

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

Hauppauge, New York

COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

INCLUDING INDEPENDENT AUDITORS' REPORT

As of and for the Years Ended December 31, 2015 and 2014

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

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## **COMBINED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Long Island Housing Partnership, Inc. and Affiliates, which comprise the combined statements of financial position as of December 31, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

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

## **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Long Island Housing Partnership, Inc. and Affiliates as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### **Report on Combining and Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining and supplementary information on pages 16 to 23 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining and supplementary information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Melville, New York  
April 27, 2016

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

**Combined Statements of Financial Position**

<i>As of December 31,</i>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 8,090,452	\$ 11,184,100
Investments	3,978,086	-
Accounts Receivable, net of allowance	697,390	1,030,431
Due from Escrow Agent	9,498	34,735
Prepaid Expenses and Other	50,373	41,393
Notes Receivable	303,483	315,807
Capitalized Project Costs	3,629,312	4,550,581
Fixed Assets, net	164,391	129,613
Total Assets	<u>\$ 16,922,985</u>	<u>\$ 17,286,660</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 385,720	\$ 696,968
Funds held as program agent	2,562,493	3,297,250
Project grant advances	2,636,148	3,080,011
Home buyers' deposits held in escrow	9,498	34,735
Deferred revenue	21,000	18,000
Construction reserve	196,020	124,222
Loans payable	840,000	865,000
Total Liabilities	<u>6,650,879</u>	<u>8,116,186</u>
Commitments and Contingencies		
Net Assets:		
Unrestricted	9,217,881	8,185,754
Temporarily restricted	1,038,725	969,220
Permanently restricted	15,500	15,500
Total Net Assets	<u>10,272,106</u>	<u>9,170,474</u>
Total Liabilities and Net Assets	<u>\$ 16,922,985</u>	<u>\$ 17,286,660</u>

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

**Combined Statements of Activities and Changes in Net Assets**

<i>For the Years Ended December 31,</i>	<b>2015</b>	<b>2014</b>
<b>Changes in Unrestricted Net Assets</b>		
Support and Revenue:		
Contributions	\$ 1,194,080	\$ 365,608
Receipts and government grants on transfer of homes	2,412,776	3,167,443
Government grants	435,426	512,206
Special events	120,295	83,800
Direct expenses of special events	(34,079)	(15,404)
Mortgage counseling	163,397	151,983
Technical assistance program	499,641	636,003
Interest and dividends	30,773	15,105
Realized and unrealized losses	(39,432)	-
Other income	293,735	270,046
Net assets released from restrictions:		
Satisfaction of program restrictions	494,477	789,869
Total Support and Revenue	<u>5,571,089</u>	<u>5,976,659</u>
Expenses:		
Program services:		
Project costs	1,782,850	2,601,251
Program support services	1,832,729	1,787,549
Supporting services:		
Management and general	891,084	958,442
Fundraising	32,299	38,088
Total Expenses	<u>4,538,962</u>	<u>5,385,330</u>
Increase in Unrestricted Net Assets	<u>1,032,127</u>	<u>591,329</u>
Changes in Temporarily Restricted Net Assets:		
Grants	563,982	406,866
Net assets released from restrictions	(494,477)	(789,869)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>69,505</u>	<u>(383,003)</u>
Increase in Net Assets	1,101,632	208,326
Net Assets, beginning of year	9,170,474	8,962,148
Net Assets, end of year	<u>\$ 10,272,106</u>	<u>\$ 9,170,474</u>

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Combined Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<b>2015</b>	<b>2014</b>
Cash Flows from Operating Activities:		
Changes in net assets	<b>\$ 1,101,632</b>	<b>\$ 208,326</b>
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	<b>46,006</b>	36,330
Realized and unrealized losses	<b>39,432</b>	-
Change in allowance for doubtful accounts	<b>15,000</b>	47,000
Provision for deferred rent	<b>10,226</b>	13,128
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	<b>318,041</b>	(31,413)
Due from escrow agent	<b>25,237</b>	20,977
Prepaid expenses and other	<b>(8,980)</b>	(1,253)
Capitalized project costs	<b>921,269</b>	1,022,263
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<b>(321,474)</b>	(157,413)
Funds held as program agent	<b>(734,757)</b>	1,134,924
Project grant advances	<b>(443,863)</b>	(944,673)
Home buyers' deposits held in escrow	<b>(25,237)</b>	(20,977)
Deferred revenue	<b>3,000</b>	18,000
Construction reserve	<b>71,798</b>	124,222
Total adjustments	<b>(84,302)</b>	1,261,115
Net Cash Provided by Operating Activities	<b>1,017,330</b>	1,469,441
Cash Flows from Investing Activities:		
Purchases of investments	<b>(4,026,750)</b>	-
Sales of investments	<b>9,232</b>	-
Repayments of notes receivable	<b>12,324</b>	95,659
Purchase of fixed assets	<b>(80,784)</b>	(91,038)
Net Cash (Used in) Provided by Investing Activities	<b>(4,085,978)</b>	4,621
Cash Flows from Financing Activities:		
Repayments of loans payable	<b>(25,000)</b>	(148,442)
Net Cash Used in Financing Activities	<b>(25,000)</b>	(148,442)
Net (Decrease) Increase in Cash and Cash equivalents	<b>(3,093,648)</b>	1,325,620
Cash and Cash Equivalents, beginning of year	<b>11,184,100</b>	9,858,480
Cash and Cash Equivalents, end of year	<b>\$ 8,090,452</b>	<b>\$ 11,184,100</b>



# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

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### 1. Description of Organization and Summary of Significant Accounting Policies

Long Island Housing Partnership, Inc. and its affiliated entities, Long Island Partnership Housing Development Fund Company, Inc., Nassau/Suffolk Partnership Housing Development Fund Company, Inc., Long Island Partnership Community Development Corporation, Community Development and Disaster Relief Corporation and Long Island Housing Partnership Community Development Financial Institution, Inc. and HG Housing Development Fund Company, Inc. are not-for-profit corporations. Two other entities (wholly-owned subsidiaries of Long Island Housing Partnership, Inc.), Long Island Senior Citizen Housing at Broadway West, Inc., and Long Island Senior Housing at Medford Landing, Inc., are for-profit corporations. The individual entities have certain directors in common and share common facilities and personnel. Long Island Housing Partnership, Inc. is reimbursed by its affiliated entities for managerial and administrative support services, including salaries and occupancy costs, based upon services rendered by common personnel and usage of common facilities.

Long Island Housing Partnership, Inc. ("LIHP") was created to address the need for and to provide affordable housing opportunities on Long Island for those who are unable to afford homes, through development, technical assistance, mortgage counseling, home buyer education, and lending programs.

Long Island Partnership Housing Development Fund Company, Inc. ("LIPHDFC") was formed for the purpose of acquiring and holding title to land from government and private sources, securing financing through various government and private grants for predevelopment and construction activities, constructing homes, and transferring land and completed units to home buyers.

