ISLAND CITY DEVELOPMENT
AND SUBSIDIARIES

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS,
AND
SUPPLEMENTARY INFORMATION,
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2017 AND 2016

HOLTHOUSE | CARLIN | VAN TRIGT LLP

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
DECEMBER 31, 2017 AND 2016
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Island City Development:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Island City Development (a California nonprofit public benefit corporation) and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion on Consolidated Financial Statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Island City Development and its Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and is 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.

Holthouse Carlin & Van Trigt LLP

Westlake Village, California
October 10, 2018

ISLAND CITY DEVELOPMENT AND SUBSIDIARY

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2017	2016
ASSETS		
Property, at cost		
Construction-in-progress	$ 15,201,861	$ 903,200
Total property	15,201,861	903,200
Cash	3,110,810	3,998,841
Other receivable	196,464	3,910
Prepaid ground lease	3,385,456	3,410,000
Preaquistion costs	252,968	1,077,567
Due from AHA	227,599	-
Deposits - TCAC	64,487	32,855
Deferred costs - TCAC fees	70,806	34,855
Total assets	$ 22,510,451	$ 9,461,228
LIABILITIES AND NET ASSETS		
Notes payable, net	$ 17,893,439	$ 9,756,863
Accounts payable and accrued expenses	32,630	41,875
Accrued construction and development costs	3,436,457	-
Due to affiliate	-	900
Accrued interest payable	252,302	8,623
Developer fee payable	84,600	16,000
Total liabilities	21,699,428	9,824,261
Net assets		
Unrestricted		
Controlling interests	(238,949)	(245,121)
Noncontrolling interests	1,049,972	(117,912)
Total net assets	811,023	(363,033)
Total liabilities and net assets	$ 22,510,451	$ 9,461,228

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,	**2017**	**2016**
Revenue:		
Development fee	$ 80,000	$ -
Other revenue	298	1,193
Total revenue	80,298	1,193
Expenses:		
Program services	125,573	90,224
Supporting services	36,315	22,550
Total expenses	161,888	112,774
Operating loss	(81,590)	(111,581)
Other income (expenses)		
Organization and other costs	(105)	(523)
State taxes	(2,400)	-
Total other expenses	(2,505)	(523)
Change in net assets from operations	(84,095)	(112,104)
Contributions - noncontrolling interests	1,304,069	200
Syndication costs - non-controlling interests	(45,918)	(117,419)
Total change in net assets	1,174,056	(229,323)
Net assets, beginning of the year	(363,033)	(133,710)
Net assets, end of the year	$ 811,023	$ (363,033)

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECMEBER 31,	2017	2016
Cash flow from operating activities:		
Change in net assets from operations	$ (84,095)	$ (112,104)
Changes in operating assets and liabilities:		
Accounts receivable	-	(2,783)
Deposits	(31,632)	(32,855)
Accounts payable and accrued expenses	-	21,824
Due to affiliate	-	900
Net cash used in operating activities	(115,727)	(125,018)
Cash flows from investing activities:		
Expenditures for construction in progress	(9,656,130)	(734,577)
Advance to AHA, net	(227,599)	-
Expenditures for preaquistion costs	(252,968)	(968,057)
Cash used in investing activities	(10,136,697)	(1,702,634)
Cash flows from financing activities:		
Proceeds from notes payable	8,427,704	4,900,000
Expenditures for deferred loan costs	(285,511)	(253,137)
Expenditures for deferred costs - TCAC fees	(35,951)	(34,855)
Capital contributions from noncontrolling interests	1,304,069	200
Expenditures for syndication costs	(45,918)	(117,419)
Net cash provided by financing activities	9,364,393	4,494,789
Net change in cash	(888,031)	2,667,137
Cash at beginning of year	3,998,841	1,331,704
Cash at end of year	$ 3,110,810	$ 3,998,841

Supplemental disclosure of cash and non-cash activities:

During 2017 and 2016, ICD accrued approximately $3,538,000 and $210,000 of construction and development costs, respectively. In addition, during 2017, approximately $837,000 of preacquisition costs were transferred to construction in progress.

