Report of Independent Auditors and Consolidated Financial Statements with Supplementary Information

Bethany Center Senior Housing, Inc. and Subsidiary (a California Nonprofit Public Benefit Corporation)

March 31,2019

MOSSADAMS

Table of Contents

Report of Independent Auditors

The Board of Directors
Bethany Center Senior Housing, Inc.
(a California Nonprofit Public Benefit Corporation)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bethany Center Senior Housing, Inc. and Subsidiary (a California nonprofit public benefit corporation) (the "Project"), which comprise the consolidated statement of financial position as of March 31, 2019, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

Emphasis of a Matter

As discussed in Note 1 to the consolidated financial statements, as of and for the year ended March 31, 2019, the Project adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, methods used to allocate costs to programmatic and other support information, and direction for consistency about information provided on investment return. The adoption of the standard resulted in additional footnote disclosures and significant changes to the classification of net assets and the disclosures related to net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the consolidated financial statements, the Project applied the provisions of ASU No. 2014-17, *Business Combinations (Topic 805): Pushdown Accounting*, to establish a new basis of accounting using the acquisition method of accounting, which requires the assets acquired and liabilities assumed to be recorded at fair value on the affiliation date. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards as shown on page 22 required by *Title 2 U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying consolidating statement of financial position and consolidating statement of activities and changes in net assets as of and for the year ended March 31, 2019, as shown on pages 29 through 31, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2019, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

Moss Adams LLP

San Francisco, California
June 28, 2019

Consolidated Financial Statements

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidated Statement of Financial Position
March 31, 2019

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,179,054
Accounts receivable	52,457
Investments	2,274,990
Prepaid expenses	65,796
Total current assets	3,572,297
TENANT SECURITY DEPOSITS	41,517
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Replacement reserves	1,190,514
Miscellaneous Reserves	22,717
Total restricted deposits and funded reserves	1,213,231
PROPERTY AND EQUIPMENT	
Land and land improvements	6,600,774
Buildings and improvements	9,865,480
Furniture and Fixtures	255,272
Office and other equipment	846
CIP	6,749,219
	23,471,591
Accumulated depreciation	(304,304)
Total property and equipment, net	23,167,287
TOTAL ASSETS	$ 27,994,332

See accompanying notes.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 357,040
Accrued wages payable	83,683
Other Liabilities	33,884
Total current liabilities	474,607
TENANT SECURITY DEPOSITS	41,517
MORTGAGE PAYABLE	21,450,441
Total liabilities	21,966,565
NET ASSETS	
Net assets without donor restrictions	
Board-Designated net assets:	
Restricted deposits and funded reserves	1,213,231
Undesignated	4,814,536
Total net assets without donor restrictions	6,027,767
TOTAL LIABILITIES AND NET ASSETS	$ 27,994,332

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidated Statement of Activities and Changes in Net Assets
Year Ended March 31, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
Revenues and support:	
Residential rental revenue, net of vacancy loss of $189,354 in 2019	$ 572,016
HUD assistance income	3,130,312
Investment return, net	42,880
Laundry and other	99
Miscellaneous income	6,701
Grant and contribution income	104,019
Total revenues and support	3,856,027
Expenses:	
Administrative	1,476,818
Utilities	297,959
Operating and maintenance	1,073,251
Taxes and insurance	164,920
Resident services	37,202
Fundraising	140,525
Depreciation	1,057,932
Total expenses	4,248,607
LOSS BEFORE CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(392,580)
Inherent contribution	6,420,347
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	6,027,767
NET ASSETS, at change of control	-
NET ASSETS, end of year	$ 6,027,767

See accompanying notes.