Nassau/Suffolk Partnership Housing Development Fund Company, Inc. ("NSPHDFC") was organized exclusively to develop housing for persons of low income where no adequate housing exists for such persons in Nassau and/or Suffolk Counties, New York. This corporation is designated as a Community Housing Development Organization ("CHDO"), as defined in Federal Regulations.

Long Island Partnership Community Development Corporation ("LIPCDC") was created to develop, promote, and facilitate employment, business, and educational and housing opportunities (including securing financing through various government grants for the development and construction of homes to be transferred to home buyers) for low income residents of Suffolk County, New York, and to administer various state and federally funded programs on behalf of local municipalities.

Community Development and Disaster Relief Corporation ("CDDRC") was formed to promote and support, financially and administratively, community development and redevelopment programs, including disaster relief, for the construction of new single and multi-family homes, rehabilitation of existing residences and construction and rehabilitation of community buildings and related infrastructure, through cooperation with local, state and federal levels of government and private partners.

Long Island Housing Partnership Community Development Financial Institution, Inc. ("CDFI") was created to lessen the burdens of government and to enhance the wellbeing of communities by increasing the supply of newly constructed and rehabilitated residences (homeownership and/or rental) for community development or redevelopment programs. CDFI's mission will be met primarily through the issuance of construction, predevelopment and permanent financing loans and ancillary development services for the development of affordable housing in eligible target markets (investment areas with poverty rates of at least 20%) in Nassau and Suffolk Counties, New York.

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

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HG Housing Development Fund Company, Inc. ("HGHDFC") was created as a single-purpose entity. HGHDFC holds a nominal membership interest in an umbrella tax credit entity, Highland Green Residence, LLC ("HGR LLC"). HGR LLC was organized exclusively to develop, finance, construct and maintain the Highland Green Project ("HG Project"), a 118-unit affordable limited-equity cooperative development in Suffolk County. In connection with the HG Project, HGHDFC holds fee title to real property, as nominee for the beneficial owner, HGR LLC. HGHDFC does not control the development, construction or operation of the HG Project or the business affairs of the HGR LLC, and has provided no guarantees related to any construction and subsidy financing associated with the HG Project.

Long Island Senior Citizen Housing at Broadway West, Inc. ("LISCHBW"), under a Limited Partnership agreement, acts as co-general partner of Broadway West, L.P. (the partnership), which has constructed two developments aggregating 114 rental units for low-income senior citizens in Brentwood, Town of Islip, New York.

Long Island Senior Housing at Medford Landing, Inc. ("LISHML"), under a Limited Partnership agreement, acts as co-general partner of Medford Landing, L.P. (the partnership), which has constructed a development of 112 rental units for low-income senior citizens in Medford, Town of Brookhaven, New York.

**Principles of combination** - The combined financial statements reflect the financial position and changes in net assets and cash flows of LIHP consolidated (LIHP and its wholly-owned subsidiaries, LISCHBW and LISHML) and its affiliated entities, LIPHDFC, NSPHDFC, LIPCDC, CDDRC, CDFI and HGHDFC ("LIHP and Affiliates"). All intercompany transactions have been eliminated.

The consolidation of the wholly-owned subsidiaries in LIHP resulted in an increase in unrestricted net assets of approximately \$167,000 and \$170,000 in 2015 and 2014, respectively.

**Basis of accounting** - The combined financial statements are prepared on the accrual basis in accordance with United States generally accepted accounting principles.

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

**Revenue recognition** - Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

LIHP and Affiliates report contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets, as net assets released from restriction. Donor restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated that such restrictions will be met in the current reporting period.

Receipts and government grants on transfer of homes represent the cost of homes built or renovated. Revenue is recognized at the time a unit is transferred to a home buyer.

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

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**Tax status** - LIHP and its affiliated entities, LIPHDFC, NSPHDFC, LIPCDC, CDDRC and CDFI are not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and qualify as not-for-profit organizations under New York State law. No provision for federal or state income taxes is required.

HGHDFC is a New York State not-for-profit organization exempt from New York State income taxes. No provision for federal or state income taxes is required.

LISCHBW and LISHML are for-profit corporations. Provisions for federal and state income taxes have been included in management and general expenses in the combined financial statements.

**Investments** - Investments, consisting primarily of fixed income securities and equities are carried at fair value. Investments subject to the provisions of Accounting Standards Update 2009-12, "*Investments in Certain Entities That Calculate Net Asset Value per Share*", with no readily determinable fair values are recorded at net asset value per share as a practical expedient to estimating fair value. Gains and losses on investments are reported in the combined statements of activities and changes in net assets as increases and decreases in unrestricted net assets unless their use is temporarily restricted by explicit donor stipulation or by law.

**Fixed assets** - Fixed assets consist of furniture, equipment, leasehold improvements, and computer software which are recorded at cost. Depreciation of furniture and equipment is provided over the estimated useful lives (ranging from three to ten years) of the assets using the straight-line method. Amortization of leasehold improvements is provided over the shorter of their useful lives or the remainder of the lease period using the straight-line method. Amortization of software development costs is provided over five years, the estimated useful lives of the software programs. Upon disposal, the cost and related accumulated depreciation or amortization is removed from the respective accounts and any resulting gain or loss is included in revenues or expenses.

**Deferred revenue** - Deferred revenue represents fees that have been received by LIHP for monitoring services. Monitoring fees are earned proportionately on an annual basis over the term of the monitoring period, up to 120 months. Amounts not yet earned by the end of the fiscal year are reported as deferred revenue.

**Donated services, property and interest** - Donated services and property are recorded at estimated fair value when received. For funds borrowed by LIHP and Affiliates at no or below fair value interest rate, donated interest income is included in contributions and offset by imputed interest expense, included in project costs/program expenses. Interest is calculated using the borrowing rate of LIHP and Affiliates.

**Capitalized project costs** - Costs related to the construction or renovation of homes are capitalized until such time as they are transferred to home buyers. Indirect costs for construction projects are also capitalized until transferred to home buyers.

**Statements of cash flows** - For purposes of the combined statements of cash flows, LIHP and Affiliates consider all highly liquid debt instruments with an original maturity of three months or less, when purchased, to be cash equivalents.

**Concentration of credit risk** - Financial instruments which potentially subject LIHP and Affiliates to concentrations of credit risk consist of cash accounts in high credit quality financial institutions. From time to time, the cash balances exceed the Federal Deposit Insurance Corporation coverage limit.

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

**Allowance for doubtful accounts** - Periodically, the accounts receivable and notes receivable balances are reviewed and evaluated as to their collectability. If necessary, an allowance is recorded based on these evaluations. A receivable balance is considered past due once it has not been received by its scheduled due date. As of December 31, 2015 and 2014, LIHP accounts receivable were shown net of an allowance of approximately \$62,000 and \$47,000, respectively.

**Uncertain tax positions** - Management has evaluated LIHP and Affiliates' tax positions and concluded that LIHP and Affiliates have not taken any uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of Accounting Standards Codification 740. Generally, LIHP and Affiliates are no longer subject to income tax examination by federal, state or local tax authorities for years before 2012, which is the standard statute of limitations look-back period.

