THE COMMUNITY BUILDERS

TCB OAK PARK I

Working Conceptual Draft

Submission to

The Village of Oak Park

Regarding

Request for Proposals
Affordable Housing Projects

February 9, 2018

TCB Oak Park I

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THE COMMUNITY BUILDERS

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TCBINC.ORG

February 9, 2018

Village of Oak Park
Attention: Dawn Stockmo, Neighborhood Services Manager
123 Madison Street
Oak Park, IL 60302

RE: **TCB Oak Park I** proposal for Affordable Housing Projects RFP

Dear Ms. Stockmo,

On behalf of The Community Builders, Inc. (TCB), we are pleased to submit a proposal for TCB Oak Park I in response to the Village's Request for Proposals for Affordable Housing Projects. The proposed development will be a signature development on a key community retail block in one of Oak Park's strongest neighborhoods and TOD gateways. TCB Oak Park I replaces a vacant lot with a high-quality mixed-income and mixed-use development that will complement both the residential fabric to the north and the community businesses and retail to the south.

Provides High Quality Affordable Housing in Oak Park
Providing and preserving affordable housing in Oak Park is a critical priority for Oak Park residents and leadership, as clearly stated in Oak Park's 2014 Comprehensive Plan "Envision Oak Park". The Plan identifies the proposed project site as an excellent location for affordable, mixed-use, transit-oriented development.

Transit-Oriented Development (TOD) That Benefits All of Oak Park
TCB Oak Park I is a transit-oriented development, located one block away from a CTA Blue Line station providing easy and convenient access to jobs, services, and amenities in the Chicago Loop. The development will be highly attractive to working households for its integration into a vibrant established community with a variety of services and amenities in close proximity. The development's ground floor community retail and live-work apartments will complement and strengthen the rest of this commercial block that serves all of Oak Park.

Creative Leveraging of Village Resources
Support from the Village for TCB Oak Park I will establish a critical competitive advantage necessary to secure 9% Low Income Housing Tax Credits ("LIHTCs") from the Illinois Housing Development Authority (IHDA). The $500,000 requested from the Village will be used to cover both construction costs and an operating subsidy for rental assistance to support lower-income workforce households.

We hope to work with The Village on this exceptional opportunity and appreciate your timely consideration. Please be aware that should the Village decide to award funding to our project, we will need a commitment from the Village of Oak Park by the end of the month in order for the project to be competitive for IHDA tax credits. Please call or email if you have questions or need additional information. (312-577-5270 or wwoodley@tcbinc.org)

Sincerely,

Will Woodley
Director of Development, Chicago Office
The Community Builders, Inc.

EXECUTIVE SUMMARY

The Community Builders, Inc. ("TCB") requests $500,000 to help develop a $14.6 million, 37-unit mixed-income, mixed-use apartment building at 801 S. Oak Park Avenue. (The Development is currently called TCB Oak Park I, though a name for marketing and building identity will be chosen in the future.)

The Development will support the Village's stated goals for high quality thoughtful affordable housing as well as strategically located transit-oriented mixed-use development.

The Development will:

1. Predominantly focus on providing high-quality transit-oriented housing that is affordable to workers earning from approximately minimum wage ($10/hour) to $17/hour. (See Section I: Population Served for more information.)

2. Also, provide a smaller amount of units (6 units) for particularly low-income individuals participating in the Statewide Referral Network. (See Section I: Population Served for More Information.)

3. Activate a long vacant corner of a key mixed-used block with community-oriented retail and two live-work apartments on the ground floor.

The Development will also leverage a Village contribution of $500,000 with over $14 million in other development sources leading to construction jobs, new community retail, and approximately $1.4M in property taxes over the next 20 years.

I. Populations Served

Specifically, the building will target income tiers as follows:

	Studio	One-Bedroom	Two-Bedroom	**Total**	**Estimated Full-Time Hourly Wage Range**
Market Rate (Unrestricted)		1		1	$17 to $22 per hour (But could be higher)
60% AMI	3	15	2	20	$14 to $20 per hour
50% AMI		4		4	$12 to $18 per hour
40% AMI		3		3	$10 to $15
30% AMI		3		3	$9 to $15*, **
SRN		6		6	***
Total	3	32	2	37	

* Particularly supports workers not getting 40 hours of work per week.
** Particularly supports workers in jobs that may not be subject to Chicago and County minimum wage increa
*** Particularly supports residents with handicaps and participating in the Statewide Referral Network

II. Activate Key Corner & Streetscape along 800 Block of S. Oak Park Avenue:

The ground floor design of the project along Oak Park Avenue will complement the mix of shops, restaurants, and services already found on the block. The ground floor will consist of two (2) live-work units and approximately 1,000 square feet of retail. Please see the conceptual site plan, floor plans, and building rendering. TCB looks forward to working with the Village and community to refine the building design in the future as the project advances.

III. TCB Capacity

TCB is the largest nonprofit urban developer in the nation. For over 50 years TCB has been developing affordable and mixed-income housing that benefits lower-income households and the entire community. We started as a community development corporation in Boston and have grown into a national leader in innovative affordable housing and community development. We have offices in Chicago, Boston, New York, Washington DC, and Cincinnati. We have developed over 29,000 units, manage 11,000 units, and have generated over $2.5 billion dollars in development activity. In 17 years, our Chicago Office has developed over 1500 affordable or mixed-income apartments and over 150,000 square feet of commercial and community amenity space.

We are nationally recognized for our expertise in securing and leveraging various funding sources in order to deliver high-quality community assets. TCB will use this expertise to secure various sources identified in the attached Development Budget to leverage the $500,000 requested from the Village.

IV. Request for Funding:

TCB requests $500,000 to help finance the Development's construction and long-run operations. This $500,000 will be leveraged with an estimated $14 million in additional sources.

TCB requests that the $500,000 be available this summer to help with predevelopment and acquisition costs. At construction closing the funds will then ultimately be structured to support building construction and long-run operations. The support for operations is particularly necessary in order to support lower-income working households as more fully discussed in the populations served section.

V. Time is of the Essence:

TCB greatly appreciates this opportunity to apply for affordable housing funding from the Village. TCB is also working hard to leverage this Village funding with another $14 million. The primary source of additional funding requires an allocation of tax credits from the Illinois Housing Development Authority (IHDA). However, the deadline for applying for these IHDA funds is March 2, 2018. Securing IHDA tax credits is an extremely competitive points-based process. Securing and evidencing a written commitment of the requested Village funding is directly connected to securing 26 points in a 95-point scoring system. A written commitment by the end of this month, February, is necessary to be reasonably competitive.

TCB understands that the overall timing of the Village RFP and IHDA's annual tax credit allocation round is less than ideal. Still, the Development proposed hear for Village funding does align well with both Village and IHDA goals. However, a written commitment of Village funds is necessary in February for the development to reasonably compete for IHDA tax credits, which are the primary source of development funding.

NARRATIVE QUESTIONS

PROFILE OF THE DEVELOPER

Turning Vision into Reality

The Community Builders, Inc. (TCB) is one of the largest and most accomplished non-profit development corporations in the United States, and celebrated 50 years of serving families and communities across our 15-state footprint in 2015. We have completed or preserved more than 29,000 units of affordable, mixed-income housing and generated more than $2.5 billion in development activity. TCB pioneered use of the tax code by nonprofit developers, citywide partnerships supporting large-scale redevelopment and comprehensive neighborhood revitalization efforts through new uses of public housing funds and of project-based assistance. As one of the nation's foremost HOPE VI developers, we have provided award-winning comprehensive neighborhood revitalization to cities such as Cincinnati, Durham, Louisville, Holyoke (MA) and Chicago.

Our mission is to build strong communities where people of all incomes can achieve their full potential. We do this by developing, financing and operating high-quality affordable, mixed-income housing, by coordinating access to support services and by planning and implementing other community and economic initiatives critical to the communities we serve. TCB focuses primarily on meeting the needs of lower income people not effectively served by market forces. We favor a multi-disciplinary approach and engagements of significant scale that can have a lasting impact. We specialize in large-scale public and assisted housing redevelopment projects, transforming distressed housing projects into anchors for multifaceted revitalization efforts.

The Community Builders, Inc. works in collaboration with neighborhood groups, residents, public and private agencies and philanthropic interests. Becoming a long-term stakeholder in the neighborhood, we create effective local implementation teams that combine neighborhood understanding, technical skills and managerial ability.

With approximately 500 employees at three regional hubs and over 40 project sites, The Community Builders, Inc. also provides development consulting, legal counsel, asset management and property management services throughout the Northeast, Midwest and Mid-Atlantic states. All told, nearly 16,000 individuals benefit from our attractive, high-quality, supported housing.

TCB is governed by a ten-person board of directors, with representatives from leading institutions and businesses representing a wide range of community development, finance, and real estate interests. TCB's management structure includes an eight-member Leadership Team and regionally-based Senior Management Teams comprised of Vice Presidents of Development, Directors of Development, who supervise day-to-day development tasks by Project Managers in each region, and Regional Vice Presidents of Property Management. All senior managers have deep experience in affordable housing / community development and exceptional commitments to the TCB's mission. The Leadership and Senior Management teams will have principal responsibility in overseeing and executing projects developed under the PDT program.

Affordable Housing Finance Experience

Founded in 1964, TCB has completed or preserved more than 29,000 units of affordable and mixed-income housing, built a property management portfolio consisting of over 100 developments housing more than 16,000 residents and developed more than 855,000 square feet of commercial space (including, work with Skilken and TROY Enterprises on the retail space at The Shops and Lofts at 47 and most recently the Arts and Recreation Center at Ellis Park- projects located in Chicago's Fourth Ward).

TCB has extensive experience in creating innovative project financing packages for the development and preservation of mixed-income housing and is experienced in combining public housing funding with Low-Income Housing Tax Credit (LIHTC) equity, CDBG and HOME funding, AHP funding and private debt. TCB has arranged for total project financing in excess of $2.5 billion of debt and equity, including over $800 million in equity raised through the formation of over 100 limited partnerships, LLCs and corporations. These efforts have created or preserved over 320 residential and commercial projects in 15 states. TCB has developed more than 8,500 LIHTC units and manages more than 5,100 LIHTC units in twelve states. By aggressively seeking out new sources of funding and obtaining high levels of value from available resources, TCB has consistently surpassed all industry standards for leveraging resources.

Public Housing and Mixed Finance Experience

TCB has extensive experience in planning, implementing, and managing physical development, financing, leveraging, and partnership activities of successful HOPE VI and other types of public housing projects. TCB's first HOPE VI development role was in 1995, when the Boston Housing Authority selected TCB as the program manager for its Orchard Park revitalization. Since then, TCB has been one of the most active developers in the program and has served in development, property management, service coordination and program management roles in 14 other HOPE VI revitalization projects. TCB has completed 13 HOPE VI revitalizations, including award-winning projects in Cincinnati, Holyoke (MA) and Louisville.

As the master developer in 10 of its HOPE VI engagements, TCB has extensive, successful experience in planning, implementing, and managing physical development activities. TCB has successfully utilized low-income housing tax credits for project financing prior to the inception of the HOPE VI program. Additionally, TCB has relevant experience in homeownership development activities in six of its HOPE VI engagements.

TCB's physical development role in HOPE VI projects has ranged from developing 100 family rental units in the Churchill Homes HOPE VI in Holyoke, Massachusetts to developing over 500 rental units and being the site developer for 450 for-sale homes in the Park DuValle HOPE VI in Louisville. TCB's HOPE VI development experience also includes community facilities, commercial spaces and new infrastructure. TCB provides a full range of real estate development, finance, property management, human services and legal services, and has developed expertise with revitalization plans, mixed-finance proposals, regulatory and operating agreements, annual contribution contracts and federal procurement requirements.

In 2012, TCB was awarded a $29.5 million CHOICE Neighborhoods Implementation grant in Cincinnati, Ohio, as the lead agency in a coalition of various local development and social service agencies. The Cincinnati CHOICE Neighborhoods project, using competitive tax credits from the Ohio Housing Finance Agency, is designed to undertake a comprehensive and sustainable revitalization of the Avondale community centered on renovation of five distressed HUD-assisted properties purchased from Fannie Mae located along Avondale's primary thoroughfare, Reading Road. The renovation of these buildings was a part of an overall effort to improve the health of the housing market, boost the economic and human potential of residents and community members, and re-establish Avondale as a community of choice. To date, TCB has completed preservation of 200 affordable housing units as part of the overall neighborhood stabilization plan and recently started construction on 118 units of mixed-income housing and new retail space as part of the Avondale Town Center redevelopment. Between the $29.5 million CHOICE Neighborhoods grant and the $78.6 million NSP2 grant awarded directly to TCB in 2010 (one of only four such grants to nonprofits nationwide), TCB has demonstrated to HUD and other stakeholders that it has the expertise and systems in place necessary to manage more than $100 million in direct federal grants.

The breadth of this CHOICE and HOPE VI experience has given TCB in-depth knowledge of the program and of the regulatory framework of mixed-finance, mixed-income public housing. TCB has also put its integrated real estate development, property management and resident services capacities to work in transforming distressed public and assisted housing into anchors for neighborhood revitalization in non-HOPE VI or CHOICE comprehensive neighborhood revitalization projects. Its diverse, multidisciplinary staff works with local partners to build and sustain vital communities by engaging in neighborhood planning, housing and community facilities development, property management and service coordination. TCB is undertaking these comprehensive neighborhood revitalizations in neighborhoods such as Leyden Woods Apartments in Massachusetts and Tapestry on the Hudson in Troy, New York.

Property Management Capacity
TCB has extensive experience both with the requirements of the LIHTC program and with the complexities of management in the mixed-finance environment of HOPE VI and CHOICE.

TCB is an Accredited Management Organization®. The Institute of Real Estate Management (IREM) awards this designation to firms that fulfill strict requirements in the areas of insurance, experience, integrity, ethical conduct, and fiscal stability. Our management portfolio consists of over 100 properties ranging in size from six units to communities of over 800 units. It includes properties with subsidy sources and funding via HOPE VI, Section 8, Section 236, LIHTC, Section 202/811, Section 221(d)(3) programs and provides almost 8,000 households with attractive, safe, and affordable rental housing. We currently manage properties in twelve states: Connecticut, Illinois, Indiana, Kentucky, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, and Virginia, as well as Washington, DC. TCB enjoys an excellent reputation in the affordable housing management industry as result of its proven ability to produce and maintain successful housing communities, many in very challenging environments.

TCB has extensive experience managing projects developed with all the major HUD programs — 221(d)(3), 236, elderly 202/811, Section 8, LIHTC, HOPE VI, and public housing operating subsidies. TCB’s management portfolio includes mixed-income properties containing public housing, LIHTC, and market-rate units. TCB's property management team possesses many industry certifications such as CPM, ARM, COS and many others.

Community and Supportive Services Capacity
The Community Builders, Inc. is committed to helping residents achieve their full potential by providing pathways to access needed resources and economic opportunities. Complementing the work of our Development and Property Management divisions, the 30 full-time staff members in our Community Life division coach residents and connect them to area providers, develop strategic partnerships with local stakeholders, and leverage TCB’s position and brand as a developer to mobilize broader

community and neighborhood revitalization. We help our residents focus on building a strong foundation, settling into a diverse community, finding a new or better job, building household income and assets, positively engaging kids and building their new community.

The goal of our site activities is to create supportive environments that promote employment success, long-term multi-generational asset building, positive youth development, educational achievement, and strong community engagement. To do this, our site-based Community Resource Specialists, Community Life Specialists, and Resident Services Coordinators provide residents with the networks to build and promote best practices and help establish high quality standards across TCB's portfolio.

Relocation Management Capacity
The Community Builders, Inc. has extensive experience working with residents, resident organizations and housing authorities to develop relocation plans that accommodate residents' housing preferences throughout the process of physical revitalization. Residents are a critical source of information and ideas for TCB's human service, management, and development personnel designing and implementing a relocation plan.

Section 3 Capacity
The Community Builders, Inc. has a long-standing commitment to and demonstrated track record to what we refer internally as *Opportunity Contracting and Hiring* —contracting with minority and women-business enterprises (MWBEs), both engaging Section 3 business concerns and promoting Section 3 hiring by contractors and consciously supporting small and local contractors in our development projects across the country. We are committed to developing a strategy in coordination with the Chicago Housing Authority that is locally responsive and fosters Section 3 employment, training and contracting opportunities.

TCB's own corporate goals in contracting and hiring apply to every project that we develop:

- 30% of the total construction contract value is to be performed by MBEs, 10% by WBEs and 5% by Small Business Enterprises (SBE) entities.
- 30% of all new hires are to be Section 3 workers.
- 10% of the total construction contract value is to be performed by Section 3 businesses.

While TCB has long been committed to meeting federal Section 3 requirements as sub-grantees or contractors of housing authorities or other recipients of federal funds, its award of NSP2 funds brought renewed focus to those efforts. In order to manage its responsibilities as an NSP2 grantee, TCB created an innovative compliance mechanism within the NSP2 department to oversee development projects that are beneficiaries of the $78 million grant. TCB has implemented a robust Section 3 program; it includes an affirmative outreach and compliance mechanism to ensure that Section 3 goals are met by all covered projects. The Community Builders even has internal protocols for certifying M/WBE that are consistent with HUD regulations and that can complement existing CHA certifications to make sure that qualified businesses are able to participate.

Leadership Team Responsibilities & Experience

President and Chief Executive Officer **Bart Mitchell** re-joined The Community Builders, Inc. on July 1, 2010 as Chief Operating Officer, having worked for TCB as the Director of Finance for six years during the 1990s. At the end of 2011 Bart was elevated to President and CEO. In this role, he has overall operational responsibility for the organization and manages the work of TCB's leadership team to ensure that TCB sets realistic operating goals and meets critical objectives. Mr. Mitchell previously served as Deputy Development Advisor to the Mayor of Boston in the 1980's, and after his initial time at TCB he served as Chief Operating Officer of Beacon/Corcoran Jenison Partners developing HOPE VI communities in the Northeast and Mid-Atlantic regions and as President of Mitchell Properties LLC, a developer and owner of high quality residential and mixed-use real estate ventures in the Boston area.

Senior Vice President for Development Operations **Beverly Bates** will oversee all project management, construction management and financing activities. Ms. Bates has been with Community Builders for 30 years. She and her staff provide oversight and technical support for Community Builders' real estate development activities in the areas of finance, construction, and project management. Ms. Bates has overseen the development of thousands of units of affordable housing utilizing a wide range of public and private financing sources.

Sean Caron is the Chief of Property Operations for The Community Builders, Inc. He oversees all aspects of TCB's property and portfolio management. He is responsible for the leadership and management of 375 employees responsible for leasing and marketing, day-to-day property operations, regulatory compliance, risk management, curb appeal, maintenance and customer service, financial performance and long-term stewardship of more than 11,000 apartments. Prior to joining TCB, Caron served as the director of public policy for the Citizens' Housing and Planning Association, a Massachusetts organization that promotes affordable housing and community development on behalf of nonprofit and for-profit developers, homeless advocates and service providers, homeowners, tenants, bankers, real estate professionals, property managers and government officials.

Chief Financial Officer **Mick Vergura** has financial oversight responsibility for all of TCB's development and property activities. Mr. Vergura joined TCB in February 2008. Mr. Vergura is a 25-year veteran of the development industry and brings experience with large organizations with extensive multi-site, broad geographical footprints.

Jonathan Klein is general counsel and senior vice president of The Community Builders, Inc. He was appointed to the post in July 2013. In this capacity, Klein leads a legal team representing TCB, its affiliates and other nonprofit organizations on all aspects of complex real estate and housing development transactions. His expertise includes Low-Income Housing Tax Credits (LIHTC), New Markets Tax Credits (NMTC) and tax-exempt bonds; all types of local, state and federal subsidy programs for affordable housing; analysis of applicable statutory and regulatory frameworks; zoning, title and real estate conveyancing; condominiums and cooperatives; residential and commercial leasing; limited partnerships and limited liability companies; and closing on multilayered financings with public and private lenders and investors.

Previously, Klein was founding partner of Klein Hornig LLP, where he was responsible for a wide variety of affordable housing and community development transactions, including many dozens of LIHTC projects in various states, creation and management of tax credit funds, 501(c)(3) and private activity bond transactions, cooperative and other resident controlled developments, expiring use projects under a variety of federal programs, acquisition and redevelopment of distressed HUD projects, and HOPE VI/public housing redevelopment projects. He has also represented charter schools, health centers and other nonprofit organizations in complex NMTC transactions.

Regional Team Roles & Experience
TCB's development activities are managed in three regions: Northeast, headquartered in Boston; Midwest, headquartered in Chicago; and Mid-Atlantic, headquartered in Washington, D.C. TCB's Midwest region is led by **Terri Hamilton Brown**, who joined TCB in November 2011 as Midwest Regional Director. Brown previously work in the administration of Cleveland Mayor Michael R. White as Director of Community Development. Under her leadership, the city of Cleveland worked with private and nonprofit developers to spur a residential construction boom in both the neighborhoods and downtown. Brown also had a five-year tenure with the Cuyahoga Metropolitan Housing Authority during which the authority was removed from being a troubled agency.

Will Woodley is the Director of Development for TCB's Chicago Office. He is responsible for all development activity in Illinois and Northwest Indiana. He oversees the identification and implementation of real estate development projects through stabilized occupancy. He has held this position since 2015. Mr. Woodley joined TCB in 2005 as a special assistant to the regional director. Later he was promoted to project manager where he managed development projects in Chicago, its metropolitan region and Northwest Indiana. His work focuses both on mixed-income, mixed-use revitalization as well mixed-income and affordable housing in communities of opportunity.

Linda Brace, joined The Community Builders Inc. (TCB) in 2015, where she works on a variety of mixed-finance, mixed-used developments, with her main focus being the oversight and management of the Harold Ickes development. She has nearly 30 years of experience in affordable housing and particular expertise in utilizing complex, multi-layered financing with public and private funding participants. Prior to joining TCB, Linda was vice president of real estate development at Mercy Housing Lakefront in Chicago, Ill., and at Holsten Real Estate Development Group. Earlier in her career, Linda was vice president of Shorebank Development Corporation in Chicago.

Kirk Albinson started with The Community Builders as a Project Manager in July of 2015. With an education and professional experience working within the development arena and years of experience providing design, construction, and operations consulting to the building industries, Kirk has developed a thorough understanding of how to align the creative and technical aspects of each development. Early in the planning stages, Kirk is proactively involved with all development stakeholders to align the program and development objectives. Kirk's experience, dedication, and meticulous attention to detail adds great value to the developments we pursue and for the clients we serve.

Christopher Johnson joined The Community Builders in 2016 as a Project Manager. He is responsible for leading mixed-income, mixed-use projects through planning, design, financing, construction, development, and stabilization. Before joining The Community Builders, Inc., he led the design, development, closing, coordination, and construction of over 540 residential units in California. He has also worked in Real Estate Transaction Services with the New York City Economic Development Corporation and as an Acquisitions Analyst with The Bascom Group, a multifamily private equity firm.

Khari Humphries serves as Community Life Senior Manager for The Community Builders, Inc. at Oakwood Shores in Chicago- a position he has held since April 2012. Humphries leads the planning and execution of community development initiatives and programs that assist more than 1,400 residents of mixed-income housing in the areas of financial stability and asset development, youth development and education, workforce development and community engagement.

Technical Support Functions

Livia Bourque serves as Vice President of Operations for Property Management for The Community Builders, Inc. in Boston, a position she has held since 2016. She originally joined TCB in 2000 as a portfolio manager. She has more than 25 years of experience in the multifamily housing industry overseeing both operations and compliance for large diverse portfolios in 23 states. Previous to her current position, Ms. Bourque served as the director of compliance. She was instrumental in providing direction and knowledge to all TCB communities, understanding regulatory requirements for all affordable housing programs and establishing corporate policy for compliance.

Vice President of Finance and Asset Management, **Tom Buonopane** manages relationships with credit syndicators and investors as well as oversees the permanent debt and equity placement for each development. Mr. Buonopane has more than 15 years of experience involving low income housing, historic rehabilitation, and new markets tax credit projects, and led the creation of TCB's Community Development Enterprise (CDE) and TCB's two recent successful applications for two separate allocations of $25 million in federal New Market Tax Credits.

Vice President of Design and Construction **Jeff Heisler** has more than 25 years of experience with engineering and construction management. Mr. Heisler has overseen and developed significant projects in Chicago, Indianapolis, Cincinnati, Louisville, and Durham.

Vice President of Community Life, **Elizabeth Gonzalez Suarez,** has served in this position since 2016. She advances the powerful role that TCB and partner institutions can play in providing stability and social connections for seniors and access to opportunity for families in TCB Communities. Previously, she served as the director of Community Health Practice at Dana-Farber Cancer Institute (DFCI) and the deputy director of the U54 Partnership Outreach Program. Most of her 20-year tenure was dedicated to designing and implementing evidence-based programs that promote public health among high-risk and underserved populations.

Stephanie Anderson Garrett is Vice president of Communications for The Community Builders, Inc. She directs communications strategy, public affairs, marketing communications, digital media and internal communications for the country's largest nonprofit developer of urban mixed-income housing.

CHALLENGES FACED IN TCB OAK PARK I'S GEOGRAPHIC AREA

1. Insufficient Housing for Lower-income Working Individuals

Providing well-located "workforce housing" is an increasingly popular public policy, but most workforce housing developed today is not structured to support workers earning $10to $17 per hour. Instead, workforce housing often refers to housing for households earning approximately 60% to 120% of Area Median Income, or approximately $35,000 to $100,000 per year. But focusing workforce housing provision on households earning $35,000 to $100,000 per year excludes thousands of Oak Park and Chicagoland workers earning hourly wages under $17/hour. These workers deliver services that are so often desired and needed for vibrant communities, yet they cannot afford to live in those communities.

A review of wages paid by some well-known employers evidence that housing policy needs to focus on workers earning $8 to $20 per hour. For example, a Starbuck's baristas, Target cashiers, Potbelly's food prep staff, cashier and floor staff at Marianos, and staff at fast casual restaurants like Five Guys, all earn approximately $10 to $11/hour. Entry level store managers and shift managers at these types of employers and also cashiers and floor employees at employers like CostCo and Trader Joes earn between $12 and $15 per hour.

Individuals earning these wages will find it difficult to afford housing in Oak Park, even if they have stable employment working full time at 40 hours per week. For many individuals earning $10 to $17 per hour, apartment rents can no longer be paid without considerable economic hardship. An important goal of affordable housing policy is for low-income households to pay about 30% of their gross income towards rent. With this in mind, it then becomes apparent that more workforce housing policies, programs, and funding should be aimed at supporting workers earning $10 to $17 per hour.

Hourly/Wage	Full-Time Annual Gross Income*	Affordable Rent at 30% of Gross Income
$10.00	$20,000	$500
$11.00	$22,000	$550
$12.00	$24,000	$600
$13.00	$26,000	$650
$14.00	$28,000	$700
$15.00	$30,000	$750
$16.00	$32,000	$800
$17.00	$34,000	$850

*Assuming 40 hours/week at 50 weeks per year.

The table above presents the rents that can be affordable at various hourly wages if those wages are earned 40 hours per week for 50 weeks out of the year and 30% of gross wages are going to rent. For an individual earning $10 per hour, 40 hours per week, and 50 out of 52 weeks per year, the affordable rent supported by their gross income is $500. At $12 per hour it is $600 per month. At $14 per hour it is $700 per month. At $14 per hour it is $800 per month. Of course, the fact is not all workers earning these wages can secure 40 hours of work per week for 50 out 52 weeks. This is actually a common issue for workers at number of the employers paying these wages. So when providing affordable workforce housing, one must also consider that an employee earning $10 per hour, but only working 30 hours per week can only afford $375/hour if 30% of their gross income is going to rent.

Hopefully, these calculations illustrate that many workers earning these types of wages will struggle to find affordable housing in Oak Park because the average 1-bedroom apartment is over $1400/month and the average 2-bedroom apartment is over $1900 per month. Although Oak Park has a significant supply of vintage apartments that are less than these averages, finding a 1-bedroom apartment less than $900 per month or a 2-bedroom under $1300 per month is still quite challenging. (Sources for average Oak Park rents are RentCafe, RentJungle, and Zillow in February 2018.)

2. **Insufficient Supply of Transit-Oriented Affordable Housing**

Living near predictable public transit, particularly CTA train stations, is one way to reduce transportation costs and overall economic burdens for low-income households. In a mixed-use, TOD neighborhood, residents have the opportunity to save thousands of dollars per year by not regularly using or not even owning a car while still having relatively good access to jobs, groceries, pharmacies, services and amenities.

In fact, nationally recognized organizations like the Center for Neighborhood Technologies encourage us to take a more "comprehensive view of affordability that includes both the cost of housing and the cost of transportation at the neighborhood level." The 2014 comprehensive plan, Envision Oak Park, does just that when specifically recommending the development of more affordable housing with easy access to transit. (See "Housing Development Focus Area Plans" on page 58 of Envision Oak Park.) This particularly makes sense around CTA train stations given that Envision Oak Park also reported that 50% of Oak Park residents work in Chicago. (See Oak Park "Employment and Business" characteristics on page 30 of Envision Oak Park.)

Securing well-located land for affordable housing development is regularly a challenge due to very limited resources for acquisitions. It is even more challenging to provide affordable housing near CTA stations because the demand to live and work near public transit is so high that land costs are generally also much higher than other locations.

3. **Revitalizing Vacant Corner Lot on 800 S. Oak Park Avenue Block**

As a corner lot, 801 S. Oak Park should be anchoring this particularly important block. Developing TCB Oak Park I responds to the three challenges below:

a) **Highest and best use for the site**: Single-story commercial alone doesn't realize the full potential for this visually important corner site, nor will it complement the multi-story contextual fabric of the area. The site, considered in the context of the immediate area, demands uses that are complementary to the commercial activity along S Oak Park Ave (commercial/retail, live-work) while transitioning to residential uses that promote the residential in the blocks behind the site.

b) **Development of the vacant parcel to generate income that can support both a high-quality building and a long-term property tax revenue stream for the Village:** From a development financing perspective, the site needs to generate sufficient income to support the need to build a high-quality mixed-use building, which is not typically easy to do on such as small site. Further, the development of the site needs to provide a strong and reliable property tax revenue source for the Village.

c) **Building long-term economic resiliency into the corridor:** Permanent activation of a key site within this small commercial corridor is necessary which will provide long-term stability to the area and ensure potential future economic recessions do not impact the overall health and vibrancy of the community. The development of the site should focus on uses that are not impacted by uncontrollable economic challenges and should be programmed as a foundation to keep strong daytime and evening populations in the area to support the local economy.

THE POPULATION SERVED BY TCB OAK PARK I

Lower-Income Workforce (Earning $10 to $17/hour)

TCB Oak Park I will offer apartments to households who otherwise may find it difficult to afford a home in Oak Park with convenient access to transportation. The majority of the apartments will be positioned to support workers earning $10 to $17/hour, which is a portion of the workforce often excluded in workforce housing policy. Oak Park and the Chicago Loop, easily accessible from 801 S. Oak Park via the CTA Blue Line, offer thousands of employment opportunities at these wage levels. Employees at restaurants, pharmacies, grocery stores, clothing and retail stores, movie theaters, and other businesses and services that create healthy vibrant communities regularly earn wages between $10 and $17 per hour. TCB Oak Park I's goal is to provide apartments to households with incomes in this range.

	Studio	One-Bedroom	Two-Bedroom	**Total**	**Estimated Full-Time Hourly Wage Range**
Market Rate (Unrestricted)		1		1	$17 to $22 per hour (But could be higher)
60% AMI	3	15	2	20	$14 to $20 per hour
50% AMI		4		4	$12 to $18 per hour
40% AMI		3		3	$10 to $15
30% AMI		3		3	$9 to $15*
SRN		6		6	***
Total	3	32	2	37	

"AMI"- Area Median Income
"SRN"- Statewide Referral Network
* Particularly supports workers not getting 40 hours of work per week.
** Particularly supports workers in jobs that may not be subject to Chicago and County minimum wage increases.
*** Particularly supports residents with handicaps and participating in the Statewide Referral Network

Lower-Income Households In Search of Transit-Oriented Housing
The demand for living near convenient public transit, like the CTA Blue Line, means that housing near CTA stations is often higher than other housing. In particular, lower-income households can benefit from living near affordable mass-transit such as CTA train lines. The development is only one block from the Oak Park Avenue CTA Blue Line station. Whether it is for work, education, healthcare or quality of life, easy access to the Blue Line will benefit lower-income households.

Live Work Units
Two of the residential units will be designated as live-work space. The recent update to the Oak Park Zoning Ordinance allows for Live/Work apartments in Neighborhood Commercial Districts. This thoughtful inclusion is intended to provide more flexibility to support and enliven community retail blocks while also supporting small business entrepreneurs. In addition to the dedicated commercial space at the corner of the building, the live-work units in the development will help to ensure an inviting and active streetscape along Oak Park Avenue that complements the rest of the commercial development on the block.

Oak Park Residents and Businesses

The development will also serve community members by providing additional retail destinations for new businesses. Approximately, 1,000 SF of the ground floor retail will be provided at the corner of Oak Park and Van Buren. This highly visible and convenient corner retail space is well positioned to serve commuters, pedestrians, and all of Oak Park. Likewise, the addition of more retail in the commercial corridor and the development of a contextually appealing building will promote additional pedestrian traffic for local businesses on the street.

The redevelopment of a vacant and blighted lot will benefit local property owners and promote stronger property values. Importantly, the development of the highly visible key corner lot into a high-quality mixed-use development will add character to the area and reinforce the vibrancy and architectural wealth of Oak Park. Moreover, the development is estimated to generate $50,000 of property taxes in its first year of operation and will provide a strong and stable revenue stream to the Village of Oak Park which will help the Village continue to deliver quality public services to its residents and businesses. The project is expected to generate over $1.3 million in property tax revenue over the next 20 years.

TCB OAK PARK I'S READINESS TO PROCEED

The Community Builders, Inc. ("TCB") has over 50 years of experience in delivering impactful developments like the one proposed in this RFP. With a commitment of Village funds, IHDA tax credits and County Home funds, we expect to complete design, finalize financing, and start construction in early spring of 2019. (Essentially one year from now.)

Project Financing

TCB Oak Park I is currently assembling its capital and operational financing. We are applying to the Illinois Housing Development Authority (IHDA) for 9% Low Income Housing Tax Credits. We expect to secure these funds by late Spring 2018. We also expect to have County funding committed by the summer of 2018.

Use of Village Funds

TCB intends to use the request of $500,000 of Village funds to help finance the Development's construction and long-run operations. This $500,000 will be leveraged with an estimated $14 million in additional sources including Cook County, AHP, and IHDA soft funds. TCB requests that the $500,000 be available this summer to help with predevelopment and acquisition costs. At construction closing, the funds will then ultimately be structured to support building construction and long-run operations. The support for operations is necessary in order to support lower-income working households.

Design

TCB is currently working with our architect on building and site design. We will begin working with the Village in the next month to secure design approvals and then secure necessary building permits by late 2018 or early 2019.

Closing and Construction Start

The projected financial closing and construction start date is projected for early Spring 2019. As is evident in the information submitted with this application regarding TCB's track record, we have the experience and capacity to drive the project timelines on schedule and budget.

Construction Completion and Lease-Up

We anticipate construction completion to occur by the first half of 2020, and lease up to occur within four months. The total budget for the development is expected to be approximately $14.6 million. Please see TCB Oak Park I's development budget in Exhibit A.

METRICS FOR SUCCESS

1. Delivery of High-Quality Apartments that Benefit Lower-Income Workforce Households

TCB will develop and lease 31 apartments that are designed and operated to support working households earning wages between $10 to $17 per hour. Another 6 apartments will be developed and operated to support resident's participating in IHDA's Statewide Referral Network, which generally supports individuals with physical or mental disabilities. Construction will begin in 2019. All Apartments will be leased in 2020. The apartments' design, construction quality, and thoughtful approach will make them a well-received addition to the existing neighborhood. The residents of these new apartments will benefit from the proximity of public transit and other amenities.

2. Neighborhood Infill

The development will replace a vacant lot with a key mixed-use anchor on the 800 block of South Oak Park Avenue. Community retail and live-work units along the ground floor will activate this southwest corner of Oak Park Avenue and Van Buren, while complementing the shops and businesses already located on this block. These ground floor businesses, to be delivered in 2020, will benefit the surrounding community and all of Oak Park.

3. Investment

With the Village's partnership and contribution of $500,000, this project will provide the following returns on investment:

- An additional $14 million will be secured to deliver high quality housing for a mix of lower-income working households.
- Over 100+ temporary construction jobs will be provided in 2019 and 2020 followed by permanent jobs from the community retail and property management of the development.
- An additional small business will be added to one Oak Park's key commercial corridors.
- An additional $1.3 million in property taxes will be paid over 20 years. (See projections on the next page.)

Year	Property Taxes
1	$51,250
2	$52,788
3	$54,371
4	$56,002
5	$57,682
6	$59,413
7	$61,195
8	$63,031
9	$64,922
10	$66,870
11	$68,876
12	$70,942
13	$73,070
14	$75,262
15	$77,520
16	$79,846
17	$82,241
18	$84,708
19	$87,250
20	$89,867
TOTAL	$1,377,107

In addition to the success measures generated from the redevelopment of a key vacant site, creating temporary and permanent jobs in the community, meeting the social and policy goals by creating and preserving affordable mixed-income housing, providing a high-quality architecturally appealing mixed-use building to the neighborhood, and bringing millions of dollars of new economic investment into the Village, the development is expected to provide the Village of Oak Park an ongoing revenue stream – via additional property tax revenue – that will far exceed the Village of Oak Park's initial $500,000 investment.

EXHIBITS

Exhibit A: Development Budget

USES		
Acquisition	$	1,020,000
Site Work	$	250,000
Construction	$	8,972,500
Soft Costs	$	1,523,871
Financing Costs	$	1,116,249
Reserves	$	286,346
Developer Fee	$	1,520,953
Total Uses	**$**	**14,689,919**

SOURCES		
Tax Credit Equity	$	9,805,869
IHDA Loan	$	2,200,000
Cook County Loan	$	1,600,000
Federal Home Loan Bank Grant	$	600,000
Developer Equity	$	330,100
Village of Oak Park Grant	$	100,000
Accrued Soft Interest	$	53,950
Total Uses	**$**	**14,689,919**
Construction Loan	$	9,590,000
Village of Oak Park Operating Subsidy	**$**	**400,000**

Exhibit B: Site Location Map

Contents

Proposer Summary

Transit Oriented Development

The proposed Oak Park I site is ideally located in an in-progress (TOD) study area. The Envision Oak Park Comprehensive Plan ("Plan") (2014) refers to the project area/site as a location for housing and TOD. Additionally, the executed Certification of Consistency with Consolidated Plan, included in the pages below evidences the project site is consistent with Oak Park's Comprehensive Plan. Further, we have included highlighted pages from the Plan that further evidences the site as a TOD. Below are page references that supplements the Village of Oak Park and HUD supporting affordable housing near transportation options:

1. Page 33: Prior planning efforts identified the site and its district as being appropriate for these uses.
2. Pages 35, 36, & 39: Village zoning and land use for the site and its district reveal an ongoing, deliberate municipal process and strategy for such development at this location.
3. Page 48: Identifies the importance of establishing transition sites between the purely residential and the commercial or mixed-use sectors of Oak Park
4. Page 52: Cites the critical need to invest in Transit Oriented Development
5. Page 53: Speaks to the importance of maximizing the development and affordable housing as primary options
6. Page 55: States the need for affordable housing in Oak Park
7. Pages 58, 62 & 63: Highlights the specific intersection as a Transit Area Housing Development Opportunity that should serve a s mixed-use gateway into the Oak Park Commercial District

Mass Transit

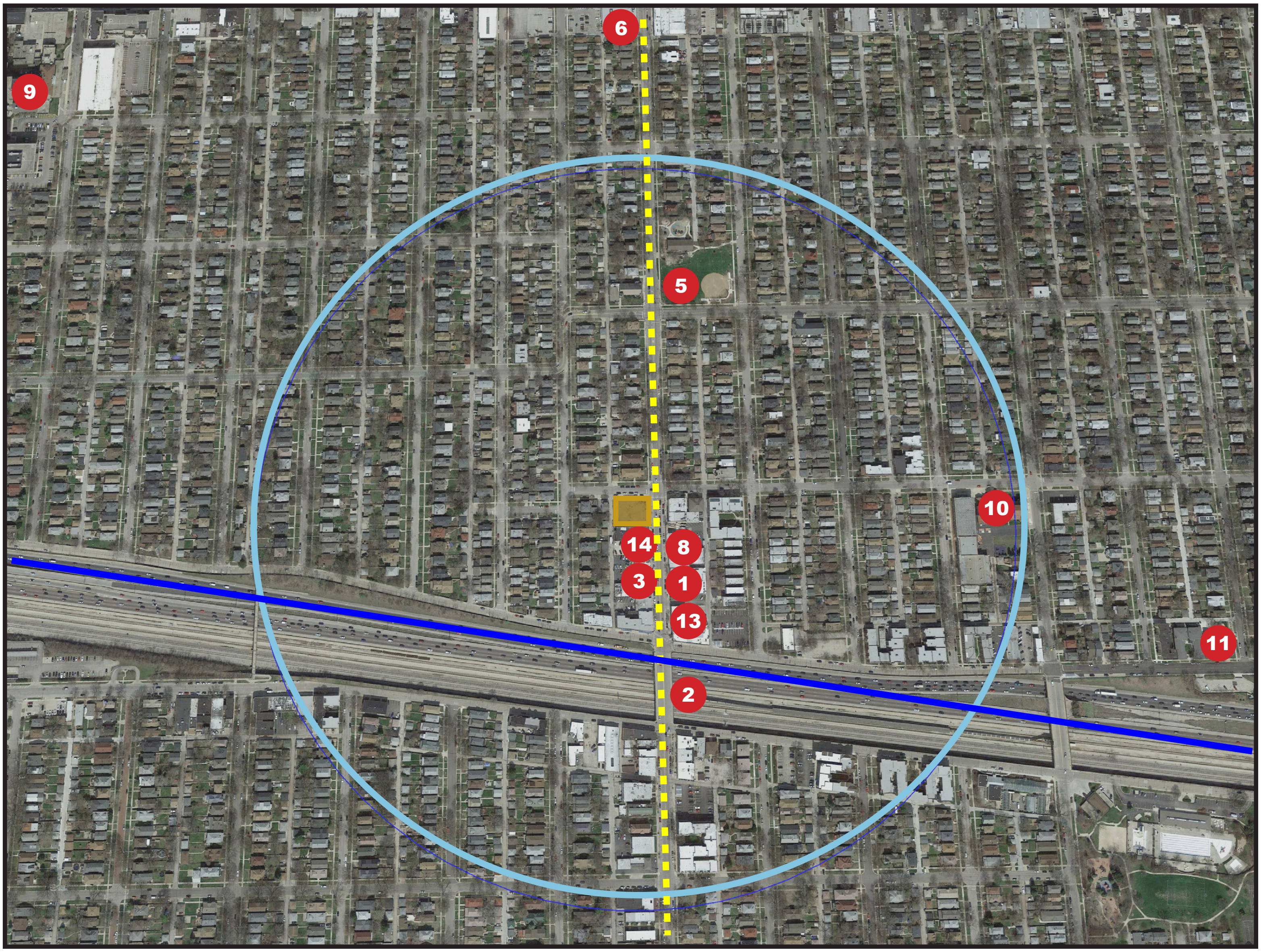
The project site is located within 0.50 miles of multiple fixed route transit stops including the CTA Blue Line- Oak Park station located 1 block south of the site. Additionally PACE bus line 311 is located 30 feet from the site. These fixed transit stops all begin serving the project sites on weekdays before 8am and continue serving until 9pm on weekdays.

Neighborhood Assets

The proposed TCB Oak Park I project is uniquely and advantageously situated on a key community retail block in one of Oak Park's strongest neighborhoods. Neighborhood Assets are strongly rooted within the half-mile radius including education, recreation, health services and access to food. The site is located in an Opportunity Area designated by IHDA in 2015. Given its proximity to excellent amenities, easy access to Chicago Loop jobs, Oak Park's low poverty, and low concentrations of existing affordable housing, this project represents an exception opportunity to serve low-income households in a thoughtful and intentional way.

