

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

SINGLE AUDIT REPORTS
AND ADDITIONAL INFORMATION
DECEMBER 31, 2016 AND 2015

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	
CONSOLIDATED AND COMBINED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED AND COMBINED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED AND COMBINED STATEMENTS OF FUNCTIONAL EXPENSES	7
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS	9
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS	10
SINGLE AUDIT REPORTS	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	39
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	40
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	41
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	43
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	45
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	47
ADDITIONAL INFORMATION	
CONSOLIDATING AND COMBINING SCHEDULES	48

INDEPENDENT AUDITORS' REPORT

Board of Directors
Beyond Housing, Inc., Subsidiaries, and Affiliates
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying consolidated and combined financial statements of Beyond Housing, Inc. (A Missouri Nonprofit Organization), Subsidiaries, and Affiliates (collectively the "Organization"), which comprise the consolidated and combined statements of financial position as of December 31, 2016 and 2015, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and 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 consolidated and 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 consolidated and combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental 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 consolidated and combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated and 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 consolidated and 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 consolidated and combined financial statements.

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

Opinion

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

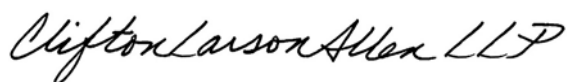
Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The accompanying consolidating and combining schedules of financial position and activities are presented for purposes of additional analysis and are not a required parts of the consolidated and combined financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 consolidated and combined financial statements.

The accompanying consolidating and combining schedules of financial position and activities and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying consolidating and combining schedules of financial position and activities and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 May 31, 2017, on our consideration of Beyond 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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Beyond Housing Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

St. Louis, Missouri
May 31, 2017

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Current Assets		
Cash	\$ 8,300,604	\$ 8,283,028
Inventory	17,673	16,190
Current Portion of Mortgage Loans Receivable, Net	23,165	20,564
Current Portion of Loans Receivable, Net	114,623	169,586
Rents Receivable, Net	115,001	93,038
Interest Receivable	106,939	705,939
Pledges Receivable	58,952	36,325
Program and Administrative Reimbursement Receivables	608,628	507,621
Prepaid Expenses	297,121	364,468
Total Current Assets	9,642,706	10,196,759
Escrow Deposits and Reserve Accounts	3,430,589	2,885,705
Tenant Security Deposits	268,797	236,055
Restricted Cash	683,106	593,053
Assets Limited As to Use	26,613,472	19,580,378
Long-Term Portion of Mortgage Loans Receivable, Net	1,584,647	1,608,338
Long-Term Portion of Loans Receivable, Net	7,880,906	11,861,689
Pledges Receivable	31,054	64,801
Property and Equipment, Net	56,496,245	55,444,011
Deferred Compensation Account	23,500	42,500
Investments	6,500,072	7,391,385
Investment in Real Estate	46,887	46,887
Other Intangibles, Net	277,248	270,379
Total Assets	\$ 113,479,229	\$ 110,221,940

See accompanying Notes to Consolidated and Combined Financial Statements.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2016 AND 2015

LIABILITIES, EQUITY, AND NET ASSETS	<u>2016</u>	<u>2015</u>
Current Liabilities		
Current Portion of Notes Payable	\$ 1,530,481	\$ 5,533,887
Accounts Payable	646,762	378,404
Accounts Payable - Construction	958,959	2,735,858
Accrued Expenses	724,011	671,428
Tenant Security Deposits	265,696	231,716
Program Deposits	383,135	338,168
Deferred Income	4,045,279	4,139,252
Mortgagor Escrow Liability	15,713	37,822
Total Current Liabilities	<u>8,570,036</u>	<u>14,066,535</u>
Long-Term Liabilities		
Notes Payable, Net of Current Portion	21,991,882	26,413,947
Developer Fee Payable	22,685	22,685
Accrued Interest Payable	142,781	132,770
Deferred Compensation Liability	23,500	42,500
Other Long-Term Liabilities	16,443	16,443
Total Long-Term Liabilities	<u>22,197,291</u>	<u>26,628,345</u>
Total Liabilities	<u>30,767,327</u>	<u>40,694,880</u>
Equity		
Majority Interest Partners' Equity (Noncontrolling Interest)	<u>38,372,765</u>	<u>33,525,071</u>
Total Equity	<u>38,372,765</u>	<u>33,525,071</u>
Net Assets		
Unrestricted	34,650,416	25,432,416
Temporarily Restricted	6,262,816	7,226,813
Permanently Restricted	3,425,905	3,342,760
Total Net Assets	<u>44,339,137</u>	<u>36,001,989</u>
Total Equity and Net Assets	<u>82,711,902</u>	<u>69,527,060</u>
Total Liabilities, Equity, and Net Assets	<u><u>\$ 113,479,229</u></u>	<u><u>\$ 110,221,940</u></u>

See accompanying Notes to Consolidated and Combined Financial Statements.

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Donations and Grants, Including In-Kind	\$ 12,522,431	\$ 5,248,261	\$ 110,000	\$ 17,880,692
Dues and Fee Income	668,868	-	-	668,868
Rental Income, Net	3,473,704	-	-	3,473,704
Development Fees	12,775	-	-	12,775
Interest Income	377,338	7,774	-	385,112
Loss on Sale of Property and Equipment	(79,657)	-	-	(79,657)
Unrealized Loss on Endowment Investment	(5,159)	-	-	(5,159)
Gain on Investments in Limited Partnerships and Corporations	1,027,281	-	-	1,027,281
Bad Debt Recovery	70	-	540	610
Cinema Revenues	584,183	-	-	584,183
Miscellaneous	331,764	-	-	331,764
	<u>18,913,598</u>	<u>5,256,035</u>	<u>110,540</u>	<u>24,280,173</u>
Net Assets Released from Restrictions				
Expenses and Transfers	6,247,427	(6,220,032)	(27,395)	-
Total Support and Revenue	<u>25,161,025</u>	<u>(963,997)</u>	<u>83,145</u>	<u>24,280,173</u>
Expenses				
Program Services	15,703,345	-	-	15,703,345
Management and General	1,625,925	-	-	1,625,925
Fundraising Services	492,025	-	-	492,025
Total Expenses	<u>17,821,295</u>	<u>-</u>	<u>-</u>	<u>17,821,295</u>
Increase (Decrease) in Equity and Net Assets	7,339,730	(963,997)	83,145	6,458,878
Capital Contributions and Other Additions	6,725,964	-	-	6,725,964
Equity and Net Assets at December 31, 2015	<u>58,957,487</u>	<u>7,226,813</u>	<u>3,342,760</u>	<u>69,527,060</u>
Equity and Net Assets at December 31, 2016	<u>\$ 73,023,181</u>	<u>\$ 6,262,816</u>	<u>\$ 3,425,905</u>	<u>\$ 82,711,902</u>

See accompanying Notes to Consolidated and Combined Financial Statements.

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Donations and Grants, Including In-Kind	\$ 12,878,127	\$ 3,584,224	\$ 100,267	\$ 16,562,618
Dues and Fee Income	561,506	-	-	561,506
Rental Income, Net	3,067,555	-	-	3,067,555
Development Fees	-	-	-	-
Interest Income	497,648	17,521	-	515,169
Loss on Sale of Property and Equipment	(100,718)	-	-	(100,718)
Unrealized Loss on Endowment Investment	(228)	-	-	(228)
Bad Debt Recovery	(420)	-	420	-
Cinema Revenues	62,494	-	-	62,494
Miscellaneous	231,871	-	-	231,871
	<u>17,197,835</u>	<u>3,601,745</u>	<u>100,687</u>	<u>20,900,267</u>
Net Assets Released from Restrictions				
Expenses and Transfers	100,108	(100,000)	(108)	-
Total Support and Revenue	<u>17,297,943</u>	<u>3,501,745</u>	<u>100,579</u>	<u>20,900,267</u>
Expenses				
Program Services	12,439,979	-	-	12,439,979
Management and General	1,371,086	-	-	1,371,086
Fundraising Services	438,152	-	-	438,152
Total Expenses	<u>14,249,217</u>	<u>-</u>	<u>-</u>	<u>14,249,217</u>
Increase in Equity and Net Assets	3,048,726	3,501,745	100,579	6,651,050
Capital Contributions and Other Additions	967,006	-	-	967,006
Equity and Net Assets at December 31, 2014	<u>54,941,755</u>	<u>3,725,068</u>	<u>3,242,181</u>	<u>61,909,004</u>
Equity and Net Assets at December 31, 2015	<u>\$ 58,957,487</u>	<u>\$ 7,226,813</u>	<u>\$ 3,342,760</u>	<u>\$ 69,527,060</u>

See accompanying Notes to Consolidated and Combined Financial Statements.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	Management and General	Fundraising Services	Total
Direct Program Expenses				
Rental	\$ 1,257,254	\$ -	\$ -	\$ 1,257,254
Cinema Expenses	316,911	-	-	316,911
Other Program Expenses	4,130,246	-	-	4,130,246
Total Direct Program Expenses	<u>5,704,411</u>	<u>-</u>	<u>-</u>	<u>5,704,411</u>
Salaries and Related Expenses				
Salaries	4,115,518	664,384	184,614	4,964,516
Employee Benefits	417,430	82,661	22,639	522,730
Payroll Taxes	334,644	69,224	17,160	421,028
Total Salaries and Related Expenses	<u>4,867,592</u>	<u>816,269</u>	<u>224,413</u>	<u>5,908,274</u>
Other Expenses				
Depreciation and Amortization	2,740,702	108,048	-	2,848,750
Interest	489,827	32,173	-	522,000
Fees	579,780	219,548	16,743	816,071
Insurance	510,902	73,744	-	584,646
Office Operating	154,305	221,640	30,386	406,331
Marketing/Advertising/Fund Development	2,025	61,197	205,587	268,809
Staff Operating	124,593	51,607	8,372	184,572
Miscellaneous	257,851	23,489	-	281,340
Bad Debt	195,882	-	-	195,882
Occupancy	75,475	18,210	6,524	100,209
Total Other Expenses	<u>5,131,342</u>	<u>809,656</u>	<u>267,612</u>	<u>6,208,610</u>
Total Functional Expenses	<u>\$ 15,703,345</u>	<u>\$ 1,625,925</u>	<u>\$ 492,025</u>	<u>\$ 17,821,295</u>

See accompanying Notes to Consolidated and Combined Financial Statements.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Management and General	Fundraising Services	Total
Direct Program Expenses				
Rental	\$ 1,077,516	\$ -	\$ -	\$ 1,077,516
Cinema Expenses	120,684	-	-	120,684
Other Program Expenses	3,308,410	-	-	3,308,410
Total Direct Program Expenses	<u>4,506,610</u>	<u>-</u>	<u>-</u>	<u>4,506,610</u>
Salaries and Related Expenses				
Salaries	3,136,682	626,575	171,366	3,934,623
Employee Benefits	353,012	67,597	19,792	440,401
Payroll Taxes	256,259	61,603	15,769	333,631
Total Salaries and Related Expenses	<u>3,745,953</u>	<u>755,775</u>	<u>206,927</u>	<u>4,708,655</u>
Other Expenses				
Depreciation and Amortization	2,111,761	83,083	-	2,194,844
Interest	432,574	26,075	-	458,649
Fees	513,455	136,954	22,755	673,164
Insurance	417,184	52,338	-	469,522
Office Operating	180,273	182,353	21,589	384,215
Marketing/Advertising/Fund Development	48,186	54,954	182,126	285,266
Staff Operating	149,160	56,874	2,823	208,857
Miscellaneous	124,267	5,293	-	129,560
Bad Debt	143,713	-	-	143,713
Occupancy	66,843	17,387	1,932	86,162
Total Other Expenses	<u>4,187,416</u>	<u>615,311</u>	<u>231,225</u>	<u>5,033,952</u>
Total Functional Expenses	<u>\$ 12,439,979</u>	<u>\$ 1,371,086</u>	<u>\$ 438,152</u>	<u>\$ 14,249,217</u>

See accompanying Notes to Consolidated and Combined Financial Statements.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Change in Net Assets	\$ 6,458,878	\$ 6,651,050
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,848,750	2,194,844
Loss on Sale of Property and Equipment	79,657	100,718
Unrealized and Realized Gain on Investments	(1,713)	(22,565)
Donation of Property and Equipment	(95)	(20,242)
Provision for Loan Losses and Loan Write-Offs	1,093,735	1,209,366
Donated Securities	-	(11,714)
Change in Assets - (Increase) Decrease:		
Inventory	(1,483)	(8,978)
Due from Affiliates	-	5,825
Rents Receivable	(21,963)	38,876
Tenant Security Deposits	(32,742)	30,643
Prepaid Expenses	67,347	(201,830)
Program and Administrative Reimbursement Receivables	(101,007)	(156,615)
Interest Receivable	599,000	(176,047)
Pledges Receivable	11,120	(101,126)
Permanently Restricted Cash	(90,053)	(269,799)
Change in Liabilities - Increase (Decrease):		
Accounts Payable	268,358	(63,751)
Accounts Payable - Construction	(1,776,899)	1,878,157
Mortgagor Escrow Liability	(22,109)	4,864
Deferred Income	(93,973)	1,311,595
Program Deposits	44,967	51,714
Accrued Expenses	62,594	(112,891)
Tenant Security Deposits	33,980	(1,935)
Deferred Compensation Liability	(19,000)	22,000
Net Cash Provided by Operating Activities	9,407,349	12,352,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Increase) Decrease in Escrow Deposits and Reserves Accounts	(556,583)	88,527
Purchases of Investments	(6,052,327)	(7,150,348)
Sales and Maturities of Investments	6,964,353	3,941,937
Net Decrease in Note Receivables	4,035,746	223,105
Net Increase in Mortgage Loans Receivable	(1,072,645)	(1,312,038)
Purchases of Land, Property, and Equipment	(11,008,810)	(14,916,301)
Net Cash Used by Investing Activities	(7,690,266)	(19,125,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(8,655,188)	(235,148)
Proceeds from Long-Term Debt	229,717	3,283,260
Capital Contributions	6,725,964	967,006
Net Cash Provided (Used) by Financing Activities	(1,699,507)	4,015,118
NET INCREASE (DECREASE) IN CASH	17,576	(2,757,841)
Cash - Beginning of Year	8,283,028	11,040,869
CASH - END OF YEAR	\$ 8,300,604	\$ 8,283,028

See accompanying Notes to Consolidated and Combined Financial Statements

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Beyond Housing, Inc., was created in January 2003 through the merger of two of the region's most prominent nonprofit organizations: *Beyond Housing* and *Neighborhood Housing Services of St. Louis*. *Beyond Housing, Inc.*, was established in 1980 to address the need for affordable rental housing for low-income families. *Neighborhood Housing Services of St. Louis* began in 1975 as an organization focused on revitalizing St. Louis neighborhoods. Recognizing the similarities in their philosophies, their approaches, and their targeted assistance and service recipients, these two agencies came together to expand their reach and impact in the community.

Beyond Housing, Inc. ("BH") is a not-for-profit provider of services that transform the lives of low-income families. Beyond Housing's promise to the community is that they help entire communities become better places to live. Beyond Housing exists because home matters. They begin with actual homes and housing preservation, focusing on quality and stability to give people a place to start. But there is more to home than a house – home is about the life that happens in and around the house, as well as the life that fuels and draws out the best in people. Beyond Housing is a community development organization that works in defined geographies like the Normandy Schools Collaborative, in order to focus resources where they can have the greatest impact. While most organizations focus on one, maybe two, impact areas within a community, Beyond Housing understands that in order to have real impact they must focus on all of the areas that make up a thriving community – education, housing, health, job readiness and access, and economic development.

The Organization has expanded its place-based work to the entire Normandy Schools Collaborative and has become the catalyst for a comprehensive, community-driven effort to improve the lives of families in the school district footprint called the 24:1 Initiative. The twenty-four municipalities that comprise the Normandy School Collaborative have come together with a common vision: *strong communities, engaged families and successful children*.

BH is a chartered member of NeighborWorks® America ("NWA"), a national network of organizations committed to rebuilding and revitalizing communities. Beyond Housing currently holds an exemplary rating from NWA, the highest possible level of achievement in the areas of performance; resource management; organizational management and oversight; management of financial systems, contracts and personnel; production and programs; and technical operating systems.

BH receives donations and grants from private corporations, foundations, individuals, houses of worship, civic organizations, and governmental agencies to provide the aforementioned assistance and services.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

Ecumenical 8, L.P. ("E8"), Ecumenical 9, L.P. ("E9"), Ecumenical 10, L.P. ("E10"), Beyond Housing 1, L.P. ("BH1"), CP 2004, L.P. ("CP"), Mary Louise Estates, L.P. ("MLE"), Hillsdale Manor, L.P. ("HM"), Hillsdale Homes, L.P. ("HH"), Leschen Place, L.P. ("LP"), Lucas and Hunt Heights, L.P. ("LH"), Pagedale Senior Housing and Retail Development, L.P. ("PSHR"), Pine Lawn Homes, L.P. ("PLH"), and Pine Lawn Senior, LLC (PLS) were formed at various dates from December 1996 through March 2014 as low-income housing partnerships. E8 is owned 99% by BH and 1% by BH Development Corporation. During 2016 E8 was dissolved into BH. E9 and E10 are owned 0.1% by BH and 99.9% by BH Development Corporation.