**Reclassifications** - Certain 2014 amounts have been reclassified to conform with the 2015 presentation.

**Subsequent events** - LIHP and Affiliates have evaluated all subsequent events from the date of the combined statements of financial position through April 27, 2016, which represents the date these combined financial statements are available to be issued. There were no events or transactions occurring during the subsequent event reporting period which require recognition or disclosure in the combined financial statements.

## 2. Fair Value Measurements

The following tables represent the fair value hierarchy for the LIHP and Affiliate's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

The LIHP and Affiliates invested in open-end dynamic asset allocation funds (the "Funds") that had no readily determinable fair value. The Funds were recorded at net asset value, which represented fair value, and were based on the values provided by the general partner/funds manager of the Funds. The Funds' investment objectives are to moderate the volatility of equity and fixed income oriented asset allocations over the long term. The Funds may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide investment exposure to a variety of asset classes. At December 31, 2015, the Funds did not have any unfunded commitments and had a total net asset value of approximately \$1,195.

The following tables represent the fair value hierarchy for the LIHP and Affiliate's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015:

<i>Description</i>	Total Fair Value at December 31, 2015	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash	\$ 7,555	\$ 7,555	\$ -	\$ -
Bonds	1,953,022	1,953,022	-	-
Equity securities	822,370	822,370	-	-
Open-end dynamic asset allocation funds	1,195,139	-	1,195,139	-
	<u>\$ 3,978,086</u>	<u>\$ 2,782,947</u>	<u>\$ 1,195,139</u>	<u>\$ -</u>

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

Realized and unrealized losses include the following:

*Year Ended December 31, 2015*

Unrealized Loss	\$ (38,940)
Realized Loss	(492)
Total	\$ (39,432)

### 3. Capitalized Project Costs

Capitalized project costs consist of the following:

<i>December 31,</i>	<b>2015</b>	2014
Neighborhood Stabilization Program (a)	\$ 2,405,761	\$ 3,283,401
Islip VIII - Cortland Square (b)	-	87,605
Inwood (c)	19,431	19,431
Other (d)	1,204,120	1,160,144
	\$ 3,629,312	\$ 4,550,581

(a) **Neighborhood Stabilization Program** - LIHP and Affiliates were awarded federal funds for the purchase and rehabilitation of foreclosed and abandoned homes on Long Island, New York, which are to be transferred to eligible home buyers. 4 units and 8 units were transferred to eligible home buyers in 2015 and 2014, respectively.

(b) **Islip VIII - Cortland Square** - NSPHDFC completed the sale of 40 units of a 40 unit affordable condominium development project in the Town of Islip, New York. Prior to 2015, NSPHDFC received land valued at \$1,000,000 from the Town of Islip Community Development Agency ("TOICDA") which was recorded as a loan payable until the units were transferred to eligible home buyers. As of December 31, 2014, the balance of the loan payable was \$25,000. There was no amount outstanding as of December 31, 2015.

In 2011, NSPHDFC received \$1,500,000 from Suffolk County to be used to reduce the cost of each unit for eligible home buyers. In addition, \$638,000 of Federal Home Investment Partnerships Program ("HOME") funds, \$1,300,000 of New York State ("NYS") Affordable Housing Corporation ("AHC") funds, \$650,000 of NYS Homeownership and Economic Stabilization for Long Island Program ("HELP") funds, and \$1,000,000 from Town of Islip Affordable Housing Fund were committed to reduce the cost of some or all of the units to be constructed. 1 unit was transferred to an eligible home buyer in both 2015 and 2014, respectively.

(c) **Inwood** - NSPHDFC was awarded \$440,000 by Nassau County and a grant of \$160,000 by the NYS AHC to reduce the cost of four units in Nassau County, New York, to eligible home buyers. The final unit was transferred to an eligible home buyer in 2014.

(d) **Other** - Includes predevelopment costs, principally for several Partnerships for New Homes Programs - Islip IX, North Bellport V, Brookhaven, Mastic/Shirley and Southampton scattered sites.

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

**Notes to Combined Financial Statements**

*As of and for the Years Ended December 31, 2015 and 2014*

**4. Fixed Assets**

Fixed assets consist of the following:

<i>December 31,</i>	<b>2015</b>	<b>2014</b>
Furniture and Equipment	\$ 240,673	\$ 229,416
Leasehold Improvements	306,899	301,224
Computer Software	115,152	115,152
	<b>662,724</b>	645,792
Less Accumulated Depreciation and Amortization	498,333	516,179
	<b>\$ 164,391</b>	<b>\$ 129,613</b>

**5. Funds Held as Program Agent**

LIHP and Affiliates are holding funds which will be paid out to beneficiaries participating in the respective programs. Funds held as program agent consist of the following:

<i>December 31,</i>	<b>2015</b>	<b>2014</b>
Neighborhood Stabilization Program ("NSP")	\$ 723,126	\$ 1,251,823
Smart Growth Development and Community Stabilization Program ("HELP Phase II")	1,248,398	1,552,044
Homeownership and Economic Stabilization for Long Island Program ("HELP Phase I")	264,750	174,750
Nassau County Down Payment Assistance Program	238,156	190,706
Employer Assisted Housing Program	71,827	127,927
New York State Affordable Housing Corporation Home Improvement Program ("NYS AHC HIP")	16,236	-
	<b>\$ 2,562,493</b>	<b>\$ 3,297,250</b>

**6. Project Grant Advances**

Project grant advances are funds received from various funding sources for which the related project services have not yet been completed. Project grant advances consist of the following:

<i>December 31,</i>	<b>2015</b>	<b>2014</b>
Neighborhood Stabilization Program ("NSP")	\$ 1,802,050	\$ 2,997,794
Islip VIII - Cortland Square	-	3,005
Homeowner Protection Program ("HOPP")	264,465	79,212
Suffolk County Scattered Sites	264,633	-
Islip Housing Authority Stabilization Program	305,000	-
	<b>\$ 2,636,148</b>	<b>\$ 3,080,011</b>

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

### 7. Loans Payable

Loans payable consist of the following:

<i>December 31,</i>	<b>2015</b>	<b>2014</b>
New York State Housing Development Fund Loan (a)	\$ 840,000	\$ 840,000
Town of Islip Community Development Agency (b)	-	25,000
	<b>\$ 840,000</b>	<b>\$ 865,000</b>

- (a) Loan provided to LIPHDFC to finance predevelopment costs under a disbursement agreement with New York State DHCR. In December 2004, LIPHDFC executed a loan agreement to provide interim financing of up to \$300,000, to another unaffiliated not-for-profit corporation, to develop an affordable housing project. At December 31, 2015 and 2014, non-interest-bearing notes receivable for \$300,000 were collateralized by a mortgage on the development property. The due date of the loan is December 2018.
- (b) Cortland Square land received from TOICDA, to be released upon transfer of units to eligible home buyers. The last unit was transferred to an eligible home buyer in 2014.

