2005–2006 were significant years on many fronts. We continued to support our mission of preserving and expanding quality affordable housing in Montgomery County, Maryland. In fact, 2005–2006 marked the completion of a number of developments and the start of some exciting new developments. We are most pleased to have finished the renovations of Blair Park Apartments, 8813 Glenville Road, and Amherst Gardens, and celebrated the opening of the Great Hope Homes community center.

While this one-year effort in and of itself is important, from a longer-term perspective, it serves to illustrate the impact Montgomery Housing Partnership is having. We now own or manage 935 rental units, representing a growth rate of 75% over the last 5 years. This translates into over 2,000 county residents who are now living in affordable, quality homes. Because our program reaches out to neighborhoods and seeks to build communities, the actual number of people affected by our work is far greater. We take pride in our achievements. We also know that the residents of our properties have increasing needs for the services we provide. In other words, there is still so much more to do.

While numbers of affordable housing units help to show our success, critical to our work is our ability to objectively measure the outcomes of the services we offer to the residents of our properties. To that end, 2005–2006 served as a milestone in that we began to lay the foundation for measuring critical program services. Our goal is to assess our work in such vital areas as the community programs we put into place, the assistance we offer to residents for moving toward home ownership, and our support for creating “neighborhoods of choice.”

While there was debate during the year about whether the housing “bubble” across the nation was over, the challenge of finding projects for affordable housing in Montgomery County continued, as did the need for it.

We thank our partners, contributors, county officials, and staff for helping us to better the lives of many of our citizens and look forward to continuing to join together to touch more people’s lives in the future.

Sincerely,

Michael Withers
Chairman of the Board

Robert A. Goldman
President
## FINANCIALS

### SUMMARY OF COMBINED FINANCIAL STATEMENTS

Fiscal Year 2005 (July 1, 2004 – June 30, 2005)

#### BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4,641,835</td>
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<tr>
<td>Accounts receivable</td>
<td>301,844</td>
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<tr>
<td>Investments</td>
<td>237,532</td>
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<tr>
<td>Mortgage escrow deposits</td>
<td>203,011</td>
</tr>
<tr>
<td>Due from affiliate</td>
<td>133,660</td>
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<tr>
<td>Prepaid expenses</td>
<td>40,132</td>
</tr>
<tr>
<td>Development-in-progress</td>
<td>348,008</td>
</tr>
<tr>
<td>Net Property &amp; Equipment</td>
<td>31,075,196</td>
</tr>
<tr>
<td>Other Assets</td>
<td>5,873,095</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 42,854,313</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES & FUND BALANCES

<table>
<thead>
<tr>
<th>Liabilities &amp; Fund Balances</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured notes payable</td>
<td>25,000</td>
</tr>
<tr>
<td>Secured notes payable - current maturities</td>
<td>2,390,413</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>305,941</td>
</tr>
<tr>
<td>Accounts payable – construction</td>
<td>–</td>
</tr>
<tr>
<td>Accrued interest payable – current</td>
<td>143,075</td>
</tr>
<tr>
<td>Prepaid rents</td>
<td>11,140</td>
</tr>
<tr>
<td>Deferred revenue &amp; fee – current</td>
<td>892</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>254,918</td>
</tr>
<tr>
<td>Deferred revenue &amp; fee – long term</td>
<td>124,623</td>
</tr>
<tr>
<td>Accrued interest payable – long term</td>
<td>198,933</td>
</tr>
<tr>
<td>Secured notes payable, less current maturities</td>
<td>34,503,279</td>
</tr>
<tr>
<td>Unsecured notes payable</td>
<td>1,424,675</td>
</tr>
<tr>
<td>Unrestricted fund balance</td>
<td>2,847,679</td>
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<tr>
<td>Temporarily restricted fund balance</td>
<td>623,745</td>
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<tr>
<td><strong>TOTAL LIABILITIES &amp; FUND BALANCE</strong></td>
<td><strong>$ 42,854,313</strong></td>
</tr>
</tbody>
</table>

#### STATEMENT OF ACTIVITIES

<table>
<thead>
<tr>
<th>INCOME</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental revenue – net</td>
<td>5,812,653</td>
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<tr>
<td>Grants</td>
<td>421,299</td>
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<tr>
<td>Cash contributions</td>
<td>166,232</td>
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<tr>
<td>Interest and dividend income</td>
<td>65,002</td>
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<tr>
<td>Development fees</td>
<td>1,061,508</td>
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<tr>
<td>Asset management fees</td>
<td>17,853</td>
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<tr>
<td>Special events</td>
<td>92,011</td>
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<tr>
<td>Gain from forgiveness of long-term debt</td>
<td>457,153</td>
</tr>
<tr>
<td>Other Income</td>
<td>225,577</td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>401,387</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>$ 8,720,675</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>6,778,062</td>
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<tr>
<td>Management and general</td>
<td>292,583</td>
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<tr>
<td>Lobbying</td>
<td>–</td>
</tr>
<tr>
<td>Fundraising</td>
<td>242,449</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 7,313,094</strong></td>
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</table>

