252,144	-	13,212,648	27,792,314	-
Furniture and equipment	154,890	-	545,379	-	694,457	-	271,221	293,057	-
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(3,519,918)	-	(1,873,877)	-	(2,503,214)	-	(2,264,631)	(1,819,198)	-
Net property and equipment	1,065,067	-	11,058,890	-	23,429,016	-	21,495,284	26,341,575	-
Other long-term assets									
Restricted property reserves	197,549	-	1,503,846	-	743,865	-	718,809	1,417,805	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	1,378,827	-	500,576	-	574,201	-	-	116,838
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	690,000	-	166	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	39,801	-	30,476	-	70,014	918,063	-
Total other long-term assets	197,549	1,378,827	1,543,647	1,190,576	774,341	574,367	788,823	2,335,868	116,838
Total assets	\$ 1,338,376	\$ 1,622,138	\$ 13,292,890	\$ 1,276,126	\$ 24,978,239	\$ 582,867	\$ 22,454,457	\$ 29,598,762	\$ 116,838

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	Mercy Housing California XI, LP (Madison Place)	Mercy Eden House LLC	Eden House, L.P.	Transbay Block 6, LLC	Mercy Housing California 62, LP (280 Beale)	Sunset Valley Duplexes, LLC	Mercy Housing California 63, LP (Sunset Valley Duplexes)	345 Arguello, LP	Land Park Woods, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 28,305	\$ 1,429	\$ 77,762	\$ 1,429	\$ 373,486	\$ 1,429	\$ 37,795	\$ 51,510	\$ -
Due to affiliates	150,000	-	-	62,791	38,564	102,637	37,500	40,844	4,627
Accrued interest	1,492	-	14,391	-	1,973	-	-	175,941	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	29,996	-	118,787	-	30,833	-	-	92,448	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	3,440	-	65,598	-	2,987	-	398	-	-
Tenant security deposits	31,236	-	81,753	-	64,543	-	45,822	16,835	-
Total current liabilities	244,469	1,429	358,291	64,220	512,386	104,066	121,515	377,578	4,627
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	1,303,506	-	25,290	-	1,268,684	-	1,050,902	-	-
Accrued interest, affiliates	-	-	536,442	-	-	-	2,123	-	-
Notes payable, less current portion, net	911,743	-	2,990,082	690,000	14,160,348	-	8,832,168	17,685,724	-
Notes payable, less current portion, affiliates	-	-	3,100,000	-	690,000	-	63,174	500,000	-
Deferred revenue and other liabilities	4,326	-	5,945	-	15,000	-	-	-	-
Total long-term liabilities	2,219,575	-	6,657,759	690,000	16,134,032	-	9,948,367	18,185,724	-
Total liabilities	2,464,044	1,429	7,016,050	754,220	16,646,418	104,066	10,069,882	18,563,302	4,627
Net assets									
Net assets without donor restrictions, controlling	(1,125,668)	1,620,709	6,276,840	521,906	8,331,821	478,801	12,384,575	11,035,460	112,211
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(1,125,668)	1,620,709	6,276,840	521,906	8,331,821	478,801	12,384,575	11,035,460	112,211
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(1,125,668)	1,620,709	6,276,840	521,906	8,331,821	478,801	12,384,575	11,035,460	112,211
Total liabilities and net assets	\$ 1,338,376	\$ 1,622,138	\$ 13,292,890	\$ 1,276,126	\$ 24,978,239	\$ 582,867	\$ 22,454,457	\$ 29,598,762	\$ 116,838

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	Mercy Housing California 68, LP (Land Park Woods)	1880 Pine, LP	Transbay Block 7, LLC	Mercy Housing California 64, LP (Transbay Block 7)	Mercy Mather Veterans, LLC	Mercy Housing California 61, LP (Mather Veterans Village)	Mercy Housing California 65, LLC	Mercy Housing California 65, LP (15888 Hesperion)	Plaza Maria, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ 31,625	\$ 1,195,152	\$ -	\$ 268,298	\$ -	\$ 207,552	\$ -	\$ 331,637	\$ 45,698
Cash, tenant security deposits	58,123	30,559	-	131,601	-	8,032	-	62,247	64,969
Cash, restricted	47,702	402,676	-	546,417	-	464,242	-	248,983	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	4,791	54,838	-	77,229	-	152	-	13,681	17,093
Due from affiliate, net	-	-	38,160	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	11,444	43,751	-	59,380	-	16,847	-	23,409	10,681
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	153,685	1,726,976	38,160	1,082,925	-	696,825	-	679,957	138,441
Property and equipment									
Land and land improvements	2,629,622	365,207	-	4,143,949	-	1,112,787	-	2,991,331	750,000
Buildings	9,890,258	32,869,582	-	58,703,289	-	13,883,195	-	22,940,988	2,293,358
Furniture and equipment	445,854	433,808	-	686,247	-	434,035	-	431,876	7,108
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(1,167,925)	(2,247,084)	-	(1,511,497)	-	(1,221,310)	-	(1,423,177)	(1,066,090)
Net property and equipment	11,797,809	31,421,513	-	62,021,988	-	14,208,707	-	24,941,018	1,984,376
Other long-term assets									
Restricted property reserves	1,007,878	1,587,522	-	9,877	-	5,618,874	-	541,523	206,821
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	(9,185)	-	120,635	-	993	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	50,660	1,624,684	-	71,936	-	57,363	-	56,926	-
Total other long-term assets	1,058,538	3,212,206	(9,185)	81,813	120,635	5,676,237	993	598,449	206,821
Total assets	\$ 13,010,032	\$ 36,360,695	\$ 28,975	\$ 63,186,726	\$ 120,635	\$ 20,581,769	\$ 993	\$ 26,219,424	\$ 2,329,638

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	Mercy Housing California 68, LP (Land Park Woods)	1880 Pine, LP	Transbay Block 7, LLC	Mercy Housing California 64, LP (Transbay Block 7)	Mercy Mather Veterans, LLC	Mercy Housing California 61, LP (Mather Veterans Village)	Mercy Housing California 65, LLC	Mercy Housing California 65, LP (15888 Hesperion)	Plaza Maria, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 36,493	\$ 88,666	\$ -	\$ 785,857	\$ 441	\$ 71,521	\$ -	\$ 56,079	\$ 21,626
Due to affiliates	-	40,845	41,628	1,239,330	7,858	32,000	(66,363)	72,550	-
Accrued interest	-	119,837	-	111,141	-	-	-	2,275	22,661
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	101,881	-	34,373,601	-	-	-	25,111	102,982
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	4,397	-	-	57,268	-	2,864	-	33	12,984
Tenant security deposits	57,882	28,830	-	125,257	-	7,183	-	62,481	64,469
Total current liabilities	98,772	380,059	41,628	36,692,454	8,299	113,568	(66,363)	218,529	224,722
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	1,807,670	-	-	837,870	-	89,550	-	1,414,871	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	4,053,172	22,111,211	-	24,949,801	-	4,873,046	-	14,773,012	5,940,724
Notes payable, less current portion, affiliates	740,000	1,120,000	-	1,733,283	-	1,341,552	-	-	-
Deferred revenue and other liabilities	29,663	-	-	615,000	-	-	-	-	1,838
Total long-term liabilities	6,630,505	23,231,211	-	28,135,954	-	6,304,148	-	16,187,883	5,942,562
Total liabilities	6,729,277	23,611,270	41,628	64,828,408	8,299	6,417,716	(66,363)	16,406,412	6,167,284
Net assets									
Net assets without donor restrictions, controlling	6,280,755	12,749,425	(12,653)	(1,641,682)	112,336	14,164,053	67,356	9,813,012	(3,837,646)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	6,280,755	12,749,425	(12,653)	(1,641,682)	112,336	14,164,053	67,356	9,813,012	(3,837,646)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	6,280,755	12,749,425	(12,653)	(1,641,682)	112,336	14,164,053	67,356	9,813,012	(3,837,646)
Total liabilities and net assets	\$ 13,010,032	\$ 36,360,695	\$ 28,975	\$ 63,186,726	\$ 120,635	\$ 20,581,769	\$ 993	\$ 26,219,424	\$ 2,329,638

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	Mercy Laguna LLC, GP	Laguna Senior Housing, LP (95 Laguna)	JFK Tower, LP	2698 California, LP	Mercy Housing California 66, LP (Colma Veterans Village)	455 Fell, LP (Parcel O)	Mercy Housing California 67, LP (Columbia Park)	Historic Live Oak (Odd Fellows)	Mercy Housing Camino, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ -	\$ 611,871	\$ 269,614	\$ -	\$ 2,663	\$ 195,584	\$ 21,281	\$ -
Cash, tenant security deposits	-	-	21,047	11,151	-	5,000	59,458	7,920	-
Cash, restricted	-	276,252	1,781,318	554,153	152,115	2,649,389	5,819	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	16,555	6,080	-	-	311	556	-
Due from affiliate, net	-	-	25,221	19,341	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	46,649	50,035	23,493	52,732	17,694	40,808	1,892	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	-	322,901	2,506,047	883,832	204,847	2,674,746	301,980	31,649	-
Property and equipment									
Land and land improvements	-	-	512,587	245,919	3,240,000	12,657	1,302,463	84,914	-
Buildings	-	-	50,228,965	26,285,847	-	-	15,870,992	2,791,081	-
Furniture and equipment	-	3,032	698,952	382,255	-	-	283,439	18,132	-
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	34,118,465	-	-	19,234,482	35,848,605	-	-	-
Accumulated depreciation	-	-	(2,184,893)	(1,202,761)	-	-	(1,787,571)	(1,084,820)	-
Net property and equipment	-	34,121,497	49,255,611	25,711,260	22,474,482	35,861,262	15,669,323	1,809,307	-
Other long-term assets									
Restricted property reserves	-	-	2,294,380	2,528,560	-	60,266	366,840	48,035	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	135,137	-	-	-	-	-	-	-	(8)
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	4,270,362	1,926,833	859,077	17,536	27,508	43,184	-	-
Total other long-term assets	135,137	4,270,362	4,221,213	3,387,637	17,536	87,774	410,024	48,035	(8)
Total assets	\$ 135,137	\$ 38,714,760	\$ 55,982,871	\$ 29,982,729	\$ 22,696,865	\$ 38,623,782	\$ 16,381,327	\$ 1,888,991	\$ (8)

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	Mercy Laguna LLC, GP	Laguna Senior Housing, LP (95 Laguna)	JFK Tower, LP	2698 California, LP	Mercy Housing California 66, LP (Colma Veterans Village)	455 Fell, LP (Parcel O)	Mercy Housing California 67, LP (Columbia Park)	Historic Live Oak (Odd Fellows)	Mercy Housing Camino, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ 3,729,688	\$ 554,980	\$ 289,502	\$ 2,646,171	\$ 7,269,319	\$ 50,710	\$ 96,554	\$ -
Due to affiliates	934	1,242,419	1,206,815	817,033	872,426	1,410,610	17,330	68,867	4,391
Accrued interest	-	30,459	522,557	278,550	-	-	13,151	31	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	30,323,469	15,642,276	-	-	62,143	3,881	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	4,512	-	-	-	2,932	314	1,075	-
Tenant security deposits	-	-	15,432	9,857	-	5,000	60,630	7,420	-
Total current liabilities	934	5,007,078	32,623,253	17,037,218	3,518,597	8,687,861	204,278	177,828	4,391
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	1,246,360	-	-	28,630	280,828	18,552	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	28,907,450	21,077,661	13,549,910	17,347,179	23,939,169	9,026,714	1,230,254	-
Notes payable, less current portion, affiliates	-	-	970,000	400,000	-	1,500,000	4,000,000	-	-
Deferred revenue and other liabilities	-	485,801	1,777,258	430,471	650,167	342,197	30,541	-	-
Total long-term liabilities	-	30,639,611	23,824,919	14,380,381	18,025,976	26,062,194	13,075,807	1,230,254	-
Total liabilities	934	35,646,689	56,448,172	31,417,599	21,544,573	34,750,055	13,280,085	1,408,082	4,391
Net assets									
Net assets without donor restrictions, controlling	134,203	3,068,071	(465,301)	(1,434,870)	1,152,292	3,873,727	3,101,242	480,909	(4,399)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	134,203	3,068,071	(465,301)	(1,434,870)	1,152,292	3,873,727	3,101,242	480,909	(4,399)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	134,203	3,068,071	(465,301)	(1,434,870)	1,152,292	3,873,727	3,101,242	480,909	(4,399)
Total liabilities and net assets	\$ 135,137	\$ 38,714,760	\$ 55,982,871	\$ 29,982,729	\$ 22,696,865	\$ 38,623,782	\$ 16,381,327	\$ 1,888,991	\$ (8)

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	Mercy Housing La Cienega GP, LLC	New Dana Strand IV, LP (Camino Del Mar)	St Mary's Tower, LLC	Mercy Housing California 71, LP (St Mary's Tower)	Francis of Assisi, LLC	Mercy Housing California 69, LP (Francis of Assisi)	Mercy Housing California 59, LP (Casa de la Mission)	0623 Vernon, LLC	Mercy Housing California 48, LP (Roseville)
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 515,834	\$ -	\$ 666,873	\$ -	\$ 779,014	\$ 325	\$ -	\$ 66,620
Cash, tenant security deposits	-	68,507	-	41,494	-	35,323	-	-	10,640
Cash, restricted	-	2,276,577	-	82,918	-	1,057,833	-	-	38,830
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	62,829	-	522,298	-	528	-	-	3,438
Due from affiliate, net	-	-	-	-	14,884	103,284	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	10,339	-	36,761	-	31,807	150,000	-	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	-	2,934,086	-	1,350,344	14,884	2,007,789	150,325	-	119,528
Property and equipment									
Land and land improvements	-	6,587,951	-	9,057,485	-	326,298	-	-	3,932,488
Buildings	-	26,846,585	-	26,661,085	-	22,322,715	-	-	21,818,957
Furniture and equipment	-	1,184,700	-	528,386	-	1,620,665	-	-	390,826
Predevelopment project costs	-	-	-	-	-	-	456,692	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(407,692)	-	(2,041,216)	-	(1,719,218)	-	-	(204,949)
Net property and equipment	-	34,211,544	-	34,205,740	-	22,550,460	456,692	-	25,937,322
Other long-term assets									
Restricted property reserves	-	-	-	896,715	-	2,413,138	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	9	-	(3,864,814)	-	(28,381,489)	-	-	1,425,464	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	131,285	-	68,619	-	-	136,711
Total other long-term assets	9	-	(3,864,814)	1,028,000	(28,381,489)	2,481,757	-	1,425,464	136,711
Total assets	\$ 9	\$ 37,145,630	\$ (3,864,814)	\$ 36,584,084	\$ (28,366,605)	\$ 27,040,006	\$ 607,017	\$ 1,425,464	\$ 26,193,561

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	Mercy Housing La Cienega GP, LLC	New Dana Strand IV, LP (Camino Del Mar)	St Mary's Tower, LLC	Mercy Housing California 71, LP (St Mary's Tower)	Francis of Assisi, LLC	Mercy Housing California 69, LP (Francis of Assisi)	Mercy Housing California 59, LP (Casa de la Mission)	0623 Vernon, LLC	Mercy Housing California 48, LP (Roseville)
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ 2,352,082	\$ -	\$ 56,401	\$ -	\$ 313,566	\$ 123,685	\$ -	\$ 2,548,830
Due to affiliates	3,459	1,275,626	4,521	324,999	23,890	1,500,000	4,201	15,141	655,406
Accrued interest	-	91,641	-	-	-	-	-	-	38,847
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	27,710,697	-	292,776	-	2,103,992	-	-	11,306,109
Current portion of notes payable, affiliates	-	16,929	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	2,293	-	627	-	5,038	-	-	18,709
Tenant security deposits	-	66,978	-	40,811	-	34,558	-	-	25,291
Total current liabilities	3,459	31,516,246	4,521	715,614	23,890	3,957,154	127,886	15,141	14,593,192
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	275,260	-	-	-	-	-	-	361,223
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	3,183,195	-	21,048,423	-	26,948,844	492,259	-	5,677,561
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-	1,948,320
Deferred revenue and other liabilities	-	1,230,500	-	2,330,062	-	485,183	-	-	555,162
Total long-term liabilities	-	4,688,955	-	23,378,485	-	27,434,027	492,259	-	8,542,266
Total liabilities	3,459	36,205,201	4,521	24,094,099	23,890	31,391,181	620,145	15,141	23,135,458
Net assets									
Net assets without donor restrictions, controlling	(3,450)	940,429	(3,869,335)	12,489,985	(28,390,495)	(4,351,175)	(13,128)	1,410,323	3,058,103
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(3,450)	940,429	(3,869,335)	12,489,985	(28,390,495)	(4,351,175)	(13,128)	1,410,323	3,058,103
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(3,450)	940,429	(3,869,335)	12,489,985	(28,390,495)	(4,351,175)	(13,128)	1,410,323	3,058,103
Total liabilities and net assets	\$ 9	\$ 37,145,630	\$ (3,864,814)	\$ 36,584,084	\$ (28,366,605)	\$ 27,040,006	\$ 607,017	\$ 1,425,464	\$ 26,193,561

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	Esperanza Crossing II, LLC	Mercy Housing California 76, LP (Esperanza Crossing Phase II)	Mercy Transformation, LLC	Sunnydale Parcel Q Housing Partners, LP	Candlestick Pointe 11a, California Limited Partnership (Candlestick)	20 North Cottonwood, LLC	Mercy New Hope, LP (Woodland/180 West Beamer)	Mercy Housing California 74, LP (Britton Street)	Pico Robertson LLC, GP
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 203,123	\$ -	\$ 2,602,375	\$ -	\$ -	\$ 16,996	\$ 502,074	\$ -
Cash, tenant security deposits	-	27,538	-	-	-	-	-	68,415	-
Cash, restricted	-	299,531	-	-	1,169	-	88,229	557,705	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	1,594	-	100,000	-	-	46,910	173,731	-
Due from affiliate, net	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	6,795	-	-	312,500	-	-	28,147	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	-	538,581	-	2,702,375	313,669	-	152,135	1,330,072	-
Property and equipment									
Land and land improvements	-	1,713,183	-	30,077	-	-	2,883,622	1,711,319	-
Buildings	-	9,134,690	-	-	-	-	19,533,686	5,946,257	-
Furniture and equipment	-	181,882	-	-	-	-	253,186	2,514	-
Predevelopment project costs	-	-	-	-	1,962,231	-	-	-	-
Construction in progress	-	-	-	22,091,250	-	-	-	16,861,655	-
Accumulated depreciation	-	(512,738)	-	-	-	-	(184,435)	(651,854)	-
Net property and equipment	-	10,517,017	-	22,121,327	1,962,231	-	22,486,059	23,869,891	-
Other long-term assets									
Restricted property reserves	-	118,103	-	-	-	-	141,432	15,216,649	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	47,094	-	(4)	-	-	20	-	-	(2)
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	22,233	-	102,000	-	-	123,286	20,753	-
Total other long-term assets	47,094	140,336	(4)	102,000	-	20	264,718	15,237,402	(2)
Total assets	\$ 47,094	\$ 11,195,934	\$ (4)	\$ 24,925,702	\$ 2,275,900	\$ 20	\$ 22,902,912	\$ 40,437,365	\$ (2)

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	Esperanza Crossing II, LLC	Mercy Housing California 76, LP (Esperanza Crossing Phase II)	Mercy Transformation, LLC	Sunnydale Parcel Q Housing Partners, LP	Candlestick Pointe 11a, California Limited Partnership (Candlestick)	20 North Cottonwood, LLC	Mercy New Hope, LP (Woodland/180 West Beamer)	Mercy Housing California 74, LP (Britton Street)	Pico Robertson LLC, GP
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 100	\$ 73,156	\$ -	\$ 6,037,790	\$ 456,758	\$ -	\$ 2,588,742	\$ 3,132,730	\$ -
Due to affiliates	49,608	147,626	934	188,760	2,393	1,785	802,300	1,069,516	2,580
Accrued interest	-	5,993	-	22,154	-	-	58,224	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	47,147	-	-	-	-	15,093,348	-	-
Current portion of notes payable, affiliates	-	-	-	-	3,010	-	-	-	-
Deferred revenue and other liabilities	-	603	-	-	-	-	-	34,990	-
Tenant security deposits	-	27,088	-	-	-	-	52,624	65,422	-
Total current liabilities	49,708	301,613	934	6,248,704	462,161	1,785	18,595,238	4,302,658	2,580
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	165,421	-	157,354	34,215	-	145,997	473,074	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	6,632,068	-	16,116,503	1,800,199	-	2,907,460	42,892,668	-
Notes payable, less current portion, affiliates	-	50,000	-	-	-	-	790,000	-	-
Deferred revenue and other liabilities	-	350,001	-	-	-	-	-	2,496	-
Total long-term liabilities	-	7,197,490	-	16,273,857	1,834,414	-	3,843,457	43,368,238	-
Total liabilities	49,708	7,499,103	934	22,522,561	2,296,575	1,785	22,438,695	47,670,896	2,580
Net assets									
Net assets without donor restrictions, controlling	(2,614)	3,696,831	(938)	2,403,141	(20,675)	(1,765)	464,217	(7,233,531)	(2,582)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(2,614)	3,696,831	(938)	2,403,141	(20,675)	(1,765)	464,217	(7,233,531)	(2,582)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(2,614)	3,696,831	(938)	2,403,141	(20,675)	(1,765)	464,217	(7,233,531)	(2,582)
Total liabilities and net assets	\$ 47,094	\$ 11,195,934	\$ (4)	\$ 24,925,702	\$ 2,275,900	\$ 20	\$ 22,902,912	\$ 40,437,365	\$ (2)

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	Mercy Housing California 73, LP (Pico Robertson)	Baldwin Rose LLC, GP	Baldwin Rose LP	Mercy Housing California 78, LP (Mission Bay Block 6)	Mercy Housing California 75, LP (Dorothy Day)	Placentia Veterans Village, LLC	Placentia Veterans Village, LP	Eliminations	Consolidated Mercy Housing Calwest
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 466,250	\$ -	\$ -	\$ -	\$ 15,519,858
Cash, tenant security deposits	-	-	-	-	35,240	-	-	-	1,936,555
Cash, restricted	130,581	-	58,397	-	363,135	-	-	-	19,093,964
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	88,487	-	248	-	74,821	-	2,562,503
Due from affiliate, net	-	-	-	-	26,539	-	-	(1,095,482)	1,133,532
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	10,479	-	-	129,000	34,262	-	119,796	-	1,902,812
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	141,060	-	146,884	129,000	925,674	-	194,617	(1,095,482)	42,149,224
Property and equipment									
Land and land improvements	10,000	-	2,668,314	-	591,368	-	959,002	700,824	97,439,040
Buildings	-	-	-	-	5,514,470	-	-	-	848,188,587
Furniture and equipment	-	-	43,373	-	111,251	-	-	-	22,403,810
Predevelopment project costs	-	-	-	2,593,426	-	-	-	-	5,012,349
Construction in progress	7,754,349	-	17,851,996	-	8,096,528	-	3,019,768	-	164,924,669
Accumulated depreciation	-	-	-	-	(248,524)	-	-	-	(122,191,828)
Net property and equipment	7,764,349	-	20,563,683	2,593,426	14,065,093	-	3,978,770	700,824	1,015,776,627
Other long-term assets									
Restricted property reserves	-	-	-	-	-	-	-	-	64,907,762
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	49	-	-	-	51	-	51,576,539	(16,301,876)
Notes and interest receivable, net	-	-	-	-	-	-	-	(50,000)	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	(7,648,265)	1,397,285
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	140,930	-	101,997	49,669	49,789	-	73,256	-	15,079,444
Total other long-term assets	140,930	49	101,997	49,669	49,789	51	73,256	43,878,274	65,082,615
Total assets	\$ 8,046,339	\$ 49	\$ 20,812,564	\$ 2,772,095	\$ 15,040,556	\$ 51	\$ 4,246,643	\$ 43,483,616	\$ 1,123,008,466

Mercy Housing Calwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California 73, LP (Pico Robertson)	Baldwin Rose LLC, GP	Baldwin Rose LP	Mercy Housing California 78, LP (Mission Bay Block 6)	Mercy Housing California 75, LP (Dorothy Day)	Placentia Veterans Village, LLC	Placentia Veterans Village, LP	Eliminations	Consolidated Mercy Housing Calwest
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 2,951,068	\$ -	\$ 3,167,741	\$ 523,290	\$ 1,045,689	\$ -	\$ 4,399	\$ (282,640)	\$ 43,271,464
Due to affiliates	2,763	984	641,145	-	286,658	51	-	(1,215,968)	15,467,142
Accrued interest	-	-	36,138	-	73,955	-	3,944	-	1,693,592
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-	-	-	-	138,083,122
Current portion of notes payable, affiliates	7,200	-	-	49,548	-	-	-	-	76,687
Deferred revenue and other liabilities	-	-	-	-	14	-	-	-	2,475,164
Tenant security deposits	-	-	-	-	34,530	-	-	-	1,960,994
Total current liabilities	<u>2,961,031</u>	<u>984</u>	<u>3,845,024</u>	<u>572,838</u>	<u>1,440,846</u>	<u>51</u>	<u>8,343</u>	<u>(1,498,608)</u>	<u>203,028,165</u>
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	42,345	-	89,835	36,067	-	-	-	-	31,704,077
Accrued interest, affiliates	-	-	-	-	-	-	-	(538,565)	807,319
Notes payable, less current portion, net	1,978,138	-	14,554,966	2,167,649	19,507,740	-	3,474,484	-	639,739,246
Notes payable, less current portion, affiliates	1,430,000	-	-	-	-	-	-	(10,428,514)	19,103,536
Deferred revenue and other liabilities	429,177	-	175,741	-	841,195	-	-	-	28,422,450
Total long-term liabilities	<u>3,879,660</u>	<u>-</u>	<u>14,820,542</u>	<u>2,203,716</u>	<u>20,348,935</u>	<u>-</u>	<u>3,474,484</u>	<u>(10,967,079)</u>	<u>719,776,628</u>
Total liabilities	<u>6,840,691</u>	<u>984</u>	<u>18,665,566</u>	<u>2,776,554</u>	<u>21,789,781</u>	<u>51</u>	<u>3,482,827</u>	<u>(12,465,687)</u>	<u>922,804,793</u>
Net assets									
Net assets without donor restrictions, controlling	1,205,648	(935)	2,146,998	(4,459)	(6,749,225)	-	763,816	55,949,303	200,203,673
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	<u>1,205,648</u>	<u>(935)</u>	<u>2,146,998</u>	<u>(4,459)</u>	<u>(6,749,225)</u>	<u>-</u>	<u>763,816</u>	<u>55,949,303</u>	<u>200,203,673</u>
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	<u>1,205,648</u>	<u>(935)</u>	<u>2,146,998</u>	<u>(4,459)</u>	<u>(6,749,225)</u>	<u>-</u>	<u>763,816</u>	<u>55,949,303</u>	<u>200,203,673</u>
Total liabilities and net assets	<u>\$ 8,046,339</u>	<u>\$ 49</u>	<u>\$ 20,812,564</u>	<u>\$ 2,772,095</u>	<u>\$ 15,040,556</u>	<u>\$ 51</u>	<u>\$ 4,246,643</u>	<u>\$ 43,483,616</u>	<u>\$ 1,123,008,466</u>

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Calwest	Mercy Housing California XXXIX, LP (Gleason Park)	Mercy Housing California XL, LP (Arlington Hotel)	Mercy Housing California XXXVIII, LP (East Leland Courts)	Mercy Housing California XLII, LP (Boulevard Court)	Mercy Housing California XLIV, LP (1180 Fourth Street)	Third and LeConte Associates LP (Bayview Hill Gardens)	Caroline Severance LLC	Mercy Housing California XLIII, LP (Caroline Severance Manor)
Revenues									
Rent - net of vacancies	\$ -	\$ 699,323	\$ 2,066,008	\$ 717,892	\$ 305,462	\$ 1,777,304	\$ 1,656,523	\$ -	\$ 1,204,194
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	480,661	-	-	-	-	-	-	9,616	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	1,500,000	-	445,429	-	394,939	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	171,301	25,545	51,622	274	87,024	176	674	-	46
Other	1,072,175	12,042	365,960	18,755	101,207	816,569	16,858	-	110,193
Total revenues	3,224,137	736,910	2,929,019	736,921	888,632	2,594,049	1,674,055	9,616	1,314,433
Expenses and losses									
Compensation	-	164,548	380,696	133,383	323,201	481,719	204,661	-	174,996
Administrative	828,131	148,830	214,151	119,898	100,315	376,174	205,217	10,471	123,962
Professional services	934	101,063	352,215	62,751	98,273	137,643	44,810	934	147,544
Depreciation and amortization	-	829,561	1,608,181	893,253	553,981	2,211,043	1,370,905	-	1,147,322
Grants	-	-	-	-	-	-	-	-	-
Facility	-	232,304	695,748	254,145	219,296	1,235,234	749,717	-	570,332
Interest and fees	-	765	874,217	290,649	90,613	570,934	377,465	-	683,329
Bad debts	-	1,986	11,441	2,241	599	35,999	16,921	-	34
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	(1,144,830)	-	-	-	-	(15,775)	-	-	-
(Gain) loss on investment in limited partnership	1,326,642	-	-	-	-	-	-	153	-
Total expenses and losses	1,010,877	1,479,057	4,136,649	1,756,320	1,386,278	5,032,971	2,969,696	11,558	2,847,519
Excess (deficiency) of revenues over expenses	2,213,260	(742,147)	(1,207,630)	(1,019,399)	(497,646)	(2,438,922)	(1,295,641)	(1,942)	(1,533,086)
Net assets at beginning of year	(35,406,516)	(5,180,019)	(11,102,688)	1,803,706	(2,375,114)	23,991,994	8,115,386	(17,626)	8,431,439
Other transfers to (from) net assets	(9,713,550)	74,365	58,556	-	38,985	-	-	-	-
Net assets at end of year	\$ (42,906,806)	\$ (5,847,801)	\$ (12,251,762)	\$ 784,307	\$ (2,833,775)	\$ 21,553,072	\$ 6,819,745	\$ (19,568)	\$ 6,898,353

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	7th & H GP, LLC	Mercy Housing California 47, LP (7th & H Street)	Madonna Senior Housing LLC	Mercy Housing California 53, LP (Madonna Residences)	Mercy Housing California 52, LP (School House Station-Vista Grande)	1100 Ocean Avenue Limited Partnership (1100 Ocean Avenue Apts.)	55 Laguna, LP (Open House Community at 55 Laguna)	Esparto Family Apartments, LLC	Mercy Housing California 54, LP (Esperanza Crossing)
Revenues									
Rent - net of vacancies	\$ -	\$ 1,053,379	\$ -	\$ 1,037,294	\$ 1,384,712	\$ 787,401	\$ 703,302	\$ -	\$ 405,766
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	17,389	-	15,000	-	-	-	-	8,500	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	74,527	-	33,475	24	1,856	178	-	98
Other	-	(22,247)	-	(2,265)	115,557	501,150	210,385	-	7,914
Total revenues	17,389	1,105,659	15,000	1,068,504	1,500,293	1,290,407	913,865	8,500	413,778
Expenses and losses									
Compensation	-	377,810	-	308,802	183,920	173,691	115,255	-	61,507
Administrative	18,244	200,250	15,800	123,491	150,755	166,836	130,311	9,355	57,611
Professional services	934	205,879	934	116,460	79,103	97,521	101,076	934	34,205
Depreciation and amortization	-	1,449,159	-	465,100	547,471	879,168	1,085,467	-	384,237
Grants	-	-	-	-	-	-	-	-	-
Facility	-	441,557	-	452,339	370,241	563,565	218,369	-	108,325
Interest and fees	-	92,239	-	147,167	485,093	272,389	263,347	-	158,598
Bad debts	-	3,396	-	195	4,551	1,045	-	-	45
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	166	-	55	-	-	-	-	39	-
Total expenses and losses	19,344	2,770,290	16,789	1,613,554	1,821,134	2,154,215	1,913,825	10,328	804,528
Excess (deficiency) of revenues over expenses	(1,955)	(1,664,631)	(1,789)	(545,050)	(320,841)	(863,808)	(999,960)	(1,828)	(390,750)
Net assets at beginning of year	14,175,489	26,562,398	13,272	1,819,686	4,577,367	12,598,732	18,159,614	(16,035)	5,068,014
Other transfers to (from) net assets	-	-	-	1,784,972	-	-	528,064	-	-
Net assets at end of year	\$ 14,173,534	\$ 24,897,767	\$ 11,483	\$ 3,059,608	\$ 4,256,526	\$ 11,734,924	\$ 17,687,718	\$ (17,863)	\$ 4,677,264

**Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Sunset Lane Apartments LLC	Mercy Housing California 55, LP (Trailside Terrace)	Mercy Housing California 56, LP (Jefferson Park Terrace)	Mercy Housing California II, LP (Columbia Park)	Coastside Senior Housing Limited Partners, LP	El Monte Veterans Apartments LLC	El Monte Veterans Apartments, LP	1028 Howard Street, LLC	Mercy Housing California 60, LP (Quinn Cottages)
Revenues									
Rent - net of vacancies	\$ -	\$ 291,025	\$ 634,879	\$ -	\$ 522,682	\$ -	\$ 424,387	\$ 648,630	\$ 167,917
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	10,428	-	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	161	369	-	1,996	-	1,637	129	(481)
Other	-	30,328	7,185	-	77,057	-	5,221	6,889	43,679
Total revenues	-	321,514	642,433	-	601,735	10,428	431,245	655,648	211,115
Expenses and losses									
Compensation	-	53,624	156,514	-	115,910	-	118,571	92,597	211,595
Administrative	855	62,093	115,556	-	120,630	11,304	92,945	115,001	69,674
Professional services	934	34,758	15,780	-	10,829	934	73,599	32,664	12,040
Depreciation and amortization	-	334,696	621,982	-	601,911	-	480,438	172,978	218,141
Grants	-	-	-	17,019	-	-	-	-	-
Facility	-	156,599	190,117	-	168,513	-	125,052	162,699	208,940
Interest and fees	-	146,585	235,810	-	165,889	-	74,810	66,528	123,067
Bad debts	-	130	1,490	-	-	-	-	-	1,104
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	47	-	-	-	-	27	-	-	-
Total expenses and losses	1,836	788,485	1,337,249	17,019	1,183,682	12,265	965,415	642,467	844,561
Excess (deficiency) of revenues over expenses	(1,836)	(466,971)	(694,816)	(17,019)	(581,947)	(1,837)	(534,170)	13,181	(633,446)
Net assets at beginning of year	(15,867)	5,692,064	7,028,081	17,019	6,389,659	70,034	6,740,472	(399,988)	3,803,718
Other transfers to (from) net assets	-	(1,356)	-	-	-	-	-	-	-
Net assets at end of year	\$ (17,703)	\$ 5,223,737	\$ 6,333,265	\$ -	\$ 5,807,712	\$ 68,197	\$ 6,206,302	\$ (386,807)	\$ 3,170,272

**Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Housing California XI, LP (Madison Place)	Mercy Eden House LLC	Eden House, L.P.	Transbay Block 6, LLC	Mercy Housing California 62, LP (280 Beale)	Sunset Valley Duplexes, LLC	Mercy Housing California 63, LP (Sunset Valley Duplexes)	345 Arguello, LP	Land Park Woods, LLC
Revenues									
Rent - net of vacancies	\$ 376,449	\$ -	\$ 1,586,099	\$ -	\$ 863,649	\$ -	\$ 629,744	\$ 1,368,053	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	72,568	-	8,500	-	-	20,600
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	98	-	12,519	-	4,227	-	11,371	5,161	-
Other	30,775	-	11,922	-	28,414	-	8,907	7,641	-
Total revenues	<u>407,322</u>	<u>-</u>	<u>1,610,540</u>	<u>72,568</u>	<u>896,290</u>	<u>8,500</u>	<u>650,022</u>	<u>1,380,855</u>	<u>20,600</u>
Expenses and losses									
Compensation	105,344	-	184,130	-	143,160	-	108,535	175,389	-
Administrative	50,780	249,363	180,200	42,148	144,021	10,426	139,453	144,860	800
Professional services	4,399	934	110,850	934	56,200	934	103,961	154,695	934
Depreciation and amortization	148,364	-	407,435	-	716,237	-	654,198	733,670	-
Grants	-	-	-	-	-	-	-	-	20,600
Facility	159,532	-	387,168	-	426,215	-	261,872	233,343	-
Interest and fees	132,316	-	299,540	-	472,468	-	158,567	620,533	-
Bad debts	719	-	3,587	-	17,989	-	1,556	828	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	(4)	-	108	-	78	-	-	59
Total expenses and losses	<u>601,454</u>	<u>250,293</u>	<u>1,572,910</u>	<u>43,190</u>	<u>1,976,290</u>	<u>11,438</u>	<u>1,428,142</u>	<u>2,063,318</u>	<u>22,393</u>
Excess (deficiency) of revenues over expenses	(194,132)	(250,293)	37,630	29,378	(1,080,000)	(2,938)	(778,120)	(682,463)	(1,793)
Net assets at beginning of year	(931,536)	1,871,002	6,487,718	492,528	9,411,821	481,739	13,162,695	(787,560)	114,004
Other transfers to (from) net assets	-	-	(248,508)	-	-	-	-	12,505,483	-
Net assets at end of year	<u>\$ (1,125,668)</u>	<u>\$ 1,620,709</u>	<u>\$ 6,276,840</u>	<u>\$ 521,906</u>	<u>\$ 8,331,821</u>	<u>\$ 478,801</u>	<u>\$ 12,384,575</u>	<u>\$ 11,035,460</u>	<u>\$ 112,211</u>

**Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Housing California 68, LP (Land Park Woods)	1800 Pine, LP	Transbay Block 7, LLC	Mercy Housing California 64, LP (Transbay Block 7)	Mercy Mather Veterans, LLC	Mercy Housing California 61, LP (Mather Veterans Village)	Mercy Housing California 65, LLC	Mercy Housing California 65, LP (15888 Hesperion)	Plaza Maria, LLC
Revenues									
Rent - net of vacancies	\$ 546,209	\$ 2,194,784	\$ -	\$ 1,276,895	\$ -	\$ 411,189	\$ -	\$ 870,292	\$ 906,264
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	38,160	-	-	-	73,680	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	7,219	4,395	-	-	-	785	-	695	10
Other	11,680	8,149	-	19,389	-	17,277	-	8,169	18,315
Total revenues	<u>565,108</u>	<u>2,207,328</u>	<u>38,160</u>	<u>1,296,284</u>	<u>-</u>	<u>429,251</u>	<u>73,680</u>	<u>879,156</u>	<u>924,589</u>
Expenses and losses									
Compensation	150,489	240,025	-	88,698	-	238,428	-	184,784	80,854
Administrative	105,204	201,844	38,959	374,336	800	73,682	800	192,103	87,680
Professional services	63,967	230,833	934	90,574	934	84,223	934	72,360	9,633
Depreciation and amortization	492,179	904,325	-	1,515,953	-	448,122	-	672,741	275,697
Grants	-	-	-	-	-	-	-	-	-
Facility	198,722	656,515	-	355,984	-	142,195	-	208,108	218,472
Interest and fees	144,887	872,811	-	1,270,370	-	92,419	-	476,033	281,175
Bad debts	(256)	3,443	-	5,863	-	1,855	-	-	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	241	-	55	-	93	-	-
Total expenses and losses	<u>1,155,192</u>	<u>3,109,796</u>	<u>40,134</u>	<u>3,701,778</u>	<u>1,789</u>	<u>1,080,924</u>	<u>1,827</u>	<u>1,806,129</u>	<u>953,511</u>
Excess (deficiency) of revenues over expenses	(590,084)	(902,468)	(1,974)	(2,405,494)	(1,789)	(651,673)	71,853	(926,973)	(28,922)
Net assets at beginning of year	6,289,260	(787,874)	(10,679)	858,812	114,125	10,564,296	(4,497)	10,416,548	(3,558,724)
Other transfers to (from) net assets	581,579	14,439,767	-	(95,000)	-	4,251,430	-	323,437	(250,000)
Net assets at end of year	<u>\$ 6,280,755</u>	<u>\$ 12,749,425</u>	<u>\$ (12,653)</u>	<u>\$ (1,641,682)</u>	<u>\$ 112,336</u>	<u>\$ 14,164,053</u>	<u>\$ 67,356</u>	<u>\$ 9,813,012</u>	<u>\$ (3,837,646)</u>

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Laguna LLC, GP	Laguna Senior Housing, LP (95 Laguna)	JFK Tower, LP	2698 California, LP	Mercy Housing California 66, LP (Colma Veterans Village)	455 Fell, LP (Parcel O)	Mercy Housing California 67, LP (Columbia Park)	Historic Live Oak (Odd Fellows)	Mercy Housing Camino, LLC
Revenues									
Rent - net of vacancies	\$ -	\$ -	\$ 1,450,978	\$ 772,674	\$ -	\$ -	\$ 1,050,921	\$ 94,493	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	-	1,435	33,129	-	-	540	81	-
Other	-	4,510	15,159	37,038	-	-	36,157	4,277	-
Total revenues	-	4,510	1,467,572	842,841	-	-	1,087,618	98,851	-
Expenses and losses									
Compensation	-	-	325,101	79,461	-	-	107,183	9,941	-
Administrative	-	50,429	148,853	151,971	1,378	343	83,078	20,641	799
Professional services	934	4,399	307,366	133,450	1,699	4,399	119,764	8,517	934
Depreciation and amortization	-	-	1,475,183	881,460	-	-	772,239	59,019	-
Grants	-	-	-	-	-	-	-	-	-
Facility	-	-	673,656	426,470	165	34	252,648	39,586	-
Interest and fees	-	-	1,158,121	710,838	-	-	329,635	445	-
Bad debts	-	-	3,571	263	-	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	3	-	-	-	-	-	-	-	8
Total expenses and losses	937	54,828	4,091,851	2,383,913	3,242	4,776	1,664,547	138,149	1,741
Excess (deficiency) of revenues over expenses	(937)	(50,318)	(2,624,279)	(1,541,072)	(3,242)	(4,776)	(576,929)	(39,298)	(1,741)
Net assets at beginning of year	135,140	2,138,416	499,764	106,202	1,155,534	3,878,503	3,307,284	520,207	(2,658)
Other transfers to (from) net assets	-	979,973	1,659,214	-	-	-	370,887	-	-
Net assets at end of year	<u>\$ 134,203</u>	<u>\$ 3,068,071</u>	<u>\$ (465,301)</u>	<u>\$ (1,434,870)</u>	<u>\$ 1,152,292</u>	<u>\$ 3,873,727</u>	<u>\$ 3,101,242</u>	<u>\$ 480,909</u>	<u>\$ (4,399)</u>

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing La Cienega GP, LLC	New Dana Strand IV, LP (Camino Del Mar)	St Mary's Tower, LLC	Mercy Housing California 71, LP (St Mary's Tower)	Francis of Assisi, LLC	Mercy Housing California 69, LP (Francis of Assisi)	Mercy Housing California 59, LP (Casa de la Mission)	0623 Vernon, LLC	Mercy Housing California 48, LP (Roseville)
Revenues									
Rent - net of vacancies	\$ -	\$ 701,907	\$ -	\$ 2,614,313	\$ -	\$ 4,160,134	\$ -	\$ -	\$ 77,545
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	20,736	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	22	-	468	-	-	-	-	847
Other	-	3,793	-	12,654	-	9,673	-	-	4,755
Total revenues	-	705,722	-	2,627,435	20,736	4,169,807	-	-	83,147
Expenses and losses									
Compensation	-	38,165	-	300,973	-	614,461	-	-	30,673
Administrative	801	101,068	800	248,993	26,930	228,106	952	3,192	130,329
Professional services	934	8,780	934	166,957	934	10,780	-	934	4,399
Depreciation and amortization	-	422,496	-	1,082,585	-	1,352,276	-	-	206,875
Grants	-	-	3,499,015	-	-	-	-	-	-
Facility	-	130,281	-	627,830	-	883,676	-	453	38,924
Interest and fees	-	784,827	-	872,452	-	1,134,695	-	-	19,757
Bad debts	-	-	-	1,694	-	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	(7,056)	-
(Gain) loss on investment in limited partnership	62	-	67	-	5	-	-	35	-
Total expenses and losses	1,797	1,485,617	3,500,816	3,301,484	27,869	4,223,994	952	(2,442)	430,957
Excess (deficiency) of revenues over expenses	(1,797)	(779,895)	(3,500,816)	(674,049)	(7,133)	(54,187)	(952)	2,442	(347,810)
Net assets at beginning of year	(1,653)	1,765,324	(9,962,560)	1,174,732	(26,719,208)	(23,074,603)	(10,868)	1,407,881	3,005,913
Other transfers to (from) net assets	-	(45,000)	9,594,041	11,989,302	(1,664,154)	18,777,615	(1,308)	-	400,000
Net assets at end of year	\$ (3,450)	\$ 940,429	\$ (3,869,335)	\$ 12,489,985	\$ (28,390,495)	\$ (4,351,175)	\$ (13,128)	\$ 1,410,323	\$ 3,058,103

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Esperanza Crossing II, LLC	Mercy Housing California 76, LP (Esperanza Crossing Phase II)	Mercy Transformation, LLC	Sunnydale Parcel Q Housing Partners, LP	Candlestick Pointe 11a, California Limited Partnership (Candlestick)	20 North Cottonwood, LLC	Mercy New Hope, LP (Woodland/180 West Beamer)	Mercy Housing California 74, LP (Britton Street)	Pico Robertson LLC, GP
Revenues									
Rent - net of vacancies	\$ -	\$ 390,453	\$ -	\$ -	\$ -	\$ -	\$ 113,452	\$ 2,361,888	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	32	-	-	-	-	158	267	-
Other	-	15,274	-	-	-	-	-	388,221	-
Total revenues	-	405,759	-	-	-	-	113,610	2,750,376	-
Expenses and losses									
Compensation	-	35,589	-	-	-	-	67,541	284,900	-
Administrative	804	63,606	-	62,400	(41)	800	119,929	139,179	1,646
Professional services	934	26,780	934	7,899	7,685	934	9,180	153,456	934
Depreciation and amortization	-	445,515	-	-	-	-	187,237	579,426	-
Grants	-	-	-	-	-	-	-	-	-
Facility	-	60,128	-	-	-	-	89,112	491,637	-
Interest and fees	-	280,553	-	-	-	-	229,108	341,587	-
Bad debts	-	143	-	-	-	-	-	32,030	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	51	-	4	-	-	30	-	-	1
Total expenses and losses	1,789	912,314	938	70,299	7,644	1,764	702,107	2,022,215	2,581
Excess (deficiency) of revenues over expenses	(1,789)	(506,555)	(938)	(70,299)	(7,644)	(1,764)	(588,497)	728,161	(2,581)
Net assets at beginning of year	(825)	201,666	-	(13,811)	(10,531)	(1)	1,052,714	(8,574,549)	(1)
Other transfers to (from) net assets	-	4,001,720	-	2,487,251	(2,500)	-	-	612,857	-
Net assets at end of year	\$ (2,614)	\$ 3,696,831	\$ (938)	\$ 2,403,141	\$ (20,675)	\$ (1,765)	\$ 464,217	\$ (7,233,531)	\$ (2,582)

