MANCHESTER NEIGHBORHOOD HOUSING SERVICES ANNUAL REPORT 2005



Dear Friends,

This past year has been one of transition at Manchester Neighborhood Housing Services. We said goodbye to Felix M. Torres, a friend and colleague who served this organization and community admirably and with distinction. We welcomed Robert Tourigny, an experienced professional who was eager to return to his New England roots, eager to be part of our community and continue to build a coalition of partners that brings about affordable housing opportunities and makes our community better.

A measure of an organization's strength is its ability to navigate through a period of change. With the support

and guidance from our Board of Directors, Board of Trustees, and other friends in the community, Manchester Neighborhood Housing Services continues on a strong course. Our strategic plan informs our community development activities, and we look forward to the many exciting initiatives MNHS will undertake in the years to come under Robert's direction.

Thank you for your continued support and interest during this important period in our history.

Sincerely,

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Patrick Smith, Chair, Board of Directors

Dear Friends,

I'm so pleased to be back in New England, and even more excited to be working at Manchester Neighborhood Housing Services. I feel as though I've been preparing for this job my entire life. I look forward to working with staff, the Board of Directors, Trustees, partners, and members of the community to share my experiences in housing and community development in furthering the work of MNHS.

My goal is to continue providing the great services that MNHS has established, and to take the organization into new areas, including increasing homeownership development, working in new neighborhoods and new communities in southern New Hampshire. Since MNHS' inception, the neighborhoods and the greater community have made considerable transformations. Similarly, the real estate market has changed dramatically with the cost of rental housing increasing more than 30%



and home sales prices increasing more than 75% over the past five years. As the real estate market has experienced changes, so has MNHS. And we will continue to change to meet the needs of the community. During this past year, the organization experienced a period of quality transition while making great strides towards its strategic goals.

Looking forward into 2006, we will accomplish great things. The Manchester Neighborhood Renaissance will continue with the renovation of the Silver Street Mill. We will also be pursuing new opportunities to develop both multi-family rental and single family homeownership on the west side of Manchester, as well as outside of the city.

As we ramp up our homeownership production, we will be increasing the number of partners we work with, including lenders and employers. Employers throughout this entire region are realizing the challenges of hiring and retaining a quality workforce when people can not afford to live near their work. MNHS will play a vital role in working with businesses and organizations to provide a housing benefit to their employees.

Finally, I want to thank the many people who have made me feel welcome here. I look forward to working with all of you as you support this organization in its undertaking of opening doors for the lives of many.

Sincerely,

Robert Tourigny, Executive Director

CONTRIBUTORS (July 1, 2004 through June 30, 2005)

Contributions from the community help support MNHS programs and services, including the acquisition and renovation of buildings, home ownership counseling and educational programs, and neighborhood activities. We are grateful for these generous gifts.

DEVELOPER (\$1,000 OR MORE)

Richard & Demetria Anagnost Ella Anderson Trust Bank of America Norwin S. & Elizabeth N. Bean Foundation Citizens Bank Foundation The Clowes Fund, Inc. **Coldwell Banker Cares** Grocers and Vista Foods Fund of the Manchester **Regional Community** Foundation Fannie Mae Foundation Bank of Boston The Greater Manchester Charitable Trust Heritage United Way The Agnes M. Lindsay Trust Bruce & Susan Manchester Medallion Fund NeighborWorks® America New Hampshire Charitable Foundation

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NATIONAL PARTNERS **NEIGHBORWORKS**[®] HOMEOWNERSHIP CENTER

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We appreciate the opportunity to acknowledge our generous supporters and volunteers.