TCB Oak Park I

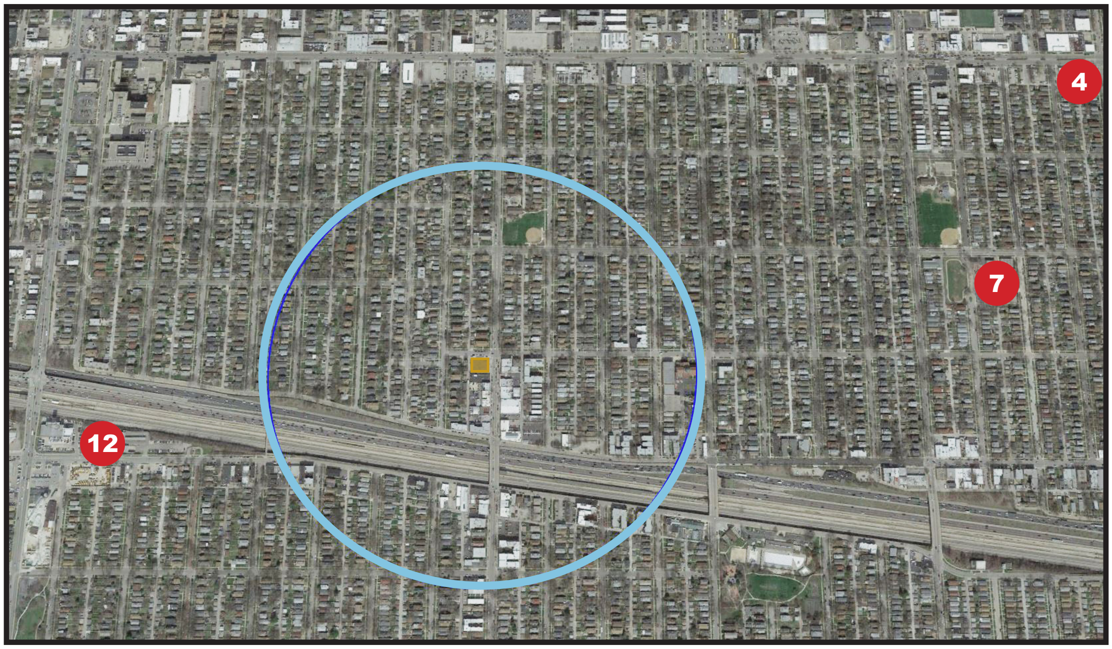
Public Services and Community Amenities Map



Legend

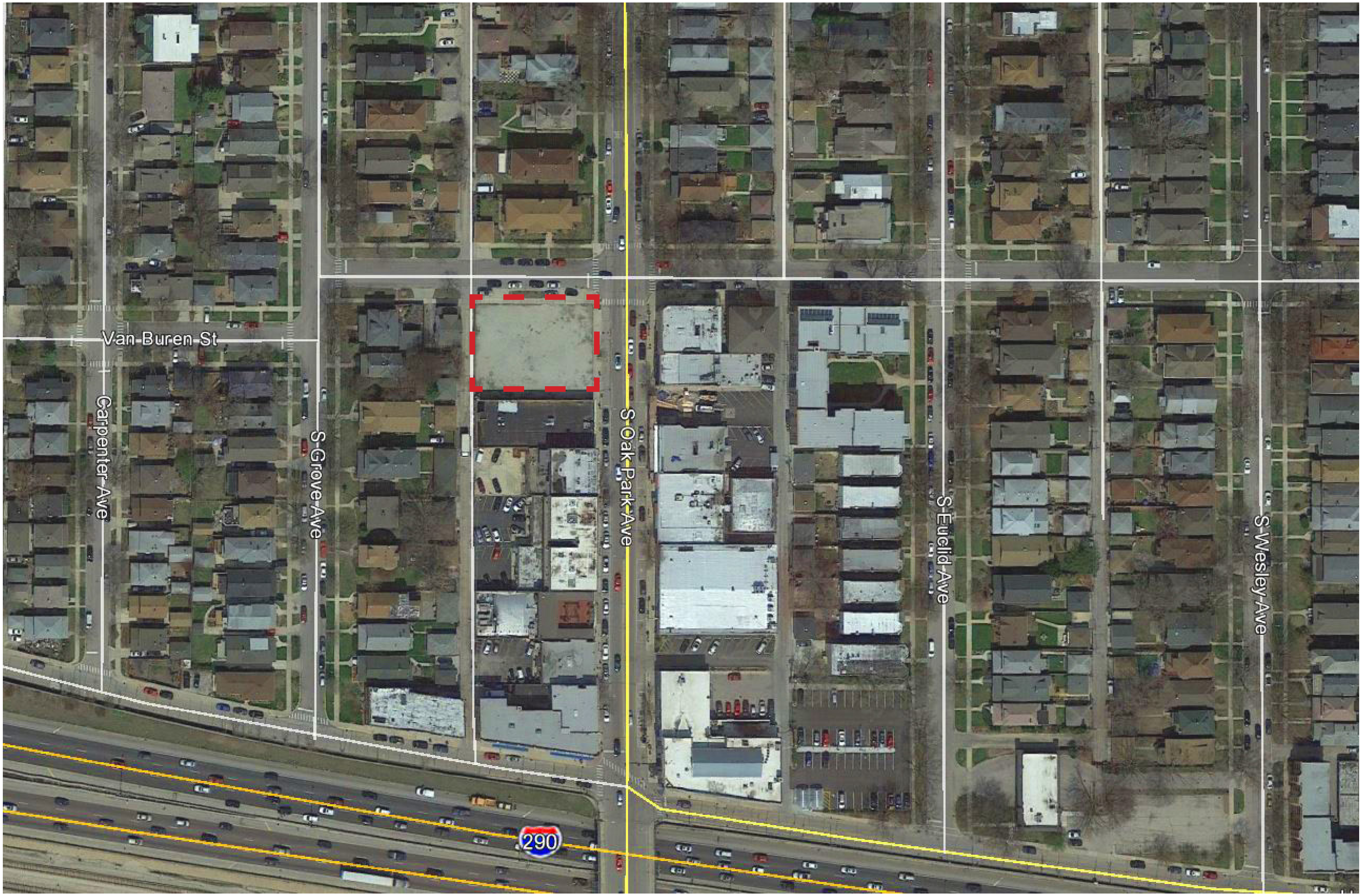
- TCB Oak Park I Site
- Quarter-Mile Radius
- PACE 311 Bus Route

1. Carnival Grocery
2. CTA Blue Line- Oak Park
3. The Looking Glass Bookstore
4. Village of Oak Park
5. Fox Park
6. Walgreen's Pharmacy
7. Longfellow Elementary School
8. SEN Sushi, Addis Cafe, Margaritas Mexican Restaurant, Addis Cafe, Obsessed Kitchen + Bar
9. Rush Oak Park Hospital
10. Ascension Catholic Church
11. Public Library- Maze Branch
12. United States Postal Service
13. Fifth Third Bank
14. Blocks 24 Hour Child Care Center



TCB Oak Park 1

Site Map



Certification of Consistency with the Consolidated Plan

U.S. Department of Housing and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Con solidated Plan.
(Type or clearly print the following information:)

Applicant Name: The Community Builders, Inc.

Project Name: Oak Park I Housing LLC

Location of the Project: 801 South Oak Park Avenue
Oak Park, Illinois 60304

Name of the Federal Program to which the applicant is applying: Illinois Housing Development Authority

Name of Certifying Jurisdiction: Village of Oak Park

Certifying Official of the Jurisdiction Name: Cara Pavlicek

Title: Village Manager

Signature:

Date: 2/6/18

Exhibit C: Site Plan, Floor Plan, & Rendering

Contents

Proposer Summary

The preliminary site and floor plans include the following: site boundaries, building footprints, and the location of current roadways.

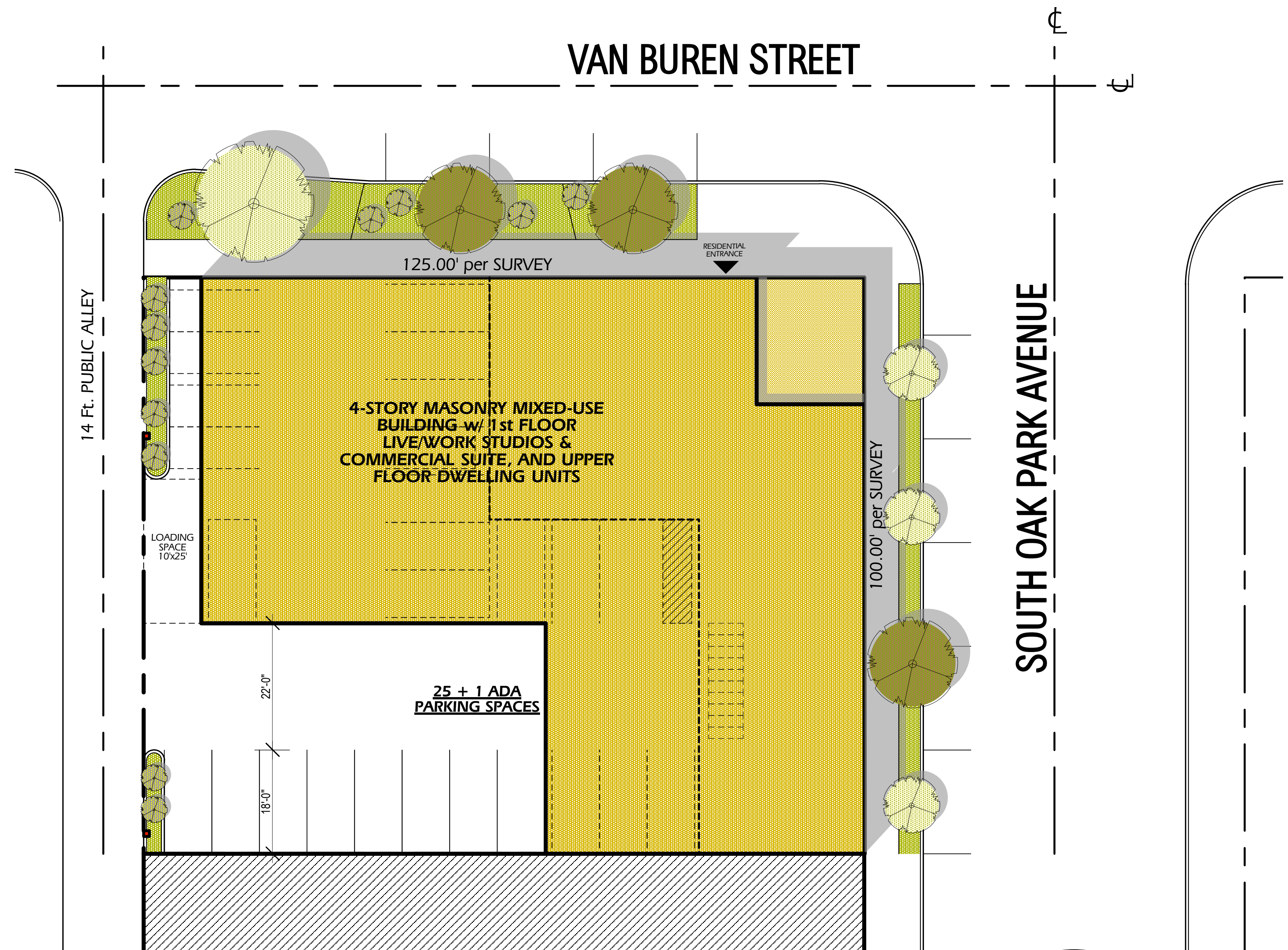

retail + shop
Oak Park
Van Buren

801 SOUTH OAK PARK AVENUE
OAK PARK, ILLINOIS

In Progress 2018.02.08

Proposed Approx. 31,700 Sq.Ft. Mixed-Use Building – 12,500 Sq.Ft. Site

WORKING DRAFT



CONCEPT SITE PLAN – SOUTHWEST CORNER OF INTERSECTION

NORTH

SCALE: 1 : 300

THE COMMUNITY BUILDERS

A1

> 801 SOUTH OAK PARK AVENUE
OAK PARK, ILLINOIS

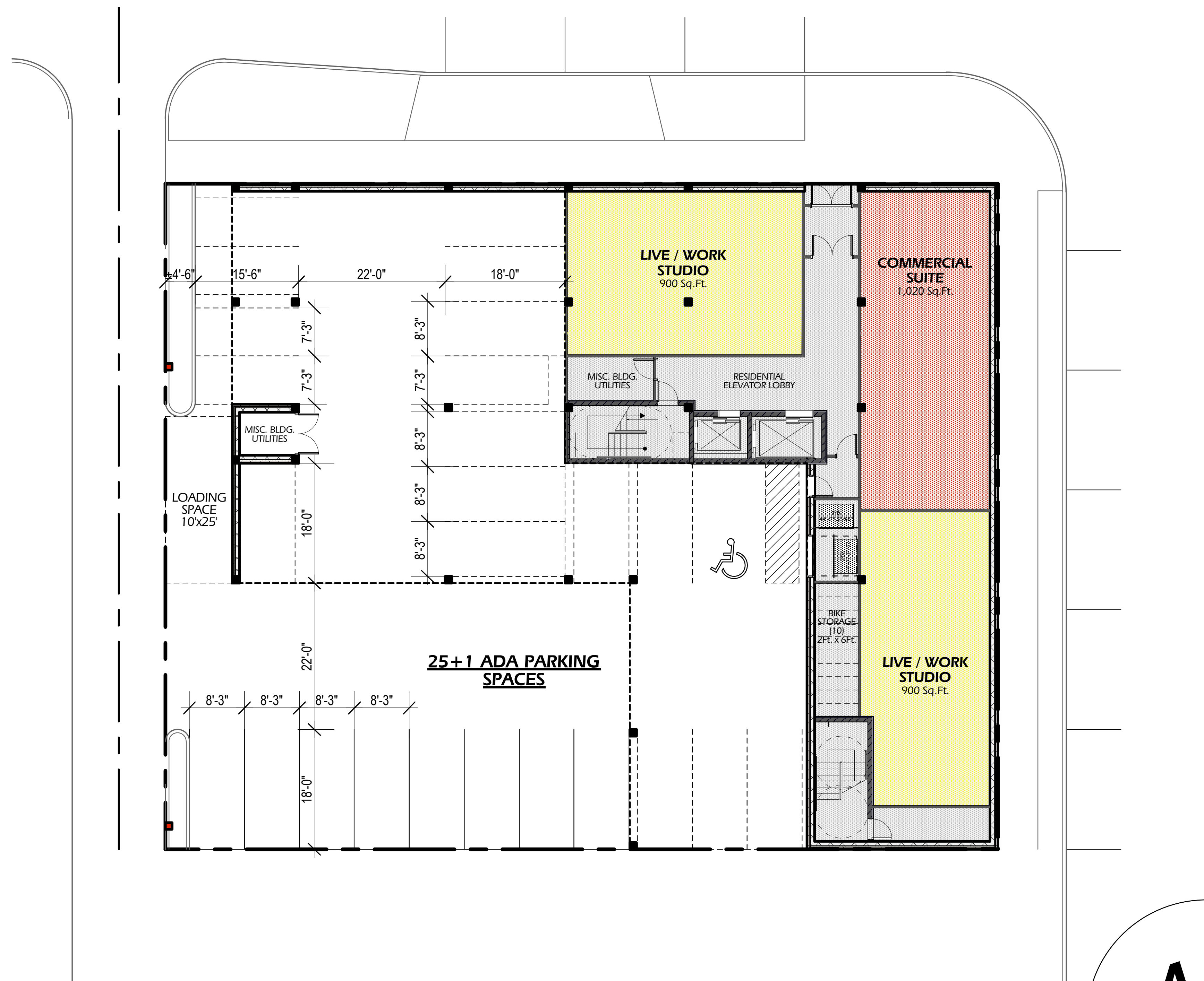
In Progress 2018.02.08

WORKING DRAFT

Proposed Approx. 31,700 Sq.Ft. Mixed-Use Building – 12,500 Sq.Ft. Site

GROUND FLOOR - +/– 4,400 SF

2 LIVE / WORK STUDIOS, RESIDENTIAL ENTRY & LOBBY PLUS UTILITIES / STORAGE, & 1 CORNER COMMERCIAL SUITE



NORTH

CONCEPT GROUND FLOOR PLAN

SCALE: 1" = 20'-0"

THE COMMUNITY BUILDERS

A2

801 SOUTH OAK PARK AVENUE
OAK PARK, ILLINOIS

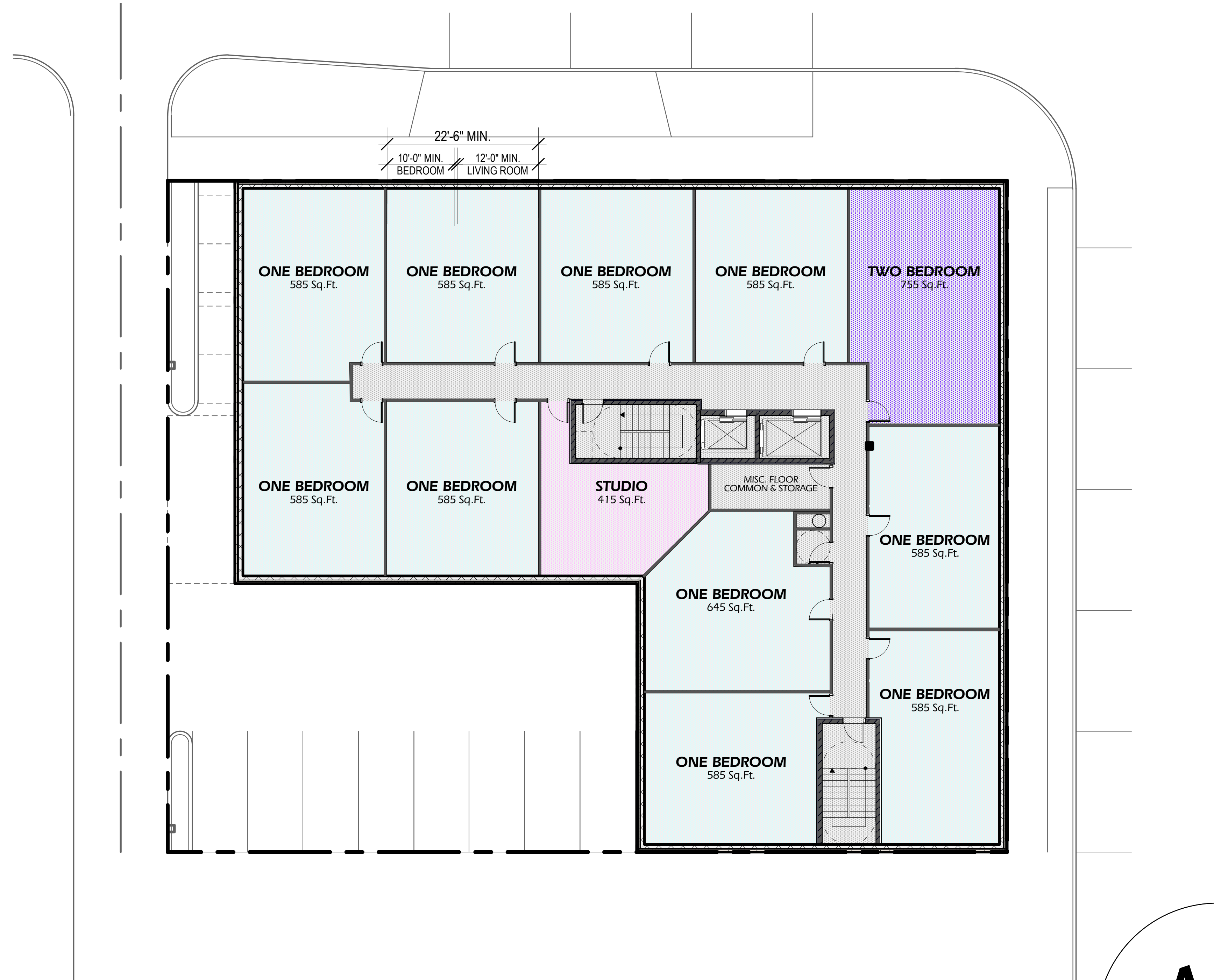
In Progress 2018.02.08

WORKING DRAFT

Proposed Approx. 31,700 Sq.Ft. Mixed-Use Building – 12,500 Sq.Ft. Site

TYPICAL FLOOR - 12 UNITS PER FLOOR

12 & 11 UNITS @ 3 RESIDENTIAL FLOORS = 35 TOTAL DWELLING UNITS
GROSS AREA PER FLOOR: APPROX. 9,100 sf



NORTH

CONCEPT TYPICAL RESIDENTIAL FLOOR PLAN

SCALE: 1" = 20'-0"

THE COMMUNITY BUILDERS

A3

WORKING DRAFT

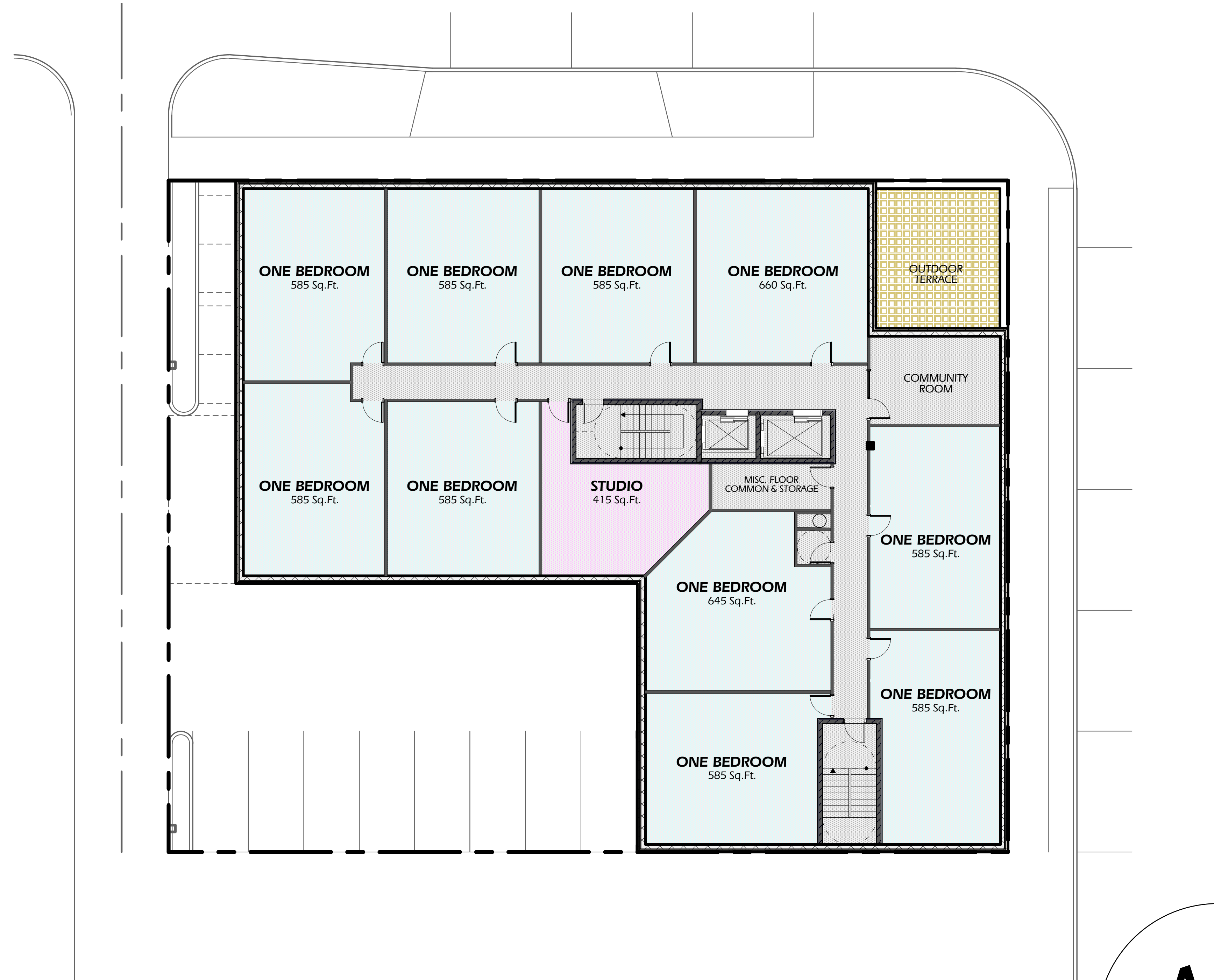
801 SOUTH OAK PARK AVENUE
OAK PARK, ILLINOIS

In Progress 2018.02.08

Proposed Approx. 31,700 Sq.Ft. Mixed-Use Building – 12,500 Sq.Ft. Site

FOURTH FLOOR - 11 UNITS

11 UNITS @ 4TH FLOOR w/ COMMUNITY ROOM & OUTDOOR TERRACE
GROSS AREA PER FLOOR: APPROX. 9,100 sf minus ±450 sf TERRACE



A4

NORTH

CONCEPT 4th FLOOR RESIDENTIAL FLOOR PLAN

SCALE: 1" = 20'-0"

THE COMMUNITY BUILDERS

Exhibit D: Qualifications Supporting Documentation

1. Audited Financial Statements: Enclosed is the following:
   - Audited Financial Statement for fiscal year ending 9/30/17
   - Audited Financial Statement for fiscal year ending 9/30/16
   - Audited Financial Statement for fiscal year ending 9/30/2015
2. TCB Biographies of Key Staff
3. TCB Board List
4. TCB IRS 501c3 Determination Letter

TCB tax returns are available upon request, if necessary.

Please note: All contents listed above are organized by bookmarks within this PDF document.

The Community Builders, Inc. and Subsidiaries

Consolidated Financial Statements

September 30, 2017

Kevin P. Martin & Associates, P.C

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017

INDEX

Kevin P. Martin & Associates, P.C.
ASSURANCE | TAX | RISK MANAGEMENT | IT ADVISORY

Independent Auditors' Report

To the Board of Directors of
The Community Builders, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Community Builders, Inc. (a nonprofit organization) and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditor considers 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.

10 Forbes Road, Braintree, Massachusetts 02184
781-380-3520 | info@kpm-us.com | www.kpm-us.com

Basis for Qualified Opinion

In compliance with regulatory requirements, the consolidated financial statements present the financial position and results of operations, in accordance with accounting principles generally accepted in the United States of America, of the Company only. The consolidated financial statements do not include the affiliated legally-separate for-profit entities which the Company has sponsored in furtherance of its affordable housing charitable mission. Summarized financial information of, and transactions with, those sponsored entities are disclosed in the accompanying notes to these consolidated financial statements (see Note 24).

Qualified Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2017, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, except that legally-separate for-profit entities sponsored by the Company are not reported within the basic consolidated financial statements.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company has adopted ASU No. 2015-03, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the Company's 2016 consolidated financial statements, and we expressed a qualified opinion because of the departure from accounting principles generally accepted in the United States of America described in the Basis for Qualified Opinion paragraph on those audited consolidated financial statements in our report dated February 8, 2017. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

January 26, 2018

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Position
As of September 30, 2017
With Comparative Totals as of September 30, 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	$ 13,796,934	$ 11,680,741
NSP2 restricted cash and cash equivalents	3,977,642	2,995,325
Accounts and fees receivable, net	18,256,093	24,905,246
Developer fees receivable, net	7,950,889	11,360,940
Insurance receivable	-	1,483,259
Due from affiliates	1,062,610	2,286,858
Notes and interest receivable, current portion	11,949,397	852,632
Property held for sale, current portion	32,842,388	16,042,412
Prepaid expenses	1,162,753	838,591
Total Current Assets	90,998,706	72,446,004
Rental Property in Service	86,884,995	87,927,193
Less: accumulated depreciation	(16,629,233)	(15,052,591)
Net Rental Property in Service	70,255,762	72,874,602
Property, Plant and Equipment	2,677,260	2,159,384
Less: accumulated depreciation	(1,469,848)	(1,541,807)
Net Property, Plant and Equipment	1,207,412	617,577
Other Assets		
Restricted cash and cash equivalents	12,397,733	12,307,656
Notes and interest receivable, net of current portion	17,617,332	18,264,831
Investments in limited partnerships	2,516,351	2,529,571
Property held for sale, net of current portion	9,432,041	10,824,661
Tax credit fees, net of accumulated amortization	119,178	182,027
Deposits	1,043,888	1,043,888
Total Other Assets	43,126,523	45,152,634
Total Assets	$ 205,588,403	$ 191,090,817
Liabilities and Net Assets		
Current Liabilities		
Lines of credit, current portion	$ 6,000,000	$ 5,000,000
Loans payable and accrued interest, current portion - rental property	22,029,086	10,658,570
Loans payable and accrued interest, current portion	10,376,238	10,869,868
Accounts payable	10,124,751	5,937,828
Accrued expenses	8,340,287	9,782,847
Deferred revenue, current portion	1,681,681	1,696,738
Due to affiliates	3,577,614	2,920,290
NSP2 due to affiliates and projects, current portion	10,364,735	1,323,044
Total Current Liabilities	72,494,392	48,189,185
Long-Term Obligations		
Lines of credit, net of current portion	6,236,943	2,531,915
Loans payable and accrued interest, net of current portion - rental property	46,670,258	58,994,307
Less: unamortized debt issuance costs	(538,518)	(571,387)
Total loans payable and accrued interest - rental property, net	46,131,740	58,422,920
Loans payable and accrued interest, net of current portion	17,495,823	16,603,014
Less: unamortized debt issuance costs	-	(124,606)
Total loans payable and accrued interest, net	17,495,823	16,478,408
Deferred revenue, net of current portion	4,384,990	5,397,487
Accrued pension cost	16,675,000	16,968,387
NSP2 due to affiliates and projects, net of current portion	608,318	7,121,052
Other long-term liabilities	-	925,000
Total Long-Term Obligations	91,532,814	107,845,169
Total Liabilities	164,027,206	156,034,354
Net Assets		
Unrestricted net assets, controlling	39,645,172	32,752,319
Unrestricted net assets, noncontrolling	577,177	563,529
Total Unrestricted Net Assets	40,222,349	33,315,848
Temporarily restricted net assets	1,338,848	1,740,615
Total Net Assets	41,561,197	35,056,463
Total Liabilities and Net Assets	$ 205,588,403	$ 191,090,817

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2017
With Comparative Totals for the Year Ended September 30, 2016

	2017	2016
Operating Revenue		
Development	$ 21,938,132	$ 16,484,568
Property management and site fees	43,430,445	43,768,721
Contributions and grants	7,462,894	11,095,310
Net (loss) gain from sale of rental projects	(16,968)	3,235,849
Gain on sale of investment interest	1,782,033	-
Interest and other	4,648,278	3,005,190
Proceeds from sale of homeownership property	187,900	219,086
Less: cost of homeownership property sold	(555,654)	(255,845)
Net loss from sale of homeownership property	(367,754)	(36,759)
Total Operating Revenue	78,877,060	77,552,879
Operating Expenses		
Program services	71,562,668	77,509,010
General and administrative	6,143,696	4,893,928
Total Operating Expenses	77,706,364	82,402,938
Operating Income (Loss) Before Other Activity	1,170,696	(4,850,059)
NSP2 Grant	-	-
Less: costs directly associated with projects	(2,762,760)	(4,108,261)
Net NSP2 Grant	(2,762,760)	(4,108,261)
Choice Grant	2,282,441	3,994,597
Less: costs directly associated with projects	(1,325,709)	(3,247,730)
Net Choice Grant	956,732	746,867
Proceeds From Brownfields Tax Credit	6,872,417	12,000,492
Less: income taxes	(1,534,779)	(2,383,025)
Net Proceeds from Brownfields Tax Credit	5,337,638	9,617,467
Operating Income	4,702,306	1,406,014
Other Revenue (Expense)		
Loss from investments in limited partnerships	(13,220)	(900,637)
Loss on involuntary conversion	-	(77,220)
Pension related changes other than net periodic pension cost	1,802,000	(285,996)
Total Other Revenue (Expense)	1,788,780	(1,263,853)
Change in Net Assets Before Gain Attributable to Noncontrolling Interest	6,491,086	142,161
Gain attributable to noncontrolling interest	13,648	57,371
Change in Net Assets	6,504,734	199,532
Net Assets, Beginning of Year	35,056,463	34,835,813
Deconsolidation of entities	-	21,118
Net Assets, End of Year	$ 41,561,197	$ 35,056,463

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets - continued
For the Year Ended September 30, 2017
With Comparative Totals for the Year Ended September 30, 2016

	2017			2016
	Controlling Interest	Noncontrolling Interest	Total	Total
Changes in Unrestricted Net Assets				
Unrestricted Net Assets, Beginning of Year	$ 32,752,319	$ 563,529	$ 33,315,848	$ 16,086,076
Operating income	4,702,306	-	4,702,306	1,406,014
Loss from investments in limited partnerships	(13,220)	-	(13,220)	(900,637)
Loss on involuntary conversion	-	-	-	(77,220)
Pension related changes other than net periodic pension cost	1,802,000	-	1,802,000	(285,996)
Gain attributable to noncontrolling interest	-	13,648	13,648	57,371
Deconsolidation of entities	-	-	-	21,118
Temporarily restricted grants	(820,748)	-	(820,748)	(1,740,615)
Net assets released from restrictions	1,222,515	-	1,222,515	18,749,737
Unrestricted Net Assets, End of Year	$ 39,645,172	$ 577,177	$ 40,222,349	$ 33,315,848
Changes in Temporarily Restricted Net Assets				
Temporarily Restricted Net Assets, Beginning of Year	$ 1,740,615	$ -	$ 1,740,615	$ 18,749,737
Temporarily restricted grants	820,748	-	820,748	1,740,615
Net assets released from restrictions	(1,222,515)	-	(1,222,515)	(18,749,737)
Temporarily Restricted Net Assets, End of Year	$ 1,338,848	$ -	$ 1,338,848	$ 1,740,615

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended September 30, 2017
With Comparative Totals for the Year Ended September 30, 2016

	2017	2016
Operating Activities Cash Flows		
Change in net assets	$ 6,504,734	$ 199,532
Adjustments to reconcile change in net assets to		
net cash (used in) provided by operating activities		
Discount accretion on below market rate loans	77,036	77,036
Depreciation and amortization	2,580,147	1,922,484
Amortization of debt issuance costs, included in interest	108,206	178,896
Net loss (gain) from sale of rental projects	16,968	(3,235,849)
Release of deferred revenue related to 1602 Tax Credit Exchange Program	(429,081)	(429,081)
NSP2 due to affiliates and projects	2,528,957	1,010,618
Loss from investments in limited partnerships	13,220	900,637
Loss on involuntary conversion	-	77,220
Decrease (increase) in assets		
Accounts and fees receivable, net	6,649,153	(8,839,114)
Developer fees receivable, net	3,410,051	(1,280,851)
Contributions receivable	-	18,000,000
Property held for sale	(14,247,084)	(8,675,917)
Notes and interest receivable	(6,494,465)	1,147,011
NSP2 notes and interest receivable	-	2,168,794
Prepaid expenses	(324,162)	(721,839)
Increase (decrease) in liabilities		
Accounts payable	3,135,822	(1,626,068)
Accrued expenses	(1,442,560)	4,778,388
Accrued interest	72,728	620,722
Deferred revenue	(1,742,688)	572,161
Accrued pension cost	(293,387)	1,616,836
Other long-term liabilities	(925,000)	925,000
Net cash (used in) provided by operating activities	(801,405)	9,386,616
Investing Activities Cash Flows		
Deposits to restricted cash and cash equivalents	(27,230,251)	(27,264,931)
Withdrawals from restricted cash and cash equivalents	26,157,857	29,249,013
Advances to affiliates, net	1,781,572	(249,896)
Insurance claim proceeds	1,483,259	109,859
Purchase of long term assets	(3,703,207)	(2,132,990)
Net cash used in investing activities	(1,510,770)	(288,945)
Financing Activities Cash Flows		
NSP2 due to intermediary	-	(424,251)
Advances on lines of credit	13,874,964	10,346,224
Repayments of lines of credit	(9,169,936)	(18,143,538)
Proceeds from loans	6,026,300	5,314,142
Repayments of loans	(6,302,960)	(965,836)
Net cash provided by (used in) financing activities	4,428,368	(3,873,259)
Net Increase in Cash and Cash Equivalents	2,116,193	5,224,412
Cash and Cash Equivalents, Beginning of Year	11,680,741	6,456,329
Cash and Cash Equivalents, End of Year	$ 13,796,934	$ 11,680,741

Supplemental Disclosures on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 20.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2017
With Comparative Totals for the Year Ended September 30, 2016

	Program Services	General and Administrative	2017 Total	2016 Total
Salaries and related costs	$ 39,737,173	$ 3,874,185	$ 43,611,358	$ 44,420,359
Direct project	22,547,390	-	22,547,390	27,751,768
Other	1,417,878	1,376,120	2,793,998	2,262,570
Professional fees and consultants	2,316,987	634,185	2,951,172	2,788,950
Interest	3,222,299	-	3,222,299	3,256,807
Depreciation and amortization	2,320,941	259,206	2,580,147	1,922,484
Total Functional Expenses	$ 71,562,668	$ 6,143,696	$ 77,706,364	$ 82,402,938

See accompanying notes to the consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of The Community Builders, Inc. ("TCB") and Subsidiaries ("the Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A summary of the significant accounting policies followed by the Company in the preparation of these Consolidated Financial Statements is set forth below.

Nature of Activities

TCB is a charitable corporation that is exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and is not a private foundation. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2017, there was no liability for tax on unrelated business income. TCB's primary purpose is the creation, preservation and improvement of housing for persons and families of low and moderate income. TCB acts as an owner/sponsor of low and moderate income housing developments and also provides management services for such developments. Such properties are located throughout the United States. TCB is focusing on projects of greater scale and impact, embracing comprehensive neighborhood revitalization and a multi-dimensional approach to community development. TCB is also focusing on housing preservation within its own portfolio as well as seeking opportunities to acquire and/or provide consulting services with regard to project preservation.

The Company is organized into the following divisions, which are listed in order of relative importance, based on program expenditures.

> *Property Management* - The Property Management division manages various aspects of rental property such as improvements, repairs, maintenance, payroll and accounting. Property Management activity accounted for approximately 80% of program expenditures.
>
> *Development* - The Development division includes the development of affordable housing in strategic geographic areas. While the Company's primary goal is to provide affordable housing, development also includes the development of mixed income housing and commercial rental space in order to revitalize the community in a comprehensive manner. These real estate development projects are either wholly-owned by the Company or are being developed together with various partners. Development activity accounted for approximately 17% of program expenditures.
>
> *Community Life* - The Community Life division provides supportive services to residents of TCB developments. Community Life activity accounted for approximately 3% of program expenditures.

TCB is funded primarily by development, property management fees, and owner distributions as well as by grants from national and local foundations and government agencies. Additional working capital is provided by various commercial banks and private foundation debt instruments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Consolidation

The Consolidated Financial Statements include the accounts of TCB and its wholly-owned subsidiaries, wholly-owned limited partnerships, sole-member limited liability companies and other not-for-profit organizations with control and economic interest (such as through common board members). All material inter-company transactions and accounts have been eliminated in consolidation.

TCB is the managing member of *The Community Builders CDE, LLC* ("TCB CDE"), which was formed as a qualified Community Development Entity ("CDE") to hold New Markets Tax Credit ("NMTC") allocation authority to assist in raising capital for investment in Qualified Active Low Income Community Businesses ("QALICB") pursuant to Section 45D of the IRC. TCB CDE was granted an allocation of $25,000,000 of ninth round NMTC authority, $25,000,000 of tenth round NMTC authority and $40,000,000 of twelfth round NMTC authority from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund"). In general, under Section 45D of the IRC, a qualified investor in a CDE can receive the NMTC's to be used to reduce federal taxes otherwise due in each year of a seven-year period.

TCB and its related 12 consolidated not-for-profit organizations are exempt from taxation under Section 501(c)(3) of the IRC and are not private foundations. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2017, there was no liability for tax on unrelated business income. TCB and its related consolidated not-for-profit organizations share common board members. The purpose of these not-for-profit organizations is to foster affordable housing.

TCB is the majority owner, either directly or indirectly through a subsidiary, of 110 limited partnerships ("LPs") and limited liability companies ("LLCs"), the purpose of which is to develop, own and operate affordable housing and community initiative projects. TCB has consolidated the financial results of these entities. No provision has been made in the Consolidated Financial Statements for income taxes since all taxable income, losses and credits are allocated to the partners or members.

TCB owns, either directly or indirectly through *GBCD Partnership Services, Inc.* ("GBCD") (a wholly owned subsidiary), approximately 183 corporate subsidiaries, the majority of which are general partners/managing members with equity interests ranging from 0.0049% to 1% and residual equity interests of up to 90.1% in various LPs/LLCs. TCB has consolidated the financial results of these subsidiaries. The LPs/LLCs own properties that provide housing for persons and families of low and moderate income. GBCD and other corporate subsidiaries are subject to taxation at the federal and state levels. GBCD and other corporate subsidiaries account for income taxes under the asset and liability method in accordance with GAAP. During the year ended September 30, 2017, income tax expense on GBCD totaled $1,534,779.

Under the asset and liability method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the year in deferred tax assets and liabilities. Deferred tax assets and/or liabilities were immaterial as of September 30, 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

The Consolidated Statement of Activities and Changes in Net Assets reports all changes in consolidated net assets, including changes in consolidated unrestricted net assets from operating and non-operating activities. Operating revenues consist of money received and other contributions attributable to the Company's ongoing efforts. Non-operating activities include pension related charges other than net periodic pension cost and loss from investments in limited partnerships. Gains and losses on investments in limited partnerships are reported as non-operating revenue because such assets are managed for long-term stabilization of the Company's activities. GAAP requires the Company to recognize the funded portion of its pension plan (the difference between the fair value of plan assets and the projected benefit obligation) in the Consolidated Statement of Financial Position. The Company recognizes non-operating revenue and expense separately in the Consolidated Statement of Activities and Changes in Net Assets as an increase and a decrease, respectively, in consolidated unrestricted net assets.

Standards of Accounting and Reporting

The Company follows the standards of accounting and financial reporting as required by GAAP, whereby an organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The Consolidated Statement of Financial Position presents three classes of net assets (unrestricted, temporarily restricted and permanently restricted) and the Consolidated Statement of Activities and Changes in Net Assets displays the change in each class of net assets.

The classes of net assets applicable to the Company are presented as follows:

> *Unrestricted* - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.
>
> *Temporarily Restricted* - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized.

Cash and Cash Equivalents

For purposes of the accompanying Consolidated Statement of Cash Flows, the Company considers all unrestricted highly liquid investments that are readily convertible to known amounts of cash and with maturities of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents - continued

The Company maintains its cash balances at several financial institutions located in New England and the Midwest regions of the United States of America. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2017.

Revenue Recognition

Development Revenue

TCB recognizes developer fee revenue as earned, as defined by contracts.

The Company recognizes consulting revenue as the services are performed.

During the year ended September 30, 2017, TCB recognized income of approximately $11.2 million as a result of a change in management's estimate on valuation of development related notes receivable, substantially all of which related to one entity.

Substantially all of the revenue was derived from entities which own properties which TCB develops and manages throughout the United States in the ordinary course of business.

Property Management and Site Fees

TCB incurs salaries and related benefit costs on behalf of certain unconsolidated entities. As such, these costs are charged to the related entity when incurred and earned. For the year ended September 30, 2017, fees related to salaries and related benefit costs amounted to approximately $19.5 million.

TCB charges property management and related costs to certain unconsolidated entities. As such, these costs are charged to the related entity when incurred and earned. For the year ended September 30, 2017, fees related to property management and related costs amounted to approximately $8.7 million.

The Company recognizes rental income, principally from short-term leases on apartment units, as the rents become due. For the year ended September 30, 2017, rental income amounted to approximately $15.2 million.

Contributions and Grants

Fee for service grants are recorded as revenue as costs related to the services provided are incurred.

Contributions and donation grants are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions and donation grants are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition - continued

Neighborhood Stabilization Program 2 ("NSP2") Grant

Program income is cash received by the Company directly generated by a grant supported activity, or received only as a result of a grant agreement. Program income is recorded when received as "NSP2 restricted cash and cash equivalents" and "NSP2 due to affiliates and projects, net of current portion." Expenditures of program income are either included in "NSP2 notes and interest receivable" if recoverable, or as "costs directly associated with projects" if not recoverable.

Choice Grant

In a prior year, TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant ("Choice") by the *U.S. Department of Housing and Urban Development* ("HUD") for Cincinnati, Ohio's Avondale neighborhood. Choice supports communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. Choice revenue is recorded on a cost reimbursement basis. The funding is to be used for loans to approved projects, construction reimbursement costs and administrative costs. Choice grant revenue has been recorded net of the "costs directly associated with projects" in the Consolidated Statement of Activities and Changes in Net Assets.

Proceeds from Sale of Homeownership Property

TCB recognizes income from property sales as properties are sold. If a property is sold prior to completion of development, revenue allocable to performance, after the sale, is deferred. Allocation of costs is determined based on the percentage of sales incurred to date and anticipated sales to estimated total sales. Such method is used because management considers total sales to be the best available measure of progress on property held for sale. Property held for sale is carried at the lower of cost or market.

Accounts, Fees and Developer Fees Receivable

The Company carries its accounts, fees and developer fees receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts, fees and developer fees receivable outstanding for thirty days or more are deemed delinquent. Accounts, fees and developer fees receivable are written off upon notification by the governmental agency or when deemed uncollectible. Accounts, fees and developer fees receivable are adjusted for estimated realizability if the amounts to be received can be reasonably estimated and collection is reasonably assured.

On a periodic basis, the Company evaluates its accounts, fees and developer fees receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of September 30, 2017, management has determined any allowance would be immaterial.

The Company does not have a policy to accrue interest accounts, fees and developer fees receivable or to require collateral or other security to secure the accounts, fees and developer fees receivable. As of September 30, 2017, substantially all of the Company's accounts, fees and developer fees receivable were due from various properties TCB owns and/or manages and/or controls through affiliated entities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Notes and Interest Receivable

Notes receivable and accrued interest are recorded at estimated net realizable amounts. Notes receivable outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Company evaluates its notes receivable and estimates collectability, based on a history of past write-offs and collections, cash flow analysis, current credit conditions and underlying collateral, if any. Interest accrues in accordance with the agreements.

The discounts on those amounts are computed using the U.S. Treasury rate based on the term of the note in the year the note is received. As of September 30, 2017, substantially all of the Company's notes receivable were due from various properties TCB owns and/or manages and/or controls through affiliated entities.

Deferred Revenue

Deferred revenue includes asset management fees, development revenue, lease incentive fees and prepaid payroll which have been paid or are due to the Company pursuant to certain contracts, but have not yet been earned.

Deferred revenue also includes American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program ("1602 Program") funds that are recognized on a straight-line basis over the life of the related asset.

Property Held for Sale

Property held for sale is recorded on the cost method. Costs associated with the acquisition, development and construction of property held for sale including property taxes, interest and insurance are capitalized as a cost of the project. Property held for sale consists of costs to develop low-income housing units for 60 low-income housing projects which are subject to a change in ownership. Property held for sale subject to ownership change in the near term are included in current assets. The projects are located primarily in Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia and Washington D.C. Included in property held for sale are 4 projects whose development is being funded through the NSP2. Property held for sale amounted to $42,274,429 as of September 30, 2017 and is generally funded by debt, totaling $34,775,904, of which $11,001,407 is included in "loans payable and accrued interest" in the Consolidated Statement of Financial Position and $23,774,497 is due to TCB and has been eliminated in consolidation.

Rental Property in Service and Property, Plant and Equipment

Rental property in service and property, plant and equipment are stated at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Consolidated Statement of Activities and Changes in Net Assets. Depreciation for rental property is computed under the straight-line method based on an estimated useful life of ten to forty years. Depreciation for furniture and equipment is computed under the straight-line method based on an estimated useful life of three to fifteen years. Depreciation for leasehold improvements is computed under the straight-line method over the life of the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of Long-lived Assets

The Company reviews its investment in long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. There were no impairment losses recognized during the year ended September 30, 2017.