Mercy Housing Calwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California 73, LP (Pico Robertson)	Baldwin Rose LLC, GP	Baldwin Rose LP	Mercy Housing California 78, LP (Mission Bay Block 6)	Mercy Housing California 75, LP (Dorothy Day)	Placentia Veterans Village, LLC	Placentia Veterans Village, LP	Eliminations	Consolidated Mercy Housing Calwest
Revenues									
Rent - net of vacancies	\$ -	\$ -	\$ -	\$ -	\$ 1,808,590	\$ -	\$ -	\$ -	\$ 43,115,055
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	(746,856)	28,982
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	2,340,368
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	(171,301)	362,789
Other	-	-	-	-	39,255	-	-	(169,351)	4,066,665
Total revenues	-	-	-	-	1,847,845	-	-	(1,087,508)	49,913,859
Expenses and losses									
Compensation	-	-	-	-	448,631	-	-	-	7,875,455
Administrative	144	-	1,778	60	150,310	-	5,000	(862,782)	6,506,815
Professional services	5,199	935	4,399	4,399	21,122	-	4,399	-	3,778,287
Depreciation and amortization	-	-	-	-	248,524	-	-	-	30,536,750
Grants	-	-	-	-	-	-	-	(17,019)	3,519,615
Facility	-	-	-	-	171,380	-	-	-	14,257,198
Interest and fees	-	-	50	-	397,038	-	-	(110,313)	16,089,406
Bad debts	-	-	-	-	-	-	-	-	154,462
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	1,144,830	(22,831)
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	(36,267)	1,291,758
Total expenses and losses	5,343	935	6,227	4,459	1,437,005	-	9,399	118,449	83,986,915
Excess (deficiency) of revenues over expenses	(5,343)	(935)	(6,227)	(4,459)	410,840	-	(9,399)	(1,205,957)	(34,073,056)
Net assets at beginning of year	1,235,991	-	2,153,225	-	-	-	-	53,010,466	163,105,663
Other transfers to (from) net assets	(25,000)	-	-	-	(7,160,065)	-	773,215	4,144,794	71,171,066
Net assets at end of year	\$ 1,205,648	\$ (935)	\$ 2,146,998	\$ (4,459)	\$ (6,749,225)	\$ -	\$ 763,816	\$ 55,949,303	\$ 200,203,673

Mercy Properties California
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties California	The Haven	Leland House	Osocales (McIntosh Mobile Homes)	Richmond Hills	Sycamore Center (Red Bluff)	Eliminations	Consolidated Mercy Properties California
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 60,028	\$ 390,493	\$ 72,627	\$ 140,158	\$ 64,984	\$ -	\$ 728,290
Cash, tenant security deposits	-	13,908	-	27,825	-	3,787	-	45,520
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	437	-	20	-	-	-	457
Due from affiliate, net	82,333	-	38,992	-	-	-	-	121,325
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	4,950	2,002	5,639	2,383	2,424	-	17,398
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	82,333	79,323	431,487	106,111	142,541	71,195	-	912,990
Property and equipment								
Land and land improvements	3,700,000	96,144	658,571	602,623	368,530	58,366	-	5,484,234
Buildings	-	649,702	4,394,710	3,667,467	2,194,340	2,634,992	-	13,541,211
Furniture and equipment	-	-	105,508	11,660	32,811	15,819	-	165,798
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	34,247	-	-	34,247
Accumulated depreciation	-	(423,738)	(3,517,171)	(2,552,703)	(1,810,020)	(1,594,774)	-	(9,898,406)
Net property and equipment	3,700,000	322,108	1,641,618	1,729,047	819,908	1,114,403	-	9,327,084
Other long-term assets								
Restricted property reserves	-	66,409	200,870	201,228	51,539	182,373	-	702,419
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	60,000	-	-	-	-	-	-	60,000
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	22,000	-	-	-	-	-	-	22,000
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	82,000	66,409	200,870	201,228	51,539	182,373	-	784,419
Total assets	\$ 3,864,333	\$ 467,840	\$ 2,273,975	\$ 2,036,386	\$ 1,013,988	\$ 1,367,971	\$ -	\$ 11,024,493

Mercy Properties California
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties California	The Haven	Leland House	Osocales (McIntosh Mobile Homes)	Richmond Hills	Sycamore Center (Red Bluff)	Eliminations	Consolidated Mercy Properties California
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 22,973	\$ 59,187	\$ 21,991	\$ 7,966	\$ 13,174	\$ 24,000	\$ 149,291
Due to affiliates	-	10,285	-	-	93,230	-	-	103,515
Accrued interest	-	-	560,451	7,912	-	1,700	-	570,063
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	52,717	-	23,876	-	76,593
Current portion of notes payable, affiliates	538,173	-	-	-	93,346	-	-	631,519
Deferred revenue and other liabilities	-	129	-	1,794	-	122	-	2,045
Tenant security deposits	-	14,111	-	27,325	5,000	4	-	46,440
Total current liabilities	538,173	47,498	619,638	111,739	199,542	38,876	24,000	1,579,466
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	549,392	-	-	-	549,392
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	60,000	-	1,260,000	2,142,848	-	397,618	-	3,860,466
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	-	-	12,500	-	12,500
Total long-term liabilities	60,000	-	1,260,000	2,692,240	-	410,118	-	4,422,358
Total liabilities	598,173	47,498	1,879,638	2,803,979	199,542	448,994	24,000	6,001,824
Net assets								
Net assets without donor restrictions, controlling	3,266,160	420,342	394,337	(767,593)	814,446	918,977	(24,000)	5,022,669
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	3,266,160	420,342	394,337	(767,593)	814,446	918,977	(24,000)	5,022,669
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	3,266,160	420,342	394,337	(767,593)	814,446	918,977	(24,000)	5,022,669
Total liabilities and net assets	\$ 3,864,333	\$ 467,840	\$ 2,273,975	\$ 2,036,386	\$ 1,013,988	\$ 1,367,971	\$ -	\$ 11,024,493

Mercy Properties California
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Osocales						Consolidated Mercy	
	Mercy Properties		(McIntosh Mobile		Sycamore Center		Properties	
	California	The Haven	Leland House	Homes)	Richmond Hills	(Red Bluff)	Eliminations	California
Revenues								
Rent - net of vacancies	\$ -	\$ 180,508	\$ 20,688	\$ 393,143	\$ 41,137	\$ 146,494	\$ -	\$ 781,970
Developer fees	-	-	-	-	-	-	-	-
Services fees	12,000	-	-	-	-	-	(12,000)	-
Philanthropy	-	-	-	-	54,000	-	-	54,000
Capital grants	-	-	58,488	-	-	-	-	58,488
Consulting	-	-	-	-	-	-	-	-
Interest	-	42	568	105	48	88	-	851
Other	700,000	2,923	-	2,798	1,046	26,655	-	733,422
Total revenues	712,000	183,473	79,744	396,046	96,231	173,237	(12,000)	1,628,731
Expenses and losses								
Compensation	-	87,833	-	89,952	-	5,014	-	182,799
Administrative	150	22,033	-	43,444	3,760	11,505	(12,000)	68,892
Professional services	-	4,855	2,499	5,880	33,961	2,500	-	49,695
Depreciation and amortization	-	23,910	178,186	135,098	79,514	101,970	-	518,678
Grants	-	-	-	-	-	-	-	-
Facility	-	66,499	28,383	78,777	6,079	64,905	-	244,643
Interest and fees	-	-	37,800	116,824	5,250	20,518	-	180,392
Bad debts	-	-	-	-	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	150	205,130	246,868	469,975	128,564	206,412	(12,000)	1,245,099
Excess (deficiency) of revenues over expenses	711,850	(21,657)	(167,124)	(73,929)	(32,333)	(33,175)	-	383,632
Net assets at beginning of year	2,554,310	441,999	561,461	(693,664)	846,779	952,152	(24,000)	4,639,037
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 3,266,160	\$ 420,342	\$ 394,337	\$ (767,593)	\$ 814,446	\$ 918,977	\$ (24,000)	\$ 5,022,669

San Juan Housing Corporation
Consolidating Statement of Financial Position
December 31, 2018

			Tahoe Valley Townhomes		
		Kennedy Estates	Associates, LP		Consolidated San
	San Juan Housing	Housing Associates,	(Tahoe Valley		Juan Housing
	Corporation	LP (Kennedy Estates)	Townhomes)	Eliminations	Corporation
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 369,542	\$ 77,865	\$ -	\$ 447,407
Cash, tenant security deposits	-	69,193	65,393	-	134,586
Cash, restricted	-	-	-	-	-
Investments	-	-	-	-	-
Investments, restricted	-	-	-	-	-
Accounts receivable, net	-	19,794	1,432	-	21,226
Due from affiliate, net	449,146	-	-	(449,146)	-
Pledges receivable, net	-	-	-	-	-
Grants receivable	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-
Prepaid expenses and other assets	-	21,708	29,414	-	51,122
Inventory	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Total current assets	449,146	480,237	174,104	(449,146)	654,341
Property and equipment					
Land and land improvements	-	802,372	840,803	-	1,643,175
Buildings	-	5,804,771	2,125,253	-	7,930,024
Furniture and equipment	-	158,541	3,631,483	-	3,790,024
Predevelopment project costs	-	-	-	-	-
Construction in progress	-	-	-	-	-
Accumulated depreciation	-	(4,636,567)	(4,596,395)	-	(9,232,962)
Net property and equipment	-	2,129,117	2,001,144	-	4,130,261
Other long-term assets					
Restricted property reserves	-	404,935	240,128	-	645,063
Long-term investments	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-
Due from affiliates	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-
Investments in limited partnerships, net.	(36,143)	-	-	36,143	-
Notes and interest receivable, net	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-
Other assets, net	-	-	-	-	-
Total other long-term assets	(36,143)	404,935	240,128	36,143	645,063
Total assets	\$ 413,003	\$ 3,014,289	\$ 2,415,376	\$ (413,003)	\$ 5,429,665

San Juan Housing Corporation
Consolidating Statement of Financial Position
December 31, 2018

			Tahoe Valley Townhomes		
	San Juan Housing Corporation	Kennedy Estates Housing Associates, LP (Kennedy Estates)	Associates, LP (Tahoe Valley Townhomes)	Eliminations	Consolidated San Juan Housing Corporation
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 117,401	\$ 50,385	\$ 21,060	\$ -	\$ 188,846
Due to affiliates	112,090	342,817	317,437	(660,254)	112,090
Accrued interest	-	6,648	7,931	-	14,579
Accrued interest, affiliates	-	-	-	-	-
Current portion of notes payable	-	27,242	99,454	-	126,696
Current portion of notes payable, affiliates	-	-	-	-	-
Deferred revenue and other liabilities	-	2,301	1,708	-	4,009
Tenant security deposits	-	68,899	64,893	-	133,792
Total current liabilities	<u>229,491</u>	<u>498,292</u>	<u>512,483</u>	<u>(660,254)</u>	<u>580,012</u>
Long-term liabilities					
Due to affiliates	-	-	-	-	-
Accrued interest	-	575,122	1,668,807	-	2,243,929
Accrued interest, affiliates	-	-	-	-	-
Notes payable, less current portion, net	-	2,509,309	4,385,219	-	6,894,528
Notes payable, less current portion, affiliates	-	-	-	-	-
Deferred revenue and other liabilities	-	2,713	2,016	-	4,729
Total long-term liabilities	<u>-</u>	<u>3,087,144</u>	<u>6,056,042</u>	<u>-</u>	<u>9,143,186</u>
Total liabilities	<u>229,491</u>	<u>3,585,436</u>	<u>6,568,525</u>	<u>(660,254)</u>	<u>9,723,198</u>
Net assets					
Net assets without donor restrictions, controlling	183,512	(571,147)	(4,153,149)	247,251	(4,293,533)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-
Total net assets without donor restrictions	<u>183,512</u>	<u>(571,147)</u>	<u>(4,153,149)</u>	<u>247,251</u>	<u>(4,293,533)</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>183,512</u>	<u>(571,147)</u>	<u>(4,153,149)</u>	<u>247,251</u>	<u>(4,293,533)</u>
Total liabilities and net assets	<u>\$ 413,003</u>	<u>\$ 3,014,289</u>	<u>\$ 2,415,376</u>	<u>\$ (413,003)</u>	<u>\$ 5,429,665</u>

San Juan Housing Corporation
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	San Juan Housing Corporation	Kennedy Estates Housing Associates, LP (Kennedy Estates)	Tahoe Valley Townhomes Associates, LP (Tahoe Valley Townhomes)	Eliminations	Consolidated San Juan Housing Corporation
Revenues					
Rent - net of vacancies	\$ -	\$ 751,001	\$ 664,702	\$ -	\$ 1,415,703
Developer fees	-	-	-	-	-
Services fees	54,049	-	-	(54,049)	-
Philanthropy	-	-	-	-	-
Capital grants	-	-	-	-	-
Consulting	-	-	-	-	-
Interest	-	563	2,838	-	3,401
Other	-	18,820	14,918	-	33,738
Total revenues	<u>54,049</u>	<u>770,384</u>	<u>682,458</u>	<u>(54,049)</u>	<u>1,452,842</u>
Expenses and losses					
Compensation	-	182,924	134,269	-	317,193
Administrative	54,129	123,607	90,439	(54,048)	214,127
Professional services	934	17,610	11,268	-	29,812
Depreciation and amortization	-	229,875	203,671	-	433,546
Grants	-	-	-	-	-
Facility	-	320,676	186,083	-	506,759
Interest and fees	-	120,414	185,134	-	305,548
Bad debts	-	1,802	1,262	-	3,064
Project expenses	-	-	-	-	-
Allocation	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-
(Gain) loss on investment in limited partnership	36	-	-	(36)	-
Total expenses and losses	<u>55,099</u>	<u>996,908</u>	<u>812,126</u>	<u>(54,084)</u>	<u>1,810,049</u>
Excess (deficiency) of revenues over expenses	(1,050)	(226,524)	(129,668)	35	(357,207)
Net assets at beginning of year	184,562	(344,623)	(4,023,481)	247,216	(3,936,326)
Other transfers to (from) net assets	-	-	-	-	-
Net assets at end of year	<u>\$ 183,512</u>	<u>\$ (571,147)</u>	<u>\$ (4,153,149)</u>	<u>\$ 247,251</u>	<u>\$ (4,293,533)</u>

Mercy Housing Northwest - Idaho, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Northwest - Idaho, Inc.	Eagle Senior Village, Inc.	Mercy Moscow, Inc. (Hawthorne)	Independence Hill, Inc.	Boise Senior 202 GP, LLC	Boise Senior 202 Owner, LP (12th Street Senior)	Eliminations	Consolidated Mercy Housing Northwest - Idaho, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ 300	\$ -	\$ 18,096	\$ 12,937	\$ -	\$ 40,830	\$ -	\$ 72,163
Cash, tenant security deposits	-	5,355	23,553	3,782	-	15,015	-	47,705
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	177	12,010	10,016	-	12,898	-	35,101
Due from affiliate, net	1,601,712	-	-	-	-	-	(10,013)	1,591,699
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	37,204	-	-	-	-	-	-	37,204
Prepaid expenses and other assets	5,712	2,495	6,624	2,211	-	9,629	-	26,671
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	1,644,928	8,027	60,283	28,946	-	78,372	(10,013)	1,810,543
Property and equipment								
Land and land improvements	-	131,776	348,482	11,670	-	1,222,013	-	1,713,941
Buildings	-	1,363,135	1,861,543	1,459,521	-	9,644,176	(103,912)	14,224,463
Furniture and equipment	1,943	12,033	356,922	12,623	-	316,192	-	699,713
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(1,943)	(742,526)	(1,631,102)	(688,649)	-	(2,788,485)	58,840	(5,793,865)
Net property and equipment	-	764,418	935,845	795,165	-	8,393,896	(45,072)	10,844,252
Other long-term assets								
Restricted property reserves	-	92,542	162,799	37,922	-	717,714	-	1,010,977
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	425	-	(425)	-
Notes and interest receivable, net	56,604	-	-	-	-	-	-	56,604
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	29,850	-	29,850
Total other long-term assets	56,604	92,542	162,799	37,922	425	747,564	(425)	1,097,431
Total assets	\$ 1,701,532	\$ 864,987	\$ 1,158,927	\$ 862,033	\$ 425	\$ 9,219,832	\$ (55,510)	\$ 13,752,226

Mercy Housing Northwest - Idaho, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Northwest - Idaho, Inc.	Eagle Senior Village, Inc.	Mercy Moscow, Inc. (Hawthorne)	Independence Hill, Inc.	Boise Senior 202 GP, LLC	Boise Senior 202 Owner, LP (12th Street Senior)	Eliminations	Consolidated Mercy Housing Northwest - Idaho, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 3,283	\$ 20,793	\$ 21,890	\$ 20,088	\$ 2,542	\$ 33,654	\$ 4,375	\$ 106,625
Due to affiliates	2,674,662	443	-	-	4,323	10,013	(10,013)	2,679,428
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	2,273	-	-	-	-	2,273
Current portion of notes payable	-	-	-	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	5,770	-	-	-	-	5,770
Deferred revenue and other liabilities	-	3,399	6,542	872	-	9,718	-	20,531
Tenant security deposits	-	5,161	23,534	3,282	-	14,833	-	46,810
Total current liabilities	2,677,945	29,796	60,009	24,242	6,865	68,218	(5,638)	2,861,437
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	34,028	-	34,028
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	260,000	(4,475)	290,000	-	577,532	-	1,123,057
Notes payable, less current portion, affiliates	-	-	434,218	-	-	4,297,700	(4,297,700)	434,218
Deferred revenue and other liabilities	-	-	-	-	-	-	-	-
Total long-term liabilities	-	260,000	429,743	290,000	-	4,909,260	(4,297,700)	1,591,303
Total liabilities	2,677,945	289,796	489,752	314,242	6,865	4,977,478	(4,303,338)	4,452,740
Net assets								
Net assets without donor restrictions, controlling	(1,077,448)	575,191	669,175	547,791	(6,440)	4,242,354	4,247,828	9,198,451
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(1,077,448)	575,191	669,175	547,791	(6,440)	4,242,354	4,247,828	9,198,451
Net assets with donor restrictions	101,035	-	-	-	-	-	-	101,035
Total net assets	(976,413)	575,191	669,175	547,791	(6,440)	4,242,354	4,247,828	9,299,486
Total liabilities and net assets	\$ 1,701,532	\$ 864,987	\$ 1,158,927	\$ 862,033	\$ 425	\$ 9,219,832	\$ (55,510)	\$ 13,752,226

**Mercy Housing Northwest - Idaho, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Housing Northwest - Idaho, Inc.	Eagle Senior Village, Inc.	Mercy Moscow, Inc. (Hawthorne)	Independence Hill, Inc.	Boise Senior 202 GP, LLC	Boise Senior 202 Owner, LP (12th Street Senior)	Eliminations	Consolidated Mercy Housing Northwest - Idaho, Inc.
Revenues								
Rent - net of vacancies	\$ -	\$ 150,671	\$ 357,768	\$ 137,441	\$ -	\$ 408,814	\$ -	\$ 1,054,694
Developer fees	-	-	-	-	-	-	-	-
Services fees	37,794	-	-	-	4,375	-	(37,794)	4,375
Philanthropy	64,865	-	-	-	-	-	-	64,865
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	4,143	56	892	19	-	429	-	5,539
Other	-	865	7,115	530	-	5,219	-	13,729
Total revenues	<u>106,802</u>	<u>151,592</u>	<u>365,775</u>	<u>137,990</u>	<u>4,375</u>	<u>414,462</u>	<u>(37,794)</u>	<u>1,143,202</u>
Expenses and losses								
Compensation	52,328	38,374	86,903	23,437	-	96,835	-	297,877
Administrative	25,829	24,431	58,791	26,599	8,750	73,070	-	217,470
Professional services	9,005	24,814	11,399	14,731	934	31,040	(37,794)	54,129
Depreciation and amortization	-	49,276	140,507	55,550	-	436,535	(3,779)	678,089
Grants	-	-	-	-	-	-	-	-
Facility	14	49,492	126,292	56,716	-	135,109	-	367,623
Interest and fees	23,248	85	29,227	-	-	6,668	-	59,228
Bad debts	75,043	-	1,192	-	-	-	-	76,235
Project expenses	-	-	-	-	-	-	-	-
Allocation	25,472	-	-	-	-	-	-	25,472
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	36	-	(36)	-
Total expenses and losses	<u>210,939</u>	<u>186,472</u>	<u>454,311</u>	<u>177,033</u>	<u>9,720</u>	<u>779,257</u>	<u>(41,609)</u>	<u>1,776,123</u>
Excess (deficiency) of revenues over expenses	(104,137)	(34,880)	(88,536)	(39,043)	(5,345)	(364,795)	3,815	(632,921)
Net assets at beginning of year	(872,276)	610,071	757,711	586,834	(1,095)	4,607,149	4,244,013	9,932,407
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	<u>\$ (976,413)</u>	<u>\$ 575,191</u>	<u>\$ 669,175</u>	<u>\$ 547,791</u>	<u>\$ (6,440)</u>	<u>\$ 4,242,354</u>	<u>\$ 4,247,828</u>	<u>\$ 9,299,486</u>

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

					111th and Wentworth Limited Partnership (Wentworth Commons)		Belray Limited Partnership (Belray Apartments)	Harold Washington Apartments Corporation
	Mercy Housing Lakefront	Lavergne Courts, LLC	Washington Courts, LLC	Whitmore Apartments, LLC	111th & Wentworth Apartments Corp.	Belray Apartments Corporation		
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 449,594	\$ 324,200	\$ 189,806	\$ -	\$ 3,490	\$ -	\$ -
Cash, tenant security deposits	-	33,508	24,388	10,206	-	14,315	-	11,106
Cash, restricted	-	250	250	-	-	-	-	320,383
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	40,162	21,389	13,045	5,338	-	11,019	-	2,559
Due from affiliate, net	19,801,854	-	-	-	-	1,313	4,340	33
Pledges receivable, net	420,150	-	-	-	-	-	-	-
Grants receivable	135,360	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	2,490,658	-	-	-	-	-	-	-
Prepaid expenses and other assets	75,783	33,941	26,907	11,094	-	9,274	-	9,881
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	22,963,967	538,682	388,790	216,444	-	39,411	4,340	628,259
Property and equipment								
Land and land improvements	174,915	220,491	100,724	54,100	-	823,255	-	182,045
Buildings	516,847	7,972,362	6,609,569	2,313,576	-	8,315,018	-	3,494,188
Furniture and equipment	64,092	193,654	102,686	39,623	-	517,949	-	134,518
Predevelopment project costs	1,093,849	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(358,900)	(3,786,137)	(2,440,360)	(1,156,409)	-	(5,238,726)	-	(2,917,904)
Net property and equipment	1,490,803	4,600,370	4,372,619	1,250,890	-	4,417,496	-	892,847
Other long-term assets								
Restricted property reserves	-	541,015	354,703	108,862	-	149,885	-	442,344
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	7,295,871	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	62,442	-	-	-	981,690	-	235,980	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	10,661,006	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	18,019,319	541,015	354,703	108,862	981,690	149,885	235,980	442,344
Total assets	\$ 42,474,089	\$ 5,680,067	\$ 5,116,112	\$ 1,576,196	\$ 981,690	\$ 4,606,792	\$ 240,320	\$ 1,963,450
								\$ 416,578

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Lakefront	Lavergne Courts, LLC	Washington Courts, LLC	Whitmore Apartments, LLC	111th & Wentworth Apartments Corp.	111th and Wentworth Limited Partnership (Wentworth Commons)	Belray Apartments Corporation	Belray Limited Partnership (Belray Apartments)	Harold Washington Apartments Corporation
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 723,021	\$ 220,224	\$ 344,131	\$ 86,347	\$ 389	\$ 46,455	\$ -	\$ 39,719	\$ -
Due to affiliates	16,439,199	47,071	26,601	15,174	64,664	18,807	71,412	4,382	349,029
Accrued interest	-	9,686	9,002	4,225	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	76,086	77,904	33,549	-	-	-	6,000	-
Current portion of notes payable, affiliates	3,308,463	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	6,658	5,009	3,922	-	4,283	-	1,747	-
Tenant security deposits	-	31,580	23,324	9,707	-	14,315	-	10,728	-
Total current liabilities	20,470,683	391,305	485,971	152,924	65,053	83,860	71,412	62,576	349,029
Long-term liabilities									
Due to affiliates	-	-	-	-	982,369	-	300,250	-	504,204
Accrued interest	-	20,356	38,683	-	-	-	-	-	-
Accrued interest, affiliates	-	146,878	154,362	25,206	-	-	-	-	-
Notes payable, less current portion, net	5,973,396	4,749,934	4,210,067	1,110,919	-	(27,322)	-	3,218,501	-
Notes payable, less current portion, affiliates	724,026	600,739	473,012	304,437	-	6,473,396	-	-	-
Deferred revenue and other liabilities	296,135	4,740	3,090	1,620	-	-	-	-	-
Total long-term liabilities	6,993,557	5,522,647	4,879,214	1,442,182	982,369	6,446,074	300,250	3,218,501	504,204
Total liabilities	27,464,240	5,913,952	5,365,185	1,595,106	1,047,422	6,529,934	371,662	3,281,077	853,233
Net assets									
Net assets without donor restrictions, controlling	12,490,413	(233,885)	(249,073)	(18,910)	(65,732)	(1,923,142)	(131,342)	(1,317,627)	(436,655)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	12,490,413	(233,885)	(249,073)	(18,910)	(65,732)	(1,923,142)	(131,342)	(1,317,627)	(436,655)
Net assets with donor restrictions	2,519,436	-	-	-	-	-	-	-	-
Total net assets	15,009,849	(233,885)	(249,073)	(18,910)	(65,732)	(1,923,142)	(131,342)	(1,317,627)	(436,655)
Total liabilities and net assets	\$ 42,474,089	\$ 5,680,067	\$ 5,116,112	\$ 1,576,196	\$ 981,690	\$ 4,606,792	\$ 240,320	\$ 1,963,450	\$ 416,578

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

	Magnolia Limited Partnership (Carlton Apartments)	Red Door Limited Partnership (Major Jenkins Apartments)	4707 Malden Limited Partnership (Miriam Apartments)	Roseland Apartments Corporation	Roseland Limited Partnership (Holland Apartments)	South Loop Apartments Corporation	South Loop Limited Partnership (South Loop Apartments)	Winthrop Apartments Corporation	5042 Winthrop Limited Partnership (Delmar Apartments)
Assets									
Current assets									
Cash and cash equivalents	\$ 2,820	\$ 234,867	\$ 6,090	\$ -	\$ 3,794	\$ -	\$ 63,741	\$ -	\$ 1,584
Cash, tenant security deposits	8,779	20,822	6,817	-	10,444	-	953	-	29,638
Cash, restricted	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	12,353	(190)	21,799	-	3,234	-	17,325	-	37,033
Due from affiliate, net	-	-	-	-	515	38,583	-	59,371	18,000
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	9,311	20,889	9,373	-	9,955	-	24,743	-	25,692
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	33,263	276,388	44,079	-	27,942	38,583	106,762	59,371	111,947
Property and equipment									
Land and land improvements	65,063	180,445	65,000	-	319,126	-	881,175	-	125,000
Buildings	2,581,950	6,176,031	2,403,392	-	8,414,801	-	14,862,432	-	5,991,403
Furniture and equipment	137,546	262,868	93,608	-	425,521	-	478,376	-	355,975
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(2,439,570)	(5,554,619)	(1,997,540)	-	(5,845,704)	-	(10,354,468)	-	(5,576,373)
Net property and equipment	344,989	1,064,725	564,460	-	3,313,744	-	5,867,515	-	896,005
Other long-term assets									
Restricted property reserves	172,621	1,038,347	23,580	-	567,018	-	3,605,220	-	68,578
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	353,731	-	262,652	-	(96,081)	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-	-
Total other long-term assets	172,621	1,038,347	23,580	353,731	567,018	262,652	3,605,220	(96,081)	68,578
Total assets	\$ 550,873	\$ 2,379,460	\$ 632,119	\$ 353,731	\$ 3,908,704	\$ 301,235	\$ 9,579,497	\$ (36,710)	\$ 1,076,530

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	Magnolia Limited Partnership (Carlton Apartments)	Red Door Limited Partnership (Major Jenkins Apartments)	4707 Malden Limited Partnership (Miriam Apartments)	Roseland Apartments Corporation	Roseland Limited Partnership (Holland Apartments)	South Loop Apartments Corporation	South Loop Limited Partnership (South Loop Apartments)	Winthrop Apartments Corporation	5042 Winthrop Limited Partnership (Delmar Apartments)
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 45,005	\$ 46,236	\$ 39,463	\$ -	\$ 47,279	\$ -	\$ 85,308	\$ -	\$ 65,911
Due to affiliates	125,947	51,849	107,084	95,031	85,366	117,042	38,958	190,615	371,922
Accrued interest	-	-	241	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	55,152	98,772	25,051	-	2,400	-	1,200	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	578	7,929	1,590	-	3,565	-	22,926	-	6,077
Tenant security deposits	8,466	20,327	5,857	-	10,444	-	473	-	26,738
Total current liabilities	235,148	225,113	179,286	95,031	149,054	117,042	148,865	190,615	470,648
Long-term liabilities									
Due to affiliates	-	-	-	354,265	-	263,620	461,302	-	-
Accrued interest	-	-	-	-	-	-	3,346,174	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	402,565	1,731,354	181,250	-	4,326,117	-	8,358,876	-	4,711,225
Notes payable, less current portion, affiliates	-	-	-	-	-	-	1,080,500	-	-
Deferred revenue and other liabilities	-	-	-	-	-	-	-	-	-
Total long-term liabilities	402,565	1,731,354	181,250	354,265	4,326,117	263,620	13,246,852	-	4,711,225
Total liabilities	637,713	1,956,467	360,536	449,296	4,475,171	380,662	13,395,717	190,615	5,181,873
Net assets									
Net assets without donor restrictions, controlling	(86,840)	422,993	271,583	(95,565)	(566,467)	(79,427)	(3,816,220)	(227,325)	(4,105,343)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(86,840)	422,993	271,583	(95,565)	(566,467)	(79,427)	(3,816,220)	(227,325)	(4,105,343)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	(86,840)	422,993	271,583	(95,565)	(566,467)	(79,427)	(3,816,220)	(227,325)	(4,105,343)
Total liabilities and net assets	\$ 550,873	\$ 2,379,460	\$ 632,119	\$ 353,731	\$ 3,908,704	\$ 301,235	\$ 9,579,497	\$ (36,710)	\$ 1,076,530

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	Near North Apartments Corporation, NFP	Near North Limited Partnership (Schiff Residences)	Malden Arms Corp. II, NFP	Malden Limited Partnership II (Malden Arms II)	Englewood Apartments, NFP	901 West 63rd Limited Partnership (Englewood Apartments)	Countryside Seniors, LLC	Countryside Seniors Apartments, LP (Countryside Apartments)	Johnston Center MM, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 156,460	\$ -	\$ 250	\$ -	\$ 4,932	\$ -	\$ 23,804	\$ -
Cash, tenant security deposits	-	12,744	-	23,212	-	12,861	-	49,988	-
Cash, restricted	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	11,961	17,000	78,991	-	24,767	-	-	-
Due from affiliate, net	33,844	-	176,501	1,484	-	-	35,000	-	5,033
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	16,537	-	11,776	-	17,536	-	18,974	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	33,844	197,702	193,501	115,713	-	60,096	35,000	92,766	5,033
Property and equipment									
Land and land improvements	-	4,283,412	-	670,314	-	1,432,081	-	2,599,688	-
Buildings	-	12,755,968	-	4,692,226	-	15,206,351	-	11,940,496	-
Furniture and equipment	-	488,818	-	229,662	-	368,721	-	234,156	-
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(6,175,178)	-	(1,850,047)	-	(5,115,321)	-	(4,374,706)	-
Net property and equipment	-	11,353,020	-	3,742,155	-	11,891,832	-	10,399,634	-
Other long-term assets									
Restricted property reserves	-	925,792	-	1,589,426	-	1,051,479	-	337,741	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	5,378,917	-	512,763	-	2,599,488	-	2,515,626	-	(385)
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	512,058	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	8,166	-	33,561	-	52,342	-
Total other long-term assets	5,378,917	925,792	512,763	1,597,592	2,599,488	1,085,040	3,027,684	390,083	(385)
Total assets	\$ 5,412,761	\$ 12,476,514	\$ 706,264	\$ 5,455,460	\$ 2,599,488	\$ 13,036,968	\$ 3,062,684	\$ 10,882,483	\$ 4,648

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	Near North Apartments Corporation, NFP	Near North Limited Partnership (Schiff Residences)	Malden Arms Corp. II, NFP	Malden Limited Partnership II (Malden Arms II)	Englewood Apartments, NFP	901 West 63rd Limited Partnership (Englewood Apartments)	Countryside Seniors, LLC	Countryside Seniors Apartments, LP (Countryside Apartments)	Johnston Center MM, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ 60,867	\$ -	\$ 55,710	\$ -	\$ 57,999	\$ -	\$ 148,311	\$ -
Due to affiliates	91,490	49,658	184,327	300,703	17,157	297,339	73,730	110,304	18,803
Accrued interest	-	-	-	-	-	1,403	-	7,176	-
Accrued interest, affiliates	-	-	-	-	-	119,267	-	-	-
Current portion of notes payable	-	26,200	-	1,200	-	44,054	-	21,070	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	10,760	-
Deferred revenue and other liabilities	-	3,582	-	4,120	-	643	-	9,185	-
Tenant security deposits	-	12,744	-	21,997	-	12,362	-	49,071	-
Total current liabilities	91,490	153,051	184,327	383,730	17,157	533,067	73,730	355,877	18,803
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	362,433	-	-	-	280,631	-
Accrued interest, affiliates	-	750,701	16,694	153,109	-	-	-	66,905	-
Notes payable, less current portion, net	-	3,136,881	-	2,409,379	-	1,636,867	-	4,460,654	-
Notes payable, less current portion, affiliates	-	2,922,000	3,525	576,000	2,000,000	1,294,229	-	611,978	-
Deferred revenue and other liabilities	-	-	-	547,190	-	152,598	-	-	-
Total long-term liabilities	-	6,809,582	20,219	4,048,111	2,000,000	3,083,694	-	5,420,168	-
Total liabilities	91,490	6,962,633	204,546	4,431,841	2,017,157	3,616,761	73,730	5,776,045	18,803
Net assets									
Net assets without donor restrictions, controlling	5,321,271	5,513,881	501,718	1,023,619	582,331	9,420,207	2,988,954	5,106,438	(14,155)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	5,321,271	5,513,881	501,718	1,023,619	582,331	9,420,207	2,988,954	5,106,438	(14,155)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	5,321,271	5,513,881	501,718	1,023,619	582,331	9,420,207	2,988,954	5,106,438	(14,155)
Total liabilities and net assets	\$ 5,412,761	\$ 12,476,514	\$ 706,264	\$ 5,455,460	\$ 2,599,488	\$ 13,036,968	\$ 3,062,684	\$ 10,882,483	\$ 4,648

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	Johnston Center Re-Use, LLC	HWA-850 Eastwood GP Corp., NFP	HWA-850 Eastwood Limited Partnership	Belvidere Place Corp. I, NFP	Grayslake Senior Housing Limited Partnership	104th Street MM, LLC	104th Street Limited Partnership (Pullman Wheelworks)	MHL Holdings, LLC	MHL Keating MM, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ 69,980	\$ -	\$ 63,127	\$ -	\$ 74,088	\$ -	\$ 112,951	\$ -	\$ -
Cash, tenant security deposits	24,910	-	112,179	-	38,117	-	53,776	-	-
Cash, restricted	-	-	850	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	956	-	221,892	-	3,062	-	114,052	-	-
Due from affiliate, net	5,362	87,604	3,039,070	145,129	-	873,446	53,757	63,249	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	16,966	-	51,705	-	18,668	-	65,611	-	-
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	118,174	87,604	3,488,823	145,129	133,935	873,446	400,147	63,249	-
Property and equipment									
Land and land improvements	492,159	-	4,575,852	-	2,113,338	-	1,821,876	-	-
Buildings	11,714,909	-	54,658,785	-	17,215,500	-	24,780,195	-	-
Furniture and equipment	352,496	-	209,029	-	337,603	-	965,532	-	-
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(3,957,661)	-	(15,685,068)	-	(3,504,450)	-	(4,468,250)	-	-
Net property and equipment	8,601,903	-	43,758,598	-	16,161,991	-	23,099,353	-	-
Other long-term assets									
Restricted property reserves	1,026,353	-	3,291,870	-	511,591	-	2,364,608	-	-
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	7,379,667	-	(381)	-	128,158	-	(12,833,450)	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	65,274	-	66,061	-	131,267	-	54,473	-	-
Total other long-term assets	1,091,627	7,379,667	3,357,931	(381)	642,858	128,158	2,419,081	(12,833,450)	-
Total assets	\$ 9,811,704	\$ 7,467,271	\$ 50,605,352	\$ 144,748	\$ 16,938,784	\$ 1,001,604	\$ 25,918,581	\$ (12,770,201)	\$ -

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	Johnston Center Re-Use, LLC	HWA-850 Eastwood GP Corp., NFP	HWA-850 Eastwood Limited Partnership	Belvidere Place Corp. I, NFP	Grayslake Senior Housing Limited Partnership	104th Street MM, LLC	104th Street Limited Partnership (Pullman Wheelworks)	MHL Holdings, LLC	MHL Keating MM, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ 98,974	\$ -	\$ 349,557	\$ -	\$ 305,325	\$ 286,402	\$ 923,627	\$ -	\$ -
Due to affiliates	5,033	106,987	3,148,293	163,099	7,341	603,951	1,317,746	12,149	8,596
Accrued interest	-	-	416,097	-	4,867	-	23,130	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	600,000	-	12,153	-	158,128	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	11,492	-	-
Deferred revenue and other liabilities	3,156	-	20,595	-	12,139	-	8,636	-	-
Tenant security deposits	24,459	-	116,170	-	37,617	-	50,582	-	-
Total current liabilities	131,622	106,987	4,650,712	163,099	379,442	890,353	2,493,341	12,149	8,596
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	132,778	-	-
Accrued interest, affiliates	817,131	-	1,432,785	-	356,476	-	261,700	-	-
Notes payable, less current portion, net	1,806,410	-	29,011,196	-	604,361	-	12,068,510	-	-
Notes payable, less current portion, affiliates	2,403,500	4,381,647	4,263,520	-	250,926	-	1,737,819	-	-
Deferred revenue and other liabilities	37,573	-	3,697,755	-	914,407	-	1,876,286	-	-
Total long-term liabilities	5,064,614	4,381,647	38,405,256	-	2,126,170	-	16,077,093	-	-
Total liabilities	5,196,236	4,488,634	43,055,968	163,099	2,505,612	890,353	18,570,434	12,149	8,596
Net assets									
Net assets without donor restrictions, controlling	4,615,468	1,345,304	7,549,384	(18,351)	14,433,172	111,251	7,348,147	(12,782,350)	(8,596)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	4,615,468	1,345,304	7,549,384	(18,351)	14,433,172	111,251	7,348,147	(12,782,350)	(8,596)
Net assets with donor restrictions	-	1,633,333	-	-	-	-	-	-	-
Total net assets	4,615,468	2,978,637	7,549,384	(18,351)	14,433,172	111,251	7,348,147	(12,782,350)	(8,596)
Total liabilities and net assets	\$ 9,811,704	\$ 7,467,271	\$ 50,605,352	\$ 144,748	\$ 16,938,784	\$ 1,001,604	\$ 25,918,581	\$ (12,770,201)	\$ -

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	The Keating Building Little Village LLC	2000 Illinois Aurora MM, LLC	2000 Illinois Aurora, LLC	St. Catherine Residence, Inc.	SC Residence MM, LLC	SC Residence, LLC (McAuley Apartments)	Roseland Place Inc., NFP	Roseland Place Limited Partnership	Mercy River West Commons Elgin LLC
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ -	\$ 181,377	\$ 17,334	\$ 1,383	\$ 56,702	\$ -	\$ 116,094	\$ 80,081
Cash, tenant security deposits	-	1	42,787	-	-	14,932	-	16,595	-
Cash, restricted	-	-	-	28,547	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	9,880	9,258	-	1,629	-	1,902	18,427
Due from affiliate, net	-	13,357	-	-	8,961	-	-	1,510	2,770
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	13,685	18,390	-	7,724	-	71,294	13,258
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	-	13,358	247,729	73,529	10,344	80,987	-	207,395	114,536
Property and equipment									
Land and land improvements	-	-	789,660	182,444	-	400,000	-	1,565,103	1,320,574
Buildings	-	-	6,259,583	4,253,963	-	4,364,264	-	14,618,869	6,926,967
Furniture and equipment	-	-	199,886	825,129	-	257,148	-	478,774	107,985
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(950,297)	(3,698,623)	-	(1,886,218)	-	(3,833,000)	(882,247)
Net property and equipment	-	-	6,298,832	1,562,913	-	3,135,194	-	12,829,746	7,473,279
Other long-term assets									
Restricted property reserves	-	-	655,108	-	-	142,173	-	777,680	96,519
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	290,312	-	600,537	(189)	-	9,243,428	-	-
Notes and interest receivable, net	-	-	-	75,000	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	684,783	662,439	-	1,079,506	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	10,197	-	29,903	-
Total other long-term assets	-	290,312	655,108	1,360,320	662,250	152,370	10,322,934	807,583	96,519
Total assets	\$ -	\$ 303,670	\$ 7,201,669	\$ 2,996,762	\$ 672,594	\$ 3,368,551	\$ 10,322,934	\$ 13,844,724	\$ 7,684,334

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	The Keating Building Little Village LLC	2000 Illinois Aurora MM, LLC	2000 Illinois Aurora, LLC	St. Catherine Residence, Inc.	SC Residence MM, LLC	SC Residence, LLC (McAuley Apartments)	Roseland Place Inc., NFP	Roseland Place Limited Partnership	Mercy River West Commons Elgin LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ -	\$ 218,778	\$ 84,834	\$ -	\$ 63,472	\$ -	\$ 70,707	\$ 230,866
Due to affiliates	-	3,378	16,127	477,262	-	-	4,644	-	7,875
Accrued interest	-	-	18,845	-	-	2,972	-	-	23,780
Accrued interest, affiliates	-	-	-	-	-	52,923	-	-	-
Current portion of notes payable	-	-	87,195	-	-	29,166	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	18,170	5,886	-	1,285	-	13,202	6,859
Tenant security deposits	-	-	42,600	24,623	-	14,132	-	15,201	-
Total current liabilities	-	3,378	401,715	592,605	-	163,950	4,644	99,110	269,380
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	1,197,186	-
Notes payable, less current portion, net	-	-	4,584,505	-	-	661,995	-	(462,354)	8,447,188
Notes payable, less current portion, affiliates	-	-	-	-	-	1,445,986	-	1,758,440	-
Deferred revenue and other liabilities	-	-	-	14,189	-	3,416	-	-	3,775
Total long-term liabilities	-	-	4,584,505	14,189	-	2,111,397	-	2,493,272	8,450,963
Total liabilities	-	3,378	4,986,220	606,794	-	2,275,347	4,644	2,592,382	8,720,343
Net assets									
Net assets without donor restrictions, controlling	-	300,292	2,215,449	2,387,968	672,594	1,093,204	10,318,290	11,252,342	(1,036,009)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	-	300,292	2,215,449	2,387,968	672,594	1,093,204	10,318,290	11,252,342	(1,036,009)
Net assets with donor restrictions	-	-	-	2,000	-	-	-	-	-
Total net assets	-	300,292	2,215,449	2,389,968	672,594	1,093,204	10,318,290	11,252,342	(1,036,009)
Total liabilities and net assets	\$ -	\$ 303,670	\$ 7,201,669	\$ 2,996,762	\$ 672,594	\$ 3,368,551	\$ 10,322,934	\$ 13,844,724	\$ 7,684,334

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	Danville Veterans Housing MM, LLC GP	Danville Veterans Housing, LLC	Greenwich Park Apartments MM, LLC	Greenwich Park Apartments, LLC	Mercy Sterling NFP	New Sterling Park MM, LLC	New Sterling Park, LLC	Kankakee Station Senior Housing MM GP, LLC	Kankakee Station Street Senior Housing, LLC
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 3,760	\$ -	\$ 82,729	\$ -	\$ -	\$ 148,284	\$ -	\$ 51,599
Cash, tenant security deposits	-	-	-	15,503	-	-	109,085	-	12,301
Cash, restricted	-	12,287	-	-	-	-	222,732	-	124,045
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	7,986	-	2,652	-	-	53,327	-	13,946
Due from affiliate, net	-	-	-	-	-	10,300	1,699	-	970
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	15,427	-	14,552	-	-	65,748	-	14,264
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	-	39,460	-	115,436	-	10,300	600,875	-	217,125
Property and equipment									
Land and land improvements	-	1,467,205	-	1,254,195	-	-	1,876,305	-	1,883,431
Buildings	-	14,397,943	-	11,569,018	-	-	57,998,396	-	13,212,498
Furniture and equipment	-	489,690	-	228,335	-	-	399,994	-	121,807
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,526,831)	-	(1,099,333)	-	-	(4,810,752)	-	(607,989)
Net property and equipment	-	14,828,007	-	11,952,215	-	-	55,463,943	-	14,609,747
Other long-term assets									
Restricted property reserves	-	471,269	-	231,140	-	-	1,850,153	-	86,170
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	319,765	-	7,843	-	22	(661)	-	694,877	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	503,613	-	82,968	-	-	81,719	-	105,635
Total other long-term assets	319,765	974,882	7,843	314,108	22	(661)	1,931,872	694,877	191,805
Total assets	\$ 319,765	\$ 15,842,349	\$ 7,843	\$ 12,381,759	\$ 22	\$ 9,639	\$ 57,996,690	\$ 694,877	\$ 15,018,677

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

	Danville Veterans Housing MM, LLC GP	Danville Veterans Housing, LLC	Greenwich Park Apartments MM, LLC	Greenwich Park Apartments, LLC	Mercy Sterling NFP	New Sterling Park MM, LLC	New Sterling Park, LLC	Kankakee Station Senior Housing MM GP, LLC	Kankakee Station Street Senior Housing, LLC
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ 92,828	\$ -	\$ 95,808	\$ -	\$ -	\$ 200,994	\$ -	\$ 141,159
Due to affiliates	3,022	576,066	2,882	24,573	4,462	13,470	539,280	1,868	89,613
Accrued interest	-	-	-	16,792	-	-	12,508	-	23,805
Accrued interest, affiliates	-	-	-	1,272	-	-	-	-	-
Current portion of notes payable	-	15,000	-	-	-	-	30,265	-	-
Current portion of notes payable, affiliates	-	118,551	-	-	-	-	2,486,222	-	227,258
Deferred revenue and other liabilities	-	8,277	-	1,182	-	-	15,788	-	11,459
Tenant security deposits	-	-	-	15,302	-	-	94,099	-	11,651
Total current liabilities	3,022	810,722	2,882	154,929	4,462	13,470	3,379,156	1,868	504,945
Long-term liabilities									
Due to affiliates	-	-	-	-	-	-	3,000,000	-	-
Accrued interest	-	-	-	-	-	-	1,193,821	-	-
Accrued interest, affiliates	-	137,988	-	-	-	-	49,857	-	-
Notes payable, less current portion, net	-	920,661	-	6,461,036	-	-	26,943,822	-	13,761,405
Notes payable, less current portion, affiliates	-	1,311,000	-	127,217	-	-	673,765	-	326,422
Deferred revenue and other liabilities	-	738,064	-	512,027	-	-	2,338,004	-	1,022,960
Total long-term liabilities	-	3,107,713	-	7,100,280	-	-	34,199,269	-	15,110,787
Total liabilities	3,022	3,918,435	2,882	7,255,209	4,462	13,470	37,578,425	1,868	15,615,732
Net assets									
Net assets without donor restrictions, controlling	316,743	11,923,914	4,961	5,126,550	(4,440)	(3,831)	20,418,265	693,009	(597,055)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	316,743	11,923,914	4,961	5,126,550	(4,440)	(3,831)	20,418,265	693,009	(597,055)
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	316,743	11,923,914	4,961	5,126,550	(4,440)	(3,831)	20,418,265	693,009	(597,055)
Total liabilities and net assets	\$ 319,765	\$ 15,842,349	\$ 7,843	\$ 12,381,759	\$ 22	\$ 9,639	\$ 57,996,690	\$ 694,877	\$ 15,018,677

