Corporation for Supportive Housing and its Subsidiaries

Consolidated Financial Statements (With Supplementary Information) and Independent Auditor's Report

December 31, 2022 and 2021

CohnReznick
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Corporation for Supportive Housing and its Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Corporation for Supportive Housing

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Corporation for Supportive Housing and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Corporation for Supportive Housing and its Subsidiaries as of December 31, 2022 and 2021, and the changes in its net assets and its 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Corporation for Supportive Housing and its Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of certain subsidiaries were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the 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 consolidated 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 Corporation for Supportive Housing and its Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 auditor's 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 Corporation for Supportive Housing and its Subsidiaries' 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 Corporation for Supportive Housing and its Subsidiaries' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position, consolidating statements of activities, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for the purpose of additional analysis and are 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 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023 on our consideration of Corporation for Supportive Housing and its Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Corporation for Supportive Housing and its Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation for Supportive Housing and its Subsidiaries' internal control over financial reporting and compliance.

CohnReznick LLP

Bethesda, Maryland
April 28, 2023

Corporation for Supportive Housing and its Subsidiaries

Consolidated Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
Current assets		
Cash and cash equivalents	$ 20,756,289	$ 29,563,502
Cash restricted - administrative agent cash	15,153,186	15,830,460
Investments	11,224,529	27,498,882
Grants and contributions receivable, net	3,166,826	2,971,214
Contracts receivable, net	7,523,595	6,886,652
Loans receivable, net	39,455,245	25,228,478
Other receivables, net	821,197	1,690,514
Prepaid expenses and other assets	1,018,362	595,984
Total current assets	99,119,229	110,265,686
Noncurrent assets		
Investments	9,132,731	9,750,775
Grants and contributions receivable, net	740,495	322,435
Loans receivable, net	88,129,576	71,228,942
Other receivables, net	933,745	311,583
Right-of-use asset operating leases	1,830,161	-
Property and equipment, net	13,365	14,110
Investments in limited liability companies	31,840	28,750
Total noncurrent assets	100,811,913	81,656,595
Total assets	$ 199,931,142	$ 191,922,281

Corporation for Supportive Housing and its Subsidiaries

Consolidated Statements of Financial Position
December 31, 2022 and 2021

Liabilities and Net Assets

	2022	2021
Current liabilities		
Accounts payable and accrued expenses	$ 3,648,004	$ 4,012,184
Advances on contracts	2,417,578	777,131
Grants payable	5,836,235	8,506,992
Current portion of operating leases liabilities	1,056,147	-
Loans payable	1,260,690	17,252,112
Administrative agent cash distributable	15,153,186	15,830,460
Total current liabilities	29,371,840	46,378,879
Noncurrent liabilities		
Grants payable	4,384,122	4,688,246
Loans payable, net of current maturities	101,455,675	81,039,389
Operating leases liabilities, net of current portion	960,953	-
Total noncurrent liabilities	106,800,750	85,727,635
Total liabilities	136,172,590	132,106,514
Net assets		
Without donor restrictions	27,838,960	29,116,573
With donor restrictions	35,919,592	30,699,194
Total net assets	63,758,552	59,815,767
Total liabilities and net assets	$ 199,931,142	$ 191,922,281

Corporation for Supportive Housing and its Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Grants and contributions	$ 123,971	$ 13,858,397	$ 13,982,368	$ 2,001,641	$ 10,761,317	$ 12,762,958
In-kind contributions	-	-	-	70,429	-	70,429
Total public support and revenue	123,971	13,858,397	13,982,368	2,072,070	10,761,317	12,833,387
Contract services	20,033,076	-	20,033,076	19,051,183	-	19,051,183
Interest and dividend income	300,682	-	300,682	241,434	-	241,434
Interest income - loans	6,240,126	-	6,240,126	6,501,526	-	6,501,526
Fee income - loans	2,253,665	-	2,253,665	2,386,212	-	2,386,212
New market tax credit program fees	2,924,329	-	2,924,329	2,611,114	-	2,611,114
Other income	874,019	-	874,019	1,314,880	-	1,314,880
	32,749,868	13,858,397	46,608,265	34,178,419	10,761,317	44,939,736
Net assets released from restrictions	8,637,999	(8,637,999)	-	8,285,432	(8,285,432)	-
Total public support and revenue	41,387,867	5,220,398	46,608,265	42,463,851	2,475,885	44,939,736
Expenses:						
Program services	32,683,238	-	32,683,238	30,012,947	-	30,012,947
Management and general	7,940,480	-	7,940,480	6,645,606	-	6,645,606
Fundraising	741,288	-	741,288	646,634	-	646,634
Total expenses	41,365,006	-	41,365,006	37,305,187	-	37,305,187
Changes in net assets before net realized and unrealized losses on investments	22,861	5,220,398	5,243,259	5,158,664	2,475,885	7,634,549
Net realized and unrealized losses on investments	(1,300,474)	-	(1,300,474)	(490,706)	-	(490,706)
Changes in net assets	(1,277,613)	5,220,398	3,942,785	4,667,958	2,475,885	7,143,843
Net assets - beginning of year	29,116,573	30,699,194	59,815,767	24,448,615	28,223,309	52,671,924
Net assets - end of year	$ 27,838,960	$ 35,919,592	$ 63,758,552	$ 29,116,573	$ 30,699,194	$ 59,815,767

See Notes to Consolidated Financial Statements.

Corporation for Supportive Housing and its Subsidiaries

Consolidated Statements of Functional Expenses
Years Ended December 31, 2022 and 2021

	2022				2021			
	Program services	Management and general	Fund-raising	Total	Program services	Management and general	Fund-raising	Total
Expenses								
Salaries and wages	$ 13,082,345	$ 4,689,079	$ 522,587	$ 18,294,011	$ 10,491,412	$ 3,896,127	$ 447,418	$ 14,834,957
Employee benefits and payroll taxes	3,297,809	1,076,813	133,088	4,507,710	2,809,695	1,024,170	125,286	3,959,151
Consultants	4,177,485	327,571	6,315	4,511,371	3,795,857	216,163	10,000	4,022,020
Professional fees	434,314	215,966	1,361	651,641	294,955	169,664	-	464,619
Rent, utilities and maintenance	589,072	387,146	64,259	1,040,477	667,211	391,322	44,608	1,103,141
Management information system	121,958	297,862	-	419,820	45,920	316,831	12,347	375,098
Telephone	118,625	36,492	4,832	159,949	109,667	41,388	4,993	156,048
Supplies	40,305	17,772	1,340	59,417	18,170	12,012	570	30,752
Equipment repairs and maintenance	75,044	146,490	-	221,534	44,765	108,672	-	153,437
Postage and messenger services	18,272	6,133	712	25,117	13,046	4,671	564	18,281
Duplication	38,206	10,628	1,442	50,276	17,194	6,360	773	24,327
Staff travel	427,963	107,029	690	535,682	12,924	2,516	-	15,440
Insurance	8,979	93,966	-	102,945	2,015	109,271	-	111,286
Other administrative expenses	179,572	237,738	4,647	421,957	192,466	228,134	-	420,600
Conferences, meetings and seminars	450,708	212,828	15	663,551	113,067	58,590	75	171,732
Grants and direct support	6,497,571	-	-	6,497,571	9,453,488	3,394	-	9,456,882
Depreciation and amortization	-	37,679	-	37,679	-	25,298	-	25,298
Interest	2,492,759	31,413	-	2,524,172	1,975,117	30,987	-	2,006,104
In-kind interest and services	-	-	-	-	70,429	-	-	70,429
(Recovery of) Provision for bad debt expense	632,251	7,875	-	640,126	(114,451)	36	-	(114,415)
	$ 32,683,238	$ 7,940,480	$ 741,288	$ 41,365,006	$ 30,012,947	$ 6,645,606	$ 646,634	$ 37,305,187

See Notes to Consolidated Financial Statements.