Investments in Limited Partnerships/Limited Liability Companies

Investments in limited partnerships/limited liability companies, which own affordable housing projects that the Company does not control due to long-term restrictions on the projects, are accounted for on the equity method and are included in non-operating activities. During the year ended September 30, 2017, the Company's share of income or loss classified as other revenue (expense) from its investments in limited partnerships/limited liability companies totaled a loss of $13,220. As a general partner/managing member in limited partnerships/limited liability companies, the Company ceases recognition of losses for financial statement purposes once the cost of the investment is reduced to zero, except when the Company is required to fund operating losses per the partnership/operating agreement. Distributions may only be made in accordance with the partnership/operating agreements and approval of the regulatory agency, if any. During the year ended September 30, 2017, there were no contributions or distributions. Declines in value of the investments which are deemed to be other than temporary are recognized as necessary.

Noncontrolling Interest in Subsidiaries

The Company owns an interest in various general partners and managing members ranging from 50% to 99%. The noncontrolling interest is accounted for on the equity method and is reported as a separate component of "unrestricted net assets" in the Consolidated Statement of Financial Position and as a separate component of the "change in net assets" in the Consolidated Statement of Activities and Changes in Net Assets.

Use of Estimates

In preparing the Company's Consolidated Financial Statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and in the Consolidated Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on direct labor. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company. Immaterial amounts of fundraising expenses are included in general and administrative expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Information for 2016

The Consolidated Financial Statements include prior year comparative information without required disclosures. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Company's Consolidated Financial Statements for the year ended September 30, 2016. Certain amounts in the prior year have been reclassified to conform to the current year presentation of deferred debt issuance costs.

Uncertain Tax Position

GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2017, the Company has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying Consolidated Financial Statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. There were no interest or penalties for the year ended September 30, 2017.

Fair Value Measurements

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

> **Level 1:** Quoted prices for identical instruments traded in active markets.
>
> **Level 2:** Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
>
> **Level 3:** Significant inputs to the valuation model are unobservable.

Recurring Measurements

GAAP requires that certain assets and liabilities be recorded at fair value on a recurring basis. The Company had no assets or liabilities that were recognized or disclosed at fair value on a recurring basis under the above fair value hierarchy as of September 30, 2017. The Company's policy is to recognize transfers in and out of levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year ended September 30, 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value Measurements - continued

Non-recurring Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by GAAP.

The fair value hierarchy discussed above is not only applicable to assets and liabilities that are included in the Consolidated Statement of Financial Position, but is also applied to certain other assets that indirectly impact the Consolidated Financial Statements. For example, the Company sponsors and/or contributes to a postretirement benefit plan. Assets contributed by the Company become property of the individual plan. Even though the Company has no control over these assets, it is indirectly impacted by subsequent fair value adjustments to these assets. The actual return on these assets impacts the Company's future net periodic benefit cost, as well as amounts recognized in the Consolidated Statement of Financial Position. The Company uses the fair value hierarchy to measure the fair value of assets held by the postretirement plan. Assets held by the plan are comprised mainly of equity securities and bonds and are measured using Level 1 inputs.

Fair Value of Financial Instruments

The consolidated financial position of the Company as of September 30, 2017 includes certain financial instruments. In reviewing the financial instruments of the Company, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practicable to estimate that value. The carrying amounts and estimated fair value of the Company's financial instruments generally approximate fair values as of September 30, 2017.

Cash and cash equivalents, accounts and fees receivable, developer fees receivable, due from affiliates, notes and interest receivable, NSP2 notes and interest receivable, accounts payable, accrued expenses, due to affiliates, NSP2 due to intermediary, NSP2 due to projects, NSP2 due to affiliates and deferred revenue reflected in the consolidated financial statements approximate fair value because of the short-term maturity of these instruments. The terms and conditions reflected in the long-term loans payable are not materially different from those that would have been negotiated as of September 30, 2017.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Amortization

Debt issuance costs relating to the loans payable are amortized over the term of the related loan using the effective yield method, as required by GAAP. Unamortized debt issuance costs are presented as a deduction from the carrying value of the loans payable, (see Note 11). Amortization expense on deferred debt issuance costs has been included in "interest" in the Consolidated Statement of Functional Expenses.

Tax credit fees are amortized over the respective compliance periods, using the straight-line method. For the year ended September 30, 2017, amortization expense was $62,849. As of September 30, 2017, accumulated amortization was $232,059. Estimated annual amortization of tax credit fees over each of the next five years ranges from approximately $13,000 to $35,000.

Below Market Loans

Section 42 of the IRC governs the administration of the Low-Income Housing Tax Credit program ("LIHTC"), a tax incentive created to foster a legislated public policy directive of the United States to create low-income housing.

Other governmental entities, having a similar agenda to foster low-income housing, have lent money to the Company at advantageous terms.

The Company has not discounted these below market loans as they were made at arm's length and to preserve the integrity of costs eligible for tax credit under Section 42 of the IRC.

Recent Accounting Standard Adopted

In April 2015, the Financial Accounting Standards Board issued ASU 2015-03, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires the presentation of debt issuance costs as a direct deduction from the carrying value of the related debt liability and amortization is required to be included with interest expense in the Consolidated Statement of Activities. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015. As a result, as of September 30, 2016, $124,606 and $571,387 of unamortized debt issuance costs related to the Company's loans payable were reclassified in the Consolidated Statement of Financial Position from "financing fees, net of accumulated amortization" to "loans payable and accrued interest, net of current portion" and "loans payable and accrued interest, net of current portion - rental property", respectively, and for the year ended September 30, 2016, $178,896 of amortization expense related to such deferred debt issuance costs was reclassified to "interest" in the Consolidated Statement of Functional Expenses, with no effect on previously reported change in consolidated net assets. Other than this reclassification, the adoption of ASU 2015-03 did not have a material impact on the Company's consolidated financial position, results of activities or cash flows.

Reclassifications

In addition to the reclassifications described in the above disclosure, certain amounts in the prior year have been reclassified to conform to the current year presentation.

NOTE 2 - RENTAL PROPERTY IN SERVICE

"Rental Property in Service" includes 14 projects TCB owns located in Illinois, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania and Rhode Island. Rental property in service amounted to $86,884,995 as of September 30, 2017 and is generally funded by debt, totaling $68,699,344, included in "loans payable and accrued interest - rental property" in the Consolidated Statement of Financial Position.

Depreciation on rental property in service amounted to $2,010,899 for the year ended September 30, 2017.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

"Property, Plant and Equipment" is summarized as follows as of September 30, 2017:

Furniture and equipment	$ 1,424,273
Leasehold improvements	1,252,987
Total Property, Plant and Equipment	$ 2,677,260

Depreciation on property, plant and equipment amounted to $506,399 for the year ended September 30, 2017.

NOTE 4 - RESTRICTED CASH AND CASH EQUIVALENTS

In connection with the NSP2 program, the Company is required to restrict program income funds for future development costs. As of September 30, 2017, the restricted cash accounts for program income and development had a balance of $3,977,642. This amount is included in current assets as they are expected to be expended during the year ended September 30, 2018.

In connection with the $5 million Capital Magnet Fund Agreement and other separate agreements, the Company is required to restrict funds to acquire, preserve and revitalize units for affordable housing and their communities. Failure to comply with the agreements could result in repayments of any assistance. As of September 30, 2017, the restricted cash account had a balance of $3,535,709, of which $498,663 has been reserved for guarantees. Of the original $1,486,186 loaned to the 225 Centre Street project, $1,432,118 is outstanding as of September 30, 2017.

In connection with various regulatory agencies and lender's requirements, the Company has segregated funds for replacement reserves, mortgage and insurance escrows, real estate taxes, operating reserves and tenant security deposits. Some withdrawals are required to be approved by the lenders. As of September 30, 2017, the restricted cash accounts had a balance of $7,674,737.

In connection with eight individual escrow agreements with HUD, eight projects of TCB Cincinnati MF LLC established NSP2 and repair escrows during the year ended of September 30, 2016 in the original amount of $4,732,323. The escrows were to be used for the sole purpose of making the required repairs and improvements to the respective projects in accordance with the escrows agreements. As of September 30, 2017, the restricted escrow balances, after the use of funds for the required purposes, was $7,377. For additional information on these restricted accounts, see Note 23.

NOTE 4 - RESTRICTED CASH AND CASH EQUIVALENTS - continued

The Company has entered into various contracts and has received grants from not-for-profit organizations and governmental agencies specifically for community and social services. The amounts are held in restricted cash accounts to be used for community and social services as outlined in the agreements. As of September 30, 2017, the restricted cash accounts had a balance of $774,142.

As of September 30, 2017, other restricted cash consisted of cash held in several accounts for various scholarships grants, development services and funds drawn but not expended which had a balance of $405,768.

NOTE 5 - BROWNFIELDS TAX CREDITS

A limited liability company, which was partially owned by GBCD, was awarded Brownfields Tax Credits under the Brownfields Cleanup Program administered by the *New York Department of Environmental Conservation* ("NYDEC"). Brownfields Tax Credits are allowed credits against a taxpayers tax liability for net response and removal costs incurred to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. During the year ended September 30, 2017, $6,872,417 of Brownfields Tax Credit proceeds was earned but not received and is included in "accounts and fees receivable, net" in the Consolidated Statement of Financial Position. The credit calculation is being reviewed by NYDEC and is subject to adjustment. Management does not expect a material adjustment as a result of NYDEC's review. The resulting income tax expense on GBCD totaled $1,534,779, which is included in "accrued expenses" in the Consolidated Statement of Financial Position.

NOTE 6 - NOTES AND INTEREST RECEIVABLE

TCB and *The Community Builders Charitable Trust* ("TCBCT") (a wholly controlled entity) have made loans to fund pre-development expenses to various project entities. These notes receivable provide that the amounts are to be repaid at the earlier of the project closing, placement of permanent debt or some other event that results in repayment. Repayment can vary from two years to five years from the date of the notes, with interest ranging from zero to 12%. As of September 30, 2017, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to $24,152,628, of which, $23,100,507 is due from two entities.

TCB Hudson II LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court III LP* in the original amount of $1,700,000 purchased from U.S. Bank National Association, an unrelated entity. The note accrues simple interest at 8.3%. The note is collateralized by the project. Monthly payments of $12,831 are due on the first day of each month. Through January 1, 2017, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2018. As of September 30, 2017, principal and accrued interest were recorded at net realizable value of $2,792,514.

TCB Hudson LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court II LP* in the original amount of $700,000 purchased from The Community Development Trust, LP, an unrelated entity. The note accrues simple interest at 7.9%. The note is collateralized by the project. Monthly payments of $5,088 are due on the first day of each month. Through January 1, 2018, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2021. As of September 30, 2017, principal and accrued interest were recorded at net realizable value of $1,176,232.

NOTE 6 - NOTES AND INTEREST RECEIVABLE - continued

TCB Cincinnati MF LLC has notes receivable from the buyers of several projects in the original amount of \$723,978. The notes accrue interest at 3.5%, compounded monthly. The notes are collateralized by the projects. Monthly payments totaling \$3,251 are due on the first day of each month. All principal and unpaid interest are due upon maturity on June 30, 2018. As of September 30, 2017, principal and accrued interest were recorded at net realizable value of \$684,968.

TCB Cincinnati MF LLC has a note receivable from the buyer of several projects in the original amount of \$500,000. The note is non-interest bearing and is collateralized by the projects. No payments are due until maturity. All principal and unpaid interest are due upon maturity on October 31, 2022. As of September 30, 2017, principal and accrued interest were recorded at net realizable value of \$500,000.

TCB has a note receivable from *Kent Street Housing LP* in the original amount of \$473,265, which accrues interest at a rate of 8%, compounded annually. The note is collateralized by the project. The note is to be repaid from cash flow, if any, as defined in the note agreement, or at maturity in December 2018. As of September 30, 2017, principal and accrued interest were recorded at net realizable value of \$106,231.

TCB has made loans to twenty three project entities utilizing NSP2 funds. The repayment for these notes receivable can vary from one to thirty years, with interest ranging from zero to 8%. As of September 30, 2017, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to zero.

As of September 30, 2017, other notes receivable of \$154,156 remain outstanding. The other notes receivable interest rates range from 4.4% to 8.75% with maturity dates ranging from two years to forty years from the date of the note.

Interest income on TCB notes and *TCBCT* advances amounted to \$1,578,697 which has been recognized in relation to these loans during the year ended September 30, 2017. Interest is included in “interest and other” in the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 7 - DEFERRED REVENUE

As of September 30, 2017, “deferred revenue” consisted of 1602 Program revenue (68%), development revenue (19%), prepaid payroll (12%) and asset management fees (1%).

NOTE 8 - NSP2 DUE TO AFFILIATES AND PROJECTS

“NSP2 due to affiliates and projects” balance consists of 5 loans with interest rates ranging from zero to 3%. These were advanced to various NSP2 projects to fund acquisition and/or construction. As of September 30, 2017, the balance is \$5,758,224, of which \$5,149,906 is due from one entity. In addition, NSP2 program income due to future projects is \$5,214,829.

NOTE 9 - DUE TO AFFILIATES

The majority of the "due to affiliates" balance consists of short term loans made during the normal course of business to TCB from various non-consolidated real estate operating entities. Repayment of these loans is expected within one year. As of September 30, 2017, the balance is $3,577,614.

NOTE 10 - LINES OF CREDIT

Eastern Bank ("Eastern")

TCB had a revolving line of credit dated June 5, 2009, as amended from time to time up to and including the Third Amendment to Amended and Restated Loan and Security Agreement dated January 20, 2016, with *Eastern* for up to $5,000,000. The line of credit bore interest at a rate equal to the Wall Street Journal Prime Rate plus 0.25%, was due on demand and was subject to annual renewal. Monthly payments of interest were required and principal was due and payable on demand. The note was secured by the assets of TCB, except for those excluded assets as defined in the Third Amendment to the Loan and Security Agreement which had been previously pledged. In addition, the line of credit was guaranteed by *Community Development, Inc.* ("CDI"), a not-for-profit affiliate. As required by the loan agreement, certain covenants needed to be met. During the year ended September 30, 2017, all outstanding principal and accrued interest balances were paid in full.

During the year ended September 30, 2017, TCB entered into a revolving line of credit dated November 21, 2016, as amended from time to time up to and including the Second Amendment to the Loan and Security Agreement dated August 8, 2017, with *Eastern* for up to $8,000,000. The line of credit bears an interest rate equal to the Wall Street Journal Prime Rate plus 0.25%, currently 4.25%, and is due on demand and subject to annual renewal. Monthly payments of interest are required and principal shall be due and payable on demand. The note is secured by the assets of TCB. As required by the loan agreement, certain covenants must be met. As of September 30, 2017, the balance outstanding was $6,000,000.

Local Initiatives Support Corporation ("LISC")

TCB has a revolving line of credit dated May 2, 2014, as amended April 4, 2016, with *LISC* for up to $7,500,000. The line of credit bears simple interest equal to 6% per annum. Monthly payments of interest are required and all outstanding principal and accrued interest balances are due June 1, 2019. The note is secured by a first priority lien and perfected security interest in and collateral assignment of TCB's note receivable from *Historic South End Limited Partnership*. As required by the loan agreement, certain covenants must be met. As of September 30, 2017, the balance outstanding was $6,236,943.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST

Life Insurance Community Investment Initiative

TCB has a promissory note dated August 28, 2006 with *The Life Insurance Community Investment Initiative, LLC* for borrowings up to $2,500,000 to be used for specific properties. The note bears simple interest at 6%, payable monthly. Any unpaid principal and interest is due September 1, 2020. The note requires certain financial covenants. The note is secured by certain development fees of present and future rights, title and interest of selected projects as defined in the Amendment of Security Instruments Agreement dated November 2, 2015. As of September 30, 2017, the balance outstanding was $2,159,184.

The MacArthur Foundation ("MacArthur")

TCB has an unsecured promissory note dated July 13, 2007 with *MacArthur* for $2,000,000 at 1% simple interest per annum for a stated term of approximately five years. In accordance with the Second Loan Extension Agreement dated December 1, 2013, the note was decreased to $1,000,000. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due December 1, 2021. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the area surrounding the Company's properties in the Oakwood Shores neighborhood of Chicago. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (5.15%) and the present value of the payments at the stated interest rate (1%) resulted in a loan present value of $1,639,001 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. The discount was fully amortized in a prior year. As of September 30, 2017, the principal outstanding was $1,000,000.

TCB has an unsecured promissory note dated October 30, 2007 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due upon maturity, April 1, 2018. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.88%) and the present value of the payments at the stated interest rate (2%) was $468,866, resulting in a loan present value of $1,531,134 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2017, the note was recorded at $1,977,493.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST - continued

The MacArthur Foundation ("MacArthur") - continued

TCB has an unsecured promissory note dated December 18, 2009 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due between April 1, 2018 and April 1, 2020. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.11%) and the present value of the payments at the stated interest rate (2%) was $328,234, resulting in a loan present value of $1,671,766 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2017, the note was recorded at $1,919,944.

Community Economic Development Assistance Corporation ("CEDAC")

During the year ended September 30, 2014, TCB entered into an unsecured promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Quincy Terrace* project. The total maximum amount is $400,000 with simple interest at 7% per annum. All principal and interest is due at the earlier of first project closing or when construction financing was obtained for the project. As of September 30, 2017, the balance outstanding was $248,190.

Chicago Housing Authority ("CHA")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *CHA* for $8,000,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note is noninterest bearing and matures in February 2055. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note is secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. As of September 30, 2017, the balance outstanding was $8,000,000.

JPMorgan Chase Bank, N.A. ("JPMorgan")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *JPMorgan* for $4,300,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note bore interest at LIBOR plus 3% and matured in February 2017. Accrued interest was paid monthly and any remaining principal and unpaid interest was due at maturity. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note was secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. During the year ended September 30, 2017, all outstanding principal and accrued interest were paid in full.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST - continued

IFF

During the year ended September 30, 2015, TCB entered into a promissory note dated February 13, 2015 with *IFF* for $600,000 to finance costs and expenses related to the predevelopment of the *TCB Willard Square Apartments* project. The note bears interest at 5% and matures in February 2020. Accrued interest is paid monthly and any remaining principal and unpaid interest is due at maturity. As of September 30, 2017, the balance outstanding was $600,000.

Low Income Investment Fund ("LIIF")

During the year ended September 30, 2016, TCB entered into a promissory note dated June 30, 2016 with *LIIF* for $2,000,000 to finance costs and expenses related to the predevelopment of the *Avondale Town Center North* project. The note bears interest at 2% and matures in June 2026. As of September 30, 2017, the balance outstanding was $2,000,000.

LISC

During the year ended September 30, 2016, TCB entered into a promissory note dated February 8, 2016 with *LISC* for $500,000 to finance costs and expenses related to the predevelopment of the *A.O. Flats at Forest Hills* project. The note bears interest at 4.125% and matures in November 2019. All principal and accrued interest is due at maturity. As of September 30, 2017, the principal and accrued interest outstanding was $403,908 and $23,264, respectively. Subsequent to year end the balance was paid in full.

Cincinnati Development Fund, Inc. ("CDF")

During the year ended September 30, 2016, TCB entered into a promissory note dated February 11, 2016 with *CDF* for $300,000 to finance costs and expenses related to the predevelopment of the *Avondale Town Center NMTC* project. The note bore interest at 5% and matured in February 2017. Accrued interest was to be paid monthly and any remaining principal and unpaid interest was due at maturity. As of September 30, 2017, the balance outstanding was $300,000. Subsequent to year end the balance was paid in full.

Predevelopment and Construction Loans

In support of its development activities at a number of geographic locations, the Company, through various sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of predevelopment and construction loans with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 7.5% and are generally secured by the property under development. Due dates are generally concurrent with construction completion ranging from 2018 to 2020. As of September 30, 2017, there are approximately 28 loans outstanding with principal and accrued interest balances totaling $8,968,673 and $271,405, respectively.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property

University Park Apartments LP and *Merrill Court Apartments LP* (both of which are wholly owned by the Company) have promissory notes ("the notes") with the *Illinois Housing Development Authority* ("IHDA") that were funded by the 1602 Program. The notes are secured by the property, are non-interest bearing and will be released in full in December 2026 and December 2027, respectively, provided a default does not exist. Upon the occurrence of a recapture event, as defined in the notes, the notes will be subject to recapture by IHDA in an amount equal to the original principal balances less 6.67% for each full year during the tax credit compliance period in which a Recapture Event has not occurred. Under the loan agreements, loan principal is released annually at a rate of 6.67% over the 15 year tax credit compliance period. As of September 30, 2017, the total amount outstanding was $7,893,335 and $2,690,662, respectively. During the year ended September 30, 2017, the amount released was $853,333 and $290,882, respectively, which was transferred to deferred revenue and will be recognized as income over the life of the related asset (see below). Loan proceeds funded with Section 1602 program funds, as noted above, are intended to assist with payment of development costs of low income housing tax credit properties. In exchange for the funds received, *University Park Apartments LP* and *Merrill Court Apartments LP* have agreed to operate the properties in accordance with Section 42 of the IRC. Portions of the loans which have been released are considered government assistance related to assets. *University Park Apartments LP* and *Merrill Court Apartments LP* record the portion of the loans released as deferred revenue which will be amortized and recognized as income on a straight line basis over the 40 year depreciable life of the building and improvements. As of September 30, 2017, included in deferred revenue was $3,066,665 and $1,045,357 respectively. During the year ended September 30, 2017, $320,000 and $109,081, respectively, was recognized as income and is included with "interest and other" in the Consolidated Statement of Activities and Changes in Net Assets.

University Park Apartments LP has a mortgage loan with the *Bellwether Enterprise Real Estate Capital, LLC.* The loan accrues interest at 3.6% and is secured by the property. The loan matures in 2050. As of September 30, 2017, total outstanding principal and accrued interest balances totaled $3,869,059 and $12,994, respectively.

1990 Ford Drive Owner LLC (wholly owned by the Company) has two mortgage loans with *KeyBank*, a mortgage loan with the *City of Cleveland* and a mortgage loan with *University Circle West LLC*. The loans accrue interest from zero to 4.3% and are secured by the property. The loans mature in 2018. As of September 30, 2017, the principal balances outstanding range from $138,243 to $7,400,000. As of September 30, 2017, total outstanding principal and accrued interest balances totaled $9,138,243 and $28,962, respectively.

TCB Sever Street LLC (wholly owned by the Company) has a mortgage loan with the *CEDAC.* The loan accrues interest at 4.9% and is secured by the property. The loan matures in 2018. As of September 30, 2017, total outstanding principal and accrued interest balances totaled $8,725,000 and zero, respectively.

TCB Central Pennsylvania, LLC (wholly owned by the Company) has a line of credit with *Enterprise Community Loan Fund*, a mortgage with *Redevelopment Authority of the County of Lancaster* and four mortgages with *Pennsylvania Housing Finance Authority*. The loans accrue interest from zero to 5% and are secured by the property. The loans have maturity dates ranging from 2018 to 2027. As of September 30, 2017, the principal balances outstanding range from $73,801 to $4,980,519. As of September 30, 2017, total outstanding principal and accrued interest balances totaled $7,797,437 and $31,297, respectively.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property - continued

TCB Willard Square Apartments, LLC (wholly owned by the Company) has a mortgage loan with the *City of Chicago* and a mortgage loan with *Midland Loan Services, Inc.* The loans accrue interest from 3% to 5.6% and are secured by the property. The loans mature in 2044. As of September 30, 2017, the principal balances outstanding were \$2,492,223 and \$3,369,079, respectively. As of September 30, 2017, total outstanding principal and accrued interest balances totaled \$5,861,302 and \$1,126,026, respectively.

TCB Pedestal Gardens LLC (wholly owned by the Company) has a mortgage loan with *Enterprise Community Loan Fund* and a mortgage with *Foresight Affordable Housing of Maryland, Inc*. The loans accrue interest from 1.75% to 5.5% and are secured by the property. The loans have maturity dates ranging from 2018 to 2030. As of September 30, 2017, total outstanding principal and accrued interest balances totaled \$5,750,000 and \$43,050, respectively.

In addition, in support of its rental activities at a number of geographical locations, the Company, through 10 sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of other mortgages with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 8% and are secured by the properties. The loans have maturity dates ranging from 2018 to 2042 and require monthly payments ranging from zero to \$21,636. As of September 30, 2017, there are approximately 15 loans outstanding with principal balances ranging from \$33,767 to \$2,000,000. As of September 30, 2017, outstanding principal and accrued interest balances totaled \$12,309,890 and \$3,422,087, respectively.

As required by some mortgages, certain loan covenants must be met. Failure to meet these covenants would require the outstanding principal balance and accrued interest to be due and payable prior to the maturity date.

As discussed in Note 1, as a result of the adoption of ASU No. 2015-03, *Interest - Imputation Of Interest: Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs were reclassified in the Consolidated Statement of Financial Position from “financing fees, net of accumulated amortization”. As of September 30, 2017, the outstanding principal balance of the “loans payable and accrued interest, net of current portion - rental property” less unamortized debt issuance costs was \$46,131,740. As of September 30, 2017, unamortized debt issuance costs of \$538,518 consist of debt issuance costs of \$954,223 less accumulated amortization of \$415,705. During the year ended September 30, 2017, amortization expense incurred was \$108,206, and was included in “interest” in the Consolidated Statement of Functional Expenses.

NOTE 11 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property - continued

Maturities

Principal payments due during each of the next five years on the above-mentioned debt are as follows as of September 30:

2018	$ 32,405,324
2019	11,585,882
2020	6,897,094
2021	7,365,602
2022	2,149,606

Included in "loans payable and accrued interest, current portion - rental property" and "loans payable and accrued interest, current portion" in the Consolidated Statement of Financial Position is $434,967 and $294,669, respectively, of accrued interest.

For the year ended September 30, 2017, interest costs incurred was $3,801,534, of which $3,114,093 was expensed and $687,441 was capitalized.

NOTE 12 - CONTRIBUTIONS AND GRANTS

During the year ended September 30, 2010, the Company received a grant award of $78.6 million in funding from HUD as part of NSP2. The program was created to redevelop hard-hit communities, create jobs and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes and convert them to affordable housing, and it was funded by the American Recovery and Reinvestment Act of 2009. TCB was funded to work in Illinois, Indiana, Massachusetts, Connecticut, North Carolina, New York, Ohio, Pennsylvania, Virginia and Washington D.C. As of September 30, 2013, the entire grant had been earned. A substantial portion of this grant and its resulting program income is being used to provide loans to other entities which acquire the eligible properties. Those notes receivable are subjected to a collectability analysis similar to other development loans made by TCB. The reserve expense calculated by this analysis is shown as "costs directly associated with projects" in the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2013, TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant by HUD for Cincinnati, Ohio's Avondale neighborhood. Choice Neighborhood Implementation Grants support communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. The transformation plan is structured in four parts: housing, neighborhood, people and education. The core of the plan is the rehabilitation of five multifamily properties located along Avondale's Reading Road thoroughfare and the infill of new mixed-income housing on vacant lots in the area. A total of 318 units of housing will be constructed or substantially rehabilitated. As of September 30, 2017, $14,618,552 has been earned and received, of which $2,282,441 was earned and received during the year ended September 30, 2017.

NOTE 12 - CONTRIBUTIONS AND GRANTS - continued

During the year ended September 30, 2017, subject to the terms and conditions of the Quad Communities Redevelopment Agreement, TCB received $4,300,000 from *the City of Chicago* from TIF Bond Proceeds.

CDI, a not-for-profit which TCB works closely with, contributed $500,000 to TCB.

In addition, the Company has received various unconditional grants and contributions. The majority of these grants and contributions are from governmental agencies.

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of resources available to meet future obligations in compliance with the restrictions specified by donors. As of September 30, 2017, temporarily restricted net assets total $1,338,848, which is to be used to empower residents through engagement activities, life-skills education and training in the "Community Life" pilot programs in Ohio and Illinois.

NOTE 14 - DECONSOLIDATION

During the year ended September 30, 2017, upon admittance of new limited partners, TCB was replaced as the limited partner in 3 limited partnerships and these limited partnerships are no longer consolidated. The Company maintains control through the general partner interest and the limited partnerships are included with the affiliated sponsored entities (see Note 22). The Company recorded no gain or loss as a result of the deconsolidation of these limited partnerships.

NOTE 15 - OPERATING LEASE OBLIGATIONS

TCB leases property under certain agreements requiring monthly payments of $844 to $144,340 expiring between 2020 and 2030. Future minimum lease payments for the next 5 years of non-cancelable operating leases consisted of the following as of September 30:

2018	$ 2,046,417
2019	2,094,904
2020	2,141,926
2021	2,029,022
2022	2,111,618

Total expense for operating leases was $1,906,264 for the year ended September 30, 2017.

NOTE 16 - EMPLOYEE BENEFITS

Defined Contribution Plan

The Company has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Employees are eligible to participate in the plan upon hire. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. Employees hired after March 1, 2008, are eligible to have their contributions matched by the Company after one year of service. Employees hired before March 1, 2008 were covered under the defined benefit retirement plan through February 29, 2016. Effective February 29, 2016, all employees have their contributions matched by the Company after one year of service. The matching rate is set by management on an annual basis and was up to 4% during the year ended September 30, 2017. Matching contributions incurred by the Company amounted to $928,698 under this plan for the year ended September 30, 2017.

Defined Benefit Retirement Plan

TCB maintains a non-contributory defined benefit retirement plan (“the Plan”) covering a segment of its employees. Benefits paid are based on an employee’s years of service and average compensation. TCB’s policy is to fund amounts as necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to plan members in accordance with the requirements of the Employee Retirement Income Security Act of 1974. TCB is the plan administrator. The custodian of the Plan’s assets is BMO Harris Bank, N.A. The assets of the Plan are invested in a mix of corporate common stocks and debt instruments and fixed income vehicles.

The Plan was amended, effective March 1, 2008. The amendment disallows employees hired on or after March 1, 2008 to enter the Plan. Employees hired prior to March 1, 2008 remain eligible to participate in the Plan. The amendment also provides for an additional 1.275% of average annual compensation for credited service in excess of 35 years but not in excess of 38 years. The Plan was further amended, effective February 29, 2016. The amendment freezes all accrued benefits as of February 29, 2016, and therefore no further benefits shall be earned or accrued thereafter. Participant’s accrued benefits, final average earnings, years of credit service, and social security covered compensation are determined as of February 29, 2016, or the date of participant’s employment termination, if earlier.

NOTE 16 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

The following table sets forth the Plan's funded status and amounts recognized in the Company's Consolidated Statement of Financial Position as of September 30, 2017:

Change in Benefit Obligations:	
Benefit obligations at beginning of year	$ 45,872,000
Service cost	-
Interest cost	1,846,000
Actuarial loss	1,942,000
Benefits paid	(981,000)
Curtailments, settlements, and special termination benefits	(5,480,000)
Benefit obligations at end of year	$ 43,199,000
Change in Plan Assets:	
Fair value of plan assets at beginning of year	$ 28,688,000
Employer contributions	1,115,000
Actual return on plan assets	2,215,000
Benefits paid	(981,000)
Settlements	(4,513,000)
Fair value of plan assets at end of year	$ 26,524,000
Reconciliation of Funded Status:	
Funded status at September 30, 2017	$ (16,675,000)
Unrecognized net actuarial loss at September 30, 2017	10,970,000
Net amount recognized at September 30, 2017	$ (5,705,000)
Funded status at September 30, 2016	$ (17,184,000)
Unrecognized net actuarial loss at September 30, 2016	12,772,000
Net amount recognized at September 30, 2016	$ (4,412,000)

Amounts recognized in the Consolidated Statement of Financial Position consist of:

Prepaid benefit cost	$ -
(Accrued) benefit liability	(16,675,000)
Effect on net income (loss) for change in additional minimum liability	10,970,000
Net amount recognized	$ (5,705,000)
Non-current accrued pension cost liability	$ 16,675,000
Accumulated benefit obligation	$ 43,199,000

NOTE 16 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

Additional year end information for plans with benefit obligations and accumulated benefit obligations in excess of plan assets:

Benefit obligation	$ 43,199,000
Accumulated benefit obligation	$ 43,199,000
Fair value of plan assets	$ 26,524,000

The components of net periodic benefit costs included in "salaries and related costs" in the Consolidated Statement of Functional Expenses as of September 30, 2017 are:

Service cost	$ -
Interest cost	1,846,000
Expected return on plan assets	(2,158,000)
Amortization of net gain	1,574,000
Effects of curtailments and settlements	1,146,000
Net period benefit costs	$ 2,408,000

Pension related changes other than net periodic benefit cost, included in "other revenue (expense)" in the Consolidated Statement of Activities and Changes in Net Assets:

Net gain	$ 228,000
Amortization of net gain to net periodic benefit cost	1,574,000
	$ 1,802,000

As of September 30, 2017:

Employer contributions	$ 1,115,000
Plan participant contributions	$ -
Benefits paid	$ 981,000

The applicable rates used by the actuary in calculating the present value of the projected benefit obligations as of September 30, 2017 are as follows:

Discount rate	3.87%
Expected return on plan assets	7.00%
Salary increases	0.00%

The Company considers various factors in estimating the expected long-term rate of investment return. Among the factors considered include input from actuaries, historical long-term investment returns, the current and expected allocation of the Plan investments and long-term inflation assumptions.

The Company's expected long-term rate of return on assets is based on historical returns.

NOTE 16 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

The Plan's target asset allocation by asset category as of September 30, 2017 is as follows:

Equity securities	55%
Bonds	45%
Total	100%

The Plan's actual asset allocation by asset category as of September 30, 2017 is as follows:

Equity securities	52%
Bonds	32%
Cash	16%
Total	100%

The Company estimates that contributions to be paid during the year ended September 30, 2018 will be approximately $1,226,000.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be:

2018	$ 1,531,000
2019	1,595,000
2020	1,724,000
2021	1,902,000
2022	2,114,000
2023-2027	11,779,000

NOTE 17 - RELATED PARTY TRANSACTIONS

TCB's Chief Executive Officer is the owner of *Mitchell Properties*. *Mitchell Properties* and TCB formed a joint venture with common ownership to develop *225 Centre Street*. During prior years, with Board approval, TCB loaned a total of $1,486,186 of Capital Magnet Funds to an entity controlled by *Mitchell Properties* to aid in its development of commercial space located at *225 Centre Street*. The loan bears interest at 12% compounded annually and is due December 2019. As of September 30, 2017, principal and accrued interest were recorded at a net realizable value of zero.

TCB earned property management, accounting, legal, consulting and development fees and site payroll reimbursements of $31,880,967 for the year ended September 30, 2017 from certain limited partnerships in which TCB's subsidiaries are general partners. As of September 30, 2017, $16,490,781 of fees and reimbursements from these partnerships is outstanding and is included in "accounts and fees receivable, net" and "developer fees receivable, net" in the Consolidated Statement of Financial Position.

NOTE 17 - RELATED PARTY TRANSACTIONS - continued

New Hope Community Capital, Inc. ("New Hope")

TCB works closely with *New Hope*, a charitable corporation. In accordance with the agreement, TCB earned asset management, accounting and consulting fees from *New Hope* of $859,585 for the year ended September 30, 2017. As of September 30, 2017, New Hope owed fees totaling $79,248, which is included in "due to affiliates" in the Consolidated Statement of Financial Position. During the year ended September 30, 2017, *New Hope* provided $700,000 of operating advances to TCB, which is also included in "due to affiliates" in the Consolidated Statement of Financial Position.

As of September 30, 2017, TCB has advanced funds for operating costs to *New Hope*, totaling $53,100, which are outstanding and are included in "due from affiliates" in the Consolidated Statement of Financial Position.

During the year ended September 30, 2017, TCB advanced *New Hope* funds for predevelopment, totaling $750,000. The note is non-interest bearing. As of September 30, 2017, the note receivable was recorded at a net realizable value of zero.

NOTE 18 - TCB CDE

TCB CDE entered into an Amended Allocation Agreement with the CDFI Fund, in which *TCB SUB-CDE I - XVIII, LLC* (eighteen entities) have become approved "Subsidiary Allocatees" of *TCB CDE*. *TCB CDE* is the managing member of the Subsidiary Allocatees. The Allocation Agreement places restrictions on *TCB CDE's* operations, including but not limited to, a specific geographical area of the low-income communities *TCB CDE* must serve. *TCB CDE* has been approved to serve low-income communities on a national basis. As of September 30, 2017, all of the ninth round $25,000,000, tenth round $25,000,000 and twelfth round $40,000,000 NMTC allocations have been allocated to the Subsidiary Allocatees.

TCB CDE is entitled to sub-allocation and asset fees as described in the operating agreements of the Subsidiary Allocatees. The sub-allocation fees are equal to 3% to 4% of a Qualified Equity Investment from each Subsidiary Allocatee. The sub-allocation fees are recognized when received. The asset fees are equal to 0.5% of a Qualified Equity Investment from each Subsidiary Allocatee. The asset fees are recognized as costs related to the services provided under the agreement are incurred. During the year ended September 30, 2017, *TCB CDE* earned $225,000 from sub-allocation fees and $357,500 from asset management fees.

TCB CDE has a 0.01% non-controlling membership interest in the Subsidiary Allocatees which is accounted for using the equity method.

NOTE 18 - TCB CDE - continued

The following is the unaudited financial information of the Subsidiary Allocatees, which have not been consolidated in these Consolidated Financial Statements as of and for the year ended September 30, 2017:

Total Assets	$ 82,618,997
Total Liabilities	$ 208,398
Equity	82,410,599
Total Liabilities and Equity	$ 82,618,997
Revenue	$ 2,326,812
Expense	(1,044,572)
Net Income	$ 1,282,240
Net Income Allocated to *TCB CDE*	$ 1,282
Net Income Allocated to Other Members	$ 1,280,958

TCB CDE's NMTCs are contingent on the Subsidiary Allocatees maintaining compliance with applicable sections of Section 45D of the IRC during the seven year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest.

NOTE 19 - SALE OF RENTAL PROJECTS

During the year ended September 30, 2017, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with a third party and sold *Chapel Square Apartments, Scattered Sites Apartments* and *Walnut Hill Estates* for a purchase price of $2,517,000. The transaction resulted in a loss of $46,355, which is included in "net (loss) gain from sale of rental projects" in the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2017, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with a third party and sold *King Tower Apartments* for a purchase price of $687,500. The transaction resulted in a loss of zero.

During the year ended September 30, 2017, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with a third party and sold *Jan Apartments* and *Senate Apartments* for a purchase price of $964,000. The transaction resulted in a loss of zero.

During the year ended September 30, 2017, *TCB Cincinnati MF LLC* relocated the tenants from *Hale Apartments* and *Shiloh Manor Apartments* and demolished the buildings. The transaction resulted in a loss of $371,477, which is included in "net (loss) gain from sale of rental projects" in the Consolidated Statement of Activities and Changes in Net Assets.

In connection with the above sales, $400,864 of *TCB Cincinnati MF LLC* notes payable balances were forgiven, which is included in "net (loss) gain from sale of rental projects" in the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 20 - SUPPLEMENTAL DISCLOSURES ON CASH FLOWS AND NON-CASH INVESTING AND FINANCING TRANSACTIONS

Supplemental disclosures on cash flows:

Cash paid for interest	$ 3,000,162
Capitalized interest	$ 687,441
Cash paid for income tax (related to Brownfield credits)	$ 1,008,299

Non-cash investing and financing transactions:

Property held for sale additions financed with loan proceeds	$ 1,185,272
Notes payable repaid with property held for sale sales proceeds	25,000
Notes payable repaid with rental property in service sales proceeds	343,515
Rental property in service additions included in accounts payable	1,051,101
1602 Program loan release classified as deferred revenue	715,134

NOTE 21 - COMMITMENTS AND CONTINGENCIES

In connection with the Company's development and financing activities, under certain terms and conditions, the Company has committed to advance funds to various entities to meet capital and operating requirements. In general, it is the Company's policy to limit its guarantee obligations (other than construction loan or completion guaranties, or environmental indemnities, which are generally required to be unlimited by investors and lenders), if possible, on individual developments to no more than 150% of the fees the Company receives in connection with the project. The Company has currently guaranteed approximately $347 million on behalf of 121 entities. In addition to the quantifiable guarantees, there are 34 unlimited guarantees across 32 entities for such events as construction completion, recapture of credits, repurchase of investor limited partner interests, tax credit adjusters and environmental indemnification. As of September 30, 2017, there were no guarantee liabilities accrued.

As general partners, the subsidiaries of TCB can be exposed to legal and financial liabilities, in certain situations, on behalf of the limited partnerships, beyond their equity investments in the limited partnerships.

The Company is involved in various legal actions arising in the normal course of business. In the opinion of the Company's management, the liability, if any, for such contingencies will not have a material effect on the Company's Consolidated Financial Position.

The Company entered into 55 note agreements with various federal, state and local housing agencies, in the amount of approximately $32.1 million, relating to various development properties. Repayment of the notes will be required only in the event that certain affordable housing and other restrictions, as defined in the note agreements, are not met. In the opinion of management, it is remote that these restrictions will not be met and, as such, a liability has not been accrued.

NOTE 22 - AFFILIATED SPONSORED ENTITIES

GAAP provides guidance on whether a partnership should be consolidated by one of its partners. The assessment of limited partners' rights and their impact on the presumption of control of the limited partnership by the general partner should be made when an investor(s) first becomes a general partner(s) and should be reassessed at each reporting period thereafter for which financial statements of the general partner are prepared.

The Company, through its for-profit subsidiaries which act as general partner or managing member, has approximately a .01% to 1% controlling interest in approximately 122 limited partnerships and limited liability companies which have not been consolidated into these financial statements, even though consolidation is required under GAAP. Those for-profit subsidiaries which are general partners of partnerships, but not the subsidiaries which are managing members of LLCs, have unlimited liability for the recourse obligations of the applicable partnerships. Project expense includes depreciation, amortization, interest and resident services. The following unaudited information summarizes the financial condition of the entities as of September 30, 2017:

Total Assets	$ 1,692,954,400
Total Liabilities	$ 1,459,420,828
Equity	233,533,572
Total Liabilities and Equity	$ 1,692,954,400
Revenue	$ 106,275,206
Operating Expense	(91,341,345)
Project Expense	(68,083,333)
Net Loss	$ (53,149,472)

NOTE 23 - HUD SETTLEMENT

In December 2012, TCB Cincinnati MF LLC, a wholly owned subsidiary of the Company, acquired a portfolio of 19 highly distressed properties in Cincinnati, Ohio, all of which had Housing Assistance Payment ("HAP") Contracts with HUD. In late 2015, certain properties failed HUD inspections conducted by the Real Estate Assessment Center ("REAC"), resulting in allegations by HUD that TCB Cincinnati MF LLC was in default under the applicable HAP Contracts (see the Schedule of Findings and Questioned Costs, finding 2016-001), creating potential liability for contract termination and civil money penalties. TCB promptly created repair escrows (see Note 4) and corrected all the unacceptable physical conditions, and received passing REAC scores on all properties in early 2016 (other than two which were vacated). To resolve any risk of remaining liability or penalty, TCB entered into a settlement agreement with HUD concerning this matter on November 10, 2016.

In accordance with the HUD settlement agreement, included in "accrued expense" in the Consolidated Statement of Financial Position is $925,000 for tenant reimbursement. As of September 30, 2017, all properties included in the TCB Cincinnati MF LLC portfolio have been sold.

NOTE 24 - SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through January 26, 2018, which is the date the Company's Consolidated Financial Statements were available to be issued. No material subsequent events, other than the items disclosed below, have occurred since September 30, 2017 that required recognition or disclosure in these Consolidated Financial Statements.

Subsequent to year, in an effort to deleverage the defined benefit plan, offers have been made to 283 former employees with vested balances, at the designated withdrawal date, of less than $300,000 to withdraw benefits as a lump sum or rollover. On November 1, 2017, 125 participants withdrew benefits totaling $4,546,307. The next withdrawal period will be February 1, 2018. The offer payouts have been satisfied entirely with defined benefit plan assets.

A Massachusetts stabilized property that TCB maintains a general partnership interest in has undertaken a refinancing of its first mortgage. The resulting transaction was completed subsequent to year end and will result in the repayment of a previously reserved note receivable. The change in valuation based on management's estimate of $11.2M has been recorded in the consolidated financial statements and is included in development revenue on the consolidated statement of activities and changes in net assets.

The Community Builders, Inc. and Subsidiaries

Consolidated Financial Statements

September 30, 2016

Kevin P. Martin & Associates, P.C

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2016

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Independent Auditors' Report

To the Board of Directors of
The Community Builders, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Community Builders, Inc. (a nonprofit organization) and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of September 30, 2016, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditor considers 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.

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Basis for Qualified Opinion

In compliance with regulatory requirements, the consolidated financial statements present the financial position and results of operations, in accordance with accounting principles generally accepted in the United States of America, of the Company only. The consolidated financial statements do not include the affiliated legally-separate for-profit entities which the Company has sponsored in furtherance of its affordable housing charitable mission. Summarized financial information of, and transactions with, those sponsored entities are disclosed in the accompanying notes to these consolidated financial statements (see Note 24).

Qualified Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2016, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, except that legally-separate for-profit entities sponsored by the Company are not reported within the basic consolidated financial statements.