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

	Roseland Village	Eliminations	Consolidated Mercy Housing Lakefront
Assets			
Current assets			
Cash and cash equivalents	\$ 16,237	\$ -	\$ 2,825,455
Cash, tenant security deposits	3,835	-	713,802
Cash, restricted	-	-	709,344
Investments	-	-	-
Investments, restricted	-	-	-
Accounts receivable, net	-	(124,672)	652,082
Due from affiliate, net	-	(7,536,790)	16,958,000
Pledges receivable, net	-	-	420,150
Grants receivable	-	-	135,360
Current portion of notes and interest receivable	-	-	-
Current portion of notes and interest receivable, affiliates	-	(2,490,658)	-
Prepaid expenses and other assets	2,046	-	721,004
Inventory	-	-	-
Assets held for sale	-	-	-
Total current assets	<u>22,118</u>	<u>(10,152,120)</u>	<u>23,135,197</u>
Property and equipment			
Land and land improvements	360,000	(1,202,791)	31,076,185
Buildings	3,842,996	(19,462,366)	340,598,130
Furniture and equipment	10,600	-	9,111,781
Predevelopment project costs	-	-	1,093,849
Construction in progress	-	-	-
Accumulated depreciation	<u>(1,020,921)</u>	<u>3,785,556</u>	<u>(109,328,046)</u>
Net property and equipment	<u>3,192,675</u>	<u>(16,879,601)</u>	<u>272,551,899</u>
Other long-term assets			
Restricted property reserves	147,000	-	22,628,245
Long-term investments	-	-	-
Long-term investments, restricted	-	-	-
Due from affiliates	-	(7,295,871)	-
Pledges receivable, net	-	-	-
Investments in limited partnerships, net	-	(21,313,107)	(2,271,513)
Notes and interest receivable, net	-	-	75,000
Notes and interest receivable, affiliates	-	(13,599,792)	-
Allowance for impaired assets	-	-	-
Other assets, net	-	-	1,225,179
Total other long-term assets	<u>147,000</u>	<u>(42,208,770)</u>	<u>21,656,911</u>
Total assets	<u>\$ 3,361,793</u>	<u>\$ (69,240,491)</u>	<u>\$ 317,344,007</u>

Mercy Housing Lakefront
Consolidating Statement of Financial Position
December 31, 2018

	Roseland Village	Eliminations	Consolidated Mercy Housing Lakefront
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 38,308	\$ (330,211)	\$ 4,983,803
Due to affiliates	-	(8,548,395)	17,952,986
Accrued interest	-	-	574,529
Accrued interest, affiliates	-	(173,462)	-
Current portion of notes payable	-	-	1,400,545
Current portion of notes payable, affiliates	-	(2,272,919)	3,889,827
Deferred revenue and other liabilities	2,278	-	210,726
Tenant security deposits	3,395	-	707,964
Total current liabilities	43,981	(11,324,987)	29,720,380
Long-term liabilities			
Due to affiliates	-	(2,866,010)	3,000,000
Accrued interest	-	-	5,374,876
Accrued interest, affiliates	-	(5,563,375)	3,603
Notes payable, less current portion, net	3,606,100	-	159,005,498
Notes payable, less current portion, affiliates	-	(35,020,059)	724,025
Deferred revenue and other liabilities	-	(10,632,927)	1,530,902
Total long-term liabilities	3,606,100	(54,082,371)	169,638,904
Total liabilities	3,650,081	(65,407,358)	199,359,284
Net assets			
Net assets without donor restrictions, controlling	(288,288)	(3,833,133)	113,829,954
Net assets without donor restrictions, noncontrolling	-	-	-
Total net assets without donor restrictions	(288,288)	(3,833,133)	113,829,954
Net assets with donor restrictions	-	-	4,154,769
Total net assets	(288,288)	(3,833,133)	117,984,723
Total liabilities and net assets	\$ 3,361,793	\$ (69,240,491)	\$ 317,344,007

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Lakefront	Lavergne Courts, LLC	Washington Courts, LLC	Whitmore Apartments, LLC	111th & Wentworth Apartments Corp.	111th and Wentworth Limited Partnership (Wentworth Commons)	Belray Apartments Corporation	Belray Limited Partnership (Belray Apartments)	Harold Washington Apartments Corporation
Revenues									
Rent - net of vacancies	\$ -	\$ 2,047,669	\$ 1,441,312	\$ 825,100	\$ -	\$ 506,412	\$ -	\$ 545,457	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	3,698,136	-	-	-	-	-	4,340	-	11,736
Philanthropy	5,422,316	-	-	-	-	-	-	-	-
Capital grants	450,000	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	736,362	1,154	969	129	-	3,644	-	7,924	-
Other	1,304,629	3,617	3,963	1,157	-	68,686	-	16,240	-
Total revenues	11,611,443	2,052,440	1,446,244	826,386	-	578,742	4,340	569,621	11,736
Expenses and losses									
Compensation	3,905,379	430,054	324,060	111,833	-	147,524	-	178,556	-
Administrative	685,423	258,603	140,874	91,948	55	68,011	4,578	73,572	11,941
Professional services	529,382	130,564	157,472	54,562	467	19,374	467	26,278	467
Depreciation and amortization	16,570	374,503	261,711	120,368	-	313,358	-	125,243	-
Grants	1,703,830	-	-	-	-	-	-	-	-
Facility	307,397	624,099	488,073	284,680	-	379,848	-	268,161	-
Interest and fees	46,139	205,698	166,896	72,517	-	1,694	-	16	-
Bad debts	1,104,680	14,255	7,403	4,969	-	3,499	-	1,618	-
Project expenses	600,378	-	-	-	-	-	-	-	-
Allocation	1,562,612	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	72	-	-	-	35	-	1,038	-	1,180
Total expenses and losses	10,461,862	2,037,776	1,546,489	740,877	557	933,308	6,083	673,444	13,588
Excess (deficiency) of revenues over expenses	1,149,581	14,664	(100,245)	85,509	(557)	(354,566)	(1,743)	(103,823)	(1,852)
Net assets at beginning of year	15,898,901	(210,541)	(148,828)	(101,155)	(65,175)	(1,568,576)	(129,599)	(1,195,543)	(434,803)
Other transfers to (from) net assets	(2,038,633)	(38,008)	-	(3,264)	-	-	-	(18,261)	-
Net assets at end of year	\$ 15,009,849	\$ (233,885)	\$ (249,073)	\$ (18,910)	\$ (65,732)	\$ (1,923,142)	\$ (131,342)	\$ (1,317,627)	\$ (436,655)

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Magnolia Limited Partnership (Carlton Apartments)	Red Door Limited Partnership (Major Jenkins Apartments)	4707 Malden Limited Partnership (Miriam Apartments)	Roseland Apartments Corporation	Roseland Limited Partnership (Holland Apartments)	South Loop Apartments Corporation	South Loop Limited Partnership (South Loop Apartments)	Winthrop Apartments Corporation	5042 Winthrop Limited Partnership (Delmar Apartments)
Revenues									
Rent - net of vacancies	\$ 561,721	\$ 1,274,068	\$ 503,466	\$ -	\$ 511,741	\$ -	\$ 932,689	\$ -	\$ 785,397
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	38,583	-	12,205	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	76,119
Consulting	-	-	-	-	-	-	-	-	-
Interest	2,022	20,621	551	-	10,156	-	67,249	-	2,864
Other	2,581	(5,436)	14,956	-	47,044	-	52,444	-	13,879
Total revenues	566,324	1,289,253	518,973	-	568,941	38,583	1,052,382	12,205	878,259
Expenses and losses									
Compensation	183,309	235,077	156,488	-	160,919	-	329,908	-	307,571
Administrative	91,532	201,989	68,714	54	83,203	38,652	168,228	12,261	182,615
Professional services	19,864	167,304	10,618	467	30,860	467	84,480	467	32,796
Depreciation and amortization	95,637	252,168	88,465	-	315,534	-	521,128	-	220,085
Grants	-	-	-	-	-	-	-	-	-
Facility	238,975	435,571	235,071	-	355,907	-	528,962	-	429,926
Interest and fees	346	807	2,980	-	1,223	-	177,453	-	310
Bad debts	5,584	-	2,025	-	3,839	-	28,134	-	14,402
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	383	-	79	-	3,094	-
Total expenses and losses	635,247	1,292,916	564,361	904	951,485	39,198	1,838,293	15,822	1,187,705
Excess (deficiency) of revenues over expenses	(68,923)	(3,663)	(45,388)	(904)	(382,544)	(615)	(785,911)	(3,617)	(309,446)
Net assets at beginning of year	(17,917)	436,122	316,971	(94,661)	(183,923)	(78,812)	(2,887,947)	(223,708)	(3,795,897)
Other transfers to (from) net assets	-	(9,466)	-	-	-	-	(142,362)	-	-
Net assets at end of year	\$ (86,840)	\$ 422,993	\$ 271,583	\$ (95,565)	\$ (566,467)	\$ (79,427)	\$ (3,816,220)	\$ (227,325)	\$ (4,105,343)

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Near North Apartments Corporation, NFP	Near North Limited Partnership (Schiff Residences)	Malden Arms Corp. II, NFP	Malden Limited Partnership II (Malden Arms II)	Englewood Apartments, NFP	901 West 63rd Limited Partnership (Englewood Apartments)	Countryside Seniors, LLC	Countryside Seniors Apartments, LP (Countryside Apartments)	Johnston Center MM, LLC
Revenues									
Rent - net of vacancies	\$ -	\$ 872,249	\$ -	\$ 525,358	\$ -	\$ 883,725	\$ -	\$ 574,748	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	25,765	-	20,000	-	10,500	-	5,000	-	10,038
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	15,383	-	22,164	-	16,938	-	1,454	-
Other	-	100,579	-	(2,217)	-	48,430	-	26,707	-
Total revenues	25,765	988,211	20,000	545,305	10,500	949,093	5,000	602,909	10,038
Expenses and losses									
Compensation	-	228,429	-	181,209	-	265,044	-	147,776	-
Administrative	25,820	140,450	20,055	88,458	10,559	149,601	5,131	86,624	10,145
Professional services	467	92,186	467	24,541	934	31,227	934	8,230	934
Depreciation and amortization	-	501,202	-	194,415	-	427,754	-	521,421	-
Grants	-	-	-	-	-	-	-	-	-
Facility	-	428,518	-	274,482	-	428,959	-	234,923	-
Interest and fees	-	60,471	946	51,572	-	64,943	-	131,242	-
Bad debts	-	1,890	-	4,964	-	8,935	-	-	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	47	-	27	-	43	-	53	-	55
Total expenses and losses	26,334	1,453,146	21,495	819,641	11,536	1,376,463	6,118	1,130,216	11,134
Excess (deficiency) of revenues over expenses	(569)	(464,935)	(1,495)	(274,336)	(1,036)	(427,370)	(1,118)	(527,307)	(1,096)
Net assets at beginning of year	5,321,840	5,978,816	503,213	1,297,955	583,367	9,847,577	2,990,072	5,633,745	(13,059)
Other transfers to (from) net assets	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 5,321,271	\$ 5,513,881	\$ 501,718	\$ 1,023,619	\$ 582,331	\$ 9,420,207	\$ 2,988,954	\$ 5,106,438	\$ (14,155)

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Johnston Center Re-Use, LLC	HWA-850 Eastwood GP Corp., NFP	HWA-850 Eastwood Limited Partnership	Belvidere Place Corp. I, NFP	Grayslake Senior Housing Limited Partnership	104th Street MM, LLC	104th Street Limited Partnership (Pullman Wheelworks)	MHL Holdings, LLC	MHL Keating MM, LLC
Revenues									
Rent - net of vacancies	\$ 702,998	\$ -	\$ 4,718,023	\$ -	\$ 686,955	\$ -	\$ 2,510,197	\$ -	\$ -
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	15,000	-	25,689	-	-	-	4,050	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	1,647	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	811	-	11,531	-	263	-	25,520	-	-
Other	38,124	-	41,134	-	5,817	-	65,586	-	-
Total revenues	<u>743,580</u>	<u>15,000</u>	<u>4,770,688</u>	<u>25,689</u>	<u>693,035</u>	<u>-</u>	<u>2,601,303</u>	<u>4,050</u>	<u>-</u>
Expenses and losses									
Compensation	183,030	-	826,433	-	126,443	-	605,552	-	-
Administrative	114,284	15,153	350,920	32,027	97,384	54	197,897	22,238	56
Professional services	48,368	934	59,739	934	7,980	934	48,829	1,034	934
Depreciation and amortization	452,924	-	2,025,028	-	588,610	-	762,874	-	-
Grants	-	-	-	-	-	-	-	142,348	-
Facility	393,096	-	1,686,453	-	352,424	-	1,090,992	-	-
Interest and fees	101,140	-	1,489,121	-	151,176	-	452,611	-	-
Bad debts	1,545	-	2,255	-	-	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	167	-	63	-	56	-	1,711,447	(255,093)
Total expenses and losses	<u>1,294,387</u>	<u>16,254</u>	<u>6,439,949</u>	<u>33,024</u>	<u>1,324,017</u>	<u>1,044</u>	<u>3,158,755</u>	<u>1,877,067</u>	<u>(254,103)</u>
Excess (deficiency) of revenues over expenses	(550,807)	(1,254)	(1,669,261)	(7,335)	(630,982)	(1,044)	(557,452)	(1,873,017)	254,103
Net assets at beginning of year	5,176,340	2,979,891	9,218,645	(11,016)	15,064,154	112,295	8,005,599	(10,909,333)	(2,301,332)
Other transfers to (from) net assets	(10,065)	-	-	-	-	-	(100,000)	-	2,038,633
Net assets at end of year	<u>\$ 4,615,468</u>	<u>\$ 2,978,637</u>	<u>\$ 7,549,384</u>	<u>\$ (18,351)</u>	<u>\$ 14,433,172</u>	<u>\$ 111,251</u>	<u>\$ 7,348,147</u>	<u>\$ (12,782,350)</u>	<u>\$ (8,596)</u>

**Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	The Keating Building Little Village LLC	2000 Illinois Aurora MM, LLC	2000 Illinois Aurora, LLC	St. Catherine Residence, Inc.	SC Residence MM, LLC	SC Residence, LLC (McAuley Apartments)	Roseland Place Inc., NFP	Roseland Place Limited Partnership	Mercy River West Commons Elgin LLC
Revenues									
Rent - net of vacancies	\$ -	\$ -	\$ 1,251,274	\$ 672,156	\$ -	\$ 362,996	\$ -	\$ 826,400	\$ 1,118,182
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	13,357	-	-	-	-	-	-	-
Philanthropy	-	-	-	51,799	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	-	31	33,223	-	53	-	154	1,429
Other	57,900	-	25,464	118,288	-	7,322	-	69,001	27,988
Total revenues	<u>57,900</u>	<u>13,357</u>	<u>1,276,769</u>	<u>875,466</u>	<u>-</u>	<u>370,371</u>	<u>-</u>	<u>895,555</u>	<u>1,147,599</u>
Expenses and losses									
Compensation	-	-	171,187	282,444	-	98,322	-	247,160	157,530
Administrative	2,935	19,577	122,484	152,849	136	44,520	70	117,997	117,168
Professional services	-	934	28,140	13,500	934	7,608	934	13,372	15,022
Depreciation and amortization	-	-	192,052	133,225	-	167,897	-	451,028	194,322
Grants	-	-	-	53,914	-	-	-	-	-
Facility	34,249	-	478,230	389,587	-	121,692	-	377,996	514,982
Interest and fees	66,856	-	237,490	-	-	106,087	-	146,256	307,096
Bad debts	-	-	12,714	12,416	-	647	-	291	12,192
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	(301,232)	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	(1,724)	-	-	18	-	46	-	-
Total expenses and losses	<u>(197,192)</u>	<u>18,787</u>	<u>1,242,297</u>	<u>1,037,935</u>	<u>1,088</u>	<u>546,773</u>	<u>1,050</u>	<u>1,354,100</u>	<u>1,318,312</u>
Excess (deficiency) of revenues over expenses	255,092	(5,430)	34,472	(162,469)	(1,088)	(176,402)	(1,050)	(458,545)	(170,713)
Net assets at beginning of year	(2,293,725)	322,550	2,293,163	2,552,437	673,682	1,269,606	10,319,340	11,710,887	(865,296)
Other transfers to (from) net assets	<u>2,038,633</u>	<u>(16,828)</u>	<u>(112,186)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ 300,292</u>	<u>\$ 2,215,449</u>	<u>\$ 2,389,968</u>	<u>\$ 672,594</u>	<u>\$ 1,093,204</u>	<u>\$ 10,318,290</u>	<u>\$ 11,252,342</u>	<u>\$ (1,036,009)</u>

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Danville Veterans Housing MM, LLC GP	Danville Veterans Housing, LLC	Greenwich Park Apartments MM, LLC	Greenwich Park Apartments, LLC	Mercy Sterling NFP	New Sterling Park MM, LLC	New Sterling Park, LLC	Kankakee Station Senior Housing MM GP, LLC	Kankakee Station Street Senior Housing, LLC
Revenues									
Rent - net of vacancies	\$ -	\$ 495,335	\$ -	\$ 582,346	\$ -	\$ -	\$ 1,205,371	\$ -	\$ 530,749
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	10,300	-	-	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	2,863	-	1,226	-	-	3,523	-	196
Other	-	17,025	-	12,329	-	-	390,792	43,195	7,486
Total revenues	-	515,223	-	595,901	-	10,300	1,599,686	43,195	538,431
Expenses and losses									
Compensation	-	119,815	-	94,163	-	-	294,507	-	72,045
Administrative	55	61,836	-	84,998	55	10,300	214,055	-	178,475
Professional services	934	16,527	934	13,937	934	934	119,801	934	10,178
Depreciation and amortization	-	707,962	-	546,312	-	-	2,261,868	-	534,982
Grants	-	-	-	-	-	-	-	-	-
Facility	-	264,012	-	205,825	-	-	800,895	-	291,452
Interest and fees	-	54,309	-	233,176	-	-	1,229,053	-	533,927
Bad debts	-	7,680	-	10,699	-	-	81,879	-	222
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	72	-	59	-	-	306	-	108	-
Total expenses and losses	1,061	1,232,141	993	1,189,110	989	11,540	5,002,058	1,042	1,621,281
Excess (deficiency) of revenues over expenses	(1,061)	(716,918)	(993)	(593,209)	(989)	(1,240)	(3,402,372)	42,153	(1,082,850)
Net assets at beginning of year	317,804	12,371,095	5,954	4,983,097	(3,451)	(2,591)	61,150	650,856	472,600
Other transfers to (from) net assets	-	269,737	-	736,662	-	-	23,759,487	-	13,195
Net assets at end of year	\$ 316,743	\$ 11,923,914	\$ 4,961	\$ 5,126,550	\$ (4,440)	\$ (3,831)	\$ 20,418,265	\$ 693,009	\$ (597,055)

Mercy Housing Lakefront
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Roseland Village	Eliminations	Consolidated Mercy Housing Lakefront
Revenues			
Rent - net of vacancies	\$ 141,808	\$ (1,096,362)	\$ 27,499,540
Developer fees	-	-	-
Services fees	-	(1,053,214)	2,851,485
Philanthropy	-	(53,914)	5,420,201
Capital grants	-	(76,119)	451,647
Consulting	-	-	-
Interest	62	(745,886)	244,583
Other	130	(1,100,876)	1,523,964
Total revenues	<u>142,000</u>	<u>(4,126,371)</u>	<u>37,991,420</u>
Expenses and losses			
Compensation	38,678	-	10,610,445
Administrative	9,512	(554,990)	4,131,141
Professional services	10,300	(694,569)	1,157,250
Depreciation and amortization	141,011	(655,898)	12,853,759
Grants	-	(1,666,334)	233,758
Facility	66,680	(16,793)	12,995,324
Interest and fees	180	(906,202)	5,187,529
Bad debts	672	(1,105,520)	243,889
Project expenses	-	-	600,378
Allocation	-	-	1,562,612
(Gain) loss on sale of assets	-	-	(301,232)
(Gain) loss on investment in limited partnership	-	(1,327,313)	134,318
Total expenses and losses	<u>267,033</u>	<u>(6,927,619)</u>	<u>49,409,171</u>
Excess (deficiency) of revenues over expenses	(125,033)	2,801,248	(11,417,751)
Net assets at beginning of year	(163,255)	(4,788,199)	104,881,382
Other transfers to (from) net assets	-	(1,846,182)	24,521,092
Net assets at end of year	<u>\$ (288,288)</u>	<u>\$ (3,833,133)</u>	<u>\$ 117,984,723</u>

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing South East	Mercy Place Belmont, Inc.	Mercy Housing Pembroke, Inc. (McFadden Place)	Mercy Housing Georgia Holdings, LLC (1826 Florence Street)	Marshside Village, Inc.	Allegre Point Senior Residences, Inc.	MHSE Adamsville Green Senior Partners, LLC	Adamsville Green Limited Partnership
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 300	\$ 31,046	\$ 2,616	\$ 389	\$ 16,128	\$ -	\$ 230,612
Cash, tenant security deposits	-	13,820	10,560	-	11,946	19,094	-	9,375
Cash, restricted	169,451	-	2,575	-	-	25,796	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	50,000	-	-	-	-	-	-	-
Accounts receivable, net	11,780	127,005	-	-	1,419	1,975	-	8,584
Due from affiliate, net	754,862	18	-	-	-	17	50,262	-
Pledges receivable, net	79,090	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	5,881,504	-	-	-	-	-	-	-
Prepaid expenses and other assets	44,279	6,402	3,400	286	4,837	9,177	-	14,773
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	6,990,966	147,545	47,581	2,902	18,591	72,187	50,262	263,344
Property and equipment								
Land and land improvements	-	18,400	49,640	15,789	241,500	324,260	-	2,076,465
Buildings	-	3,290,176	1,786,257	297,827	3,549,362	6,002,156	-	7,593,034
Furniture and equipment	58,966	60,348	14,714	4,596	144,038	112,202	-	1,095,585
Predevelopment project costs	117,538	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(52,649)	(1,704,569)	(931,343)	(147,012)	(1,578,885)	(2,316,114)	-	(3,093,165)
Net property and equipment	123,855	1,664,355	919,268	171,200	2,356,015	4,122,504	-	7,671,919
Other long-term assets								
Restricted property reserves	-	-	66,246	-	99,434	41,671	-	645,646
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	1,050,000	-	-	-	-	-	-	-
Due from affiliates	2,947,288	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(10,298)	-	-	-	-	-	(76,936)	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	6,369,302	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	18,000	-	-	-	-	-	-	61,822
Total other long-term assets	10,374,292	-	66,246	-	99,434	41,671	(76,936)	707,468
Total assets	\$ 17,489,113	\$ 1,811,900	\$ 1,033,095	\$ 174,102	\$ 2,474,040	\$ 4,236,362	\$ (26,674)	\$ 8,642,731

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing South East	Mercy Place Belmont, Inc.	Mercy Housing Pembroke, Inc. (McFadden Place)	Mercy Housing Georgia Holdings, LLC (1826 Florance Street)	Marshside Village, Inc.	Allegre Point Senior Residences, Inc.	MHSE Adamsville Green Senior Partners, LLC	Adamsville Green Limited Partnership
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 230,958	\$ 27,003	\$ 38,986	\$ 9,034	\$ 70,685	\$ 25,269	\$ -	\$ 57,873
Due to affiliates	19,356,070	54,561	70,401	-	-	-	40,921	93,508
Accrued interest	-	-	-	327	-	-	-	593
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	7,140	-	-	-	42,484
Current portion of notes payable, affiliates	695,500	-	-	147,993	-	-	-	-
Deferred revenue and other liabilities	-	-	12,046	-	90	2,056	-	3,145
Tenant security deposits	-	13,319	9,942	-	11,915	18,575	-	8,800
Total current liabilities	20,282,528	94,883	131,375	164,494	82,690	45,900	40,921	206,403
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	-	99,902	-	(31,589)	-	3,019,457
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	5,555	-	-	-	-	3,517	-	-
Total long-term liabilities	5,555	-	-	99,902	-	(28,072)	-	3,019,457
Total liabilities	20,288,083	94,883	131,375	264,396	82,690	17,828	40,921	3,225,860
Net assets								
Net assets without donor restrictions, controlling	(4,357,203)	1,717,017	901,720	(90,294)	2,391,350	4,218,534	(67,595)	5,416,871
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(4,357,203)	1,717,017	901,720	(90,294)	2,391,350	4,218,534	(67,595)	5,416,871
Net assets with donor restrictions	1,558,233	-	-	-	-	-	-	-
Total net assets	(2,798,970)	1,717,017	901,720	(90,294)	2,391,350	4,218,534	(67,595)	5,416,871
Total liabilities and net assets	\$ 17,489,113	\$ 1,811,900	\$ 1,033,095	\$ 174,102	\$ 2,474,040	\$ 4,236,362	\$ (26,674)	\$ 8,642,731

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Dublin Manor, Inc.	McAuley Manor, Inc.	Mercy Manor, Inc.	Riverview - St. Mary's Inc. (St. Mary's Riverview I)	St. Mary's Villa at Riverview II, Inc. (St. Mary's Riverview II)	St. Mary's Villa, Inc.	Sacred Heart Village I, Inc.	Sacred Heart Village II, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ 4,412	\$ 16,356	\$ 8,768	\$ 2,191	\$ 1,567	\$ 743	\$ 898	\$ 1,921
Cash, tenant security deposits	9,990	9,724	9,013	12,380	10,630	16,597	16,530	19,509
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	1,078	78	82	10,369	10,476	7,200	420	313
Due from affiliate, net	-	65	131	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	4,902	5,953	5,563	6,026	5,944	6,793	8,015	7,900
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	20,382	32,176	23,557	30,966	28,617	31,333	25,863	29,643
Property and equipment								
Land and land improvements	80,000	108,170	55,000	75,000	84,000	109,340	135,461	304,262
Buildings	2,234,355	1,722,900	1,778,427	2,458,368	2,617,559	2,620,458	2,848,289	3,195,625
Furniture and equipment	26,135	38,215	43,901	38,257	33,865	48,957	59,232	86,983
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(841,337)	(842,650)	(856,839)	(1,130,090)	(1,104,669)	(1,310,557)	(1,583,392)	(1,468,920)
Net property and equipment	1,499,153	1,026,635	1,020,489	1,441,535	1,630,755	1,468,198	1,459,590	2,117,950
Other long-term assets								
Restricted property reserves	171,396	124,068	81,005	198,819	140,840	214,097	89,130	101,110
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	171,396	124,068	81,005	198,819	140,840	214,097	89,130	101,110
Total assets	\$ 1,690,931	\$ 1,182,879	\$ 1,125,051	\$ 1,671,320	\$ 1,800,212	\$ 1,713,628	\$ 1,574,583	\$ 2,248,703

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Dublin Manor, Inc.	McAuley Manor, Inc.	Mercy Manor, Inc.	Riverview - St. Mary's Inc. (St. Mary's Riverview I)	St. Mary's Villa at Riverview II, Inc. (St. Mary's Riverview II)	St. Mary's Villa, Inc.	Sacred Heart Village I, Inc.	Sacred Heart Village II, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 17,948	\$ 19,020	\$ 16,957	\$ 79,216	\$ 55,922	\$ 96,444	\$ 118,328	\$ 59,053
Due to affiliates	161	35	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	1,680	929	-	707	299	1,808	-	308
Tenant security deposits	10,063	9,771	8,333	11,592	10,358	16,086	15,571	17,362
Total current liabilities	29,852	29,755	25,290	91,515	66,579	114,338	133,899	76,723
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	-	-	-	-	-	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	722	896	1,009	-	-
Total long-term liabilities	-	-	-	722	896	1,009	-	-
Total liabilities	29,852	29,755	25,290	92,237	67,475	115,347	133,899	76,723
Net assets								
Net assets without donor restrictions, controlling	1,661,079	1,153,124	1,099,761	1,579,083	1,732,737	1,598,281	1,440,684	2,171,980
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,661,079	1,153,124	1,099,761	1,579,083	1,732,737	1,598,281	1,440,684	2,171,980
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	1,661,079	1,153,124	1,099,761	1,579,083	1,732,737	1,598,281	1,440,684	2,171,980
Total liabilities and net assets	\$ 1,690,931	\$ 1,182,879	\$ 1,125,051	\$ 1,671,320	\$ 1,800,212	\$ 1,713,628	\$ 1,574,583	\$ 2,248,703

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Sacred Heart Village III, Inc.	St. Theresa Village, Inc.	Siena Springs (Siena Springs I)	Siena Springs II	Charles Meadows Corporation	Charles Crest Corporation (Charles Crest I)	Charles Crest II, Corporation	Savannah Gardens Senior Residences, Inc
Assets								
Current assets								
Cash and cash equivalents	\$ 1,606	\$ 39,897	\$ 56,410	\$ 76,038	\$ 6,540	\$ 49,974	\$ 18,836	\$ 6,284
Cash, tenant security deposits	15,514	17,717	13,787	8,577	10,365	18,162	16,100	10,623
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	342	45	5,815	2,901	55	1,422	843	42,819
Due from affiliate, net	-	-	-	-	-	190	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	8,291	6,048	7,589	4,622	4,857	6,653	6,044	4,880
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	25,753	63,707	83,601	92,138	21,817	76,401	41,823	64,606
Property and equipment								
Land and land improvements	200,000	150,904	65,459	45,918	30,834	320,690	96,822	573,978
Buildings	3,129,433	2,936,707	2,193,485	2,299,771	1,263,936	1,118,692	2,955,132	3,145,281
Furniture and equipment	67,164	15,884	108,412	97,078	23,000	618,837	50,967	314,277
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(1,363,858)	(1,560,969)	(1,941,467)	(962,009)	(859,204)	(1,706,230)	(1,842,450)	(1,071,594)
Net property and equipment	2,032,739	1,542,526	425,889	1,480,758	458,566	351,989	1,260,471	2,961,942
Other long-term assets								
Restricted property reserves	97,135	90,058	229,962	274,107	104,867	64,083	124,260	285,558
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	97,135	90,058	229,962	274,107	104,867	64,083	124,260	285,558
Total assets	\$ 2,155,627	\$ 1,696,291	\$ 739,452	\$ 1,847,003	\$ 585,250	\$ 492,473	\$ 1,426,554	\$ 3,312,106

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	Sacred Heart Village III, Inc.	St. Theresa Village, Inc.	Siena Springs (Siena Springs I)	Siena Springs II	Charles Meadows Corporation	Charles Crest Corporation (Charles Crest I)	Charles Crest II, Corporation	Savannah Gardens Senior Residences, Inc
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 102,125	\$ 121,488	\$ 93,246	\$ 79,908	\$ 70,231	\$ 224,262	\$ 78,821	\$ 87,477
Due to affiliates	-	-	-	-	-	-	190	1,923
Accrued interest	-	-	4,209	-	-	9,262	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	36,914	-	-	64,204	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	717	2,134	2,282	3,607	30	1,145	152	-
Tenant security deposits	13,891	17,353	12,949	7,599	9,565	16,594	15,456	10,348
Total current liabilities	116,733	140,975	149,600	91,114	79,826	315,467	94,619	99,748
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	-	1,365,972	18,000	-	1,170,719	-	(6,320)
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	-	-	576	600	-
Total long-term liabilities	-	-	1,365,972	18,000	-	1,171,295	600	(6,320)
Total liabilities	116,733	140,975	1,515,572	109,114	79,826	1,486,762	95,219	93,428
Net assets								
Net assets without donor restrictions, controlling	2,038,894	1,555,316	(776,120)	1,737,889	505,424	(994,289)	1,331,335	3,218,678
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	2,038,894	1,555,316	(776,120)	1,737,889	505,424	(994,289)	1,331,335	3,218,678
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	2,038,894	1,555,316	(776,120)	1,737,889	505,424	(994,289)	1,331,335	3,218,678
Total liabilities and net assets	\$ 2,155,627	\$ 1,696,291	\$ 739,452	\$ 1,847,003	\$ 585,250	\$ 492,473	\$ 1,426,554	\$ 3,312,106

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	MHSE Mauldin Center Apartments, LLC	Consolidated Mercy Community Housing Georgia, Inc.	Eliminations	Consolidated Mercy Housing South East
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 673,197	\$ -	\$ 1,246,729
Cash, tenant security deposits	-	550,766	-	830,779
Cash, restricted	-	68,776	-	266,598
Investments	-	-	-	-
Investments, restricted	-	-	-	50,000
Accounts receivable, net	-	427,776	2,500	665,297
Due from affiliate, net	-	55,090	(503,737)	356,898
Pledges receivable, net	-	-	-	79,090
Grants receivable	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	(5,632,390)	249,114
Prepaid expenses and other assets	-	300,581	-	483,815
Inventory	-	-	-	-
Assets held for sale	-	-	-	-
Total current assets	-	2,076,186	(6,133,627)	4,228,320
Property and equipment				
Land and land improvements	310,400	26,217,593	-	31,689,885
Buildings	-	170,847,581	(9,329,071)	222,555,740
Furniture and equipment	-	5,904,812	-	9,066,425
Predevelopment project costs	172,671	-	-	290,209
Construction in progress	-	-	-	-
Accumulated depreciation	-	(54,712,016)	2,385,981	(82,596,007)
Net property and equipment	483,071	148,257,970	(6,943,090)	181,006,252
Other long-term assets				
Restricted property reserves	-	7,552,005	-	10,795,497
Long-term investments	-	-	-	-
Long-term investments, restricted	-	-	-	1,050,000
Due from affiliates	-	-	(2,665,923)	281,365
Pledges receivable, net	-	-	-	-
Investments in limited partnerships, net	-	-	87,234	-
Notes and interest receivable, net	-	-	-	-
Notes and interest receivable, affiliates	-	-	(6,281,206)	88,096
Allowance for impaired assets	-	-	-	-
Other assets, net	-	1,085,489	(18,000)	1,147,311
Total other long-term assets	-	8,637,494	(8,877,895)	13,362,269
Total assets	\$ 483,071	\$ 158,971,650	\$ (21,954,612)	\$ 198,596,841

Mercy Housing South East
Consolidating Statement of Financial Position
December 31, 2018

	MHSE Mauldin Center Apartments, LLC	Consolidated Mercy Community Housing Georgia, Inc.	Eliminations	Consolidated Mercy Housing South East
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 8,798	\$ 3,005,201	\$ (57,068)	\$ 4,737,185
Due to affiliates	1,500	7,120,856	(6,043,330)	20,696,796
Accrued interest	-	142,721	-	157,112
Accrued interest, affiliates	-	-	-	-
Current portion of notes payable	-	7,650,181	-	7,800,923
Current portion of notes payable, affiliates	485,496	3,183,170	(3,816,659)	695,500
Deferred revenue and other liabilities	-	116,147	-	149,282
Tenant security deposits	-	373,076	-	638,518
Total current liabilities	<u>495,794</u>	<u>21,591,352</u>	<u>(9,917,057)</u>	<u>34,875,316</u>
Long-term liabilities				
Due to affiliates	-	-	-	-
Accrued interest	-	448,022	-	448,022
Accrued interest, affiliates	-	21,412	(21,412)	-
Notes payable, less current portion, net	(2,425)	56,859,846	(18,000)	62,475,562
Notes payable, less current portion, affiliates	-	6,322,782	(6,322,782)	-
Deferred revenue and other liabilities	-	9,337,153	(8,467,321)	882,707
Total long-term liabilities	<u>(2,425)</u>	<u>72,989,215</u>	<u>(14,829,515)</u>	<u>63,806,291</u>
Total liabilities	<u>493,369</u>	<u>94,580,567</u>	<u>(24,746,572)</u>	<u>98,681,607</u>
Net assets				
Net assets without donor restrictions, controlling	(10,298)	64,347,386	2,791,960	98,313,304
Net assets without donor restrictions, noncontrolling	-	-	-	-
Total net assets without donor restrictions	<u>(10,298)</u>	<u>64,347,386</u>	<u>2,791,960</u>	<u>98,313,304</u>
Net assets with donor restrictions	<u>-</u>	<u>43,697</u>	<u>-</u>	<u>1,601,930</u>
Total net assets	<u>(10,298)</u>	<u>64,391,083</u>	<u>2,791,960</u>	<u>99,915,234</u>
Total liabilities and net assets	<u>\$ 483,071</u>	<u>\$ 158,971,650</u>	<u>\$ (21,954,612)</u>	<u>\$ 198,596,841</u>

Mercy Housing South East
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing South East	Mercy Place Belmont, Inc.	Mercy Housing Pembroke, Inc. (McFadden Place)	Mercy Housing Georgia Holdings, LLC (1826 Florance Street)	Marshside Village, Inc.	Allegre Point Senior Residences, Inc.	MHSE Adamsville Green Senior Partners, LLC	Adamsville Green Limited Partnership
Revenues								
Rent - net of vacancies	\$ -	\$ 300,000	\$ 218,841	\$ -	\$ 386,440	\$ 409,286	\$ -	\$ 847,794
Developer fees	154,991	-	-	-	-	-	-	-
Services fees	494,388	-	-	-	-	-	27,819	-
Philanthropy	567,981	-	-	-	-	-	-	-
Capital grants	79,500	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	70,797	116	77	-	65	957	-	2,148
Other	734,660	4,101	239	-	1,264	3,106	-	6,807
Total revenues	2,102,317	304,217	219,157	-	387,769	413,349	27,819	856,749
Expenses and losses								
Compensation	1,469,618	139,234	91,216	-	148,427	157,003	-	143,622
Administrative	343,732	59,966	46,034	56	76,422	99,144	30,152	180,518
Professional services	15,533	8,380	18,497	2,499	24,785	10,767	934	75,790
Depreciation and amortization	8,424	121,714	63,659	11,374	130,754	222,521	-	259,368
Grants	120,911	-	-	-	-	-	-	-
Facility	124,615	106,676	106,550	562	150,977	148,116	-	323,740
Interest and fees	336,923	12	-	10,520	411	1,104	-	61,747
Bad debts	118,444	-	76	-	12,550	-	-	542
Project expenses	11,559	-	-	-	-	-	-	-
Allocation	548,409	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	5,899	-	-	-	-	-	17	-
Total expenses and losses	3,104,067	435,982	326,032	25,011	544,326	638,655	31,103	1,045,327
Excess (deficiency) of revenues over expenses	(1,001,750)	(131,765)	(106,875)	(25,011)	(156,557)	(225,306)	(3,284)	(188,578)
Net assets at beginning of year	(1,797,220)	1,848,782	1,008,595	(65,283)	2,547,907	4,443,840	(64,311)	5,610,098
Other transfers to (from) net assets	-	-	-	-	-	-	-	(4,649)
Net assets at end of year	\$ (2,798,970)	\$ 1,717,017	\$ 901,720	\$ (90,294)	\$ 2,391,350	\$ 4,218,534	\$ (67,595)	\$ 5,416,871

Mercy Housing South East
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Dublin Manor, Inc.	McAuley Manor, Inc.	Mercy Manor, Inc.	Riverview - St. Mary's Inc. (St. Mary's Riverview I)	St. Mary's Villa at Riverview II, Inc. (St. Mary's Riverview II)	St. Mary's Villa, Inc.	Sacred Heart Village I, Inc.	Sacred Heart Village II, Inc.
Revenues								
Rent - net of vacancies	\$ 250,571	\$ 260,097	\$ 217,072	\$ 271,731	\$ 284,830	\$ 328,044	\$ 335,021	\$ 335,831
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	84	65	39	1,498	1,336	1,687	33	39
Other	1,539	5,173	2,448	1,687	16,603	6,473	4,410	5,605
Total revenues	252,194	265,335	219,559	274,916	302,769	336,204	339,464	341,475
Expenses and losses								
Compensation	69,826	72,032	63,892	102,856	100,684	126,728	114,170	108,885
Administrative	32,314	38,648	38,168	44,899	33,345	60,146	76,313	64,800
Professional services	9,380	7,445	7,445	9,387	9,742	9,372	10,401	10,256
Depreciation and amortization	67,180	54,146	60,553	89,475	92,820	88,864	95,624	88,243
Grants	-	-	-	-	-	-	-	-
Facility	104,348	92,972	78,887	105,411	112,917	120,774	144,426	133,886
Interest and fees	2	-	-	102	2	22	-	37
Bad debts	-	-	94	-	1,067	10,043	157	194
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	283,050	265,243	249,039	352,130	350,577	415,949	441,091	406,301
Excess (deficiency) of revenues over expenses	(30,856)	92	(29,480)	(77,214)	(47,808)	(79,745)	(101,627)	(64,826)
Net assets at beginning of year	1,691,935	1,153,032	1,129,241	1,656,297	1,780,545	1,678,026	1,542,311	2,236,806
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 1,661,079	\$ 1,153,124	\$ 1,099,761	\$ 1,579,083	\$ 1,732,737	\$ 1,598,281	\$ 1,440,684	\$ 2,171,980

Mercy Housing South East
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Sacred Heart Village III, Inc.	St. Theresa Village, Inc.	Siena Springs (Siena Springs I)	Siena Springs II	Charles Meadows Corporation	Charles Crest Corporation (Charles Crest I)	Charles Crest II, Corporation	Savannah Gardens Senior Residences, Inc
Revenues								
Rent - net of vacancies	\$ 374,477	\$ 446,753	\$ 462,960	\$ 313,996	\$ 283,681	\$ 479,760	\$ 426,939	\$ 224,528
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	1,000	-	500	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	44	42	292	224	50	501	865	233
Other	985	12,695	3,017	3,334	2,311	43,845	4,353	4,303
Total revenues	375,506	459,490	466,269	317,554	287,042	524,106	432,657	229,064
Expenses and losses								
Compensation	134,781	154,083	73,358	87,822	117,029	97,209	115,513	62,153
Administrative	78,167	63,621	62,983	41,554	46,483	51,035	72,070	51,509
Professional services	9,792	12,300	10,115	9,915	9,380	9,560	7,445	8,240
Depreciation and amortization	92,957	86,549	66,138	80,503	38,862	33,077	105,492	169,258
Grants	-	-	-	-	-	-	-	-
Facility	146,861	203,745	195,663	146,472	111,764	197,181	197,191	113,317
Interest and fees	-	37	51,095	-	-	113,644	-	188
Bad debts	786	590	527	-	-	172	-	921
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	463,344	520,925	459,879	366,266	323,518	501,878	497,711	405,586
Excess (deficiency) of revenues over expenses	(87,838)	(61,435)	6,390	(48,712)	(36,476)	22,228	(65,054)	(176,522)
Net assets at beginning of year	2,126,732	1,616,751	(782,510)	1,786,601	541,900	(1,016,517)	1,396,389	3,395,200
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 2,038,894	\$ 1,555,316	\$ (776,120)	\$ 1,737,889	\$ 505,424	\$ (994,289)	\$ 1,331,335	\$ 3,218,678

Mercy Housing South East
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	MHSE Mauldin Center Apartments, LLC	Consolidated Mercy Community Housing Georgia, Inc.	Eliminations	Consolidated Mercy Housing South East
Revenues				
Rent - net of vacancies	\$ -	\$ 14,632,331	\$ -	\$ 22,090,983
Developer fees	-	-	(73,681)	81,310
Services fees	-	-	(400,034)	122,173
Philanthropy	-	-	(1,750)	567,731
Capital grants	-	-	-	79,500
Consulting	-	-	-	-
Interest	-	351,069	(27,527)	404,734
Other	-	648,071	(571,527)	945,502
Total revenues	-	15,631,471	(1,074,519)	24,291,933
Expenses and losses				
Compensation	-	2,730,144	-	6,480,285
Administrative	-	2,382,482	(72,920)	4,001,641
Professional services	5,899	640,955	(372,215)	581,999
Depreciation and amortization	-	7,726,424	(305,135)	9,548,844
Grants	-	-	(54,414)	66,497
Facility	-	6,494,617	-	9,661,668
Interest and fees	-	2,750,477	(27,847)	3,298,476
Bad debts	-	191,455	(102,528)	235,090
Project expenses	-	-	-	11,559
Allocation	-	-	-	548,409
(Gain) loss on sale of assets	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	(5,916)	-
Total expenses and losses	5,899	22,916,554	(940,975)	34,434,468
Excess (deficiency) of revenues over expenses	(5,899)	(7,285,083)	(133,544)	(10,142,535)
Net assets at beginning of year	(4,399)	70,904,345	2,923,226	109,288,319
Other transfers to (from) net assets	-	771,821	2,278	769,450
Net assets at end of year	\$ (10,298)	\$ 64,391,083	\$ 2,791,960	\$ 99,915,234

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Community Housing Georgia, Inc.	Mercy Housing Georgia I, L.L.P. (Heritage Place Apartments)	Mercy Housing Georgia IV, L.P. (Heritage Corner/Heritage Row)	Mercy Housing Georgia V, L.P. (Chamblee Senior)	Mercy Housing Georgia VI, L.P. (The Atrium at College Town)	MCHG Partners, Inc.	Acquisition Properties Georgia I, LP (Magnolia Village)	Mercy Housing Georgia X, L.P. (Savannah Gardens I)
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 36,114	\$ 37,586	\$ 23,266	\$ 352,902	\$ -	\$ 4,699	\$ 5,936
Cash, tenant security deposits	-	20,287	19,873	7,177	8,600	-	17,306	30,600
Cash, restricted	-	432	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	9,213	2,110	5,309	6,444	-	41,576	27,670
Due from affiliate, net	239,690	7,257	50	-	-	283,841	91	4,008
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	12,245	9,408	8,465	27,884	-	12,943	14,601
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	239,690	85,548	69,027	44,217	395,830	283,841	76,615	82,815
Property and equipment								
Land and land improvements	-	535,412	979,190	743,196	151,506	-	723,647	2,777,550
Buildings	-	2,330,785	8,216,666	5,447,796	16,183,355	-	6,610,246	10,052,945
Furniture and equipment	-	27,035	98,271	213,517	449,671	-	405,415	855,093
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,619,192)	(4,304,146)	(2,947,751)	(6,463,173)	-	(2,525,147)	(4,127,085)
Net property and equipment	-	1,274,040	4,989,981	3,456,758	10,321,359	-	5,214,161	9,558,503
Other long-term assets								
Restricted property reserves	-	156,599	83,135	112,714	471,280	-	554,308	347,090
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(15,875)	-	-	-	-	(65,176)	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	11,373	21,159	57,579	-	23,524	110,268
Total other long-term assets	(15,875)	156,599	94,508	133,873	528,859	(65,176)	577,832	457,358
Total assets	\$ 223,815	\$ 1,516,187	\$ 5,153,516	\$ 3,634,848	\$ 11,246,048	\$ 218,665	\$ 5,868,608	\$ 10,098,676