Corporation for Supportive Housing and its Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 3,942,785	$ 7,143,843
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Impairment of property and equipment	-	44,800
Depreciation and amortization	37,679	25,298
Provision for bad debt (recovery) expense	573,089	(651,966)
Net realized and unrealized losses on investments	1,300,474	490,706
Grants receivable discount	61,940	(232,162)
Changes in:		
Grants and contributions receivable	(675,612)	5,180,216
Contracts receivable	(845,818)	1,310,355
Other receivables	268,948	48,932
Prepaid expenses	(448,928)	(193,510)
Operating leases right-of-use assets	(1,830,161)	-
Accounts payable and accrued expenses	(364,180)	(307,988)
Advances on contracts	1,640,447	204,506
Grants payable	(2,974,881)	(25,408)
Administrative agent cash distributable	(677,274)	6,571,427
Operating leases liabilities	2,017,100	-
Net cash provided by operating activities	2,025,608	19,609,049
Cash flows from investing activities:		
Purchases of property and equipment	(10,384)	-
Purchases of investments	(4,590)	(18,968,020)
Proceeds from sales of investments	15,593,423	3,261,240
Cash payments under loan obligations	(78,359,152)	(59,647,146)
Cash collections under loan obligations	46,845,744	47,750,587
Net cash used in investing activities	(15,934,959)	(27,603,339)
Cash flows from financing activities:		
Proceeds from loans payable	20,304,750	20,525,001
Payments on loans payable	(15,879,886)	(16,809,822)
Net cash provided by financing activities	4,424,864	3,715,179
Net decrease in cash and cash equivalents and restricted cash	(9,484,487)	(4,279,111)
Cash and cash equivalents and restricted cash - beginning of year	45,393,962	49,673,073
Cash and cash equivalents and restricted cash - end of year	$ 35,909,475	$ 45,393,962
Supplemental cash flow information:		
Cash paid for interest	$ 2,256,351	$ 1,904,848
Reconciliation of cash and cash equivalents and restricted cash		
Cash and cash equivalents	$ 20,756,289	$ 29,563,502
Cash restricted - administrative agent cash	15,153,186	15,830,460
Total cash and cash equivalents and restricted cash presented in the statement of cash flows	$ 35,909,475	$ 45,393,962
Significant noncash investing and financing activities		
Loans receivable written off against the allowance for loan loss	$ 65,710	$ 300,000
Write-off of loans receivable offset against forgiveness of loans payable	$ -	$ 36,893
Supplemental dicslosure of cash flow information		
Right-of-use asset in exchange for operating lease liabilities	$ 1,830,161	$ -

See Notes to Consolidated Financial Statements.

Note A - Organization and its significant accounting policies

Organization

The Corporation for Supportive Housing ("CSH") is a publicly supported not-for-profit organization, incorporated in the State of Delaware on January 25, 1991.

It is CSH's mission to advance housing solutions that deliver three powerful outcomes: (i) improve lives for the most vulnerable people; (ii) maximize public resources; and (iii) foster strong, healthy communities across the country. CSH is working to solve some of the most complex and costly social problems our country faces like those related to homelessness. It offers capital, expertise, information and innovation that allow partners to use supportive housing to achieve stability, strength and success for the people in most need. CSH blends 31 years of experience and dedication with a practical and entrepreneurial spirit, making it the source for housing solutions. CSH is an industry leader with national and local influence. CSH is headquartered in New York City with staff stationed in 28 states around the country as well as Puerto Rico. CSH's primary sources of financial support come from grants, contributions and contract service revenue as well as fees and interest income earned on originating and managing loans receivable.

In 2011, CSH became certified as a Community Development Entity ("CDE") under the New Markets Tax Credit ("NMTC") Program of the United States Department of Treasury and, as of December 31, 2022, has been awarded $375,000,000 in NMTC allocations to support the innovative financing of supportive housing projects throughout the United States. To assist in administering the NMTC Program, during 2011, CSH formed a wholly-owned Delaware Holding Company (the "HC"). In addition, CSH formed four Delaware limited liability companies (the "LLCs") in 2011, six LLCs in 2015, five LLCs in 2017, five LLCs in 2018, five LLCs in 2019,five LLCs in 2020 and five LLCs in 2022 to obtain designated equity investments from investors and to make qualified low-income community investments under the terms of the NMTC program. CSH is the managing member of each LLC. As of December 31, 2022, of the thirty-five LLCs that have been formed, twenty-seven have entered into NMTC based agreements. Of these twenty-seven agreements, three reached the end of their seven-year compliance period during 2019 and unwound the NMTC structure. The LLCs relating to these investments were dissolved in 2019 leaving twenty-four active NMTC investments as of December 31, 2022. As the managing member, CSH will be entitled to 0.01% of any income earned by each LLC. In addition, as the managing member, CSH is also entitled to upfront suballocation fees and annual management fees related to any NMTC-qualified equity investment.

During 2013, CSH formed The Supportive Housing Solutions Fund (the "Solutions Fund"), a wholly-owned single member LLC, incorporated in the State of Delaware. The Solutions Fund was created in order to attract loan capital from investors that would enjoy a greater degree of flexibility in terms and conditions and the dollar amounts of secondary loans made by the Solutions Fund; the geographic location of the Solutions Fund's ultimate borrowers; and in the amount of the loan loss reserves required to be carried by the Solutions Fund.

During 2016, CSH formed The Denver PFS, LLC, special-purpose vehicle ("Denver PFS SPV") in partnership with Enterprise Community Partners, Inc. and incorporated in the State of Delaware. CSH has a 50% ownership of Denver PFS SPV and serves as project manager. Denver PFS SPV was created for the purposes of entering into a Social Impact Bond Contract with the City and County of Denver, in which if certain outcomes are achieved, Denver PFS SPV will receive success payments and funds will be distributed to lenders to repay loans made to Denver PFS SPV for the project. The project completed its performance period in 2021 and was fully dissolved as of Feb 4, 2022.

During 2017, CSH formed JIR PFS, LLC, special-purpose vehicle ("JIR PFS SPV") in partnership with National Council on Crime and Delinquency and incorporated in the State of Delaware. CSH has a 50% ownership of the JIR PFS SPV and serves as the fiscal agent. The JIR PFS SPV was created for the purposes of entering into a Pay for Success Contract with the County of Los Angeles, in which if certain outcomes are achieved, JIR PFS SPV will receive success payments and funds will be distributed to lenders to repay loans made to JIR PFS SPV for the project. The project success period ended on June 30, 2022 and proceeds were distributed to lenders to repay their loans and provide success payments. The JIR PFS SPV will be dissolved in 2023.

During 2022, CSH formed Denver SIPPRA, LLC, special-purpose vehicle ("SIPPRA SPV") incorporated in the State of Delaware. CSH has a 100% ownership of the SIPPRA SPV and serves as the fiscal agent. The SIPPRA SPV was created for the purposes of entering into a Social Impact Bond Contract with the City and County of Denver, in which if certain outcomes are achieved, SIPPRA SPV will receive success payments and funds will be distributed to lenders to repay loans made to SIPPRA SPV for the project.

Principles of consolidation
The accompanying consolidated financial statements of CSH include the accounts of CSH, the Solutions Fund, SIPPRA SPV and the HC (collectively, the "Organization"). CSH's investments in the LLCs are accounted for using the equity method. All significant intercompany balances and transactions are eliminated in consolidation.

Basis of accounting
The accompanying consolidated financial statements of CSH and its Subsidiaries have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("US GAAP"), as applicable to not-for-profit entities.

Use of estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and revenue and expenses, as well as the disclosure of contingent estimates.

Cash equivalents
For financial reporting purposes, CSH considers all highly-liquid investments purchased with maturities of three months or less to be cash equivalents, with the exception of cash and short-term investments that are designated to be part of CSH's long-term investment portfolio.

Loans receivable
Loans receivable are carried at their unpaid principal balance, less an allowance for loan losses. Interest on loans is generally recognized over the term of the loan and is calculated using the simple-interest method on the principal amounts outstanding.

Additionally, CSH has entered into certain loan participation agreements with other organizations as the lead lender and generally accounts for these loan participations as sales by derecognizing the participation interest sold. No gain or loss on sale is incurred. CSH accounts for the transfer and servicing of financial assets based on the financial and servicing assets it controls and liabilities it has incurred. CSH retains the servicing rights on these participations. Since the benefits of servicing approximate the costs, no servicing asset or liability is recognized. As of December 31, 2022 and 2021, the balance of loan participations serviced was $25,998,391 and $28,906,398, respectively, and is included as an offset component of loans receivable, net on the accompanying consolidated statements of financial position.

Allowance for loan loss

The allowance for loan loss is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the loan portfolio. The amount of the allowance is based on management's evaluation of the collectability of the loan portfolio, reflecting the nature of the portfolio, credit concentrations, trends in historical loss experience, and general economic conditions. The allowance is increased by an annual provision for loan losses, which is reported as an expense and is reduced by any loan write-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of credit losses inherent in the loan portfolio, and the related allowance, may change in future periods.

Investments

CSH's investments in fixed-income securities are reported at their quoted fair market values. Included in fixed-income securities are corporate, government and agency bonds, and bond mutual funds which are reported at their fair market values, as determined by the related investment managers. Money market funds held by investment advisors as a part of the portfolio are reported as investments in the accompanying consolidated statements of financial position. Net realized and unrealized gains and losses are reported in the accompanying consolidated statements of activities.

CSH's investment in an alternative security, consisting of a limited liability company, is reported at its fair value. This alternative investment may have restrictions as to its marketability that could affect CSH's ability to liquidate the investment quickly. Estimated fair value may differ significantly from the value that would have been used had a ready market for this security existed.

CSH's primary investment objective is to maximize total return with minimal risk. The stated goal is to preserve capital that is intended for CSH's charitable mission, while also generating cash flow to support its operations. CSH's various types of investment securities are subject to various risks, such as an interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Property and equipment

Property and equipment are stated at their original costs, less accumulated depreciation or amortization. Donated assets are recorded at their related fair market values on the dates of the gifts. CSH's policy is to capitalize all acquisitions in excess of $5,000 and with useful lives in excess of one year. Furniture and office equipment are depreciated using the straight-line method over their estimated useful lives or the respective lease terms, whichever is shorter. Leasehold improvements are amortized over their estimated useful lives or the respective lease terms, whichever is shorter.