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MANCHESTER NEIGHBORHOOD HOUSING SERVICES, INC. AND AFFILIATES CONSOLIDATING STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

			MANCHESTER
		LOAN AND	
	OPERATING	DEVELOPMENT	SUBTOTAL
UNRESTRICTED NET ASSETS - OPERATING REVENUES:			
Corporate contributions	\$59,748	\$20,000	\$79,748
Foundation contributions	162,700	55,000	217,700
Individual contributions	14,748	-	14,748
Government contracts	72,471	-	72,471
Neighborhood Reinvestment grants	103,079	-	103,079
Program service and developer fees	165,856	149,450	315,306
Recovery of deferred loans		205	205
Rental income	-		
Interest income and other	10,808	104,032	114,840
Net assets released from purpose restrictions	1,168	48,901	50,069
Total operating revenues	590,578	377,588	968,166
iotal opoiating ioronaco			
OPERATING EXPENSES:			
Neighborhood development	-	249,699	249,699
Community initiatives	168,174	-	168,174
Home ownership - education	205,506	-	205,506
Home ownership - lending	347,516	63,248	410,764
Rental properties	-	-	-
Fundraising	111,955	-	111,955
Total operating expenses	833,151	312,947	1,146,098
	<u>.</u>		
Changes in unrestricted net assets from operations	(242,573)	64,641	(177,932)
NON-OPERATING REVENUES (EXPENSES):			
Net assets released from capital development restrictions	-	50,000	50,000
Settlement income	-	92,512	92,512
Capital grants loaned to or invested in related partnerships	-	(157,000)	(157,000)
Loss on disposal of property and equipment	(36,638)	-	(36,638)
Total non-operating revenues (expenses)	(36,638)	(14,488)	(51,126)
iotal non operating reconded (orpeneos)			
Changes in unrestricted net assets	(279,211)	50,153	(229,058)
TEMPORARILY RESTRICTED NET ASSETS:		350.000	277 500
Grants	27,598	350,000	377,598
Net assets released from restrictions	(1,168)	(98,901)	(100,069)
Changes in temporarily restricted net assets	26,430	251,099	277,529
Changes in net assets	\$(252,781)	\$301,252	\$48,471
-			

		-		
NHS		GENERAL		
	TOTAL	PARTNER		
RENTAL	MANCHESTER NHS	AFFILIATES	ELIMINATIONS	TOTAL
\$-	\$79,748	\$-	\$-	\$79,748
-	217,700	-	-	217,700
-	14,748	-	-	14,748
-	72,471	-	-	72,471
-	103,079	-	-	103,079
-	315,306	-	-	315,306
-	205	-	-	205
78,397	78,397	-	-	78,397
131	114,971	-	-	114,971
-	50,069	-		50,069
78,528	1,046,694	-		1,046,694
-	249,699	4,164	-	253,863
-	168,174	-	-	168,174
-	205,506	-	-	205,506
-	410,764	-	-	410,764
95,266	95,266	-	-	95,266
-	111,955	-	-	111,955
95,266	1,241,364	4,164	-	1,245,528
(16,738)	(194,670)	(4,164)	-	(198,834)
-	50,000	-	-	50,000
-	92,512	-	-	92,512
-	(157,000)	-	-	(157,000)
-	(36,638)	-	-	(36,638)
-	(51,126)	-	-	(51,126)
				<u>, , , , , , , , , , , , , , , , , </u>
(16,738)	(245,796)	(4,164)		(249,960)
-	377,598	-	-	377,598
-	(100,069)			(100,069)
	277,529	-	-	277,529
	211,327	<u> </u>	-	211,329
\$(16,738)	\$31,733	\$(4,164)	\$-	\$27,569
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MANCHESTER NEIGHBORHOOD HOUSING SERVICES, INC. AND AFFILIATES CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2005