### 8. Line of Credit

In December 2014, CDFI closed on a three year, unsecured, revolving line of credit agreement with a bank in the amount of \$1,000,000, guaranteed by NSPHDFC. The line will be used as capital to fund anticipated CDFI pre-development loans on affordable housing projects controlled by LIHP and its affiliated entities. Borrowings on the line accrue interest at an annual fixed rate of 2%. At December 31, 2015 and 2014, there were no borrowings on the line of credit.

### 9. Net Assets

Temporarily restricted net assets are available for the following program activities:

<i>December 31,</i>	<b>2015</b>	<b>2014</b>
Home Ownership Development - Education, Training and Development	\$ 531,069	\$ 461,564
HEMAP Program - Gap Mortgage Payment Assistance (a)	453,252	453,252
Regional Lending Consortium Activities - Administration	54,404	54,404
	<b>\$ 1,038,725</b>	<b>\$ 969,220</b>

- (a) The HEMAP program provides gap mortgage payment assistance to homeowners (not to exceed \$20,000 to a qualified applicant) who have suffered financial hardship beyond their control. The HEMAP program shall utilize at least 80% of the funds to provide short-term revolving loans to qualified applicants, and for the remaining 20% of the funds, the program may issue soft mortgages to qualified applicants (so that applicants may avoid foreclosure). Funds advanced under the program are subject to recapture upon the sale, rental, or refinancing of the home or upon the failure to occupy the home as a principal residence. Funds advanced under the program aggregated approximately \$47,000 at December 31, 2015 and 2014, and are subject to recapture.

Permanently restricted net assets of \$15,500 represent endowment funds, the income of which are unrestricted and support operations once appropriated for expenditures.

## **Notes to Combined Financial Statements**

*As of and for the Years Ended December 31, 2015 and 2014*

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### **10. Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. For the years ended December 31, 2015 and 2014, net assets released from restrictions related to home ownership development, education, and training programs, aggregated approximately \$494,500 and \$790,000, respectively.

### **11. Pension Plan**

Effective January 1, 2011, LIHP established a 403(b) Thrift Plan (the "Plan"). All employees with at least 1,000 hours and one year of continuous service, who are at least 21 years of age, are eligible to participate. Benefits are fully vested after three years. The Plan provides for a matching contribution up to 4% of salary, and an additional discretionary non-matching annual contribution, as approved by the board of directors. In 2015 and 2014, LIHP contributed 3% of participants' salaries (approximately \$41,000 and \$36,400, respectively) in discretionary contributions.

### **12. Donated Services**

Donated professional services included in the combined statements of activities and changes in net assets as contributions and expenses were \$47,302 and \$64,352 for the years ended December 31, 2015 and 2014, respectively.

### **13. Commitments and Contingencies**

**Highland Green Project ("HG Project")** - LIHP established HG Housing Development Fund Company, Inc. ("HGHDFC"), a new non-profit affiliate in connection with the HG Project, a 118 unit affordable limited-equity cooperative complex in Suffolk County. In December 2014, HGR LLC and a third-party co-developer closed on the real property purchase and related construction and subsidy financing. Pursuant to a Declaration of Interest and Nominee Agreement between HGR LLC and HGHDFC, HGHDFC holds title to the property solely as a nominee for HGR LLC, but holds no equitable, beneficial or other interest in the property acquired. Therefore, the property is not listed as an asset in the accompanying combined statements of financial position. As of December 31, 2014, LIHP, as co-developer on the project, earned \$87,000 in developer fees related to the project, which is included in other income in the accompanying combined statements of activities and changes in net assets. HGHDFC also received \$1,000,000 in HELP Phase II funds to be released upon the transfer of units to eligible buyers. The \$1,000,000 is reflected in Funds held as program agent in the accompanying combined statements of financial position.

**Employer Assisted Housing Program ("EAHP")** - EAHP assists Long Island businesses to recruit and retain qualified employees by providing financial assistance and housing counseling to eligible employees. LIHP was awarded a grant of \$1,750,000 in June 2010, an additional \$1,750,000 in February 2012, and an additional \$1,760,000 in October 2013 by the NYS AHC to assist these employees by providing down payment assistance of \$5,000 and rehabilitation funds up to \$15,000 to each of the eligible participants. At December 31, 2015 and 2014, funds advanced under the program aggregated approximately \$5,169,400 and \$4,423,500, respectively.

**Homeownership and Economic Stabilization for Long Island Program ("HELP Phase I")** - In October 2006, LIHP was awarded a New York Economic Development Capital Program ("NYEDCP") grant of \$25,000,000 to administer the HELP Phase I program. Funds advanced under either component of the HELP Phase I program are subject to recapture over the grant period upon the sale, rental, or refinancing of the home or upon the failure to occupy the home as a principal residence. At December 31, 2015 and 2014, funds advanced under the program, aggregating approximately \$18,324,800 and \$16,916,500, respectively, are subject to recapture.



# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

The HELP Phase I program has two components:

1. Employer Assisted Housing Program:

An employer with one or more non-related employees who has or creates a recognized housing assistance benefit program as part of an employee benefit package may receive matching funds from HELP for each of their qualified employees.

2. Smart Growth Development Assistance for Workforce Housing Program:

Any developer building five or more workforce homes in downtown areas, hamlet centers, or redeveloped properties using "Smart Growth" principles can obtain a grant of up to \$25,000 (per home).

**Neighborhood Stabilization Program ("NSP")** - The Neighborhood Stabilization Program is a U.S. Department of Housing and Urban Development ("HUD") funded program which provides for the purchase and rehabilitation of homes in targeted communities on Long Island, New York. In 2009, LIHP and Affiliates was awarded a total of approximately \$10,403,000 by various state and local municipalities. At December 31, 2015 and 2014, outstanding funds advanced under this program aggregated approximately \$1,967,500 and \$2,743,000, respectively.

**HELP Phase II Smart Growth Development and Community Stabilization Program ("HELP Phase II")** - In April 2008, LIHP was awarded a grant of \$6,000,000 for this program as a component of the existing HELP program, through a Memorandum of Understanding with the New York State Housing Finance Agency ("HFA"). Funds advanced under HELP Phase II are subject to a recapture provision in the event of sale, refinance or failure to occupy the home as a principal residence. Grants of up to \$50,000 are given for community stabilization projects, providing qualified applicants with down payment assistance, as well as funds for the rehabilitation of homes purchased. Grants of \$25,000 per home are available for qualified applicants purchasing homes within a smart growth development. At December 31, 2015 and 2014, funds disbursed under the program, aggregating \$3,370,850 and \$2,286,000, respectively, are subject to recapture.

**Operating lease** - LIHP and Affiliates lease office space under an operating lease expiring in 2023. The lease provides for escalations for certain operating expenses and real estate taxes, and scheduled base rent increases over the lease term. Rent expense is recognized on a straight-line basis over the term of the lease. Minimum future rental payments under the lease are approximately as follows:

*Years Ending December 31,*

2016	\$	78,000
2017		82,000
2018		85,000
2019		88,000
2020		92,000
Thereafter		254,000
	\$	<u>679,000</u>

Rent expense (including charges for operating expenses) amounted to approximately \$99,000 and \$101,000 in 2015 and 2014, respectively.

