

Financial Overview

Message from the CFO

2018 was another year of strong growth for MidPen Housing as we continue to advance our mission of providing safe, affordable housing of high quality to those in need. During the year, MidPen started construction on 571 units and completed another 191 units. At the end of 2018, a further 48 developments – 4,090 units – were in the pipeline for construction or rehabilitation over the next five years, representing over \$2.1 billion in total development cost. We also continued the important work of providing quality property management and onsite resident services and programs to better the lives of the people we serve. As a result of these efforts, MidPen’s consolidated total assets grew to a record \$1.5 billion by year’s end which now includes 107 communities serving over 17,500 low- and very low-income residents.

MidPen’s strong unrestricted cash, liquid investments, and net assets provide us with significant resources to manage and sustain our current communities, support new development, and provide services to our residents in need. MidPen is positioned to thrive under a variety of economic and funding environments. We look forward to advancing our mission throughout the Bay Area in 2019 and beyond.

Mick Vergura
Chief Financial Officer

Combined Statement of Financial Position

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 72,489,552	\$ 63,879,390
Restricted Cash	79,490,911	74,929,589
Investments	21,226,127	22,132,854
Prepaid Expenses	1,861,452	1,278,503
Accounts Receivable - net	3,105,185	2,128,077
Notes and Interest Receivable - net	605,442	262,297
Property, Plant and Equipment - net	1,210,761,585	1,158,065,350
Development in Progress	157,238,311	96,819,253
Other Assets	15,657,676	13,725,402
TOTAL ASSETS	\$ 1,562,436,241	\$ 1,433,220,715
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 40,853,599	\$ 25,529,877
Mortgages, Bonds and Notes Payables	945,730,928	874,366,609
Deferred Revenues	1,927,730,928	1,894,570
Security and Other Deposits	5,256,971	5,115,361
Unrealized Losses on Derivative Financial Instruments	2,571,267	3,726,482
Other non-current liabilities	3,567,539	3,163,925
TOTAL LIABILITIES	\$ 999,908,014	\$ 913,796,824
NET ASSETS		
Controlling Interest - Unrestricted	\$ 150,694,387	\$ 133,304,252
Controlling Interest - Temporarily Restricted	16,608,026	18,609,859
Non-controlling Interest	395,225,814	367,509,780
TOTAL NET ASSETS	\$ 562,528,227	\$ 519,423,891
TOTAL LIABILITIES AND NET ASSETS	\$ 1,562,436,241	\$ 1,433,220,715



Combined Statement of Activities

	2018	2017
SUPPORT AND REVENUE		
Rental Revenue Net of Vacancy	\$ 112,445,526	\$ 104,349,651
Fee Revenue	11,401,049	6,162,863
Contribution	3,085,548	531,888
Investments and Other Income	2,934,283	4,644,404
Other	2,236,361	2,558,469
TOTAL SUPPORT AND REVENUE	\$ 132,102,767	\$ 118,247,275
EXPENSES		
Program Services	\$76,493,339	\$ 71,096,553
Management and General	5,311,277	4,961,852
TOTAL EXPENSES	\$ 81,804,616	\$ 76,058,405
NET ASSETS FROM OPERATIONS	\$ 50,298,151	\$ 42,188,870
NON-OPERATING EXPENSES		
Depreciation and Amortization	\$ 43,493,339	\$ 41,192,965
Loss on Disposal of Fixed Assets	1,916,699	2,385,811
Financing Costs	25,616,635	25,909,630
Partnership Fees - unaffiliated	350,567	264,633
Forgiveness of Debt	(4,063,219)	(2,191,419)
Unrealized Losses on Derivative Financial Instruments	(1,041,664)	(778,325)
TOTAL NON-OPERATING EXPENSES	\$ 65,924,469	\$ 66,783,295
Change in Net Assets	(15,626,318)	(24,594,425)
Net Assets, Beginning of Year	\$ 519,423,891	\$ 419,451,868
Capital Contributions, Net of Distributions and Syndication Costs	\$ 58,730,654	\$ 124,566,448
NET ASSETS, END OF YEAR	\$ 562,528,227	\$ 519,423,891