Operating Leases

CSH leases facilities and equipment under long-term operating leases which are non-cancelable and expire on various dates. At the lease commencement date, lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term, which includes all fixed obligations arising from the lease contract. If an interest rate is not implicit in a lease, CSH utilizes its average incremental borrowing rate for a period closely matching the lease term.

Accrued paid time off

CSH's employees are entitled to be paid for unused personal time off ("PTO") if they leave CSH's employ. Accordingly, at each fiscal year-end, CSH must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave their employ. At December 31, 2022 and 2021, this accrued vacation obligation was approximately $1,681,896 and $1,547,237, respectively, and is included as a component of accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

Net assets

Basis of presentation - The financial statements of CSH have been prepared in accordance with US GAAP, which require CSH to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CSH's management and the board of directors.
>
> **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CSH or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
>
> Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Grants and contributions

Contributions to CSH are recognized as revenue in the accompanying consolidated statements of activities upon the receipt either of cash, other assets or of unconditional pledges. Grant revenue is recognized based on the terms of each individual grant. 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. Grants and contributions are considered available for unrestricted use, unless specifically restricted by the donor. Grants and contributions to be received over periods longer than one year are discounted at an interest rate commensurate with the risk involved.

Contract services

Revenue from cost-reimbursement contracts is recognized when reimbursable expenses are incurred under the terms of the contracts. Contract proceeds received in advance are recorded as advances from federal, state, local, and private agencies and are presented on the accompanying consolidated statements of financial position as a component of advances on contracts.

Allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services based on reasonable allocations determined by management.

The expenses that are allocated and the method of allocation include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Rent, utilities, and maintenance	Full time equivalent
Telephone	Time and effort
Supplies	Time and effort
Insurance	Time and effort

Grants and direct support

Grants and direct support to others are recognized as expenses in the period the grants are approved. At December 31, 2022, the majority of outstanding grants payable are expected to be paid within one year.

Income taxes

CSH is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "IRC") and from state and local taxes under comparable laws.

The HC uses the asset and liability method to account for deferred income taxes. Under this method, assets and liabilities are recognized for the future tax attributable to differences between the financial statement carrying amounts and the respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including tax planning strategies and other factors.

As of December 31, 2022 and 2021, the HC did not engage in activity requiring the recognition of a deferred tax asset or liability or recording a current provision for income taxes.

CSH is the single member of the Solutions Fund. As such, the Solutions Fund is treated as a disregarded entity under the IRC and CSH reports the activities of the Solutions Fund and the existence of its controlling interest in the Solutions Fund on CSH's tax return.

CSH is the single member of the Denver SIPPRA, LLC. As such, the Denver SIPPRA, LLC is treated as a disregarded entity under the IRC and CSH reports the activities of the Denver SIPPRA, LLC and the existence of its controlling interest in the Denver SIPPRA, LLC on CSH's tax return.

CSH and the HC are required to file and do file tax returns with the Internal Revenue Service ("IRS") and other taxing authorities. Income tax returns filed by CSH and the HC are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2019 remain open.

Fair value measurement

CSH reports a fair value measurement for all applicable financial assets and liabilities including investments, grants and contributions receivable, loans receivable, short-term payables and loans payable. (For fair valuation of investments, see Note G.

Administrative agent cash

During 2012, in connection with its working relationship with the Connecticut Housing Finance Authority (the "CHFA"), CSH was appointed as an agent for the administration of operating reserve accounts for several projects into which the CHFA and various limited-liability companies (the "Companies") had entered. As a result, CSH maintains control of the funds deposited by the CHFA to each of the Companies' operating reserve accounts to assist in the operation of these projects. Under the terms of its agreement with the CHFA, CSH will process the corresponding drawdown requests and payments.

The funds received for distribution from the CHFA are reported as a restricted cash asset and corresponding liability in the accompanying consolidated financial statements. CSH receives an annual fee from each of the Companies for the administration of these operating reserve accounts.

During 2020, in connection with its working relationship with the Connecticut Department of Housing (the "DOH"), CSH was appointed as an agent for the administration of operating reserve accounts for several projects into which the DOH and various limited-liability companies (the "Companies") had entered. As a result, CSH maintains control of the funds deposited by the DOH to each of the Companies' operating reserve accounts to assist in the operation of these projects. Under the terms of its agreement with the DOH, CSH will process the corresponding drawdown requests and payments.

The funds received for distribution from the DOH are reported as a restricted cash asset and corresponding liability in the accompanying consolidated financial statements. CSH receives compensation from DOH for the administration of these operating reserve accounts under a separate contract.

Recently Adopted Accounting Standards

CSH adopted Accounting Standards Update 2016-02 (as amended), Leases (Topic 842) on January 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for virtually all leases. CSH elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the consolidated financial statements.

- The practical expedient permitting the Organization to apply an incremental borrowing rate as its discount rate instead of the rate implicit in the lease or its incremental borrowing rate.

CSH made the following adjustments as of the adoption date in connection with transitioning to Topic 842:

	As of January 1, 2022
Operating lease right-of-use assets	$ 2,564,024
Operating lease liabilities	$2,849,777

CSH's adoption of Topic 842 also resulted in a decrease of $285,753 in deferred rent, which amount was reclassified to operating lease right-of-use assets at adoption. The adoption of Topic 842 did not have a material impact on the Organization's net assets for the year ended December 31, 2022.

In addition, during the year ended December 31, 2022, CSH adopted the provisions of FASB Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU provides revised guidance to improve the effectiveness and transparency of the financial statement presentation and disclosure requirements for contributed nonfinancial assets. Adopting the new standard did not have a material effect on CSH's consolidated financial statements.

Change in Accounting Estimate
Effective January 1, 2022, CSH changed its accounting estimate when measuring the discount in interest in loans payable for in-kind contributions. Previously, CSH measured in-kind contributions as the difference between interest computed at a reasonable fair-market rate and at the stated interest rates. As a non-profit Community Development Financial Institution (CDFI), CSH receives low interest loans from banks and philanthropic sources to provide loans to economically disadvantaged communities and is passing along the reduced interest rates. As a result, management has determined that loans payables are at market rate comparable to other not-for-profit CDFI loan fund entities. The change in accounting estimate did not impact CSH's change in net assets as the amount of in-kind contributions reported was equal to the amount of imputed interest.

Upcoming Accounting Pronouncements
In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326):Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which creates a new credit impairment standard for financial instruments. The new standard will require management to make a current estimate of expected credit losses as opposed to current U.S. generally accepted accounting principles which delayed recognition until loss was probable. As a result of the ASU, management will be required to perform an assessment of expected credit losses on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 is applicable to loans, debt securities, trade receivables, net investments in leases, off balance-sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have a contractual right to receive cash. In the period of adoption, the Organization will record a cumulative-effect adjustment to changes in net assets and in subsequent years, changes in the current expected credit loss for the reporting period will be reported on the statement of activities. Expanded disclosures will also be required. The ASU along with certain related ASUs clarifying the scope of ASU 2016-13 and providing transition relief will be effective for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

Reclassifications
Reclassifications have been reflected in the current year presentation for prior year balances. Such reclassifications are for comparative purposes only and do not restate the prior year consolidated financial statements.

Subsequent events
Material subsequent events have been considered for recognition and disclosure in these consolidated financial statements through April 28, 2023, the date the consolidated financial statements were available to be issued and the Organization has concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

Note B - Liquidity and availability

The table below represents financial assets available for general expenditures within one year at December 31, 2022 and 2021:

Financial assets at year end:	2022	2021
Cash and cash equivalents	$ 20,756,289	$ 29,563,502
Cash restricted - administrative agent cash	15,153,186	15,830,460
Investments	11,224,529	27,498,882
Grants and contributions receivable, net	3,166,826	2,971,214
Contracts receivable, net	7,523,595	6,886,652
Loans receivable, net	39,455,245	25,228,478
Other receivables, net	821,197	1,690,514
Total financial assets	98,100,867	109,669,702
Less amounts not available to be used within one year:		
Cash restricted - administrative agent cash	(15,153,186)	(15,830,460)
Cash and cash equivalents	(9,285,912)	(4,754,424)
Net assets with donor restrictions net of current grants and contributions receivable	(32,752,766)	(27,727,980)
Loans receivable, net	(17,442,577)	(11,735,499)
Financial assets not available to be used within one year	(74,634,441)	(60,048,363)
Financial assets available to meet general expenditures within one year	$ 23,466,426	$ 49,621,339

As of December 31, 2022, CSH has a working capital of $113,329 and average days (based on normal expenditures) cash on hand of approximately 183 days. Additionally, CSH has an internal policy of maintaining six months of operating reserves.