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Community Housing Georgia, Inc.	Mercy Housing Georgia I, L.L.L.P. (Heritage Place Apartments)	Mercy Housing Georgia IV, L.P. (Heritage Corner/Heritage Row)	Mercy Housing Georgia V, L.P. (Chamblee Senior)	Mercy Housing Georgia VI, L.P. (The Atrium at College Town)	MCHG Partners, Inc.	Acquisition Properties Georgia I, LP (Magnolia Village)	Mercy Housing Georgia X, L.P. (Savannah Gardens I)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 506	\$ 197,330	\$ 132,402	\$ 34,410	\$ 63,892	\$ -	\$ 260,428	\$ 310,929
Due to affiliates	163,159	2,031,467	615,419	107,826	-	268,258	283,841	27,674
Accrued interest	-	1,037	3,740	5,324	12,812	-	1,053	5,687
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	36,434	45,143	19,107	41,264	-	75,266	15,178
Current portion of notes payable, affiliates	-	-	137,223	-	-	-	-	-
Deferred revenue and other liabilities	-	5,510	3,364	4,546	10,540	-	5,708	6,608
Tenant security deposits	-	24,054	19,513	6,575	8,100	-	17,199	29,287
Total current liabilities	163,665	2,295,832	956,804	177,788	136,608	268,258	643,495	395,363
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	291,919	-	-	36,687
Accrued interest, affiliates	-	-	-	3,440	-	-	-	-
Notes payable, less current portion, net	-	160,079	796,902	761,708	7,535,121	-	206,302	4,414,200
Notes payable, less current portion, affiliates	-	-	-	56,107	-	-	-	-
Deferred revenue and other liabilities	-	-	761,816	-	8,617	-	131,403	410,207
Total long-term liabilities	-	160,079	1,558,718	821,255	7,835,657	-	337,705	4,861,094
Total liabilities	163,665	2,455,911	2,515,522	999,043	7,972,265	268,258	981,200	5,256,457
Net assets								
Net assets without donor restrictions, controlling	16,453	(939,724)	2,637,994	2,635,805	3,273,783	(49,593)	4,887,408	4,842,219
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	16,453	(939,724)	2,637,994	2,635,805	3,273,783	(49,593)	4,887,408	4,842,219
Net assets with donor restrictions	43,697	-	-	-	-	-	-	-
Total net assets	60,150	(939,724)	2,637,994	2,635,805	3,273,783	(49,593)	4,887,408	4,842,219
Total liabilities and net assets	\$ 223,815	\$ 1,516,187	\$ 5,153,516	\$ 3,634,848	\$ 11,246,048	\$ 218,665	\$ 5,868,608	\$ 10,098,676

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Lithonia Park View, Inc.	Mercy Housing Georgia VIII, L.P. (Terraces at Park View)	MPI Highland Place, LLC	MPI Highland Place Apartments, LP (The Hills at Fairington Apartments)	Antioch II, LLC	Antioch Villas, L.P.	Mercy Housing Georgia XI GP, LLC	Mercy Housing Georgia XI, LP (Etowah Terrace)
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 14,907	\$ -	\$ -	\$ -	\$ 25,391	\$ -	\$ 9,928
Cash, tenant security deposits	-	17,500	-	246,106	-	20,133	-	15,271
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	7,626	-	114,511	-	88,458	-	14,718
Due from affiliate, net	-	-	-	17,753	177,500	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	15,451	-	57,942	-	15,290	-	10,969
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	-	55,484	-	436,312	177,500	149,272	-	50,886
Property and equipment								
Land and land improvements	-	2,630,109	-	2,156,146	-	2,689,193	-	1,096,699
Buildings	-	7,556,999	-	38,110,958	-	9,604,449	-	7,988,648
Furniture and equipment	-	186,212	-	820,269	-	609,293	-	132,528
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(3,597,248)	-	(13,927,487)	-	(2,972,446)	-	(2,331,066)
Net property and equipment	-	6,776,072	-	27,159,886	-	9,930,489	-	6,886,809
Other long-term assets								
Restricted property reserves	-	249,853	-	3,023,829	-	585,817	-	195,777
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(71)	-	(1,875)	-	(154)	-	775	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	41,968	-	141,338	-	77,648	-	67,877
Total other long-term assets	(71)	291,821	(1,875)	3,165,167	(154)	663,465	775	263,654
Total assets	\$ (71)	\$ 7,123,377	\$ (1,875)	\$ 30,761,365	\$ 177,346	\$ 10,743,226	\$ 775	\$ 7,201,349

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Lithonia Park View, Inc.	Mercy Housing Georgia VIII, L.P. (Terraces at Park View)	MPI Highland Place, LLC	MPI Highland Place Apartments, LP (The Hills at Fairington Apartments)	Antioch II, LLC	Antioch Villas, L.P.	Mercy Housing Georgia XI GP, LLC	Mercy Housing Georgia XI, LP (Etowah Terrace)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 36,521	\$ -	\$ 1,014,173	\$ -	\$ 152,800	\$ -	\$ 63,180
Due to affiliates	21,079	-	20,584	2,889,922	196,005	177,500	13,546	56,275
Accrued interest	-	6,310	-	-	-	20,486	-	1,180
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	114,726	-	-	-	54,989	-	44,735
Current portion of notes payable, affiliates	-	-	-	2,899,304	-	24,053	-	-
Deferred revenue and other liabilities	-	4,485	-	36,414	-	1,764	-	1,656
Tenant security deposits	-	16,800	-	73,297	-	19,622	-	14,706
Total current liabilities	21,079	178,842	20,584	6,913,110	196,005	451,214	13,546	181,732
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	15,208	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	2,170,628	-	16,066,559	-	4,661,887	-	1,265,196
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	19,226	-	5,127,760	-	479,996	-	108,456
Total long-term liabilities	-	2,189,854	-	21,194,319	-	5,157,091	-	1,373,652
Total liabilities	21,079	2,368,696	20,584	28,107,429	196,005	5,608,305	13,546	1,555,384
Net assets								
Net assets without donor restrictions, controlling	(21,150)	4,754,681	(22,459)	2,653,936	(18,659)	5,134,921	(12,771)	5,645,965
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(21,150)	4,754,681	(22,459)	2,653,936	(18,659)	5,134,921	(12,771)	5,645,965
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(21,150)	4,754,681	(22,459)	2,653,936	(18,659)	5,134,921	(12,771)	5,645,965
Total liabilities and net assets	\$ (71)	\$ 7,123,377	\$ (1,875)	\$ 30,761,365	\$ 177,346	\$ 10,743,226	\$ 775	\$ 7,201,349

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	MHSE Arbors, LLC	The Arbors at Ellington, Ltd.	MHSE Savannah Gardens Phase III GP, LLC	Mercy Housing Georgia 12, LP (Savannah Gardens Phase III)	MHSE Reynoldstown Senior GP, LLC	MHSE Reynoldstown Senior, LP	MHSE Savannah Gardens Phase IV GP, LLC	MHSE Savannah Gardens Phase V GP, LLC
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 26,038	\$ -	\$ 18,036	\$ -	\$ 41,698	\$ -	\$ -
Cash, tenant security deposits	-	10,373	-	23,900	-	26,157	-	-
Cash, restricted	-	-	-	-	-	25,033	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	20,447	-	24,959	-	-
Due from affiliate, net	-	-	44,354	51,847	-	-	24,000	36,257
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	4,876	-	13,263	-	12,837	-	-
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	-	41,287	44,354	127,493	-	130,684	24,000	36,257
Property and equipment								
Land and land improvements	-	1,538,810	-	1,952,981	-	1,222,654	-	-
Buildings	-	3,537,855	-	8,980,849	-	9,557,675	-	-
Furniture and equipment	-	307,389	-	193,598	-	203,855	-	-
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,669,651)	-	(2,597,273)	-	(617,110)	-	-
Net property and equipment	-	3,714,403	-	8,530,155	-	10,367,074	-	-
Other long-term assets								
Restricted property reserves	-	183,504	-	406,732	-	235,544	-	-
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	487,024	-	(58,331)	-	1,269,233	-	73,335	(26,535)
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	29,708	-	80,537	-	86,373	-	-
Total other long-term assets	487,024	213,212	(58,331)	487,269	1,269,233	321,917	73,335	(26,535)
Total assets	\$ 487,024	\$ 3,968,902	\$ (13,977)	\$ 9,144,917	\$ 1,269,233	\$ 10,819,675	\$ 97,335	\$ 9,722

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	MHSE Arbors, LLC	The Arbors at Ellington, Ltd.	MHSE Savannah Gardens Phase III GP, LLC	Mercy Housing Georgia 12, LP (Savannah Gardens Phase III)	MHSE Reynoldstown Senior GP, LLC	MHSE Reynoldstown Senior, LP	MHSE Savannah Gardens Phase IV GP, LLC	MHSE Savannah Gardens Phase V GP, LLC
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 28,949	\$ -	\$ 155,893	\$ -	\$ 34,907	\$ -	\$ -
Due to affiliates	13,151	-	57,249	44,620	474,100	-	35,834	28,000
Accrued interest	-	1,926	-	12,981	-	709	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	16,899	-	41,286	-	21,177	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	67	-	4,712	-	4,037	-	-
Tenant security deposits	-	10,373	-	23,583	-	25,727	-	-
Total current liabilities	13,151	58,214	57,249	283,075	474,100	86,557	35,834	28,000
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	58,914	-	20,865	-	9,520	-	-
Accrued interest, affiliates	-	-	-	-	-	21,412	-	-
Notes payable, less current portion, net	-	2,438,605	-	2,734,527	-	417,868	-	-
Notes payable, less current portion, affiliates	-	-	-	-	-	5,822,782	-	-
Deferred revenue and other liabilities	-	4,183	-	-	-	252,851	-	-
Total long-term liabilities	-	2,501,702	-	2,755,392	-	6,524,433	-	-
Total liabilities	13,151	2,559,916	57,249	3,038,467	474,100	6,610,990	35,834	28,000
Net assets								
Net assets without donor restrictions, controlling	473,873	1,408,986	(71,226)	6,106,450	795,133	4,208,685	61,501	(18,278)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	473,873	1,408,986	(71,226)	6,106,450	795,133	4,208,685	61,501	(18,278)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	473,873	1,408,986	(71,226)	6,106,450	795,133	4,208,685	61,501	(18,278)
Total liabilities and net assets	\$ 487,024	\$ 3,968,902	\$ (13,977)	\$ 9,144,917	\$ 1,269,233	\$ 10,819,675	\$ 97,335	\$ 9,722

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Georgia 13, LP (Savannah Gardens Phase IV)	Mercy Housing Georgia 14, LP (Savannah Gardens Phase V)	MHSE Renaissance Apartments, LLC	MHSE Mercy Park GP, LLC	Mercy Park Chamblee	Eliminations	Consolidated Mercy Community Housing Georgia, Inc.
Assets							
Current assets							
Cash and cash equivalents	\$ 25,535	\$ 3,176	\$ 9,952	\$ -	\$ 38,033	\$ -	\$ 673,197
Cash, tenant security deposits	28,761	18,619	24,111	-	15,992	-	550,766
Cash, restricted	-	3,518	-	-	39,793	-	68,776
Investments	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-
Accounts receivable, net	34,779	18,939	5,880	-	5,137	-	427,776
Due from affiliate, net	1,903	8,873	62	-	-	(842,396)	55,090
Pledges receivable, net	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-
Prepaid expenses and other assets	18,999	10,909	12,112	-	42,387	-	300,581
Inventory	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-
Total current assets	109,977	64,034	52,117	-	141,342	(842,396)	2,076,186
Property and equipment							
Land and land improvements	2,560,422	1,788,716	671,483	-	1,999,879	-	26,217,593
Buildings	11,839,459	8,680,776	3,813,213	-	12,334,907	-	170,847,581
Furniture and equipment	680,351	357,735	26,993	-	337,587	-	5,904,812
Predevelopment project costs	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Accumulated depreciation	(2,502,052)	(1,451,362)	(577,913)	-	(481,914)	-	(54,712,016)
Net property and equipment	12,578,180	9,375,865	3,933,776	-	14,190,459	-	148,257,970
Other long-term assets							
Restricted property reserves	392,670	468,330	73,302	-	11,521	-	7,552,005
Long-term investments	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	(10)	-	(1,662,340)	-
Notes and interest receivable, net	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-
Other assets, net	121,294	92,676	-	-	122,167	-	1,085,489
Total other long-term assets	513,964	561,006	73,302	(10)	133,688	(1,662,340)	8,637,494
Total assets	\$ 13,202,121	\$ 10,000,905	\$ 4,059,195	\$ (10)	\$ 14,465,489	\$ (2,504,736)	\$ 158,971,650

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Georgia 13, LP (Savannah Gardens Phase IV)	Mercy Housing Georgia 14, LP (Savannah Gardens Phase V)	MHSE Renaissance Apartments, LLC	MHSE Mercy Park GP, LLC	Mercy Park Chamblee	Eliminations	Consolidated Mercy Community Housing Georgia, Inc.
Liabilities							
Current liabilities							
Accounts payable and accrued expenses	\$ 293,041	\$ 32,124	\$ 149,354	\$ -	\$ 55,362	\$ (11,000)	\$ 3,005,201
Due to affiliates	58,765	4,200	31,409	1,164	399,174	(899,365)	7,120,856
Accrued interest	20,050	7,332	11,921	-	30,173	-	142,721
Accrued interest, affiliates	-	-	-	-	-	-	-
Current portion of notes payable	52,812	18,429	109,038	-	6,943,698	-	7,650,181
Current portion of notes payable, affiliates	-	-	-	-	122,590	-	3,183,170
Deferred revenue and other liabilities	18,721	6,423	-	-	1,592	-	116,147
Tenant security deposits	28,250	18,118	22,780	-	15,092	-	373,076
Total current liabilities	471,639	86,626	324,502	1,164	7,567,681	(910,365)	21,591,352
Long-term liabilities							
Due to affiliates	-	-	-	-	-	-	-
Accrued interest	-	14,909	-	-	-	-	448,022
Accrued interest, affiliates	-	-	-	-	-	(3,440)	21,412
Notes payable, less current portion, net	4,920,576	1,917,717	4,292,393	-	2,099,578	-	56,859,846
Notes payable, less current portion, affiliates	-	-	-	-	500,000	(56,107)	6,322,782
Deferred revenue and other liabilities	1,343,087	-	-	-	689,551	-	9,337,153
Total long-term liabilities	6,263,663	1,932,626	4,292,393	-	3,289,129	(59,547)	72,989,215
Total liabilities	6,735,302	2,019,252	4,616,895	1,164	10,856,810	(969,912)	94,580,567
Net assets							
Net assets without donor restrictions, controlling	6,466,819	7,981,653	(557,700)	(1,174)	3,608,679	(1,534,824)	64,347,386
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-
Total net assets without donor restrictions	6,466,819	7,981,653	(557,700)	(1,174)	3,608,679	(1,534,824)	64,347,386
Net assets with donor restrictions	-	-	-	-	-	-	43,697
Total net assets	6,466,819	7,981,653	(557,700)	(1,174)	3,608,679	(1,534,824)	64,391,083
Total liabilities and net assets	\$ 13,202,121	\$ 10,000,905	\$ 4,059,195	\$ (10)	\$ 14,465,489	\$ (2,504,736)	\$ 158,971,650

**Mercy Community Housing Georgia, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Mercy Community Housing Georgia, Inc.	Mercy Housing Georgia I, L.L.L.P. (Heritage Place Apartments)	Mercy Housing Georgia IV, L.P. (Heritage Corner/Heritage Row)	Mercy Housing Georgia V, L.P. (Chamblee Senior)	Mercy Housing Georgia VI, L.P. (The Atrium at College Town)	MCHG Partners, Inc.	Acquisition Properties Georgia I, LP (Magnolia Village)	Mercy Housing Georgia X, L.P. (Savannah Gardens I)
Revenues								
Rent - net of vacancies	\$ -	\$ 533,142	\$ 437,894	\$ 443,419	\$ 1,979,531	\$ -	\$ 605,490	\$ 772,314
Developer fees	-	-	-	-	-	-	-	-
Services fees	64,500	-	-	-	-	27,685	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	170	1,610	50	179	-	9,513	98
Other	-	21,179	19,487	1,299	6,237	-	11,154	108,223
Total revenues	<u>64,500</u>	<u>554,491</u>	<u>458,991</u>	<u>444,768</u>	<u>1,985,947</u>	<u>27,685</u>	<u>626,157</u>	<u>880,635</u>
Expenses and losses								
Compensation	8,067	156,599	122,208	112,199	317,703	-	159,428	117,618
Administrative	64,610	95,026	78,039	106,007	279,013	27,751	143,741	145,895
Professional services	467	17,848	15,079	7,980	196,575	934	10,490	56,286
Depreciation and amortization	-	275,925	348,052	255,360	621,834	-	205,447	588,251
Grants	-	-	-	-	-	-	-	-
Facility	-	307,330	192,190	218,160	810,877	-	214,277	512,479
Interest and fees	-	13,850	47,066	67,910	223,318	-	16,191	91,900
Bad debts	-	19,136	13,036	340	4,898	-	4,317	8,711
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	446	-	-	-	-	89	-	-
Total expenses and losses	<u>73,590</u>	<u>885,714</u>	<u>815,670</u>	<u>767,956</u>	<u>2,454,218</u>	<u>28,774</u>	<u>753,891</u>	<u>1,521,140</u>
Excess (deficiency) of revenues over expenses	(9,090)	(331,223)	(356,679)	(323,188)	(468,271)	(1,089)	(127,734)	(640,505)
Net assets at beginning of year	69,240	(608,501)	2,994,673	2,958,993	3,841,062	(48,504)	5,015,142	5,482,724
Other transfers to (from) net assets	-	-	-	-	(99,008)	-	-	-
Net assets at end of year	<u>\$ 60,150</u>	<u>\$ (939,724)</u>	<u>\$ 2,637,994</u>	<u>\$ 2,635,805</u>	<u>\$ 3,273,783</u>	<u>\$ (49,593)</u>	<u>\$ 4,887,408</u>	<u>\$ 4,842,219</u>

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Lithonia Park View, Inc.	Mercy Housing Georgia VIII, L.P. (Terraces at Park View)	MPI Highland Place, LLC	MPI Highland Place Apartments, LP (The Hills at Fairington Apartments)	Antioch II, LLC	Antioch Villas, L.P.	Mercy Housing Georgia XI GP, LLC	Mercy Housing Georgia XI, LP (Etowah Terrace)
Revenues								
Rent - net of vacancies	\$ -	\$ 701,355	\$ -	\$ 3,594,768	\$ -	\$ 1,007,374	\$ -	\$ 488,427
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	30,000	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	103	-	267,544	-	3,399	-	54
Other	-	11,831	-	126,767	-	58,568	-	5,727
Total revenues	-	713,289	-	3,989,079	30,000	1,069,341	-	494,208
Expenses and losses								
Compensation	-	129,468	-	513,321	-	145,404	-	137,001
Administrative	65	100,608	78	322,130	30,055	148,296	64	71,722
Professional services	934	9,180	934	56,577	934	41,176	934	18,391
Depreciation and amortization	-	382,930	-	1,465,299	-	459,293	-	362,342
Grants	-	-	-	-	-	-	-	-
Facility	-	269,940	-	1,643,765	-	390,542	-	211,303
Interest and fees	-	85,072	-	762,776	-	283,673	-	3,709
Bad debts	-	8,693	-	71,788	-	1,707	-	5,191
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	12	-	85	-	36	-	32	-
Total expenses and losses	1,011	985,891	1,097	4,835,656	31,025	1,470,091	1,030	809,659
Excess (deficiency) of revenues over expenses	(1,011)	(272,602)	(1,097)	(846,577)	(1,025)	(400,750)	(1,030)	(315,451)
Net assets at beginning of year	(20,139)	5,027,283	(21,362)	3,500,513	(17,634)	5,535,671	(11,741)	5,961,416
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	<u>\$ (21,150)</u>	<u>\$ 4,754,681</u>	<u>\$ (22,459)</u>	<u>\$ 2,653,936</u>	<u>\$ (18,659)</u>	<u>\$ 5,134,921</u>	<u>\$ (12,771)</u>	<u>\$ 5,645,965</u>

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	MHSE Arbors, LLC	The Arbors at Ellington, Ltd.	MHSE Savannah Gardens Phase III GP, LLC	Mercy Housing Georgia 12, LP (Savannah Gardens Phase III)	MHSE Reynoldstown Senior GP, LLC	MHSE Reynoldstown Senior, LP	MHSE Savannah Gardens Phase IV GP, LLC	MHSE Savannah Gardens Phase V GP, LLC
Revenues								
Rent - net of vacancies	\$ -	\$ 271,793	\$ -	\$ 732,308	\$ -	\$ 455,260	\$ -	\$ -
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	10,000	-	-	-	6,000	14,066
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	82	-	231	-	140	-	-
Other	-	15,535	-	18,319	-	41,507	-	-
Total revenues	<u>-</u>	<u>287,410</u>	<u>10,000</u>	<u>750,858</u>	<u>-</u>	<u>496,907</u>	<u>6,000</u>	<u>14,066</u>
Expenses and losses								
Compensation	-	37,476	-	122,679	-	103,808	-	-
Administrative	242	31,257	10,065	146,327	55	81,713	9,075	24,591
Professional services	934	6,997	934	44,715	934	34,258	934	934
Depreciation and amortization	-	258,900	-	430,634	-	286,240	-	-
Grants	-	-	-	-	-	-	-	-
Facility	-	105,785	-	309,714	-	189,990	-	-
Interest and fees	-	42,434	-	184,250	-	50,050	-	-
Bad debts	-	-	-	11,048	-	519	-	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	10	-	50	-	25	-	73	36
Total expenses and losses	<u>1,186</u>	<u>482,849</u>	<u>11,049</u>	<u>1,249,367</u>	<u>1,014</u>	<u>746,578</u>	<u>10,082</u>	<u>25,561</u>
Excess (deficiency) of revenues over expenses	(1,186)	(195,439)	(1,049)	(498,509)	(1,014)	(249,671)	(4,082)	(11,495)
Net assets at beginning of year	475,059	1,604,425	(70,177)	6,604,959	796,147	4,458,356	65,583	(6,783)
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	<u>\$ 473,873</u>	<u>\$ 1,408,986</u>	<u>\$ (71,226)</u>	<u>\$ 6,106,450</u>	<u>\$ 795,133</u>	<u>\$ 4,208,685</u>	<u>\$ 61,501</u>	<u>\$ (18,278)</u>

Mercy Community Housing Georgia, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Georgia 13, LP (Savannah Gardens Phase IV)	Mercy Housing Georgia 14, LP (Savannah Gardens Phase V)	MHSE Renaissance Apartments, LLC	MHSE Mercy Park GP, LLC	Mercy Park Chamblee	Eliminations	Consolidated Mercy Community Housing Georgia, Inc.
Revenues							
Rent - net of vacancies	\$ 882,204	\$ 584,344	\$ 741,061	\$ -	\$ 401,647	\$ -	\$ 14,632,331
Developer fees	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	(152,251)	-
Philanthropy	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-
Interest	233	67,313	350	-	-	-	351,069
Other	88,510	19,131	72,001	-	22,596	-	648,071
Total revenues	970,947	670,788	813,412	-	424,243	(152,251)	15,631,471
Expenses and losses							
Compensation	118,834	69,953	209,992	-	148,386	-	2,730,144
Administrative	157,402	106,938	86,944	65	274,958	(160,250)	2,382,482
Professional services	36,088	34,505	25,687	934	18,382	-	640,955
Depreciation and amortization	671,384	467,518	157,149	-	489,866	-	7,726,424
Grants	-	-	-	-	-	-	-
Facility	445,364	225,406	247,099	-	200,396	-	6,494,617
Interest and fees	248,766	114,550	159,159	-	356,084	(281)	2,750,477
Bad debts	24,714	13,548	-	-	3,809	-	191,455
Project expenses	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	107	-	(1,001)	-
Total expenses and losses	1,702,552	1,032,418	886,030	1,106	1,491,881	(161,532)	22,916,554
Excess (deficiency) of revenues over expenses	(731,605)	(361,630)	(72,618)	(1,106)	(1,067,638)	9,281	(7,285,083)
Net assets at beginning of year	7,198,424	8,356,371	(485,082)	(68)	3,802,870	(1,554,575)	70,904,345
Other transfers to (from) net assets	-	(13,088)	-	-	873,447	10,470	771,821
Net assets at end of year	\$ 6,466,819	\$ 7,981,653	\$ (557,700)	\$ (1,174)	\$ 3,608,679	\$ (1,534,824)	\$ 64,391,083

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Northwest	Intercommunity Housing Ferndale	Sterling Senior Housing	Appian Way Manager LLC	Appian Way Mercy, LLC (Appian Way Apartments)	New Tacoma Phase I GP LLC	New Tacoma Phase I Owner, LP (New Tacoma Phase I)	New Tacoma Phase II Mercy LLC
Assets								
Current assets								
Cash and cash equivalents	\$ 11,292	\$ 19,158	\$ 14,008	\$ -	\$ 402,761	\$ -	\$ 3,593	\$ 98,779
Cash, tenant security deposits	-	9,312	5,889	-	60,644	-	19,476	13,618
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	66,949	6,267	1,026	-	78	73	10,212	1,243
Due from affiliate, net	12,130,633	29	-	-	-	162,622	-	-
Pledges receivable, net	12,635,120	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	208,821	-	-	-	-	-	-	-
Prepaid expenses and other assets	6,953	3,504	2,762	-	29,025	-	19,620	2,155
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	25,059,768	38,270	23,685	-	492,508	162,695	52,901	115,795
Property and equipment								
Land and land improvements	-	180,288	303,978	-	1,975,080	-	2,893,659	1,066,635
Buildings	-	2,475,408	2,220,563	-	21,367,387	-	16,103,564	9,190,874
Furniture and equipment	-	67,811	7,629	-	929,871	-	413,401	166,607
Predevelopment project costs	52,088	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,346,078)	(1,017,156)	-	(8,761,286)	-	(5,702,579)	(1,142,575)
Net property and equipment	52,088	1,377,429	1,515,014	-	15,511,052	-	13,708,045	9,281,541
Other long-term assets								
Restricted property reserves	409,938	369,616	30,155	-	544,074	-	617,860	141,331
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	650,000	-	-	-	-	-	-	-
Due from affiliates	4,007,266	-	-	-	-	-	-	-
Pledges receivable, net	12,242,899	-	-	-	-	-	-	-
Investments in limited partnerships, net	1,715,697	-	-	294,216	-	1,493,638	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	11,387,490	-	-	-	-	8,216,406	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	26,656	-	12,190	59,660
Total other long-term assets	30,413,290	369,616	30,155	294,216	570,730	9,710,044	630,050	200,991
Total assets	\$ 55,525,146	\$ 1,785,315	\$ 1,568,854	\$ 294,216	\$ 16,574,290	\$ 9,872,739	\$ 14,390,996	\$ 9,598,327

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Northwest	Intercommunity Housing Ferndale	Sterling Senior Housing	Appian Way Manager LLC	Appian Way Mercy, LLC (Appian Way Apartments)	New Tacoma Phase I GP LLC	New Tacoma Phase I Owner, LP (New Tacoma Phase I)	New Tacoma Phase II Mercy LLC
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 295,722	\$ 27,058	\$ 14,646	\$ -	\$ 81,611	\$ -	\$ 91,970	\$ 116,290
Due to affiliates	6,803,896	-	-	9,459	-	45,985	54,738	-
Accrued interest	-	1,850	-	-	25,551	-	2,110	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	10,032	22,572	-	-	148,420	-	8,158	-
Current portion of notes payable, affiliates	52,088	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	8,712	3,812	-	1,810	-	5,471	2,926
Tenant security deposits	-	9,025	5,171	-	60,641	-	18,729	13,180
Total current liabilities	7,161,738	69,217	23,629	9,459	318,033	45,985	181,176	132,396
Long-term liabilities								
Due to affiliates	-	-	-	-	26,198	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	1,494,845	-	-	-
Notes payable, less current portion, net	22,031	776,492	-	-	9,123,366	-	5,085,099	2,425,040
Notes payable, less current portion, affiliates	-	-	79,106	-	4,385,089	-	8,216,406	-
Deferred revenue and other liabilities	-	-	-	-	-	-	-	77,292
Total long-term liabilities	22,031	776,492	79,106	-	15,029,498	-	13,301,505	2,502,332
Total liabilities	7,183,769	845,709	102,735	9,459	15,347,531	45,985	13,482,681	2,634,728
Net assets								
Net assets without donor restrictions, controlling	15,868,653	939,606	1,466,119	284,757	1,226,759	9,826,754	908,315	6,963,599
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	15,868,653	939,606	1,466,119	284,757	1,226,759	9,826,754	908,315	6,963,599
Net assets with donor restrictions	32,472,724	-	-	-	-	-	-	-
Total net assets	48,341,377	939,606	1,466,119	284,757	1,226,759	9,826,754	908,315	6,963,599
Total liabilities and net assets	\$ 55,525,146	\$ 1,785,315	\$ 1,568,854	\$ 294,216	\$ 16,574,290	\$ 9,872,739	\$ 14,390,996	\$ 9,598,327

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	New Tacoma Condominium Association	Evergreen Vista 1 GP LLC	Evergreen Vista 1 Owner, LP	Rainier Vista Block 43 GP, LLC	Rainier Vista Block 43 Owner, LP (Columbia City Station Apts.)	Cobble Knoll I Mercy LLC	Allegre Mercy Redevelopment LLLP	Villa Kathleen Redevelopment LLLP
Assets								
Current assets								
Cash and cash equivalents	\$ 12,768	\$ -	\$ 6,862	\$ -	\$ 177,200	\$ -	\$ 295,071	\$ 214,559
Cash, tenant security deposits	-	-	44,306	-	18,950	-	42,986	48,494
Cash, restricted	-	-	-	-	-	-	-	294
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	10,338	-	18,047	-	-	-	87,957	5,373
Due from affiliate, net	-	-	-	53,659	-	139,974	-	23,811
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	27,562	-	13,260	-	7,538	-	9,678	9,760
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	50,668	-	82,475	53,659	203,688	139,974	435,692	302,291
Property and equipment								
Land and land improvements	-	-	1,068,023	-	2,144,069	-	722,440	1,280,357
Buildings	-	-	11,540,057	-	9,563,579	-	10,440,141	9,039,545
Furniture and equipment	-	-	406,003	-	271,228	-	279,058	345,222
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(3,586,882)	-	(2,673,607)	-	(1,945,811)	(1,495,889)
Net property and equipment	-	-	9,427,201	-	9,305,269	-	9,495,828	9,169,235
Other long-term assets								
Restricted property reserves	-	-	492,576	-	233,427	-	752,671	771,429
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	(58)	-	(143)	-	221,174	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	9,073	-	13,133	-	46,460	67,876
Total other long-term assets	-	(58)	501,649	(143)	246,560	221,174	799,131	839,305
Total assets	\$ 50,668	\$ (58)	\$ 10,011,325	\$ 53,516	\$ 9,755,517	\$ 361,148	\$ 10,730,651	\$ 10,310,831

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	New Tacoma Condominium Association	Evergreen Vista 1 GP LLC	Evergreen Vista 1 Owner, LP	Rainier Vista Block 43 GP, LLC	Rainier Vista Block 43 Owner, LP (Columbia City Station Apts.)	Cobble Knoll I Mercy LLC	Allegre Mercy Redevelopment LLLP	Villa Kathleen Redevelopment LLLP
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 26,148	\$ -	\$ 82,831	\$ -	\$ 37,569	\$ -	\$ 66,694	\$ 57,255
Due to affiliates	-	7,850	165,859	57,934	53,971	143,823	70,848	98,021
Accrued interest	-	-	20,688	-	10,201	-	15,291	4,669
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	92,123	-	46,096	-	23,699	27,657
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	12,301	-	690	-	212	1,686
Tenant security deposits	-	-	42,164	-	18,800	-	41,484	47,032
Total current liabilities	26,148	7,850	415,966	57,934	167,327	143,823	218,228	236,320
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	40,521
Accrued interest, affiliates	-	-	1,188,445	-	-	-	-	-
Notes payable, less current portion, net	-	-	4,230,356	-	8,744,379	-	2,381,553	3,237,488
Notes payable, less current portion, affiliates	-	-	4,110,219	-	-	-	-	-
Deferred revenue and other liabilities	-	-	712,506	-	386,370	-	-	-
Total long-term liabilities	-	-	10,241,526	-	9,130,749	-	2,381,553	3,278,009
Total liabilities	26,148	7,850	10,657,492	57,934	9,298,076	143,823	2,599,781	3,514,329
Net assets								
Net assets without donor restrictions, controlling	24,520	(7,908)	(646,167)	(4,418)	457,441	217,325	8,130,870	6,796,502
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	24,520	(7,908)	(646,167)	(4,418)	457,441	217,325	8,130,870	6,796,502
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	24,520	(7,908)	(646,167)	(4,418)	457,441	217,325	8,130,870	6,796,502
Total liabilities and net assets	\$ 50,668	\$ (58)	\$ 10,011,325	\$ 53,516	\$ 9,755,517	\$ 361,148	\$ 10,730,651	\$ 10,310,831

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	Impact Family Village GP LLC	Impact Family Village Limited Partnership (Emerald City Commons)	Family Tree & Lincoln Way GP, LLC	Family Tree & Lincoln Way LLLP	MHNW Othello Commercial, LLC	MHNW 9 Othello East GP, LLC	MHNW 9 Othello East, LP (Mercy Othello Plaza East)	MHNW 10 Othello West GP, LLC
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 170,009	\$ -	\$ 563,795	\$ 18,701	\$ -	\$ 203,163	\$ -
Cash, tenant security deposits	-	21,560	-	98,388	-	-	23,680	-
Cash, restricted	-	1,902	-	-	130,621	-	180,016	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	12,817	-	520	-	-	5,458	-
Due from affiliate, net	41,774	-	-	133,269	-	26,010	1,354	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	182,662	-	29,401	2,474	-	24,448	-
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	41,774	388,950	-	825,373	151,796	26,010	438,119	-
Property and equipment								
Land and land improvements	-	2,649,051	-	251,762	138,164	-	1,906,684	-
Buildings	-	12,839,383	-	30,944,286	1,083,435	-	18,995,740	-
Furniture and equipment	-	369,303	-	304,803	203,926	-	377,201	-
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(3,223,709)	-	(5,737,683)	(111,298)	-	(1,385,610)	-
Net property and equipment	-	12,634,028	-	25,763,168	1,314,227	-	19,894,015	-
Other long-term assets								
Restricted property reserves	-	273,662	-	1,454,161	-	-	449,007	-
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	913,607	-	461,411	-	-	(59,800)	-	(74)
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	49,819	-	47,017	-	-	47,572	-
Total other long-term assets	913,607	323,481	461,411	1,501,178	-	(59,800)	496,579	(74)
Total assets	\$ 955,381	\$ 13,346,459	\$ 461,411	\$ 28,089,719	\$ 1,466,023	\$ (33,790)	\$ 20,828,713	\$ (74)

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	Impact Family Village GP LLC	Impact Family Village Limited Partnership (Emerald City Commons)	Family Tree & Lincoln Way GP, LLC	Family Tree & Lincoln Way LLLP	MHNW Othello Commercial, LLC	MHNW 9 Othello East GP, LLC	MHNW 9 Othello East, LP (Mercy Othello Plaza East)	MHNW 10 Othello West GP, LLC
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,675	\$ 85,224	\$ -	\$ 107,890	\$ 17,579	\$ -	\$ 82,984	\$ -
Due to affiliates	35,998	-	5,154	133,269	-	30,094	4,237	33,692
Accrued interest	-	-	-	34,017	1,875	-	19,257	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	226,139	11,531	-	74,492	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	22,219	-	12,714	-	-	4,512	-
Tenant security deposits	-	19,659	-	96,666	-	-	22,430	-
Total current liabilities	37,673	127,102	5,154	610,695	30,985	30,094	207,912	33,692
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	355,290	-	81,274	-	-	167,981	-
Accrued interest, affiliates	-	-	-	2,629,403	-	-	-	-
Notes payable, less current portion, net	-	7,583,976	-	11,313,430	454,646	-	11,589,510	-
Notes payable, less current portion, affiliates	-	-	-	10,068,092	-	-	-	-
Deferred revenue and other liabilities	-	105,282	-	8,250	-	-	783,753	-
Total long-term liabilities	-	8,044,548	-	24,100,449	454,646	-	12,541,244	-
Total liabilities	37,673	8,171,650	5,154	24,711,144	485,631	30,094	12,749,156	33,692
Net assets								
Net assets without donor restrictions, controlling	917,708	5,174,809	456,257	3,378,575	980,392	(63,884)	8,079,557	(33,766)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	917,708	5,174,809	456,257	3,378,575	980,392	(63,884)	8,079,557	(33,766)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	917,708	5,174,809	456,257	3,378,575	980,392	(63,884)	8,079,557	(33,766)
Total liabilities and net assets	\$ 955,381	\$ 13,346,459	\$ 461,411	\$ 28,089,719	\$ 1,466,023	\$ (33,790)	\$ 20,828,713	\$ (74)

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	MHNW 10 Othello West, LP (Mercy Othello Plaza West)	MHNW 12 Eleanor Apartments GP LLC	MHNW 12 Eleanor Apartments LLLP (Eleanor Apartments)	MHNW 11 Woodlakes LLC	MHNW 11 Woodlakes LLLP	MHNW 13 Building 9 South GP LLC	MHNW 13 Building 9 South LP	MHNW 14 Building 9 North GP LLC
Assets								
Current assets								
Cash and cash equivalents	\$ 158,563	\$ -	\$ 259,902	\$ -	\$ 298,292	\$ -	\$ -	\$ -
Cash, tenant security deposits	15,103	-	31,325	-	56,896	-	-	-
Cash, restricted	224,127	-	-	-	-	-	8,093	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	1,741	-	4,030	-	35,932	-	-	-
Due from affiliate, net	4,272	-	-	-	471	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	11,774	-	18,424	-	9,553	-	-	-
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	<u>415,580</u>	<u>-</u>	<u>313,681</u>	<u>-</u>	<u>401,144</u>	<u>-</u>	<u>8,093</u>	<u>-</u>
Property and equipment								
Land and land improvements	994,679	-	2,707,411	-	1,642,691	-	57,940	-
Buildings	9,914,583	-	17,402,045	-	10,311,169	-	-	-
Furniture and equipment	196,712	-	259,702	-	250,757	-	1,110	-
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	33,464,420	-
Accumulated depreciation	<u>(758,695)</u>	<u>-</u>	<u>(976,941)</u>	<u>-</u>	<u>(769,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net property and equipment	<u>10,347,279</u>	<u>-</u>	<u>19,392,217</u>	<u>-</u>	<u>11,434,726</u>	<u>-</u>	<u>33,523,470</u>	<u>-</u>
Other long-term assets								
Restricted property reserves	147,282	-	1,071,853	-	653,181	-	223	-
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	(4,710)	-	(235,649)	-	(3)	-	(1)
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	<u>91,448</u>	<u>-</u>	<u>141,212</u>	<u>-</u>	<u>95,087</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Total other long-term assets	<u>238,730</u>	<u>(4,710)</u>	<u>1,213,065</u>	<u>(235,649)</u>	<u>748,268</u>	<u>(3)</u>	<u>7,723</u>	<u>(1)</u>
Total assets	<u>\$ 11,001,589</u>	<u>\$ (4,710)</u>	<u>\$ 20,918,963</u>	<u>\$ (235,649)</u>	<u>\$ 12,584,138</u>	<u>\$ (3)</u>	<u>\$ 33,539,286</u>	<u>\$ (1)</u>

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	MHNW 10 Othello West, LP (Mercy Othello Plaza West)	MHNW 12 Eleanor Apartments GP LLC	MHNW 12 Eleanor Apartments LLLP (Eleanor Apartments)	MHNW 11 Woodlakes LLC	MHNW 11 Woodlakes LLLP	MHNW 13 Building 9 South GP LLC	MHNW 13 Building 9 South LP	MHNW 14 Building 9 North GP LLC
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 24,357	\$ -	\$ 36,120	\$ -	\$ 51,500	\$ -	\$ 3,427,329	\$ -
Due to affiliates	1,300	1,978	-	1,868	471	934	882,654	934
Accrued interest	-	-	-	-	6,417	-	34,262	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	-	-	37,829	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	1,516	-	8,056	-	30,206	-	-	-
Tenant security deposits	14,603	-	30,627	-	55,962	-	-	-
Total current liabilities	41,776	1,978	74,803	1,868	182,385	934	4,344,245	934
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	89,840	-	76,449	-	-	-	65,048	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	2,212,423	-	4,644,377	-	4,687,935	-	26,374,319	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	408,773	-	-	-	-	-	785,585	-
Total long-term liabilities	2,711,036	-	4,720,826	-	4,687,935	-	27,224,952	-
Total liabilities	2,752,812	1,978	4,795,629	1,868	4,870,320	934	31,569,197	934
Net assets								
Net assets without donor restrictions, controlling	8,248,777	(6,688)	16,123,334	(237,517)	7,713,818	(937)	1,970,089	(935)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	8,248,777	(6,688)	16,123,334	(237,517)	7,713,818	(937)	1,970,089	(935)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	8,248,777	(6,688)	16,123,334	(237,517)	7,713,818	(937)	1,970,089	(935)
Total liabilities and net assets	\$ 11,001,589	\$ (4,710)	\$ 20,918,963	\$ (235,649)	\$ 12,584,138	\$ (3)	\$ 33,539,286	\$ (1)

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	MHNW 14 Building 9 North LP	MHNW 16 Family Housing GP LLC	MHNW 16 Family Housing LLLP (Mount Baker)	Consolidated Mercy Properties Washington	Eliminations	Consolidated Mercy Housing Northwest
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 206,308	\$ -	\$ 3,134,784
Cash, tenant security deposits	-	-	-	128,382	-	639,009
Cash, restricted	26,202	-	410,382	-	-	981,637
Investments	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-
Accounts receivable, net	-	-	-	24,859	12,007	304,927
Due from affiliate, net	-	-	-	141	(2,239,425)	10,478,594
Pledges receivable, net	-	-	-	-	-	12,635,120
Grants receivable	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	(144,318)	64,603
Prepaid expenses and other assets	-	-	-	33,928	-	444,481
Inventory	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-
Total current assets	26,202	-	410,382	393,618	(2,371,736)	28,683,055
Property and equipment						
Land and land improvements	46,999	-	3,340,000	5,942,029	(526,075)	30,785,864
Buildings	-	-	-	32,272,553	(19,405,681)	206,298,631
Furniture and equipment	1,110	-	8,150	877,534	349,816	6,086,954
Predevelopment project costs	-	-	-	-	-	52,088
Construction in progress	18,159,417	-	9,244,367	-	(1,542,363)	59,325,841
Accumulated depreciation	-	-	-	(20,469,958)	4,033,294	(57,072,354)
Net property and equipment	18,207,526	-	12,592,517	18,622,158	(17,091,009)	245,477,024
Other long-term assets						
Restricted property reserves	1,542	-	-	1,115,060	-	9,529,048
Long-term investments	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	650,000
Due from affiliates	-	-	-	-	(4,007,266)	-
Pledges receivable, net	-	-	-	-	-	12,242,899
Investments in limited partnerships, net	-	(14,832)	-	-	(4,152,748)	631,725
Notes and interest receivable, net	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	(19,538,290)	65,606
Allowance for impaired assets	-	-	-	-	-	-
Other assets, net	40,230	-	81,306	13,289	-	849,528
Total other long-term assets	41,772	(14,832)	81,306	1,128,349	(27,698,304)	23,968,806
Total assets	\$ 18,275,500	\$ (14,832)	\$ 13,084,205	\$ 20,144,125	\$ (47,161,049)	\$ 298,128,885

Mercy Housing Northwest
Consolidating Statement of Financial Position
December 31, 2018

	MHNW 14 Building 9 North LP	MHNW 16 Family Housing GP LLC	MHNW 16 Family Housing LLLP (Mount Baker)	Consolidated Mercy Properties Washington	Eliminations	Consolidated Mercy Housing Northwest
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	\$ 2,280,711	\$ -	\$ 1,876,084	\$ 294,686	\$ (146,480)	\$ 9,037,453
Due to affiliates	218,845	934	627,263	80,091	(2,363,335)	7,208,765
Accrued interest	4,582	-	-	19,090	-	199,860
Accrued interest, affiliates	-	-	-	-	-	-
Current portion of notes payable	-	-	-	165,539	-	894,287
Current portion of notes payable, affiliates	-	-	-	-	-	52,088
Deferred revenue and other liabilities	-	-	-	18,024	-	134,867
Tenant security deposits	-	-	-	127,335	-	623,508
Total current liabilities	<u>2,504,138</u>	<u>934</u>	<u>2,503,347</u>	<u>704,765</u>	<u>(2,509,815)</u>	<u>18,150,828</u>
Long-term liabilities						
Due to affiliates	-	-	-	180,000	(206,198)	-
Accrued interest	4,273	-	124,644	302,570	-	1,307,890
Accrued interest, affiliates	-	-	-	93,693	(5,406,386)	-
Notes payable, less current portion, net	8,677,180	-	4,366,999	9,174,377	-	127,104,976
Notes payable, less current portion, affiliates	2,268,519	-	4,901,290	499,950	(34,117,201)	411,470
Deferred revenue and other liabilities	532,555	-	224,223	-	(3,981,068)	43,521
Total long-term liabilities	<u>11,482,527</u>	<u>-</u>	<u>9,617,156</u>	<u>10,250,590</u>	<u>(43,710,853)</u>	<u>128,867,857</u>
Total liabilities	<u>13,986,665</u>	<u>934</u>	<u>12,120,503</u>	<u>10,955,355</u>	<u>(46,220,668)</u>	<u>147,018,685</u>
Net assets						
Net assets without donor restrictions, controlling	4,288,835	(15,766)	963,702	9,188,770	(940,381)	118,637,476
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-
Total net assets without donor restrictions	4,288,835	(15,766)	963,702	9,188,770	(940,381)	118,637,476
Net assets with donor restrictions	-	-	-	-	-	32,472,724
Total net assets	<u>4,288,835</u>	<u>(15,766)</u>	<u>963,702</u>	<u>9,188,770</u>	<u>(940,381)</u>	<u>151,110,200</u>
Total liabilities and net assets	<u>\$ 18,275,500</u>	<u>\$ (14,832)</u>	<u>\$ 13,084,205</u>	<u>\$ 20,144,125</u>	<u>\$ (47,161,049)</u>	<u>\$ 298,128,885</u>

Mercy Housing Northwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Northwest	Intercommunity Housing Ferndale	Sterling Senior Housing	Appian Way Manager LLC	Appian Way Mercy, LLC (Appian Way Apartments)	New Tacoma Phase I GP LLC	New Tacoma Phase I Owner, LP (New Tacoma Phase I)	New Tacoma Phase II Mercy LLC
Revenues								
Rent - net of vacancies	\$ -	\$ 298,462	\$ 164,252	\$ -	\$ 1,623,295	\$ -	\$ 536,337	\$ 271,275
Developer fees	2,516,693	-	-	-	-	-	-	-
Services fees	415,565	-	-	-	-	12,293	-	-
Philanthropy	1,732,526	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	1,033,715	1,025	7	-	278	-	320	71
Other	159,995	4,098	1,812	-	31,636	-	4,296	13,706
Total revenues	5,858,494	303,585	166,071	-	1,655,209	12,293	540,953	285,052
Expenses and losses								
Compensation	2,382,450	90,616	57,314	-	283,282	-	152,827	64,582
Administrative	400,576	32,835	26,066	55	146,100	12,349	112,073	69,464
Professional services	139,102	8,055	14,078	934	24,349	934	57,606	36,915
Depreciation and amortization	-	95,793	81,817	-	912,502	-	699,382	373,827
Grants	140,000	-	-	-	-	-	-	-
Facility	133,791	124,996	67,760	-	386,155	-	153,302	85,283
Interest and fees	-	41,711	-	-	531,427	-	31,579	51,972
Bad debts	799,347	9	-	-	9,606	-	7,602	63
Project expenses	-	-	-	-	-	-	-	-
Allocation	862,557	-	-	-	-	-	-	-
(Gain) loss on sale of assets	146,458	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	(210,435)	-	-	64	-	67	-	-
Total expenses and losses	4,793,846	394,015	247,035	1,053	2,293,421	13,350	1,214,371	682,106
Excess (deficiency) of revenues over expenses	1,064,648	(90,430)	(80,964)	(1,053)	(638,212)	(1,057)	(673,418)	(397,054)
Net assets at beginning of year	47,257,308	1,030,036	1,547,083	285,810	1,864,971	9,827,811	1,581,733	7,360,653
Other transfers to (from) net assets	19,421	-	-	-	-	-	-	-
Net assets at end of year	\$ 48,341,377	\$ 939,606	\$ 1,466,119	\$ 284,757	\$ 1,226,759	\$ 9,826,754	\$ 908,315	\$ 6,963,599