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	$ 3,684,127
Investment returns	178,440
Grants and contributions	104,019
Other operating receipts	6,800
Total receipts	3,973,386
Administrative	(842,549)
Utilities	(297,959)
Management fee	(114,912)
Salaries and wages	(581,319)
Operating and maintenance	(179,840)
Real estate taxes	(546)
Property insurance	(35,501)
Miscellaneous taxes and insurance	(91,813)
Other operating expenses	(187,276)
Tenant security deposits	(31,042)
Resident service expenses	(37,202)
Fundraising expenses	(140,525)
Miscellaneous financial	(422,378)
Total disbursements	(2,962,862)
Cash provided by operating activities	1,010,524
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,124,950)
Proceeds from investments	1,977,961
Funds used for purchase of property and equipment	(6,199,983)
Funding of replacement reserves	(992,349)
Change in miscellaneous reserves	447,951
Proceeds from affilliation with Affordable Communities (Note 2)	116,598
Cash used in investing activities	(5,774,772)

See accompanying notes.

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidated Statement of Cash Flows (Continued)
Year Ended March 31, 2019

CASH FLOWS FROM FINANCING ACTIVITIES	
Draws on mortgage payable	5,943,302
Cash provided by financing activities	5,943,302
INCREASE IN CASH AND CASH EQUIVALENTS	1,179,054
CASH AND CASH EQUIVALENTS, at change of control	-
CASH AND CASH EQUIVALENTS, end of year	$ 1,179,054
SUPPLEMENTAL SCHEDULE OF INVESTING ACTIVITIES	
BCSH affiliated with Affordable Communities. In conjunction with the assets acquired, liabilities were assumed, and an inherent contribution was recognized by Affordable Communities, as follows:	
Fair value of assets acquired	$ 22,097,465
Cash acquired during affiliation with Affordable Communities	116,598
Liabilities assumed	(15,793,716)
Inherent contribution received during affiliation with Affordable Communities (Note 2)	$ 6,420,347

See accompanying notes.

NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations – Bethany Center Senior Housing, Inc. ("Bethany Center"), is a California nonprofit public benefit corporation organized in 1966 to provide housing and personal care programs for the elderly. Bethany Center Foundation of San Francisco ("Foundation"), is a nonprofit public benefit corporation organized in 2007 to provide financial, administrative, programmatic, and other forms of support to its sole member, Bethany Center. The financial statements of Bethany Center and Subsidiary (collectively the "Project"), are included in the accompanying consolidated financial statements. The Project affiliated with Covia Affordable Communities ("Affordable Communities") on April 1, 2018.

The Project owns and operates a 135-unit apartment project with 90% of the units eligible for low-income elderly and 10% of the units for disabled people in San Francisco, California. The Project is operated under Section 223(f) of the National Housing Act. The Project is regulated by the U.S. Department of Housing and Urban Development ("HUD") as to rent charges, operating methods, and other matters. Bethany Center entered into a Section 8 Housing Assistance Payments ("HAP") Program Contract with HUD for all of the apartments. The Project generates its revenue primarily from rental income. Rental fee increases are subject to HUD approval.

Affiliated organizations – The Project, through its sole member, Affordable Communities, a management and fundraising support organization, is affiliated with: Community Housing, Inc. ("CHI"), which operates Lytton Gardens I and II; Lytton IV Housing Corporation; Oak Center Towers; Presidio Gate Apartments; Jennings Senior Housing, Inc.; and Shires Memorial Center, all of which are affordable senior housing communities. Through Affordable Communities' sole member, Covia Group ("Group"), a California nonprofit public benefit corporation, the Project is also affiliated with Covia Communities ("Communities"), which operates six life plan communities, Covia Foundation ("Foundation"), a fundraising and supporting organization to Communities, (collectively, the "Affiliates"). All of the Affiliates are California nonprofit public benefit corporations. Some of the Affiliates share common officers, directors, and management and, at times, provide various support services to one another. The Affiliates' financial statements are not included in the accompanying consolidated financial statements of the Project.