Beyond Housing I NHS Community Lending Corporation ("CLC") was incorporated in December 2002 to promote community development by providing lending services to low income persons. CLC is wholly owned by BH.

BH Development Corporation ("BHD") was incorporated in May 2003 to invest in low-income housing partnerships. BHD maintains ownership percentages of 0.01% in BH1, CP, MLE, and HM. The remaining 99.99% is owned by other entities. BHD is the general partner of these partnerships. BHD is wholly owned by BH.

Hillsdale Development Corporation ("HDC") was incorporated in December 2010 to invest in low income housing partnerships. HDC maintains ownership percentages of 0.01% in HH, LP, and LH. The remaining 99.99% is owned by other entities. HDC is the general partner of these partnerships through single member LLCs. HDC is wholly owned by BH.

Pagedale Grocery Development, LLC ("PGD") was formed in March 2009 solely to develop a grocery store in the community of Pagedale, Missouri. PGD is wholly owned by Pagedale Economic Development Corporation ("PED"), which was formed solely to own and fund the PGD development. PED is wholly owned by BH.

Pagedale Senior Housing, LLC ("PSH") was formed in October 2009 solely to develop housing for low income, elderly persons in the community of Pagedale, Missouri. PSH is wholly owned by Pagedale Senior Development Corporation ("PSD"), which was formed solely to own and fund the PSH development. PGD is wholly owned by BH.

24:1 Community Land Trust ("CLT") was formed in March 2011 solely to adopt as its own purpose the purposes of BH so as to carry out such purposes in the area located within the boundaries of the Normandy School Collaborative in St. Louis County, Missouri. CLT is a not-for-profit organization established as a Type 3 supporting organization to BH.

Pine Lawn Development Corporation ("PLDC") was incorporated in March 2012 to invest in low income housing partnerships. PLDC maintains an ownership percentage of 0.01% in PLH, through a single member LLC. PLDC is wholly owned by BH.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

Pine Lawn Senior Development Corporation ("PLSDC") was incorporated in March 2014 to develop housing for low-income, elderly persons in the community of Pine Lawn, Missouri. PLSDC maintains an ownership percentage of 0.01% in Pine Lawn Senior, LLC, through a single member LLC. PLSDC is a wholly owned subsidiary of BH.

Pagedale Town Center Leverage Lender, LLC ("PTCLL") was formed in May 2014 to make loans and other types of investments to further the economic development of Pagedale Town Center I in Pagedale, Missouri. CLT and BH are the sole members of PTCLL with an initial 95.73% and 4.27% ownership, respectively.

Pagedale Town Center I, LLC ("PTC1") was formed in March 2014 to develop a four-screen cinema and a retail building in Pagedale, Missouri. CLT is the sole member of PTC1.

24:1 Construction Company ("Construction") was formed in August 2014 to acquire, construct, rehabilitate, demolish, develop, and/or sell property within the boundaries of the Normandy School Collaborative in St. Louis County, Missouri. CLT is the sole member of Construction.

24:1 CLT Development, LLC ("CLTD") was formed in May 2015 to operate community businesses, employ low-income residents within the boundaries of the Normandy School Collaborative and further the charitable purposes of its sole member – The 24:1 Community Land Trust.

Beyond Housing GP, Inc. ("BHGP") was formed in July 2015 solely to adopt as its own purpose the purposes of BH so as to carry out such purposes in St. Louis County, Missouri. BHGP is a not-for-profit organization established as a Type I supporting organization of BH.

Beyond Housing Investment Fund 2016, LLC ("BHI"), formally known as *USBCDE Investment Fund XXXIV, LLC*, was formed in December 2008 to provide lending to PGD. BH became the sole member of BHI in December 2016.

Principles of Consolidated and Combined Financial Statements

The consolidated and combined financial statements include the accounts of Beyond Housing, Inc., its majority-owned subsidiaries, BHD, HDC, PED, PGD, PSD, PSH, CLC, PLDC, E8, E9, E10, PLSDC, PTCLL, and BHI, its minority-owned affiliates, BH1, CP, MLE, HH, HM, LH, LP, PSHR, PLH, and PLS, and its supporting organization, CLT, PTC1, BHGP, and Construction (collectively, the "Organization"). All significant intercompany investments, transactions, and account balances have been eliminated in the consolidation and combination. The majority-owned equity is not eliminated in the consolidation and combination.

Basis of Accounting

The consolidated and combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

Unrestricted – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may be met by actions of the Organization and/or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for specific purposes.

Use of Estimates

The preparation of the consolidated and 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 financial statements and the reported amounts of support, revenues and expenses during the reporting period including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

Restricted Cash

Restricted cash are funds that are restricted by donors and granting governmental agencies for specified purposes.

Rents Receivable

Rents receivable arise in the normal course of business with rental real estate properties. The Organization records bad debts using both the allowance and direct write-off methods, which for the Organization is not materially different than methods acceptable under U.S. generally accepted accounting principles. Rents are due the first of every month and considered delinquent after five days. Delinquent receivables are written off based upon a review of outstanding receivables, historical collection information, existing economic conditions, and mission. The Organization attempts to provide as much support as possible to preserve the physical home and the family's progress toward self-sufficiency. For the years ended December 31, 2016 and 2015, total bad debt expense was \$195,882 and \$143,713, respectively.

Program and Administrative Reimbursement Receivable

Program and administrative reimbursement receivable represents amounts due from funding agencies for costs incurred by the Organization in carrying out the agencies' programs.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

The Organization receives pledges from organizations and individuals in the form of grants and contributions. Pledges, including unconditional promises to give cash and other assets to the Organization in the future, are recognized as revenue at fair value in the period received. The gifts are reported as temporarily restricted support 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 restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same year as received are reported as unrestricted contributions in the accompanying financial statements. Gifts with donor stipulations that the corpus be maintained in perpetuity are recorded as permanently restricted net assets. Unconditional promises to give in subsequent years are reflected as pledges receivable and are recorded at the present value of the expected future cash flows. The Organization uses both the allowance and direct write-off methods, which for the Organization is not materially different than methods acceptable under U.S. generally accepted accounting principles. Pledges receivable were \$90,006 and \$101,126 at December 31, 2016 and 2015, respectively.

Property and Equipment

Purchased property and equipment are recorded at cost. Major additions and improvements are capitalized to the property accounts, while repairs and maintenance items, which do not improve or extend the useful life of the respective assets, are expensed as incurred. Donated property and equipment are recorded at the estimated fair market value at time of donation. Depreciation of property and equipment is provided by the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and Improvements	5-39
Rental Property and Rental Property Improvements	15-30
Software and Equipment	3-5

Rental Properties (Included in Property and Equipment)

Rental properties are carried at acquisition cost, plus construction expenditures less accumulated depreciation. Rental properties donated are recorded at their appraised value. Depreciation is computed using the straight-line method over twenty-seven and a half to thirty years. Major additions and improvements are capitalized to the property accounts, while repairs and maintenance items, which do not improve or extend the useful life of the respective assets, are expensed as incurred.

Intangible Assets

Intangible assets of \$277,248 and \$270,379 as of December 31, 2016 and 2015, respectively, were incurred in obtaining low-income housing tax credits. They are deferred and are currently being amortized over the life of the tax credits on a straight-line basis, which for the Organization is not considered materially different from the interest method.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Rent Revenue

Net rent revenue includes monthly rent collected from tenants and any tenant rent subsidies for the years ended December 31, 2016 and 2015. This amount is reduced by any vacancies and concessions that occurred in 2016 and 2015.

Donated Services and Materials

Donated property and equipment, investments, and other noncash donations are recorded as contributions at their fair value at the date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the assets are placed in service.

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals' volunteer time and skills to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services.

Donated materials, services and real estate properties of \$979,095 and \$484,585 were recorded by the Organization for the years ended December 31, 2016 and 2015, respectively. Donated services and materials in 2016 and 2015 included items for the tenants and for use at the Organization, donations of property and equipment, and donations of loans receivable.

Loan Losses

The Organization's loans receivable and mortgage loans receivable are collateralized by the underlying real property pledged by the borrowers in accordance with the terms of the mortgage loans receivable, loans receivable for the grocery store, and loans receivable for programs. The loans are carried at cost, which includes unpaid principal balances, unamortized loan origination costs and fees, and the allowance for loan losses.

Provisions for loan losses are charged to operations in amounts sufficient to maintain an allowance for loan losses at a level considered adequate to cover anticipated losses in the existing loan portfolio. The Organization's policy is based on a loan-by-loan review of all loans receivable. Loans are written off when they are deemed to be uncollectible, when all collection efforts have been exhausted, and legal action has been taken. Allowances for loan losses were \$8,438,054 and \$7,344,319 for the years ended December 31, 2016 and 2015, respectively. Recoveries of loans previously written off are reflected in income when received.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The Organization allocates its expenses on a functional basis to its programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on various statistical bases and management's estimates.

Income Taxes

BH is tax-exempt under Section 501(c)(3) of the Internal Revenue Code ("IRC") and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

CLT and BHGP are tax-exempt under Section 501(c)(3) of the Internal Revenue Code ("IRC") and, therefore, are exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

CLTD, whose sole member is the CLT, is treated as a disregarded entity for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

BHI, whose sole member is BH, is treated as a disregarded entity for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

BHD, HDC, and CLC are Missouri nonprofit corporations and PED, PSD, and PLDC are Missouri corporations, which are subject to federal and state income tax. These entities have consistently generated net operating losses over the years. It is expected that they will remain in a net loss position. Therefore, no current or deferred income tax provision has been recorded for these entities.

PGD, PSH, and PLS were formed as limited liability companies and follow the partnership provisions of the IRC and Missouri tax laws. Members include their distributive share of the entities' taxable income or loss on their respective income tax returns and the federal and Missouri income taxes are included with PED and PSD.

E8, E9, E10, BH1, CP, MLE, HH, HM, LP, LH, PSHR, and PLH were formed as limited partnerships. Partners include their distributive share of the entities' taxable income or loss on their respective income tax returns.

The Organization has assessed its federal, state, and local tax positions including possible unrelated business income and determined that there were no unrelated business income taxes and no uncertainties or possible related effects that need to be recorded as of or for the years ended December 31, 2016 and 2015.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Restriction

Rental rates of the properties owned by E8, E9, E10, BH1, CP, MLE, HH, HM, LH, LP, PSHR, PLH, and PLS are approved by the Missouri Housing Development Commission ("MHDC") on a per unit structure based upon budgeted costs. Per the regulatory agreement, all rental increases must be submitted to and approved by MHDC through written consent.

Loans Receivable

Short-term loans receivable, which are carried at cost, approximate fair value due to their short-term nature. The fair value of long-term loans receivable is estimated using a discounted cash flow analysis, based on interest rates currently available on loans with similar terms to borrowers with similar credit risk. The carrying amount approximated fair value.

Deferred Income

Deferred income represents amounts received for program services for which services have not yet been performed. Amounts will be recognized as revenue in subsequent periods as they are earned.

Description of Program and Supporting Services

The Organization's community development program is accomplished through five impact areas consisting of education, housing, economic development, job readiness and access, and health.

Education

The BH Youth Impact Continuum's cradle-to-career pipeline of services supports children through the critical stages of development and puts them on the path to life-long success. Because Beyond Housing believes strong communities must have strong public education at their core, these services are integrated into the Normandy Schools Collaborative in order to better support school success. Beyond Housing understands that not one agency alone can accomplish this and therefore they are partnering with other agencies for greater impact collectively than what they could achieve alone. All of their partners are high-capacity agencies with track records of results, strong local reputations, and expertise in their fields. Together, these partners not only deliver services but help inform and guide the collective strategies to help all children succeed in the Normandy Schools Collaborative. As these programs reach more children, they can achieve greater impact important to the school district such as kindergarten readiness, academic testing, school attendance, student behavior, high school graduation, and college success.

Beyond Housing places one or two staff people (14 in total) in each school building in the school district. The staff support families with basic needs – food, clothing, school supplies and uniforms – to give each child the best chance at learning. Staff engaged 4,000 parents last year to help support their children's needs and provided 5,000 resources to families.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Program and Supporting Services (Continued)

Education (Continued)

One program that emphasizes this cradle to career approach is the Promise Account Program where all kindergarteners entering the Normandy Schools Collaborative have the opportunity to receive a free \$500 MOST 529 college savings plan. These Promise Accounts not only give families a jump-start on college savings, but help begin conversations early in life about higher education opportunity. The program will help begin a long-term relationship with families around financial coaching. Since inception in 2011, 1,446 accounts have been opened.

The Organization also provides education and advising services to support new and existing homeowners through its:

Homebuyer Assistance Program – providing homebuyer education and one-on-one budget and credit counseling for low- to moderate-income households in order to help them succeed in the process and maintain their home as a source of wealth over time. The Organization also provides access to down payment and closing cost assistance for residents of St. Louis County, St. Charles County and Jefferson County that helps the homebuyer complete the home purchase transaction.

Foreclosure Prevention Program – providing foreclosure intervention and prevention counseling to individuals and families in jeopardy of losing their homes. Clients receive one-on-one counseling and help in arriving at a favorable outcome such as loan modification, refinance, deed in lieu of sale, or sale. Direct mortgage assistance is also available for those who qualify. The Organization participates in the metro St. Louis Housing Task Force that assists metro area counselors and agencies promoting national counseling standards.

Housing and Economic Development

The Organization is working to revitalize municipalities in the Normandy Schools Collaborative in North St. Louis County. Several neighborhoods in these communities have experienced negative trends that have affected the physical appearance of the community along with other social problems, such as crime, unemployment, and lack of economic development. Services provided in the City of Pagedale, for example, where the Organization has focused its efforts since 2001, include purchasing and rehabilitating homes for resale and rental, providing case management services, organizing the neighborhood association, operating a food pantry, and operating the Pagedale Family Support Center that offers afterschool programming, sports and literacy programs, and Freedom School, a summer day camp for the youth of the community.

The Organization has provided grants to elderly and low-income residents in many of the municipalities within the footprint of the Normandy Schools Collaborative to complete home repairs and code violation abatements so that they may continue to reside in their homes. The Organization also develops new homes and offers them for sale to homebuyers in addition to managing more than four hundred units of service-enriched rental housing in the communities. Core support services are provided to all tenants in the areas of budgeting, home care/property maintenance, responsible family living, and community involvement.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Program and Supporting Services (Continued)

Housing and Economic Development (Continued)

The Organization attempts to alleviate social and emotional strain by encouraging self-esteem and providing access to necessary resources. Support is provided to the tenant through property managers and social service coordinators who are responsible for preserving the physical home and helping to enable the family's progress. All tenants have access to specialized programs including the Holiday Friends Program, Beyond the Backpack (school supplies), and the Summer Camp Program.

A Tax Increment Financing ("TIF") district, approved in December 2007, has allowed for economic development in Pagedale, Missouri. A Save-A-Lot grocery store opened in July 2010 and has a long-term lease with PGD who constructed and owns the building. A forty-two unit senior housing development opened in December 2012 with a full-service branch of Midwest BankCentre located on the building's ground floor – the first bank ever in Pagedale. Construction was completed on a four screen, 369 seat movie theater which opened to the public in November 2015. Construction was also completed on a 13,000 square foot two-story retail building adjacent to the theater. Construction continued on the rehabilitation of an additional building adjacent to the theater which will house the Wealth Accumulation Center ("WAC"), and a café. Financial services such as low-cost, short-term loans, financial education, coaching and a state-of-the-art interactive teller system machine will be provided in the WAC through a partnership with a local Community Credit Union. The retail building is home to St. Louis County Children's Services office and Affinia Healthcare, which will offer wellness and urgent care services.

Ten new homes were constructed in the City of Pine Lawn and have been sold to homeowners through the CLT. A thirty-one unit Low Income Housing Tax Credit project provided new rental homes near the newly opened elementary school for low- and moderate-income renters. The Organization purchased and rehabilitated homes in the 24:1 footprint and sold them to low-income families. Construction was completed on a 53-unit Senior Living building in Pine Lawn. Construction will begin in 2017 on a forty-one unit low income housing tax credit project in Pine Lawn. The renovation of the former Garfield Elementary was completed and is the new headquarters of Beyond Housing and the 24:1 Community Land Trust.

