Orange County Community Housing Corporation

Financial Statements with Report of Independent Auditors
For the year ended December 31, 2019 with comparative totals as of and for the year ended December 31, 2018

ORANGE COUNTY COMMUNITY HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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NOVOGRADAC & COMPANY LLP®

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Orange County Community Housing Corporation
Santa Ana, California:

We have audited the accompanying consolidated financial statements of Orange County Community Housing Corporation (a California non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2019 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Orange County Community Housing Corporation as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, Orange County Community Housing Corporation adopted changes in accounting principles related to revenue recognition and presentation and disclosure of the statements of cash flows. Our opinion is not modified with respect to those matters.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information on pages 34 through 42 is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual companies and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

The Schedule of Market Values of Occupied Properties (Unaudited) on page 43 has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited Orange County Community Housing Corporation's 2018 consolidated financial statements, and our report dated August 1, 2019, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Novogradac & Company LLP

Petaluma, California
December 4, 2020

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidated Statement of Financial Position

December 31, 2019 with summarized totals for December 31, 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,453,087	$ 1,675,747
Restricted cash	353,393	328,599
Accounts receivable	23,753	114,887
Miscellaneous receivables	225,755	189,353
Prepaid rent, current portion	3,500	3,500
Prepaid expenses	21,481	10,488
Land lease receivable	220,000	125,483
Total Current Assets	2,300,969	2,448,057
Property and Equipment:		
Construction in process	504,765	-
Building and improvements	15,258,176	15,117,445
Land and improvements	17,913,143	17,913,143
Furniture and fixtures	89,885	89,885
Vehicle	14,144	14,144
Total Property and Equipment	33,780,113	33,134,617
Accumulated depreciation	(9,339,751)	(9,000,631)
Net Property and Equipment	24,440,362	24,133,986
Other Assets:		
Prepaid rent, net of current portion	68,251	71,751
Investment in Paramount FIHP, L.P.	(62)	(23)
Investment in Vientos De Oro	13,190	-
Investment in Anillo De Oro, L.P.	(80)	-
Investment in CDFI	51,500	51,005
Investments in securities	111,732	110,621
Quasi-endowment and Endowments	655,941	565,062
Total Other Assets	900,472	798,416
Total Assets	$ 27,641,803	$ 27,380,459

See accompanying notes.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidated Statement of Financial Position (continued)

December 31, 2019 with summarized totals for December 31, 2018

	2019	2018
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 121,769	$ 77,408
Accounts payable - other	23,592	64,543
Notes payable, current portion	1,085,115	1,065,640
Accrued interest payable, current portion	808,209	815,156
Deferred rent payable, current portion	3,500	3,500
Deferred ground lease revenue, current portion	39,286	-
Total Current Liabilities	2,081,471	2,026,247
Long-Term Liabilities:		
Notes payable, net of current portion	13,611,437	13,935,818
Accrued interest payable, net of current portion	605,862	571,623
Deferred rent payable, net of current portion	68,251	71,751
Deferred ground lease revenue, net of current portion	322,142	-
Tenant deposits payable	251,797	232,136
Total Long-Term Liabilities	14,859,489	14,811,328
Total Liabilities	16,940,960	16,837,575
Net Assets:		
Without Donor Restrictions		
Controlling interests	5,125,127	4,898,840
Controlling interests - Quasi-endowment	249,651	216,065
Non-controlling interests	4,827,618	4,993,852
With Donor Restrictions		
Endowments	406,290	348,997
Other net assets with donor restrictions	92,157	85,130
Total Net Assets	10,700,843	10,542,884
Total Liabilities and Net Assets	$ 27,641,803	$ 27,380,459

See accompanying notes.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidated Statement of Activities

Year Ended December 31, 2019 with summarized totals for the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals 2019	Totals 2018
REVENUES				
Revenues and Other Support:				
Low-income housing rent and laundry revenue	$ 3,370,853	$ -	$ 3,370,853	$ 3,105,244
Contributions and grants	320,367	67,293	387,660	402,272
In-kind contributions	5,337	-	5,337	8,640
Investment income	99,074	-	99,074	(34,255)
Fund-raising, net of direct expenses of $47,217	58,300	-	58,300	64,309
Office rent, net	73,720	-	73,720	(26,633)
Reimbursed expenses	38,537	-	38,537	15,871
Miscellaneous income	32,610	-	32,610	38,042
Land lease income	39,286	-	39,286	125,483
Partnership management fee revenue	-	-	-	25,755
Revenues and Other Support	4,038,084	67,293	4,105,377	3,724,728
NET ASSETS RELEASED FROM RESTRICTIONS				
Student Scholarship Account	2,973	(2,973)	-	-
Total Current Year Releases	2,973	(2,973)	-	-
Total Revenues	4,041,057	64,320	4,105,377	3,724,728
EXPENSES				
Functional Expenses				
Program services	3,216,910	-	3,216,910	2,978,803
Supporting services / management and general	395,180	-	395,180	345,144
Supporting services / fund-raising	171,456	-	171,456	144,208
Total Functional Expenses	3,783,546	-	3,783,546	3,468,155
CHANGE IN NET ASSETS				
Net increase in net assets	257,511	64,320	321,831	256,573
Net assets, as of the beginning of the year	10,108,757	434,127	10,542,884	10,566,311
Distributions to non-controlling interests	(163,872)	-	(163,872)	(280,000)
Net assets, as of the end of the year	$ 10,202,396	$ 498,447	$ 10,700,843	$ 10,542,884

See accompanying notes.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019 with summarized totals for the Year Ended December 31, 2018

	PROGRAM SERVICES		SUPPORTING SERVICES			
EXPENSES BY FUNCTION	Housing, Stepping Up, Scholarships, and Family Mentoring	84 New ETHIC LLC	Management and General	Fund-raising	Totals 2019	Totals 2018
Salaries and wages	$ 436,324	$ -	$ 102,110	$ 132,350	$ 670,784	$ 649,193
Employee benefits	162,096	-	8,305	10,860	181,261	160,279
Employee leasing	84,687	-	4,709	6,157	95,553	96,916
Appraisals	-	-	9,700	-	9,700	-
Association dues	89,088	-	-	-	89,088	86,714
Auto reimbursement	12,654	-	326	426	13,406	3,647
Bad debts	10,387	-	-	-	10,387	10,770
College awareness and testing	109,314	-	-	-	109,314	67,713
Conferences	-	-	1,496	-	1,496	4,477
Contributions	12,183	-	-	-	12,183	4,000
Depreciation	338,076	-	452	592	339,120	336,813
Dues and Subscriptions	2,837	-	446	583	3,866	3,589
Information technology	16,242	-	3,484	2,646	22,372	20,628
Insurance	165,189	7,813	31,635	9,718	214,355	124,385
Interest	390,642	-	-	-	390,642	331,074
Janitorial	11,692	-	-	-	11,692	7,583
Maintenance	450,467	-	-	-	450,467	494,839
Marketing	6,001	-	8,692	-	14,693	13,396
Miscellaneous	11,969	-	27,854		39,823	38,488
Office supplies and expense	37,586	-	5,087	5,912	48,585	55,544
Professional services	1,950	22,768	188,484	-	213,202	216,775
Property taxes	160,008	-	-	-	160,008	111,185
Rent expenses-other	3,500	-	-	-	3,500	3,500
Repairs	325,044	-	-	-	325,044	275,506
Residuals	44,494	-	-	-	44,494	41,003
Scholarships	-	-	-	-	-	1,155
Special events	-	-	-	2,212	2,212	5,745
State Franchise Tax	-	800	2,400	-	3,200	1,600
Tenant credit reports	394	-	-	-	394	1,724
Utilities	302,705	-	-	-	302,705	299,914
Total Expenses by Function	$ 3,185,529	$ 31,381	$ 395,180	$ 171,456	$ 3,783,546	$ 3,468,155