Report on Summarized Comparative Information

We have previously audited the Company's 2015 consolidated financial statements, and we expressed a qualified opinion because of the departure from accounting principles generally accepted in the United States of America described in the Basis for Qualified Opinion paragraph on those audited consolidated financial statements in our report dated March 15, 2016. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

February 8, 2017

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Position
As of September 30, 2016
With Comparative Totals as of September 30, 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	$ 11,680,741	$ 6,456,329
NSP2 restricted cash and cash equivalents	2,995,325	7,227,678
Accounts and fees receivable, net	24,905,246	16,066,132
Developer fees receivable, net	11,360,940	10,080,089
Contributions receivable	-	18,000,000
Insurance receivable	1,483,259	1,670,338
Due from affiliates	2,286,858	1,728,445
Notes and interest receivable, current portion	852,632	1,280,490
NSP2 notes and interest receivable, current portion	-	2,074,266
Property held for sale, current portion	16,042,412	10,398,548
Prepaid expenses	1,882,479	1,160,640
Total Current Assets	73,489,892	76,142,955
Rental Property in Service	87,927,193	74,436,904
Less: accumulated depreciation	(15,052,591)	(13,742,679)
Net Rental Property in Service	72,874,602	60,694,225
Property, Plant and Equipment	2,159,384	1,775,889
Less: accumulated depreciation	(1,541,807)	(1,380,153)
Net Property, Plant and Equipment	617,577	395,736
Other Assets		
Restricted cash and cash equivalents	12,307,656	7,126,059
Notes and interest receivable, net of current portion	18,264,831	18,072,807
NSP2 notes and interest receivable, net of current portion	-	94,528
Investments in limited partnerships	2,529,571	3,175,219
Property held for sale, net of current portion	10,824,661	9,658,697
Financing fees, net of accumulated amortization	878,020	925,412
Total Other Assets	44,804,739	39,052,722
Total Assets	$ 191,786,810	$ 176,285,638
Liabilities and Net Assets		
Current Liabilities		
Lines of credit, current portion	$ 5,000,000	$ 10,398,673
Loans payable and accrued interest, current portion - rental property	10,658,570	9,518,487
Loans payable and accrued interest, current portion	10,869,868	8,894,340
Accounts payable	5,937,828	7,563,896
Accrued expenses	9,782,847	5,004,459
Deferred revenue, current portion	1,696,738	1,680,844
Due to affiliates	2,920,290	2,611,773
NSP2 due to intermediary	-	6,076,678
NSP2 due to affiliates, current portion	1,323,044	574,106
Total Current Liabilities	48,189,185	52,323,256
Long-Term Obligations		
Lines of credit, net of current portion	2,531,915	4,930,556
Loans payable and accrued interest, net of current portion - rental property	58,994,307	40,476,419
Loans payable and accrued interest, net of current portion	16,603,014	15,685,544
Deferred revenue, net of current portion	5,397,487	4,126,086
Accrued pension cost	16,968,387	15,351,551
NSP2 due to affiliates, net of current portion	7,121,052	8,556,413
Other long-term liabilities	925,000	-
Total Long-Term Obligations	108,541,162	89,126,569
Total Liabilities	156,730,347	141,449,825
Net Assets		
Unrestricted net assets, controlling	32,752,319	15,579,918
Unrestricted net assets, noncontrolling	563,529	506,158
Total Unrestricted Net Assets	33,315,848	16,086,076
Temporarily restricted net assets	1,740,615	18,749,737
Total Net Assets	35,056,463	34,835,813
Total Liabilities and Net Assets	$ 191,786,810	$ 176,285,638

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	2016	2015
Operating Revenue		
Development	$ 16,484,568	$ 20,204,375
Property management and site fees	43,768,721	42,398,443
Contributions and grants	11,095,310	20,473,957
Net gain from sale of rental projects	3,235,849	9,327,746
Interest and other	3,005,190	2,361,668
Proceeds from sale of homeownership property	219,086	4,738,609
Less: cost of homeownership property sold	(255,845)	(8,387,296)
Net loss from sale of homeownership property	(36,759)	(3,648,687)
Total Operating Revenue	77,552,879	91,117,502
Operating Expenses		
Program services	77,509,010	74,602,459
General and administrative	4,893,928	5,098,381
Total Operating Expenses	82,402,938	79,700,840
Operating (Loss) Income Before Other Activity	(4,850,059)	11,416,662
NSP2 Grant	-	-
Less: costs directly associated with projects	(4,108,261)	(11,058,971)
Net NSP2 Grant	(4,108,261)	(11,058,971)
Choice Grant	3,994,597	7,580,192
Less: costs directly associated with projects	(3,247,730)	(7,149,724)
Net Choice Grant	746,867	430,468
Proceeds From Brownfields Tax Credit	12,000,492	5,192,609
Less: income taxes	(2,383,025)	-
Net Proceeds from Brownfields Tax Credit	9,617,467	5,192,609
Operating Income	1,406,014	5,980,768
Other Revenue (Expense)		
(Loss) gain from investments in limited partnerships	(900,637)	130,480
(Loss) gain on involuntary conversion	(77,220)	1,267,898
Pension related changes other than net periodic pension cost	(285,996)	(4,532,028)
Total Other Revenue (Expense)	(1,263,853)	(3,133,650)
Change in Net Assets Before Equity Contributions and Gain (Loss) Attributable to Noncontrolling Interest	142,161	2,847,118
Equity contributions	-	466,768
Gain (loss) attributable to noncontrolling interest	57,371	(134,893)
Change in Net Assets	199,532	3,178,993
Net Assets, Beginning of Year	34,835,813	31,249,403
Deconsolidation of entities	21,118	407,417
Net Assets, End of Year	$ 35,056,463	$ 34,835,813

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets - continued
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	2016			2015
	Controlling Interest	Noncontrolling Interest	Total	Total
Changes in Unrestricted Net Assets				
Unrestricted Net Assets, Beginning of Year	$ 15,579,918	$ 506,158	$ 16,086,076	$ 30,528,298
Operating income	1,406,014	-	1,406,014	5,980,768
(Loss) gain from investments in limited partnerships	(900,637)	-	(900,637)	130,480
(Loss) gain on involuntary conversion	(77,220)	-	(77,220)	1,267,898
Pension related changes other than net periodic pension cost	(285,996)	-	(285,996)	(4,532,028)
Equity contributions	-	-	-	466,768
Gain (loss) attributable to noncontrolling interest	-	57,371	57,371	(134,893)
Deconsolidation of entities	21,118	-	21,118	407,417
Temporarily restricted grants	(1,740,615)	-	(1,740,615)	(18,165,557)
Net assets released from restrictions	18,749,737	-	18,749,737	136,925
Unrestricted Net Assets, End of Year	$ 32,752,319	$ 563,529	$ 33,315,848	$ 16,086,076
Changes in Temporarily Restricted Net Assets				
Temporarily Restricted Net Assets, Beginning of Year	$ 18,749,737	$ -	$ 18,749,737	$ 721,105
Temporarily restricted grants	1,740,615	-	1,740,615	18,165,557
Net assets released from restrictions	(18,749,737)	-	(18,749,737)	(136,925)
Temporarily Restricted Net Assets, End of Year	$ 1,740,615	$ -	$ 1,740,615	$ 18,749,737

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	2016	2015
Operating Activities Cash Flows		
Change in net assets	$ 199,532	$ 3,178,993
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Discount accretion on below market rate loans	77,036	77,036
Depreciation and amortization	2,101,380	2,038,499
Equity contributions	-	(23,624)
Net gain from sale of rental projects	(3,235,849)	(9,327,746)
Release of deferred revenue related to 1602 Tax Credit Exchange Program	(429,081)	(429,081)
NSP2 due to intermediary	(5,652,427)	-
Loss (gain) from investments in limited partnerships	900,637	(130,480)
Loss (gain) on involuntary conversion	77,220	(1,267,898)
Decrease (increase) in assets		
Accounts and fees receivable, net	(8,839,114)	(6,800,346)
Developer fees receivable, net	(1,280,851)	141,388
Contributions receivable	18,000,000	(18,000,000)
Property held for sale	(8,675,917)	4,213,670
Notes and interest receivable	1,147,011	6,666,333
NSP2 notes and interest receivable	2,168,794	11,467,257
Prepaid expenses	(721,839)	(198,511)
Increase (decrease) in liabilities		
Accounts payable	(1,626,068)	(881,647)
Accrued expenses	4,778,388	246,727
Accrued interest	620,722	327,345
Deferred revenue	572,161	602,701
Accrued pension cost	1,616,836	3,527,241
Other long-term liabilities	925,000	-
Net cash provided by (used in) operating activities	2,723,571	(4,572,143)
Investing Activities Cash Flows		
Deposits to restricted cash and cash equivalents	(27,264,931)	(46,670,224)
Withdrawals from restricted cash and cash equivalents	29,249,013	43,349,497
Advances to affiliates, net	(249,896)	3,264,593
Insurance claim proceeds	109,859	152,988
Purchase of long term assets	(2,132,990)	(1,958,066)
Net cash used in investing activities	(288,945)	(1,861,212)
Financing Activities Cash Flows		
Equity contributions	-	23,624
NSP2 due to intermediary	(424,251)	(2,943,203)
NSP2 due to affiliates	6,663,045	1,980,771
Advances on lines of credit	10,346,224	7,024,149
Repayments of lines of credit	(18,143,538)	(8,661,795)
Proceeds from loans	5,314,142	9,822,253
Repayments of loans	(965,836)	(6,200,539)
Net cash provided by financing activities	2,789,786	1,045,260
Net Increase (Decrease) in Cash and Cash Equivalents	5,224,412	(5,388,095)
Cash and Cash Equivalents, Beginning of Year	6,456,329	11,844,424
Cash and Cash Equivalents, End of Year	$ 11,680,741	$ 6,456,329

Supplemental Disclosures on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 22.

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	Program Services	General and Administrative	2016 Total	2015 Total
Salaries and related costs	$ 41,034,236	$ 3,386,123	$ 44,420,359	$ 41,074,340
Direct project	27,751,768	-	27,751,768	30,656,042
Other	1,306,983	955,587	2,262,570	1,545,598
Professional fees and consultants	2,290,848	498,102	2,788,950	1,763,624
Interest	3,077,911	-	3,077,911	2,622,737
Depreciation and amortization	2,047,264	54,116	2,101,380	2,038,499
Total Functional Expenses	$ 77,509,010	$ 4,893,928	$ 82,402,938	$ 79,700,840

See accompanying notes to the consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of The Community Builders, Inc. ("TCB") and Subsidiaries ("the Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A summary of the significant accounting policies followed by the Company in the preparation of these Consolidated Financial Statements is set forth below.

Nature of Activities

TCB is a charitable corporation that is exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and is not a private foundation. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2016, there was no liability for tax on unrelated business income. TCB's primary purpose is the creation, preservation and improvement of housing for persons and families of low and moderate income. TCB historically has acted as a consultant in providing technical assistance to community organizations, or as a sponsor for the financing and construction of low and moderate income housing developments, and has provided property management services to such developments. Since 1996, TCB has repositioned itself to collaborate with community stakeholders and to develop its own portfolio of properties. Such properties are located throughout the United States. TCB is focusing on projects of greater scale and impact, embracing comprehensive neighborhood revitalization and a multi-dimensional approach to community development. TCB is also focusing on housing preservation within its own portfolio as well as seeking opportunities to acquire and/or provide consulting services with regard to project preservation.

The Company is organized into the following divisions, which are listed in order of relative importance, based on program expenditures.

> *Property Management* - The Property Management division manages various aspects of the property such as improvements, repairs, maintenance, payroll and accounting. Property Management activity accounted for approximately 65% of program expenditures.
>
> *Development* - The Development division includes the development of affordable housing in strategic geographic areas. While the Company's primary goal is to provide affordable housing, development also includes the development of mixed income housing and commercial rental space in order to revitalize the community in a comprehensive manner. These real estate development projects are either wholly-owned by the Company or are being developed together with various partners. Development activity accounted for approximately 30% of program expenditures.
>
> *Community Life* - The Community Life division provides supportive services to residents of TCB developments. Community Life activity accounted for approximately 5% of program expenditures.

TCB is funded primarily by development, consulting and property management fees, as well as by grants from national and local foundations and government agencies. Additional working capital is provided by various commercial banks and private foundation debt instruments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Consolidation

The Consolidated Financial Statements include the accounts of TCB and its wholly-owned subsidiaries, wholly-owned limited partnerships, sole-member limited liability companies and 9 other not-for-profit organizations with control and economic interest (such as through common board members). All material inter-company transactions and accounts have been eliminated in consolidation.

TCB is the managing member of *The Community Builders CDE, LLC* ("TCB CDE"), which was formed as a qualified Community Development Entity ("CDE") to hold New Markets Tax Credit ("NMTC") allocation authority to assist in raising capital for investment in Qualified Active Low Income Community Businesses ("QALICB") pursuant to Section 45D of the IRC. TCB CDE was granted an allocation of $25,000,000 of ninth round NMTC authority, $25,000,000 of tenth round NMTC authority and $40,000,000 of twelfth round NMTC authority from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund"). In general, under Section 45D of the IRC, a qualified investor in a CDE can receive the NMTC's to be used to reduce federal taxes otherwise due in each year of a seven-year period.

TCB and its related 9 consolidated not-for-profit organizations are exempt from taxation under Section 501(c)(3) of the IRC and are not private foundations. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2016, there was no liability for tax on unrelated business income. TCB and its related 9 consolidated not-for-profit organizations share common board members. The purpose of these not-for-profit organizations is to foster affordable housing.

TCB is the majority owner, either directly or indirectly through a subsidiary, of 92 limited partnerships ("LPs") and limited liability companies ("LLCs"), the purpose of which is to develop, own and operate affordable housing and community initiative projects. TCB has consolidated the financial results of these entities. No provision has been made in the Consolidated Financial Statements for income taxes since all taxable income, losses and credits are allocated to the partners or members.

TCB owns, either directly or indirectly through *GBCD Partnership Services, Inc.* ("GBCD") (a wholly owned subsidiary), approximately 173 corporate subsidiaries, the majority of which are general partners/managing members with equity interests ranging from 0.0049% to 1% and residual equity interests of up to 90.1% in various LPs/LLCs. TCB has consolidated the financial results of these subsidiaries. The LPs/LLCs own properties that provide housing for persons and families of low and moderate income. GBCD and other corporate subsidiaries are subject to taxation at the federal and state levels. GBCD and other corporate subsidiaries accounts for income taxes under the asset and liability method in accordance with GAAP.

Under the asset and liability method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the year in deferred tax assets and liabilities. Deferred tax assets and/or liabilities were immaterial as of September 30, 2016.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

The Consolidated Statement of Activities and Changes in Net Assets reports all changes in consolidated net assets, including changes in consolidated unrestricted net assets from operating and non-operating activities. Operating revenues consist of those monies received and other contributions attributable to the Company's ongoing efforts. non-operating activities includes pension related charges other than net periodic pension cost and loss from investments in limited partnerships. Gains and losses on investments in limited partnerships are reported as non-operating revenue because such assets are managed for long-term stabilization of the Company's activities. GAAP requires the Company to recognize the funded portion of its pension plan (the difference between the fair value of plan assets and the projected benefit obligation) in the Consolidated Statement of Financial Position. The Company recognizes non-operating revenue and expense separately in the Consolidated Statement of Activities and Changes in Net Assets as an increase and a decrease, respectively, in consolidated unrestricted net assets.

Standards of Accounting and Reporting

The Company follows the standards of accounting and financial reporting as required by GAAP, whereby an organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The Consolidated Statement of Financial Position presents three classes of net assets (unrestricted, temporarily restricted and permanently restricted) and the Consolidated Statement of Activities and Changes in Net Assets displays the change in each class of net assets.

The classes of net assets applicable to the Company are presented as follows:

> *Unrestricted* - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.
>
> *Temporarily Restricted* - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For purposes of the accompanying Consolidated Statement of Cash Flows, the Company considers all unrestricted highly liquid investments that are readily convertible to known amounts of cash and with maturities of three months or less to be cash equivalents.

The Company maintains its cash balances at several financial institutions located in New England and the Midwest regions of the United States of America. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2016.

Revenue Recognition

TCB recognizes development revenue as earned, as defined by contracts. TCB also recognizes consulting and property management revenue as the services are performed. Substantially all of the revenue was derived from entities which own properties which TCB develops and manages throughout the United States in the ordinary course of business. During the year ended September 30, 2016, TCB recognized approximately $208,784 of previously written off notes receivable for development-related activities which is recorded in “development” revenue.

TCB recognizes income from property sales as properties are sold. If a property is sold prior to completion of development, revenue allocable to performance, after the sale, is deferred. Allocation of costs is determined based on the percentage of sales incurred to date and anticipated sales to estimated total sales. Such method is used because management considers total sales to be the best available measure of progress on property held for sale. Property held for sale is carried at the lower of cost or market.

TCB incurs salaries and related benefit costs on behalf of certain unconsolidated entities. As such, these costs are charged to the related entity when incurred and earned and recorded in “property management and site fees” revenue. For the year ended September 30, 2016, fees related to salaries and related benefit costs provided amounted to approximately $21 million.

The Company recognizes rental income, principally from short-term leases on apartment units, as the rents become due. For the year ended September 30, 2016, rental income amounted to approximately $15.7 million and is recorded in “property management and site fees” revenue.

Fee for service grants are recorded as revenue as costs related to the services provided are incurred and are included in “contributions and grants” revenue.

Contributions and donation grants are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions and donation grants are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition - continued

In a prior year, TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant ("Choice") by the *U.S. Department of Housing and Urban Development* ("HUD") for Cincinnati, Ohio's Avondale neighborhood. Choice supports communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. Choice revenue is recorded on a cost reimbursement basis. The funding is to be used for loans to approved projects, construction reimbursement costs and administrative costs. Choice grant revenue has been recorded net of the "costs directly associated with projects" on the Consolidated Statement of Activities and Changes in Net Assets.

Contributions Receivable

Conditional promises to give are not recognized in the Consolidated Financial Statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of September 30, 2016, management has determined any allowance would be immaterial.

Accounts and Fees Receivable

The Company carries its accounts and fees receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts and fees receivable outstanding for thirty days or more are deemed delinquent. Accounts and fees receivable are written off upon notification by the governmental agency or when deemed uncollectible. Accounts and fees receivable are adjusted for estimated realizability if the amounts to be received can be reasonably estimated and collection is reasonably assured.

On a periodic basis, the Company evaluates its accounts and fees receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of September 30, 2016, management has determined any allowance would be immaterial.

The Company does not have a policy to accrue interest on accounts and fees receivable or to require collateral or other security to secure the accounts and fees receivable. As of September 30, 2016, substantially all of the Company's accounts and fees receivable were due from various properties TCB owns and/or manages through affiliated entities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Notes and Interest Receivable

Notes receivable and accrued interest are recorded at estimated net realizable amounts. Notes receivable outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Company evaluates its notes receivable and estimates collectability, based on a history of past write-offs and collections, cash flow analysis, current credit conditions and underlying collateral, if any. Interest accrues in accordance with the agreements. The discounts on those amounts are computed using the U.S. Treasury rate based on the term of the note in the year the note is received.

As of September 30, 2016, substantially all of the Company's notes receivable were due from various properties TCB owns and/or manages through affiliated entities.

Deferred Revenue

Deferred revenue includes asset management fees, development revenue, lease incentive fees and prepaid payroll which have been paid or are due to the Company pursuant to certain contracts, but have not yet been earned.

Deferred revenue also includes American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program ("1602 Program") funds that are recognized on a straight-line basis over the life of the related asset.

Property Held for Sale

Property held for sale is recorded on the cost method. Costs associated with the acquisition, development and construction of property held for sale including property taxes, interest and insurance are capitalized as a cost of the project. Property held for sale consists of costs to develop low-income homeownership units and investigatory costs for 48 low-income housing projects located primarily in Connecticut, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia and Washington D.C. Included in property held for sale are 5 projects whose development is being funded through the Neighborhood Stabilization Program 2 ("NSP2").

Rental Property in Service and Property, Plant and Equipment

Rental property in service and property, plant and equipment are stated at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Consolidated Statement of Activities and Changes in Net Assets. Depreciation for rental property is computed under the straight-line method based on an estimated useful life of ten to forty years. Depreciation for furniture and equipment is computed under the straight-line method based on an estimated useful life of three to fifteen years. Depreciation for leasehold improvements is computed under the straight-line method over the life of the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of Long-lived Assets

The Company reviews its investment in long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. There were no impairment losses recognized during the year ended September 30, 2016.

Investments in Limited Partnerships/Limited Liability Companies

Investments in limited partnerships/limited liability companies, which own affordable housing projects that the Company does not control due to long-term restrictions on the projects, are accounted for on the equity method and are included in non-operating activities. During the year ended September 30, 2016, the Company's share of income or loss classified as other revenue (expense) from its investments in limited partnerships/limited liability companies totaled a loss of $900,637. As a general partner/managing member in limited partnerships/limited liability companies, the Company ceases recognition of losses for financial statement purposes once the cost of the investment is reduced to zero, except when the Company is required to fund operating losses per the partnership/operating agreement. Distributions may only be made in accordance with the partnership/operating agreements and approval of the regulatory agency, if any. During the year ended September 30, 2016, contributions and distributions amounted to $254,989 and zero, respectively. Declines in value of the investments which are deemed to be other than temporary are recognized as necessary.

Noncontrolling Interest in Subsidiaries

The Company owns an interest in various general partners and managing members ranging from 50% to 99%. The noncontrolling interest is accounted for on the equity method and is reported as a separate component of "unrestricted net assets" on the Consolidated Statement of Financial Position and as a separate component of the "change in net assets" on the Consolidated Statement of Activities and Changes in Net Assets.

Use of Estimates

In preparing the Company's Consolidated Financial Statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Program Income

Program income is gross income received by the Company directly generated by a grant supported activity, or earned only as a result of a grant agreement. Program income is recorded when received as "NSP2 restricted cash and cash equivalents". Expenditures of program income are either included in "NSP2 notes and interest receivable" if recoverable, or as "costs directly associated with projects" if not recoverable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and in the Consolidated Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on direct labor. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company. Immaterial amounts of fundraising expenses are included in general and administrative expenses.

Financial Information for 2015

The Consolidated Financial Statements include prior year comparative information without required disclosures. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Company's Consolidated Financial Statements for the year ended September 30, 2015.

Income Taxes

GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2016, the Company has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying Consolidated Financial Statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. There were no interest or penalties for the year ended September 30, 2016.

Fair Value Measurements

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

> **Level 1:** Quoted prices for identical instruments traded in active markets.
>
> **Level 2:** Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value Measurements - continued

Level 3: Significant inputs to the valuation model are unobservable.

Recurring Measurements

GAAP requires that certain assets and liabilities be recorded at fair value on a recurring basis. The Company had no assets or liabilities that were recognized or disclosed at fair value on a recurring basis under the above fair value hierarchy as of September 30, 2016. The Company's policy is to recognize transfers in and out of levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year ended September 30, 2016.

Non-recurring Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by GAAP.

The fair value hierarchy discussed above is not only applicable to assets and liabilities that are included in the Consolidated Statement of Financial Position, but is also applied to certain other assets that indirectly impact the Consolidated Financial Statements. For example, the Company sponsors and/or contributes to a postretirement benefit plan. Assets contributed by the Company become property of the individual plan. Even though the Company has no control over these assets, it is indirectly impacted by subsequent fair value adjustments to these assets. The actual return on these assets impacts the Company's future net periodic benefit cost, as well as amounts recognized in the Consolidated Statement of Financial Position. The Company uses the fair value hierarchy to measure the fair value of assets held by the postretirement plan. Assets held by the plan are comprised mainly of equity securities and bonds and are measured using Level 1 inputs.

In accordance with accounting standards for fair value measurements and disclosures, the Company measured the non-financial assets acquired in the acquisition of 2 properties at fair value using Level 2 inputs. Specifically, independent appraisals were obtained that applied the income capitalization approach in estimating fair value. For purposes of the direct capitalization analysis, the market value was estimated by dividing the estimate of net operating income by the capitalization rate, expressed as a percentage. Capitalization rates of 6.5% - 7.0% were used in determining the fair value of the non-financial assets acquired in these acquisitions (see Note 4).

Fair Value of Financial Instruments

The consolidated financial position of the Company as of September 30, 2016 includes certain financial instruments. In reviewing the financial instruments of the Company, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practicable to estimate that value. The carrying amounts and estimated fair value of the Company's financial instruments generally approximate fair values as of September 30, 2016.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value Measurements - continued

Fair Value of Financial Instruments - continued

Cash and cash equivalents, accounts and fees receivable, developer fees receivable, contributions receivable, due from affiliates, notes and interest receivable, NSP2 notes and interest receivable, accounts payable, accrued expenses, due to affiliates, NSP2 due to intermediary, NSP2 due to affiliates and deferred revenue reflected in the consolidated financial statements approximate fair value because of the short-term maturity of these instruments. The terms and conditions reflected in the long-term loans payable are not materially different from those that would have been negotiated as of September 30, 2016.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financing Fees

Financing fees are recorded at cost and are amortized over the respective lives of the related long-term debt using the effective interest rate. The amortization of loan costs is included in "depreciation and amortization" on the Consolidated Statement of Functional Expenses. Amortization expense amounted to $241,745 for the year ended September 30, 2016. Accumulated amortization amounted to $806,222 as of September 30, 2016. Estimated future amortization expense for financing fees for each of the next five years is as follows as of September 30:

2017	$ 183,447
2018	169,088
2019	145,154
2020	89,363
2021	74,011

Below Market Loans

Section 42 of the IRC governs the administration of the Low-Income Housing Tax Credit program ("LIHTC"), a tax incentive created to foster a legislated public policy directive of the United States to create low-income housing.

Other governmental entities, having a similar agenda to foster low-income housing, have lent money to the Company at advantageous terms.

The Company has not discounted these below market loans as they were made at arm's length and to preserve the integrity of costs eligible for tax credit under Section 42 of the IRC.

NOTE 2 - RENTAL PROPERTY IN SERVICE

"Rental Property in Service" includes 15 projects TCB owns located in Illinois, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania and Rhode Island. Rental property in service amounted to $87,927,193 as of September 30, 2016 and is generally funded by debt, totaling $69,652,877, included in "loans payable and accrued interest - rental property" on the Consolidated Statement of Financial Position.

Depreciation on rental property in service amounted to $1,697,981 for the year ended September 30, 2016.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

"Property, Plant and Equipment" is summarized as follows as of September 30, 2016:

Furniture and equipment	$ 776,312
Leasehold improvements	1,383,072
Total Property, Plant and Equipment	$ 2,159,384

Depreciation on property, plant and equipment amounted to $161,654 for the year ended September 30, 2016.

NOTE 4 - ACQUISITIONS

During the year ended September 30, 2016, the Company, as acquirer, purchased 2 properties from unrelated entities that, in accordance with GAAP, qualify as businesses. As a result of the acquisitions, the Company is expected to solely own, construct or rehabilitate low income housing in accordance with its mission. Cash paid approximates the properties' fair value of $17,067,468. Fair value was determined by independent appraisals at the time of sale using the income capitalization approach. At September 30, 2016, the properties are included in "rental property in service" on the Consolidated Statement of Financial Position.

NOTE 5 - RESTRICTED CASH AND CASH EQUIVALENTS

In connection with the NSP2 program, the Company is required to restrict funds for program income and development costs. As of September 30, 2016, the restricted cash accounts for program income and development had a balance of $2,995,325. This amount is included in current assets as they are expected to be expended during the year ended September 30, 2017.

In connection with the $5 million Capital Magnet Fund Agreement and other separate agreements, the Company is required to restrict funds to acquire, preserve and revitalize units for affordable housing. Failure to comply with the agreements could result in repayments of any assistance. As of September 30, 2016, the restricted cash account had a balance of $1,310,699, of which $498,253 has been reserved for guarantees on 4 projects, $760,147 has been reserved for development and preservation, and $52,299 relates to interest earned and program income maintained. Of the original $1,486,186 loaned to the 225 Centre Street project, $1,432,118 is outstanding and due as of September 30, 2016.

NOTE 5 - RESTRICTED CASH AND CASH EQUIVALENTS - continued

In connection with various regulatory agencies and lender's requirements, the Company has segregated funds for replacement reserves, mortgage and insurance escrows, real estate taxes, operating reserves and tenant security deposits. Some withdrawals are required to be approved by the lenders. As of September 30, 2016, the restricted cash accounts had a balance of $7,373,546.

In connection with eight individual escrow agreements with HUD, eight projects of TCB Cincinnati MF, LLC established NSP2 and repair escrows during the year ended of September 30, 2016 in the original amount of $4,732,323. The escrows were to be used for the sole purpose of making the required repairs and improvements to the respective projects in accordance with the escrows agreements. As of September 30, 2016, the restricted escrow balances, after the use of funds for the required purposes, were $1,930,047. For additional information on these restricted accounts, see Note 25.

The Company has entered into various contracts and has received grants from not-for-profit organizations and governmental agencies specifically for community and social services. The amounts are held in restricted cash accounts to be used for community and social services as outlined in the agreements. As of September 30, 2016, the restricted cash accounts had a balance of $547,089.

As of September 30, 2016, other restricted cash consisted of cash held in several accounts for various scholarships grants, development services and funds drawn but not expended which had a balance of $1,146,275.

NOTE 6 - BROWNFIELDS TAX CREDITS

During the year ended September 30, 2015, GBCD was awarded Brownfields Tax Credits under the Brownfields Cleanup Program administered by the *New York Department of Environmental Conservation* ("NYDEC"). Brownfields Tax Credits are allowed credits against a taxpayers tax liability for net response and removal costs incurred to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. In a prior year, GBCD agreed to loan *PS 6 Limited Partnership* ("PS6"), a related party, $10,000,000 in order to fund the rehabilitation, improvement and construction of a project consisting of 121 residential rental units for low-income families. As a result of the delay in funding, TCB loaned approximately $9.3 million in NSP2 funds to *PS6*. As of September 31, 2015, $5,192,609 of Brownfields Tax Credit proceeds was earned and was received during the year ended September 30, 2016. During the year ended September 30, 2016, an additional $12,000,492 of Brownfields Tax Credit proceeds was earned. The credit calculation is being reviewed by NYDEC and is subject to adjustment. Management does not expect a material adjustment as a result of NYDEC's review. The resulting income tax expense on GBCD totaled $2,383,025, which is included in "accrued expenses" on the Consolidated Statement of Activities.

NOTE 7 - NOTES AND INTEREST RECEIVABLE

TCB and *The Community Builders Charitable Trust* ("TCBCT") (a wholly owned entity) have made loans to fund pre-development expenses to various project entities. These notes receivable provide that the amounts are to be repaid at the earlier of the project closing, placement of permanent debt or some other event that results in repayment. Repayment can vary from two years to five years from the date of the notes, with interest ranging from 0% to 12%. As of September 30, 2016, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to $14,306,978, of which, $12,092,286 is due from one entity.

NOTE 7 - NOTES AND INTEREST RECEIVABLE - continued

TCB Hudson II LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court III LP* in the original amount of $1,700,000 purchased from U.S. Bank National Association, an unrelated entity. The note accrues simple interest at 8.3%. The note is collateralized by the project. Monthly payments of $12,831 are due on the first day of each month. Through January 1, 2017, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2018. As of September 30, 2016, principal and accrued interest were recorded at net realizable value of $2,540,863.

TCB Hudson LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court II LP* in the original amount of $700,000 purchased from The Community Development Trust, LP, an unrelated entity. The note accrues simple interest at 7.9%. The note is collateralized by the project. Monthly payments of $5,088 are due on the first day of each month. Through January 1, 2018, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2021. As of September 30, 2016, principal and accrued interest were recorded at net realizable value of $1,085,483.

TCB Cincinnati MF LLC has notes receivable from the buyers of several projects. The notes accrue interest at 3.5%, compounded monthly. The notes are collateralized by the projects. Monthly payments totaling $3,251 are due on the first day of each month. All principal and unpaid interest are due upon maturity on June 30, 2018. As of September 30, 2016, principal and accrued interest were recorded at net realizable value of $911,178.

TCB has a note receivable from *Kent Street Housing LP* in the original amount of $473,265, which accrues interest at a rate of 8%, compounded annually. The note is collateralized by the project. The note is to be repaid from cash flow, if any, as defined in the note agreement, or at maturity in December 2018. As of September 30, 2016, principal and accrued interest were recorded at net realizable value of $118,805.

TCB has made loans to twenty three project entities utilizing NSP2 funds. The repayment for these notes receivable can vary from one to thirty years, with interest ranging from 0% to 8%. As of September 30, 2016, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to zero.

As of September 30, 2016, other notes receivable of $154,156 remain outstanding. The other notes receivable interest rates range from 4.4% to 8.75% with maturity dates ranging from two years to forty years from the date of the note.

Interest income on TCB notes and *TCBCT* advances amounted to $2,695,820 which has been recognized in relation to these loans during the year ended September 30, 2016. Interest is included in "interest and other" on the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 8 - DEFERRED REVENUE

As of September 30, 2016, "deferred revenue" consisted of 1602 Program revenue (48%), development revenue (43%), prepaid payroll (6%), lease incentive fees (2%) and asset management fees (1%).

NOTE 9 - NSP2 DUE TO AFFILIATES

The majority of the "NSP2 due to affiliates" balance consists of 5 loans with interest rates ranging from 0% to 5%. These were advanced to various NSP2 projects to fund acquisition and/or construction. As of September 30, 2016, the balance is $8,444,096, of which $1,323,044 is included in "NSP2 due to affiliates, current portion" on the Consolidated Statement of Financial Position.

NOTE 10 - DUE TO AFFILIATES

The majority of the "due to affiliates" balance consists of short term loans made during the normal course of business to TCB from various non-consolidated real estate operating entities. Repayment of these loans is expected within one year. As of September 30, 2016, the balance is $2,920,290, of which $1,432,919 is due to one entity.

NOTE 11 - LINES OF CREDIT

Eastern Bank ("Eastern")

TCB has a revolving line of credit dated June 5, 2009, as amended from time to time up to and including the Third Amendment to Amended and Restated Loan and Security Agreement dated January 20, 2016, with *Eastern* for up to $5,000,000. The line of credit bears an interest rate equal to the Wall Street Journal Prime Rate plus 0.25%, currently 3.75%, and is due on demand and subject to annual renewal. Monthly payments of interest are required and principal shall be due and payable on demand. The note is secured by the assets of TCB except for those excluded assets as defined in the Third Amendment to the Loan and Security Agreement which have been previously pledged. In addition, the line of credit has been guaranteed by *Community Development, Inc.* ("CDI"), a not-for-profit affiliate. As required by the loan agreement, certain covenants must be met. As of September 30, 2016, the balance outstanding was $5,000,000.

Bank of America

TCB had a revolving line of credit dated December 30, 2011, as amended April 1, 2015, with *Bank of America* for up to $27,000,000 or 50% of the Borrowing Base, as defined in the agreement. The line of credit bore a floating interest rate equal to the daily 30-day LIBOR plus 3.75%. Monthly payments of interest were required and principal was due upon repayment to TCB of 100% of short-term NSP2 loan principal comprising the Borrowing Base, as defined in the agreement. All unpaid principal and accrued interest were due upon maturity, April 1, 2016. As required by the agreement, certain covenants needed to be met. During the year ended September 30, 2016, all outstanding principal and accrued interest balances were paid in full.

Local Initiatives Support Corporation ("LISC")

TCB has a revolving line of credit dated May 2, 2014 with *LISC* for up to $5,000,000. The line of credit bears simple interest equal to 6% per annum. Monthly payments of interest are required and all outstanding principal and accrued interest balances are due June 1, 2019. The note is secured by a first priority lien and perfected security interest in and collateral assignment of TCB's note receivable from *Historic South End Limited Partnership*. As required by the loan agreement, certain covenants must be met. As of September 30, 2016, the balance outstanding was $2,531,915.

NOTE 12 - LOANS PAYABLE AND ACCRUED INTEREST

Life Insurance Community Investment Initiative

TCB has a promissory note dated August 28, 2006 with *The Life Insurance Community Investment Initiative, LLC* for borrowings up to $2,500,000 to be used for specific properties. The note bears simple interest at 6%, payable monthly. Any unpaid principal and interest is due September 1, 2020. The note requires certain financial covenants. The note is secured by certain development fees of present and future rights, title and interest of selected projects as defined in the Amendment of Security Instruments Agreement dated November 2, 2015. As of September 30, 2016, the balance outstanding was $2,159,184.

The MacArthur Foundation ("MacArthur")

TCB has an unsecured promissory note dated July 13, 2007 with *MacArthur* for $2,000,000 at 1% simple interest per annum for a stated term of approximately five years. In accordance with the Second Loan Extension Agreement dated December 1, 2013, the note was decreased to $1,000,000. Accrued interest is paid quarterly and any remaining principal and unpaid interest was due December 1, 2016. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the area surrounding the Company's properties in the Oakwood Shores neighborhood of Chicago. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (5.15%) and the present value of the payments at the stated interest rate (1%) resulted in a loan present value of $1,639,001 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. The discount was fully amortized in a prior year. As of September 30, 2016, the principal and accrued interest outstanding was $1,000,000 and $22,959, respectively. Subsequent to year end, the outstanding principal and accrued interest was repaid in full when due.

TCB has an unsecured promissory note dated October 30, 2007 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due upon maturity, April 1, 2018. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.88%) and the present value of the payments at the stated interest rate (2%) was $468,866, resulting in a loan present value of $1,531,134 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2016, the note was recorded at $1,932,480.

NOTE 12 - LOANS PAYABLE AND ACCRUED INTEREST - continued

The MacArthur Foundation ("MacArthur") - continued

TCB has an unsecured promissory note dated December 18, 2009 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due between April 1, 2018 and April 1, 2020. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.11%) and the present value of the payments at the stated interest rate (2%) was $328,234, resulting in a loan present value of $1,671,766 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2016, the note was recorded at $1,887,921.

U.S. Bank National Association ("U.S. Bank")

TCB entered into a promissory note dated April 29, 2011 with *U.S. Bank* for $293,938 with interest at the Prime Rate of the lender for a stated term of five years, currently 3.5%. Accrued interest was paid monthly and any remaining principal and unpaid interest was due on April 29, 2016. The proceeds were used to secure the purchase of a promissory note by *TCB Hudson II LLC* from *U.S. Bank* with a purchase price of $1,693,938. The promissory note was due from *Lincoln Court II LP* to *TCB Hudson II LLC*. TCB owns 87.4% of *TCB Hudson II LLC*. The note was secured by a mortgage on the project's property. During the year ended September 30, 2016, all outstanding principal and accrued interest balances were paid in full.

Community Economic Development Assistance Corporation ("CEDAC")

During the year ended September 30, 2014, TCB entered into an unsecured promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Noquochoke Village* project. The total maximum amount is $654,000 with simple interest at 5.5% per annum. All principal and interest is due November 3, 2019. As of September 30, 2016, the balance outstanding was $275,445.

During the year ended September 30, 2014, TCB entered into an unsecured promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Quincy Terrace* project. The total maximum amount is $400,000 with simple interest at 7% per annum. All principal and interest is due at the earlier of first project closing or when construction financing was obtained for the project. As of September 30, 2016, the balance outstanding was $245,758.

Chicago Housing Authority ("CHA")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *CHA* for $8,000,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note is noninterest bearing and matures in February 2055. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note is secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. As of September 30, 2016, the balance outstanding was $8,000,000.

NOTE 12 - LOANS PAYABLE AND ACCRUED INTEREST - continued

JPMorgan Chase Bank, N.A. ("JPMorgan")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *JPMorgan* for $4,300,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note bears interest at LIBOR plus 3% and matures in February 2017. Accrued interest is paid monthly and any remaining principal and unpaid interest is due at maturity. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note is secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. As of September 30, 2016, the balance outstanding was $4,300,000. Subsequent to year end, the balance was fully satisfied.

IFF

During the year ended September 30, 2015, TCB entered into a promissory note dated February 13, 2015 with *IFF* for $600,000 to finance costs and expenses related to the predevelopment of the *TCB Willard Square Apartments* project. The note bears interest at 5% and matures in February 2020. Accrued interest is paid monthly and any remaining principal and unpaid interest is due at maturity. As of September 30, 2016, the balance outstanding was $600,000.

Low Income Investment Fund ("LIIF")

During the year ended September 30, 2016, TCB entered into a promissory note dated June 30, 2016 with *LIIF* for $2,000,000 to finance costs and expenses related to the predevelopment of the *Avondale Town Center North* project. The note is noninterest bearing and matures in June 2026. As of September 30, 2016, the balance outstanding was $2,000,000.

Cincinnati Development Fund, Inc. ("CDF")

During the year ended September 30, 2016, TCB entered into a promissory note dated February 11, 2016 with *CDF* for $300,000 to finance costs and expenses related to the predevelopment of the *Avondale Town Center NMTC* project. The note bears interest at 5% and matures in February 2017. Accrued interest is paid monthly and any remaining principal and unpaid interest is due at maturity. As of September 30, 2016, the balance outstanding was $300,000.

Predevelopment and Construction Loans

In support of its development activities at a number of geographic locations, the Company, through various sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of predevelopment and construction loans with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 7% and are generally secured by the property under development. Due dates are generally concurrent with construction completion ranging from 2017 to 2020. As of September 30, 2016, there are approximately 22 loans outstanding with principal and accrued interest balances totaling $4,570,936 and $178,199, respectively.

NOTE 12 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property

University Park Apartments LP and *Merrill Court Apartments LP* (both of which are wholly owned by the Company) have promissory notes ("the notes") with the *Illinois Housing Development Authority* ("IHDA") that were funded by the 1602 Program. The notes are secured by the property, are non-interest bearing and will be released in full in December 2026 and December 2027, respectively, provided a default does not exist. Upon the occurrence of a recapture event, as defined in the notes, the notes will be subject to recapture by IHDA in an amount equal to the original principal balances less 6.67% for each full year during the tax credit compliance period in which a Recapture Event has not occurred. Under the loan agreements, loan principal is released annually at a rate of 6.67% over the 15 year tax credit compliance period. As of September 30, 2016, the total amount outstanding was $8,746,668 and $2,981,544, respectively. During the year ended September 30, 2016, the amount released was $853,333 and $290,882, respectively, which was transferred to deferred revenue and will be recognized as income over the life of the related asset (see below). Loan proceeds funded with Section 1602 program funds, as noted above, are intended to assist with payment of development costs of low income housing tax credit properties. In exchange for the funds received, *University Park Apartments LP* and *Merrill Court Apartments LP* have agreed to operate the properties in accordance with Section 42 of the IRC. Portions of the loans which have been released are considered government assistance related to assets. *University Park Apartments LP* and *Merrill Court Apartments LP* record the portion of the loans released as deferred revenue which will be amortized and recognized as income on a straight line basis over the 40 year depreciable life of the building and improvements. As of September 30, 2016, included in deferred revenue was $2,533,333 and $863,557 respectively. During the year ended September 30, 2016, $320,000 and $109,081, respectively, was recognized as income and is included with "interest and other" on the Consolidated Statement of Activities and Changes in Net Assets.

University Park Apartments LP has a mortgage loan with the *Bellwether Enterprise Real Estate Capital, LLC.* The loan accrues interest at 3.6% and is secured by the property. The loan matures in 2050. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $3,928,357 and zero, respectively.

TCB Sever Street LLC (wholly owned by the Company) has a mortgage loan with the *CEDAC.* The loan accrues interest at 4.9% and is secured by the property. The loan matures in 2018. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $8,725,000 and zero, respectively.

1990 Ford Drive Owner LLC (wholly owned by the Company) has a mortgage loan with *KeyBank*, a mortgage loan with the *City of Cleveland*, and a mortgage loan with *University Circle West LLC*. The loans accrue interest from zero to 3.28% and are secured by the property. The loans mature in 2018. As of September 30, 2016, the principal balances outstanding range from $750,000 to $7,311,016. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $8,911,016 and $1,157, respectively.

TCB Central Pennsylvania, LLC (wholly owned by the Company) has a line of credit with *Enterprise Community Loan Fund*, a mortgage with *Redevelopment Authority of the County of Lancaster* and four mortgages with *Pennsylvania Housing Finance Authority*. The loans accrue interest from zero to 5% and are secured by the property. The loans have maturity dates ranging from 2017 to 2027. As of September 30, 2016, the principal balances outstanding range from $73,801 to $4,980,519. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $7,797,437 and zero, respectively.

NOTE 12 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property - continued

TCB Willard Square Apartments, LLC (wholly owned by the Company) has a mortgage loan with the *City of Chicago* and a mortgage loan with *Midland Loan Services, Inc.* The loans accrue interest from 3% to 4.37% and are secured by the property. The loans mature in 2044. As of September 30, 2016, the principal balances outstanding were $2,492,223 and $3,479,310, respectively. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $5,971,533 and $1,042,921, respectively.

TCB Pedestal Gardens LLC (wholly owned by the Company) has a mortgage loan with *Enterprise Community Loan Fund* and a mortgage with *Foresight Affordable Housing of Maryland, Inc*. The loans accrue interest from 1.75% to 5.5% and are secured by the property. The loans have maturity dates ranging from 2017 to 2030. As of September 30, 2016, total outstanding principal and accrued interest balances totaled $5,750,000 and $36,050, respectively.

In addition, in support of its rental activities at a number of geographical locations, the Company, through 9 sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of other mortgages with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 8% and are secured by the properties. The loans have maturity dates ranging from 2017 to 2042 and require monthly payments ranging from zero to $7,661. As of September 30, 2016, there are approximately 16 loans outstanding with principal balances ranging from $223,852 to $2,000,000. As of September 30, 2016, outstanding principal and accrued interest balances totaled $12,156,123 and $3,605,071, respectively.

As required by some mortgages, certain loan covenants must be met. Failure to meet these covenants would require the outstanding principal balance and accrued interest to be due and payable prior to the maturity date.

Maturities

Principal payments due during each of the next five years on the above-mentioned debt are as follows as of September 30:

2017	$ 21,528,438
2018	15,810,971
2019	9,985,703
2020	7,368,507
2021	530,369

Included in “loans payable and accrued interest, current portion - rental property” and “loans payable and accrued interest, current portion” on the Consolidated Statement of Financial Position is $548,572 and $201,158, respectively, of accrued interest.

For the year ended September 30, 2016, interest costs incurred was $3,671,755, of which $3,077,911 was expensed and $593,844 was capitalized.

NOTE 13 - CONTRIBUTIONS AND GRANTS

During the year ended September 30, 2010, the Company received a grant award of $78.6 million in funding from HUD as part of NSP2. The program was created to redevelop hard-hit communities, create jobs and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes and convert them to affordable housing, and it was funded by the American Recovery and Reinvestment Act of 2009. TCB was funded to work in Illinois, Indiana, Massachusetts, Connecticut, North Carolina, New York, Ohio, Pennsylvania, Virginia and Washington D.C. As of September 30, 2013, the entire grant had been earned. A substantial portion of this grant and its resulting program income is being used to provide loans to other entities which acquire the eligible properties. Those notes receivable are subjected to a collectability analysis similar to other development loans made by TCB. The reserve expense calculated by this analysis is shown as “costs directly associated with projects” on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2013, TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant by HUD for Cincinnati, Ohio’s Avondale neighborhood. Choice Neighborhood Implementation Grants support communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. The transformation plan is structured in four parts: housing, neighborhood, people and education. The core of the plan is the rehabilitation of five multifamily properties located along Avondale’s Reading Road thoroughfare and the infill of new mixed-income housing on vacant lots in the area. A total of 318 units of housing will be constructed or substantially rehabilitated. As of September 30, 2016, $12,336,111 has been earned and received, of which $3,994,597 was earned and received during the year ended September 30, 2016.