Job Readiness/Access and Health

Beyond Housing believes that in order to have real impact, they must focus on all of the areas that make up a thriving community – education, housing, health, job readiness and access, and economic development. To date, Beyond Housing has developed strategies around most of these factors, to varying degrees. Two areas that need additional development are health and jobs. Beyond Housing currently has implemented programs and economic development strategies to improve health and jobs outcomes in the Normandy Schools Collaborative, including the building of the grocery store, Passport to Health programming, and collaborating with the Normandy Schools Collaborative to provide summer jobs. They understand the need to expand and generate more jobs and are considering alternatives along with partners so that they can finalize a strategy that works for these areas. Whether the Organization builds out capacity to deliver services, or works with a partner organization to scale up in a particular area of focus, the Organization is looking to begin moving the needle in health and jobs over the next several years.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Job Readiness/Access and Health (Continued)

Beyond Housing has begun focusing on improving healthy behaviors for residents. The Organization provides free healthy cooking classes to parents and child care providers. Beyond Housing also provides free exercise classes to seniors and other adults living in Beyond Housing rental units and throughout the 24:1 community. The organization sponsors walking groups, tours of grocery stores that demonstrate healthy shopping on a limited budget, and provide exercise equipment to schools. In May 2017, a federally qualified health center located in Pagedale will provide primary care, urgent care, and dental service.

Fair Value Measurements

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Organization has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Investments in municipal bonds, certificates of deposit, equities, and money market securities that are classified as available-for-sale are recorded at fair value on a recurring basis. The investments valued at unadjusted quoted market prices within active markets are recorded as recurring Level 1. Certificates of deposit are valued at the redemption value price. Equities are valued at quoted prices on the open market. The investments valued at unadjusted quoted market prices within less than active markets are recorded as recurring Level 2.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Loans receivable are not recorded at fair value on a recurring basis. However, if a loan is considered impaired and an allowance for loan losses is necessary, the fair value of impaired loans is based on the underlying collateral value, market value of similar debt, and liquidation value, etc. When the fair value of the collateral is based on an observable market price or a current appraised value, the impaired loan is recorded as nonrecurring Level 2. When a current appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the impaired loan is recorded as nonrecurring Level 3.

Investments in real estate are valued at the acquisition costs plus rehabilitation and holding costs. See Note 7 for additional information regarding investment in real estate.

Advertising

The Organization follows the policy of charging the costs of advertising and marketing to expense as incurred. Advertising expense was \$56,688 and \$145,896 for the years ended December 31, 2016 and 2015, respectively.

New Accounting Pronouncements

Beyond Housing has adopted the accounting guidance in FASB Accounting Standards Update (ASU) No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires organizations to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. The effect of adopting the new standard decreased the debt issuance costs asset to zero and decreased the debt liability by \$235,584 as of January 1, 2015. The adoption of the standard had no effect on the previously reported equity. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. The ASU is retrospectively applied. Beyond Housing has elected to adopt this change in account principle as of January 1, 2015.

Reclassifications

Certain amounts in the prior year consolidated and combined financial statements have been reclassified to conform to the current year consolidated and combined financial statement presentation. There is no effect to total assets, liabilities, net assets, revenues, or functional expenses.

Subsequent Events

Management has evaluated subsequent events through May 31, 2017, the date the financial statements were available to be issued.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 2 COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Organization participates in a number of federal and state assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, the Organization has no such request pending, and in the opinion of management, any such amounts would not be considered material.

During 1993, another nonprofit organization loaned \$33,500 to the Organization to be used in the purchase of a residence to provide supported living arrangements for residents for St. Louis County with developmental disabilities. If the Organization fails to use the residence for its intended purpose during a thirty-year period, these funds are to be repaid without interest. This loan is secured by a deed of trust over the rental property.

NOTE 3 CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

Cash paid for interest for the years ended December 31, 2016 and 2015 was \$496,457 and \$439,709, respectively.

The Organization transferred property from investment in real estate to rental property. For the years ended December 31, 2016 and 2015, the amount transferred was \$-0- and \$165,348, respectively.

Total capitalized interest amounted to \$67,576 and \$136,914 for the years ended December 31, 2016 and 2015, respectively.

The Organization financed \$-0- and \$3,267,587 of construction work in progress, investment in real estate, and property and equipment during the years ended December 31, 2016 and 2015, respectively, with a construction loan and notes payable. The Organization also received donations of houses with a cumulative fair value of \$684,461 and \$-0- for the years ended December 31, 2016 and 2015, respectively.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 4 FAIR VALUE MEASUREMENTS

The following table presents the Organization's assets and liabilities and related valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2016 and 2015, on a recurring basis:

	Fair Value Measurements Using:			
	Fair Value	Level I	Level II	Level III
December 31, 2016				
Municipal Bonds	\$ 361,324	\$ 361,324	\$ -	\$ -
Certificates of Deposit	463,801	463,801	-	-
Money Market Securities	5,674,947	5,674,947	-	-
Total	<u>\$ 6,500,072</u>	<u>\$ 6,500,072</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2015				
Municipal Bonds	\$ 531,475	\$ 531,475	\$ -	\$ -
Equities	10,594	10,594	-	-
Money Market Securities	6,849,316	6,849,316	-	-
Total	<u>\$ 7,391,385</u>	<u>\$ 7,391,385</u>	<u>\$ -</u>	<u>\$ -</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 5 LOANS RECEIVABLE

Loans receivable consisted of the following as of December 31:

	2016	2015
USBCDE Investment Fund XXXIV, LLC Loan	\$ -	\$ 4,219,826
PTCIF Note Receivable	5,753,550	5,753,550
Pagedale TIF Note Receivable	2,198,000	1,798,000
Allowance for Pagedale TIF Note Receivable	(228,655)	(111,166)
Monthly Repayment Loans	36,668	36,668
Monthly Repayment Loans - NWA Fund	111,413	186,913
County Down Payment Assistance Loans - NWA Fund	134,000	134,000
Individual Development Account Loans - NWA Fund	11,445	7,409
Allowance for Uncollectible Loans - NWA Fund	(75,591)	(48,736)
Forgivable Loans	4,162,693	3,112,445
Deferred Loans	504,764	504,764
Allowance for Forgivable/Deferred and Other Loans	(4,694,258)	(3,643,898)
Glenechort Homes and Northwoods Home Repair Notes Receivable	303,368	404,337
Allowance for Glenechort Homes and Northwoods	(303,368)	(404,337)
St. Louis Community Credit Union	81,500	81,500
Darst-Webbe - Note 17	1,818,000	1,818,000
Allowance for Darst-Webbe	(1,818,000)	(1,818,000)
Villages of St. Mary's - Note 17	1,318,182	1,318,182
Allowance for Villages of St. Mary's	(1,318,182)	(1,318,182)
Total Loans Receivable	7,995,529	12,031,275
Less: Current Portion of Loans Receivable	(114,623)	(169,586)
Long-Term Loans Receivable	\$ 7,880,906	\$ 11,861,689

During October 2009, Beyond Housing, Inc. entered into a promissory note agreement with USBCDE Investment Fund XXXIV, LLC, to advance \$4,219,826. Interest is accrued at 4.2% during the compliance period and 1.9% during the initial loan period and post-compliance period. Monthly interest only payments are due until November 2016 and monthly payments of principal and interest in the amount of \$150,775 from November 2016 until November 1, 2029. The remaining principal and accrued interest will be paid with a balloon payment at maturity on November 5, 2049. On December 16, 2016, Beyond Housing acquired 100% of the membership interest in the USBCDE Investment fund XXXIV (Fund). Immediately after Beyond Housing's acquisition of the interest in the Fund, the CDE made a distribution to the Fund of the Promissory Notes and the other documents evidencing and securing the PGD loans in exchange for a complete redemption of the Fund's membership interest in the CDE. As a result of the acquisition and redemption, Beyond Housing became the sole member of the Fund, and the Fund became the holder of the Promissory Notes evidencing the PGD loans payable by the Borrower. Immediately after the acquisition and redemption, Beyond Housing forgave and cancelled \$1,030,920 of the PGD loans. Subsequent to the acquisition of the Fund, the name of the fund was changed to Beyond Housing Investment Fund 2016, LLC.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 5 LOANS RECEIVABLE (CONTINUED)

Monthly payment loans have been recorded as loans receivable with maturity dates from 2014 to 2049 and interest rates ranging from 1.87% to 7%. Forgivable loans will not be collected by the Organization unless the homeowner requesting the loan sells the property within three or five years, as stipulated in the respective contracts. During the years ended December 31, 2016 and 2015, \$1,652,952 and \$1,757,917, respectively, in forgivable loans were issued and \$544,077 and \$712,124, respectively, were forgiven on the loans. Deferred loans will not be collected by the Organization unless the homeowner requesting the loan sells the property. Any amounts collected from forgivable or deferred loans must be loaned out again.

On December 1, 2014, the City of Pagedale, Missouri, ("City") issued a Taxable Tax Increment Revenue Note for the Beyond Housing Tax Increment Financing ("TIF") Redevelopment Project. This TIF Note is one of an authorized series of fully registered notes of the City and is issued in an aggregate principal amount of not to exceed \$1,950,000 plus issuance costs. The TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs incurred in connection with the Redevelopment Plan in the Pagedale Town Center I project. The TIF Note bears interest at the rate of 6.61% computed on a 360-day basis and has a maturity date of December 17, 2030. Interest and principal is payable each May 1 and November 1 until the TIF Notes are paid in full. The obligations of the City with respect to this TIF Note terminate on December 17, 2030, whether or not the principal amount or interest hereon has been paid in full.

The TIF Notes and the interest thereon are special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the available revenues and other monies pledged thereto and held by the City. Available funds are (a) all monies on deposit in the PILOTs Account of the Special Allocation Fund with respect to Redevelopment Project A; and (b) all monies on deposit in the EATs Account of the Special Allocation Fund that have been appropriated to the repayment of the TIF Notes with respect to the Redevelopment Project A. The TIF Note is subject to optional redemption by the City in whole or in part on any payment date at a redemption price of 100% of the principal amount of the TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

As of December 31, 2016, the outstanding principal amount due under the Series 2014 TIF Note was \$1,798,000.

On October 31, 2016, the City of Pagedale, Missouri, ("City") issued a Taxable Tax Increment Revenue Note for the Beyond Housing Tax Increment Financing ("TIF") Redevelopment Project. This TIF Note is one of an authorized series of fully registered notes of the City and is issued in an aggregate principal amount of not to exceed \$400,000 plus issuance costs. The TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs incurred in connection with the Redevelopment Plan in the Pagedale Town Center I project. The TIF Note bears interest at the rate of 5.93% computed on a 360-day basis and has a maturity date of December 17, 2030. Interest and principal is payable each May 1 and November 1 until the TIF Notes are paid in full. The obligations of the City with respect to this TIF Note terminate on December 17, 2030, whether or not the principal amount or interest hereon has been paid in full.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 5 LOANS RECEIVABLE (CONTINUED)

The TIF Notes and the interest thereon are special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the available revenues and other monies pledged thereto and held by the City. Available funds are (a) all monies on deposit in the PILOTs Account of the Special Allocation Fund with respect to Redevelopment Project A; and (b) all monies on deposit in the EATs Account of the Special Allocation Fund that have been appropriated to the repayment of the TIF Notes with respect to the Redevelopment Project A. The TIF Note is subject to optional redemption by the City in whole or in part on any payment date at a redemption price of 100% of the principal amount of the TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

As of December 31, 2016, the outstanding principal amount due under the Series 2016 TIF Note was \$400,000.

In June, 2014, Pagedale Town Center Leverage Lender, LLC (“PTCLL”) entered into a promissory note agreement with Pagedale Town Center Investment Fund, LLC (“PTCIF”), an unrelated party, to advance \$5,753,550. Interest is accrued at a fixed rate per annum equal to 1% computed on a 360 calendar day year and is payable quarterly. Principal payments begin December 15, 2022, and are paid annually thereafter thru December, 2047. The remaining principal and accrued interest will be paid with a balloon payment at maturity on December 15, 2048.

PTCIF entered into a promissory note agreement with Enterprise Sub-CDE VII, LLC, which in turn entered into a \$8,415,000 promissory note with Pagedale Town Center I, LLC (“PTC 1”), resulting in a related note payable on the books of PTC 1. See terms in Note 10.

Loans for which collection is not expected have been fully reserved for or written off at December 31, 2016 and 2015.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 5 LOANS RECEIVABLE (CONTINUED)

The board of directors has vested the authority in the president to approve loans. Interest rates range from 0% to the prevailing market rate. Terms range from one to thirty years. Loans receivable balances funded with NWA funds consist of the following at December 31, 2016 and 2015:

	NWA Fund	
	2016	2015
Loans Receivable	\$ 256,858	\$ 328,322
Allowance for Loan Losses	(75,591)	(48,736)
	<u>\$ 181,267</u>	<u>\$ 279,586</u>
	2016	2015
Loan Delinquency Status	\$ 181,304	\$ 279,623
Current	33 Loans 70.6%	47 Loans 85.2%
30-60 days	-	-
	0 Loans 0.0%	0 Loans 0.0%
61-90 days	-	-
	0 Loans 0.0%	0 Loans 0.0%
Over 90 days	75,554	48,699
Long-term Loans Receivable	18 Loans 29.4%	16 Loans 14.8%

Allowances were established for loans during the years ended December 31, 2016 and 2015.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Rental Properties	\$ 71,544,175	\$ 62,960,045
Land and Land Improvements	6,616,561	4,340,436
Building, Warehouse, and Improvements	8,002,158	7,040,009
Leasehold Improvements	55,176	49,655
Equipment and Software	1,745,020	1,376,641
Vehicles	272,994	272,794
Construction in Progress	7,909,880	8,672,137
	<u>96,145,964</u>	<u>84,711,717</u>
Less: Accumulated Depreciation	(19,635,949)	(17,113,805)
Less: Assets Limited As to Use	(20,013,770)	(12,153,901)
	<u>\$ 56,496,245</u>	<u>\$ 55,444,011</u>

As presented in Note 12, \$892,344 is in the NWA Program and is permanently restricted as of December 31, 2016 and 2015. Depreciation amounted to \$2,806,572 and \$2,153,883 for the years ended December 31, 2016 and 2015, respectively. Depreciation is not recorded on these assets until the assets are placed in service.

NOTE 7 INVESTMENT IN REAL ESTATE

Investment in Real Estate consists of several residential and commercial properties in St. Louis County that were acquired by or donated to the organization.

All of the properties will be redeveloped to provide land trust stewardship within the boundaries of the Normandy School Collaborative for a variety of community needs including affordable housing for homeownership creation, commercial real estate and economic development, and land banking for future development.

Certain investments in real estate are reported as assets limited as to use. As of December 31, 2016 and 2015, the amount of investments in real estate included in assets limited as to use was \$6,249,200 and \$7,087,674, respectively. (See Note 14).

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 8 DEFERRED COMPENSATION PLAN

On December 31, 2008, the Organization established a deferred compensation plan for the benefit of its president. The plan provides for annual contributions by the Organization of \$4,500 starting December 31, 2008, and escalating by \$500 each year thereafter through December 31, 2017. The funds are to be held in trust for the benefit of the president until December 31, 2012, at which time he received the initial distribution of the balance in the trust account, excluding the payment made on such date. On December 31, 2014, 2016, and 2018, he will receive additional distributions of the balance in the trust account, excluding the payments made on such dates.

On July 31, 2010, the Organization established deferred compensation plans for the benefit of its chief financial officer and chief operating officer. The plan provides for annual contributions by the Organization of \$4,500 starting December 31, 2010, and escalating by \$500 each year thereafter through December 31, 2019. The funds are to be held in trust for the benefit of each of these officers until December 31, 2014, at which time they will receive the initial distribution of the balance in each trust account, excluding the payments made on such date. On December 31, 2016, 2018, and 2020, each will receive additional distributions of the balance in the trust account, excluding the payments made on such dates.

If any of the officers are terminated prior to all of the scheduled distributions by the Organization, they will not receive any of the remaining scheduled distributions from these plans unless their employment with the Organization is terminated without cause or due to death or physical/mental disability or incapacity. If without cause, each will receive the balance in the account plus the present value of any unpaid annual contributions. If due to death or physical/mental disability or incapacity, each will receive the balance in the account plus the pro-rated value of the partial year. If one of the officers resigns, they would not be entitled to any current or future amounts in the trust. No officer left the Organization during 2016 or 2015.

