



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Columbus Housing Partnership, Inc. and Affiliates dba Homeport

Consolidated Financial Statements and Consolidating Information
with Independent Auditors' Report
December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Columbus Housing Partnership, Inc. dba Homeport
Columbus, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Columbus Housing Partnership, Inc. and Affiliates dba Homeport (a not-for-profit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Columbus Housing Partnership, Inc. and Affiliates as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Columbus Housing Partnership, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbus Housing Partnership, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Columbus Housing Partnership, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbus Housing Partnership, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information 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 it 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio

June 28, 2023

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidated Statements of Financial Position
 December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 8,463,642	8,074,985
Receivables:		
Fees receivable, net (Note 5)	130,000	140,000
Grants receivable	135,216	521,181
Other receivables (Note 5)	650,812	1,110,381
Prepaid expenses	<u>962,223</u>	<u>748,185</u>
 Total current assets	 <u>10,341,893</u>	 <u>10,594,732</u>
 Property and equipment:		
Office buildings, net (Note 4)	2,615,856	2,583,864
Rental properties, net (Note 4)	24,828,444	24,012,249
Properties held for sale (Note 4)	9,844,056	9,436,531
Construction in progress (Note 4)	<u>3,297,011</u>	<u>3,380,085</u>
 Total property and equipment	 <u>40,585,367</u>	 <u>39,412,729</u>
 Noncurrent assets:		
Restricted cash (Note 3)	9,792,700	10,246,186
Fees receivable, net (Note 5)	2,298,038	1,304,725
Notes receivable, net (Note 6)	11,866,653	10,710,586
Related party receivables, net (Note 7)	536,124	551,118
Investments	159,000	181,500
Deposits	1,429	1,429
Benefit under interest rate swap contract (Note 14)	40,822	-
Investment in unconsolidated entities (Note 8)	<u>10,763,230</u>	<u>10,954,555</u>
 Total noncurrent assets	 <u>35,457,996</u>	 <u>33,950,099</u>
 Total assets	 \$ <u>86,385,256</u>	 <u>83,957,560</u>

See accompanying notes to the consolidated financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Financial Position (Continued)
December 31, 2022 and 2021

Liabilities and Net Assets

	<u>2022</u>	<u>2021</u>
Current liabilities:		
Conditional notes payable, current (Note 9)	\$ 822,753	905,517
Long-term debt, current (Note 11)	4,068,864	5,120,216
Finance lease, current (Note 23)	23,020	19,047
Accounts payable	1,980,852	1,834,889
Accrued expenses	1,769,834	1,635,762
Accrued interest payable (Note 12)	95,032	100,544
Deferred grant advances	299,596	285,288
Deferred revenue	<u>602,267</u>	<u>306,054</u>
 Total current liabilities	 <u>9,662,218</u>	 <u>10,207,317</u>
Long-term liabilities:		
Security and warranty deposits	511,295	455,977
Accrued interest payable (Note 12)	6,864,357	6,576,240
Deferred grant advances, State of Ohio (Note 13)	334,661	379,328
Finance lease, non-current (Note 23)	30,119	53,407
Lines of credit (Note 10)	658,395	-
Conditional notes payable (Note 9)	12,740,791	12,873,022
Long-term debt (Note 11)	33,015,672	29,918,212
Less: unamortized debt issuance costs	(870,431)	(919,877)
Obligation under interest rate swap contract (Note 14)	<u>-</u>	<u>49,907</u>
 Total long-term liabilities	 <u>53,284,859</u>	 <u>49,386,216</u>
 Total liabilities	 <u>62,947,077</u>	 <u>59,593,533</u>
Net assets:		
Homeport:		
Without donor restrictions	17,563,634	18,079,478
With donor restrictions (Note 16)	<u>5,689,300</u>	<u>5,882,058</u>
Total net assets Homeport	23,252,934	23,961,536
Noncontrolling interest (Note 17)	<u>185,245</u>	<u>402,491</u>
 Total net assets	 <u>23,438,179</u>	 <u>24,364,027</u>
 Total liabilities and net assets	 \$ <u>86,385,256</u>	 <u>83,957,560</u>

See accompanying notes to the consolidated financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Activities
Years Ended December 31, 2022 and 2021

	2022	2021
Change in net assets without donor restrictions:		
Support:		
Government grants	\$ 2,486,489	1,200,913
In-kind contributions	23,056	37,539
Contributions (Note 19)	1,249,125	1,286,120
	3,758,670	2,524,572
Homeownership and lease purchase: (Note 20)		
Government grants	1,210,307	946,647
Development fees	120,000	234,000
Loss on sale of properties held for sale	(1,207,525)	(1,049,916)
	122,782	130,731
Revenues:		
Development fees	2,235,539	1,674,544
Rental	12,522,836	10,826,621
Fees and other revenue	344,171	401,921
Investment income (loss), net	412	232,522
	15,102,958	13,135,608
Total support and revenues	18,984,410	15,790,911
Expenses:		
Program, administration and other	5,350,829	5,201,570
Rental	10,613,890	7,717,817
Total expenses	15,964,719	12,919,387
Change in net assets from operations before interest and depreciation expense	3,019,691	2,871,524
Less interest expense	1,610,017	1,422,753
Less depreciation expense	1,854,572	1,518,999
Change in net assets from operations before other operating income (expense)	(444,898)	(70,228)
Other operating income (expense):		
Gain on sale of land	40,427	-
Unrealized gain (loss) on interest rate swap (Note 14)	90,729	49,873
Fair value of net assets acquired over (under) carrying value, net (Note 26)	(337,000)	5,261,160
Interest expense on conditional notes payable	(113,499)	(131,925)
Equity in gains (losses) of unconsolidated entities (Note 8)	23,968	(5,260)
Excess distributions from unconsolidated entities	31,671	39,599
Total other operating income (expense), net	(263,704)	5,213,447
Change in net assets from operations	(708,602)	5,143,219
Time restricted grants, released from restrictions	192,758	192,758
Change in net assets without donor restrictions	\$ (515,844)	5,335,977

See accompanying notes to the consolidated financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Change in net assets without donor restrictions:		
Net assets without donor restrictions, beginning of year	\$ 18,079,478	12,743,501
Change in net assets without donor restrictions	<u>(515,844)</u>	<u>5,335,977</u>
Change in net assets without donor restrictions	<u>(515,844)</u>	<u>5,335,977</u>
Net assets without donor restrictions, end of year	\$ <u>17,563,634</u>	<u>18,079,478</u>
Change in net assets with donor restrictions:		
Net assets with donor restrictions, beginning of year	\$ <u>5,882,058</u>	<u>6,074,816</u>
Net assets released from restrictions	<u>(192,758)</u>	<u>(192,758)</u>
Change in net assets with donor restrictions	<u>(192,758)</u>	<u>(192,758)</u>
Net assets with donor restrictions, end of year	\$ <u>5,689,300</u>	<u>5,882,058</u>
Change in total net assets:		
Total net assets, beginning of year	\$ <u>23,961,536</u>	<u>18,818,317</u>
Change in net assets without donor restrictions	(515,844)	5,335,977
Change in net assets with donor restrictions	<u>(192,758)</u>	<u>(192,758)</u>
Change in total net assets	<u>(708,602)</u>	<u>5,143,219</u>
Total net assets, end of year	\$ <u>23,252,934</u>	<u>23,961,536</u>

See accompanying notes to the consolidated financial statements.

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidated Statements of Cash Flows
 Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in total net assets	\$ (708,602)	5,143,219
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,854,572	1,518,999
Amortization of debt issuance costs	65,896	61,925
Loss (gain) on consolidation	337,000	(5,261,160)
Loss on sale of properties held for sale	1,207,525	1,049,916
Gain on sale of land	(40,427)	-
Provision for losses on receivables	9,253	110,000
Equity in (gain) loss of unconsolidated entities	(23,968)	5,260
Deferred grant advances loan forgiveness	(44,667)	(44,667)
Effect of changes in operating assets and liabilities:		
Receivables	(56,140)	(961,443)
Prepaid expenses and deposits	(200,794)	142,419
Accounts payable and accrued expenses	170,773	925,794
Distribution to Homeport	-	(8,505)
Intercompany payable	-	317,890
Security and warranty deposits	20,438	(7,439)
Accrued interest payable	28,014	232,593
Deferred revenue and grant advances	310,521	79,079
Interest rate swap contract	(90,729)	(49,873)
Net cash flows from operating activities	2,838,665	3,254,007
Cash flows from investing activities:		
Cash received in consolidation	712,530	2,153,329
Cash removed in deconsolidation	(13,833)	(36,776)
Proceeds from sale	562,576	-
Change in investments	22,500	(22,020)
Investment in unconsolidated entities	(213,032)	(1,323,012)
Distributions from unconsolidated entities	562	268,709
Proceeds from the sale of properties held for sale	-	47,678
Purchase of real estate and rehabilitation costs	(2,367,724)	(1,086,139)
Advances on notes receivable	(1,475,000)	-
Proceeds from repayment of notes receivable	1,202,893	226,831
Purchase of property and equipment	(2,182,602)	(2,185,682)
Net cash flows from investing activities	(3,751,130)	(1,957,082)
Cash flows from financing activities:		
Capital contributions (return of capital), noncontrolling interest	(217,246)	402,491
Purchase of financing costs	(10,000)	(128,314)
Net proceeds (repayment) on lines of credit	658,395	(583,595)
Payments on capital lease obligation	(19,315)	(15,760)
Net proceeds (repayment) of conditional notes payable	(840,995)	(37,971)
Proceeds from long-term debt	2,243,500	1,531,600
Repayment of long-term debt	(966,703)	(1,137,207)
Net cash flows from financing activities	847,636	31,244
Net increase in cash and restricted cash	(64,829)	1,328,169
Cash and restricted cash, beginning of year	18,321,171	16,993,002
Cash and restricted cash, end of year	\$ 18,256,342	18,321,171
Reconciliation of cash and restricted cash within the Consolidated Statements of Financial Position		
Cash	\$ 8,463,642	8,074,985
Restricted cash	9,792,700	10,246,186
Cash and restricted cash in the Consolidated Statements of Cash Flows	\$ 18,256,342	18,321,171

See accompanying notes to the consolidated financial statements.

1. ORGANIZATION:

Columbus Housing Partnership, Inc. dba Homeport (Homeport, Organization) is a private, nonprofit 501(c)(3) organization focused on providing homes, education and social services to low-income individuals and families so they can succeed where they live. Homeport is “Building Vibrant Communities” in Central Ohio, one neighborhood, one person at a time.

Homeport was established in 1987 with the assistance of Enterprise Community Partners, Inc. (Enterprise), a not-for-profit organization, which promotes these goals and objectives on a national level, and became a member of NeighborWorks America, a national organization, in 2003. Homeport focuses on holistic affordable housing solutions including providing rental homes, revitalizing central city neighborhoods, providing homes for sale, and providing housing-related education. Residents have access to supportive services including one-on-one counseling and an array of place-based programs for youth and adults designed to stabilize families right at home, such as after-school programs, summer camps, health and resource fairs, and through partnerships with the food bank and others to provide groceries and prepared meals. Education programs include financial fitness, homebuyer education, and foreclosure prevention programming to the public, as well as to residents of Homeport rental communities, to enable people to achieve financial stability. Because Homeport residents have homes they can afford, they have more income remaining for the rest of life’s necessities.

Program descriptions

Homeport is reported as two divisions, Homeport Division (HP Division) and Homeport’s Home Ownership Division (HHO). The HP Division includes Learning and Engagement, which is comprised of Housing Advisory Services, Community Partners and Community Engagement; and Real Estate Development, which is comprised of Asset Management and Rental Development. HHO is the sales division committed to providing quality homes at an affordable price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Homeport are set forth to facilitate the understanding of data presented in the consolidated financial statements.

Measure of operations

In its consolidated statements of activities, the Organization includes in its definition of operations all direct revenue and expenses that are provided as part of its programs and supporting services. Funding that is passed through to related tax credit projects, eliminated earnings from subsidiaries and permanently restricted capital funding from NeighborWorks America has been reported after the change in net assets from operations.

New accounting standards

In February 2016, the Federal Accounting Standards Board (FASB) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the consolidated statements of financial position.

New accounting standards (continued)

The Organization elected to adopt these ASUs effective January 1, 2022. The Organization also elected multiple practical expedients. These included transition elections that permitted the Organization to not reassess prior conclusions about lease identification, lease classification, and initial direct costs for existing or expired leases, as well as not assessing existing land easements under the new standard. In addition, the Organization adopted ongoing accounting policies to not recognize ROU assets and lease liabilities for leasing arrangements with terms of less than one year and to not separate lease and non-lease components for all classes of underlying assets. The adoption had an immaterial impact on the Organization's consolidated statement of financial position and the consolidated statement of activities. The accounting for finance leases remained substantially unchanged.

The Organization also adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit (NFP) Entities for Contributed Nonfinancial Assets*, to increase the transparency of the presentation and disclosure of contributed nonfinancial assets. The Organization adopted this guidance on January 1, 2022. The adoption of this standard did not have an impact on the Organization's results of operations or financial position.

Principles of consolidation

The consolidated financial statements include the accounts of Homeport's wholly and majority owned subsidiaries and the accounts of entities for which Homeport is considered to exercise significant control. The Organization records a noncontrolling interest in the net income and losses of subsidiaries not wholly owned related to the outside owner's share of those earnings. All significant intercompany transactions and balances have been eliminated in the consolidation. The consolidated financial statements include the accounts of the following entities:

Homeport

CHP Homeport Homes, LLC is a wholly owned limited liability company which holds single family homes and other real estate used by HHO.

CHP Agler Road Office, LLC is a wholly owned limited liability company that owns and leases a corporate office facility in Columbus, Ohio.

Metro City Homes, Inc., a non-profit organization formed under the laws of the State of Ohio, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. formed to further the mission statement of Homeport on a not-for-profit basis. Metro City Homes, Inc. has an 11.76% interest in Central City Development Fund I, LLC (CCDF). CCDF's mission is to make loans to facilitate the formation, development and growth of new and expandable affordable housing opportunities in the Columbus, Ohio metropolitan area.

CHP Equity Housing, LLC, CHP Equity New Salem Housing, LLC, CHP Equity Kimcourt II, LLC, CHP Equity Tussing, LLC, CHP Equity Framingham Housing, LLC, CHP Equity Urbancrest, LLC, CHP Equity Fieldstone Court Homes LLC and CHP Equity Lease Option Homes, LLC are wholly owned limited liability companies that hold limited partnership / investor member interests in affordable housing projects.