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Notes to Combined Financial Statements

*As of and for the Years Ended December 31, 2015 and 2014*

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**Notes and mortgages** - In December, 2008, TOICDA transferred to NSPHDFC nine parcels of land in consideration of a nominal fee, for the construction of affordable homes in the Town of Islip. In connection therewith, NSPHDFC entered into nine separate non-interest-bearing grant enforcement non-recourse notes payable and mortgage agreements with TOICDA (collateralized by the land) in the aggregate amount of \$900,000. At closings, when the homes are transferred to eligible home buyers, the related grant enforcement notes payable and mortgage agreements will be cancelled. The eligible home buyers will concurrently enter into replacement grant enforcement notes payable and mortgage agreements with TOICDA, in an amount representing the recapture obligation, as defined by TOICDA. If NSPHDFC does not construct homes on the land, the parcels revert to TOICDA and the notes will be satisfied and the mortgages released. The combined financial statements at December 31, 2015 and 2014 do not include the land and the notes payable (\$900,000), as the notes payable represent the recapture obligation, which is cancelled upon transfer of homes by NSPHDFC to the eligible home buyers.

Under the Federal Home Loan Bank ("FHLB") Affordable Housing Program, LIHP, as Broadway West, L.P.'s ("BW") project sponsor, has received Affordable Housing Program subsidies (conditional grants) in the amounts of approximately \$1,283,000 from a member bank, that it has passed on (as required by the FHLB) to BW for the development of two senior rental projects, Broadway West I and Broadway West II, respectively. At December 31, 2015 and 2014, the member bank is holding two non-interest-bearing notes, executed by LIHP, which are collateralized by BW's projects' real estate and mature on April 30, 2016 (approximately \$758,000) and August 31, 2017 (\$525,000). The grant funds are subject to recapture by FHLB, if the projects are not maintained as affordable housing for 15 years, at the end of which period, the notes shall be deemed satisfied and the mortgages released.

**Litigation** - LIHP and Affiliates are subject to lawsuits and claims with respect to matters arising in the normal course of business. All claims have been forwarded to the insurance carriers' counsel for disposition. In the opinion of management, the ultimate liabilities, if any, from these lawsuits and claims will not materially affect the combined financial position of LIHP and Affiliates. Nevertheless, due to the uncertainty of the settlement process, management's view of the outcome may be modified in the future.

## **SUPPLEMENTARY INFORMATION**

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Combining Statement of Financial Position

As of December 31, 2015

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
<b>Assets</b>									
Cash and Cash Equivalents	\$ 2,709,335	\$ 2,036,801	\$ 1,027,803	\$ 164,810	\$ 500	\$ 1,149,955	\$ 1,001,248	\$ -	\$ 8,090,452
Investments	3,978,086	-	-	-	-	-	-	-	3,978,086
Accounts Receivable, net of allowance	363,434	283,392	35,000	-	18,253	420	-	3,109	697,390
Interest in Net Assets of Recipient	-	59,192	-	-	-	-	-	59,192	-
Due from Affiliates	-	524,245	2,703,146	-	-	-	-	3,227,391	-
Due from Escrow Agent	-	9,498	-	-	-	-	-	-	9,498
Prepaid Expenses and Other	26,817	18,780	3,108	1,668	-	-	-	-	50,373
Notes Receivable	300,000	-	-	-	-	3,483	-	-	303,483
Capitalized Project Costs	2,367	2,867,475	74,124	685,346	-	-	-	-	3,629,312
Fixed Assets, net	164,391	-	-	-	-	-	-	-	164,391
<b>Total Assets</b>	<b>\$ 7,544,430</b>	<b>\$ 5,799,383</b>	<b>\$ 3,843,181</b>	<b>\$ 851,824</b>	<b>\$ 18,753</b>	<b>\$ 1,153,858</b>	<b>\$ 1,001,248</b>	<b>\$ 3,289,692</b>	<b>\$ 16,922,985</b>
<b>Liabilities and Net Assets</b>									
Liabilities:									
Accounts payable and accrued expenses	\$ 301,993	\$ 53,962	\$ 20,952	\$ 3,512	\$ 3,662	\$ 3,500	\$ 1,248	\$ 3,109	\$ 385,720
Funds held as program agent	839,367	723,126	-	-	-	-	1,000,000	-	2,562,493
Project grant advances	264,465	1,802,050	-	569,633	-	-	-	-	2,636,148
Due to affiliates	2,983,011	-	-	119,021	11,263	114,096	-	3,227,391	-
Home buyers' deposits held in escrow	-	9,498	-	-	-	-	-	-	9,498
Deferred revenue	21,000	-	-	-	-	-	-	-	21,000
Construction reserve	-	175,645	-	20,375	-	-	-	-	196,020
Loans payable	-	840,000	-	-	-	-	-	-	840,000
<b>Total Liabilities</b>	<b>4,409,836</b>	<b>3,604,281</b>	<b>20,952</b>	<b>712,541</b>	<b>14,925</b>	<b>117,596</b>	<b>1,001,248</b>	<b>3,230,500</b>	<b>6,650,879</b>
Net Assets:									
Unrestricted	2,080,369	2,135,910	3,822,229	139,283	3,828	981,858	-	(54,404)	9,217,881
Temporarily restricted	1,038,725	59,192	-	-	-	54,404	-	113,596	1,038,725
Permanently restricted	15,500	-	-	-	-	-	-	-	15,500
<b>Total Net Assets</b>	<b>3,134,594</b>	<b>2,195,102</b>	<b>3,822,229</b>	<b>139,283</b>	<b>3,828</b>	<b>1,036,262</b>	<b>-</b>	<b>59,192</b>	<b>10,272,106</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,544,430</b>	<b>\$ 5,799,383</b>	<b>\$ 3,843,181</b>	<b>\$ 851,824</b>	<b>\$ 18,753</b>	<b>\$ 1,153,858</b>	<b>\$ 1,001,248</b>	<b>\$ 3,289,692</b>	<b>\$ 16,922,985</b>

See independent auditors' report.

