

National Housing Trust and Affiliates

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

December 31, 2022 and 2021

National Housing Trust and Affiliates

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Independent Auditor's Report

To the Board of Directors
National Housing Trust and Affiliates

Opinion

We have audited the consolidated financial statements of National Housing Trust and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of National Housing Trust and Affiliates 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.

We did not audit the financial statements of certain investments in limited liability companies and limited partnerships, which investments represent \$416,304 and \$2,407,174 of the total investment in limited liability companies and limited partnerships as of December 31, 2022 and 2021, respectively, and \$571,704 and \$177,213, of the total loss and total income from investments in limited liability companies and limited partnerships for the years ended December 31, 2022 and 2021, respectively. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amount of those investments in limited liability companies and limited partnerships, is based solely on the reports of the other auditors.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 National Housing Trust and Affiliates 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 National Housing Trust and Affiliates' 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 Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, 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 National Housing Trust and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Housing Trust and Affiliates' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as of December 31, 2022 and 2021, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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, based on our audits and the report of other auditors, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CohnReznick LLP

Bethesda, Maryland
March 29, 2024

National Housing Trust and Affiliates

Consolidated Statements of Financial Position December 31, 2022 and 2021

	<u>Assets</u>	
	2022	2021
Current assets		
Cash	\$ 16,842,639	\$ 19,107,431
Investments in securities	3,195,477	2,223,194
Grants receivable	112,442	370,441
Accounts receivable, net of allowance for doubtful accounts of \$1,242,063 and \$553,822, respectively	1,578,768	827,373
Prepaid expenses	705,571	772,972
Accrued interest receivable	531,234	307,676
Loans receivable, current maturities net of loan loss reserve of \$956,215 and \$582,842, respectively, and loan origination fees of \$113,143 and \$53,738, respectively	19,993,226	11,339,997
Developer fee receivable	555,243	1,031,241
Due from affiliates	30,390	66,355
Total current assets	43,544,990	36,046,680
Restricted deposits and funded reserves		
Tenant security deposits	531,780	499,586
Reserves and escrows	28,947,503	56,464,318
Restricted cash	7,991,088	4,324,043
Total restricted deposits and funded reserves	37,470,371	61,287,947
Property and equipment		
Land	49,095,106	42,653,484
Buildings, improvements, furniture, fixtures and equipment, net of accumulated depreciation of \$36,812,129 and \$35,200,357, respectively	132,954,922	138,942,444
Total property and equipment	182,050,028	181,595,928
Other assets		
Long-term investments in securities, net of current maturities and margin loan of \$1,489,483 and \$2,380,415, respectively	5,654,250	6,478,894
Entity fee receivable	166,638	126,778
Developer fee receivable, net of current	1,765,801	1,399,665
Accrued interest receivable, net of current and net of allowance for doubtful accounts of \$58,199 and \$97,398, respectively	628,559	280,078
Loans receivable, net of current maturities, net of loan loss reserve of \$3,452,044 and \$2,902,871, respectively, and loan origination fees of \$56,743 and \$47,193, respectively	36,458,163	29,630,467
Investment in limited liability companies and limited partnerships	4,171,878	4,535,855
Other assets	4,919,421	4,335,764
Tax credit fees, net of accumulated amortization of \$175,816 and \$153,963, respectively	473,111	295,611
Security deposit	47,752	47,752
Total other assets	54,285,573	47,130,864
Total assets	\$ 317,350,962	\$ 326,061,419

National Housing Trust and Affiliates

Consolidated Statements of Financial Position December 31, 2022 and 2021

Liabilities and Net Assets

	2022	2021
Current liabilities		
Accounts payable and accrued expenses	\$ 2,407,540	\$ 2,821,526
Deferred rent payable, current	159,481	118,401
Deferred revenue - grants, current	50,776	50,776
Deferred revenue - other, current	6,482	6,482
Due to affiliates, current	55,071	47,979
Development fee payable, current	508,082	-
Prepaid rent	362,362	303,301
Accrued interest, current	310,003	111,957
Notes and loans payable, current maturities, net of unamortized debt issuance costs of \$316,925 and \$953,980, respectively	48,725,608	80,556,099
Construction costs payable	2,425,318	5,506,512
Miscellaneous current liabilities	4,402	19,079
Total current liabilities	55,015,125	89,542,112
Deposit liabilities		
Tenant security deposits held in trust	573,395	608,416
	573,395	608,416
Long-term liabilities		
Accrued interest, net of current	5,400,033	6,497,801
Deferred rent payable, net of current	17,091	176,946
Deferred revenue - grants, net of current	5,100,979	1,367,245
Deferred revenue - other, net of current	4,199,041	3,844,516
Refundable advance liability	7,099,124	3,426,320
Due to affiliates, net of current	621,043	59,917
Development fee payable, net of current	675,346	675,348
Notes and loans payable, net of current maturities and unamortized debt issuance costs of \$3,557,861 and \$2,984,523, respectively	171,040,074	154,106,967
Miscellaneous long-term liabilities	877,614	597,679
Total long-term liabilities	195,030,345	170,752,739
Total liabilities	250,618,865	260,903,267
Commitments and contingencies	-	-
Net assets		
Net assets without donor restrictions - controlling interest	46,361,024	42,773,686
Net assets without donor restrictions - noncontrolling interest	15,977,940	19,935,827
Net assets without donor restrictions - board designated	2,100,000	2,100,000
Total net assets without donor restrictions	64,438,964	64,809,513
Total net assets with donor restrictions	2,293,133	348,639
Total net assets	66,732,097	65,158,152
Total liabilities and net assets	\$ 317,350,962	\$ 326,061,419

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

Consolidated Statement of Activities Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Grant income	\$ 2,836,904	\$ 7,294,859	\$ 10,131,763
Contributions	109,092	-	109,092
Donated services	-	-	-
Rental income	16,068,565	-	16,068,565
Tenant fees income	222,262	-	222,262
Entity fee income	257,851	-	257,851
Energy service income	979,963	-	979,963
Developer fee income	187,652	-	187,652
Other income	488,502	-	488,502
Other loan fees	269,482	-	269,482
Unrealized loss on reserves and escrows	8,753	-	8,753
Interest income			
Loans receivable	2,203,686	-	2,203,686
Investment income (including net realized and unrealized loss of \$1,285,025)	(993,109)	-	(993,109)
Net assets released from restrictions on grants			
Satisfaction of program restrictions on grants	5,140,026	(5,140,026)	-
Expiration of time restrictions on grants	185,339	(185,339)	-
Total support and revenue	27,964,968	1,969,494	29,934,462
Expenses			
Program services	35,143,211	-	35,143,211
Supporting services			
Management and general	1,474,532	-	1,474,532
Fundraising	354,990	-	354,990
Total expenses	36,972,733	-	36,972,733
Other income (expenses)			
Gain on sale of investment in limited liability companies and limited partnerships	3,242,283	-	3,242,283
Income from investment in limited liability companies and limited partnerships	1,602,179	-	1,602,179
Total other income (expenses)	4,844,462	-	4,844,462
Change in net assets	(4,163,303)	1,969,494	(2,193,809)
Change in net assets attributable to noncontrolling interest	(7,788,650)	-	(7,788,650)
Change in net assets attributable to controlling interest	<u>\$ 3,625,347</u>	<u>\$ 1,969,494</u>	<u>\$ 5,594,841</u>

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

Consolidated Statement of Activities Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Grant income	\$ 5,725,141	\$ 782,414	\$ 6,507,555
Contributions	494,119	-	494,119
Donated services	155,953	-	155,953
Rental income	15,157,889	-	15,157,889
Tenant fees income	128,231	-	128,231
Entity fee income	379,988	-	379,988
Energy service income	944,770	-	944,770
Developer fee income	1,248,737	-	1,248,737
Other income	1,207,805	-	1,207,805
Other loan fees	57,654	-	57,654
Unrealized gain on reserves and escrows	29,004	-	29,004
Interest income			
Loans receivable	1,864,750	-	1,864,750
Investment income (including net realized and unrealized gain of \$411,535)	711,946	-	711,946
Net assets released from restrictions on grants			
Satisfaction of program restrictions on grants	1,813,428	(1,813,428)	-
Expiration of time restrictions on grants	513,999	(513,999)	-
Total support and revenue	30,433,414	(1,545,013)	28,888,401
Expenses			
Program services	28,475,449	-	28,475,449
Supporting services			
Management and general	965,645	-	965,645
Fundraising	269,090	-	269,090
Total expenses	29,710,184	-	29,710,184
Other income (expenses)			
Gain on sale of investment in limited liability companies and limited partnerships	2,297,665	-	2,297,665
Income from investment in limited liability companies and limited partnerships	309,507	-	309,507
Total other income (expenses)	2,607,172	-	2,607,172
Change in net assets	3,330,402	(1,545,013)	1,785,389
Change in net assets attributable to noncontrolling interest	(4,678,564)	-	(4,678,564)
Change in net assets attributable to controlling interest	<u>\$ 8,008,966</u>	<u>\$ (1,545,013)</u>	<u>\$ 6,463,953</u>

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

**Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2022**

	Without donor restrictions - controlling	Without donor restrictions - noncontrolling	Subtotal	With donor restrictions	Total
Beginning net assets	\$ 44,873,686	\$ 19,935,827	\$ 64,809,513	\$ 348,639	\$ 65,158,152
Contribution	-	3,998,802	3,998,802	-	3,998,802
Distribution	-	(108,039)	(108,039)	-	(108,039)
Syndication costs	-	(60,000)	(60,000)	-	(60,000)
Acquisition costs	(63,009)	-	(63,009)	-	(63,009)
Net assets attributable to controlling interest	3,650,347	-	3,650,347	1,944,494	5,594,841
Net assets attributable to noncontrolling interest	-	(7,788,650)	(7,788,650)	-	(7,788,650)
Ending net assets	<u>\$ 48,461,024</u>	<u>\$ 15,977,940</u>	<u>\$ 64,438,964</u>	<u>\$ 2,293,133</u>	<u>\$ 66,732,097</u>

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

**Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2021**

	<u>Without donor restrictions - controlling</u>	<u>Without donor restrictions - noncontrolling</u>	<u>Subtotal</u>	<u>With donor restrictions</u>	<u>Total</u>
Beginning net assets	\$ 36,864,720	\$ 19,963,967	\$ 56,828,687	\$ 1,893,652	\$ 58,722,339
Contribution	-	4,786,451	4,786,451	-	4,786,451
Distribution	-	(125,604)	(125,604)	-	(125,604)
Syndication costs	-	(10,423)	(10,423)	-	(10,423)
Acquisition costs	-	-	-	-	-
Net assets attributable to controlling interest	8,008,966	-	8,008,966	(1,545,013)	6,463,953
Net assets attributable to noncontrolling interest	<u>-</u>	<u>(4,678,564)</u>	<u>(4,678,564)</u>	<u>-</u>	<u>(4,678,564)</u>
Ending net assets	<u>\$ 44,873,686</u>	<u>\$ 19,935,827</u>	<u>\$ 64,809,513</u>	<u>\$ 348,639</u>	<u>\$ 65,158,152</u>

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Salaries and wages	\$ 3,562,421	\$ 72,152	\$ 36,075	\$ 3,670,648
Professional fees	389,450	260,429	8,934	658,813
Supplies	8,514	1,281	433	10,228
Telephone	133,571	3,650	1,242	138,463
Postage	5,687	960	334	6,981
Rent	451,204	91,098	28,718	571,020
Ground lease	22,222	-	-	22,222
Travel and meetings	117,846	20,910	6,667	145,423
Depreciation	4,756,686	-	-	4,756,686
Amortization	30,839	-	-	30,839
Consultants	3,510,476	811,934	242,122	4,564,532
Office expense	1,692,746	108,790	30,465	1,832,001
Contributions	370,741	-	-	370,741
Utilities	2,471,375	-	-	2,471,375
Management fees	787,334	-	-	787,334
Provision for loan loss reserve	922,545	-	-	922,545
Bad debts	1,080,290	-	-	1,080,290
Insurance	1,715,181	103,328	-	1,818,509
Taxes	601,477	-	-	601,477
Interest	7,650,219	-	-	7,650,219
Repairs and maintenance	3,821,404	-	-	3,821,404
Grant expense	148,622	-	-	148,622
Miscellaneous financial expenses	892,361	-	-	892,361
Total	\$ 35,143,211	\$ 1,474,532	\$ 354,990	\$ 36,972,733

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2021

	Program services	Management and general	Fundraising	Total
Salaries and wages	\$ 4,238,522	\$ 112,620	\$ 56,310	\$ 4,407,452
Professional fees	278,912	153,914	4,300	437,126
Supplies	3,643	374	152	4,169
Telephone	155,799	3,030	1,002	159,831
Postage	2,444	392	137	2,973
Rent	461,433	78,478	26,055	565,966
Ground lease	22,222	-	-	22,222
Travel and meetings	45,232	5,250	2,124	52,606
Depreciation	4,017,194	25	12	4,017,231
Amortization	17,623	-	-	17,623
Consultants	2,410,380	538,953	166,652	3,115,985
Office expense	599,785	33,725	12,346	645,856
Contributions	36,075	-	-	36,075
Utilities	1,918,507	-	-	1,918,507
Management fees	770,551	-	-	770,551
Provision for loan loss reserve	356,457	-	-	356,457
Bad debts	678,542	-	-	678,542
Insurance	1,578,042	38,884	-	1,616,926
Taxes	417,987	-	-	417,987
Interest	5,369,728	-	-	5,369,728
Repairs and maintenance	4,312,368	-	-	4,312,368
Grant expense	162,636	-	-	162,636
Miscellaneous financial expenses	621,367	-	-	621,367
Total	\$ 28,475,449	\$ 965,645	\$ 269,090	\$ 29,710,184

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (2,193,809)	\$ 1,785,389
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,756,686	4,017,231
Amortization of debt issuance costs	1,761,760	1,019,479
Amortization	30,839	17,623
Accretion on asset retirement obligation	26,343	25,089
Net realized and unrealized loss (gain) on investments in securities	1,293,778	(382,531)
Net realized and unrealized gain on reserves and escrows	(8,753)	(29,004)
Gain on sale of investment in limited liability companies	(3,242,283)	(2,297,665)
Forgiveness of Payroll Protection Program loan	-	(633,980)
Provision for loan loss reserve	922,546	356,457
Bad debts	1,080,290	678,542
Income from investment in limited liabilities companies and limited partnerships	(1,602,179)	(309,507)
(Increase) decrease in certain assets		
Grants receivable	257,999	167,059
Accounts receivable	(1,831,685)	(796,452)
Prepaid expenses	67,401	(55,271)
Accrued interest receivable	(572,039)	(400)
Entity fee receivable	(39,860)	(49,833)
Due from affiliates	35,965	(66,355)
Other assets	22,222	22,222
Increase (decrease) in certain liabilities		
Accounts payable and accrued expenses	(413,986)	1,000,126
Deferred rent payable	(118,775)	(80,835)
Deferred revenue - other	354,525	(68,612)
Deferred revenue - grants	3,733,734	(52,031)
Prepaid rent	59,061	86,166
Accrued interest	(899,722)	1,113,168
Accrued interest from margin loan	-	-
Miscellaneous current liabilities	(14,677)	14,751
Miscellaneous long-term liabilities	279,935	(2,166)
Refundable advance liability	3,672,804	2,046,320
Tenant security deposits	(35,021)	(92,622)
Net cash provided by operating activities	7,383,099	7,432,358

National Housing Trust and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from investing activities		
Purchase of property and equipment	(20,101,595)	(45,503,864)
Proceeds of sale of property and equipment	11,783,272	5,000,000
Purchase of investments in securities	(4,417,764)	(1,879,255)
Proceeds from sales of investments in securities	2,976,349	1,691,290
Net deposits to reserves and escrows	27,721,435	(4,157,782)
Proceeds from repayments of notes receivable	19,728,819	9,947,315
Issuance of notes receivable	(36,132,290)	(16,156,390)
Payment of tax credit fees	(208,339)	(22,252)
Payment of reimbursable acquisition costs	(605,879)	(1,525,578)
Developer fee receivable	109,862	(670,326)
Development fee payable	508,078	(2,806)
Acquisition costs	(63,009)	-
Contributions paid to investment in limited liability companies and limited partnerships	(299,970)	(1,755,044)
Distributions received from investment in limited liability companies and limited partnerships	5,508,409	2,530,335
	6,507,378	(52,504,357)
Net cash provided by (used in) investing activities		
Cash flows from financing activities		
Loan proceeds	63,924,693	60,135,828
Loan repayments	(79,209,749)	(9,873,424)
Debt issuance costs	(1,374,088)	(1,169,270)
Advances from (payment to) repayment of due to affiliates	568,218	(1,645,565)
Contributions - noncontrolling interest	3,998,802	4,786,451
Distributions - noncontrolling interest	(108,039)	(125,604)
Syndication costs - noncontrolling interest	(60,000)	(10,423)
	(12,260,163)	52,097,993
Net cash (used in) provided by financing activities		
Net increase in cash and restricted cash	1,630,314	7,025,994
Cash and restricted cash, beginning	26,136,042	19,110,048
Cash and restricted cash, end	\$ 27,766,356	\$ 26,136,042

National Housing Trust and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Supplemental disclosure of cash flow information		
Cash paid for interest during the period (excluding capitalized interest)	\$ 6,788,181	\$ 3,237,081
Construction costs payable included in property and equipment	\$ 3,081,194	\$ 2,532,963
Increase in property and equipment due to capitalization of amortization	\$ -	\$ 599,105
Increase in notes and loans payable due to addition of interest to principal balance	\$ -	\$ 9,092
Decrease in loan payable due to forgiveness of Paycheck Protection Program loan	\$ -	\$ 633,980

See Notes to Consolidated Financial Statements.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 1 - Organization and summary of significant accounting policies

The National Housing Trust (the "Trust"), a nonprofit corporation, was established on January 28, 1986 to protect, preserve and produce affordable housing throughout the United States for long-term low- and moderate-income use. The Trust receives the majority of its support from grant, contributions and consulting income.