CDI, a charitable corporation, sold its building at 95 Berkeley Street, Boston, Massachusetts. During the year ended September 30, 2015, from the proceeds of the sale, CDI pledged $18,000,000 as a grant to TCB. The use of the grant is restricted by the board of directors. The pledged amount of $18,000,000 was received during the year ended September 30, 2016. During the year ended September 30, 2016, CDI granted an additional $10,552,000 to TCB, of which a portion was provided for TCB’s mission and a portion was restricted (see note 14).

In addition, the Company has received various unconditional grants and contributions. The majority of these grants and contributions are from governmental agencies.

NOTE 14 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of resources available to meet future obligations in compliance with the restrictions specified by donors. As of September 30, 2016, temporarily restricted net assets total $1,740,615. Of which, $537,091 is to be used to empower residents through engagement activities, life-skills education and training in the “Community Life” pilot programs in Ohio and Illinois and the remaining $1,203,524 is to be used for costs associated with the move and fit out of the new corporate office space.

NOTE 15 - DECONSOLIDATION

During the year ended September 30, 2016, upon admittance of new limited partners, TCB was replaced as the limited partner in 4 limited partnerships and these limited partnerships are no longer consolidated. The Company maintains control through the general partner interest and the limited partnerships are included with the affiliated sponsored entities (see Note 24). The Company recorded a gain of $21,118 as a result of the deconsolidation of these limited partnerships.

NOTE 16 - OPERATING LEASE OBLIGATIONS

TCB leases property and equipment under certain agreements requiring monthly payments of $1,710 to $115,988 expiring between 2017 and 2028. Future minimum lease payments for the next 5 years of non-cancelable operating leases consisted of the following as of September 30:

2017	$ 1,928,002
2018	2,011,568
2019	1,976,667
2020	2,019,751
2021	1,902,828

Total expense for operating leases was $975,610 for the year ended September 30, 2016.

NOTE 17 - EMPLOYEE BENEFITS

Defined Contribution Plan

The Company has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Employees are eligible to participate in the plan upon hire. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. Employees hired between March 1, 2008, are eligible to have their contributions matched by the Company after one year of service. Employees hired before March 1, 2008 were covered under the defined benefit retirement plan through February 29, 2016. Effective February 29, 2016, all employees have their contributions matched by the Company after one year of service. The matching rate is set by management on an annual basis and was up to 3% during the year ended September 30, 2016. Matching contributions incurred by the Company amounted to $653,166 under this plan for the year ended September 30, 2016.

Defined Benefit Retirement Plan

TCB maintains a non-contributory defined benefit retirement plan ("the Plan") covering many of its employees. Benefits paid are based on an employee's years of service and average compensation. TCB's policy is to fund amounts as necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to plan members in accordance with the requirements of the Employee Retirement Income Security Act of 1974. TCB is the plan administrator. The custodian of the Plan's assets is BMO Harris Bank, N.A. The assets of the Plan are invested in a mix of corporate common stocks and debt instruments and fixed income vehicles.

The Plan was amended, effective March 1, 2008. The amendment disallows employees hired on or after March 1, 2008 to enter the Plan. Employees hired prior to March 1, 2008 remain eligible to participate in the Plan. The amendment also provides for an additional 1.275% of average annual compensation for credited service in excess of 35 years but not in excess of 38 years. The Plan was further amended, effective February 29, 2016. The amendment freezes all accrued benefits as of February 29, 2016, and therefore no further benefits shall be earned or accrued thereafter. Participant's accrued benefits, final average earnings, years of credit service, and social security covered compensation are determined as of February 29, 2016, or the date of participant's employment termination, if earlier.

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

The following table sets forth the Plan's funded status and amounts recognized in the Company's Consolidated Statement of Financial Position as of September 30, 2016:

Change in Benefit Obligations:	
Benefit obligations at beginning of year	$ 41,537,000
Service cost	495,000
Interest cost	1,854,000
Actuarial loss	4,963,000
Benefits paid	(791,000)
Curtailments, settlements, & special termination benefits	(2,186,000)
Benefit obligations at end of year	$ 45,872,000
Change in Plan Assets:	
Fair value of plan assets at beginning of year	$ 25,856,000
Employer contributions	1,495,000
Actual return on plan assets	2,128,000
Benefits paid	(791,000)
Fair value of plan assets at end of year	$ 28,688,000
Reconciliation of Funded Status:	
Funded status at September 30, 2016	$ (17,184,000)
Unrecognized net actuarial loss at September 30, 2016	12,772,000
Net amount recognized at September 30, 2016	$ (4,412,000)
Funded status at September 30, 2015	$ (15,681,000)
Unrecognized net actuarial loss at September 30, 2015	12,487,000
Unrecognized prior service cost	1,000
Net amount recognized at September 30, 2015	$ (3,193,000)

Amounts recognized on the Consolidated Statement of Financial Position consist of:

Prepaid benefit cost	$ -
(Accrued) benefit liability	(17,184,000)
Effect on net income (loss) for change in additional minimum liability	12,772,000
Net amount recognized	$ (4,412,000)
Non-current accrued pension cost liability	$ 17,184,000*

*Of which $215,613 is included in accounts payable.

Accumulated benefit obligation	$ 45,872,000

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

Additional year end information for plans with benefit obligations and accumulated benefit obligations in excess of plan assets:

Benefit obligation	$ 45,872,000
Accumulated benefit obligation	$ 45,872,000
Fair value of plan assets	$ 28,688,000

The components of net periodic benefit costs included in "salaries and related costs" on the Consolidated Statement of Functional Expenses as of September 30, 2016 are:

Service cost	$ 1,187,000
Interest cost	1,854,000
Expected return on plan assets	(1,973,000)
Amortization of net loss	2,336,000
Effects of curtailments & settlements	(692,000)
Net period benefit costs	$ 2,712,000

Pension related changes other than net periodic benefit cost, included in "other revenue" on the Consolidated Statement of Activities and Changes in Net Assets:

Net gain	$ 2,622,000
Amortization of net loss to net periodic benefit cost	(2,336,000)
	$ 286,000

As of September 30, 2016:

Employer contributions	$ 1,495,000
Plan participant contributions	$ -
Benefits paid	$ 791,000

The applicable rates used by the actuary in calculating the present value of the projected benefit obligations as of September 30, 2016 are as follows:

Discount rate	4.08%
Expected return on plan assets	7.50%
Salary increases	3.00%

The Company considers various factors in estimating the expected long-term rate of investment return. Among the factors considered include input from actuaries, historical long-term investment returns, the current and expected allocation of the Plan investments and long-term inflation assumptions.

The Company's expected long-term rate of return on assets is based on historical returns.

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

The Plan's target asset allocation by asset category as of September 30, 2016 is as follows:

Equity securities	55%
Bonds	45%
Total	100%

The Plan's actual asset allocation by asset category as of September 30, 2016 is as follows:

Equity securities	58%
Bonds	40%
Cash	2%
Total	100%

The Company estimates that contributions to be paid during the year ended September 30, 2017 will be approximately $1,115,000.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be:

2017	$ 1,161,000
2018	1,480,000
2019	1,559,000
2020	1,732,000
2021	1,931,000
2022-2026	11,810,000

NOTE 18 - RELATED PARTY TRANSACTIONS

TCB's Chief Executive Officer is the owner of *Mitchell Properties*. *Mitchell Properties* and TCB formed a joint venture with common ownership to develop *225 Centre Street*. During a prior year, with Board approval, TCB loaned $1,486,186 of Capital Magnet Funds to an entity controlled by *Mitchell Properties* to aid in its development of commercial space located at *225 Centre Street*. The loan bears interest at 12% compounded annually and is due December 2019. As of September 30, 2016, principal and accrued interest were recorded at a net realizable value of zero. In connection with the development of *225 Centre Street*, TCB and *Mitchell Properties* each earned 50% of the developer fee. The entire fee was paid to TCB. As of September 30, 2016, TCB owes *Mitchell Properties* $547,067 for their share of the developer fee.

TCB earned property management, accounting, legal, consulting and development fees and site payroll reimbursements of $38,859,912 for the year ended September 30, 2016 from certain limited partnerships in which TCB's subsidiaries are general partners. As of September 30, 2016, $17,196,639 of fees and reimbursements from these partnerships is outstanding and is included in "accounts and fees receivable, net" and "developer fees receivable, net" on the Consolidated Statement of Financial Position.

NOTE 18 - RELATED PARTY TRANSACTIONS - continued

CDI

TCB works closely with *CDI*, a charitable corporation. TCB earned property management fees, site payroll reimbursements, legal, consulting and accounting fees from *CDI*, an affiliate of TCB, for services performed related to the property located at 95 Berkeley Street in Boston, Massachusetts. During the year ended September 30, 2016, the property was sold. TCB was a major tenant of the building, occupying approximately 32,108 square feet of office space. The lease was transferred to the new property owner and was set to expire on December 31, 2017, with an option to terminate on any date after October 1, 2016 with proper notice as defined in the Third Amendment to the Lease. Subsequent to year end, TCB moved and terminated the lease early in accordance with the agreement. Included in "other" on the Consolidated Statement of Functional Expenses for the year ended September 30, 2016, is $577,221 which relates to TCB's rental agreement with *CDI*. As of September 30, 2016, no rent and utility payments were outstanding.

In a prior year, *CDI* paid for $203,300 of leasehold improvements as an incentive for TCB to occupy additional space in the building. TCB has capitalized the leasehold improvements and incurred a deferred lease incentive of $203,300, which will be amortized over the life of the lease. The unamortized deferred lease incentive of $157,095 is included in "deferred revenue" on the Consolidated Statement of Financial Position.

During the year ended September 30, 2016, *CDI* granted $10,552,000 to TCB (see Note 13).

New Hope Community Capital, Inc. ("New Hope")

TCB works closely with *New Hope*, a charitable corporation. In accordance with the agreement, TCB earned asset management, accounting and consulting fees from *New Hope* of $932,336 for the year ended September 30, 2016. As of September 30, 2016, New Hope prepaid fees totaled $507,876, which is included in "due to affiliates" on the Consolidated Statement of Financial Position. During the year ended September 30, 2016, *New Hope* provided $776,000 of operating advances to TCB, which is also included in "due to affiliates" on the Consolidated Statement of Financial Position.

As of September 30, 2016, TCB has advanced funds for operating costs to *New Hope*, totaling $278,651, which are outstanding and are included in "due from affiliates" on the Consolidated Statement of Financial Position.

During the year ended September 30, 2016, TCB entered into a Loan Agreement with *New Hope* for a total of $10,500,000 using NSP2 proceeds for the purpose of providing funds to third parties for development of housing pursuant to the NSP2 regulations. The note accrues interest at 1% per annum and matures in June 2034. For the first ten years, payments of all accrued and unpaid interest are due 90 days after each fiscal year end of *New Hope*. For the last ten years, a TCB approved schedule of principal and interest payments will be developed. As of September 30, 2016, TCB has advanced cash of $2,366,316 to *New Hope* and has assigned notes and interest receivable valued at $2,481,527 related to this Loan Agreement. During the year ended September 30, 2016, the note was amended and reduced by $5,652,157 and no further funds will be advanced. As of September 30, 2016, the note receivable was recorded at a net realizable value of zero.

NOTE 19 - TCB CDE

TCB CDE entered into an Amended Allocation Agreement with the CDFI Fund, in which *TCB SUB-CDE I - XVIII, LLC* (eighteen entities) have become approved "Subsidiary Allocatees" of *TCB CDE*. *TCB CDE* is the managing member of the Subsidiary Allocatees. The Allocation Agreement places restrictions on *TCB CDE's* operations, including but not limited to, a specific geographical area of the low-income communities *TCB CDE* must serve. *TCB CDE* has been approved to serve low-income communities on a national basis. As of September 30, 2016, of the ninth round $25,000,000, tenth round $25,000,000 and twelfth round $40,000,000 NMTC allocations, $25,000,000, $25,000,000 and $25,500,000, respectively, has been allocated to the Subsidiary Allocatees.

TCB CDE is entitled to sub-allocation and asset fees as described in the operating agreements of the Subsidiary Allocatees. The sub-allocation fees are equal to 3% to 4% of a Qualified Equity Investment from each Subsidiary Allocatee. The sub-allocation fees are deferred and recognized on a straight line basis over the seven year compliance period of the NMTC period. The asset fees are equal to 0.5% of a Qualified Equity Investment from each Subsidiary Allocatee. The asset fees are recognized as costs related to the services provided under the agreement are incurred. During the year ended September 30, 2016, *TCB CDE* earned $1,015,000 from sub-allocation fees and $279,999 from asset management fees.

TCB CDE has a 0.01% non-controlling membership interest in the Subsidiary Allocatees which is accounted for using the equity method.

The following is the unaudited financial information of the Subsidiary Allocatees, which have not been consolidated in these Consolidated Financial Statements as of and for the year ended September 30, 2016:

Total Assets	$ 75,346,860
Total Liabilities	$ 140,635
Equity	75,206,225
Total Liabilities and Equity	$ 75,346,860
Revenue	$ 965,673
Expense	(396,766)
Net Income	$ 568,907
Net Income Allocated to *TCB CDE*	$ 569
Net Income Allocated to Other Members	$ 568,338

TCB CDE's NMTCs are contingent on the Subsidiary Allocatees maintaining compliance with applicable sections of Section 45D of the IRC during the seven year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest.

NOTE 20 - SALE OF RENTAL PROJECTS

During the year ended September 30, 2016, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Eatondale CR, LLC* and sold *Eatondale Apartments* for a purchase price of $412,500. The transaction resulted in a loss of $340,293, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2016, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Eatondale North CR, LLC* and sold *Eatondale North Apartments* for a purchase price of $225,000. The transaction resulted in a loss of $186,261, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2016, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Woodside CR, LLC* and sold *Woodside Apartments* for a purchase price of $225,000. The transaction resulted in a loss of $185,927, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2016, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Nassau Avenue Investments, LLC* and sold *Lexington Apartments, Raffel Apartments and Saints Rest I Apartments* for a purchase price of $234,000. The transaction resulted in a loss of $531,203, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

Subsequent to year end, *TCB Cincinnati MF LLC* sold additional properties (see note 26). These transactions and the future expected loss from the sale of two additional projects in the next fiscal year resulted in a loss of $2,869,935, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

In connection with the above sales and the sales subsequent to year end (see Note 26), $7,349,468 of due to affiliates balances were forgiven, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 21 - INVOLUNTARY CONVERSION OF NON-MONETARY ASSETS TO MONETARY ASSETS

During 2015, 38 units of *TCB Cincinnati MF LLC's* project King Tower Apartments were damaged due to a significant fire. As a result of the fire, King Tower expected to receive insurance proceeds of $1,823,326, of which $1,670,338 was expected to be received during fiscal year 2016. This damage resulted in a net fixed asset impairment loss of $555,428 during the year ended September 30, 2015. Insurance proceeds, less the loss on impairment, resulted in recognizing a gain on the involuntary conversion of nonmonetary assets to monetary assets of $1,267,898 for the year ended September 30, 2015 which is included in "other revenue (expense)" on the accompanying Consolidated Statement of Activities and Changes in Net Assets.

During 2016, construction was completed. During the year ended September 30, 2016, $1,240,489 of insurance proceeds were received and a loss of $77,220 was recognized. The remaining balance of insurance proceeds of $352,629 from the 2015 insurance claims is expected to be received in fiscal year 2017. In addition, during 2016, an additional insurance claim was made for additional repairs in the amount of $1,130,630, which was received during fiscal year 2017. Subsequent to year end, King Tower Apartments was sold (see note 26).

NOTE 22 - SUPPLEMENTAL DISCLOSURES ON CASH FLOWS AND NON-CASH INVESTING AND FINANCING TRANSACTIONS

Supplemental disclosures on cash flows:

Cash paid for interest	$ 2,158,800
Capitalized interest	$ 593,844

Non-cash investing and financing transactions:

Rental property in service acquisitions financed with loan proceeds	$ 17,192,079
Restricted cash and cash equivalents funded with loan proceeds	2,933,326
Rental property in services sales proceeds financed with notes receivable	911,177
Notes payable and accrued interest repaid with loan proceeds	587,696
Financing fees paid with loan proceeds	196,051
Notes payable repaid with property held for sale sales proceeds	1,672,336
1602 Program loan release classified as deferred revenue	715,134
Property held for sale transferred to rental property in service	214,871

NOTE 23 - COMMITMENTS AND CONTINGENCIES

In connection with the Company's development and financing activities, under certain terms and conditions, the Company has committed to advance funds to various entities to meet capital and operating requirements. In general, it is the Company's policy to limit its guarantee obligations (other than construction loan or completion guaranties, or environmental indemnities, which are generally required to be unlimited by investors and lenders) on individual developments to no more than 150% of the fees the Company receives in connection with the project. The Company has currently guaranteed approximately $324 million on behalf of 115 entities. In addition to the quantifiable guarantees, there are 35 unlimited guarantees across 33 entities for such events as recapture of credits, repurchase of investor limited partner interests, tax credit adjusters and environmental indemnification. As of September 30, 2016, there were no guarantee liabilities accrued.

As general partners, the subsidiaries of TCB can be exposed to legal and financial liabilities, in certain situations, on behalf of the limited partnerships, beyond their equity investments in the limited partnerships.

The Company is involved in various legal actions arising in the normal course of business. In the opinion of the Company's management, the liability, if any, for such contingencies will not have a material effect on the Company's Consolidated Financial Position.

The Company entered into 53 note agreements with various federal, state and local housing agencies, in the amount of approximately $32.6 million, relating to various development properties. Repayment of the notes will be required only in the event that certain affordable housing and other restrictions, as defined in the note agreements, are not met. In the opinion of management, it is remote that these restrictions will not be met and, as such, a liability has not been accrued.

NOTE 24 - AFFILIATED SPONSORED ENTITIES

GAAP provides guidance on whether a partnership should be consolidated by one of its partners. The assessment of limited partners' rights and their impact on the presumption of control of the limited partnership by the general partner should be made when an investor(s) first becomes a general partner(s) and should be reassessed at each reporting period thereafter for which financial statements of the general partner are prepared.

The Company, through its for-profit subsidiaries which act as general partner or managing member, has approximately a .01% to 1% controlling interest in approximately 122 limited partnerships and limited liability companies which have not been consolidated into these financial statements, even though consolidation is required under GAAP. Those for-profit subsidiaries which are general partners of partnerships, but not the subsidiaries which are managing members of LLCs, have unlimited liability for the recourse obligations of the applicable partnerships. Project expense includes depreciation, amortization, interest and resident services. The following unaudited information summarizes the financial condition of the entities as of September 30, 2016:

Total Assets	$ 1,601,095,086
Total Liabilities	$ 1,329,986,705
Equity	271,108,381
Total Liabilities and Equity	$ 1,601,095,086
Revenue	$ 97,975,750
Operating Expense	(70,064,775)
Project Expense	(81,341,914)
Net Loss	$ (53,430,939)

NOTE 25 - HUD SETTLEMENT

In December 2012, TCB Cincinnati MF LLC, a wholly owned subsidiary of the Company, acquired a portfolio of 19 highly distressed properties in Cincinnati, Ohio, all of which had Housing Assistance Payment ("HAP") Contracts with HUD. In late 2015, certain properties failed HUD inspections conducted by the Real Estate Assessment Center ("REAC"), resulting in allegations by HUD that TCB Cincinnati MF LLC was in default under the applicable HAP Contracts, creating potential liability for contract termination and civil money penalties. TCB promptly created repair escrows (see Note 5) and corrected all the unacceptable physical conditions, and received passing REAC scores on all properties in early 2016 (other than two which were vacated). To resolve any risk of remaining liability or penalty, TCB entered into a settlement agreement with HUD concerning this matter on November 10, 2016. Per the HUD settlement agreement, $1,550,000 is included in "accrued expense" for tenant reimbursement ($1,250,000) and for a settlement payment ($300,000). During the year ended September 30, 2016 and subsequent to year end, 2 properties were vacated and will be demolished and the remaining properties were sold (see Note 20 and 26).

NOTE 26 - SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through February 8, 2017, which is the date the Company's Consolidated Financial Statements were available to be issued. No material subsequent events, other than the items disclosed below, have occurred since September 30, 2016 that required recognition or disclosure in these Consolidated Financial Statements.

Subsequent to year end, and in accordance with existing Purchase and Sale Agreements, TCB Cincinnati MF LLC sold *Chapel Square Apartments, Scattered Site Apartments and Walnut Hills Estates* to *Nassau Avenue Investments, LLC* on November 10, 2016 for $2,517,000 and the *King Towers Apartments* to *Kingstower Woodside CR, LLC* on December 20, 2016 for $687,500. TCB Cincinnati MF LLC is also a party to a Purchase and Sale Agreement under which TCB Cincinnati MF LLC plans to sell the *Jan Apartments* and *Senate Apartments* to *Azeotropic Partners LLC* for $964,000. TCB Cincinnati MF LLC plans to relocate the tenants and demolish the *Hale Apartments* and *Shiloh Manor Apartments* during the upcoming fiscal year.

THE COMMUNITY BUILDERS, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015

March 29, 2015

Dear TCB Partners,

I am pleased to enclose a copy of the audited financial statements of The Community Builders, Inc. (TCB) and Subsidiaries for the year ended September 30, 2015.

At TCB, our mission is to build and sustain strong communities. We do so in 30 cities located in 14 states in the Northeast, Midwest and Mid-Atlantic U.S. Our work has a profound positive effect on the health and access to opportunity for families and seniors who call a TCB community "home", and a demonstrable positive effect on the surrounding neighborhoods as well. Our 550 staff people are incredibly proud of the difference that we make.

Our financial statements reflect another year with a positive net financial contribution, an increase in total net assets, and an increase in current assets. Total net assets now equal $34.8 million for TCB and consolidated entities, and current assets equal $76.1 million. Not consolidated are the LIHTC limited partnerships if not 100 percent controlled by TCB. Consolidating such entities would add nearly $1.5 billion to total assets, as shown in Note 24.

The enclosed financial statement reference a material post-fiscal-year-end event that has occurred, in which the unrelated nonprofit Community Development Inc. has sold the office building at 95 Berkeley Street and granted $18 million of the proceeds to The Community Builders, Inc. That has had an additional positive effect on TCB finances. As of this writing, all lines of credit have been paid to zero, there are multimillion dollar positive operating cash balances, and Community Development Inc. retains large additional cash balances, some of which will be used for future grants to TCB in fiscal 2016 and beyond. Such resources help provide us the growth capital to do more, the ability to make select investments in existing assets, and to ability to continue our groundbreaking outcome-based Community Life with families and seniors.

Thank you for being a partner in the work that we do. Should you have any questions about the enclosed financial statements, please do not hesitate to call on us.

Sincerely,

Bart Mitchell
President and CEO

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015

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Kevin P. Martin & Associates, P.C.
ASSURANCE | TAX | RISK MANAGEMENT | IT ADVISORY

Independent Auditors' Report

To the Board of Directors of
The Community Builders, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Community Builders, Inc. (a not-for-profit organization) and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of September 30, 2015, and the related consolidated statements of activities and changes in net assets, 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 auditors' 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 qualified audit opinion.

AN INDEPENDENT MEMBER OF BKR INTERNATIONAL
10 Forbes Road, Braintree, Massachusetts 02184
781-380-3520 | info@kpm-us.com | www.kpm-us.com

Basis for Qualified Opinion

In compliance with regulatory requirements, the consolidated financial statements present the financial position and results of operations, in accordance with accounting principles generally accepted in the United States of America, of the Company only. The consolidated financial statements do not include the affiliated legally-separate for-profit entities which the Company has sponsored in furtherance of its affordable housing charitable mission. Summarized financial information of, and transactions with, those sponsored entities are disclosed in the accompanying notes to these consolidated financial statements (see Note 24).

Qualified Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2015, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, except that legally-separate for-profit entities sponsored by the Company are not reported within the basic consolidated financial statements.

Report on Summarized Comparative Information

We have previously audited the Company's 2014 consolidated financial statements, and our report dated February 6, 2015, expressed a qualified opinion because of the departure from accounting principles generally accepted in the United States of America described in the Basis for Qualified Opinion paragraph. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Novogradac P. Martens & Amato P.C.

March 15, 2016

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Position
As of September 30, 2015
With Comparative Totals as of September 30, 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	$ 6,456,329	$ 11,844,424
NSP2 restricted cash and cash equivalents	7,227,678	3,170,027
Accounts and fees receivable, net	16,066,132	9,228,633
Developer fees receivable, net	10,080,089	10,221,477
Contributions receivable	18,000,000	-
Insurance receivable	1,670,338	-
Due from affiliates	1,728,445	1,614,224
Notes and interest receivable, current portion	1,280,490	449,795
NSP2 notes and interest receivable, current portion	2,074,266	12,053,843
Property held for sale, current portion	10,398,548	22,939,460
Prepaid expenses	1,160,640	953,690
Total Current Assets	76,142,955	72,475,573
Rental Property in Service	74,436,904	65,034,735
Less: accumulated depreciation	(13,742,679)	(9,170,030)
Net Rental Property in Service	60,694,225	55,864,705
Property, Plant and Equipment	1,775,889	1,756,125
Less: accumulated depreciation	(1,380,153)	(1,236,310)
Net Property, Plant and Equipment	395,736	519,815
Other Assets		
Restricted cash and cash equivalents	7,126,059	7,862,983
Notes and interest receivable, net of current portion	18,072,807	6,018,322
NSP2 notes and interest receivable, net of current portion	94,528	1,582,208
Investments in limited partnerships	3,175,219	2,138,889
Property held for sale, net of current portion	9,658,697	5,244,309
Financing fees, net of accumulated amortization	925,412	786,573
Total Other Assets	39,052,722	23,633,284
Total Assets	$ 176,285,638	$ 152,493,377
Liabilities and Net Assets		
Current Liabilities		
Lines of credit, current portion	$ 10,398,673	$ 12,398,673
Loans payable and accrued interest, current portion - rental property	9,518,487	8,986,175
Loans payable and accrued interest, current portion	8,894,340	9,911,546
Accounts payable	7,563,896	9,021,498
Accrued expenses	5,004,459	4,697,052
Deferred revenue, current portion	1,680,844	1,403,582
Due to affiliates	2,611,773	828,504
NSP2 due to intermediary	6,076,678	9,019,881
NSP2 due to affiliates, current portion	574,106	5,194,941
Total Current Liabilities	52,323,256	61,461,852
Long-Term Obligations		
Lines of credit, net of current portion	4,930,556	4,568,202
Loans payable and accrued interest, net of current portion - rental property	40,476,419	30,768,565
Loans payable and accrued interest, net of current portion	15,685,544	5,617,726
Deferred revenue, net of current portion	4,126,086	3,085,512
Accrued pension cost	15,351,551	11,824,310
NSP2 due to affiliates, net of current portion	8,556,413	3,917,807
Total Long-Term Obligations	89,126,569	59,782,122
Total Liabilities	141,449,825	121,243,974
Net Assets		
Unrestricted net assets, controlling	15,579,918	30,330,391
Unrestricted net assets, noncontrolling	506,158	197,907
Total Unrestricted Net Assets	16,086,076	30,528,298
Temporarily restricted net assets	18,749,737	721,105
Total Net Assets	34,835,813	31,249,403
Total Liabilities and Net Assets	$ 176,285,638	$ 152,493,377

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	2015	2014
Operating Revenue		
Development	$ 20,204,375	$ 22,361,398
Property management and site fees	42,398,443	38,824,346
Contributions and grants	20,473,957	1,299,284
Net gain from sale of rental projects	9,327,746	3,665,396
Interest and other	2,361,668	3,145,995
Forgiveness of debt	-	377,910
Proceeds from sale of homeownership property	4,738,609	221,155
Less: cost of homeownership property sold	(8,387,296)	(221,155)
Net loss from sale of homeownership property	(3,648,687)	-
Total Operating Revenue	91,117,502	69,674,329
Operating Expenses		
Program services	74,602,459	68,569,462
General and administrative	5,098,381	6,557,786
Total Operating Expenses	79,700,840	75,127,248
Operating Income (Loss) Before Other Activity	11,416,662	(5,452,919)
NSP2 Grant	-	-
Less: costs directly associated with projects	(11,058,971)	(16,642,737)
Net NSP2 Grant	(11,058,971)	(16,642,737)
Choice Grant	7,580,192	571,730
Less: costs directly associated with projects	(7,149,724)	-
Net Choice Grant	430,468	571,730
Proceeds From Brownfields Tax Credit	5,192,609	-
Operating Income (Loss)	5,980,768	(21,523,926)
Other Revenue (Expense)		
Gain (loss) from investments in limited partnerships	130,480	(73,672)
Gain on involuntary conversion	1,267,898	-
Pension related changes other than net periodic pension cost	(4,532,028)	1,552,000
Total Other Revenue (Expense)	(3,133,650)	1,478,328
Change in Net Assets Before Equity Contributions and (Loss) Gain Attributable to Noncontrolling Interest	2,847,118	(20,045,598)
Equity contributions	466,768	-
(Loss) gain attributable to noncontrolling interest	(134,893)	129,301
Change in Net Assets	3,178,993	(19,916,297)
Net Assets, Beginning of Year	31,249,403	51,165,700
Deconsolidation of entities	407,417	-
Net Assets, End of Year	$ 34,835,813	$ 31,249,403

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets - continued
For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	2015			2014
	Controlling Interest	**Noncontrolling Interest**	**Total**	**Total**
Changes in Unrestricted Net Assets				
Unrestricted Net Assets, Beginning of Year	$ 30,330,391	$ 197,907	$ 30,528,298	$ 50,496,226
Operating income (loss)	5,980,768	-	5,980,768	(21,523,926)
Equity contributions	23,624	443,144	466,768	-
(Loss) gain attributable to noncontrolling interest	-	(134,893)	(134,893)	129,301
Gain (loss) from investments in limited partnerships	130,480	-	130,480	(73,672)
Deconsolidation of entities	407,417	-	407,417	-
Gain on involuntary conversion	1,267,898	-	1,267,898	-
Pension related changes other than net periodic pension cost	(4,532,028)	-	(4,532,028)	1,552,000
Temporarily restricted grants	(18,165,557)	-	(18,165,557)	(1,712,339)
Net assets released from restrictions	136,925	-	136,925	1,660,708
Unrestricted Net Assets, End of Year	$ 15,579,918	$ 506,158	$ 16,086,076	$ 30,528,298
Changes in Temporarily Restricted Net Assets				
Temporarily Restricted Net Assets, Beginning of Year	$ 721,105	$ -	$ 721,105	$ 669,474
Temporarily restricted grants	18,165,557	-	18,165,557	1,712,339
Net assets released from restrictions	(136,925)	-	(136,925)	(1,660,708)
Temporarily Restricted Net Assets, End of Year	$ 18,749,737	$ -	$ 18,749,737	$ 721,105

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	2015	2014
Operating Activities Cash Flows		
Change in net assets	$ 3,178,993	$ (19,916,297)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Discount accretion on below market rate loans	77,036	98,657
Depreciation and amortization	2,038,499	2,354,093
Equity contributions	(23,624)	-
Net gain from sale of rental projects	(9,327,746)	(3,665,396)
Forgiveness of debt	-	(377,910)
Release of deferred revenue related to 1602 Tax Credit Exchange Program	(429,081)	(429,080)
NSP2 due to intermediary	-	9,019,881
(Gain) loss from investments in limited partnerships	(130,480)	73,672
Gain on involuntary conversion	(1,267,898)	-
Decrease (increase) in assets		
Accounts and fees receivable, net	(6,800,346)	597,039
Developer fees receivable, net	141,388	(2,246,458)
Contributions receivable	(18,000,000)	-
Prepaid expenses	(198,511)	(127,429)
Property held for sale	4,213,670	(11,212,671)
Notes and interest receivable	6,666,333	5,857,774
NSP2 notes and interest receivable	11,467,257	5,210,002
Increase (decrease) in liabilities		
Accounts payable	(881,647)	2,879,140
Accrued expenses	246,727	411,255
Accrued interest	327,345	421,948
Deferred revenue	602,701	268,725
Accrued pension cost	3,527,241	258,310
Net cash used in operating activities	(4,572,143)	(10,524,745)
Investing Activities Cash Flows		
Deposits to restricted cash and cash equivalents	(46,670,224)	(41,266,645)
Withdrawals from restricted cash and cash equivalents	43,349,497	49,526,803
Advances to affiliates, net	3,264,593	(750,162)
Insurance claim proceeds	152,988	-
Purchase of long term assets	(1,958,066)	(285,118)
Net cash (used in) provided by investing activities	(1,861,212)	7,224,878
Financing Activities Cash Flows		
Equity contributions	23,624	-
NSP2 due to affiliates	1,980,771	2,283,397
NSP2 due to intermediary	(2,943,203)	-
Advances on lines of credit	7,024,149	11,568,202
Repayments of lines of credit	(8,661,795)	(6,380,450)
Proceeds from loans	9,822,253	5,337,251
Repayments of loans	(6,200,539)	(1,177,828)
Net cash provided by financing activities	1,045,260	11,630,572
Net (Decrease) Increase in Cash and Cash Equivalents	(5,388,095)	8,330,705
Cash and Cash Equivalents, Beginning of Year	11,844,424	3,513,719
Cash and Cash Equivalents, End of Year	$ 6,456,329	$ 11,844,424

Supplemental Disclosures on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 22.

See accompanying notes to the consolidated financial statements.

THE COMMUNITY BUILDERS, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	Program Services	General and Administrative	2015 Total	2014 Total
Salaries and related costs	$ 37,245,522	$ 3,828,818	$ 41,074,340	$ 40,947,812
Direct project	30,656,042	-	30,656,042	23,281,572
Other	683,991	861,607	1,545,598	3,040,471
Professional fees and consultants	1,407,201	356,423	1,763,624	3,130,057
Interest	2,622,737	-	2,622,737	2,373,243
Depreciation and amortization	1,986,966	51,533	2,038,499	2,354,093
Total Functional Expenses	$ 74,602,459	$ 5,098,381	$ 79,700,840	$ 75,127,248

See accompanying notes to the consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of The Community Builders, Inc. ("TCB") and Subsidiaries ("the Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A summary of the significant accounting policies followed by the Company in the preparation of these Consolidated Financial Statements is set forth below.

Nature of Activities

TCB is a charitable corporation that is exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and is not a private foundation. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2015, there was no liability for tax on unrelated business income. TCB's primary purpose is the creation, preservation and improvement of housing for persons and families of low and moderate income. TCB historically has acted as a consultant in providing technical assistance to community organizations, or as a sponsor for the financing and construction of low and moderate income housing developments, and has provided property management services to such developments. Since 1996, TCB has repositioned itself to collaborate with community stakeholders and to develop its own portfolio of properties. Such properties are located throughout the United States. TCB is focusing on projects of greater scale and impact, embracing comprehensive neighborhood revitalization and a multi-dimensional approach to community development. TCB is also focusing on housing preservation within its own portfolio as well as seeking opportunities to acquire and/or provide consulting services with regard to project preservation.

The Company is organized into the following divisions, which are listed in order of relative importance, based on program expenditures.

> *Property Management* - The Property Management division manages various aspects of the property such as improvements, repairs, maintenance, payroll and accounting. Property Management activity accounted for approximately 65% of program expenditures.
>
> *Development* - The Development division includes the development of affordable housing in strategic geographic areas. While the Company's primary goal is to provide affordable housing, development also includes the development of mixed income housing and commercial rental space in order to revitalize the community in a comprehensive manner. These real estate development projects are either wholly-owned by the Company or are being developed together with various partners. Development activity accounted for approximately 30% of program expenditures.
>
> *Community Life* - The Community Life division provides supportive services to residents of TCB developments. Community Life activity accounted for approximately 5% of program expenditures.

TCB is funded primarily by development, consulting and property management fees, as well as by grants from national and local foundations and government agencies. Additional working capital is provided by various commercial banks and private foundation debt instruments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Consolidation

The Consolidated Financial Statements include the accounts of TCB and its wholly-owned subsidiaries, wholly-owned limited partnerships, sole-member limited liability companies and 8 other not-for-profit organizations with control and economic interest (such as through common board members). All material inter-company transactions and accounts have been eliminated in consolidation.

TCB is the managing member of *The Community Builders CDE, LLC* ("TCB CDE"), which was formed as a qualified Community Development Entity ("CDE") to hold New Markets Tax Credit ("NMTC") allocation authority to assist in raising capital for investment in Qualified Active Low Income Community Businesses ("QALICB") pursuant to Section 45D of the IRC. TCB CDE was granted an allocation of $25,000,000 of ninth round NMTC authority, $25,000,000 of tenth round NMTC authority and $40,000,000 of twelfth round NMTC authority from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund"). In general, under Section 45D of the IRC, a qualified investor in a CDE can receive the NMTC's to be used to reduce federal taxes otherwise due in each year of a seven-year period.

TCB and its related 8 consolidated not-for-profit organizations are exempt from taxation under Section 501(c)(3) of the IRC and are not private foundations. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2015, there was no liability for tax on unrelated business income. TCB and its related 8 consolidated not-for-profit organizations share common board members. The purpose of these not-for-profit organizations is to foster affordable housing.

TCB is the majority owner, either directly or indirectly through a subsidiary, of 90 limited partnerships ("LPs") and limited liability companies ("LLCs"), the purpose of which is to develop, own and operate affordable housing and community initiative projects. TCB has consolidated the financial results of these entities. No provision has been made in the Consolidated Financial Statements for income taxes since all taxable income, losses and credits are allocated to the partners or members.

TCB owns, either directly or indirectly through *GBCD Partnership Services, Inc.* ("GBCD") (a wholly owned subsidiary), approximately 167 corporate subsidiaries, the majority of which are general partners/managing members with equity interests ranging from 0.0049% to 1.000% and residual equity interests of up to 90.1% in various LPs/LLCs. TCB has consolidated the financial results of these subsidiaries. The LPs/LLCs own properties that provide housing for persons and families of low and moderate income. GBCD and other corporate subsidiaries are subject to taxation at the federal and state levels. GBCD and other corporate subsidiaries accounts for income taxes under the asset and liability method in accordance with GAAP.

Under the asset and liability method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the year in deferred tax assets and liabilities. Deferred tax assets and/or liabilities were immaterial as of September 30, 2015.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

The Consolidated Statement of Activities and Changes in Net Assets reports all changes in consolidated net assets, including changes in consolidated unrestricted net assets from operating and non-operating activities. Operating revenues consist of those monies received and other contributions attributable to the Company's ongoing efforts. Gains and losses on investments in limited partnerships are reported as non-operating revenue because such assets are managed for long-term stabilization of the Company's activities. GAAP requires the Company to recognize the funded portion of its plan (the difference between the fair value of plan assets and the projected benefit obligation) in the Consolidated Statement of Financial Position. The Company recognizes non-operating revenue and expense separately in the Consolidated Statement of Activities and Changes in Net Assets as an increase and a decrease, respectively, in consolidated unrestricted net assets. In addition, non-operating activities includes pension related charges other than net periodic pension cost and loss from investments in limited partnerships.

Standards of Accounting and Reporting

The Company follows the standards of accounting and financial reporting as required by GAAP, whereby an organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The Consolidated Statement of Financial Position presents three classes of net assets (permanently restricted, temporarily restricted and unrestricted) and the Consolidated Statement of Activities and Changes in Net Assets displays the change in each class of net assets.

The classes of net assets applicable to the Company are presented as follows:

> *Unrestricted* **-** Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.
>
> *Temporarily Restricted* **-** Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized.

Cash and Cash Equivalents

For purposes of the accompanying Consolidated Statement of Cash Flows, the Company considers all unrestricted highly liquid investments that are readily convertible to known amounts of cash and with maturities of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents - continued

The Company maintains its cash balances at several financial institutions located in New England and the Midwest regions of the United States of America. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2015.

Revenue Recognition

TCB recognizes development revenue as earned, as defined by contracts. TCB also recognizes consulting and property management revenue as the services are performed. Substantially all of the revenue was derived from entities which own properties which TCB develops and manages throughout the United States in the ordinary course of business. During the year ended September 30, 2015, TCB recognized approximately $3,239,853 of previously written off notes receivable for development-related activities which is included in “development” on the Consolidated Statement of Activities and Changes in Net Assets.

TCB recognizes income from property sales as properties are sold. If a property is sold prior to completion of development, revenue allocable to performance, after the sale, is deferred. Allocation of costs is determined based on the percentage of sales incurred to date and anticipated sales to estimated total sales. Such method is used because management considers total sales to be the best available measure of progress on property held for sale. Property held for sale is carried at the lower of cost or market.

TCB incurs salaries and related benefit costs on behalf of certain unconsolidated entities. As such, these costs are charged to the related entity when incurred and earned and recorded in “property management and site fees” revenue. For the year ended September 30, 2015, fees related to salaries and related benefit costs provided amounted to approximately $21.8 million.

The Company recognizes rental income, principally from short-term leases on apartment units, as the rents become due. For the year ended September 30, 2015, rental income amounted to approximately $14 million and is recorded in “property management and site fees” revenue.

Fee for service grants are recorded as revenue as costs related to the services provided are incurred and are included in “contributions and grants” revenue.

Contributions and donation grants are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions and donation grants are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition - continued

TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant ("Choice") by the *U.S. Department of Housing and Urban Development* ("HUD") in 2013 for Cincinnati, Ohio's Avondale neighborhood. Choice supports communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. Choice revenue is recorded on a cost reimbursement basis. The funding is to be used for loans to approved projects, construction reimbursement costs and administrative costs. Choice grant revenue has been recorded net of the "costs directly associated with projects" on the Consolidated Statement of Activities and Changes in Net Assets.

Promises to Give

Unconditional promises to give are recognized as revenue and as assets, net of allowances, in the period in which the promises are made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and when the promises become unconditional. Unconditional promises to give are recorded, in the year received, at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-adjusted discount rate in the year the promise is received.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of September 30, 2015, management has determined any allowance would be immaterial.

Program Income

Program income is gross income received by the Company directly generated by a grant supported activity, or earned only as a result of a grant agreement. Program income is recorded when received as "NSP2 restricted cash and cash equivalents". Expenditures of program income are either included in "NSP2 notes and interest receivable" if recoverable, or as "costs directly associated with projects" if not recoverable.

Accounts and Fees Receivable

The Company carries its accounts and fees receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts and fees receivable outstanding for thirty days or more are deemed delinquent. Accounts and fees receivable are written off upon notification by the governmental agency or when deemed uncollectible. Accounts and fees receivable are adjusted for estimated realizability if the amounts to be received can be reasonably estimated and collection is reasonably assured.

On a periodic basis, the Company evaluates its accounts and fees receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of September 30, 2015, management has determined any allowance would be immaterial.

The Company does not have a policy to accrue interest on accounts and fees receivable or to require collateral or other security to secure the accounts and fees receivable. As of September 30, 2015, substantially all of the Company's accounts and fees receivable were due from various properties TCB owns and/or manages through affiliated entities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Notes and Interest Receivable

Notes receivable and accrued interest are recorded at estimated net realizable amounts. Notes receivable outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Company evaluates its notes receivable and estimates collectability, based on a history of past write-offs and collections, cash flow analysis, current credit conditions and underlying collateral, if any. Interest accrues in accordance with the agreements. The discounts on those amounts are computed using the U.S. Treasury rate based on the term of the note in the year the note is received.

As of September 30, 2015, substantially all of the Company's notes receivable were due from various properties TCB owns and/or manages through affiliated entities.

Deferred Revenue

Deferred revenue includes asset management, development, financing, acquisition fees and prepaid payroll which have been paid or are due to the Company pursuant to certain contracts, but have not yet been earned.

Deferred revenue also includes American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program (1602 Program) funds that are recognized on a straight-line basis over the life of the related asset.

Property Held for Sale

Property held for sale is recorded on the cost method. Costs associated with the acquisition, development and construction of property held for sale including property taxes, interest and insurance are capitalized as a cost of the project. Property held for sale consists of costs to develop low-income homeownership units and investigatory costs for 37 low-income housing projects located primarily in Connecticut, Maryland, Massachusetts, Michigan, New York, North Carolina, Ohio, Pennsylvania, Virginia and Washington D.C. Included in property held for sale are 5 projects whose development is being funded through the Neighborhood Stabilization Program 2 ("NSP2").

Rental Property in Service and Property, Plant and Equipment

Rental property in service and property, plant and equipment are stated at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their service lives. Improvements, including planned major maintenance activities, are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Consolidated Statement of Activities and Changes in Net Assets. Depreciation for rental property is computed under the straight-line method based on an estimated useful life of three to forty years. Depreciation for furniture and equipment is computed under the straight-line method based on an estimated useful life of three years. Depreciation for leasehold improvements is computed under the straight-line method over the life of the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of Long-lived Assets

The Company reviews its investment in long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset. During the year ended September 30, 2015, an impairment loss was recorded due to a major fire at a property (see Note 21).

Investments in Limited Partnerships/Limited Liability Companies

Investments in limited partnerships/limited liability companies, which own affordable housing projects that the Company does not control due to long-term restrictions on the projects, are accounted for on the equity method and are included in non-operating activities. During the year ended September 30, 2015, the Company's share of income or loss classified as other revenue (expense) from its investments in limited partnerships/limited liability companies totaled a gain of $130,480. As a general partner/member in limited partnerships/limited liability companies, the Company ceases recognition of losses for financial statement purposes once the cost of the investment is reduced to zero, except when the Company is required to fund operating losses per the partnership/operating agreement. Distributions may only be made in accordance with the partnership/operating agreements and approval of the regulatory agency, if any. During the year ended September 30, 2015, contributions and distributions amounted to $905,850 and zero, respectively. Declines in value of the investments which are deemed to be other than temporary are recognized as necessary.

Noncontrolling Interest in Subsidiaries

The Company owns an interest in various general partners and managing members ranging from 50% to 99%. The noncontrolling interest is accounted for on the equity method and is reported as a separate component of "unrestricted net assets" on the Consolidated Statement of Financial Position and as a separate component of the "change in net assets" on the Consolidated Statement of Activities and Changes in Net Assets.