<table>
<thead>
<tr>
<th>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>425,969</td>
</tr>
<tr>
<td>Interest income</td>
<td>394</td>
</tr>
<tr>
<td>Debt Forgiveness</td>
<td>0</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>(401,387)</td>
</tr>
<tr>
<td><strong>TOTAL CHANGES TO TEMPORARILY RESTRICTED NET ASSETS</strong></td>
<td><strong>$ 24,976</strong></td>
</tr>
</tbody>
</table>

| FY 2005 TOTAL INCREASE                       | $     |
| IN NET ASSETS                                | 1,432,557 |

## Overall Achievements

While annual progress is important, it is better understood within the broader context of the goals the organization is attempting to achieve. This is particularly true for Montgomery Housing Partnership (MHP), the largest non-profit developer, owner and manager of affordable housing in the county. As of the end of 2006, MHP owns or manages 935 rental units.

Montgomery Housing Partnership has made great strides in supporting its mission in the last five years:

- Four hundred and forty-four units of affordable housing were created in the last five years, for a total of 935 overall.
- Private contributions and grants increased by more than 300%, illustrating increasing support for the organization’s work.
- NeighborWorks America accepted MHP as a member after a thorough examination of the organization’s work. NeighborWorks America, according to its literature, is “a national nonprofit created by Congress to provide financial support, technical assistance and training for community based revitalization efforts."
- MHP invested over $50 million in the acquisition and renovation of affordable housing, which, in turn, contributed to the economic development of Montgomery County and Maryland.
Montgomery Housing Partnership has undertaken a significant number of programs in its key areas of affordable housing, neighborhood revitalization and community life during 2005–2006.

**AFFORDABLE HOUSING**

The organization took significant steps forward in support of preserving and expanding the number of quality affordable homes in Montgomery County. Montgomery Housing Partnership:

- Purchased a vacant parcel of land next to its existing property, Bealls Grant, which has the potential for 120 new units of affordable housing in downtown Rockville.
- Completed the renovation of Blair Park Apartments (52 units) and Amherst Gardens (22 units).
- Purchased and renovated 8813 Glenville Road (8 units), which further improves the Glenville neighborhood and brings the total number of MHP units to 19 on the Glenville Road cul-de-sac.
- Entered into contracts to purchase an additional 63 units in Takoma Park. These properties were at risk of being converted to condominiums, which would have resulted in the residents being displaced.
- Celebrated the opening of the Great Hope Homes community center – which fulfills a promise the original owners made for a community center over 30 years ago.
- Purchased 16 townhouses through the Moderately Priced Dwelling Unit program for affordable rental housing.

**2005 Golf Event**

<table>
<thead>
<tr>
<th>Gold Sponsor</th>
<th>Drink Sponsor</th>
</tr>
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<tbody>
<tr>
<td>Reznick Group</td>
<td>Enterprise Communities, Inc.</td>
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<tr>
<td>Dinner Sponsor</td>
<td>IDI MD, Inc.</td>
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<tr>
<td>Washington Mutual</td>
<td>Kettler Brothers</td>
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<tr>
<td>Lunch Sponsor</td>
<td>Lime Rock Contractors, LLC</td>
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<tr>
<td>The Bozzuto Group</td>
<td>Macris Hendricks and Glascock</td>
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<tr>
<td>Media Sponsor</td>
<td>Main Street Homes LLC</td>
</tr>
<tr>
<td>Comcast</td>
<td>Maryland Development Company, LLC</td>
</tr>
<tr>
<td>The Gazette</td>
<td>Mercantile Potomac Bank</td>
</tr>
<tr>
<td>The Gazette</td>
<td>Mitchell &amp; Best Homebuilders</td>
</tr>
</tbody>
</table>

**Hole/Green Sponsor**

A.R. Meyers + Associates Architects, Inc.  
Bank of America  
Jose Bautista, Realtor  
C.M. Parker & Co., Inc.  
Charles Tini & Associates  
Chen Walsh Tecler & McCabe  
J.E. Rice Insurance Agency  
& The Pettit Companies  
Wachovia Bank
NEIGHBORHOOD REVITALIZATION

MHP continued its work in the revitalization of neighborhoods through a variety of programs that involve both residents and owners of other properties. Examples follow:

◆ The Apartment Assistance Program (AAP) expanded, encouraging more owners to improve the appearance and upkeep of their properties through seminars, outreach communications, the development of a resource manual and the creation of a website and listserv. This program won a 2005 Innovation Award from the Housing Association of Nonprofit Developers.
◆ An increasing number of owner occupants of small affordable apartment buildings received technical assistance.
◆ MHP worked with the Long Branch Task Force, which issued its final report in Spring 2005.
◆ Work in Greenwood-Garland included conducting neighborhood surveys and physical condition assessments, improving street lighting and planning for a community festival and new civic association.
◆ On Glenville Road, MHP expanded its programs and services together with neighborhood clean-up activities, the Glenville Day Festival, and plans for a neighborhood playground.
◆ MHP worked with the businesses in Long Branch to establish a Long Branch Business League and began addressing issues of importance to the business community.