			MANCHESTER
		LOAN AND	
	OPERATING	DEVELOPMENT	SUBTOTAL
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$216,999	\$98,238	\$315,237
Accounts and other receivables	87,572	-	87,572
Pledges receivable	32,643	-	32,643
Developer fees receivable, net	-	149,743	149,743
Due from related parties	-	-	-
Current portion of loans receivable	-	44,120	44,120
Prepaid expenses	20,528	3,600	24,128
Due from (to) other funds	(16,000)	16,000	
Total current assets	341,742	311,701	653,443
DUE FROM RELATED PARTIES, net of current portion	-	100,667	100,667
RESTRICTED DEPOSITS	-	478,259	478,259
LOANS RECEIVABLE, net of current portion and allowance for			
doubtful accounts of \$185,135	-	3,730,488	3,730,488
LOANS AND INTEREST RECEIVABLE FROM		054.050	054.050
RELATED PARTIES, net	-	354,352	354,352
PROPERTY AND EQUIPMENT, net	20,533	54,238	74,771
Total assets	\$362,275	\$5,029,705	\$5,391,980
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Current portion of notes payable	\$3,115	\$-	\$3,115
Accounts payable and other liabilities	15,050	68,342	83,392
Accrued expenses	33,279	30,000	63,279
Total current liabilities	51,444	98,342	149,786
OTHER LIABILITIES:			
Contractual advances	-	1,231,938	1,231,938
Notes payable, net of current portion	-	75,000	75,000
Due to related parties	-	-	-
Permanent loan capital - subordinated loan payable	-	2,000,000	2,000,000
Contingent loans and advances		475,702	475,702
Total other liabilities	-	3,782,640	3,782,640
Total liabilities	51,444	3,880,982	3,932,426
NET ASSETS:			
Unrestricted -			
Operating	259,583	169,239	428,822
Property and equipment	17,418	-	17,418
Loan and development	-	10,411	10,411
Total unrestricted	277,001	179,650	456,651
Temporarily restricted	33,830	969,073	1,002,903
Total net assets	310,831	1,148,723	1,459,554
Total liabilities and not essets	¢040 07E	¢E 020 705	¢E 201 000
Total liabilities and net assets	\$362,275	\$5,029,705	\$5,391,980

		GENERAL		NHS
TOTAL	ELIMINATIONS	PARTNER AFFILIATES	TOTAL MANCHESTER NHS	RENTAL
\$316,184	\$-	\$947	\$315,237	\$-
88,582	-	-	88,582	1,010
32,643	-	-	32,643	-
149,743	-	-	149,743	-
-	-	-	-	-
44,120	-	-	44,120	-
24,453	-	-	24,453	325
655,725		947	654,778	1,335
80,636	(20,031)	-	100,667	-
521,249	-	-	521,249	42,990
3,730,488	-	-	3,730,488	-
354,352	-	-	354,352	-
442,444			442,444	367,673
\$5,784,894	\$(20,031)	\$947	\$5,803,978	\$411,998
\$7,988	\$-	\$-	\$7,988	\$4,873
94,294		-	94,294	10,902
63,279	<u>-</u>	-	63,279	-
165,561		-	165,561	15,775
1,231,938			1,231,938	
135,718	-	-	135,718	60,718
-	(20,031)	20,031	-	-
2,000,000	-	-	2,000,000	-
831,298		-	831,298	355,596
4,198,954	(20,031)	20,031	4,198,954	416,314
4,364,515	(20,031)	20,031	4,364,515	432,089
458,936	-	(19,084)	478,020	49,198
(51,871)	-	-	(51,871)	(69,289)
10,411		-	10,411	-
417,476	-	(19,084)	436,560	(20,091)
1,002,903			1,002,903	-
1,420,379	-	(19,084)	1,439,463	(20,091)



MANCHESTER NEIGHBORHOOD HOUSING SERVICES, INC. AND AFFILIATES CONSOLIDATING STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2005

