



National[®]
Equity^{INC}
Fund 
an affiliate of LISC

2018
ANNUAL REPORT



Thank you to our
2018 INVESTOR PARTNERS

1st Security Bank of Washington
Ally Bank
Bank of America
Bank of the Ozarks
Banner Bank
BBVA Compass
BMO Harris Bank
Bank of New York Mellon
Boston Private Bank & Trust
California Bank and Trust
Capital One
Cathay Bank
CIBC
CIT Bank
Citizens Bank
Citizens Financial Group
City National Bank

Comerica Bank
Freddie Mac
JPMorgan
Morgan Stanley
Northern Trust
People's United Bank
Royal Business Bank
Signature Bank
Silicon Valley Bank
Sterling Bank
SunTrust Bank
TD Bank, N.A.
United Bank
U.S. Bank
Umpqua Bank
Washington Federal
Wells Fargo Bank



Thank you to our
2018 DEVELOPER PARTNERS

Affordable Housing & Services Collaborative, Inc.
AHDVS, LLC
Alan Ives Construction
Alliance Housing, Inc.
Archway Housing & Services, Inc.
Austin Affordable Housing Corporation
Austin Travis County Integral Care
Baker Tilly Virchow Krause, LLP
Banana Kelly Community Improvement Association
Beacon Interfaith Housing Collaborative
Bear Development, LLC
Bethel Development, Inc.
Boulder Housing Partners
BRIDGE Housing Corporation
Bridging Communities
Brisa Builders Development, LLC
C & C Development Company, LLC
Carefree Development, LLC
Carleton Residential
Cass Housing Initiative
Catholic Charities Housing Services DYHS
Clinton County Chapter NYSARC, Inc.
Coalition On Temporary Shelter
Cohen-Esrey Development Group
Columbus House, Inc.
Commonwealth Development Corporation
Community Housing Development Corporation
Compass Housing Alliance
Coventry Housing Associates
Dakota Partners, Inc.

Day Center V, LLC
Duffy Development Company
Dwelling Place of Grand Rapids, Inc.
DWR Development Group, LLC
East Los Angeles Community Corporation
Englewood Community Development Corp.
Evergreen City, LLC
Fairfield Homes, Inc.
Fifth Avenue Committee
Foundation Communities, Inc.
Full Circle Communities, Inc.
Gardner Batt, LLC
Genesis Companies, LLC
Green Mountain Development Group
HELP USA
Helping Hands Housing Services, Inc.
Hollywood Community Housing Corporation
Hope Network
Housing Authority of Cass County
Housing Authority of Cook County
Housing Authority of the City of East Orange
Housing Opportunity Development Corporation
I.E.G. Interests, Inc.
JGV Management Corp.
Kilday Operating
Landmark Companies, Inc.
MDV Housing
Mercy Housing, Inc.
MHT Housing, Inc.
MidPen Housing Corporation



Thank you to our
2018 DEVELOPER PARTNERS

National Church Residences
Native American Connections, Inc.
Nevada H.A.N.D., Inc.
New Hope Housing, Inc.
Nuestra Comunidad Development Corporation
Oak Grove Development Corporation
Orange Housing Development Corporation
Orlando Housing Authority
PathStone Corporation, Inc.
Peabody Properties, Inc.
Peoples' Self-Help Housing Corporation
PinPoint Commercial
Procida Companies, LLC
Project for Pride in Living
Project Freedom, Inc.
Providence Housing Development Corporation
Rochester's Cornerstone Group

Rural Ulster Preservation Company, Inc.
Satellite Affordable Housing Associates
Second Chance Center
Skid Row Housing Trust
Smithfield Housing Authority
Spanish Speaking Unity Council of Alameda Co.
Spire Development
Steele Properties, LLC
SWAP, Inc.
The Boston Home
TWG Development, LLC
UMOM New Day Centers, Inc.
UP Development, LLC
W.O.R.K.S.
West Side Federation for Senior & Supportive Housing
Windover Veterans Supportive Housing, LLC
Windsor Homes, Inc.