Mercy Housing Northwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	New Tacoma Condominium Association	Evergreen Vista 1 GP LLC	Evergreen Vista 1 Owner, LP	Rainier Vista Block 43 GP, LLC	Rainier Vista Block 43 Owner, LP (Columbia City Station Apts.)	Cobble Knoll I Mercy LLC	Allegre Mercy Redevelopment LLLP	Villa Kathleen Redevelopment LLLP
Revenues								
Rent - net of vacancies	\$ -	\$ -	\$ 1,085,675	\$ -	\$ 581,444	\$ -	\$ 674,468	\$ 656,981
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	8,908	-	38,243	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	-	384	-	109	-	582	640
Other	158,464	-	58,030	-	8,284	-	15,093	12,663
Total revenues	<u>158,464</u>	<u>-</u>	<u>1,144,089</u>	<u>8,908</u>	<u>589,837</u>	<u>38,243</u>	<u>690,143</u>	<u>670,284</u>
Expenses and losses								
Compensation	-	-	204,166	-	113,687	-	168,046	175,111
Administrative	65	55	122,119	8,968	73,974	37,161	100,843	108,330
Professional services	7,900	934	10,887	934	9,915	934	10,180	11,912
Depreciation and amortization	-	-	464,087	-	415,387	-	355,602	355,197
Grants	-	-	25	-	-	-	9	-
Facility	125,979	-	477,467	-	162,129	-	330,841	280,268
Interest and fees	-	-	416,427	-	135,366	-	37,499	68,984
Bad debts	-	-	16,193	-	2,679	-	225	486
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	57	-	32	-	64	-	-
Total expenses and losses	<u>133,944</u>	<u>1,046</u>	<u>1,711,371</u>	<u>9,934</u>	<u>913,137</u>	<u>38,159</u>	<u>1,003,245</u>	<u>1,000,288</u>
Excess (deficiency) of revenues over expenses	24,520	(1,046)	(567,282)	(1,026)	(323,300)	84	(313,102)	(330,004)
Net assets at beginning of year	-	(6,862)	(78,885)	(3,392)	780,741	217,241	8,443,972	7,126,506
Other transfers to (from) net assets	-	-	-	-	-	-	-	-
Net assets at end of year	<u>\$ 24,520</u>	<u>\$ (7,908)</u>	<u>\$ (646,167)</u>	<u>\$ (4,418)</u>	<u>\$ 457,441</u>	<u>\$ 217,325</u>	<u>\$ 8,130,870</u>	<u>\$ 6,796,502</u>

Mercy Housing Northwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Impact Family Village GP LLC	Impact Family Village Limited Partnership (Emerald City Commons)	Family Tree & Lincoln Way GP, LLC	Family Tree & Lincoln Way LLLP	MHNW Othello Commercial, LLC	MHNW 9 Othello East GP, LLC	MHNW 9 Othello East, LP (Mercy Othello Plaza East)	MHNW 10 Othello West GP, LLC
Revenues								
Rent - net of vacancies	\$ -	\$ 633,444	\$ -	\$ 2,328,703	\$ 44,400	\$ -	\$ 951,053	\$ -
Developer fees	-	-	-	-	-	-	-	-
Services fees	8,034	-	-	-	-	17,510	-	(5,000)
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	142	-	4,057	-	-	1,460	-
Other	-	13,552	-	57,250	13,882	-	31,134	-
Total revenues	<u>8,034</u>	<u>647,138</u>	<u>-</u>	<u>2,390,010</u>	<u>58,282</u>	<u>17,510</u>	<u>983,647</u>	<u>(5,000)</u>
Expenses and losses								
Compensation	-	129,116	-	404,532	-	-	105,998	-
Administrative	8,089	86,226	-	235,224	-	17,675	98,328	25,715
Professional services	934	112,666	934	24,261	6,000	934	62,589	934
Depreciation and amortization	-	614,609	-	1,192,475	67,871	-	819,585	-
Grants	-	-	-	-	-	-	-	-
Facility	-	244,231	-	669,366	4,833	-	193,054	-
Interest and fees	-	81,945	-	1,039,794	23,630	-	395,060	-
Bad debts	-	184	-	13,221	-	-	15,646	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	62	-	119	-	-	71	-	31
Total expenses and losses	<u>9,085</u>	<u>1,268,977</u>	<u>1,053</u>	<u>3,578,873</u>	<u>102,334</u>	<u>18,680</u>	<u>1,690,260</u>	<u>26,680</u>
Excess (deficiency) of revenues over expenses	(1,051)	(621,839)	(1,053)	(1,188,863)	(44,052)	(1,170)	(706,613)	(31,680)
Net assets at beginning of year	918,759	5,796,648	457,310	4,567,438	1,024,444	(62,714)	8,686,170	(2,086)
Other transfers to (from) net assets	-	-	-	-	-	-	100,000	-
Net assets at end of year	<u>\$ 917,708</u>	<u>\$ 5,174,809</u>	<u>\$ 456,257</u>	<u>\$ 3,378,575</u>	<u>\$ 980,392</u>	<u>\$ (63,884)</u>	<u>\$ 8,079,557</u>	<u>\$ (33,766)</u>

Mercy Housing Northwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	MHNW 10 Othello West, LP (Mercy Othello Plaza West)	MHNW 12 Eleanor Apartments GP LLC	MHNW 12 Eleanor Apartments LLLP (Eleanor Apartments)	MHNW 11 Woodlakes LLC	MHNW 11 Woodlakes LLLP	MHNW 13 Building 9 South GP LLC	MHNW 13 Building 9 South LP	MHNW 14 Building 9 North GP LLC
Revenues								
Rent - net of vacancies	\$ 368,022	\$ -	\$ 477,130	\$ -	\$ 776,251	\$ -	\$ -	\$ -
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	-	-	-	437	-	5	-
Other	31,028	-	16,578	-	12,578	-	-	-
Total revenues	<u>399,050</u>	<u>-</u>	<u>493,708</u>	<u>-</u>	<u>789,266</u>	<u>-</u>	<u>5</u>	<u>-</u>
Expenses and losses								
Compensation	73,801	-	130,603	-	141,138	-	-	-
Administrative	42,933	55	61,991	70,557	85,021	-	1,048	-
Professional services	34,871	934	36,973	934	7,936	933	4,399	934
Depreciation and amortization	437,711	-	761,257	-	367,230	-	-	-
Grants	-	-	-	-	-	-	-	-
Facility	97,788	-	114,269	-	290,755	-	-	-
Interest and fees	20,325	-	231,314	-	88,271	-	-	-
Bad debts	761	-	-	-	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	84	-	19	-	1	-	-
Total expenses and losses	<u>708,190</u>	<u>1,073</u>	<u>1,336,407</u>	<u>71,510</u>	<u>980,351</u>	<u>934</u>	<u>5,447</u>	<u>934</u>
Excess (deficiency) of revenues over expenses	(309,140)	(1,073)	(842,699)	(71,510)	(191,085)	(934)	(5,442)	(934)
Net assets at beginning of year	8,457,917	(1,024)	2,412,138	(166,007)	7,866,053	(3)	1,981,031	(1)
Other transfers to (from) net assets	100,000	(4,591)	14,553,895	-	38,850	-	(5,500)	-
Net assets at end of year	<u>\$ 8,248,777</u>	<u>\$ (6,688)</u>	<u>\$ 16,123,334</u>	<u>\$ (237,517)</u>	<u>\$ 7,713,818</u>	<u>\$ (937)</u>	<u>\$ 1,970,089</u>	<u>\$ (935)</u>

Mercy Housing Northwest
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	MHNW 14 Building 9 North LP	MHNW 16 Family Housing GP LLC	MHNW 16 Family Housing LLLP (Mount Baker)	Consolidated Mercy Properties Washington	Eliminations	Consolidated Mercy Housing Northwest
Revenues						
Rent - net of vacancies	\$ -	\$ -	\$ -	\$ 2,406,309	\$ (79,289)	\$ 13,798,212
Developer fees	-	-	-	-	(940,221)	1,576,472
Services fees	-	-	-	-	(458,053)	37,500
Philanthropy	-	-	-	-	-	1,732,526
Capital grants	-	-	-	-	-	-
Consulting	-	-	-	-	-	-
Interest	1,543	-	-	7,899	(979,658)	73,016
Other	-	-	-	68,272	(39,431)	672,920
Total revenues	<u>1,543</u>	<u>-</u>	<u>-</u>	<u>2,482,480</u>	<u>(2,496,652)</u>	<u>17,890,646</u>
Expenses and losses						
Compensation	-	-	-	613,477	-	5,290,746
Administrative	323	-	7,500	414,796	(116,222)	2,290,292
Professional services	4,399	935	4,399	198,495	(376,190)	464,773
Depreciation and amortization	-	-	-	1,332,039	(655,692)	8,690,679
Grants	-	-	-	-	-	140,034
Facility	-	-	-	966,153	(113,719)	4,794,701
Interest and fees	368	-	-	186,817	(979,654)	2,402,835
Bad debts	-	-	-	25,002	(845,641)	45,383
Project expenses	-	-	-	-	-	-
Allocation	-	-	-	-	-	862,557
(Gain) loss on sale of assets	-	-	-	-	-	146,458
(Gain) loss on investment in limited partnership	-	1	-	-	(11,144)	(220,907)
Total expenses and losses	<u>5,090</u>	<u>936</u>	<u>11,899</u>	<u>3,736,779</u>	<u>(3,098,262)</u>	<u>24,907,551</u>
Excess (deficiency) of revenues over expenses	(3,547)	(936)	(11,899)	(1,254,299)	601,610	(7,016,905)
Net assets at beginning of year	1,761,512	-	(4,399)	10,443,069	(1,612,548)	139,758,433
Other transfers to (from) net assets	<u>2,530,870</u>	<u>(14,830)</u>	<u>980,000</u>	<u>-</u>	<u>70,557</u>	<u>18,368,672</u>
Net assets at end of year	<u>\$ 4,288,835</u>	<u>\$ (15,766)</u>	<u>\$ 963,702</u>	<u>\$ 9,188,770</u>	<u>\$ (940,381)</u>	<u>\$ 151,110,200</u>

Mercy Properties Washington
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties Washington	Mercy Housing Washington VIII, LP (Hillside Gardens)	Mercy Housing Washington VI, LP (Lincoln Way II)	Mercy Housing Washington V, LP (Sterling Meadows)	Mercy Housing Washington VII, LP (Eliza McCabe Townhomes)	Mercy Housing Washington IX, LP (Evergreen Vista II)	Mercy Housing Washington X, LLC (Catalina Apartments)	Eliminations	Consolidated Mercy Properties Washington
Assets									
Current assets									
Cash and cash equivalents	\$ -	\$ 23,540	\$ 113,546	\$ 2,781	\$ 39,151	\$ 2,955	\$ 24,335	\$ -	\$ 206,308
Cash, tenant security deposits	-	13,238	34,468	26,827	22,445	16,800	14,604	-	128,382
Cash, restricted	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	7,665	367	341	3,664	9,618	3,204	-	24,859
Due from affiliate, net	225,758	30	-	-	-	141	-	(225,788)	141
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	3,460	6,591	6,199	5,367	7,442	4,869	-	33,928
Inventory	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-
Total current assets	225,758	47,933	154,972	36,148	70,627	36,956	47,012	(225,788)	393,618
Property and equipment									
Land and land improvements	-	384,489	1,599,764	891,759	615,966	1,845,921	766,630	(162,500)	5,942,029
Buildings	-	3,065,590	4,637,243	4,975,262	5,126,507	7,456,631	7,011,320	-	32,272,553
Furniture and equipment	-	113,316	183,969	158,327	185,131	129,998	106,793	-	877,534
Predevelopment project costs	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(2,074,391)	(3,909,917)	(3,549,902)	(3,220,738)	(4,306,417)	(3,408,593)	-	(20,469,958)
Net property and equipment	-	1,489,004	2,511,059	2,475,446	2,706,866	5,126,133	4,476,150	(162,500)	18,622,158
Other long-term assets									
Restricted property reserves	-	51,678	231,855	110,617	119,996	180,916	419,998	-	1,115,060
Long-term investments	-	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	1,974,678	-	-	-	-	-	-	(1,974,678)	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	13,289	-	-	13,289
Total other long-term assets	1,974,678	51,678	231,855	110,617	119,996	194,205	419,998	(1,974,678)	1,128,349
Total assets	\$ 2,200,436	\$ 1,588,615	\$ 2,897,886	\$ 2,622,211	\$ 2,897,489	\$ 5,357,294	\$ 4,943,160	\$ (2,362,966)	\$ 20,144,125

Mercy Properties Washington
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties Washington	Mercy Housing Washington VIII, LP (Hillside Gardens)	Mercy Housing Washington VI, LP (Lincoln Way II)	Mercy Housing Washington V, LP (Sterling Meadows)	Mercy Housing Washington VII, LP (Eliza McCabe Townhomes)	Mercy Housing Washington IX, LP (Evergreen Vista II)	Mercy Housing Washington X, LLC (Catalina Apartments)	Eliminations	Consolidated Mercy Properties Washington
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	\$ -	\$ 24,300	\$ 39,353	\$ 106,519	\$ 23,576	\$ 65,596	\$ 26,947	\$ 8,395	\$ 294,686
Due to affiliates	21,865	174,877	195,202	-	129,334	48,225	32,068	(521,480)	80,091
Accrued interest	-	-	5,014	5,627	1,556	4,302	2,591	-	19,090
Accrued interest, affiliates	-	-	-	-	-	-	-	-	-
Current portion of notes payable	-	6,048	34,728	18,190	17,688	42,208	46,677	-	165,539
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	1,686	391	95	2,545	4,144	9,163	-	18,024
Tenant security deposits	-	12,916	34,468	26,327	21,768	17,930	13,926	-	127,335
Total current liabilities	21,865	219,827	309,156	156,758	196,467	182,405	131,372	(513,085)	704,765
Long-term liabilities									
Due to affiliates	180,000	-	-	-	-	-	-	-	180,000
Accrued interest	-	-	302,570	-	-	-	-	-	302,570
Accrued interest, affiliates	-	-	-	-	-	93,693	-	-	93,693
Notes payable, less current portion, net	-	797,332	2,416,436	707,093	1,030,963	2,840,566	1,381,987	-	9,174,377
Notes payable, less current portion, affiliates	-	-	-	-	-	499,950	-	-	499,950
Deferred revenue and other liabilities	-	-	-	-	-	-	-	-	-
Total long-term liabilities	180,000	797,332	2,719,006	707,093	1,030,963	3,434,209	1,381,987	-	10,250,590
Total liabilities	201,865	1,017,159	3,028,162	863,851	1,227,430	3,616,614	1,513,359	(513,085)	10,955,355
Net assets									
Net assets without donor restrictions, controlling	1,998,571	571,456	(130,276)	1,758,360	1,670,059	1,740,680	3,429,801	(1,849,881)	9,188,770
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,998,571	571,456	(130,276)	1,758,360	1,670,059	1,740,680	3,429,801	(1,849,881)	9,188,770
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Total net assets	1,998,571	571,456	(130,276)	1,758,360	1,670,059	1,740,680	3,429,801	(1,849,881)	9,188,770
Total liabilities and net assets	\$ 2,200,436	\$ 1,588,615	\$ 2,897,886	\$ 2,622,211	\$ 2,897,489	\$ 5,357,294	\$ 4,943,160	\$ (2,362,966)	\$ 20,144,125

Mercy Properties Washington
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing				Mercy Housing		Mercy Housing		
	Washington VIII, LP	Mercy Housing	Mercy Housing	Washington VII, LP	Mercy Housing	Washington X, LLC		Consolidated	
Mercy Properties	LP (Hillside	Washington VI, LP	Washington V, LP	(Eliza McCabe	Washington IX, LP	(Catalina		Mercy Properties	
Washington	Gardens)	(Lincoln Way II)	(Sterling Meadows)	Townhomes)	(Evergreen Vista II)	Apartments)	Eliminations	Washington	
Revenues									
Rent - net of vacancies	\$ -	\$ 233,837	\$ 511,518	\$ 409,051	\$ 351,543	\$ 504,433	\$ 395,927	\$ -	\$ 2,406,309
Developer fees	-	-	-	-	-	-	-	-	-
Services fees	84,370	-	-	-	-	-	-	(84,370)	-
Philanthropy	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-	-
Interest	-	22	115	86	440	115	7,121	-	7,899
Other	-	8,254	10,290	7,175	22,878	18,212	1,463	-	68,272
Total revenues	84,370	242,113	521,923	416,312	374,861	522,760	404,511	(84,370)	2,482,480
Expenses and losses									
Compensation	-	50,915	129,685	111,339	79,537	119,662	122,339	-	613,477
Administrative	84,424	51,491	71,011	77,571	79,426	55,903	73,681	(78,711)	414,796
Professional services	467	8,379	23,352	26,770	9,886	102,261	27,380	-	198,495
Depreciation and amortization	-	120,969	171,064	189,009	200,419	373,426	277,152	-	1,332,039
Grants	-	-	-	-	-	-	-	-	-
Facility	-	113,710	141,985	242,122	147,452	205,670	115,214	-	966,153
Interest and fees	-	465	83,744	7,403	19,575	63,933	11,697	-	186,817
Bad debts	-	147	490	887	18,810	4,542	126	-	25,002
Project expenses	-	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	340	-	-	-	-	-	-	(340)	-
Total expenses and losses	85,231	346,076	621,331	655,101	555,105	925,397	627,589	(79,051)	3,736,779
Excess (deficiency) of revenues over expenses	(861)	(103,963)	(99,408)	(238,789)	(180,244)	(402,637)	(223,078)	(5,319)	(1,254,299)
Net assets at beginning of year	1,999,432	675,419	(30,868)	1,997,149	1,850,303	2,143,317	3,652,879	(1,844,562)	10,443,069
Other transfers to (from) net assets	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 1,998,571	\$ 571,456	\$ (130,276)	\$ 1,758,360	\$ 1,670,059	\$ 1,740,680	\$ 3,429,801	\$ (1,849,881)	\$ 9,188,770

General Partners
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Properties, Inc.	Consolidated Mercy Properties II, Inc.	Consolidated 2101 Telegraph Avenue Housing, Inc.	Consolidated McDermott Place	Consolidated South of Market Mercy Housing	Consolidated Visitacion Valley Affordable Housing Corporation	Consolidated Mercy Housing West	Consolidated Affordable Housing Corp.
Assets								
Current assets								
Cash and cash equivalents	\$ 4,585,538	\$ 295,174	\$ 176,699	\$ 3,969	\$ 636,628	\$ 677,001	\$ 10,546,463	\$ 47,729
Cash, tenant security deposits	626,097	50,088	28,253	10,432	207,742	112,574	1,535,052	24,363
Cash, restricted	900	-	-	-	500	-	462,079	140,000
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	301,190	12,181	46,993	3,527	123,394	38,327	839,819	13,137
Due from affiliate, net	37,035	-	1,247	-	8,930	2,104	3,527	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	307,453	22,124	19,419	5,705	96,792	43,696	909,697	6,152
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	5,858,213	379,567	272,611	23,633	1,073,986	873,702	14,296,637	231,381
Property and equipment								
Land and land improvements	13,360,699	2,267,383	620,846	15,440	4,084,594	-	69,176,057	278,856
Buildings	136,954,459	10,819,703	9,488,856	268,964	28,242,832	26,321,234	570,519,288	3,997,366
Furniture and equipment	5,669,872	273,601	327,725	3,391	821,278	770,604	14,760,351	66,148
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	2,757,177	-
Accumulated depreciation	(83,381,348)	(7,098,194)	(7,703,098)	(38,183)	(20,430,349)	(17,989,399)	(274,542,743)	(2,967,935)
Net property and equipment	72,603,682	6,262,493	2,734,329	249,612	12,718,355	9,102,439	382,670,130	1,374,435
Other long-term assets								
Restricted property reserves	8,642,402	540,225	804,516	-	1,575,289	1,096,563	24,072,753	83,832
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	383,891	-	-	-	(16,051,286)	-	(8,283,858)	-
Notes and interest receivable, net	-	-	-	-	-	-	285,520	-
Notes and interest receivable, affiliates	-	-	-	-	1,197,412	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	132,692	389	-	-	-	-	2,444,716	-
Total other long-term assets	9,158,985	540,614	804,516	-	(13,278,585)	1,096,563	18,519,131	83,832
Total assets	\$ 87,620,880	\$ 7,182,674	\$ 3,811,456	\$ 273,245	\$ 513,756	\$ 11,072,704	\$ 415,485,898	\$ 1,689,648

General Partners
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Properties, Inc.	Consolidated Mercy Properties II, Inc.	Consolidated 2101 Telegraph Avenue Housing, Inc.	Consolidated McDermott Place	Consolidated South of Market Mercy Housing	Consolidated Visitacion Valley Affordable Housing Corporation	Consolidated Mercy Housing West	Consolidated Affordable Housing Corp.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,679,791	\$ 127,596	\$ 96,536	\$ 30,706	\$ 410,497	\$ 180,420	\$ 2,789,635	\$ 125,302
Due to affiliates	2,476,894	215,086	87,384	647,823	1,484,730	80,166	2,697,005	526,729
Accrued interest	62,866	69,149	-	1,413	10,713	20,261	401,800	1,279
Accrued interest, affiliates	15,681	-	-	-	-	-	-	18,348
Current portion of notes payable	563,730	129,355	-	7,381	275,643	81,283	2,490,827	14,297
Current portion of notes payable, affiliates	73,382	-	-	-	52,735	-	-	75,000
Deferred revenue and other liabilities	146,458	2,735	4,089	1,764	55,182	65,148	504,990	4,120
Tenant security deposits	618,455	48,446	27,615	9,909	203,883	111,875	1,509,477	21,937
Total current liabilities	5,637,257	592,367	215,624	698,996	2,493,383	539,153	10,393,734	787,012
Long-term liabilities								
Due to affiliates	-	-	-	-	1,478,712	-	-	-
Accrued interest	11,616,452	145,821	3,812,640	325,556	7,698,449	705,768	39,852,855	246,101
Accrued interest, affiliates	4,052,361	59,105	-	-	1,322,623	-	1,177,346	2,316
Notes payable, less current portion, net	36,978,503	5,007,067	3,528,317	1,048,053	14,823,558	5,857,173	264,332,871	1,328,927
Notes payable, less current portion, affiliates	16,670,929	414,246	-	-	545,068	-	10,690,782	54,461
Deferred revenue and other liabilities	1,853,445	3,240	4,301	-	3,361	6,845	6,045,470	1,134
Total long-term liabilities	71,171,690	5,629,479	7,345,258	1,373,609	25,871,771	6,569,786	322,099,324	1,632,939
Total liabilities	76,808,947	6,221,846	7,560,882	2,072,605	28,365,154	7,108,939	332,493,058	2,419,951
Net assets								
Net assets without donor restrictions, controlling	10,705,897	960,828	(3,749,426)	(1,799,360)	(27,851,398)	3,963,765	81,841,098	(730,303)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	10,705,897	960,828	(3,749,426)	(1,799,360)	(27,851,398)	3,963,765	81,841,098	(730,303)
Net assets with donor restrictions	106,036	-	-	-	-	-	1,151,742	-
Total net assets	10,811,933	960,828	(3,749,426)	(1,799,360)	(27,851,398)	3,963,765	82,992,840	(730,303)
Total liabilities and net assets	\$ 87,620,880	\$ 7,182,674	\$ 3,811,456	\$ 273,245	\$ 513,756	\$ 11,072,704	\$ 415,485,898	\$ 1,689,648

General Partners
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Housing Wheaton	Eliminations	Consolidated General Partners
Assets			
Current assets			
Cash and cash equivalents	\$ 9,762,222	\$ -	\$ 26,731,423
Cash, tenant security deposits	1,158,128	-	3,752,729
Cash, restricted	300	-	603,779
Investments	-	-	-
Investments, restricted	-	-	-
Accounts receivable, net	1,103,207	-	2,481,775
Due from affiliate, net	15,620	(3,746)	64,717
Pledges receivable, net	-	-	-
Grants receivable	-	-	-
Current portion of notes and interest receivable	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-
Prepaid expenses and other assets	689,194	-	2,100,232
Inventory	-	-	-
Assets held for sale	1,208,453	-	1,208,453
Total current assets	13,937,124	(3,746)	36,943,108
Property and equipment			
Land and land improvements	21,204,670	-	111,008,545
Buildings	152,430,490	-	939,043,192
Furniture and equipment	21,168,213	-	43,861,183
Predevelopment project costs	-	-	-
Construction in progress	-	-	2,757,177
Accumulated depreciation	(73,990,997)	-	(488,142,246)
Net property and equipment	120,812,376	-	608,527,851
Other long-term assets			
Restricted property reserves	15,131,147	-	51,946,727
Long-term investments	-	-	-
Long-term investments, restricted	-	-	-
Due from affiliates	-	-	-
Pledges receivable, net	-	-	-
Investments in limited partnerships, net	-	24,936,020	984,767
Notes and interest receivable, net	1,046,520	-	1,332,040
Notes and interest receivable, affiliates	-	-	1,197,412
Allowance for impaired assets	-	-	-
Other assets, net	89,317	-	2,667,114
Total other long-term assets	16,266,984	24,936,020	58,128,060
Total assets	\$ 151,016,484	\$ 24,932,274	\$ 703,599,019

General Partners
Consolidating Statement of Financial Position
December 31, 2018

	Consolidated Mercy Housing Wheaton	Eliminations	Consolidated General Partners
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 4,646,203	\$ -	\$ 10,086,686
Due to affiliates	379,469	(3,747)	8,591,539
Accrued interest	278,516	-	845,997
Accrued interest, affiliates	4,807	-	38,836
Current portion of notes payable	2,027,592	-	5,590,108
Current portion of notes payable, affiliates	15,578	-	216,695
Deferred revenue and other liabilities	220,357	-	1,004,843
Tenant security deposits	<u>1,131,253</u>	<u>-</u>	<u>3,682,850</u>
Total current liabilities	<u>8,703,775</u>	<u>(3,747)</u>	<u>30,057,554</u>
Long-term liabilities			
Due to affiliates	-	-	1,478,712
Accrued interest	337,646	-	64,741,288
Accrued interest, affiliates	483,333	-	7,097,084
Notes payable, less current portion, net	91,438,169	-	424,342,638
Notes payable, less current portion, affiliates	6,083,160	-	34,458,646
Deferred revenue and other liabilities	<u>58,565</u>	<u>-</u>	<u>7,976,361</u>
Total long-term liabilities	<u>98,400,873</u>	<u>-</u>	<u>540,094,729</u>
Total liabilities	<u>107,104,648</u>	<u>(3,747)</u>	<u>570,152,283</u>
Net assets			
Net assets without donor restrictions, controlling	42,568,156	24,936,021	130,845,278
Net assets without donor restrictions, noncontrolling	-	-	-
Total net assets without donor restrictions	<u>42,568,156</u>	<u>24,936,021</u>	<u>130,845,278</u>
Net assets with donor restrictions	<u>1,343,680</u>	<u>-</u>	<u>2,601,458</u>
Total net assets	<u>43,911,836</u>	<u>24,936,021</u>	<u>133,446,736</u>
Total liabilities and net assets	<u>\$ 151,016,484</u>	<u>\$ 24,932,274</u>	<u>\$ 703,599,019</u>

General Partners
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Consolidated Mercy Properties, Inc.	Consolidated Mercy Properties II, Inc.	Consolidated 2101 Telegraph Avenue Housing, Inc.	Consolidated McDermott Place	Consolidated South of Market Mercy Housing	Consolidated Visitacion Valley Affordable Housing Corporation	Consolidated Mercy Housing West	Consolidated Affordable Housing Corp.
Revenues								
Rent - net of vacancies	\$ 16,227,795	\$ 1,302,154	\$ 1,204,260	\$ 223,376	\$ 3,436,864	\$ 2,697,087	\$ 34,419,647	\$ 335,201
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	12,636	-	7,142	-
Philanthropy	23,919	-	-	-	-	-	61,327	-
Capital grants	32,725	-	-	-	-	-	12,849,650	140,000
Consulting	-	-	-	-	-	-	-	-
Interest	108,457	626	11,752	2	3,468	848	541,253	147
Other	629,089	20,204	54,268	4,921	351,914	7,300	3,270,140	51,417
Total revenues	17,021,985	1,322,984	1,270,280	228,299	3,804,882	2,705,235	51,149,159	526,765
Expenses and losses								
Compensation	3,758,708	230,101	385,527	102,609	772,338	477,160	7,803,169	80,414
Administrative	2,443,887	216,355	133,956	41,201	678,950	246,034	4,546,953	61,334
Professional services	843,142	51,518	119,957	9,825	267,870	210,457	2,129,575	16,671
Depreciation and amortization	5,335,512	482,368	379,767	14,179	924,087	938,663	24,648,044	147,784
Grants	173,482	-	-	-	329,700	-	-	-
Facility	5,521,618	319,927	485,502	111,045	1,162,709	1,093,355	11,702,162	244,498
Interest and fees	2,692,245	283,131	175,972	32,472	669,536	320,411	7,525,132	43,077
Bad debts	137,058	2,973	4,043	8,409	37,040	1,152	44,555	6,135
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	39,134	-	-	(2,179,435)	-	(116,190)	-
(Gain) loss on investment in limited partnership	-	-	-	-	(3,913,954)	-	428,427	-
Total expenses and losses	20,905,652	1,625,507	1,684,724	319,740	(1,251,159)	3,287,232	58,711,827	599,913
Excess (deficiency) of revenues over expenses	(3,883,667)	(302,523)	(414,444)	(91,441)	5,056,041	(581,997)	(7,562,668)	(73,148)
Net assets at beginning of year	11,378,641	1,263,351	(3,334,982)	(1,707,919)	(32,492,312)	4,665,050	87,540,210	(657,155)
Other transfers to (from) net assets	3,316,959	-	-	-	(415,127)	(119,288)	3,015,298	-
Net assets at end of year	\$ 10,811,933	\$ 960,828	\$ (3,749,426)	\$ (1,799,360)	\$ (27,851,398)	\$ 3,963,765	\$ 82,992,840	\$ (730,303)

General Partners
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Consolidated Mercy Housing Wheaton	Eliminations	Consolidated General Partners
Revenues			
Rent - net of vacancies	\$ 35,594,714	\$ -	\$ 95,441,098
Developer fees	-	-	-
Services fees	-	(3,746)	16,032
Philanthropy	376,690	-	461,936
Capital grants	-	-	13,022,375
Consulting	-	-	-
Interest	19,238	-	685,791
Other	2,943,743	-	7,332,996
Total revenues	38,934,385	(3,746)	116,960,228
Expenses and losses			
Compensation	6,543,368	-	20,153,394
Administrative	8,251,110	578,593	17,198,373
Professional services	1,298,960	-	4,947,975
Depreciation and amortization	6,360,211	-	39,230,615
Grants	-	-	503,182
Facility	11,980,488	-	32,621,304
Interest and fees	3,737,926	-	15,479,902
Bad debts	119,493	-	360,858
Project expenses	-	-	-
Allocation	-	-	-
(Gain) loss on sale of assets	227,067	2,179,435	150,011
(Gain) loss on investment in limited partnership	-	4,818,298	1,332,771
Total expenses and losses	38,518,623	7,576,326	131,978,385
Excess (deficiency) of revenues over expenses	415,762	(7,580,072)	(15,018,157)
Net assets at beginning of year	33,114,500	30,337,827	130,107,211
Other transfers to (from) net assets	10,381,574	2,178,266	18,357,682
Net assets at end of year	\$ 43,911,836	\$ 24,936,021	\$ 133,446,736

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties, Inc.	111 Jones Street Associates, LP (111 Jones Street Apts.)	Britton Street Associates, LP (Britton Street Apts.)	Mercy Housing California VII, LP (Casa San Juan)	Mercy Housing Colorado VIII, LP (Valle de Merced)	Mercy Housing Colorado I, LTD (Grace)	Marlton Affordable Housing Associates (Marlton Manor)	Mercy Housing California V, LP (Mercy Village Folsom)
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 318,105	\$ 209,360	\$ 159,314	\$ 206,602	\$ 131,912	\$ 1,296,783	\$ 66,544
Cash, tenant security deposits	-	85,667	-	58,890	20,202	10,889	45,776	52,862
Cash, restricted	-	-	-	-	-	-	300	200
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	85,251	-	1,615	1,038	2,002	11,593	1,714
Due from affiliate, net	1,105,499	1,022	-	-	-	-	25,768	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	36,627	-	13,080	6,906	7,796	35,217	22,542
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	1,105,499	526,672	209,360	232,899	234,748	152,599	1,415,437	143,862
Property and equipment								
Land and land improvements	-	5,300	-	991,080	953,583	183,629	27,431	785,272
Buildings	-	10,496,750	-	7,852,075	6,524,044	3,393,728	15,629,426	10,722,528
Furniture and equipment	-	416,006	-	654,371	151,331	51,764	1,127,779	424,290
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(9,968,232)	-	(6,561,060)	(3,908,795)	(2,139,402)	(9,750,010)	(6,422,612)
Net property and equipment	-	949,824	-	2,936,466	3,720,163	1,489,719	7,034,626	5,509,478
Other long-term assets								
Restricted property reserves	-	778,198	-	698,256	246,415	126,577	1,366,838	419,169
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(585,956)	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	1,850	533	8,801	10,990
Total other long-term assets	(585,956)	778,198	-	698,256	248,265	127,110	1,375,639	430,159
Total assets	\$ 519,543	\$ 2,254,694	\$ 209,360	\$ 3,867,621	\$ 4,203,176	\$ 1,769,428	\$ 9,825,702	\$ 6,083,499

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties, Inc.	111 Jones Street Associates, LP (111 Jones Street Apts.)	Britton Street Associates, LP (Britton Street Apts.)	Mercy Housing California VII, LP (Casa San Juan)	Mercy Housing Colorado VIII, LP (Valle de Merced)	Mercy Housing Colorado I, LTD (Grace)	Marlton Affordable Housing Associates (Marlton Manor)	Mercy Housing California V, LP (Mercy Village Folsom)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 700	\$ 182,182	\$ 1,900	\$ 37,338	\$ 50,421	\$ 60,192	\$ 285,854	\$ 62,245
Due to affiliates	1,105,179	50,000	248,915	22,788	400,000	-	81,160	101,421
Accrued interest	-	-	-	-	21,280	2,208	974	3,389
Accrued interest, affiliates	-	-	-	13,206	-	-	-	-
Current portion of notes payable	-	-	-	-	31,967	5,189	165,753	87,356
Current portion of notes payable, affiliates	-	-	-	51,831	-	-	-	13,580
Deferred revenue and other liabilities	-	2,029	-	985	2,064	1,653	6,881	820
Tenant security deposits	-	84,657	-	58,540	19,170	10,001	45,164	52,362
Total current liabilities	1,105,879	318,868	250,815	184,688	524,902	79,243	585,786	321,173
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	5,374,552	-	-	245,678	-	-	681,753
Accrued interest, affiliates	53,634	-	-	-	541,666	-	-	444,753
Notes payable, less current portion, net	-	6,580,210	-	(59,116)	1,590,717	347,557	(1,560)	3,974,587
Notes payable, less current portion, affiliates	955,833	-	-	2,966,617	774,312	1,280,884	-	1,361,970
Deferred revenue and other liabilities	-	4,995	-	4,944	230,537	1,418	372,682	103,797
Total long-term liabilities	1,009,467	11,959,757	-	2,912,445	3,382,910	1,629,859	371,122	6,566,860
Total liabilities	2,115,346	12,278,625	250,815	3,097,133	3,907,812	1,709,102	956,908	6,888,033
Net assets								
Net assets without donor restrictions, controlling	(1,701,839)	(10,023,931)	(41,455)	770,488	295,364	60,326	8,868,794	(804,534)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(1,701,839)	(10,023,931)	(41,455)	770,488	295,364	60,326	8,868,794	(804,534)
Net assets with donor restrictions	106,036	-	-	-	-	-	-	-
Total net assets	(1,595,803)	(10,023,931)	(41,455)	770,488	295,364	60,326	8,868,794	(804,534)
Total liabilities and net assets	\$ 519,543	\$ 2,254,694	\$ 209,360	\$ 3,867,621	\$ 4,203,176	\$ 1,769,428	\$ 9,825,702	\$ 6,083,499

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Park Terrace Apartments, LP	Mercy Housing California X, LP (The Rose Hotel)	San Felipe Homes, LP	2220 10th Avenue Associates, LP (Santana Apts.)	Mercy Housing Iowa II, LP (Sherwood Place Apts.)	Mercy Housing California I, LP (St. Francis Terrace)	Mercy Housing Georgia II, LLLP (Orchard Grove Apts.)	Mercy Housing Colorado IX, LLLP (Parkside Apartments)
Assets								
Current assets								
Cash and cash equivalents	\$ 64,750	\$ 88,307	\$ 24,521	\$ 104,813	\$ 82,458	\$ 3,501	\$ 7,846	\$ 179,220
Cash, tenant security deposits	36,059	20,602	11,477	25,494	8,144	-	9,173	16,999
Cash, restricted	400	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	1,012	26,802	256	6,589	974	-	5,171	13,463
Due from affiliate, net	576	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	13,232	17,389	4,082	5,555	4,426	-	7,460	9,908
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	116,029	153,100	40,336	142,451	96,002	3,501	29,650	219,590
Property and equipment								
Land and land improvements	832,080	-	145,725	-	588,373	-	1,064,406	1,899,306
Buildings	5,084,593	6,317,140	1,886,704	3,338,332	2,432,522	-	3,666,376	7,575,142
Furniture and equipment	145,631	275,078	21,758	70,683	112,257	-	173,936	225,296
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(3,649,226)	(2,674,877)	(1,356,328)	(2,148,512)	(1,861,418)	-	(2,641,109)	(4,619,981)
Net property and equipment	2,413,078	3,917,341	697,859	1,260,503	1,271,734	-	2,263,609	5,079,763
Other long-term assets								
Restricted property reserves	433,037	374,987	180,626	436,190	145,116	190,169	106,373	146,452
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	12,748	-
Total other long-term assets	433,037	374,987	180,626	436,190	145,116	190,169	119,121	146,452
Total assets	\$ 2,962,144	\$ 4,445,428	\$ 918,821	\$ 1,839,144	\$ 1,512,852	\$ 193,670	\$ 2,412,380	\$ 5,445,805

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Park Terrace Apartments, LP	Mercy Housing California X, LP (The Rose Hotel)	San Felipe Homes, LP	2220 10th Avenue Associates, LP (Santana Apts.)	Mercy Housing Iowa II, LP (Sherwood Place Apts.)	Mercy Housing California I, LP (St. Francis Terrace)	Mercy Housing Georgia II, LLLP (Orchard Grove Apts.)	Mercy Housing Colorado IX, LLLP (Parkside Apartments)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 48,345	\$ 99,048	\$ 16,334	\$ 21,367	\$ 39,607	\$ 6,960	\$ 41,460	\$ 57,627
Due to affiliates	3,963	217,245	7,492	5,838	-	97,849	222,195	342,526
Accrued interest	-	-	-	-	-	-	-	10,493
Accrued interest, affiliates	-	-	-	-	2,475	-	-	-
Current portion of notes payable	-	-	-	-	-	-	35,947	60,082
Current portion of notes payable, affiliates	-	-	-	-	7,971	-	-	-
Deferred revenue and other liabilities	5,154	39,869	210	52	2,322	-	1,017	19,757
Tenant security deposits	35,358	20,796	11,439	24,947	7,692	-	8,850	16,499
Total current liabilities	92,820	376,958	35,475	52,204	60,067	104,809	309,469	506,984
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	160,584	721,136	1,385,868	1,821,492	-	-	-	-
Accrued interest, affiliates	-	-	-	-	1,969	-	-	942,375
Notes payable, less current portion, net	940,664	1,113,948	1,900,000	2,667,877	411,893	-	424,014	1,610,812
Notes payable, less current portion, affiliates	-	-	-	-	656,372	-	386,000	2,283,443
Deferred revenue and other liabilities	2,170	781,277	1,545	20,000	-	-	317,324	-
Total long-term liabilities	1,103,418	2,616,361	3,287,413	4,509,369	1,070,234	-	1,127,338	4,836,630
Total liabilities	1,196,238	2,993,319	3,322,888	4,561,573	1,130,301	104,809	1,436,807	5,343,614
Net assets								
Net assets without donor restrictions, controlling	1,765,906	1,452,109	(2,404,067)	(2,722,429)	382,551	88,861	975,573	102,191
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,765,906	1,452,109	(2,404,067)	(2,722,429)	382,551	88,861	975,573	102,191
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	1,765,906	1,452,109	(2,404,067)	(2,722,429)	382,551	88,861	975,573	102,191
Total liabilities and net assets	\$ 2,962,144	\$ 4,445,428	\$ 918,821	\$ 1,839,144	\$ 1,512,852	\$ 193,670	\$ 2,412,380	\$ 5,445,805

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Arizona II, LP (Page Commons)	Parkside Terrace Apartments, LLC	Parkside Terraces Limited Partnership	Mulberry Court LLC	Mercy Housing South Carolina I, LP (Mulberry Court Apts)	Savannah Rose of Sharon, LLC	Mercy Housing Georgia III, LP (Rose of Sharon)	Mercy Housing South Dakota I, LLC (Driftwood Estates)
Assets								
Current assets								
Cash and cash equivalents	\$ 99,675	\$ -	\$ 7,660	\$ -	\$ 6,053	\$ -	\$ 731,231	\$ 115,901
Cash, tenant security deposits	17,605	-	36,399	-	5,679	-	106,493	10,720
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	5	-	34,048	-	14,186	-	38,613	38,365
Due from affiliate, net	-	-	-	-	-	100,320	-	459
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	17,278	-	10,994	-	4,674	-	46,078	7,610
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	134,563	-	89,101	-	30,592	100,320	922,415	173,055
Property and equipment								
Land and land improvements	867,962	-	48,604	-	834,890	-	238,724	614,740
Buildings	7,317,421	-	3,573,198	-	3,908,377	-	10,784,530	4,374,013
Furniture and equipment	394,455	-	63,186	-	36,005	-	125,080	266,701
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(4,755,782)	-	(2,233,969)	-	(1,924,498)	-	(4,768,910)	(2,223,495)
Net property and equipment	3,824,056	-	1,451,019	-	2,854,774	-	6,379,424	3,031,959
Other long-term assets								
Restricted property reserves	375,622	-	243,371	-	46,864	-	941,597	307,462
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	(446)	-	49,740	-	(429)	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	5,153	-	-	-	10,289	-	48,262	-
Total other long-term assets	380,775	(446)	243,371	49,740	57,153	(429)	989,859	307,462
Total assets	\$ 4,339,394	\$ (446)	\$ 1,783,491	\$ 49,740	\$ 2,942,519	\$ 99,891	\$ 8,291,698	\$ 3,512,476

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Arizona II, LP (Page Commons)	Parkside Terrace Apartments, LLC	Parkside Terraces Limited Partnership	Mulberry Court LLC	Mercy Housing South Carolina I, LP (Mulberry Court Apts)	Savannah Rose of Sharon, LLC	Mercy Housing Georgia III, LP (Rose of Sharon)	Mercy Housing South Dakota I, LLC (Driftwood Estates)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 68,745	\$ -	\$ 79,772	\$ -	\$ 85,534	\$ -	\$ 157,844	\$ 78,670
Due to affiliates	20,000	24,824	15,680	12,048	329,014	204,994	186,194	156,178
Accrued interest	9,399	-	-	-	2,281	-	-	5,186
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	47,908	-	2,800	-	22,100	-	52,111	20,760
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	373	-	1,778	-	544	-	44,125	6,557
Tenant security deposits	17,104	-	35,899	-	5,679	-	104,905	10,825
Total current liabilities	163,529	24,824	135,929	12,048	445,152	204,994	545,179	278,176
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	1,216,503	-
Accrued interest, affiliates	6,204	-	8,828	-	309,176	-	-	252,133
Notes payable, less current portion, net	2,525,356	-	3,459,361	-	498,073	-	6,792,458	817,043
Notes payable, less current portion, affiliates	41,800	-	430,606	-	489,778	-	-	1,271,688
Deferred revenue and other liabilities	-	-	1,835	-	-	-	8,652	-
Total long-term liabilities	2,573,360	-	3,900,630	-	1,297,027	-	8,017,613	2,340,864
Total liabilities	2,736,889	24,824	4,036,559	12,048	1,742,179	204,994	8,562,792	2,619,040
Net assets								
Net assets without donor restrictions, controlling	1,602,505	(25,270)	(2,253,068)	37,692	1,200,340	(105,103)	(271,094)	893,436
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,602,505	(25,270)	(2,253,068)	37,692	1,200,340	(105,103)	(271,094)	893,436
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	1,602,505	(25,270)	(2,253,068)	37,692	1,200,340	(105,103)	(271,094)	893,436
Total liabilities and net assets	\$ 4,339,394	\$ (446)	\$ 1,783,491	\$ 49,740	\$ 2,942,519	\$ 99,891	\$ 8,291,698	\$ 3,512,476

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing South Dakota II, LLC (Northern Heights)	Mercy Housing Colorado XI, LLC (Pinon Terrace)	Commons on Main GP, LLC	Aromor Mercy, LLC (Aromor Apts)	Mercy Galewood SLF, Inc.	FHD Holdings LLC	Eliminations	Consolidated Mercy Properties, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ 169,568	\$ 177,386	\$ -	\$ 334,028	\$ -	\$ -	\$ -	\$ 4,585,538
Cash, tenant security deposits	18,309	22,018	-	6,640	-	-	-	626,097
Cash, restricted	-	-	-	-	-	-	-	900
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	10,559	1,739	-	6,195	-	-	-	301,190
Due from affiliate, net	4,608	2,235	-	1,463	-	1,363	(1,206,278)	37,035
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	12,442	12,499	-	11,658	-	-	-	307,453
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	<u>215,486</u>	<u>215,877</u>	<u>-</u>	<u>359,984</u>	<u>-</u>	<u>1,363</u>	<u>(1,206,278)</u>	<u>5,858,213</u>
Property and equipment								
Land and land improvements	812,105	1,693,432	-	774,057	-	-	-	13,360,699
Buildings	4,555,936	10,159,598	-	7,379,029	-	-	(17,003)	136,954,459
Furniture and equipment	189,210	170,331	-	574,724	-	-	-	5,669,872
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(2,336,555)	(4,318,255)	-	(3,125,200)	-	-	6,878	(83,381,348)
Net property and equipment	<u>3,220,696</u>	<u>7,705,106</u>	<u>-</u>	<u>5,602,610</u>	<u>-</u>	<u>-</u>	<u>(10,125)</u>	<u>72,603,682</u>
Other long-term assets								
Restricted property reserves	435,335	309,251	-	334,497	-	-	-	8,642,402
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	341,061	-	579,921	383,891
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	19,487	-	14,579	-	-	-	132,692
Total other long-term assets	<u>435,335</u>	<u>328,738</u>	<u>-</u>	<u>349,076</u>	<u>341,061</u>	<u>-</u>	<u>579,921</u>	<u>9,158,985</u>
Total assets	<u>\$ 3,871,517</u>	<u>\$ 8,249,721</u>	<u>\$ -</u>	<u>\$ 6,311,670</u>	<u>\$ 341,061</u>	<u>\$ 1,363</u>	<u>\$ (636,482)</u>	<u>\$ 87,620,880</u>