During 2017 and 2016, $267,560 and $8,623 of interest was capitalized, of which $23,881 and $0 were paid, respectively. In addition, approximately $19,000 of deferred loan costs amortization was capitalized to construction in progress.

See notes to consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Island City Development is a California nonprofit public benefit corporation (the Company or ICD) exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Company was formed in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing (the Project(s)) for low and moderate income individuals and families in the City of Alameda, California. In connection with the development of the Projects, the Company, or its affiliates, intend to enter into regulatory agreements with the California Tax Credit Allocation Committee (TCAC) which govern the ownership, occupancy, management, maintenance and operations of the Project.

The Company is a discrete component unit of the City of Alameda Housing Authority (AHA) and its Board of Directors is made up of three directors appointed by the AHA Executive Director.

As of December 31, 2017 and 2016, the Company's consolidated financial statements include California limited partnerships and single member California limited liability companies (LLC), (the Partnership(s) or the Subsidiary(ies)) organized primarily to acquire, develop/rehabilitate, and manage multi-family affordable housing projects. As of December 31, 2017 and 2016, the Company, through its Subsidiaries, owns the following Projects:

Partnership Name	Project Name	City, State	Acquisition Date	Units
Sherman and Buena Vista LP	Littlejohn Commons	Alameda, California	2016	31*
Everett and Eagle L.P.	Everett Commons	Alameda, California	2017	20*

*As of December 31, 2017, the Projects are under construction.

Allocation of profit and losses of the Partnerships that owns the above projects are allocated as follows:

Company	0.01%
Limited Partner (non-controlling)	99.99%

In addition, the Company has established the following Subsidiaries:

Del Monte Senior LLC**
2437 Eagle Avenue LLC**

**During 2017, these entities had no activity.

Principles of Consolidation and Accounting for Investments in a Limited Partnership
Accounting standards generally accepted in the United States of America establishes the presumption that the general partner(s) in a limited partnership controls that limited partnership (or similar entity) regardless of ownership percentage. The presumption of control by the general partner is overcome when the limited partners have either (a) the substantive ability to dissolve or liquidate the limited partnership or otherwise remove the general partner without cause or (b) substantive participating rights. If the presumption of control cannot be overcome, then the general partner is required to consolidate the limited partnership. As of and for the years ended December 31, 2017 and 2016, ICD or it's wholly owned Subsidiaries, as a controlling general partner, conformed their accounting to this presumption and determined the presumption of control for the limited partnerships had not been overcome.

Due to shared control with other entities, ICD records its investments in limited partnerships for which ICD serves as limited partner under the equity method of accounting. Under the equity method of accounting, ICD records its acquisition of the initial investment at cost and thereafter, records its portion of the entities income or loss on an annual basis. In the event its investment goes negative, based on management's assessments, the recording of further loss may be suspended until profitability returns.

ICD serves as a limited partner in the following limited partnership and records its investment under the equity method of accounting:

Project Name	City, State	Acquisition Date	Units
Stargell Commons	Alameda, California	2015	32*

*The project was placed in service in June 2017 and ICD's investment is $0.

The portion of the equity of the Subsidiaries that is not owned or controlled by ICD is shown as non-controlling interests within unrestricted net assets and all material intercompany transactions between consolidated entities have been eliminated.

Method of Accounting These consolidated financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America, have been prepared to focus on the Company as a whole and to present balances and transactions according to the existence or absence of donor imposed restrictions. This has been accomplished by the classification of transactions into three classes of net assets as follows:

- Unrestricted net assets represent funds, which are fully available or have been fully reserved, at the discretion of management and the Board of Directors to utilize for any of its programs or supporting services.

- Unrestricted net assets-non-controlling limited partner interests represent the balance of the limited partners' equity interest in the non-wholly owned limited partnerships that are included in the consolidated financial statements.