Thank you to our
2018 PRESERVATION PARTNERS

J Cubed Residential, LLC
Lincoln Avenue Capital, LLC

National Church Residences
Vitus Group, LLC



Thank you to our
BOARD OF DIRECTORS

Edward Sigler, Chairperson

Retired Managing Director
JPMorgan Chase Bank

Maurice Jones, Vice-Chairperson

President & CEO
Local Initiatives Support Corporation

Keith Burgess

SVP - Director Community Development Capital
BBVA Compass Bank

Andrew Ditton

Head of CRA Business Strategy and Execution
Citi Global Markets, Inc.

Helen Dunlap

President
Independent Housing Consultant

Eldridge Edgecombe

Retired SVP
Federal Home Loan Bank of Chicago

Jane Graf

President & CEO
Mercy Housing

Joe Hagan

President & CEO
National Equity Fund, Inc.

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Executive VP/CFO
Local Initiatives Support Corporation

John Lindell

Retired Partner
KPMG, LLP

Mike Mantle

Managing Director
Morgan Stanley Global Sustainable Finance

Michael May

Executive Managing Director – Vice Chairman
Head of MF Debt and Structured Finance
Newman Knight Frank

Patrick Nash

Retired Managing Director
JPMorgan Capital Corporation

Sindy Spivak

Senior Vice President
West Region Market Executive
Community Development Banking
Bank of America Merrill Lynch

Kristen Switzer

SVP – Business Development Tax Credit Syndications
U.S. Bancorp Community Development Corp.



2018 PROPERTIES

Projects

6th Street Family
88th & Vermont
Arlington Ridge Townhomes
Barnesville Manor
Bartlett Station
Bay Meadows
Banana Kelly Union Avenue Cluster
Bottineau Ridge Phase II
Bridgeport Manor Senior Housing
Bristol Place
Britton Court
Brook Hill Village Phase II
Brown and Turlington
Camelot Hills Apartments
Campanile on Commerce
Casavant Overlook
Cass County Homes
Chelsea Senior Commons
Ciclo Apartments
Citrus Square
Compass Broadview
Connecticut Court
Coral Bay Cove Apartments
CRH Replacement Housing 10
Ebenezer Plaza 1A
Energy Square
Fifteenth Street Apartments
Flats at Two Creeks
Flor 401 Lofts

Location

Corona, CA
Los Angeles, CA
Akron, OH
Barnesville, OH
Boston, MA
San Mateo, CA
Bronx, NY
Maple Grove, MN
Bridgeport, OH
Champaign, IL
San Francisco, CA
Suffield, CT
Robbins, IL
Lansing, MI
Houston, TX
Winooski, VT
Virginia, IL
Sugar Grove, IL
Boulder, CO
Orlando, FL
Seattle, WA
Plattsburgh, NY
Naranja, FL
Charleston, WV
Brooklyn, NY
Kingston, NY
Dubuque, IA
Lakewood, CO
Los Angeles, CA



2018 PROPERTIES

Projects

Florence Mills Apartments
Forest Oaks
Freedom Village at West Windsor
Freedom Village of Gibbsboro
Georgiaville Village Green
Golden Towers I & II and Juniper
Grayson Street Apartments
Great River Landing
Guadalupe Court Apartments
Heart's Place
HELP Walter Reed Apartments
Housing First Oak Springs
Maplewoods
Mary Shepherd Home
MillCreek Station Apartments
Milton Meadows
Minnehaha Commons
Mission Trails
Mosaic Garden
Mountain View Senior
Mueller Apartments
Nettleton Manor Apartments
New Hope Housing Dale Carnegie
Oasis on Ella
Pablo Davis
Parker Place
Providence at the Heights
Pathways at Chalmers Court South