As discussed in Note A, CSH was appointed as an agent for the administration of operating reserve accounts for several projects into the CHFA, DOH and various LLCs. As a result, CSH maintains control of the funds deposited by the CHFA and DOH to each of the company's operating reserve accounts to assist in the operations of these projects and therefore these amounts are not available for general expenditures.

Cash and cash equivalents not available for use consist of the amounts of cash and cash equivalents of Solutions Fund which are designated by policy to be utilized by the Solutions Fund in accordance with its mission. However, these amounts could be made available to CSH for general expenditures if necessary. Loans receivable not available for use consist of the amounts of loans receivable of the Solutions Fund that are funded by various loans payable of the Solutions Fund which are designated by those related loans payable agreements to be utilized by the Solutions Fund in accordance with its mission.

Note C - Grants and contributions receivable

At each year-end, grants and contributions receivable consisted of the following:

	2022	2021
Gross amounts due in:		
One year	$ 3,166,826	$ 2,971,214
One to five years	831,691	351,691
	3,998,517	3,322,905
Less reduction of grants and contributions due in excess of one year, at a discount rate of 4.5% and 2.25% for years ending 2022 and 2021, respectively	(91,196)	(29,256)
	$ 3,907,321	$ 3,293,649

Based on its communications with donors and a review of its donor base, management expects all of the grants and contracts receivable to be fully collected.

Note D - Loans receivable

Loans receivable represent short-term and long-term loans made to developers of supportive housing. Loans support the borrowers' predevelopment, acquisition, construction, and "mini-perm" cash flow requirements related to the establishment of permanent supportive housing for individuals and families with special needs. The loan portfolio contains loans with interest rates ranging from 0% to 7.0% and with repayment terms of up to eight years.

Loans receivable consist of the following four primary classes: Acquisition and predevelopment loans, Predevelopment loans, Project Initiation Loans ("PILS") and Mini Permanent loans.

Acquisition and predevelopment loans are made available to provide financing for real estate acquisition in connection with the development of permanent supportive housing. Acquisition and predevelopment loans are offered alone as just an acquisition loan or in combination with both acquisition and predevelopment loans. Predevelopment loans are made available to fund predevelopment costs - such as architect, engineering and permit fees - incurred prior to the start of construction. PILS are early stage loans designed to encourage real estate developers to take on permanent supportive housing projects by financing the costs related to a project's feasibility stage. Mini-Permanent loans are made available for projects that have completed construction.

Loans receivable, by class, as of December 31, 2022 and 2021, were as follows:

	2022		2021	
Acquisition and predevelopment	40	$ 113,416,456	30	$ 82,612,084
Predevelopment	38	13,067,218	31	12,392,477
Project initiation loans	16	800,000	13	750,000
Mini permanent	3	2,278,539	3	2,310,272
Other	-	-	-	-
Total loans receivable	97	129,562,213	77	98,064,833
Less: Allowance for uncollectible loans		(1,977,392)		(1,607,413)
Loans receivable, net		$ 127,584,821		$ 96,457,420

An aging of loans receivable, by class, as of December 31, 2022 and 2021, is as follows:

December 31, 2022	Current	31-60 Days Past Due	61-90 Days Past Due	91-180 Days Past Due	181+ Days Past Due	Total
Acquisition and predevelopment	$ 111,977,156	$ -	$ -	$ 1,439,300	$ -	$ 113,416,456
Predevelopment	13,067,218	-	-	-	-	13,067,218
Project initiation loans	800,000	-	-	-	-	800,000
Mini permanent	2,278,539	-	-	-	-	2,278,539
Other	-	-	-	-	-	-
	$ 128,122,913	$ -	$ -	$ 1,439,300	$ -	$ 129,562,213

December 31, 2021	Current	31-60 Days Past Due	61-90 Days Past Due	91-180 Days Past Due	181+ Days Past Due	Total
Acquisition and predevelopment	$ 81,172,784	$ -	$ -	$ 1,439,300	$ -	$ 82,612,084
Predevelopment	12,019,489	372,988	-	-	-	12,392,477
Project initiation loans	700,000	50,000	-	-	-	750,000
Mini permanent	2,310,272	-	-	-	-	2,310,272
Other	-	-	-	-	-	-
	$ 96,202,545	$ 422,988	$ -	$ 1,439,300	$ -	$ 98,064,833

As of December 31, 2022 and 2021, the allowance for loan loss, by class, is as follows:

December 31, 2022	Beginning Balance	Provision for (Recovery of) loan loss	Write-off	Recoveries	Total
Acquisition and predevelopment	$ 1,151,578	$ 619,353	$ (65,710)	$ -	$ 1,705,221
Predevelopment	382,245	(473,097)	-	300,000	209,148
Project initiation loans	28,000	(10,000)	-	-	18,000
Mini permanent	45,590	(567)	-	-	45,023
Other	-	-	-	-	-
	$ 1,607,413	$ 135,689	$ (65,710)	$ 300,000	$ 1,977,392

December 31, 2021	Beginning Balance	(Recovery of) Provision for loan loss	Write-off	Recoveries	Total
Acquisition and predevelopment	$ 1,614,273	$ (990,695)	$ -	$ 528,000	$ 1,151,578
Predevelopment	553,443	128,802	(300,000)	-	382,245
Project initiation loans	22,000	6,000	-	-	28,000
Mini permanent	46,122	(532)	-	-	45,590
Other	-	-	-	-	-
	$ 2,235,838	$ (856,425)	$ (300,000)	$ 528,000	$ 1,607,413

CSH maintains a loan monitoring committee to review various economic conditions which may affect its loan program. The loan monitoring committee meets periodically throughout the year to review CSH's loan portfolio, its inherent risks, the risk rating of specific loans, the strategies intended to facilitate timely loan repayment, and assignments to staff members for follow-up and collection. Generally, the risk rating for loans provides for a measurement of the credit quality of the loan portfolio through the following five categories: strong, good, acceptable, weak and doubtful. Loans receivable are written off when the near-term prospects for collection appear remote and it is doubtful that a loan is considered partially or fully collectible.

Loans receivable, by class and credit quality category, as of December 31, 2022 and 2021, are as follows:

December 31, 2022	Strong	Good	Acceptable	Weak	Doubtful	Total
Acquisition and predevelopment	$ 10,194,238	$ 81,412,883	$ 20,370,035	$ 1,439,300	$ -	$ 113,416,456
Predevelopment	3,000	11,214,218	1,850,000	-	-	13,067,218
Project initiation loans	-	-	800,000	-	-	800,000
Mini permanent	420,661	1,857,878	-	-	-	2,278,539
	$ 10,617,899	$ 94,484,979	$ 23,020,035	$ 1,439,300	$ -	$ 129,562,213

December 31, 2021	Strong	Good	Acceptable	Weak	Doubtful	Total
Acquisition and predevelopment	$ 5,797,604	$ 61,069,326	$ 14,305,854	$ 1,439,300	$ -	$ 82,612,084
Predevelopment	1,114,160	8,496,577	2,550,000	231,740	-	12,392,477
Project initiation loans	-	-	750,000	-	-	750,000
Mini permanent	434,514	1,875,758	-	-	-	2,310,272
	$ 7,346,278	$ 71,441,661	$ 17,605,854	$ 1,671,040	$ -	$ 98,064,833

Additionally, to further mitigate its risk, CSH secured a $5,000,000 restricted grant from the City of Los Angeles to cover loan losses in its Los Angeles loan fund. It also secured a $435,000 loan from the State of Indiana Housing and Community Development Authority (as disclosed in Note I), and a $171,300 loan from the Ohio Housing Finance Authority (as disclosed in Note I), with a provision that CSH will not repay any actual losses resulting from providing project-initiation loans underwritten in either of those two states. CSH had a loss on a project-initiation loan in Indiana of $36,863 in 2021 which reduced the State of Indiana Housing and Community Development Authority loan to $398,107 (as disclosed in Note I).

During the years ended December 31, 2022 and 2021, $11,171,424 and $19,062,819, respectively, of loans receivable were modified to include extensions of maturity dates, ranging from one to two years at similar terms for those organizations. As of December 31, 2022 and 2021, $23,116,608 and $29,919,517, respectively, of outstanding loans receivable have been restructured in this manner.

As of December 31, 2022, there is one loans receivable that is considered impaired and on non-accrual. There were two loans receivable that were considered impaired along with one additional loan on non-accrual status at December 31, 2021.

During the year ended December 31, 2022, there was a recovery of a loan receivable written off in 2021 for $300,000.

CSH has lending policies and procedures in place to underwrite and monitor loans for its portfolio. For each loan, CSH conducts a risk rating analysis based on the loan type (acquisition and predevelopment, predevelopment, project initiation loans, mini permanent, and other) by reviewing the following criteria: management rating, financial condition, real estate development capacity and experience, project viability, collateral, take-out financing status and the local real estate market. Each criterion is rated. The five rating categories are: strong, good, acceptable, weak and doubtful. When the risk rating on a loan has been listed as doubtful, it is considered to be a partially or fully uncollectable loan. The Organization conducts a comprehensive review of all outstanding loans at least annually.