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# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Combining Statement of Financial Position

As of December 31, 2014

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
<b>Assets</b>									
Cash and Cash Equivalents	\$ 3,355,296	\$ 2,695,944	\$ 3,843,188	\$ 139,128	\$ 500	\$ 150,000	\$ 1,000,044	\$ -	\$ 11,184,100
Accounts Receivable, net of allowance	414,651	580,360	35,000	-	1,389	420	-	1,389	1,030,431
Interest in Net Assets of Recipient	-	63,573	-	-	-	-	-	63,573	-
Due from Affiliates	170,579	71,869	-	-	-	-	-	242,448	-
Due from Escrow Agent	-	28,135	6,600	-	-	-	-	-	34,735
Prepaid Expenses and Other	24,884	14,682	712	1,115	-	-	-	-	41,393
Notes Receivable	300,000	-	-	-	-	15,807	-	-	315,807
Capitalized Project Costs	-	4,059,530	155,667	335,384	-	-	-	-	4,550,581
Fixed Assets, net	129,613	-	-	-	-	-	-	-	129,613
<b>Total Assets</b>	<b>\$ 4,395,023</b>	<b>\$ 7,514,093</b>	<b>\$ 4,041,167</b>	<b>\$ 475,627</b>	<b>\$ 1,889</b>	<b>\$ 166,227</b>	<b>\$ 1,000,044</b>	<b>\$ 307,410</b>	<b>\$ 17,286,660</b>
<b>Liabilities and Net Assets</b>									
<b>Liabilities:</b>									
Accounts payable and accrued expenses	\$ 217,596	\$ 448,794	\$ 20,323	\$ 3,500	\$ 4,600	\$ 3,500	\$ 44	\$ 1,389	\$ 696,968
Funds held as program agent	1,045,427	1,251,823	-	-	-	-	1,000,000	-	3,297,250
Project grant advances	79,212	2,733,161	3,005	264,633	-	-	-	-	3,080,011
Due to affiliates	-	-	69,670	44,925	7,712	120,141	-	242,448	-
Home buyers' deposits held in escrow	-	28,135	6,600	-	-	-	-	-	34,735
Deferred revenue	18,000	-	-	-	-	-	-	-	18,000
Construction reserve	-	124,222	-	-	-	-	-	-	124,222
Loans payable	-	840,000	25,000	-	-	-	-	-	865,000
<b>Total Liabilities</b>	<b>1,360,235</b>	<b>5,426,135</b>	<b>124,598</b>	<b>313,058</b>	<b>12,312</b>	<b>123,641</b>	<b>1,000,044</b>	<b>243,837</b>	<b>8,116,186</b>
<b>Net Assets:</b>									
Unrestricted	2,050,068	2,024,385	3,916,569	162,569	(10,423)	(11,818)	-	(54,404)	8,185,754
Temporarily restricted	969,220	63,573	-	-	-	54,404	-	117,977	969,220
Permanently restricted	15,500	-	-	-	-	-	-	-	15,500
<b>Total Net Assets</b>	<b>3,034,788</b>	<b>2,087,958</b>	<b>3,916,569</b>	<b>162,569</b>	<b>(10,423)</b>	<b>42,586</b>	<b>-</b>	<b>63,573</b>	<b>9,170,474</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,395,023</b>	<b>\$ 7,514,093</b>	<b>\$ 4,041,167</b>	<b>\$ 475,627</b>	<b>\$ 1,889</b>	<b>\$ 166,227</b>	<b>\$ 1,000,044</b>	<b>\$ 307,410</b>	<b>\$ 17,286,660</b>

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

**Combining Statement of Activities and Changes in Net Assets**

*For the Year Ended December 31, 2015*

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
<b>Changes in Unrestricted Net Assets</b>									
Support and Revenue:									
Contributions	\$ 184,615	\$ 5,335	\$ 2,960	\$ 585	\$ -	\$ 1,000,585	\$ -	\$ -	\$ 1,194,080
Receipts and government grants on transfer of homes	-	1,875,563	302,980	234,233	-	-	-	-	2,412,776
Government grants	415,615	-	-	-	19,811	-	-	-	435,426
Special events	120,295	-	-	-	-	-	-	-	120,295
Direct expenses of special events	(34,079)	-	-	-	-	-	-	-	(34,079)
Mortgage counseling	163,397	-	-	-	-	-	-	-	163,397
Technical assistance program	487,199	14,000	-	-	-	-	1,558	-	499,641
Interest and dividends	6,735	3,721	20,084	233	-	-	-	-	30,773
Realized and unrealized losses	(6,440)	(4,683)	(28,309)	-	-	-	-	-	(39,432)
Other income	201,138	60,584	32,013	-	-	-	-	-	293,735
Reimbursement from affiliates	656,936	-	-	-	-	-	-	656,936	-
Net assets released from restrictions:									
Satisfaction of program restrictions	494,477	9,381	-	-	-	-	-	9,381	494,477
<b>Total Support and Revenue</b>	<b>2,689,888</b>	<b>1,963,901</b>	<b>329,728</b>	<b>235,051</b>	<b>19,811</b>	<b>1,000,585</b>	<b>-</b>	<b>667,875</b>	<b>5,571,089</b>
Expenses:									
Program services:									
Project costs	-	1,505,866	97,301	179,683	-	-	-	-	1,782,850
Program support services	1,832,277	114,785	99,153	33,128	2,010	-	-	248,624	1,832,729
Supporting services:									
Management and general	785,630	231,725	227,614	45,526	3,550	6,909	-	409,870	891,084
Fundraising	32,299	-	-	-	-	-	-	-	32,299
Distribution to beneficiaries	9,381	-	-	-	-	-	-	9,381	-
<b>Total Expenses</b>	<b>2,659,587</b>	<b>1,852,376</b>	<b>424,068</b>	<b>258,337</b>	<b>5,560</b>	<b>6,909</b>	<b>-</b>	<b>667,875</b>	<b>4,538,962</b>
Increase (Decrease) in Unrestricted Net Assets	30,301	111,525	(94,340)	(23,286)	14,251	993,676	-	-	1,032,127
Changes in Temporarily Restricted Net Assets:									
Grants	563,982	-	-	-	-	-	-	-	563,982
Interest in net assets of recipient	-	5,000	-	-	-	-	-	5,000	-
Net assets released from restrictions	(494,477)	(9,381)	-	-	-	-	-	(9,381)	(494,477)
Increase (Decrease) in Temporarily Restricted Net Assets	69,505	(4,381)	-	-	-	-	-	(4,381)	69,505
Increase (Decrease) in Net Assets	99,806	107,144	(94,340)	(23,286)	14,251	993,676	-	(4,381)	1,101,632
Net Assets, beginning of year	3,034,788	2,087,958	3,916,569	162,569	(10,423)	42,586	-	63,573	9,170,474
Net Assets, end of year	\$ 3,134,594	\$ 2,195,102	\$ 3,822,229	\$ 139,283	\$ 3,828	\$ 1,036,262	\$ -	\$ 59,192	\$ 10,272,106

See independent auditors' report.

