

**COMMUNITY HOUSING
PARTNERSHIP AND
SUBSIDIARIES**

(A California Nonprofit Public Benefit Corporation)

**CONSOLIDATED FINANCIAL STATEMENTS
AND**

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2009 AND 2008

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES
(A California Nonprofit Public Benefit Corporation)
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008

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Board of Directors
Community Housing Partnership and Subsidiaries
San Francisco, California

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated statements of financial position of Community Housing Partnership, a California nonprofit public benefit corporation, and Subsidiaries, as of June 30, 2009 and 2008, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Community Housing Partnership and Subsidiaries' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Community Housing Partnership and Subsidiaries' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Housing Partnership and Subsidiaries as of June 30, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2010 on our consideration Community Housing Partnership and Subsidiaries' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information on pages 23 through 26, the additional supplementary information as required by the California Department of Housing and Community Development on pages 28 through 31, and the accompanying Schedule of Expenditures of Federal Awards on pages 37 and 38 as required by the *U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments and Nonprofit Organizations*, are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic consolidated financial statements taken as a whole.

Lindquist, von Husen and Joyce LLP

February 16, 2010

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets:		
Cash	\$ 2,553,073	\$ 2,015,046
Receivables:		
Government grants	268,113	204,208
Contract services	143,705	115,360
Contributions – current portion (Note 3)	266,197	259,000
Related-parties – current portion (Note 6)	376,387	803,429
Rent, subsidy and other	124,010	184,158
Prepaid expenses	151,144	137,464
Total current assets	<u>3,882,629</u>	<u>3,718,665</u>
Receivables:		
Contributions – net of current portion (Note 3)	70,000	140,000
Related-parties – net of current portion (Note 6)	450,979	314,421
Restricted deposits (Note 4):		
Replacement and operating reserves	1,872,111	1,553,433
Security deposits	81,363	80,789
Property and equipment – net (Note 5)	17,302,153	17,825,045
Investment in other companies (Note 7)	908,132	394,018
Total assets	<u>\$ 24,567,367</u>	<u>\$ 24,026,371</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 850,033	\$ 531,802
Notes payable – current portion (Note 8)	188,945	178,758
Total current liabilities	<u>1,038,978</u>	<u>710,560</u>
Tenant security deposits	81,268	82,822
Interest payable (Note 8)	3,114,676	2,684,326
Notes payable – net of current portion (Note 8)	11,214,399	11,150,155
Total liabilities	<u>15,449,321</u>	<u>14,627,863</u>
Net assets:		
Unrestricted	2,672,540	2,970,704
Temporarily restricted (Note 9)	6,445,506	6,427,804
Total net assets	<u>9,118,046</u>	<u>9,398,508</u>
Total liabilities and net assets	<u>\$ 24,567,367</u>	<u>\$ 24,026,371</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and other support:						
Government grants	\$ 3,165,722	\$ -	\$ 3,165,722	\$ 2,696,250	\$ -	\$ 2,696,250
Contributions (Notes 2 and 9)	678,695	389,000	1,067,695	768,978	465,778	1,234,756
Rent subsidy revenue	2,333,325	-	2,333,325	2,292,268	-	2,292,268
Rent revenue from tenants, net of vacancy loss	926,553	-	926,553	925,447	-	925,447
Developer fees (Note 6)	460,399	-	460,399	877,733	-	877,733
Property management expense reimbursements	1,281,571	-	1,281,571	678,066	-	678,066
Income (loss) from investments in other companies (Note 7)	(61)	-	(61)	732	-	732
Contract services income	685,257	-	685,257	461,121	-	461,121
Interest and other income	44,919	-	44,919	94,253	-	94,253
Net assets released from restrictions (Note 9)	371,298	(371,298)	-	61,370	(61,370)	-
Total revenue and other support	9,947,678	17,702	9,965,380	8,856,218	404,408	9,260,626
Expenses:						
Program services:						
Property management	4,065,470	-	4,065,470	3,800,064	-	3,800,064
Tenant services	1,470,506	-	1,470,506	1,622,546	-	1,622,546
Employment	1,697,193	-	1,697,193	1,187,368	-	1,187,368
Management and general	1,154,670	-	1,154,670	924,430	-	924,430
Housing development	336,234	-	336,234	220,343	-	220,343
Fundraising	240,198	-	240,198	181,126	-	181,126
Pass-through	1,281,571	-	1,281,571	660,690	-	660,690
Total expenses	10,245,842	-	10,245,842	8,596,567	-	8,596,567
Change in net assets	(298,164)	17,702	(280,462)	259,651	404,408	664,059
Net assets, beginning of year, as restated (Note 12)	2,970,704	6,427,804	9,398,508	2,711,053	6,023,396	8,734,449
Net assets, end of year	\$ 2,672,540	\$ 6,445,506	\$ 9,118,046	\$ 2,970,704	\$ 6,427,804	\$ 9,398,508

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2009 AND 2008

	2009								
	Program Services			Total	Management and General	Housing Development	Fundraising	Pass Through	Total
	Property Management	Tenant Services	Employment	Program Services					
Salaries and wages	\$ 935,443	\$ 732,642	\$ 866,854	\$ 2,534,939	\$ 461,932	\$ 256,269	\$ 135,152	\$ 1,281,571	\$ 4,669,863
Payroll taxes and benefits	363,471	195,324	422,842	981,637	153,019	50,279	23,156	-	1,208,091
Accounting and auditing	8,406	4,641	8,667	21,714	7,182	-	-	-	28,896
Advertising	-	200	-	200	3,534	-	-	-	3,734
Bad debts incurred	33,707	-	-	33,707	5,471	-	-	-	39,178
Dues and subscriptions	2,474	-	1,406	3,880	8,010	1,459	1,957	-	15,306
Insurance	73,905	14,533	13,570	102,008	70,148	2,684	624	-	175,464
Interest expense – mortgages	57,482	-	-	57,482	-	-	-	-	57,482
Janitorial supplies	33,853	-	-	33,853	350	-	-	-	34,203
Miscellaneous	34,401	10,804	36,683	81,888	-	-	-	-	81,888
Office supplies	26,319	39,194	41,162	106,675	7,818	6,348	127	-	120,968
Organizational activities	7,759	7,569	3,481	18,809	7,389	154	-	-	26,352
Postage and mailing	76	221	166	463	4,147	1,692	3,935	-	10,237
Printing	882	7,062	4,973	12,917	5,537	224	10,466	-	29,144
Professional and legal services	69,983	322,941	82,976	475,900	302,067	-	63,157	-	841,124
Rent	40,870	42,824	41,648	125,342	58,531	12,000	-	-	195,873
Repairs and maintenance	419,119	-	43,155	462,274	939	-	-	-	463,213
Staff training	15,644	7,791	11,095	34,530	5,238	295	124	-	40,187
Taxes and licenses	-	-	20	20	14,934	-	-	-	14,954
Telephone	14,079	9,813	19,448	43,340	9,480	426	-	-	53,246
Tenant projects and stipends	48,997	68,983	74,828	192,808	-	-	500	-	193,308
Travel and transportation	2,463	5,964	8,047	16,474	90	4,404	1,000	-	21,968
Utilities and garbage	624,858	-	16,172	641,030	22,207	-	-	-	663,237
	2,814,191	1,470,506	1,697,193	5,981,890	1,148,023	336,234	240,198	1,281,571	8,987,916
Deferred interest	448,388	-	-	448,388	-	-	-	-	448,388
Depreciation	802,891	-	-	802,891	6,647	-	-	-	809,538
	\$ 4,065,470	\$ 1,470,506	\$ 1,697,193	\$ 7,233,169	\$ 1,154,670	\$ 336,234	\$ 240,198	\$ 1,281,571	\$ 10,245,842

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES
(A California Nonprofit Public Benefit Corporation)
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2009 AND 2008