Elim Senior Housing, Inc., a non-profit organization formed under the laws of the State of Ohio, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. for the purpose of providing financing to Elim Manor Homes, Limited Partnership.

Corporations which maintain ownership in affordable housing projects - the consolidated financial statements also include the accounts of the following entities for which Homeport is considered to exercise significant control.

<u>Corporations</u>	<u>Ownership %</u>
Agler Elderly Acquisition, LLC	50
Agler Elderly Housing, LLC	51
Agler Family Acquisition, LLC	50
Agler Family Housing, LLC	51
Blacklick Crossing Housing, Inc.	100
CHP Arrowleaf Housing, Inc.	100
CHP Homeport Graceland, LLC	100
CHP Homeport Killarney, LLC	100
CHP Housing, Inc.	100
City View Housing, Inc.	76
Dunrobin Housing, Inc.	100
Duxberry Landing Housing, Inc.	76
East Mound Housing, Inc.	75
Easton Place Housing, LLC	90
Easton Place Housing II, LLC	90
Easton Place Venture, Inc.	100
East Side Housing, Inc.	25
Eastway Village Housing, Inc.	76
Elim Estates Housing, Inc.	76
Elim Manor Elderly Facilities, Inc.	24
Emerald Glen Housing, Inc.	100
Enclave at Hilliard Run Housing, Inc.	100
Fairview Housing, Inc.	100
Fieldstone Court Housing, Inc.	76
Fourth Street Housing, Inc.	100
Gender Road Housing, Inc.	100
Grace Walk Housing, Inc.	100
Homes on the Hill, Inc.	100
Indianola Housing, Inc.	100
Joyce Avenue Housing, Inc.	100
Kenlawn Place Housing, Inc.	100
Kingsford Housing, Inc.	75
Linden Housing, Inc.	100
Luke's Crossing Project Corp.	75
Main Street Housing, Inc.	100
Maplegreen Housing, Inc.	100
Maple Meadows Housing, Inc.	100
Mariemont Housing, Inc.	100
McDowell Place Housing, Inc.	100
Milo-Grogan Housing, Inc.	100
Mulby Place Housing, Inc.	100
New Salem Housing, Inc.	51
Parkmead Apartments, Inc.	100
Por Los Ninos, Inc.	100
South East Housing, Inc.	100

<u>Corporations</u>	<u>Ownership %</u>
Southside Housing, Inc.	100
Spruce Bough Housing, Inc.	100
Summerfield Housing, Inc.	100
Thornwood Commons Housing, Inc.	51
Trabue Crossing Housing, Inc.	100
Tussing Road Housing, Inc.	100
Urbancrest Affordable Housing Partners, Inc.	76
Victorian Heritage Housing, Inc.	100
Whittier Landing Housing, Inc.	76
Whitehall Elderly Housing Facilities, Inc.	100

The corporations listed are general partners (managing members for real estate entities formed as limited liability companies) in real estate limited partnerships (limited liability companies) which own multifamily rental and scattered site projects for low-income residents. The general partner interests in these Partnerships are generally up to 1%. As of December 31, 2022, Homeport had investments in 21 unconsolidated operating real estate entities, with a total of 1,247 housing units.

Homeport also owns a noncontrolling interest and does not exercise significant control in the following corporations that maintain an interest in affordable housing projects. As of and during the years ended December 31, 2022 and 2021 Homeport had no investment in or activity related to these entities.

<u>Corporations</u>	<u>Ownership %</u>	<u>Controlling Owner</u>
Briggsdale Apartments, Inc.	21	Community Housing Network, Inc.
Briggsdale Apartments II, Inc.	21	Community Housing Network, Inc.
CHN Preservation, Inc.	21	Community Housing Network, Inc.
Hawthorn Grove, Inc.	21	Community Housing Network, Inc.
Jefferson Avenue Apartments, Inc.	21	Community Housing Network, Inc.
Laurel Green Apts, Inc.	21	Community Housing Network, Inc.
Southpoint Apartments, Inc.	21	Community Housing Network, Inc.
Terrace Place, Inc.	21	Community Housing Network, Inc.
Jenkins Terrace Inc.	25	Columbus Metropolitan Housing Authority
Worley Terrace, Inc.	21	Columbus Metropolitan Housing Authority

Lease Purchase For Sale

HKS Associates, LLC was formed June 2005, under the laws of the State of Ohio, for the purpose of acquiring real estate for Homeport. The final two single-family condominiums were sold during 2015. Homeport is the sole member of the limited liability company.

Greater Linden Homes Limited Partnership was formed in February 1999, under the laws of the State of Ohio, for the purpose of constructing and operating 39 housing units located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner and Linden Housing, Inc. the general partner. The previous limited partners transferred their interest to Homeport on July 31, 2016.

Kingsford Homes Limited Partnership was formed in February 2000, under the laws of the State of Ohio, for the purpose of constructing and operating 33 housing units located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner and Kingsford Housing, Inc. the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2016.

Joyce Avenue Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating single-family housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Joyce Avenue Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2017.

South East Columbus Homes Limited Partnership was formed in February 2000, under the laws of the State of Ohio, for the purpose of constructing and operating single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and South East Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2017.

Southside Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Southside Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Mariemont Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Mariemont Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Fairview Homes Limited Partnership was formed in March 2002, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Fairview Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Maplegreen Homes Limited Partnership was formed in May 2004, under the laws of the State of Ohio, for the purpose of acquiring, owning and operating two housing projects, Mapleside Homes, LLC, 24-units of single-family affordable housing on scattered sites, and Levelgreen Homes, LLC, 32-units of single-family affordable housing on scattered sites, both located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Maplegreen Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2019.

City View Homes, LLC was formed in March 2004, under the laws of the State of Ohio, for the purpose of constructing and operating 34 units of single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this company through its subsidiaries CHP Equity Lease Option Homes, LLC, the investor member, and City View Housing, Inc., the managing member. The previous investor member transferred their interest to Homeport on December 31, 2022.

Rental Properties

Obetz Village Limited Partnership was formed in August 1990, under the laws of the State of Ohio, for the purpose of constructing and operating a 100-unit apartment community located in Columbus, Ohio. The apartment community, known as Indian Mound Apartments, began operations in August 1990. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Kimcourt Limited Partnership was formed in June 1991, under the laws of the State of Ohio, for the purpose of constructing and operating a 100-unit apartment community located in Columbus, Ohio. The apartment community, known as Raspberry Glen Apartments, began operations in September 1993. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Parkmead Apartments Limited Partnership was formed in December 1991, under the laws of the State of Ohio, for the purpose of constructing and operating a 72-unit affordable housing complex located in Grove City, Ohio. The apartment community, doing business as Parkmead Apartments, began operations in 1992. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Parkmead Apartments, Inc., the general partner.

Emerald Glen Housing Limited Partnership was formed September 1993, under the laws of the State of Ohio, for the purpose of constructing and operating a 130-unit affordable housing complex located in Columbus, Ohio. The apartment community, doing business as Emerald Glen Apartments, began operations in 1995. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Emerald Glen Housing, Inc., the general partner.

CHP Kimberly, Inc., a non-profit organization, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. formed to develop, construct, own, maintain and operate a multi-family rental housing project. The rental property, doing business as Marsh Run Apartments, is a 184-unit apartment located in Columbus, Ohio.

Friends/VVA Apartments, Inc. is a non-profit organization that owns and operates 16 units of affordable rental housing for the elderly and handicapped in Columbus, Ohio. As of July 4, 2014, the amended and restated code of regulations names Columbus Housing Partnership, Inc. as the sole member.

George's Creek Limited Partnership was formed September 1994, under the laws of the State of Ohio, for the purpose of constructing and operating a 120-unit multi-family apartment project located in Columbus, Ohio. The apartment community, doing business as George's Creek Apartments, began operations in 1995. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Gender Road Housing, Inc., the general partner.

Kimcourt II Limited Partnership was formed April 1994, under the laws of the State of Ohio, for the purpose of constructing and operating a 78-unit apartment building. The apartment community, doing business as Kimberly Meadows, began operations in 1997. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Kimcourt II, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Tussing Road Homes Limited Partnership was formed February 1998, under the laws of the State of Ohio, for the purpose of constructing and operating a 136-unit apartment building. The apartment community, doing business as Pheasant Run, began operations in 2000. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Tussing, LLC, the limited partner, and Tussing Road Housing, Inc., the general partner.

Urbancrest Affordable Housing, LLC was formed February 2005 for the purpose of constructing and operating a 158-unit multi-family apartment project, intended for rental to families and senior households of low and moderate income, in Urbancrest, Ohio. Homeport has controlling ownership in this company through its subsidiaries CHP Equity Urbancrest LLC, the investor member, and Urbancrest Affordable Housing Partners, Inc., the managing member. The previous investor member transferred their interest to Homeport on December 31, 2021.

Fieldstone Court Homes, LLC was formed February 2005, under the laws of the State of Ohio, for the purpose of constructing and operating a 48-unit affordable rental housing project located in Columbus, Ohio. Homeport has controlling ownership in this company through its subsidiaries CHP Equity Fieldstone Court Homes LLC, the investor member, and Fieldstone Court Housing, Inc., the managing member. The previous investor member transferred their interest to Homeport on December 31, 2022.

Other Controlled Entities

Other controlled entities are wholly owned subsidiaries of Columbus Housing Partnership, Inc. formed to construct real estate through the federal Low-Income Housing Tax Credit program. Other controlled entities were Easton Loop Apartments II, LLC, GH Easton Affordable JV, LLC, Fieldstone Cottages LLC and Thornwood Commons Homes, LLC during 2022. Other controlled entities were McDowell Place Homes, LLC, Easton Loop Apartments II, LLC, Easton Place Homes, LLC, GH Easton Affordable JV, LLC and Thornwood Commons Homes, LLC during 2021.

Basis of accounting

The consolidated financial statements of Homeport have been prepared on the accrual basis of accounting.

Restricted cash

Restricted cash includes advanced loan funds for the security deposits, replacement, working capital, operating and operating deficit reserve accounts that are restricted by entity agreements or permanent loan documents. Restricted cash also includes cash held as a fiscal agent.

Cash flow disclosures

For the purpose of determining cash flows, management deems cash to be all amounts on hand, in demand deposits and highly liquid investments that have an original maturity of three months or less. Cash paid for interest during 2022 and 2021 amounted to \$1,440,911 and \$1,317,025, respectively.

Prepaid expenses

The Organization reports amounts paid in advance for property taxes and insurance as prepaid expenses.

Financial statement presentation

In accordance with the Not-for-Profit Entities Topic 958 of the FASB Accounting Standards Codification (ASC) Homeport is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. When a donor-imposed restriction is met in the same reporting period, the support is recorded as net assets without donor restrictions.

Net assets without donor restrictions represent funds available for grants and expenses which are not otherwise limited by donor restrictions. Net assets without donor restrictions includes designated cash reserves by the Board of Directors which were established to ensure that the Organization has the funds available to pay any possible future obligations that may arise from commitments and contingencies. The board designated \$250,000 as of December 31, 2022 and 2021.

Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event, a specific passage of time, or must be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in either the consolidated statements of activities or the consolidated statements of changes in net assets as net assets released from restrictions. Net assets with donor restrictions are described in Note 16.

Property and equipment and depreciation

Property and equipment are stated at cost when purchased and at fair value when donated. Major expenditures for property and equipment and expenditures, which substantially increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is calculated over the estimated useful lives of the assets, ranging from 3 to 40 years, using the straight-line method.

Homeport reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds fair value of such property. No impairment loss was recognized during 2022 and 2021.

Real estate development costs

Costs that clearly relate to real estate development projects are capitalized. Costs are allocated to project components by the specific identification method whenever possible. Interest costs are capitalized while development is in progress.

Investment in unconsolidated entities

Homeport accounts for its investment in entities, for which it does not exercise significant control, under the equity method of accounting, where the investment is initially recorded at cost, and Homeport's share of earnings is reflected in income as earned and distributions are credited against the investment when received. Amounts invested are generally not available for use by Homeport.

Homeport evaluates the carrying amount of investments on a periodic basis and recognizes impairment when the carrying amount exceeds the fair value on a non-temporary basis. It is reasonably possible that Homeport's estimate of investments' fair value may change in the near term by a material amount.

Investments

Investments include various types of pooled investments held and invested by the Columbus Foundation on behalf of the Organization. The investments are valued at their fair values in the consolidated statements of financial position and unrealized gains and losses are included in the consolidated statements of activities. Donated investments are recorded at the fair value at the time received.

Homeport maintains an investment account for NeighborWorks capital funds with Key Bank holding Treasury Bills for amounts exceeding FDIC insurance.

Notes receivable and interest income

Notes receivable are recorded at unpaid principal balances less an allowance for loan losses. The allowance is established, as losses are estimated to have occurred and notes receivable are charged against the allowance, when management believes the uncollectability of a note balance is confirmed. Payments on the notes are to be made out of available cash flow by the borrower, as defined, with principal plus accrued but unpaid interest being deferred until the earlier of (a) the note's maturity date, (b) the date the properties cease to be qualified low-income projects, or (c) the date the properties are refinanced or sold. Due to the uncertainty of repayment and the deferral of interest, the Organization recognizes interest income on notes receivable from affiliates as received.

The note's principal is evaluated for collectability to determine whether it is impaired. A note is considered impaired when, based on current information and events, it is probable that Homeport will be unable to collect all amounts due according to the existing contractual terms. When a note is considered to be impaired, the amount of the allowance is calculated by comparing the recorded investment to either the value determined by discounting the expected future cash flows using the note's effective interest rate or to the fair value of the collateral if the note is collateral dependent. Impaired loans are classified as nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status.

Revenue recognition

Contributions

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. December 31, 2022 and 2021, conditional donations of \$0 were received by the Organization, for which the Organization has not yet incurred related expenditures.

Rental Income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Organization and its tenants are typically one year or less.

Derivative financial instruments

Homeport's strategy in entering into interest rate swap agreements is to add stability to interest expense and to manage exposure to interest rate movement by converting variable rate debt to a fixed rate. The interest rate swap is recognized as either an asset or liability and measured at fair value. The change in the fair value of the interest rate swap is recognized in other operating income (expense) as unrealized gain or loss on interest rate swap in the period of change. The realized gain or loss on the interest rate swap currently adjusts interest expense when interest on the related debt is accrued.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising costs

Advertising costs are expensed as incurred. Advertising expense was \$72,605 and \$90,301 for the years ended December 31, 2022 and 2021, respectively.