Mercy Properties, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing South Dakota II, LLC (Northern Heights)	Mercy Housing Colorado XI, LLC (Pinon Terrace)	Commons on Main GP, LLC	Aromor Mercy, LLC (Aromor Apts)	Mercy Galewood SLF, Inc.	FHD Holdings LLC	Eliminations	Consolidated Mercy Properties, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 94,996	\$ 48,898	\$ -	\$ 53,752	\$ -	\$ -	\$ -	\$ 1,679,791
Due to affiliates	234,726	16,127	164,127	9,024	1,635	52,417	(1,856,665)	2,476,894
Accrued interest	4,148	3,508	-	-	-	-	-	62,866
Accrued interest, affiliates	-	-	-	-	-	-	-	15,681
Current portion of notes payable	16,608	15,149	-	-	-	-	-	563,730
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	73,382
Deferred revenue and other liabilities	7,534	2,134	-	600	-	-	-	146,458
Tenant security deposits	20,874	21,555	-	6,139	-	-	-	618,455
Total current liabilities	378,886	107,371	164,127	69,515	1,635	52,417	(1,856,665)	5,637,257
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	8,886	-	-	-	-	-	11,616,452
Accrued interest, affiliates	34,272	545,433	-	1,138,623	-	-	(226,705)	4,052,361
Notes payable, less current portion, net	653,839	738,950	-	(8,180)	-	-	-	36,978,503
Notes payable, less current portion, affiliates	658,996	1,057,500	-	2,551,500	-	-	(496,370)	16,670,929
Deferred revenue and other liabilities	-	2,269	-	-	-	-	-	1,853,445
Total long-term liabilities	1,347,107	2,353,038	-	3,681,943	-	-	(723,075)	71,171,690
Total liabilities	1,725,993	2,460,409	164,127	3,751,458	1,635	52,417	(2,579,740)	76,808,947
Net assets								
Net assets without donor restrictions, controlling	2,145,524	5,789,312	(164,127)	2,560,212	339,426	(51,054)	1,943,258	10,705,897
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	2,145,524	5,789,312	(164,127)	2,560,212	339,426	(51,054)	1,943,258	10,705,897
Net assets with donor restrictions	-	-	-	-	-	-	-	106,036
Total net assets	2,145,524	5,789,312	(164,127)	2,560,212	339,426	(51,054)	1,943,258	10,811,933
Total liabilities and net assets	\$ 3,871,517	\$ 8,249,721	\$ -	\$ 6,311,670	\$ 341,061	\$ 1,363	\$ (636,482)	\$ 87,620,880

Mercy Properties, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Properties, Inc.	111 Jones Street Associates, LP (111 Jones Street Apts.)	Britton Street Associates, LP (Britton Street Apts.)	Mercy Housing California VII, LP (Casa San Juan)	Mercy Housing Colorado VIII, LP (Valle de Merced)	Mercy Housing Colorado I, LTD (Grace)	Marlton Affordable Housing Associates (Marlton Manor)	Mercy Housing California V, LP (Mercy Village Folsom)
Revenues								
Rent - net of vacancies	\$ -	\$ 1,433,753	\$ -	\$ 1,005,190	\$ 428,717	\$ 614,392	\$ 2,770,247	\$ 705,526
Developer fees	-	-	-	-	-	-	-	-
Services fees	371,190	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	32,725	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	21,267	-	2,749	563	228	34,119	5,351
Other	140,803	121,870	138,818	13,900	2,634	28,300	(1,830)	8,854
Total revenues	511,993	1,576,890	138,818	1,021,839	431,914	675,645	2,802,536	719,731
Expenses and losses								
Compensation	-	475,128	-	143,239	109,301	143,995	684,688	106,365
Administrative	371,358	161,192	10,116	119,489	66,564	91,919	326,461	91,728
Professional services	477	111,678	-	149,138	7,030	30,725	43,687	56,490
Depreciation and amortization	-	286,259	-	358,294	275,571	161,590	690,440	410,001
Grants	173,482	-	-	-	-	-	-	-
Facility	-	622,101	-	211,276	123,988	198,240	713,325	221,148
Interest and fees	-	201,770	20	161,938	152,303	29,585	35,448	161,587
Bad debts	-	-	52,796	-	-	82	8,422	491
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	86	-	-	-	-	-	-	-
Total expenses and losses	545,403	1,858,128	62,932	1,143,374	734,757	656,136	2,502,471	1,047,810
Excess (deficiency) of revenues over expenses	(33,410)	(281,238)	75,886	(121,535)	(302,843)	19,509	300,065	(328,079)
Net assets at beginning of year	(1,562,393)	(9,742,693)	609,403	991,615	598,207	40,817	8,695,330	(617,258)
Other transfers to (from) net assets	-	-	(726,744)	(99,592)	-	-	(126,601)	140,803
Net assets at end of year	\$ (1,595,803)	\$ (10,023,931)	\$ (41,455)	\$ 770,488	\$ 295,364	\$ 60,326	\$ 8,868,794	\$ (804,534)

Mercy Properties, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Park Terrace Apartments, LP	Mercy Housing California X, LP (The Rose Hotel)	San Felipe Homes, LP	2220 10th Avenue Associates, LP (Santana Apts.)	Mercy Housing Iowa II, LP (Sherwood Place Apts.)	Mercy Housing California I, LP (St. Francis Terrace)	Mercy Housing Georgia II, LLLP (Orchard Grove Apts.)	Mercy Housing Colorado IX, LLLP (Parkside Apartments)
Revenues								
Rent - net of vacancies	\$ 543,609	\$ 901,373	\$ 221,631	\$ 381,815	\$ 249,815	\$ 127,526	\$ 359,222	\$ 623,069
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	23,919	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	4,171	8,564	97	7,349	672	483	1,955	61
Other	15,298	12,997	6,674	5,500	9,555	4,058	9,019	10,355
Total revenues	563,078	946,853	228,402	394,664	260,042	132,067	370,196	633,485
Expenses and losses								
Compensation	212,648	386,394	45,153	94,484	47,329	29,285	92,058	92,086
Administrative	97,357	130,359	37,841	54,111	33,023	20,571	64,660	106,807
Professional services	30,641	100,291	7,630	39,361	7,030	7,960	8,054	10,123
Depreciation and amortization	191,813	114,590	39,196	86,878	95,705	51,682	175,620	343,272
Grants	-	-	-	-	-	-	-	-
Facility	222,313	381,201	106,628	140,064	86,437	55,673	193,516	147,197
Interest and fees	9,634	33,818	57,103	80,372	35,319	39,655	807	217,022
Bad debts	1,719	1,995	-	-	3,010	1,922	2,119	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	766,125	1,148,648	293,551	495,270	307,853	206,748	536,834	916,507
Excess (deficiency) of revenues over expenses	(203,047)	(201,795)	(65,149)	(100,606)	(47,811)	(74,681)	(166,638)	(283,022)
Net assets at beginning of year	1,968,953	1,653,904	(2,338,918)	(2,621,823)	430,362	(3,995,003)	1,142,211	385,213
Other transfers to (from) net assets	-	-	-	-	-	4,158,545	-	-
Net assets at end of year	\$ 1,765,906	\$ 1,452,109	\$ (2,404,067)	\$ (2,722,429)	\$ 382,551	\$ 88,861	\$ 975,573	\$ 102,191

Mercy Properties, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Arizona II, LP (Page Commons)	Parkside Terrace Apartments, LLC	Parkside Terraces Limited Partnership	Mulberry Court LLC	Mercy Housing South Carolina I, LP (Mulberry Court Apts)	Savannah Rose of Sharon, LLC	Mercy Housing Georgia III, LP (Rose of Sharon)	Mercy Housing South Dakota I, LLC (Driftwood Estates)
Revenues								
Rent - net of vacancies	\$ 722,223	\$ -	\$ 500,456	\$ -	\$ 288,740	\$ -	\$ 1,809,255	\$ 626,398
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	15,000	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	222	-	139	-	11,587	-	4,053	169
Other	8,728	-	3,180	-	8,409	-	46,993	6,301
Total revenues	731,173	-	503,775	-	308,736	15,000	1,860,301	632,868
Expenses and losses								
Compensation	183,714	-	134,555	-	48,897	-	262,989	69,541
Administrative	129,729	55	73,119	110	46,733	55,120	179,108	135,105
Professional services	59,180	934	24,858	934	12,177	467	24,526	41,649
Depreciation and amortization	344,292	-	82,556	-	171,717	-	438,146	170,101
Grants	-	-	-	-	-	-	-	-
Facility	164,453	-	279,152	-	136,517	-	637,723	252,649
Interest and fees	123,980	-	9,301	-	64,917	-	809,105	160,219
Bad debts	265	-	34,685	-	12,689	-	3,731	7,483
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	134	-	18	-	49	-	-
Total expenses and losses	1,005,613	1,123	638,226	1,062	493,647	55,636	2,355,328	836,747
Excess (deficiency) of revenues over expenses	(274,440)	(1,123)	(134,451)	(1,062)	(184,911)	(40,636)	(495,027)	(203,879)
Net assets at beginning of year	1,879,593	(24,147)	(2,118,617)	38,754	1,385,251	(64,467)	223,933	1,097,315
Other transfers to (from) net assets	(2,648)	-	-	-	-	-	-	-
Net assets at end of year	\$ 1,602,505	\$ (25,270)	\$ (2,253,068)	\$ 37,692	\$ 1,200,340	\$ (105,103)	\$ (271,094)	\$ 893,436

Mercy Properties, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing South Dakota II, LLC (Northern Heights)	Mercy Housing Colorado XI, LLC (Pinon Terrace)	Commons on Main GP, LLC	Aromor Mercy, LLC (Aromor Apts)	Mercy Galewood SLF, Inc.	FHD Holdings LLC	Eliminations	Consolidated Mercy Properties, Inc.
Revenues								
Rent - net of vacancies	\$ 691,962	\$ 585,443	\$ -	\$ 637,433	\$ -	\$ -	\$ -	\$ 16,227,795
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	(386,190)	-
Philanthropy	-	-	-	-	-	-	-	23,919
Capital grants	-	-	-	-	-	-	-	32,725
Consulting	-	-	-	-	-	-	-	-
Interest	346	136	-	4,176	-	-	-	108,457
Other	14,952	9,683	-	4,493	-	28,500	(28,955)	629,089
Total revenues	707,260	595,262	-	646,102	-	28,500	(415,145)	17,021,985
Expenses and losses								
Compensation	136,446	107,375	-	153,038	-	-	-	3,758,708
Administrative	148,454	120,166	55	85,882	1,880	110	(315,295)	2,443,887
Professional services	43,143	9,336	934	12,821	934	934	-	843,142
Depreciation and amortization	188,277	373,440	-	286,690	-	-	(618)	5,335,512
Grants	-	-	-	-	-	-	-	173,482
Facility	250,712	162,208	-	215,097	-	-	-	5,521,618
Interest and fees	83,826	132,551	-	112,556	-	-	(20,591)	2,692,245
Bad debts	50	2,432	-	3,167	-	128,417	(128,417)	137,058
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	106,214	(106,214)	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	(287)	-
Total expenses and losses	850,908	907,508	989	869,251	2,814	235,675	(571,422)	20,905,652
Excess (deficiency) of revenues over expenses	(143,648)	(312,246)	(989)	(223,149)	(2,814)	(207,175)	156,277	(3,883,667)
Net assets at beginning of year	2,289,172	6,101,558	(163,138)	2,783,361	342,240	156,121	1,813,785	11,378,641
Other transfers to (from) net assets	-	-	-	-	-	-	(26,804)	3,316,959
Net assets at end of year	\$ 2,145,524	\$ 5,789,312	\$ (164,127)	\$ 2,560,212	\$ 339,426	\$ (51,054)	\$ 1,943,258	\$ 10,811,933

Mercy Properties II, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties II, Inc.	Mercy Housing Utah I, LP (Francis Peak View)	Mercy Housing Idaho V, LP (Sisters Villa)	Eliminations	Consolidated Mercy Properties II, Inc.
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 186,924	\$ 108,250	\$ -	\$ 295,174
Cash, tenant security deposits	-	32,733	17,355	-	50,088
Cash, restricted	-	-	-	-	-
Investments	-	-	-	-	-
Investments, restricted	-	-	-	-	-
Accounts receivable, net	-	12,020	161	-	12,181
Due from affiliate, net	75,930	-	-	(75,930)	-
Pledges receivable, net	-	-	-	-	-
Grants receivable	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-
Prepaid expenses and other assets	-	15,688	6,436	-	22,124
Inventory	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Total current assets	<u>75,930</u>	<u>247,365</u>	<u>132,202</u>	<u>(75,930)</u>	<u>379,567</u>
Property and equipment					
Land and land improvements	-	1,258,093	1,009,290	-	2,267,383
Buildings	-	6,902,153	3,917,550	-	10,819,703
Furniture and equipment	-	224,957	48,644	-	273,601
Predevelopment project costs	-	-	-	-	-
Construction in progress	-	-	-	-	-
Accumulated depreciation	-	(4,730,026)	(2,368,168)	-	(7,098,194)
Net property and equipment	<u>-</u>	<u>3,655,177</u>	<u>2,607,316</u>	<u>-</u>	<u>6,262,493</u>
Other long-term assets					
Restricted property reserves	-	350,930	189,295	-	540,225
Long-term investments	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-
Due from affiliates	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-
Investments in limited partnerships, net	(301)	-	-	301	-
Notes and interest receivable, net	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-
Other assets, net	-	-	389	-	389
Total other long-term assets	<u>(301)</u>	<u>350,930</u>	<u>189,684</u>	<u>301</u>	<u>540,614</u>
Total assets	<u>\$ 75,629</u>	<u>\$ 4,253,472</u>	<u>\$ 2,929,202</u>	<u>\$ (75,629)</u>	<u>\$ 7,182,674</u>

Mercy Properties II, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Properties II, Inc.	Mercy Housing Utah I, LP (Francis Peak View)	Mercy Housing Idaho V, LP (Sisters Villa)	Eliminations	Consolidated Mercy Properties II, Inc.
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ -	\$ 52,556	\$ 75,040	\$ -	\$ 127,596
Due to affiliates	138,397	64,598	124,189	(112,098)	215,086
Accrued interest	-	63,421	5,728	-	69,149
Accrued interest, affiliates	-	-	-	-	-
Current portion of notes payable	-	102,143	27,212	-	129,355
Current portion of notes payable, affiliates	-	-	-	-	-
Deferred revenue and other liabilities	-	2,505	230	-	2,735
Tenant security deposits	-	31,596	16,850	-	48,446
Total current liabilities	138,397	316,819	249,249	(112,098)	592,367
Long-term liabilities					
Due to affiliates	-	-	-	-	-
Accrued interest	-	8,000	137,821	-	145,821
Accrued interest, affiliates	-	-	59,105	-	59,105
Notes payable, less current portion, net	-	3,428,367	1,578,700	-	5,007,067
Notes payable, less current portion, affiliates	-	-	414,246	-	414,246
Deferred revenue and other liabilities	-	3,240	-	-	3,240
Total long-term liabilities	-	3,439,607	2,189,872	-	5,629,479
Total liabilities	138,397	3,756,426	2,439,121	(112,098)	6,221,846
Net assets					
Net assets without donor restrictions, controlling	(62,768)	497,046	490,081	36,469	960,828
Net assets without donor restrictions, noncontrolling	-	-	-	-	-
Total net assets without donor restrictions	(62,768)	497,046	490,081	36,469	960,828
Net assets with donor restrictions	-	-	-	-	-
Total net assets	(62,768)	497,046	490,081	36,469	960,828
Total liabilities and net assets	\$ 75,629	\$ 4,253,472	\$ 2,929,202	\$ (75,629)	\$ 7,182,674

Mercy Properties II, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Properties II, Inc.	Mercy Housing Utah I, LP (Francis Peak View)	Mercy Housing Idaho V, LP (Sisters Villa)	Eliminations	Consolidated Mercy Properties II, Inc.
Revenues					
Rent - net of vacancies	\$ -	\$ 916,626	\$ 385,528	\$ -	\$ 1,302,154
Developer fees	-	-	-	-	-
Services fees	17,550	-	-	(17,550)	-
Philanthropy	-	-	-	-	-
Capital grants	-	-	-	-	-
Consulting	-	-	-	-	-
Interest	-	527	99	-	626
Other	-	17,355	2,849	-	20,204
Total revenues	<u>17,550</u>	<u>934,508</u>	<u>388,476</u>	<u>(17,550)</u>	<u>1,322,984</u>
Expenses and losses					
Compensation	-	152,489	77,612	-	230,101
Administrative	17,660	175,839	49,616	(26,760)	216,355
Professional services	467	41,430	9,621	-	51,518
Depreciation and amortization	-	324,951	157,417	-	482,368
Grants	-	-	-	-	-
Facility	-	215,095	104,832	-	319,927
Interest and fees	-	181,744	101,387	-	283,131
Bad debts	-	2,973	-	-	2,973
Project expenses	-	-	-	-	-
Allocation	-	-	-	-	-
(Gain) loss on sale of assets	-	39,134	-	-	39,134
(Gain) loss on investment in limited partnership	31	-	-	(31)	-
Total expenses and losses	<u>18,158</u>	<u>1,133,655</u>	<u>500,485</u>	<u>(26,791)</u>	<u>1,625,507</u>
Excess (deficiency) of revenues over expenses	(608)	(199,147)	(112,009)	9,241	(302,523)
Net assets at beginning of year	(62,160)	696,193	602,090	27,228	1,263,351
Other transfers to (from) net assets	-	-	-	-	-
Net assets at end of year	<u>\$ (62,768)</u>	<u>\$ 497,046</u>	<u>\$ 490,081</u>	<u>\$ 36,469</u>	<u>\$ 960,828</u>

2101 Telegraph Avenue Housing, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	2101 Telegraph Avenue Housing, Inc.	2101 Telegraph Avenue Associates, LP (Hamilton Apts.)	Eliminations	Consolidated 2101 Telegraph Avenue Housing, Inc.
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 176,699	\$ -	\$ 176,699
Cash, tenant security deposits	-	28,253	-	28,253
Cash, restricted	-	-	-	-
Investments	-	-	-	-
Investments, restricted	-	-	-	-
Accounts receivable, net	-	46,993	-	46,993
Due from affiliate, net	73,110	-	(71,863)	1,247
Pledges receivable, net	-	-	-	-
Grants receivable	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-
Prepaid expenses and other assets	-	19,419	-	19,419
Inventory	-	-	-	-
Assets held for sale	-	-	-	-
Total current assets	<u>73,110</u>	<u>271,364</u>	<u>(71,863)</u>	<u>272,611</u>
Property and equipment				
Land and land improvements	-	620,846	-	620,846
Buildings	-	9,488,856	-	9,488,856
Furniture and equipment	-	327,725	-	327,725
Predevelopment project costs	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	(7,703,098)	-	(7,703,098)
Net property and equipment	<u>-</u>	<u>2,734,329</u>	<u>-</u>	<u>2,734,329</u>
Other long-term assets				
Restricted property reserves	-	804,516	-	804,516
Long-term investments	-	-	-	-
Long-term investments, restricted	-	-	-	-
Due from affiliates	-	-	-	-
Pledges receivable, net	-	-	-	-
Investments in limited partnerships, net	(116,010)	-	116,010	-
Notes and interest receivable, net	-	-	-	-
Notes and interest receivable, affiliates	304,891	-	(304,891)	-
Allowance for impaired assets	-	-	-	-
Other assets, net	-	-	-	-
Total other long-term assets	<u>188,881</u>	<u>804,516</u>	<u>(188,881)</u>	<u>804,516</u>
Total assets	<u>\$ 261,991</u>	<u>\$ 3,810,209</u>	<u>\$ (260,744)</u>	<u>\$ 3,811,456</u>

2101 Telegraph Avenue Housing, Inc.
Consolidating Statement of Financial Position
December 31, 2018

	2101 Telegraph Avenue Housing, Inc.	2101 Telegraph Avenue Associates, LP (Hamilton Apts.)	Eliminations	Consolidated 2101 Telegraph Avenue Housing, Inc.
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 700	\$ 95,836	\$ -	\$ 96,536
Due to affiliates	20,001	139,247	(71,864)	87,384
Accrued interest	-	-	-	-
Accrued interest, affiliates	-	-	-	-
Current portion of notes payable	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-
Deferred revenue and other liabilities	-	4,089	-	4,089
Tenant security deposits	-	27,615	-	27,615
Total current liabilities	<u>20,701</u>	<u>266,787</u>	<u>(71,864)</u>	<u>215,624</u>
Long-term liabilities				
Due to affiliates	-	-	-	-
Accrued interest	-	3,812,640	-	3,812,640
Accrued interest, affiliates	-	223,108	(223,108)	-
Notes payable, less current portion, net	-	3,528,317	-	3,528,317
Notes payable, less current portion, affiliates	-	424,120	(424,120)	-
Deferred revenue and other liabilities	-	4,301	-	4,301
Total long-term liabilities	<u>-</u>	<u>7,992,486</u>	<u>(647,228)</u>	<u>7,345,258</u>
Total liabilities	<u>20,701</u>	<u>8,259,273</u>	<u>(719,092)</u>	<u>7,560,882</u>
Net assets				
Net assets without donor restrictions, controlling	241,290	(4,449,064)	458,348	(3,749,426)
Net assets without donor restrictions, noncontrolling	-	-	-	-
Total net assets without donor restrictions	<u>241,290</u>	<u>(4,449,064)</u>	<u>458,348</u>	<u>(3,749,426)</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>241,290</u>	<u>(4,449,064)</u>	<u>458,348</u>	<u>(3,749,426)</u>
Total liabilities and net assets	<u>\$ 261,991</u>	<u>\$ 3,810,209</u>	<u>\$ (260,744)</u>	<u>\$ 3,811,456</u>

**2101 Telegraph Avenue Housing, Inc.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	2101 Telegraph Avenue Housing, Inc.	2101 Telegraph Avenue Associates, LP (Hamilton Apts.)	Eliminations	Consolidated 2101 Telegraph Avenue Housing, Inc.
Revenues				
Rent - net of vacancies	\$ -	\$ 1,204,260	\$ -	\$ 1,204,260
Developer fees	-	-	-	-
Services fees	5,000	-	(5,000)	-
Philanthropy	-	-	-	-
Capital grants	-	-	-	-
Consulting	-	-	-	-
Interest	-	11,752	-	11,752
Other	51,863	2,405	-	54,268
Total revenues	56,863	1,218,417	(5,000)	1,270,280
Expenses and losses				
Compensation	-	385,527	-	385,527
Administrative	5,054	133,902	(5,000)	133,956
Professional services	467	119,490	-	119,957
Depreciation and amortization	-	379,767	-	379,767
Grants	-	-	-	-
Facility	-	485,502	-	485,502
Interest and fees	-	177,274	(1,302)	175,972
Bad debts	-	4,043	-	4,043
Project expenses	-	-	-	-
Allocation	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-
(Gain) loss on investment in limited partnership	4,671	-	(4,671)	-
Total expenses and losses	10,192	1,685,505	(10,973)	1,684,724
Excess (deficiency) of revenues over expenses	46,671	(467,088)	5,973	(414,444)
Net assets at beginning of year	194,619	(3,981,976)	452,375	(3,334,982)
Other transfers to (from) net assets	-	-	-	-
Net assets at end of year	\$ 241,290	\$ (4,449,064)	\$ 458,348	\$ (3,749,426)

McDermott Place
Consolidating Statement of Financial Position
December 31, 2018

	McDermott Place	Bishop's Block, LP	Eliminations	Consolidated McDermott Place
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 3,969	\$ -	\$ 3,969
Cash, tenant security deposits	-	10,432	-	10,432
Cash, restricted	-	-	-	-
Investments	-	-	-	-
Investments, restricted	-	-	-	-
Accounts receivable, net	-	3,527	-	3,527
Due from affiliate, net	60,663	-	(60,663)	-
Pledges receivable, net	-	-	-	-
Grants receivable	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-
Prepaid expenses and other assets	-	5,705	-	5,705
Inventory	-	-	-	-
Assets held for sale	-	-	-	-
Total current assets	<u>60,663</u>	<u>23,633</u>	<u>(60,663)</u>	<u>23,633</u>
Property and equipment				
Land and land improvements	-	15,440	-	15,440
Buildings	-	268,964	-	268,964
Furniture and equipment	-	3,391	-	3,391
Predevelopment project costs	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	(38,183)	-	(38,183)
Net property and equipment	<u>-</u>	<u>249,612</u>	<u>-</u>	<u>249,612</u>
Other long-term assets				
Restricted property reserves	-	-	-	-
Long-term investments	-	-	-	-
Long-term investments, restricted	-	-	-	-
Due from affiliates	-	-	-	-
Pledges receivable, net	-	-	-	-
Investments in limited partnerships, net	(986,912)	-	986,912	-
Notes and interest receivable, net	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-
Allowance for impaired assets	-	-	-	-
Other assets, net	-	-	-	-
Total other long-term assets	<u>(986,912)</u>	<u>-</u>	<u>986,912</u>	<u>-</u>
Total assets	<u>\$ (926,249)</u>	<u>\$ 273,245</u>	<u>\$ 926,249</u>	<u>\$ 273,245</u>

McDermott Place
Consolidating Statement of Financial Position
December 31, 2018

	McDermott Place	Bishop's Block, LP	Eliminations	Consolidated McDermott Place
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ -	\$ 30,706	\$ -	\$ 30,706
Due to affiliates	121,384	630,475	(104,036)	647,823
Accrued interest	-	1,413	-	1,413
Accrued interest, affiliates	-	-	-	-
Current portion of notes payable	-	7,381	-	7,381
Current portion of notes payable, affiliates	-	-	-	-
Deferred revenue and other liabilities	-	1,764	-	1,764
Tenant security deposits	-	9,909	-	9,909
Total current liabilities	121,384	681,648	(104,036)	698,996
Long-term liabilities				
Due to affiliates	-	-	-	-
Accrued interest	-	325,556	-	325,556
Accrued interest, affiliates	-	-	-	-
Notes payable, less current portion, net	-	1,048,053	-	1,048,053
Notes payable, less current portion, affiliates	-	-	-	-
Deferred revenue and other liabilities	-	-	-	-
Total long-term liabilities	-	1,373,609	-	1,373,609
Total liabilities	121,384	2,055,257	(104,036)	2,072,605
Net assets				
Net assets without donor restrictions, controlling	(1,047,633)	(1,782,012)	1,030,285	(1,799,360)
Net assets without donor restrictions, noncontrolling	-	-	-	-
Total net assets without donor restrictions	(1,047,633)	(1,782,012)	1,030,285	(1,799,360)
Net assets with donor restrictions	-	-	-	-
Total net assets	(1,047,633)	(1,782,012)	1,030,285	(1,799,360)
Total liabilities and net assets	\$ (926,249)	\$ 273,245	\$ 926,249	\$ 273,245

McDermott Place
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	McDermott Place	Bishop's Block, LP	Eliminations	Consolidated McDermott Place
Revenues				
Rent - net of vacancies	\$ -	\$ 223,376	\$ -	\$ 223,376
Developer fees	-	-	-	-
Services fees	6,304	-	(6,304)	-
Philanthropy	-	-	-	-
Capital grants	-	-	-	-
Consulting	-	-	-	-
Interest	-	2	-	2
Other	-	4,921	-	4,921
Total revenues	6,304	228,299	(6,304)	228,299
Expenses and losses				
Compensation	-	102,609	-	102,609
Administrative	6,414	38,720	(3,933)	41,201
Professional services	467	9,358	-	9,825
Depreciation and amortization	-	14,179	-	14,179
Grants	-	-	-	-
Facility	-	111,045	-	111,045
Interest and fees	-	32,472	-	32,472
Bad debts	-	8,409	-	8,409
Project expenses	-	-	-	-
Allocation	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-
(Gain) loss on investment in limited partnership	9	-	(9)	-
Total expenses and losses	6,890	316,792	(3,942)	319,740
Excess (deficiency) of revenues over expenses	(586)	(88,493)	(2,362)	(91,441)
Net assets at beginning of year	(1,047,047)	(1,693,519)	1,032,647	(1,707,919)
Other transfers to (from) net assets	-	-	-	-
Net assets at end of year	\$ (1,047,633)	\$ (1,782,012)	\$ 1,030,285	\$ (1,799,360)

South of Market Mercy Housing
Consolidating Statement of Financial Position
December 31, 2018

	South of Market Mercy Housing	1101 Howard Street Associates, LP (1101 Howard St Apts.)	Mercy Housing California VI, LP (205 Jones Street Apts.)	1475 167th Avenue Associates, LP (Bermuda Gardens)	Centro Partners, LP (El Centro Residential)	Riverside/Leibrandt Partners, LP (La Playa Residential)	West 28th Street, LP (Montclair/Tolton Court)	16th & Church Street Associates, LP (Padre Palou)
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 154,047	\$ 87,672	\$ 88,527	\$ 74,438	\$ 93,270	\$ 29,998	\$ 108,676
Cash, tenant security deposits	-	29,097	32,598	57,418	40,931	14,105	20,247	13,346
Cash, restricted	-	-	-	500	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	2,470	6,653	100,446	7,785	(552)	175	6,417
Due from affiliate, net	131,579	-	-	-	-	5,184	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	10,076	19,220	29,215	23,565	1,811	5,753	7,152
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	131,579	195,690	146,143	276,106	146,719	113,818	56,173	135,591
Property and equipment								
Land and land improvements	-	807,358	233,860	835,000	913,787	568,985	720,004	5,600
Buildings	-	5,339,086	3,745,006	5,199,971	4,813,880	1,946,483	4,640,892	2,557,514
Furniture and equipment	-	132,421	158,601	98,186	158,281	21,527	149,964	102,298
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(3,447,395)	(3,187,084)	(3,925,253)	(3,096,477)	(1,234,754)	(3,274,719)	(2,264,667)
Net property and equipment	-	2,831,470	950,383	2,207,904	2,789,471	1,302,241	2,236,141	400,745
Other long-term assets								
Restricted property reserves	-	247,447	196,963	304,491	194,129	227,028	186,633	218,598
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(15,129,699)	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	1,197,412	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	(13,932,287)	247,447	196,963	304,491	194,129	227,028	186,633	218,598
Total assets	\$ (13,800,708)	\$ 3,274,607	\$ 1,293,489	\$ 2,788,501	\$ 3,130,319	\$ 1,643,087	\$ 2,478,947	\$ 754,934

South of Market Mercy Housing
Consolidating Statement of Financial Position
December 31, 2018

	Eliminations	Consolidated South of Market Mercy Housing
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 636,628
Cash, tenant security deposits	-	207,742
Cash, restricted	-	500
Investments	-	-
Investments, restricted	-	-
Accounts receivable, net	-	123,394
Due from affiliate, net	(127,833)	8,930
Pledges receivable, net	-	-
Grants receivable	-	-
Current portion of notes and interest receivable	-	-
Current portion of notes and interest receivable, affiliates	-	-
Prepaid expenses and other assets	-	96,792
Inventory	-	-
Assets held for sale	-	-
Total current assets	(127,833)	1,073,986
Property and equipment		
Land and land improvements	-	4,084,594
Buildings	-	28,242,832
Furniture and equipment	-	821,278
Predevelopment project costs	-	-
Construction in progress	-	-
Accumulated depreciation	-	(20,430,349)
Net property and equipment	-	12,718,355
Other long-term assets		
Restricted property reserves	-	1,575,289
Long-term investments	-	-
Long-term investments, restricted	-	-
Due from affiliates	-	-
Pledges receivable, net	-	-
Investments in limited partnerships, net	(921,587)	(16,051,286)
Notes and interest receivable, net	-	-
Notes and interest receivable, affiliates	-	1,197,412
Allowance for impaired assets	-	-
Other assets, net	-	-
Total other long-term assets	(921,587)	(13,278,585)
Total assets	\$ (1,049,420)	\$ 513,756

South of Market Mercy Housing
Consolidating Statement of Financial Position
December 31, 2018

	South of Market Mercy Housing	1101 Howard Street Associates, LP (1101 Howard St Apts.)	Mercy Housing California VI, LP (205 Jones Street Apts.)	1475 167th Avenue Associates, LP (Bermuda Gardens)	Centro Partners, LP (El Centro Residential)	Riverside/Leibrandt Partners, LP (La Playa Residential)	West 28th Street, LP (Montclair/Tolton Court)	16th & Church Street Associates, LP (Padre Palou)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 586	\$ 33,670	\$ 34,951	\$ 240,072	\$ 42,261	\$ 12,595	\$ 22,085	\$ 24,277
Due to affiliates	570,282	15,000	30,000	914,679	-	120,000	24,414	45,670
Accrued interest	-	591	803	9,319	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	37,253	23,871	116,819	-	97,700	-	-
Current portion of notes payable, affiliates	-	-	-	52,735	-	-	-	-
Deferred revenue and other liabilities	-	95	13,928	34,224	3,900	2,865	170	-
Tenant security deposits	-	28,888	33,533	54,580	40,447	13,605	19,949	12,881
Total current liabilities	570,868	115,497	137,086	1,422,428	86,608	246,765	66,618	82,828
Long-term liabilities								
Due to affiliates	775,972	-	-	-	-	-	-	702,740
Accrued interest	-	1,421,498	1,139,741	1,061,061	2,592,347	730,715	-	753,087
Accrued interest, affiliates	-	-	-	-	-	-	-	1,322,623
Notes payable, less current portion, net	-	2,464,634	1,958,830	3,847,583	2,912,824	825,543	1,701,822	1,112,322
Notes payable, less current portion, affiliates	-	-	-	-	312,729	232,339	-	-
Deferred revenue and other liabilities	-	-	1,758	-	1,603	-	-	-
Total long-term liabilities	775,972	3,886,132	3,100,329	4,908,644	5,819,503	1,788,597	1,701,822	3,890,772
Total liabilities	1,346,840	4,001,629	3,237,415	6,331,072	5,906,111	2,035,362	1,768,440	3,973,600
Net assets								
Net assets without donor restrictions, controlling	(15,147,548)	(727,022)	(1,943,926)	(3,542,571)	(2,775,792)	(392,275)	710,507	(3,218,666)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(15,147,548)	(727,022)	(1,943,926)	(3,542,571)	(2,775,792)	(392,275)	710,507	(3,218,666)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(15,147,548)	(727,022)	(1,943,926)	(3,542,571)	(2,775,792)	(392,275)	710,507	(3,218,666)
Total liabilities and net assets	\$ (13,800,708)	\$ 3,274,607	\$ 1,293,489	\$ 2,788,501	\$ 3,130,319	\$ 1,643,087	\$ 2,478,947	\$ 754,934

South of Market Mercy Housing
Consolidating Statement of Financial Position
December 31, 2018

	Eliminations	Consolidated South of Market Mercy Housing
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ -	\$ 410,497
Due to affiliates	(235,315)	1,484,730
Accrued interest	-	10,713
Accrued interest, affiliates	-	-
Current portion of notes payable	-	275,643
Current portion of notes payable, affiliates	-	52,735
Deferred revenue and other liabilities	-	55,182
Tenant security deposits	-	203,883
Total current liabilities	(235,315)	2,493,383
Long-term liabilities		
Due to affiliates	-	1,478,712
Accrued interest	-	7,698,449
Accrued interest, affiliates	-	1,322,623
Notes payable, less current portion, net	-	14,823,558
Notes payable, less current portion, affiliates	-	545,068
Deferred revenue and other liabilities	-	3,361
Total long-term liabilities	-	25,871,771
Total liabilities	(235,315)	28,365,154
Net assets		
Net assets without donor restrictions, controlling	(814,105)	(27,851,398)
Net assets without donor restrictions, noncontrolling	-	-
Total net assets without donor restrictions	(814,105)	(27,851,398)
Net assets with donor restrictions	-	-
Total net assets	(814,105)	(27,851,398)
Total liabilities and net assets	\$ (1,049,420)	\$ 513,756

**South of Market Mercy Housing
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	South of Market Mercy Housing	1101 Howard Street Associates, LP (1101 Howard St Apts.)	Mercy Housing California VI, LP (205 Jones Street Apts.)	1475 167th Avenue Associates, LP (Bermuda Gardens)	Centro Partners, LP (El Centro Residential)	Riverside/Leibrandt Partners, LP (La Playa Residential)	West 28th Street, LP (Montclair/Tolton Court)	16th & Church Street Associates, LP (Padre Palou)
Revenues								
Rent - net of vacancies	\$ -	\$ 599,079	\$ 529,456	\$ 1,051,100	\$ 517,582	\$ 136,429	\$ 307,887	\$ 295,331
Developer fees	-	-	-	-	-	-	-	-
Services fees	69,493	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	167	114	2,791	53	112	94	137
Other	270,000	7,207	20,014	3,580	26,880	8,233	6,608	9,392
Total revenues	339,493	606,453	549,584	1,057,471	544,515	144,774	314,589	304,860
Expenses and losses								
Compensation	-	93,823	123,872	219,445	159,629	20,802	97,240	57,527
Administrative	298,463	68,508	96,282	103,229	71,761	12,535	42,363	40,809
Professional services	934	40,578	22,270	112,406	69,462	7,630	6,780	7,810
Depreciation and amortization	-	134,623	153,650	191,277	137,482	48,131	175,960	82,964
Grants	329,700	-	-	-	-	-	-	-
Facility	-	159,333	199,976	318,015	161,757	47,858	129,742	146,028
Interest and fees	-	74,871	59,030	209,289	110,515	35,246	-	180,585
Bad debts	-	-	15,497	21,543	-	-	-	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	(1,794,655)	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	(3,908,916)	-	-	-	-	-	-	-
Total expenses and losses	(5,074,474)	571,736	670,577	1,175,204	710,606	172,202	452,085	515,723
Excess (deficiency) of revenues over expenses	5,413,967	34,717	(120,993)	(117,733)	(166,091)	(27,428)	(137,496)	(210,863)
Net assets at beginning of year	(20,191,233)	(716,441)	(1,822,933)	(3,424,838)	(2,609,701)	(364,847)	848,003	(3,007,803)
Other transfers to (from) net assets	(370,282)	(45,298)	-	-	-	-	-	-
Net assets at end of year	\$ (15,147,548)	\$ (727,022)	\$ (1,943,926)	\$ (3,542,571)	\$ (2,775,792)	\$ (392,275)	\$ 710,507	\$ (3,218,666)

South of Market Mercy Housing
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Eliminations	Consolidated South of Market Mercy Housing
Revenues		
Rent - net of vacancies	\$ -	\$ 3,436,864
Developer fees	-	-
Services fees	(56,857)	12,636
Philanthropy	-	-
Capital grants	-	-
Consulting	-	-
Interest	-	3,468
Other	-	351,914
Total revenues	<u>(56,857)</u>	<u>3,804,882</u>
Expenses and losses		
Compensation	-	772,338
Administrative	(55,000)	678,950
Professional services	-	267,870
Depreciation and amortization	-	924,087
Grants	-	329,700
Facility	-	1,162,709
Interest and fees	-	669,536
Bad debts	-	37,040
Project expenses	-	-
Allocation	-	-
(Gain) loss on sale of assets	(384,780)	(2,179,435)
(Gain) loss on investment in limited partnership	(5,038)	(3,913,954)
Total expenses and losses	<u>(444,818)</u>	<u>(1,251,159)</u>
Excess (deficiency) of revenues over expenses	387,961	5,056,041
Net assets at beginning of year	(1,202,519)	(32,492,312)
Other transfers to (from) net assets	453	(415,127)
Net assets at end of year	<u>\$ (814,105)</u>	<u>\$ (27,851,398)</u>

Visitacion Valley Affordable Housing Corporation
Consolidating Statement of Financial Position
December 31, 2018

	Visitacion Valley Affordable Housing Corporation	Visitacion Valley Family Housing Associates (Heritage Homes)	Eliminations	Consolidated Visitacion Valley Affordable Housing Corporation
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 677,001	\$ -	\$ 677,001
Cash, tenant security deposits	-	112,574	-	112,574
Cash, restricted	-	-	-	-
Investments	-	-	-	-
Investments, restricted	-	-	-	-
Accounts receivable, net	-	38,327	-	38,327
Due from affiliate, net	3,750	2,104	(3,750)	2,104
Pledges receivable, net	-	-	-	-
Grants receivable	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-
Prepaid expenses and other assets	-	43,696	-	43,696
Inventory	-	-	-	-
Assets held for sale	-	-	-	-
Total current assets	<u>3,750</u>	<u>873,702</u>	<u>(3,750)</u>	<u>873,702</u>
Property and equipment				
Land and land improvements	-	-	-	-
Buildings	-	26,321,234	-	26,321,234
Furniture and equipment	-	770,604	-	770,604
Predevelopment project costs	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	(17,989,399)	-	(17,989,399)
Net property and equipment	<u>-</u>	<u>9,102,439</u>	<u>-</u>	<u>9,102,439</u>
Other long-term assets				
Restricted property reserves	-	1,096,563	-	1,096,563
Long-term investments	-	-	-	-
Long-term investments, restricted	-	-	-	-
Due from affiliates	-	-	-	-
Pledges receivable, net	-	-	-	-
Investments in limited partnerships, net	3,121,094	-	(3,121,094)	-
Notes and interest receivable, net	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-
Allowance for impaired assets	-	-	-	-
Other assets, net	-	-	-	-
Total other long-term assets	<u>3,121,094</u>	<u>1,096,563</u>	<u>(3,121,094)</u>	<u>1,096,563</u>
Total assets	<u>\$ 3,124,844</u>	<u>\$ 11,072,704</u>	<u>\$ (3,124,844)</u>	<u>\$ 11,072,704</u>

Visitacion Valley Affordable Housing Corporation
Consolidating Statement of Financial Position
December 31, 2018

	Visitacion Valley Affordable Housing Corporation	Visitacion Valley Family Housing Associates (Heritage Homes)	Eliminations	Consolidated Visitacion Valley Affordable Housing Corporation
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 700	\$ 179,720	\$ -	\$ 180,420
Due to affiliates	80,166	15,000	(15,000)	80,166
Accrued interest	-	20,261	-	20,261
Accrued interest, affiliates	-	-	-	-
Current portion of notes payable	-	81,283	-	81,283
Current portion of notes payable, affiliates	-	-	-	-
Deferred revenue and other liabilities	-	65,148	-	65,148
Tenant security deposits	-	111,875	-	111,875
Total current liabilities	<u>80,866</u>	<u>473,287</u>	<u>(15,000)</u>	<u>539,153</u>
Long-term liabilities				
Due to affiliates	-	-	-	-
Accrued interest	-	705,768	-	705,768
Accrued interest, affiliates	-	-	-	-
Notes payable, less current portion, net	-	5,857,173	-	5,857,173
Notes payable, less current portion, affiliates	-	-	-	-
Deferred revenue and other liabilities	-	6,845	-	6,845
Total long-term liabilities	<u>-</u>	<u>6,569,786</u>	<u>-</u>	<u>6,569,786</u>
Total liabilities	<u>80,866</u>	<u>7,043,073</u>	<u>(15,000)</u>	<u>7,108,939</u>
Net assets				
Net assets without donor restrictions, controlling	3,043,978	4,029,631	(3,109,844)	3,963,765
Net assets without donor restrictions, noncontrolling	-	-	-	-
Total net assets without donor restrictions	<u>3,043,978</u>	<u>4,029,631</u>	<u>(3,109,844)</u>	<u>3,963,765</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>3,043,978</u>	<u>4,029,631</u>	<u>(3,109,844)</u>	<u>3,963,765</u>
Total liabilities and net assets	<u>\$ 3,124,844</u>	<u>\$ 11,072,704</u>	<u>\$ (3,124,844)</u>	<u>\$ 11,072,704</u>

Visitacion Valley Affordable Housing Corporation
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Visitacion Valley Affordable Housing Corporation	Visitacion Valley Family Housing Associates (Heritage Homes)	Eliminations	Consolidated Visitacion Valley Affordable Housing Corporation
Revenues				
Rent - net of vacancies	\$ -	\$ 2,697,087	\$ -	\$ 2,697,087
Developer fees	-	-	-	-
Services fees	15,000	-	(15,000)	-
Philanthropy	-	-	-	-
Capital grants	-	-	-	-
Consulting	-	-	-	-
Interest	-	848	-	848
Other	-	7,300	-	7,300
Total revenues	15,000	2,705,235	(15,000)	2,705,235
Expenses and losses				
Compensation	-	477,160	-	477,160
Administrative	30,055	230,979	(15,000)	246,034
Professional services	467	209,990	-	210,457
Depreciation and amortization	-	938,663	-	938,663
Grants	-	-	-	-
Facility	-	1,093,355	-	1,093,355
Interest and fees	-	320,411	-	320,411
Bad debts	-	1,152	-	1,152
Project expenses	-	-	-	-
Allocation	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-
(Gain) loss on investment in limited partnership	283	-	(283)	-
Total expenses and losses	30,805	3,271,710	(15,283)	3,287,232
Excess (deficiency) of revenues over expenses	(15,805)	(566,475)	283	(581,997)
Net assets at beginning of year	3,059,783	4,715,394	(3,110,127)	4,665,050
Other transfers to (from) net assets	-	(119,288)	-	(119,288)
Net assets at end of year	\$ 3,043,978	\$ 4,029,631	\$ (3,109,844)	\$ 3,963,765

Mercy Housing West
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing West	Mercy Housing California XIV, LP (10th & Mission Apartments)	Mercy Housing California XV, LP (Nueva Vista)	Mercy Housing California XVII, LP (Derek Silva Community)	Mercy Housing California XXIV, LP (Carter Terrace Apartments)	Mercy Housing California XVIII, LP (Polk Street Senior Community)	Mercy Housing California XIII, LP (Linbrook Court)	Mercy Housing California XX, LP (Mission Creek Sr.)
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 229,866	\$ 40,484	\$ 441,338	\$ 753,522	\$ 1,186,232	\$ 266,683	\$ 2,372,781
Cash, tenant security deposits	-	120,833	38,206	19,522	109,170	22,649	35,422	65,398
Cash, restricted	-	-	300	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	4,756	1,297	10,049	17,014	-	3,295	23,077
Due from affiliate, net	2,409,480	37	-	-	-	-	-	107
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	131,541	15,850	19,893	29,585	37,011	13,682	72,512
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	2,409,480	487,033	96,137	490,802	909,291	1,245,892	319,082	2,533,875
Property and equipment								
Land and land improvements	-	1,323,633	923,794	135,399	7,088,220	1,028,700	1,804,059	28,240
Buildings	-	63,286,430	11,072,828	15,228,567	21,364,583	16,116,779	10,233,219	39,806,418
Furniture and equipment	-	1,564,894	324,083	46,784	1,624,197	228,522	295,281	1,004,135
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(23,428,694)	(7,179,500)	(8,520,187)	(15,748,484)	(8,719,047)	(6,576,511)	(19,490,928)
Net property and equipment	-	42,746,263	5,141,205	6,890,563	14,328,516	8,654,954	5,756,048	21,347,865
Other long-term assets								
Restricted property reserves	380,953	1,510,979	348,505	818,312	1,083,756	1,528,804	319,882	2,190,178
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	211,000	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	6,715,778	-	-	-	-	-	-	-
Notes and interest receivable, net	285,520	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	25,089,989	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	32,699	1,083	-	-	4,848	-	12,680
Total other long-term assets	32,683,240	1,543,678	349,588	818,312	1,083,756	1,533,652	319,882	2,202,858
Total assets	\$ 35,092,720	\$ 44,776,974	\$ 5,586,930	\$ 8,199,677	\$ 16,321,563	\$ 11,434,498	\$ 6,395,012	\$ 26,084,598