The National Housing Trust Community Development Fund ("NHTCDF"), a nonprofit corporation, was established on June 17, 1997 to promote community development and decent, safe and affordable housing for low-income persons and families through the provision of loans or investments to preserve and maintain as habitable existing low-income housing projects located in targeted urban and rural areas for long-term, low-income use. NHTCDF has been certified by the Community Development Financial Institutions Fund as a Community Development Financial Institution ("CDFI"). NHTCDF receives the majority of its support from grant income, and interest income on loans receivable.

Institute for Community Economics, Inc. ("ICE"), a nonprofit corporation, was established in 1967 to promote the community land trust model of permanently affordable housing, land stewardship, and community development. In 1979, ICE formed a revolving loan fund to address the shortage of capital available to community land trusts ("CLTs") and other organizations involved with the development of housing for low-income communities. ICE is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, as amended. ICE receives the majority of its support from contribution income, interest income on loans receivable.

National Housing Trust - Enterprise Preservation Corporation ("NHT/Enterprise"), a nonprofit corporation, was established in 1999 to promote the long-term preservation of decent, safe and affordable housing for low-income persons and families. As of January 8, 2019, NHT/Enterprise legally changed its name to NHT Communities ("NHTC"). NHTC receives the majority of its support from grant income, developer fees, entity fees, and interest income on loans receivable.

The following are the consolidated subsidiaries of NHTC during the years ended December 31, 2022 and 2021:

Consolidated subsidiaries	State incorporated	Date formed	General partner/Managing member
Fredericksburg Affordable Housing, LLC (Fredericksburg)	Virginia	December 22, 2003	NHTC is the sole member of the general partner (NHTE Fredericksburg Affordable Housing, LLC), which owns .01% of Fredericksburg. Effective May 1, 2022, NHT Communities was assigned 99.99% limited partnership interest from the former limited partners. As a result, NHT Communities is the sole member of Fredericksburg.
NHTE Kenyon Street Preservation LLC (Kenyon Street)	District of Columbia	June 25, 2008	NHTC is the sole member. .01% general partner of NHTE St. Dennis LP (St. Dennis LP), which is consolidated within NHTE Kenyon Street Preservation LLC.
NHTE Poppleton, LLC (Poppleton)	Maryland	April 19, 2010	NHTC is the sole member. .0019% general partner of Poppleton Partners II, LP (Poppleton LP), which is consolidated within NHTE Poppleton, LLC.

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Consolidated subsidiaries	State incorporated	Date formed	General partner/Managing member
NHTE Southpoint, LLC (Southpoint)	Florida	March 17, 2010	NHTC was the sole member. Southpoint was sold on June 17, 2022 to an unrelated party.
NHTE Copeland Manor LLC (Copeland Manor)	District of Columbia	December 8, 2010	NHTC is the sole member.
NHTE Baltimore Affordable Housing, LLC (Baltimore)	District of Columbia	May 3, 2011	NHTC is 79% managing member.
Ward 1 Housing LLC (Ward 1)	District of Columbia	January 2, 2013	85% general partner of Mount Pleasant Street Partners LLC, which is .01% general partner of 3145 Mount Pleasant Street L.P. (Monsenor), which is consolidated within Ward 1 Housing LLC.
NHTE Landfair, LLC (Landfair)	Florida	May 14, 2012	NHTC was the sole member. Landfair was sold on May 6, 2021 to an unrelated party.
Tequesta Knoll, LLC (Tequesta)	Florida	September 29, 2011	NHTC is 51% managing member.
NHT Renewable Of Delaware LLC (Renewable Of Delaware)	Delaware	August 28, 2014	NHTC is the sole member. Sole member of NHTE Solar Manager, LLC and NHT Renewable LLC as of December 20, 2019, which are consolidated within Renewable of Delaware. Sole member of Channel Renewable Manager LLC through dissolution, which was the .01% managing member of Channel Renewable, LLC (Channel Renewable) through December 10, 2020. Sole Member of Channel Renewable as of December 10, 2020, which is consolidated within Renewable of Delaware. Sole member of NHT Ingenuity DC 1 Manager LLC (NHT Ingenuity Manager), which is the .01% management member of NHT Ingenuity DC 1 LLC, which is consolidated within NHT Ingenuity Manager. NHT Ingenuity Manager is consolidated within Renewable of Delaware.
East River Preservation Partners LLC (East River)	District of Columbia	September 23, 2016	NHTC is the sole member.
Mass Place Managing Member LLC (Mass Place)	District of Columbia	February 23, 2017	NHTC was sole member until October 25, 2018. NHT Communities became 55% managing member as of October 26, 2018. .01% managing member of Mass Place Apartments LLC (Mass Place LLC), which has been consolidated within Mass Place Managing Member LLC.
NHTE Opportunity Housing, LLC (NOHL)	District of Columbia	June 9, 2017	NHTC is the sole member.
New Savannah Preservation Manager LLC (New Savannah)	District of Columbia	February 17, 2020	NHTC is 55% managing member. .01% managing member of New Savannah Preservation Partners LLC (New Savannah LLC), which is consolidated within New Savannah Preservation Manager LLC.
Liberty Place Managing Member LLC (Liberty Place)	District of Columbia	June 19, 2018	NHTC is 65% managing member. .01% managing member of Liberty Place Apartments LLC (Liberty Place LLC), which is consolidated within Liberty Place Managing Member LLC.

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<u>Consolidated subsidiaries</u>	<u>State incorporated</u>	<u>Date formed</u>	<u>General partner/Managing member</u>
Belton Woods Housing Company/ Belton Woods Housing II LLC (Belton Woods)	South Carolina	December 28, 2001	NHTC is the sole member of both entities. Belton Woods Housing Company was .007% co general partner of Belton Woods, LP until November 29, 2018. Belton Woods Housing Company and Belton Woods Housing II, LLC are .01% general partner and 99.99% limited partner, respectively, as of November 30, 2018. Belton Woods, LP (Belton Woods LP) is consolidated within Belton Woods Housing Company/Belton Woods Housing II LLC as of November 30, 2018.
Mt Hermon Village LLC (Mt Hermon)	Virginia	August 25, 2019	NHTC is 48% managing member. On June 28, 2022, Mt Hermon was sold to a related party, MHV Preservation Partners LP described below.
Refinery Managing Member LLC (Refinery)	District of Columbia	March 5, 2019	NHTC is the sole member. .01% managing member of Refinery Apartments LLC (Refinery Apartments), which is consolidated within Refinery Managing Member LLC.
New Congress Heights Manager LLC (Congress Heights)	District of Columbia	September 20, 2021	NHTC is the sole member. Sole member of Congress Heights Partners LLC (New Congress Apartments), which is consolidated within New Congress Heights Manager LLC.
Northeast Heights Residential Partners (Northeast Heights)	District of Columbia	July 29, 2022	NHTC is the sole member.
MHV GP Preservation LLC (MHV)	District of Columbia	June 29, 2022	NHTC is the sole member. .01% managing member of MHV Preservation Partners LP (MHV Preservation), which is consolidated within MHV GP Preservation LLC.

Fredericksburg, Kenyon Street, Poppleton, Landfair, Southpoint, Copeland Manor, Tequesta, East River, Mass Place, New Savannah, Liberty Place, Belton Woods, Mt Hermon, Refinery and MHV derive their revenue primarily from rental income. Baltimore and NOHL derive their revenue from interest income on loans receivable. Congress Heights and Northeast Heights do not derive any revenue as the buildings are currently under construction and upon completion will derive their revenue primary from rental income. Solar, Renewable of Delaware derives its income from fees earned through energy service agreements and grant income.

On May 6, 2021, NHTC sold Landfair for \$5,000,000. NHTC recorded a gain on sale of \$2,300,889 as a result of this transaction.

On December 31, 2021, Congress Heights purchased four parcels of land in the amount of \$12,900,000 for the purpose of developing residential apartment.

On June 22, 2022, NHTC sold Southpoint for \$11,783,272 to an unrelated party. NHTC recorded a gain on sale of \$3,026,597 as a result of this transaction.

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On June 29, 2022, Mt Hermon sold the property in a common control transaction to MHV for a purchase price of \$5,740,000. Pursuant to accounting guidance and professional standards for acquisition between entities under common control, the difference of the net purchase price and the net book value of the property purchased that transferred is recorded as a component of equity for Mt Hermon and MHV in the amount of \$3,486,137. In connection with the acquisition of the property, MHV assumed a seller takeback loan payable to Mt Herman in the amount of \$2,440,000. The outstanding loan balance and accrued interest was eliminated in consolidation.

On October 31, 2022, Northeast Heights purchased land in the amount of \$7,500,000 for the purpose of developing residential apartments.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Trust, ICE, NHTCDF and NHTC and Subsidiaries (the "Trust and its Affiliates"), all of which are under common control. All significant transactions and balances among the entities and its Affiliates have been eliminated in consolidation.

NHTC and Subsidiaries include the accounts of NHTC, Fredericksburg, Kenyon Street, Poppleton, Southpoint, Copeland Manor, Baltimore, Ward 1, Landfair, Tequesta, Belton Woods, Renewable of Delaware, East River, Mass Place, NOHL, New Savannah, Liberty Place, Mt Hermon, Refinery, Congress heights, Northeast Heights and MHV ("real estate entities"). NHTC is the sole member of Fredericksburg, Kenyon Street, Poppleton, Southpoint, Copeland Manor, Landfair, Renewable of Delaware, East River, NOHL, New Savannah, Belton Woods, Refinery, Congress Heights, Northeast Heights, Mt Hermon and MHV. In accordance with accounting guidance for consolidations, NHTC has determined the presumption of control for Baltimore, Ward 1, Tequesta, New Savannah, Mass Place, MHV and Liberty Place in which NHTC and/or its affiliated entities are general partners/managing members has not been overcome; therefore, NHTC has significant control over the major decisions of those entities. As a result, NHTC and/or its affiliated entities are required to consolidate the financial statements of these entities.

NHTC and Mass Place have entered into a master tenant lease agreement where NHTC is the master tenant and Mass Place is the landlord. The master tenant is required to make monthly rent payments to the landlord under the master lease agreement. Therefore, the financial statements have been combined to present a completed presentation of the operations of NHTC. All intercompany transactions have been eliminated and consist primarily of the payments and balance related to the master lease.

Ground lease

A subsidiary of the Trust recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date. The subsidiary of the Trust's lease was paid in full upfront, from equity proceeds. As such, there is no lease liability associated with the subsidiary for the Trust's ground lease. Ground lease rent was prepaid at acquisition and is recognized using the straight-line method over the full term of the lease agreement as a component of amortization expense. The ground lease is an operating lease and is included in other assets in the balance sheets.

Basis of accounting

The consolidated financial statements have been prepared using the accrual basis of accounting. Revenue, other than grants, is recognized when earned; expenses are recorded when the obligation is incurred. Grants are recorded as increases in net assets without donor restrictions or

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Notes to Consolidated Financial Statements December 31, 2022 and 2021

net assets with donor restrictions depending upon the existence and/or nature of any donor-imposed restrictions. All donor-restricted grants are reported initially as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions when restrictions have been met.

Net assets and the changes therein are classified as follows:

Net assets without donor restrictions - controlling - represents net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets without donor restrictions - noncontrolling - represents the noncontrolling partners' proportionate share of the partnerships' equity as well as its share of the change in net assets for the year/period.

Net assets without donor restrictions - board designated - represents amount set aside by the Board of Directors for general operating support.

Net assets with donor restrictions - Net assets subject to donor - (or certain grantor) - imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Grants and support received with donor-imposed restrictions or payment provisions that are met in the same year as received are reported as increases in net assets without donor restrictions. All other donor-restricted grants are reported as increases in net assets with donor restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Reclassification

Reclassifications have been made to certain prior year balances to conform to the current year presentation. Such reclassifications were made for comparative purposes only and do not restate the prior year's financial statements.

Use of estimates

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

Specifically, an allowance is provided for loans receivable that may be uncollectible. The estimate of the allowance for loan losses is a significant estimate of value in the consolidated financial statements. Due to uncertainties in such an estimate, it is at least reasonably possible that the estimate will change materially within the near term.

Income taxes

The Trust and its Affiliates are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income as defined in the Code. The Trust and its Affiliates did not have any unrelated business income during the years ended December 31, 2022 and 2021. Due to its tax-exempt status, the Trust and its Affiliates are not subject to income taxes.

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Notes to Consolidated Financial Statements December 31, 2022 and 2021

The Trust and its Affiliates are required to file and do file tax returns with the Internal Revenue Service ("IRS") and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Trust and its Affiliates have no other tax positions, which must be considered for disclosure. Income tax returns filed by the Trust and its Affiliates 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.

Fredericksburg LLC, Kenyon Street, Mass Place, Belton Woods, Liberty Place, Congress Heights and Ward 1 are cooperations subject to income taxes and report income and losses on a corporate tax return. Any losses may be carried back to prior years or forwarded to subsequent years.

Poppleton, Southpoint, Copeland Manor, Landfair, Renewable of Delaware, West Hartford, East River, NOHL, and New Savannah are wholly-owned limited liability companies. No provision or benefit for income taxes for these wholly-owned limited liability companies have been included in these consolidated financial statements since taxable income or loss pass through to, and will be reportable by, their sole member, NHTC.

Baltimore, Tequesta, Mt Hermon and MHV are limited liability companies. No provision or benefit for income taxes for these entities have been included in these consolidated financial statements since taxable income or loss pass through to, and will be reportable by, their members.

Functional expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses such as consultants and rent expenses are allocated as a percentage of time worked, headcount and square footage. Estimates may be used in developing allocations of expense by function.

Restricted cash

Restricted cash consists of cash required to be segregated as specified in certain grants or other agreements.

Investments in securities

Investments in equity and debt securities with readily determinable fair values are measured at fair value in the consolidated statements of financial position. Fair value of equity securities is based on quoted market prices. Fair value of debt securities, other than those based on quoted market prices are based on prices provided by the Trust and its Affiliates custodian bank. The custodian bank uses a variety of pricing sources to determine market valuation. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends and investment expenses) is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions. Management has designated all highly-liquid short-term investments easily convertible to cash as current assets.

The Trust and its Affiliates have implemented policies and practices for assessing other-than-temporary declines in the value of its investment. Periodically, management reviews its ability to recover its investment. If an other-than-temporary decline in carrying value exists, a provision to reduce the assets to fair value will be recorded in the Trust and its Affiliates' consolidated financial statements.

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Notes to Consolidated Financial Statements December 31, 2022 and 2021

Accounts receivable and bad debts

Accounts receivable shown on the consolidated statements of financial position mainly consists of tenant and subsidy accounts receivable. Accounts receivable are reported net of allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of account receivable. It is reasonably possible that management's estimate of the allowance will change. At December 31, 2022 and 2021, allowances for doubtful accounts were \$1,242,063 and \$553,822, respectively. During the years ended December 31, 2022 and 2021, \$1,080,290 and \$678,542, respectively, were included in bad debts on the consolidated statements of functional expenses.

Loans and notes receivable

Loans and notes receivable are classified as held for investment purposes and it is the intent of management to hold them until maturity. They are stated at the amount of unpaid principal reduced by specific allowances for loan losses. Interest income on loans is recognized when earned. Loans are made to 501(c)(3) nonprofit borrowers, limited partnerships controlled by nonprofits and to for-profit developers engaged in developing and maintaining affordable housing through six types of loans: predevelopment loans, acquisition and bridge loans, energy loans, enterprise development loans which are semi-revolving or tranche draw down product loans, community land trust loans and Tenant Opportunity to Purchase Act - Earnest Money Deposit ("TOPA EMD") loans. Borrowers must complete an application process in which the borrower demonstrates the ability to succeed with the proposed project, the financial strength and/or collateral value to repay the loan in the event the project fails, and the overall feasibility of the project. Management's policy is to place a loan on nonaccrual status when management has sufficient information and confidence that interest payments will not be received.