Use of Estimates

In preparing the Company's Consolidated Financial Statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets and in the Consolidated Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on direct labor. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company. Immaterial amounts of fundraising expenses are included in general and administrative expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Advertising

The Company expenses advertising costs when they are incurred. For the year ended September 30, 2015, advertising expense was immaterial.

Financial Information for 2014

The Consolidated Financial Statements include prior year comparative information without required disclosures. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Company's Consolidated Financial Statements for the year ended September 30, 2014.

Income Taxes

GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2015, the Company has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying Consolidated Financial Statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. There were no interest or penalties for the year ended September 30, 2015.

Generally, the Company's information and tax returns remain open for possible federal income tax examination for three years after the filing date. The Company is not currently under examination by any taxing jurisdiction.

Fair Value Measurements

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

> **Level 1:** Quoted prices for identical instruments traded in active markets.
>
> **Level 2:** Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
>
> **Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value Measurements - continued

Recurring Measurements

GAAP requires that certain assets and liabilities be recorded at fair value on a recurring basis. The Company had no assets or liabilities that were recognized or disclosed at fair value on a recurring basis under the above fair value hierarchy as of September 30, 2015. The Company's policy is to recognize transfers in and out of levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year ended September 30, 2015.

Non-recurring Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by GAAP. The Company had no assets or liabilities measured at fair value on a non-recurring basis as of September 30, 2015.

The fair value hierarchy discussed above is not only applicable to assets and liabilities that are included in the Consolidated Statement of Financial Position, but is also applied to certain other assets that indirectly impact the Consolidated Financial Statements. For example, the Company sponsors and/or contributes to a postretirement benefit plan. Assets contributed by the Company become property of the individual plan. Even though the Company has no control over these assets, it is indirectly impacted by subsequent fair value adjustments to these assets. The actual return on these assets impacts the Company's future net periodic benefit cost, as well as amounts recognized in the Consolidated Statement of Financial Position. The Company uses the fair value hierarchy to measure the fair value of assets held by the postretirement plan. Assets held by the plan are comprised mainly of equity securities and bonds and are measured using Level 1 inputs.

In accordance with accounting standards for fair value measurements and disclosures, the Company measured the non-financial assets acquired in the acquisition of 3 properties at fair value using Level 2 inputs. Specifically, independent appraisals were obtained that applied the income capitalization approach in estimating fair value. For purposes of the direct capitalization analysis, the market value was estimated by dividing the estimate of net operating income by the capitalization rate, expressed as a percentage. Capitalization rates of 6.0% - 8.5% were used in determining the fair value of the non-financial assets acquired in these acquisitions (see Note 4).

Fair Value of Financial Instruments

The consolidated financial position of the Company as of September 30, 2015 includes certain financial instruments. In reviewing the financial instruments of the Company, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practicable to estimate that value. The carrying amounts and estimated fair value of the Company's financial instruments generally approximate fair values as of September 30, 2015.

Cash and cash equivalents, accounts and fees receivable, developer fees receivable, contributions receivable, due from affiliates, notes and interest receivable, NSP2 notes and interest receivable, accounts payable, accrued expenses, due to affiliates, NSP2 due to intermediary, NSP2 due to affiliates and deferred revenue reflected in the consolidated financial statements approximate fair value because of the short-term maturity of these instruments. The terms and conditions reflected in the long-term loans payable are not materially different from those that would have been negotiated as of September 30, 2015.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value Measurements - continued

Fair Value of Financial Instruments - continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financing Fees

Financing fees are recorded at cost and are amortized over the respective lives of the related long-term debt using the effective interest rate. The amortization of loan costs is included in “depreciation and amortization” on the Consolidated Statement of Functional Expenses. Amortization expense amounted to $93,432 for the year ended September 30, 2015. Accumulated amortization amounted to $714,940 as of September 30, 2015. Estimated future amortization expense for financing fees approximates $135,000 for each of the next five years.

Below Market Loans

Section 42 of the IRC governs the administration of the Low-Income Housing Tax Credit program (“LIHTC”), a tax incentive created to foster a legislated public policy directive of the United States to create low-income housing.

Other governmental entities, having a similar agenda to foster low-income housing, have lent money to the Company at advantageous terms.

The Company has not discounted these below market loans as they were made at arm’s length and to preserve the integrity of costs eligible for tax credit under Section 42 of the IRC.

Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation. NSP2 costs directly associated with projects totaling $2,095,442 have been reclassified to “interest and other” revenue to net the interest reserve expense with the related interest revenue. In addition, Choice grant revenue of $571,730 has been reclassified from “contributions and grants” to conform to the current year presentation.

NOTE 2 - RENTAL PROPERTY IN SERVICE

“Rental Property in Service” includes 13 projects TCB owns and manages located in Illinois, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania and Rhode Island. Rental property in service amounted to $74,436,904 as of September 30, 2015 and is generally funded by debt, totaling $49,994,906, included in “loans payable and accrued interest - rental property” on the Consolidated Statement of Financial Position.

Depreciation on rental property in service amounted to $1,801,224 for the year ended September 30, 2015.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is summarized as follows as of September 30, 2015:

Furniture and equipment	$ 590,469
Leasehold improvements	1,185,420
Total Property, Plant and Equipment	$ 1,775,889

Depreciation on property, plant and equipment amounted to $143,843 for the year ended September 30, 2015.

NOTE 4 - ACQUISITIONS

During the year ended September 30, 2015, the Company, as acquirer, purchased 3 properties that, in accordance with GAAP, qualify as businesses. As a result of the acquisitions, the Company is expected to solely own, construct or rehabilitate low income housing in accordance with its mission. Cash paid approximates the properties' fair value of $11,861,224. Fair value was determined by independent appraisals at the time of sale using the income capitalization approach. At September 30, 2015, the properties are included in "Rental property in service" on the Consolidated Statement of Financial Position.

NOTE 5 - RESTRICTED CASH AND CASH EQUIVALENTS

In connection with the NSP2 program, the Company is required to restrict funds for program income and development costs. As of September 30, 2015, the restricted cash accounts for program income and development had a balance of $7,227,678. This amount is included in current assets as they are expected to be expended during the year ended September 30, 2016.

In connection with the $5 million Capital Magnet Fund Agreement and other separate agreements, the Company is required to restrict funds to acquire, preserve and revitalize units for affordable housing. Failure to comply with the agreements could result in repayments of any assistance. As of September 30, 2015, the restricted cash account had a balance of $1,415,578, of which $703,801 has been reserved for guarantees on 4 projects, $664,010 has been reserved for development and preservation, and $47,767 relates to interest earned and program income maintained. As of September 30, 2015, $1,486,186 has been loaned to the 225 Centre Street project.

In connection with various regulatory agencies and lender's requirements, the Company has segregated funds for replacement reserves, mortgage and insurance escrows, real estate taxes, operating reserves and tenant security deposits. Some withdrawals are required to be approved by the lenders. As of September 30, 2015, the restricted cash accounts had a balance of $4,763,042.

The Company has entered into various contracts and has received grants from not-for-profit organizations and governmental agencies specifically for community and social services. The amounts are held in restricted cash accounts to be used for community and social services as outlined in the agreements. As of September 30, 2015, the restricted cash accounts had a balance of $692,833.

As of September 30, 2015, other restricted cash consisted of cash held in several accounts for various scholarships grants, development services and funds drawn but not expended which had a balance of $254,606.

NOTE 6 - CONTRIBUTIONS AND GRANTS

During the year ended September 30, 2010, the Company received a grant award of $78.6 million in funding from HUD as part of NSP2. The program was created to redevelop hard-hit communities, create jobs and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes and convert them to affordable housing, and it was funded by the American Recovery and Reinvestment Act of 2009. TCB was funded to work in Illinois, Indiana, Massachusetts, Connecticut, North Carolina, New York, Ohio, Pennsylvania, Virginia and Washington D.C. As of September 30, 2013, the entire grant had been earned. A substantial portion of this grant and its resulting program income is being used to provide loans to other entities which acquire the eligible properties. Those notes receivable are subjected to a collectability analysis similar to other development loans made by TCB. The reserve expense calculated by this analysis is shown as "costs directly associated with projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2013, TCB was awarded a $29.5 million 2012 Choice Neighborhood Implementation Grant by HUD for Cincinnati, Ohio's Avondale neighborhood. Choice Neighborhood Implementation Grants support communities that have already undergone a comprehensive local planning process and are prepared to implement a transformation plan to redevelop the neighborhood. The transformation plan is structured in four parts: housing, neighborhood, people and education. The core of the plan is the rehabilitation of five multifamily properties located along Avondale's Reading Road thoroughfare and the infill of new mixed-income housing on vacant lots in the area. A total of 318 units of housing will be constructed or substantially rehabilitated. As of September 30, 2015, $8,341,514 has been earned and received, of which $7,580,192 was earned and received during the year ended September 30, 2015.

During the year ended September 30, 2015, *TCB NoDa Mills LLC* (wholly owned by the Company) was awarded a $1,250,000 grant from the *City of Charlotte* to be used for the payment of a portion of the cost to rehabilitate, construct and improve a residential rental unit housing project. As of September 30, 2015, the full amount of the grant has been earned and received.

CDI, a charitable corporation, sold its building at 95 Berkeley Street, Boston, Massachusetts. During the year ended September 30, 2015, from the proceeds of the sale, *CDI* pledged $18,000,000 as a grant to TCB. The use of the grant is restricted by the board of directors. The pledged amount of $18,000,000 was received subsequent to year end and is included in "contributions receivable" on the Consolidated Statement of Financial Position.

In addition, the Company has received various unconditional grants and contributions. The majority of these grants and contributions are from governmental agencies.

NOTE 7 - BROWNFIELDS TAX CREDITS

During the year ended September 30, 2015, GBCD was awarded Brownfields Tax Credits under the Brownfields Cleanup Program administered by the *New York Department of Environmental Conservation*. Brownfields Tax Credits are allowed credits against a taxpayers tax liability for net response and removal costs incurred to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. In a prior year, GBCD agreed to loan *PS 6 Limited Partnership (PS6)*, a related party, $10,000,000 in order to fund the rehabilitation, improvement and construction of a project consisting of a 121 residential rental unit housing project for low-income families. As a result of the delay in funding, TCB loaned approximately $7.8 million in NSP2 funds to *PS6*. As of September 30, 2015, $5,192,609 was earned and was received subsequent to year end.

NOTE 8 - NOTES AND INTEREST RECEIVABLE

TCB and *The Community Builders Charitable Trust* ("TCBCT") (a wholly owned entity) have made loans to fund pre-development expenses to various project entities. These notes receivable provide that the amounts are to be repaid at the earlier of the project closing, placement of permanent debt or some other event that results in repayment. Repayment can vary from two years to five years from the date of the notes, with interest ranging from 0% to 12%. As of September 30, 2015, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to $15,652,206.

TCB has made loans to twenty four project entities utilizing NSP2 funds. The repayment for these notes receivable can vary from one to thirty years, with interest ranging from 0% to 8%. As of September 30, 2015, the net realizable value of the principal and accrued interest balances reflected in the Consolidated Financial Statements due from these entities amount to $2,168,794, of which $2,074,266 is included in "NSP2 notes and interest receivable, current portion" on the Consolidated Statement of Financial Position.

TCB has a note receivable from *Kent Street Housing LP* in the original amount of $473,265, which accrues interest at a rate of 8%, compounded annually. The note is collateralized by the project. The note is to be repaid from cash flow, if any, as defined in the note agreement, or at maturity in December 2018. As of September 30, 2015, principal and accrued interest were recorded at net realizable value of $106,231.

TCB Hudson LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court II LP* in the original amount of $700,000 purchased from The Community Development Trust, LP, an unrelated entity. The note accrues simple interest at 7.9%. The note is collateralized by the project. Monthly payments of $5,088 are due on the first day of each month. Through January 1, 2018, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2021. As of September 30, 2015, principal and accrued interest were recorded at net realizable value of $1,025,700.

TCB Hudson II LLC (a majority owned and controlled subsidiary) has a note receivable from *Lincoln Court III LP* in the original amount of $1,700,000 purchased from U.S. Bank National Association, an unrelated entity. The note accrues simple interest at 8.3%. The note is collateralized by the project. Monthly payments of $12,831 are due on the first day of each month. Through January 1, 2017, these payments are only required to the extent there is excess cash flow. All principal and unpaid interest are due upon maturity on April 1, 2018. As of September 30, 2015, principal and accrued interest were recorded at net realizable value of $2,415,004.

As of September 30, 2015, other notes receivable of $154,156 remain outstanding. The other notes receivable interest rates range from 4.4% to 8.75% with maturity dates ranging from two years to forty years from the date of the note.

Interest income on TCB notes amounted to $3,358,950 and interest on *TCBCT* advances amounted to $100,608 which has been recognized in relation to these loans during the year ended September 30, 2015. Interest is included in "interest and other" on the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 9 - DEFERRED REVENUE

As of September 30, 2015, "deferred revenue" consisted of 1602 Program revenue (46%), development revenue (40%), prepaid payroll (10%), lease incentive (3%) and asset management fees (1%).

NOTE 10 - NSP2 DUE TO AFFILIATES

The majority of the "NSP2 due to affiliates" balance consists of 4 loans with interest rates ranging from 0% to 6%. These were advanced to various NSP2 projects to fund acquisition and/or construction. As of September 30, 2015, the balance is $9,130,519, of which $574,106 is included in "NSP2 due to affiliates, current portion" on the Consolidated Statement of Financial Position.

NOTE 11 - DUE TO AFFILIATES

The majority of the "due to affiliates" balance consists of short term loans made during the normal course of business to TCB from various non-consolidated real estate operating entities. Repayment of these loans is expected within one year. As of September 30, 2015, the balance is $2,611,773.

NOTE 12 - LINES OF CREDIT

Eastern Bank ("Eastern")

TCB has a revolving line of credit dated June 5, 2009, as amended from time to time up to and including the Second Amendment to Amended and Restated Loan and Security Agreement dated October 26, 2015, with *Eastern* for up to $5,000,000. The line of credit bears an interest rate equal to the Wall Street Journal Prime Rate plus 0.25%, currently 3.5%, and is due on demand and subject to annual renewal. Monthly payments of interest are required and principal shall be due and payable on demand. The note is secured by the assets of TCB except for those excluded assets as defined in the Second Amendment to the Loan and Security Agreement which have been previously pledged. In addition, the line of credit has been guaranteed by *Community Development, Inc.* ("CDI"), a not-for-profit affiliate. As required by the loan agreement, certain covenants must be met. As of September 30, 2015, the balance outstanding was $5,000,000.

Bank of America

TCB has a revolving line of credit dated December 30, 2011, as amended April 1, 2015, with *Bank of America* for up to $27,000,000 or 50% of the Borrowing Base, as defined in the agreement. The line of credit bears a floating interest rate equal to the daily 30-day LIBOR plus 3.75%, currently 3.94%. Monthly payments of interest are required and principal shall be due upon repayment to TCB of 100% of short-term NSP2 loan principal comprising the Borrowing Base, as defined in the agreement. All unpaid principal and accrued interest are due upon maturity, April 1, 2016. As required by the agreement, certain covenants must be met. As of September 30, 2015, the balance outstanding was $5,398,673.

Local Initiatives Support Corporation ("LISC")

TCB has a revolving line of credit dated May 2, 2014 with *LISC* for up to $5,000,000. The line of credit bears simple interest equal to 6% per annum. Monthly payments of interest are required and all outstanding principal and accrued interest balances are due June 1, 2019. The note is secured by a first priority lien and perfected security interest in and collateral assignment of TCB's note receivable from *Historic South End Limited Partnership*. As required by the loan agreement, certain covenants must be met. As of September 30, 2015, the balance outstanding was $4,930,556.

NOTE 13 - LOANS PAYABLE AND ACCRUED INTEREST

Life Insurance Community Investment Initiative

TCB has a promissory note dated August 28, 2006 with *The Life Insurance Community Investment Initiative, LLC* for borrowings up to $2,500,000 to be used for specific properties. The note bears simple interest at 6.5%, payable monthly. Any unpaid principal and interest is due September 1, 2020. The note requires certain financial covenants. The note is secured by certain development fees of present and future rights, title and interest of selected projects as defined in the Amendment of Security Instruments Agreement dated November 2, 2015. As of September 30, 2015, the balance outstanding was $2,159,184.

The MacArthur Foundation ("MacArthur")

TCB has an unsecured promissory note dated July 13, 2007 with *MacArthur* for $2,000,000 at 1% simple interest per annum for a stated term of approximately five years. Accrued interest is paid quarterly and any remaining principal and unpaid interest was due December 1, 2013. In accordance with the Second Loan Extension Agreement dated December 1, 2013, $767,526 of the outstanding principal balance was repaid during the year ended September 30, 2014 and the note was decreased to $1,000,000. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due December 1, 2016. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the area surrounding the Company's properties in the Oakwood Shores neighborhood of Chicago. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (5.15%) and the present value of the payments at the stated interest rate (1%) resulted in a loan present value of $1,639,001 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. The discount was fully amortized in a prior year. As of September 30, 2015, the principal and accrued interest outstanding was $1,000,000 and $14,427, respectively.

TCB has an unsecured promissory note dated October 30, 2007 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due upon maturity, April 1, 2018. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.88%) and the present value of the payments at the stated interest rate (2%) was $468,866, resulting in a loan present value of $1,531,134 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2015, the note was recorded at $1,887,467.

TCB has an unsecured promissory note dated December 18, 2009 with *MacArthur* for $2,000,000 at 2% simple interest per annum for a stated term of approximately ten years. Accrued interest is paid quarterly and any remaining principal and unpaid interest is due between April 1, 2018 and April 1, 2020. The proceeds of the note are being used to support the Company's activities to acquire and preserve affordable rental housing in the Northeast, Mid-Atlantic and Midwest regions of the United States. As required by the promissory note, certain covenants must be met. The difference between the present value of the payments at the market rate of interest (4.11%) and the present value of the payments at the stated interest rate (2%) was $328,234, resulting in a loan present value of $1,671,766 at inception. The discount was recognized as a contribution at the inception of the loan and is being amortized over the term of the note. Amortization of the discount is included in interest expense. As of September 30, 2015, the note was recorded at $1,855,898.

NOTE 13 - LOANS PAYABLE AND ACCRUED INTEREST - continued

U.S. Bank National Association ("U.S. Bank")

TCB entered into a promissory note dated April 29, 2011 with *U.S. Bank* for $293,938 with interest at the Prime Rate of the lender for a stated term of five years, currently 3.25%. Accrued interest is paid monthly and any remaining principal and unpaid interest is due on April 29, 2016. The proceeds were used to secure the purchase of a promissory note by *TCB Hudson II LLC* from *U.S. Bank* with a purchase price of $1,693,938. The promissory note is now due from *Lincoln Court II LP* to *TCB Hudson II LLC*. TCB owns 87.4% of *TCB Hudson II LLC*. The note was secured by a mortgage on the project's property. As of September 30, 2015, the balance outstanding was $34,344.

Community Economic Development Assistance Corporation ("CEDAC")

During the year ended September 30, 2014, TCB entered into an unsecured promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Noquochoke Village* project. The total maximum amount is $302,000 with simple interest at 5.5% per annum. All principal and interest is due January 15, 2017. As of September 30, 2015, the balance outstanding was $126,661.

During the year ended September 30, 2014, TCB entered into an unsecured promissory note with *CEDAC* to finance costs and expenses related to the predevelopment of the *Quincy Terrace* project. The total maximum amount is $400,000 with simple interest at 7% per annum. All principal and interest is due at the earlier of first project closing or when construction financing was obtained for the project. As of September 30, 2015, the balance outstanding was $109,309.

Chicago Housing Authority ("CHA")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *CHA* for $8,000,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note is noninterest bearing and matures in February 2055. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note is secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. As of September 30, 2015, the balance outstanding was $8,000,000.

JPMorgan Chase Bank, N.A. ("JPMorgan")

During the year ended September 30, 2015, TCB entered into a promissory note dated February 11, 2015 with *JPMorgan* for $4,300,000 in connection with the *Quad Communities Arts, Recreation and Health Center* project. The note is bears interest at LIBOR plus 3.0% and matures in August 2016. Accrued interest is paid monthly and any remaining principal and unpaid interest is due at maturity. The proceeds were used to make a loan to *Chase NMTC QCARC Investment Fund, LLC* for construction of the project. The note is secured by an assignment of TCB's rights in the Fund Loan and the Development Services Agreement. As of September 30, 2015, the balance outstanding was $4,300,000.

NOTE 13 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Predevelopment and Construction Loans

In support of its development activities at a number of geographic locations, the Company, through various sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of predevelopment and construction loans with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from 0% to 7% and are generally secured by the property under development. Due dates are generally concurrent with construction completion ranging from 2016 to 2020. As of September 30, 2015, there are approximately 21 loans outstanding with principal and accrued interest balances totaling $4,987,828 and $104,766, respectively.

Rental Property

University Park Apartments LP (wholly owned by the Company) and *Merrill Court Apartments LP* (wholly owned by the Company) have promissory notes with the *Illinois Housing Development Authority* ("IHDA") that were funded by the 1602 Program. The notes are secured by the property, are non-interest bearing and will be released in full in December 2026 and December 2027, respectively, provided a default does not exist. Upon the occurrence of a Recapture Event, as defined, the notes will be subject to recapture by IHDA in an amount equal to the original principal balances less 6.67% for each full year during the tax credit compliance period in which a Recapture Event has not occurred. Under the loan agreements, loan principal is released annually at a rate of 6.67% over the 15 year tax credit compliance period. As of September 30, 2015, the total amount outstanding was $9,600,001 and $3,272,426, respectively. During the year ended September 30, 2015, the amount released was $853,333 and $290,883, respectively, which was transferred to deferred revenue and will be recognized as income over the life of the related asset (see below). Loan proceeds funded with Section 1602 program funds, as noted above, are intended to assist with payment of development costs of low income housing tax credit properties. In exchange for the funds received, *University Park Apartments LP* and *Merrill Court Apartments LP* have agreed to operate the properties in accordance with Section 42 of the IRC. Portions of the loans which have been released are considered government assistance related to assets. *University Park Apartments LP* and *Merrill Court Apartments LP* record the portion of the loans released as deferred revenue which will be amortized and recognized as income on a straight line basis over the 40 year depreciable life of the building and improvements. As of September 30, 2015, included in deferred revenue was $2,000,000 and $681,755 respectively. During the year ended September 30, 2015, $320,000 and $109,081, respectively, was recognized as income and is included with "interest and other" on the Consolidated Statement of Activities and Changes in Net Assets.

TCB Central Pennsylvania, LLC (wholly owned by the Company) has a line of credit with *Enterprise Community Loan Fund*, a mortgage with *Redevelopment Authority of the County of Lancaster*, a mortgage loan with *Sassafras Terrace Limited Partnership* and four mortgages with *Pennsylvania Housing Finance Authority*. The loans accrue interest from zero to 5.0% and are secured by the property. The loans have maturity dates ranging from 2016 to 2027. As of September 30, 2015, the principal balances outstanding range from $73,801 to $4,980,519. As of September 30, 2015, total outstanding principal and accrued interest balances totaled $8,032,437 and $24,234, respectively.

TCB Pedestal Gardens LLC (wholly owned by the Company) has two mortgage loans with *Enterprise Community Loan Fund* and *Foresight Affordable Housing of Maryland, Inc*. The loans accrue interest from 1.75% to 5.5% and are secured by the property. The loans have maturity dates ranging from 2017 to 2030. As of September 30, 2015, outstanding principal balances totaled $5,774,663.

NOTE 13 - LOANS PAYABLE AND ACCRUED INTEREST - continued

Rental Property - continued

TCB Willard Square Apartments, LLC (wholly owned by the Company) has three mortgage loans with the *City of Chicago*, *Midland Loan Services, Inc.* and *IFF*. The loans accrue interest from 3.0% to 5.0% and are secured by the property. The loans have maturity dates ranging from 2020 to 2045. As of September 30, 2015, the principal balances outstanding range from $600,000 to $3,501,610. As of September 30, 2015, total outstanding principal and accrued interest balances totaled $6,593,833 and $1,116,389, respectively.

TCB Lincoln Woods LLC (wholly owned by the Company) had three mortgages with *MassHousing*. Two required monthly installments of $26,220 and $23,021, including simple interest at 6.96% and 7.3%, respectively. Principal and interest was payable through March 2018 and April 2032, respectively. The third mortgage bore simple interest at 2.36% and was due September 2015 in the principal amount of $2,202,596. The notes were secured by the property. During the year ended September 30, 2015, all outstanding principal and accrued interest balances were paid in full.

In addition, in support of its rental activities at a number of geographical locations, the Company, through 9 sole-member limited liability companies and wholly owned limited partnerships, has entered into a variety of other mortgages with various commercial banks, cities, counties and housing finance agencies. The loans accrue interest from zero to 8.75% and are secured by the properties. The loans have maturity dates ranging from 2016 to 2042 and require monthly payments ranging from zero to $20,343. As of September 30, 2015, there are approximately 19 loans outstanding with principal balances ranging from $19,842 to $2,000,000. As of September 30, 2015, outstanding principal and accrued interest balances totaled $12,487,408 and $3,093,515, respectively.

As required by some mortgages, certain loan covenants must be met. Failure to meet these covenants would require the outstanding principal balance and accrued interest to be due and payable prior to the maturity date.

Maturities

Principal payments due during each of the next five years on the above-mentioned debt are as follows:

2016	$ 18,412,827
2017	3,313,643
2018	6,679,503
2019	1,010,983
2020	6,605,947

Included in “loans payable and accrued interest, current portion - rental property” and “loans payable and accrued interest, current portion” on the Consolidated Statement of Financial Position is $265,600 and $119,193, respectively, of accrued interest.

For the year ended September 30, 2015, interest costs incurred was $3,146,540, of which $2,622,737 was expensed and $523,803 was capitalized.

NOTE 14 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of resources available to meet future obligations in compliance with the restrictions specified by donors. As of September 30, 2015, temporarily restricted net assets totals $18,749,737, of which $18,000,000 relates to the contribution receivable from *CDI* (see Note 6) and $749,737 is to be used to empower residents through engagement activities, life-skills education and training in the “Community Life” pilot programs in Ohio and Illinois.

NOTE 15 - DECONSOLIDATION

During the year ended September 30, 2015, upon admittance of new limited partners, TCB was replaced as the limited partner in 8 limited partnerships and these limited partnerships are no longer consolidated. The Company maintains control through the general partner interest and the limited partnerships are included with the affiliated sponsored entities (see Note 24). The Company recorded a gain of $407,417 as a result of the deconsolidation of these limited partnerships.

NOTE 16 - OPERATING LEASE OBLIGATIONS

As Lessee

TCB leases property and equipment under certain agreements requiring monthly payments of $1,710 to $78,263 expiring between 2016 and 2020. Future minimum lease payments for the next 5 years of non-cancelable operating leases consisted of the following as of September 30:

2016	$ 1,299,660
2017	1,265,023
2018	478,517
2019	160,661
2020	163,435

Total expense for operating leases was $1,436,358 for the year ended September 30, 2015.

As Lessor

TCB leases space to commercial tenants under six, non-cancelable leases requiring fixed monthly payments of $83 to $1,580 expiring between 2016 and 2018. These amounts are included in “property management and site fees” in the Consolidated Statement of Activities and Changes in Net Assets. Future minimum receipts for the next 3 years of non-cancelable operating leases consisted of the following as of September 30:

2016	$ 45,627
2017	20,013
2018	20,057

NOTE 17 - EMPLOYEE BENEFITS

Defined Contribution Plan

The Company has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Employees are eligible to participate in the plan upon hire. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. Employees hired after March 1, 2008, are eligible to have their contributions matched by the Company after one year of service. Employees hired before March 1, 2008 are covered under the defined benefit retirement plan. The matching rate is set by management on an annual basis and was up to 3% during the year ended September 30, 2015. Matching contributions incurred by the Company amounted to $411,756 under this plan for the year ended September 30, 2015.

Defined Benefit Retirement Plan

TCB maintains a non-contributory defined benefit retirement plan ("the Plan") covering many of its employees. Benefits paid are based on an employee's years of service and average compensation. TCB's policy is to fund amounts as necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to plan members in accordance with the requirements of the Employee Retirement Income Security Act of 1974. TCB is the plan administrator. The custodian of the Plan's assets is BMO Harris Bank, N.A. The assets of the Plan are invested in a mix of corporate common stocks and debt instruments and fixed income vehicles.

The Plan was amended, effective March 1, 2008. The amendment disallows employees hired on or after March 1, 2008 to enter the Plan. Employees hired prior to March 1, 2008 remain eligible to participate in the Plan. The amendment also provides for an additional 1.275% of average annual compensation for credited service in excess of 35 years but not in excess of 38 years.

The Plan was amended subsequent to year end to freeze future benefit accruals (see Note 25). This note has not been adjusted for these considerations.

The following table sets forth the Plan's funded status and amounts recognized in the Company's Consolidated Statement of Financial Position as of September 30, 2015:

Change in Benefit Obligations:	
Benefit obligations at beginning of year	$ 36,884,000
Service cost	1,141,000
Interest cost	1,632,000
Actuarial loss	2,377,000
Benefits paid	(497,000)
Benefit obligations at end of year	$ 41,537,000
Change in Plan Assets:	
Fair value of plan assets at beginning of year	$ 25,060,000
Employer contributions	2,306,000
Actual return on plan assets	(1,013,000)
Benefits paid	(497,000)
Fair value of plan assets at end of year	$ 25,856,000

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

Reconciliation of Funded Status:

Funded status at September 30, 2015	$ (15,681,000)
Unrecognized net actuarial loss at September 30, 2015	12,487,000
Unrecognized prior service cost	1,000
Net amount recognized at September 30, 2015	$ (3,193,000)
Funded status at September 30, 2014	$ (11,824,000)
Unrecognized net actuarial loss at September 30, 2014	7,947,000
Unrecognized prior service cost	9,000
Net amount recognized at September 30, 2014	$ (3,868,000)

Amounts recognized on the Consolidated Statement of Financial Position consist of:

Prepaid benefit cost	$ -
(Accrued) benefit liability	(13,652,000)
Effect on net income (loss) for change in additional minimum liability	10,459,000
Net amount recognized	$ (3,193,000)
Non-current accrued pension cost liability	$ 15,681,000*

*Of which $329,449 is included in accounts payable.

Accumulated benefit obligation	$ 39,508,000

Additional year end information for plans with benefit obligations and accumulated benefit obligations in excess of plan assets:

Benefit obligation	$ 41,537,000
Accumulated benefit obligation	$ 39,508,000
Fair value of plan assets	$ 25,856,000

The components of net periodic benefit costs included in “salaries and related costs” on the Consolidated Statement of Functional Expenses as of September 30, 2015 are:

Service cost	$ 1,141,000
Interest cost	1,632,000
Expected return on plan assets	(1,969,000)
Amortization of net gain	819,000
Amortization of prior service cost	8,000
Net period benefit costs	$ 1,631,000

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

Pension related changes other than net periodic benefit cost, included in "other expense" on the Consolidated Statement of Activities and Changes in Net Assets:

Net loss	$ 5,359,000
Amortization of net gain or loss to net periodic benefit cost	(819,000)
Amortization of prior service cost to net periodic benefit cost	(8,000)
	$ (4,532,000)

As of September 30, 2015:

Employer contributions	$ 2,306,000
Plan participant contributions	$ -
Benefits paid	$ 497,000

The applicable rates used by the actuary in calculating the present value of the projected benefit obligations as of September 30, 2015 are as follows:

Discount rate	4.15%
Expected return on plan assets	7.50%
Salary increases	3.00%

The Company considers various factors in estimating the expected long-term rate of investment return. Among the factors considered include input from actuaries, historical long-term investment returns, the current and expected allocation of the Plan investments and long-term inflation assumptions.

The Company's expected long-term rate of return on assets is based on historical returns.

The Plan's target asset allocation by asset category as of September 30, 2015 is as follows:

Equity securities	55%
Bonds	45%
Total	100%

The Plan's actual asset allocation by asset category as of September 30, 2015 is as follows:

Equity securities	61%
Bonds	37%
Cash	2%
Total	100%

The Company estimates that contributions to be paid during the year ended September 30, 2016 will be approximately $1,645,000.

NOTE 17 - EMPLOYEE BENEFITS - continued

Defined Benefit Retirement Plan - continued

The following benefit payments, which reflect expected future service, as appropriate, are expected to be:

2016	$ 1,113,000
2017	1,418,000
2018	1,503,000
2019	1,669,000
2020	1,867,000
2021-2025	11,515,000

NOTE 18 - RELATED PARTY TRANSACTIONS

TCB's Chief Executive Officer is the owner of *Mitchell Properties*. *Mitchell Properties* and TCB formed a joint venture with common ownership to develop *225 Centre Street*. During a prior year, with Board approval, TCB loaned $1,486,186 of Capital Magnet Funds to an entity controlled by *Mitchell Properties* to aid in its development of commercial space located at *225 Centre Street*. The loan bears interest at 12% compounded annually and is due December 2019. As of September 30, 2015, principal and accrued interest were recorded at a net realizable value of zero.

TCB earned property management, accounting, legal, consulting and development fees and site payroll reimbursements of $39,789,256 for the year ended September 30, 2015 from certain limited partnerships in which TCB's subsidiaries are general partners. As of September 30, 2015, $19,467,377 of fees and reimbursements from these partnerships is outstanding and is included in "accounts and fees receivable, net" and "developer fees receivable, net" on the Consolidated Statement of Financial Position.

CDI

TCB works closely with *CDI*, a charitable corporation. TCB earned property management fees, site payroll reimbursements, legal, consulting and accounting fees from *CDI*, an affiliate of TCB, for services performed related to the property located at 95 Berkeley Street in Boston, Massachusetts. TCB is a major tenant of the building, occupying approximately 32,108 square feet of office space. The lease expires December 31, 2017, with an option to terminate on any date after October 1, 2016 with proper notice as defined in the Third Amendment to the Lease. Included in "other" on the Consolidated Statement of Functional Expenses for the year ended September 30, 2015, is $964,990 which relates to TCB's rental agreement with *CDI*. As of September 30, 2015, $1,883,404 of rent and utility payments were outstanding and are included in "accounts payable" on the Consolidated Statement of Financial Position.

In a prior year, *CDI* paid for $203,300 of leasehold improvements as an incentive for TCB to occupy additional space in the building. TCB has capitalized the leasehold improvements and incurred a deferred lease incentive of $203,300, which will be amortized over the life of the lease. The deferred lease incentive is included in "deferred revenue" on the Consolidated Statement of Financial Position.

During the year ended September 30, 2015, *CDI* pledged $18,000,000 to TCB (see Note 6).

TCB has guaranteed the debt of *CDI* in the original amount of $15,760,000. As a result of the sale of the building subsequent to year end, the debt was repaid and the guarantee terminated.

NOTE 18 - RELATED PARTY TRANSACTIONS - continued

New Hope Community Capital, Inc. (Formerly New Hope Housing, Inc.) ("New Hope")

TCB works closely with *New Hope*, a charitable corporation. In accordance with the agreement, TCB earned asset management, accounting and consulting fees from *New Hope* of $1,205,183 for the year ended September 30, 2015. As of September 30, 2015, New Hope prepaid fees totaled $1,290,426.

As of September 30, 2015, TCB has advanced funds for operating costs to *New Hope*, totaling $158,718, which is outstanding and are included in "due from affiliates" on the Consolidated Statement of Financial Position.

During the year ended September 30, 2015, TCB entered into a Loan Agreement with *New Hope* for a total of $10,500,000 using NSP2 proceeds for the purpose of providing funds to third parties for development of housing pursuant to the NSP2 regulations. The note accrues interest at 1% per annum and matures in June 2034. For the first ten years, payments of all accrued and unpaid interest are due 90 days after each fiscal year end of *New Hope*. For the last ten years, a TCB approved schedule of principal and interest payments will be developed. As of September 30, 2015, TCB has advanced cash of $1,941,795 to *New Hope* and has assigned notes and interest receivable valued at $2,481,527 related to this Loan Agreement. The remaining funds to be advanced of $6,076,678 is included in "NSP2 due to intermediary" on the Consolidated Statement of Financial Position. As of September 30, 2015, the note receivable was recorded at a net realizable value of zero.

NOTE 19 - TCB CDE

TCB CDE entered into an Amended Allocation Agreement with the CDFI Fund, in which *TCB SUB-CDE I - XII, LLC* (twelve entities) have become approved "Subsidiary Allocatees" of *TCB CDE*. *TCB CDE* is the managing member of the Subsidiary Allocatees. The Allocation Agreement places restrictions on *TCB CDE's* operations, including but not limited to, a specific geographical area of the low-income communities *TCB CDE* must serve. *TCB CDE* has been approved to serve low-income communities on a national basis. As of September 30, 2015, of the ninth round $25,000,000, tenth round $25,000,000 and twelfth round $40,000,000 NMTC allocations, $25,000,000, $20,000,000 and zero, respectively, has been allocated to the Subsidiary Allocatees.

TCB CDE is entitled to sub-allocation and asset fees as described in the operating agreements of the Subsidiary Allocatees. The sub-allocation fees are equal to 3% to 4% of a Qualified Equity Investment from each Subsidiary Allocatee. The sub-allocation fees are deferred and recognized on a straight line basis over the seven year compliance period of the NMTC period. The asset fees are equal to 0.5% of a Qualified Equity Investment from each Subsidiary Allocatee. The asset fees are recognized as costs related to the services provided under the agreement are incurred. During the year ended September 30, 2015, *TCB CDE* earned $219,048 from sub-allocation fees and $125,000 from asset management fees. Estimated future recognition for sub-allocation fees at September 30, 2015 approximates $243,000 for each of the next five years.

NOTE 19 - TCB CDE - continued

TCB CDE has a 0.01% non-controlling membership interest in the Subsidiary Allocatees which is accounted for using the equity method.

The following is the unaudited financial information of the Subsidiary Allocatees, which have not been consolidated in these Consolidated Financial Statements as of and for the year ended September 30, 2015:

Total Assets	$ 42,260,408
Total Liabilities	$ 70,882
Equity	42,189,526
Total Liabilities and Equity	$ 42,260,408
Revenue	$ 681,542
Expense	(463,839)
Net Income	$ 217,703
Net Income Allocated to *TCB CDE*	$ 218
Net Income Allocated to Other Members	$ 217,485

TCB CDE's NMTCs are contingent on the Subsidiary Allocatees maintaining compliance with applicable sections of Section 45D of the IRC during the seven year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest.

NOTE 20 - SALE OF RENTAL PROJECTS

During the year ended September 30, 2015, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Avondale Housing Limited Partnership*, an affiliate of TCB, to sell *Crescent Court Apartments* and *Poinciana Apartments* for a purchase price of $2,718,000. The transaction resulted in a gain of $1,283,008, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2015, *TCB Cincinnati MF LLC* entered into a Purchase and Sale Agreement with *Avondale Housing II Limited Partnership*, an affiliate of TCB, to sell *Alameda Apartments*, *Maple Apartments* and *Somerset Manor Apartments* for a purchase price of $1,963,000. The transaction resulted in a gain of $931,666, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

During the year ended September 30, 2015, *TCB Lincoln Woods, LLC* entered into a Purchase and Sale Agreement with *New Lincoln Woods, LLC*, an affiliate of TCB, to sell its project for a purchase price of $14,879,218. The transaction resulted in a gain of $7,113,072, which is included in "net gain from sale of rental projects" on the Consolidated Statement of Activities and Changes in Net Assets.

NOTE 21 - INVOLUNTARY CONVERSION OF NON-MONETARY ASSETS TO MONETARY ASSETS

During 2015, 38 units of TCB Cincinnati MF LLC's project King Tower Apartments were damaged due to a significant fire. As a result of the fire, King Tower is expected to receive insurance proceeds approximating $1,823,326, of which $1,670,338 is expected to be received during fiscal year 2016. This damage resulted in a net fixed asset impairment loss of $555,428 during the year ended September 30, 2015. Insurance proceeds, less the loss on impairment, resulted in recognizing a gain on the involuntary conversion of nonmonetary assets to monetary assets of $1,267,898 for the year ended September 30, 2015 which is included in "other revenue (expense)" on the accompanying Consolidated Statement of Activities and Changes in Net Assets. Construction is expected to be completed in 2016.

NOTE 22 - SUPPLEMENTAL DISCLOSURES ON CASH FLOWS AND NON-CASH INVESTING AND FINANCING TRANSACTIONS

Supplemental disclosures on cash flows:

Cash paid for interest	$ 2,395,386
Capitalized interest	$ 523,803

Non-cash investing and financing transactions:

Rental property in service acquisitions financed with loan proceeds	$ 1,032,424
Notes payable repaid with rental property in service sales proceeds	6,147,876
Notes payable repaid with property held for sale sales proceeds	3,634,225
1602 Program loan release classified as deferred revenue	715,135
Property held for sale additions included in accounts payable	1,008,095
Notes receivable advances financed with loan proceeds	11,886,250

NOTE 23 - COMMITMENTS AND CONTINGENCIES

In connection with the Company's development and financing activities, under certain terms and conditions, the Company has committed to advance funds to various entities to meet capital and operating requirements. In general, it is the Company's policy to limit its guarantee obligations (other than construction loan or completion guaranties, or environmental indemnities, which are generally required to be unlimited by investors and lenders) on individual developments to no more than 150% of the fees the Company receives in connection with the project. The Company has currently guaranteed approximately $350 million through 112 entities. In addition to the quantifiable guarantees, there are 37 unlimited guarantees across 35 entities for such events as recapture of credits, repurchase of investor limited partner interests, tax credit adjusters and environmental indemnification. As of September 30, 2015, there were no guarantee liabilities accrued.

As general partners, the subsidiaries of TCB can be exposed to legal and financial liabilities, in certain situations, on behalf of the limited partnerships, beyond their equity investments in the limited partnerships.

NOTE 23 - COMMITMENTS AND CONTINGENCIES - continued

The Company is involved in various legal actions arising in the normal course of business. In the opinion of the Company's management, the liability, if any, for such contingencies will not have a material effect on the Company's Consolidated Financial Position.

The Company entered into 53 note agreements with various federal, state and local housing agencies, in the amount of approximately $32.6 million, relating to various development properties. Repayment of the notes will be required only in the event that certain affordable housing and other restrictions, as defined in the note agreements, are not met. In the opinion of management, it is remote that these restrictions will not be met and, as such, a liability has not been accrued.

NOTE 24 - AFFILIATED SPONSORED ENTITIES

GAAP provides guidance on whether a partnership should be consolidated by one of its partners. The assessment of limited partners' rights and their impact on the presumption of control of the limited partnership by the general partner should be made when an investor(s) first becomes a general partner(s) and should be reassessed at each reporting period thereafter for which financial statements of the general partner are prepared.

The Company has approximately a .01% to 1% controlling interest in approximately 122 entities which have not been consolidated into these financial statements, even though consolidation is required under GAAP. As general partner, the Company has unlimited liability over the recourse obligations of these entities. Of the total liabilities, approximately $136 million are classified as recourse. Project expense includes depreciation, amortization and deferred interest. The following unaudited information summarizes the financial condition of the entities as of September 30, 2015:

Total Assets	$ 1,493,835,541
Total Liabilities	$ 1,248,579,685
Equity	245,255,856
Total Liabilities and Equity	$ 1,493,835,541
Revenue	$ 101,750,258
Operating Expense	(94,018,654)
Project Expense	(44,896,276)
Net Loss	$ (37,164,672)

NOTE 25 - SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through March 15, 2016, which is the date the Company's Consolidated Financial Statements were available to be issued. No material subsequent events, other than the items disclosed below, have occurred since September 30, 2015 that required recognition or disclosure in these Consolidated Financial Statements.

The defined benefit plan covers employees hired before March 1, 2008. Subsequent to year end, the Company gave notice to those employees that the defined benefit plan benefit accruals will be frozen as of February 29, 2016 and that all employees will receive an additional matching benefit under the defined contribution 403(b) plan.

Bart Mitchell
President & Chief Executive Officer

Bart Mitchell is president and CEO of The Community Builders, Inc. (TCB), the country's largest nonprofit developer of mixed-income housing. He was appointed to the post in 2012.

Mitchell has a distinguished career in community development that began as a housing and economic development advisor to the Mayor of the City of Boston in the 1980s. He first joined TCB in 1989 as a director of finance and served as project manager for complex urban developments at TCB for six years. In 1996, he left TCB to serve as chief operating officer of Beacon/ Corcoran Jenison Partners, developing HOPE VI communities in the Northeast and Mid-Atlantic United States. He later founded Mitchell Properties LLC, a developer and owner of high-quality residential and mixed-use real estate ventures. Mitchell returned to TCB in July 2010 as the company's chief operating officer.

Mitchell has a Master of Public Policy degree from the Harvard University Kennedy School of Government with a concentration in finance and urban development policy. Mitchell also holds Bachelor of Arts degree from Williams College with Highest Honors in political economy. He is a member of the Boston Air Pollution Control Commission and the New Lease board of directors. He has also served as an active board member of several educational institutions, including Williams College in Williamstown, Mass., The Winsor School in Boston and The Park School in Brookline, Mass.

Beverly Bates

Senior Vice President, Development

Beverly (Bev) Bates joined The Community Builders, Inc. in 1985 as a Project Manager. She currently holds the position of Senior Vice President, Development Operations in which she and her staff provide technical support and oversight for TCB's real estate development activities in the areas of finance, design and construction, and project management. Prior to assuming this role in March of 2001, she was responsible for overseeing TCB's Mid-Atlantic Region, including extensive activities in Pennsylvania and New Jersey. Ms. Bates was responsible for establishing TCB's highly successful office in Pittsburgh, and was formerly the Director of TCB's Western Massachusetts operations. In these capacities, Ms. Bates has overseen the development of thousands of units of affordable and mixed-income housing utilizing a wide range of public and private financing sources.

Prior to joining TCB, Ms. Bates was the Financial Director of Brightwood Development Corporation, a highly successful nonprofit community development corporation operating in the North End neighborhoods of Springfield, MA. She has worked as an Investment Officer for the Massachusetts Community Development Finance Corporation and for the Massachusetts Executive Office of Communities and Development. Ms. Bates has been active on numerous community boards and is a founding member of Housing and Economic Resources for Women, a non-profit organization serving low-income women and children. Ms. Bates is a graduate of Springfield College in Springfield, MA with a degree in Community Leadership and Development.