Basis of presentation – The accompanying consolidated financial statements include the accounts of Bethany Center and Foundation. Bethany Center as the sole member of the Foundation has common control. Bethany Center and the Foundation have their own Boards. The Project shares management functions. All significant intercompany balances and transactions have been eliminated. The consolidated financial statements have been prepared on the accrual basis of accounting which recognizes income in the period earned and expenses when incurred, consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents – Cash and cash equivalents includes cash on hand and cash held in demand deposit, sweep, savings accounts, and certain investments in highly liquid instruments with original maturities of three months or less. Not included in cash and cash equivalents are funds restricted as to their use, regardless of their liquidity, such as security deposits and operating and replacement reserves.

Concentration of risk – Financial instruments potentially subjecting the Project to concentrations of credit risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation limits.

Account receivables – The Project receives payment from residents and HUD for services provided. The Project uses the specific write-off method to provide for doubtful accounts since past experience and management's estimation indicates an adequate allowance for such accounts is immaterial.

Restricted deposits and funded reserves – Assets whose use is limited are funded reserves for replacement of the Project. Such assets consist of cash and cash equivalents carried at fair value based on quoted market prices (Note 4).

Property and equipment – Property and equipment are stated at cost. Acquisitions of $5,000 or more and with a useful life of more than one year are capitalized. Depreciation is based upon the straight-line method at rates based on the estimated useful lives of the various classes of property which range from 3 to 40 years. The Project periodically evaluates the carrying value of its long-lived assets for impairment. Based on this evaluation, no impairment was recorded for the year ended March 31, 2019.

Investments and investment return – Investments are available for sale and measured at fair value. Investment income or loss (including interest, dividends, realized gains and losses on investments, and unrealized gains and losses on investments) are included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law. Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments.

The fair value of private equity funds is based on net asset value ("NAV") information provided by external fund managers and investment advisors. These securities, which include dynamic asset allocation overlays, are based on valuations provided by the external investment managers, adjusted for receipts and disbursements of cash and distributions of securities if the date of valuation is prior to the project's fiscal year end. Such valuations generally reflect discounts for illiquidity and consider variables such as financial performance of investments, recent sales prices of investments, and other pertinent information. The Project believes the carrying amounts of these financial instruments are a reasonable estimate of their fair value. For those investments that are not traded on a ready market, the estimates of their fair values may differ from the values that would have been used had a ready market for those investments existed. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the accompanying consolidated statements of activities and changes in net assets as net assets without donor restrictions or net assets with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Tenant security deposits – In accordance with government regulations for the Project, the Project must maintain on deposit funds equal to the related liability for tenant security deposits. Security deposits are held in a separate interest-bearing account in the name of Bethany Center.

Net assets – On April 1, 2018, the Project adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14") applying the full retrospective method. ASU 2016-14 changes the current net asset classification requirements and the information presented in financial statements and notes about an entity's liquidity, financial performance, and cash flows. The update replaces the requirement to present three classes of net assets with two classes: net assets with donor restrictions, and net assets without donor restrictions. The update also removes the requirement to present or disclose the indirect method (reconciliation) if using the direct method for the statement of cash flows, and adds several additional enhanced disclosures to the notes. The project has adjusted the presentation of these consolidated financial statements accordingly, including changes to the presentation of net asset classification, inclusion of information about liquidity and availability of resources, and inclusion of information provided about expenses.

The Project classifies net assets as follows:

Net assets without donor restrictions represent unrestricted resources available to support the Project's operations net assets with donor restrictions which have become available for use by the Project in accordance with the intention of the donor.

Net assets with donor restrictions represent contributions that are limited in use by the Project in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Project according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from net assets with donor restrictions and recognized as net assets without donor restrictions. Net assets with donor restrictions are available primarily for assistance and capital projects as designated by the donors. At March 31, 2019, the Project had no temporarily restricted net assets.

Net assets with donor restrictions also represent net assets subject to donor-imposed stipulations that they be maintained by the Project in perpetuity. At March 31, 2019, the Project had no net assets with donor restrictions maintained by the organization in perpetuity.

Revenue recognition – Rental income is shown at its maximum gross potential. Rental income is derived from rental rates subject to HUD approval. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income as an expense of operations. Other income includes fees for late payments, cleaning, damages, laundry facilities, and other charges, and is recorded when earned.