	2008								
	<i>Program Services</i>			<i>Total</i>	<i>Management and General</i>	<i>Housing Development</i>	<i>Fundraising</i>	<i>Pass Through</i>	<i>Total</i>
	<i>Property Management</i>	<i>Tenant Services</i>	<i>Employment</i>	<i>Program Services</i>					
Salaries and wages	\$ 877,336	\$ 816,764	\$ 714,843	\$ 2,408,943	\$ 409,087	\$ 156,027	\$ 116,004	\$ 521,524	\$ 3,611,585
Payroll taxes and benefits	277,784	222,608	192,143	692,535	81,743	32,672	21,846	133,434	962,230
Accounting and auditing	10,890	5,090	3,319	19,299	3,522	200	880	-	23,901
Advertising	1,393	925	2,868	5,186	16,753	-	11	-	21,950
Bad debts incurred	15,096	-	-	15,096	-	-	-	-	15,096
Dues and subscriptions	1,312	500	950	2,762	11,615	-	1,145	-	15,522
Insurance	126,632	16,004	13,550	156,186	17,372	2,247	-	-	175,805
Interest expense – mortgages	86,800	-	-	86,800	-	-	-	-	86,800
Janitorial supplies	25,693	-	-	25,693	1,408	-	-	-	27,101
Miscellaneous	59,685	-	5,457	65,142	6,462	-	-	-	71,604
Office supplies	9,279	21,585	25,153	56,017	21,904	4,925	782	-	83,628
Organizational activities	13,516	5,449	4,273	23,238	4,869	434	456	-	28,997
Postage and mailing	666	26	410	1,102	3,775	244	3,995	-	9,116
Printing	790	7,487	9,264	17,541	5,686	94	10,625	-	33,946
Professional and legal services	29,804	393,405	43,288	466,497	270,023	700	24,104	-	761,324
Rent	74,114	33,000	59,771	166,885	12,216	12,000	-	-	191,101
Repairs and maintenance	287,495	13,042	15,805	316,342	24,916	-	-	-	341,258
Staff training	684	2,563	6,679	9,926	6,801	9,889	195	-	26,811
Taxes and licenses	10,253	-	20	10,273	960	-	-	-	11,233
Telephone	12,834	12,526	8,022	33,382	10,229	325	-	-	43,936
Tenant projects and stipends	43	69,234	77,738	147,015	8,828	-	1,005	5,732	162,580
Travel and transportation	520	2,338	3,815	6,673	481	586	78	-	7,818
Utilities and garbage	633,837	-	-	633,837	-	-	-	-	633,837
	2,556,456	1,622,546	1,187,368	5,366,370	918,650	220,343	181,126	660,690	7,347,179
Deferred interest	435,858	-	-	435,858	-	-	-	-	435,858
Depreciation	807,750	-	-	807,750	5,780	-	-	-	813,530
	<u>\$ 3,800,064</u>	<u>\$ 1,622,546</u>	<u>\$ 1,187,368</u>	<u>\$ 6,609,978</u>	<u>\$ 924,430</u>	<u>\$ 220,343</u>	<u>\$ 181,126</u>	<u>\$ 660,690</u>	<u>\$ 8,596,567</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (280,462)	\$ 664,059
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	809,538	813,530
(Income) loss from investments in other companies	61	(732)
(Increase) decrease in assets:		
Accounts receivable	321,185	(1,127,677)
Prepaid expenses	(13,680)	(50,689)
Tenant security deposits cash	(574)	(11,550)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	318,231	175,876
Tenant security deposits payable	(1,554)	13,470
Interest payable	430,350	435,858
Net cash provided by operating activities	<u>1,583,095</u>	<u>912,145</u>
Cash flows from investing activities:		
Net increase in restricted deposit for reserves	(318,678)	(162,372)
Net increase in investments in other companies	(514,175)	(49)
Purchase of property and equipment	(286,646)	(169,985)
Net cash used in investing activities	<u>(1,119,499)</u>	<u>(332,406)</u>
Cash flows from financing activities:		
Proceeds from notes payable	260,254	-
Payment of notes payable	(185,823)	(408,574)
Net cash provided by (used in) financing activities	<u>74,431</u>	<u>(408,574)</u>
Net increase in cash	538,027	171,165
Cash, beginning of year	<u>2,015,046</u>	<u>1,843,881</u>
Cash, end of year	<u>\$ 2,553,073</u>	<u>\$ 2,015,046</u>
Supplemental information:		
Cash paid for interest	<u>\$ 181,024</u>	<u>\$ 86,800</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Community Housing Partnership (CHP) is a California non-profit public benefit corporation and was incorporated in March 1990. CHP creates, implements, and demonstrates solutions to homelessness in San Francisco by working in partnership with people who would otherwise be without a home. CHP develops and operates high quality permanent affordable housing, integrating optional support services, job training and community organizing. CHP strives to break the cycle of homelessness by strengthening community, encouraging self-determination and involving tenants in every aspect of the organization.

For the purposes of CHP's financial statements, activities are divided into seven functional areas:

Property Management: CHP provides management of the properties owned and/or leased by the agency.

Tenant Services: CHP provides support services to formerly homeless individuals and families living in affordable housing.

Employment and Training: CHP provides employment and training programs to formerly homeless individuals living in affordable housing.

Housing Development: CHP develops affordable housing for homeless individuals and families.

Fundraising: CHP raises funds for the agency's programs and operations.

Pass Through: CHP works on projects not related to any of the areas described above and serves as the fiscal agent on projects. These projects relate to third party property management.

Management and General: CHP provides administrative support to each of the program areas listed above.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of four subsidiaries, Treasure Island Family Services Space, LLC, CHP Essex, LLC, CHP Fulton, LLC, and CHP San Cristina, LLC all of which CHP is the sole member. All significant intercompany transactions and balances have been eliminated in the consolidation. CHP holds a 50% interest in CHP Eddy, LLC and CHP Arendt, LLC, and accordingly they are included in these consolidated financial statements using the equity method of accounting.

Accounting Method

CHP uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

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

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

Basis of Presentation

CHP reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets: Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with external parties.

Temporarily Restricted Net Assets: Net assets that are subject to donor-imposed restrictions that can be fulfilled either by actions of CHP pursuant to those restrictions and/or expire with the passage of time.

Permanently Restricted Net Assets: Net assets that are subject to donor-imposed restrictions that are required to be retained in perpetuity by CHP.

During the reporting periods, CHP had only unrestricted and temporarily restricted net assets. Temporarily restricted net assets at June 30, 2009 and 2008, related primarily to contributions for which the funds had not yet been spent for the purpose designated by the donor.

Revenue Recognition

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as unrestricted support. Contributions restricted for the purchase of long-lived assets, are reported as temporarily restricted support, with restrictions released when the underlying asset is depreciated or upon expiration of the contribution.

Contributed services are stated at their estimated fair value, if ordinarily purchased and of a specialized nature. Contributed services recognized as contribution revenue and corresponding expense was \$156,566 and \$195,627 for 2009 and 2008, respectively.

Grants

Government grants or cost-reimbursement type contracts are deemed to be exchange transactions and, accordingly, are shown separately as government grants in the statement of activities.

Four temporarily restricted grants were used for the purpose of purchasing and rehabilitating properties used to provide the affordable housing. It is the policy of CHP that while the net book value of the properties exceeds the amount of the contribution, there would be no relief of the temporarily restricted net asset (see Note 9).

Rental Income

Rental income is shown at its maximum gross potential. Vacancy loss, rent concessions and allowance for doubtful accounts are shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

Development Fees/Project Based Administration Fees

CHP recognizes the developer fee revenue as earned during the development period based on a specified percentage related to the services performed during the predevelopment phase of the project. The remaining portion of developer fees, not recognized at construction loan closing, is recognized monthly over the remainder of the development period, beginning in the month of construction commencement, using the percentage of completion method. The completion will be marked by the benchmarks including: the construction completion, and/or full lease up according to the agreement. The percentage of completion will generally be measured as total construction costs incurred to date divided by total construction costs identified in the construction contract or as the project reaches other agreed upon benchmarks.

Developer fees earned on the development of properties owned by CHP, either temporarily or permanently, and where the fees are obtained from loan draws, are not recognized as income. During 2009, CHP received \$105,000 in developer fees from the Cambridge property that were not recognized as revenue.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Not included in cash are funds restricted as to their use, regardless of liquidity, such as reserve accounts and security deposits. CHP occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance was approximately \$3,800,000 as of June 30, 2009. CHP has not experienced any losses in such accounts.

Accounts Receivable

CHP has elected to record bad debts using the direct write off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write off method is not materially different from the result that would be obtained had the allowance method been followed.

Investment in Other Companies

Investment in other companies is accounted for using the equity method of accounting. The investments were initially recorded at cost and then adjusted for CHP's proportionate share of undistributed earnings or losses (see Note 7).

Property and Equipment

Property and equipment is stated at cost of acquisition or construction or fair value if donated. The cost of maintenance and repairs is charged to expense as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

The useful lives of the assets are estimated as follows:

Buildings	50 to 55 years
Building improvements	15 to 55 years
Furniture and equipment	3 to 10 years

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of*, CHP reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2009 and 2008.

Construction in Progress

CHP incurs costs during the rehabilitation phase of each affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees needed to investigate the feasibility and arrange for the financing of each project under consideration, as well as construction costs. CHP records these costs as assets (development in progress) and the costs are usually recoverable from loan proceeds or other equity sources. Project rehabilitation costs are considered to be construction in progress until the project is placed in service. Construction in progress is not depreciated until the completion of development.

Any funds expended on a project that do not pass beyond the predevelopment stage are recorded as expenses when activity on the project ceases.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts and notes receivable and notes payable because of the nature of such instruments and because there is no readily available market information for financial instruments with similar terms.

Income Taxes

CHP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the related California code sections.

Functional Expenses Allocation

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Reclassifications

Certain amounts previously reported in the 2008 financial statements were reclassified to conform to the 2009 presentation for comparative purposes.

Subsequent Events

Management has evaluated subsequent events through February 16, 2010, the date on which the financial statements were available to be issued.

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NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows:

	<u>2009</u>	<u>2008</u>
Unrestricted contributions receivable	\$ 6,197	\$ 44,000
Temporarily restricted contributions receivable:		
For employment and training programs	190,000	115,000
For future periods	<u>140,000</u>	<u>240,000</u>
Total contributions receivable	<u>\$ 336,197</u>	<u>\$ 399,000</u>
Amounts due in:		
Less than one year	<u>\$ 266,197</u>	<u>\$ 259,000</u>
One to five years	<u>\$ 70,000</u>	<u>\$ 140,000</u>

NOTE 4 – RESTRICTED DEPOSITS

In accordance with provisions of the agreements, restricted cash is held in separate bank accounts, Details follow:

	<u>2009</u>	<u>2008</u>
Senator Hotel ⁽¹⁾	\$ 516,693	\$ 460,687
San Cristina Hotel ⁽²⁾	343,191	325,051
Iroquois Hotel ⁽³⁾	444,171	355,984
Island Bay Homes ⁽⁴⁾	<u>568,056</u>	<u>411,711</u>
	<u>\$ 1,872,111</u>	<u>\$ 1,553,433</u>

⁽¹⁾ Senator Hotel – In accordance with the MHP loan agreement, CHP was required to make an annual deposit of \$37,845 to the replacement reserve plus annual deposits to the operating reserve in accordance with the annual budget. The balances in these reserves exceed the maximum statutory threshold and thus no further deposits are currently required. CHP is making annual discretionary deposits as approved by MHP.