Purchase price allocation

The purchase price of acquired properties (businesses as defined in the accounting guidance related to business combinations) is allocated to tangible and identified intangible assets and liabilities based on their respective fair values at the date of the transaction. Such tangible and intangible assets include land, building, acquired above market and below market leases (if any), in-place lease value, customer relationships (if any), and any assumed financing that is determined to be above or below market terms. Any additional amounts are allocated to goodwill as required, based on the remaining purchase price in excess of fair value of the tangible and intangible assets acquired and liabilities assumed. Any excess of the value assigned to the net identifiable assets acquired over the purchase price is recognized in earnings as a contribution (bargain purchase gain).

The allocation of the purchase price is an area that requires judgment and significant estimates. The allocation to tangible assets (building and land) is based upon Homeport's determination of the value of the property as if it were to be replaced and vacant and by analyzing the anticipated income from the property and converting it into an estimate of present value using an industry acceptable capitalization rate. The allocation between land and building considers factors such as county tax records and other acceptable industry practices. Homeport determines whether any financing assumed is above or below market based upon comparison to similar financing terms for similar investment properties. These allocations are subject to change based on information received within one year of the purchase related to one or more events identified at the time of purchase which confirm the value of an asset or liability received in an acquisition of property.

Homeport expenses acquisition costs of all transactions as incurred. All costs of finding, analyzing and negotiating a transaction and settlement charges are expensed as incurred, whether or not the acquisition is completed.

Conditional notes payable

Notes payable that contain a provision for the forgiveness of debt are recorded as conditional notes payable until the contingency becomes remote. Conditional notes payable must be repaid in full with interest upon an event of default during the loan term or upon Homeport receiving repayment on the corresponding note receivable.

Debt issuance costs

Debt issuance costs are amortized over the period of the related loan using the straight-line method and reported net of related accumulated amortization at December 31, 2022 and 2021 of \$342,403 and \$280,815, respectively.

Donated services

Volunteers have donated a significant number of hours in assisting Homeport in providing services and programs to the residents or purchasers of affordable homes sponsored by the Organization. Homeport received 1,329 volunteer hours during 2022 and 908 hours during 2021. The value of this contributed time is not reflected in the accompanying financial statements since they do not require specialized skills. Donated professional services are reflected in the accompanying financial statements at their fair value. Homeport recorded donated legal services in the amount of \$23,056 and \$37,539 for the years ended December 31, 2022 and 2021, respectively.

Concentration of credit risk

Homeport maintains its cash in several regional financial institutions, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 in each institution. At various times during the year, Homeport had funds in excess of \$250,000.

Federal income taxes

Homeport, Elim Senior Housing, Inc. Friends/VVA Apartments, Inc. and CHP Kimberly, Inc. are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The activities of Homeport's single member limited liability companies are included with the activity of Homeport for federal tax reporting purposes. The for-profit subsidiaries did not require a provision for income taxes.

Accounting for uncertainty in income taxes

Income from certain activities not directly related to Homeport's tax-exempt purpose is subject to taxation as unrelated business income. Homeport's reporting returns are subject to audit by federal and state taxing authorities. The Organization's policy with regard to interest and penalties is to recognize interest through interest expense and penalties through operating expenses. No income tax provision has been included in the financial statements as Homeport has determined it does not have unrelated business income subject to taxation.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Management of Homeport evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through June 28, 2023, the date the consolidated financial statements were available to be issued.

3. RESTRICTED CASH:

Restricted cash included the following accounts at December 31:

		<u>2022</u>	<u>2021</u>
Homeport operating deficit reserves	\$	501,792	525,699
Other restricted cash		59,361	60,537
Rental properties:			
Security deposits		503,194	449,291
Replacement reserve		7,069,875	7,411,409
Working capital reserve		158,290	156,333
Operating reserve		995,653	1,158,629
Repair escrow		<u>504,535</u>	<u>484,288</u>
	\$	<u>9,792,700</u>	<u>10,246,186</u>

4. PROPERTY AND EQUIPMENT:

The following summarizes Homeport's fixed assets at December 31:

	<u>2022</u>	<u>2021</u>
Property and equipment:		
Office buildings:		
Land and land improvements	\$ 160,000	160,000
Buildings and improvements	2,991,548	2,844,341
Furniture, fixtures and equipment	352,999	344,852
Less accumulated depreciation	<u>(888,691)</u>	<u>(765,329)</u>
	<u>2,615,856</u>	<u>2,583,864</u>
Rental properties:		
Land and land improvements	4,492,109	4,291,179
Buildings and improvements	36,231,675	33,894,053
Less accumulated depreciation	<u>(15,895,340)</u>	<u>(14,172,983)</u>
	<u>24,828,444</u>	<u>24,012,249</u>
Properties held for sale	<u>9,844,056</u>	<u>9,436,531</u>
Construction in progress	<u>3,297,011</u>	<u>3,380,085</u>
Total property and equipment	<u>\$ 40,585,367</u>	<u>39,412,729</u>

Properties held for sale at December 31, 2022 and 2021 consists of 248 and 214, respectively, housing units with an average carrying value of each housing unit of approximately \$40,000 and \$44,000, respectively.

5. RECEIVABLES:

Fees receivable, net consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Development	\$ 2,758,836	1,380,464
Asset management	21,602	195,956
Service coordinator	<u>82,442</u>	<u>76,713</u>
Fees receivable	2,862,880	1,653,133
Less: allowance for receivable losses	<u>(434,842)</u>	<u>(208,408)</u>
Fees receivable, net	2,428,038	1,444,725
Less: current fees receivable, net	<u>(130,000)</u>	<u>(140,000)</u>
Noncurrent fees receivable, net	<u>\$ 2,298,038</u>	<u>1,304,725</u>
Allowance for receivable losses:		
Balance, beginning of year	\$ 208,408	246,322
Charge-offs	-	(37,914)
Provision for losses	<u>226,434</u>	<u>-</u>
Balance, end of year	<u>\$ 434,842</u>	<u>208,408</u>

5. RECEIVABLES (CONTINUED):

Under the terms of the partnership or operating agreements for various real estate entities in which a subsidiary of Homeport is a general partner or managing member, Homeport is entitled to receive fees for development services. Based on the financial position of the real estate entities, certain development fees are deferred due to cash flow restraints of the entities and will be repaid as cash flow permits or upon termination of the entities. The development fee receivables are noninterest-bearing. Management makes an assessment of the ultimate realization of these receivables on an annual basis and estimates an allowance for doubtful accounts based upon the financial condition of the limited partnership as well as Homeport's historical evidence of collections. Because of these factors, it is reasonably possible that the estimated losses may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Other receivables consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Delinquent tenant rent	\$ 498,182	836,898
Pledges receivable	12,000	12,000
Lease receivables and other	<u>140,630</u>	<u>261,483</u>
	<u>\$ 650,812</u>	<u>1,110,381</u>

6. NOTES RECEIVABLE:

Notes receivable consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Notes receivable	\$ 13,146,653	11,990,586
Less allowance for loan losses	<u>(1,280,000)</u>	<u>(1,280,000)</u>
	<u>\$ 11,866,653</u>	<u>10,710,586</u>

Homeport has long-term notes receivable from various entities including unconsolidated subsidiaries of which Homeport has a general partner or managing member interest. The notes are generally secured by real estate and bear interest ranging from 1½% to 11%. The repayment terms of the notes either require

no repayment until the first mortgages on the related partnership property are repaid or require repayment of interest and principal from cash flows of the entities, as defined. The notes have maturity dates through 2057. Homeport recognized interest income of \$8,210 and \$62,570 from cash received on impaired notes in 2022 and 2021, respectively. Total cumulative interest of approximately \$1,980,000 and \$2,190,000 at December 31, 2022 and 2021, respectively, has not been recorded or recognized as income on the notes receivable as management deems such interest to be contingent. Interest income on impaired loans will be recognized when the respective interest payments are received.

Management makes an assessment of the ultimate realization of notes receivable on an annual basis based upon the financial condition of the entities. This assessment includes consideration of conditional notes payable obtained through grant borrowings that have been deferred and require repayment only if the related note receivable is repaid to Homeport. Conditional notes payable relating to notes receivable amounted to \$8,705,169 and \$9,109,945 at December 31, 2022 and 2021, respectively.

6. NOTES RECEIVABLE (CONTINUED):

Due to the financial uncertainty of the projects and maturity length of these notes, actual amounts received from these loans could differ from the amounts recorded in the consolidated statements of financial position. However, the amount of the change that is reasonably possible cannot be estimated. Management deems loans to properties that do not have sufficient cash flow available to pay interest currently to be impaired due to the uncertainty in cash flow of the borrower and the ultimate outcome and valuation of the transfer of the property at year fifteen. The entire allowance for notes receivable relates to impaired loans. At December 31, 2022 and 2021, the recorded investment in impaired loans amounted to \$11,866,653 and \$10,710,586, respectively. The average recorded investment in impaired loans at December 31, 2022 and 2021 was approximately \$400,000 and \$360,000, respectively.

7. RELATED PARTY RECEIVABLES, NET:

Homeport has advanced funds to entities in which subsidiaries of Homeport are a general partner or managing member. These funds generally represent expenses paid by Homeport on behalf of the entities and are repaid as cash flow permits. At December 31, 2022 and 2021 the amount owed totaled \$580,464 and \$595,458, respectively, reported net of an allowance of \$44,340.

8. INVESTMENT IN UNCONSOLIDATED ENTITIES:

The following summarizes Homeport's investment in unconsolidated entities at December 31:

	<u>2022</u>	<u>2021</u>
Investment in tax credit projects	\$ 10,607,145	10,794,551
Investment in Central City Development Fund	<u>156,085</u>	<u>160,004</u>
	<u>\$ 10,763,230</u>	<u>10,954,555</u>

Investment in unconsolidated entities are recorded under the equity method of accounting. The investments are initially recorded at cost and adjusted upward or downward for Homeport's proportionate share of the earnings or losses. Homeport adjusted its carrying value for the proportionate share of gains (losses) in the amount of \$23,968 and \$(5,260) for the years ended December 31, 2022 and 2021, respectively.

Homeport's carrying value of its investment in tax credit projects differs from its share of the equity based on the capital contributions required in the individual partnership or operating agreements that are not in proportion to the ownership percentages. Therefore, Homeport reviews its investment in tax credit projects for impairment by considering whether declines in the fair values of those investments, versus carrying values, may be other than temporary in nature.

8. INVESTMENT IN UNCONSOLIDATED ENTITIES (CONTINUED):

A financial summary for the investment in tax credit projects that are actively managed as of December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Assets:		
Rental property, net	\$ 76,249,060	75,420,399
Other assets	<u>8,797,656</u>	<u>9,241,753</u>
Total assets	\$ <u>85,046,716</u>	<u>84,662,152</u>
Liabilities and Equity:		
Mortgage debt	\$ 48,407,891	44,426,482
Other liabilities	3,798,070	3,264,625
Equity	<u>32,840,755</u>	<u>36,971,045</u>
Total liabilities and equity	\$ <u>85,046,716</u>	<u>84,662,152</u>
Net rental income	\$ 6,357,104	6,483,585
Rental expenses	<u>6,559,841</u>	<u>6,427,420</u>
Net real estate income	(202,737)	56,165
Depreciation and amortization	(3,875,268)	(3,979,121)
Interest income	4,678	70,786
Other comprehensive income (loss)	<u>509,485</u>	<u>225,008</u>
Net loss	\$ <u>(3,563,842)</u>	<u>(3,627,162)</u>

A financial summary for the investment in Central City Development Fund I, LLC as of December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total assets	\$ <u>1,778,669</u>	<u>1,777,255</u>
Total liabilities	\$ 447,400	412,400
Total equity	<u>1,331,269</u>	<u>1,364,855</u>
Total liabilities and equity	\$ <u>1,778,669</u>	<u>1,777,255</u>
Net loss	\$ <u>(33,586)</u>	<u>(34,195)</u>

9. CONDITIONAL NOTES PAYABLE:

Homeport has the following conditional notes payable at December 31:

	<u>2022</u>	<u>2021</u>
Board of Franklin County Commissioners loans, secured by mortgage on real estate held by Elim Manor Homes, L.P. or Blacklick Crossing Housing, Inc., bearing interest at 0%. The loans are forgiven through January 15, 2028 (the fifteen-year compliance period) and upon compliance with the terms and conditions of the loans. (Homeport)	\$ 400,000	400,000
One Mortgage Partners Corp. loans (Federal Home Loan Bank), bearing interest up to 3.00%, with principal and interest due annually out of excess cash in arrears through 2049 (Elim Estates) or forgiven after completion of the 15 year compliance period as defined and secured by real estate held by Eastway Village Homes, LLC or Duxberry Landing Homes, LLC. (Homeport for Elim Estates, Eastway and Duxberry)	788,360	788,360
City of Columbus and Franklin County advances, payable from sale proceeds of single family homes. (Homeport, HKS)	213,713	496,541
State of Ohio loans, collateralized by second and third mortgages on rental property, bearing interest at rates from 2% to 3% maturing through 2049. (Homeport)	7,763,418	8,321,585
City of Columbus loans, collateralized by mortgages on rental property, bearing interest at rates from 0% to 5.25% (Homeport, CHP Kimberly, Emerald Glen, Kimcourt II, Tussing Road, Fieldstone Court)	<u>4,398,053</u>	<u>3,772,053</u>
Total	13,563,544	13,778,539
Less current portion	<u>(822,753)</u>	<u>(905,517)</u>
Long-term portion	\$ <u>12,740,791</u>	<u>12,873,022</u>

Homeport received proceeds from notes payable from the City of Columbus and the State of Ohio which were advanced to various tax credit entities in which a subsidiary of the Organization is a general partner or managing member. Under the terms of these notes, repayment of interest and/or principal may be required from available cash flow, as defined, from the related project. Subject to cash flow payments from the tax credit entities to Homeport, the conditional notes payable are not expected to be forgiven or repaid within the next five years. The current portion of conditional notes payable includes notes that have terms ending during the subsequent year.

10. LINES OF CREDIT:

Homeport has a secured line of credit with Community Housing Capital totaling \$1,500,000 as of December 31, 2022 and 2021 to be drawn down for construction costs of single-family homes. The line of credit has an October 13, 2024 maturity date and bears interest at 4.75%. The outstanding balance on the line of credit as of December 31, 2022 and 2021 was \$658,395 and \$0, respectively.

Homeport also has a secured line of credit with Huntington National Bank totaling \$500,000. The line of credit has a maturity date of November 15, 2022 with two (2) one-year extension options and bears interest at SOFR plus 3.11%. Beginning in March 2022, this line of credit is unsecured. As of December 31, 2022 and 2021, no funds have been drawn on this line.