COMMUNITY LIFE

Enriching communities within which MHP’s affordable housing exists is a vital part of the organization’s work:

◆ MHP’s Individual Development Accounts Homeownership program won the 2005 Community Life Program Award from the Housing Association of Nonprofit Developers.
◆ Twenty-three families purchased a home through MHP’s homeownership initiatives.
◆ Over 70 families attended our homeownership counseling and financial literacy training.
◆ Through MHP’s association with NeighborWorks America, the organization began to develop outcome measurements to better track success in the Community Life Programs.
◆ The Commonweal Foundation’s evaluation of MHP’s after-school program found that nearly all of the children increased their word recognition by 1.8 grade levels and increased their reading comprehension by 1.6 grade levels.

◆ Residents at Great Hope Homes and Greenwood organized their first holiday party.
◆ Thirty students received completion certificates in ESOL classes and 24 residents completed MHP’s ten-week computer course.
◆ Residents living at Amherst, Pembridge, and Great Hope Homes received health information from several leading Montgomery County organizations at MHP’s two health fairs.
◆ A computer program curriculum is now available for the children to develop correct and fast keyboarding skills and to use the computer to improve their skills in reading, writing, and spelling.
◆ A summer program curriculum was developed.
Olney Event Donors

2005 Corporate, Organizations, & Government Donors

Ashton United Methodist Church
Acacia Federal Savings Bank
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Burt's Mills Crossing LP
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Maryland Affordable Housing Trust
Maryland Department of Housing and Community Development
Merck Partnership For Giving
A.R. Meyer & Associates
Montgomery County Department of Housing and Community Affairs
Rita Morgan Charitable Trust
Mushinsky Associates/MR+M NeighborWorks America
NVR Settlements
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Sandy Spring Bank
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Zavo Architecture & Design, LLC
Margot and Paul Zimmerman

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Benefactor
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Patron
Lois Christaller
Eugene Costa
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Nancy Evans
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Kevin Heslin
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Ryland Mitchell (in honor of Eric Larsen’s Retirement)
Jerry and Marian O’Connor
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Kenneth Rehffuss
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Comcast

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Fannie Mae Foundation

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Dottie Fitzgerald
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John Haddad
Joanne Hewitt
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Marion Hull
Monica Jeffries
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Debra Liverpool
Loews Cineplex
Montgomery College, Rockville
Olney Theatre
Outback Steak House

Renee Sherman
Jeffrey Wood

Sustaining Associate
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Patricia Bailey
Guy Campbell
Chris & Jennifer S. Curtis
John Hamlett
Peter Hauslohn
Barry Kasinitz
Robert W. King
Odell Kominers
William Kominers
Sulema Middleton-Stewart
Wylie Mitchell
Peter & Sally Roman
Mila Schaeffer
Ellen Schneider
Rosalie J. Silverberg
Behrang Sohrabi
Mike Stern
Susan S. Maxers
B. Susan & Kenneth P. Wilson
Michael Withers

Contributing Associate
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Fran L. Abrams
Bruce Adams
Judith Shapiro & Ken Auerbach
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Floyd Griffith
Karen Haag
Anne Jezes &
Kenneth Goldstein
Holt Jordon
Judith Lapping
Sheila Math
Daniel Meijer
Judith Morenoff
Donna Redd
Victoria Redd
Donald B. Robertson
John J. Robinson
Jacqueline H. Rogers

Our Staff
Robert A. Goldman, President
Jill E. Goodrich, Vice President of Operations
S. Marlowe Mentzer, Vice President of Finance
Rosa Aleman, Staff Accountant
Sharon Anderson, Director of Real Estate & Neighborhood Development
Gloria Castro, Community Life Programs Coordinator
Jeff Davis, Community Planning Manager
Melissa Graves, Director of Fundraising
Kevin Haag, Community Life IDA Coordinator
James Joyce, Community Development Intern

Shalonda Lincoln, Neighborhood Development Manager
Sandy Lombardo, Senior Accountant
Nora Ortiz, Community Life AmeriCorps Intern
Cleidy Pacheco, Community Life Site Coordinator
Rohan Paris, Community Life AmeriCorps Intern
Belinda Robinson, Office Administrator
Karen Saffer, Development Manager
Steve Sprecher, Development Manager
Sulema Middleton Stewart, Community Life Programs Director

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2005 Donors Making It Possible

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