Contributions – Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions. Restricted contributions are reported as increases in restricted net assets. When the restriction is met the amount is shown as a reclassification of restricted net assets to unrestricted net assets. The Project records contributions whose restrictions are met in the same year as unrestricted support.

Shared costs – Allocations of common costs and expenses incurred are made by management based on estimates of time, square footage, number of full-time employees, and usage of services.

Tax-exempt status – The Project is managed under Affordable Communities which is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and has been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board.

The Project applies the provisions of Accounting Standards Codification ("ASC") Topic 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. The Project recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Project recognizes interest and penalties related to income tax matters in operating expenses. At March 31, 2019, the Project had no unsettled tax matters.

Property taxes – The Project has filed and received an exemption from certain property taxes in accordance with Section 214 of the California Code.

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

Fair value of financial instruments – The Financial Accounting Standards Board ("FASB") ASC Topic 820, *Fair Value Measurements and Disclosures* ("FASB ASC Topic 820") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net asset value per share (or its equivalent) with the ability to redeem the investment in the near term.

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.

Unless otherwise indicated, the fair value of all reported assets and liabilities that represent financial instruments approximate their carrying values. The Project's policy is to recognize transfers in and transfers out of Level 1 and Level 2 as of the end of the reporting period.

Accounting for affiliation – Bethany Center and the Foundation applied the provisions of ASU No. 2014-17, *Business Combinations (Topic 805): Pushdown Accounting*, to establish a new basis of accounting using the acquisition method of accounting, which requires the assets acquired and liabilities assumed to be recorded at fair value on the affiliation date (Note 2).

Economic concentrations – The future operations of the Project could be affected by changes in the economic or other conditions in the geographic area of San Francisco, California or by changes in federal low-income housing subsidies or the demand for such housing.

New accounting pronouncements – In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance moves revenue recognition towards one principles-based revenue standard to be applied across all industries. The guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. On April 1, 2018, the Project adopted Topic 606. Adoption of this standard did not have a significant impact on the Project.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). This guidance among other things eliminates the requirement to disclosure the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The guidance is effective for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the impact ASU 2016-01 will have on the Project's future consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02*, Leases (Topic 842)* ("ASU 2016-02"), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The adoption of ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on the Project's future consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"). This guidance enhances the statement of cash flow by streamlining the activities between cash and restricted cash as operating, investing, or financing, or as a combination of those activates. The guidance also highlights explanations of the change of cash, cash equivalents, restricted cash or restricted cash equivalents during the period. The guidance is effective for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact ASU 2016-18 will have on the Project's future consolidated financial statements.

NOTE 2 – AFFILIATION WITH AFFORDABLE COMMUNITIES

On April 1, 2018, Affordable Communities became the sole member of Bethany Center to further the mission of serving seniors and preserving affordable housing for seniors. The affiliation with Affordable Communities was accounted for as a business combination using the acquisition method of accounting, which requires the basis of the assets acquired and the liabilities assumed to be recorded at their respective fair values at the affiliation date. The fair value determination of assets and liabilities assumed by Affordable Communities to be recorded are those of Management. For the valuation of property and equipment, Management utilized independent valuation specialists to assist them in determining fair value.

Affordable Communities did not provide any consideration to Bethany Center or Foundation in conjunction with this transaction, which resulted in the fair value of assets net of liabilities assumed being recorded as an inherent contribution.