11. LONG-TERM DEBT:

Homeport has the following long-term debt at December 31:

	<u>2022</u>	<u>2021</u>
Huntington Bank loans secured by real estate, bearing interest at rates from 2.15% plus LIBOR to 7.33%. Principal and interest are due and payable on first of each month, maturing through January 2026. (CHP Agler, Kimcourt II)	\$ 2,588,580	2,700,636
Affordable Housing Trust for Columbus and Franklin County loans, collateralized by mortgages on real estate, bearing interest at rates from 2% and 2.5%, repayment payable in monthly payments of interest only, maturing through August 2026. (Homeport, CHP Kimberly, McDowell Place, Thornwood)	1,076,012	1,152,634
Central City Development Fund I, LLC related party loan, unsecured, bearing no interest. Repayment is due no earlier than 2025. (CHP Homeport Homes)	1,500,000	1,500,000
Columbus Foundation, collateralized by the assignments of real estate, rents and security, bearing interest at 3%, payable in quarterly payments of principal and interest through August 30, 2026. (CHP Kimberly)	2,507,665	2,649,019
Lument Capital (HUD insured) payable in monthly installments through June 2056 bearing interest from 3.58% to 4.12% fixed. Secured by real estate. (George's Creek, Emerald Glen, Tussing Road, Friends/VVA)	8,362,627	8,535,701
NWSL 2017 AHMI Fund, LLC loan, bearing interest at a fixed rate of 5.5%. Interest payments are due and payable quarterly. The unpaid principal balance is due October 29, 2024, secured by cash escrow of \$500,000. (Homeport)	2,000,000	2,000,000

11. LONG-TERM DEBT (CONTINUED):

	<u>2022</u>	<u>2021</u>
Finance Fund Capital Corporation, payable in monthly interest only installments through January 2025 bearing interest at 6% fixed. Secured by real estate. (Homeport)	\$ 600,000	-
The Housing Partnership Fund, Inc., payable in monthly interest only installments through January 2026 bearing interest at 4.5% fixed. Principal payments of \$500,000 due August and November 2025. (Homeport)	518,500	-
Lument Capital, secured by first mortgage on rental property, bearing interest at 4.4% payable in monthly installments of principal and interest in the amount of \$9,720 through April 2028. (Parkmead)	1,785,874	1,821,967
Bellwether Enterprise Real Estate Capital, LLC loans secured by real estate, bearing interest at rates from 3.45% to 3.5%. Principal and interest are due and payable on first of each month, with maturity dates through November 2047. (Obetz, Kimcourt, Urbancrest)	6,411,937	6,587,465
Ohio Housing Finance Agency loans secured by real estate, bearing interest at 1.00%. Principal and interest are due annually based on available surplus cash of the project, with maturity dates through March 2057. (Emerald Glen, Kimcourt II, Tussing Road, Friends VVA)	1,240,404	579,608
Park National Bank loan secured by real estate bearing interest at rates from 3.50% to 4.99%. Principal and interest are due and payable on first of each month, with maturity dates through May 2040. (Greater Linden, Kingsford, Mariemont Homes, Southside Homes, Fairview Homes, Maplegreen Homes, City View)	2,988,459	2,775,583
City of Columbus loans, collateralized by mortgages on rental property, bearing interest at rates from 5.31% to 6.50%. The loans are due and payable from the net proceeds received from the sale of the rental properties. (Kingsford, Greater Linden, Joyce Avenue, South East Columbus, Mariemont Homes, Southside Homes, Fairview Homes, Maplegreen Homes, City View)	3,790,428	3,433,000
Community Housing Capital, Inc. loan secured by real estate and assignment of rents and security, bearing interest at 6.25%. Interest payments are due and payable monthly. The unpaid principal balance is due March 2032. (South East Columbus)	778,000	778,000

11. LONG-TERM DEBT (CONTINUED):

	<u>2022</u>	<u>2021</u>
Heartland Bank loan is secured by real estate, bearing interest at 6.75%. Principal and interest are due and payable on first of each month, maturing September 2029. (Joyce Avenue)	\$ 311,888	324,815
Key Bank loan is secured by real estate, bearing interest at 7.39%. Principal and interest are due and payable on first of each month, maturing January 2023. (Fieldstone Court)	536,438	-
Central Ohio Community Improvement Corporation loan, bearing 0% interest for the first 6 months and then interest at 1.25%. Principal and interest due in annual installments, maturing October 2033. (Homeport)	<u>87,724</u>	<u>100,000</u>
Total	37,084,536	34,938,428
Less current portion	<u>(4,068,864)</u>	<u>(5,120,216)</u>
Long-term portion	\$ <u>33,015,672</u>	<u>29,818,212</u>

Obligations scheduled to mature within one year have been excluded from current liabilities when the Organization has the intent to refinance and a financing agreement is in place. A five-year summary of estimated future minimum payments required under the terms of the long-term debt is as follows:

	<u>Homeport</u>	<u>Affiliates</u>	<u>Total</u>
2023	\$ 1,600,320	2,468,544	4,068,864
2024	3,602,777	798,192	4,400,969
2025	1,118,500	2,517,950	3,636,450
2026	-	4,445,376	4,445,376
2027	-	591,093	591,093
Thereafter	<u>87,724</u>	<u>19,854,060</u>	<u>19,941,784</u>
	\$ <u>6,409,321</u>	<u>30,675,215</u>	<u>37,084,536</u>

12. ACCRUED INTEREST PAYABLE:

Accrued interest payable, reported as a current liability, represents interest expected to be repaid within one year of the consolidated statement of financial position date using current assets of the Organization. Current accrued interest payable at December 31, 2022 and 2021 was \$95,032 and \$100,544, respectively.

Accrued interest payable, reported as a long-term liability includes interest usually up to 2% of the amount advanced with the State of Ohio or the City of Columbus as described in Note 9. The repayment of interest is conditional pending the repayment of the related note receivable from the unconsolidated tax credit entity or other conditions as defined in the loan agreements. In addition, consolidated real estate entities have conditional secondary mortgages with governmental entities that accrue interest based on the note agreements. Accordingly, accrued interest payable of \$6,864,357 and \$6,576,240 at December 31, 2022 and 2021, respectively, has been reported as a long-term liability as current assets of the Organization will not be used to satisfy these obligations.

13. DEFERRED GRANT ADVANCES – STATE OF OHIO:

Homeport received grant funding from the State of Ohio, which was loaned to affiliated entities to develop low-income housing. These entities must maintain safe, decent and sanitary housing for the entire affordability period (30 years). If the entities are in compliance, the grant advances subject to repayment are forgiven evenly over the compliance period. For the years ended December 31, 2022 and 2021, Homeport recognized loan forgiveness income of \$44,667 which was reported as government grants in the consolidated statements of activities.

As of December 31, 2022 and 2021, the balance of the deferred grant advances subject to repayment to the State of Ohio for noncompliance are as follows:

<u>Initial grant amount</u>	<u>Affordability period</u>		<u>2022</u>	<u>2021</u>
\$300,000	2030	\$	60,000	70,000
\$300,000	2031		70,000	80,000
\$220,000	2032		58,673	66,006
\$300,000	2032		80,000	90,000
\$220,000	2033		<u>65,988</u>	<u>73,322</u>
		\$	<u>334,661</u>	<u>379,328</u>

14. INTEREST RATE SWAP CONTRACT:

The derivative financial instrument is recorded in the accompanying consolidated statements of financial position as either an asset or liability measured at fair value. The fair value of Homeport's interest rate swap asset amounted to \$40,822 and swap liability amounted to \$49,907 as of December 31, 2022 and 2021, respectively. The effects on the consolidated statements of activities for the years ended December 31, 2022 and 2021 includes an unrealized gain of \$90,729 and \$49,873, respectively.

The following tables presents information regarding the Organization's interest rate swap agreement, and summarizes the fair value of the Organization's interest rate swap asset and liability at December 31, 2022 and 2021:

<u>2022</u>	<u>Notional Amount</u>	<u>Index</u>	<u>Fair Value</u>	<u>Instrument</u>	<u>Maturity</u>
	\$ 897,083	US LIBOR	\$ <u>40,822</u>	Swap	01/2026

<u>2021</u>	<u>Notional Amount</u>	<u>Index</u>	<u>Fair Value</u>	<u>Instrument</u>	<u>Maturity</u>
	\$ 918,221	US LIBOR	\$ <u>(49,907)</u>	Swap	01/2026

15. DEFERRED COMPENSATION PLAN:

Homeport maintains a 403(b) deferred compensation plan (the Plan) for all employees who have met the minimum age and service requirements. Homeport matches eligible employee deferrals. Employees may contribute to the Plan the lesser of up to 15% of their salary or the statutory maximum. Homeport's profit-sharing contributions to the Plan are discretionary. Homeport contributed \$35,772 and \$37,378 to the Plan in 2022 and 2021, respectively.

16. NET ASSETS WITH DONOR RESTRICTIONS:

Homeport maintains net assets with donor restrictions as follows at December 31 for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
<u>Subject to the passage of time:</u>		
HUD Section 202 Capital Advances	\$ <u>5,689,300</u>	<u>5,882,058</u>

HUD Section 202 Capital Advance

The Organization has recorded the proceeds from U.S Department of Housing and Urban Development (HUD) Section 202 capital advances as net assets with donor restrictions. The proceeds from the capital advances were invested in Elim Manor Homes, L.P. and Whitehall Elderly Facilities, L.P. The capital advances will be reclassified to net assets without donor restrictions evenly over the compliance periods. The terms of the Capital Advance Program require that the housing remain available for a period of not less than 40 years for very low-income elderly persons. At final maturity (December 1, 2050 for Elim Manor Homes, L.P. and December 16, 2053 for Whitehall Elderly Facilities, L.P.) the entire balance of the Capital Advances will be forgiven. The HUD Section 202 Capital Advances are secured by an “open-end” mortgage on the rental properties payable to HUD. The mortgages are noninterest-bearing and repayment of the principal balances are not required as long as the housing remains available to very low-income elderly persons.

The Organization must comply with the terms of the Capital Advance Program or it may be required to repay the entire Capital Advance of \$7,710,300 plus an accrued interest penalty (calculated at the default rate of 5.25%) of \$3,816,854 and \$3,412,063 at December 31, 2022 and 2021, respectively. The Organization’s total potential liability for noncompliance with the terms of the Capital Advance Program is \$11,527,154 and \$11,122,363 at December 31, 2022 and 2021, respectively.

17. NONCONTROLLING INTEREST:

The reconciliation of noncontrolling interest in GH Easton Affordable JV, LLC follows as of December 31:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 402,491	-
Change in net assets	-	-
Contributions	-	402,491
Distributions	<u>(217,246)</u>	<u>-</u>
Balance, end of year	\$ <u>185,245</u>	<u>402,491</u>

18. REVENUE FROM CONTRACTS WITH CUSTOMERS:

A significant portion of Homeport’s revenue come from grants, contributions, rental and interest income that are outside the scope of ASC 606.

Performance obligations satisfied at a point in time

Homeport derecognizes real estate and recognizes a gain or loss when a contract exists, and control of the property has transferred to the buyer. Control of the property, including controlling financial interest, is generally considered to transfer upon closing through transfer of the legal title and possession of the property, at which point the Organization recognizes a gain or loss equal to the difference between the transaction price and the carrying amount of the property.

Performance obligations satisfied over time

Development fees have performance obligations occurring over time and are recognized as revenue during the development period. Developer fee income is recognized based on specific services performed under the contract and the remainder of the development fee recorded based on the percentage of completion method of accounting. Development services relate to activities associated with deal structure, obtaining financing sources, oversight of development and construction and other development related activities. The development fee agreement fixes the development fee to be earned by Homeport. The timing and uncertainty of revenue and cash flows for development fees is impacted by construction progress and deliverables to the outside investor. Payments are received based on the earnings benchmarks described in the development services agreement. A portion of the fee could be deferred as collection is contingent upon the availability of future cash flows of the rental property.

Fees and other revenue are typically recognized on a monthly basis as services are performed with payment due the following month.

Revenue recognized from contracts with customers

	<u>2022</u>	<u>2021</u>
Performance obligations satisfied at a point in time	\$ (1,207,525)	(1,049,916)
Performance obligations satisfied over time	<u>2,699,710</u>	<u>2,310,465</u>
Revenue recognized from contracts with customers	\$ <u>1,492,185</u>	<u>1,260,549</u>

As of December 31, 2022, the Organization had contract receivables of \$3,101,061. The Organization had ending contract receivables of \$2,253,184 at December 31, 2021 and beginning contract receivables at January 1, 2021 of \$1,379,436. Impairment losses on contracts with customers was \$0 for the years ended December 31, 2022 and 2021.

19. CONTRIBUTIONS:

Contributions as reported in the consolidated statements of activities were received from the following sources for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Individuals	\$ 87,383	61,585
Corporations	489,013	641,253
Foundations	<u>672,729</u>	<u>583,282</u>
	\$ <u>1,249,125</u>	<u>1,286,120</u>

20. HOMEOWNERSHIP AND LEASE PURCHASE:

The Organization reports government grants used for gap subsidy funding, the loss on sale of single-family housing units and related development fees as Homeownership and Lease Purchase on the consolidated statements of activities.

21. FUTURE MINIMUM RENTAL INCOME:

The Organization rents office space under multi-year leases. The lessees have payment obligations through 2026. Many of the leases provide for escalations over the terms of the lease. Minimum lease payments to be received under long-term commercial leases assuming no expiring leases are renewed as of December 31, 2022 were as follows: \$229,293 in 2023, \$157,393 in 2024, \$99,118 in 2025 and \$50,779 in 2026.

22. RELATED PARTY TRANSACTIONS:

Homeport earned income of \$2,463,089 and \$1,973,802 for the years ended December 31, 2022 and 2021, respectively, to related tax credit projects of which Homeport has an ownership interest. Fees receivable from these entities as detailed in Note 5 and 7 was \$3,443,344 and \$2,248,591 as of December 31, 2022 and 2021, respectively, reported net of an allowance of \$479,182 and \$252,748, respectively. As disclosed in Note 11, Homeport has an unsecured loan from Central City Development, Fund I, LLC of which Homeport maintains a noncontrolling ownership interest.