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

**Combining Statement of Activities and Changes in Net Assets**

*For the Year Ended December 31, 2014*

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
<b>Changes in Unrestricted Net Assets</b>									
Support and Revenue:									
Contributions	\$ 351,358	\$ 9,500	\$ 4,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,608
Receipts and government grants on transfer of homes	-	2,544,720	622,723	-	-	-	-	-	3,167,443
Government grants	418,940	-	-	-	93,266	-	-	-	512,206
Special events	83,800	-	-	-	-	-	-	-	83,800
Direct expenses of special events	(15,404)	-	-	-	-	-	-	-	(15,404)
Mortgage counseling	151,983	-	-	-	-	-	-	-	151,983
Technical assistance program	604,597	103,143	-	-	-	-	-	71,737	636,003
Interest income	4,234	1,659	8,909	249	-	54	-	-	15,105
Other income	229,246	5,800	35,000	-	14,164	-	-	14,164	270,046
Reimbursement from affiliates	659,753	-	-	-	-	-	-	659,753	-
Net assets released from restrictions:									
Satisfaction of program restrictions	789,869	113,991	49,426	-	-	-	-	163,417	789,869
<b>Total Support and Revenue</b>	<b>3,278,376</b>	<b>2,778,813</b>	<b>720,808</b>	<b>249</b>	<b>107,430</b>	<b>54</b>	<b>-</b>	<b>909,071</b>	<b>5,976,659</b>
Expenses:									
Program services:									
Project costs	-	2,347,865	247,711	5,675	-	-	-	-	2,601,251
Program support services	1,787,514	126,470	68,586	11,153	85,934	-	-	292,108	1,787,549
Supporting services:									
Management and general	814,426	259,322	257,670	49,995	18,155	12,420	-	453,546	958,442
Fundraising	38,088	-	-	-	-	-	-	-	38,088
Distribution to beneficiaries	163,417	-	-	-	-	-	-	163,417	-
<b>Total Expenses</b>	<b>2,803,445</b>	<b>2,733,657</b>	<b>573,967</b>	<b>66,823</b>	<b>104,089</b>	<b>12,420</b>	<b>-</b>	<b>909,071</b>	<b>5,385,330</b>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>474,931</b>	<b>45,156</b>	<b>146,841</b>	<b>(66,574)</b>	<b>3,341</b>	<b>(12,366)</b>	<b>-</b>	<b>-</b>	<b>591,329</b>
Changes in Temporarily Restricted Net Assets:									
Grants	406,866	-	-	-	-	-	-	-	406,866
Interest in net assets of recipient	-	5,000	-	-	-	-	-	5,000	-
Net assets released from restrictions	(789,869)	(113,991)	(49,426)	-	-	-	-	(163,417)	(789,869)
<b>(Decrease) Increase in Temporarily Restricted Net Assets</b>	<b>(383,003)</b>	<b>(108,991)</b>	<b>(49,426)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158,417)</b>	<b>(383,003)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>91,928</b>	<b>(63,835)</b>	<b>97,415</b>	<b>(66,574)</b>	<b>3,341</b>	<b>(12,366)</b>	<b>-</b>	<b>(158,417)</b>	<b>208,326</b>
Net Assets, beginning of year	2,942,860	2,151,793	3,819,154	229,143	(13,764)	54,952	-	221,990	8,962,148
<b>Net Assets, end of year</b>	<b>\$ 3,034,788</b>	<b>\$ 2,087,958</b>	<b>\$ 3,916,569</b>	<b>\$ 162,569</b>	<b>\$ (10,423)</b>	<b>\$ 42,586</b>	<b>\$ -</b>	<b>\$ 63,573</b>	<b>\$ 9,170,474</b>

See independent auditors' report.

# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Combining Statement of Cash Flows

For the Year Ended December 31, 2015

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Partnership Housing Development Fund Company, Inc.	Nassau/Suffolk Partnership Housing Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
<b>Cash Flows from Operating Activities:</b>									
Changes in net assets	\$ 99,806	\$ 107,144	\$ (94,340)	\$ (23,286)	\$ 14,251	\$ 993,676	\$ -	\$ (4,381)	\$ 1,101,632
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:									
Depreciation and amortization	46,006	-	-	-	-	-	-	-	46,006
Realized and unrealized losses	39,432	-	-	-	-	-	-	-	39,432
Change in allowance for doubtful accounts	15,000	-	-	-	-	-	-	-	15,000
Provision for deferred rent	10,226	-	-	-	-	-	-	-	10,226
Changes in operating assets and liabilities:									
(Increase) decrease in assets:									
Accounts receivable	36,217	296,968	-	-	(16,864)	-	-	(1,720)	318,041
Interest in net assets of recipient	-	4,381	-	-	-	-	-	4,381	-
Due from affiliates	170,579	(452,376)	(2,703,146)	-	-	-	-	(2,984,943)	-
Due from escrow agent	-	18,637	6,600	-	-	-	-	-	25,237
Prepaid expenses and other	(1,933)	(4,098)	(2,396)	(553)	-	-	-	-	(8,980)
Capitalized project costs	(2,367)	1,192,055	81,543	(349,962)	-	-	-	-	921,269
Increase (decrease) in liabilities:									
Accounts payable and accrued expenses	74,171	(394,832)	629	12	(938)	-	1,204	1,720	(321,474)
Funds held as program agent	(206,060)	(528,697)	-	-	-	-	-	-	(734,757)
Project grant advances	185,253	(931,111)	(3,005)	305,000	-	-	-	-	(443,863)
Due to affiliates	2,983,011	-	(69,670)	74,096	3,551	(6,045)	-	2,984,943	-
Home buyers' deposits held in escrow	-	(18,637)	(6,600)	-	-	-	-	-	(25,237)
Deferred revenue	3,000	-	-	-	-	-	-	-	3,000
Construction reserve	-	51,423	-	20,375	-	-	-	-	71,798
Total adjustments	3,352,535	(766,287)	(2,696,045)	48,968	(14,251)	(6,045)	1,204	4,381	(84,302)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,452,341</b>	<b>(659,143)</b>	<b>(2,790,385)</b>	<b>25,682</b>	<b>-</b>	<b>987,631</b>	<b>1,204</b>	<b>-</b>	<b>1,017,330</b>
<b>Cash Flows from Investing Activities:</b>									
Purchases of investments	(4,026,750)	-	-	-	-	-	-	-	(4,026,750)
Sales of investments	9,232	-	-	-	-	-	-	-	9,232
Repayments of notes receivable	-	-	-	-	-	12,324	-	-	12,324
Purchase of capital expenditures	(80,784)	-	-	-	-	-	-	-	(80,784)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(4,098,302)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,324</b>	<b>-</b>	<b>-</b>	<b>(4,085,978)</b>
<b>Cash Flows from Financing Activities:</b>									
Repayments of loans payable	-	-	(25,000)	-	-	-	-	-	(25,000)
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>
<b>Net (Decrease) Increase in Cash</b>	<b>(645,961)</b>	<b>(659,143)</b>	<b>(2,815,385)</b>	<b>25,682</b>	<b>-</b>	<b>999,955</b>	<b>1,204</b>	<b>-</b>	<b>(3,093,648)</b>
Cash and Cash Equivalents, beginning of year	3,355,296	2,695,944	3,843,188	139,128	500	150,000	1,000,044	-	11,184,100
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 2,709,335</b>	<b>\$ 2,036,801</b>	<b>\$ 1,027,803</b>	<b>\$ 164,810</b>	<b>\$ 500</b>	<b>\$ 1,149,955</b>	<b>\$ 1,001,248</b>	<b>\$ -</b>	<b>\$ 8,090,452</b>

See independent auditors' report.