The following table summarizes the estimated fair value of the inherent contribution recognized for the assets acquired and liabilities assumed by Affordable communities for the affiliation of Bethany Center Senior Housing, Inc. and Bethany Center Foundation of San Francisco as of the date of affiliation:

	Bethany Center Senior Housing, Inc.	Bethany Center Foundation of San Francisco	Eliminations	Total
Cash	$ 62,890	$ 53,708	$ -	$ 116,598
Accounts receivable	25,574	8,682	-	34,256
Accounts receivable - affiliated organizations	7,079	-	(6,382)	697
Investments	-	3,263,561	-	3,263,561
Prepaid expenses	101,167	1,689	-	102,856
Tenant security deposits	2,026	-	-	2,026
Replaement reserves	198,165	-	-	198,165
Miscellaneous reserves	470,668			470,668
Property and equipment	17,261,842	-	-	17,261,842
Intangible assets - lease in place	763,394	-	-	763,394
Accounts payable	(154,035)	(7,603)	6,382	(155,256)
Accounts payable - affiliated organizations	-	(500)	-	(500)
Accrued wages payable	(97,753)		-	(97,753)
Tenant security deposits	(33,068)	-	-	(33,068)
Mortgage payable	(15,507,139)	-	-	(15,507,139)
Fair value of assets and liabilities assumed from affiliation	3,100,810	3,319,537	-	6,420,347
Inherent contribution	$ 3,100,810	$ 3,319,537	$ -	$ 6,420,347

NOTE 3 – INVESTMENTS

The following investments in marketable securities are comprised of equity funds, fixed income funds, common stock, and alternative funds that are redeemable on the report date. Investments in nonmarketable securities are comprised of venture funds, private capital and early-stage companies held by the Project. Investments by asset class are as follows at March 31, 2019:

Available for sale	
Mutual funds	
Equity funds	$ 45,839
Fixed income funds	648,450
Equities	899,768
Dynamic Asset allocation overlay	680,933
Total	$ 2,274,990

Investment return, net, consists of the following for the year ended March 31, 2019:

Interests and dividends	$ 115,214
Realized gain	63,226
Unrealized loss	(135,560)
Total	$ 42,880

NOTE 4 – FAIR VALUE

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of consolidated financial position at March 31, 2019, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Marketable securities – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange-traded equities and cash equivalents included in money market funds. The Organization has an investment committee that meets periodically with management and the investment advisors to review the strategy and ongoing performance of all investments, including analyzing changes in fair value measurements from period to period.

The following table presents the fair value measurements of assets recognized in the accompanying statement of consolidated financial position measured at fair value on a recurring basis and the level within the FASB ASC Topic 820 fair value hierarchy in which the fair value measurements fall at March 31, 2019:

	Total	Level 1	Level 2	Level 3	Net Asset Value
Available for sale					
Mutual funds					
Equity funds	$ 45,839	$ 45,839	$ -	$ -	$ -
Fixed income funds	648,450	648,450	-	-	-
Equities	899,768	899,768	-	-	-
Dynamic Asset allocation overlay	680,933	-	-	-	680,933
Total	$ 2,274,990	$ 1,594,057	$ -	$ -	$ 680,933

There were no significant transfers in or out of Level 1 and Level 2 fair value measurements for the year ended March 31, 2019.

The following table shows the gross unrealized losses and fair value of investments and assets limited as to use with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category, and length of time that individual securities have been in a continuous unrealized loss position at March 31:

	Fair Value Below Cost as of March 31, 2019					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity funds	$ 45,887	$ (2,337)	$ -	$ -	$ 45,887	$ (2,337)
Fixed income funds	-	-	640,958	(3,369)	640,958	(3,369)
Equity	394,012	(34,632)	12,707	(1,280)	406,719	(35,912)
Dynamic Asset					-	-
allocation overlay	272,806	(3,286)	-	-	272,806	(3,286)
Total temporarily impaired securities	$ 712,706	$ (40,255)	$ 653,665	$ (4,649)	$ 1,366,371	$ (44,904)

The Project uses the NAV and ownership interest in partners' capital to which a proportionate share of net assets is attributed to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table provides the fair value, redemption terms, and restrictions for investments as of March 31, 2019:

	Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Dynamic asset allocation overlay				
Overlay A Portfolio Class 1 [(a)]	$ 408,127	$ -	Daily	Daily
Overlay BA Portfolio Class 1 [(b)]	272,806	-	Daily	Daily
Total	$ 680,933	$ -		

[(a)] The Portfolio may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide exposure to a variety of asset classes. The investment objective is to manage the volatility of an equity oriented asset allocation over the long term, as part of the overall asset allocation managed by Bernstein.