Mercy Housing West
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing West	Mercy Housing California XIV, LP (10th & Mission Apartments)	Mercy Housing California XV, LP (Nueva Vista)	Mercy Housing California XVII, LP (Derek Silva Community)	Mercy Housing California XXIV, LP (Carter Terrace Apartments)	Mercy Housing California XVIII, LP (Polk Street Senior Community)	Mercy Housing California XIII, LP (Linbrook Court)	Mercy Housing California XX, LP (Mission Creek Sr.)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 584	\$ 108,175	\$ 57,759	\$ 70,128	\$ 139,201	\$ 64,030	\$ 31,718	\$ 208,280
Due to affiliates	1,694,336	55,148	33,647	166,714	25,699	124,169	40,000	20,329
Accrued interest	-	-	2,743	3,052	14,912	3,713	9,951	6,255
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	-	64,447	300,000	100,000	400,000	71,516	435,000
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	1,032	1,232	5,400	(2,833)	19,791	3,413	351,951
Tenant security deposits	-	120,333	37,706	18,056	106,762	22,149	34,921	62,918
Total current liabilities	1,694,920	284,688	197,534	563,350	383,741	633,852	191,519	1,084,733
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	2,153,472	-	980,064	4,523,216	5,069,827	481,692	1,789,609
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	900,000	37,677,203	3,528,098	6,859,670	15,947,812	8,570,323	3,698,122	19,700,859
Notes payable, less current portion, affiliates	6,570,473	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	1,723	1,734,914	-	903,459	6,257	20,000
Total long-term liabilities	7,470,473	39,830,675	3,529,821	9,574,648	20,471,028	14,543,609	4,186,071	21,510,468
Total liabilities	9,165,393	40,115,363	3,727,355	10,137,998	20,854,769	15,177,461	4,377,590	22,595,201
Net assets								
Net assets without donor restrictions, controlling	24,775,585	4,661,611	1,859,575	(1,938,321)	(4,533,206)	(3,742,963)	2,017,422	3,489,397
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	24,775,585	4,661,611	1,859,575	(1,938,321)	(4,533,206)	(3,742,963)	2,017,422	3,489,397
Net assets with donor restrictions	1,151,742	-	-	-	-	-	-	-
Total net assets	25,927,327	4,661,611	1,859,575	(1,938,321)	(4,533,206)	(3,742,963)	2,017,422	3,489,397
Total liabilities and net assets	\$ 35,092,720	\$ 44,776,974	\$ 5,586,930	\$ 8,199,677	\$ 16,321,563	\$ 11,434,498	\$ 6,395,012	\$ 26,084,598

Mercy Housing West
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing California XVI, LP (Villa Madera)	Mercy Housing California XII, LP (Villa Amador)	Village Park Housing Associates (Village Park Apts.)	Mercy Housing California XXI, LP (White Rock Village)	Mercy Housing California XIX, LP (Grand & Venice)	Mercy Housing California XXV, LP (Casa Alegre)	Pinewood Court Apartments, LP (Terracina Pinewood Court)	Mercy Housing California XXII, LP (The Dudley)
Assets								
Current assets								
Cash and cash equivalents	\$ 85,697	\$ 149,791	\$ 265,502	\$ 577,664	\$ 66,218	\$ 133,931	\$ 25,113	\$ 518,178
Cash, tenant security deposits	60,946	87,880	-	149,276	48,399	18,992	42,417	18,514
Cash, restricted	-	2,866	-	-	-	-	-	236,995
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	1,732	18,090	-	6,803	570,677	1,730	19	18,958
Due from affiliate, net	-	-	-	-	-	-	3,383	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	12,294	21,979	3,481	35,937	47,931	5,819	11,013	15,798
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	160,669	280,606	268,983	769,680	733,225	160,472	81,945	808,443
Property and equipment								
Land and land improvements	2,223,946	6,280,035	-	5,538,373	176,286	873,574	2,014,938	121,460
Buildings	12,108,065	26,996,525	-	24,213,215	20,009,528	3,466,310	7,143,810	6,466,484
Furniture and equipment	195,460	684,962	-	369,798	170,359	47,308	113,910	272,793
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	2,757,177
Accumulated depreciation	(7,261,928)	(14,757,317)	-	(12,194,826)	(9,894,958)	(2,387,892)	(4,996,448)	(4,007,409)
Net property and equipment	7,265,543	19,204,205	-	17,926,560	10,461,215	1,999,300	4,276,210	5,610,505
Other long-term assets								
Restricted property reserves	409,201	693,417	252	512,731	318,056	223,664	196,074	402,496
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	4,716	15,136	-	9,453	1,781,003	-	6,220	20,024
Total other long-term assets	413,917	708,553	252	522,184	2,099,059	223,664	202,294	422,520
Total assets	\$ 7,840,129	\$ 20,193,364	\$ 269,235	\$ 19,218,424	\$ 13,293,499	\$ 2,383,436	\$ 4,560,449	\$ 6,841,468

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	Mercy Housing California XVI, LP (Villa Madera)	Mercy Housing California XII, LP (Villa Amador)	Village Park Housing Associates (Village Park Apts.)	Mercy Housing California XXI, LP (White Rock Village)	Mercy Housing California XIX, LP (Grand & Venice)	Mercy Housing California XXV, LP (Casa Alegre)	Pinewood Court Apartments, LP (Terracina Pinewood Court)	Mercy Housing California XXII, LP (The Dudley)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 41,496	\$ 67,742	\$ 6,960	\$ 65,976	\$ 44,227	\$ 21,258	\$ 98,672	\$ 271,670
Due to affiliates	441,925	5,808	-	398,047	21,865	99,761	188,886	392,477
Accrued interest	26,635	50,074	-	63,580	4,518	-	8,397	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	113,181	55,474	-	145,039	22,231	-	48,217	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	2,000	5,815	-	5,365	726	3,067	373	38,898
Tenant security deposits	58,614	85,103	-	148,222	48,313	19,418	43,830	16,488
Total current liabilities	683,851	270,016	6,960	826,229	141,880	143,504	388,375	719,533
Long-term liabilities								
Due to affiliates	-	211,000	-	-	-	-	-	-
Accrued interest	1,063,151	3,655,741	-	1,883,988	2,452,311	370,595	431,953	1,783,530
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	7,584,128	16,243,819	-	17,826,505	6,894,336	896,127	2,701,890	5,865,281
Notes payable, less current portion, affiliates	284,000	-	-	-	-	-	590,991	1,204,149
Deferred revenue and other liabilities	317,400	4,500	-	147,000	1,807,773	1,794	1,566	158,739
Total long-term liabilities	9,248,679	20,115,060	-	19,857,493	11,154,420	1,268,516	3,726,400	9,011,699
Total liabilities	9,932,530	20,385,076	6,960	20,683,722	11,296,300	1,412,020	4,114,775	9,731,232
Net assets								
Net assets without donor restrictions, controlling	(2,092,401)	(191,712)	262,275	(1,465,298)	1,997,199	971,416	445,674	(2,889,764)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(2,092,401)	(191,712)	262,275	(1,465,298)	1,997,199	971,416	445,674	(2,889,764)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(2,092,401)	(191,712)	262,275	(1,465,298)	1,997,199	971,416	445,674	(2,889,764)
Total liabilities and net assets	\$ 7,840,129	\$ 20,193,364	\$ 269,235	\$ 19,218,424	\$ 13,293,499	\$ 2,383,436	\$ 4,560,449	\$ 6,841,468

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	Mercy Housing California XXVI, LP (Martin Luther King Village)	Mercy Housing California XLI, LP (Westbrook Plaza)	Mercy Housing California XXXIV, LP (Edith Witt Sr Community)	Mercy Housing California XXVII, LP (Serna Village)	Mercy Housing California XXVIII, LP (The Vineyard Townhomes)	Mercy Terrace, LLC	Mercy Housing California XXIX, LP (Grizzly Hollow Phase III)	New Dana Strand Townhomes, LP (New Dana Strand Townhomes)
Assets								
Current assets								
Cash and cash equivalents	\$ 65,015	\$ 326,091	\$ 19,220	\$ 291,076	\$ 229,498	\$ 1,542,843	\$ 5,880	\$ 111,933
Cash, tenant security deposits	15,974	58,257	35,141	45,862	69,663	61,983	36,229	73,809
Cash, restricted	-	-	10,011	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	11,474	2,271	1,006	25,036	-	(21,914)	34	42,709
Due from affiliate, net	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	20,889	41,589	48,761	15,299	16,168	39,107	10,697	84,795
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	<u>113,352</u>	<u>428,208</u>	<u>114,139</u>	<u>377,273</u>	<u>315,329</u>	<u>1,622,019</u>	<u>52,840</u>	<u>313,246</u>
Property and equipment								
Land and land improvements	2,826,793	693,387	1,781,588	1,840,737	2,275,562	131,824	2,939,045	5,022,013
Buildings	10,762,028	24,646,715	41,730,452	14,470,825	14,511,418	21,443,214	13,144,949	33,388,657
Furniture and equipment	388,833	257,442	938,544	221,102	192,137	988,122	155,101	1,100,465
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	<u>(5,945,107)</u>	<u>(7,969,853)</u>	<u>(14,692,054)</u>	<u>(8,341,259)</u>	<u>(7,644,273)</u>	<u>(10,960,178)</u>	<u>(8,036,647)</u>	<u>(18,109,549)</u>
Net property and equipment	<u>8,032,547</u>	<u>17,627,691</u>	<u>29,758,530</u>	<u>8,191,405</u>	<u>9,334,844</u>	<u>11,602,982</u>	<u>8,202,448</u>	<u>21,401,586</u>
Other long-term assets								
Restricted property reserves	751,300	375,144	1,805,767	521,345	309,950	2,223,865	134,374	488,147
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	<u>13,233</u>	<u>38,541</u>	<u>28,883</u>	<u>14,136</u>	<u>21,617</u>	<u>-</u>	<u>3,737</u>	<u>274,923</u>
Total other long-term assets	<u>764,533</u>	<u>413,685</u>	<u>1,834,650</u>	<u>535,481</u>	<u>331,567</u>	<u>2,223,865</u>	<u>138,111</u>	<u>763,070</u>
Total assets	<u>\$ 8,910,432</u>	<u>\$ 18,469,584</u>	<u>\$ 31,707,319</u>	<u>\$ 9,104,159</u>	<u>\$ 9,981,740</u>	<u>\$ 15,448,866</u>	<u>\$ 8,393,399</u>	<u>\$ 22,477,902</u>

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	Mercy Housing California XXVI, LP (Martin Luther King Village)	Mercy Housing California XLI, LP (Westbrook Plaza)	Mercy Housing California XXXIV, LP (Edith Witt Sr Community)	Mercy Housing California XXVII, LP (Serna Village)	Mercy Housing California XXVIII, LP (The Vineyard Townhomes)	Mercy Terrace, LLC	Mercy Housing California XXIX, LP (Grizzly Hollow Phase III)	New Dana Strand Townhomes, LP (New Dana Strand Townhomes)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 74,861	\$ 65,876	\$ 234,917	\$ 91,591	\$ 42,901	\$ 117,503	\$ 123,173	\$ 113,028
Due to affiliates	169,150	52,335	64,273	150,855	175,162	736,713	88,281	131,360
Accrued interest	49,999	1,225	-	-	18,064	5,078	2,510	6,570
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	33,747	-	-	77,373	400,000	50,907	62,732
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	3,519	1,257	2,363	4,634	1,448	1,681	434	31,180
Tenant security deposits	18,329	57,757	34,441	44,006	68,963	61,117	34,071	73,298
Total current liabilities	315,858	212,197	335,994	291,086	383,911	1,322,092	299,376	418,168
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	2,026,274	1,430,440	-	486,828	-	-	2,467,040	2,324,931
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	8,418,797	7,219,351	16,756,677	1,276,604	3,203,002	10,636,136	7,544,032	20,502,850
Notes payable, less current portion, affiliates	398,568	-	12,626,500	-	-	-	-	-
Deferred revenue and other liabilities	3,750	3,205	-	-	299,150	7,308	252,682	-
Total long-term liabilities	10,847,389	8,652,996	29,383,177	1,763,432	3,502,152	10,643,444	10,263,754	22,827,781
Total liabilities	11,163,247	8,865,193	29,719,171	2,054,518	3,886,063	11,965,536	10,563,130	23,245,949
Net assets								
Net assets without donor restrictions, controlling	(2,252,815)	9,604,391	1,988,148	7,049,641	6,095,677	3,483,330	(2,169,731)	(768,047)
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(2,252,815)	9,604,391	1,988,148	7,049,641	6,095,677	3,483,330	(2,169,731)	(768,047)
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(2,252,815)	9,604,391	1,988,148	7,049,641	6,095,677	3,483,330	(2,169,731)	(768,047)
Total liabilities and net assets	\$ 8,910,432	\$ 18,469,584	\$ 31,707,319	\$ 9,104,159	\$ 9,981,740	\$ 15,448,866	\$ 8,393,399	\$ 22,477,902

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	Mercy Housing California XXXII, LP (Creekview Manor)	Mercy Housing California XXXVI, LP (Kent Gardens)	Mercy Housing California XXXI, LP (Martinelli House)	Mercy Housing California XXXV, LP (Ardenaire Apartments)	Mercy Housing California XXXIII, LP (Casa Verde)	Colonia San Martin Associates, LP	Mercy Housing California 50, LP (Vera Haile Senior Housing)	Mercy Housing California 49, LP (McAuley Meadows)
Assets								
Current assets								
Cash and cash equivalents	\$ 56,572	\$ 87,568	\$ 243,132	\$ 25,021	\$ 369,674	\$ 48,181	\$ 3,576	\$ 8,183
Cash, tenant security deposits	85,532	28,544	39,365	25,778	37,319	22,695	32,610	28,667
Cash, restricted	-	-	-	-	-	-	21,587	190,320
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	20,080	34,721	1,876	17,663	22,487	4,548	331
Due from affiliate, net	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	27,284	18,933	16,424	9,127	13,083	12,979	47,094	13,142
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	169,388	155,125	333,642	61,802	437,739	106,342	109,415	240,643
Property and equipment								
Land and land improvements	8,345,785	2,966,427	388,345	1,009,826	812,667	3,437,212	3,173,363	1,970,826
Buildings	16,594,629	14,764,491	9,713,329	9,727,756	10,548,538	9,607,884	35,885,615	12,066,027
Furniture and equipment	639,760	456,450	414,180	234,712	380,510	275,770	479,520	695,217
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(11,655,857)	(7,158,265)	(4,455,467)	(4,066,276)	(5,012,470)	(5,668,440)	(6,133,125)	(3,529,794)
Net property and equipment	13,924,317	11,029,103	6,060,387	6,906,018	6,729,245	7,652,426	33,405,373	11,202,276
Other long-term assets								
Restricted property reserves	502,701	1,211,730	618,400	648,237	735,364	1,064,036	1,009,593	735,540
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	30,116	13,184	9,367	8,802	19,944	19,988	39,318	21,065
Total other long-term assets	532,817	1,224,914	627,767	657,039	755,308	1,084,024	1,048,911	756,605
Total assets	\$ 14,626,522	\$ 12,409,142	\$ 7,021,796	\$ 7,624,859	\$ 7,922,292	\$ 8,842,792	\$ 34,563,699	\$ 12,199,524

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	Mercy Housing California XXXII, LP (Creekview Manor)	Mercy Housing California XXXVI, LP (Kent Gardens)	Mercy Housing California XXXI, LP (Martinelli House)	Mercy Housing California XXXV, LP (Ardenaire Apartments)	Mercy Housing California XXXIII, LP (Casa Verde)	Colonia San Martin Associates, LP	Mercy Housing California 50, LP (Vera Haile Senior Housing)	Mercy Housing California 49, LP (McAuley Meadows)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 33,259	\$ 323,022	\$ 42,655	\$ 21,537	\$ 68,311	\$ 41,528	\$ 74,233	\$ 23,364
Due to affiliates	103,334	19,287	-	-	15,000	21,000	49,302	38,206
Accrued interest	11,340	88,772	9,704	14,708	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	43,018	-	67,945	-	-	-	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	8,404	484	5,793	368	2,536	519	3,813	327
Tenant security deposits	85,120	27,727	39,365	24,878	36,819	21,795	31,924	27,034
Total current liabilities	284,475	459,292	165,462	61,491	122,666	84,842	159,272	88,931
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	677,641	-	-	1,173,839	-	505,682	1,594,877	526,154
Accrued interest, affiliates	-	-	1,177,346	-	-	-	-	-
Notes payable, less current portion, net	4,498,746	1,421,820	2,382,971	6,925,895	-	2,993,087	10,686,757	4,971,973
Notes payable, less current portion, affiliates	-	10,355,200	3,529,317	-	-	-	13,836,600	6,073,600
Deferred revenue and other liabilities	6,383	-	1,569	176,864	-	-	-	189,434
Total long-term liabilities	5,182,770	11,777,020	7,091,203	8,276,598	-	3,498,769	26,118,234	11,761,161
Total liabilities	5,467,245	12,236,312	7,256,665	8,338,089	122,666	3,583,611	26,277,506	11,850,092
Net assets								
Net assets without donor restrictions, controlling	9,159,277	172,830	(234,869)	(713,230)	7,799,626	5,259,181	8,286,193	349,432
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	9,159,277	172,830	(234,869)	(713,230)	7,799,626	5,259,181	8,286,193	349,432
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	9,159,277	172,830	(234,869)	(713,230)	7,799,626	5,259,181	8,286,193	349,432
Total liabilities and net assets	\$ 14,626,522	\$ 12,409,142	\$ 7,021,796	\$ 7,624,859	\$ 7,922,292	\$ 8,842,792	\$ 34,563,699	\$ 12,199,524

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	Eliminations	Consolidated Mercy Housing West
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 10,546,463
Cash, tenant security deposits	-	1,535,052
Cash, restricted	-	462,079
Investments	-	-
Investments, restricted	-	-
Accounts receivable, net	-	839,819
Due from affiliate, net	(2,409,480)	3,527
Pledges receivable, net	-	-
Grants receivable	-	-
Current portion of notes and interest receivable	-	-
Current portion of notes and interest receivable, affiliates	-	-
Prepaid expenses and other assets	-	909,697
Inventory	-	-
Assets held for sale	-	-
Total current assets	(2,409,480)	14,296,637
Property and equipment		
Land and land improvements	-	69,176,057
Buildings	-	570,519,288
Furniture and equipment	-	14,760,351
Predevelopment project costs	-	-
Construction in progress	-	2,757,177
Accumulated depreciation	-	(274,542,743)
Net property and equipment	-	382,670,130
Other long-term assets		
Restricted property reserves	-	24,072,753
Long-term investments	-	-
Long-term investments, restricted	-	-
Due from affiliates	(211,000)	-
Pledges receivable, net	-	-
Investments in limited partnerships, net	(14,999,636)	(8,283,858)
Notes and interest receivable, net	-	285,520
Notes and interest receivable, affiliates	(25,089,989)	-
Allowance for impaired assets	-	-
Other assets, net	-	2,444,716
Total other long-term assets	(40,300,625)	18,519,131
Total assets	\$ (42,710,105)	\$ 415,485,898

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	Eliminations	Consolidated Mercy Housing West
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ -	\$ 2,789,635
Due to affiliates	(2,826,064)	2,697,005
Accrued interest	-	401,800
Accrued interest, affiliates	-	-
Current portion of notes payable	-	2,490,827
Current portion of notes payable, affiliates	-	-
Deferred revenue and other liabilities	-	504,990
Tenant security deposits	-	1,509,477
Total current liabilities	<u>(2,826,064)</u>	<u>10,393,734</u>
Long-term liabilities		
Due to affiliates	(211,000)	-
Accrued interest	-	39,852,855
Accrued interest, affiliates	-	1,177,346
Notes payable, less current portion, net	-	264,332,871
Notes payable, less current portion, affiliates	(44,778,616)	10,690,782
Deferred revenue and other liabilities	-	6,045,470
Total long-term liabilities	<u>(44,989,616)</u>	<u>322,099,324</u>
Total liabilities	<u>(47,815,680)</u>	<u>332,493,058</u>
Net assets		
Net assets without donor restrictions, controlling	5,105,575	81,841,098
Net assets without donor restrictions, noncontrolling	-	-
Total net assets without donor restrictions	<u>5,105,575</u>	<u>81,841,098</u>
Net assets with donor restrictions	-	1,151,742
Total net assets	<u>5,105,575</u>	<u>82,992,840</u>
Total liabilities and net assets	<u>\$ (42,710,105)</u>	<u>\$ 415,485,898</u>

Mercy Housing West
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing West	Mercy Housing California XIV, LP (10th & Mission Apartments)	Mercy Housing California XV, LP (Nueva Vista)	Mercy Housing California XVII, LP (Derek Silva Community)	Mercy Housing California XXIV, LP (Carter Terrace Apartments)	Mercy Housing California XVIII, LP (Polk Street Senior Community)	Mercy Housing California XIII, LP (Linbrook Court)	Mercy Housing California XX, LP (Mission Creek Sr.)
Revenues								
Rent - net of vacancies	\$ -	\$ 1,557,401	\$ 620,256	\$ 1,678,247	\$ 2,258,770	\$ 2,192,716	\$ 887,140	\$ 3,180,555
Developer fees	-	-	-	-	-	-	-	-
Services fees	928,766	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	12,936,600	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	-	13,069	7,465	13,764	116,713	38,723	84	187,868
Other	98,856	603,373	10,692	81,560	21,367	27,931	3,711	749,021
Total revenues	13,964,222	2,173,843	638,413	1,773,571	2,396,850	2,259,370	890,935	4,117,444
Expenses and losses								
Compensation	-	548,327	127,672	375,797	381,021	411,478	148,877	853,545
Administrative	898,390	307,204	101,699	114,647	308,486	158,790	116,607	298,701
Professional services	934	92,385	85,116	90,347	106,630	88,776	103,983	22,471
Depreciation and amortization	-	2,396,743	455,575	559,077	1,070,309	700,003	394,110	1,472,630
Grants	-	-	-	-	-	-	-	-
Facility	-	932,419	236,966	490,755	635,784	390,235	168,093	868,273
Interest and fees	-	396,257	35,776	147,374	596,963	383,044	201,257	708,821
Bad debts	12,936,600	-	-	3,686	-	-	-	247
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	21	(116,190)	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	401,023	-	-	-	-	-	-	-
Total expenses and losses	14,236,968	4,557,145	1,042,804	1,781,683	3,099,193	2,132,326	1,132,927	4,224,688
Excess (deficiency) of revenues over expenses	(272,746)	(2,383,302)	(404,391)	(8,112)	(702,343)	127,044	(241,992)	(107,244)
Net assets at beginning of year	26,200,073	7,044,913	2,263,966	(2,200,209)	(3,759,452)	(3,870,007)	2,259,414	3,596,641
Other transfers to (from) net assets	-	-	-	270,000	(71,411)	-	-	-
Net assets at end of year	\$ 25,927,327	\$ 4,661,611	\$ 1,859,575	\$ (1,938,321)	\$ (4,533,206)	\$ (3,742,963)	\$ 2,017,422	\$ 3,489,397

Mercy Housing West
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California XVI, LP (Villa Madera)	Mercy Housing California XII, LP (Villa Amador)	Village Park Housing Associates (Village Park Apts.)	Mercy Housing California XXI, LP (White Rock Village)	Mercy Housing California XIX, LP (Grand & Venice)	Mercy Housing California XXV, LP (Casa Alegre)	Pinewood Court Apartments, LP (Terracina Pinewood Court)	Mercy Housing California XXII, LP (The Dudley)
Revenues								
Rent - net of vacancies	\$ 903,281	\$ 1,166,579	\$ 132,010	\$ 2,035,024	\$ 765,275	\$ 275,640	\$ 504,767	\$ 1,178,403
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	6,744	7,013	-	5,680	92	99	19	216
Other	18,769	17,592	136,668	20,923	766,238	2,584	22,410	22,108
Total revenues	928,794	1,191,184	268,678	2,061,627	1,531,605	278,323	527,196	1,200,727
Expenses and losses								
Compensation	110,600	137,640	21,456	289,920	163,908	72,102	111,638	319,509
Administrative	127,872	121,121	22,555	221,591	112,122	55,140	42,197	130,533
Professional services	25,953	80,765	8,215	12,820	45,981	51,020	11,568	27,718
Depreciation and amortization	514,297	1,341,506	41,739	1,009,413	745,324	159,952	366,548	283,584
Grants	-	-	-	-	-	-	-	-
Facility	284,094	448,134	38,957	483,638	504,091	88,978	204,818	395,895
Interest and fees	260,270	600,411	28,722	661,887	236,419	24,915	155,643	115,855
Bad debts	3,482	2,072	817	1,911	-	-	278	4,263
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	1,326,568	2,731,649	162,461	2,681,180	1,807,845	452,107	892,690	1,277,357
Excess (deficiency) of revenues over expenses	(397,774)	(1,540,465)	106,217	(619,553)	(276,240)	(173,784)	(365,494)	(76,630)
Net assets at beginning of year	(1,694,627)	1,369,853	(2,681,743)	(845,745)	2,273,439	1,145,200	745,152	(2,813,134)
Other transfers to (from) net assets	-	(21,100)	2,837,801	-	-	-	66,016	-
Net assets at end of year	\$ (2,092,401)	\$ (191,712)	\$ 262,275	\$ (1,465,298)	\$ 1,997,199	\$ 971,416	\$ 445,674	\$ (2,889,764)

Mercy Housing West
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California XXVI, LP (Martin Luther King Village)	Mercy Housing California XLI, LP (Westbrook Plaza)	Mercy Housing California XXXIV, LP (Edith Witt Sr Community)	Mercy Housing California XXVII, LP (Serna Village)	Mercy Housing California XXVIII, LP (The Vineyard Townhomes)	Mercy Terrace, LLC	Mercy Housing California XXIX, LP (Grizzly Hollow Phase III)	New Dana Strand Townhomes, LP (New Dana Strand Townhomes)
Revenues								
Rent - net of vacancies	\$ 699,967	\$ 827,853	\$ 1,216,804	\$ 987,079	\$ 831,621	\$ 3,566,977	\$ 450,244	\$ 1,174,632
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	15,184	12,316	1,874	3,211	38	8,376	2,100	8,653
Other	8,102	60,637	112,017	11,070	17,766	7,507	10,283	8,784
Total revenues	723,253	900,806	1,330,695	1,001,360	849,425	3,582,860	462,627	1,192,069
Expenses and losses								
Compensation	360,364	167,163	469,811	199,152	136,239	787,667	78,747	193,006
Administrative	98,415	132,458	252,507	136,568	110,191	340,545	73,316	215,217
Professional services	24,130	57,578	86,824	287,630	96,771	25,979	10,537	67,782
Depreciation and amortization	571,445	950,785	1,640,591	668,900	686,586	906,021	652,513	1,546,871
Grants	-	-	-	-	-	-	-	-
Facility	263,502	301,240	511,219	263,053	214,464	1,303,360	232,213	543,405
Interest and fees	237,211	285,651	1,693	37,034	224,162	350,022	248,934	361,151
Bad debts	1,717	-	90	1,530	1,708	12	1,873	2,295
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	1,556,784	1,894,875	2,962,735	1,593,867	1,470,121	3,713,606	1,298,133	2,929,727
Excess (deficiency) of revenues over expenses	(833,531)	(994,069)	(1,632,040)	(592,507)	(620,696)	(130,746)	(835,506)	(1,737,658)
Net assets at beginning of year	(1,460,536)	10,598,460	3,620,188	7,642,148	6,716,373	3,614,076	(1,334,225)	969,611
Other transfers to (from) net assets	41,252	-	-	-	-	-	-	-
Net assets at end of year	\$ (2,252,815)	\$ 9,604,391	\$ 1,988,148	\$ 7,049,641	\$ 6,095,677	\$ 3,483,330	\$ (2,169,731)	\$ (768,047)

Mercy Housing West
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing California XXXII, LP (Creekview Manor)	Mercy Housing California XXXVI, LP (Kent Gardens)	Mercy Housing California XXXI, LP (Martinelli House)	Mercy Housing California XXXV, LP (Ardenaire Apartments)	Mercy Housing California XXXIII, LP (Casa Verde)	Colonia San Martin Associates, LP	Mercy Housing California 50, LP (Vera Haile Senior Housing)	Mercy Housing California 49, LP (McAuley Meadows)
Revenues								
Rent - net of vacancies	\$ 914,598	\$ 655,803	\$ 1,117,981	\$ 351,080	\$ 526,725	\$ 272,884	\$ 1,029,910	\$ 459,425
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	61,327	-	-	-	-	-
Capital grants	-	-	-	-	(86,950)	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	146	24,879	7,046	16,697	208	16,149	17,957	8,870
Other	10,087	(2,599)	3,179	51,277	146,751	194,943	163,142	2,117
Total revenues	924,831	678,083	1,189,533	419,054	586,734	483,976	1,211,009	470,412
Expenses and losses								
Compensation	242,151	134,928	229,219	85,608	163,967	146,143	264,045	71,469
Administrative	146,954	173,010	111,471	53,589	128,081	83,058	164,187	113,361
Professional services	58,428	119,911	13,680	47,085	85,693	50,531	154,584	87,750
Depreciation and amortization	1,009,780	647,312	359,740	369,859	447,949	537,100	1,434,343	707,439
Grants	-	-	-	-	-	-	-	-
Facility	244,883	195,888	239,032	137,167	180,509	170,510	562,614	167,973
Interest and fees	204,811	47,335	300,524	149,022	33	52,004	333,557	138,374
Bad debts	-	255	5	75	17,742	497	-	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	1,907,007	1,318,639	1,253,671	842,405	1,023,974	1,039,843	2,913,330	1,286,366
Excess (deficiency) of revenues over expenses	(982,176)	(640,556)	(64,138)	(423,351)	(437,240)	(555,867)	(1,702,321)	(815,954)
Net assets at beginning of year	10,141,453	813,386	(170,731)	(322,719)	8,236,866	5,815,048	9,988,514	1,165,386
Other transfers to (from) net assets	-	-	-	32,840	-	-	-	-
Net assets at end of year	\$ 9,159,277	\$ 172,830	\$ (234,869)	\$ (713,230)	\$ 7,799,626	\$ 5,259,181	\$ 8,286,193	\$ 349,432

Mercy Housing West
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Eliminations	Consolidated Mercy Housing West
Revenues		
Rent - net of vacancies	\$ -	\$ 34,419,647
Developer fees	-	-
Services fees	(921,624)	7,142
Philanthropy	-	61,327
Capital grants	-	12,849,650
Consulting	-	-
Interest	-	541,253
Other	(138,726)	3,270,140
Total revenues	<u>(1,060,350)</u>	<u>51,149,159</u>
Expenses and losses		
Compensation	-	7,803,169
Administrative	(923,630)	4,546,953
Professional services	-	2,129,575
Depreciation and amortization	-	24,648,044
Grants	-	-
Facility	-	11,702,162
Interest and fees	-	7,525,132
Bad debts	(12,936,600)	44,555
Project expenses	-	-
Allocation	-	-
(Gain) loss on sale of assets	(21)	(116,190)
(Gain) loss on investment in limited partnership	27,404	428,427
Total expenses and losses	<u>(13,832,847)</u>	<u>58,711,827</u>
Excess (deficiency) of revenues over expenses	12,772,497	(7,562,668)
Net assets at beginning of year	(7,526,822)	87,540,210
Other transfers to (from) net assets	(140,100)	3,015,298
Net assets at end of year	<u>\$ 5,105,575</u>	<u>\$ 82,992,840</u>

Affordable Housing Corp.
Consolidating Statement of Financial Position
December 31, 2018

	Affordable Housing Corp.	Mercy Housing Washington III, L.P. (Tahoma View)	Eliminations	Consolidated Affordable Housing Corp.
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 47,729	\$ -	\$ 47,729
Cash, tenant security deposits	-	24,363	-	24,363
Cash, restricted	-	140,000	-	140,000
Investments	-	-	-	-
Investments, restricted	-	-	-	-
Accounts receivable, net	-	13,137	-	13,137
Due from affiliate, net	75,473	-	(75,473)	-
Pledges receivable, net	-	-	-	-
Grants receivable	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-
Prepaid expenses and other assets	-	6,152	-	6,152
Inventory	-	-	-	-
Assets held for sale	-	-	-	-
Total current assets	75,473	231,381	(75,473)	231,381
Property and equipment				
Land and land improvements	-	278,856	-	278,856
Buildings	-	3,997,366	-	3,997,366
Furniture and equipment	-	66,148	-	66,148
Predevelopment project costs	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	(2,967,935)	-	(2,967,935)
Net property and equipment	-	1,374,435	-	1,374,435
Other long-term assets				
Restricted property reserves	-	83,832	-	83,832
Long-term investments	-	-	-	-
Long-term investments, restricted	-	-	-	-
Due from affiliates	-	-	-	-
Pledges receivable, net	-	-	-	-
Investments in limited partnerships, net	(511)	-	511	-
Notes and interest receivable, net	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-
Allowance for impaired assets	-	-	-	-
Other assets, net	-	-	-	-
Total other long-term assets	(511)	83,832	511	83,832
Total assets	<u>\$ 74,962</u>	<u>\$ 1,689,648</u>	<u>\$ (74,962)</u>	<u>\$ 1,689,648</u>

Affordable Housing Corp.
Consolidating Statement of Financial Position
December 31, 2018

	Affordable Housing Corp.	Mercy Housing Washington III, L.P. (Tahoma View)	Eliminations	Consolidated Affordable Housing Corp.
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ -	\$ 125,302	\$ -	\$ 125,302
Due to affiliates	342,674	265,504	(81,449)	526,729
Accrued interest	-	1,279	-	1,279
Accrued interest, affiliates	-	18,348	-	18,348
Current portion of notes payable	-	14,297	-	14,297
Current portion of notes payable, affiliates	-	75,000	-	75,000
Deferred revenue and other liabilities	-	4,120	-	4,120
Tenant security deposits	-	21,937	-	21,937
Total current liabilities	<u>342,674</u>	<u>525,787</u>	<u>(81,449)</u>	<u>787,012</u>
Long-term liabilities				
Due to affiliates	-	-	-	-
Accrued interest	-	246,101	-	246,101
Accrued interest, affiliates	-	2,316	-	2,316
Notes payable, less current portion, net	-	1,328,927	-	1,328,927
Notes payable, less current portion, affiliates	-	54,461	-	54,461
Deferred revenue and other liabilities	-	1,134	-	1,134
Total long-term liabilities	<u>-</u>	<u>1,632,939</u>	<u>-</u>	<u>1,632,939</u>
Total liabilities	<u>342,674</u>	<u>2,158,726</u>	<u>(81,449)</u>	<u>2,419,951</u>
Net assets				
Net assets without donor restrictions, controlling	(267,712)	(469,078)	6,487	(730,303)
Net assets without donor restrictions, noncontrolling	-	-	-	-
Total net assets without donor restrictions	<u>(267,712)</u>	<u>(469,078)</u>	<u>6,487</u>	<u>(730,303)</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>(267,712)</u>	<u>(469,078)</u>	<u>6,487</u>	<u>(730,303)</u>
Total liabilities and net assets	<u>\$ 74,962</u>	<u>\$ 1,689,648</u>	<u>\$ (74,962)</u>	<u>\$ 1,689,648</u>

**Affordable Housing Corp.
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018**

	Affordable Housing Corp.	Mercy Housing Washington III, L.P. (Tahoma View)	Eliminations	Consolidated Affordable Housing Corp.
Revenues				
Rent - net of vacancies	\$ -	\$ 335,201	\$ -	\$ 335,201
Developer fees	-	-	-	-
Services fees	10,330	-	(10,330)	-
Philanthropy	-	-	-	-
Capital grants	-	140,000	-	140,000
Consulting	-	-	-	-
Interest	-	147	-	147
Other	-	51,417	-	51,417
Total revenues	<u>10,330</u>	<u>526,765</u>	<u>(10,330)</u>	<u>526,765</u>
Expenses and losses				
Compensation	-	80,414	-	80,414
Administrative	11,404	60,462	(10,532)	61,334
Professional services	477	16,194	-	16,671
Depreciation and amortization	-	147,784	-	147,784
Grants	-	-	-	-
Facility	-	244,498	-	244,498
Interest and fees	-	43,077	-	43,077
Bad debts	-	6,135	-	6,135
Project expenses	-	-	-	-
Allocation	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-
(Gain) loss on investment in limited partnership	4	-	(4)	-
Total expenses and losses	<u>11,885</u>	<u>598,564</u>	<u>(10,536)</u>	<u>599,913</u>
Excess (deficiency) of revenues over expenses	(1,555)	(71,799)	206	(73,148)
Net assets at beginning of year	(266,157)	(397,279)	6,281	(657,155)
Other transfers to (from) net assets	-	-	-	-
Net assets at end of year	<u>\$ (267,712)</u>	<u>\$ (469,078)</u>	<u>\$ 6,487</u>	<u>\$ (730,303)</u>

Mercy Housing Wheaton
Consolidating Statement of Financial Position
December 31, 2018

	Mercy Housing Wheaton	Clare of Assisi Homes - Westminster, Inc.	Clare Gardens, Inc.	Francis Heights, Inc.	Villa Maria, Inc.	Paducah Ministries 1, Inc. (Loan Oak Manor)	Princeton Ministries 4, Inc. (Princeton Manor)	Assisi Homes of Illinois, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ -	\$ 51,365	\$ 583,989	\$ 632,340	\$ 24,051	\$ 3,380	\$ 58,873	\$ 39,033
Cash, tenant security deposits	-	19,510	30,907	150,820	13,036	11,669	7,657	52,453
Cash, restricted	-	-	200	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	-	466	452,386	197,375	944	240	551	6,967
Due from affiliate, net	-	-	3,709	383	-	223	56	137
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	7,877	18,732	37,458	5,509	15,086	4,812	9,856
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	-	79,218	1,089,923	1,018,376	43,540	30,598	71,949	108,446
Property and equipment								
Land and land improvements	-	254,511	187,452	459,444	176,031	433,294	204,337	574,110
Buildings	-	4,433,877	6,393,996	11,615,969	3,178,828	3,263,586	2,301,636	3,363,861
Furniture and equipment	-	353,050	1,357,458	2,904,333	223,202	17,918	3,068	506,712
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(2,881,736)	(4,701,767)	(7,921,051)	(1,909,168)	(241,171)	(162,045)	(2,644,590)
Net property and equipment	-	2,159,702	3,237,139	7,058,695	1,668,893	3,473,627	2,346,996	1,800,093
Other long-term assets								
Restricted property reserves	-	268,752	255,310	1,901,554	142,232	140,983	822,560	449,372
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	(2,818,199)	-	-	-	-	-	-	-
Notes and interest receivable, net	2,125,957	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	(692,242)	268,752	255,310	1,901,554	142,232	140,983	822,560	449,372
Total assets	\$ (692,242)	\$ 2,507,672	\$ 4,582,372	\$ 9,978,625	\$ 1,854,665	\$ 3,645,208	\$ 3,241,505	\$ 2,357,911

Mercy Housing Wheaton
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	Mercy Housing Wheaton	Clare of Assisi Homes - Westminster, Inc.	Clare Gardens, Inc.	Francis Heights, Inc.	Villa Maria, Inc.	Paducah Ministries 1, Inc. (Loan Oak Manor)	Princeton Ministries 4, Inc. (Princeton Manor)	Assisi Homes of Illinois, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 38,494	\$ 52,945	\$ 303,652	\$ 29,196	\$ 52,633	\$ 16,124	\$ 150,912
Due to affiliates	16,412	-	-	-	-	-	-	-
Accrued interest	-	-	27,266	635	-	2,607	-	-
Accrued interest, affiliates	-	-	-	-	-	-	4,807	-
Current portion of notes payable	-	-	116,705	9,783	-	74,376	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	15,578	-
Deferred revenue and other liabilities	-	-	8,790	9,667	908	-	-	19,121
Tenant security deposits	-	18,319	29,818	145,230	12,851	11,270	7,515	52,693
Total current liabilities	16,412	56,813	235,524	468,967	42,955	140,886	44,024	222,726
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	274,399	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	27,000	6,955,582	1,947,945	-	1,063,050	(33,887)	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-	1,083,160	-
Deferred revenue and other liabilities	-	-	3,467	6,125	-	-	-	-
Total long-term liabilities	-	27,000	6,959,049	2,228,469	-	1,063,050	1,049,273	-
Total liabilities	16,412	83,813	7,194,573	2,697,436	42,955	1,203,936	1,093,297	222,726
Net assets								
Net assets without donor restrictions, controlling	(708,654)	2,423,859	(2,612,201)	7,281,189	1,811,710	2,441,272	2,148,208	2,135,185
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(708,654)	2,423,859	(2,612,201)	7,281,189	1,811,710	2,441,272	2,148,208	2,135,185
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(708,654)	2,423,859	(2,612,201)	7,281,189	1,811,710	2,441,272	2,148,208	2,135,185
Total liabilities and net assets	\$ (692,242)	\$ 2,507,672	\$ 4,582,372	\$ 9,978,625	\$ 1,854,665	\$ 3,645,208	\$ 3,241,505	\$ 2,357,911

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	Mercy Housing Franciscan Campus, Inc.	Richard Ministries, Inc. (Brandywine Apartments)	Lake Wale Ministries, Inc. (Lake Wales Gardens)	Assisi Homes - Batavia Apartments, Inc.	Assisi Homes - Constitution House, Inc.	Assisi Homes - Colony Park, Inc.	Assisi Homes - Jefferson Court, Inc. (Jefferson Court Apartments)	Assisi Homes - Kenosha, Inc.
Assets								
Current assets								
Cash and cash equivalents	\$ 108,507	\$ 5,004	\$ 1,923	\$ 576,614	\$ 1,424,216	\$ 2,501,170	\$ 1,003,848	\$ 36,106
Cash, tenant security deposits	-	16,641	13,851	98,654	106,592	127,161	67,426	19,052
Cash, restricted	-	-	-	-	-	-	-	100
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	5,985	1,350	38,680	8,998	6,510	14,827	166,623	27,646
Due from affiliate, net	-	-	26	-	4,257	-	13	338
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	4,192	6,854	16,203	82,094	31,413	98,318	66,508	7,660
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	1,208,453	-	-	-	-	-	-
Total current assets	118,684	1,238,302	70,683	766,360	1,572,988	2,741,476	1,304,418	90,902
Property and equipment								
Land and land improvements	1,485,087	-	327,044	3,342,877	2,054,033	1,851,059	666,235	386,189
Buildings	3,543,416	-	2,677,567	12,838,773	14,484,234	13,027,216	13,041,936	3,387,543
Furniture and equipment	-	-	29,468	2,572,095	2,358,374	1,966,265	2,203,507	469,902
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(303,948)	-	(164,895)	(9,627,601)	(8,306,274)	(6,847,143)	(9,466,361)	(2,320,230)
Net property and equipment	4,724,555	-	2,869,184	9,126,144	10,590,367	9,997,397	6,445,317	1,923,404
Other long-term assets								
Restricted property reserves	64,120	243,946	337,289	907,832	942,007	1,008,572	1,216,759	359,424
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	64,120	243,946	337,289	907,832	942,007	1,008,572	1,216,759	359,424
Total assets	\$ 4,907,359	\$ 1,482,248	\$ 3,277,156	\$ 10,800,336	\$ 13,105,362	\$ 13,747,445	\$ 8,966,494	\$ 2,373,730

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	Mercy Housing Franciscan Campus, Inc.	Richard Ministries, Inc. (Brandywine Apartments)	Lake Wale Ministries, Inc. (Lake Wales Gardens)	Assisi Homes - Batavia Apartments, Inc.	Assisi Homes - Constitution House, Inc.	Assisi Homes - Colony Park, Inc.	Assisi Homes - Jefferson Court, Inc. (Jefferson Court Apartments)	Assisi Homes - Kenosha, Inc.
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 105,649	\$ 110,155	\$ 106,337	\$ 498,754	\$ 169,841	\$ 497,506	\$ 172,898	\$ 78,380
Due to affiliates	37,686	-	-	30,000	31,941	55,000	30,000	3,218
Accrued interest	-	2,035	8,743	24,560	35,087	43,733	34,151	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	-	58,997	36,861	259,425	212,668	267,366	161,445	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	1,165	12,704	47,160	4,096	27,420	10,679	984
Tenant security deposits	-	14,567	12,737	98,154	106,420	124,502	66,926	18,556
Total current liabilities	143,335	186,919	177,382	958,053	560,053	1,015,527	476,099	101,138
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Accrued interest, affiliates	483,333	-	-	-	-	-	-	-
Notes payable, less current portion, net	-	958,671	2,294,614	10,614,052	11,556,100	14,533,864	9,320,876	-
Notes payable, less current portion, affiliates	5,000,000	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	-	-	-	-	25,710	4,725
Total long-term liabilities	5,483,333	958,671	2,294,614	10,614,052	11,556,100	14,533,864	9,346,586	4,725
Total liabilities	5,626,668	1,145,590	2,471,996	11,572,105	12,116,153	15,549,391	9,822,685	105,863
Net assets								
Net assets without donor restrictions, controlling	(719,309)	336,658	805,160	(771,769)	989,209	(1,801,946)	(856,191)	2,267,867
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	(719,309)	336,658	805,160	(771,769)	989,209	(1,801,946)	(856,191)	2,267,867
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	(719,309)	336,658	805,160	(771,769)	989,209	(1,801,946)	(856,191)	2,267,867
Total liabilities and net assets	\$ 4,907,359	\$ 1,482,248	\$ 3,277,156	\$ 10,800,336	\$ 13,105,362	\$ 13,747,445	\$ 8,966,494	\$ 2,373,730

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	Assisi Homes - La Salle Manor, Inc.	Assisi Homes of Gurnee, Inc.	Assisi Homes of Neenah, Inc.	Canticle Place, Inc.	Marian Housing Center, Inc.	Marian Park, Inc.	Alexandria Ministries, Inc. (Alexandria Manor)	Effingham Ministries, Inc. (Colonnade Apartments)
Assets								
Current assets								
Cash and cash equivalents	\$ 54,842	\$ 25,111	\$ 25,706	\$ 240	\$ 32,044	\$ 196,477	\$ 103,557	\$ 198,892
Cash, tenant security deposits	10,988	19,155	13,525	3,834	13,677	78,771	9,327	18,178
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	4,387	1,619	171	39,643	168	35,867	5,598	4,552
Due from affiliate, net	3,445	2,452	202	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	6,817	9,512	5,525	2,707	14,429	50,748	7,368	11,001
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	80,479	57,849	45,129	46,424	60,318	361,863	125,850	232,623
Property and equipment								
Land and land improvements	310,967	613,995	127,078	177,236	77,404	1,532,545	61,467	163,630
Buildings	1,844,440	4,319,020	1,580,013	1,121,413	1,549,780	4,712,385	2,023,093	1,408,086
Furniture and equipment	291,289	630,711	284,734	144,452	398,583	2,748,779	37,913	-
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(599,454)	(2,986,331)	(1,321,521)	(812,146)	(1,489,891)	(4,309,136)	(144,719)	(115,931)
Net property and equipment	1,847,242	2,577,395	670,304	630,955	535,876	4,684,573	1,977,754	1,455,785
Other long-term assets								
Restricted property reserves	417,168	383,788	196,754	87,625	125,448	613,128	74,063	131,167
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	1,046,520	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	417,168	383,788	196,754	1,134,145	125,448	613,128	74,063	131,167
Total assets	\$ 2,344,889	\$ 3,019,032	\$ 912,187	\$ 1,811,524	\$ 721,642	\$ 5,659,564	\$ 2,177,667	\$ 1,819,575