	MANCHESTER NHS	GENERAL PARTNER AFFILIATES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES: Changes in net assets	\$31,733	\$(4,164)	\$27,569
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:			
Depreciation	51,952		51,952
	36,638	-	36,638
Loss on disposal of property and equipment Debt forgiveness	30,030	-	30,030
Capital grants for development and property and equipment	(350,000)	-	(350,000)
Capital grants loaned to or invested in related partnerships	157,000	-	(350,000) 157,000
Changes in operating assets and liabilities -	157,000	-	157,000
Accounts and other receivables	(82,841)	-	(82,841)
Pledges receivable	43,443		43,443
Developer fees receivable	(124,102)	-	(124,102)
Due from related parties	41,429	-	41,429
Prepaid expenses	4,454	-	4,454
Accounts payable and other liabilities	(48,626)	-	(48,626)
Accrued expenses	(8,102)	-	(8,102)
·	(0/102)		(0,102)
Net cash provided by (used in) operating activities	(247,022)	(4,164)	(251,186)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(18,190)	-	(18,190)
Decrease in projects under development	-	-	-
Net decrease in restricted deposits	144,441	-	144,441
Increase in due from related parties	-	4,164	4,164
Decrease in due to related parties	(43,099)	-	(43,099)
Loans receivable advances, net of repayments	(430,956)	-	(430,956)
Decrease in loans and interest receivable from related parties	(696)	-	(696)
Capital grants loaned to or invested in related partnerships	(157,000)	-	(157,000)
Net cash provided by (used in) investing activities	(505,500)	4,164	(501,336)
CASH FLOWS FROM FINANCING ACTIVITIES: Capital grants	350,000	-	350,000
Principal payments of notes payable	59,036	-	59,036
Decrease in contingent loans and advances	(21,013)	-	(21,013)
Increase in contractual advances	210,700	-	210,700
Net cash provided by financing activities	598,723	-	598,723
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(153,799)	-	(153,799)
CASH AND CASH EQUIVALENTS, beginning of year	469,036	947	469,983
CASH AND CASH EQUIVALENTS, end of year	\$315,237	\$947	\$316,184
SUPPLEMENTAL DISCLOSURES: Cash paid during the year for interest	\$76,907	\$-	\$76,907
Cost of disposed preparty and any imment	¢E 4 4 4 /		<u> </u>
Cost of disposed property and equipment	\$54,146	\$-	\$54,146



MANCHESTER NEIGHBORHOOD HOUSING SERVICES STAFF (from left)

Robert Tourigny Executive Director Alaine Devine Lending Manager Diane Brewster Finance Manager Michelle Caraccio Resource Development Manager Jennifer Vadney Senior Project Manager Linda Dallaire Deputy Director, Home Ownership Cheryl Henry Home Ownership Counselor Amanda Akerly Accounting Assistant Darlene Sederquist Chief Operating Officer



Heritage United Way 白 MANCHESTER EQUAL HOUSING LENDER



Manchester Neighborhood Housing Services 20 Merrimack Street, Manchester, NH 03101

www.mnhs.net 603.626.4663



MANCHESTER NEIGHBORHOOD HOUSING SERVICES

6. . . .

THE DOORS WE OPEN AND CLOSE EACH DAY

THE LIVES WE LIVE.

~ FLORA WHITTEMORE ~

There are times when life's challenges collide at once and people can be knocked off their feet. At that low point, all doors seem closed and dreams of a satisfying family life can fade. The doors to affordable housing are often the hardest to open. Manchester Neighborhood Housing Services offers people an opportunity to regain their equilibrium and dignity through good quality, affordable housing.









SMALL OPPORTUNITIES

ARE OFTEN THE BEGINNING **OF GREAT ENTERPRISES.**

~ DEMOSTHENES ~

There are more people in more walks of life than you can imagine who need quality affordable housing: teachers, firefighters, people on fixed incomes, bookkeepers, hospice volunteers, construction workers, security guards - the list is staggering. These are hard working people who can make a positive contribution to the community but who first need a foot in the door of a place within their means.



STATISTICS.

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I WILL PREPARE AND SOME DAY MY CHANCE WILL COME.

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~ ABRAHAM LINCOLN ~

With many comprehensive homebuyer counseling and financing programs available, individuals and families are prepared for the demands of multi- and single family homeownership. Just a few of the types of prep courses offered by MNHS are educational seminars, orientations, homebuyer clubs, financial fitness training, and landlord training —some of which are offered in Vietnamese and Spanish!









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WE ALL LIVE WITH THE OBJECTIVE OF BEING HAPPY; OUR LIVES ARE ALL DIFFERENT

AND YET THE SAME.

~ ANNE FRANK ~

The needs of the Greater Manchester community are shifting and MNHS continues to change to meet them — including reaching out to new neighborhoods. When people have a stake in their local community, healthy change takes place. The future is brighter not only for our homeowners and tenants — and their families — but area employers and businesses as well. And the spiral ascends.

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Manchester Neighborhood Housing Services 20 Merrimack Street, Manchester, NH 03101

www.mnhs.net 603.626.4663