[(b)] The Portfolio may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide exposure to a variety of asset classes. The investment objective is to manage the volatility of a fixed-income oriented asset allocation over the long term, as part of the overall asset allocation managed by Bernstein.

NOTE 5 – RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement reserves – The Project has remaining reserves from its previous mortgage. As of October 1, 2018, in accordance with the HUD regulatory agreement, the Project is required to maintain a reserve for replacement and repair of property and equipment, held by the mortgagor. The reserve is required to be funded in the amount of $9,686 per month. The funds are held in an interest-bearing account. All withdrawals require prior written approval by HUD. The replacement reserve account activity for the fiscal year ended March 31 is as follows:

	2019
Beginning balance at April 1,	$ 198,165
Total deposits	1,061,417
Withdrawals	(70,000)
Bank interest, net of bank fees	932
Ending balance at March 31,	$ 1,190,514

Other reserves – The Project has a deposit held in a separate interest-bearing account as working capital escrow as determined by the mortgage loan agreement. Withdrawals are subject to HUD approval.

NOTE 6 – MORTGAGES PAYABLE

On January 1, 2017, the Project entered into a mortgage loan agreement with CBRE Loan Services for borrowings up to $23,533,400 for the construction and rehabilitation of the Project. The borrowing is insured by HUD under Section 223(f). The Project deposited $470,668 into a working capital escrow in accordance with the terms of the agreement. Working capital escrow was $22,717 at March 31, 2019.

The Project's mortgages payable consisted of the following at March 31, 2019:

Loan commitments	$ 23,533,400
Less: undrawn proceeds	(1,906,867)
Total mortgages payable	21,626,533
Less: cost of issuance	(176,092)
	$ 21,450,441

NOTE 7 – HOUSING ASSISTANCE PAYMENTS PROGRAM CONTRACT

The Project has entered into a Section 8 Housing Assistance Payments ("HAP") Program Contract with HUD for 123 units. The contract was most recently renewed on February 28, 2017, and is effective for 20 years from the date of renewal. HAP program revenue totaled $3,130,312 for the year ended March 31, 2019.

NOTE 8 – RELATED-PARTY TRANSACTIONS

The Project entered into a service agreement with Affordable Communities to provide certain administrative, accounting, fundraising, and other general management services and the employment of personnel on a shared basis. The Project incurred $235,062 of shared costs during the year ended March 31, 2019.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

HUD regulations – In connection with the HUD agreements, there are certain restrictions on occupancy of the units which include maximum income limitations and maximum rents chargeable. In addition, these agreements require the maintenance of security deposits, and replacement and other reserves which are to be held by the mortgagee (Notes 1 and 4).

Employee benefit plan – The Project has implemented a 403(b) tax deferred annuity plan (the "Plan"). Eligible employees who have satisfied the age and service requirements are allowed to make salary reduction contributions with a maximum contribution of up to the statutory limit. Affordable Communities pays for all the administrative expenses to operate the Plan. Effective August 1, 2018, the Affordable Communities amended the Plan, terminating the employer match and adopting a 10% employer 403(b) contribution to the employee's individual plan accounts in accordance with HUD Notice H 5-08 across all Affordable Communities projects. Employees are not required to contribute and certain age and service requirements apply. The Project's contribution for the year ended March 31, 2019, totaled $51,231.

Lease commitment – The Project entered into a noncancelable equipment lease agreement with monthly payments of approximately $470 through February 2022. Lease expense for the year ended March 31, 2019, was $7,360. The following is a maturity analysis of the annual undiscounted cash flows of the equipment lease as of March 31, 2019:

Year Ending March 31,	
2020	$ 5,640
2021	5,640
2022	5,170
	$ 16,450

NOTE 10 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of March 31, 2019, comprise the following:

Cash and cash equivalents	$ 1,179,054
Accounts receivable	52,457
	$ 1,231,511

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Project has a goal to maintain a current ratio greater than 1:1 in order to meet general expenditures, liabilities, and other obligations as they come due.