⁽²⁾ San Cristina Hotel – In accordance with the 1991 loan agreement with the Mayor’s Office of Housing (MOH), CHP is required to make monthly deposits of 3% of gross income to the replacement reserve account and 2% of gross income to the operating reserve account. CHP received a waiver and thus did not fund the operating reserve in 2009 due to cash flow shortages, but intends to resume the funding of this reserve in the next fiscal year.

⁽³⁾ Iroquois Hotel – In accordance with the 1995 loan agreement with the City of San Francisco, CHP was required to establish a replacement reserve account in the amount of \$49,580, which was thereafter to be funded at the rate of \$10,679 per year. However, management is making additional discretionary deposits as approved by MOH. This agreement also requires CHP to make monthly deposits of 2.5% of average monthly operating expenses for the then previous year, to the operating reserve account, until such time as the reserve reaches a balance of 25% of prior year operating expenses.

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⁽⁴⁾ Island Bay Homes – In accordance with the loan agreement with the City and County of San Francisco, CHP was required to establish a replacement reserve account in the amount of \$1,000 per unit, which was thereafter to be funded at the rate of \$500 per unit per year increasing by 3.5% annually. This agreement also required CHP to maintain an operating reserve with an initial deposit of \$58,926 and thereafter maintain a balance of 25% of prior year operating expenses. On 7/17/2007, CHP took the leasehold possession of an additional 42 units on Treasure Island, which brings the Island Bay Homes unit count up to 66 units. As a result, CHP is required to make an additional deposit of \$71,354 to the operating reserve account and \$42,000 to replacement reserve account. Monthly deposits to the replacement reserve account changed to \$640 per unit per year increasing by 3.5% annually. CHP is to continue to maintain the operating reserve account at level of 25% of the prior year's operating expenses.

Security Deposits

CHP is required to hold security deposits in a separate bank account in the name of the project.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	2009					Total	2008 Total
	General	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes		
Land	\$ -	\$ 785,502	\$ 1,087,661	\$ 1,000,000	\$ -	\$ 2,873,163	\$ 2,873,163
Buildings and improvements	1,645	10,372,163	4,315,225	4,415,022	1,023,395	20,127,450	20,112,250
Furniture, fixtures and equipment	75,920	76,944	25,946	64,947	38,319	282,076	253,977
Construction in process	246,364 ⁽¹⁾	-	22,233	-	-	268,597	25,250
	323,929	11,234,609	5,451,065	5,479,969	1,061,714	23,551,286	23,264,640
Accumulated depreciation	(56,855)	(3,132,154)	(1,444,098)	(1,157,022)	(459,004)	(6,249,133)	(5,439,595)
Total property and equipment	\$ 267,074	\$ 8,102,455	\$ 4,006,967	\$ 4,322,947	\$ 602,710	\$ 17,302,153	\$ 17,825,045

⁽¹⁾ Includes \$200,684 for the development of the Cambridge property.

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NOTE 6 – RELATED PARTY TRANSACTIONS

Receivables from related entities are summarized as follows:

<u>Receivable/Received from Description</u>	<u>Receivable at June 30, 2009</u>	<u>2009 Income (Receipt)</u>	<u>Receivable at June 30, 2008</u>	<u>2008 Income (Receipt)</u>
<u>Hotel Essex, LP</u>				
Developer fee	\$ 195,793	\$ -	\$ 771,190	\$ 502,517
Operating advances ⁽²⁾	13,523	(575,397) ⁽¹⁾	-	(13,209)
<u>650 Eddy, LP</u>				
Developer fee	276,407	130,247	302,394	316,180
Operating advances ⁽²⁾	24,900	(156,234)	-	(13,786)
<u>Arendt House, LP</u>				
Developer fee	236,627	237,776	33,672	34,757
		(34,821)		(1,085)
<u>365 Fulton, LP</u>				
Developer fee	80,116	92,376	10,594	24,279
		(22,854)		(13,685)
Total	827,366		1,117,850	
Less: current portion	(376,387)		(803,429)	
Long-term portion	<u>\$ 450,979</u>		<u>\$ 314,421</u>	

Total developer fee income is as follows:

	<u>2009</u>	<u>2008</u>
Hotel Essex, LP	\$ -	\$ 502,517
650 Eddy, L.P.	130,247	316,180
Ardent House, L.P.	237,776	34,757
365 Fulton, L.P.	92,376	24,279
	<u>\$ 460,399</u>	<u>\$ 877,733</u>

(1) Includes \$473,397 deferred developer fee promissory note, plus accrued interest, that was converted to investment in partnership (see also Note 7).

(2) Operating advances include payroll and related costs that are generally reimbursed on a monthly basis.

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NOTE 7 – INVESTMENT IN OTHER COMPANIES

CHP is a member, and has financial interests in the following California limited liability companies and limited partnerships as of and for the years ended June 30, 2009 and 2008:

Percentage of Ownership	Name of Entities	2009			2008		
		Income (Loss)	Adjustments	Financial Interest	Income (Loss)	Adjustments	Financial Interest
50%	CHP Eddy, LLC ⁽¹⁾	\$ -	\$ 27,500	\$ 74,775	\$ 3,393	\$ -	\$ 47,275
50%	CHP Arendt, LLC ⁽²⁾	-	-	334,457	62	-	334,457 ⁽⁶⁾
50%	CHP San Cristina ⁽⁴⁾	-	-	-	-	-	-
49%	365 Fulton, LP ⁽⁵⁾	-	-	49	-	-	49
0.005%	Hotel Essex, LP ⁽³⁾	(61)	486,675 ⁽⁷⁾	498,851	(2,723)	-	12,237
		\$ (61)	\$ 514,175	\$ 908,132	\$ 732	\$ -	\$ 394,018

⁽¹⁾ CHP is a co-member of CHP Eddy LLC with the Tenderloin Neighborhood Development Corporation (TNDC), which is the general partner of 650 Eddy L.P. and owns a 0.01% interest in the partnership. TNDC intends to withdraw its membership interest in CHP Eddy LLC upon the approval of the applicable regulatory agencies.

⁽²⁾ CHP is a co-member of CHP Arendt LLC which is the general partner of Arendt House L.P. and owned a 0.02% interest in the partnership. CHP also owned a 49.99% interest as a temporary co-limited partner of Arendt House, L.P. During 2008, CHP Arendt LLC transferred 0.01% of its general partner interest to the investor limited partner. CHP also withdrew its interest as a temporary co-limited partner. TNDC intends to withdraw its membership interest in CHP Arendt LLC after the project is constructed and upon the approval of the applicable regulatory agencies.

⁽³⁾ CHP is the sole member of CHP Essex LLC, which is a co-general partner with Mercy Housing West, each owning a .005% interest in Essex Hotel, LP. Mercy Housing West intends to withdraw from the limited partnership in 2010, leaving CHP Essex LLC as the sole general partner.

⁽⁴⁾ CHP is the sole member of CHP San Cristina LLC, which was organized on May 29, 2009 to be the initial general partner in San Cristina, LP. CHP is the initial limited partner. There was no financial activity during the year ended June 30, 2009.

⁽⁵⁾ CHP is the sole member of CHP Fulton LLC, which was organized on August 23, 2007 to be the co-general partner with Mercy Housing West, in 365 Fulton, LP. Mercy Housing West intends to withdraw from the partnership after the project is constructed and upon the approval of the applicable regulatory agencies.

⁽⁶⁾ The financial interest was adjusted by \$309,408 effective June 30, 2007 (see Note 12).

⁽⁷⁾ Included in the adjustment was a developer fee note receivable, including accrued interest, of \$473,397 that was converted to investment in partnership (see Note 6).