See accompanying notes.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidated Statement of Cash Flows

Year Ended December 31, 2019 with summarized totals for the Year Ended December 31, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 321,831	$ 256,573
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation expense	339,120	336,813
Net unrealized losses (gains)	(94,501)	33,992
Flow through income from partnership investments	6,749	35
(Increase) decrease in assets:		
Accounts receivable	91,134	566,281
Miscellaneous receivables	(36,402)	(120,698)
Prepaid rent	3,500	3,500
Prepaid expenses	(10,993)	(7,455)
Land lease receivable	(94,517)	(125,483)
Increase (decrease) in liabilities:		
Accounts payable	44,361	(38,392)
Accounts payable - other	(40,951)	24,053
Accrued interest payable	27,292	34,582
Deferred rent payable	(3,500)	(3,500)
Deferred ground lease	361,428	-
Tenant deposits payable	19,661	26,800
Net cash provided by operating activities	934,212	987,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(645,496)	(119,370)
Purchase of investment in CDFI	(495)	(505)
Equity contribution to Vientos De Oro, LP	(19,820)	-
Interest and dividends reinvested, net of investment fees	2,511	2,828
Net cash used in investing activities	(663,300)	(117,047)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of notes payable	(304,906)	(251,453)
Distributions to non-controlling interests	(163,872)	(280,000)
Net cash used in financing activities	(468,778)	(531,453)
Net change in cash, cash equivalents and restricted cash	(197,866)	338,601
Cash, cash equivalents and restricted cash at beginning of year	2,004,346	1,665,745
Cash, cash equivalents and restricted cash at end of year	$ 1,806,480	$ 2,004,346
Cash and cash equivalents	1,453,087	1,675,747
Restricted cash	353,393	328,599
Total cash, cash equivalents and restricted cash	$ 1,806,480	$ 2,004,346
SUPPLEMENTARY INFORMATION:		
Cash paid for interest	$ 326,056	$ 295,783

See accompanying notes.

1. Organization

Mission - Orange County Community Housing Corporation (the "Organization") is a California nonprofit public benefit corporation classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. The Organization was organized in 1977 to provide housing and related services to low and very low income persons. The Organization currently owns and operates twenty-three apartment buildings, which aggregate two hundred twenty-eight units, thirteen condominium units, and four single-family residences. These units are rented to qualified low-income families at partially subsidized rents. The Organization also manages eight units for the City of Garden Grove.

Management - During 2019, the Organization celebrated 42 years of service to low and very low income families and also its seventh year under the leadership of Executive Director, Nora Mendez. Ms. Mendez succeeded founding Executive Director, Allen Baldwin, who remains with the organization in an advisory capacity.

Collaboration, Family Mentoring and Education - Always determined to provide affordable housing for more low-income families, the Organization entered into an operating agreement with SBC Community Homeless Coalition, a California nonprofit public benefit corporation, and American Riding Club for the Handicapped, also a California nonprofit public benefit corporation. Together with Paramount Family Irvine Housing Partners, L.P. ("PFIHP"), 84-unit affordable units in the Great Park of the City of Irvine were completed. Construction began in June 2016, and was completed in September 2017. The Organization also provides the necessary services to assist in fighting poverty through its signature program "Stepping Up". This program integrates educational opportunities and family mentoring, through its scholarship programs, by encouraging low-income families to improve their education, job skills, health care, and financial literacy.

84 New ETHIC LLC - Formed on December 22, 2015, Orange County Community Housing Corporation is the managing member with a 60% ownership interest. The purpose of the entity is to: (a) enter into a purchase and sale agreement for the acquisition of vacant land in Irvine, California (the "Land"), (b) enter into a ground lease of the Land with the Partnership, (c) acquire a long-term loan with the Partnership and (d) obtain an option to purchase the development.

2. Summary of significant accounting policies

Basis of accounting
The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation
The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

2. Summary of significant accounting policies (continued)

Basis of presentation (continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Principles of consolidation

The Organization's consolidated financial statements include the accounts of the Organization and its wholly and majority-owned, controlled subsidiaries.

The Organization, controls the following consolidated entities (the "Consolidated Entities") in which the Organization is the controlling member:

- 84 New ETHIC LLC (60% owner)
- OCCH Paramount LLC (100% owner)
- OCCHC-Golden Circle LLC (100% owner)
- OCCHC-Anillo De Oro LLC (100% owner)

All material intercompany balances and transactions have been eliminated.

Investment in partnership – equity method

The Organization uses the equity method of accounting for its investment in each limited partnership in which its LLCs have an ownership interest. The Organization has significant influence over, but not control of the major operating and financial policies of each partnership. Under this method, the Organization's share of income, losses, and distributions incurred by each partnership is recognized as an increase or reduction of the carrying value of the investment. Impairment losses other than temporary impairment are recorded even if it reduces the investment more than what would have been recognized in the normal application of the equity method.

The following limited partnerships are recorded under the equity method:

LLC	% of ownership	Limited Partnership	% of ownership
OCCHC Paramount, LLC	100%	PFIHP	0.005%
OCCHC-Golden Circle, LLC	100%	Vientos De Oro, LP ("Vientos")	50%
OCCHC-Anillo De Oro, LLC	100%	Anillo De Oro, LP ("Anillo")	10%

2. Summary of significant accounting policies (continued)

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

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of operating deficits and refunds of tenant security deposits.

Concentration of credit risk
The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements
The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as 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, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Organization's own assumptions.

The following tables present the Organization's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2019:

	December 31, 2019			
	Level 1	Level 2	Level 3	Fair Value Measurements
Investments in Certificates of Deposit at Fair Value	$ 111,732	$ -	$ -	$ 111,732
Beneficial interest in assets held by others at Fair Value	-	-	655,941	655,941
Total assets	$ 111,732	$ -	$ 655,941	$ 767,673

The cost of investments and endowments, and market value, at December 31, 2019, are as follows:

	2019	
	Cost	Market Value
Investments in Certificates of Deposit	$ 111,732	$ 111,732
Beneficial interest in assets held by others	376,483	655,941
Total	$ 488,215	$ 767,673

Investments and endowments

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of individual lots. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

Investments are made according to the finance policy adopted by the Organization's Board of Directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by the Organization for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

2. Summary of significant accounting policies (continued)

Investments and endowments (continued)
Investment in Clearinghouse Community Development Financial Institution ("CDFI"), which is a direct lender for affordable housing, community development and other non-traditional credit needs, is recorded using the cost method and the Organization does not have significant influence or control.

Donated materials and services
Donated materials and other noncash contributions are reflected in the accompanying statements at their estimated fair market value at the date receipt. Contribution of services are recognized if the services received, create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis of deriving their value.

Fixed assets and depreciation
Property and equipment are capitalized at historical cost, or fair market value at the date of donation, if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donor assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Depreciation expense during 2019 was $339,120. The useful lives of the assets are estimated as follows:

Buildings and improvements	5 - 40 years
Furniture and fixtures	5 - 12 years
Vehicles	5 years

Compensated absences
Compensated absences include vacation and sick hours. Full-time employees are entitled to a minimum of 176 hours annually and begin to accrue hours on the first day of employment. Unused hours expire at the end of the calendar year.

Contributions
Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

2. Summary of significant accounting policies (continued)

Revenue recognition
Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Residential leases are for periods of up to one year, with rental payments due monthly. Program services, special events, developer fees and management fees are recorded when earned.

Expense allocation
The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program services are defined as follows:

The Housing program provides housing and education to extremely low-income families towards greater self-sufficiency. Its founding in 1977 was based on the principle that our low-wage working families deserve safe housing and safe neighborhoods so that their children would receive the same educational benefits as those from more affluent neighborhoods.