Contributions related to 2016 and 2015 were \$23,500 and \$22,000, respectively. Required distributions of \$42,500 were made to the employees during the year ended December 31, 2016.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 9 DONOR-DESIGNATED ENDOWMENT FUND

The Organization's endowment consists of one individual donor-restricted fund established for housing to be built with universal design. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

During 2009, the Organization received an endowment contribution in the amount of \$491,920. Activity in the endowment fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance - December 31, 2014	\$ -	\$ 129,400	\$ 491,920	\$ 621,320
Contributions	-	-	267	267
Releases	-	(100,000)	-	(100,000)
Unrealized gain (loss)	-	(228)	-	(228)
Dividends and Interest	-	-	-	-
Less Fees	-	17,749	-	17,749
	<hr/>	<hr/>	<hr/>	<hr/>
Balance - December 31, 2015	-	46,921	492,187	539,108
Unrealized gain (loss)	-	(5,159)	-	(5,159)
Dividends and Interest	-	-	-	-
Less Fees	-	12,933	-	12,933
	<hr/>	<hr/>	<hr/>	<hr/>
Balance - December 31, 2016	<u>\$ -</u>	<u>\$ 54,695</u>	<u>\$ 492,187</u>	<u>\$ 546,882</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 10 NOTES PAYABLE

Notes payable consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
BH - U.S. Bank, collateralized by first deed of trust, security agreement, and assignment of rents and leases, interest rate of 4.15%, monthly principal and interest payments of \$182. The loan matures June 2018.	\$ 12,242	\$ 13,999
BH - Enterprise Bank, various notes, collateralized by first deeds of trust, interest ranges from 4.0% to 5.25%, monthly principal and interest payments ranging from \$145 to \$5,265 with balloon payments due at maturity, ranging from July 2018 to December 2021.	673,367	717,566
BH and E10 - Central Bank of St. Louis, four notes secured by first deeds of trust, bear interest at 5.00%, monthly principal and interest payments ranging from \$336 to \$757, due November 2017 to October 2021.	181,017	196,642
BH - Sisters of Loretto, unsecured, bears interest at 4.00%, semi-annual interest only payments of \$4,000.	200,000	200,000
BH - Sisters of Loretto, unsecured, bears interest at 5.00%, monthly principal and interest payments of \$955 with a balloon payment due at maturity, due January 2017.	1,904	12,963
BH - Sisters of St. Joseph of Carondelet, unsecured, bears interest at 1.00%, monthly interest only payments, principal due April 2017.	40,000	40,000
BH - Northern Trust Company, unsecured, bears interest at 0.50%, semi-annual interest only payments, principal due July 2019.	1,000,000	1,000,000
BH - PNC Bank, secured by deeds of trust, bear interest at 4.35%, monthly principal and interest payments ranging from \$2,029 to \$4,814 with a balloon payment due at maturity, due dates ranging from October 2022 through November 2022.	1,294,568	1,350,429
BH - The Private Bank, secured by deeds of trust, bear interest ranging from 5.5% to 6.5%, monthly principal and interest payments ranging from \$111 to \$153, due December 2017 through June 2019.	25,054	26,790
BH - Midwest BankCentre, secured by various deeds of trust, bear interest at 4.6%, monthly principal and interest ranging from \$270 to \$810 with balloon payments due at maturity, due March 2023.	433,887	456,294
BH - Missouri Housing Development Commission transferred to US Bank Home Mortgage, monthly installments of \$210 including interest at 6.00%, due June 2023, secured by a deed of trust over rental property, security agreement, and a regulatory agreement	13,368	15,030

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 10 NOTES PAYABLE (CONTINUED)

	<u>2016</u>	<u>2015</u>
CP, HH, HM, LH, LP, MLE, PSHR, and PLH - Missouri Housing Development Commission, monthly installments ranging from \$1,238 to \$5,183 including interest ranging from 3.00% to 6.00%, with balloon payments due at maturity, due September 2024 to April 2032, secured by deeds of trust over rental property, security agreements, and regulatory agreements.	\$ 4,177,925	\$ 4,248,226
BH and E8 - St. Louis County Office of Community Development, collateralized by first deeds of trust, bear interest at 1%, balloon payment due in full at maturity, at various dates through April 2017.	1,055,217	1,055,217
BH and E9 - UMB, collateralized by a first deed of trust, bears interest at 4.50%, monthly principal and interest payments of \$697 interest payments of \$697 with balloon payment due May 2019.	63,886	69,194
BH - Nazareth Literary and Benevolence, unsecured, bears interest at 0.50%, yearly interest only payments with a balloon at maturity, June 2018.	100,000	100,000
BH - County of St. Louis, Missouri, twenty-seven loans, secured by deeds of trust, non-interest bearing, no periodic payments of principal, due upon the sale or the abandonment by BH of the premises for all of the loans or fifteen years for four of the loans.	4,022,106	3,847,802
E9, E10, and HH - County of St. Louis, Missouri, three loans, secured by deeds of trust, bears interest at 1.00%, payments of principal upon availability of surplus cash, due upon maturity ranging from November 2017 to July 2025.	855,140	855,140
PGD - USBCDE SUB-COE XXXIV, LLC, secured by a deed of trust, bears interest at 1.33%, monthly interest only payments until November 2016 and principal and interest payments ranging from \$3,490 to \$5,437 from November 2016 to November 2049 with a balloon payment at maturity in November 2049.	-	5,940,000
PTC1 - Enterprise Sub-CDE VII, LLC, secured by a deed of trust, bears interest at 0.7483%, quarterly interest only payments until December 2022 and principal and interest payments from December 2022 to June 2048, with a balloon payment at maturity June, 2048.	5,748,550	5,748,550
PTC1 - Enterprise Sub-CDE VII, LLC, secured by a deed of trust, bears interest at 0.7483%, quarterly interest only payments until June 2048, Exit Fee payment on June 29, 2021, and a balloon payment at maturity June, 2048.	2,666,450	2,666,450

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 10 NOTES PAYABLE (CONTINUED)

	2016	2015
PLS- MHDC, construction note payable dated October 10, 2014, with original principal available of \$6,980,000. Interest only payments are due monthly. Principal and interest begin on June 1, 2016, with a payment due to lower the debt to the permanent financing amount of \$1,175,000. Principal and interest payments will continue until maturity on May 1, 2036 when a balloon payment is due. The interest rate on the construction loan is 4.75%, but will be lowered to 3% when the debt is converted to permanent. The construction note payable is secured by deed of trust and security agreement on the properties.	\$ 1,164,868	\$ 3,607,346
Other Debt	24,365	9,365
Total	23,753,914	32,177,003
Less: Unamortized Debt Issuance Costs	(231,551)	(229,169)
Total Notes Payable, Net	\$ 23,522,363	\$ 31,947,834

The scheduled maturities of the mortgage notes payable are as follows at December 31.

2017	\$ 1,530,481
2018	857,726
2019	1,300,125
2020	243,668
2021	315,156
2022 and thereafter	19,506,758
	\$ 23,753,914

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted as follows as of December 31:

	2016	2015
BH - FHLB, Vinita Terrace-Hanley Hills-Vinita Park included in cash	\$ -	\$ 9,082
BH - Endowment Earnings, included in investments	54,695	46,921
CLT - Direct Private Support, included in cash and investments	6,208,121	7,170,810
	\$ 6,262,816	\$ 7,226,813

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 12 NWA PROGRAM (PERMANENTLY RESTRICTED NET ASSETS) FOR BH

The below NWA program statements do not include intercompany eliminations.

Assets:	2016	2015
Cash and Cash Equivalents	\$ 683,106	\$ 593,053
Accounts Receivable	7,757	15,012
Loans Receivable	525,136	483,357
Allowance for Uncollectible Loans Receivable	(75,591)	(48,736)
Loans Receivable Per Permanently Restricted Capital Grant Agreements, Through the General Fund	933,398	933,398
Property and Equipment - Net	892,344	892,344
Total Assets	<u>\$ 2,966,150</u>	<u>\$ 2,868,428</u>
Liabilities:		
Accounts Payable	\$ 8,888	\$ 1,225
Due to General Fund	18,544	11,630
Notes Payable	5,000	5,000
Total Liabilities	<u>32,432</u>	<u>17,855</u>
Net Assets:		
Net Assets NWA - Permanently Restricted	<u>2,933,718</u>	<u>2,850,573</u>
Total Net Assets	<u>2,933,718</u>	<u>2,850,573</u>
Total Liabilities and Net Assets	<u>\$ 2,966,150</u>	<u>\$ 2,868,428</u>
	2016	2015
Support and Revenue:		
Bad Debt Recovery	\$ 540	\$ 420
Capital Grant	110,000	100,000
Total Support and Revenue	<u>\$ 110,540</u>	<u>\$ 100,420</u>
Net Assets Released from Restriction Due to Change In Allowance for Uncollectible Loans Receivable	\$ (27,395)	\$ (108)
Permanently Restricted Net Assets NWA - Beginning of Year	<u>2,850,573</u>	<u>2,750,261</u>
Permanently Restricted Net Assets NWA - End of Year	<u>\$ 2,933,718</u>	<u>\$ 2,850,573</u>

This program represents funds provided by NWA for making loans and for capital projects. All resources granted to this fund must be maintained permanently. The Organization is permitted to transfer or expend the *income* (or other economic benefit) derived from capital assets in excess of the relevant Capital Fund Agreement. There were no proceeds from capital projects in excess of the amount of funds necessary to maintain the net assets at a level disclosed in the Capital Funds Agreement with NWA. Accordingly, no funds were transferred from the NWA program for that purpose.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 12 NWA PROGRAM (PERMANENTLY RESTRICTED NET ASSETS) FOR BH (CONTINUED)

For the years ended December 31, 2016 and 2015, the funds held by the NWA Program exceeded the FDIC insurance limit. The funds were properly collateralized by securities during 2016 and 2015. Income and expenses related to the fund are run through the due to/due from general fund account. Annually, cash transfers are made to clear out the due to/due from account's balance from the previous year. As of December 31, 2016 and 2015, the amount due to the general fund from the NWA permanently restricted capital fund was \$18,544 and \$11,630, respectively.

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS

In 2014, permanently restricted net assets of CLT were reclassified to unrestricted net assets based upon donor approval. Certain income generated from the related CLT properties is purposed for early childhood education programs and is reported in assets limited as to use. CLT properties developed with donor funds will be reinvested in similar community development projects if they are sold at some future event and are classified as assets limited as to use on the statement of financial position. Total permanently restricted net assets consist of the following as of December 31:

	2016	2015
NWA Program	\$ 2,933,718	\$ 2,850,573
Endowment	492,187	492,187
Total Permanently Restricted Net Assets	\$ 3,425,905	\$ 3,342,760

NOTE 14 ASSETS LIMITED AS TO USE

Assets limited as to use are funds donated to CLT from a private foundation for the purpose of 1) providing land trust stewardship for a variety of community needs, including affordable housing for home ownership creation, land banking, commercial real estate, land ownership and development, 2) ensuring the long term stability, affordability, and quality of housing therein, 3) providing financing opportunities for single-family home ownership by persons and families of low- and low-moderate income, 4) providing social services, employment opportunities, and other services to improve the quality of life of the residents, and 5) providing financial support for quality early childhood education for children of low-income families within the boundaries of the Normandy School Collaborative. Properties developed with donor funds will be reinvested in similar community development projects if the assets are sold at some future date. A portion of the income generated from projects or property which was originally developed with funds from the foundation is reinvested for the benefit of the communities served in the form of reserves which would be used for such purposes as supporting early childhood education and purchase price guarantees.

CLT also has Notes Receivable from Affiliates which arose from mortgages and notes on commercial and residential properties. The balances were \$5,425,911 and \$4,808,768 at December 31, 2016 and 2015, respectively. While eliminated in the consolidated and combined financial statements, these notes receivable are reported as assets limited as to use for single-family housing and commercial development in the future.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 14 ASSETS LIMITED AS TO USE (CONTINUED)

Assets limited as to use consisted of the following as of December 31:

	2016	2015
CLT - Property and Equipment, Net	\$ 14,201,463	\$ 11,267,353
CLT - Construction in Progress	5,812,307	886,548
CLT - Investment in Real Estate	6,249,200	7,087,674
CLT - Early Childhood Education	51,013	51,966
CLT - Purchase Price Guarantees	147,213	113,646
CLT - Repair and Replacement Reserves	40,557	28,456
CLT - Home Repurchase Reserve	101,313	70,650
CLT - Purchase Escrow	10,406	74,085
	<u>\$ 26,613,472</u>	<u>\$ 19,580,378</u>

NOTE 15 LEASE AGREEMENT

On April 3, 2009, the Organization ("Landlord") entered into a triple net lease agreement with Moran Foods, Inc. d/b/a Save A Lot, Ltd. ("Tenant"). The lease agreement states that the Tenant must use the property solely as a grocery store. The lease commenced on August 1, 2010, once construction had been completed, for a period of ten years. Additionally, there are options to renew on mutually agreeable terms for three consecutive two-year periods.

The lease also limits businesses that the Landlord can open within a two-mile radius of the grocery store. The tenant is required to make monthly rental payments of \$10,623 in advance or before the first day of each calendar month during the first five years of the lease term. Monthly payments increase to \$11,685 for years six through the last day of the initial term. If extended, monthly lease payments will be \$12,748. The tenant is responsible for expenses related to minor maintenance costs. The landlord is responsible for expenses related to taxes, insurance, and common area maintenance, a portion of which is collected through the tenant in monthly lease payments. Future minimum lease payments of \$127,478 are expected to be received each year for the first five years of the lease and \$140,225 are expected to be received each year for the second five years of the lease.

NOTE 16 DEFINED CONTRIBUTION PLAN

On July 1, 1995, the Organization established a qualified, defined contribution pension plan that covers full-time employees. As of January 1, 2006, the plan was amended to include all employees who normally work more than 20 hours a week and are not contract employees. The amended plan provides that the Organization may make a discretionary contribution of up to 5% of the eligible employee salaries. Employer matching contributions to the plan, included in accrued expenses, amounted to \$38,719 and \$36,402 for the years ended December 31, 2016 and 2015, respectively. Contributions paid to the plan for the years ended December 31, 2016 and 2015, amounted to \$35,157 and \$33,275, respectively.

The plan used by Neighborhood Housing Services of St. Louis, Inc., before the merger is still in existence and some individuals have balances in that plan. No contributions were made to the Neighborhood Housing Services of St. Louis, Inc., plan for either of the years ended December 31, 2016 and 2015.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 17 AGENCY TRANSACTIONS

During 2000, the Organization participated in a plan to redevelop the site of the former Darst-Webbe housing complex. Through the receipt of contributions and issuance of tax credits, the Organization lent \$1,818,000 to the developer of the Darst-Webbe project through a 0.25% interest rate loan payable over fifty years, secured by a fifth deed of trust on the project. Since the Organization acted solely in an agent capacity in providing the tax credits, the above mentioned contributions were not recorded in the consolidated and combined statements of activities; and due to the structure of the loan to the developer, an allowance was established for the entire note balance.

During January 2009, BH entered into a promissory note agreement with SMI Landlord, LLC, for a project entitled "The Villages of St. Mary's" ("the Project") to advance \$1,318,182. The note was interest free until January 2011, after which interest is accrued at 0.25%. Payments are to be made equal to 10% of the amount of the borrower's cash flow remaining after any payments due to the senior lender and upon priority as stipulated in the Borrower's Operating Agreement. The note matures December 2039, or upon sale or transfer of the Project. The Organization does not expect to receive payment due to the repayment terms of the note, and has allowed for the entire balance as of December 31, 2016 and 2015.

No principal payments were received during either of the years ended December 31, 2016 and 2015, related to these agency transactions.

NOTE 18 CONCENTRATIONS OF CREDIT RISK, MARKET RISK, AND REVENUES

Concentration of Credit Risk Arising from Loan Assistance

The Organization provides loan assistance primarily to low- and moderate-income individuals. The loans are secured by the property purchased or improved primarily in the St. Louis metropolitan area.

Concentration of Support and Revenue

For the years ended December 31, 2016 and 2015, the percentage of support and revenue provided by federal, state, and local government agencies was approximately 5.6% and 5.1%, respectively, for BH.

For the years ended December 31, 2016 and 2015, consolidated revenue from one donor amounted to 48% and 52%, respectively, of total consolidated revenue and support. For the years ended December 31, 2016 and 2015, 49% and 37%, respectively, of the concentration was related to operational funds and 51% and 63%, respectively, of the concentration was related to funding fixed asset purchases and issuing loans. Deferred revenue from this donor, which will be recognized as revenue in future periods, when certain requirements are satisfied, amounted to \$980,403 and \$719,092 as of December 31, 2016 and 2015, respectively. The donor concentration by individual entity for the years ended December 31, 2016 and 2015 was 22% and 26% for BH, respectively, and 78% and 84% for CLT, respectively.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 18 CONCENTRATIONS OF CREDIT RISK, MARKET RISK, AND REVENUES (CONTINUED)

Concentrations of Market Risk

A large composition of the Organization's main assets are scattered site homes in St. Louis County. These homes are concentrated in the multi-family real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization for these homes are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies including, but not limited to, MHDC. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by MHDC. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2016

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through St. Louis County - Office of Community Development Community Development Block Grant Neighborhood Stabilization Program(NSP)	14.218		\$ 3,470,266
Passed through the City of St. Louis, Department of Planning Office of Community Development Glen Echo Park Tenant Assistance	14.218		6,663
Passed through the City of St. Louis, Community Development Agency Community Development Block Grant Homebuyer Assistance Program	14.218	14-36-24	<u>45,000</u>
Subtotal Community Development Block Grant			<u>3,521,929</u>
Passed through St. Louis County, Department of Planning, Office of Community Development Home Investment Partnership Program - Homebuyer Assistance	14.239	H09-BH/NHS	836,500
Passed through St. Louis County - Office of Community Development Home Investment Partnership Program Pagedale Preservation Program (PPP)	14.239		89,840
Passed through St. Louis County - Office of Community Development Home Investment Partnership Program - Rehab Program	14.239		400,000
Passed through St. Louis County - Office of Community Development Home Investment Partnership Program - Home Purchase	14.239		50,000
Passed through St. Louis County - Department of Planning Office of Community Development Northwoods Home Repair Program	14.239		<u>297,604</u>
Subtotal HOME Investment Partnership Program			<u>1,673,944</u>
Subtotal U.S. Department of Housing and Urban Development			5,195,873
<u>U.S. Department of Agriculture</u>			
Passed through Missouri Department of Health & Senior Services Pagedale Afterschool Program (CACFP)	10.558	ERS4611857	19,173
Summer Food Service Program (SFSP)	10.559	ERS0461857S	<u>8,366</u>
Subtotal U.S. Department of Agriculture			<u>27,539</u>
<u>NeighborWorks® America (NWA)</u>			
Expendable Grants:			
NWA Expendable	21.000	104-204	220,600
NWA Equity Capital Grant	21.000	104-204	110,000
NWA Expendable/NFMC	21.000	104-204	65,489
HUD Housing Counseling	14.169	104-204	<u>62,936</u>
Subtotal NeighborWorks America			<u>459,025</u>
Total All Federal Awards			<u>\$ 5,682,437</u>

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal expenditure activity of BH and CLT under programs of the federal government for the year ended December 31, 2016. The information in this 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*. Because the schedule presents only a selected portion of the operations of BH and CLT, it is not intended to and does not present the financial position, changes in net assets, or cash flows of BH and CLT.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreement entered into directly between BH and CLT and agencies and departments of the federal government, and all sub-awards to BH and CLT by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

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 the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Neither BH nor CLT have elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through entity identifying numbers are presented where available.