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	Assisi Homes - La Salle Manor, Inc.	Assisi Homes of Gurnee, Inc.	Assisi Homes of Neenah, Inc.	Canticle Place, Inc.	Marian Housing Center, Inc.	Marian Park, Inc.	Alexandria Ministries, Inc. (Alexandria Manor)	Effingham Ministries, Inc. (Colonnade Apartments)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 113,992	\$ 45,747	\$ 42,846	\$ 26,783	\$ 38,914	\$ 598,390	\$ 61,176	\$ 83,706
Due to affiliates	-	-	4,182	-	28	42,255	-	8,287
Accrued interest	3,623	-	-	-	3,166	39,422	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	18,571	-	-	-	40,742	182,228	-	-
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	2,047	516	931	72	373	45,361	351	4,884
Tenant security deposits	10,353	18,654	12,750	3,131	13,177	77,508	8,431	16,317
Total current liabilities	148,586	64,917	60,709	29,986	96,400	985,164	69,958	113,194
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	19,110	-	-	-	-	-	-	-
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	1,167,005	-	(491)	-	1,136,356	10,576,582	-	-
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	-	2,822	-	2,970	-	2,499	-
Total long-term liabilities	1,186,115	-	2,331	-	1,139,326	10,576,582	2,499	-
Total liabilities	1,334,701	64,917	63,040	29,986	1,235,726	11,561,746	72,457	113,194
Net assets								
Net assets without donor restrictions, controlling	1,010,188	2,954,115	849,147	437,858	(514,084)	(5,902,182)	2,105,210	1,706,381
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	1,010,188	2,954,115	849,147	437,858	(514,084)	(5,902,182)	2,105,210	1,706,381
Net assets with donor restrictions	-	-	-	1,343,680	-	-	-	-
Total net assets	1,010,188	2,954,115	849,147	1,781,538	(514,084)	(5,902,182)	2,105,210	1,706,381
Total liabilities and net assets	\$ 2,344,889	\$ 3,019,032	\$ 912,187	\$ 1,811,524	\$ 721,642	\$ 5,659,564	\$ 2,177,667	\$ 1,819,575

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	Indianapolis Ministries 1, Inc. (Cedar Commons)	Indianapolis Ministries 2, Inc. (Spruce Manor)	Kokomo Ministries, Inc. (Kokomo Manor)	Moline Ministries 1, Inc. (Highland Manor)	Moline Ministries 2, Inc. (Sanders Apartments)	Pendleton Ministries, Inc. (Edgewood Square Apartments)	Tucson Ministries, Inc. (Western Winds)	Phoenix Ministries 3, Inc. (Lemon Grove)
Assets								
Current assets								
Cash and cash equivalents	\$ 59,804	\$ 395,803	\$ 139,492	\$ 5,126	\$ 37,071	\$ 96,689	\$ 93,173	\$ 178,996
Cash, tenant security deposits	26,214	40,713	20,936	17,369	12,740	9,434	24,331	21,968
Cash, restricted	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-	-
Accounts receivable, net	8,782	11,739	3,109	8,399	2,926	17,670	11,486	6,486
Due from affiliate, net	-	-	-	375	421	248	81	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	17,114	18,349	17,892	10,067	7,101	11,457	24,320	9,847
Inventory	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	111,914	466,604	181,429	41,336	60,259	135,498	153,391	217,297
Property and equipment								
Land and land improvements	240,048	116,977	374,909	543,756	107,578	78,230	773,469	1,274,752
Buildings	1,851,403	1,957,772	5,389,979	3,385,474	1,217,355	1,516,838	4,556,137	5,651,927
Furniture and equipment	9,674	10,058	39,169	-	-	-	7,557	28,431
Predevelopment project costs	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Accumulated depreciation	(134,409)	(137,952)	(387,754)	(205,496)	(77,249)	(80,517)	(250,588)	(405,419)
Net property and equipment	1,966,716	1,946,855	5,416,303	3,723,734	1,247,684	1,514,551	5,086,575	6,549,691
Other long-term assets								
Restricted property reserves	560,801	331,524	174,237	405,863	57,229	105,440	317,392	515,713
Long-term investments	-	-	-	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	-	-	-	-	-
Notes and interest receivable, net	-	-	-	-	-	-	-	-
Notes and interest receivable, affiliates	-	-	-	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-	-	-	-
Other assets, net	-	-	-	-	-	-	-	-
Total other long-term assets	560,801	331,524	174,237	405,863	57,229	105,440	317,392	515,713
Total assets	\$ 2,639,431	\$ 2,744,983	\$ 5,771,969	\$ 4,170,933	\$ 1,365,172	\$ 1,755,489	\$ 5,557,358	\$ 7,282,701

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	Indianapolis Ministries 1, Inc. (Cedar Commons)	Indianapolis Ministries 2, Inc. (Spruce Manor)	Kokomo Ministries, Inc. (Kokomo Manor)	Moline Ministries 1, Inc. (Highland Manor)	Moline Ministries 2, Inc. (Sanders Apartments)	Pendleton Ministries, Inc. (Edgewood Square Apartments)	Tucson Ministries, Inc. (Western Winds)	Phoenix Ministries 3, Inc. (Lemon Grove)
Liabilities								
Current liabilities								
Accounts payable and accrued expenses	\$ 76,987	\$ 43,811	\$ 107,900	\$ 129,085	\$ 72,084	\$ 51,145	\$ 43,705	\$ 49,454
Due to affiliates	28,180	10,000	-	13,788	-	286	-	-
Accrued interest	7,585	3,382	3,708	4,086	2,666	-	7,957	1,942
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Current portion of notes payable	49,904	29,266	125,811	116,839	30,197	-	75,868	13,169
Current portion of notes payable, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	3,019	7,183	1,883	1,328	1,398	(2)	1,401	1,338
Tenant security deposits	25,713	38,988	20,497	16,869	12,252	9,401	27,747	19,890
Total current liabilities	191,388	132,630	259,799	281,995	118,597	60,830	156,678	85,793
Long-term liabilities								
Due to affiliates	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	30,918
Accrued interest, affiliates	-	-	-	-	-	-	-	-
Notes payable, less current portion, net	1,907,496	1,052,823	1,728,078	1,844,307	526,220	-	3,396,207	3,074,624
Notes payable, less current portion, affiliates	-	-	-	-	-	-	-	-
Deferred revenue and other liabilities	-	10,247	-	-	-	-	-	-
Total long-term liabilities	1,907,496	1,063,070	1,728,078	1,844,307	526,220	-	3,396,207	3,105,542
Total liabilities	2,098,884	1,195,700	1,987,877	2,126,302	644,817	60,830	3,552,885	3,191,335
Net assets								
Net assets without donor restrictions, controlling	540,547	1,549,283	3,784,092	2,044,631	720,355	1,694,659	2,004,473	4,091,366
Net assets without donor restrictions, noncontrolling	-	-	-	-	-	-	-	-
Total net assets without donor restrictions	540,547	1,549,283	3,784,092	2,044,631	720,355	1,694,659	2,004,473	4,091,366
Net assets with donor restrictions	-	-	-	-	-	-	-	-
Total net assets	540,547	1,549,283	3,784,092	2,044,631	720,355	1,694,659	2,004,473	4,091,366
Total liabilities and net assets	\$ 2,639,431	\$ 2,744,983	\$ 5,771,969	\$ 4,170,933	\$ 1,365,172	\$ 1,755,489	\$ 5,557,358	\$ 7,282,701

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	Davenport Ministries, Inc. (Westview Terrace)	Saxony Manor, MM LLC	Assisi Homes - Saxony Manor, Inc.	Eliminations	Consolidated Mercy Housing Wheaton
Assets					
Current assets					
Cash and cash equivalents	\$ 68,331	\$ -	\$ 1,000,449	\$ -	\$ 9,762,222
Cash, tenant security deposits	12,223	-	69,316	-	1,158,128
Cash, restricted	-	-	-	-	300
Investments	-	-	-	-	-
Investments, restricted	-	-	-	-	-
Accounts receivable, net	5,752	-	5,305	-	1,103,207
Due from affiliate, net	-	-	-	(746)	15,620
Pledges receivable, net	-	-	-	-	-
Grants receivable	-	-	-	-	-
Current portion of notes and interest receivable	-	-	-	-	-
Current portion of notes and interest receivable, affiliates	-	-	-	-	-
Prepaid expenses and other assets	6,625	-	45,743	-	689,194
Inventory	-	-	-	-	-
Assets held for sale	-	-	-	-	1,208,453
Total current assets	92,931	-	1,120,813	(746)	13,937,124
Property and equipment					
Land and land improvements	550,580	-	1,678,346	-	21,204,670
Buildings	2,269,674	-	8,523,263	-	152,430,490
Furniture and equipment	-	-	1,571,511	-	21,168,213
Predevelopment project costs	-	-	-	-	-
Construction in progress	-	-	-	-	-
Accumulated depreciation	(71,988)	-	(2,962,516)	-	(73,990,997)
Net property and equipment	2,748,266	-	8,810,604	-	120,812,376
Other long-term assets					
Restricted property reserves	210,185	-	1,362,910	-	15,131,147
Long-term investments	-	-	-	-	-
Long-term investments, restricted	-	-	-	-	-
Due from affiliates	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-
Investments in limited partnerships, net	-	-	-	2,818,199	-
Notes and interest receivable, net	-	-	-	(2,125,957)	1,046,520
Notes and interest receivable, affiliates	-	-	-	-	-
Allowance for impaired assets	-	-	-	-	-
Other assets, net	-	-	89,317	-	89,317
Total other long-term assets	210,185	-	1,452,227	692,242	16,266,984
Total assets	\$ 3,051,382	\$ -	\$ 11,383,644	\$ 691,496	\$ 151,016,484

Mercy Housing Wheaton
Consolidating Statement of Financial Position
December 31, 2018

	Davenport Ministries, Inc. (Westview Terrace)	Saxony Manor, MM LLC	Assisi Homes - Saxony Manor, Inc.	Eliminations	Consolidated Mercy Housing Wheaton
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 107,968	\$ -	\$ 272,514	\$ 296,520	\$ 4,646,203
Due to affiliates	-	-	202	68,004	379,469
Accrued interest	1,338	-	20,786	38	278,516
Accrued interest, affiliates	-	-	-	-	4,807
Current portion of notes payable	20,593	-	127,250	(472)	2,027,592
Current portion of notes payable, affiliates	-	-	-	-	15,578
Deferred revenue and other liabilities	3,411	-	2,169	-	220,357
Tenant security deposits	12,317	-	67,700	-	1,131,253
Total current liabilities	<u>145,627</u>	<u>-</u>	<u>490,621</u>	<u>364,090</u>	<u>8,703,775</u>
Long-term liabilities					
Due to affiliates	-	-	-	-	-
Accrued interest	-	-	-	13,219	337,646
Accrued interest, affiliates	-	-	-	-	483,333
Notes payable, less current portion, net	1,060,325	-	6,829,341	(2,098,571)	91,438,169
Notes payable, less current portion, affiliates	-	-	-	-	6,083,160
Deferred revenue and other liabilities	-	-	-	-	58,565
Total long-term liabilities	<u>1,060,325</u>	<u>-</u>	<u>6,829,341</u>	<u>(2,085,352)</u>	<u>98,400,873</u>
Total liabilities	<u>1,205,952</u>	<u>-</u>	<u>7,319,962</u>	<u>(1,721,262)</u>	<u>107,104,648</u>
Net assets					
Net assets without donor restrictions, controlling	1,845,430	-	4,063,682	2,412,758	42,568,156
Net assets without donor restrictions, noncontrolling	-	-	-	-	-
Total net assets without donor restrictions	<u>1,845,430</u>	<u>-</u>	<u>4,063,682</u>	<u>2,412,758</u>	<u>42,568,156</u>
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343,680</u>
Total net assets	<u>1,845,430</u>	<u>-</u>	<u>4,063,682</u>	<u>2,412,758</u>	<u>43,911,836</u>
Total liabilities and net assets	<u>\$ 3,051,382</u>	<u>\$ -</u>	<u>\$ 11,383,644</u>	<u>\$ 691,496</u>	<u>\$ 151,016,484</u>

Mercy Housing Wheaton
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Wheaton	Clare of Assisi Homes - Westminister, Inc.	Clare Gardens, Inc.	Francis Heights, Inc.	Villa Maria, Inc.	Paducah Ministries 1, Inc. (Loan Oak Manor)	Princeton Ministries 4, Inc. (Princeton Manor)	Assisi Homes of Illinois, Inc.
Revenues								
Rent - net of vacancies	\$ -	\$ 477,986	\$ 2,055,142	\$ 3,147,890	\$ 349,426	\$ 533,600	\$ 362,729	\$ 737,513
Developer fees	-	-	-	-	-	-	-	-
Services fees	521,372	-	-	-	-	-	-	-
Philanthropy	-	-	-	109,981	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	56,253	26	67	606	14	54	917	50
Other	2,175,384	6,624	17,721	28,112	4,296	44,110	1,975	15,728
Total revenues	2,753,009	484,636	2,072,930	3,286,589	353,736	577,764	365,621	753,291
Expenses and losses								
Compensation	-	100,857	199,401	433,744	66,795	122,258	75,292	114,934
Administrative	3,445,261	77,782	215,249	544,602	55,484	70,522	51,057	78,017
Professional services	934	54,147	301,648	250,578	38,055	10,780	8,380	22,543
Depreciation and amortization	-	151,980	262,493	690,577	109,480	93,359	64,299	131,357
Grants	15,468	-	-	-	-	-	-	-
Facility	-	187,339	499,020	1,084,993	160,765	264,358	121,990	375,682
Interest and fees	-	-	336,114	30,175	-	32,852	11,320	75
Bad debts	-	489	176	4,532	1,754	-	199	4,465
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	165,089	61,978	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	3,461,663	572,594	1,979,190	3,101,179	432,333	594,129	332,537	727,073
Excess (deficiency) of revenues over expenses	(708,654)	(87,958)	93,740	185,410	(78,597)	(16,365)	33,084	26,218
Net assets at beginning of year	-	2,511,817	(2,705,941)	7,095,779	1,890,307	2,457,637	2,527,297	2,108,967
Other transfers to (from) net assets	-	-	-	-	-	-	(412,173)	-
Net assets at end of year	\$ (708,654)	\$ 2,423,859	\$ (2,612,201)	\$ 7,281,189	\$ 1,811,710	\$ 2,441,272	\$ 2,148,208	\$ 2,135,185

Mercy Housing Wheaton
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Mercy Housing Franciscan Campus, Inc.	Richard Ministries, Inc. (Brandywine Apartments)	Lake Wale Ministries, Inc. (Lake Wales Gardens)	Assisi Homes - Batavia Apartments, Inc.	Assisi Homes - Constitution House, Inc.	Assisi Homes - Colony Park, Inc.	Assisi Homes - Jefferson Court, Inc. (Jefferson Court Apartments)	Assisi Homes - Kenosha, Inc.
Revenues								
Rent - net of vacancies	\$ 78,245	\$ 467,419	\$ 810,312	\$ 3,388,236	\$ 3,189,377	\$ 3,804,643	\$ 2,594,859	\$ 452,967
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	69,092	90,444	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	6	67	114	255	273	863	472	37
Other	24,018	3,190	9,709	53,492	46,256	62,792	35,584	5,676
Total revenues	102,269	470,676	820,135	3,441,983	3,304,998	3,958,742	2,630,915	458,680
Expenses and losses								
Compensation	-	129,450	175,117	569,056	501,489	532,822	556,740	123,860
Administrative	29,805	56,103	100,881	455,199	347,973	426,144	271,342	71,955
Professional services	3,400	21,663	35,018	23,828	28,766	41,785	23,243	27,563
Depreciation and amortization	138,154	30,919	76,852	631,631	617,779	457,306	579,692	153,216
Grants	-	-	-	-	-	-	-	-
Facility	30,383	237,699	301,676	1,140,026	690,109	1,035,665	608,302	158,473
Interest and fees	200,000	25,139	105,691	306,685	441,465	544,515	425,140	97
Bad debts	-	230	43,071	6,181	2	2,459	2,238	-
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	401,742	501,203	838,306	3,132,606	2,627,583	3,040,696	2,466,697	535,164
Excess (deficiency) of revenues over expenses	(299,473)	(30,527)	(18,171)	309,377	677,415	918,046	164,218	(76,484)
Net assets at beginning of year	(419,836)	367,185	823,331	(396,514)	1,098,406	(2,719,992)	(726,949)	2,344,351
Other transfers to (from) net assets	-	-	-	(684,632)	(786,612)	-	(293,460)	-
Net assets at end of year	\$ (719,309)	\$ 336,658	\$ 805,160	\$ (771,769)	\$ 989,209	\$ (1,801,946)	\$ (856,191)	\$ 2,267,867

Mercy Housing Wheaton
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Assisi Homes - La Salle Manor, Inc.	Assisi Homes of Gurnee, Inc.	Assisi Homes of Neenah, Inc.	Canticle Place, Inc.	Marian Housing Center, Inc.	Marian Park, Inc.	Alexandria Ministries, Inc. (Alexandria Manor)	Effingham Ministries, Inc. (Colonnade Apartments)
Revenues								
Rent - net of vacancies	\$ 502,178	\$ 508,954	\$ 319,131	\$ 136,366	\$ 360,451	\$ 2,775,778	\$ 418,990	\$ 634,124
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	38,711	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	125	35	18	8	42	125	254	663
Other	6,457	5,648	4,549	1,091	3,593	54,522	6,043	49,961
Total revenues	508,760	514,637	323,698	137,465	402,797	2,830,425	425,287	684,748
Expenses and losses								
Compensation	122,555	171,987	165,122	43,342	116,828	488,625	123,867	135,149
Administrative	76,345	97,125	53,804	20,786	57,348	452,982	50,005	126,194
Professional services	8,817	26,351	15,003	23,538	17,620	67,016	18,077	20,892
Depreciation and amortization	101,360	224,228	99,533	54,476	53,148	322,097	54,710	58,198
Grants	-	-	-	-	-	-	-	-
Facility	193,923	144,946	65,698	87,322	112,947	1,050,095	169,467	233,462
Interest and fees	46,511	2,012	69	1,958	40,789	491,480	24	44,936
Bad debts	4,048	420	202	1,558	-	13,821	1,263	908
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	553,559	667,069	399,431	232,980	398,680	2,886,116	417,413	619,739
Excess (deficiency) of revenues over expenses	(44,799)	(152,432)	(75,733)	(95,515)	4,117	(55,691)	7,874	65,009
Net assets at beginning of year	1,054,987	3,106,547	924,880	1,877,053	(518,201)	(5,846,491)	2,115,009	1,665,703
Other transfers to (from) net assets	-	-	-	-	-	-	(17,673)	(24,331)
Net assets at end of year	\$ 1,010,188	\$ 2,954,115	\$ 849,147	\$ 1,781,538	\$ (514,084)	\$ (5,902,182)	\$ 2,105,210	\$ 1,706,381

Mercy Housing Wheaton
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Indianapolis Ministries 1, Inc. (Cedar Commons)	Indianapolis Ministries 2, Inc. (Spruce Manor)	Kokomo Ministries, Inc. (Kokomo Manor)	Moline Ministries 1, Inc. (Highland Manor)	Moline Ministries 2, Inc. (Sanders Apartments)	Pendleton Ministries, Inc. (Edgewood Square Apartments)	Tucson Ministries, Inc. (Western Winds)	Phoenix Ministries 3, Inc. (Lemon Grove)
Revenues								
Rent - net of vacancies	\$ 654,756	\$ 1,060,666	\$ 1,001,287	\$ 696,197	\$ 283,468	\$ 605,311	\$ 844,673	\$ 638,203
Developer fees	-	-	-	-	-	-	-	-
Services fees	-	-	-	-	-	-	-	-
Philanthropy	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Consulting	-	-	-	-	-	-	-	-
Interest	178	418	73	191	17	498	135	298
Other	14,881	13,120	5,912	47,095	152,271	5,118	6,376	39,036
Total revenues	669,815	1,074,204	1,007,272	743,483	435,756	610,927	851,184	677,537
Expenses and losses								
Compensation	133,912	175,776	199,797	134,716	59,287	159,961	172,801	155,982
Administrative	96,762	163,705	140,643	103,427	60,321	100,787	130,854	92,764
Professional services	17,379	25,389	20,103	24,363	17,428	20,539	27,493	22,141
Depreciation and amortization	57,169	55,723	140,427	88,082	34,349	42,053	124,144	176,723
Grants	-	-	-	-	-	-	-	-
Facility	203,242	401,650	491,127	356,816	137,225	334,018	234,678	241,139
Interest and fees	92,043	41,388	45,850	97,796	77,095	2,899	98,702	49,069
Bad debts	1,536	1,482	10,637	10,086	-	2,733	55	30
Project expenses	-	-	-	-	-	-	-	-
Allocation	-	-	-	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	-	-	-	-
(Gain) loss on investment in limited partnership	-	-	-	-	-	-	-	-
Total expenses and losses	602,043	865,113	1,048,584	815,286	385,705	662,990	788,727	737,848
Excess (deficiency) of revenues over expenses	67,772	209,091	(41,312)	(71,803)	50,051	(52,063)	62,457	(60,311)
Net assets at beginning of year	472,775	1,485,184	3,994,311	2,116,434	670,304	1,746,722	1,993,438	-
Other transfers to (from) net assets	-	(144,992)	(168,907)	-	-	-	(51,422)	4,151,677
Net assets at end of year	\$ 540,547	\$ 1,549,283	\$ 3,784,092	\$ 2,044,631	\$ 720,355	\$ 1,694,659	\$ 2,004,473	\$ 4,091,366

Mercy Housing Wheaton
Consolidating Statement of Activities
and Changes in Net Assets
For the Year Ended December 31, 2018

	Davenport Ministries, Inc. (Westview Terrace)	Saxony Manor, MM LLC	Assisi Homes - Saxony Manor, Inc.	Eliminations	Consolidated Mercy Housing Wheaton
Revenues					
Rent - net of vacancies	\$ 484,396	\$ -	\$ 1,219,441	\$ -	\$ 35,594,714
Developer fees	-	-	-	-	-
Services fees	-	-	-	(521,372)	-
Philanthropy	-	-	68,462	-	376,690
Capital grants	-	-	-	-	-
Consulting	-	-	-	-	-
Interest	73	-	12,266	(56,253)	19,238
Other	3,451	-	5,420	(15,468)	2,943,743
Total revenues	<u>487,920</u>	<u>-</u>	<u>1,305,589</u>	<u>(593,093)</u>	<u>38,934,385</u>
Expenses and losses					
Compensation	67,850	-	213,996	-	6,543,368
Administrative	68,715	-	210,136	(148,969)	8,251,110
Professional services	20,173	-	14,307	-	1,298,960
Depreciation and amortization	55,929	-	428,768	-	6,360,211
Grants	-	-	-	(15,468)	-
Facility	262,472	-	363,781	-	11,980,488
Interest and fees	22,548	-	146,704	(23,215)	3,737,926
Bad debts	4,078	-	840	-	119,493
Project expenses	-	-	-	-	-
Allocation	-	-	-	-	-
(Gain) loss on sale of assets	-	-	-	-	227,067
(Gain) loss on investment in limited partnership	-	-	-	-	-
Total expenses and losses	<u>501,765</u>	<u>-</u>	<u>1,378,532</u>	<u>(187,652)</u>	<u>38,518,623</u>
Excess (deficiency) of revenues over expenses	(13,845)	-	(72,943)	(405,441)	415,762
Net assets at beginning of year	-	-	-	-	33,114,500
Other transfers to (from) net assets	1,859,275	-	4,136,625	2,818,199	10,381,574
Net assets at end of year	<u>\$ 1,845,430</u>	<u>\$ -</u>	<u>\$ 4,063,682</u>	<u>\$ 2,412,758</u>	<u>\$ 43,911,836</u>

Mercy Housing, Inc.

Schedule of Expenditures of Federal Awards Year Ended December 31, 2018

Grantor and Program Title	Federal CFDA Number	Pass-Through Identifying Number	Direct Federal Expenditures	Pass Through Expenditures
<u>United States Department of Agriculture (USDA)</u>				
Direct				
USDA Rural Rental Housing Loans	10.415		\$ 23,489,103	\$ -
USDA Rural Rental Assistance Payments	10.427		1,975,523	
Supplemental Nutrition Assistance Program	10.551		14,751	
USDA Intermediary Relending Program	10.767		712,900	
			26,192,277	-
Subtotal USDA				
<u>United States Department of Energy</u>				
Pass Through				
King County Weatherization	81.042			750,000
Subtotal United States Department of Energy			-	750,000
<u>United States Department of Health and Human Services</u>				
Pass Through				
City of Bellingham CDBG	93.624			17,894
Department of Public Health	93.624			58,798
Utah Department of Workforce Services	93.558			70,316
Tacoma-Pierce County Health Department	93.757	2016-00000179		24,994
Subtotal United States Department of Health and Human Services			-	172,002
<u>United States Department of Housing & Urban Development (HUD)</u>				
Direct				
HUD Interest Reduction Payments Section 236	14.103		83,253	
HUD Mortgage Insurance for the Purchase Section 223(a)(7)	14.155		94,632,727	
HUD Supportive Housing for the Elderly Direct Loan Section/Capital Advance Section 202/HUD Project Rental Assistance contract (PRAC) Section 202	14.157		208,685,381	
HUD Supportive Housing for Persons with Disabilities Capital Advance Section 811/HUD Project Rental Assistance Contract (PRAC) Section 811	14.181		26,631,460	
Preservation of Affordable Housing	14.187		11,414,014	
HUD Multi-Family Services Coordinator Grant	14.191		137,445	
HUD Housing Assistance Payments (HAP) Section 8	14.195		50,403,784	
HUD Multi-Family Assisted Housing Reform & Affordability Act	14.197		7,700,000	
HUD Community Development Block Grant Entitlement Grant	14.218		84,995	
HUD Comm. Dev. Block Grant/Technical Assistance Program	14.227		63,932	
HUD Supportive Housing Program - Capital Advance/Office of Community Planning & Development - Supportive Housing Program/Forigivable Loan	14.235		7,486,844	
HUD HOME Investment Partnership Program/HOME Grant CHDO	14.239		5,570,739	
HUD Housing Opportunities for Persons with AIDS HOPWA Grant	14.241		600,000	
HUD Capacity Building For Affordable Housing And Community Development Grants	14.252		16,762	
HUD Tax Credit Assistance Program (Recovery Act Funded)	14.258		1,400,000	
Continuum of Care Program	14.267		150,869	
Pass Through				
Amador-Tuolumne Community Action Agency / CDBG Technical Assistance Program	14.228			200,000
Boise Housing Authority / HOME Investment Partnership Program / HAP Section 8	14.195			34,292
California /HOME Investment Partnership	14.239			1,185,690
California Housing Finance Agency (CHFA) / County of Alameda Housing and Community Development / HOME Investment Partnership Program	14.239			2,954,230
California Housing Finance Agency (CHFA) / Risk Sharing Loans	14.188	92-012-N		1,853,169
California Housing Finance Agency (CHFA) / Risk Sharing Loans	14.188	97-033N; 97022-N		1,628,429
California State Department of Housing and Community Development / HOME Investment Partnership Program	14.239	02-HOME-0633		1,401,856
California State Department of Housing and Community Development / HOME Investment Partnership Program	14.239			5,329,179
Chicago Housing Authority / HAP Section 8	14.195			710,630
City and County of San Francisco / HOME Investment Partnership Program	14.239			7,179,062
City and County of Denver / CDBG State Program	14.228			275,000
City and County of Denver / HOME Investment Partnership Program	14.239			277,240
City and County of San Francisco	14.195			1,375,752
City and County of San Francisco	14.218	95-F765446-00		299,614
City and County of San Francisco	14.218			8,779,543
City and County of San Francisco	14.228			307,768
City and County of San Francisco	14.241			800,000
City and County of San Francisco	14.267			930,096
City and County of San Francisco / CDBG State Program	14.228			4,218,139
City and County of San Francisco / Mayor's Office of Housing / HOME Investment Partnership Program	14.239			676,923
City and County of San Francisco/HOME Investment Partnership Program	14.239			15,883,502
City of Bakersfield / HOME Investment Partnership Program	14.239	98-284		230,000
City of Bellingham / HOME Investment Partnership Program / HAP Section 8	14.239			200,450

Mercy Housing, Inc.

Schedule of Expenditures of Federal Awards Year Ended December 31, 2018

Grantor and Program Title	Federal CFDA Number	Pass-Through Identifying Number	Direct Federal Expenditures	Pass Through Expenditures
United States Department of Housing & Urban Development (HUD)				
Pass Through				
City of Chicago / Chicago Department of Housing / CDBG Entitlement Grant	14.218	31453		88,891
City of Chicago / Department of Housing / CDBG Multi-family Loan State Program	14.228			2,320
City of Chicago / Department of Housing / CDBG State Program / HAP Section 8	14.195			242,574
City of Chicago / Department of Housing / CDBG State Program Entitlement / HAP Section 8	14.195			406,864
City of Chicago / Department of Housing / HOME Investment Partnership Program	14.239			19,718,651
City of Chicago / Department of Housing / HOME Investment Partnership Program / HAP Section 8	14.195			1,048,398
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	II0102L5T101407		244,201
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0102L5T101508		10,804
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0131IL5T101407		94,825
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0131L5T101508		96,952
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0166L5T101407		60,093
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0166L5T101508		9,961
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0166L5T101710		33,122
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0188L5T101609		99,997
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	IL0206L5T101306		388,128
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	WI0056L5I011508		141,519
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	WI0113L5I011403		8,488
City of Chicago / Department of Human Services (DHS) / Chicago Housing for Health Partnership / Office of Community Planning and Development / Supportive Housing Program	14.235	WI0113L5I011504		25,687
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24443/PO 24443-4		671,496
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24443/PO 24443-5		59,031
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24444/PO 24444-4		158,344
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24444/PO 24444-5		218,067
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24445/PO 24445-4		132,964
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.238	24445/PO 24445-5		61,478
City of Chicago / Department of Human Services (DHS) / HUD Shelter Plus Care	14.235			157,991
City of Chicago Department of Family and Support Services	14.218	31453		239,027
City of Chicago, Illinois / Department of Housing / CDBG Multi-family Loan State Program / HAP Section 8	14.195			322,716
City of Chicago, Illinois / Department of Housing / CDBG State Program / SNAP Program "Strategic Neighborhood Action Program"	14.228			3,466,791
City of Chicago/ AIDS Foundation of Chicago / SHP	14.235	3LF018		1,387
City of Chicago/ AIDS Foundation of Chicago / SHP	14.235	3LF049		133,840
City of Chicago/Dept of Community Development/HOME	14.239			6,211,488
City of Council Bluffs / HOME Investment Partnership Program	14.239			11,749
City of Council Bluffs / HOME Investment Partnership Program / HAP Section 8	14.195			65,580
City of Daly / HOME Investment Partnership Program	14.239			491,643
City of Daly / HOME Investment Partnership Program / HAP Section 8	14.195			62,690
City of Daly City / CDBG State Loan Program	14.228			536,202
City of Dubuque, Iowa / CDBG State Program	14.228	258-93		539,201
City of Eagle, Ida County / Idaho Community Development Block Grant	14.228			469,208
City of Encinitas / CDBG State Program	14.228			614,000
City of Folsom / CDBG State Program	14.228			92,940
City of Glendale / HOME Investment Partnership Program	14.239			149,240
City of Greenville (Community Development Department) / Forgivable Loan	14.235			262,406
City of Los Angeles / CDBG State Program	14.228	95-2167; C-93360		951,068
City of Los Angeles / CDBG State Programs and HOME Investment Partnership Program / HAP Section 8	14.195			3,324
City of Los Angeles / HOME Investment Partnership Program	14.239	95.1452; C92700		662,254
City of Los Angeles / HOME Investment Partnership Program	14.239			3,099,740
City of Santa Cruz / CDBG Revolving Loan Fund	14.228			348,437
City of Santa Cruz / CDBG State Program	14.228	CA027HG701		221,100
City of Santa Cruz / CDBG State Program	14.228			155,934
City of Santa Cruz / HOME Investment Partnership Program	14.239	M-92-SG-19-0100-400-27-04		600,000
City of Santa Cruz / HOME Investment Partnership Program	14.239			2,393,637
City of Seattle/HOME Investment Program	14.239			2,830,921
City of South Lake Tahoe / HOME Investment Partnership Program	14.239	96-HOME-0222; 97-HOME-0280		3,003,536
City of Stockton / HOME Investment Partnership Program	14.239			5,158,731
City of Tacoma / CDBG Program	14.218			20,500
City of Yolo/CDBG	14.228			813,526
City of Yolo/HOME	14.239			3,410,456
City of Yuba City / HOME Investment Partnership Program	14.239	98-HOME-0341		1,102,959
City of Yuba City / HOME Investment Partnership Program / HAP Section 8	14.195			175,551
Colorado Division of Housing (CDOH) / HOME Investment Partnership Program / HAP Section 8	14.195			1,667,173
Community Development Commission of the City of Oxnard / CDBG Section 108 Loan Guarantee	14.248	96-164218		720,846
Community Housing Services Agency / CDBG State Program	14.228			442,927
Community Housing Services Agency / HOME Investment Partnership Program	14.239			231,119
Community Housing Services Agency/CDBG	14.228			1,488,185
County of El Dorado/HOME Investment Partnership Program	14.239	11-HOME6952		2,993,170
County of Alameda / CDBG Section 108 Loan Guarantee	14.248	00-HM-430 / 00-HM-430-731		153,628
County of Alameda / CDBG State Program	14.228			470,548
County of Alameda / HOME Investment Partnership Program	14.239			798,781
County of Contra Costa	14.241			680,000
County of Contra Costa / CDBG Section 108 Loan Guarantee	14.248			1,427,174
County of Contra Costa / HOME Investment Partnership Program	14.239	07-52-HM		1,915,203
County of Contra Costa / HOME Investment Partnership Program	14.239			2,651,711
County of Cook / HOME Investment Partnership Program	14.239	00-HM-430 / 00-HM-430-731		3,467,621
County of Eldorado / HOME Investment Partnership Program	14.239	02-HOME-0613		3,000,000
County of Kern / HOME Investment Partnership Program	14.239	069-99		400,000
County of Marin / HOME Investment Partnership Program	14.239			889,450
County of Orange / HOME Investment Partnership Program	14.239			755,615
County of Riverside / HOME Investment Partnership Program	14.239	File No: 4HM-02-003		1,038,000

Mercy Housing, Inc.

Schedule of Expenditures of Federal Awards Year Ended December 31, 2018

Grantor and Program Title	Federal CFDA Number	Pass-Through Identifying Number	Direct Federal Expenditures	Pass Through Expenditures
<u>United States Department of Housing & Urban Development (HUD)</u>				
Pass Through				
County of Sacramento / Sacramento County Department of Human Assistance / Housing Opportunities for Persons with AIDS / HOPWA Loan	14.241			1,065,000
County of San Diego Department of Housing and Community Development / Housing Opportunities for Persons with AIDS HOPWA Grant	14.241			1,598,431
County of San Mateo / CDBG State Loan Program	14.228			176,797
County of San Mateo / HOME Investment Partnership Program	14.239			1,196,467
County of San Mateo / Section 108 Loan Guarantee	14.248			1,116,998
County of San Mateo/HOME Investment Partnership Program	14.239			2,608,827
Davis County Housing Authority	14.195			639,247
Davis County Housing Authority / CDBG States Program	14.228			344,414
DeKalb County, Georgia / HOME Investment Partnership Program	14.239	00-HM-430 / 00-HM-430-731		300,000
Department of Housing and Community Development of the State of California / HOME Grant CHDO	14.239	96-HOME-0223		1,337,043
El Monte Housing Authority	14.239			1,272,155
Enterprise Community Partners	14.252			95,985
Georgia Housing and Finance Authority / HOME Investment Partnership Program	14.239			6,946,974
Housing Authority of the City of Atlanta, Georgia / Hope VI	14.866			5,902,425
Housing Authority of the City of Los Angeles, California / HOME Investment Partnership Program	14.239			6,729,758
Housing Authority of the County of Dekalb Georgia/HOME Investment Partnership Program	14.239			865,997
Housing Authority of the County of Santa Cruz / HAP / Section 8	14.195			184,787
Idaho Housing and Finance Association / HOME Investments Partnership Program	14.239			1,593,163
Illinois Housing Development Authority / Section 8 New Construction and Substantial Rehabilitation	14.182			916,096
Illinois Housing Development Authority / Section 8 New Construction and Substantial Rehabilitation	14.195			983,867
Illinois Housing Development Authority / HOME Investment Partnership Program	14.239			6,072,579
Illinois Housing Development Authority / HOME Investment Partnership Program / Multifamily Program / HAP Section 8	14.195			359,080
Iowa Department of Economic Development / HOME Investment Partnership Program	14.239	00-HM-430 / 00-HM-430-731		441,023
Iowa Department of Economic Development / HOME Investment Partnership Program	14.239	M-92-SG-19-0100-400-27-04		342,141
King County Dept of Community and Human Services / HOME Investment Program	14.239			1,677,233
Omaha Housing Authority of the City of Omaha / Housing Assistance payment (HAP) Section 8	14.195			513,141
Pierce County / CDBG State Program	14.228			75,000
Pierce County Community Development / HOME Investment Program	14.239			54,461
Redevelopment Agency / City and County of San Francisco / CDBG State Program	14.228			357,660
Redevelopment Agency of Sacramento/HOME Investment Program	14.239			8,200,000
Redevelopment Agency of the City and County of San Francisco / Housing Opportunities for Persons with AIDS HOPWA Grant	14.241			4,581,149
Redevelopment Agency of the City and County of San Francisco / Housing Assistance Payment (HAP) Section 8	14.195			3,055,014
Sacramento Housing and Redevelopment Agency	14.241			7,022,000
Sacramento Housing and Redevelopment Agency	14.267			9,523
Sacramento Housing and Redevelopment Agency / HOME Investment Partnership Program	14.239			12,651,461
Sacramento Housing and Redevelopment Agency / HOME Investment Partnership Program / HAP Section 8	14.195			13,028
Sacramento Housing and Redevelopment Agency / Rural California Housing Corporation / HOME Investment Partnership Program	14.239			852,910
San Francisco Redevelopment Agency / HOPWA Capital Loan Agreement	14.241			618,054
Snohomish County / HOME Investment Partnership Program	14.239			2,313,977
State of Arizona / Department of Commerce / HOME Investment Partnership Program	14.239			150,000
State of California / Department of Housing & Community Development / Housing Opportunities for Persons with AIDS HOPWA Grant	14.241	91-HRL-PH-002		837,774
State of California/TCAP	14.258			24,705,821
State of Washington / Department of Community, Trade and Economic Development / HOME Investment Partnership Program	14.239			1,382,361
State of Washington Department of Community Trade and Economic Development (CTED) / Supportive Housing for the Elderly Direct Loan Section 202	14.157	127-EE038		404,636
State of Washington/ Department of Commerce/ Housing Division/ HOME Contracts	14.239			3,386,593
Tacoma Community Development Authority / CDBG State Program	14.195			238,075
Tacoma Community Development Authority / CDBG State Program	14.228			442,500
Tacoma Community Redevelopment Agency / HOME Investment Partnership Program	14.239			565,000
Tacoma Community Redevelopment Authority / CDBG Loan Agreement	14.228			600,000
Tacoma Community Redevelopment Authority / CDBG State Program	14.228			400,000
Tacoma Community Redevelopment Authority / CDBG State Program / HAP Section 8	14.195			162,045
The Washington State Department of Community, Trade and Economic Development (CTED)	14.195			98,708
The Washington State Department of Community, Trade and Economic Development (CTED) / HOME Investment Partnership Program	14.239			2,568,706
Thurston County / HOME Investment Partnership Program	14.239			318,116
Wisconsin Housing and Economic Development Authority / Tax Credit Assistance Program	14.258	468-0323-100-8 & 468-0210-1		1,825,586
Wisconsin Housing and Economic Development Authority / Tax Credit Assistance Program/ HAP Section 8	14.195			545,925
Omaha Housing Authority of the City of Omaha / Multi-family Assisted Housing Reform and Affordability Act	14.197	103-11014-PUR/CON-EC-FAM		4,557,710
Subtotal HUD			415,062,205	272,997,764
<u>United States Department of Treasury</u>				
Direct				
Community Development Financial Institutions Program	21.020		8,023,500	
Subtotal United States Department of Treasury			8,023,500	-
Total Expenditures of Direct and Indirect Federal Awards			\$ 449,277,982	\$ 273,919,766
Total Expenditures of Federal Awards				\$ 723,197,748

Mercy Housing, Inc.

Schedule of Expenditures of Federal Awards Year Ended December 31, 2018

Summary by CFDA Number:

		<u>Federal Expenditures</u>
USDA Rural Rental Housing Loans	10.415	\$ 23,489,103
USDA Rural Rental Assistance Payments	10.427	1,975,523
Supplemental Nutrition Assistance Program	10.551	14,751
USDA Intermediary Relending Program	10.767	712,900
HUD Interest Reduction Payments Section 236	14.103	83,253
HUD Mortgage Insurance for the Purchase Section 223(a)(7)	14.155	94,632,727
HUD Supportive Housing for the Elderly Direct Loan Section/Capital Advance Section 202/HUD Project Rental Assistance contract (PRAC) Section 202	14.157	209,090,017
HUD Supportive Housing for Persons with Disabilities Capital Advance Section 811/HUD Project Rental Assistance Contract (PRAC) Section 811	14.181	26,631,460
Preservation of Affordable Housing	14.187	11,414,014
HUD Housing Finance Agencies (HFA) Risk Sharing Loans	14.188	3,481,598
HUD Multi-Family Services Coordinator Grant	14.191	137,445
HUD Section 8 New Construction and Substantial Rehabilitation	14.182	\$ 916,096
HUD Housing Assistance Payments (HAP) Section 8	14.195	63,312,245
Subtotal Section 8 Project-Based Cluster		64,228,341
HUD Multi-Family Assisted Housing Reform & Affordability Act	14.197	12,257,710
HUD Community Development Block Grant Entitlement Grant	14.218	9,512,570
HUD Comm. Dev. Block Grant/Technical Assistance Program	14.227	63,932
HUD Community Development Block Grant/State's Program	14.228	18,009,665
HUD Supportive Housing Program - Capital Advance/Office of Community Planning & Development - Supportive Housing Program/Forgivable Loan	14.235	9,256,245
HUD Shelter Plus Care	14.238	1,301,380
HUD HOME Investment Partnership Program/HOME Grant CHDO	14.239	171,701,491
HUD Housing Opportunities for Persons with AIDS HOPWA Grant	14.241	17,802,408
HUD Community Development Block Section 108 Loan Guarantee	14.248	3,418,646
HUD Capacity Building For Affordable Housing And Community Development Grants	14.252	112,747
HUD Tax Credit Assistance Program (Recovery Act Funded)	14.258	27,931,407
Continuum of Care	14.267	1,090,488
Revitalization of Severely Distressed Public Housing (Hope VI)	14.866	5,902,425
Department of Treasury	21.020	8,023,500
Department of Energy Weatherization Assistance Program (WAP)	81.042	750,000
Department of Health and Human Services for Children and Families	93.558	70,316
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	76,692
State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health financed in part by Prevention and Public Health Funding	93.757	24,994
		<u>\$ 723,197,748</u>

See Notes to Schedule of Expenditures of Federal Awards.

Mercy Housing, Inc.

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2018

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mercy Housing, Inc., under programs of the federal government for the year ended December 31, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mercy Housing, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mercy Housing, Inc. The financial statements of certain subsidiaries and affiliates included in the consolidated financial statements were not audited in accordance with *Government Auditing Standards* as they are not subject to the requirements under the Uniform Guidance.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations" and the cost principles contained in the Uniform Guidance. Mercy Housing, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Loan and capital advance program

Mercy Housing, Inc. has received direct loans and capital grant advances under multiple federal programs as listed below. The loan balances outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Mercy Housing, Inc. received additional loans during the year. The balance of the loans outstanding at December 31, 2018 consists of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2018
10.415	USDA Rural Rental Housing Loans	\$ 20,563,867
10.767	USDA Intermediary Relending Program	\$ 633,098
14.103	HUD Interest Reduction Payments Section 236	\$ 80,990
14.155	HUD Mortgage Insurance for the Purchase Section 223(a)(7)	\$ 93,729,515
14.157	HUD Supportive Housing for the Elderly Direct Loan Section/Capital Advance Section 202/HUD Project Rental Assistance contract (PRAC) Section 202	\$ 183,868,565
14.181	HUD Supportive Housing for Persons with Disabilities Capital Advance Section 811/HUD Project Rental Assistance Contract (PRAC) Section 811	\$ 13,327,250
14.182	HUD Section 8 New Construction and Substantial Rehabilitation	\$ 949,933
14.187	Preservation of Affordable Housing	\$ 11,414,014
14.188	HUD Housing Finance Agencies (HFA) Risk Sharing Loans	\$ 3,277,979
14.218	HUD Community Development Block Grant Entitlement Grant	\$ 9,603,579
14.227	HUD Comm. Dev. Block Grant/Technical Assistance Program	\$ 63,932
14.228	HUD Community Development Block Grant/State's Program	\$ 17,870,487
14.235	HUD Supportive Housing Program - Capital Advance/Office of Community Planning & Development - Supportive Housing Program/Forgivable Loan	\$ 4,820,943
14.239	HUD HOME Investment Partnership Program/HOME Grant CHDO	\$ 171,485,325
14.241	HUD Housing Opportunities for Persons with AIDS HOPWA Grant	\$ 9,970,104
14.248	HUD Community Development Block Section 108 Loan Guarantee	\$ 3,485,336
14.252	HUD Capacity Building For Affordable Housing And Community Development Grants	\$ 95,985

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

To the Board of Directors
Mercy Housing, Inc.

We have audited, 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, the financial statements of Mercy Housing, Inc., which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon April 18, 2019 which includes an emphasis of matter paragraph on page 3. The financial statements of certain subsidiaries and affiliates were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these subsidiaries and affiliates.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mercy Housing, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mercy Housing, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Mercy Housing, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Mercy Housing, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mercy Housing, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mercy Housing, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mercy Housing, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charlotte, North Carolina
April 18, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Mercy Housing, Inc.

Report on Compliance for Each Major Federal Program

We have audited Mercy Housing, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mercy Housing, Inc.'s major federal programs for the year ended December 31, 2018. Mercy Housing, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mercy Housing, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mercy Housing, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mercy Housing, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Mercy Housing, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of Mercy Housing, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mercy Housing, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report

on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mercy Housing, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charlotte, North Carolina
April 18, 2019

Mercy Housing, Inc.

**Schedule of Findings and Questioned Costs
December 31, 2018**

Summary of auditor's results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Mercy Housing, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Mercy Housing, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Mercy Housing, Inc. expresses an unmodified opinion on all major federal programs.
6. There are no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.
7. The programs tested as major programs were:

Rural Rental Assistance Payments	10.427
Supportive Housing for the Elderly (Section 202)	14.157
Housing Finance Agencies (HFA) Risk Sharing	14.188
Multifamily Assisted Housing Reform and Affordability Act	14.197
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Shelter Plus Care	14.238
Housing Opportunities for Persons with AIDS	14.241
Continuum of Care Program	14.267
Community Development Financial Institutions Program	21.020
8. The threshold for distinguishing Type A and B programs was \$3,000,000.
9. Mercy Housing, Inc. was determined to be a low-risk auditee.

Mercy Housing, Inc.

**Schedule of Findings and Questioned Costs
December 31, 2018**

A. Findings - Financial Statements Audit

None.

B. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

C. Status of Prior Year Findings and Questioned Costs

None.



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