Management utilizes risk ratings to reflect the credit quality of individual loans. The risk rating is determined based on a combination of factors including whether the individual loan is secured, loan-to-value ratios, working capital ratios, net asset ratios, borrower experience and track record, payment history and material adverse changes to the borrower's project, collateral value, or financial position. The risk ratings are broken down within different levels ranging from Level 1 to Level 7, in which default is the least likely to probable substantial or total loss. A description of each rating is mentioned below:

Level 1 - Highest Quality. Likelihood of default remote. Generally involve most experienced, capable and financially strong borrowers and/or guarantors. Borrower and/or guarantor's liquid net worth may be many times greater than the loan amount. Loan may be secured by collateral with substantially greater value than the amount of the loan (e.g., LTV less than 60%). Loan may be projected to be repaid with funding sources that are fully approved and committed, but undisbursed. Loan may be secured by cash or refundable deposit.

Level 2 - Very Good Quality. Default very unlikely. Borrower has very good reputation, extensive track record, experienced (e.g., 10+ years' experience) and capable staff and very strong financial health. If loan is unsecured, unrestricted short-term liquid net worth of borrower and/or guarantor significantly exceeds 100% of loan balance. If secured loan, loan to value of collateral generally below 80%. Project conservatively underwritten with very good chance of success. After closing, all payments have been made as agreed, project is proceeding rapidly toward closing and no material adverse changes in financial condition of borrower, collateral value or project feasibility.

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Level 3 - Good Quality. Small chance of default. Experienced borrower (5+ years' experience), good reputation and good financial health. If unsecured loan, unrestricted short-term liquid assets totaling at least 100% of loan balance. If secured loan, loan to value ratio of no more than 100%. Project conservatively underwritten with good chance of success but may include significant contingencies such as anticipation of future award of tax credits in competitive award round. After closing, all payments have been made as agreed, and no material adverse changes in financial condition of borrower, collateral value or project feasibility.

Level 4 - Average Quality Loan. Low chance of default, but with some areas of material concern. Generally this is the lowest rating assigned to new loans. Borrower with some successful track record of similar developments, but possibly not a spotless record. Reasonably good financial health, but unrestricted liquid current assets may be less than the amount of the loan. Could involve new organization or organizations trying to reach a higher level of activity. Project should be solidly underwritten with reasonable prospect of success, but may have significant contingencies. This category might include novel projects that are inherently more risky than conventional projects. May be particularly compelling from a mission standpoint. After closing, all payments have been made as agreed. Loans with higher risk ratings may be downgraded to this level if there have been material adverse changes in financial condition of borrower, collateral value or project feasibility. Significant project contingencies remain.

Level 5 - Below Average Quality. Chance of default. New loan would generally not be approved at this level of risk. Loans are considered to be on a "watch list" at this level. Existing loans may be downgraded to this level if the current unrestricted net worth of the borrower and/or guarantor has dropped significantly since original underwriting, there has been a significant deterioration in the value of collateral, or the project has suffered a material setback such as the failure of one of the anticipated funding sources to materialize. While loans in this category possess problems, they do not represent anticipation of material, imminent loss. Further draws may be allowed to a borrower in this category if it appears that allowing further draws would not materially increase risk of loss, and if refusing to fund additional draws might increase the chance that a troubled project or borrower might fail.

Level 6 - Substandard Loan. Partial loss anticipated. Borrower significantly late in making payments. May involve all of the above noted characteristics in Level 5 and borrower has indicated probability of inability to fully repay and/or to continue development activities. Highly adverse material information about project (such as natural disaster or reports of toxic waste on site). Financial status of borrower makes complete repayment improbable.

Level 7 - Troubled Loan. Probable substantial or total loss. All development activities halted and borrower indicates an inability to repay. Financial status of borrower makes significant recovery of loan funds improbable. Other material financial events of borrower, including bankruptcy or insolvency, or adverse litigation.

Allowance for loan losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loans are charged against the allowance for loan losses when the loan committee of the Board of Directors believes the collectability of the principal is confirmed. Recoveries of amounts previously recorded as uncollectible are recorded as income when received net against the provision for loan loss reserve.

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The allowance for loan losses is evaluated on an annual basis for all loans in ICE's and NHTCDF's portfolio by ICE's and NHTCDF's loan committee. The loan committee evaluates each of its loans and does not evaluate their loans by category. Additionally, if the circumstances of any loan change during the year or new loans are entered into with borrowers, the loan is reviewed at the monthly or quarterly loan committee meeting and risk ratings and reserves of the loan are adjusted if necessary. Evaluation of the loans is based upon the loan committee and the Board of Directors' review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Impaired loans

Loans are considered impaired when, based on current information and events, it is probable that ICE and NHTCDF will not collect all principal and interest payments according to the original contractual terms. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting interest payment throughout the loan period and the principal balance at the maturity date.

ICE and NHTCDF exercise any and all legal rights they have in accordance with the loan documents to collect on impaired loans. All legal action must be approved by the loan committee. As of December 31, 2022 and 2021, no loans were considered impaired loans.

Troubled debt restructurings

A troubled debt restructuring ("TDR") is a loan that is restructured or modified for economic or legal reasons, where, 1) the creditor grants a concession that it otherwise would not consider, and 2) the borrower is experiencing financial difficulties. All TDRs are included in impaired loans. As of December 31, 2022 and 2021, no loans were considered TDRs.

Land, buildings, improvements, furniture, fixtures and equipment

Land, building, improvements, furniture, fixtures and equipment are carried at cost. Depreciation is provided for in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Building, improvement, furniture, fixtures and equipment are depreciated over lives ranging from 5 to 40 years. Improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Any resulting gains and losses are reflected in the consolidated statements of activities.

Construction in progress

Costs associated with the acquisition, development and construction of real estate entities are carried at cost. Construction in progress is capitalized and is included in building, improvements furniture, fixtures and equipment on the consolidated statements of financial position.

Impairment of long-lived assets

The Trust and its Affiliates review their property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2022 and 2021.

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Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the note payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Tax credit fees

Tax credit fees are amortized over the estimated useful life using the straight-line method. Amortization expense for the years ended December 31, 2022 and 2021 were \$30,839 and \$17,623, respectively, and shown on the consolidated statements of functional expenses.

Estimated annual amortization expense for each of the ensuing years through December 31, 2022 is as follows:

2023	\$	37,005
2024		40,205
2025		40,205
2026		40,198
2027		36,568

Investment in investing and operating entities

Under the equity method, the initial investment is recorded at cost, increased or decreased by NHTC's share of income or losses, and decreased by distributions. The investment cannot be reduced below zero unless NHTC guarantees to fund operating deficits. After the investment account is reduced to zero, receivables due from investment are decreased by NHTC's share of losses, and accordingly, a valuation allowance is recorded against the receivables.

Entity fee receivable

Entity fee receivable consists mainly of entity fees earned by NHTC such as asset management fees, management fee and incentive performance fees. Entity fee receivable are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Reimbursable acquisition costs

Reimbursable acquisition costs included as other assets on the consolidated statement of financial position are incurred in the identification of potential developments are deferred. Reimbursable acquisition costs are reimbursed upon the receipt of project financing for the related entity. Costs incurred on unlikely or abandoned are expensed when these determinations are made.

Revenue recognition

The Trust and its Affiliates receive grants from various organizations. Revenues from grants with resource providers such as private foundations and the Federal Government are accounted for either as exchange transaction or as contributions. Grants that are considered contributions are recognized as revenue when upon overcoming the barrier or hurdle. Contributions are classified as either conditional or unconditional. Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received. A conditional contribution is a transaction where the Trust and its Affiliates has to both overcome a barrier or hurdle and the resource provider can be released from the obligation to fund or has the right of return of any

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advanced funding if the Trust and its Affiliates fail to overcome the barrier. The Trust and its Affiliates recognize the conditional grant revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as conditional contributions in the consolidated statements of financial position. Grants that are considered exchange transactions are recognized as revenue when services have been provided in accordance with the terms of the agreement. Grants proceeds received in advance as a conditional receivable are recorded as a refundable advance liability and recognized as income when the barrier is achieved.

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the real estate entities and the tenants are operating leases.

Energy service revenue is recognized monthly based on the actual amount of energy produced. Payments received in advance are deferred until earned.

Interest income on loans receivable is recognized when earned. Loan origination fees, net of loan costs are capitalized and amortized to interest income as a component of loans receivable over the lives of the related loans using the interest method.

Refundable advance liability

Grant proceeds received in advance and containing conditions from the grantor are recorded as a refundable advance liability and recognized as income when the barrier has been overcome.

Developer fees

Developer fees earned are paid from the entities' equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period, beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner/member, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected, and concluding with the application of final allocation. Any portion of the development fee not expected to be paid using contributions from the equity partner, such as out of cash flow from operations represents variable considerations, and will be eliminated in consolidation. The entity estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, on constraining estimates of variable considerations, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the entity's influence, including insufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- NHTC's experience with similar types of agreements.
- Whether NHTC expects to offer changes to payment terms.
- The range of possible consideration amounts.

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The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the entity's estimate of the variable consideration using available information at the reporting date. Any differences between the gross amount of the entity's developer fee payable and the estimate of variable consideration to which the developer expects to be entitled is eliminated in consolidation.

Donated services

Donated services are recorded at their estimated fair value at the time of donation. The donated services consist of services provided to the Trust and its Affiliates and are classified as program expenses.

Contributions to other organizations

Contributions are expensed when made.

Advertising

Advertising costs are expensed as incurred.

Risks and uncertainties

The Trust and its Affiliates invest in various investment securities. Investment securities are exposed to various risks such as 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 investments securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Grant receivable

When a resource provider has unconditionally promised to contribute funds to the Trust and its Affiliates in future period. The Trust and its Affiliates recognize a grant receivable. Grants expected to be collected within one year are recorded as grants and a receivable at net realizable value. Grants expected to be collected in future years are recorded as a grant and a receivable at present value of expected future cash flows. Discounts on those amount are computed using interest rates applicable to the years in which the promises are received. Grants received during the years ended December 31, 2022 and 2021 are due within a year and no discount rate was applied to the receivables.

New accounting pronouncement

The Trust adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on January 1, 2022 ("Adoption Date"). Additionally, the Trust elected and applied the following practical expedients on the Adoption Date:

- The package of practical expedients permitting the Trust to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Trust accounted for its existing operating leases with residential tenants and commercial tenants of the Property as operating leases. The Trust has elected and applied the practical expedient to combine nonlease components with their related lease components and account for them as a single combined lease component. Adopting Topic 842 in accounting for residential tenant and commercial tenant leases did not result in adjustments to the consolidated financial statements.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 2 - Reserves and escrows

The real estate entities are required to maintain replacement reserves, tax and insurance escrows, bond reserve funds, operating reserves and other reserves as specified in the mortgage agreement, regulatory agreement, partnership agreement or other agreements. Monthly deposits are required for certain reserve and escrow accounts. In addition, withdrawals from certain reserve and escrow accounts require mortgagee or limited partner approval. Reserves and escrows are either held with the mortgagee or by the real estate entity. Reserves and escrow held with the real estate entity have been treated as restricted cash on the consolidated statements of cash flows as fully described in Note 18.

Reserve and escrows accounts consist of the following as of December 31, 2022 and 2021:

2022						
Entity	Replacement reserve	Tax and insurance escrow	Bond reserve funds	Operating reserve	Other reserve	Total
Fredericksburg LP	\$ 250,914	\$ 126,841	\$ 23,492	\$ 481,234	\$ -	\$ 882,481
St. Dennis LP	214,795	55,124	-	196,988	244,269	711,176
Poppleton LP	658,457	142,674	-	391,545	286,105	1,478,781
Southpoint	-	-	-	-	-	-
Copeland	92,062	33,615	-	154,663	-	280,340
Monsenor	283,284	36,037	-	357,437	43,917	720,675
Tequesta	132,687	109,401	-	-	-	242,088
East River	-	-	-	-	829,504	829,504
Mass Place LLC	244,000	114,221	61,488	1,132,396	-	1,552,105
New Savannah	-	-	11,466,515	-	-	11,466,515
Liberty Place LLC	-	-	-	-	-	-
Belton Woods LP	225,000	163,393	-	-	655,973	1,044,366
Mt Hermon	-	-	-	-	-	-
Congress Heights	-	-	-	-	1,311,248	1,311,248
MHV	-	-	-	-	8,428,224	8,428,224
	<u>\$ 2,101,199</u>	<u>\$ 781,306</u>	<u>\$ 11,551,495</u>	<u>\$ 2,714,263</u>	<u>\$ 11,799,240</u>	<u>\$ 28,947,503</u>
2021						
Entity	Replacement reserve	Tax and insurance escrow	Bond reserve funds	Operating reserve	Other reserve	Total
Fredericksburg LP	\$ 395,613	\$ 143,277	\$ 16,337	\$ 481,235	\$ -	\$ 1,036,462
St. Dennis LP	139,776	63,735	-	196,476	-	399,987
Poppleton LP	748,204	115,903	-	417,925	285,187	1,567,219
Southpoint	165,111	134,568	-	-	-	299,679
Copeland	148,043	28,388	-	154,509	-	330,940
Monsenor	253,471	31,685	-	356,281	43,768	685,205
Tequesta	131,508	108,429	-	-	-	239,937
East River	2,501	1,894	-	-	274,456	278,851
Mass Place LLC	-	-	17,741,859	-	-	17,741,859
New Savannah	-	27,966	11,597,985	-	-	11,625,951
Liberty Place LLC	-	-	19,430,889	-	-	19,430,889
Belton Woods LP	349,072	114,183	-	-	118,861	582,116
Mt Hermon	805,814	-	-	-	128,161	933,975
Congress Heights	-	-	-	-	1,311,248	1,311,248
	<u>\$ 3,139,113</u>	<u>\$ 770,028</u>	<u>\$ 48,787,070</u>	<u>\$ 1,606,426</u>	<u>\$ 2,161,681</u>	<u>\$ 56,464,318</u>

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

At December 31, 2022 and 2021, the bond reserve funds of \$11,551,495 and \$48,787,070, respectively, includes cash and cash equivalents of \$89,595 and \$38,927,521, respectively. In 2022, \$11,461,900 is invested in a municipal issue bond with a maturity of January 1, 2023. In 2021, \$9,859,549 is invested in a municipal issue bond with a maturity of November 1, 2023. The cash and cash equivalents are recorded at cost, which approximates fair value.

Note 3 - Loans receivable

NHTCDF loan receivable

Loans are generally made in connection with affordable housing and community development projects. At December 31, 2022, 62 loans totaling \$40,304,889 were outstanding. Outstanding principal balances at December 31, 2022 range from \$6,305 to \$3,250,000, with maturity dates ranging from January 24, 2023 to April 30, 2035. At December 31, 2021, 48 loans totaling \$22,979,080 were outstanding. Outstanding principal balances at December 31, 2021 range from \$8,070 to \$2,000,000, with maturity dates ranging from January 14, 2022 to November 20, 2038. The five largest outstanding loans receivable had combined balances of approximately 30% and 33% of the portfolio as of December 31, 2022 and 2021, respectively. The repayment terms vary, with loans either requiring monthly principal and interest payments or monthly interest-only payments. During the years ended 2022 and 2021, interest income earned for NHTCDF totaled \$1,580,383 and \$1,289,403, respectively, including amortization of deferred loan origination fee of \$109,493 and \$57,967, respectively. As of December 31, 2022 and 2021, accrued interest totaled \$382,720 and \$114,374, respectively. During 2022, interest rates on the loans range from 1% to 7.50% per annum. During 2021, interest rates on the loans range from 2% to 8.25% per annum. The majority of the loans are collateralized by first mortgages on certain projects of the borrowers.

On February 11, 2010, NHTCDF, the Lead Member, entered into a consortium agreement (the "agreement") with Telesis NSP LLC ("TNSP") in connection with the Neighborhood Stabilization Program 2 ("NSP2") grant. NHTCDF will assist TNSP in utilizing the funding provided by the NSP2 grant in strict accordance with the agreement for the Bass Circle Apartments Project. Per the terms of the agreement, TNSP shall expend no less than \$2,100,000 by February 11, 2012 and the balance of funds by February 11, 2013. A maximum of \$6,575,000 may be advanced to TNSP. As of December 31, 2022 and 2021, \$6,575,000 and \$6,575,000, respectively, is included in loans receivable, net of current on the consolidated statements of financial position. The secured note is noninterest-bearing and matures on March 15, 2051.