The Scholarship/Stepping UP program, provides a forum that will enhance the lives of our families while living in a stable environment conducive to learning and self-improvement. The College Awareness Project of Stepping UP focuses on educating "6-12 students" and "post secondary students" of extremely low-income families with a special emphasis on parent involvement and higher education while the Family Mentoring component educates parents on how to obtain higher education and financial self-sufficiency to one day become first-time homeowners.

Income taxes
The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

Income taxes on LLC income are levied on the members in their individual capacity. Accordingly, all profits and losses of the 84 New ETHIC LLC are recognized by each member on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years and four years of tax returns filed for federal and state, respectively. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

2. Summary of significant accounting policies (continued)

Change in accounting principle

On January 1, 2019, the Organization adopted a new accounting standard that affects the accounting for revenue. The Organization's revenue is mainly derived from leases, which is not impacted by this standard. Adopting this standard did not have a significant impact on the financial statements.

The new revenue standard also introduced new guidance for accounting for other income. Adopting this standard did not have a significant impact on the financial statements.

On January 1, 2019, the Organization adopted new accounting standards that affect the statement of cash flows. These new standards address how certain cash receipts and payments are presented and classified in the statement of cash flows, including that debt prepayments and other debt extinguishment related payments are required to be classified as financing activities, when previously these payments were classified as an operating activity. The new standards also require the statement of cash flows to explain the change in cash, cash equivalents and restricted cash. Previously, changes in restricted cash were presented in the statement of cash flows as operating, investing or financing activities depending upon the intended purpose of the restricted funds.

The effect of the revisions to the statements of cash flows for the year ended December 31, 2018 is as follows:

	As Previously Reported	Adjustments	As Revised
Net cash flows from investing activities	$ (122,262)	$ 5,215	$ (117,047)

3. Liquidity and availability of financial assets

The following represents the Corporation's financial assets as of December 31:

Financial assets at year end:	2019	2018
Cash and cash equivalents	$ 1,453,087	$ 1,675,747
Restricted funds	353,393	328,599
Investment in securities	111,732	110,621
Quasi-endowment and Endowments	655,941	565,062
Land lease receivable	220,000	125,483
Miscellaneous receivables	225,755	189,353
Accounts receivable	23,753	114,887
Total financial assets	3,043,661	3,109,752
Less amounts not available to be used within one year:		
Restricted funds	353,393	328,599
Quasi-endowment	249,651	216,065
Endowments	406,290	348,997
Other net assets with donor restrictions	92,157	85,130
Financial assets available to meet general expenditures over the next twelve months	$ 1,924,170	$ 2,130,961

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

4. Investment in CDFI

The Organization holds an investment in CDFI. The investment is recorded at cost and represents less than 1% of the ownership shares of CDFI as of December 31, 2019. The balance of the investment was $51,500 as of December 31, 2019.

5. Restricted cash

The Organization has funds on deposit with Bank of America. As of December 31, 2019, the balances of these accounts were as follows:

Replacement reserve	$	112,007
Operating reserve		113,641
Tenant security deposits		35,588
Donor restricted cash		92,157
Total restricted cash	$	353,393

Cash and investments, including restricted cash and endowments, consisted of the following as of December 31, 2019:

	Cash and Cash Equivalents	Restricted Cash	Investments/ Endowments	Total
Demand deposits				
Corporation	$ 142,522	$ 353,393	$ -	$ 495,915
84 New ETHIC LLC	725,638	-	-	725,638
Certificates of deposit -				
Corporation	-	-	111,732	111,732
Money market mutual funds -				
Corporation	584,927	-	-	584,927
Beneficial interest in assets				
held by others	-	-	655,941	655,941
Investment in CDFI	-	-	51,500	51,500
Totals	$ 1,453,087	$ 353,393	$ 819,173	$ 2,625,653

Financial institutions that potentially subject the Organization to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Organization places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of $250,000, a situation that has occurred. The Organization did not however exceed the limit of this coverage as of December 31, 2019. The Organization does not anticipate nonperformance by the institutions. No FDIC protection exists for brokerage account balances, as indicated in “Money market mutual funds” or “Beneficial interest in assets held by others” as indicated above, as of December 31, 2019.

6. Cash and investments

Quasi-Endowment
The Organization has a quasi-endowment fund with the Orange County Community Foundation (the "Foundation"). All or a portion of the net income and principal may be distributed at any time from this donor advised fund. The fund is reported at market value. The balance of the fund was $249,651 as of December 31, 2019.

Endowments
Effective January 1, 2009, the Organization adopted FASB ASC 958-205-45-30, *Endowments of Not-for-Profit Organizations,* by implementing a policy requiring the preservation of the fair value of the original gift or corpus as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions (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 Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the 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.

The Organization has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for operations and granting. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner which attempts to achieve, after fees and expenses, a reasonable rate of return consistent with the risk levels established by the responsible committee for all endowment assets with donor restrictions. To satisfy its long-term rate-of-return objectives, the Organization relies on a total strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation primarily focused on equity and fixed income based investments to achieve its long-term objectives within prudent risk constraints.

The State of California enacted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) effective January 1, 2009, the provisions of which apply to endowment funds existing at the time of or established after that date. The Organization's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

The Organization has two endowment funds with the Foundation. All or a portion of the net income may be distributed at any time from each endowment fund for the purposes of support of the Stepping UP Program and the Allen Baldwin Legacy Program, respectively. The funds are reported at market value. The balance of the funds was $406,290 as of December 31, 2019.

6. Cash and investments (continued)

Endowments (continued)
The Stepping Up Program endowment has net assets with donor restrictions as of December 31, 2019, as follows:

	Accumulated Funds	Principal	Total
Stepping Up Program Endowment, December 31, 2018	$ 72,771	$ 160,000	$ 232,771
Investment income	38,213	-	38,213
Balance, December 31, 2019	$ 110,984	$ 160,000	$ 270,984

The Allen Baldwin Legacy endowment has net assets with donor restrictions as of December 31, 2019, as follows:

	Accumulated Funds	Principal	Total
Allen Baldwin Legacy Endowment, December 31, 2018	$ 14,562	$ 101,664	$ 116,226
Investment income	19,080	-	19,080
Balance, December 31, 2019	$ 33,642	$ 101,664	$ 135,306

7. Contingent liabilities

The Organization has five properties in the City of Huntington Beach that have trust deeds with interest payable in the event the Organization does not comply with the housing agreements with the City of Huntington Beach. As of December 31, 2019, the Organization is contingently liable for interest on the five properties. The amount is being negotiated with the City of Huntington Beach. Since the mission of the Organization is to provide housing for extremely low-income families it does not foresee any event that would require the payment of the interest.

Various lawsuits, claims and proceedings may be asserted against the Organization arising in the ordinary course of business. While any amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that results of operations or liquidity in a particular period could be materially affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are asserted will not have a materially adverse effect on the financial position of the Organization.