As part of CSH's risk rating analysis, a corresponding reserve has been allocated to each loan in the loan portfolio. The total of these reserves as indicated by CSH's risk rating analysis for the years ended December 31, 2022 and 2021 was $1,977,392 (2% of the loan portfolio) and $1,607,413 (1.6% of the loan portfolio), respectively.

Note E - Contracts receivable

Contracts receivable consist of amounts due to CSH from federal, state, local and private agencies. All amounts are due within one year. Based on management's evaluation of the collectability of the receivables, as of December 31, 2022 and 2021, CSH recorded an allowance for uncollectible receivables of $207,339 and $269,036, respectively.

Contracts are recorded as revenue to the extent that expenses have been incurred for the purposes specified by the underlying contract agreements. For 2022 and 2021, advances on contracts received in excess of amounts spent were $2,417,578 and $777,131, respectively.

Note F - Other receivables

Other receivables consist primarily of fees and accrued interest relating to CSH's loan portfolio due from unrelated not-for-profit organizations, as disclosed in Note D. Based on management's evaluation of the collectability of the receivables, at December 31, 2022 and 2021, CSH has recorded an allowance for uncollectible receivables of $24,531 and $30,296, respectively.

Note G - Investments

At each year-end, investments were reported at their fair values and consisted of the following:

	2022		2021	
	Fair value	Cost	Fair value	Cost
Corporate and government fixed-income securities	$ 18,987,430	$ 20,000,738	$ 21,252,394	$ 20,965,169
Money market funds	1,369,830	1,369,830	15,997,263	15,997,263
	$ 20,357,260	$ 21,370,568	$ 37,249,657	$ 36,962,432

During each year, investment (losses) income consisted of the following:

	2022	2021
Interest and dividends	$ 300,682	$ 241,434
Net unrealized (losses) on investments	(1,300,533)	(513,000)
Net realized gains on sales of investments	59	22,294
	$ (999,792)	$ (249,272)

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value as follows:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for the same or identical assets and liabilities at the reporting date.

Level 2: Valuations are based on: (i) quoted prices for similar assets or liabilities in active markets; or (ii) quoted prices for identical or similar assets or liabilities in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those securities that are redeemable at or near the balance sheet date and for which a model was derived for valuation.

Level 3: Fair value is determined based on pricing inputs that are unobservable and includes situations where: (i) there is little, if any, market activity for the asset or liability; or (ii) the underlying investments of which cannot be independently valued; or (iii) they cannot be immediately redeemed at or near the fiscal year-end.

The following tables summarize the fair values of investments at each year-end, in accordance with the valuation-hierarchy levels:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Corporate and government fixed-income securities	$ -	$ 18,987,430	$ -	$ 18,987,430
Money market funds	1,369,830	-	-	1,369,830
	$ 1,369,830	$ 18,987,430	$ -	$ 20,357,260

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Corporate and government fixed-income securities	$ -	$ 21,252,394	$ -	$ 21,252,394
Money market funds	15,997,263	-	-	15,997,263
	$ 15,997,263	$ 21,252,394	$ -	$ 37,249,657

Note H - Property and equipment

At each year-end, property and equipment consisted of the following:

	2022	2021
Furniture and office equipment	$ 557,144	$ 557,144
Leasehold improvements	281,248	270,864
	838,392	828,008
Less accumulated depreciation and amortization	(825,027)	(813,898)
	$ 13,365	$ 14,110

Note I - Loans payable

At each year-end, loans payable was uncollateralized and consisted of the following:

	2022	2021
Indiana Housing and Community Development Authority note payable, 0% interest through maturity, September 30, 2023.	$ 398,107	$ 398,107
Conrad N. Hilton Foundation note payable, at 0% through maturity, March 31, 2024.	1,936,085	1,936,085
CommonSpirit (Dignity Health) note payable, interest is payable quarterly at 2.5% through maturity, May 31, 2024.	3,000,000	3,000,000
US Bank line of credit, interest is payable quarterly at LIBOR + 1.75% through maturity, July 30, 2024.	5,000,000	2,500,000
Capital One, NA note payable, interest due quarterly at 1% through maturity, April 1, 2025.	1,000,000	1,000,000
HSBC CARES ACT PPP Funds Interest is payable at 1.0% through maturity, May 24, 2025.	2,099,123	2,953,009
Ohio Housing Finance Agency note payable, 0% note payable principal due October 1, 2025.	171,300	171,300
van Ameringen Fdn NY note payable; at 0% through maturity, March 15, 2026.	1,000,000	1,000,000
Opportunity Finance Network notes payable, at 2% through maturity, July 14, 2026.	5,000,000	5,000,000
First Republic, NA note payable; interest due quarterly at 2% through maturity, November 12, 2026.	4,100,000	-
JPMorgan Chase line of credit, interest is payable quarterly based on LIBOR + 2.125% through maturity, December 10, 2026.	7,600,000	7,600,000
Mercy Investment Services, Inc. note payable, interest is payable quarterly at 3% through maturity, December 15, 2026.	1,500,000	1,500,000
California Community Foundation note payable, interest is payable quarterly at 2.0% through maturity, June 30, 2027.	6,000,000	6,000,000
California Community Foundation note payable, interest is payable quarterly at 2.0% through maturity, June 30, 2027.	5,000,000	5,000,000
Weingart Foundation note payable, interest is payable quarterly at 2.0% through maturity, June 30, 2027.	5,000,000	5,000,000
Federal Home Loan Bank of New York note payable, interest is payable monthly at 3.59% through maturity, October 12, 2028.	5,600,000	5,600,000
Wells Fargo Bank, N.A. note payable, interest is payable annually at 2% through maturity, April 26, 2031.	2,500,000	2,500,000
The California Endowment note payable, interest payable quarterly at 2% through maturity, March 31, 2032.	6,000,000	-
Illinois Housing Development Authority, 0% through maturity, August 10, 2032.	1,099,000	-

Morgan Stanley line of credit, interest is payable quarterly based on LIBOR + 2.0% through maturity, July 31, 2025.	8,036,000	10,096,000
HSBC line of credit, interest is payable quarterly based on LIBOR + 1.75% through maturity, July 31, 2025.	8,036,000	10,096,000
Deutsche Bank Trust Company America line of credit, interest is payable quarterly based on LIBOR + 2.4% through maturity, July 31, 2025.	5,199,500	6,531,000
Amalgamated Bank line of credit, interest is payable quarterly based on LIBOR + 2.4% (2.85% min) through maturity, July 31, 2025.	2,647,000	3,325,000
Robert Wood Johnson Foundation line of credit, interest is payable quarterly at 0% for three years, 2.5% thereafter through maturity, July 31, 2030.	3,214,500	3,087,000
Robert Wood Johnson Foundation line of credit, interest is payable quarterly at 0% for three years, 2.0% thereafter through maturity, July 31, 2030.	2,457,500	4,039,000
Conrad Hilton Foundation line of credit, interest is payable quarterly at 2.0% through maturity, July 31, 2030.	2,000,000	2,000,000
Annie E. Casey Foundation line of credit, interest is payable quarterly at 2.0% through maturity, July 31, 2030.	1,890,000	2,376,000
Bank of America line of credit, interest is payable quarterly based on LIBOR + 2.0% through maturity, July 31, 2025.	5,232,250	5,583,000
	$ 102,716,365	$ 98,291,501

The required principal payments on the above obligations in each of the five years subsequent to 2021 are as follows:

Year Ending December 31,	Amount
2023	$ 1,260,690
2024	10,807,331
2025	30,687,344
2026	19,200,000
2027	16,000,000
Thereafter	24,761,000

Interest expense for 2022 and 2021 was $2,524,172 and $2,006,104, respectively.

In 2022, CSH entered into subordinated loan agreements with the California Community Foundation and the Weingart Foundation. These loan agreements are unsecured and subordinated to CSH's obligations to other creditors. Interest rates with these loans are 2% and maturing on June 30, 2027. As of December 31, 2022, outstanding balance of these loans amounted to $16,000,000.

In 2021, CSH entered into subordinated loan agreements with the Annie E. Casey Foundation, Conrad Hilton Foundation and Robert Wood Johnson Foundation. These loan agreements are unsecured and subordinated to CSH's obligations to other creditors. Interest rates with these loans range from 0% - 2.5% and maturing on July 31, 2030. As of December 31, 2022, outstanding balance of these loans amounted to $6,347,500.

As of December 31, 2022 and 2021, the Solutions Fund had $97,000,000 in open lines of credit available to it, of which $37,924,000 and $47,133,000, respectively, was drawn and is included as a component of loans payable on the accompanying consolidated statements of financial position. Except for its loan payable with the Federal Home Loan Bank of New York which is collateralized with investments in government fixed-income securities valued at approximately $7,471,000 as of December 31, 2022 and 2021, CSH's loans payable are unsecured. Certain of the loans payable contain covenants that require CSH and the Solutions Fund to provide reporting on a periodic basis and to meet and maintain specific financial ratios. As of December 31, 2022, CSH and the Solutions Fund were in compliance with all covenants. Additionally, certain loans payable held by the Solutions Fund are guaranteed by CSH. However, as of December 31, 2022, no events have occurred with the loans payable of the Solutions Fund that would require CSH to perform under its guarantee obligations.