23. LEASES:

In February 2020, the Organization entered into a finance lease for copiers, which expires in January 2025. Monthly payments of \$2,606 are due, including interest at a rate of approximately 19.094%. The lease agreement contains a bargain purchase option at the end of the lease term. Following is a summary of property held under finance leases and included in office equipment as of December 31:

	<u>2022</u>	<u>2021</u>
Copiers	\$ 101,855	101,855
Less: accumulated depreciation	<u>(42,440)</u>	<u>(27,889)</u>
	<u>\$ 59,415</u>	<u>73,966</u>
Lease Term and Discount Rate:	<u>12/31/2022</u>	
Weighted Average Remaining Lease Term (years)	2.08	
Weighted Average Discount Rate	19.094%	

Future minimum lease payments under the finance lease as of December 31, 2022 through maturity are as follows:

2023	\$ 31,272
2024	31,272
2025	<u>2,606</u>
Total	65,150
Less: amount representing interest	<u>(12,011)</u>
Finance lease obligations	<u>\$ 53,139</u>

Prior to the adoption of ASC 842, rental expense on non-cancelable leases at December 31, 2021 was approximately \$1,200.

Columbus Housing Partnership, Inc. and Affiliates dba Homeport
Notes to the Consolidated Financial Statements
December 31, 2022 and 2021

24. FUNCTIONAL CLASSIFICATIONS:

Following is a schedule of expenses by function for the year ended December 31, 2022:

	Real Estate <u>Development</u>	Resident <u>Services</u>	Housing <u>Advisory</u>	Total <u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,982,306	295,048	567,179	3,844,533	552,102	202,086	4,598,721
Benefits and payroll taxes	665,422	58,721	115,463	839,606	112,124	41,428	993,158
Office	742,588	37,641	46,257	826,486	49,127	-	875,613
Client assistance	125,674	373,453	178,250	677,377	-	-	677,377
Professional and other contracts	224,378	14,348	29,429	268,155	36,281	-	304,436
Occupancy	5,014,317	7,252	10,809	5,032,378	15,066	-	5,047,444
Insurance	719,337	5,718	14,488	739,543	15,925	-	755,468
Travel, conferences and training	56,459	11,482	13,910	81,851	8,969	-	90,820
Advertising and marketing	45,827	3,714	37,052	86,593	62,009	113,332	261,934
Interest expense	1,573,797	5,973	8,609	1,588,379	21,638	-	1,610,017
Depreciation	1,832,543	3,977	5,205	1,841,725	12,847	-	1,854,572
Real estate taxes	866,029	-	-	866,029	-	-	866,029
Property management fees	784,493	-	-	784,493	-	-	784,493
Miscellaneous	694,662	1,687	8,356	704,705	4,521	-	709,226
Interest expense on conditional notes	113,499	-	-	113,499	-	-	113,499
Total	\$ 16,441,331	819,014	1,035,007	18,295,352	890,609	356,846	19,542,807

Following is a schedule of expenses by function for the year ended December 31, 2021:

	Real Estate <u>Development</u>	Resident <u>Services</u>	Housing <u>Advisory</u>	Total <u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,674,245	213,328	576,857	3,464,430	518,045	199,120	4,181,595
Benefits and payroll taxes	617,742	33,223	109,266	760,231	90,293	41,019	891,543
Office	508,781	26,258	30,452	565,491	41,542	-	607,033
Client assistance	56,820	359,808	106,000	522,628	-	-	522,628
Professional and other contracts	221,927	9,915	28,924	260,766	30,941	-	291,707
Occupancy	3,776,500	6,989	10,120	3,793,609	14,877	-	3,808,486
Insurance	599,101	4,859	13,889	617,849	13,062	-	630,911
Travel, conferences and training	37,747	4,183	11,608	53,538	8,908	-	62,446
Advertising and marketing	24,637	4,759	42,207	71,603	47,197	61,116	179,916
Interest expense	1,396,152	4,846	5,511	1,406,509	16,244	-	1,422,753
Depreciation	1,498,194	3,805	4,665	1,506,664	12,335	-	1,518,999
Real estate taxes	723,912	-	-	723,912	-	-	723,912
Property management fees	696,673	-	-	696,673	-	-	696,673
Miscellaneous	309,503	1,413	6,918	317,834	4,703	-	322,537
Interest expense on conditional notes	131,925	-	-	131,925	-	-	131,925
Total	\$ 13,273,859	673,386	946,417	14,893,662	798,147	301,255	15,993,064

The costs of providing the various programs and activities have been summarized on a functional basis above. Occupancy related expenses are allocated based on the square footage of each department. All other expenses, including those allocated based on square footage are then re-allocated based on employee hours. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

25. COMMITMENTS AND CONTINGENCIES:

Homeport issues a variety of guarantees in the course of developing tax credit properties. The guarantees are generally issued in favor of entity investors or lenders. If Homeport was required to honor the guarantees, generally it would be entitled to treat the advances as loans to the respective entities. There is currently no recorded liability for potential losses under these guarantees, nor is there any liability for the Organization's obligation to "stand ready" to fund such guarantees. Based on information gathered as part of its monitoring of risks, the Organization believes there is only a remote possibility that the Organization will be required to perform under these guarantees.

Construction loan repayment and completion guarantees

Homeport has provided repayment guarantees for construction loans used for the development of tax credit properties. Homeport has also provided construction completion guarantees. There are no significant completion delays in current Homeport developments. To date, Homeport has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee. Construction loan repayment and completion guarantees as of December 31, 2022 and 2021 were approximately \$71,968,000 and \$56,733,000 respectively.

Operating deficit guarantees

Homeport has entered into various operating deficit guarantee agreements, whereby it will advance funds to certain affiliated limited partnerships' business. Total amounts guaranteed under operating deficit guarantee and pledge reserve agreements at December 31, 2022 and 2021 amounted to approximately \$4,562,000 and \$4,275,000 respectively.

Tax benefit guarantees

As the sponsor or developer of certain properties financed in part by federal tax credit allocations, Homeport has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease up. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, Homeport has not experienced any calls on these guarantees. Tax benefit guarantees as of December 31, 2022 and 2021 were approximately \$105,986,000 and \$93,410,000, respectively.

Contingencies

Certain rental properties of Homeport have deferred first and second mortgage notes from the City of Columbus and the State of Ohio. The terms of the mortgage notes provide for repayment of \$5,941,500 in principal and \$14,906,302 in deferred and unpaid interest at December 31, 2022. The terms of the mortgage notes provide for repayment of \$4,695,500 in principal and \$12,753,036 in deferred and unpaid interest at December 31, 2021. The mortgage notes were assumed through business combinations and valued at the debts' fair value at the time of acquisition. The fair value of the debt was determined based on cash flow projections of the property, management's intent on holding the property and the collaterals' fair value. The carrying value of these mortgage notes at December 31, 2022 and 2021 was \$9,901,139 and \$8,505,499, respectively.

Under the terms of Homeport's grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, would not have a material effect on Homeport's consolidated financial statements.

26. BUSINESS COMBINATIONS:

During 2022, Homeport acquired the investor member interest in Fieldstone Court Homes, LLC and City View Homes, LLC. The acquisition was accounted for in accordance with accounting guidance regarding *Business Combinations* and Homeport recorded the acquired tangible and identified intangible assets and liabilities, if any, based on their estimated fair values. Homeport recognized a net loss of \$337,000 relating to the acquisition of the real estate entity as the carrying value exceed the net assets acquired. The following summarizes the estimated fair value of the net assets acquired at the date of acquisition with reconciliation to net gain.

	<u>Fieldstone</u>	<u>City View</u>
Land	\$ 125,000	-
Building as vacant	1,125,000	-
Properties held for sale	-	407,525
Cash and restricted cash	272,752	439,778
Other assets	29,942	10,094
Liabilities assumed	<u>(1,529,133)</u>	<u>(749,770)</u>
Net assets acquired	23,561	107,627
Acquisition date carrying value	<u>(378,709)</u>	<u>(89,479)</u>
Fair value of net assets acquired over carrying value	\$ <u><u>(355,148)</u></u>	<u><u>18,148</u></u>

During 2021, Homeport acquired the investor member interest in Urbancrest Affordable Housing, LLC. The acquisition was accounted for in accordance with accounting guidance regarding *Business Combinations* and Homeport recorded the acquired tangible and identified intangible assets and liabilities, if any, based on their estimated fair values. Homeport recognized a net gain of \$5,261,160 relating to the acquisition of the real estate entity as the net assets acquired exceeded the carrying value. The following summarizes the estimated fair value of the net assets acquired at the date of acquisition with reconciliation to net gain.

	<u>Urbancrest</u>
Land	\$ 588,770
Building as vacant	5,298,930
Cash and restricted cash	2,153,329
Other assets	215,829
Liabilities assumed	<u>(1,942,302)</u>
Net assets acquired	6,314,556
Acquisition date carrying value	<u>(1,053,396)</u>
Fair value of net assets acquired over carrying value	\$ <u><u>5,261,160</u></u>

27. FAIR VALUE MEASUREMENTS:

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are based on significant other observable inputs.

Level 3 inputs are based on significant unobservable inputs.

	<u>Fair Value Measurements at Reporting Date Using</u>			
<u>Recurring fair value measurements</u>	<u>12/31/2022</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Investments held by Columbus Foundation	\$ <u>159,000</u>	<u>-</u>	<u>-</u>	<u>159,000</u>
Interest rate swap	\$ <u>40,822</u>	<u>-</u>	<u>40,822</u>	<u>-</u>
	<u>12/31/2021</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Investments held by Columbus Foundation	\$ <u>181,500</u>	<u>-</u>	<u>-</u>	<u>181,500</u>
Liabilities:				
Interest rate swap	\$ <u>(49,907)</u>	<u>-</u>	<u>(49,907)</u>	<u>-</u>

Investments and the valuation of interest rate swaps are measured using the income approach with significant other observable inputs (Level 2). The fair value is determined by comparing the estimated present value of the future fixed rate interest payments expected to be paid by Homeport to the bank versus the present value of the future variable rate interest payments expected to be paid by the bank to Homeport over the life of the swap agreements. The estimate of the future variable rates was derived from the interest rate futures market as of December 31, 2022 by taking the observable values of LIBOR futures contracts. The valuations are calculated on a basis different from those which would be used to calculate amounts payable upon a voluntary or involuntary early termination or assignment.

	<u>12/31/2022</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>Nonrecurring fair value measurements</u>				
Assets:				
Acquired property	\$ <u>1,657,525</u>	<u>-</u>	<u>1,657,525</u>	<u>-</u>
	<u>12/31/2021</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Acquired property	\$ <u>5,887,700</u>	<u>-</u>	<u>5,887,700</u>	<u>-</u>

Apartment properties acquired through a business combination are valued based on anticipated income from the property and converting it into an opinion of present value using an industry acceptable capitalization rate. There were no changes in valuation techniques during 2022 and 2021.

Housing units acquired that are classified as held for sale are valued based on the estimated selling price less anticipated selling costs.

28. AVAILABILITY OF FINANCIAL ASSETS:

Homeport is substantially supported by grants and income from fees. As part of Homeport's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

<u>2022</u>		Less Amounts Unavailable for	
<u>Homeport</u>	<u>Gross</u>	<u>General Cash Needs</u>	<u>Available</u>
Cash	\$ 6,538,850	(250,000)	6,288,850
Receivables	3,238,308	(2,834,162)	404,143
Restricted cash	602,992	(602,992)	-
Notes receivable	11,866,653	(11,866,653)	-
Investments	159,000	-	<u>159,000</u>
			<u>6,851,993</u>
 <u>Affiliates</u>			
Cash	1,924,792	-	1,924,792
Receivables	511,885	-	511,885
Restricted cash	9,189,708	(9,189,708)	<u>-</u>
			<u>2,436,677</u>
Financial assets available to meet cash needs for general expenditures within one year			\$ <u>8,213,642</u>

<u>2021</u>		Less Amounts Unavailable for	
<u>Homeport</u>	<u>Gross</u>	<u>General Cash Needs</u>	<u>Available</u>
Cash	\$ 5,197,852	(250,000)	4,947,852
Receivables	2,415,100	(1,855,843)	559,257
Restricted cash	653,084	(653,084)	-
Notes receivable	10,710,586	(10,710,586)	-
Investments	181,500	-	<u>181,500</u>
			<u>5,688,609</u>
 <u>Affiliates</u>			
Cash	2,877,133	-	2,877,133
Receivables	1,212,305	-	1,212,305
Restricted cash	9,580,883	(9,580,883)	<u>-</u>
			<u>4,089,438</u>
Financial assets available to meet cash needs for general expenditures within one year			\$ <u>9,778,047</u>

Cash is unavailable due to donor or board-imposed restrictions. Receivables and notes receivable are unavailable due to scheduled repayment dates greater than one year from the consolidated statements of financial position date. Restricted cash is unavailable due to lender or entity-imposed restrictions.

Consolidating Information

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Financial Position
December 31, 2022

	Homeport			Lease	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale				
Current assets:								
Cash	\$ 5,762,041	764,689	12,120	1,073,292	850,000	1,500	-	8,463,642
Receivables:								
Fees receivable, net	130,000	-	-	-	-	-	-	130,000
Grants receivable	130,949	-	-	4,267	-	-	-	135,216
Other receivables	120,624	-	22,570	181,669	325,949	-	-	650,812
Intercompany receivable	-	742,241	36,335	-	-	-	(778,576)	-
Prepaid expenses	24,452	-	25,672	65,607	846,492	-	-	962,223
Total current assets	<u>6,168,066</u>	<u>1,506,930</u>	<u>96,697</u>	<u>1,324,835</u>	<u>2,022,441</u>	<u>1,500</u>	<u>(778,576)</u>	<u>10,341,893</u>
Property and equipment:								
Office buildings, net	73,698	-	2,542,158	-	-	-	-	2,615,856
Rental properties, net	-	-	-	2,078,052	22,750,392	-	-	24,828,444
Properties held for sale	-	-	-	9,844,056	-	-	-	9,844,056
Construction in progress	390,107	1,860,485	-	-	-	1,046,419	-	3,297,011
Total property and equipment	<u>463,805</u>	<u>1,860,485</u>	<u>2,542,158</u>	<u>11,922,108</u>	<u>22,750,392</u>	<u>1,046,419</u>	<u>-</u>	<u>40,585,367</u>
Noncurrent assets:								
Restricted cash	503,682	57,471	41,839	2,686,900	6,502,808	-	-	9,792,700
Fees receivable, net	2,600,777	-	-	-	-	-	(302,739)	2,298,038
Notes receivable, net	12,310,950	1,139,849	-	-	-	-	(1,584,146)	11,866,653
Related party receivables, net	1,987,685	83,971	-	-	-	-	(1,535,532)	536,124
Investments	159,000	-	-	-	-	-	-	159,000
Deposits	-	1,429	-	-	-	-	-	1,429
Benefit under interest rate swap contract	-	-	-	-	40,822	-	-	40,822
Investment in unconsolidated entities	14,554,829	-	-	-	-	-	(3,791,599)	10,763,230
Total noncurrent assets	<u>32,116,923</u>	<u>1,282,720</u>	<u>41,839</u>	<u>2,686,900</u>	<u>6,543,630</u>	<u>-</u>	<u>(7,214,016)</u>	<u>35,457,996</u>
Total assets	\$ <u>38,748,794</u>	<u>4,650,135</u>	<u>2,680,694</u>	<u>15,933,843</u>	<u>31,316,463</u>	<u>1,047,919</u>	<u>(7,992,592)</u>	<u>86,385,256</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Financial Position (Continued)
December 31, 2022