Jonathon Klein

Senior Vice President & General Counsel

Jonathan Klein is general counsel and senior vice president of The Community Builders, Inc. He was appointed to the post in July 2013.

In this capacity, Klein leads a legal team representing TCB, its affiliates and other nonprofit organizations on all aspects of complex real estate and housing development transactions. His expertise includes Low-Income Housing Tax Credits (LIHTC), New Markets Tax Credits (NMTC) and tax-exempt bonds; all types of local, state and federal subsidy programs for affordable housing; analysis of applicable statutory and regulatory frameworks; zoning, title and real estate conveyancing; condominiums and cooperatives; residential and commercial leasing; limited partnerships and limited liability companies; and closing on multilayered financings with public and private lenders and investors.

Previously, Klein was founding partner of Klein Hornig LLP, where he was responsible for a wide variety of affordable housing and community development transactions, including many dozens of LIHTC projects in various states, creation and management of tax credit funds, 501(c)(3) and private activity bond transactions, cooperative and other resident controlled developments, expiring use projects under a variety of federal programs, acquisition and redevelopment of distressed HUD projects, and HOPE VI/public housing redevelopment projects. He has also represented charter schools, health centers and other nonprofit organizations in complex NMTC transactions.

Klein originally joined TCB in 1988, serving as general counsel, with additional appointments as director of equity finance and acting chief financial officer. He left the TCB in 2001 to form Klein Hornig, which now has more than 25 lawyers specializing in affordable housing and community development law.

Klein received his Juris Doctor degree magna cum laude from the University of Michigan Law School and is a member of the Massachusetts bar. He also received a Bachelor of General Studies degree with high honors from University of Michigan College of Litera-

Mick Vergura

Chief Financial Officer & Senior Vice President

Mick Vergura joined The Community Builders, Inc. (TCB) in 2008 and currently holds the position of chief financial officer & senior vice president. He and his staff provide financial support and oversight for TCB's financing, real estate development and property management activities. Mr. Vergura oversees TCB's operational accounting, including financial reporting, budgeting, audits, internal audits, taxes, regulatory and housing compliance and information technology. He also manages TCB's banking and borrowing relationships and directs the treasury management of all working capital reserves.

Mr. Vergura has a background as a CPA with Coopers & Lybrand and has an MBA. He worked for twelve years in increasingly responsible financial positions with resort operations in New Hampshire and Vermont, and then for six years he was Chief Financial Officer for a vast growing division of a public company doing resort development and facilities management nationwide. More recently, Mr. Vergura was Chief Financial Officer for an international organization doing environmentally friendly resort development in emerging countries.

Elizabeth González Suárez
VICE PRESIDENT OF COMMUNITY LIFE

Elizabeth González Suárez serves as vice president of Community Life (CL) for The Community Builders, Inc. (TCB), in Boston, a position she has held since 2016. González Suárez advances the powerful role that TCB and partner institutions can play in providing stability and social connections for seniors and access to opportunity for families in TCB communities.

Previously she served as the director of Community Health Practice at Dana-Farber Cancer Institute (DFCI) and the deputy director of the U54 Partnership Outreach Program. Most of her 20-year tenure with DFCI was dedicated to designing and implementing evidence-based programs that promote public health among high-risk and underserved populations.

Earlier in her career, González Suárez conducted research on community-based approaches to health promotion and cancer prevention. She was an active member of the DFCI's diversity initiative, targeting programs to increase representation of people of color into the health professions.

González Suárez serves on the Dana-Farber Cancer Institute, Community Benefits External Advisory Committee, the advisory board of the Jordan Boys & Girls Club and the Roxbury Mass in Motion Leadership Team.

She received her bachelor and master's degrees in psychology from Universidad Central de Venezuela, Caracas, Venezuela. She is married with two sons and is a strong community arts advocate and supporter.

Stephanie Anderson Garrett

Vice President, Communications

Stephanie Anderson Garrett is vice president of communications for The Community Builders, Inc. She directs communications strategy, public affairs, marketing communications, digital media and internal communications for the country's largest nonprofit developer of urban mixed-income housing.

Garrett was previously head of public relations and chief corporate spokesperson for OSRAM SYLVANIA. A recipient of the Boston Business Journal's 40 Under 40 honor, Garrett is an award-winning communications strategist who provides informative and insightful media commentary. She has been quoted by CNBC, The Boston Globe and USA Today, among others.

A Flint, Michigan native residing in Boston, Garrett serves as an advisor and board member for several non-profit organizations, including the Boston Pearl Foundation and the Massachusetts Institute for a New Commonwealth (MassINC).

Garrett completed the Business Management Institute at Cornell University in 2008. She holds a master of business administration degree from Washington University in St. Louis and a bachelor's degree in human resources management from Michigan State University.

Jeff Heisler

VICE PRESIDENT OF DESIGN/CONSTRUCTION

Jeff Heisler is the vice president of design/construction services and has been with The Community Builders (TCB) since 2006. He is responsible for the staffing, management and training of members of the design and construction services team who provide support to the regional development staff in the areas of planning, budgeting, design and construction management.

In addition, Heisler is responsible for ensuring that TCB's standards and best practices for the physical development of projects are consistently applied while working with other departments within the organization; particularly property and asset management.

During his tenure, Heisler implemented a new design review process throughout the company. He managed design and construction operations in the Midwest region and has developed significant projects in Chicago, Indianapolis, Ind., Cincinnati, Louisville Ky. and Durham N.C. Currently he manages an annual construction budget of over $90 million.

Prior to joining TCB, Heisler worked as a construction management services consultant. He oversaw the construction operations of several multi-family, mixed income, mixed-finance Hope VI developments in the Northeast, Mid-Atlantic and the Midwest regions. From 1998-2006 Heisler assisted TCB with the construction of more than 1000 units in award-winning communities.
Heisler is a licensed professional engineer with more than 25 years of experience in the construction industry. He has expertise in environmental remediation and management, geotechnical engineering, as well as site civil design.

Earlier in his career, he worked within the healthcare industry assisting with the development of acute care hospitals throughout the United States. Heisler also managed the Brownfield redevelopment program for the Home of the Innocents nonprofit organization as they developed their $50 million medical campus in Louisville, Ky. The project received a National Phoenix Award for Community Impact in Brownfield restoration in 2004. Heisler is a graduate of the University of Kentucky.

VICE PRESIDENT OF FINANCE & ASSET MANAGEMENT

Tom Buonopane

Tom Buonopane joined The Community Builders, Inc. (TCB) in 2006 as a member of the finance department. He currently holds the position of vice president of finance and asset management. In his new role, Buonopane will manage relationships with tax credit syndicators and investors. He and his team work to manage TCB’s real estate portfolio and will continue to identify opportunities to reposition or refinance properties.

Previously, as the vice president of development finance at TCB, Buonopane and his staff provided support to development and finance activities in the organization. He worked closely with the development teams to secure financing and to design the capital structure for the various mission-based projects. Buonopane is experienced in providing strategic assistance to developers on financial structuring for transactions using public and private capital sources.

Prior to joining TCB, Buonopane was a senior manager of a consulting division for a worldwide professional services firm, which provided tax, accounting, consulting, and specialist advisory services to developers and investors. He has over 20 years of experience working on a wide range of tax advantaged real estate projects, including low-income housing, historic rehabilitation, and new markets tax credit projects. Buonopane holds a bachelor's degree in business administration from Northeastern University.

Sean Caron, Chief of Property Operations

Sean Caron is the chief of property operations for The Community Builders, Inc. (TCB). Caron oversees all aspects of TCB's property and portfolio management. He is responsible for the leadership and management of 375 employees responsible for leasing and marketing, day-to-day property operations, regulatory compliance, risk management, curb appeal, maintenance and customer service, financial performance and long-term stewardship of more than 11,000 apartments.

Prior to serving as head of property operations, Sean served as TCB's chief of staff and was responsible for driving the president and CEO's agenda for the organization's board of directors and leadership team. As chief of staff, he oversaw strategic planning, annual business planning, public policy engagement and portfolio and asset management.

Caron previously served as the director of public policy for the Citizens' Housing and Planning Association, a Massachusetts organization that promotes affordable housing and community development on behalf of nonprofit and for-profit developers, homeless advocates and service providers, homeowners, tenants, bankers, real estate professionals, property managers and government officials. Caron has also worked as counsel for the Metropolitan Area Planning Council, the regional planning agency for 101 cities and towns in Metropolitan Boston.

Caron graduated cum laude from Suffolk University Law School and holds a degree in political science from the George Washington University. He lives in West Medford, Mass., with his wife and two daughters. He is a former Medford housing authority commissioner and is involved in his local church school and youth soccer organization.

Livia Bourque
Vice President of Operations

Livia Bourque serves as vice president of operations for property management for The Community Builders, Inc. (TCB) in the Boston office, a position she has held since 2016. Bourque originally joined TCB in 2000 and worked as a portfolio manager.

Previous to her current position, Bourque served as the director of compliance. She was instrumental in providing direction and knowledge to all TCB communities, understanding regulatory requirements for all affordable housing programs and establishing corporate policy for compliance.

Bourque has more than 25 years of experience in the multifamily housing industry overseeing both operations and compliance for large diverse portfolios in 23 states. She has worked as a national and corporate trainer with property management firms and the National Center for Housing Management as well as leading the compliance department for Rhode Island Housing.

Bourque holds many industry designations including but not limited to Registered Housing Manager, Housing Credit Certified Professional, Certified Occupancy Specialist and National Compliance Professional – Executive.

Reginald Howell
Porfolio Operations Manager

Reginald Howell joined The Community Builders, Inc. in 2017 as Porfolio Operations Manager. He has an extensive background in financial services and property management. He has held positions as Assistant Vice President of Finance for Bank of America as well as Sr. Financial Analyst at CNA Insurance. Most recently, he has spent the last 6 years at the Chicago Housing Authority. While working for CHA, Reginald has been an integral part of their management team, working in different departments including Director of Compliance & Finance, and most recently as the Senior Director of Portfolio Management.

Reginald currently holds a Master Degree in Accounting and Financial Management from the Keller School of Management as well as a B.S. in Accounting from Florida A&M University.

Terri Hamilton Brown

Vice President, Midwest Development

Terri Hamilton Brown's distinguished career includes executive and board positions in banking, housing, community development, economic development, nonprofit community organizations and community foundations. She joined The Community Builders in November 2011 as Midwest Regional Director.

In 1990, Terri joined the administration of Cleveland Mayor Michael R. White in 1990 as Deputy Community Development Director, later appointed Director. Under her leadership, the city of Cleveland worked with private and nonprofit developers to spur a residential construction boom in both the neighborhoods and downtown. Terri took over as Executive Director of the Cuyahoga Metropolitan Housing Authority in 1998 and was responsible for turning around the troubled agency. During her five-year tenure, CMHA increased public housing occupancy rates, passed HUD physical inspections, produced auditable financial records, and advanced plans for mixed-income new construction developments through the federal HOPE VI program. Terri then spent two years as president of University Circle Incorporated (UCI), where Terri contributed to efforts for the long-awaited UpTown mixed-use development project and collaboration with surrounding community development corporations. Terri then joined National City Bank (now PNC) as Senior Vice President for Corporate Diversity. She served as the single point of contact for diversity and workforce inclusion programs, policies and procedures. She worked directly with the Office of the Chair on diversity and inclusion matters and developed community programs and activities to achieve the corporation's diversity goals. After nearly three years at the bank, Terri returned to nonprofit service as the lead consultant for the Opportunity Corridor, a transportation and economic development project for which she laid the groundwork while at UCI.

Terri earned a bachelor's degree in economics from the University of Chicago and a master's degree in city planning from the Massachusetts Institute of Technology.

Will Woodley
Director of Development, Chicago

Will Woodley is the Director of Development for TCB's Chicago Office. He is responsible for all development activity in Illinois, Northwest Indiana, and Wisconsin. He oversees the identification and implementation of real estate development projects through stabilized occupancy. He has held this position since 2015.

Woodley joined TCB in 2005 as a special assistant to the regional director. Later he was promoted to project manager where he managed development projects in Chicago, its metropolitan region and Northwest Indiana. His work focuses both on mixed-income, mixed-use revitalization as well mixed-income and affordable housing in communities of opportunity.

He holds a B.B.A. in Economics, Summa Cum Laude, from Loyola University Chicago and a Master in Public Policy and Urban Planning from Harvard University. Woodley is a member of the Urban Land Institute and the Metropolitan Planning Council's Housing and Community Development Committee.

Linda Brace
Senior Project Manager

Linda Brace, joined The Community Builders Inc. (TCB) in 2015, where she works on a variety of mixed-finance, mixed-used developments, with her main focus being the oversight and management of the Harold Ickes development. She has nearly 30 years of experience in affordable housing and particular expertise in utilizing complex, multi-layered financing with public and private funding participants. Prior to joining TCB, Linda was vice president of real estate development at Mercy Housing Lakefront in Chicago, Ill., for six years where she developed Pullman Wheelworks, the adaptive reuse of a 210 unit development in the historic Pullman district of Chicago and another 181 unit affordable housing development, Sterling Park Apartments, in the historic Sears campus in Chicago's near West side neighborhood. Previous to Mercy, Linda directed the development of nearly $500 million of affordable rental, for-sale and mixed-income housing and retail at Holsten Real Estate Development Group. Her projects included North Town Village, Hilliard Homes, Lawndale Restoration, Parkside of Old Town, Wilson Yard and Pacesetter Redevelopment. Earlier in her career, Linda was vice president of Shorebank Development Corporation in Chicago, where she was responsible for developing over 350 units of affordable rental housing and several for-sale, single-family home developments in Chicago's Austin and South Shore neighborhoods. At The Habitat Company, also in Chicago, Linda completed the first new, multi-family apartment building in Chinatown that used a variety of financing mechanisms. Linda received a Bachelors of Arts from Illinois Wesleyan University and attended the University of Grenoble, France; and the University of Illinois-Chicago for the Masters in Urban Planning & Policy program. She serves on the board of the Illinois Housing Council and is a member and past board member of Women in Planning + Development.

Kirk Albinson

Project Manager

With an education and professional experience working within the development arena and years of experience providing design, construction, and operations consulting to the building industries, Kirk has developed a thorough understanding of how to align the creative and technical aspects of each development. Early in the planning stages, Kirk is proactively involved with all development stakeholders to align the program and development objectives. Kirk serves clients as their representative through the entire development process. Kirk's experience, dedication, and meticulous attention to detail adds great value to the developments we pursue and for the clients we serve. He is an excellent resource for our team during the each phase of the development process because of his thorough understanding of the development, design and construction processes. Kirk received his Bachelor of Science in Business, University of Minnesota, Carlson School of Management, with a dual degree in Architecture & Small Business Management / Entrepreneurship.

Christopher M. Johnson | Project Manager

Christopher Johnson joined The Community Builders, Inc. (TCB) in 2016. He is a Project Manager in the Chicago office, responsible for leading mixed-income, mixed-use projects through planning, design, financing, construction, development, and stabilization.

Before joining TCB, Johnson was a Senior Development Associate with The Related Companies of California, where he led the design, development, closing, coordination, and construction of over 540 residential units. He was previously the Principal Developer of Lodge at Coto de Caza—an adaptive re-use multi-family development project in South Orange County, CA. He has also worked in Real Estate Transaction Services with the New York City Economic Development Corporation and as an Acquisitions Analyst with The Bascom Group, a multifamily private equity firm.

Johnson holds a Master in Urban Planning with a concentration in Real Estate Development from Harvard University's Graduate School of Design as well as a Bachelor of Science in Public Policy, Management, and Planning with a concentration in Real Estate Development, Magna Cum Laude, from the University of Southern California.

Michael Rice
Senior Asset Manager

Michael Rice, Senior Asset Manager, joined The Community Builders, Inc. in 2015. He currently analyzes and reports on TCB assets valued at approximately $1.5 billion. He is responsible for the oversight of a portfolio of over 40 affordable LIHTC and mixed income properties throughout six states in the Midwest and Northeast regions. His duties include assessing property financial performance, providing effective solutions managing a dynamic set of investor and state and Federal agency relationships. Mr. Rice positions his portfolios to deliver positive financial gains, utilize and develop multi-dimensional property analytics, including operational performance, physical condition, program compliance, and market sensitivity tests.

Mr. Rice brings 11 years of asset management experience to The Community Builders, Inc. He holds a Master of Business Administration from North Park University.

Jessie Schnell

Development Operations Specialist

Jessie M. Schnell rejoined The Community Builders, Inc. (TCB) in July 2015 after a five year hiatus, but is back in full swing as the Development Operations Specialist for TCB's Chicagoland properties. Jessie currently supports development project management staff with the day-to-day progression of established real estate projects, particularly due diligence, entitlements, regulatory approvals, securing financing commitments, closing on financing and acquisitions, managing invoicing and requisitions, construction draws, ensuring compliance reporting, and managing capital contribution requests and project close out. Jessie helps ensure timely, efficient, and successful progression and completion of the Chicago office's development projects.

With over six years of experience in Real Estate Development with TCB, Jessie has a strong understanding of mixed-income housing development process, and was an integral part of the entire development process for several phases of the Oakwood Shores project. Jessie led the charge for the preservation of a Project Based Section 8 project in Logan Square called Lorington Apartments, and has worked with third party firms including general contractors, architects, and other consultants for all project due diligence. She also manages requests for insurance, title searches, appraisals, surveys, capital needs assessments, and assists with obtaining a variety of permits, approvals and funding. Her experience with local, state and federal government agencies makes Jessie a strong member of the development team.

DEVELOPMENT PROJECT ASSOCIATE

Brittni Tolden

Brittni McCrimmon is a Development Project Associate with The Community Builders, Inc. based in Chicago, IL. She received her Bachelor of Arts from the University of North Carolina at Chapel Hill and went on to receive her Master of Public Administration from Old Dominion University in Virginia. In 2012, she earned her first position with the company as a Community Resource Specialist where she helped established resident support services and partnerships in youth development, community engagement, workforce development, financial and asset building, and housing stabilization. In her capacity in Community Life, she also chaired a professional learning committee as well as successfully led a first-year Low Income Housing Tax Credit lease-up on the Property Management side. For her work, she received the TCB Rising Star award in 2014. Since her start as Development Project Associate in 2015, her projects include Cornerstone Apartments- an affordable development for working artist households and the Arts and Recreation Center at Ellis Park- a 32,000 square foot recreation facility serving residents of Bronzeville and operated by The Chicago Park District. She has been with the company for five years.

Khari Humphries

Community Life Senior Manager, Oakwood Shores

Khari Matthew Humphries serves as community life senior manager for The Community Builders, Inc. at Oakwood Shores in Chicago – a position he has held since April 2012. Humphries leads the planning and execution of programs that assist more than 1,400 residents of mixed-income housing in the areas of financial stability and asset development, youth development and education, workforce development and community engagement.

Previously, Humphries founded ICON Strategies, LTD – a consulting firm that offers support, training, program evaluation, program development and strategic planning to youth-serving and/or not-for profit community based organizations – among them being the Comer Science & Education Foundation, The Chicago Area Project, Illinois Action for Children, the YWCA and the Chicago Out-of-School Time Project; a city-wide effort comprised of the Chicago Park District, the Chicago Public Library, After School Matters, the Chicago Public Schools and the City of Chicago Department of Family & Support Services.

Prior to consulting, Humphries was a director at the Boys & Girls Clubs of Chicago where he worked for eight years. During his tenure at the Boys & Girls Clubs, he trained 100 staff at a local and national level, is a founding member of the annual African American Teen Male Summit and was recognized at the Distinguished Level (the highest level) for the Academy of Youth Development Professionals.
Humphries began his career in community and youth development as the Facility Director for the Fredrick Douglas Community Center where he served the families of the Northside community of Champaign, Ill., for four years. Humphries earned a bachelor's degree in Liberal Arts in Sociology from St. Xavier University. In addition, his other credentials or organizational affiliations include:

- Certified trainer for Advancing Youth Development (AYD) and Supervising of Youth Development Practice (SYDP) of the National Training Institute of Community Youth Work
- Certified external assessor, coach and youth methods trainer for the David P. Weikart Center for Youth Program Quality
- Member of the City Club, Illinois Afterschool Network, Illinois Park & Recreation Association

Rose Mabwa

Community Life Senior Manager, Oakley Square

Rose Mabwa serves as Community Life Senior Manager of Community Life for The Community Builders, Inc., at St. Stephen's Terrace in Chicago, a position she has held since February 2012. Mabwa leads the planning and execution of programs that assist more than 500 residents of mixed-income housing in the areas of financial stability and asset development, youth development and education, workforce development and community engagement.

Previously, Mabwa worked at a Chicago-based national supportive housing organization for nine years. Prior to that, she worked for the former South Shore Bank.

Mabwa holds a B. A. in English from Roosevelt University. In addition, she has a Master's Degree in Fundraising from Spertus College Nonprofit Business School, and she is currently pursuing a doctoral degree in Organizational Leadership. She has been a featured presenter at numerous industry conferences.

THE COMMUNITY BUILDERS

Attachment A

DIRECTORS and OFFICERS
OF
THE COMMUNITY BUILDERS, INC.

Directors:

NAME:	DIRECTOR SINCE:
Brian L.P. Fallon	(2006)
Edward H. Marchant	(2010)
Mary Jo Bane	(2011)
Sara Lindholm	(2013)
Audra Bohannon	(2014)
James Riccio	(2015)
Andrew Altman	(2015)
Louis Mercedes	(2015)
Patrick J. Nash, Sr.	(2016)
Jesus Gerena	(2016)

Officers:

NAME:	OFFICE HELD:
Brian L.P. Fallon	Chair
Louis Mercedes	Clerk
Edward H. Marchant	Treasurer
Bartholomew J. Mitchell III	President and Chief Executive Officer
Michael J. Vergura	Chief Financial Officer, Senior Vice President and Assistant Treasurer
Beverly J. Bates	Senior Vice President
Jonathan Klein	Senior Vice President and Assistant Clerk
James F. Rushford	Assistant Clerk

Internal Revenue Service

Date: December 18, 2006

COMMUNITY BUILDERS INC
% THE COMMUNITY BUILDERS INC
95 BERKELEY ST
BOSTON MA 02116-6230

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Ms. R. Parker ID# 31-07403
Customer Service Specialist
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
04-2324773

Dear Sir or Madam:

This is in response to your request of December 18, 2006, regarding your organization's tax-exempt status.

In June 1964 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Janna K. Skufca

Janna K. Skufca, Director, TE/GE
Customer Account Services

THE COMMUNITY BUILDERS

Who We Are

- Established in 1964, The Community Builders develops housing for families and seniors and invests in local businesses and public amenities that strengthen neighborhoods.
- Our mission is to build and sustain strong communities where people of all incomes can achieve their full potential.
- Together with our partners, our 500 employees bring diverse experience and comprehensive expertise to over 80 communities where we work.

Where We Work

- The Mid-Atlantic region includes our Washington, D.C. office covering Maryland, North Carolina, Pennsylvania, West Virginia and Virginia.
- The Midwest region includes our Chicago and Cincinnati offices covering Illinois, Indiana, Kentucky, Michigan and Ohio.
- The Northeast region includes our Boston and New York offices covering Connecticut, Massachusetts, New Jersey, New York and Rhode Island.

Real Estate Development

- Over 29,000 apartments completed or preserved
- Developed and invested in more than 855,000 square feet of commercial/retail space
- Award-winning track record including the 2015 ULI Jack Kemp Excellence in Affordable and Workforce Housing Award

Property Management

- More than 11,000 apartments owned or managed
- Institute of Real Estate Management Accredited Management Organization
- Ranked in the National Affordable Housing Management Association's Top 100

Community Life

Serving over 4,300 families in 27 communities to achieve resident success in:

- Youth Development: Connecting 60 percent of young adults ages 16-25 with school, military service or work
- Education: Ensuring 75 percent of children under age six are enrolled in quality preschool
- Workforce Development: Increasing the number of households earning income by 5 percent annually
- Asset Building: Linking 50 percent of residents with their own bank accounts
- Health & Wellness: Coaching 80 percent of senior residents to manage their own health

TCBINC.ORG /communitybuilders @TCBCommunities

THE COMMUNITY BUILDERS

Affordable and Mixed-Income Housing Experience

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Lincoln Woods (Rehab) Lincoln, MA The Community Buildlers, Inc. 2017	Family Rental Preservation/Rehab 125 Units	$31,760,448 Equity Syndication, Private Debt, Seller Note, State and Local Funding
Broad Creek V Norfolk, VA The Community Builders, Inc. 2016	Family Rental New Construction 50 Units	$9,582,934 Equity Syndication; HUD; State Funding
Chauncy House (Rehab) Boston, MA The Community Builders, Inc. 2016	Family Rental Preservation/Rehab 81 Units	$32,589,874 Equity Syndication; Sponsor Loan; Private Debt; State Funding
Avondale Redevelopment Phase I Cincinnati, OH The Community Builders, Inc. 2016	Family Rental Preservation/Rehab 81 Units	$19,603,527 Equity Syndication, Private Debt; HUD; State Funding
188 Warburton Yonkers, NY The Community Builders, Inc. 2016	Family Rental New Construction 51 Units	$26,988,664 Equity Syndication, Debt; Public Housing; Federal, State and Local Funding
Cornerstone Apartments Chicago, IL The Community Builders, Inc. 2015	Family Rental New Construction / Rehab 59 Units	$15,579,558 Equity Syndication, City Funding
The Lofts at Loomworks Worcester, MA The Community Builders, Inc. 2015	Family Rental New Construction / Rehab 94 Units	$27,302,215 Equity Syndication, Fed & State Historic, Private Debt, State and Local Funding
Mashpee Village, Phase II Mashpee, MA The Community Builders, Inc. 2015	Family Rental Preservation/Rehab 145 Units	$21,944,031 Equity Syndication, Private Debt; Sponsor Loan; State and Local Funding
New Park West Vernon, CT The Community Builders, Inc. 2015	Family Rental Preservation/Rehab 189 Units	$31,159,439 Equity Syndication, Private Debt; Seller Note; State and Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Schoolhouse Terrace Yonkers, NY The Community Builders, Inc. 2015	Family/Senior Rental New Construction 120 Units	$62,970,540 Equity Syndication, Debt; Public Housing; State and Local Funding
Mecklenburg Mill Charlotte, NC The Community Builders, Inc. 2015	Family Rental Acquisition/Rehab 48 Units	$11,907,696 Equity Syndication, Fed & State Historic, Private Debt, State and Local Funding
Charlesview Brighton Mills Boston, MA The Community Builders, Inc. 2015	Family Homeownership New Construction 20 Units	$8,771,000 Sponsor Loan, Sales
East Liberty Place South Pittsburgh, PA The Community Builders, Inc. 2015	Family Rental New Construction 52 Units	$13,618,156 Equity Syndication, HUD, State and Local Funding
North Street Senior Elkton, MD The Community Builders, Inc. 2014	Senior Rental New Construction 53 Units	$11,100,207 Equity Syndication, Tax Exempt Bonds, FHLB, State and Local Funding
Historic South End Apartments Boston, MA The Community Builders, Inc. 2014	Family Rental Acquisition/Rehab 146 Units	$60,695,534 Equity Syndication, Fed Historic, Private Debt, Sponsor Loan
Shops and Lofts at 47 Chicago, IL The Community Builders, Inc. 2014	Family Rental New Construction 96 units	$45,096,678 Equity Syndication; Private Debt; Public Housing; State and Local Funding
Oakwood Shores Phase 2D Chicago, IL The Community Builders, Inc. 2014	Family Rental New Construction 66 Units	$24,641,389 Equity Syndication; Private Debt; HUD; FHLB
St. Stephens Chicago, IL The Community Builders, Inc. 2014	Family Rental Acquisition/Rehab 247 Units	$36,912,381 Equity Syndication; Private Debt; Sponsor Loan; State
Nicetown Court II Philadelphia, PA The Community Builders, Inc. 2013	Family Rental New Construction 50 Units	$17,810,239 Equity Syndication; State;City
Oakwood Shores Terrace Apartments & Mercy Medical Center Chicago, IL The Community Builders, Inc. 2013	Family Rental New Construction 48 Units	$14,985,000 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital ; DCEO
225 Centre Boston, MA The Community Builders, Inc. / Mitchell Properties 2013	Family Rental New Construction 103 Units	$42,134,000 Equity Syndication; Private Debt; State and Local
The New Charlesview Boston, MA The Community Builders, Inc. 2013	Family Rental New Construction 240 Units	$139,508,919 Equity Syndication; Tax Exempt Bonds, State

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
West Village New Haven, CT YMCA of Greater New Haven 2013	SRO Rental Substantial Rehab 127 units	$17,762,384 Equity Syndication; Fed Historic; State and Local
Cheriton Heights Boston, MA TCB/ABBA 2013	Senior Rental New Construction 70 units	$20,637,950 Equity Syndication; Private Debt; City, State, HUD
Northtown Village Townhomes Senior East Chicago, IN The Community Builders, Inc. 2012	Senior Rental New Construction 56 units	$12,014,229 Equity Syndication; Private Debt; Sponsor Loan
Cohoes Falls Apartments Cohoes, NY The Community Builders, Inc. 2012	Family Acquisitions; Housing Preservation; Rental Rehab 66 units	$17,065,720 Equity Syndication; Fed, State Historic; HUD, State, FHLB
Depot Crossing Wareham, MA The Community Builders, Inc. / South Shore Housing, Inc. 2012	Family Housing Preservation; Rental Occupied Rehab 32 units	$6,964,146 Equity Syndication, Debt, State and Local
Monument Square Troy, NY The Community Builders, Inc. 2012	Family Acquisitions; Housing Preservation; Rental Rehab 89 units	$20,749,508 Equity Syndication; Fed, State Historic; HUD, State
3750 at Oakwood Shores Chicago, IL The Community Builders, Inc. 2012	Elderly Rental New Construction 75 units	$19,026,560 HUD; FHLBSF; IHDA; CHA; DCEO
Province Landing Provincetown, MA The Community Builders, Inc 2012	Family Rental New Construction 50 units	$14,555,252 Equity Syndication, Debt, DHCD, County, AHTF, CBH
Matthews Memorial Terrace Washington DC The Community Builders, Inc./ Matthews Memorial Baptist Church 2012	Family Rental New Construction 99 units	$22,004,390 Equity Syndication; Fed, State, Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Central Grammar Apartments (Recapitalization) Gloucester, MA 2012	Elderly Rental Adaptive Re-Use; Rehab 80 units	$17,783,219 Equity Syndication; Fed, State Historic; Aff Hsg Trust
Merrill Court Apartments Chicago, IL The Community Builders, Inc. 2012	Family Housing Preservation; Rental Rehab 40 units	$6,360,821 IHDA; local funding
Nicetown Court Philadelphia, PA The Community Builders, Inc. 2011	Family New Construction 37 units	Equity Syndication; State and Local funding
Thornwood Apartments University Park, IL The Community Builders, Inc 2011	Elderly Acquisitions; Housing Preservation; Rental Occupied Rehab 183 units	$22,221,833 IHDA;, Private Debt
Cheriton Grove (Rehab) Boston, MA The Community Builders, Inc / ABBA 2011	Elderly Rental Housing Preservation 60 units	$13,804,529 Equity Syndication; HUD/Federal Funding; Sponsor Loan; Tax Exempt Bonds
Northtown Village Townhomes II East Chicago, IN The Community Builders, Inc. 2011	Family Rental New Construction 50 units	$7,762,855 Equity Syndication; HOME; Private Debt; Sponsor Loan
East Liberty North Commercial Pittsburgh, PA The Community Builders, Inc. 2010	Commercial New Construction 0 units	$1,950,000 Private Debt; State/Local Funding
East Liberty North Residential Pittsburgh, PA The Community Builders, Inc. 2010	Family Housing Preservation; Rental New Construction 54 units	$10,493,051 Equity Syndication; FHLB; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Franklin Park Apartments (2010 Refinance) Boston, MA The Community Builders, Inc. 2010	Family Housing Preservation; Rental Rehab 220 units	$38,448,932 Equity Syndication; Sponsor Loan; State/Local Funding; Tax Exempt Bonds
Franklin School Apartments (2008 Refinance) Lexington, MA The Community Builders, Inc. 2010	Family Housing Preservation; Rental Adaptive Re-Use 38 units	$4,699,336 HUD/Federal Funding; Private Debt; State/Local Funding
Heritage Common (2010 Restructure) Lawrence, MA The Community Builders, Inc. 2010	Family Housing Preservation; Rental Occupied Rehab 140 units	$24,787,556 Equity Syndication; HOME; Private Debt; State/Local Funding
Lincoln Woods Acquisition Lincoln, MA 2010	Family Acquisitions; Housing Preservation Occupied Rehab 125 units	$15,500,776 TBD
Oakwood Shores Phase 2B(One) Chicago, IL The Community Builders, Inc. 2010	Family Rental New Construction 75 units	$22,683,648 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital; Private Debt
Cascade Village East-West Akron, OH TCB & Akron Metropolitan Housing Authority 2009	Family Rental New Construction 65 units	$9,425,469 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; Private Debt; State/Local Funding
Clarksdale Phase 3 Louisville, KY TCB & Louisville Metro Housing Agency 2009	Family Rental New Construction 146 units	$22,747,764 Equity Syndication; HOPE VI and Other Public Housing Capital; HUD/Federal Funding; State/Local Funding
Clarksdale Phase 4 Louisville, KY TCB & Louisville Metro Housing Agency 2009	Family Rental New Construction 73 units	$11,200,000 Equity Syndication; HOPE VI and Other Public Housing Capital; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Eaton Place Franklin, MA TCB & The Franklin Federated Church (FFC) 2009	Elderly Rental New Construction 50 units	$9,436,500 FHLB; HUD/Federal Funding; State/Local Funding
Fairlawn Marshall Washington, DC The Community Builders, Inc. 2009	Family Acquisitions; Housing Preservation; Rental Rehab 98 units	$20,315,530 Equity Syndication; Sponsor Loan; State/Local Funding
Mashpee Village (2009 Recapitalization) Mashpee, MA The Community Builders, Inc. 2009	Family Housing Preservation; Rental Rehab 145 units	$6,497,862 Equity Syndication; State/Local Funding
Northtown Village Townhomes East Chicago, IN The Community Builders, Inc. 2009	Family Rental New Construction 75 units	$11,542,843 Equity Syndication; State/Local Funding; Tax Exempt Bonds
Oakwood Shores Phase 2A Chicago, IL The Community Builders, Inc. 2009	Family Rental New Construction 199 units	$56,778,541 Equity Syndication; FHLB; HOME; Private Debt; State/Local Funding
Village at Hospital Hill Phase II Northampton, MA The Community Builders, Inc. 2009	Family Rental New Construction; Rehab 40 units	$10,611,167 CDBG; Equity Syndication; HOME; Private Debt; State/Local Funding
Back of the Hill Apartments (2007 refinancing) Boston, MA The Community Builders, Inc. 2008	Elderly; Special Needs Housing Preservation; Rental Occupied Rehab 124 units	$26,742,776 Equity Syndication; HUD/Federal Funding; Private Debt
Casa Maria Apartments (2008 refinancing) Boston, MA Casa Maria Housing Corporation 2008	Elderly Housing Preservation; Rental Occupied Rehab 85 units	$21,628,579 Equity Syndication; HUD/Federal Funding; Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Cascade Village South Akron, OH TCB & Akron Metropolitan Housing Authority 2008	Family Rental New Construction 80 units	$11,208,378 CDBG; Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; Private Debt
Dutch Point Rental Phase 2 Hartford, CT TCB & Hartford Housing Authority 2008	Family Rental New Construction; Rehab 54 units	$15,314,415 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; State/Local Funding
Holman Homes Durham, NC TCB & Durham Housing Authority 2008	Family Rental New Construction 83 units	$13,082,234 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; Private Debt
Kensington Square II (2008 refinancing) New Haven, CT 2008	Family Housing Preservation; Rental Rehab 96 units	$2,180,097 TBD
Lorington Apartments Preservation Chicago, IL The Community Builders, Inc. 2008	Family Acquisitions; Housing Preservation; Rental Substantial Rehab 54 units	$14,625,973 CDBG; Equity Syndication; State/Local Funding; Tax Exempt Bonds
Mill Homes Revival Durham, NC TCB & Durham Housing Authority 2008	Family Homeownership New Construction; Substantial Rehab 9 units	$2,009,913 Home Sales; HOPE VI and Other Public Housing Capital; State/Local Funding
Woodbourne Apartments (2008 refinancing) Boston, MA The Community Builders, Inc. 2008	Elderly Housing Preservation; Rental Occupied Rehab 75 units	$13,583,650 Equity Syndication; HUD/Federal Funding; Sponsor Loan; Tax Exempt Bonds
Cambria Homes Coatesville, PA Housing Authority of the County of Chester 2007	Family Homeownership New Construction 84 units	$12,700,110 HOME; Home Sales; HOPE VI and Other Public Housing Capital

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Clarksdale Phase 1 Louisville, KY TCB & Louisville Metro Housing Agency 2007	Family Rental New Construction 148 units	$21,707,887 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; HUD/Federal Funding; Private Debt; State/Local Funding
Clarksdale Phase 2 Louisville, KY TCB & Louisville Metro Housing Agency 2007	Family Rental New Construction 76 units	$10,529,407 Equity Syndication; HOPE VI and Other Public Housing Capital; Sponsor Loan
Laurel Homes Phase V Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2007	Family Rental New Construction 106 units	$12,328,626 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Lord Stirling Senior Housing New Brunswick, NJ The Community Builders, Inc. 2007	Elderly Rental Rehab 48 units	$12,624,390 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; HUD/Federal Funding; State/Local Funding
Morgan Woods Edgartown, MA The Community Builders, Inc. 2007	Family Rental New Construction 60 units	$15,660,001 Equity Syndication; HOME; State/Local Funding
New Parkwoods II-B Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2007	Family Acquisitions; Housing Preservation; Rental New Construction 64 units	$9,190,465 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; Private Debt
New Parkwoods III Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2007	Family Acquisitions; Housing Preservation; Rental New Construction 76 units	$10,876,248 Equity Syndication; HOME; HUD/Federal Funding; Private Debt
South End Tenant Houses I (2006 refinancing) Boston, MA Tenants' Development Corporation (TDC) 2007	Family Housing Preservation; Rental Occupied Rehab 100 units	$25,429,330 TBD

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Uxbridge/Millville Regional Housing (2006 refinancing) Uxbridge, MA 2007	Elderly Housing Preservation; Rental Occupied Rehab 80 units	$6,752,751 TBD
Alston Manor/Morning Glory Senior Village Durham, NC TCB & Durham Housing Authority 2006	Elderly Rental New Construction 25 units	$2,933,067 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Boston Trailer Park Boston, MA The Community Builders, Inc. 2006	Family Other Occupied Rehab 104 units	$3,119,017 FHLB; Private Debt; State/Local Funding
Broad Creek Bowling Green IV Norfolk, VA Norfolk Redevelopment and Housing Authority 2006	Family Rental New Construction 50 units	$7,947,273 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Broad Creek Marshall Manor IV Norfolk, VA Norfolk Redevelopment and Housing Authority 2006	Family Rental New Construction 38 units	$6,620,497 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Calvert @ Main and Calvert Place Durham, NC TCB & Durham Housing Authority 2006	Family Rental New Construction 75 units	$9,153,300 CDBG; Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt; State/Local Funding
Carriage House New Bedford, MA TCB & Coastline Elderly Services 2006	Elderly Rental Adaptive Re-Use; New Construction; Substantial Rehab 34 units	$4,705,022 HOME; HUD/Federal Funding; State/Local Funding
Cascade Village North Akron, OH TCB & Akron Metropolitan Housing Authority 2006	Family Rental New Construction 97 units	$12,831,562 CDBG; Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Dutch Point Rental Phase 1 Hartford, CT TCB & Hartford Housing Authority 2006	Family Rental New Construction; Rehab 73 units	$18,432,790 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital; State/Local Funding
Grandview For-Sale Wheeling, WV The Community Builders, Inc. 2006	Family Homeownership New Construction 13 units	$2,433,311 HOME; HOPE VI and Other Public Housing Capital; Private Debt
Hilltop Apartments Northampton, MA The Community Builders, Inc. 2006	Family Rental New Construction; Rehab 33 units	$8,222,917 Equity Syndication; FHLB; HOME; Home Sales; State/Local Funding
Lake Street Terrace Chatham, MA TCB & Chatham Housing Authority 2006	Family Rental New Construction 47 units	$9,504,100 Equity Syndication; FHLB; HOME; State/Local Funding
Meyers Ridge Homes McKees Rocks, PA TCB & Allegheny County Hsg. Authority 2006	Family Homeownership New Construction 19 units	$4,039,965 HOME; HOPE VI and Other Public Housing Capital; Private Debt
New Parkwoods II-A Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2006	Family Acquisitions; Housing Preservation; Rental New Construction 60 units	$8,600,079 Equity Syndication; HOME; HUD/Federal Funding; Private Debt
Oakwood Shores Phase 1B Chicago, IL TCB & Granite Development 2006	Family Rental New Construction 162 units	$39,363,607 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt
Penn Manor Pittsburgh, PA The Community Builders, Inc. 2006	Family Housing Preservation; Rental New Construction 55 units	$7,835,754 Equity Syndication; FHLB; HOME; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Southend Replacement Housing Bridgeport, CT TCB/Bridgeport Neighborhood Trust 2006	Family Rental New Construction; Rehab 12 units	$4,000,000 State/Local Funding
Stillwater Heights Harrisville, RI The Community Builders, Inc. 2006	Elderly Rental New Construction 53 units	$5,656,137 HUD/Federal Funding
Broad Creek Bowling Green III Norfolk, VA Norfolk Redevelopment and Housing Authority 2005	Family Rental New Construction 45 units	$6,190,947 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital
Broad Creek Marshall Manor III Norfolk, VA Norfolk Redevelopment and Housing Authority 2005	Family Rental New Construction 58 units	$7,643,917 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital
Casa Familia New Haven, CT TCB & Casa Otonal 2005	Elderly; Family Other; Rental New Construction 30 units	$7,362,547 Equity Syndication; State/Local Funding
Grandview Rental Wheeling, WV The Community Builders, Inc. 2005	Family Rental New Construction 47 units	$7,927,224 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital; HUD/Federal Funding
Laurel Homes Phase IV Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2005	Family Rental New Construction 59 units	$6,619,782 Equity Syndication; HOPE VI and Other Public Housing Capital; State/Local Funding
Main Street Townhomes Durham, NC TCB and the Durham Housing Authority 2005	Family Rental New Construction 43 units	$5,332,182 Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt
Northampton Independent Living Northampton, MA The Community Builders, Inc. 2005	Special Needs Rental Occupied Rehab 6 units	$621,765 Private Debt; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Oakwood Shores Phase 1A Chicago, IL TCB & Granite Development 2005	Family Rental New Construction 163 units	$36,080,771 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; Private Debt; State/Local Funding
Plumley Village (2004 refinancing) Worcester, MA The Community Builders, Inc. 2005	Family Housing Preservation; Rental Occupied Rehab 430 units	$45,405,213 Equity Syndication; Private Debt; Sponsor Loan
Sherman Forest East Indianapolis, IN TCB & United Northeast Community Development Center (UNECDC) 2005	Family Acquisitions; Housing Preservation; Rental New Construction 54 units	$6,512,618 Equity Syndication; HOME; Private Debt
Victory Gardens New Haven, CT TCB & The Glendower Group 2005	Elderly Rental New Construction 42 units	$5,183,857 HOME; HUD/Federal Funding; State/Local Funding
Broad Creek Bowling Green II Norfolk, VA Norfolk Redevelopment and Housing Authority 2004	Family Rental New Construction 43 units	$5,586,547 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital
Broad Creek Marshall Manor II Norfolk, VA Norfolk Redevelopment and Housing Authority 2004	Family Rental New Construction 66 units	$8,181,795 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital
Easterly Shores Fall River, MA The Community Builders, Inc. 2004	Family Housing Preservation; Rental Rehab 27 units	$4,480,565 Equity Syndication; HOME; Private Debt; State/Local Funding
Ice Pond Drive Northampton, MA The Community Builders, Inc. 2004	Family Homeownership New Construction 28 units	$3,686,500 CDBG; HOME; Home Sales; Private Debt; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Laurel Homes Phase II Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2004	Family Rental New Construction 56 units	$5,706,557 Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt
Mansion Initiative Albany, NY The Community Builders, Inc. 2004	Family Housing Preservation; Rental Rehab 39 units	$5,060,100 CDBG; Equity Syndication; FHLB; HOME; State/Local Funding
Meyers Ridge Community Building McKees Rocks, PA TCB and Allegheny County Housing Authority 2004	Other New Construction 0 units	$1,504,711 CDBG; HOPE VI and Other Public Housing Capital; State/Local Funding
North Wheeling Homeownership Wheeling, WV The Community Builders, Inc. 2004	Family Homeownership New Construction 23 units	$3,234,789 Home Sales; HOPE VI and Other Public Housing Capital
Ormont Court New Haven, CT TCB & Beulah Land Dev. Corp. 2004	Elderly Rental Rehab 12 units	$1,741,300 HOME; HUD/Federal Funding; State/Local Funding
Parkside View Schenectady, NY The Community Builders, Inc. 2004	Family Rental Rehab 40 units	$5,440,057 CDBG; Equity Syndication; FHLB; State/Local Funding
Riverside Urban Renewal New Brunswick, NJ The Community Builders, Inc. 2004	Family Rental New Construction 76 units	$13,994,884 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; HUD/Federal Funding; State/Local Funding
South End Tenant Houses II (2003 refinancing) Boston, MA Tenants' Development Corporation (TDC) 2004	Family Housing Preservation; Rental Rehab 185 units	TBD