NOTE 3 SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, neither BH nor CLT provided federal awards to any subrecipients.

NOTE 4 NONCASH ASSISTANCE

Of the federal expenditures presented in the Schedule, neither BH nor CLT expended federal awards in the form of noncash assistance.

NOTE 5 LOAN PROGRAM

The Neighborhood Stabilization Program, Pagedale Preservation Program, and Home Rehab Program presented on the Schedule are loan-based programs to rehabilitate foreclosed properties. As a result, the federal expenditures relate to the loan balances outstanding as of December 31, 2015.

	Balance at 12/31/2015	Loan Additions	Balance at 12/31/2016
Neighborhood Stabilization Program	\$ 3,345,962	\$ 124,304	\$ 3,470,266
Pagedale Preservation Program	89,840	-	89,840
Home Investment Partnership Program - Rehab Program	400,000	-	400,000
Home Investment Partnership Program - Home Purchase	-	50,000	50,000

INDEPENDENT AUDITORS' 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

Board of Directors
Beyond Housing, Inc.
St. Louis, Missouri

We have audited, in accordance with the 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 Beyond Housing, Inc. ("BH") (A Missouri Nonprofit Organization) Subsidiaries, and Affiliates, which comprise the consolidated and combined statement of financial position as of December 31, 2016, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BH'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 BH's internal control. Accordingly, we do not express an opinion on the effectiveness of BH'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 BH's financial statements are free from 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

St. Louis, Missouri
May 31, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Beyond Housing, Inc.
St. Louis, Missouri

Report on Compliance for Each Major Federal Program

We have audited Beyond Housing, Inc.'s (BH) (A Missouri Nonprofit Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of BH's major federal programs for the year ended December 31, 2016. BH's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of BH'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 BH'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 BH's compliance.

Opinion on Each Major Federal Program

In our opinion, BH 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, 2016.

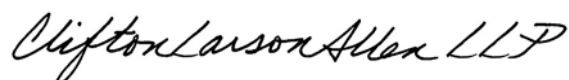
Report on Internal Control Over Compliance

Management of BH 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 BH'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 BH'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 a 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 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

St. Louis, Missouri
May 31, 2017

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grant
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u> 750,000 </u>
Auditee qualified as low-risk auditee?	<u> x </u> yes _____ no

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

FINANCIAL STATEMENT FINDINGS

None Reported.

MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

PRIOR YEAR FINDINGS – YEAR ENDED DECEMBER 31, 2015

None Reported.

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS	Beyond Housing, Inc.	24:1 Community Land Trust	Beyond Housing Investment Fund 2016, LLC	Beyond Housing/NHS Community Lending Corporation	Pagedale Town Center Leverage Lender	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Pine Lawn Senior Development Corporation	Combined Entities	Eliminations	Total
Current Assets																
Cash	\$ 5,568,379	\$ 1,176,712	\$ -	\$ 747	\$ -	\$ -	\$ 63,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491,148	\$ -	\$ 8,300,604
Inventory	7,805	9,868	-	-	-	-	-	-	-	-	-	-	-	-	-	17,673
Current Portion of Mortgage Loans Receivable, Net	-	-	-	23,165	-	-	-	-	-	-	-	-	-	-	-	23,165
Current Portion of Loans Receivable, Net	114,623	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,623
Due from Affiliates	735,160	23,811	-	-	-	3,478	113,291	300	-	-	-	-	-	-	(876,040)	-
Rents Receivable, Net	38,605	-	-	-	-	-	-	-	-	-	-	-	-	76,396	-	115,001
Interest Receivable	90,176	30,968	2,903	13,860	-	-	-	-	-	-	-	-	-	-	(30,968)	106,939
Pledges Receivable	58,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,952
Program and Administrative Reimbursement Receivables	412,864	224,654	-	-	-	-	47,643	-	-	-	-	-	-	-	(76,533)	608,628
Prepaid Expenses	74,074	170,724	1,000	3,834	-	-	6,131	-	-	-	-	-	-	41,358	-	297,121
Total Current Assets	7,100,638	1,636,737	3,903	41,606	-	3,478	230,683	300	-	-	-	-	-	1,608,902	(983,541)	9,642,706
Escrow Deposits and Reserve Accounts	850,935	289,329	-	24,990	-	-	-	-	-	-	-	-	-	2,813,470	(548,135)	3,430,589
Tenant Security Deposits	96,617	-	-	-	-	-	-	-	-	-	-	-	-	172,180	-	268,797
Restricted Cash	683,106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	683,106
Assets Limited As to Use	-	26,613,472	-	-	-	-	-	-	-	-	-	-	-	-	-	26,613,472
Long-Term Portion of Mortgage Loans Receivable, Net	67,178	-	-	1,517,469	-	-	-	-	-	-	-	-	-	-	-	1,584,647
Long-Term Portion of Loans Receivable, Net	6,952,593	81,500	-	-	5,753,550	-	-	-	-	-	-	-	-	-	(4,906,737)	7,880,906
Notes Receivable from Affiliates	947,279	5,425,911	4,903,098	-	-	-	-	-	-	-	-	-	-	-	(11,276,288)	-
Pledges Receivable	31,054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,054
Property and Equipment, Net	11,645,583	373,435	-	-	-	-	4,894,895	-	-	-	-	-	-	42,476,774	(2,894,442)	56,496,245
Deferred Compensation Account	23,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,500
Investments	546,882	5,953,190	-	-	-	-	-	-	-	-	-	-	-	-	-	6,500,072
Investment in Limited Partnerships and Corporations	178,097	5,363,874	-	-	-	(181,123)	-	-	489	50,449	546	104,739	(31)	-	(5,517,040)	-
Investment in Real Estate	-	46,887	-	-	-	-	-	-	-	-	-	-	-	-	-	46,887
Intangibles, Net	-	-	-	-	-	-	140,891	-	-	-	-	-	-	136,357	-	277,248
Total Assets	\$ 29,123,462	\$ 45,784,335	\$ 4,907,001	\$ 1,584,065	\$ 5,753,550	\$ (177,645)	\$ 5,266,469	\$ 300	\$ 489	\$ 50,449	\$ 546	\$ 104,739	\$ (31)	\$ 47,207,683	\$ (26,126,183)	\$ 113,479,229

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2016

LIABILITIES, EQUITY, AND NET ASSETS	Beyond Housing, Inc.	24:1 Community Land Trust	Beyond Housing Investment Fund	Beyond Housing/ NHS Community Lending Corporation	Pagedale Town Center Leverage Lender	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Pine Lawn Senior Development Corporation	Combined Entities	Eliminations	Total
Current Liabilities																
Current Portion of Notes Payable	\$ 2,370,062	\$ -	\$ -	\$ 22,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,801	\$ (1,074,683)	\$ 1,530,481
Accounts Payable	348,535	273,567	-	-	-	-	2,229	-	-	-	-	-	-	45,380	(22,949)	646,762
Accounts Payable - Construction	948,959	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	958,959
Accounts Payable to Affiliate	109,945	36,013	4,080	24,998	-	3,478	173,129	-	-	-	-	-	-	291,766	(643,409)	-
Developer Fee Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	164,219	(164,219)	-
Accrued Expenses	479,448	67,652	-	13,860	-	-	2,903	-	-	-	-	-	-	281,596	(121,448)	724,011
Tenant Security Deposits	95,374	-	-	-	-	-	-	-	-	-	-	-	-	170,322	-	265,696
Program Deposits	149,168	238,752	-	-	-	-	-	-	-	-	-	-	-	-	(4,785)	383,135
Partnership Deposits	548,135	-	-	-	-	-	-	-	-	-	-	-	-	-	(548,135)	-
Deferred Income	4,032,129	13,150	-	-	-	-	-	-	-	-	-	-	-	-	-	4,045,279
Mortgagor Escrow Liability	15,713	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,713
Total Current Liabilities	9,097,468	629,134	4,080	61,159	-	3,478	178,261	-	-	-	-	-	-	1,176,084	(2,579,628)	8,570,036
Long-Term Liabilities																
Notes Payable, Net of Current Portion	10,484,175	8,430,000	4,906,737	1,517,469	-	-	5,269,331	-	-	50,967	-	-	-	6,632,493	(15,299,290)	21,991,882
Developer Fee Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	22,685	-	22,685
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	142,781	-	142,781
Deferred Compensation Liability	23,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,500
Other Long-Term Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	16,443	-	16,443
Total Long-Term Liabilities	10,507,675	8,430,000	4,906,737	1,517,469	-	-	5,269,331	-	-	50,967	-	-	-	6,814,402	(15,299,290)	22,197,291
Total Liabilities	19,605,143	9,059,134	4,910,817	1,578,628	-	3,478	5,447,592	-	-	50,967	-	-	-	7,990,486	(17,878,918)	30,767,327
Equity																
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	38,372,765	-	38,372,765
Controlling Interest	-	-	(3,816)	5,437	5,753,550	(181,123)	(181,123)	300	489	(518)	546	104,739	(31)	844,432	(6,342,882)	-
Total Equity	-	-	(3,816)	5,437	5,753,550	(181,123)	(181,123)	300	489	(518)	546	104,739	(31)	39,217,197	(6,342,882)	38,372,765
Net Assets																
Unrestricted	6,037,719	30,517,080	-	-	-	-	-	-	-	-	-	-	-	-	(1,904,383)	34,650,416
Temporarily Restricted	54,695	6,208,121	-	-	-	-	-	-	-	-	-	-	-	-	-	6,262,816
Permanently Restricted	3,425,905	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,425,905
Total Net Assets	9,518,319	36,725,201	-	-	-	-	-	-	-	-	-	-	-	-	(1,904,383)	44,339,137
Total Equity and Net Assets	9,518,319	36,725,201	(3,816)	5,437	5,753,550	(181,123)	(181,123)	300	489	(518)	546	104,739	(31)	39,217,197	(8,247,265)	82,711,902
Total Liabilities, Equity, and Net Assets	\$ 29,123,462	\$ 45,784,335	\$ 4,907,001	\$ 1,584,065	\$ 5,753,550	\$ (177,645)	\$ 5,266,469	\$ 300	\$ 489	\$ 50,449	\$ 546	\$ 104,739	\$ (31)	\$ 47,207,683	\$ (26,126,183)	\$ 113,479,229

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Beyond Housing, Inc.	24:1 Community Land Trust	Beyond Housing Investment Fund 2016, LLC	Beyond Housing/NHS Community Lending Corporation	Pagedale Town Center Leverage Lender	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Pine Lawn Senior Development Corporation	Combined Entities	Eliminations	Total
Support and Revenue																
Donations and Grants, Including In-Kind	\$ 7,827,300	\$ 10,095,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (41,915)	\$ 17,880,692
Dues and Fee Income	193,156	509,268	-	125	-	-	-	-	-	-	-	-	-	-	(33,681)	668,868
Rental Income, Net	1,173,673	166,463	-	-	-	-	179,965	-	-	-	-	-	-	1,997,280	(43,677)	3,473,704
Management and Maintenance Fees	458,598	-	-	-	-	-	-	-	-	-	-	-	-	-	(458,598)	-
Development Fees	661,281	11,500	-	-	-	-	-	-	-	-	-	-	-	-	(660,006)	12,775
Interest Income	195,306	234,378	2,903	102,097	57,536	-	-	-	-	-	-	-	-	11,956	(219,064)	385,112
Gain (Loss) on Sale of Property and Equipment	(418)	(79,239)	-	-	-	-	-	-	-	-	-	-	-	-	-	(79,657)
Unrealized Gain (Loss) on Endowment Investment	(5,159)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,159)
Gain (Loss) on Investments in Limited Partnerships and Corporations	868,095	-	(3,639)	-	-	874,835	1,030,920	-	(30)	(49)	(19)	(15)	(31)	-	(1,742,786)	1,027,281
Bad Debt Recovery	610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	610
Cinema Revenue	-	584,183	-	-	-	-	-	-	-	-	-	-	-	-	-	584,183
Miscellaneous	330,761	1,005	-	-	-	-	(2)	-	-	-	-	-	-	-	-	331,764
Total Support and Revenue	11,703,203	11,522,865	(736)	102,222	57,536	874,835	1,210,883	-	(30)	(49)	(19)	(15)	(31)	2,009,236	(3,199,727)	24,280,173
Total Expenses	10,440,158	4,351,905	4,080	108,780	-	-	336,050	-	-	-	-	-	-	3,495,407	(915,085)	17,821,295
Increase (Decrease) in Net Assets/Income	1,263,045	7,170,960	(4,816)	(6,558)	57,536	874,835	874,833	-	(30)	(49)	(19)	(15)	(31)	(1,486,171)	(2,284,642)	6,458,878
Net Assets/Equity - Beginning of Year	8,255,274	29,554,241	-	11,995	5,753,550	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	-	33,977,404	(6,019,159)	69,527,060
Capital Contributions, Net	-	-	1,000	-	(57,536)	-	-	-	-	-	-	-	-	6,725,964	56,536	6,725,964
Equity - End of Year																
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	38,372,765	-	38,372,765
Controlling Interest	-	-	(3,816)	5,437	5,753,550	(181,123)	(181,123)	300	489	(518)	546	104,739	(31)	844,432	(6,342,882)	-
Total Equity (Deficit)	-	-	(3,816)	5,437	5,753,550	(181,123)	(181,123)	300	489	(518)	546	104,739	(31)	39,217,197	(6,342,882)	38,372,765
Net Assets - End of Year																
Unrestricted Net Assets	6,037,719	30,517,080	-	-	-	-	-	-	-	-	-	-	-	-	(1,904,383)	34,650,416
Temporarily Restricted Net Assets	54,695	6,208,121	-	-	-	-	-	-	-	-	-	-	-	-	-	6,262,816
Permanently Restricted Net Assets	3,425,905	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,425,905
Total Net Assets/Equity (Deficit)	\$ 9,518,319	\$ 36,725,201	\$ (3,816)	\$ 5,437	\$ 5,753,550	\$ (181,123)	\$ (181,123)	\$ 300	\$ 489	\$ (518)	\$ 546	\$ 104,739	\$ (31)	\$ 39,217,197	\$ (8,247,265)	\$ 82,711,902