8. Notes payable

Notes payable consisting primarily of 30-year obligations are as follows:

Four, 2.571% to 2.753% trust deeds payable to Citibank, secured by land and building. Payable in monthly installments ranging from $1,307 to $7,114. Notes mature on October 1, 2020.	$ 118,577
5.90% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $10,445, including principal and interest. The loan matures on November 1, 2028.	867,459
7.60% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $1,271 beginning December 1, 1998. The loan matures on December 1, 2028.	99,199
Six 10% second trust deeds payable to the City of Irvine, secured by land and buildings. No payments due on this note for the term of thirty years, commencing in May 1990, providing: The Organization continues to own the residence(s) and the Organization is not in violation of any provisions of this note or in breach of the regulatory agreement. In the event the Organization sells or transfers the residence(s), except as permitted in the regulatory agreement during the term or otherwise reaches the regulatory agreement during the term after being given an opportunity to cure as provided, if any, the Organization shall immediately pay to the City of Irvine, the principal, together with accrued interest at the rate of 10% compounded annually on the principal.	634,500
Non-interest bearing note payable to the City of Garden Grove, secured by land and building. The City of Garden Grove has extended the loan to April 2021, in exchange for making eight apartment units on Buena Street available at fair market rents to low-income households.	30,000
3% note payable secured by a deed of trust, to the City of Anaheim. Interest accrues annually; however, payment has been deferred subject to the terms and condition of the loan agreement. Under the occurrence of default, all principal and interest on the deferred loan may become due in full. The loan matured on May 29, 2002; however, no payment has been requested by the City of Anaheim.	20,000
7.60% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $1,942, including principal and interest, beginning December 1, 1998. The loan matures on December 1, 2028.	151,547

8. Notes payable (continued)

3% trust deed payable to the City of Huntington Beach, secured by land and building. Twenty-five percent of annual residual receipts to be used to repay HOME loan. In event the Organization refinances a senior loan any time prior to the maturity date, twenty-five percent of the net proceeds must be allocated and paid to the City to reduce the HOME loan. Payments will be applied to accrued interest to the date of such payment, and then to reduce the principal amount owed. If the Organization is in compliance with the terms of the HOME loan documents on the fifty-fifth anniversary of the date of completion of the project, the principal and accrued interest shall be deemed paid. The loan matures on August 1, 2070.	$ 305,000
5% trust deed payable to City of Anaheim, secured by deed of trust on land and building. The note is for $1,000,000 of which $600,000 was used for acquisition of the property leaving $400,000 remaining for rehabilitation of the property. The rehabilitation funds used is $124,324. Payments are to be made on the basis of residual receipts. Residual receipts for any fiscal year equals any cash remaining after the payment of a) all sums due after the terms of a take-out loan b) all amounts deposited in the reserve fund for property replacements and c) all obligations of the property other than the take-out loan, and the reserves, including a reasonable management fee. An eight percent return on the Organization's cash equity may be included as an obligation of the property; however, in no event shall the residual receipts for any fiscal year be less than the return in equity received by the Organization. The note matured on July 1, 2014; however, no payment has been requested by the City of Anaheim.	724,324
Non-interest bearing note, payable to Citibank, pursuant to an agreement under the Affordable Housing Program, of the Home Loan Bank of San Francisco. The principal is to be forgiven at the end of the compliance period, which occurred on June 30, 2010. Management is trying to coordinate the forgiveness with the bank.	11,400
6% trust deed payable to the City of Huntington Beach, secured by land and building. Principal and interest shall be canceled fifty-nine years after execution of this note providing the Organization does not have any events of default listed in the agreement. In the event the Organization has an event of default, the Organization shall immediately pay the City of Huntington Beach the principal together with the accrued interest at the rate of 6% compounded annually on the principal outstanding. The loan matures on June 17, 2053.	225,000

8. Notes payable (continued)

Non-interest bearing trust deed payable to the City of Huntington Beach, secured by land and buildings. No payments are due on this note until the end of the year 2023. In the event the loan agreement is not extended at the end of thirty years, the note shall be due and payable with interest at the rate of 7% compounded annually upon a sale, transfer, or other disposition of the property, (except a sale to a purchaser approved by the Agency), or the Organization being in material default of any other obligation contained in this agreement, or the Organization violating any condition of the deed of trust or promissory note, or ceasing to exist as a nonprofit organization.	$ 635,000
7.60% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $989, including principal and interest beginning December 1, 1998. The loan matures on November 1, 2028.	76,656
Non-interest bearing note payable to the County of Orange, secured by land and building. Payments are deferred and will become a grant subject to continued use as affordable rental housing for a minimum of 30 years, commencing in 1995. If this condition is not met, the outstanding principal and interest, if any is due and payable.	290,000
Non-interest bearing trust deed payable to the City of Placentia, secured by land and building. Payments are to be made annually, beginning in the sixteenth year, commencing October 1995, providing the Organization does not have any events of default as listed in the agreement. In the event the Organization has an event of default, the Organization shall immediately pay the City of Placentia the principal together with accrued interest at the rate of 10% compounded annually on the principal outstanding. The note matures on October 2, 2025. An amendment to the note payable is pending.	45,000
7.60% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $1,271, including principal and interest beginning December 1, 1998. The loan matures on November 1, 2028.	98,556

8. Notes payable (continued)

6% trust deed payable to the City of Huntington Beach, secured by land and building. Commencing on the fifth anniversary of the close of escrow and continuing until the thirtieth anniversary of the close of escrow, the Organization makes minimum annual payments of $1,200. If the balance of residual receipts account is insufficient to fully fund an annual payment, the Organization agrees to make up any shortfall that may exist in the account so that the annual payment can be made. The Organization may request that the City reduce, suspend, or forgive an annual payment and may present evidence to the City of its inability to make an annual payment; however, the City reserves the exclusive right in its sole discretion to reduce, suspend, or forgive an annual payment. All principal and interest on the loan is due in full upon the earliest to occur of: (1) The occurrence of a default under this agreement, the note, the deed of trust or the agreement containing covenants, which event of default is not cured within the applicable cure period; or (2) The thirtieth anniversary of close of escrow. The loan matures on December 26, 2026.	$ 490,000
7.60% trust deed payable to Citibank, secured by land and building. Payable in monthly installments of $1,483, including principal and interest beginning December 1, 1998. The loan matures on March 1, 2029.	115,727
Non-interest bearing note payable to Citibank, pursuant to an agreement under the Affordable Housing Program (AHP), of Home Loan Bank of San Francisco. The principal was to be forgiven at the end of the compliance period, which occurred on December 31, 2005. Management is trying to coordinate the forgiveness with the bank.	32,000

8. Notes payable (continued)

6% trust deed payable to the City of Huntington Beach, secured by land and building. Commencing on the fifth anniversary of the close of escrow and continuing until the thirtieth anniversary of the close of escrow, the Organization shall make minimum annual payments of $1,200. Each annual payment shall be due annually on each anniversary of the Close of Escrow beginning on the fifth anniversary of the Close of Escrow and continuing and including the thirtieth anniversary of the Close of Escrow; provided however, that remaining outstanding principal of the loan shall be repaid on the thirtieth anniversary of the Close of the Escrow. Each annual payment shall be made only to the extent that there exists residual receipts and payment of that portion of the annual payment in excess of residual receipts shall be deferred for future payment. If the amount of residual receipts exceeds the annual payment which is due and there exists on such payment date any deferred annual payment, the Organization shall pay to the City all residual receipts up to an amount equal to the sum of the annual payment due on such payment date and the amount of any deferred annual payment from previous years. The Organization may request that the City reduce, suspend, or forgive an annual payment and the Organization may present evidence to the City of its inability to make an annual payment; however the City reserves the exclusive right to its sole discretion to reduce, suspend, or forgive an annual payment. All principal and interest on the loan shall be due in full upon the earliest to occur of: (1) The occurrence of a default under this agreement, the note, the deed of trust or the agreement containing covenants, which event of default is not cured within the applicable cure period; or (2) The thirtieth anniversary of close of escrow. The loan matures on January 2, 2026.	$ 1,311,921
7.60% trust deed payable to Citibank secured by land and building, payable in monthly principal and interest installments of $7,661, beginning December 1, 1998, and maturing on December 1, 2028.	597,934