- Temporarily restricted net assets are comprised of funds, which are restricted by donors for specific purposes or time periods. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated financial statements as net assets released from restrictions. There were no such net assets as of December 31, 2017 and 2016.

- Permanently restricted net assets include contributions, which donors have specified must be maintained in perpetuity. The related income may be expended for such purposes as specified by the donor, or if none, then for any purpose of the Company. There were no such net assets as of December 31, 2017 and 2016.

Income Taxes The Company has received a determination letter from the Internal Revenue Service stating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal income taxes is recorded in the accompanying consolidated financial statements. In addition, the Company does not have any income which it believes would subject it to unrelated business income taxes. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

Income taxes on limited partnership and limited liability company (LLC) income are included in the tax returns of the partners or members. The federal tax status as a pass-through entity is based on the entity's legal status as a partnership or LLC and is required to file tax returns with the IRS and other taxing authorities.

Accordingly, these consolidated financial statements do not reflect a provision for income taxes. However, the limited partnerships and the LLCs are required to pay an $800 fee to the California Franchise Tax Board. The Organization determined there are no tax positions which must be considered for disclosure. There are no current tax examinations pending.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents For purposes of the consolidated statements of cash flows, the Company considers all highly liquid unrestricted investments with an original maturity of three months or less to be cash equivalents.

Property Property is stated at cost. Upon completion, depreciation expense will be provided primarily using the straight-line method over the following estimated useful lives:

Description	**Life**
Buildings and improvements	40 years
Land improvements	15 years
Furniture and equipment	5 - 7 years

ICD capitalizes development costs, including interest and insurance until the project is placed in service. Thereafter ICD capitalizes expenditures or betterments that materially increase asset lives, charging to depreciation expense the estimated net book value of the improvement cost being replaced, and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Company recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized during the years ended December 31, 2017 and 2016.

Other Receivable Other receivable includes refunds of property taxes and deposits made in connection with an abandoned financing.

Reclassification for Consolidated Financial Statements Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

Concentration of Credit and Business Risk The Company's cash and cash equivalents are maintained in various banks. The Company has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. The Company believes that its credit risk is not significant.

ICD, either as a direct owner, advisor or general partner, has an economic interest in the Projects that are subject to business risks associated with the economy and level of unemployment in California, which affects occupancy as well as the tenants' ability to make rental payments. In addition, these Projects operate in a heavily regulated environment and the operations of these Projects will be subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the U.S. Department of Housing and Urban Development (HUD). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Recent Accounting Pronouncement In August 2016, the FASB issued ASU No.2016-14, Not-for-Profit Entities (Topic 958) (ASU 2016-14). These amendments change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, creditors, and other users. These include qualitative and quantitative requirements in the following areas:

- Net Asset Classes;
- Investment;
- Expenses;
- Liquidity and Availability of Resources; and
- Presentation of Operating Cash Flows

The guidance in ASU 2016-14 is effective for the Company beginning on January 1, 2018, with early adoption permitted. The Company has not yet determined the impact the adoption of ASU 2016-14 will have on its consolidated financial statements.

2. PREPAID GROUND LEASE

The Partnership entered into a ground lease agreement with AHA for Littlejohn Commons commencing December, 2016 for a period of 99 years. In accordance with the ground lease agreement, $3,410,000 was recorded as a prepaid ground lease with a corresponding ground lease payable, see Note 5. During the term of the lease, the Subsidiary will annually amortize prepaid ground lease of $34,444. As of December 31, 2017 and 2016, the prepaid ground lease balance was $3,375,556 and $3,410,000, respectively.

The Partnership entered into a ground lease agreement with AHA for Everett Commons commencing June 2017 for a period of 99 years. Prepaid rent for the full lease term (99 years) of $9,900 was paid at lease commencement.