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The financial position and activities of the partnerships and other companies are as follows:

	<u>2009</u>	<u>2008</u>
Total assets	<u>\$ 51,616,644</u>	<u>\$ 29,543,923</u>
Total liabilities	\$ 43,450,345	\$ 27,772,094
Partners' and member's equity	<u>8,166,299</u>	<u>1,771,829</u>
Total	<u>\$ 51,616,644</u>	<u>\$ 29,543,923</u>

NOTE 8 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and consist of the following:

	<u>2009</u>		<u>2008</u>	
	<i>Accrued Interest</i>	<i>Principal</i>	<i>Accrued Interest</i>	<i>Principal</i>
<u>Senator Hotel:</u>				
Department of Housing and Community Development Multifamily Housing Program (MHP), in the original amount of \$4,294,690, bears simple interest at 3% per annum. The loan requires an annual payment equal to .42% of the unpaid principal balance over 30 years, and principal and interest payments thereafter until maturity in 2061. Additional payments are to be made from net cash flow. Interest expense was \$128,841 for 2009 and 2008.	\$ 308,712	\$ 4,294,690	\$ 197,909	\$ 4,294,690
San Francisco Redevelopment Agency, Rental Housing Acquisition and Rehabilitation Program, in the original amount of \$907,037 (which includes \$301,667 principal, \$312,246 interest accumulated and \$293,124 available for elevator rehabilitation), and was increased in September 2006 by \$440,495. The \$907,037 portion of the loan bears interest at 8% compounded annually, and matures in March 2053. Principal and interest are payable from residual receipts. Interest expense was \$84,185 ⁽¹⁾ and \$135,881 in 2009 and 2008, respectively.	571,050	1,347,532	486,865	1,347,532

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	2009		2008	
	<i>Accrued Interest</i>	<i>Principal</i>	<i>Accrued Interest</i>	<i>Principal</i>
<u><i>San Cristina Hotel:</i></u>				
State of California Department of Housing and Community Development, California Housing Rehabilitation Program, in the original amount of \$1,750,000, bears simple interest at 3% per annum, due in February 2047, but is deferred upon the approval of the lender. Interest expense was \$52,500 in 2009 and 2008.	693,251	1,750,000	640,751	1,750,000
Citibank, in the original amount of \$1,175,000, bears a variable rate of interest not to exceed 9.21% per annum (currently at 3.25%), payable in monthly installments (currently at \$5,455) and matures in May 2024. Interest expense was \$25,823 and \$25,564 in 2009 and 2008, respectively.	-	772,986	-	814,737
<u><i>Iroquois Hotel:</i></u>				
City and County of San Francisco, in the original amount of \$1,500,000, bears simple interest at 6% per annum. Interest will be accrued, but no interest and principal are due in the first 15 years of the term, due 75 years after the completion of the project. The monthly repayment amount will be determined thereafter, and any remaining obligation will be forgiven upon maturity. Interest expense was \$79,336 and \$90,000 in 2009 and 2008, respectively.	1,275,000	1,500,000	1,195,664	1,500,000
Citibank, in the original amount of \$1,555,400, bears an adjustable rate of interest not to exceed 11.95% per annum (currently at 6.25%), payable in monthly installments (currently at \$14,232) and matures in March 2012. Interest expense was \$31,659 and \$36,642 in 2009 and 2008, respectively.	-	430,473	-	574,545

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	2009		2008	
	<i>Accrued Interest</i>	<i>Principal</i>	<i>Accrued Interest</i>	<i>Principal</i>
<u><i>Island Bay Homes:</i></u>				
City and County of San Francisco, in the amount of \$997,409, with an initial interest rate of 7.75% compounded quarterly for the first 24 months then 4% simple annual interest thereafter, due in April 2017. The interest and principal is payable from residual receipts. Interest expense was \$103,526 ⁽¹⁾ and \$46,674 in 2009 and 2008, respectively.	266,663	997,409	163,137	997,409
<u><i>Cambridge Development:</i></u>				
City and County of San Francisco in the original amount of \$1,236,525, bears no interest, and is due at the earliest of: (a) February 16, 2013, (b) the date the permanent loan for the project closes, or (c) the date the purchase agreement is terminated.	-	260,254	-	-
<u><i>Demand Notes Payable:</i></u>				
Payable to CHP Eddy, LLC, on demand, without interest, the obligation shall terminate on the earlier to occur of: (a) removal of CHP as member of CHP Eddy, LLC, or (b) the termination of CHP Eddy, LLC or 2055.	-	25,000	-	25,000
Payable to CHP Arendt, LLC, on demand, without interest, the obligation shall terminate on the earlier to occur of: (a) removal of CHP as a member of CHP Arendt, LLC, or (b) the termination of CHP Arendt, LLC or 2061.	-	25,000	-	25,000
Total	3,114,676	11,403,344	2,684,326	11,328,913
Less: current portion	-	(188,945)	-	(178,758)
Long-term portion	\$ 3,114,676	\$ 11,214,399	\$ 2,684,326	\$ 11,150,155

CHP has entered into \$20,000 demand note agreements with CHP Fulton, LLC and CHP Essex, LLC, respectively. These demand notes were eliminated in these consolidated financial statements.

⁽¹⁾ Accrued interest payable at June 30, 2009 was adjusted to amounts confirmed by the San Francisco Redevelopment Agency and the City and County of San Francisco, respectively.

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Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

2010	\$ 188,945
2011	199,817
2012	168,428
2013	1,281,591
2014	46,543

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2009</u>			
	<u>June 30, 2008</u>	<u>Contributions</u>	<u>Released from restrictions</u>	<u>June 30, 2009</u>
Specific programs and time restrictions	\$ 527,298	\$ 389,000	\$ (371,298)	\$ 545,000
Recoverable contributions for the purchase and rehabilitation of (see Note 11):				
Senator Hotel	1,519,000	-	-	1,519,000
San Cristina Hotel	2,116,506	-	-	2,116,506
Iroquois Hotel	2,265,000	-	-	2,265,000
	<u>\$ 6,427,804</u>	<u>\$ 389,000</u>	<u>\$ (371,298)</u>	<u>\$ 6,445,506</u>
	<u>2008</u>			
	<u>June 30, 2007</u>	<u>Contributions</u>	<u>Released from restrictions</u>	<u>June 30, 2008</u>
Specific programs and time restrictions	\$ 122,890	\$ 465,778	\$ (61,370)	\$ 527,298
Recoverable contributions for the purchase and rehabilitation of (see Note 11):				
Senator Hotel	1,519,000	-	-	1,519,000
San Cristina Hotel	2,116,506	-	-	2,116,506
Iroquois Hotel	2,265,000	-	-	2,265,000
	<u>\$ 6,023,396</u>	<u>\$ 465,778</u>	<u>\$ (61,370)</u>	<u>\$ 6,427,804</u>

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NOTE 10 – ISLAND BAY HOMES

CHP subleases the Island Bay Homes property from the Treasure Island Development Authority (TIDA) (who leases it from the U.S. Department of Navy) for the purpose of overseeing the rehabilitation of the property to benefit eligible tenants. The first 23 tenants must qualify for Section 8 rental assistance, 8 tenants participate in the Shelter Plus Care Program, 33 tenants are subsidized through the Local Operating Subsidy Program, and 2 units are reserved for site staff. The term of the sublease commenced on March 11, 2001 and expires on August 31, 2014. There is no provision for the payment of rent in the sublease agreement. However, CHP is responsible for all costs related to the use of the premises, which consisted of 24 rental units as of June 30, 2007. On July 17, 2007, CHP took the leasehold possession of an additional 42 units on Treasure Island, which increases the Island Bay Homes unit count to 66 units at June 30, 2008. CHP has an option to purchase the property under the Base Closure Agreement with the Treasure Island Homeless Development Initiative (TIHDI), of which CHP is a member. The option allows CHP to obtain an equal number of comparable units on Treasure Island in the event that TIDA requires TIHDI to relinquish the housing to accommodate development of the parcel subleased by CHP.

CHP records no rent expense under this arrangement, and has estimated that there is no monetary value from this sublease.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

CHP received funding of \$1,175,000, \$2,116,506, and \$1,500,000 from the San Francisco Redevelopment Agency and the Mayor's Office of Housing for the acquisition and rehabilitation of the Senator Hotel, the San Cristina Hotel, and the Iroquois Hotel, respectively. An additional \$400,000 was received from HUD, and \$365,000 was received from the Affordable Housing Program for rehabilitation of the Iroquois Hotel as well as \$344,000 for the rehabilitation of the Senator Hotel, respectively. Terms of these grants stipulate that the funds are recoverable by the San Francisco Redevelopment Agency, the Mayor's Office of Housing, CFB, FHLBSF or HUD in the event that certain specific covenants and restrictions of the awards are violated. These contributions are included in temporarily restricted net assets.

CHP leases its main office facility under a two-year lease agreement that expired December 31, 2007, and executed the option to renew the lease for two additional two-year terms that expire December 31, 2011. The monthly rent for the initial term and the first renewal period is \$4,018, and during the second renewal period will be subject to negotiation based on a fair market rental value. CHP leases office space for the general office of its social service programs under a 54-month lease agreement that expires December 31, 2011. The following represents the future minimum lease payments:

2010	\$	118,232
2011		122,512
2012		66,734

CHP has provided loan and operating deficit guarantees as well as indemnifications with regard to tax benefits projected for its affiliates and projects. CHP will be responsible for repaying a loan if, when the loan becomes due, the respective affiliate or project does not make payment on the loan. CHP will cover operating deficits as needed up to a stated limit. CHP does not require any collateral or other security from its affiliates and projects related to these guarantees. A reasonable estimate of the outstanding operating deficit guarantees at June 30, 2009 amounted to \$1,100,000. In addition, CHP has guaranteed approximately \$25,000,000 to investors for tax credits and other tax benefits at for two affiliated limited partnerships as of June 30, 2009. Management believes that the likelihood of funding a material amount of any of the guarantees is remote.

In connection with the development of affordable housing projects, which are owned by limited partnerships, CHP has acquired the options to purchase the projects at the close of the projects' 15-year compliance period.