8. Notes payable (continued)

3% trust deed payable to Department of Housing and Community Development of the State of California, secured by land and building. Interest only payments are due each September to the extent that there are residual receipts and any interest unpaid at the end of each twelve month period shall be forgiven. Outstanding principal and accrued, unpaid, and un-forgiven interest is due September 23, 2026.	$ 1,000,000
3% trust deed payable to City of Buena Park, secured by land and building. Annual payments of interest are deferred if the Organization is in compliance with the owner participation agreement, principal due September 23, 2026.	800,000
7.7% trust deed payable to Citibank, secured by land and building, payable in monthly installments of $1,462 beginning April 1, 1999. The loan matures on March 1, 2029.	115,788
6% trust deed payable to the City of Huntington Beach, secured by land and building. Annual payments of interest are deferred if the Organization is in compliance with the owner participation agreement. There may be periodic payments under the note. Commencing on the fifth anniversary of the close of escrow and continuing until the thirtieth anniversary of the close of escrow, the Organization shall make minimum annual payments of $1,200. If the balance of the residual receipts account is insufficient to fully fund an annual payment, the Organization agrees to make up any shortfall that may exist in the account so that the annual payment can be made. The Organization may request that the City reduce, suspend, or forgive an annual payment, and the Organization may present evidence to the City of its inability to make an annual payment; however, the City reserves the exclusive right in its sole discretion to reduce, suspend, or forgive an annual payment. All principal and interest on the loan shall be due in full upon the earliest to occur of: (1) The occurrence of a default under this agreement, the note, the deed of trust or the agreement containing covenants, which event of default is not cured within the applicable cure period; or (2) The thirtieth anniversary of close of escrow. The loan matures on November 17, 2027.	380,000

8. Notes payable (continued)

Two non-interest bearing trust deeds payable to the City of Huntington Beach, secured by land and building. Such sum shall be immediately due and payable upon any sale, conveyance, transfer, or assignment by contract, all inclusive deed of trust, or otherwise or further encumbrance, of all or any portion of the real property described in the deed of trust.	$ 111,890
5.75% trust deed payable to Clearinghouse Community Development Financial institution, secured by land and building. Payable in monthly installments of $1,530 including principal and interest beginning May 1, 2013. The loan matures on April 1, 2023.	235,878
Note payable to the City of Huntington Beach, secured by land and building, non-interest bearing, one-thirtieth of principal forgiven each anniversary date of note. There are periodic payments under the note. Commencing on the second anniversary of the close of escrow, March 29, 2005, and continuing until the thirtieth anniversary of the close of escrow, the Organization shall make annual payments of $1,200 or fifty percent of net operating income. Once the capital reserve is fully funded, the annual payment will be $2,400 or 100% of the net operating income. Unpaid and un-forgiven principal and interest on the loan shall be due in full upon the occurrence of a default under this agreement, the note, the deed of trust or the agreement, containing covenants, which event of default is not cured within the applicable cure period. Due to on-going negotiations with the City on compliance issues, the Organization has not reduced the loan balance based on the forgiveness provision of the note. The loan matures on February 22, 2030.	600,000
5.75% trust deed payable to Clearinghouse Community Development Financial Institution, secured by land and building. Payable in monthly installments of $1,530 including principal and interest beginning May 1, 2013. The loan matures on April 1, 2023.	235,899

8. Notes payable (continued)

Note payable to the City of Huntington Beach, secured by land and building, simple interest at 6% annum on the principal amount outstanding from the date of the note until paid or forgiven. There may be periodic payments under the note. Commencing on the second anniversary of the close of escrow and continuing every succeeding year during the term of the Owner Participation Agreement, the Organization shall make annual payments of $1,200 or fifty percent of net operating income whichever amount is less for payment of this note. The Organization may request that the City reduce, suspend, renegotiate, or forgive an annual payment, and the Organization may present evidence to the City of its inability to make an annual payment; however, the City shall have the unfettered discretion to reduce, suspend, renegotiate, or forgive the payment. All principal and interest on the loan shall be due in full upon the earliest to occur of: (1) The occurrence of a default under this agreement, the note, the deed of trust or the agreement containing covenants, which event of default is not cured within the applicable cure period; or (2) End of the sixty year term of the Owner participation Agreement if the Organization chooses not to continue to abide by the Regulatory Agreement. The loan matures on September 29, 2060.	$ 570,000
Nine non-interest bearing trust deeds payable to the City of Santa Ana secured by land and building. These notes are pursuant to an agreement under the HOME agreement. The notes will be payable at the time the units are transferred to a low-income family; an event of default under the loan agreement; or at the note maturity, which ranges from September 2027 to May 2029.	796,789
5.75% trust deed payable to Clearinghouse Community Development Financial Institution, secured by land and building, payable in monthly installments of $777 beginning May 1, 2013. The loan matures on April 1, 2023.	119,740

8. Notes payable (continued)

6% trust deed payable to the City of Huntington Beach, secured by land and building. There may be periodic payments under the note. Commencing on the third anniversary of the note, the Organization shall make annual payments of $1,200 or 50% of net operating income of the previous year, whichever is less, for repayment of this note. If the balance of the residual receipts is insufficient to fully fund an annual payment, the Organization agrees to make up any shortfall that may exist in the account so that the annual payment can be made. The Organization may request that the City reduce, suspend, renegotiate, or forgive an annual payment, and may present evidence to the City of its inability to make an annual payment; however, the City shall have the unfettered discretion to reduce, suspend, renegotiate, or forgive an annual payment. All principal and interest on the loan shall be due in full upon the earliest to occur of: (1) The occurrence of a default under this agreement, the note, the deed of trust or the agreement containing covenants, which event of default is not cured within the applicable cure period; or (2) End of the sixty year term of the Owner participation Agreement if the Organization chooses not to continue to abide by the Regulatory Agreement. The loan matures on December 18, 2060.	$ 285,000
Non-interest bearing trust deed payable to the City of Fullerton secured by land and building. The loan shall be immediately due and payable in the event that the Organization assigns or attempts to assign any portion of the agreement in violation of the terms of the agreement. The loan shall be forgiven and no payments shall be due on the loan maturity, if the Organization is in compliance with the affordability requirements of the agreement. The loan matures on July 22, 2029.	185,136
6.25% trust deed payable to Clearinghouse Community Development Financial Institution, secured by land and building. Interest only payments from February 1, 2015, through January 1, 2020, with principal and interest monthly payments of $7,086, beginning February 1, 2020. Final payment of $964,606.12 due on January 1, 2030. A trust deed on another property located in Orange County, California is additional collateral on the loan.	1,139,406

8. Notes payable (continued)

3% HOME trust deed to the City of Huntington Beach, secured by land and building. Simple interest will accrue from the date of disbursement. If the Organization is in compliance with the terms of the HOME loan documents on the fifteenth (15th) anniversary of the date of completion of the project, (which will be referred to herein as the "maturity date"), the principal and accrued interest shall be deemed paid by the Organization's compliance and no further funds shall be due from the Organization under this HOME promissory note. Prior to the maturity date, the Organization will be obligated to repay the HOME loan as follows: (a) The Organization must utilize twenty percent (20%) of residual receipts with respect to each calendar year to repay the HOME loan. (b) In the event the Organization refinances a senior loan at any time prior to the maturity date, twenty percent (20%) of the net proceeds must be allocated and paid to the City to reduce the HOME loan. (c) All payments to the City will be applied first to the payment of all expenses, charges, cost and fees incurred by or payable to the City by the Organization pursuant to the terms of the HOME loan documents (in such order and manner as the City, in its sole discretion, may elect), then to the payment of all interest accrued to the date of such payment, and then to reduce the principal amount owed. All prepayment of principal on this HOME promissory note will be applied to the most remote principal installment or installments until paid. Notwithstanding anything to the contrary contained herein, after the occurrence and during the continuation of an uncured default under HOME deed of trust, all amounts received by the City from any party will be applied in such order as the City, in its sole discretion, may elect. The loan matures on November 18, 2031.	$ 781,220
Non-interest bearing trust deed payable to the City of Huntington Beach, secured by land and building. The Organization shall not make any sale, assignment or conveyance, or transfer in any other form, of the site, or any part thereof, or interest therein without the express written consent of the holder set forth of Section 2.5 of the agreement. Commencing on the third anniversary of the effective date of the agreement, and every succeeding year during the 55-year term of this note, the Organization must utilize twenty-five percent (25%) of net operating income for the previous one-year period ("available net operating income") to repay the loan. If payment on this note is required by the Organization pursuant to the terms hereof, the Organization shall make such payment no later than one hundred twenty (120) days following the end of applicable calendar year. The loan matures on November 18, 2071.	218,780