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Current liabilities:								
Conditional notes payable, current	\$ 760,000	-	-	62,753	-	-	-	822,753
Long-term debt, current	-	1,500,000	100,320	1,307,847	1,160,697	-	-	4,068,864
Finance lease payable, current	23,020	-	-	-	-	-	-	23,020
Accounts payable	333,950	373,830	11,930	160,865	1,393,540	9,476	(302,739)	1,980,852
Intercompany payable	756,056	78,249	970,281	77,959	126,862	304,701	(2,314,108)	-
Accrued expenses	295,250	267,498	19,638	415,943	771,505	-	-	1,769,834
Accrued interest payable	-	-	41,775	-	53,257	-	-	95,032
Deferred grant advances	219,596	80,000	-	-	-	-	-	299,596
Deferred revenue	566,296	35,971	-	-	-	-	-	602,267
Total current liabilities	2,954,168	2,335,548	1,143,944	2,025,367	3,505,861	314,177	(2,616,847)	9,662,218
Long-term liabilities:								
Security and warranty deposits	-	2,750	17,529	174,794	316,222	-	-	511,295
Accrued interest payable	1,031,105	-	-	4,135,537	1,697,715	-	-	6,864,357
Deferred grant advances, State of Ohio	334,661	-	-	-	-	-	-	334,661
Finance lease payable, non-current	30,119	-	-	-	-	-	-	30,119
Lines of credit	-	658,395	-	-	-	-	-	658,395
Conditional notes payable	8,651,778	150,960	-	-	3,938,053	-	-	12,740,791
Long-term debt	3,206,224	289,929	1,602,777	6,560,928	22,514,960	425,000	(1,584,146)	33,015,672
Less: unamortized debt issuance costs	(17,975)	(11,875)	(3,233)	(66,905)	(770,443)	-	-	(870,431)
Total long-term liabilities	13,235,912	1,090,159	1,617,073	10,804,354	27,696,507	425,000	(1,584,146)	53,284,859
Total liabilities	16,190,080	3,425,707	2,761,017	12,829,721	31,202,368	739,177	(4,200,993)	62,947,077
Net assets (deficit):								
Homeport:								
Without donor restrictions	16,869,414	1,224,428	(80,323)	3,104,122	114,095	123,497	(3,791,599)	17,563,634
With donor restrictions	5,689,300	-	-	-	-	-	-	5,689,300
Total net assets Homeport	22,558,714	1,224,428	(80,323)	3,104,122	114,095	123,497	(3,791,599)	23,252,934
Noncontrolling interest	-	-	-	-	-	185,245	-	185,245
Total net assets (deficit)	22,558,714	1,224,428	(80,323)	3,104,122	114,095	308,742	(3,791,599)	23,438,179
Total liabilities and net assets	\$ 38,748,794	4,650,135	2,680,694	15,933,843	31,316,463	1,047,919	(7,992,592)	86,385,256

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Activities
Year Ended December 31, 2022

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Change in net assets without donor restrictions:								
Support:								
Government grants	\$ 2,432,090	54,399	-	-	-	-	-	2,486,489
In-kind contributions	23,056	-	-	-	-	-	-	23,056
Contributions	<u>1,249,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249,125</u>
	<u>3,704,271</u>	<u>54,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758,670</u>
Homeownership and lease purchase:								
Government grants	-	1,210,307	-	-	-	-	-	1,210,307
Development fees	-	120,000	-	-	-	-	-	120,000
Gain (loss) on sale of properties held for sale	-	(1,221,025)	-	13,500	-	-	-	(1,207,525)
	<u>-</u>	<u>109,282</u>	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,782</u>
Revenues:								
Development fees	2,235,539	-	-	-	-	-	-	2,235,539
Rental	-	-	441,455	2,409,038	9,888,900	-	(216,557)	12,522,836
Fees and other revenue	795,365	-	-	-	-	350	(451,544)	344,171
Investment income	<u>434,763</u>	<u>514</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(434,908)</u>	<u>412</u>
	<u>3,465,667</u>	<u>514</u>	<u>441,498</u>	<u>2,409,038</u>	<u>9,888,900</u>	<u>350</u>	<u>(1,103,009)</u>	<u>15,102,958</u>
Total support and revenues	<u>7,169,938</u>	<u>164,195</u>	<u>441,498</u>	<u>2,422,538</u>	<u>9,888,900</u>	<u>350</u>	<u>(1,103,009)</u>	<u>18,984,410</u>
Expenses:								
Program, administration and other	5,096,137	268,041	203,208	-	-	-	(216,557)	5,350,829
Rental	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,021</u>	<u>8,903,869</u>	<u>-</u>	<u>-</u>	<u>10,613,890</u>
Total expenses	<u>5,096,137</u>	<u>268,041</u>	<u>203,208</u>	<u>1,710,021</u>	<u>8,903,869</u>	<u>-</u>	<u>(216,557)</u>	<u>15,964,719</u>
Change in net assets from operations before interest & depreciation expense	2,073,801	(103,846)	238,290	712,517	985,031	350	(886,452)	3,019,691
Less interest expense	75,311	1,173	131,627	540,070	1,296,744	-	(434,908)	1,610,017
Less depreciation expense	<u>28,075</u>	<u>675</u>	<u>103,465</u>	<u>116,211</u>	<u>1,606,146</u>	<u>-</u>	<u>-</u>	<u>1,854,572</u>
Change in net assets before other operating income (expense)	<u>1,970,415</u>	<u>(105,694)</u>	<u>3,198</u>	<u>56,236</u>	<u>(1,917,859)</u>	<u>350</u>	<u>(451,544)</u>	<u>(444,898)</u>
Other operating income (expense):								
Gain on sale of land	40,427	-	-	-	-	-	-	40,427
Unrealized gain (loss) on interest rate swap	-	-	-	-	90,729	-	-	90,729
Fair value of net assets acquired over (under) carrying value, net	(337,000)	-	-	-	-	-	-	(337,000)
Interest expense on conditional notes payable	(113,499)	-	-	-	-	-	-	(113,499)
Interorganizational fees	-	-	-	(78,315)	(373,229)	-	451,544	-
Equity in losses of unconsolidated entities	23,968	-	-	-	-	-	-	23,968
Excess distributions from unconsolidated entities	<u>31,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,671</u>
Total other operating income (expense), net	<u>(354,433)</u>	<u>-</u>	<u>-</u>	<u>(78,315)</u>	<u>(282,500)</u>	<u>-</u>	<u>451,544</u>	<u>(263,704)</u>
Change in net assets from operations	1,615,982	(105,694)	3,198	(22,079)	(2,200,359)	350	-	(708,602)
Time restricted grants, released from restrictions	192,758	-	-	-	-	-	-	192,758
Carrying value in excess	-	-	-	107,627	23,563	-	(131,190)	-
Change in net assets without donor restrictions	\$ <u>1,808,740</u>	<u>(105,694)</u>	<u>3,198</u>	<u>85,548</u>	<u>(2,176,796)</u>	<u>350</u>	<u>(131,190)</u>	<u>(515,844)</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2022

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Change in net assets without donor restrictions:								
Net assets without donor restrictions, beginning of year	\$ 16,871,706	1,330,122	(83,521)	3,047,046	3,150,292	267,977	(6,504,144)	18,079,478
Change in net assets without donor restrictions	1,808,740	(105,694)	3,198	85,548	(2,176,796)	350	(131,190)	(515,844)
Earnings on consolidated entities	(1,811,032)	-	-	-	-	-	1,811,032	-
Change in net assets without donor restrictions	(2,292)	(105,694)	3,198	85,548	(2,176,796)	350	1,679,842	(515,844)
Net assets without donor restrictions, end of year	\$ 16,869,414	1,224,428	(80,323)	3,132,594	973,496	268,327	(4,824,302)	17,563,634
Change in net assets with donor restrictions:								
Net assets with donor restrictions, beginning of year	\$ 5,882,058	-	-	-	-	-	-	5,882,058
Net assets released from restrictions	(192,758)	-	-	-	-	-	-	(192,758)
Net assets with donor restrictions, end of year	\$ 5,689,300	-	-	-	-	-	-	5,689,300
Change in total net assets:								
Total net assets, beginning of year	\$ 22,753,764	1,330,122	(83,521)	3,047,046	3,150,292	267,977	(6,504,144)	23,961,536
Distributions	-	-	-	(28,472)	(859,401)	(144,830)	1,032,703	-
Change in net assets without donor restrictions	(2,292)	(105,694)	3,198	85,548	(2,176,796)	350	1,679,842	(515,844)
Change in net assets with donor restrictions	(192,758)	-	-	-	-	-	-	(192,758)
Change in total net assets	(195,050)	(105,694)	3,198	57,076	(3,036,197)	(144,480)	2,712,545	(708,602)
Total net assets, end of year	\$ 22,558,714	1,224,428	(80,323)	3,104,122	114,095	123,497	(3,791,599)	23,252,934

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Cash Flows
Year Ended December 31, 2022

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Cash flows from operating activities:								
Change in total net assets	\$ (195,050)	(105,694)	3,198	85,548	(2,176,796)	350	1,679,842	(708,602)
Adjustment to reconcile change in net assets to net cash from operating activities:								
Depreciation	28,075	675	103,465	116,211	1,606,146	-	-	1,854,572
Amortization of debt issuance costs	6,700	7,500	1,616	5,055	45,025	-	-	65,896
(Gain) loss on consolidation	337,000	-	-	(107,627)	(23,563)	-	131,190	337,000
(Gain) loss on sale of properties held for sale	-	1,221,025	-	(13,500)	-	-	-	1,207,525
Gain on sale of land	(40,427)	-	-	-	-	-	-	(40,427)
Provision for losses on receivables	-	9,253	-	-	-	-	-	9,253
Equity in losses of unconsolidated entities	1,787,064	-	-	-	-	-	(1,811,032)	(23,968)
Deferred grant advances loan forgiveness	(44,667)	-	-	-	-	-	-	(44,667)
Effect of changes in operating assets and liabilities:								
Receivables	(1,018,823)	68,818	23,544	363,204	364,010	-	143,107	(56,140)
Prepaid expenses and deposits	(24,452)	-	(5,602)	26,347	(197,087)	-	-	(200,794)
Accounts payable and accrued expenses	68,450	255,842	6,419	(1,894)	281,677	(204,916)	(234,805)	170,773
Intercompany receivable	-	30,827	(36,335)	-	-	-	5,508	-
Distribution to Homeport	-	-	-	(28,472)	(859,401)	(144,830)	1,032,703	-
Intercompany payable	(30,827)	(4,000)	(50,001)	(1,362)	-	-	86,190	-
Security and warranty deposits	-	500	4,361	(22,582)	38,159	-	-	20,438
Accrued interest payable	(130,000)	-	10,169	172,049	(24,204)	-	-	28,014
Deferred revenue and grant advances	230,521	80,000	-	-	-	-	-	310,521
Interest rate swap contract	-	-	-	-	(90,729)	-	-	(90,729)
Net cash flows from operating activities	<u>973,564</u>	<u>1,564,746</u>	<u>60,834</u>	<u>592,977</u>	<u>(1,036,763)</u>	<u>(349,396)</u>	<u>1,032,703</u>	<u>2,838,665</u>
Cash flows from investing activities:								
Cash received in consolidation	-	-	-	439,778	272,752	-	-	712,530
Cash removed in deconsolidation	-	-	-	-	-	(13,833)	-	(13,833)
Proceeds from sales	450,576	112,000	-	-	-	-	-	562,576
Change in investments	22,500	-	-	-	-	-	-	22,500
Investment in unconsolidated entities	819,671	-	-	-	-	-	(1,032,703)	(213,032)
Distributions from unconsolidated entities	562	-	-	-	-	-	-	562
Purchase of real estate and rehabilitation costs	-	(2,367,724)	-	-	-	-	-	(2,367,724)
Advances on note receivable	(1,475,000)	-	-	-	-	-	-	(1,475,000)
Proceeds from repayment of notes receivable	320,863	44,444	-	-	-	883,960	(46,374)	1,202,893
Purchase of property and equipment	(7,380)	(767)	(155,185)	26,824	(1,301,876)	(744,218)	-	(2,182,602)
Net cash flows from investing activities	<u>\$ 131,792</u>	<u>(2,212,047)</u>	<u>(155,185)</u>	<u>466,602</u>	<u>(1,029,124)</u>	<u>125,909</u>	<u>(1,079,077)</u>	<u>(3,751,130)</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Cash Flows (Continued)
Year Ended December 31, 2022

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Cash flows from financing activities:								
Return of capital, noncontrolling interest	\$ -	-	-	-	-	(217,246)	-	(217,246)
Purchase of financing costs	(10,000)	-	-	-	-	-	-	(10,000)
Proceeds on lines of credit	-	658,395	-	-	-	-	-	658,395
Payments on capital lease obligation	(19,315)	-	-	-	-	-	-	(19,315)
Net proceeds (repayment) of conditional notes payable	(558,167)	(40,064)	-	(242,764)	-	-	-	(840,995)
Proceeds from long-term debt	1,118,500	-	-	-	700,000	425,000	-	2,243,500
Repayment of long-term debt	(31,229)	(100,000)	(90,918)	(169,940)	(620,990)	-	46,374	(966,703)
Net cash flows from financing activities	<u>499,789</u>	<u>518,331</u>	<u>(90,918)</u>	<u>(412,704)</u>	<u>79,010</u>	<u>207,754</u>	<u>46,374</u>	<u>847,636</u>
Net increase (decrease) in cash and restricted cash	1,605,145	(128,970)	(185,269)	646,875	(1,986,877)	(15,733)	-	(64,829)
Cash and restricted cash, beginning of year	4,660,578	951,130	239,228	3,113,317	9,339,685	17,233	-	18,321,171
Cash and restricted cash, end of year	<u>\$ 6,265,723</u>	<u>822,160</u>	<u>53,959</u>	<u>3,760,192</u>	<u>7,352,808</u>	<u>1,500</u>	<u>-</u>	<u>18,256,342</u>
Reconciliation of cash and restricted cash within the Statement of Financial Position								
Cash	\$ 5,762,041	764,689	12,120	1,073,292	850,000	1,500	-	8,463,642
Restricted cash	503,682	57,471	41,839	2,686,900	6,502,808	-	-	9,792,700
Cash and restricted cash in the Statement of Cash Flow	<u>\$ 6,265,723</u>	<u>822,160</u>	<u>53,959</u>	<u>3,760,192</u>	<u>7,352,808</u>	<u>1,500</u>	<u>-</u>	<u>18,256,342</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport

Consolidating Schedule of Expenses
Year Ended December 31, 2022

With Comparative Total for the Year Ended December 31, 2021

	Homeport			Lease	Rental	Other controlled	2022	2021	
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities			Eliminations
Program, administration and other:									
Salaries	\$ 2,803,463	181,823	-	-	-	-	-	2,985,286	3,053,123
Payroll taxes	134,249	29,143	-	-	-	-	-	163,392	178,522
Fringe benefits	351,992	-	-	-	-	-	-	351,992	351,992
	<u>3,289,704</u>	<u>210,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500,670</u>	<u>3,583,637</u>
Program related expenses	676,470	908	-	-	-	-	-	677,378	522,628
Office	52,332	2,727	32,615	-	-	-	-	87,674	119,683
Repairs and maintenance	8,000	-	73,821	-	-	-	-	81,821	91,062
Occupancy	258,318	7,168	44,233	-	-	-	(216,557)	93,162	91,776
Minor equipment	10,229	529	-	-	-	-	-	10,758	2,453
Dues and publications	60,167	2,646	-	-	-	-	-	62,813	43,358
Professional fees	32,369	3,646	6,654	-	-	-	-	42,669	51,275
Accounting and legal	87,680	5,433	-	-	-	-	-	93,113	107,529
Printing and postage	8,291	238	-	-	-	-	-	8,529	3,320
Insurance	103,213	3,408	6,694	-	-	-	-	113,315	67,374
Other expenses	83,380	8,934	39,191	-	-	-	-	131,505	71,523
Marketing and advertising	234,058	1,777	-	-	-	-	-	235,835	179,916
Development costs	121,295	-	-	-	-	-	-	121,295	77,019
Loan fees	12,110	7,735	-	-	-	-	-	19,845	21,091
Travel, conferences and training	50,384	2,393	-	-	-	-	-	52,777	49,834
Bad debt expense	-	9,253	-	-	-	-	-	9,253	110,000
Fundraising related expenses	4,755	280	-	-	-	-	-	5,035	4,710
In-kind expenses	3,382	-	-	-	-	-	-	3,382	3,382
Total program, admin & other	<u>5,096,137</u>	<u>268,041</u>	<u>203,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,557)</u>	<u>5,350,829</u>	<u>5,201,570</u>
Rental:									
Maintenance	-	-	-	620,770	3,276,669	-	-	3,897,439	2,918,658
Utilities	-	-	-	47,748	1,537,481	-	-	1,585,229	1,206,850
Real estate taxes	-	-	-	185,722	660,669	-	-	846,391	704,190
Administrative and other	-	-	-	675,532	2,967,146	-	-	3,642,678	2,324,582
Insurance	-	-	-	180,249	461,904	-	-	642,153	563,537
Total rental	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,021</u>	<u>8,903,869</u>	<u>-</u>	<u>-</u>	<u>10,613,890</u>	<u>7,717,817</u>
Interest expense	75,311	1,173	131,627	540,070	1,296,744	-	(434,908)	1,610,017	1,422,753
Depreciation expense	28,075	675	103,465	116,211	1,606,146	-	-	1,854,572	1,518,999
Other operating expense:									
Interest expense on conditional notes payable	113,499	-	-	-	-	-	-	113,499	131,925
Interorganizational fees	-	-	-	78,315	373,229	-	(451,544)	-	-
Equity in (gains) losses of unconsolidated entities	(23,968)	-	-	-	-	-	-	(23,968)	5,260
Fair value of net assets acquired (over) under carrying value, net	337,000	-	-	-	-	-	-	337,000	(5,261,160)
Total other operating expense	<u>426,531</u>	<u>-</u>	<u>-</u>	<u>78,315</u>	<u>373,229</u>	<u>-</u>	<u>(451,544)</u>	<u>426,531</u>	<u>(5,123,975)</u>
Total expense	\$ <u>5,626,054</u>	<u>269,889</u>	<u>438,300</u>	<u>2,444,617</u>	<u>12,179,988</u>	<u>-</u>	<u>(1,103,009)</u>	<u>19,855,839</u>	<u>10,737,164</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Financial Position
December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Current assets:								
Cash	\$ 4,132,989	892,483	172,380	864,312	1,995,588	17,233	-	8,074,985
Receivables:								
Fees receivable, net	140,000	-	-	-	-	-	-	140,000
Grants receivable	149,782	-	-	371,399	-	-	-	521,181
Other receivables	223,361	-	46,114	167,647	673,259	-	-	1,110,381
Intercompany receivable	-	773,068	-	-	-	-	(773,068)	-
Prepaid expenses	-	-	20,070	91,954	636,161	-	-	748,185
Total current assets	<u>4,646,132</u>	<u>1,665,551</u>	<u>238,564</u>	<u>1,495,312</u>	<u>3,305,008</u>	<u>17,233</u>	<u>(773,068)</u>	<u>10,594,732</u>
Property and equipment:								
Office buildings, net	94,301	-	2,489,563	-	-	-	-	2,583,864
Rental properties, net	-	-	-	2,207,587	21,804,662	-	-	24,012,249
Properties held for sale	-	-	-	9,436,531	-	-	-	9,436,531
Construction in progress	840,775	825,694	875	-	-	1,712,741	-	3,380,085
Total property and equipment	<u>935,076</u>	<u>825,694</u>	<u>2,490,438</u>	<u>11,644,118</u>	<u>21,804,662</u>	<u>1,712,741</u>	<u>-</u>	<u>39,412,729</u>
Noncurrent assets:								
Restricted cash	527,589	58,647	66,848	2,249,005	7,344,097	-	-	10,246,186
Fees receivable, net	1,372,659	-	-	-	-	-	(67,934)	1,304,725
Notes receivable, net	11,156,813	1,184,293	-	-	-	-	(1,630,520)	10,710,586
Related party receivables, net	2,065,410	162,042	-	-	-	-	(1,676,334)	551,118
Investments	181,500	-	-	-	-	-	-	181,500
Deposits	-	1,429	-	-	-	-	-	1,429
Investment in unconsolidated entities	17,458,699	-	-	-	-	-	(6,504,144)	10,954,555
Total noncurrent assets	<u>32,762,670</u>	<u>1,406,411</u>	<u>66,848</u>	<u>2,249,005</u>	<u>7,344,097</u>	<u>-</u>	<u>(9,878,932)</u>	<u>33,950,099</u>
Total assets	\$ <u>38,343,878</u>	<u>3,897,656</u>	<u>2,795,850</u>	<u>15,388,435</u>	<u>32,453,767</u>	<u>1,729,974</u>	<u>(10,652,000)</u>	<u>83,957,560</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Financial Position (Continued)
December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Current liabilities:								
Conditional notes payable, current	\$ 600,000	-	-	305,517	-	-	-	905,517
Long-term debt, current	18,953	1,500,000	94,932	2,452,983	603,348	450,000	-	5,120,216
Finance lease, current	19,047	-	-	-	-	-	-	19,047
Accounts payable	240,113	209,812	5,426	157,473	1,045,957	244,042	(67,934)	1,834,889
Intercompany payable	786,883	82,249	1,020,282	79,321	113,412	367,255	(2,449,402)	-
Accrued expenses	320,637	175,674	19,723	376,923	742,805	-	-	1,635,762
Accrued interest payable	-	-	31,606	9,353	54,376	5,209	-	100,544
Deferred grant advances	285,288	-	-	-	-	-	-	285,288
Deferred revenue	270,083	35,971	-	-	-	-	-	306,054
Total current liabilities	2,541,004	2,003,706	1,171,969	3,381,570	2,559,898	1,066,506	(2,517,336)	10,207,317
Long-term liabilities:								
Security and warranty deposits	-	2,250	13,168	175,871	264,688	-	-	455,977
Accrued interest payable	1,161,105	-	-	3,953,049	1,462,086	-	-	6,576,240
Deferred grant advances, State of Ohio	379,328	-	-	-	-	-	-	379,328
Finance lease, non-current	53,407	-	-	-	-	-	-	53,407
Conditional notes payable	9,369,945	191,024	-	-	3,312,053	-	-	12,873,022
Long-term debt	2,100,000	389,929	1,699,083	4,902,859	22,456,861	-	(1,630,520)	29,918,212
Less: unamortized debt issuance costs	(14,675)	(19,375)	(4,849)	(71,960)	(802,018)	(7,000)	-	(919,877)
Obligation under interest rate swap contract	-	-	-	-	49,907	-	-	49,907
Total long-term liabilities	13,049,110	563,828	1,707,402	8,959,819	26,743,577	(7,000)	(1,630,520)	49,386,216
Total liabilities	15,590,114	2,567,534	2,879,371	12,341,389	29,303,475	1,059,506	(4,147,856)	59,593,533
Net assets (deficit):								
Without donor restrictions	16,871,706	1,330,122	(83,521)	3,047,046	3,150,292	267,977	(6,504,144)	18,079,478
With donor restrictions	5,882,058	-	-	-	-	-	-	5,882,058
Total net asset Homeport	22,753,764	1,330,122	(83,521)	3,047,046	3,150,292	267,977	(6,504,144)	23,961,536
Noncontrolling interest	-	-	-	-	-	402,491	-	402,491
Total net assets (deficit)	22,753,764	1,330,122	(83,521)	3,047,046	3,150,292	670,468	(6,504,144)	24,364,027
Total liabilities and net assets	\$ 38,343,878	3,897,656	2,795,850	15,388,435	32,453,767	1,729,974	(10,652,000)	83,957,560

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Activities
Year Ended December 31, 2021

	Homeport			Lease			Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Rental Properties	Other controlled entities		
Change in net assets without donor restrictions:								
Support:								
Government grants	\$ 1,136,169	64,744	-	-	-	-	-	1,200,913
In-kind contributions	37,539	-	-	-	-	-	-	37,539
Contributions	1,286,120	-	-	-	-	-	-	1,286,120
	<u>2,459,828</u>	<u>64,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,524,572</u>
Homeownership and lease purchase:								
Government grants	-	946,647	-	-	-	-	-	946,647
Development fees	-	234,000	-	-	-	-	-	234,000
Gain (loss) on sale of properties held for sale	-	(1,071,553)	-	-	21,637	-	-	(1,049,916)
	<u>-</u>	<u>109,094</u>	<u>-</u>	<u>-</u>	<u>21,637</u>	<u>-</u>	<u>-</u>	<u>130,731</u>
Revenues:								
Development fees	1,674,544	-	-	-	-	-	-	1,674,544
Rental	-	-	393,344	2,255,735	8,378,839	-	(201,297)	10,826,621
Fees and other revenue	880,357	-	-	-	-	-	(478,436)	401,921
Investment income	635,454	167	4	10	-	-	(403,113)	232,522
	<u>3,190,355</u>	<u>167</u>	<u>393,348</u>	<u>2,255,745</u>	<u>8,378,839</u>	<u>-</u>	<u>(1,082,846)</u>	<u>13,135,608</u>
Total support and revenues	<u>5,650,183</u>	<u>174,005</u>	<u>393,348</u>	<u>2,255,745</u>	<u>8,400,476</u>	<u>-</u>	<u>(1,082,846)</u>	<u>15,790,911</u>
Expenses:								
Program, administration and other	4,765,426	418,763	218,328	-	-	350	(201,297)	5,201,570
Rental	-	-	-	1,766,052	5,951,765	-	-	7,717,817
Total expenses	<u>4,765,426</u>	<u>418,763</u>	<u>218,328</u>	<u>1,766,052</u>	<u>5,951,765</u>	<u>350</u>	<u>(201,297)</u>	<u>12,919,387</u>
Change in net assets from operations before interest & depreciation expense	884,757	(244,758)	175,020	489,693	2,448,711	(350)	(881,549)	2,871,524
Less interest expense	76,040	1,355	102,963	475,903	1,169,605	-	(403,113)	1,422,753
Less depreciation expense	29,245	980	104,097	116,211	1,268,466	-	-	1,518,999
Change in net assets before other operating income (expense)	<u>779,472</u>	<u>(247,093)</u>	<u>(32,040)</u>	<u>(102,421)</u>	<u>10,640</u>	<u>(350)</u>	<u>(478,436)</u>	<u>(70,228)</u>
Other operating income (expense):								
Unrealized gain (loss) on interest rate swap	-	-	-	-	49,873	-	-	49,873
Fair value of net assets acquired over (under) carrying value, net	5,261,160	-	-	-	-	-	-	5,261,160
Interest expense on conditional notes payable	(113,499)	-	-	-	(18,426)	-	-	(131,925)
Interorganizational fees	-	-	-	(74,128)	(404,308)	-	478,436	-
Equity in losses of unconsolidated entities	(5,260)	-	-	-	-	-	-	(5,260)
Excess distributions from unconsolidated entities	39,599	-	-	-	-	-	-	39,599
Total other operating income (expense), net	<u>5,182,000</u>	<u>-</u>	<u>-</u>	<u>(74,128)</u>	<u>(372,861)</u>	<u>-</u>	<u>478,436</u>	<u>5,213,447</u>
Change in net assets from operations	5,961,472	(247,093)	(32,040)	(176,549)	(362,221)	(350)	-	5,143,219
Time restricted grants, released from restrictions	192,758	-	-	-	-	-	-	192,758
Change in net assets without donor restrictions	<u>\$ 6,154,230</u>	<u>(247,093)</u>	<u>(32,040)</u>	<u>(176,549)</u>	<u>(362,221)</u>	<u>(350)</u>	<u>-</u>	<u>5,335,977</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Change in net assets without donor restrictions:								
Net assets without donor restrictions, beginning of year	\$ 11,288,030	1,577,215	(51,481)	3,237,387	(2,793,452)	-	(514,198)	12,743,501
Change in net assets without donor restrictions	6,154,230	(247,093)	(32,040)	(176,549)	5,952,335	(350)	(6,314,556)	5,335,977
Earnings on consolidated entities	(570,554)	-	-	-	-	-	570,554	-
Change in net assets without donor restrictions	5,583,676	(247,093)	(32,040)	(176,549)	5,952,335	(350)	(5,744,002)	5,335,977
Net assets without donor restrictions, end of year	\$ 16,871,706	1,330,122	(83,521)	3,060,838	3,158,883	(350)	(6,258,200)	18,079,478
Change in net assets with donor restrictions:								
Net assets with donor restrictions, beginning of year	\$ 6,074,816	-	-	-	-	-	-	6,074,816
Net assets released from restrictions	(192,758)	-	-	-	-	-	-	(192,758)
Net assets with donor restrictions, end of year	\$ 5,882,058	-	-	-	-	-	-	5,882,058
Change in total net assets:								
Total net assets, beginning of year	\$ 17,362,846	1,577,215	(51,481)	3,237,387	(2,793,452)	-	(514,198)	18,818,317
Distributions	-	-	-	(13,792)	(8,591)	-	22,383	-
Contributions	-	-	-	-	-	268,327	(268,327)	-
Change in net assets without donor restrictions	5,583,676	(247,093)	(32,040)	(176,549)	5,952,335	(350)	(5,744,002)	5,335,977
Change in net assets with donor restrictions	(192,758)	-	-	-	-	-	-	(192,758)
Change in total net assets	5,390,918	(247,093)	(32,040)	(190,341)	5,943,744	267,977	(5,989,946)	5,143,219
Total net assets, end of year	\$ 22,753,764	1,330,122	(83,521)	3,047,046	3,150,292	267,977	(6,504,144)	23,961,536