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NOTE 12 – RESTATEMENT OF FINANCIAL STATEMENTS

Prior Period Adjustment:

During 2009, an error was discovered in the previously issued financial statements regarding CHP's investment in CHP Arendt, LLC. As a result, the asset account for investment in other companies, and unrestricted net assets were understated. These accounts were restated as of June 30, 2007 as follows:

	<u>Investment in Other Companies</u>	<u>Unrestricted Net Assets</u>
As originally reported, June 30, 2007	\$ 25,049	\$ 2,401,645
Additional allocation of grant income on a pro rata basis not previously recognized	309,408	309,408
As restated, June 30, 2007	\$ 334,457	\$ 2,711,053

See also Note 7 to the financial statements.

SUPPLEMENTARY INFORMATION

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

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CONSOLIDATED SCHEDULES OF FINANCIAL POSITION

YEARS ENDED JUNE 30, 2009 AND 2008

	2009												
	General	CHP Enterprises	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	Cambridge	Investment in CHP Arendt, LLC	Investment in CHP Eddy, LLC	Treasure Island Family Services Space, LLC	CHP Essex, LLC	CHP Fulton, LLC	Total
Assets:													
Current assets													
Cash	\$ 1,297,165	\$ 184,718	\$ 391,000	\$ 229,965	\$ 345,082	\$ 99,783	\$ 9,664	\$ -	\$ -	\$ (4,304)	\$ -	\$ -	\$ 2,553,073
Receivables:													
Government grants	252,080	16,033	-	-	-	-	-	-	-	-	-	-	268,113
Contract services	89,835	53,870	-	-	-	-	-	-	-	-	-	-	143,705
Contributions – current portion	201,197	65,000	-	-	-	-	-	-	-	-	-	-	266,197
Related-parties – current portion	376,387	-	-	-	-	-	-	-	-	-	-	-	376,387
Rent, subsidy and other	17,262	-	11,102	1,726	16,834	57,025	-	-	-	20,061	-	-	124,010
Prepaid expenses	121,777	20,844	-	825	2,613	5,085	-	-	-	-	-	-	151,144
Total current assets	2,355,703	340,465	402,102	232,516	364,529	161,893	9,664	-	-	15,757	-	-	3,882,629
Receivables:													
Contributions – net of current portion	70,000	-	-	-	-	-	-	-	-	-	-	-	70,000
Related parties – net of current portion	450,979	-	-	-	-	-	-	-	-	-	-	-	450,979
Restricted deposits:													
Replacement and operating reserves	-	-	516,693	343,191	444,171	568,056	-	-	-	-	-	-	1,872,111
Security deposits	-	-	17,171	28,996	14,997	20,199	-	-	-	-	-	-	81,363
Property and equipment – net	63,182	3,208	8,102,455	4,006,967	4,322,947	602,710	200,684	-	-	-	-	-	17,302,153
Investments in other companies	49	-	-	-	-	-	-	334,457	74,775	-	498,802	49	908,132
Total assets	\$ 2,939,913	\$ 343,673	\$ 9,038,421	\$ 4,611,670	\$ 5,146,644	\$ 1,352,858	\$ 210,348	\$ 334,457	\$ 74,775	\$ 15,757	\$ 498,802	\$ 49	\$ 24,567,367
Liabilities and net assets:													
Current liabilities:													
Accounts payable and accrued expenses	\$ 678,324	\$ 10,362	\$ 11,017	\$ 39,739	\$ 12,837	\$ 39,367	\$ 45,430	\$ -	\$ -	\$ 8,108	\$ 3,200	\$ 1,649	\$ 850,033
Notes payable – current portion	-	-	-	40,876	148,069	-	-	-	-	-	-	-	188,945
Total current liabilities	678,324	10,362	11,017	80,615	160,906	39,367	45,430	-	-	8,108	3,200	1,649	1,038,978
Tenant security deposits	-	-	16,422	29,004	15,311	20,531	-	-	-	-	-	-	81,268
Interest payable	-	-	879,762	693,251	1,275,000	266,663	-	-	-	-	-	-	3,114,676
Due (from) to other funds	(86,281)	124,090	22,386	24,438	20,168	(11,400)	(95,001)	-	-	1,600	-	-	-
Notes payable – net of current portion	100,000	-	5,642,222	2,482,110	1,782,404	997,409	260,254	-	-	(10,000)	(20,000)	(20,000)	11,214,399
Total liabilities	692,043	134,452	6,571,809	3,309,418	3,253,789	1,312,570	210,683	-	-	(292)	(16,800)	(18,351)	15,449,321
Net assets:													
Unrestricted	1,702,870	209,221	947,612	(814,254)	(372,145)	40,288	(335)	334,457	74,775	16,049	515,602	18,400	2,672,540
Temporarily restricted	545,000	-	1,519,000	2,116,506	2,265,000	-	-	-	-	-	-	-	6,445,506
Total net assets	2,247,870	209,221	2,466,612	1,302,252	1,892,855	40,288	(335)	334,457	74,775	16,049	515,602	18,400	9,118,046
Total liabilities and net assets	\$ 2,939,913	\$ 343,673	\$ 9,038,421	\$ 4,611,670	\$ 5,146,644	\$ 1,352,858	\$ 210,348	\$ 334,457	\$ 74,775	\$ 15,757	\$ 498,802	\$ 49	\$ 24,567,367

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED SCHEDULES OF FINANCIAL POSITION

YEARS ENDED JUNE 30, 2009 AND 2008

	2008												
	General	CHP Enterprises	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	Cambridge	Investment in CHP Arendt, LLC	Investment in CHP Eddy, LLC	Treasure Island Family Services Space, LLC	CHP Essex, LLC	CHP Fulton, LLC	Total
Assets:													
Current assets													
Cash	\$ 738,840	\$ 254,449	\$ 251,230	\$ 185,701	\$ 429,664	\$ 151,563	\$ -	\$ -	\$ -	\$ 3,599	\$ -	\$ -	\$ 2,015,046
Receivables:													
Government grants	196,998	7,210	-	-	-	-	-	-	-	-	-	-	204,208
Contract services	75,069	40,291	-	-	-	-	-	-	-	-	-	-	115,360
Contributions – current portion	209,000	50,000	-	-	-	-	-	-	-	-	-	-	259,000
Related-parties – current portion	803,429	-	-	-	-	-	-	-	-	-	-	-	803,429
Rent, subsidy and other	30,791	-	13,858	10,443	13,082	94,905	-	-	-	21,079	-	-	184,158
Prepaid expenses	117,361	-	3,833	5,744	7,087	3,439	-	-	-	-	-	-	137,464
Total current assets	2,171,488	351,950	268,921	201,888	449,833	249,907	-	-	-	24,678	-	-	3,718,665
Receivables:													
Contributions – net of current portion	140,000	-	-	-	-	-	-	-	-	-	-	-	140,000
Related-parties – net of current portion	314,421	-	-	-	-	-	-	-	-	-	-	-	314,421
Restricted deposits:													
Replacement and operating reserves	-	-	460,687	325,051	355,984	411,711	-	-	-	-	-	-	1,553,433
Security deposits	-	-	16,640	28,931	14,704	20,514	-	-	-	-	-	-	80,789
Property and equipment – net	47,382	-	8,612,181	4,099,237	4,383,032	683,213	-	-	-	-	-	-	17,825,045
Investments in other companies	49	-	-	-	-	-	-	334,457	47,275	-	12,188	49	394,018
Total assets	\$ 2,673,340	\$ 351,950	\$ 9,358,429	\$ 4,655,107	\$ 5,203,553	\$ 1,365,345	\$ -	\$ 334,457	\$ 47,275	\$ 24,678	\$ 12,188	\$ 49	\$ 24,026,371
Liabilities and net assets:													
Current liabilities:													
Accounts payable and accrued expenses	\$ 425,881	\$ 836	\$ 17,951	\$ 14,719	\$ 13,954	\$ 39,367	\$ -	\$ -	\$ -	\$ 15,845	\$ 2,400	\$ 849	\$ 531,802
Notes payable – current portion	-	-	-	39,638	139,120	-	-	-	-	-	-	-	178,758
Total current liabilities	425,881	836	17,951	54,357	153,074	39,367	-	-	-	15,845	2,400	849	710,560
Tenant security deposits	-	-	16,021	29,529	15,903	21,369	-	-	-	-	-	-	82,822
Interest payable	-	-	684,774	640,751	1,195,664	163,137	-	-	-	-	-	-	2,684,326
Due (from) to other funds	(186,549)	141,145	4,451	16,080	17,321	7,552	-	-	-	-	-	-	-
Notes payable – net of current portion	100,000	-	5,642,222	2,525,099	1,935,425	997,409	-	-	-	(10,000)	(20,000)	(20,000)	11,150,155
Total liabilities	339,332	141,981	6,365,419	3,265,816	3,317,387	1,228,834	-	-	-	5,845	(17,600)	(19,151)	14,627,863
Net assets:													
Unrestricted	1,806,710	209,969	1,474,010	(727,215)	(378,834)	136,511	-	334,457	47,275	18,833	29,788	19,200	2,970,704
Temporarily restricted	527,298	-	1,519,000	2,116,506	2,265,000	-	-	-	-	-	-	-	6,427,804
Total net assets	2,334,008	209,969	2,993,010	1,389,291	1,886,166	136,511	-	334,457	47,275	18,833	29,788	19,200	9,398,508
Total liabilities and net assets	\$ 2,673,340	\$ 351,950	\$ 9,358,429	\$ 4,655,107	\$ 5,203,553	\$ 1,365,345	\$ -	\$ 334,457	\$ 47,275	\$ 24,678	\$ 12,188	\$ 49	\$ 24,026,371