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
100 Cambridge Street Boston, MA 2003	Family Rental New Construction 25 units	TBD
Barton Street Pawtucket, RI TCB & Pawtucket Citizens Dev. Corp. 2003	Family Rental Substantial Rehab 27 units	$4,702,762 Equity Syndication; FHLB; HOME; HUD/Federal Funding; Private Debt; State/Local Funding
Churchill Homes HOPE VI Phase II Holyoke, MA Holyoke Housing Authority 2003	Family Rental New Construction; Rehab 50 units	$10,970,062 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; State/Local Funding
Corliss Institute Warren, RI 2003	Special Needs Rental Rehab 6 units	$302,000 HOME; State/Local Funding
Downtown Revival Coatesville, PA TCB & Chester County Hsg. Authority 2003	Family Rental New Construction; Rehab 22 units	$4,603,676 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital; State/Local Funding
Edgewood Terrace Apartments Indianapolis, IN 2003	Family Acquisitions Rehab 28 units	Equity Syndication; HOME; State/Local Funding
Hope Manor New Brunswick, NJ The Community Builders, Inc. 2003	Family Rental New Construction; Rehab 68 units	$14,291,643 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; State/Local Funding
Laurel Homes Phase 1 Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2003	Family Rental New Construction 148 units	$14,153,752 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Lawrence Methuen Phase II Lawrence, MA The Community Builders, Inc. 2003	Family Rental Substantial Rehab 22 units	$4,396,111 Equity Syndication; HOME; Private Debt; State/Local Funding
Lincoln Court Phase IV Cincinnati, OH TCB & CMHA 2003	Family Rental New Construction 91 units	$9,064,271 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital; State/Local Funding
Meyers Ridge Phase II McKees Rocks, PA TCB & Allegheny County Hsg. Authority 2003	Family Rental New Construction 63 units	$7,895,045 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital
New Brunswick HOPE VI Community Building New Brunswick, NJ 2003	Family Other New Construction 0 units	HOPE VI and Other Public Housing Capital
Niagara Court Fall River, MA The Community Builders, Inc. 2003	Family Housing Preservation; Rental Rehab 40 units	$5,006,030 Equity Syndication; HOME; Private Debt; State/Local Funding
Odd Fellows Worcester, MA TCB & ARTSWorcester 2003	Family Rental Substantial Rehab 24 units	$4,460,775 Equity Syndication; FHLB; Private Debt; State/Local Funding
Osprey Lane Sandwich, MA TCB & Sandwich Housing Authority 2003	Family Rental New Construction 36 units	$5,066,337 Equity Syndication; FHLB; HOME; Private Debt; State/Local Funding
Shawme Heights II Sandwich, MA TCB & Shawme Heights, Inc. 2003	Elderly Rental Rehab 50 units	$4,853,336 FHLB; HUD/Federal Funding; State/Local Funding
South Common Kent, CT TCB & Kent Affordable Housing 2003	Family Rental New Construction 24 units	$3,936,671 CDBG; Equity Syndication; FHLB; HOME; Private Debt; Sponsor Loan

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
The Villages at Park DuValle Phase IV Louisville, KY TCB & Louisville Metro Housing Authority 2003	Family Rental New Construction 192 units	$23,875,369 Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt
Dickson Meadow Weston, MA TCB/Dickson meadow Advisory Committee 2002	Family Homeownership New Construction 18 units	$10,000,000 Foundation; Home Sales
Forest Green Commons McKees Rocks, PA 2002	Family Rental New Construction 60 units	$7,520,171 CDBG; Equity Syndication; HOPE VI and Other Public Housing Capital
Lawrence Methuen Phase I Lawrence, MA The Community Builders, Inc. 2002	Family Rental Substantial Rehab 35 units	$5,860,089 Equity Syndication; HOME
Lincoln Court Phase I Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2002	Elderly Rental New Construction 54 units	$4,978,446 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital
Lincoln Court Phase II Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2002	Family Rental New Construction 114 units	$10,222,645 Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital; Private Debt; State/Local Funding
Lincoln Court Phase III Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2002	Family Rental New Construction 58 units	$5,271,231 Equity Syndication; HOME; HOPE VI and Other Public Housing Capital
McKees Rocks Terrace Near Site Homeownership McKees Rocks, PA 2002	Family Homeownership New Construction 2 units	$150,000 CDBG; HOPE VI and Other Public Housing Capital
North Wheeling Rental Wheeling, WV The Community Builders, Inc. 2002	Family Rental New Construction 39 units	$4,840,397 CDBG; Equity Syndication; HOME; HOPE VI and Other Public Housing Capital

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Pennley Commons Pittsburgh, PA Pennley Supportive Housing for the Elderly Inc. 2002	Elderly Rental New Construction 38 units	$3,649,000 FHLB; HUD/Federal Funding
Puerta de la Esperanza Holyoke, MA Nueva Esperanza 2002	Family Rental New Construction; Rehab 33 units	$7,237,907 Equity Syndication; FHLB; HOME; Private Debt; State/Local Funding
Westfield 202 Westfield, MA TCB & Highland Valley Elder Services 2002	Elderly Rental Rehab 46 units	$5,493,300 FHLB; HUD/Federal Funding; State/Local Funding
Bergenview Apartments Jersey City, NJ The Community Builders, Inc. 2001	SRO Housing Preservation; Rental Rehab 131 units	$13,000,000 CDBG; Equity Syndication; HOME
Churchill Homes HOPE VI Phase I Holyoke, MA TCB & Holyoke H.A. & City of Holyoke 2001	Family Rental New Construction 50 units	$9,847,800 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital
Garnet Terrace Coatesville, PA TCB & Chester County Hsg. 2001	Family Rental New Construction; Rehab 47 units	$6,047,769 Equity Syndication; FHLB; HOME; HOPE VI and Other Public Housing Capital
Harbor House Newport, RI Church Community Housing Corp. 2001	Elderly Rental Substantial Rehab 38 units	$5,284,044 CDBG; Equity Syndication; Foundation; HOME; State/Local Funding
Lincoln Court Phase I Homeownership Cincinnati, OH TCB & Cincinnatti Metro Housing Authority 2001	Family Homeownership New Construction 35 units	$5,250,000 HOPE VI and Other Public Housing Capital

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Meyers Ridge Townhomes McKees Rocks, PA TCB & Allegheny County Hsg. Authority 2001	Family Rental New Construction 83 units	$11,485,000 CDBG; Equity Syndication; FHLB; HOPE VI and Other Public Housing Capital
New Pennley Place Phase II Pittsburgh, PA TCB and ELDI 2001	Family Housing Preservation; Rental New Construction 34 units	$4,989,083 Equity Syndication; HUD/Federal Funding
Olmsted Commons Providence, RI The Community Builders, Inc. 2001	Family Rental Rehab 24 units	$957,000 HOME; HUD/Federal Funding
Olmsted Gardens Providence, RI The Community Builders, Inc. 2001	Elderly Rental New Construction 51 units	$4,843,400 HOME; HUD/Federal Funding
Orchard Gardens Boston, MA Boston Housing Authority (BHA) 2001	Family Rental New Construction; Substantial Rehab 524 units	$96,000,000 Equity Syndication; HOPE VI and Other Public Housing Capital
Pine Oaks Village III Harwich, MA Mid-Cape Church Homes 2001	Elderly Rental New Construction 65 units	$6,012,000 HOME; HUD/Federal Funding; State/Local Funding
Spring Garden Revitalization Philadelphia, PA TCB & Spring Garden CDC 2001	Family Housing Preservation; Rental Rehab 97 units	$13,908,089 CDBG; Equity Syndication; FHLB
The Villages at Park DuValle Phase III Louisville, KY TCB & Louisville Metro Housing Authority 2001	Elderly; Family Rental New Construction 108 units	$14,585,756 Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Amy Lowell House Boston, MA The Community Builders, Inc. 2000	Elderly Acquisitions; Housing Preservation; Rental Rehab 151 units	$21,524,000 Equity Syndication; State/Local Funding; Tax Exempt Bonds
Ethel Lawrence Homes Mt. Laurel, NJ Fair Share Housing Dev. 2000	Family Rental New Construction 100 units	$18,500,000 Equity Syndication; FHLB; Private Debt
King's Highway II Philadelphia, PA KAN/KARP 2000	Family Rental New Construction; Rehab 31 units	$5,504,000 CDBG; Equity Syndication; HOME
Presidential Place Cranston, RI TCB 2000	Elderly Rental New Construction 51 units	$4,403,000 CDBG; HUD/Federal Funding
Rose Garden Apartments Philadelphia, PA N. Philadelphia Community Help 2000	Family Rental New Construction; Rehab 43 units	$6,486,632 CDBG; Equity Syndication; FHLB; Foundation
Shadow Run Pinellas Park, FL 2000	Family Acquisitions; Housing Preservation Rehab 276 units	$13,375,000 TBD
Tallahassee Portfolio Tallahassee, FL 2000	Family Acquisitions; Housing Preservation Rehab 758 units	$37,059,234 TBD
The Villages at Park DuValle Phase II Louisville, KY TCB & Louisville Metro Housing Authority 2000	Family Rental New Construction 213 units	$27,451,600 Equity Syndication; HOPE VI and Other Public Housing Capital; Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Chauncy House Boston, MA TCB & Chauncy House Community Corporation 1999	Family Housing Preservation; Rental Rehab 88 units	$8,032,613 Equity Syndication; HUD/Federal Funding; State/Local Funding
Division Street Condominiums New Haven, CT Hazel Street Dev. Corp. 1999	Family Homeownership New Construction 5 units	$2,300,000 CDBG; FHLB; HOME
Forest Farm Assisted Living Middletown, RI Church Community Hsg. Corp. 1999	Assisted Living; Elderly Rental New Construction 50 units	$6,252,000 CDBG; Equity Syndication; HOME; State/Local Funding
Ivy House Philadelphia, PA Salvation Army 1999	Elderly; SRO Rental New Construction 74 units	HOME; HUD/Federal Funding
Morris Avenue Providence, RI The Community Builders, Inc. 1999	Special Needs Rental Rehab 3 units	$330,000 TBD
New Beginnings Manalapan, NJ Samaritan Center 1999	Family Homeownership New Construction 86 units	$11,400,000 CDBG; HOME; State/Local Funding
New Pennley Place Phase I Pittsburgh, PA TCB & ELDI 1999	Family Housing Preservation; Rental Rehab 102 units	$14,680,000 Equity Syndication; HOPE VI and Other Public Housing Capital; HUD/Federal Funding
Orchard Street Town Homes New Haven, CT Beulah Land Dev. Corp. 1999	Family Homeownership New Construction 20 units	$2,300,000 CDBG; FHLB; HOME
Providence Place Holyoke, MA Sisters of Providence 1999	Elderly Rental Adaptive Re-Use; Rehab 120 units	$14,000,000 Private Debt

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Reed House Philadelphia, PA The Salvation Army & Phoenix Alliance 1999	SRO Rental Adaptive Re-Use; Rehab 66 units	$6,205,930 CDBG; Equity Syndication; FHLB; HUD/Federal Funding
Villa Nia Apartments Middletown, RI Church Community Hsg. Corp. 1999	Special Needs Rental New Construction 15 units	$1,539,000 CDBG; HUD/Federal Funding; State/Local Funding
Washington Heights Boston, MA Washington Heights T.A 1999	Family Rental Rehab 175 units	$17,810,556 TBD
Alewife Parkway Apartments Cambridge, MA Just- A-Start Corp. 1998	Family Rental Rehab 273 units	$20,350,000 HUD/Federal Funding
Booth Manor/Salvation Army Philadelphia, PA Salvation Army 1998	Elderly; SRO Rental New Construction 50 units	$5,188,000 CDBG; HOME; HUD/Federal Funding
Bowling Lane Bradford, RI Action Community Land Trust 1998	Family Rental Rehab 36 units	$3,634,000 Equity Syndication; FHLB; HOME
Brighton-Allston Apartments Boston, MA Allston-Brighton CDC 1998	Family Rental Rehab 62 units	$4,569,919 Equity Syndication; FHLB; HOME; Sponsor Loan
Casa Caribe Philadelphia, PA Hispanic Association of Contractors and Enterprises (HACE) 1998	Elderly Rental Adaptive Re-Use; Rehab 53 units	$4,500,000 CDBG; HUD/Federal Funding
Dartmouth TCB (1998 refinancing) Boston, MA The Community Builders, Inc. 1998	Family Housing Preservation; Rental Rehab 83 units	$9,837,257 Equity Syndication; HUD/Federal Funding; Private Debt; Sponsor Loan

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Harrison Apartments Bridgeport, CT Central CT Coast YMCA 1998	SRO Rental Rehab 102 units	$9,700,000 CDBG; Equity Syndication; FHLB; HOME; HUD/Federal Funding
Hogar de Esperanza Philadelphia, PA Assoc. de Puertoriquenos en Marcha 1998	Special Needs Rental New Construction 20 units	$2,480,000 CDBG; Equity Syndication; Foundation; HUD/Federal Funding
Kent Street Apartments Somerville, MA TCB & WSHE 1998	Family Rental New Construction 40 units	$4,908,646 Equity Syndication; FHLB; HOME; HUD/Federal Funding; State/Local Funding
Nate Smith House Boston, MA Neighborhood Dev. Crp. of J.P. 1998	Elderly Rental New Construction; Rehab 45 units	$3,900,000 HUD/Federal Funding; State/Local Funding
North Second Avenue Revitalization Coatesville, PA TCB and Cansler Investment Group 1998	Elderly; Family Rental New Construction; Rehab 62 units	$6,567,859 CDBG; Equity Syndication; FHLB; Foundation; HOME
Perry Street Apartments (1998 refinancing) Lowell, MA The Community Builders, Inc. 1998	Family Rental Rehab 18 units	$1,966,700 Equity Syndication; State/Local Funding
Presidential Gardens Haverhill, MA Neighborhood Assoc. 1998	Family Rental Rehab 200 units	$15,815,000 FHLB; HUD/Federal Funding
Project H.O.M.E. II Philadelphia, PA Project H.O.M.E. 1998	Family Rental Rehab 30 units	$3,300,000 CDBG; Equity Syndication; HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Sarah Allen Phase IV Philadelphia, PA Friends Rehab. Program 1998	Family Rental New Construction; Rehab 40 units	$3,700,000 CDBG; Equity Syndication; State/Local Funding
The Brownstones Boston, MA The Brownstone Alliance 1998	Family Rental Rehab 35 units	$3,300,000 HUD/Federal Funding
Villas del Caribe Philadelphia, PA Hispanic Association of Contractors and Enterprises (HACE) 1998	Family Rental New Construction 81 units	$11,479,052 CDBG; Equity Syndication
Voces de Esperanza Holyoke, MA N. Esperanza & Franklin Res. Assoc. 1998	Family Rental Rehab 36 units	$3,800,000 CDBG; Equity Syndication; FHLB; HOME; State/Local Funding
Warren Avenue Apartments Boston, MA Tent City Corp. 1998	Family Rental Rehab 30 units	$3,990,000 CDBG; Equity Syndication; HOME; HUD/Federal Funding
Willow Arms Tariffville, CT Mutual Hsg. Assoc. of Hartford 1998	Family Rental Rehab 81 units	$5,500,000 HUD/Federal Funding
Woodward Park House Boston, MA Pine Street Inn/ P. Sullivan H.T. 1998	Elderly; Special Needs Rental New Construction 12 units	$450,000 FHLB; HUD/Federal Funding
Cleaves Court (1997 refinancing) Boston, MA Urban Edge Housing Corp. 1997	Family Rental Rehab 36 units	$3,205,958 Equity Syndication; HUD/Federal Funding; Sponsor Loan; State/Local Funding
Elmhurst House Providence, RI Independent Living Authority 1997	Special Needs Rental New Construction 30 units	$2,700,000 HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Hing Wah Yuen Philadelphia, PA Philadelphia Chinatown Dev. Corp. 1997	Family Homeownership New Construction 51 units	$5,833,000 FHLB; HOME; Private Debt
Johnnie Tillmon Townhouses Philadelphia, PA 1997	Family Rental New Construction 23 units	State/Local Funding
Leyden Woods Apartments Greenfield, MA The Community Builders, Inc. 1997	Family Housing Preservation; Rental Rehab 200 units	$14,251,038 Equity Syndication; FHLB; HUD/Federal Funding; State/Local Funding
Mission Springs Holliston, MA TCB & BayPath Community Health Services 1997	Elderly Rental Rehab 75 units	$7,000,000 HUD/Federal Funding
Nevins Manor Methuen, MA Henry C. Nevins Home, Inc. 1997	Elderly Rental Rehab 44 units	$4,200,000 HUD/Federal Funding
Northside Terraces Torrington, CT Torrington Aff. Housing 1997	Family Rental Rehab 92 units	$6,076,527 Equity Syndication; FHLB; HUD/Federal Funding
Park West Apartments Vernon, CT Park West Residents Assoc. 1997	Family Rental Rehab 189 units	$10,722,000 HUD/Federal Funding
Sarah Allen Elderly Philadelphia, PA Friends Rehab. Program 1997	Elderly Rental Adaptive Re-Use; Rehab 87 units	$8,000,000 CDBG; HUD/Federal Funding
South Summer Street Holyoke, MA South Summer Street Assoc. 1997	Family Rental Rehab 16 units	HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
West House Middletown, RI Church Community Hsg. Corp. 1997	Elderly Rental Substantial Rehab 50 units	$3,922,600 HUD/Federal Funding
Wiggin Village Apartments Providence, RI 1997	Family Rental New Construction 285 units	TBD
Auburn Court Cambridge, MA Homeowner's Rehab, Inc. 1996	Family Rental New Construction 77 units	$12,860,000 Equity Syndication; FHLB; Foundation; State/Local Funding
Bancroft Apartments Boston, MA 1996	Family Rental Rehab 45 units	$3,300,000 Equity Syndication
Burbank Apartments Boston, MA Fenway CDC 1996	Family Rental Substantial Rehab 35 units	$4,200,000 Equity Syndication
Charlesbank Apartments Boston, MA Charlesbank Apt. Tenants Assoc. 1996	Cooperative Rental Rehab 277 units	$13,000,000 Foundation; HUD/Federal Funding
Dart Gardens Hartford, CT Mutual Hsg. Assoc. of Vernon, CT 1996	Family Rental Rehab 54 units	$5,215,000 HUD/Federal Funding
Galilee Pavilion Levittown, PA Galilee Village, Inc. 1996	Elderly Rental Adaptive Re-Use; New Construction 50 units	$4,800,000 CDBG; Foundation; HOME; HUD/Federal Funding
Greenfield Gardens Greenfield, MA 1996	Family Rental New Construction 202 units	HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Grove Street Mutual Housing Windsor Locks, CT Mutual Housing Assoc. of Hartford 1996	Family Rental Rehab 21 units	$3,242,000 Equity Syndication; State/Local Funding
Imani Homes Philadelphia, PA People's Emergency Center 1996	Family Rental Rehab 23 units	$3,100,000 CDBG; Equity Syndication; FHLB
Jardines del Borinquen II Philadelphia, PA Asoc. de Puertoriquenos en Marcha 1996	Family Rental New Construction 45 units	$5,500,000 CDBG; Equity Syndication
Kensington Square I New Haven, CT The Community Builders, Inc. 1996	Family Housing Preservation; Rental Rehab 120 units	$11,150,000 Equity Syndication; HUD/Federal Funding
Kensington Square II New Haven, CT The Community Builders, Inc. 1996	Family Housing Preservation; Rental Rehab 96 units	$11,150,000 Equity Syndication; HOME; HUD/Federal Funding
Liberty Commons Middletown, CT The Connection Fund 1996	SRO Rental Rehab 40 units	$5,500,000 Equity Syndication; State/Local Funding
Mashpee Village Mashpee, MA The Community Builders, Inc. 1996	Family Housing Preservation; Rental Rehab 145 units	$9,000,000 Equity Syndication; FHLB; HOME; State/Local Funding
Plaza Terrace Hartford, CT 1996	Family Rental Rehab 14 units	HUD/Federal Funding
Project Renew Lincoln, RI Blackstone Valley Com. Action 1996	Family Rental Substantial Rehab 34 units	$2,800,000 CDBG; HOME; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
South End Cooperative Housing Boston, MA Low Cost Tenants Assoc. 1996	Cooperative; Family Rental Rehab 73 units	$8,066,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Spring Garden Senior Housing Vineland, NJ Test City Child Care/ Tri-County C.A.A. 1996	Elderly Rental New Construction 125 units	$8,580,000 HUD/Federal Funding
Upsala Elder Apartments Worcester, MA Oak Hill CDC 1996	Elderly Rental Adaptive Re-Use; Rehab 50 units	$4,500,000 HOME; HUD/Federal Funding
Warminster Heights Warminster, PA Warminster Heights H.A 1996	Family Rental Rehab 746 units	Private Debt
WCRP Scattered Sites Philadelphia, PA Women's Community Revitalization Project (WCRP) 1996	Family Rental Rehab 34 units	Equity Syndication
Westminster Court Boston, MA Residents Assoc. 1996	Family Rental Rehab 70 units	$4,000,000 Equity Syndication; FHLB; HUD/Federal Funding; State/Local Funding
Allen Park Apartments Phase II Springfield, MA 1995	Family Rental Occupied Rehab; Rehab 94 units	HUD/Federal Funding
Independence House Providence, RI Independent Living Authority 1995	Special Needs Rental New Construction 26 units	$2,014,000 HUD/Federal Funding
Jamaica Plain Apartments Boston, MA Urban Edge Housing Corp. 1995	Family Rental Rehab 107 units	$3,900,000 Equity Syndication; FHLB; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Jardines del Borinquen I Philadelphia, PA Asoc. de Puertoriquenos en Marcha 1995	Family Rental New Construction 45 units	$5,010,000 CDBG; Equity Syndication
Mountain Valley Place New Haven, CT West Rock CDC 1995	Elderly; Special Needs Rental New Construction; Substantial Rehab 41 units	$3,000,000 HUD/Federal Funding
Nueva Vida Holyoke, MA Nueva Esperanza 1995	Family Rental Rehab 24 units	$2,200,000 CDBG; Equity Syndication; FHLB; HOME
OIC Transitional Housing Philadelphia, PA Opportunities Indust. Center 1995	Special Needs Rental New Construction 45 units	$2,300,000 CDBG; Equity Syndication; Foundation; HOME
Project H.O.M.E. Philadelphia, PA Project H.O.M.E. 1995	SRO Rental Rehab 110 units	$7,658,000 CDBG; Equity Syndication; Foundation; Private Debt
Proyecto Escalera Philadelphia, PA Asoc. de Puertoriquenos en Marcha 1995	SRO Rental Rehab 24 units	$1,766,000 CDBG; Equity Syndication; Foundation
Southview/South Canal/Lacasse Apartments Holyoke, MA N. Esperanza/ Hampden-Hampshire H.P. 1995	Family Rental Rehab 127 units	$8,800,000 Equity Syndication; FHLB; HUD/Federal Funding
Union Hill Rental Initiative Worcester, MA Oak Hill CDC 1995	Family Rental Rehab 21 units	$1,600,000 FHLB; HOME
Villanueva Townhouses I Philadelphia, PA 1995	Family Rental New Construction 24 units	$2,470,000 CDBG; Equity Syndication

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Villanueva Townhouses II Philadelphia, PA 1995	Family Rental New Construction 30 units	$4,000,000 HOME
Walnut Park Boston, MA Boston Housing Authority 1995	Elderly; Special Needs Rental New Construction 168 units	HOPE VI and Other Public Housing Capital
West Village Apartments New Haven, CT YMCA of Greater New Haven 1995	SRO Rental Substantial Rehab 148 units	$10,100,000 CDBG; Equity Syndication
Alexander Magnolia Apartments Boston, MA Dorchester Bay EDC 1994	Family Rental Rehab 38 units	$6,300,000 Equity Syndication; Private Debt; Sponsor Loan; State/Local Funding
Allegheny West Rental Homes II Philadelphia, PA Allegheny West Foundation 1994	Family Rental Rehab 45 units	$4,000,000 CDBG; Equity Syndication; Foundation
Allen Park Apartments Phase I Springfield, MA Allen Park Tenants Assoc. 1994	Family Rental Occupied Rehab; Rehab 170 units	$15,134,000 Equity Syndication; FHLB; HUD/Federal Funding; State/Local Funding
Anthony House Portsmouth, RI Church CHC 1994	Elderly Rental Rehab 70 units	$4,000,000 HUD/Federal Funding; State/Local Funding
Building 104 Boston, MA Bricklayers & Carpenters Dev. Corp. 1994	Elderly Rental Adaptive Re-Use; Rehab 46 units	$7,503,205 CDBG; Equity Syndication; HUD/Federal Funding; State/Local Funding
Oak Terrace Boston, MA Asian CDC 1994	Family Rental New Construction 88 units	$13,680,000 Equity Syndication; FHLB; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Pomeroy Lane Cooperative Amherst, MA ABODES and HAP 1994	Cooperative; Special Needs Rental New Construction 25 units	$3,165,000 Equity Syndication; State/Local Funding
Salem Harbor Rental Properties Salem, MA Salem Harbor CDC 1994	Family Rental Substantial Rehab 44 units	$2,400,000 CDBG; HOME
Sarah Allen Homes Philadelphia, PA Friends Rehab Program 1994	Family Rental Rehab 36 units	$4,300,000 CDBG; Equity Syndication; FHLB; HOME; Private Debt; State/Local Funding
Three Rows New Haven, CT Northeast CT C.D.C. 1994	Family Rental Rehab 53 units	$8,480,600 CDBG; Equity Syndication; State/Local Funding
Towpath Apartments Morrisville, PA Better Homes, Inc. of Bucks County 1994	Family Rental Rehab 17 units	$1,740,000 Equity Syndication; FHLB; Foundation; HOME
Walter J. Martin Apartments Boston, MA 1994	Family Rental Rehab 30 units	$5,900,000 Equity Syndication
APM Plaza II Philadelphia, PA Asoc. de Puertoriquenos en Marcha 1993	Family Rental Rehab 12 units	$1,350,000 CDBG; Equity Syndication
Cooper Plaza Camden, NJ Fair Share Housing Dev. 1993	Family Rental New Construction; Rehab 64 units	$12,100,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Franklin Park Apartments Boston, MA The Community Builders, Inc. 1993	Family Housing Preservation; Rental Rehab 220 units	$14,385,000 Equity Syndication; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Hyde Square Apartments Boston, MA J.P. Neighborhood Dev. Corp 1993	Family Rental Rehab 46 units	$6,482,390 Equity Syndication
Lexington Interfaith Housing Lexington, MA Lexington Hsg. Assist. Board 1993	Family Rental Rehab 6 units	HUD/Federal Funding; State/Local Funding
Lower Germantown Housing Philadelphia, PA Germantown Housing CDC 1993	Family Rental Rehab 54 units	$5,600,000 CDBG; Equity Syndication
Norris Street Philadelphia, PA Norris Square Civic Association 1993	Family Rental New Construction 21 units	$2,600,000 CDBG; Equity Syndication; Foundation
Omni Nehemiah Grant Providence, RI 1993	Family Rental New Construction 250 units	HUD/Federal Funding
Parkview SRO Boston, MA Caritas Communities 1993	SRO Rental Rehab 61 units	$1,811,000 Equity Syndication; Private Debt; Sponsor Loan; State/Local Funding
Pilot Grove Apartments Stow, MA Stow Community Housing Corp. 1993	Family Rental New Construction 60 units	$5,600,000 Equity Syndication; State/Local Funding
River Park Elderly Milford, CT River Park Elderly Housing, Inc. 1993	Elderly; Special Needs Rental Rehab 39 units	$3,000,000 FHLB; HUD/Federal Funding; State/Local Funding
Salem Point Cooperative Salem, MA Salem Harbor CDC 1993	Cooperative; Family Rental Rehab 77 units	$5,400,000 CDBG; Equity Syndication; FHLB; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Silverlake Plaza Apartments Bristol, PA Better Homes, Inc. of Bucks County 1993	Family Rental New Construction 15 units	$1,450,000 CDBG; Equity Syndication; FHLB; Foundation
Stony Brook Apartments Boston, MA 1993	Family Rental Rehab 165 units	$7,628,941 Equity Syndication
Allegheny West Rental Homes I Philadelphia, PA Allegheny West Foundation 1992	Family Rental New Construction; Rehab 42 units	$2,600,000 Equity Syndication; Foundation
APM Plaza I Philadelphia, PA Asoc. de Puertoriquenos en Marcha 1992	Family Rental Rehab 24 units	$2,800,000 CDBG; Equity Syndication; Foundation
College Highway Apartments Easthampton, MA TCB and HAP, Inc. 1992	Elderly Rental New Construction; Rehab 40 units	$2,700,000 HUD/Federal Funding; State/Local Funding
Neighborhood Homes Springfield, MA Neighborhood Homes 1992	Special Needs Rental New Construction; Rehab 32 units	$1,650,000 Private Debt; State/Local Funding
Phoenix Apartments Holyoke, MA Nueva Esperanza and HAP 1992	Family Rental New Construction; Rehab 66 units	$11,000,000 CDBG; Equity Syndication; Private Debt; State/Local Funding
Verano Apartments Holyoke, MA Nueva Esperanza, Inc. 1992	Family Rental New Construction 11 units	Equity Syndication

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Villas De HACE Philadelphia, PA Hispanic Association of Contractors and Enterprises (HACE) 1992	Family Rental New Construction 24 units	$12,700,000 CDBG; Equity Syndication
Hampshire Inn Northampton, MA Valley CDC 1991	SRO Rental Rehab 14 units	$500,000 CDBG; Private Debt
Langham Court Boston, MA Four Corners Dev. Corp. 1991	Cooperative; Family Rental New Construction 84 units	$14,000,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Roxbury Corners Boston, MA United S.E./L. Roxbury Dev. Corp. 1991	Cooperative; Family Rental New Construction 54 units	$11,500,000 Equity Syndication; State/Local Funding
Veterans Benefits Clearinghouse Boston, MA Veterans Benefits Clearinghouse 1991	Family Rental Rehab 30 units	$2,900,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP Granite - Dorchester Bay Boston, MA Dorchester Bay EDC 1990	Family Rental Rehab 134 units	$8,850,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP Granite - Fields Corner Boston, MA Fields Corner CDC 1990	Family Rental Rehab 67 units	$4,000,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP Granite - Lena Park Boston, MA Lena Park CDC 1990	Family Rental Rehab 143 units	$9,800,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP Granite - Quincy-Geneva Boston, MA Q.G. Corp./ Roxbury Multi-Service 1990	Family Rental Rehab 94 units	$7,500,000 Equity Syndication; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
BHP Granite - Urban Edge Boston, MA Urban Edge Housing Corp. 1990	Family Rental Rehab 65 units	$5,050,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Greenfield Apartments Burlington, VT Northgate Non-Profit Corporation 1990	Family Rental Rehab 95 units	HUD/Federal Funding; State/Local Funding
Kilmarnock Street Apartments Boston, MA Fenway CDC 1990	Family Rental New Construction 55 units	$6,500,000 HUD/Federal Funding; State/Local Funding
Mark Tyler Condominiums Boston, MA Tenants' Development Corporation (TDC) 1990	Family Homeownership Rehab 35 units	$4,500,000 Private Debt; State/Local Funding
Northgate Apartments Burlington, VT Northgate Non-Profit Corporation 1990	Family Rental Rehab 241 units	$19,800,000 HUD/Federal Funding; State/Local Funding
Phillips Brooks School Coop Boston, MA Brooks Development Assoc. 1990	Cooperative; Family Rental Adaptive Re-Use; New Construction 56 units	$9,720,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Plumley Village Worcester, MA The Community Builders, Inc. 1990	Family Housing Preservation; Rental Rehab 430 units	$18,000,000 Equity Syndication; HUD/Federal Funding; Tax Exempt Bonds
TDC III Apartments Boston, MA Tenants' Development Corporation (TDC) 1990	Family Rental New Construction; Rehab 60 units	$3,975,800 Equity Syndication; HUD/Federal Funding; State/Local Funding
University Heights Providence, RI Assoc. of Tenants of University Heights 1990	Family Rental Rehab 349 units	$23,000,000 HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Webster Meadows/Slater Estates Webster, MA Rural Housing Improvements, Inc. 1990	Elderly; Special Needs Rental New Construction 70 units	$4,243,000 HUD/Federal Funding
50 Washington Square Newport, RI Washington Square Assoc. 1989	SRO Rental Rehab 108 units	$8,183,963 CDBG; Equity Syndication; HUD/Federal Funding; State/Local Funding
801 Albany Street Boston, MA CDC of Boston 1989	Other 0 units	$10,500,000 Foundation; HUD/Federal Funding; Private Debt; State/Local Funding
95 Berkeley Street Boston, MA The Community Builders, Inc. 1989	Commercial Rehab 0 units	$10,000,000 Foundation; Private Debt; State/Local Funding
Atwood Acres Townsend, MA Rural Housing Imp., Inc. 1989	Elderly; Special Needs Rental New Construction 50 units	$3,125,000 HUD/Federal Funding
Heritage Common Lawrence, MA Immigrant City CHC 1989	Cooperative; Family Rental New Construction 140 units	$15,600,000 Equity Syndication; State/Local Funding
Mass. Square Boston, MA United S.E./Roxbury Dev. Corp. 1989	Commercial Rehab 0 units	$4,900,000 Private Debt
Omni Point Providence, RI Omni Development Corp. 1989	Family Rental New Construction 51 units	$4,800,000 Equity Syndication; Private Debt; State/Local Funding
Oxford Gardens Providence, RI People's Redevelopment Corp. 1989	Family Rental New Construction 50 units	$4,743,000 Equity Syndication; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Southampton Meadows Southampton, MA HAP, Inc. 1989	Elderly; Special Needs Rental New Construction 40 units	$2,454,000 HUD/Federal Funding
Tent City Boston, MA Tent City Corporation 1989	Family Rental New Construction 269 units	$35,982,000 HUD/Federal Funding; State/Local Funding
West Fenway Apartments Boston, MA Fenway CDC 1989	Elderly; Special Needs Rental New Construction 52 units	$4,400,000 HUD/Federal Funding; State/Local Funding
Belle Street Apartments Springfield, MA Brightwood Development Corp. 1988	Family Rental Rehab 47 units	$3,700,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Cambridge Enterprise Collaborative Cambridge, MA Cambridge Enterprise Collab. 1988	Other 0 units	Private Debt; State/Local Funding
Dwight Street Manor Springfield, MA Brightwood Dev. Corp. 1988	Family Rental Rehab 30 units	$1,423,877 Equity Syndication; HUD/Federal Funding; State/Local Funding
Franklin School Apartments Lexington, MA The Community Builders, Inc. 1988	Family Rental Adaptive Re-Use; New Construction 38 units	$4,562,820 Equity Syndication; HUD/Federal Funding; State/Local Funding
Jefferson Avenue School Apartments Springfield, MA Brightwood Development Corp. 1988	Elderly; Special Needs Rental New Construction; Rehab 43 units	$2,529,000 HUD/Federal Funding
Orchard View Easthampton, MA Orchard View Elderly Housing 1988	Elderly Rental New Construction 40 units	$2,348,000 HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
SECD/GBCD Boston, MA The Community Builders, Inc. 1988	Family Rental Rehab 83 units	$1,637,110 Equity Syndication; HUD/Federal Funding
South Holyoke Housing Holyoke, MA Nueva Esperanza/Holyoke HAP 1988	Family Rental Rehab 48 units	$4,415,000 Equity Syndication; State/Local Funding
Touraine Apartments New Bedford, MA People Acting in Com. Endeavours 1988	SRO Rental Rehab 26 units	$1,025,000 State/Local Funding
BHP I - Dorchester Bay Boston, MA Dorchester Bay E.D.C. 1987	Family Rental Rehab 58 units	$2,305,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP I - Fields Corner Boston, MA Fields Corner CDC 1987	Family Rental Rehab 77 units	$3,000,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP I - Frawley-Delle Boston, MA Mission Hill Housing Services 1987	Family Rental Rehab 74 units	$3,229,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP I - Lena Park Boston, MA Lena Park CDC 1987	Family Rental Rehab 93 units	$4,200,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP I - Quincy-Geneva Boston, MA Q.G. Corp./ Roxbury Multi-Service 1987	Family Rental Rehab 101 units	$3,900,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
BHP I - Urban Edge Boston, MA Urban Edge Housing Corp. 1987	Family Rental Rehab 80 units	$4,332,000 Equity Syndication; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Cheriton Grove Apartments Boston, MA American Arabic Benevolent Assoc. 1987	Elderly; Special Needs Rental New Construction 60 units	$3,313,000 HUD/Federal Funding
Cleaves Court Boston, MA Urban Edge Housing Corp. 1987	Family Rental Rehab 36 units	$767,288 Equity Syndication; HUD/Federal Funding; State/Local Funding
Genesis House Boston, MA Jewish Com. Hsg. for the Elderly 1987	Elderly Rental Rehab 211 units	$8,358,508 Equity Syndication; HUD/Federal Funding; State/Local Funding
New Hope Housing Holyoke, MA Nueva Esperanza 1987	Family Rental Substantial Rehab 32 units	$1,843,000 Equity Syndication; Private Debt; State/Local Funding
Rockdale House Winchendon, MA Rural Housing Improvement, Inc. 1987	Elderly; Special Needs Rental New Construction 40 units	$2,160,000 HUD/Federal Funding
South End Tenant Houses I Boston, MA Tenants' Development Corporation (TDC) 1987	Family Rental Rehab 100 units	$2,376,420 Equity Syndication; HUD/Federal Funding
South End Tenant Houses II Boston, MA Tenants' Development Corporation 1987	Family Rental Rehab 185 units	$7,283,638 Equity Syndication; HUD/Federal Funding
The Aurora Worcester, MA TCB subsidiary 1987	SRO Rental Substantial Rehab 85 units	$4,494,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Unquity House Milton, MA Milton Residences for the Elderly 1987	Elderly Rental Rehab 139 units	$3,561,395 Equity Syndication; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Back of the Hill Condominiums Boston, MA Back of the Hill CDA 1986	Family Homeownership New Construction 18 units	$1,200,000 Private Debt
Hubbardston House Apartments Winchendon, MA Rural Housing Improvement, Inc. 1986	Elderly; Family Rental New Construction 36 units	$1,693,000 HUD/Federal Funding
Neptune Road Housing Boston, MA MA Port Authority & Neptune Road 1986	Family Homeownership New Construction 29 units	$1,529,000 Private Debt
One Arcadia Place Boston, MA Fields Corner CDC 1986	Other 0 units	$2,356,000 HUD/Federal Funding; Private Debt
Mill Pond Apartments Littleton, MA Concord Area Real Estate Development, Inc. (CARD) 1985	Elderly; Special Needs Rental New Construction 50 units	$2,464,000 HUD/Federal Funding
Norfolk Terrace Boston, MA Codman Square H.D.C. 1985	Family Rental Rehab 17 units	$550,700 Equity Syndication; HUD/Federal Funding
Perry Street Apartments Lowell, MA Community Teamwork, Inc. 1985	Family Housing Preservation; Rental Rehab 18 units	$447,900 Equity Syndication; HUD/Federal Funding; State/Local Funding
Self Help Apartments Boston, MA Urban Edge of Greater Boston 1985	Family Rental Rehab 27 units	$717,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Villa Borinquen Boston, MA Brightwood Dev. Corp. 1985	Family Rental Rehab 57 units	$1,264,032 Equity Syndication; HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Bohio Boston, MA Alianza Hispanza 1983	Family Rental Rehab 26 units	$722,392 Equity Syndication; HUD/Federal Funding; State/Local Funding
Dimock-Bragdon Apartments Boston, MA Urban Edge of Greater Boston 1983	Elderly; Special Needs Rental Rehab 54 units	$4,304,000 Equity Syndication; HUD/Federal Funding
Madison Park Phase IV Boston, MA Lower Roxbury Develoment Corp. 1983	Family Rental New Construction 156 units	$10,462,000 Equity Syndication; HUD/Federal Funding
Merrimack Valley Apartments Lowell, MA Community Teamwork Inc. 1983	Elderly; Special Needs Rental New Construction 60 units	$3,041,000 HUD/Federal Funding
Plantation Apartments Stow, MA TCB & Stow Elderly Housing Corporation 1983	Elderly; Special Needs Rental Rehab 50 units	$2,706,000 HUD/Federal Funding
RTH Community Housing Boston, MA Roxbury Tenants of Harvard 1983	Cooperative; Family Rental Rehab 67 units	$2,769,000 Equity Syndication; HUD/Federal Funding; Private Debt
Uxbridge/Millville Regional Housing Uxbridge, MA Uxbridge Housing Assoc. 1983	Elderly; Special Needs Rental New Construction; Rehab 80 units	$4,759,000 HUD/Federal Funding
RHC Restoration Housing Boston, MA Roxbury Tenants of Harvard Assoc. 1982	Family Rental Rehab 81 units	$5,928,000 HUD/Federal Funding
Viviendas La Victoria II Boston, MA Inquilinos Boricuas en Accion 1982	Family Rental New Construction; Rehab 190 units	$13,601,000 Equity Syndication; HUD/Federal Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
Back of the Hill Apartments Boston, MA Back of the Hill CDA 1981	Elderly; Special Needs Rental New Construction 124 units	$6,091,000 HUD/Federal Funding
River Howard Homes Cambridge, MA Riverside/Cambridgeport Comm. 1981	Family Rental New Construction 32 units	$2,008,000 HOPE VI and Other Public Housing Capital
Brook School Apartments Weston, MA Weston Elderly Housing 1980	Elderly Rental Adaptive Re-Use; Rehab 52 units	$2,280,000 HUD/Federal Funding; State/Local Funding
Casa Maria Apartments Boston, MA St. Mary's Housing Corp. 1980	Elderly Rental New Construction 85 units	$3,662,000 HUD/Federal Funding
Project III Boston, MA Worcester Street Assoc. 1980	Family Housing Preservation; Rental Rehab 31 units	$802,284 Equity Syndication; HOME; HUD/Federal Funding; State/Local Funding
Woodbourne Apartments Boston, MA 1980	Elderly Rental New Construction 75 units	$2,875,000 HUD/Federal Funding
King's Lynne Apartments Lynn, MA King's Lynne Resident's Council, Inc 1979	Family Rental New Construction 441 units	$21,774,000 HUD/Federal Funding; State/Local Funding
Casas Borinquen Boston, MA Inquilinos Boricuas en Accion 1977	Family Rental Rehab 36 units	$1,290,000 Equity Syndication; HUD/Federal Funding; State/Local Funding
Lincoln Woods Lincoln, MA Lincoln Homes Corp. & Lincoln Fndtn. 1976	Cooperative; Family Rental New Construction 125 units	$3,981,000 HUD/Federal Funding; State/Local Funding

Project Name Location Sponsor Year Completed	Population Development Type Construction Type Total Units	Development Cost Funding Sources
St. Stephen's Tower Apts. Lynn, MA St. Stephen's Housing Corp. 1976	Elderly Rental New Construction 130 units	$4,312,000 HUD/Federal Funding; State/Local Funding
Viviendas La Victoria I Boston, MA Inquilinos Boricuas en Accion 1976	Family Rental New Construction 181 units	$6,630,000 Equity Syndication; HUD/Federal Funding
Central Grammar Apartments Gloucester, MA Gloucester Development Team, Inc. 1975	Elderly Rental Adaptive Re-Use; Rehab 80 units	$2,774,000 HUD/Federal Funding; State/Local Funding
Torre Unidad Boston, MA Inquilinos Boricuas en Accion 1974	Elderly Rental New Construction 201 units	$4,695,000 HUD/Federal Funding
South End Parcel 19 Redevelopment Boston, MA Inquilinos Boricuas en Accion 1972	Family Rental Rehab 71 units	$1,563,000 Equity Syndication; HUD/Federal Funding
677 Tremont Street Boston, MA The Community Builders, Inc. 1970	SRO Rental Rehab 8 units	$0 TBD
GBCD 111-113 Boston, MA The Community Builders, Inc. 1970	Family Rental Rehab 10 units	$323,775 Equity Syndication; HUD/Federal Funding; State/Local Funding
SECD Demonstration Boston, MA South End Community Dev., Inc. 1970	Family Rental Rehab 93 units	$1,246,000 HUD/Federal Funding

TCB Commercial and Mixed-Use Projects

Project Name	Life Cycle	City	State
225 Centre Street	Operations	Boston	MA
59th and Market	Inactive	Philadelphia	PA
Avondale Town Center NMTC	Construction	Cincinnati	OH
Beach 21st Street	Planning	Far Rockaway	NY
Commodore Place Apartments	Pre-Development	Cleveland	OH
Dudley Square NMTC	Operations	Boston	MA
East Liberty North Commercial	Operations	Pittsburgh	PA
East Liberty South Commercial	Stabilization	Pittsburgh	PA
East Liberty Transit Center P1 NMTC	Operations	Pittsburgh	PA
Englewood (63rd & Halsted)	Prospecting	Chicago	IL
Greyston Portfolio	Inactive	Yonkers	NY
Harold Ickes Phase 1 (4% Transaction)	Planning	Chicago	IL
Matthews Memorial Terrace-Community Building	Inactive	Washington	DC
New Bergenview	Pre-Development	Jersey City	NJ
Nicetown ShopRite NMTC	Operations	Philadelphia	PA
NMTC 873 W Baltimore Street	Inactive	Baltimore	MD
NMTC Aurora Arts Centre	Prospecting	Aurora	IL
NMTC Church Hill North Retail Center	Prospecting	Richmond	VA
NMTC Clark Student Engagement Center	Operations	Worcester	MA
NMTC KIPP Durham Holloway School	Operations	Durham	NC
NMTC Quad Communities Arts & Rec Center	Operations	Chicago	IL
NMTC Route 34 Continuum of Care	Operations	New Haven	CT
NMTC St. Martins Wellness Center	Inactive	Baltimore	MD
NMTC SUB CDE XII East Liberty Transit Center P2	Operations	Pittsburgh	PA
NMTC SUB CDE XIV Avondale Town Center	Prospecting	Cincinnati	OH
NMTC SUB CDE XV Melnea Hotel	Construction	Boston	MA
NMTC The Beacon Center	Construction	Washington	DC
NMTC The Equity Project Charter School	Construction	New York	NY
NMTC Ziegler Park	Stabilization	Cincinnati	OH
Oakwood Shores Terrace Commercial	Stabilization	Chicago	IL
Quad Communities Arts and Recreation Center Center	Stabilization	Chicago	IL
Shops and Lofts at 47	Operations	Chicago	IL
University Station	Operations	Cincinnati	OH
Worcester Telegram & Gazette NMTC	Operations	Worcester	MA