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Cash Flows
Year Ended December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Cash flows from operating activities:								
Change in total net assets	\$ 5,390,918	(247,093)	(32,040)	(176,549)	5,952,335	(350)	(5,744,002)	5,143,219
Adjustment to reconcile change in net assets to net cash from operating activities:								
Depreciation	29,245	980	104,097	116,211	1,268,466	-	-	1,518,999
Amortization of debt issuance costs	1,699	8,239	1,616	9,654	40,717	-	-	61,925
(Gain) loss on consolidation	(5,261,160)	-	-	-	(6,314,556)	-	6,314,556	(5,261,160)
Gain (loss) on sale of properties held for sale	-	1,071,553	-	-	(21,637)	-	-	1,049,916
Provision for losses on receivables	-	110,000	-	-	-	-	-	110,000
Equity in losses of unconsolidated entities	575,814	-	-	-	-	-	(570,554)	5,260
Deferred grant advances loan forgiveness	(44,667)	-	-	-	-	-	-	(44,667)
Effect of changes in operating assets and liabilities:								
Receivables	(634,871)	295,490	81,474	(76,955)	(371,671)	-	(254,910)	(961,443)
Prepaid expenses and deposits	2,900	-	(6,084)	37,974	107,629	-	-	142,419
Accounts payable and accrued expenses	117,354	106,757	3,235	132,146	353,329	244,042	(31,069)	925,794
Intercompany receivable	-	204,011	-	-	-	-	(204,011)	-
Distribution to Homeport	-	-	-	(13,792)	(8,591)	-	13,878	(8,505)
Intercompany payable	(204,011)	(16,270)	(525)	1,362	-	(270,546)	807,880	317,890
Security and warranty deposits	-	2,500	83	(8,490)	(1,532)	-	-	(7,439)
Accrued interest payable	113,499	-	(142)	177,114	(63,087)	5,209	-	232,593
Deferred revenue and grant advances	79,079	-	-	-	-	-	-	79,079
Interest rate swap contract	-	-	-	-	(49,873)	-	-	(49,873)
Net cash flows from operating activities	<u>165,799</u>	<u>1,536,167</u>	<u>151,714</u>	<u>198,675</u>	<u>891,529</u>	<u>(21,645)</u>	<u>331,768</u>	<u>3,254,007</u>
Cash flows from investing activities:								
Cash received in consolidation	-	-	-	-	2,153,329	-	-	2,153,329
Cash removed in deconsolidation	-	-	-	-	-	-	(36,776)	(36,776)
Change in investments	(22,020)	-	-	-	-	-	-	(22,020)
Investment in unconsolidated entities	(2,135,375)	-	-	-	-	-	812,363	(1,323,012)
Distributions from unconsolidated entities	14,260	-	-	-	-	-	254,449	268,709
Proceeds from the sale of properties held for sale	-	47,678	-	-	-	-	-	47,678
Purchase of real estate and rehabilitation costs	-	(1,086,139)	-	-	-	-	-	(1,086,139)
Proceeds from repayment of notes receivable	944,450	-	-	-	-	-	(717,619)	226,831
Purchase of property and equipment	(91,452)	(698)	(16,391)	(15,398)	(574,169)	(911,716)	(575,858)	(2,185,682)
Net cash flows from investing activities	<u>\$ (1,290,137)</u>	<u>(1,039,159)</u>	<u>(16,391)</u>	<u>(15,398)</u>	<u>1,579,160</u>	<u>(911,716)</u>	<u>(263,441)</u>	<u>(1,957,082)</u>

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedules of Cash Flows (Continued)
Year Ended December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Cash flows from financing activities:								
Capital contributions, noncontrolling interest	\$ -	-	-	-	-	670,818	(268,327)	402,491
Purchase of financing costs	(9,999)	(22,500)	-	(13,765)	(75,050)	(6,500)	(500)	(128,314)
Proceeds on lines of credit	-	(583,595)	-	-	-	-	-	(583,595)
Payments on capital lease obligation	(15,760)	-	-	-	-	-	-	(15,760)
Net proceeds (repayment) of conditional notes payable	-	(37,971)	-	-	-	-	-	(37,971)
Proceeds from long-term debt	-	-	-	-	1,081,600	249,500	200,500	1,531,600
Repayment of long-term debt	(18,716)	-	(85,800)	(123,102)	(909,589)	-	-	(1,137,207)
Net cash flows from financing activities	<u>(44,475)</u>	<u>(644,066)</u>	<u>(85,800)</u>	<u>(136,867)</u>	<u>96,961</u>	<u>913,818</u>	<u>(68,327)</u>	<u>31,244</u>
Net increase (decrease) in cash and restricted cash	(1,168,813)	(147,058)	49,523	46,410	2,567,650	(19,543)	-	1,328,169
Cash and restricted cash, beginning of year	<u>5,829,391</u>	<u>1,098,188</u>	<u>189,705</u>	<u>3,066,907</u>	<u>6,772,035</u>	<u>36,776</u>	<u>-</u>	<u>16,993,002</u>
Cash and restricted cash, end of year	\$ <u>4,660,578</u>	<u>951,130</u>	<u>239,228</u>	<u>3,113,317</u>	<u>9,339,685</u>	<u>17,233</u>	<u>-</u>	<u>18,321,171</u>
Reconciliation of cash and restricted cash within the Statement of Financial Position								
Cash	\$ 4,132,989	892,483	172,380	864,312	1,995,588	17,233	-	8,074,985
Restricted cash	<u>527,589</u>	<u>58,647</u>	<u>66,848</u>	<u>2,249,005</u>	<u>7,344,097</u>	<u>-</u>	<u>-</u>	<u>10,246,186</u>
Cash and restricted cash in the Statement of Cash Flows	\$ <u>4,660,578</u>	<u>951,130</u>	<u>239,228</u>	<u>3,113,317</u>	<u>9,339,685</u>	<u>17,233</u>	<u>-</u>	<u>18,321,171</u>

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Expenses
 Year Ended December 31, 2021

	Homeport			Lease	Rental	Other controlled	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale	Properties	entities		
Program, administration and other:								
Salaries	\$ 2,842,861	210,262	-	-	-	-	-	3,053,123
Payroll taxes	141,186	37,336	-	-	-	-	-	178,522
Fringe benefits	351,992	-	-	-	-	-	-	351,992
	<u>3,336,039</u>	<u>247,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,583,637</u>
Program related expenses	522,628	-	-	-	-	-	-	522,628
Office	87,417	3,504	28,412	-	-	350	-	119,683
Repairs and maintenance	-	-	91,062	-	-	-	-	91,062
Occupancy	243,153	9,327	40,593	-	-	-	(201,297)	91,776
Minor equipment	2,299	154	-	-	-	-	-	2,453
Dues and publications	40,701	2,657	-	-	-	-	-	43,358
Professional fees	42,492	2,424	6,359	-	-	-	-	51,275
Accounting and legal	96,550	5,608	5,371	-	-	-	-	107,529
Printing and postage	3,084	236	-	-	-	-	-	3,320
Insurance	55,832	3,934	7,608	-	-	-	-	67,374
Other expenses	26,127	6,473	38,923	-	-	-	-	71,523
Marketing and advertising	176,311	3,605	-	-	-	-	-	179,916
Development costs	76,737	282	-	-	-	-	-	77,019
Loan fees	2,152	18,939	-	-	-	-	-	21,091
Travel, conferences and training	46,114	3,720	-	-	-	-	-	49,834
Bad debt expense	-	110,000	-	-	-	-	-	110,000
Fundraising related expenses	4,408	302	-	-	-	-	-	4,710
In-kind expenses	3,382	-	-	-	-	-	-	3,382
Total program, admin & other	<u>4,765,426</u>	<u>418,763</u>	<u>218,328</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>(201,297)</u>	<u>5,201,570</u>
Rental:								
Maintenance	-	-	-	845,159	2,073,499	-	-	2,918,658
Utilities	-	-	-	39,946	1,166,904	-	-	1,206,850
Real estate taxes	-	-	-	184,174	520,016	-	-	704,190
Administrative and other	-	-	-	549,520	1,775,062	-	-	2,324,582
Insurance	-	-	-	147,253	416,284	-	-	563,537
Total rental	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766,052</u>	<u>5,951,765</u>	<u>-</u>	<u>-</u>	<u>7,717,817</u>
Interest expense	<u>76,040</u>	<u>1,355</u>	<u>102,963</u>	<u>475,903</u>	<u>1,169,605</u>	<u>-</u>	<u>(403,113)</u>	<u>1,422,753</u>
Depreciation expense	<u>29,245</u>	<u>980</u>	<u>104,097</u>	<u>116,211</u>	<u>1,268,466</u>	<u>-</u>	<u>-</u>	<u>1,518,999</u>
Other operating expense:								
Interest expense on conditional notes payable	113,499	-	-	-	18,426	-	-	131,925
Interorganizational fees	-	-	-	74,128	404,308	-	(478,436)	-
Equity in losses of unconsolidated entities	5,260	-	-	-	-	-	-	5,260
Fair value of net assets acquired (over) under carrying value, net	(5,261,160)	-	-	-	-	-	-	(5,261,160)
Total other operating expense	<u>(5,142,401)</u>	<u>-</u>	<u>-</u>	<u>74,128</u>	<u>422,734</u>	<u>-</u>	<u>(478,436)</u>	<u>(5,123,975)</u>
Total expense	\$ <u>(271,690)</u>	<u>421,098</u>	<u>425,388</u>	<u>2,432,294</u>	<u>8,812,570</u>	<u>350</u>	<u>(1,082,846)</u>	<u>10,737,164</u>





CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Columbus Housing Partnership, Inc. and Affiliates dba Homeport

Office of Management and Budget
Uniform Guidance Required Reports
December 31, 2022

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Board of Directors
Columbus Housing Partnership, Inc. and Affiliates
Columbus, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements ('financial statements') of Columbus Housing Partnership, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Columbus Housing Partnership, Inc. and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbus Housing Partnership, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Columbus Housing Partnership, Inc. and Affiliates' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus Housing Partnership, Inc. and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 28, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Columbus Housing Partnership, Inc. and Affiliates
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Columbus Housing Partnership, Inc. and Affiliates' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Columbus Housing Partnership, Inc. and Affiliates' major federal programs for the year ended December 31, 2022. Columbus Housing Partnership, Inc. and Affiliates' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Columbus Housing Partnership, Inc. and Affiliates' consolidated financial statements include the operations of the Friends VVA Apartments, Inc., which expended \$1,195,078 in federal awards which is not included in Columbus Housing Partnership, Inc. and Affiliates' schedule of expenditures of federal awards during the year ended December 31, 2022. Our audit, described below, did not include the operations of Friends VVA Apartments, Inc. because the entity had a separate single audit to comply with HUD rules and regulations.

In our opinion, Columbus Housing Partnership, Inc. and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Columbus Housing Partnership, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Columbus Housing Partnership, Inc. and Affiliates' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Columbus Housing Partnership, Inc. and Affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Columbus Housing Partnership, Inc. and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Columbus Housing Partnership, Inc. and Affiliates' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Columbus Housing Partnership, Inc. and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Columbus Housing Partnership, Inc. and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Columbus Housing Partnership, Inc. and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Columbus Housing Partnership, Inc. and Affiliates, as of and for the year ended December 31, 2022, and have issued our report thereon dated June 28, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 28, 2023

Columbus Housing Partnership, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor Pass-Through Grantor Program Title	Assistance Listing Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development			
Direct			
Supportive Housing for the Elderly	14.157	\$ 7,710,300	7,710,300
Pass-through			
<i>Franklin County</i>			
HOME Investment Partnerships Program	14.239	87,825	-
<i>Housing Partnership Network</i>			
Housing Counseling Assistance Program	14.169	<u>49,750</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development		<u>7,847,875</u>	<u>7,710,300</u>
U.S. Department of Treasury			
Pass-through			
<i>Franklin County</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>48,596</u>	<u>-</u>
Total U.S. Department of Treasury		<u>48,596</u>	<u>-</u>
Congressional Appropriation			
Pass-through			
<i>NeighborWorks America</i>			
NeighborWorks System Program	21.000	<u>398,550</u>	<u>-</u>
Total Congressional Appropriation		<u>398,550</u>	<u>-</u>
Total		\$ <u>8,295,021</u>	<u>7,710,300</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Columbus Housing Partnership, Inc. ("Homeport") and Elim Senior Housing, Inc. under programs of the federal government for the year ended December 31, 2022.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Homeport and Affiliates, it is not intended to and does not present Homeport and Affiliates' financial position, changes in net assets, or cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(b) Homeport has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(c) Pass-through entity identifying numbers are presented when available.

(d) The outstanding balance of loan and loan guarantee programs at December 31, 2022 with continuing compliance requirements which are reported as federal expenditures on the accompanying schedule of expenditures of federal awards was \$7,710,300.

(e) The Section 202 Capital Advances received by Homeport and Elim Senior Housing, Inc. are reported as net assets with donor restrictions at December 31, 2022.

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Significant deficiency identified not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditors' report issued on compliance for major programs: unmodified

Internal control over compliance:

Material weakness identified? Yes X No

Significant deficiency identified not considered to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.157	Supportive Housing for the Elderly
21.000	NeighborWorks System Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

3. Findings and Questioned Costs for Federal Awards

None

Columbus Housing Partnership, Inc. and Affiliates
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
None			