3. PREAQUISITION COSTS

In connection with the Company's development efforts, ICD incurrs preaquistion costs, which are capitalized until management determines the proposed development is not feasable. As of December 31, 2017 and 2016, preacquistion costs for future Projects of $252,968 and $1,077,567, respectively, have been incurred and are recorded in the accompanying consolidated statements of financial position.

4. DEFERRED COSTS – TCAC FEES AND LOAN COSTS

Deferred TCAC Costs Deferred TCAC costs consist of fees paid to TCAC that will be be amortized over a 15-year period, beginning in the year the applicable Project is placed in service. As of December 31, 2017 and 2016, no projects were placed in service, and deferred costs paid to TCAC were $64,487 and $34,855, respectively.

Deferred Loan Costs Deferred loan costs of $557,668 and $253,137 net of accumulated amortization as of December 31, 2017 and 2016, respectively, are reported as a direct reduction of the obligation to which such costs relate. While the projects are under development, the amortization of deferred loan costs are capitalized. Thereafter, the amortization is reported as a component of interest expense using a method that approximates the effective interest method.

5. NOTES PAYABLE

	2017	**2016**
A summary of ICD's financing arrangements as of December 31, 2017 and 2016 are as follows:		
AHA preacquisition loans Various unsecured promissory notes payable to AHA for the purpose of funding preacquisition efforts with principal amounts ranging from $250,000 to $1,000,000. Interest on the notes shall accrue at a simple rate of 3.00% beginning on July 1, 2016. The notes have various maturity dates ranging from 2022 to 2074.	$ 1,550,000	$ 3,000,000
Total ICD notes payable	1,550,000	3,000,000
A summary of the Subsidiaries' financing arrangements as of December 31, 2017 and 2016 are as follows:		
Construction loans Notes payable in the aggregate amounts up to $20,181,856, secured by a deed of trust, with interest at LIBOR (2.11 and 1.69% at December 31, 2017 and 2016) plus 1.80% to 2.50%, with interest only payments due monthly through December 2018 and March 2019. The construction loans are then expected to be paid down to aggregate amount of $5,882,168, with interest accruing at 5.39 to 5.55%. The permanent loans mature from 2033 to 2054.	5,303,085	-

City HOME Loan - residual receipts Notes payable to the City of Alameda in the aggregate amounts up to $349,022, secured by a deed of trust, simple interest accrues at 3.00% with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due from 2073 to 2074.	348,022	-
AHA property loan – residual receipts Note payable to AHA, secured by a deed of trust, interest accrues at 2.26%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due on December 31, 2073.	3,600,000	3,600,000
Ground lease Ground lease payable to AHA, secured by a deed of trust, interest accrues at 2.26%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due in December 2073.	3,410,000	3,410,000
AHA Loan Note payable to AHA, secured by a deed of trust, interest accrues at 2.68%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due in December 2074.	4,250,000	-
Total Subsidiaries notes payable	16,911,107	7,010,000
Total notes payable	18,461,107	10,010,000
Less: deferred loan costs	(538,648)	(253,137)
Total notes payable, net	$ 17,922,459	$ 9,756,863

Principal payments on notes payable are required as follows:

Year Ending December 31,	**Amount**
2018	$ 2,751,085
2019	103,960
2020	119,412
2021	126,009
2022	282,972
Thereafter	15,077,669
	$ 18,461,107

6. RELATED PARTY TRANSACTIONS

Consulting Services ICD entered into an agreement with AHA, commencing on April 15, 2015, in which AHA shall provide professional project management services for a term of three years. For these services, ICD will annually compensate AHA $100,000, not to exceed $300,000 in total. During 2017 and 2016, AHA charged $100,000 and $100,171, respectively, for consulting services.