Location

Los Angeles, CA
Forest Park, IL
Princeton, NJ
Gibbsboro, NJ
Smithfield, RI
Chicago Heights, IL
Berkeley, CA
Minneapolis, MN
Guadalupe, CA
Arlington Heights, IL
Washington, DC
Austin, TX
Providence, RI
Middletown, CT
Salt Lake City, UT
Lansing, NY
Minneapolis, MN
Lake Elsinore, CA
Redwood City, CA
Silver City, NM
Austin, TX
Bonner Springs, KS
Houston, TX
Houston, TX
Detroit, MI
Indianapolis, IN
Aurora, CO
Austin, TX



2018 PROPERTIES

Projects

Pine Avenue Apartments
Plateau Ridge
Posada de Colores
Posolmi Place
Preserve at Chatham Parkway
Richard Flowers
Riverside Homes
Selinon Park
Sharpsburg Towers
Somerset Lofts
South 7th Village
Southern Boulevard
SP7
Sun Valley Senior Veterans Apartments
Sunset Library
The Boston Home - Harmon Apartments The
Eastman Reserve
The Peterboro Arms
Urban Living on Fillmore
Valley Brook Village II
Village of Kalamazoo
Vista Village
Walnut Grove II
Waverly Historic Lofts
Wenatchee Supportive Housing Community
West 108th Street Apartments
Whittier Apartments

Location

Grand Rapids, MI
Cleburne, TX
Oakland, CA
Sunnyvale, CA
Savannah, GA
Robbins, IL
Minneapolis, MN
Portage, MI
Sharpsburg, PA
Houston, TX
Phoenix, AZ
Bronx, NY
Los Angeles, CA
Sun Valley, CA
Brooklyn, NY
Boston, MA
Rochester, NY
Detroit, MI
Phoenix, AZ
Basking Ridge, NJ
Kalamazoo, MI
East Orange, NJ
Grand Rapids, MI
Waverly, IA
Wenatchee, WA
New York, NY
Sioux Falls, SD



2018 PRESERVATION PROPERTIES

Preservation Deals

Battery Park
Canal Courts and Lanvale Towers
Crossings at Cape Coral
Cypress Oaks
Fox Hollow
Greater Englewood
Huntington Reserve
Lakeside Commons
Lakewood Christian Manor
Lexington Club at Renaissance Square
Linwood Westlake
Miller Avenue
Renaissance 88
Rockwood Terrace
Santa Clara I
Santa Clara II
Spanish Park
Stony Brook Village

Location

Asheville, NC
Baltimore, MD
Cape Coral, FL
Leesburg, FL
Orlando, FL
Englewood, NJ
Sanford, FL
West Palm Beach, FL
Atlanta, GA
Clearwater, FL
Gainesville, GA
Brooklyn, NY
Thornton, CO
Washougal, WA
Miami, FL
Miami, FL
Arlington, TX
Boston, MA

NATIONAL EQUITY FUND, INC. AND SUBSIDIARIES

Special Purpose Consolidated Statements of Financial Position

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 36,122,305	\$ 56,513,452
Restricted Cash	2,684,307	380,755
Notes and Other Receivables, Net	17,994,545	6,706,128
Notes and Other Receivables from Affiliates, Net	17,505,386	4,221,064
Due from Funds, Net	6,832,475	5,604,726
Temporary Investments in Project Partnerships and Funds, Net	57,111,500	68,360,264
Other Assets, Net	1,144,534	1,032,201
Investment in Funds	2,022,471	3,363,455
Furniture, Equipment, Leasehold Improvements and Software	7,441,742	7,344,242
Less: Accumulated Depreciation and Amortization	(5,576,956)	(4,920,013)
Total Assets	<u>\$ 143,282,309</u>	<u>\$ 148,606,274</u>
<u>Liabilities and Net Assets</u>		
Accounts Payable and Other Liabilities	\$ 16,832,315	\$ 13,414,380
Due to Affiliates	344,723	1,201,292
Service Fee Payable	20,000	10,000
Grant Payable to Parent	2,000,000	2,350,000
Guaranty Payable	-	1,250,000
Capital Contributions Due to Temporary Investments in Project Partnerships and Funds	50,217,469	57,616,465
Deferred Revenue	5,930,384	7,288,620
Total Liabilities	75,344,891	83,130,757
Commitments and Contingencies		
Total Net Assets Without Donor Restrictions	67,937,418	65,475,517
Total Net Assets With Donor Restrictions	-	-
Total Net Assets	<u>67,937,418</u>	<u>65,475,517</u>
Total Liabilities and Net Assets	<u>\$ 143,282,309</u>	<u>\$ 148,606,274</u>