The following table presents an analysis of loan losses as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 1,164,269	\$ 773,159
Provision for loan losses	1,427,536	619,797
Recoveries	<u>(445,585)</u>	<u>(228,687)</u>
Ending balance	<u>\$ 2,146,220</u>	<u>\$ 1,164,269</u>

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

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

	2022		
	Total loans	Loan loss	Loans, net of loan loss
Level 1	\$ -	\$ -	\$ -
Level 2	11,297,568	357,103	10,940,465
Level 3	17,993,983	978,894	17,015,089
Level 4	11,013,338	810,223	10,203,115
Level 5	-	-	-
Level 6	-	-	-
Level 7	-	-	-
	\$ 40,304,889	\$ 2,146,220	\$ 38,158,669

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

	2021		
	Total loans	Loan loss	Loans, net of loan loss
Level 1	\$ 1,200,000	\$ 12,000	\$ 1,188,000
Level 2	6,501,176	248,890	6,252,286
Level 3	12,940,364	713,064	12,227,300
Level 4	2,337,540	190,315	2,147,225
Level 5	-	-	-
Level 6	-	-	-
Level 7	-	-	-
	\$ 22,979,080	\$ 1,164,269	\$ 21,814,811

ICE loans receivable

Loans are generally made in connection with affordable housing and community development projects. At December 31, 2022, 21 loans totaling \$3,636,387 were outstanding. Outstanding principal balances at December 31, 2022 range from approximately \$10,000 to \$548,420, with maturity dates ranging from January 6, 2023 to March 15, 2036. At December 31, 2021, 16 loans totaling \$3,733,909 were outstanding. Outstanding principal balances at December 31, 2021 range from approximately \$10,000 to \$558,329, with maturity dates ranging from January 26, 2022 to March 15, 2036. The five largest outstanding loans receivable had combined balances of approximately 55% and 57% of the portfolio as of December 31, 2022 and 2021, respectively. The repayment terms vary, with loans either requiring monthly principal and interest payments or monthly interest-only payments. During the years ended 2022 and 2021, interest income earned for ICE totaled \$267,802 and \$237,725, respectively, including amortization of deferred loan origination fee of \$10,187 and \$2,585, respectively. As of December 31, 2022 and 2021, accrued interest totaled \$99,646 and \$16,183, respectively. During 2022, interest rates on the loans range from 0% to 8.25% per annum. During 2021, interest rates on the loans range from 0% to 8.25% per annum. The majority of the loans are collateralized by first mortgages on certain projects of the borrowers.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

The following table presents an analysis of loan losses as of December 31, 2022 and 2021:

	2022	2021
Beginning balance	\$ 209,481	\$ 244,134
Provision for loan losses	(30,583)	(5,831)
Recoveries	(28,822)	(28,822)
Ending balance	\$ 150,076	\$ 209,481

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

	2022		
	Total loans	Loan loss	Loans, net of loan loss
Level 1	\$ 810,900	\$ 8,109	\$ 802,791
Level 2	250,369	6,259	244,110
Level 3	2,536,087	131,805	2,404,282
Level 4	39,031	3,903	35,128
Level 5	-	-	-
Level 6	-	-	-
Level 7	-	-	-
	\$ 3,636,387	\$ 150,076	\$ 3,486,311
	\$ 3,636,387	\$ 150,076	\$ 3,486,311

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

	2021		
	Total loans	Loan loss	Loans, net of loan loss
Level 1	\$ 501,250	\$ 5,013	496,237
Level 2	580,450	14,511	565,939
Level 3	558,329	32,916	525,413
Level 4	2,093,880	157,041	1,936,839
Level 5	-	-	-
Level 6	-	-	-
Level 7	-	-	-
	\$ 3,733,909	\$ 209,481	\$ 3,524,428
	\$ 3,733,909	\$ 209,481	\$ 3,524,428

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

NHTC loans receivable

NHTC has advanced funds necessary for the redevelopment of certain housing projects and operating deficits to several affiliated organizations. Notes receivable from affiliated organizations as of December 31, 2022 and 2021 consist of the following:

2022					
Affiliate	Due date	Interest rate	Principal	Accrued interest	Interest earned
NHTE Piedmont Garrett Square, L.P.	April 1, 2023	6%	\$ 321,792	\$ 34,652	\$ -
NHTE Piedmont Garrett Square, L.P.	April 1, 2023	4%	127,500	97,538	5,100
Galen Terrace, L.P.	December 31, 2026	1%	43,760	6,783	438
Greatview Development, L.P.	December 14, 2049	0%	700,000	-	-
Greatview Development, L.P.	December 14, 2049	0%	377,451	-	-
R Street Preservation Partners	November 17, 2048	1%	32,279	761	335
R Street Preservation Partners	Surplus cash	0%	4,391	-	-
IBF Development, LLC	June 30, 2023	3.28%	256,000	21,687	4,950
IBF Development, LLC	June 30, 2023	3.28%	74,846	12,041	2,585
104th Street, LP	December 15, 2054	3%	168,251	47,032	5,048
104th Street, LP	December 15, 2054	2.80%	688,659	198,826	23,533
Cincinnati NHTE Housing, LP	September 1, 2030	2.50%	2,111,963	58,199	52,799
Phoenix House	December 31, 2038	0%	500,000	-	-
The Elms (Faxon)	February 27, 2062	3%	135,078	4,932	2,336
Hamilton Manor	August 12, 2024	4.50%	-	30,085	30,784
Totals before allowance for doubtful accounts			5,541,970	512,536	127,908
Allowance for doubtful accounts			(2,111,963)	(58,199)	-
Totals			\$ 3,430,007	\$ 454,337	\$ 127,908

2021					
Affiliate	Due date	Interest rate	Principal	Accrued interest	Interest earned
NHTE Piedmont Garrett Square, L.P.	March 1, 2022	6%	\$ 321,792	\$ 42,744	\$ 30,000
NHTE Piedmont Garrett Square, L.P.	March 1, 2022	4%	127,500	92,438	5,100
Meridian Manor - Chapin Street, L.P.	December 31, 2021	1%	-	-	766
Galen Terrace, L.P.	December 31, 2021	1%	43,760	6,346	438
Greatview Development, L.P.	December 14, 2049	0%	700,000	-	-
Greatview Development, L.P.	December 14, 2049	0%	484,625	-	-
R Street Preservation Partners	November 17, 2048	1%	33,523	431	431
R Street Preservation Partners	Surplus cash	0%	4,391	-	-
IBF Development, LLC	April 1, 2022	1.48%	256,000	16,746	3,789
IBF Development, LLC	May 30, 2022	1.43%	238,163	6,845	2,583
104th Street, LP	December 15, 2054	3.00%	168,251	41,984	5,048
104th Street, LP	December 15, 2054	2.80%	688,659	173,254	19,283
Cincinnati NHTE Housing, LP	September 1, 1930	2.50%	2,111,963	97,398	52,799
Phoenix House	December 31, 2038	0.00%	500,000	-	-
The Elms (Faxon)	February 27, 2062	3.00%	45,348	2,596	2,596
Hamilton Manor	August 12, 2024	4.50%	550,000	13,625	13,625
Totals before allowance for doubtful accounts			6,273,975	494,407	136,458
Allowance for doubtful accounts			(2,111,963)	(97,398)	-
Totals			\$ 4,162,012	\$ 397,009	\$ 136,458

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

NHTC was assigned as the holder of a notes receivable by HUD under the Mark-To-Market Program for Cincinnati NHTC Housing, LP in the amount of \$2,111,964. Cincinnati NHTC Housing, LP is required to make annual payments in an amount of 75% of available surplus cash, as defined. As of December 31, 2022 and 2021, the outstanding balance was \$2,111,963, respectively. As of December 31, 2022 and 2021, accrued interest was \$58,199 and \$97,398, respectively. As payments on the notes are dependent on underlying cash flow of the property, the outstanding balance and accrued interest have been fully reserved. During the years ended December 31, 2022 and 2021, \$91,988 and \$157,922, respectively, were bad debt recoveries and included in other income on the consolidated statements of activities.

Real estate entities loans receivable

Renewable of Delaware

Renewable of Delaware entered into loan agreements with third-party entities in connection with affordable housing and community development projects. At December 31, 2022, 5 loans totaling \$971,288 were outstanding. Outstanding principal balances at December 31, 2022 range from \$77,106 to \$324,215, with maturity dates ranging from April 1, 2023 to August 1, 2030. At December 31, 2021, 5 loans totaling \$995,144 were outstanding. Outstanding principal balances at December 31, 2021 range from \$88,750 to \$340,594, with maturity dates ranging from March 1, 2022 to August 1, 2030. The repayment terms vary, with loans either requiring monthly principal and interest payments or monthly interest payments only. During the years ended December 31, 2022 and 2021, interest income earned for Renewable of Delaware totaled \$47,593 and \$41,164, respectively. As of December 31, 2022 and 2021, accrued interest totaled \$43,090 and \$20,188, respectively. During 2022, interest rates on the loans range from 4% to 5.25% per annum. During 2021, interest rates on the loans range from 4% to 5.25% per annum.

NOHL

NOHL issued a loan agreement to Austin Affordable Housing Corporation on June 27, 2019. The principal amount of the note is \$4,000,000. The loan bears interest at an annual rate of 4% through June 30, 2022, 5% through June 30, 2024 and 6% thereafter until the maturity date of June 30, 2029. Monthly interest payments are due quarterly until maturity, at which time the outstanding principal balance and accrued interest are due. During the years ended December 31, 2022 and 2021, interest income amounted to \$180,000 and \$160,000, respectively. As of December 31, 2022 and 2021, the outstanding loan receivable and accrued interest receivable were \$4,000,000 and \$180,000, and \$4,000,000 and \$40,000, respectively.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Aggregate maturities of loans receivable for each of the next five years and thereafter are as follows:

	NHTCDF	ICE	NHTC	Real estate entities	Total
December 31, 2023	\$ 18,397,766	\$ 1,715,680	\$ 524,138	\$ 425,000	\$ 21,062,584
2024	5,948,934	495,435	-	-	6,444,369
2025	10,512,779	339,081	-	-	10,851,860
2026	600,000	-	299,760	77,106	976,866
2027	2,887,489	765,523	-	-	3,653,012
Thereafter	8,532,921	320,668	4,718,072	4,469,182	18,040,843
	46,879,889	3,636,387	5,541,970	4,971,288	61,029,534
Loan origination fee	(168,982)	(904)	-	-	(169,886)
Loan loss reserve	(2,146,220)	(150,076)	(2,111,963)	-	(4,408,259)
Net notes receivable	<u>\$ 44,564,687</u>	<u>\$ 3,485,407</u>	<u>\$ 3,430,007</u>	<u>\$ 4,971,288</u>	<u>\$ 56,451,389</u>

Note 4 - Fair value measurements

The Trust and its Affiliates adopted accounting guidance establishing a framework for measuring fair value and disclosures regarding related fair value measurements for its financial assets and liabilities. The guidance applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements.

The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that the market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Trust and its Affiliates. Unobservable inputs are inputs that reflect the Trust and its Affiliates' assumptions about what assumed market participants would use in pricing the asset or liability based on the best information available under the circumstances. The hierarchy is measured in three levels based on the reliability of inputs:

Level 1: Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Trust and its Affiliates have the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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Notes to Consolidated Financial Statements December 31, 2022 and 2021

The asset's or liability's fair value measurement level within the fair value hierarchy is on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Government securities, corporate bonds, equity securities and preferred securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of deposit: Valued at their face value which equals fair value.

Fixed and variable income annuities: Valued at contract value which approximates fair value.

The following tables set forth by level, within the fair value hierarchy, the Trust and its Affiliates' assets at fair value as of December 31, 2022 and 2021:

2022				
	Level 1	Level 2	Level 3	Total
Government securities	\$ 1,160,344	\$ -	\$ -	\$ 1,160,344
Corporate bonds	4,510,550	-	-	4,510,550
Equity securities	1,745,170	61,774	-	1,806,944
Certificates of deposit	-	899,388	-	899,388
Fixed and variable income annuities	-	1,638,964	-	1,638,964
Preferred securities	323,020	-	-	323,020
Total investments at fair value	\$ 7,739,084	\$ 2,600,126	\$ -	\$ 10,339,210
2021				
	Level 1	Level 2	Level 3	Total
Government securities	\$ 1,025,376	\$ -	\$ -	\$ 1,025,376
Corporate bonds	2,357,135	-	-	2,357,135
Equity securities	2,027,999	60,711	-	2,088,710
Certificates of deposit	-	4,570	-	4,570
Fixed and variable income annuities	-	5,275,417	-	5,275,417
Preferred securities	331,295	-	-	331,295
Total investments at fair value	\$ 5,741,805	\$ 5,340,698	\$ -	\$ 11,082,503

Note 5 - Notes and loans payable

NHTCDF notes and loans payable

Loans payable consist of 15 and 16 loans and amounted to \$33,293,063 and \$26,288,063 at December 31, 2022 and 2021, respectively. The outstanding principal amounts at December 31, 2022 range from \$100,000 to \$8,000,000. The outstanding principal amounts at December 31, 2021 range from \$100,000 to \$5,000,000. The interest rates on the loans range from 0% to 3.25% at December 31, 2022 and 2021, respectively. Maturity dates on the loans range from February 19, 2023 to July 6, 2031 and May 10, 2022 to July 6, 2031 at December 31, 2022 and 2021, respectively. The loans payable are unsecured with recourse to the general assets of NHTCDF. Interest charged to operations on the loans totaled \$592,674 and \$392,728, respectively, for the

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

years ended December 31, 2022 and 2021. Accrued interest of \$144,146 and \$16,436 was payable at December 31, 2022 and 2021, respectively.

For the years ended December 31, 2022 and 2021, amortization expense related to debt issuance costs was \$16,654 and \$9,809, respectively, and is included in interest expense on the consolidated statements of activities. As of December 31, 2022 and 2021, unamortized debt issuance costs of \$57,162 and \$73,816, respectively, consists of debt issuance costs of \$108,067 and \$115,567, respectively, less accumulated amortization of \$50,905 and \$41,751, respectively, related to the loans payable. Debt issuance costs related to the loan with TD Bank are being amortized using an imputed interest rate of 4.38%. Debt issuance costs related to the loan with Bank of America are being amortized using an imputed interest rate of 2.67%. Debt issuance costs related to the line of credit with PNC Bank are being amortized using an imputed interest rate of 5.56%.

NHTCDF is required to maintain various loans covenants with certain of its loan payable agreements. As of December 31, 2022 and 2021, NHTCDF was in substantial compliance with all financial covenants.

ICE notes and loans payable

Investor loans payable consist of 122 and 118 loans and amounted to \$4,262,994 and \$4,239,582 at December 31, 2022 and 2021, respectively. The outstanding principal amounts at December 31, 2022 range from \$1,297 to approximately \$245,849 and carry interest rates that range from 0% to 3%. The outstanding principal amounts at December 31, 2021 range from \$1,278 to \$243,022 and carry interest rates that range from 0% to 3%. The majority of the investor loans payable require interest-only payments and can be increased at the discretion of the lender. The investor loans payable are unsecured with recourse to the general assets of ICE. Interest charged to operations on the investor loans payable totaled \$61,037 and \$61,172 for the years ended December 31, 2022 and 2021, respectively. Accrued interest of \$0 and \$29,976 was payable at December 31, 2022 and 2021, respectively.

In April 2018, ICE entered into a loan agreement with Bank of America Community Development Corporation ("BOA"), a North Carolina corporation. Under the agreement, ICE received a loan in the amount of \$500,000. The loan is evidenced by an unsecured promissory note which bears interest at 3.5% per annum. Commencing on July 1, 2018, accrued interest shall be paid in arrears on the first day of each January, April, July, and October continuing through maturity. The loan principal is payable in two equal installments of \$250,000 each on the 5th and 6th anniversaries from the closing date. The entire principal amount shall be payable on April 18, 2024. Interest charged to operations on the loan totaled \$16,685 and \$17,500 for the years ended December 31, 2022 and 2021, respectively. Accrued interest payable at December 31, 2022 and 2021 was \$0, respectively. On December 12, 2022, the total outstanding loan amount of \$500,000 was paid off. At December 31, 2022 and 2021, the outstanding principal balance totaled \$0 and \$500,000, respectively.

For the years ended December 31, 2022 and December 31, 2021, amortization expense related to debt issuance costs was \$954 and \$417, respectively, and is included in interest expense on the consolidated statements of activities. As of December 31, 2022 and 2021, unamortized debt issuance costs of \$0 and \$954, respectively, consist of debt issuance costs of \$2,500 and \$2,500, respectively, less accumulated amortization of \$2,500 and \$1,546, respectively, related to the loans payable. Debt issuance costs related to the loan with Bank of America are being amortized using an imputed interest rate of 3.5%.