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED SCHEDULES OF ACTIVITIES

YEARS ENDED JUNE 30, 2009 AND 2008

	2009													Total
	General	CHP Enterprises	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	Cambridge	Investment in CHP Arendt, LLC	Investment in CHP Eddy, LLC	Treasure Island Family Services Space, LLC	CHP Essex, LLC	CHP Fulton, LLC	Eliminations	
Revenue and other support:														
Government grants	\$ 3,047,268	\$ 118,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,165,722
Contributions	899,030	168,665	-	-	-	-	-	-	-	-	486,675	-	(486,675)	1,067,695
Rent subsidy revenue	-	-	660,425	470,118	618,485	584,297	-	-	-	-	-	-	-	2,333,325
Rent revenue from tenants, net of vacancy loss	-	-	262,141	205,146	217,143	242,123	-	-	-	-	-	-	-	926,553
Developer fees	460,399	-	-	-	-	-	-	-	-	-	-	-	-	460,399
Property management expense reimbursements	1,131,076	-	-	-	-	-	-	-	-	150,495	-	-	-	1,281,571
Income (loss) from investments in other companies	(27,500)	-	-	-	-	-	-	-	27,500	-	(61)	-	-	(61)
Contract services income	397,524	313,807	-	-	-	-	-	-	-	-	-	-	(26,074)	685,257
Interest and other income	679,804	1,340	29,432	38,483	31,714	28,462	-	-	-	(11,674)	-	-	(752,642)	44,919
Total revenue and other support	6,587,601	602,266	951,998	713,747	867,342	854,882	-	-	27,500	138,821	486,614	-	(1,265,391)	9,965,380
Expenses:														
Program services and special projects before deferred interest and depreciation:	4,942,930	602,722	755,644	631,675	687,843	764,498	335	-	-	141,605	800	800	(1,265,391)	7,263,461
Management and general	1,148,023	-	-	-	-	-	-	-	-	-	-	-	-	1,148,023
Housing development	336,234	-	-	-	-	-	-	-	-	-	-	-	-	336,234
Fundraising	240,198	-	-	-	-	-	-	-	-	-	-	-	-	240,198
Total expenses, before deferred interest and depreciation	6,667,385	602,722	755,644	631,675	687,843	764,498	335	-	-	141,605	800	800	(1,265,391)	8,987,916
Change in net assets before deferred interest and depreciation	(79,784)	(456)	196,354	82,072	179,499	90,384	(335)	-	27,500	(2,784)	485,814	(800)	-	977,464
Deferred interest	-	-	213,026	52,500	79,336	103,526	-	-	-	-	-	-	-	448,388
Depreciation	6,354	292	509,726	116,611	93,474	83,081	-	-	-	-	-	-	-	809,538
	6,354	292	722,752	169,111	172,810	186,607	-	-	-	-	-	-	-	1,257,926
Change in net assets	(86,138)	(748)	(526,398)	(87,039)	6,689	(96,223)	(335)	-	27,500	(2,784)	485,814	(800)	-	(280,462)
Net assets, beginning of year	2,384,008	209,969	2,993,010	1,389,291	1,886,166	136,511	-	334,457	47,275	8,833	9,788	(800)	-	9,398,508
Net assets, end of year	\$ 2,297,870	\$ 209,221	\$ 2,466,612	\$ 1,302,252	\$ 1,892,855	\$ 40,288	\$ (335)	\$ 334,457	\$ 74,775	\$ 6,049	\$ 495,602	\$ (1,600)	\$ -	\$ 9,118,046

The accompanying notes are an integral part of these financial statements.

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES
(A California Nonprofit Public Benefit Corporation)
CONSOLIDATED SCHEDULES OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2008													
	General	CHP Enterprises	Senator Hotel	San Cristina Hotel	Iroquois Hotel	Island Bay Homes	Investment in CHP Eddy, LLC	Cambridge	Investment in CHP Arendt, LLC	Treasure Island Family Services Space, LLC	CHP Essex, LLC	CHP Fulton, LLC	Eliminations	Total
Revenue and other support:														
Government grants	\$ 2,600,883	\$ 95,367	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ 2,696,250
Contributions	1,045,720	189,036	-	-	-	-	-	-	-	-	-	-	-	1,234,756
Rent subsidy revenue	-	-	654,885	450,281	628,283	558,819	-	-	-	-	-	-	-	2,292,268
Rent revenue from tenants, net of vacancy loss	686	-	260,350	215,163	232,785	216,463	-	-	-	-	-	-	-	925,447
Developer fees	877,733	-	-	-	-	-	-	-	-	-	-	-	-	877,733
Property management expense reimbursements	598,827	-	-	-	-	-	-	-	79,239	-	-	-	-	678,066
Income (loss) from investments in other companies	62	-	-	-	-	-	3,393	-	-	(2,723)	-	-	-	732
Contract services income	151,004	310,117	-	-	-	-	-	-	-	-	-	-	-	461,121
Interest and other income	610,919	-	24,300	22,030	26,958	7,475	-	-	(2,941)	-	-	(594,488)	-	94,253
Total revenue and other support	5,885,834	594,520	939,535	687,474	888,026	782,757	3,393	-	-	76,298	(2,723)	-	(594,488)	9,260,626
Expenses:														
Program services and special projects before deferred interest and depreciation:	3,509,750	384,551	707,404	593,794	674,021	679,113	-	-	71,315	800	800	(594,488)	-	6,027,060
Management and general	918,650	-	-	-	-	-	-	-	-	-	-	-	-	918,650
Housing development	220,343	-	-	-	-	-	-	-	-	-	-	-	-	220,343
Fundraising	181,126	-	-	-	-	-	-	-	-	-	-	-	-	181,126
Total expenses, before deferred interest and depreciation	4,829,869	384,551	707,404	593,794	674,021	679,113	-	-	71,315	800	800	(594,488)	-	7,347,179
Change in net assets before deferred interest and depreciation	1,055,965	209,969	232,131	93,680	214,005	103,644	3,393	-	-	4,983	(3,523)	(800)	-	1,913,447
Deferred interest	-	-	246,684	52,500	90,000	46,674	-	-	-	-	-	-	-	435,858
Depreciation	5,780	-	504,800	113,939	91,864	97,147	-	-	-	-	-	-	-	813,530
	5,780	-	751,484	166,439	181,864	143,821	-	-	-	-	-	-	-	1,249,388
Change in net assets	1,050,185	209,969	(519,353)	(72,759)	32,141	(40,177)	3,393	-	-	4,983	(3,523)	(800)	-	664,059
Net assets, beginning of year, as restated	1,333,823	-	3,512,363	1,462,050	1,854,025	176,688	43,882		334,457	3,850	13,311	-	-	8,734,449
Demand loans	(50,000)	-	-	-	-	-	-	-	-	10,000	20,000	20,000	-	-
Net assets, end of year	\$ 2,334,008	\$ 209,969	\$ 2,993,010	\$ 1,389,291	\$ 1,886,166	\$ 136,511	\$ 47,275	\$ -	\$ 334,457	\$ 18,833	\$ 29,788	\$ 19,200	\$ -	\$ 9,398,508

The accompanying notes are an integral part of these financial statements.

**REPORTING REQUIREMENTS FOR THE
MULTI FAMILY HOUSING PROGRAM (MHP)**

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

REPORT OF ACTUAL OPERATING COSTS

YEAR ENDED JUNE 30, 2009

Multi-Family Housing Program (MHP)
REPORT OF ACTUAL OPERATING COSTS

Reporting Period: 7/1/2008 to 06/30/2009

Contract No: 02-MHP-113
Project Name: Senator Residence
Prepared by: Lindquist, von Husen & Joyce LLP
Date Prepared: 9/28/2009