8. Notes payable (continued)

6.25% trust deed payable to the Clearinghouse Community Development Financial Institution, secured by land and building. Payable in monthly installments of $1,554 including principal and interest beginning January 1, 2017. The loan matures on November 14, 2046.	$ 241,227
Total notes payable	$ 14,696,552

Maturities of notes payable are as follows for the years ending December 31:

2020	$ 1,085,115
2021	848,200
2022	246,200
2023	796,600
2024	232,200
Thereafter	11,488,237
	$ 14,696,552

9. Net assets without donor restrictions

The changes in the Organization's consolidated net assets without donor restrictions are reconciled as follows:

	Total	Controlling Interests	84 New ETHIC Non-controlling Interests
Balance, December 31, 2018	$ 10,108,757	$ 5,114,905	$ 4,993,852
Change in net assets Without donor restrictions	93,639	259,873	(166,234)
Balance, December 31, 2019	$ 10,202,396	$ 5,374,778	$ 4,827,618

10. Net assets with donor restrictions

Net assets with donor restrictions are comprised of the following as of December 31, 2019:

	Accumulated Funds	Principal	Total
Allen Baldwin Legacy Endowment	$ 33,642	$ 101,664	$ 135,306
Stepping Up Endowment	110,984	160,000	270,984
Student Scholarship Account	52,157	-	52,157
Grants	40,000	-	40,000
Totals	$ 236,783	$ 261,664	$ 498,447

10. Net assets with donor restrictions (continued)

Net assets were released from restrictions during 2019 by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

Student Scholarship Account	$ 2,973

11. Commitments

Lease

The Organization is leasing an eight-unit apartment building from the Garden Grove Agency for Community Development (the "Agency"). Upon commencement of the lease on June 25, 1990, the Organization paid the Agency $175,000 as rent for the fifty-year term of the lease. The Organization is sub-leasing five of the eight units to American Family Housing ("AFM"), (formerly referred to as "Shelter for the Homeless"), a public benefit non-profit corporation. AFM is sub-leasing two units to Thomas House Shelter. The sub-lease is also for fifty years. American Family Housing paid the Organization $175,000 as rent for the fifty-year term of the lease. The rents paid and received in advance are amortized on a straight-line basis over the lives of the leases. The unamortized portion of this rent as of December 31, 2019, was $71,751.

Years Ending December 31,	Rental Payments
2020	$ 3,500
2021	3,500
2022	3,500
2023	3,500
2024	3,500
Thereafter	54,251
Total rental payable	$ 71,751

Guarantee

On August 4, 2011, the Organization entered a limited guarantee agreement to guarantee $300,000 of a $562,000 mortgage from Clearinghouse Community Development Financial Institution to Community Housing Resources, Inc., an unrelated 3rd party, secured by a deed of trust on Mariposa Village, which is owned by Community Housing Resources, Inc.

Other

The Organization has also entered into various regulatory agreements, including the City of Anaheim, City of Buena Park, City of Garden Grove, City of Huntington Beach and County of Orange.

12. Related party transactions

Partners' equity
Under the Amended and Restated Agreement of Limited Partnership dated May 27, 2016 (the "Paramount Partnership Agreement"), OCCHC Paramount LLC is the Managing General Partner of PFIHP, with a 0.005% general partner interest. In accordance with the Paramount Partnership Agreement, the Managing General Partner is required to make a capital contribution of $50. As of December 31, 2019, the Managing General Partner has made its required capital contribution. As of December 31, 2019, OCCHC Paramount, LLC's investment in PFIHP was $(62).

Under the Amended and Restated Agreement of Limited Partnership dated August 2, 2019 (the "Vientos Partnership Agreement"), OCCHC-Golden Circle LLC is the Administrative General Partner of Vientos, with a 50% general partner interest. In accordance with the Vientos Partnership Agreement, the Administrative General Partner is required to make a capital contribution of $50. As of December 31, 2019, the Administrative General Partner has made its required capital contribution. As of December 31, 2019, OCCHC-Golden Circle LLC's investment in Vientos was $13,190.

Under the Agreement of Limited Partnership dated December 2, 2019 (the "Anillo Partnership Agreement"), OCCHC-Anillo De Oro LLC is the Administrative General Partner of Anillo, with a 10% general partner interest. In accordance with the Anillo Partnership Agreement, the Administrative General Partner is required to make a capital contribution of $0.01. As of December 31, 2019, the Administrative General Partner has made its required capital contribution. As of December 31, 2019, OCCHC-Anillo De Oro, LLC's investment in Anillo was $(80).

Ground lease revenue
84 New ETHIC, LLC leases the Land to PFIHP (the "Tenant") under a ground lease agreement ("Ground Lease Agreement"). The Ground Lease Agreement expires on June 6, 2073. Annual rent payments of $220,000 commence on May 1, 2019 for 10 years, followed by $1 annual rent for the remainder of the term. The Tenant also pays rent of 22.5% of total residual receipts, as defined, for the term of the lease.

The Tenant provides for the construction, maintenance and operation of a low-income rental housing project and associated uses. At lease termination, ownership of all improvements will become property of 84 New ETHIC, LLC.

12. Related party transactions (continued)

Ground lease revenue (continued)
The future minimum annual rental revenue, exclusive of the additional rent payments, to be received over the remaining terms of the Ground Lease Agreement as of December 31, 2019 are as follows:

Years Ending December 31,	Rental Revenue	Rental Payments	Change in Deferred Rent
2020	$ 39,286	$ 220,000	$ (180,714)
2021	39,286	220,000	(180,714)
2022	39,286	220,000	(180,714)
2023	39,286	220,000	(180,714)
2024	39,286	220,000	(180,714)
Thereafter	1,925,043	660,045	1,264,998
Total rental revenue	$ 2,121,473	$ 1,760,045	$ (361,428)

For the year ended December 31, 2019, rental revenue earned for the ground lease was $39,286 and no additional rent from residual receipts was earned. As of December 31, 2019, ground lease receivable was $220,000 and deferred ground lease revenue was $361,428.

Partnership management fee
Pursuant to the Paramount Partnership Agreement, OCCH Paramount LLC receives an annual partnership management fee from the PFIHP in an amount up to $25,000, increased annually by the Consumer Price Index. The fee is paid from available cash flow, as defined, and does not accrue. During 2019, no partnership management fee income was earned. As of December 31, 2019, partnership management fee receivable was $0.

13. Prior year summarized comparative data

The financial statements include certain prior-year summarized, comparative, information in total, but does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

14. Subsequent events

Subsequent events have been evaluated through December 4, 2020, which is the date the financial statements were available to be issued. Other than described below, no events requiring recognition or disclosure in the financial statements were identified.

The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on tenants, employees and vendors, all of which are uncertain and cannot be determined at this time, other than described below.

On May 6, 2020, the Organization received a promissory note with Bank of America for $208,397 funded by the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Safety Act (the "PPP CARES Act Note"). The PPP Cares Act Note accrues interest at 1% per annum, beginning November 6, 2020, and matures May 6, 2022. The Organization anticipates applying for, and receiving, full forgiveness of the PPP CARES Act Note in January 2021.