ICE is required to maintain various loan covenants for the BOA.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

NHTC notes and loans payable

Notes and loans payable and revolving credit lines as of December 31, 2022 and 2021 consists of the following:

Lender	Outstanding principal at December 31, 2022	Outstanding principal at December 31, 2021	Maturity	Collateral	Interest rate	Accrued interest at December 31, 2022	Accrued interest at December 31, 2021	Interest expense year ended 2022	Interest expense year ended 2021	Payments due
John D. and Catherine T. MacArthur Foundation	\$ 1,000,000	\$ 1,500,000	April 1, 2024	N/A	2%	\$ 30,000	\$ 30,000	\$ 22,500	\$ 32,500	\$500,000 annual installments for 2020-2023. Effective May 1, 2020, annual installment changed from 2020 to 2021-2024.
City of Scranton Office of Economic and Community Development	500,000	500,000	March 11, 2048	N/A	0%	-	-	-	-	No payments are due until maturity.
Capital One National Association and The Federal Home Loan Bank of Atlanta	400,000	400,000	February 6, 2053	N/A	0.25%	10,498	9,498	1,000	1,000	No payments are due until maturity. Under the agreement, St. Dennis L.P. is required to comply with AHP provisions for 15 years.
Bank of America	500,000	500,000	December 1, 2047	N/A	0%	-	-	-	-	No payments are due until maturity. Under the agreement, 51st And King Drive must comply with AHP provisions for 15 years.
John D. and Catherine T. MacArthur Foundation	1,750,000	2,500,000	January 1, 2025	N/A	1%	16,750	18,750	24,375	25,000	\$750,000 annual installments for 2022-2023, \$1,000,000 annual installment for 2024.
Capital One, National Association and The Federal Home Loan Bank of Atlanta	440,000	440,000	December 1, 2056	Deed of Trust - Monsenor	0.25%	4,950	2,858	1,100	1,100	No payments are due until maturity. Under the agreement, Monsenor must comply with AHP provisions for 15 years.
The Federal Home Loan Bank of Atlanta ("FHLBA")	500,000	500,000	October 31, 2034	Deed of Trust - Liberty Place	0%	-	-	-	-	No payments are due until maturity.
The Housing Partnership Fund	2,000,000	2,000,000	August 4, 2029	N/A	4.50%	-	-	59,523	37,500	\$500,000 installments are due on each of 11/1/2028, 2/1/2029, 5/1/2029, and 8/4/2029.
Phoenix House Development Loan	500,000	500,000	December 31, 2038	Deed of Trust - Phoenix Nimbus	0%	-	-	91,492	-	No payments are due until maturity.
Total	7,590,000	8,840,000				\$ 62,198	\$ 61,106	199,990	234,509	
Financing fees	40,600	40,600						-	41,270	Interest related to investment collateralized debt and financing fees
Accumulated amortization	(7,927)	(3,002)						4,681	2,158	Amortization
Net loans and notes payable	\$ 7,557,327	\$ 8,802,402						\$ 204,671	\$ 277,937	

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Real estate entities loans payable

Notes and loans payable as of December 31, 2022 and December 31, 2021 consist of the following:

Entity	Lender	Outstanding principal at December 31, 2022	Outstanding principal at December 31, 2021	Maturity	Collateral	Interest rate	Accrued interest at December 31, 2022	Accrued Interest at December 31, 2021	Interest expense year ended 2022	Interest expense period ended 2021	Payments due
Fredericksburg L.P.	Virginia Foundation for Housing Preservation	\$ 26,500	\$ 26,500	November 2, 2031	Deed of Trust	0%	\$ -	\$ -	\$ -	\$ -	Monthly principal payments of \$250; no interest is due as long as there are no events of default.
Fredericksburg L.P.	Industrial Development Authority of the City of Fredericksburg, VA	5,586,183	5,830,310	June 1, 2037	Deed of Trust	6.16%	31,147	29,929	342,623	354,757	Monthly principal and interest payments of \$47,976 began on January 15, 2007.
St. Dennis L.P.	Capital One, National Association	-	1,908,457	April 14, 2027	Deed of Trust	6.9%	-	10,974	84,421	132,985	Monthly principal and interest payments began on June 28, 2012.
St. Dennis L.P.	Capital One, National Association	2,526,265	-	September 1, 2032	Deed of Trust	5.1%	10,986	-	46,617	-	Monthly principal and interest payments began on September 1, 2022.
St. Dennis L.P.	District of Columbia Department of Housing and Community Development ("DHCD")	1,845,000	1,845,000	October 19, 2050	Deed of Trust	3.32%	733,658	650,797	82,861	80,198	Monthly principal and interest payments from 50% of available cash flow began on April 30, 2012.
Poppleton L.P.	Community Development Administration	4,357,512	4,485,807	January 1, 2044	Deed of Trust	4.76%	-	1,542	143,540	150,576	Monthly principal and interest payments began February 1, 2013.
Poppleton L.P.	Departments of Housing and Urban Development - Green Retrofit Program ("GRP")	1,447,680	1,447,680	October 1, 2045	Deed of Trust	1%	23,602	9,125	14,477	14,553	Payments are made from surplus cash and are applied first to interest due and then to outstanding principal.
Poppleton L.P.	Department of Housing and Community Development of Maryland - Maryland Housing Rehabilitation Program ("MHRP")	725,000	725,000	October 1, 2052	Deed of Trust	4%	85,707	56,707	29,000	29,000	2013 and was due and payable from available cash flow on April 1, 2014. Principal and interest payments from available cash flow began April 1, 2015.
Poppleton L.P.	Mayor and City Council of Baltimore - Home Investment Partnerships Act ("HOME")	2,950,000	2,950,000	September 29, 2050	Deed of Trust	0%	-	-	-	-	No payments are due until maturity unless there is a sale or refinancing of the project.
Poppleton L.P.	Mayor and City Council of Baltimore	1,042,000	1,042,000	October 1, 2050	Deed of Trust	0%	-	-	-	-	No payments are due until maturity.
Southpoint	Miami-Dade County Department of Housing and Community Development - Neighborhood Stabilization Program ("NSP")	-	7,544,489	October 31, 2040	Assignment of Rents and a Security Agreement	0%	-	-	-	-	No payments are due until maturity.
Southpoint	Florida Housing Finance Corporation	-	3,850,025	May 31, 2040	Subordinate Assignment of Rents and a Subordinate Security Agreement	1%	-	2,675,335	17,615	38,520	Annual principal and interest payments from property cash flow began August 31, 2012. Monthly principal and interest.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Entity	Lender	Outstanding principal at December 31, 2022	Outstanding principal at December 31, 2021	Maturity	Collateral	Interest rate	Accrued interest at December 31, 2022	Accrued Interest at December 31, 2021	Interest expense year ended 2022	Interest expense period ended 2021	Payments due
Copeland Manor	City First Bank of D.C., N.A.	1,054,103	1,102,358	April 25, 2023	Deed of Trust	4.25%	3,861	4,038	46,417	48,440	Monthly principal and interest payments in the amount of \$7,904.
Monsenor	Capital One, National Association	2,510,978	2,567,183	July 1, 2045	Deed of Trust	5.3%	11,338	11,974	134,709	137,350	Monthly principal and interest payments in the amount of \$15,909.
Monsenor	DHCD	4,130,612	4,130,612	July 26, 2052	Deed of Trust	1%	88,698	4,915	88,062	52,307	Payments are made from 60% of available cash flow began on July 1, 2014.
Landfair	Fannie Mae	-	-	April 1, 2030	Deed of Trust and Subordination Agreement	7.95%	-	-	-	44,756	Monthly principal and interest payments in the amount of \$22,121.
Tequesta	Carrfour Supportive Housing ("Carrfour")	5,418,138	5,418,138	December 30, 2051	Assignment of Rents and Security and Security Agreement	0%	-	-	-	-	No payments are due until maturity.
East River	First Mortgage	6,370,909	-	December 30, 2022	N/A	6.0%	29,091	-	362,845	-	
East River	LIIF Housing Preservation Fund II, LLC	750,000	3,600,000	January 1, 2023	N/A	5.66%	24,904	4,948	24,904	4,948	Interest-only payments are due beginning February 1, 2022 through January 1, 2023 and the maturity date can be extended to January 1, 2024.
East River	Low Income Investment Fund	2,037,299	2,428,160	January 1, 2023	N/A	6.0%	12,572	4,047	59,206	4,047	Interest-only payments are due beginning February 1, 2022 through January 1, 2023 and the maturity date can be extended to January 1, 2024.
East River	DHCD	6,435,061	6,435,061	August 28, 2057	Deed of Trust	3%	1,032,431	836,559	195,872	193,052	Shall be repaid on an annual basis from 75% of the available cash flow, up to the annual payment amount set forth in the amortization schedule.
Mass Place	TD Bank	-	16,000,000	May 1, 2022	Second Deed of Trust	2.289%	-	-	383,596	371,961	Interest-only for a construction period of 24 months, bearing interest at a rate equal to LIBOR + 2.19%. All principal and interest will be paid in full upon maturity.
Mass Place	DHCD	10,740,829	10,740,829	August 30, 2057	Deed of Trust, Assignment of Leases and Rents and Security Agreement	3%	1,720,593	1,398,368	322,225	322,225	Shall be repaid on an annual basis starting January 1, 2019 from 75% of the available cash flow.
Mass Place	DC Housing Finance Agency	-	16,000,000	November 1, 2038	N/A	3.82%	-	-	598,545	619,639	The bonds consist of short-term portion and long-term portion. The short-term portion bears interest rate of 2.55% and all outstanding principal and accrued interest are due upon maturity on November 1, 2020.
Mass Place	Bellwether Enterprise Mortgage Investments, LLC	15,985,312	-	November 1, 2038	N/A	4.8%	64,133	-	128,267	-	Interest-only payments are due through maturity.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Entity	Lender	Outstanding principal at December 31, 2022	Outstanding principal at December 31, 2021	Maturity	Collateral	Interest rate	Accrued interest at December 31, 2022	Accrued Interest at December 31, 2021	Interest expense year ended 2022	Interest expense period ended 2021	Payments due
NOHL	The Kresge Foundation	5,226,612	5,226,612	July 19, 2029	N/A	2%	286	-	104,532	104,532	Quarterly interest payments, principal repayments on the 8th, 9th, and 10th anniversary.
Liberty Place	DC Housing Finance Agency	-	16,800,000	February 1, 2022	Funds deposited into Bond Fund, the Project Fund and the Collateral Fund and the Trust Estate	0.50%	-	-	808,911	86,135	Interest only payments due December 1 and June 1 of each year. Interest rate changes to remarketing rate of 0.5% at December 1, 2020.
Liberty Place	SunTrust Bank	15,827,179	13,428,289	April 1, 2023	N/A	3.6%	-	297,390	(788,230)	297,391	Interest-only payments due monthly.
Liberty Place	DHCD	10,078,006	10,078,006	May 19, 2058	N/A	3%	765,229	165,497	126,735	165,497	The principal and interest payments are deferred.
Liberty Place	IBF Development	28,000	28,000	N/A	N/A	0%	-	-	-	-	Payments are due on demand or completion of construction.
Liberty Place	DHCD	-	2,500,000	February 1, 2022	N/A	1%	-	-	49,302	-	No payments are due until maturity.
Belton Woods	Red Capital Partners, LLC bridge mortgage note	-	4,446,000	November 30, 2022	N/A	3.25% + LIBOR	-	18,185	223,669	214,118	Monthly payments of interest-only are due with the principal balance due upon maturity.
Belton Woods	Lument Capital	5,194,000	-	December 1, 2027	N/A	6.33%	28,311	-	29,225	-	Monthly payments of principal and interest of \$32,251 are required commencing January 1, 2023.
Mt. Hermon	National Housing Trust Community Development Fund (Non-related party portion)	-	2,000,000	November 14, 2021	N/A	6.25%	-	-	60,000	120,000	
NHT Ingenuity DC 1, LLC	Amalgamated Bank	1,514,586	1,768,556	January 3, 2029	N/A	1.00%+ Prime	-	-	110,602	127,169	Quarterly payments of principal and interest are due quarterly through maturity.
Refinery	KeyBank National Association	6,918,600	5,659,731	March 23, 2023	N/A	3%	41,079	-	286,836	539	
New Savannah	Department of Housing and Community Development	8,688,112	8,688,112	October 9, 2060	Multifamily residential project at Savannah and 13th SE	3%	561,390	300,748	250,986	167,619	Principal and interest are due annually in April to the extent of 75% of available cash flows.
New Savannah	Douglass CLT	1,300,000	1,300,000	October 9, 2060	Secured by Premises	1.12%	32,631	17,871	14,760	14,560	No payments of principal and interest shall be due until the fiscal year following the earlier of September 30, 2022 or the final closing of the permanent loan.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Entity	Lender	Outstanding principal at December 31, 2022	Outstanding principal at December 31, 2021	Maturity	Collateral	Interest rate	Accrued interest at December 31, 2022	Accrued Interest at December 31, 2021	Interest expense year ended 2022	Interest expense period ended 2021	Payments due
New Savannah	District of Columbia Housing Finance Agency ("DCHFPA") - bond funding	11,500,000	11,500,000	May 1, 2024	Underlying value of the real estate	1.27%	12,577	12,577	220,986	148,078	Interest-only payments through conversion date (expected October 2022). After conversion date, principal and interest payments are due to Freddie Mac through May 1, 2040.
New Savannah	Bank of America	7,316,721	4,014,177	May 1, 2024	N/A	LIBOR + 2.25%	40,004	9,464	268,142	23,749	Monthly interest-only payments through maturity.
Congress Heights	National Housing Trust Community Development Fund - HPF (Non-related party portion)	-	500,000	September 2022	N/A	5.05%	-	-	-	-	Interest-only payment on the first day of each month beginning February 1, 2022.
Congress Heights	United Bank	7,930,000	7,930,000	December 22, 2024	Subordinate Assignment of Rents and a Subordinate Security Agreement	3.95%	-	-	-	-	No payments are due until maturity.
Congress Heights	Capital Impact Partners	3,338,133	3,112,787	December 2024	Deed of Trust	5.00%	-	-	-	-	Monthly interest-only payments through maturity.
Northeast Heights Residential	The Housing Partnership Fund Inc	6,750,000	-	October 30, 2025	Deed of Trust	4.75%	-	-	-	-	No payments are due until maturity.
MHV Preservation Partners LLC	Portsmouth Redevelopment and Housing Authority	8,090,001	-	July 1, 2025	N/A	3.50%	142,379	-	142,379	-	No payments are due until maturity.
MHV Preservation Partners LLC	VVC Bank	2,200,000	-	February 1, 2024	N/A	5.00%	-	-	28,910	-	No payments are due until maturity.
MHV Preservation Partners LLC		<u>655,080</u>	<u>-</u>	June 29, 2024	N/A	5.00%	<u>7,085</u>	<u>-</u>	11,095	-	No payments are due until maturity.
	Total	178,494,411	199,057,879				<u>\$ 5,503,692</u>	<u>\$ 6,520,990</u>	5,054,642	4,068,701	Total
	Financing fees	9,424,509	8,316,713						2,141	(465,631)	Interest capitalized
	Accumulated amortization	<u>(5,639,558)</u>	<u>(4,490,578)</u>						<u>1,702,902</u>	<u>1,007,095</u>	Amortized financing fees
	Net loans and notes payable	<u>\$ 174,709,460</u>	<u>\$ 195,231,744</u>						<u>\$ 6,759,685</u>	<u>\$ 4,610,165</u>	Total interest expense

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Debt issuance costs on the loans are being amortized using imputed interest rates ranging from 0.02% to 8.04%.

Aggregate maturities of notes and loans payable for each of the next five years and thereafter are as follows:

	NHTCDF	ICE	NHTC	Real estate entities	Total
December 31, 2023	\$ 1,100,000	\$ 1,070,982	\$ 500,000	\$ 46,371,551	\$ 49,042,533
2024	5,750,000	1,536,592	1,250,000	12,247,043	20,783,635
2025	2,500,000	495,692	1,000,000	1,014,311	5,010,003
2026	5,750,000	149,600	-	1,071,912	6,971,512
2027	-	531,165	-	6,008,164	6,539,329
Thereafter	18,193,063	478,963	4,840,000	111,781,430	135,293,456
	<u>33,293,063</u>	<u>4,262,994</u>	<u>7,590,000</u>	<u>178,494,411</u>	<u>223,640,468</u>
Unamortized debt issuance costs	<u>(57,162)</u>	<u>-</u>	<u>(32,673)</u>	<u>(3,784,951)</u>	<u>(3,874,786)</u>
Net notes and loans payable	<u>\$ 33,235,901</u>	<u>\$ 4,262,994</u>	<u>\$ 7,557,327</u>	<u>\$ 174,709,460</u>	<u>\$ 219,765,682</u>

Note 6 - Pension plan

The Trust and its Affiliates have established a simplified employee pension plan. Under this plan, contributions are made equal to a 6% of base salary for all eligible employees. Contributions to the plan for the years ended December 31, 2022 and 2021 were \$243,370 and \$191,532, respectively.

Note 7 - Lease commitments

NHT - Operating lease

On January 1, 2013, the Trust and its Affiliates entered into a new lease obligation expiring October 31, 2023, for its current office space from an unrelated party. A lease amendment executed during the year ended June 30, 2016 extended the lease expiration date to January 31, 2024. The lease was further amended during the year ended June 30, 2017 to provide for monthly payments of \$42,000 through October 31, 2017. Beginning November 1, 2017, monthly payments were \$44,100 with increases thereafter based upon the payment terms provided in the lease agreement. The total amount of rent charged for the year ended December 31, 2022 and 2021 were \$571,024 and \$565,966, respectively. Base rents are recognized monthly using the straight-line method. As of December 31, 2022 and 2021, straight-line base rent, which was more than the actual rent obligation, in the amount of \$176,572 and \$295,347, respectively, was classified as a deferred rent liability on the consolidated statements of financial position. The Trust and its Affiliates has not adopted ASC 842 relating to this lease as the term of the lease is expiring in January 31, 2024 and short-term in nature.