NOTE 11 – FUNCTIONAL EXPENSES

The costs of providing residential services and supporting activities are summarized on a functional basis as follows:

	Year Ended March 31, 2019			
	Residential Services	Fundraising	General and Administrative	Total
Salaries and benefits	$ 156,160	$ 54,396	$ 329,472	$ 485,632
Supplies	22,299	1,539	13,455	35,754
Other purchased services	107,040	71,562	500,183	607,223
Repairs and maintenance	602,722	-	66,969	669,691
Utilities	303,130	-	33,681	336,811
Depreciation and amortization	952,138	-	105,793	1,057,931
Other	351,381	20,834	704,184	1,055,565
	$ 2,494,870	$ 148,331	$ 1,753,737	$ 4,248,607

Salaries and benefits are allocated based on time and effort. All other expenses are allocated based on direct costs.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before consolidated financial statements are available to be issued. The Project recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Project's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated statement of financial position date and before consolidated financial statements were available to be issued.

The Management of the Project has evaluated subsequent events through June 28, 2019, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Bethany Center Senior Housing, Inc. and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2019

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)			
Direct Awards:			
Section 223(f) Mortgage Insurance for the Purchase or Refinance of Existing Multifamily Housing Projects or Refinance of Existing Multifamily Housing Projects No. 121-35963 Outstanding mortgage balance with continuing compliance requirements, beginning balance	14.155	Not Applicable	$ 15,683,231
Section 8 Housing Assistance Payments Program	14.195	Not Applicable	3,130,312
Passed Through City and County of San Francisco			
Section 8 Housing Assistance Payments Program	14.195	Not Available	73,085
Total direct expenditures of federal awards			$ 18,886,628

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of presentation – The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant of the Project under programs of the federal government for the year ended March 31, 2019. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Project, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Project.

Summary of significant accounting policies – Expenditures in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations* and the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Subrecipients – The Project did not provide any federal awards to subrecipients during the year ended March 31, 2019.

Indirect costs – The Project has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Loan balance – The federal loan program is administered directly by the Project, and balances and transactions relating to this program are included in the Project’s basic consolidated financial statements. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at March 31, 2019, was $21,450,411.

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

The Board of Directors
Bethany Center Senior Housing, Inc. and Subsidiary
(a California Nonprofit Public Benefit Corporation)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Bethany Center Senior Housing, Inc. and Subsidiary (the "Project"), (a California nonprofit public benefit corporation), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 28, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

San Francisco, California
June 28, 2019

MOSSADAMS

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Bethany Center Senior Housing, Inc. and Subsidiary
(a California Nonprofit Public Benefit Corporation)

Report on Compliance for the Major Federal Program

We have audited Bethany Center Senior Housing, Inc. and Subsidiary (the "Project"), (a California nonprofit public benefit corporation), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Project's major federal programs for the year ended March 31, 2019. The Project's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Bethany Center Senior Housing, Inc. and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019.

Report on Internal Control over Compliance

Management of the Project is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Project's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over compliance.

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

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

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

Moss Adams LLP

San Francisco, California
June 28, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of Major Federal Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs:

CFDA Numbers	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
14.155	Section 223(f) Mortgage Insurance for the Purchase or Refinance of Existing Multifamily Housing Projects	*Unmodified*
14.195	Section 8 Housing Assistance Payment Program	*Unmodified*

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

There are no prior audit findings to report on.