SUPPLEMENTARY INFORMATION

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Financial Position

December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2019
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 727,449	$ -	$ 725,638	$ -	$ 1,453,087
Restricted Cash	261,236	92,157	-	-	353,393
Accounts receivable, net	23,753	-	-	-	23,753
Miscellaneous receivables	244,685	-	1,152	(20,082)	225,755
Prepaid rent, current portion	3,500	-	-	-	3,500
Prepaid expenses	10,543	-	10,938	-	21,481
Land lease receivable	-	-	220,000	-	220,000
Total Current Assets	1,271,166	92,157	957,728	(20,082)	2,300,969
Property and Equipment:					
Construction in process	504,765	-	-	-	504,765
Building and improvements	15,258,176	-	-	-	15,258,176
Land and improvements	6,916,184	-	10,996,959	-	17,913,143
Furniture and fixtures	89,885	-	-	-	89,885
Vehicle	14,144	-	-	-	14,144
Total Property and Equipment	22,783,154	-	10,996,959	-	33,780,113
Accumulated depreciation	(9,339,751)	-	-	-	(9,339,751)
Net Property and Equipment	13,443,403	-	10,996,959	-	24,440,362
Other Assets:					
Prepaid rent, net of current portion	68,251	-	-	-	68,251
Investment in 84 New Ethic	6,721,426	-	-	(6,721,426)	-
Investment in Paramount FIHP, L.P.	(62)	-	-	-	(62)
Investment in Vientos De Oro	13,190	-	-	-	13,190
Investment in Anillo De Oro, L.P.	(80)	-	-	-	(80)
Investment in CDFI	51,500	-	-	-	51,500
Investments in securities	111,732	-	-	-	111,732
Quasi-endowment and Endowments	249,651	406,290	-	-	655,941
Total Other Assets	7,215,608	406,290	-	(6,721,426)	900,472
Total Assets	$ 21,930,177	$ 498,447	$ 11,954,687	$ (6,741,508)	$ 27,641,803

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Financial Position (continued)

December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2019
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 96,484	$ -	$ 44,215	$ (18,930)	$ 121,769
Accounts payable - other	24,744	-	-	(1,152)	23,592
Notes payable, current portion	1,085,115	-	-	-	1,085,115
Accrued interest payable, current portion	808,209	-	-	-	808,209
Deferred rent payable, current portion	3,500	-	-	-	3,500
Deferred ground lease revenue, current portion	-	-	39,286	-	39,286
Total Current Liabilities	2,018,052	-	83,501	(20,082)	2,081,471
Long-Term Liabilities:					
Notes payable, net of current portion	13,611,437	-	-	-	13,611,437
Accrued interest payable, net of current portion	605,862	-	-	-	605,862
Deferred rent payable, net of current portion	68,251	-	-	-	68,251
Deferred ground lease revenue, net of current portion	-	-	322,142	-	322,142
Tenant deposits payable	251,797	-	-	-	251,797
Total Long-Term Liabilities	14,537,347	-	322,142	-	14,859,489
Total Liabilities	16,555,399	-	405,643	(20,082)	16,940,960
Net Assets:					
Without Donor Restrictions					
Controlling interests	5,125,127	-	6,721,426	(6,721,426)	5,125,127
Controlling interests - Quasi-endowment	249,651	-	-	-	249,651
Non-controlling interests	-	-	4,827,618	-	4,827,618
With Donor Restrictions					
Endowments	-	406,290	-	-	406,290
Other net assets with donor restrictions	-	92,157	-	-	92,157
Total Net Assets	5,374,778	498,447	11,549,044	(6,721,426)	10,700,843
Total Liabilities and Net Assets	$ 21,930,177	$ 498,447	$ 11,954,687	$ (6,741,508)	$ 27,641,803

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Financial Position

December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2018
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 886,674	$ -	$ 789,073	$ -	$ 1,675,747
Restricted Cash	258,469	70,130	-	-	328,599
Accounts receivable, net	49,887	15,000	50,000	-	114,887
Miscellaneous receivables	200,155	-	4,750	(15,552)	189,353
Prepaid rent, current portion	3,500	-	-	-	3,500
Prepaid expenses	10,488	-	-	-	10,488
Land lease receivable	-	-	125,483	-	125,483
Total Current Assets	1,409,173	85,130	969,306	(15,552)	2,448,057
Property and Equipment:					
Building and improvements	15,117,445	-	-	-	15,117,445
Land and improvements	6,916,184	-	10,996,959	-	17,913,143
Furniture and fixtures	89,885	-	-	-	89,885
Vehicle	14,144	-	-	-	14,144
Total Property and Equipment	22,137,658	-	10,996,959	-	33,134,617
Accumulated depreciation	(9,000,631)	-	-	-	(9,000,631)
Net Property and Equipment	13,137,027	-	10,996,959	-	24,133,986
Other Assets:					
Prepaid rent, net of current portion	71,751	-	-	-	71,751
Investment in 84 New Ethic	6,937,443	-	-	(6,937,443)	-
Investment in Paramount FIHP, L.P.	(23)	-	-	-	(23)
Investment in CDFI	51,005	-	-	-	51,005
Investments in securities	110,621	-	-	-	110,621
Quasi-endowment and Endowments	216,065	348,997	-	-	565,062
Total Other Assets	7,386,862	348,997	-	(6,937,443)	798,416
Total Assets	$ 21,933,062	$ 434,127	$ 11,966,265	$ (6,952,995)	$ 27,380,459

See accompanying report of independent auditors.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Financial Position (continued)

December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2018
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 56,838	$ -	$ 34,970	$ (14,400)	$ 77,408
Accounts payable - other	65,695	-	-	(1,152)	64,543
Notes payable, current portion	1,065,640	-	-	-	1,065,640
Accrued interest payable, current portion	815,156	-	-	-	815,156
Deferred rent payable, current portion	3,500	-	-	-	3,500
Total Current Liabilities	2,006,829	-	34,970	(15,552)	2,026,247
Long-Term Liabilities:					
Notes payable, net of current portion	13,935,818	-	-	-	13,935,818
Accrued interest payable, net of current portion	571,623	-	-	-	571,623
Deferred rent payable, net of current portion	71,751	-	-	-	71,751
Tenant deposits payable	232,136	-	-	-	232,136
Total Long-Term Liabilities	14,811,328	-	-	-	14,811,328
Total Liabilities	16,818,157	-	34,970	(15,552)	16,837,575
Net Assets:					
Without Donor Restrictions					
Controlling interests	4,898,840	-	6,937,443	(6,937,443)	4,898,840
Controlling interests - Quasi-endowment	216,065	-	-	-	216,065
Non-controlling interests	-	-	4,993,852	-	4,993,852
With Donor Restrictions					
Endowments	-	348,997	-	-	348,997
Other net assets with donor restrictions	-	85,130	-	-	85,130
Total Net Assets	5,114,905	434,127	11,931,295	(6,937,443)	10,542,884
Total Liabilities and Net Assets	$ 21,933,062	$ 434,127	$ 11,966,265	$ (6,952,995)	$ 27,380,459

See accompanying report of independent auditors.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Activities