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Notes to Consolidated Financial Statements December 31, 2022 and 2021

Future minimum lease payments under the operating lease, assuming the termination clause is not exercised, are as follows:

December 31, 2023	\$	706,360
2024		62,257
2025		-
2026		-
2027		-
Thereafter		-
Total	\$	<u>768,617</u>

Note 8 - Grant revenue

St. Dennis LP obtained a grant from DHCD under the Section 1602 Low-income Housing Tax Credit Exchange Program ("Exchange Funds") in the original amount of \$1,837,611. St. Dennis L.P. is not required to repay the Exchange Funds as long as the property complies with Internal Revenue Code Section 42 for the duration of the 15-year compliance period, which commenced in 2012. The Exchange Funds are amortized on a straight-line basis over the 15-year compliance period. As of December 31, 2022 and 2021, St. Dennis L.P. has been allocated \$1,837,611 of the Exchange Funds. The accumulated amortization for the years ended December 31, 2022 and 2021 was \$490,034 and \$612,541, respectively. The amount of the Exchange Funds included in deferred revenue on the consolidated statements of financial position as of December 31, 2022 and 2021 were \$842,327 and \$765,670, respectively, and are included in deferred revenue on the consolidated statements of financial position. Amortization for the Exchange Funds was \$122,507, of which \$45,940 is included in grant income on the consolidated statements of activities for the years ended December 31, 2022 and 2021, respectively, and \$76,567 was included in deferred revenue on the consolidated statements of financial position.

During 2022, ICE was awarded a grant in the amount of \$14,785,000 to be used over 2 years. As of December 31, 2022, \$3,875,000 was received and no amounts were spent and as a result was shown as deferred revenue on the consolidated statements of financial position.

Note 9 - Refundable advance liability

On February 13, 2019, NHTCDF applied for and received a grant from the United States Department of Treasury Community Development Financial Institutions Fund ("CDFI") Capital Magnet Fund Program ("CMF") in the amount of \$2,524,000 to support Affordable Housing Activities, Economic Development Activities, or Community Service Facilities in the following manner: to provide loan loss reserves, to capitalize a revolving loan fund, for risk sharing loans, for loan guarantees, and for the awardee's operations. The balance of loans outstanding that has a continuance compliance under CMF at December 31, 2022 and 2021 is \$7,991,088 and \$4,324,043, respectively. As of December 31, 2022 and 2021, the remaining balances received in advance as a conditional receivable were \$7,099,124 and \$3,426,320, respectively, are shown as refundable advance liability on the consolidated statements of financial position.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 10 - Deferred gain on sale

On September 29, 2010, NHTC was assigned as the holder of two notes receivable by HUD under the Mark-to-Market Program in the original amounts of \$5,410,000 and \$1,226,099. The notes are payable from available cash flow by Poppleton L.P., accrue interest at 3.05% and mature on October 1, 2043. NHTC recognized the fair value of the contribution in the amount of \$2,791,583 as revenue during the year ended June 30, 2011. On June 8, 2011, NHTC sold the notes to Baltimore for \$6,636,099 in exchange for a note receivable of \$6,636,099 and recorded a deferred gain on the sale of the notes in the amount of \$3,844,516 and is included in deferred revenue on the consolidated statements of financial position. Under the installment method, as NHTC receives payment on the note from Baltimore, the payments will be apportioned between the deferred gain and the principal of the notes. No cash payments were received during the years ended December 31, 2022 and 2021.

Note 11 - Entity and development fee income

During the years ended December 31, 2022 and 2021, NHTC earned fees of \$257,851 and \$379,988, respectively, which are included as entity fee income on the consolidated statements of activities. The entire amount was earned from affiliated entities. These fees include asset management fees and partnership administration fees. As of December 31, 2022 and 2021, \$166,638 and \$126,778, respectively, remains receivable and is included in entity fee receivable on the consolidated statements of financial position.

NHTC has entered into various development agreements with affiliated limited partnerships and other unrelated entities. A summary of the agreements as of December 31, 2022 and 2021 is as follows:

2022					
Entity	Total development and acquisition service fee	Total earned	Remaining to be earned	Fees receivable	Revenue earned during the year ended December 31, 2022
104th Street, LP	\$ 982,174	\$ 982,174	\$ -	\$ 836,974	\$ -
Davenport MAHC, LLLP	143,069	143,069	-	8,018	-
Riverview Housing Associates, LP	868,862	868,862	-	462,618	12,614
Faxon LLC	800,941	800,941	-	103,667	770
FC Phase I LLC	78,750	19,950	58,800	-	19,950
540 New Park	1,003,634	1,003,634	-	909,767	154,318
	\$ 3,877,430	\$ 3,818,630	\$ 58,800	\$ 2,321,044	\$ 187,652

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

2021					
Entity	Total development and acquisition service fee	Total earned	Remaining to be earned	Fees receivable	Revenue earned during the year ended December 31, 2021
104th Street, LP	\$ 982,174	\$ 982,174	\$ -	\$ 836,974	\$ -
Laurelwood Housing Associates, LP	218,750	218,750	-	-	-
Cincinnati NHTE Housing LP	-	-	-	-	8,717
The New Villages of Castleberry Hill, LP	360,000	360,000	-	-	224,168
Davenport MAHC, LLLP	143,069	143,069	-	8,018	-
Riverview Housing Associates, LP	868,862	868,862	-	482,802	15,062
Faxon LLC	800,941	800,941	-	640,754	328,386
Renewable of Delaware	1,019,757	969,757	50,000	-	177,257
540 New Park	1,003,634	495,147	508,487	462,358	495,147
	<u>\$ 5,397,187</u>	<u>\$ 4,838,700</u>	<u>\$ 558,487</u>	<u>\$ 2,430,906</u>	<u>\$ 1,248,737</u>

Note 12 - Management fees

The real estate entities are obligated under the terms of the management agreement with various unrelated management companies. The management fees charged range from 4.00% to 4.87%. During the years ended December 31, 2022 and 2021, management fees totaling \$787,334 and \$770,551, respectively, were charged to the consolidated statements of functional expenses and \$40,829 and \$48,197 remains payable at December 31, 2022 and 2021, respectively, which are included in accounts payable and accrued liabilities on the consolidated statements of financial position.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 13 - Investment in investing and operating entities

NHTC owns partner and member interests in the following investing and operating entities, which were formed to invest in operating partnerships and limited liability companies that acquire, develop, own and operate low-income residential rental housing projects directly or through an entity that is the general partner or managing member of the entity that directly owns the property. While NHTC has economic interest in the entities listed below, it does not have control; therefore, the operations of the entities listed below are not consolidated in the financial statement NHTC.

Entity	State incorporated	Date formed / acquired	General Partner / Managing Member
Meridian Manor, L.L.C.	District of Columbia	June 29, 2001	NHT Communities is 60% managing member. .01% general partner of Meridian Manor-Chapin Street, LP.
NHTE Piedmont Garrett Square- I, L.L.C. / NHTC Piedmont Garrett Holding L.L.C.	Virginia	October 29, 2002	NHT Communities is the 50% member of both entities. NHTC Piedmont Garrett Holding L.L.C. was .01% general partner of NHTE Piedmont Garrett Square, L.P. until May 29, 2019. NHTE Piedmont Garrett Square - I, L.L.C. and NHTC Piedmont Garrett Holding are .01% general partner and 99.99% limited partner, respectively, as of May 30, 2019. NHTE Piedmont Garrett Square, L.P. is consolidated within NHTE Piedmont Garrett Square- I, L.L.C. / NHTC Piedmont Garrett Holding as of May 30, 2019.
King Preservation of Illinois, L.L.C.	Illinois	February 15, 2002	NHT Communities is sole member. .1% co-general partner of King Preservation, LP and withdrew as of December 31, 2019.
Faxon Manager LLC	Connecticut	July 19, 2019	NHT Communities is 50% co-managing member. .01% managing member of Faxon LLC
Briarcliff Apartments, L.L.C.	Virginia	May 7, 2002	NHT Communities is 50% limited member.
Galen Terrace Partners, L.L.C.	District of Columbia	February 1, 2006	NHT Communities is 43% managing member. .01% general partner of Galen Terrace, L.P.
NHTE R Street, L.L.C.	District of Columbia	September 13, 2007	NHT Communities is sole member. 50% general partner of R Street Preservation Partners, L.P.
Scranton Affordable Housing Trust, L.L.C.	Pennsylvania	March 13, 2008	NHT Communities is sole member. 30% managing member of Point of View, LLC, which is .01% general partner Greatview Development, LP.
NHTE Buckingham, L.L.C.	Virginia	March 3, 2009	NHT Communities is sole member. 30% managing member of NHTE Buckingham Village LLC, which is .01% managing member of Buckingham Village Limited Partnership.
Harvard House, L.L.C.	Florida	October 21, 2010	NHT Communities is 49% managing member of Harvard House, L.L.C.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Entity	State incorporated	Date formed / acquired	General Partner / Managing Member
104th Street MM, L.L.C.	Illinois	December 15, 2012	NHT Communities is 33% managing member. .01% general partner of 104th Street Limited Partnership.
Buckingham Development, L.L.C.	Delaware	July 15, 2010	NHT Communities is 28.5% co-managing member.
Hamilton Manor Mezzanine Partners LLC	Delaware	April 12, 2021	NHT Communities is 45% managing member.
Channel Square Trust L.L.C.	District of Columbia	September 3, 2013	NHT Communities is sole member. 51% co-managing member of Channel Square Partners, LLC, which is 8% managing member of Channel Square Housing Holding, L.L.C.
Laurelwood Place Trust, L.L.C.	District of Columbia	August 20, 2014	NHT Communities is sole member. 75% co-managing member of Heston Realty, LLC, which is .01% general partner of Laurelwood Housing Associates Limited Partnership.
Homes For Hagerstown GP, L.L.C.	Maryland	January 12, 2015	NHT Communities is 50% co-managing member. 13.5% managing member of Homes for Hagerstown, L.L.C.
Phoenix Nimbus Trust, LLC	District of Columbia	March 17, 2015	NHT Communities is sole member. 51% co-managing member of Phoenix Nimbus GP, LLC, which is .01% of Phoenix Nimbus, LP.
Castleberry Villages Trust, LLC	District of Columbia	June 2, 2016	NHT Communities is sole member. 20% co-managing member of Villages of Castleberry Hill Phase I GP, LLC, which is .009% general partner of The New Village of Castleberry Hill I, L.P.
Cincinnati NHTE Housing GP, LLC	Ohio	November 10, 2016	NHT Communities is sole member. .01% general partner of Cincinnati NHTE Housing, LP.
Davenport MACH LLC	Minnesota	August 27, 2014	NHT Communities is 76% co-managing member. .005% general partner of Davenport MAHC
Jaycee Trust LLC	District of Columbia	August 4, 2016	NHT Communities is sole member. .005% general partner of Riverview Housing Associates, LP.
NHTE William Booth Tower	Minnesota	May 30, 2017	NOHL is 20% investor member.
HP Equity Trust	Delaware	January 9, 2015	NHT Communities is 40% managing member.
Five Forty New Park Manager LLC	Connecticut	July 20, 2020	NHT Communities is a 50% co-managing member which is .01% of Five Forty New Park LLC.
FC Phase I Managing Member LLC	Virginia	June 30, 2020	NHT Communities is a 50% co-managing member which is .01% of FC Phase I LLC.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

On January 26, 2022, NHTE Piedmont Garrett Square Holdings, L.L.C. sold land distributed from NHTE Piedmont Garrett Square, L.P. to FC Phase 1 LLC for a purchase price of \$2,700,000.

The summarized combined balance sheets of the entities listed above at December 31, 2022 and 2021, and the summarized combined statements of operations for the years ended December 31, 2022 and 2021 are as follows:

Combined Balance Sheets

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Investment in real estate		
Land and land improvements	\$ 33,936,914	\$ 37,987,365
Building and improvements	272,377,392	271,947,727
Building equipment and improvements	<u>11,538,789</u>	<u>10,987,147</u>
	317,853,095	320,922,239
Accumulated depreciation	<u>(65,334,343)</u>	<u>(57,069,951)</u>
Total investment in real estate	<u>252,518,752</u>	<u>263,852,288</u>
Other assets		
Cash	5,989,015	6,074,966
Accounts receivable	1,977,726	1,797,082
Prepaid expenses	1,340,384	1,615,060
Intangibles	127,186	530,762
Escrows and reserves	12,874,241	11,412,838
Other assets	<u>8,225,475</u>	<u>1,782,865</u>
Total other assets	<u>30,534,027</u>	<u>23,213,573</u>
Total assets	<u>\$ 283,052,779</u>	<u>\$ 287,065,861</u>

National Housing Trust and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2022 and 2021**

Combined Balance Sheets
Liabilities and Partners' Equity

	<u>2022</u>	<u>2021</u>
Liabilities applicable to real estate		
Accounts payable - construction	\$ 449,044	\$ 12,455,906
Mortgage and bonds payable	141,270,172	138,157,741
Notes and loans payable	<u>54,082,485</u>	<u>56,070,157</u>
Total liabilities applicable to real estate	<u>195,801,701</u>	<u>206,683,804</u>
Other liabilities		
Accounts payable	4,730,596	4,180,382
Accrued expenses	3,467,547	3,150,809
Tenant security deposit	1,401,322	1,317,275
Other liabilities	<u>10,713,398</u>	<u>5,201,547</u>
Total other liabilities	<u>20,312,863</u>	<u>13,850,013</u>
NHTC equity (deficit)	(1,362,089)	689,476
Other partners' equity	<u>68,300,304</u>	<u>65,842,568</u>
Total equity	<u>66,938,215</u>	<u>66,532,044</u>
Total liabilities and partners' equity	<u>\$ 283,052,779</u>	<u>\$ 287,065,861</u>

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Combined Statements of Operations

	2022	2021
Revenue		
Rents	\$ 36,619,831	\$ 32,180,000
Interest	55,411	28,456
Other	993,290	957,304
Total revenue	37,668,532	33,165,760
Expenses		
Administrative	5,877,053	4,549,492
Operating and maintenance	8,554,224	8,062,682
Taxes and insurance	4,677,750	4,677,356
Utilities	4,062,790	3,329,276
Depreciation and amortization	9,115,601	8,257,068
Interest	7,557,927	7,189,573
Other	1,912,375	1,710,996
Total expenses	41,757,720	37,776,443
NHTC's share of loss	(505,830)	(5,568)
Other partners' share of loss	(3,583,358)	(4,605,115)
Net loss	\$ (4,089,188)	\$ (4,610,683)

For the year ended December 31, 2022 and 2021, NHTC has not recognized \$557,342 and \$315,075, respectively, of equity in income relating to certain LLCs in which cumulative equity in income and distributions exceeded its total investment in these LLCs.

The consolidated subsidiaries of NHTC also own investments in operating entities. During 2022 and 2021, equity in income relating to these investments was \$1,550,671 and \$1,474, respectively.

Note 14 - Restricted cash

NHTCDF is required to maintain in a segregated account monies advanced by the Community Development Financial Institution - Capital Magnet Fund for amounts not expended. At December 31, 2020 and 2021, the amounts included in a segregated account was \$7,991,088 and \$4,324,043, respectively.

Note 15 - Net asset without restrictions, board designated for future projects and operating reserves

On June 20, 2014, the Board of Directors of the Trust voted to designate \$2,100,000 of net assets as an operating reserve. This amount remains board designated as of December 31, 2022 and 2021.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 16 - Concentration of credit risk

The Trust and its Affiliates maintain their cash balances in several accounts in various banks. At times, these balances may exceed the federal insurance limits; however, the Trust and its Affiliates have not experienced any losses with respect to their bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2022.

Note 17 - Contingencies

Low-income housing tax credits

St. Dennis LP, Poppleton LP, Mass Place, New Savannah, Liberty Place, Refinery, Faxon, 540 New Park and Monsenor's low-income housing credits are contingent on their ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance with a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partners.

In addition, St. Dennis LP, Poppleton LP, Mass Place, New Savannah, Liberty Place, Refinery and Monsenor have entered into Extended Low-Income Housing Agreements which require utilization of the property pursuant to Section 42 of the Internal Revenue Code for a period that begins on the first day of the compliance period and ends 15 years after the close of the compliance period.

Regulatory agreements

Poppleton LP, Southpoint, Monsenor, Landfair, Copeland and Tequesta have entered into regulatory or lender agreements with HUD or their respective state or funding agencies to set aside certain number of units for housing of lower-income residents below 60%, 50% or 30% of the area median income as defined. The terms of the agreement range from 15 to 99 years or upon termination of the agreement.

Rolling Green Limited Partnership

On March 1, 1999, the Trust received a note from Rolling Green Limited Partnership in the principal sum of \$1,078,247. The principal balance of the note and all accrued and unpaid interest are due and payable on the earlier of (a) March 31, 2034 or (b) the date of any sale or refinancing of the project. Amounts due under the note shall be subordinate to any payments due pursuant to the Regulatory Agreement or to the HUD-insured mortgage under Section 223(f) of the National Housing Act.

The principal balance due under this note will not bear interest prior to maturity or any prepayment date. Interest of 8% per annum will be charged thereafter.

Pursuant to the loan evidenced by the note, Rolling Green Limited Partnership must maintain the project as "affordable" through the maturity date. For purposes of this note, the term "affordable" shall mean that 100% of the rental units of the project shall be "low-income units" as defined under Section 42(i)(3) of the Internal Revenue Code of 1986, as amended. Beginning on April 1, 2019, the principal balance of the note shall be reduced and discharged by the amount of \$5,990 and shall continue to be so reduced and discharged by such amount on the first of each month thereafter until the maturity date, so long as on each such date the "affordability requirement", as described above, continues to be satisfied. As a result, the note receivable is not reflected in the accompanying consolidated financial statements.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Legal

The Organization may be subject to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters, if any, cannot be predicted with certainty, management believes that the final outcomes of such matters will not have a material adverse effect on the consolidated statement of financial position, consolidated statement of activities or consolidated cash flows of the Organization.