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Beyond Housing, Inc.	24:1 Community Land Trust	Beyond Housing Investment Fund 2016, LLC	Beyond Housing/NHS Community Lending Corporation	Pagedale Town Center Leverage Lender	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Pine Lawn Senior Development Corporation	Combined Entities	Eliminations	Total
Direct Program Expenses																
Rental	\$ 431,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,139,574	\$ (361,533)	\$ 1,257,254
Cinema Expenses	-	316,911	-	-	-	-	-	-	-	-	-	-	-	-	-	316,911
Other Program Expenses	2,894,824	1,355,468	-	-	-	-	-	-	-	-	-	-	-	-	(120,046)	4,130,246
Total Direct Program Expenses	3,326,813	1,672,379	-	-	-	-	47,224	-	-	-	-	-	-	1,139,574	(481,579)	5,704,411
Salaries and Related Expenses																
Salaries	3,716,961	1,247,555	-	-	-	-	-	-	-	-	-	-	-	-	-	4,964,516
Employee Benefits	422,382	100,348	-	-	-	-	-	-	-	-	-	-	-	-	-	522,730
Payroll Taxes	304,334	116,694	-	-	-	-	-	-	-	-	-	-	-	-	-	421,028
Total Salaries and Related Expense	4,443,677	1,464,597	-	-	-	-	-	-	-	-	-	-	-	-	-	5,908,274
Other Expenses																
Depreciation and Amortization	531,811	417,371	-	-	-	-	132,038	-	-	-	-	-	-	1,885,680	(118,150)	2,848,750
Interest	267,321	62,969	4,080	102,096	-	-	78,610	-	-	-	-	-	-	225,988	(219,064)	522,000
Fees	538,996	301,640	-	-	-	-	-	-	-	-	-	-	-	-	(24,565)	816,071
Insurance	193,674	150,481	-	5,913	-	-	10,961	-	-	-	-	-	-	223,617	-	584,646
Office Operating	374,931	65,227	-	-	-	-	-	-	-	-	-	-	-	-	(33,827)	406,331
Marketing/Advertising/Fund Development	268,809	-	-	-	-	-	-	-	-	-	-	-	-	-	-	268,809
Staff Operating	206,335	15,537	-	600	-	-	-	-	-	-	-	-	-	-	(37,900)	184,572
Miscellaneous	29,349	194,764	-	171	-	-	57,056	-	-	-	-	-	-	-	-	281,340
Bad Debt	175,117	217	-	-	-	-	-	-	-	-	-	-	-	20,548	-	195,882
Occupancy	83,325	6,723	-	-	-	-	10,161	-	-	-	-	-	-	-	-	100,209
Total Other Expenses	2,669,668	1,214,929	4,080	108,780	-	-	288,826	-	-	-	-	-	-	2,355,833	(433,506)	6,208,610
Total Expenses	\$ 10,440,158	\$ 4,351,905	\$ 4,080	\$ 108,780	\$ -	\$ -	\$ 336,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,495,407	\$ (915,085)	\$ 17,821,295

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
24:1 COMMUNITY LAND TRUST
DECEMBER 31, 2016

ASSETS	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1 L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Current Assets						
Cash	\$ 624,694	\$ 229,473	\$ 322,545	\$ -	\$ -	\$ 1,176,712
Inventory	-	-	9,868	-	-	9,868
Due from Affiliates	37,478	122,653	-	-	(136,320)	23,811
Interest Receivable	30,968	-	-	-	-	30,968
Program and Administrative Reimbursement Receivables	208,433	8,593	7,628	-	-	224,654
Prepaid Expenses	369,387	48,872	46,465	6,000	(300,000)	170,724
Total Current Assets	1,270,960	409,591	386,506	6,000	(436,320)	1,636,737
Escrow Deposits and Reserve Accounts	-	-	289,329	-	-	289,329
Assets Limited As to Use	18,820,423	287,395	7,505,654	-	-	26,613,472
Long-Term Portion of Loans Receivable, Net	81,500	-	-	-	-	81,500
Notes Receivable from Affiliates	5,425,911	-	-	-	-	5,425,911
Property and Equipment, Net	373,435	-	-	-	-	373,435
Investments	5,953,190	-	-	-	-	5,953,190
Investment in Limited Partnerships and Corporations	5,338,583	-	-	-	25,291	5,363,874
Investment in Real Estate	46,887	-	-	-	-	46,887
Total Assets	<u>\$ 37,310,889</u>	<u>\$ 696,986</u>	<u>\$ 8,181,489</u>	<u>\$ 6,000</u>	<u>\$ (411,029)</u>	<u>\$ 45,784,335</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
24:1 COMMUNITY LAND TRUST
DECEMBER 31, 2016

LIABILITIES, EQUITY, AND NET ASSETS	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1, L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Current Liabilities						
Accounts Payable	\$ 188,580	\$ 69,347	\$ 15,640	\$ -	\$ -	\$ 273,567
Accounts Payable - Construction	-	-	-	-	-	-
Accounts Payable to Affiliate	117,254	3,934	45,145	6,000	(136,320)	36,013
Accrued Expenses	24,994	330,413	12,245	-	(300,000)	67,652
Program Deposits	238,752	-	-	-	-	238,752
Deferred Income	1,109	-	12,041	-	-	13,150
Total Current Liabilities	<u>570,689</u>	<u>403,694</u>	<u>85,071</u>	<u>6,000</u>	<u>(436,320)</u>	<u>629,134</u>
Long-Term Liabilities						
Notes Payable	15,000	-	8,415,000	-	-	8,430,000
Total Long-Term Liabilities	<u>15,000</u>	<u>-</u>	<u>8,415,000</u>	<u>-</u>	<u>-</u>	<u>8,430,000</u>
Total Liabilities	<u>585,689</u>	<u>403,694</u>	<u>8,500,071</u>	<u>6,000</u>	<u>(436,320)</u>	<u>9,059,134</u>
Net Assets						
Unrestricted	30,517,079	293,292	(318,582)	-	25,291	30,517,080
Temporarily Restricted	6,208,121	-	-	-	-	6,208,121
Total Net Assets	<u>36,725,200</u>	<u>293,292</u>	<u>(318,582)</u>	<u>-</u>	<u>25,291</u>	<u>36,725,201</u>
Total Equity and Net Assets	<u>36,725,200</u>	<u>293,292</u>	<u>(318,582)</u>	<u>-</u>	<u>25,291</u>	<u>36,725,201</u>
Total Liabilities, Equity, and Net Assets	<u>\$ 37,310,889</u>	<u>\$ 696,986</u>	<u>\$ 8,181,489</u>	<u>\$ 6,000</u>	<u>\$ (411,029)</u>	<u>\$ 45,784,335</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
24:1 COMMUNITY LAND TRUST
FOR THE YEAR ENDED DECEMBER 31, 2016

	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1, L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Support and Revenue						
Donations and Grants, Including In-Kind	\$ 10,095,307	\$ -	\$ -	\$ -	\$ -	\$ 10,095,307
Dues and Fee Income	1,536	1,827,752	-	-	(1,320,020)	509,268
Rental Income, Net	118,945	-	47,518	-	-	166,463
Development Fees	11,500	-	-	-	-	11,500
Interest Income	233,469	112	797	-	-	234,378
Loss on Investments in Limited Partnerships and Corporations	(489,104)	-	-	-	489,104	-
Loss on Sale of Property and Equipment	(79,239)	-	-	-	-	(79,239)
Cinema Revenues	-	-	584,183	-	-	584,183
Miscellaneous	248,169	-	-	-	(247,164)	1,005
Total Support and Revenue	<u>10,140,583</u>	<u>1,827,864</u>	<u>632,498</u>	<u>-</u>	<u>(1,078,080)</u>	<u>11,522,865</u>
Direct Program Expenses						
Cinema Expenses	-	-	329,246	-	(12,335)	316,911
Other Program Expenses	1,955,353	668,087	-	-	(1,267,972)	1,355,468
Total Direct Program Expense	<u>1,955,353</u>	<u>668,087</u>	<u>329,246</u>	<u>-</u>	<u>(1,280,307)</u>	<u>1,672,379</u>
Salaries and Related Expenses						
Salaries	597,572	649,983	-	-	-	1,247,555
Employee Benefits	47,923	52,425	-	-	-	100,348
Payroll Taxes	53,923	62,771	-	-	-	116,694
Total Salaries and Related Expenses	<u>699,418</u>	<u>765,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,464,597</u>
Other Expenses						
Depreciation and Amortization	111,384	36,577	269,410	-	-	417,371
Interest	-	-	62,969	-	-	62,969
Fees	113,653	6,331	428,820	-	(247,164)	301,640
Insurance	8,311	116,047	26,123	-	-	150,481
Office Operating	5,067	53,283	46,590	-	(39,713)	65,227
Staff Operating	10,076	5,461	-	-	-	15,537
Miscellaneous	59,420	12,110	123,234	-	-	194,764
Bad Debt	217	-	-	-	-	217
Occupancy	6,723	-	-	-	-	6,723
Total Other Expenses	<u>314,851</u>	<u>229,809</u>	<u>957,146</u>	<u>-</u>	<u>(286,877)</u>	<u>1,214,929</u>
Total Expenses	<u>2,969,622</u>	<u>1,663,075</u>	<u>1,286,392</u>	<u>-</u>	<u>(1,567,184)</u>	<u>4,351,905</u>
Increase (Decrease) in Net Assets/Income	7,170,961	164,789	(653,894)	-	489,104	7,170,960
Net Assets/Equity - Beginning of Year	29,554,239	128,503	335,312	-	(463,813)	29,554,241
Equity - End of Year						
Unrestricted Net Assets - End of Year	30,517,079	293,292	(318,582)	-	25,291	30,517,080
Temporarily Restricted Net Assets - End of Year	6,208,121	-	-	-	-	6,208,121
Total Equity	<u>\$ 36,725,200</u>	<u>\$ 293,292</u>	<u>\$ (318,582)</u>	<u>\$ -</u>	<u>\$ 25,291</u>	<u>\$ 36,725,201</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS	Leschen Place, L.P.	Hillsdale Homes, L.P.	Ecumenical 9, L.P.	Ecumenical 10, L.P.	Beyond Housing 1, L.P.	CP 2004, L.P.	Mary Louise Estates, L.P.	Hillsdale Manor, L.P.	Lucas and Hunt Heights, L.P.	Pagedale Senior Housing and Retail, L.P.	Pine Lawn Homes, L.P.	Pine Lawn Senior, L.L.C.	Total
Current Assets													
Cash	\$ 64,398	\$ 124,055	\$ 216,353	\$ 170,499	\$ 286,460	\$ (97)	\$ 180,752	\$ 52,442	\$ 12,964	\$ 103,004	\$ 207,874	\$ 72,444	\$ 1,491,148
Rents Receivable, Net	6,909	5,035	5,091	3,050	8,098	6,854	10,410	8,146	4,938	1,355	14,293	2,217	76,396
Prepaid Expenses	3,600	3,600	420	253	160	3,549	-	8,880	4,800	5,354	-	10,742	41,358
Total Current Assets	<u>74,907</u>	<u>132,690</u>	<u>221,864</u>	<u>173,802</u>	<u>294,718</u>	<u>10,306</u>	<u>191,162</u>	<u>69,468</u>	<u>22,702</u>	<u>109,713</u>	<u>222,167</u>	<u>85,403</u>	<u>1,608,902</u>
Escrow Deposits and Reserve Accounts	132,097	234,846	65,880	84,065	160,891	129,214	187,735	276,740	224,564	460,189	376,363	480,886	2,813,470
Tenant Security Deposits	9,645	9,348	6,342	8,618	12,464	7,858	12,348	22,739	12,381	21,505	18,910	30,022	172,180
Property and Equipment, Net	1,665,854	1,520,935	499,121	764,641	1,702,728	1,585,760	3,254,345	5,911,203	3,353,497	7,357,012	5,815,103	9,046,575	42,476,774
Intangibles, Net	-	-	-	-	-	-	-	24,701	2,819	39,966	29,971	38,900	136,357
Total Assets	<u>\$ 1,882,503</u>	<u>\$ 1,897,819</u>	<u>\$ 793,207</u>	<u>\$ 1,031,126</u>	<u>\$ 2,170,801</u>	<u>\$ 1,733,138</u>	<u>\$ 3,645,590</u>	<u>\$ 6,304,851</u>	<u>\$ 3,615,963</u>	<u>\$ 7,988,385</u>	<u>\$ 6,462,514</u>	<u>\$ 9,681,786</u>	<u>\$ 47,207,683</u>
LIABILITIES AND EQUITY													
Current Liabilities													
Current Portion of Notes Payable	\$ -	\$ -	\$ 5,560	\$ 93,996	\$ -	\$ -	\$ 16,000	\$ 24,746	\$ 23,342	\$ 9,683	\$ 14,634	\$ 24,840	\$ 212,801
Accounts Payable	1,463	678	6,077	1,095	24,855	475	329	6,696	1,043	1,119	814	736	45,380
Accounts Payable - Construction	-	-	-	-	-	-	-	-	-	10,000	-	-	10,000
Accounts Payable to Affiliate	63,277	60	550	1,072	386	159,149	313	442	23,059	41,130	1,918	410	291,766
Developer Fee Payable	-	-	-	-	-	-	-	17,631	-	-	52,893	93,695	164,219
Accrued Expenses and Other Current Liabilities	23,676	12,720	2,833	3,820	9,544	44,186	11,308	20,370	30,457	48,804	14,748	59,130	281,596
Tenant Security Deposits	8,979	9,348	6,342	8,618	11,765	7,858	12,348	22,739	11,888	21,505	18,910	30,022	170,322
Total Current Liabilities	<u>97,395</u>	<u>22,806</u>	<u>21,362</u>	<u>108,601</u>	<u>46,550</u>	<u>211,668</u>	<u>40,298</u>	<u>92,624</u>	<u>89,789</u>	<u>132,241</u>	<u>103,917</u>	<u>208,833</u>	<u>1,176,084</u>
Long-Term Liabilities													
Notes Payable, Net of Current Portion	476,934	515,863	416,745	456,724	-	673,012	339,994	757,383	484,286	514,995	569,969	1,426,588	6,632,493
Developer Fee Payable	11,707	-	-	-	-	-	-	-	10,978	-	-	-	22,685
Accrued Interest Payable	-	10,120	59,586	73,075	-	-	-	-	-	-	-	-	142,781
Other Long-Term Liabilities	16,443	-	-	-	-	-	-	-	-	-	-	-	16,443
Total Long-Term Liabilities	<u>505,084</u>	<u>525,983</u>	<u>476,331</u>	<u>529,799</u>	<u>-</u>	<u>673,012</u>	<u>339,994</u>	<u>757,383</u>	<u>495,264</u>	<u>514,995</u>	<u>569,969</u>	<u>1,426,588</u>	<u>6,814,402</u>
Total Liabilities	<u>602,479</u>	<u>548,789</u>	<u>497,693</u>	<u>638,400</u>	<u>46,550</u>	<u>884,680</u>	<u>380,292</u>	<u>850,007</u>	<u>585,053</u>	<u>647,236</u>	<u>673,886</u>	<u>1,635,421</u>	<u>7,990,486</u>
Equity													
Noncontrolling Interest	1,279,901	1,348,910	-	-	2,074,052	848,374	3,264,969	5,455,007	3,030,607	7,340,660	5,683,889	8,046,396	38,372,765
Controlling Interest	123	120	295,514	392,726	50,199	84	329	(163)	303	489	104,739	(31)	844,432
Total Equity	<u>1,280,024</u>	<u>1,349,030</u>	<u>295,514</u>	<u>392,726</u>	<u>2,124,251</u>	<u>848,458</u>	<u>3,265,298</u>	<u>5,454,844</u>	<u>3,030,910</u>	<u>7,341,149</u>	<u>5,788,628</u>	<u>8,046,365</u>	<u>39,217,197</u>
Total Liabilities and Equity	<u>\$ 1,882,503</u>	<u>\$ 1,897,819</u>	<u>\$ 793,207</u>	<u>\$ 1,031,126</u>	<u>\$ 2,170,801</u>	<u>\$ 1,733,138</u>	<u>\$ 3,645,590</u>	<u>\$ 6,304,851</u>	<u>\$ 3,615,963</u>	<u>\$ 7,988,385</u>	<u>\$ 6,462,514</u>	<u>\$ 9,681,786</u>	<u>\$ 47,207,683</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Leschen Place, L.P.	Hillsdale Homes, L.P.	Ecumenical 9, L.P.	Ecumenical 10, L.P.	Beyond Housing 1, L.P.	CP 2004, L.P.	Mary Louise Estates, L.P.	Hillsdale Manor, L.P.	Lucas and Hunt Heights, L.P.	Pagedale Senior Housing and Retail, L.P.	Pine Lawn Homes, L.P.	Pine Lawn Senior, L.I.C.	Total
Support and Revenue													
Rental Income, Net	\$ 114,500	\$ 123,547	\$ 80,320	\$ 108,969	\$ 161,272	\$ 96,313	\$ 159,192	\$ 280,482	\$ 154,357	\$ 271,167	\$ 235,382	\$ 211,779	\$ 1,997,280
Interest Income	458	857	449	339	591	487	1,357	1,652	929	2,414	1,826	597	11,956
Total Support and Revenue	114,958	124,404	80,769	109,308	161,863	96,800	160,549	282,134	155,286	273,581	237,208	212,376	2,009,236
Direct Program Expenses													
Administrative Expenses	10,360	9,549	9,409	14,278	17,373	14,625	18,237	27,714	16,750	35,205	24,717	37,766	235,983
Rental Utilities	7,861	8,704	399	1,632	2,397	8,159	306	1,833	10,309	34,035	1,865	41,369	118,869
Rental Property Maintenance	45,267	26,596	12,617	47,692	64,178	37,645	44,387	65,834	52,321	68,364	30,410	23,207	518,518
Taxes	12,856	14,736	1,250	12,003	18,998	3,949	16,614	31,263	20,365	26,492	30,545	33,430	222,501
Miscellaneous	300	5,321	882	484	667	170	289	441	180	6,367	394	28,208	43,703
Total Direct Program Expenses	76,644	64,906	24,557	76,089	103,613	64,548	79,833	127,085	99,925	170,463	87,931	163,980	1,139,574
Other Expenses													
Depreciation and Amortization	67,232	60,373	42,718	63,919	112,693	93,040	165,429	263,128	116,586	343,725	230,494	326,343	1,885,680
Interest	17,849	26,469	6,630	9,439	-	27,762	11,254	38,696	15,701	22,292	30,518	19,378	225,988
Insurance	12,275	12,256	7,581	11,156	19,895	11,765	25,586	32,091	16,320	32,768	30,635	11,289	223,617
Bad Debt	1,269	6	(694)	1,210	1,327	4,772	177	5,917	402	-	3,165	2,997	20,548
Total Other Expenses	98,625	99,104	56,235	85,724	133,915	137,339	202,446	339,832	149,009	398,785	294,812	360,007	2,355,833
Total Expenses	175,269	164,010	80,792	161,813	237,528	201,887	282,279	466,917	248,934	569,248	382,743	523,987	3,495,407
Increase (Decrease) in Net Assets/Income	(60,311)	(39,606)	(23)	(52,505)	(75,665)	(105,087)	(121,730)	(184,783)	(93,648)	(295,667)	(145,535)	(311,611)	(1,486,171)
Equity - Beginning of Year	1,340,335	1,388,636	295,537	445,231	2,199,916	953,545	3,387,028	5,639,627	3,124,558	7,636,816	5,934,163	1,632,012	33,977,404
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	6,725,964	6,725,964
Equity - End of Year													
Noncontrolling Interest	1,279,901	1,348,910	-	-	2,074,052	848,374	3,264,969	5,455,007	3,030,607	7,340,660	5,683,889	8,046,396	38,372,765
Controlling Interest	123	120	295,514	392,726	50,199	84	329	(163)	303	489	104,739	(31)	844,432
Total Equity	\$ 1,280,024	\$ 1,349,030	\$ 295,514	\$ 392,726	\$ 2,124,251	\$ 848,458	\$ 3,265,298	\$ 5,454,844	\$ 3,030,910	\$ 7,341,149	\$ 5,788,628	\$ 8,046,365	\$ 39,217,197