# LONG ISLAND HOUSING PARTNERSHIP, INC. AND AFFILIATES

## Combining Statement of Cash Flows

For the Year Ended December 31, 2014

	Long Island Housing Partnership, Inc. and Subsidiaries	Long Island Housing Partnership Development Fund Company, Inc.	Nassau/Suffolk Housing Partnership Development Fund Company, Inc.	Long Island Partnership Community Development Corporation	Community Development and Disaster Relief Corporation	Long Island Housing Partnership Community Development Financial Institution, Inc.	HG Housing Development Fund Company, Inc.	Eliminations	Combined
Cash Flows from Operating Activities:									
Changes in net assets	\$ 91,928	\$ (63,835)	\$ 97,415	\$ (66,574)	\$ 3,341	\$ (12,366)	\$ -	\$ (158,417)	\$ 208,326
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:									
Depreciation and amortization	36,330	-	-	-	-	-	-	-	36,330
Change in allowance for doubtful accounts	47,000	-	-	-	-	-	-	-	47,000
Provision for deferred rent	13,128	-	-	-	-	-	-	-	13,128
Changes in operating assets and liabilities:									
(Increase) decrease in assets:									
Accounts receivable	439,984	(335,671)	117,413	-	20,158	1,097	-	274,394	(31,413)
Interest in net assets of recipient	-	108,991	49,426	-	-	-	-	158,417	-
Due from affiliates	(80,051)	237,812	-	-	-	-	-	157,761	-
Due from escrow agent	-	22,850	(1,873)	-	-	-	-	-	20,977
Prepaid expenses and other	(3,186)	2,971	(712)	(326)	-	-	-	-	(1,253)
Capitalized project costs	-	988,757	187,910	(154,404)	-	-	-	-	1,022,263
Increase (decrease) in liabilities:									
Accounts payable and accrued expenses	(19,991)	426,628	(389,867)	(139,200)	(312,921)	3,500	44	(274,394)	(157,413)
Funds held as program agent	(390,956)	525,880	-	-	-	-	1,000,000	-	1,134,924
Project grant advances	7,740	(1,213,982)	(3,064)	264,633	-	-	-	-	(944,673)
Due to affiliates	-	-	(136,760)	10,527	6,362	(37,890)	-	(157,761)	-
Home buyers' deposits held in escrow	-	(22,850)	1,873	-	-	-	-	-	(20,977)
Deferred revenue	18,000	-	-	-	-	-	-	-	18,000
Construction reserve	-	124,222	-	-	-	-	-	-	124,222
Total adjustments	67,998	865,608	(175,654)	(18,770)	(286,401)	(33,293)	1,000,044	158,417	1,261,115
Net Cash Provided by (Used in) Operating Activities	159,926	801,773	(78,239)	(85,344)	(283,060)	(45,659)	1,000,044	-	1,469,441
Cash Flows from Investing Activities:									
Repayments of notes receivable	-	-	-	-	-	95,659	-	-	95,659
Purchase of capital expenditures	(91,038)	-	-	-	-	-	-	-	(91,038)
Net Cash (Used in) Provided by Investing Activities	(91,038)	-	-	-	-	95,659	-	-	4,621
Cash Flows from Financing Activities:									
Repayments of loans payable	(123,442)	-	(25,000)	-	-	-	-	-	(148,442)
Net Cash Used in Financing Activities	(123,442)	-	(25,000)	-	-	-	-	-	(148,442)
Net (Decrease) Increase in Cash	(54,554)	801,773	(103,239)	(85,344)	(283,060)	50,000	1,000,044	-	1,325,620
Cash and Cash Equivalents, beginning of year	3,409,850	1,894,171	3,946,427	224,472	283,560	100,000	-	-	9,858,480
Cash and Cash Equivalents, end of year	\$ 3,355,296	\$ 2,695,944	\$ 3,843,188	\$ 139,128	\$ 500	\$ 150,000	\$ 1,000,044	\$ -	\$ 11,184,100

See independent auditors' report.

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

**Combined Statement of Functional Expenses**

*For the Year Ended December 31, 2015*

	Program Services		Supporting Services		Total
	Project Costs	Program Support Services	Management and General	Fundraising	
Project Costs	\$ 1,782,850	\$ -	\$ -	\$ -	\$ 1,782,850
Salaries, Payroll Taxes and Benefits	-	1,274,509	583,913	21,383	1,879,805
Professional Services	-	106,088	134,900	800	241,788
Rent and Utilities	-	88,212	30,053	1,360	119,625
Insurance	-	23,919	41,352	-	65,271
Travel and Auto	-	18,068	6,475	-	24,543
Conference and Meetings	-	28,544	13,556	-	42,100
Hurricane Sandy Distributions	-	53,335	-	-	53,335
Postage	-	40,924	14,576	-	55,500
Printing	-	22,159	8,966	4,408	35,533
Office Supplies and Equipment	-	38,250	12,914	-	51,164
Repairs and Maintenance	-	10,736	3,669	166	14,571
Depreciation and Amortization	-	31,192	14,814	-	46,006
Telephone	-	15,013	5,131	232	20,376
Outreach	-	26,968	8,944	3,800	39,712
Subscriptions and Publications	-	5,268	2,502	-	7,770
Other	-	49,544	9,319	150	59,013
<b>Total Expenses</b>	<b>\$ 1,782,850</b>	<b>\$ 1,832,729</b>	<b>\$ 891,084</b>	<b>\$ 32,299</b>	<b>\$ 4,538,962</b>

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

**Combined Statement of Functional Expenses**

*For the Year Ended December 31, 2014*

	Program Services		Supporting Services		Total
	Project Costs	Program Support Services	Management and General	Fundraising	
Project Costs	\$ 2,601,251	\$ -	\$ -	\$ -	\$ 2,601,251
Salaries, Payroll Taxes and Benefits	-	1,188,982	631,598	22,560	1,843,140
Professional Services	-	76,420	151,111	3,180	230,711
Rent and Utilities	-	81,327	34,901	1,447	117,675
Insurance	-	18,256	38,938	-	57,194
Travel and Auto	-	15,912	5,909	-	21,821
Conference and Meetings	-	24,094	12,986	-	37,080
Rehabilitation Emergency Assistance Program Distributions	-	6,315	-	-	6,315
Hurricane Sandy Distributions	-	118,360	-	-	118,360
Postage	-	35,470	9,617	-	45,087
Printing	-	12,693	5,467	8,461	26,621
Office Supplies and Equipment	-	30,137	11,748	-	41,885
Repairs and Maintenance	-	11,429	4,972	204	16,605
Depreciation and Amortization	-	23,542	12,788	-	36,330
Telephone	-	14,401	5,965	254	20,620
Outreach	-	48,537	1,359	1,900	51,796
Subscriptions and Publications	-	4,680	2,543	-	7,223
Other	-	76,994	28,540	82	105,616
<b>Total Expenses</b>	<b>\$ 2,601,251</b>	<b>\$ 1,787,549</b>	<b>\$ 958,442</b>	<b>\$ 38,088</b>	<b>\$ 5,385,330</b>