Guarantees

Credit adjuster/recapture guarantees

NHTC along with its wholly-owned subsidiaries and operating entities who serve as general partners/managing members of various partnerships/companies have agreed to provide for credit adjuster or recapture guarantees up to maximum amounts noted below. At December 31, 2022 and 2021, no such guarantees have been made. Credit adjuster/recapture guarantees are summarized as follows:

<u>Name of Partnership</u>	<u>Maximum amount of guarantee</u>
Galen Terrace	\$640,700, which equals to NHTC's share of developer fee.
R Street	\$5,403,591. The 15-year compliance period ends 12/31/2023.
St. Dennis	\$825,000 which equals to NHTC's share of developer fee. The 15-year compliance period ends 10/1/2026.
Monsenor Romero	\$1,639,557 which equals to the NHTC's share of developer fee. The 15-year compliance period ends 8/22/2029.
Mass Place	Throughout the 15-year compliance period ending in 2034.
Liberty Place	Throughout the 15-year compliance period ending in 2035.
Faxon	Throughout the 15-year compliance period ending in 2036.
New Savannah	Throughout the 15-year compliance period ending in 2036.
Refinery Apartments	Throughout the 15-year compliance period ending in 2037.
104th Street MM, L.L.C.	\$363,000, which equals NHTC's share of developer fee. The 15-year compliance period ends 12/31/2038.
540 New Park	Throughout the 15-year compliance period ending in 2036.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Operating deficit guarantees

NHTC and its subsidiaries who serve as general partners/managing members of various partnerships/companies have agreed to make any necessary advances to fund operating deficits of the respective partnership/company up to maximum amounts of various levels. As of December 31, 2022 and 2021, no advances have been made pursuant to any of these agreements. Operating deficit guarantees are summarized as follows:

Name of Partnership	Interest rate	Termination Date For Guarantee	Maximum amount of guarantee
Greatview Development, LP	0%	Operating deficit guarantee has expired except to the extent the HAP contract is not renewed, terminated or materially decreased during the 15-year compliance period.	NHTC to fund 50% of any operating deficit.
Buckingham Village, LP	0%	Operating deficit guarantee only applies if subsidy is not received during the 15-year compliance period.	NHTC to fund up to 30% of \$25,116 per year.
BV3 Parcel B, LP	0%	Obligation to provide operating loans and ends after breakeven date (3/31/2021) as long as the last two years break even or better.	NHTC to fund up to 30% of \$298,980
104th Street, LP	0%	No expiration of funding of operating deficits.	NHTC to fund 33% of a maximum deficit of \$1,025,000.
Phoenix Nimbus, L.P.	0%	N/A	\$242,398
Mass Place Apartments LLC	0%	When the Company has maintained a debt service coverage ratio of 1.15 for two consecutive years beginning no earlier than one year after January 1 of the first year of the Operating Deficit Period (beginning on the later of the stabilization date or the loan conversion date).	\$1,132,390
Liberty Place Apartments LLC	0%	Operating Guaranty Period is the date of admission to the fifth anniversary of stabilization per Section 6.8 of the operating agreement.	\$460,261
Riverview Housing Associates, L.P.	0%	N/A	\$184,500
Faxon LLC	0%	Operating Guaranty Period continues through two years after third year of stabilized occupancy.	NHTC and the co-managing member are both joint and severally liable.
New Savannah	0%	Operating Guaranty Period is the date of admission to the first anniversary of stabilization per Section 8.08b of the operating agreement.	\$576,421
Refinery Apartments	0%	Operating Guaranty Period is the date of admission to the fifth anniversary of stabilization per Section 5.14 of the operating agreement.	\$117,000
540 New Park	0%	Operating Guaranty Period is the date the Project receives stabilized occupancy and ends after two consecutive years of achieving DSCR of 1.15 or better.	\$250,000. NHTC and co-managing members are both joint and severally liable.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 18 - Consolidated statements of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts in the consolidated statements of cash flows as of December 31, 2022 and 2021:

	2022	2021
Cash	\$ 16,842,639	\$ 19,107,431
Tenant security deposits	531,780	499,586
Escrows and restricted deposits	2,400,849	2,204,982
Restricted cash	7,991,088	4,324,043
 Total cash and restricted cash	 \$ 27,766,356	 \$ 26,136,042

Note 19 - Availability and liquidity

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

	2022	2021
Financial assets at period/year end		
Cash	\$ 16,842,639	\$ 19,107,431
Restricted cash	7,991,088	4,324,043
Grants receivable	112,442	370,441
Investments in securities	3,195,477	2,223,194
Accrued interest receivable	531,234	307,676
Accounts receivable	1,578,768	827,373
Developer fee receivable, net	555,243	1,031,241
Loans receivable	19,993,226	11,339,997
 Total financial assets	 50,800,117	 39,531,396
 Less amounts not available to be used within one year		
Restricted cash	(7,991,088)	(4,324,043)
Refundable advance liability	(7,099,124)	(3,426,320)
Loan commitments	(7,679,454)	(6,020,110)
Net assets with donor restrictions	(2,293,133)	(348,639)
Board-designated operating reserve	(2,100,000)	(2,100,000)
 Financial assets not available to be used within one year	 (27,162,799)	 (16,219,112)
 Financial assets available to meet operating needs over the next 12 months	 \$ 23,637,318	 \$ 23,312,284

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

The accompanying table reflects the Trust and its Affiliates' financial assets as of the consolidated statement of financial position date. These financial assets have been reduced by amounts determined to be unavailable for general use within one year pursuant to the terms of applicable contracts, donor agreements, and Board of Directors' designations. The Board of Directors imposed a \$2.1 million operating reserve in 2005, which remains in effect as of December 31, 2022 and 2021. This designated reserve may be reviewed from time to time at the Board's discretion. If needed, those funds could be drawn upon if the governing board approves that action.

The Trust and its Affiliates are substantially supported by grants, development fees, asset management fees and distributions from property operations, and net interest income from its lending activity. NHT continues to seek increased sustainability through greater reliance on income from portfolio operations.

The Trust and its Affiliates invest cash in excess of daily requirements in short-term investments which can be easily converted to cash. As part of the Trust and its Affiliates' liquidity management, the Trust and its Affiliates structure their financial assets, loan maturities, and contributions to be available as their general expenditures, liabilities and other obligations come due resulting in a cash flow that is stable throughout the year. If an unanticipated liquidity need arises, the Trust and its Affiliates can convert a portion of short-term investments, draw from a margin, and/or draw upon additional reserves with Board of Directors' approval. The current investment balances are reflected in the footnote quantitative table.

Note 20 - Net assets with restrictions

During the years ended December 31, 2022 and 2021, the Trust, NHTCDF, ICE and NHTC received various grants with time and program restrictions totaling \$7,294,859 and \$782,414, respectively. The Trust, NHTCDF, ICE and NHTC satisfied time and program restrictions during the year ended December 31, 2022 and 2021 in the amount of \$5,325,364 and \$2,327,427, respectively. As of December 31, 2022 and 2021, \$2,293,133 and \$348,639, respectively, remains restricted.

Note 21 - Land, buildings, improvements, furniture, fixtures and equipment, net

As of December 31, 2022 and 2021, land, buildings, improvements, furniture, fixtures and equipment consisted of the following:

	2022	2021
Land	\$ 49,095,106	\$ 42,653,484
Buildings and improvements	155,500,063	123,994,059
Furniture and fixtures	3,589,252	3,633,236
Solar equipment	7,805,592	7,805,592
Construction in progress	2,872,144	38,709,914
	218,862,157	216,796,285
Accumulated depreciation	(36,812,129)	(35,200,357)
	\$ 182,050,028	\$ 181,595,928

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to \$4,756,686 and \$4,017,231, respectively.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 22 - Commitments

As of December 31, 2022, NHTCDF has entered into 22 loan commitments for which it will advance \$7,109,454 to unaffiliated organizations. As of December 31, 2021, NHTCDF has entered into 14 loan commitments for which it will advance \$5,450,110 to unaffiliated organizations.

As of December 31, 2022, ICE has entered into one loan commitment, of which \$570,000 is remaining to be disbursed to unaffiliated organizations. As of December 31, 2021, ICE has entered into one loan commitment, of which \$570,000 is remaining to be disbursed to unaffiliated organizations.

NHTC Subsidiaries (New Savannah, Liberty Place, Mass Place, Refinery, and MHV) entered into construction contract agreements with dates ranging from August 27, 2018 to June 29, 2022. As of December 31, 2022 and 2021, construction costs were \$41,722,401 and \$14,361,686, respectively, and included in building, improvement, furniture, fixtures and equipment on the consolidated statements of financial position. As of December 31, 2022 and 2021, construction costs in the amount of \$361,145 and \$22,657,619, respectively, are included in construction in progress on the consolidated statements of financial position. As of December 31, 2022 and 2021, \$1,599,694 and \$4,174,623, respectively, remains payable and included in construction costs payable on the consolidated statements of financial position.

Note 23 - Housing assistance payment contract agreement

The U.S. Department of Housing Department and Urban Development ("HUD") or other state agencies have contracted with Fredericksburg LP, St Dennis LP, Poppleton LP, East River, Belton Woods and MHV to make housing assistance payments to the real estate entities on behalf of qualified tenants. The agreements' expirations range from December 7, 2023 to August 1, 2042.

These NHTC subsidiaries receive substantial amount of revenue from these contracts, and therefore, if the contracts are not extended or replace, operating results will be adversely affected. Management plans to renew the contracts prior to the expiration of their terms, for a maximum renewal term available.

Note 24 - Economic dependency

NHTC and Subsidiaries operate in the District of Columbia, Florida, Connecticut, South Carolina, Virginia, Delaware and Maryland area. Further operations could be affected by changes in economic or other conditions in that geographical area or demand for such housing.

Note 25 - Due to affiliates

During 2022 and 2021, advances of \$55,071 and \$47,979 were made on behalf of certain real estate entities. As of December 31, 2022 and 2021, due to affiliates, current on the consolidated statements of financial position was \$55,071 and \$47,979, respectively.

As of December 31, 2022 and 2021, amounts due to real estate entities' investor members/limited partners in the amount of \$621,043 and \$59,917, respectively, for investor service fee, company administrative and partnership administrative fees and are shown as due to affiliates, net of current on the consolidated statements of financial position. These payments are payable from the real estate entities' operating cash flows in accordance with the operating/partnership agreement.

National Housing Trust and Affiliates

Notes to Consolidated Financial Statements December 31, 2022 and 2021

Note 26 - Margin loan

NHT Communities has entered into a loan collateralized by the investments in securities held by RBC Wealth Management. The margin loan has an interest rate of 2% below the base lending rate (5.0% and 5.0% at December 31, 2022 and 2021, respectively). As of December 31, 2022 and 2021, the interest rate was 3.00% and 1.620%, respectively. As of December 31, 2022 and 2021, \$59,523 and \$38,408 of interest expense was incurred, respectively, and included in interest expense on the consolidated statements of functional expenses. As of December 31, 2022 and 2021, the outstanding balance of \$1,197,418 and \$2,088,350, respectively, and accrued interest of \$292,065 and \$292,065, respectively, and are presented as an offset to investment in securities, net of long-term on the consolidated statements of financial position.

Note 27 - Ground lease

On October 9, 2020, New Savannah entered into a ground lease and purchase agreement with Savannah. The term of the lease is for 99 years. The lease agreement required an initial base rent amount of \$2,200,000, with no annual base rent amounts due thereafter. New Savannah is responsible for payment in lieu of taxes, water and sewer rents and charges, insurance, maintenance, repairs, utilities charger, all other operating expenses, and all other customary costs, general and special, which are due and payable during the term of the lease imposed on the property unless otherwise paid by DCLT. The ground lease payment was satisfied by New Savannah's delivery of a note to NHTC in the amount of \$1,300,000. The note was thereafter assigned to DCLT. For the years ended December 31, 2022 and 2021, \$22,222 and \$22,222, respectively, of expense was associated with the ground lease and included in ground lease expenses on the consolidated statements of functional expenses. As of December 31, 2022 and 2021, unamortized right of use assets of \$2,150,000 and \$2,172,222, respectively, are included in other assets on the consolidated statements of financial position.

Note 28 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Trust and its Affiliates through March 29, 2024 and concluded that, other than the subsequent event discussed below, no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

Supplementary Information

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2022

	<u>Assets</u>					Total	Eliminations	Consolidated
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Real Estate Entities			
Current assets								
Cash	\$ 945,106	\$ 3,115,390	\$ 4,741,929	\$ 2,692,800	\$ 5,347,414	\$ 16,842,639	\$ -	\$ 16,842,639
Investments in securities	399,587	1,433,718	451,941	910,231	-	3,195,477	-	3,195,477
Grants receivable	22,500	-	-	89,942	-	112,442	-	112,442
Accounts receivable, net of allowance for doubtful accounts of	13,048	7,346	9,875	96,559	1,451,940	1,578,768	-	1,578,768
Prepaid expenses	31,829	2,963	1,269	19,806	649,704	705,571	-	705,571
Accrued interest receivable	-	456,032	4,284	144,230	-	604,546	(73,312)	531,234
Loans receivable - current maturities, net of loan loss reserve of \$956,215 and origination fee of \$113,143	-	19,432,792	1,661,296	579,638	425,000	22,098,726	(2,105,500)	19,993,226
Developer fee receivable	-	-	-	2,403,321	-	2,403,321	(1,848,078)	555,243
Due from affiliates	3,569,187	150,156	73	912,166	55,647	4,687,229	(4,656,839)	30,390
Total current assets	4,981,257	24,598,397	6,870,667	7,848,693	7,929,705	52,228,719	(8,683,729)	43,544,990
Restricted deposits and funded reserves								
Tenant security deposits	-	-	-	-	531,780	531,780	-	531,780
Reserves and escrows	-	-	-	-	28,947,503	28,947,503	-	28,947,503
Restricted cash	-	7,991,088	-	-	-	7,991,088	-	7,991,088
Total restricted deposits and funded reserves	-	7,991,088	-	-	29,479,283	37,470,371	-	37,470,371
Property and equipment								
Land and land improvements	-	-	-	-	49,095,106	49,095,106	-	49,095,106
Buildings, improvements, furniture, fixtures and equipment, net of accumulated depreciation of \$36,812,129	11,356	-	5	1,059	146,327,610	146,340,030	(13,385,108)	132,954,922
Total property and equipment	11,356	-	5	1,059	195,422,716	195,435,136	(13,385,108)	182,050,028
Other assets								
Long-term investments in securities, net of current and margin loan of \$1,489,483	2,907,262	1,795,644	752,519	198,825	-	5,654,250	-	5,654,250
Pledges receivable	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	1,485,855	8,775	1,494,630	(1,327,992)	166,638
Developer fee receivable, net of current	-	-	-	7,523,551	-	7,523,551	(5,757,750)	1,765,801
Accrued interest receivable, net of current	-	-	95,362	2,895,819	223,090	3,214,271	(2,585,712)	628,559
Loans receivable, net of current maturities, loan loss reserve of \$1,340,081 and origination fee of \$56,743	-	28,515,786	1,924,111	18,662,094	4,546,288	53,648,279	(17,190,116)	36,458,163
Investment in limited liability companies and limited partnerships	-	-	-	4,441,944	2,593,894	7,035,838	(2,863,960)	4,171,878
Other assets	-	-	-	10,272,436	2,473,955	12,746,391	(7,826,970)	4,919,421
Tax credit fees, net of accumulated amortization of \$175,816	-	-	-	-	473,111	473,111	-	473,111
Security deposit	47,752	-	-	-	-	47,752	-	47,752
Total other assets	2,955,014	30,311,430	2,771,992	45,480,524	10,319,113	91,838,073	(37,552,500)	54,285,573
Total assets	\$ 7,947,627	\$ 62,900,915	\$ 9,642,664	\$ 53,330,276	\$ 243,150,817	\$ 376,972,299	\$ (59,621,337)	\$ 317,350,962