On May 1, 2020, CSH obtained a promissory note totaling $3,123,939 under the Small Business Administration ("SBA")'s Paycheck Protection Program ("PPP") that is part of The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") stimulus relief. The note bears interest at 1% and requires monthly payments of principal and interest on the outstanding principal balance, unless otherwise forgiven in whole or part by the SBA under the CARES Act. CSH has up to 10 months after the end of the covered period, which is currently 24 weeks, to apply for full forgiveness. Forgiveness requests after that period would forfeit any P&I payments already paid. If the note is not forgiven, payments will begin the later of 10 months after the date the covered period ends or the date the SBA remits the forgiveness amount. The terms of the promissory note are subject to change depending on final regulation or legislation enacted. CSH did not apply for forgiveness of the loan and began making P&I payments in October 2021. The PPP loan balances of $862,583 and $1,236,540 were included in current loan payables and noncurrent loan payables, respectively, in the accompanying consolidated statements of financial position as of December 31, 2022. As of December 31, 2021, PPP loan balances of $854,006 and $2,099,003 were included in current loan payables and noncurrent loan payables, respectively, in the accompanying consolidated statements of financial position as of December 31, 2021.

Note J - In-kind contributions

During the years ended December 31, 2022 and 2021, CSH received contributed consulting (legal) services, with a fair value on the date of donation, of $0 and $70,429, respectively.

Note K - Concentration of credit risk

CSH places its temporary cash investments with high-credit-quality financial institutions. At times, such investments may exceed federally insured limits. Management does not believe that CSH has a significant risk of loss related to the failure of these financial institutions.

CSH makes loans to not-for-profit organizations that are primarily engaged in residential real-estate development funded by state agencies. The ability of these organizations to honor their contracts may be impaired by a downturn in the economy or by a reduction in the availability of government funding and support for projects. Management continually evaluates the collectability of the loan portfolio and believes the allowance for uncollectible loans is adequate to absorb potential losses.

Note L - Net assets with donor restrictions

At each year-end, net assets with donor restrictions were available to satisfy the following purposes:

	December 31, 2022	December 31, 2021
Specific programs:		
Lead supportive housing industry	$ 1,933,077	$ 824,739
Expand access to supportive housing	5,887,864	6,406,569
Deploy and leverage capital	22,772,785	18,066,716
Improve and sustain quality	5,325,866	5,401,170
	$ 35,919,592	$ 30,699,194

During each year, net assets released from restrictions consisted of the following:

	December 31, 2022	December 31, 2021
Specific programs:		
Lead supportive housing industry	$ 914,727	$ 893,323
Expand access to supportive housing	1,855,289	2,990,487
Deploy and leverage capital	2,024,601	2,115,035
Improve and sustain quality	3,843,382	2,286,587
	$ 8,637,999	$ 8,285,432

Note M - Retirement plan

CSH maintains a Section 403(b) tax-deferred retirement savings plan for the benefit of its employees. Contributions by CSH are discretionary and can be made only with the approval of the Board of Directors. Contributions by CSH during 2022 and 2021 were $609,368 and $516,545, respectively, and are included as a component of employee benefits and payroll taxes on the accompanying consolidated statements of functional expenses.

Note N - New markets tax credit program

As disclosed in Note A, in conjunction with its role as the managing member of the LLCs, CSH earns a fee based on 0.01% of any income earned by each LLC. CSH is also entitled to administrative fees and annual management fees related to any NMTC qualified investment. During the years ended December 31, 2022 and 2021, CSH earned fees totaling $1,559,329 and $1,328,614 relating to such qualified equity investments, respectively, and are included as a component of new market tax credit program fees on the accompanying consolidated statements of activities. During the years ended December 31, 2022 and 2021, CSH also closed on new Qualified Low-Income Community Investment ("QLICI") loans to three projects each year, which earned $1,365,000 and $1,282,500, respectively, in sub allocation fees, which are also included as a component of new market tax credit program fees on the accompanying consolidated statements of activities.

Note O - Commitments and contingencies

Litigation

In the ordinary course of business, CSH can be party to certain legal proceedings. In the opinion of management and legal counsel, the resolution of such matters will not have a material impact on CSH's operations or financial condition.

Lease commitments

At December 31, 2022, CSH was obligated under various non-cancelable operating real estate leases expiring through 2027.

As discussed in Note A, CSH adopted Topic 842 on January 1, 2022. Pursuant to the adoption of Topic 842, CSH recognized a lease liability, which was measured at the present value of future minimum lease payments and a corresponding right-of-use asset. CSH determined an appropriate discount rate to apply when it determined the present value of the remaining lease payments for purposes of measuring its lease liabilities.

As of December 31, 2022, the unamortized right-of-use asset was $1,830,161, and the unamortized operating lease liability was $2,017,100.

For years subsequent to 2022, annual maturities of lease liabilities under the lease agreements are as follows:

Year Ending December 31,	Amount
2023	$ 1,087,693
2024	463,991
2025	265,074
2026	149,169
2027	110,136
	2,076,063
Less: incremental borrowing rate 2% to 2.62%	(58,963)
Operating leases liabilities	2,017,100
Less: Current portion of operating leases liabilities	1,056,147
Operating leases liabilities, net of current portion	$ 960,953

Total rent expense for 2022 and 2021 was $1,038,900 and $1,100,184, respectively, and is included as a component of rent, utilities, and maintenance on the accompanying consolidated statements of functional expenses.SL

CSH is the lessor of a noncancelable operating lease beginning in February 2022. Rental income was $30,525 for the year ending December 31, 2022, and is included as a reduction to the rent expense above.

Future annual aggregate minimum rent receipts under the noncancelable lease are as follows:

Year Ending December 31,	Amount
2023	$ 33,911
2024	34,577
2025	35,243
2026	35,909
2027	24,365
Total	$ 164,005

Loan commitments
As of December 31, 2022, CSH's Board of Directors had approved loan commitments totaling $83,589,296. These amounts are expected to be disbursed as loans in 2023.

COVID-19
In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of revenue and other material adverse effects to CSH's financial position, results of operations, and cash flows. CSH is not able to reliably estimate the length or severity of this outbreak and the related financial impact.

Supplementary Information

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Financial Position
December 31, 2022

Assets

	CSH	Solutions Fund	Denver SIPPRA	Total	Eliminations	Consolidated
Current assets						
Cash and cash equivalents	$ 10,918,271	$ 9,285,912	$ 552,106	$ 20,756,289	$ -	$ 20,756,289
Cash restricted - administrative agent cash	15,153,186	-	-	15,153,186	-	15,153,186
Investments	11,224,529	-	-	11,224,529	-	11,224,529
Grants and contributions receivable, net	3,166,826	-	500,000	3,666,826	(500,000)	3,166,826
Contracts receivable, net	7,523,595	-	-	7,523,595	-	7,523,595
Loans receivable, net	22,012,668	17,442,577	-	39,455,245	-	39,455,245
Other receivables, net	2,436,133	392,437	-	2,828,570	(2,007,373)	821,197
Prepaid expenses and other assets	1,018,362	-	-	1,018,362	-	1,018,362
Total current assets	73,453,570	27,120,926	1,052,106	101,626,602	(2,507,373)	99,119,229
Noncurrent assets						
Investments	9,132,751	-	-	9,132,751	(20)	9,132,731
Grants and contributions receivable, net	740,495	-	-	740,495	-	740,495
Loans receivable, net	63,480,727	26,059,849	-	89,540,576	(1,411,000)	88,129,576
Other receivables, net	684,934	248,811	-	933,745	-	933,745
Right-of-use asset operating leases	1,830,161	-	-	1,830,161	-	1,830,161
Property and equipment, net	13,365	-	-	13,365	-	13,365
Investments in limited liability companies	31,840	-	-	31,840	-	31,840
Total noncurrent assets	75,914,273	26,308,660	-	102,222,933	(1,411,020)	100,811,913
Total assets	$ 149,367,843	$ 53,429,586	$ 1,052,106	$ 203,849,535	$ (3,918,393)	$ 199,931,142

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Financial Position
December 31, 2022