Units/Sq. Ft. - Assisted: 89
Units/Sq. Ft. - Total: 89
Unit Months: 1,068

ACCOUNT NAME	ACCOUNT CODES	UNIT EXPENSES						PROJECT TOTALS		
		Approved Assisted (A)	Actual Assisted	Approved Non-Assisted	Actual Non-Assisted	Proposed Commercial	Actual Commercial	Approved Total Expenses	Total Actual Expenses (B)	Project Variance (C)
MANAGEMENT FEE: 6200/6300										
1 Management Fee or Sponsor Overhead	6320	44,856	44,856	0	0	0	0	44,856	44,856	0
ADMINISTRATIVE EXPENSES: 6200/6300										
2 Advertising	6210	250	362	0	0	0	0	250	362	(112)
3 Apartment Resale Expense (Cooperatives)	6235	0	0	0	0	0	0	0	0	0
4 Other Renting Expenses	6250	300	209	0	0	0	0	300	209	91
5 Office Salaries	6310	30,239	30,903	0	0	0	0	30,239	30,903	(664)
6 Office Supplies	6311	3,500	3,545	0	0	0	0	3,500	3,545	(45)
7 Office or Model Apartment Rent	6312	0	0	0	0	0	0	0	0	0
8 Manager and Superintendent Salaries	6330	41,265	40,146	0	0	0	0	41,265	40,146	1,119
9 Manager's or Superintendent's Rent Free Unit	6331	0	0	0	0	0	0	0	0	0
10 Legal Expense - Project	6340	5,000	390	0	0	0	0	5,000	390	4,610
11 Audit Expense - Project	6350	3,500	3,409	0	0	0	0	3,500	3,409	91
12 Bookkeeping Fees/Accounting Services	6351	8,544	8,544	0	0	0	0	8,544	8,544	0
13 Telephone and Answering Service Expenses	6360	2,700	3,025	0	0	0	0	2,700	3,025	(325)
14 Bad Debt Expense	6370	9,764	13,350	0	0	0	0	9,764	13,350	(3,586)
15 Miscellaneous Administrative Expenses (specify)	6390	10,150	7,370	0	0	0	0	10,150	7,370	2,780
16 TOTAL ADMINISTRATIVE EXPENSES	6200/6300T	115,212	111,253	0	0	0	0	115,212	111,253	3,959
UTILITIES EXPENSES: 6400										
17 Fuel Oil/Coal	6420	0	0	0	0	0	0	0	0	0
18 Electricity	6450	30,000	26,657	0	0	0	0	30,000	26,657	3,343
19 Water	6451	13,750	15,460	0	0	0	0	13,750	15,460	(1,710)
20 Gas	6452	40,000	33,392	0	0	0	0	40,000	33,392	6,608
21 Sewer	6453	36,250	38,153	0	0	0	0	36,250	38,153	(1,903)
22 TOTAL UTILITIES EXPENSES	6400T	120,000	113,662	0	0	0	0	120,000	113,662	6,338
OPERATING AND MAINTENANCE EXPENSES: 6500										
23 Janitor and Cleaning Payroll	6510	27,792	31,783	0	0	0	0	27,792	31,783	(3,991)
24 Janitor and Cleaning Supplies	6515	12,000	10,619	0	0	0	0	12,000	10,619	1,381
25 Janitor and Cleaning Contracts	6517	0	0	0	0	0	0	0	0	0
26 Exterminating Payroll/Contract	6519	13,000	16,569	0	0	0	0	13,000	16,569	(3,569)
27 Exterminating Supplies	6520	0	0	0	0	0	0	0	0	0
28 Garbage and Trash Removal	6525	25,800	29,781	0	0	0	0	25,800	29,781	(3,981)
29 Security Payroll/Contract	6530	132,346	127,936	0	0	0	0	132,346	127,936	4,410
30 Grounds Payroll	6535	0	0	0	0	0	0	0	0	0
31 Grounds Supplies	6536	0	0	0	0	0	0	0	0	0
32 Grounds Contract	6537	0	0	0	0	0	0	0	0	0
33 Repairs Payroll	6540	49,161	42,112	0	0	0	0	49,161	42,112	7,049
34 Repairs Material	6541	15,000	10,936	0	0	0	0	15,000	10,936	4,064
35 Repairs Contract	6542	39,750	30,302	0	0	0	0	39,750	30,302	9,448
36 Elevator Maintenance/Contract	6545	3,240	6,404	0	0	0	0	3,240	6,404	(3,164)
37 Heating/Cooling Repairs and Maintenance	6546	0	0	0	0	0	0	0	0	0
38 Swimming Pool Maintenance/Contract	6547	0	0	0	0	0	0	0	0	0
39 Snow Removal	6548	0	0	0	0	0	0	0	0	0
40 Decorating/Payroll Contract	6560	0	0	0	0	0	0	0	0	0
41 Decorating Supplies	6561	0	0	0	0	0	0	0	0	0
42 Vehicle and Maint. Equipment Operation/Repairs	6570	2,500	0	0	0	0	0	2,500	0	2,500
43 Misc. Operating and Maintenance Expenses (specify)	6590	8,000	13,841	0	0	0	0	8,000	13,841	(5,841)
44 TOTAL OPERATING & MAINTENANCE EXPENSES	6500T	328,589	320,283	0	0	0	0	328,589	320,283	8,306
TAXES AND INSURANCE: 6700										
45 Real Estate Taxes	6710	0	0	0	0	0	0	0	0	0
46 Payroll Taxes (Project's Share)	6711	31,141	27,600	0	0	0	0	31,141	27,600	3,541
47 Misc. Taxes, Licenses and Permits	6719	3,000	3,096	0	0	0	0	3,000	3,096	(96)
48 Property and Liability Insurance (Hazard)	6720	34,814	37,701	0	0	0	0	34,814	37,701	(2,887)
49 Fidelity Bond Insurance	6721	0	0	0	0	0	0	0	0	0
50 Worker's Compensation	6722	16,756	16,854	0	0	0	0	16,756	16,854	(98)
51 Health Insurance and Other Employee Benefits	6723	58,515	39,736	0	0	0	0	58,515	39,736	18,779
52 Other Insurance	6729	0	0	0	0	0	0	0	0	0
53 TOTAL TAXES AND INSURANCE	6700T	144,226	124,987	0	0	0	0	144,226	124,987	19,239
ASSISTED LIVING/BOARD & CARE EXPENSES; 6900										
54 Food	6932	0	0	0	0	0	0	0	0	0
55 Recreation and Rehabilitation	6980	0	0	0	0	0	0	0	0	0
56 Rehabilitation Salaries	6983	0	0	0	0	0	0	0	0	0
57 Other Service Expenses	6990	36,000	36,000	0	0	0	0	36,000	36,000	0
58 TOTAL ASSISTED LIVING EXPENSES	6900T	36,000	36,000	0	0	0	0	36,000	36,000	0
61 TOTAL OPERATING COSTS		788,883	751,041	0	0	0	0	788,883	751,041	37,842

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

ACTUAL CASH FLOW ANALYSIS

YEAR ENDED JUNE 30, 2009

Multi-Family Housing Program (MHP)
ACTUAL CASH FLOW ANALYSIS

Reporting Period: 07/01/2008 to 06/30/2009

Contract No: 02-MHP-113
Project Name: Senator Residence
Prepared by: Lindquist, von Husen & Joyce LLP
Date Prepared: 9/28/2009

Units/Sq. Ft. - Assisted: 89
Units/Sq. Ft. - Total: 89
Unit Months: 1,068

ACCOUNT NAME	Account Codes	ASSISTED UNITS		NON-ASSISTED UNITS		COMMERCIAL		TOTAL PROJECT		PROJECT VARIANCE Cashflow Variance (I)
		Approved Cashflow (A)	Actual Cashflow (B)	Approved Cashflow (C)	Actual Cashflow (D)	Proposed Cashflow (E)	Actual Cashflow (F)	Approved Cashflow (G)	Actual Cashflow (H)	
REVENUE ACCOUNTS/RENT REVENUE: 5100										
1 Rent Revenue	5120	268,452	262,181	0	0	0	0	268,452	262,181	(6,271)
2 Tenant Assistance Payments	5121	641,868	660,425	0	0	0	0	641,868	660,425	18,557
3 Rent revenue - Stores and Commercial	5140	0	0	0	0	0	0	0	0	0
4 Garage and Parking Spaces	5170	1,200	0	0	0	0	0	1,200	0	(1,200)
5 Flexible Subsidy Revenue	5185	0	0	0	0	0	0	0	0	0
6 Miscellaneous Rent Revenue	5190	19,200	19,200	0	0	0	0	19,200	19,200	0
7 Excess Rent	5191	0	0	0	0	0	0	0	0	0
8 Rent Revenue/Insurance	5192	0	0	0	0	0	0	0	0	0
9 Special Claims Revenue	5193	0	0	0	0	0	0	0	0	0
10 Retained Excess Income	5194	0	0	0	0	0	0	0	0	0
11 GROSS RENT REVENUE	5100T	930,720	941,806	0	0	0	0	930,720	941,806	11,086
<i>Total Vacancies (HCD Use Only)</i>	<i>5200T</i>	<i>20,541</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>20,541</i>	<i>0</i>	<i>0</i>
ASSISTED LIVING/BOARD & CARE REVENUES: 5300										
17 Food	5332	0	0	0	0	0	0	0	0	0
18 Recreation (Activities) and Rehabilitation	5380	0	0	0	0	0	0	0	0	0
19 Rehabilitation	5385	0	0	0	0	0	0	0	0	0
20 Other Service Revenue	5390	0	0	0	0	0	0	0	0	0
<i>Total Living Revenue</i>	<i>6300T</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FINANCIAL REVENUE: 5400										
21 Financial Revenue - Project Operations	5410	313	26	0	0	0	0	313	26	(287)
<i>Total Financial Revenue</i>	<i>5400T</i>	<i>313</i>	<i>26</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>313</i>	<i>26</i>	<i>(287)</i>
OTHER REVENUE: 5900										
22 Laundry and Vending Revenue	5910	0	0	0	0	0	0	0	0	0
23 NSF and Late Charges	5920	0	0	0	0	0	0	0	0	0
24 Damages and Cleaning Fees	5930	0	1,840	0	0	0	0	0	1,840	1,840
25 Forfeited Tenant Security Deposits	5940	0	0	0	0	0	0	0	0	0
26 Other Revenue	5990	0	2,779	0	0	0	0	0	2,779	2,779
<i>Total Other Revenue</i>	<i>5900T</i>	<i>0</i>	<i>4,619</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,619</i>	<i>4,619</i>
27 EFFECTIVE GROSS RENT (EGR)	5152T	910,492	946,451	0	0	0	0	910,492	946,451	35,959
28 TOTAL OPERATING EXPENSES	6000T	788,883	751,041	0	0	0	0	788,883	751,041	37,842
29 NET OPERATING INCOME (NOI)	5000T	121,609	195,410	0	0	0	0	121,609	195,410	73,801
FINANCIAL EXPENSES: 6800										
30 Non-Contingent Debt Service (specify lender)	6895	0	0	0	0	0	0	0	0	0
1st Mortgage = MHP		0	0	0	0	0	0	0	0	0
2nd Mortgage = SFRA		0	0	0	0	0	0	0	0	0
3rd Mortgage =		0	0	0	0	0	0	0	0	0
31 HCD Required Payments	6890	18,038	18,038	0	0	0	0	18,038	18,038	0
32 Lease Payment	6890	0	0	0	0	0	0	0	0	0
33 Miscellaneous Financial Expenses	6890	0	0	0	0	0	0	0	0	0
<i>Total Financial Expenses</i>	<i>6800T</i>	<i>18,038</i>	<i>18,038</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>18,038</i>	<i>18,038</i>	<i>0</i>
FUNDED RESERVES:										
34 Escrow Deposits	1300	0	0	0	0	0	0	0	0	0
35 Replacement Reserve-Deposit	1320	37,845	37,845	0	0	0	0	37,845	37,845	0
36 Operating Reserve-Deposit	1300	0	0	0	0	0	0	0	0	0
37 Other Reserves (specify)		0	0	0	0	0	0	0	0	0
#1	1330	0	0	0	0	0	0	0	0	0
#2	1330	0	0	0	0	0	0	0	0	0
#3	1330	0	0	0	0	0	0	0	0	0
<i>Total Reserve Deposits</i>		<i>37,845</i>	<i>37,845</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>37,845</i>	<i>37,845</i>	<i>0</i>
38 PROJECT CASH FLOW (CF)		65,726	139,527	0	0	0	0	65,726	139,527	73,801
ADDITIONAL REVENUE:										
39 RHCP-O Annuity Fund Request (For Assisted Units Only)		0	0	0	0	0	0	0	0	0
40 Withdrawal from Operating Reserves		0	0	0	0	0	0	0	0	0
41 Borrower Contribution		0	0	0	0	0	0	0	0	0
42 Other (specify)		0	0	0	0	0	0	0	0	0
<i>Total Additional Revenue</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
USE OF CASH FLOW:										
43 HCD Interest Payments		0	0	0	0	0	0	0	0	0
44 Asset Mgmt Fee (CHRP-R/SUHRP & HOME-pre-UMR Only)		0	0	0	0	0	0	0	0	0
45 Asset Mgmt Fee/Prtrshp Costs (MHP/HOME under UMR)		0	0	0	0	0	0	0	0	0
46 Borrower Distributions		0	44,500	0	0	0	0	0	44,500	44,500
47 Residual Receipt Loan Payments		0	95,027	0	0	0	0	0	95,027	95,027
48 Other (specify)		0	0	0	0	0	0	0	0	0
<i>Total Use of Cash Flow</i>		<i>0</i>	<i>139,527</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>139,527</i>	<i>139,527</i>