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2019
REVENUES					
Revenues and Other Support:					
Low-income housing rent and laundry revenue	$ 3,370,853	$ -	$ -	$ -	$ 3,370,853
Contributions and grants	320,367	67,293	-	-	387,660
In-kind contributions	5,337	-	-	-	5,337
Investment income, net	98,838	-	589	(353)	99,074
Fund-raising, net of direct expenses of $47,217	58,300	-	-	-	58,300
Managing member fees	14,400	-	-	(14,400)	-
Office rent, net	73,720	-	-	-	73,720
Reimbursed expenses	38,537	-	-	-	38,537
Miscellaneous income	32,610	-	-	-	32,610
Land lease income	23,572	-	39,286	(23,572)	39,286
LLC flowthrough revenue	(27,469)	-	-	27,469	-
Revenues and Other Support	4,009,065	67,293	39,875	(10,856)	4,105,377
NET ASSETS RELEASED FROM RESTRICTIONS					
Student Scholarship Account	2,973	(2,973)	-	-	-
Total Current Year Releases	2,973	(2,973)	-	-	-
Total Revenues	$ 4,012,038	$ 64,320	$ 39,875	$ (10,856)	$ 4,105,377

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Activities (continued)

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals Dec. 31, 2019
TOTAL REVENUES from previous page	$ 4,012,038	$ 64,320	$ 39,875	$ (10,856)	$ 4,105,377
EXPENSES					
Functional Expenses					
Program services	3,185,529	-	45,781	(14,400)	3,216,910
Supporting services / management and general	395,180	-	-	-	395,180
Supporting services / fund-raising	171,456	-	-	-	171,456
Total Functional Expenses	3,752,165	-	45,781	(14,400)	3,783,546
CHANGE IN NET ASSETS					
Net increase (decrease) in net assets	259,873	64,320	(5,906)	3,544	321,831
Net assets, as of the beginning of the year	5,114,905	434,127	11,931,295	(6,937,443)	10,542,884
Distributions to non-controlling interest	-	-	(376,345)	212,473	(163,872)
Net assets, as of the end of the year	$ 5,374,778	$ 498,447	$ 11,549,044	$ (6,721,426)	$ 10,700,843

See accompanying report of independent auditors.

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Activities

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals 2018
REVENUES					
Revenues and Other Support:					
Low-income housing rent and laundry revenue	$ 3,105,244	$ -	$ -	$ -	$ 3,105,244
Contributions and grants	402,272		-	-	402,272
In-kind contributions	8,640	-	-	-	8,640
Interest and dividends, net of fees	(1,093)	-	830	-	(263)
Net unrealized gains	(33,992)	-	-	-	(33,992)
Fund-raising, net of direct expenses of $40,132	64,309	-	-	-	64,309
Office rent, net	(26,633)	-	-	-	(26,633)
Managing member fees	14,400	-	-	(14,400)	-
Reimbursed expenses	15,871	-	-	-	15,871
Miscellaneous income	30,515	-	20,064	(12,537)	38,042
Land lease income	75,290	-	125,483	(75,290)	125,483
Partnership management fee revenue	25,755	-	-	-	25,755
LLC flowthrough revenue	(22,618)	-	-	22,618	-
Revenues and Other Support	3,657,960	-	146,377	(79,609)	3,724,728
NET ASSETS RELEASED FROM RESTRICTIONS					
Grants	15,000	(15,000)	-	-	-
Student Scholarship Account	9,712	(9,712)	-	-	-
Endowments	22,300	(22,300)	-	-	-
Total Current Year Releases	47,012	(47,012)	-	-	-
Total Revenues	$ 3,704,972	$ (47,012)	$ 146,377	$ (79,609)	$ 3,724,728

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Consolidating Schedule of Activities (continued)

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	84 New ETHIC LLC Unrestricted	Eliminations	Totals 2018
TOTAL REVENUES from previous page	$ 3,704,972	$ (47,012)	$ 146,377	$ (79,609)	$ 3,724,728
EXPENSES					
Functional Expenses					
Program services	2,955,508	-	37,695	(14,400)	2,978,803
Supporting services / management and general	345,144	-	-	-	345,144
Supporting services / fund-raising	144,208	-	-	-	144,208
Total Functional Expenses	3,444,860	-	37,695	(14,400)	3,468,155
CHANGE IN NET ASSETS					
Net increase (decrease) in net assets	260,112	(47,012)	108,682	(65,209)	256,573
Net assets, as of the beginning of the year	4,854,793	481,139	12,242,613	(7,012,234)	10,566,311
Distributions to non-controlling interest	-	-	(420,000)	140,000	(280,000)
Net assets, as of the end of the year	$ 5,114,905	$ 434,127	$ 11,931,295	$ (6,937,443)	$ 10,542,884

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

Schedule of Market Values of Occupied Properties (Unaudited)

December 31, 2019

Property Address	Number of Units	Estimated Market Value Per Unit	Estimated Total Market Value
10951 Berry, Anaheim 92804-6377	4	$ 150,000	$ 600,000
25942 Domingo, Dana Point 92624	24	150,000	3,600,000
8702 La Salle, Cypress 90630-6008	4	150,000	600,000
8692 La Salle, Cypress 90630-6009	4	150,000	600,000
920/30 Vista, Placentia 92670	8	150,000	1,200,000
14162 Buena, Garden Grove 92843-4440	8	150,000	1,200,000
418 S. Poplar, Santa Ana 92703-3719	1	250,000	250,000
14024 Buena, Garden Grove 92843-4318	8	150,000	1,200,000
14021,41,61 Buena, Garden Grove 92843	20	150,000	3,000,000
252 Streamwood, Irvine 92620-1943	1	200,000	200,000
164 Tangelo, Irvine 92618-4470	1	200,000	200,000
92 Eaglepoint, Irvine 92604-3348	1	200,000	200,000
7 Streamwood, Irvine 92620-1936	1	200,000	200,000
95 Firwood, Irvine 92604-4637	1	200,000	200,000
62 Sparrowhawk, Irvine 92604-3258	1	200,000	200,000
1782 S. Carnelian, Anaheim 92802-2427	1	250,000	250,000
1105, 1107, 1109 N. Citron Ln, Anaheim 92801	12	150,000	1,800,000
17372 Keelson, Huntington Beach 92647-5952	4	150,000	600,000
313 11th Street, Huntington Beach 92648-4563	9	150,000	1,350,000
415, 421 Ramona, Placentia 92870	6	150,000	900,000
17361, 17371 Koledo Lane, H Beach 92647	10	150,000	1,500,000
7602-7638 9th Street, Buena Park 90621	38	150,000	5,700,000
17422, 17432 Queens, H Beach 92647	8	150,000	1,200,000
300 W Carriage C, Santa Ana 92707-4154	1	200,000	200,000
430 W Carriage D, Santa Ana 92707-4167	1	200,000	200,000
201 W Carriage D, Santa Ana 92707-4138	1	200,000	200,000
2760 W Segerstrom E, Santa Ana 92704-6546	1	200,000	200,000
1725 W 3rd Street B, Santa Ana 92703-3664	1	200,000	200,000
809 S. Diamond, Santa Ana 92704-2813	1	250,000	250,000
1705 S. Spruce, Santa Ana 92704-4303	1	250,000	250,000
1001 W. Stevens 172, Santa Ana 92707	1	150,000	150,000
1001 W. Stevens 192, Santa Ana 92707	1	150,000	150,000
17351, 17291 Koledo Lane, H Beach 92647	8	150,000	1,200,000
17432, 17401 Koledo Lane, H Beach 92647	10	150,000	1,500,000
17421 Koledo Ln, H Beach 92647	10	150,000	1,500,000
17412 Koledo Ln, H Beach 92647	5	150,000	750,000
Condo - Oxford	1	300,000	300,000
7792 Barton Drive, Huntington Beach, 92647	4	322,100	1,288,400
Office Building - Golden Circle	1	1,350,000	1,350,000
Total Estimated Fair Market Value			$ 36,438,400
Cost - Buildings		$ 15,258,176	
Cost - Land		6,916,184	
Accumulated Depreciation		(9,242,202)	
Net Book Value			12,932,158
Total Estimated Fair Market Value in Excess of Book Value (Net)			$ $23,506,242