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidating Statement of Financial Position
March 31, 2019

	Bethany Center Senior Housing, Inc.	Bethany Center Foundation of San Francisco	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	$ 1,133,081	$ 45,973	$ -	$ 1,179,054
Accounts receivable	51,244	1,213	-	52,457
Accounts receivable - affiliated organization	45,959	-	(45,959)	-
Investments	-	2,274,990	-	2,274,990
Prepaid expenses	64,949	847	-	65,796
Total current assets	1,295,233	2,323,023	(45,959)	3,572,297
TENANT SECURITY DEPOSITS	41,517	-	-	41,517
RESTRICTED DEPOSITS AND FUNDED RESERVES				
Replacement reserves	1,190,514	-	-	1,190,514
Other reserves	22,717	-	-	22,717
Total restricted deposits and funded reserves	1,213,231	-	-	1,213,231
PROPERTY AND EQUIPMENT				
Land and land improvements	6,600,774	-	-	6,600,774
Buildings and building improvements	9,865,480	-	-	9,865,480
Furniture and fixtures	246,352	8,920	-	255,272
Office and other equipment	-	846	-	846
Construction in progress	6,749,219	-	-	6,749,219
	23,461,825	9,766	-	23,471,591
Accumulated depreciation	(294,538)	(9,766)	-	(304,304)
Total property and equipment, net	23,167,287	-	-	23,167,287
TOTAL ASSETS	$ 25,717,268	$ 2,323,023	$ (45,959)	$ 27,994,332

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidating Statement of Financial Position (Continued)
Year Ended March 31, 2019

	Bethany Center Senior Housing, Inc.	Bethany Center Foundation of San Francisco	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable	$ 342,693	$ 14,347	$ -	$ 357,040
Accounts payable - affiliated organizations	-	45,959	(45,959)	-
Accrued Wages Payable	83,683	-	-	83,683
Other accrued liabilities	33,615	269	-	33,884
Total current liabilities	459,991	60,575	(45,959)	474,607
TENANT SECURITY DEPOSITS	41,517	-	-	41,517
LONG-TERM LIABILITIES				
Mortgages payable	21,450,441	-	-	21,450,441
Total long-term liabilities, net of current portion	21,450,441	-	-	21,450,441
Total liabilities	21,951,949	60,575	(45,959)	21,966,565
NET ASSETS				
Net assets without donor restrictions				
Board-designated net assets:				
Restricted deposits and funded reserves	1,213,231	-	-	1,213,231
Undesignated	2,552,088	2,262,448	-	4,814,536
Total net assets without donor restrictions	3,765,319	2,262,448	-	6,027,767
TOTAL LIABILITIES AND NET ASSETS	$ 25,717,268	$ 2,323,023	$ (45,959)	$ 27,994,332

Bethany Center Senior Housing, Inc. and Subsidiary
Consolidating Statement of Activities and Changes in Net Assets
Year Ended March 31, 2019

	Bethany Center Senior Housing, Inc.	Bethany Center Foundation of San Francisco	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues and support				
Residential rental revenue, net of vacancy loss of $189,354 in 2019	$ 572,016	$ -	$ -	$ 572,016
HUD assistance income	3,130,312	-	-	3,130,312
Investment return, net	937	41,943	-	42,880
Laundry and other	99	-	-	99
Miscellaneous income	10,970	(4,269)	-	6,701
Grant and contribution Income	1,012,500	204,840	(1,113,321)	104,019
Total revenues and support	4,726,834	242,514	(1,113,321)	3,856,027
Expenses				
Administrative	1,451,977	24,841	-	1,476,818
Utilities	297,959	-	-	297,959
Operating and maintenance	1,105,133	1,081,439	(1,113,321)	1,073,251
Taxes and insurance	149,324	15,596	-	164,920
Resident services	-	37,202	-	37,202
Fundraising	-	140,525	-	140,525
Depreciation	1,057,932	-	-	1,057,932
Total expenses	4,062,325	1,299,603	(1,113,321)	4,248,607
LOSS BEFORE CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	664,509	(1,057,089)	-	(392,580)
Inherent contribution	3,100,810	3,319,537	-	6,420,347
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,765,319	2,262,448	-	6,027,767
NET ASSETS, at change of control	-	-	-	-
NET ASSETS, end of year	$ 3,765,319	$ 2,262,448	$ -	$ 6,027,767