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS	Beyond Housing, Inc.	24:1 Community Land Trust	Pagedale Town Center Leverage Lender	Beyond Housing/ NHS Community Lending Corporation	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Combined Entities	Eliminations	Total
Current Assets														
Cash	\$ 5,527,174	\$ 1,274,364	\$ -	\$ 1,393	\$ -	\$ 40,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,439,248	\$ -	\$ 8,283,028
Inventory	9,755	6,435	-	-	-	-	-	-	-	-	-	-	-	16,190
Current Portion of Mortgage Loans Receivable, Net	-	-	-	20,564	-	-	-	-	-	-	-	-	-	20,564
Current Portion of Notes Receivable, Net	169,586	-	-	-	-	-	-	-	-	-	-	-	-	169,586
Due from Affiliates	601,608	147,888	-	-	3,478	113,291	300	-	-	-	-	-	(866,565)	-
Rents Receivable, Net	38,849	-	-	-	-	-	-	-	-	-	-	54,189	-	93,038
Interest Receivable	696,708	28,657	-	11,596	-	-	-	-	-	-	-	-	(31,022)	705,939
Pledges Receivable	36,325	-	-	-	-	-	-	-	-	-	-	-	-	36,325
Program and Administrative Reimbursement Receivables	297,323	109,650	-	-	-	100,648	-	-	-	-	-	-	-	507,621
Prepaid Expenses	70,135	256,187	-	3,839	-	5,903	-	-	-	-	-	28,404	-	364,468
Total Current Assets	7,447,463	1,823,181	-	37,392	3,478	260,691	300	-	-	-	-	1,521,841	(897,587)	10,196,759
Escrow Deposits and Reserve Accounts	802,053	376,395	-	24,990	-	-	-	-	-	-	-	2,169,647	(487,380)	2,885,705
Tenant Security Deposits	88,022	3,000	-	-	-	-	-	-	-	-	-	145,033	-	236,055
Restricted Cash	593,053	-	-	-	-	-	-	-	-	-	-	-	-	593,053
Assets Limited As to Use	-	19,580,378	-	-	-	-	-	-	-	-	-	-	-	19,580,378
Long-Term Portion of Mortgage Loans Receivable, Net	67,917	-	-	1,540,421	-	-	-	-	-	-	-	-	-	1,608,338
Long-Term Portion of Loans Receivable, Net	6,026,639	81,500	5,753,550	-	-	-	-	-	-	-	-	-	-	11,861,689
Notes Receivable from Affiliates, Net	834,036	4,808,768	-	-	-	-	-	-	-	-	-	-	(5,642,804)	-
Pledges Receivable	64,801	-	-	-	-	-	-	-	-	-	-	-	-	64,801
Property and Equipment, Net	10,240,369	331,458	-	-	-	5,011,952	-	-	-	-	-	42,119,225	(2,258,993)	55,444,011
Deferred Compensation Account	42,500	-	-	-	-	-	-	-	-	-	-	-	-	42,500
Investments	550,202	6,841,183	-	-	-	-	-	-	-	-	-	-	-	7,391,385
Investment in Limited Partnerships and Corporations	(691,100)	5,421,410	-	-	(1,055,958)	-	-	519	50,498	565	104,754	-	(3,830,688)	-
Investment in Real Estate	-	46,887	-	-	-	-	-	-	-	-	-	-	-	46,887
Intangibles, Net	-	-	-	-	-	149,696	-	-	-	-	-	120,683	-	270,379
Total Assets	\$ 26,065,955	\$ 39,314,160	\$ 5,753,550	\$ 1,602,803	\$ (1,052,480)	\$ 5,422,339	\$ 300	\$ 519	\$ 50,498	\$ 565	\$ 104,754	\$ 46,076,429	\$ (13,117,452)	\$ 110,221,940

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2015

LIABILITIES, EQUITY, AND NET ASSETS	Beyond Housing, Inc.	24:1 Community Land Trust	Pagedale Town Center Leverage Lender	Beyond Housing/ NHS Community Lending Corporation	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Combined Entities	Eliminations	Total
Current Liabilities														
Current Portion of Notes Payable	\$ 2,200,553	\$ -	\$ -	\$ 20,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,734,954	\$ (421,649)	\$ 5,533,887
Accounts Payable	124,246	234,745	-	-	-	2,108	-	-	-	-	-	17,305	-	378,404
Accounts Payable - Construction	123,689	833,470	-	-	-	-	-	-	-	-	-	1,831,592	(52,893)	2,735,858
Accounts Payable to Affiliate	263,309	45,143	-	18,762	3,478	173,129	-	-	-	-	-	263,040	(766,861)	-
Developer Fee Payable	-	-	-	-	-	-	-	-	-	-	-	17,631	(17,631)	-
Accrued Expenses	424,203	24,486	-	11,596	-	3,000	-	-	-	-	-	338,867	(130,724)	671,428
Tenant Security Deposits	87,376	3,000	-	-	-	-	-	-	-	-	-	141,340	-	231,716
Program Deposits	147,127	191,041	-	-	-	-	-	-	-	-	-	-	-	338,168
Partnership Deposits	487,380	-	-	-	-	-	-	-	-	-	-	-	(487,380)	-
Deferred Income	4,126,218	13,034	-	-	-	-	-	-	-	-	-	-	-	4,139,252
Mortgagor Escrow Liability	37,822	-	-	-	-	-	-	-	-	-	-	-	-	37,822
Total Current Liabilities	8,021,923	1,344,919	-	50,387	3,478	178,237	-	-	-	-	-	6,344,729	(1,877,138)	14,066,535
Long-Term Liabilities														
Notes Payable, Net of Current Portion	9,769,285	8,415,000	-	1,540,421	-	6,300,058	-	-	50,967	-	-	5,559,371	(5,221,155)	26,413,947
Developer Fee Payable	-	-	-	-	-	-	-	-	-	-	-	22,685	-	22,685
Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	132,770	-	132,770
Deferred Compensation Liability	42,500	-	-	-	-	-	-	-	-	-	-	-	-	42,500
Other Long-term Liabilities	-	-	-	-	-	-	-	-	-	-	-	16,443	-	16,443
Total Long-Term Liabilities	9,811,785	8,415,000	-	1,540,421	-	6,300,058	-	-	50,967	-	-	5,731,269	(5,221,155)	26,628,345
Total Liabilities	17,833,708	9,759,919	-	1,590,808	3,478	6,478,295	-	-	50,967	-	-	12,075,998	(7,098,293)	40,694,880
Equity														
Majority Interest Partners' Equity	-	-	-	-	-	-	-	-	-	-	-	33,525,071	-	33,525,071
Retained Earnings (Deficit)	-	-	5,753,550	11,995	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	475,360	(4,234,660)	-
Total Equity	-	-	5,753,550	11,995	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	34,000,431	(4,234,660)	33,525,071
Net Assets														
Unrestricted	4,833,484	22,383,431	-	-	-	-	-	-	-	-	-	-	(1,784,499)	25,432,416
Temporarily Restricted	56,003	7,170,810	-	-	-	-	-	-	-	-	-	-	-	7,226,813
Permanently Restricted	3,342,760	-	-	-	-	-	-	-	-	-	-	-	-	3,342,760
Total Net Assets	8,232,247	29,554,241	-	-	-	-	-	-	-	-	-	-	(1,784,499)	36,001,989
Total Equity and Net Assets	8,232,247	29,554,241	5,753,550	11,995	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	34,000,431	(6,019,159)	69,527,060
Total Liabilities, Equity, and Net Assets	\$ 26,065,955	\$ 39,314,160	\$ 5,753,550	\$ 1,602,803	\$ (1,052,480)	\$ 5,422,339	\$ 300	\$ 519	\$ 50,498	\$ 565	\$ 104,754	\$ 46,076,429	\$ (13,117,452)	\$ 110,221,940

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Beyond Housing, Inc.	24:1 Community Land Trust	Pagedale Town Center Leverage Lender	Beyond Housing/NHS Community Lending Corporation	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Combined Entities	Eliminations	Total
Support and Revenue														
Donations and Grants, Including In-Kind	\$ 7,768,553	\$ 9,351,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (557,353)	\$ 16,562,618
Dues and Fee Income	195,612	365,599	-	295	-	-	-	-	-	-	-	-	-	561,506
Rental Income, Net	1,081,798	39,031	-	-	-	177,401	-	-	-	-	-	1,777,600	(8,275)	3,067,555
Management and Maintenance Fees	793,859	-	-	-	-	-	-	-	-	-	-	-	(793,859)	-
Development Fees	251,000	-	-	-	-	-	-	-	-	-	-	-	(251,000)	-
Interest Income	342,165	222,729	57,529	101,038	-	-	-	-	-	-	-	10,940	(219,232)	515,169
Gain (Loss) on Sale of Property and Equipment	2,101	(102,819)	-	-	-	-	-	-	-	-	-	-	-	(100,718)
Unrealized Loss on Endowment Investment	(228)	-	-	-	-	-	-	-	-	-	-	-	-	(228)
Loss on Investments in Limited Partnerships and Corporations	(84,389)	-	-	-	(79,252)	-	-	(31)	(55)	(18)	(16)	-	163,761	-
Bad Debt Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cinema Revenues	-	62,494	-	-	-	-	-	-	-	-	-	-	-	62,494
Miscellaneous	161,153	6,669	-	1,500	-	62,549	-	-	-	-	-	-	-	231,871
Total Support and Revenue	10,511,624	9,945,121	57,529	102,833	(79,252)	239,950	-	(31)	(55)	(18)	(16)	1,788,540	(1,665,958)	20,900,267
Total Expenses	10,017,212	2,352,937	-	107,742	-	319,202	-	-	-	-	-	3,118,701	(1,666,577)	14,249,217
Increase (Decrease) in Net Assets/Income	494,412	7,592,184	57,529	(4,909)	(79,252)	(79,252)	-	(31)	(55)	(18)	(16)	(1,330,161)	619	6,651,050
Net Assets/Equity - Beginning of Year	7,737,835	21,962,057	5,753,556	16,904	(976,706)	(976,704)	300	550	(414)	583	104,770	34,363,586	(6,077,313)	61,909,004
Capital Contributions, Net	-	-	(57,535)	-	-	-	-	-	-	-	-	967,006	57,535	967,006
Equity - End of Year														
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	33,525,071	-	33,525,071
Controlling Interest	-	-	5,753,550	11,995	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	475,360	(4,234,660)	-
Total Equity (Deficit)	-	-	5,753,550	11,995	(1,055,958)	(1,055,956)	300	519	(469)	565	104,754	34,000,431	(4,234,660)	33,525,071
Net Assets - End of Year														
Unrestricted Net Assets	4,833,484	22,383,431	-	-	-	-	-	-	-	-	-	-	(1,784,499)	25,432,416
Temporarily Restricted Net Assets	56,003	7,170,810	-	-	-	-	-	-	-	-	-	-	-	7,226,813
Permanently Restricted Net Assets	3,342,760	-	-	-	-	-	-	-	-	-	-	-	-	3,342,760
Total Net Assets/Equity (Deficit)	\$ 8,232,247	\$ 29,554,241	\$ 5,753,550	\$ 11,995	\$ (1,055,958)	\$ (1,055,956)	\$ 300	\$ 519	\$ (469)	\$ 565	\$ 104,754	\$ 34,000,431	\$ (6,019,159)	\$ 69,527,060

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING AND COMBINING SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Beyond Housing, Inc.	24:1 Community Land Trust	Pagedale Town Center Leverage Lender	Beyond Housing/ NHS Community Lending Corporation	Pagedale Economic Development Corporation	Pagedale Grocery Development LLC	Pagedale Senior Development Corporation	Pagedale Senior Housing, LLC	BH Development Corporation	Hillsdale Development Corporation	Pine Lawn Development Corporation	Combined Entities	Eliminations	Total
Direct Program Expenses														
Rental	\$ 298,434	\$ -	\$ -	\$ -	\$ -	\$ 43,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,071,735	\$ (335,661)	\$ 1,077,516
Cinema Expenses	-	120,684	-	-	-	-	-	-	-	-	-	-	-	120,684
Other Program Expenses	3,175,971	1,146,573	-	-	-	-	-	-	-	-	-	-	(1,014,134)	3,308,410
Total Direct Program Expense	3,474,405	1,267,257	-	-	-	43,008	-	-	-	-	-	1,071,735	(1,349,795)	4,506,610
Salaries and Related Expenses														
Salaries	3,436,137	498,486	-	-	-	-	-	-	-	-	-	-	-	3,934,623
Employee Benefits	404,571	35,830	-	-	-	-	-	-	-	-	-	-	-	440,401
Payroll Taxes	285,245	48,386	-	-	-	-	-	-	-	-	-	-	-	333,631
Total Salaries and Related Expense	4,125,953	582,702	-	-	-	-	-	-	-	-	-	-	-	4,708,655
Other Expenses														
Depreciation and Amortization	457,243	109,317	-	-	-	132,038	-	-	-	-	-	1,584,104	(87,858)	2,194,844
Interest	275,390	-	-	101,038	-	78,998	-	-	-	-	-	222,455	(219,232)	458,649
Fees	463,685	209,479	-	-	-	-	-	-	-	-	-	-	-	673,164
Insurance	183,730	52,835	-	5,787	-	10,290	-	-	-	-	-	216,880	-	469,522
Office Operating	339,938	44,277	-	-	-	-	-	-	-	-	-	-	-	384,215
Marketing/Advertising/Fund Development	285,266	-	-	-	-	-	-	-	-	-	-	-	-	285,266
Staff Operating	201,848	6,208	-	801	-	-	-	-	-	-	-	-	-	208,857
Miscellaneous	13,303	80,862	-	116	-	44,971	-	-	-	-	-	-	(9,692)	129,560
Bad Debt	120,186	-	-	-	-	-	-	-	-	-	-	23,527	-	143,713
Occupancy	76,265	-	-	-	-	9,897	-	-	-	-	-	-	-	86,162
Total Other Expenses	2,416,854	502,978	-	107,742	-	276,194	-	-	-	-	-	2,046,966	(316,782)	5,033,952
Total Expenses	\$ 10,017,212	\$ 2,352,937	\$ -	\$ 107,742	\$ -	\$ 319,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,118,701	\$ (1,666,577)	\$ 14,249,217

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
24:1 COMMUNITY LAND TRUST
DECEMBER 31, 2015

ASSETS	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1, L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Current Assets						
Cash	\$ 409,292	\$ 39,125	\$ 825,947	\$ -	\$ -	\$ 1,274,364
Inventory	-	-	6,435	-	-	6,435
Due from Affiliates	163,492	103,278	130,200	-	(249,082)	147,888
Interest Receivable	28,657	-	-	-	-	28,657
Program and Administrative Reimbursement Receivables	108,987	428	235	-	-	109,650
Prepaid Expenses	73,985	28,793	147,409	6,000	-	256,187
Total Current Assets	784,413	171,624	1,110,226	6,000	(249,082)	1,823,181
Escrow Deposits and Reserve Accounts	-	-	376,395	-	-	376,395
Tenant Security Deposits	3,000	-	-	-	-	3,000
Assets Limited As to Use	11,744,987	100,532	7,734,859	-	-	19,580,378
Long-Term Portion of Loans Receivable, Net	81,500	-	-	-	-	81,500
Notes Receivable from Affiliates, Net	4,808,768	-	-	-	-	4,808,768
Property and Equipment, Net	331,458	-	-	-	-	331,458
Investments	6,841,183	-	-	-	-	6,841,183
Investment in Limited Partnerships and Corporations	5,885,223	-	-	-	(463,813)	5,421,410
Investment in Real Estate	46,887	-	-	-	-	46,887
Total Assets	<u>\$ 30,527,419</u>	<u>\$ 272,156</u>	<u>\$ 9,221,480</u>	<u>\$ 6,000</u>	<u>\$ (712,895)</u>	<u>\$ 39,314,160</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
24:1 COMMUNITY LAND TRUST
DECEMBER 31, 2015