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

ANNUAL REPORT SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2009

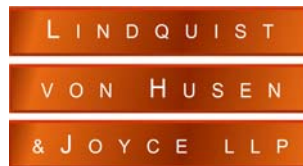


ADDITIONAL REQUESTED INFORMATION FOR FY:

2008-09

ITEM	YES	NO	DATES PAID AND COMMENTS
1. Operating Reserves: Funded monthly? If not, how often?		NO	Capitalization at loan closing resulted in Operating Reserves being fully funded at greater than 25% of annual operating expenses, so no contributions required during fiscal year.
2. Replacement Reserves: Funded monthly? If not, how often?	YES		
3. Security Deposit Acct. : Bal. equal to/greater than security deposit liability plus interest? Explain if "No".	YES		
4. Taxes: Paid current, on time & no late fees incurred?	YES		
5. Insurance: Is coverage according to Regulatory Agreement?	YES		
6. Insurance: Paid current and the renewal policy paid on time?	YES		
7. Required Debt Service: Paid current & always paid by due date?	YES		
8. Debt: Has additional indebtedness been incurred? (If "YES", explain what, when and with whom.)		NO	
9. Other Reserve Account?: Name other reserve accounts, how funded, who controls them and their purpose.		NO	
10. Account Insurance: Are all accounts insured by Federal Gov't?	YES		

**OMB CIRCULAR A-133
REPORTING REQUIREMENTS**



The Management and Board of Directors
Community Housing Partnership
San Francisco, California

JAMES M. KRAFT
S. SCOTT SEAMANDS
MARK O. BRITTAIN
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY

CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Community Housing Partnership, a California nonprofit public benefit corporation, and Subsidiaries as of and for the year ended June 30, 2009, and have issued our report thereon dated February 16, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Housing Partnership and Subsidiaries internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Housing Partnership and Subsidiaries internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as deferred above.

Compliance and Other Matters

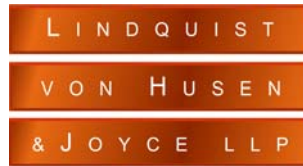
As part of obtaining reasonable assurance about whether Community Housing Partnership and Subsidiaries financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that were reported to management of Community Housing Partnership and Subsidiaries' in a separate letter dated February 16, 2010.

This report is intended solely for the information and use of management, the audit committee and the board of directors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lindquist, von Husen and Joyce LLP

February 16, 2010



Board of Directors
Community Housing Partnership and Subsidiaries
San Francisco, California

JAMES M. KRAFT
S. SCOTT SEAMANDS
MARK O. BRITTAIN
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of Community Housing Partnership, a California nonprofit public benefit corporation, and Subsidiaries, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Community Housing Partnership and Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Housing Partnership and Subsidiaries' management. Our responsibility is to express an opinion on Community Housing Partnership and Subsidiaries' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 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 Community Housing Partnership and Subsidiaries' 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. Our audit does not provide a legal determination on Community Housing Partnership and Subsidiaries' compliance with those requirements.

In our opinion, Community Housing Partnership and Subsidiaries complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Community Housing Partnership and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Housing Partnership and Subsidiaries' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Community Housing Partnership and Subsidiaries' internal control over compliance.

A control deficiency in an organization's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with a type of material compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, the City and County of San Francisco, management, board of directors, others within the organization, federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Sindquist, von Husen and Joyce LLP

February 16, 2010

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass- Through Number</i>	<i>Federal Expenditures</i>
U.S. Department of Housing and Urban Development:			
Community Development Block Grant Program:			
Pass-through awards:			
City and County of San Francisco	14.218	Unavailable	\$ 136,993
City and County of San Francisco, Mayor's Office of Housing, San Cristina Hotel	14.218	Unavailable	2,116,506
City and County of San Francisco, Cambridge	14.218	Unavailable	296,528
			<u>2,550,027</u>
Supportive Housing Program:			
Pass-through awards:			
City and County of San Francisco, Department of Human Services:			
HEC	14.235	Unavailable	117,347
ISN – Tenant Services	14.235	Unavailable	105,387
SHEC	14.235	Unavailable	117,441
ISN Training Program	14.235	Unavailable	111,148
Direct awards:			
Supportive Housing Program – Iroquois Operations	14.235	CA39-B94-0297	140,957
Supportive Housing Program – Iroquois Capital Improvements	14.235	CA39-B94-0297	400,000
			<u>992,280</u>
Shelter Plus Care Program:			
Pass-through awards:			
City and County of San Francisco, Human Services Agency:			
Island Bay Homes – Project Based Rental Assistance	14.238	CA01-C60-1003	184,317
Section 8 Moderate Rehabilitation (Pass Through):			
Program Single Room Occupancy – San Cristina	14.249	Unavailable	470,118
Section 8 Moderate Rehabilitation (Pass Through):			
Lower Income Housing Assistance Program – Iroquois and Senator	14.856	Unavailable	1,278,910
Section 8 Housing Choice Vouchers (Pass Through) –			
Island Bay	14.871	Unavailable	399,980
			<u>2,333,325</u>
Total U.S. Department of Housing and Urban Development			<u>5,875,632</u>

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Agency or Pass-Through Number</i>	<i>Federal Expenditures</i>
U.S. Department of Health and Human Services:			
Office of Community Services:			
Direct Awards:			
Substance and Mental Health Services			
Administration	93.243	90IJ-0531	154,853
Economic Development	93.570	90EE-078-0101	118,454
Total U.S. Department of Health and Human Services			<u>273,307</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 6,148,939</u></u>

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES
(A California Nonprofit Public Benefit Corporation)
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant and loan activities of Community Housing Partnership and Subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts, presented in, or used in the preparation of, the basic consolidated financial statements.

NOTE 2 – GRANTS OUTSTANDING

CHP had the following repayable grant balances outstanding at June 30, 2009. Such grants require continuing compliance and will be repayable only if demanded by the grantor in the event of non-compliance. These balances are also included in the federal expenditures presented in the schedule.

<i>Program Title</i>	<i>Federal CFDA Number</i>	<i>Amount Outstanding</i>
Supportive Housing Program – Iroquois	14.235	\$ 400,000
Community Development Block Grant – San Cristina	14.218	2,116,506

COMMUNITY HOUSING PARTNERSHIP AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2009

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ Yes X None noted

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ Yes X None reported

Type of auditor’s report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

Name of Federal Program or Cluster:

CDFA #14.235
CDFA #14.238
CDFA #14.871
CDFA #93.570

Supportive Housing Program
Shelter Plus Care Program
Section 8 Choice Vouchers
Community Services Block Grant
Discretionary Awards

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.