Developer Fee Payable The Subsidiaries have entered into joint developer fee agreements with ICD and AHA (together referred to as the Developers in the amounts of 90% and 10%, respectively, or such amount agreed to by the Developers). As of December 31, 2017, and 2016, the Developers have entered into developer fee agreements in the amounts of $1,675,000 and 800,000, respectively. ICD's portion (90%), has been eliminated, net of costs incurred to provide development services, ($80,000 and $0 in 2017 and 2016, respectively). As of December 31, 2017 and 2016, $84,600 and $16,000 of developer fees are payable to AHA, respectively.

Due from AHA Due from AHA are net amounts advanced by ICD to AHA. These advances are unsecured, due on demand and do not accrue interest. As of December 31, 2017 and 2016, $227,599 and $0 are due from AHA, respectively.

7. COMMITMENTS

In connection with the development and operations of the Projects, the Company, as guarantor, made certain guaranties regarding the Project's operations and tax benefits. In addition, the Company has entered into cost plus guaranteed maximum construction contracts up to $22,979,664. As of December 31, 2017 and 2016, the contractors have incurred costs of $11,835,342 and $0 to date, respectively.

8. SUBSEQUENT EVENTS

Management evaluated all activity of the Company through the independent auditor's report date, which is the date that the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

ASSETS

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Property, at cost:				
Construction-in-progress	$ -	$ 15,883,261	$ (681,400)	$ 15,201,861
Property	-	15,883,261	(681,400)	15,201,861
Cash	709,115	2,401,695	-	3,110,810
Developer fee receivable	506,000	-	(506,000)	-
Other receivable	196,464	-	-	196,464
Prepaid ground lease	-	3,385,456	-	3,385,456
Preacquisition costs	252,968	-	-	252,968
Due from AHA	384,995	-	(157,396)	227,599
Deposits - TCAC	-	64,487	-	64,487
Deferred costs - TCAC fees	-	70,806	-	70,806
Total assets	$ 2,049,542	$ 21,805,705	$ (1,344,796)	$ 22,510,451

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

LIABILITIES AND NET ASSETS

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Notes payable, net	$ 1,550,000	$ 16,343,439	$ -	$ 17,893,439
Accounts payable and accrued expenses	32,630	-	-	32,630
Accrued construction and development costs	-	3,436,457	-	3,436,457
Due to affiliates	-	157,396	(157,396)	-
Accrued interest payable	3,750	248,552	-	252,302
Developer fee payable	84,600	506,000	(506,000)	84,600
Total liabilities	1,670,980	20,691,844	(663,396)	21,699,428
Net assets				
Unrestricted				
Controlling interest in Subsidiaries	378,562	63,889	(681,400)	(238,949)
Noncontrolling interest in Subsidiaries	-	1,049,972	-	1,049,972
Total net assets	378,562	1,113,861	(681,400)	811,023
Total liabilities and net assets	$ 2,049,542	$ 21,805,705	$ (1,344,796)	$ 22,510,451

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

See independent auditor's report.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Revenue:				
Development fee revenue	$ 761,400	$ -	$ (681,400)	$ 80,000
Other revenue	298	-	-	298
Total other revenue	761,698	-	(681,400)	80,298
Total revenue	761,698	-	(681,400)	80,298
Expenses:				
Program services	100,000	25,573	-	125,573
Supporting services	36,315	-	-	36,315
Total operating expenses	136,315	25,573	-	161,888
Operating loss	625,383	(25,573)	(681,400)	(81,590)
Other income (expenses)				
Organization and other costs	-	(105)	-	(105)
State taxes	(1,600)	(800)	-	(2,400)
Total other income (expenses)	(1,600)	(905)	-	(2,505)
Change in net assets	623,783	(26,478)	(681,400)	(84,095)
Contributions - noncontrolling interests	-	1,304,069	-	1,304,069
Syndication costs-noncontrolling interests	-	(45,918)	-	(45,918)
Total change in net assets	623,783	1,231,673	(681,400)	1,174,056
Net assets, beginning of the year	(245,221)	(117,812)	-	(363,033)
Net assets, end of the year	$ 378,562	$ 1,113,861	$ (681,400)	$ 811,023

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

See independent auditor's report.