*Note that these financial statements account for NEF, Inc.'s general partner or managing member interests in limited partnerships and limited liability companies using the equity method of accounting rather than the consolidation method as required by GAAP for certain entities. In addition, the recording of pass-through income or losses from investments in limited partnerships or limited liability companies and their investees in which NEF or its affiliates has general partnership or managing member interests is limited to NEF's or its affiliate's percentage interest in the limited partnerships or limited liability companies and their investees. In certain circumstances, GAAP requires that general partners and managing members record losses in excess of percentage interests when other partners have limited liability ownership interests, have exhausted their investment basis, and it is probable that one or more of the investors cannot bear their share of losses.

GAAP financial statements are available by contacting Alex Denja, CFO and COO at adenja@nefinc.org.

NATIONAL EQUITY FUND, INC. AND SUBSIDIARIES

Special Purpose Consolidated Statements of Activities and Changes in Net Assets

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Syndication Fee Income, Net	\$ 29,854,550	\$ 28,034,996
Asset Management Fee Income	17,279,969	16,791,804
New Markets Support Company Cost Reimbursement	4,498,281	4,805,554
Interest Income	1,399,426	403,465
Disposition Income	3,795,040	3,153,649
Miscellaneous Income	1,643,683	1,454,602
Total Revenues	<u>58,470,949</u>	<u>54,644,070</u>
<u>Expenses</u>		
Personnel	27,948,261	25,626,989
Professional Services	3,765,911	3,616,814
Office and Administrative	5,879,453	5,384,102
Legal	933,278	833,918
New Markets Support Company Reimbursable Costs	4,498,281	4,805,554
Service Fees	100,000	130,000
Sponsor Grants	123,549	1,030,000
Provision for Loss on Receivables	1,053,514	513,859
Depreciation and Amortization	706,801	838,151
Total Expenses	<u>45,009,048</u>	<u>42,779,387</u>
Change in Net Assets Before Other Activity	13,461,901	11,864,683
Gain on Transfer of Temporary Investments in Project Partnerships	-	(241,794)
Grant to Parent	<u>11,000,000</u>	<u>9,350,000</u>
Change in Net Assets	<u>2,461,901</u>	<u>2,756,477</u>
Net Assets - Without Donor Restrictions, December 31, 2017 and 2016	65,475,517	62,709,045
Net Assets - With Donor Restrictions, December 31, 2017 and 2016	<u>-</u>	<u>9,995</u>
Net Assets, December 31, 2018 and 2017	<u>\$ 67,937,418</u>	<u>\$ 65,475,517</u>

*Note that these financial statements account for NEF, Inc.'s general partner or managing member interests in limited partnerships and limited liability companies using the equity method of accounting rather than the consolidation method as required by GAAP for certain entities. In addition, the recording of pass-through income or losses from investments in limited partnerships or limited liability companies and their investees in which NEF or its affiliates has general partnership or managing member interests is limited to NEF's or its affiliate's percentage interest in the limited partnerships or limited liability companies and their investees. In certain circumstances, GAAP requires that general partners and managing members record losses in excess of percentage interests when other partners have limited liability ownership interests, have exhausted their investment basis, and it is probable that one or more of the investors cannot bear their share of losses.

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