LIABILITIES, EQUITY, AND NET ASSETS	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1, L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Current Liabilities						
Accounts Payable	\$ 114,099	\$ 25,289	\$ 95,357	\$ -	\$ -	\$ 234,745
Accounts Payable - Construction	504,456	-	329,014	-	-	833,470
Accounts Payable to Affiliate	144,574	110,378	33,273	6,000	(249,082)	45,143
Accrued Expenses	14,129	7,986	2,371	-	-	24,486
Tenant Security Deposits	3,000	-	-	-	-	3,000
Program Deposits	191,041	-	-	-	-	191,041
Deferred Income	1,881	-	11,153	-	-	13,034
Total Current Liabilities	<u>973,180</u>	<u>143,653</u>	<u>471,168</u>	<u>6,000</u>	<u>(249,082)</u>	<u>1,344,919</u>
Long-Term Liabilities						
Notes Payable	-	-	8,415,000	-	-	8,415,000
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>8,415,000</u>	<u>-</u>	<u>-</u>	<u>8,415,000</u>
Total Liabilities	<u>973,180</u>	<u>143,653</u>	<u>8,886,168</u>	<u>6,000</u>	<u>(249,082)</u>	<u>9,759,919</u>
Net Assets						
Unrestricted	22,383,429	128,503	335,312	-	(463,813)	22,383,431
Temporarily Restricted	7,170,810	-	-	-	-	7,170,810
Total Net Assets	<u>29,554,239</u>	<u>128,503</u>	<u>335,312</u>	<u>-</u>	<u>(463,813)</u>	<u>29,554,241</u>
Total Equity and Net Assets	<u>29,554,239</u>	<u>128,503</u>	<u>335,312</u>	<u>-</u>	<u>(463,813)</u>	<u>-</u>
Total Liabilities, Equity, and Net Assets	<u>\$ 30,527,419</u>	<u>\$ 272,156</u>	<u>\$ 9,221,480</u>	<u>\$ 6,000</u>	<u>\$ (712,895)</u>	<u>\$ 39,314,160</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
24:1 COMMUNITY LAND TRUST
FOR THE YEAR ENDED DECEMBER 31, 2015

	24:1 Community Land Trust	24:1 Construction, L.L.C.	Pagedale Town Center 1 L.L.C.	24:1 CLT Development, L.L.C.	Eliminations	Total
Support and Revenue						
Donations and Grants, Including In-Kind	\$ 8,746,218	\$ 75,000	\$ 530,200	\$ -	\$ -	\$ 9,351,418
Dues and Fee Income	1,356	1,037,027	-	-	(672,784)	365,599
Rental Income, Net	39,031	-	-	-	-	39,031
Interest Income	221,820	48	861	-	-	222,729
Gain on Investments in Limited Partnerships and Corporations	238,972	-	-	-	(238,972)	-
Loss on Sale of Property and Equipment	(102,819)	-	-	-	-	(102,819)
Cinema Revenues	-	-	62,494	-	-	62,494
Miscellaneous	68,416	-	-	-	(61,747)	6,669
Total Support and Revenue	<u>9,212,994</u>	<u>1,112,075</u>	<u>593,555</u>	<u>-</u>	<u>(973,503)</u>	<u>9,945,121</u>
Direct Program Expenses						
Cinema Expenses	-	-	121,996	-	(1,312)	120,684
Other Program Expenses	1,372,921	439,892	-	-	(666,240)	1,146,573
Total Direct Program Expenses	<u>1,372,921</u>	<u>439,892</u>	<u>121,996</u>	<u>-</u>	<u>(667,552)</u>	<u>1,267,257</u>
Salaries and Related Expenses						
Salaries	81,318	417,168	-	-	-	498,486
Employee Benefits	3,807	32,023	-	-	-	35,830
Payroll Taxes	8,349	40,037	-	-	-	48,386
Total Salaries and Related Expenses	<u>93,474</u>	<u>489,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,702</u>
Other Expenses						
Depreciation and Amortization	43,052	7,807	58,458	-	-	109,317
Fees	55,427	3,743	212,056	-	(61,747)	209,479
Insurance	4,357	43,667	4,811	-	-	52,835
Office Operating	-	34,764	14,634	-	(5,121)	44,277
Staff Operating	723	5,485	-	-	-	6,208
Miscellaneous	50,857	20,162	9,953	-	(110)	80,862
Total Other Expenses	<u>154,416</u>	<u>115,628</u>	<u>299,912</u>	<u>-</u>	<u>(66,978)</u>	<u>502,978</u>
Total Expenses	<u>1,620,811</u>	<u>1,044,748</u>	<u>421,908</u>	<u>-</u>	<u>(734,530)</u>	<u>2,352,937</u>
Increase (Decrease) in Net Assets/Income	7,592,183	67,327	171,647	-	(238,973)	7,592,184
Net Assets/Equity - Beginning of Year	21,962,056	(40,272)	63,665	-	(23,392)	21,962,057
Capital Contributions	-	101,448	100,000	-	(201,448)	-
Net Assets - End of Year						
Unrestricted Net Assets - End of Year	22,383,429	128,503	335,312	-	(463,813)	22,383,431
Temporarily Restricted Net Assets	7,170,810	-	-	-	-	7,170,810
Total Equity	<u>\$ 29,554,239</u>	<u>\$ 128,503</u>	<u>\$ 335,312</u>	<u>\$ -</u>	<u>\$ (463,813)</u>	<u>\$ 29,554,241</u>

BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS	Leschen Place, L.P.	Hillsdale Homes, L.P.	Ecumenical 8, L.P.	Ecumenical 9, L.P.	Ecumenical 10, L.P.	Beyond Housing 1, L.P.	CP 2004, L.P.	Mary Louise Estates, L.P.	Hillsdale Manor, L.P.	Lucas and Hunt Heights, L.P.	Pagedale Senior Housing and Retail, L.P.	Pine Lawn Homes, L.P.	Pine Lawn Senior, L.L.C.	Total
CURRENT ASSETS														
Cash	\$ 81,733	\$ 103,853	\$ 46,114	\$ 181,640	\$ 168,933	\$ 249,185	\$ 10,910	\$ 208,951	\$ 64,199	\$ 24,028	\$ 82,859	\$ 216,843	\$ -	\$ 1,439,248
Rents Receivable, Net	3,984	4,280	2,086	3,804	4,947	7,189	5,484	4,768	2,038	3,701	1,080	10,828	-	54,189
Prepaid Expenses	3,600	3,600	102	376	69	138	2,277	33	8,640	4,800	4,589	180	-	28,404
Total Current Assets	<u>89,317</u>	<u>111,733</u>	<u>48,302</u>	<u>185,820</u>	<u>173,949</u>	<u>256,512</u>	<u>18,671</u>	<u>213,752</u>	<u>74,877</u>	<u>32,529</u>	<u>88,528</u>	<u>227,851</u>	<u>-</u>	<u>1,521,841</u>
Escrow Deposits and Reserve Accounts	112,534	230,703	33,494	63,471	80,443	155,035	110,515	153,017	229,800	209,641	435,729	342,765	12,500	2,169,647
Tenant Security Deposits	8,802	9,348	3,902	6,342	7,875	11,862	7,249	12,309	22,661	12,259	22,334	19,520	570	145,033
Property and Equipment, Net	1,733,086	1,581,309	199,146	536,415	825,419	1,801,976	1,678,800	3,419,774	6,168,118	3,462,372	7,686,042	6,041,211	6,985,557	42,119,225
Intangibles, Net	-	-	-	-	-	-	-	-	30,914	5,638	49,774	34,357	-	120,683
Total Assets	<u>\$ 1,943,739</u>	<u>\$ 1,933,093</u>	<u>\$ 284,844</u>	<u>\$ 792,048</u>	<u>\$ 1,087,686</u>	<u>\$ 2,225,385</u>	<u>\$ 1,815,235</u>	<u>\$ 3,798,852</u>	<u>\$ 6,526,370</u>	<u>\$ 3,722,439</u>	<u>\$ 8,282,407</u>	<u>\$ 6,665,704</u>	<u>\$ 6,998,627</u>	<u>\$ 46,076,429</u>
LIABILITIES AND EQUITY														
CURRENT LIABILITIES														
Current Portion of Notes Payable	\$ -	\$ -	\$ 34,070	\$ 4,371	\$ 4,252	\$ -	\$ -	\$ 15,528	\$ 23,657	\$ 22,653	\$ 9,153	\$ 13,924	\$ 3,607,346	\$ 3,734,954
Accounts Payable	697	466	228	759	126	4,439	194	272	5,564	616	1,747	2,197	-	17,305
Accounts Payable - Construction	-	-	-	-	-	-	-	-	-	-	10,000	62,893	1,758,699	1,831,592
Accounts Payable to Affiliate	63,619	831	569	2,963	699	713	140,958	777	1,669	3,514	37,621	9,107	-	263,040
Developer Fee Payable	-	-	-	-	-	-	-	-	17,631	-	-	-	-	17,631
Accrued Expenses	28,270	19,397	34,383	2,835	10,681	10,133	44,595	27,123	33,677	40,476	46,562	40,735	-	338,867
Tenant Security Deposits	8,136	9,348	3,902	6,342	7,875	10,184	7,249	12,309	22,661	12,259	22,205	18,300	570	141,340
Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>100,722</u>	<u>30,042</u>	<u>73,152</u>	<u>17,270</u>	<u>23,633</u>	<u>25,469</u>	<u>192,996</u>	<u>56,009</u>	<u>104,859</u>	<u>79,518</u>	<u>127,288</u>	<u>147,156</u>	<u>5,366,615</u>	<u>6,344,729</u>
Long-Term Liabilities														
Construction Note Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Payable	474,532	506,155	188,665	423,239	550,314	-	668,694	355,815	781,884	507,385	518,303	584,385	-	5,559,371
Developer Fee Payable	11,707	-	-	-	-	-	-	-	-	10,978	-	-	-	22,685
Accrued Interest Payable	-	8,260	-	56,002	68,508	-	-	-	-	-	-	-	-	132,770
Other Long-Term Liability	16,443	-	-	-	-	-	-	-	-	-	-	-	-	16,443
Total Long-Term Liabilities	<u>502,682</u>	<u>514,415</u>	<u>188,665</u>	<u>479,241</u>	<u>618,822</u>	<u>-</u>	<u>668,694</u>	<u>355,815</u>	<u>781,884</u>	<u>518,363</u>	<u>518,303</u>	<u>584,385</u>	<u>-</u>	<u>5,731,269</u>
Total Liabilities	<u>603,404</u>	<u>544,457</u>	<u>261,817</u>	<u>496,511</u>	<u>642,455</u>	<u>25,469</u>	<u>861,690</u>	<u>411,824</u>	<u>886,743</u>	<u>597,881</u>	<u>645,591</u>	<u>731,541</u>	<u>5,366,615</u>	<u>12,075,998</u>
Equity														
Noncontrolling Interest	1,340,206	1,388,512	-	-	444,771	2,149,709	953,450	3,386,687	5,639,772	3,124,246	7,636,297	5,829,409	1,632,012	33,525,071
Controlling Interest	129	124	23,027	295,537	460	50,207	95	341	(145)	312	519	104,754	-	475,360
Total Equity	<u>1,340,335</u>	<u>1,388,636</u>	<u>23,027</u>	<u>295,537</u>	<u>445,231</u>	<u>2,199,916</u>	<u>953,545</u>	<u>3,387,028</u>	<u>5,639,627</u>	<u>3,124,558</u>	<u>7,636,816</u>	<u>5,934,163</u>	<u>1,632,012</u>	<u>34,000,431</u>
Total Liabilities and Equity	<u>\$ 1,943,739</u>	<u>\$ 1,933,093</u>	<u>\$ 284,844</u>	<u>\$ 792,048</u>	<u>\$ 1,087,686</u>	<u>\$ 2,225,385</u>	<u>\$ 1,815,235</u>	<u>\$ 3,798,852</u>	<u>\$ 6,526,370</u>	<u>\$ 3,722,439</u>	<u>\$ 8,282,407</u>	<u>\$ 6,665,704</u>	<u>\$ 6,998,627</u>	<u>\$ 46,076,429</u>

**BEYOND HOUSING, INC., SUBSIDIARIES, AND AFFILIATES
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Leschen Place, L.P.	Hillsdale Homes, L.P.	Ecumenical 8, L.P.	Ecumenical 9, L.P.	Ecumenical 10, L.P.	Beyond Housing 1, L.P.	CP 2004, L.P.	Mary Louise Estates, L.P.	Hillsdale Manor, L.P.	Lucas and Hunt Heights, L.P.	Pagedale Senior Housing and Retail, L.P.	Pine Lawn Homes, L.P.	Pine Lawn Senior, L.L.C.	Total
Support and Revenue														
Rental Income, Net	\$ 121,583	\$ 114,404	\$ 43,773	\$ 76,133	\$ 112,703	\$ 159,483	\$ 88,966	\$ 147,299	\$ 258,239	\$ 147,298	\$ 272,775	\$ 234,944	\$ -	\$ 1,777,600
Interest Income	390	758	102	420	333	513	441	1,072	1,592	886	2,218	2,215	-	10,940
Total Support and Revenue	121,973	115,162	43,875	76,553	113,036	159,996	89,407	148,371	259,831	148,184	274,993	237,159	-	1,788,540
Direct Program Expenses														
Administrative Expenses	9,387	9,147	7,910	8,714	19,895	16,186	12,410	14,900	22,603	16,280	34,099	24,577	-	196,108
Rental Utilities	6,480	8,395	1,238	1,737	464	1,033	9,528	3,153	4,865	9,499	38,259	757	-	85,408
Rental Property Maintenance	24,728	29,959	19,771	32,111	30,345	42,097	39,496	49,671	86,394	43,931	67,508	31,034	-	497,045
Taxes	18,801	19,258	-	2,759	16,235	28,436	14,414	29,134	57,327	24,135	35,328	41,542	-	287,369
Miscellaneous	-	264	178	450	324	295	461	299	768	232	2,079	455	-	5,805
Total Direct Program Expenses	59,396	67,023	29,097	45,771	67,263	88,047	76,309	97,157	171,957	94,077	177,273	98,365	-	1,071,735
Other Expenses														
Depreciation	67,552	60,373	17,339	42,408	63,491	111,576	93,040	165,429	269,185	116,508	346,491	230,712	-	1,584,104
Interest	17,750	25,992	3,741	6,859	9,634	-	27,579	21,347	39,491	16,372	22,712	30,978	-	222,455
Insurance	12,274	12,241	4,192	7,663	11,197	19,927	11,788	25,755	32,036	16,311	32,571	30,925	-	216,880
Bad Debt	-	1,255	-	750	2,197	636	1,808	2,729	7,444	2,584	1,403	2,721	-	23,527
Total Other Expenses	97,576	99,861	25,272	57,680	86,519	132,139	134,215	215,260	348,156	151,775	403,177	295,336	-	2,046,966
Total Expenses	156,972	166,884	54,369	103,451	153,782	220,186	210,524	312,417	520,113	245,852	580,450	393,701	-	3,118,701
Increase (Decrease) in Net Assets/Income	(34,999)	(51,722)	(10,494)	(26,898)	(40,746)	(60,190)	(121,117)	(164,046)	(260,282)	(97,668)	(305,457)	(156,542)	-	(1,330,161)
Equity - Beginning of Year	1,375,334	1,440,358	33,521	322,435	485,977	2,260,106	1,074,662	3,551,074	5,899,909	3,222,226	7,942,273	5,939,705	816,006	34,363,586
Capital Contributions, Net	-	-	-	-	-	-	-	-	-	-	-	151,000	816,006	967,006
Equity - End of Year														
Noncontrolling Interest	1,340,206	1,388,512	-	-	444,771	2,149,709	953,450	3,386,687	5,639,772	3,124,246	7,636,297	5,829,409	1,632,012	33,525,071
Controlling Interest	129	124	23,027	295,537	460	50,207	95	341	(145)	312	519	104,754	-	475,360
Total Equity	\$ 1,340,335	\$ 1,388,636	\$ 23,027	\$ 295,537	\$ 445,231	\$ 2,199,916	\$ 953,545	\$ 3,387,028	\$ 5,639,627	\$ 3,124,558	\$ 7,636,816	\$ 5,934,163	\$ 1,632,012	\$ 34,000,431