Liabilities and Net Assets

	CSH	Solutions Fund	Denver SIPPRA LLC	Total	Eliminations	Consolidated
Current liabilities						
Accounts payable and accrued expenses	$ 4,982,440	$ 2,409,601	$ 263,336	$ 7,655,377	$ (4,007,373)	$ 3,648,004
Advances on contracts	2,417,578	-	-	2,417,578	-	2,417,578
Grants payable	5,836,235	-	-	5,836,235	-	5,836,235
Loans payable	1,260,690	1,411,000	-	2,671,690	(1,411,000)	1,260,690
Current portion of operating leases liabilities	1,056,147	-	-	1,056,147	-	1,056,147
Administrative agent cash distributable	15,153,186	-	-	15,153,186	-	15,153,186
Total current liabilities	30,706,276	3,820,601	263,336	34,790,213	(5,418,373)	29,371,840
Noncurrent liabilities						
Grants payable	4,384,122	-	-	4,384,122	-	4,384,122
Loans payable, net of current maturities	62,742,927	37,923,998	788,750	101,455,675	-	101,455,675
Operating leases liabilities, net of current portion	960,953	-	-	960,953	-	960,953
Total noncurrent liabilities	68,088,002	37,923,998	788,750	106,800,750	-	106,800,750
Total liabilities	98,794,278	41,744,599	1,052,086	141,590,963	(5,418,373)	136,172,590
Commitments and contingencies (Note O)	-	-		-	-	-
Net assets						
Without donor restrictions	16,153,973	11,684,987	20	27,838,980	(20)	27,838,960
With donor restrictions	34,419,592	-	-	34,419,592	1,500,000	35,919,592
Total net assets	50,573,565	11,684,987	20	62,258,572	1,499,980	63,758,552
Total liabilities and net assets	$ 149,367,843	$ 53,429,586	$ 1,052,106	$ 203,849,535	$ (3,918,393)	$ 199,931,142

See Independent Auditor's Report.

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Financial Position
December 31, 2021

Assets

	CSH	Solutions Fund	Total	Eliminations	Consolidated
Current assets					
Cash and cash equivalents	$ 24,809,078	$ 4,754,424	$ 29,563,502	$ -	$ 29,563,502
Cash restricted - administrative agent cash	15,830,460	-	15,830,460	-	15,830,460
Investments	27,379,864	119,018	27,498,882	-	27,498,882
Grants and contributions receivable, net	2,971,214	-	2,971,214	-	2,971,214
Contracts receivable, net	7,736,225	4,506,645	12,242,870	(5,356,218)	6,886,652
Loans receivable, net	13,492,979	11,735,499	25,228,478	-	25,228,478
Other receivables, net	853,351	837,163	1,690,514	-	1,690,514
Prepaid expenses and other assets	595,984	-	595,984	-	595,984
Total current assets	93,669,155	21,952,749	115,621,904	(5,356,218)	110,265,686
Noncurrent assets					
Investments	9,750,775	-	9,750,775	-	9,750,775
Grants and contributions receivable, net	322,435	-	322,435	-	322,435
Loans receivable, net	34,381,138	38,274,804	72,655,942	(1,427,000)	71,228,942
Other receivables, net	73,367	238,216	311,583	-	311,583
Property and equipment, net	14,110	-	14,110	-	14,110
Investments in limited liability companies	28,750	-	28,750	-	28,750
Total noncurrent assets	44,570,575	38,513,020	83,083,595	(1,427,000)	81,656,595
Total assets	$ 138,239,730	$ 60,465,769	$ 198,705,499	$ (6,783,218)	$ 191,922,281

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Financial Position
December 31, 2021

Liabilities and Net Assets

	CSH	Solutions Fund	Total	Eliminations	Consolidated
Current liabilities					
Accounts payable and accrued expenses	$ 8,256,150	$ 1,112,252	$ 9,368,402	$ (5,356,218)	$ 4,012,184
Advances on contracts	777,131	-	777,131	-	777,131
Grants payable	8,506,992	-	8,506,992	-	8,506,992
Loans payable	17,252,112	-	17,252,112	-	17,252,112
Administrative agent cash distributable	15,830,460	-	15,830,460	-	15,830,460
Total current liabilities	50,622,845	1,112,252	51,735,097	(5,356,218)	46,378,879
Noncurrent liabilities					
Grants payable	4,688,246	-	4,688,246	-	4,688,246
Loans payable, net of current maturities	33,906,391	48,559,998	82,466,389	(1,427,000)	81,039,389
Total noncurrent liabilities	38,594,637	48,559,998	87,154,635	(1,427,000)	85,727,635
Total liabilities	89,217,482	49,672,250	138,889,732	(6,783,218)	132,106,514
Commitments and contingencies (Note O)	-	-	-	-	-
Net assets					
Without donor restrictions	18,323,054	10,793,519	29,116,573	-	29,116,573
With donor restrictions	30,699,194	-	30,699,194	-	30,699,194
Total net assets	49,022,248	10,793,519	59,815,767	-	59,815,767
Total liabilities and net assets	$ 138,239,730	$ 60,465,769	$ 198,705,499	$ (6,783,218)	$ 191,922,281

See Independent Auditor's Report.

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions						With Donor Restrictions						
	CSH	Solutions Fund	Denver SIPPRA LLC	Total	Eliminations	Consolidated	CSH	Solutions Fund	Denver SIPPRA LLC	Total	Eliminations	Consolidated	Consolidated Total
Public support and revenue:													
Grants and contributions	$ 123,971	$ -	$ -	$ 123,971	$ -	$ 123,971	$ 13,858,397	$ -	$ -	$ 13,858,397	$ -	$ 13,858,397	$ 13,982,368
In-kind contributions	-	-	-	-	-	-	-	-		-		-	-
Total public support and revenue	123,971	-	-	123,971	-	123,971	13,858,397	-	-	13,858,397	-	13,858,397	13,982,368
Contract services	20,033,076	-	-	20,033,076	-	20,033,076	-	-	-	-	-	-	20,033,076
Interest and dividend income	300,682	-	-	300,682	-	300,682	-	-	-	-	-	-	300,682
Interest income - loans	3,527,274	2,712,852	-	6,240,126	-	6,240,126	-	-	-	-	-	-	6,240,126
Fee income - loans	1,680,207	573,458	-	2,253,665	-	2,253,665	-	-	-	-	-	-	2,253,665
New market tax credit program fees	2,924,329	-	-	2,924,329	-	2,924,329	-	-	-	-	-	-	2,924,329
Other income	1,908,306	-	-	1,908,306	(1,034,287)	874,019	-	-	-	-	-	-	874,019
	30,497,845	3,286,310	-	33,784,155	(1,034,287)	32,749,868	13,858,397	-	-	13,858,397	-	13,858,397	46,608,265
Net assets released from restrictions	8,637,999	-	-	8,637,999	-	8,637,999	(8,637,999)	-	-	(8,637,999)		(8,637,999)	-
Total public support and revenue	39,135,844	3,286,310	-	42,422,154	(1,034,287)	41,387,867	5,220,398	-	-	5,220,398	-	5,220,398	46,608,265
Expenses:													
Program activities													
Program services	$ 31,322,683	2,394,842	-	33,717,525	(1,034,287)	32,683,238	-	-	-	-	-	-	32,683,238
Management and general	7,940,480	-	-	7,940,480	-	7,940,480	-	-	-	-	-	-	7,940,480
Fundraising	741,288	-	-	741,288	-	741,288	-	-	-	-	-	-	741,288
Total expenses	40,004,451	2,394,842	-	42,399,293	(1,034,287)	41,365,006	-	-	-	-	-	-	41,365,006
Changes in net assets before net realized and unrealized losses on investments	(868,607)	891,468	-	22,861	-	22,861	5,220,398	-	-	5,220,398	-	5,220,398	5,243,259
Net realized and unrealized losses on investments	(1,300,474)	-	-	(1,300,474)	-	(1,300,474)	-	-	-	-	-	-	(1,300,474)
Changes in net assets	(2,169,081)	891,468	-	(1,277,613)	-	(1,277,613)	5,220,398	-	-	5,220,398	-	5,220,398	3,942,785
Net assets - beginning of year	18,323,054	10,793,519	-	29,116,573	-	29,116,573	30,699,194	-	-	30,699,194	-	30,699,194	59,815,767
Net assets - end of year	$ 16,153,973	$ 11,684,987	$ -	$ 27,838,960	$ -	$ 27,838,960	$ 35,919,592	$ -	$ -	$ 35,919,592	$ -	$ 35,919,592	$ 63,758,552

Corporation for Supportive Housing and its Subsidiaries

Consolidating Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions					With Donor Restrictions			
	CSH	Solutions Fund	Total	Eliminations	Consolidated	CSH	Solutions Fund	Consolidated	Consolidated Total
Public support and revenue:									
Grants and contributions	$ 2,001,641	$ -	$ 2,001,641	$ -	$ 2,001,641	$ 10,761,317	$ -	$ 10,761,317	$ 12,762,958
In-kind contributions	-	70,429	70,429	-	70,429	-	-	-	70,429
Total public support and revenue	2,001,641	70,429	2,072,070	-	2,072,070	10,761,317	-	10,761,317	12,833,387
Contract services	19,051,183	-	19,051,183	-	19,051,183	-	-	-	19,051,183
Interest and dividend income	241,434	-	241,434	-	241,434	-	-	-	241,434
Interest income - loans	2,939,916	3,561,610	6,501,526	-	6,501,526	-	-	-	6,501,526
Fee income - loans	1,778,971	607,241	2,386,212	-	2,386,212	-	-	-	2,386,212
New market tax credit program fees	2,611,114	-	2,611,114	-	2,611,114	-	-	-	2,611,114
Other income	2,495,624	15,000	2,510,624	(1,195,744)	1,314,880	-	-	-	1,314,880
	31,119,883	4,254,280	35,374,163	(1,195,744)	34,178,419	10,761,317	-	10,761,317	44,939,736
Net assets released from restrictions	8,285,432	-	8,285,432	-	8,285,432	(8,285,432)	-	(8,285,432)	-
Total public support and revenue	39,405,315	4,254,280	43,659,595	(1,195,744)	42,463,851	2,475,885	-	2,475,885	44,939,736
Expenses:									
Program activities									
Program services	30,106,831	1,101,860	31,208,691	(1,195,744)	30,012,947	-	-	-	30,012,947
Management and general	6,645,606	-	6,645,606	-	6,645,606	-	-	-	6,645,606
Fundraising	646,634	-	646,634	-	646,634	-	-	-	646,634
Total expenses	37,399,071	1,101,860	38,500,931	(1,195,744)	37,305,187	-	-	-	37,305,187
Changes in net assets before net realized and unrealized losses on investments	2,006,244	3,152,420	5,158,664	-	5,158,664	2,475,885	-	2,475,885	7,634,549
Net realized and unrealized losses on investments	(490,706)	-	(490,706)	-	(490,706)	-	-	-	(490,706)
Changes in net assets	1,515,538	3,152,420	4,667,958	-	4,667,958	2,475,885	-	2,475,885	7,143,843
Net assets - beginning of year	16,807,516	7,641,099	24,448,615	-	24,448,615	28,223,309	-	28,223,309	52,671,924
Net assets - end of year	$ 18,323,054	$ 10,793,519	$ 29,116,573	$ -	$ 29,116,573	$ 30,699,194	$ -	$ 30,699,194	$ 59,815,767

See Independent Auditor's Report.

Corporation for Supportive Housing and its Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development:				
Community Compass Technical Assistance and Capacity Building				
M-15-TA-NY-0019	14.259		$ -	$ 419
M-16-TA-NY-0019	14.259		-	49,233
N-16-TA-NY-0019	14.259		-	12,083
M-17-TA-NY-0019	14.259		-	173,740
H-17-TA-NY-0019	14.259		-	106,447
Y-18-TA-NY-0019	14.259		-	13,613
C-19-TA-NY-0019	14.259		-	11,264
M-19-TA-NY-0019	14.259		(13,727)	8,590
M-18-TA-NY-0019	14.259		-	63,568
Y-19-TA-NY-0019	14.259		1,922	343,097
E-20-TA-NY-0019	14.259		17,203	841,455
A-TA-21-NY-0019	14.259		-	287,599
Z-21-TA-NY-0019	14.259		-	135,355
Y-20-TA-NY-0019	14.259		256,886	621,123
D-22-TA-NY-0019	14.259		-	1,608
H-20-TA-NY-0019	14.259		-	17,220
Y-21-TA-NY-0019	14.259		-	26,123
Total Community Compass Technical Assistance and Capacity Building	14.259		262,284	2,712,537
Neighborhood Stabilization Program				
T-12-NN-36-0017	14.264		-	194
Total Neighborhood Stabilization Program	14.264		-	194
Continuum of Care Program				
IL1635L5T102103	14.267		143,543	187,952
IL1637D5T102103	14.267		75,514	135,071
IL1637D5T102002	14.267		182,675	284,682
IL0667L5T102004	14.267		375,541	547,519
IL1635L5T102002	14.267		306,450	398,417
Total Continuum of Care Programs	14.267		1,083,723	1,553,641
Pay for Success Permanent Supportive Housing Demonstration				
C-A6-00-PF-S01	14.273		132,234	154,452
Total Continuum of Care Programs	14.273		132,234	154,452
Total U.S. Department of Housing and Urban Development			1,478,241	4,420,824
U.S. Department of Treasury:				
Capital Magnet Fund				
171CM022275	21.011		-	2,988,000
201CM055140	21.011		-	2,880,000
Total Capital Magnet Fund	21.011		-	5,868,000
Community Development Financial Institutions Program				
201CM055140	21.020		-	100,000
Total Community Development Financial Institutions Program	21.020		-	100,000
Coronavirus State and Local Fiscal Recovery Funds				
Pass-through from:				
Covid-19: Virginia Dept of Behavioral Health and Disability Service	21.027	CSLFSR		173,039
Total Coronavirus State and Local Fiscal Recovery Funds	21.027		-	173,039

See Notes to Schedule of Expenditures of Federal Awards.

Corporation for Supportive Housing and its Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
National Organizations of State and Local Officials				
The National Academy for State Health Policy Subaward	93.011	U2MOA39467	-	66,437
Total National Organizations of State and Local Officials:	93.011		-	66,437
Technical and Non-Financial Assistance to Health Centers				
U3FCS41791-01-00	93.129		-	112,824
U30CS26935-08-00	93.129		29,841	346,002
U30CS26935-09-00	93.129		22,107	238,960
Total Technical and Non-Financial Assistance to Health Centers:	93.129		51,948	697,786
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises				
Pass-through from:				
Indiana Department of Health	93.391	NH750T000073	-	138,925
Total Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		-	138,925
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke				
Pass-through from:				
Georgia Department of Public Health for Goods and Services	93.426	NU58DP006989	-	8,929
Total Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426		-	8,929
Community Services Block Grant				
Pass-through from:				
Washtenaw County Community and Economic Development	93.569	CARES20-81029	-	49,992
Total Community Services Block Grant:	93.569		-	49,992
Special Projects of National Significance				
U9045842	93.928		38,239	148,980
Total Special Projects of National Significance	93.928		38,239	148,980
Block Grants for Community Mental Health Services				
Pass-through from:				
Ohio Department of Mental Health and Addiction Services	93.958	B09SM083835	-	55,370
Ohio Department of Mental Health and Addiction Services	93.958	B09SM086030	-	34,497
Total Block Grants for Community Mental Health Services	93.958		-	89,867
Block Grants for Prevention and Treatment of Substance Abuse				
Pass-through from:				
Indiana Family & Social Services Administration Subaward	93.959	B08TI083532	-	131,338
Total Block Grants for Prevention and Treatment of Substance Abuse:	93.959		-	131,338
Total U.S. Department of Health and Human Services			90,187	1,332,254
Total Expenditures of Federal Awards			$ 1,568,428	$ 11,894,117

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Corporation for Supportive Housing and its Subsidiaries 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Corporation for Supportive Housing and its Subsidiaries, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Corporation for Supportive Housing and its Subsidiaries.

Note B - Summary of significant accounting policies

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.

Note C - Indirect Cost Rate

Corporation for Supportive Housing and its Subsidiaries has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Corporation for Supportive Housing

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 of Corporation for Supportive Housing and its Subsidiaries, which comprise the Corporation for Supportive Housing and its Subsidiaries' consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 28, 2023 The financial statements of certain subsidiaries were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these subsidiaries.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Corporation for Supportive Housing and its Subsidiaries' 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 the Corporation for Supportive Housing and its Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation for Supportive Housing and its Subsidiaries' 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation for Supportive Housing and its Subsidiaries' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Bethesda, Maryland
April 28, 2023

Report on Compliance for Each Major Federal Program and on
Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Corporation for Supportive Housing

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Corporation for Supportive Housing and its Subsidiaries' 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 Corporation for Supportive Housing and its Subsidiaries' major federal programs for the year ended December 31, 2022. Corporation for Supportive Housing and its Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Corporation for Supportive Housing and its Subsidiaries complied, in all material respects, with the 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 Corporation for Supportive Housing and its Subsidiaries 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 Corporation for Supportive Housing and its Subsidiaries' 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 Corporation for Supportive Housing and its Subsidiaries' 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 Corporation for Supportive Housing and its Subsidiaries' 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 GAAS, *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 Corporation for Supportive Housing and its Subsidiaries' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Corporation for Supportive Housing and its Subsidiaries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Corporation for Supportive Housing and its Subsidiaries' 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 Corporation for Supportive Housing and its Subsidiaries' 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.

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.

CohnReznick LLP

Bethesda, Maryland
April 28, 2023

Corporation for Supportive Housing and its Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2022

Section A - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	None reported
3. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Internal control over major federal programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	None reported
2. Type of auditor's report issued on compliance for major federal programs	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
4. Identification of major federal programs	

Assistance Listing Number(s)	Name of Federal Program
14.259	Community Compass Technical Assistance and Capacity Building
21.011	Capital Magnet Fund

5. Dollar threshold used to distinguish between Type A and Type B programs	$750,000
6. Auditee qualified as low-risk auditee?	Yes

Schedule of Findings and Questioned Costs
December 31, 2022

Section B - Financial Statement Audit Findings

No matters were reported.

Section C - Major Federal Award Program Findings and Questioned Costs

No matters were reported.

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