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2022

	<u>Liabilities and Net Assets</u>							
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Real Estate Entities	Total	Eliminations	Consolidated
Current liabilities								
Accounts payable and accrued expenses	\$ 176,455	\$ 37,001	\$ 3,747	\$ 327,363	\$ 1,884,974	\$ 2,429,540	\$ (22,000)	\$ 2,407,540
Deferred rent payable, current	159,481	-	-	-	-	159,481	-	159,481
Deferred revenue - grants, current	-	-	-	-	50,776	50,776	-	50,776
Deferred revenue - other	6,482	-	-	-	-	6,482	-	6,482
Due to affiliates, current	872,742	392,336	183,312	3,263,520	-	4,711,910	(4,656,839)	55,071
Development fee payable, current	-	-	-	-	1,853,096	1,853,096	(1,345,014)	508,082
Prepaid rent	-	-	-	-	362,362	362,362	-	362,362
Accrued interest, current	-	-	-	-	383,035	383,035	(73,032)	310,003
Notes and loans payable, current maturities, net of unamortized debt issuance costs of \$316,925	-	1,100,000	1,070,982	500,000	48,160,126	50,831,108	(2,105,500)	48,725,608
Construction costs payable	-	-	-	-	3,679,818	3,679,818	(1,254,500)	2,425,318
Miscellaneous current liabilities	-	-	-	-	4,402	4,402	-	4,402
Total current liabilities	1,215,160	1,529,337	1,258,041	4,090,883	56,378,589	64,472,010	(9,456,885)	55,015,125
Deposit liabilities								
Tenant security deposits held in trust	-	-	-	-	573,395	573,395	-	573,395
	-	-	-	-	573,395	573,395	-	573,395
Long-term liabilities								
Accrued interest, net of current and net of allowance for doubtful accounts of \$58,199	-	144,146	-	62,198	7,731,795	7,938,139	(2,538,106)	5,400,033
Deferred rent payable, net of current	17,091	-	-	-	-	17,091	-	17,091
Deferred revenue - loan origination fees, net of current	-	-	-	-	-	-	-	-
Deferred revenue - grants, net of current	-	-	3,784,510	-	1,316,469	5,100,979	-	5,100,979
Deferred revenue - other, net of current	-	-	-	6,163,941	-	6,163,941	(1,964,900)	4,199,041
Refundable advance liability	-	7,099,124	-	-	-	7,099,124	-	7,099,124
Due to affiliates, net of current	-	-	-	-	7,706,024	7,706,024	(7,084,981)	621,043
Development fee payable, net of current	-	-	-	-	5,681,660	5,681,660	(5,006,314)	675,346
Notes and loans payable, net of current maturities and unamortized debt issuance costs of \$3,557,861	-	32,135,901	3,192,012	7,457,327	144,944,950	187,730,190	(16,690,116)	171,040,074
Miscellaneous long-term liabilities	-	-	-	2,622,850	556,195	3,179,045	(2,301,431)	877,614
Total long-term liabilities	17,091	39,379,171	6,976,522	16,306,316	167,937,093	230,616,193	(35,585,848)	195,030,345
Total liabilities	1,232,251	40,908,508	8,234,563	20,397,199	224,889,077	295,661,598	(45,042,733)	250,618,865

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2022

	<u>Liabilities and Net Assets</u>							
	<u>National Housing Trust</u>	<u>National Housing Trust CDF</u>	<u>Institute for Community Economics</u>	<u>NHT Communities</u>	<u>Real Estate Entities</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Commitments and contingencies	-	-	-	-	-	-	-	-
Net assets								
Net assets without donor restrictions	2,904,711	21,717,407	1,408,101	32,501,026	3,705,281	62,236,526	(14,454,021)	47,782,505
Net assets without donor restrictions - board designated	2,100,000	-	-	-	-	2,100,000	-	2,100,000
Net assets without donor restrictions - acquisition costs	-	-	-	-	-	-	-	-
Net assets with donor restrictions	<u>1,710,665</u>	<u>275,000</u>	<u>-</u>	<u>432,051</u>	<u>-</u>	<u>2,417,716</u>	<u>(124,583)</u>	<u>2,293,133</u>
Total net assets before noncontrolling interest	6,715,376	21,992,407	1,408,101	32,933,077	3,705,281	66,754,242	(14,578,604)	52,175,638
Noncontrolling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,556,459</u>	<u>14,556,459</u>	<u>-</u>	<u>14,556,459</u>
Total net assets	<u>6,715,376</u>	<u>21,992,407</u>	<u>1,408,101</u>	<u>32,933,077</u>	<u>18,261,740</u>	<u>81,310,701</u>	<u>(14,578,604)</u>	<u>66,732,097</u>
Total liabilities and net assets	<u>\$ 7,947,627</u>	<u>\$ 62,900,915</u>	<u>\$ 9,642,664</u>	<u>\$ 53,330,276</u>	<u>\$ 243,150,817</u>	<u>\$ 376,972,299</u>	<u>\$ (59,621,337)</u>	<u>\$ 317,350,962</u>

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National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2021

	<u>Assets</u>							
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Real Estate Entities	Total	Eliminations	
Current assets								
Cash	\$ 2,224,193	\$ 8,521,652	\$ 1,821,174	\$ 711,991	\$ 5,828,421	\$ 19,107,431	\$ -	\$ 19,107,431
Investments in securities	401,233	739,604	2,285	1,080,072	-	2,223,194	-	2,223,194
Pledges receivable	147,500	80,000	-	142,941	-	370,441	-	370,441
Accounts receivable, net of allowance for doubtful accounts of \$553,822	42,240	50	-	2,112	782,971	827,373	-	827,373
Prepaid expenses	106,177	11,665	3,937	50,116	601,077	772,972	-	772,972
Accrued interest receivable	-	117,318	16,183	165,119	12,000	310,620	(2,944)	307,676
Loans receivable - current maturities, net of loan loss reserve of \$582,842 and origination fee of \$53,738	-	13,803,073	1,578,137	1,042,715	300,000	16,723,925	(5,383,928)	11,339,997
Developer fee receivable	-	-	-	1,031,241	-	1,031,241	-	1,031,241
Due from affiliates	813,912	-	2,000	29,943	110,729	956,584	(890,229)	66,355
Total current assets	3,735,255	23,273,362	3,423,716	4,256,250	7,635,198	42,323,781	(6,277,101)	36,046,680
Restricted deposits and funded reserves								
Tenant security deposits	-	-	-	-	499,586	499,586	-	499,586
Reserves and escrows	-	-	-	-	56,464,318	56,464,318	-	56,464,318
Restricted cash	-	4,324,043	-	-	-	4,324,043	-	4,324,043
Total restricted deposits and funded reserves	-	4,324,043	-	-	56,963,904	61,287,947	-	61,287,947
Property and equipment								
Land and land improvements	-	-	-	-	42,653,484	42,653,484	-	42,653,484
Buildings, improvements, furniture, fixtures and equipment, net of accumulated depreciation of \$35,200,357	61	-	5	1,059	150,855,044	150,856,169	(11,913,725)	138,942,444
Total property and equipment	61	-	5	1,059	193,508,528	193,509,653	(11,913,725)	181,595,928
Other assets								
Long-term investments in securities, net of current and margin loan of \$2,380,415	3,277,343	1,965,971	654,889	580,691	-	6,478,894	-	6,478,894
Pledges receivable	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	1,167,300	12,000	1,179,300	(1,052,522)	126,778
Developer fee receivable, net of current	-	-	-	8,596,702	-	8,596,702	(7,197,037)	1,399,665
Accrued interest receivable, net of current	-	-	-	2,586,217	117,977	2,704,194	(2,424,116)	280,078
Loans receivable, net of current maturities and loan loss reserve of \$2,902,871 and origination fee of \$47,193	-	20,156,050	2,045,387	14,712,496	5,556,723	42,470,656	(12,840,189)	29,630,467
Investment in limited liability companies and limited partnerships	-	-	-	5,151,210	1,403,322	6,554,532	(2,018,677)	4,535,855
Other assets	-	-	-	7,359,997	2,172,222	9,532,219	(5,196,455)	4,335,764
Tax credit fees, net of accumulated amortization of \$171,586	-	-	-	-	295,611	295,611	-	295,611
Security deposit	47,752	-	-	-	-	47,752	-	47,752
Total other assets	3,325,095	22,122,021	2,700,276	40,154,613	9,557,855	77,859,860	(30,728,996)	47,130,864
Total assets	\$ 7,060,411	\$ 49,719,426	\$ 6,123,997	\$ 44,411,922	\$ 267,665,485	\$ 374,981,241	\$ (48,919,822)	\$ 326,061,419

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2021

Liabilities and Net Assets

	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Real Estate Entities	Total	Eliminations	Consolidated
Current liabilities								
Accounts payable and accrued expenses	\$ 114,152	\$ 53,458	\$ 3,565	\$ 63,726	\$ 2,599,840	\$ 2,834,741	\$ (13,215)	\$ 2,821,526
Deferred rent payable, current	118,401	-	-	-	-	118,401	-	118,401
Deferred revenue - grants, current	-	-	-	-	50,776	50,776	-	50,776
Deferred revenue - other	6,482	-	-	-	-	6,482	-	6,482
Due to affiliates, current	-	171,313	43,992	722,903	28,222	966,430	(918,451)	47,979
Development fee payable, current	-	-	-	-	-	-	-	-
Prepaid rent	-	-	-	-	303,301	303,301	-	303,301
Accrued interest, current	-	-	-	-	111,957	111,957	-	111,957
Notes and loans payable, current maturities, net of unamortized debt issuance costs of \$314,352	-	1,920,000	1,078,957	500,000	82,441,070	85,940,027	(5,383,928)	80,556,099
Construction costs payable	-	-	-	-	8,991,970	8,991,970	(3,485,458)	5,506,512
Miscellaneous current liabilities	-	-	-	-	19,079	19,079	-	19,079
Total current liabilities	239,035	2,144,771	1,126,514	1,286,629	94,546,215	99,343,164	(9,801,052)	89,542,112
Deposit liabilities								
Tenant security deposits held in trust	-	-	-	-	608,416	608,416	-	608,416
	-	-	-	-	608,416	608,416	-	608,416
Long-term liabilities								
Accrued interest, net of current	-	16,436	29,976	130,895	8,705,736	8,883,043	(2,385,242)	6,497,801
Deferred rent payable, net of current	176,946	-	-	-	-	176,946	-	176,946
Deferred revenue - grants, net of current	-	-	-	-	1,367,245	1,367,245	-	1,367,245
Deferred revenue - other, net of current	-	-	-	4,930,916	-	4,930,916	(1,086,400)	3,844,516
Refundable advance liability	-	3,426,320	-	-	-	3,426,320	-	3,426,320
Due to affiliates, net of current	-	-	-	-	6,267,457	6,267,457	(6,207,540)	59,917
Development fee payable, net of current	-	-	-	-	4,386,927	4,386,927	(3,711,579)	675,348
Notes and loans payable, net of current maturities and unamortized debt issuance costs of \$2,984,523	-	24,294,247	3,659,671	9,563,981	128,929,257	166,447,156	(12,340,189)	154,106,967
Miscellaneous long-term liabilities	-	66,021	-	-	531,658	597,679	-	597,679
Total long-term liabilities	176,946	27,803,024	3,689,647	14,625,792	150,188,280	196,483,689	(25,730,950)	170,752,739
Total liabilities	415,981	29,947,795	4,816,161	15,912,421	245,342,911	296,435,269	(35,532,002)	260,903,267

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Financial Position December 31, 2021

	<u>Liabilities and Net Assets</u>							
	<u>National Housing Trust</u>	<u>National Housing Trust CDF</u>	<u>Institute for Community Economics</u>	<u>NHT Communities</u>	<u>Real Estate Entities</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Commitments and contingencies	-	-	-	-	-	-	-	-
Net assets								
Net assets without donor restrictions	4,563,569	19,629,820	1,307,836	28,148,951	2,386,747	56,036,923	(13,263,237)	42,773,686
Net assets without donor restrictions - board designated	2,100,000	-	-	-	-	2,100,000	-	2,100,000
Net assets with donor restrictions	(19,139)	141,811	-	350,550	-	473,222	(124,583)	348,639
Total net assets before noncontrolling interest	6,644,430	19,771,631	1,307,836	28,499,501	2,386,747	58,610,145	(13,387,820)	45,222,325
Noncontrolling interest	-	-	-	-	19,935,827	19,935,827	-	19,935,827
Total net assets	6,644,430	19,771,631	1,307,836	28,499,501	22,322,574	78,545,972	(13,387,820)	65,158,152
Total liabilities and net assets	<u>\$ 7,060,411</u>	<u>\$ 49,719,426</u>	<u>\$ 6,123,997</u>	<u>\$ 44,411,922</u>	<u>\$ 267,665,485</u>	<u>\$ 374,981,241</u>	<u>\$ (48,919,822)</u>	<u>\$ 326,061,419</u>

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Activities Year Ended December 31, 2022

	Without donor restrictions							
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Total	Real Estate Entities	Eliminations	Subtotal
Support and revenue								
Grant income	\$ 25,000	\$ 2,589,912	\$ -	\$ -	\$ 2,614,912	\$ 221,992	\$ -	\$ 2,836,904
Contributions	22,459	-	61,633	25,000	109,092	-	-	109,092
Donated services	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	16,068,565	-	16,068,565
Tenant fees income	-	-	-	-	-	222,262	-	222,262
Entity fee income	-	-	-	609,894	609,894	67,550	(419,593)	257,851
Energy billing income	-	-	-	-	-	979,963	-	979,963
Developer fee income	-	-	-	794,701	794,701	-	(607,049)	187,652
Other income	151,795	5,377	-	1,122,373	1,279,545	160,565	(951,608)	488,502
Other loan fees	-	245,311	24,171	-	269,482	-	-	269,482
Unrealized gain on reserves	-	-	-	-	-	8,753	-	8,753
Interest income								
Loans receivable	-	1,828,267	276,052	371,793	2,476,112	247,293	(519,719)	2,203,686
Investment income (including a net realized and unrealized loss of \$1,285,025)	(539,450)	(54,490)	(11,975)	(439,922)	(1,045,837)	52,728	-	(993,109)
Net assets released from restrictions on grants								
Satisfaction of program restrictions on grants	479,857	141,811	-	4,518,358	5,140,026	-	-	5,140,026
Expiration of time restrictions on grants	185,339	-	-	-	185,339	-	-	185,339
Total revenue and support	325,000	4,756,188	349,881	7,002,197	12,433,266	18,029,671	(2,497,969)	27,964,968
Expenses								
Program services	1,635,212	2,437,923	184,529	3,728,189	7,985,853	29,208,625	(2,051,267)	35,143,211
Supporting services								
Management and general	319,741	170,010	40,186	944,595	1,474,532	-	-	1,474,532
Fundraising	53,905	60,668	24,901	215,516	354,990	-	-	354,990
Total expenses	2,008,858	2,668,601	249,616	4,888,300	9,815,375	29,208,625	(2,051,267)	36,972,733
Other income (expenses)								
Gain on sale of investment in limited liability company	-	-	-	4,548,956	4,548,956	2,925,396	(4,232,069)	3,242,283
Income from investment in limited liabilities companies and limited partnerships	-	-	-	(2,310,778)	(2,310,778)	1,550,671	2,362,286	1,602,179
Total other income (expenses)	-	-	-	2,238,178	2,238,178	4,476,067	(1,869,783)	4,844,462
Change in net assets from operations	(1,683,858)	2,087,587	100,265	4,352,075	4,856,069	(6,702,887)	(2,316,485)	(4,163,303)
Change in net assets attributable to noncontrolling interests	-	-	-	-	-	(7,788,650)	-	(7,788,650)
Change in net assets attributable to controlling interest	<u>\$ (1,683,858)</u>	<u>\$ 2,087,587</u>	<u>\$ 100,265</u>	<u>\$ 4,352,075</u>	<u>\$ 4,856,069</u>	<u>\$ 1,085,763</u>	<u>\$ (2,316,485)</u>	<u>\$ 3,625,347</u>

National Housing Trust and Affiliates

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Consolidating Statement of Activities Year Ended December 31, 2022

	With donor restrictions							
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics ("ICE")	NHT Communities	Total	Eliminations	Subtotal	Consolidated Total
Support and revenue								
Grant income	\$ 2,420,000	\$ 275,000	\$ -	\$ 4,599,859	\$ 7,294,859	\$ -	\$ 7,294,859	\$ 10,131,763
Contributions	-	-	-	-	-	-	-	109,092
Donated services	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	16,068,565
Tenant fees income	-	-	-	-	-	-	-	222,262
Entity fee income	-	-	-	-	-	-	-	257,851
Energy billing income	-	-	-	-	-	-	-	979,963
Developer fee income	-	-	-	-	-	-	-	187,652
Other income	-	-	-	-	-	-	-	488,502
Other loan fees	-	-	-	-	-	-	-	269,482
Unrealized gain on reserves	-	-	-	-	-	-	-	8,753
Interest income	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	2,203,686
Investment income (including a net realized and unrealized loss of \$1,285,025)	-	-	-	-	-	-	-	(993,109)
Net assets released from restrictions on grants								
Satisfaction of program restrictions on grants	(479,857)	(141,811)	-	(4,518,358)	(5,140,026)	-	(5,140,026)	-
Expiration of time restrictions on grants	(185,339)	-	-	-	(185,339)	-	(185,339)	-
Total revenue and support	<u>1,754,804</u>	<u>133,189</u>	<u>-</u>	<u>81,501</u>	<u>1,969,494</u>	<u>-</u>	<u>1,969,494</u>	<u>29,934,462</u>
Expenses								
Program services	-	-	-	-	-	-	-	35,143,211
Supporting services	-	-	-	-	-	-	-	1,474,532
Management and general	-	-	-	-	-	-	-	354,990
Fundraising	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,972,733</u>
Other income (expenses)								
Gain on sale of investment in limited liability company	-	-	-	-	-	-	-	3,242,283
Income from investment in limited liabilities companies and limited partnerships	-	-	-	-	-	-	-	1,602,179
Total other income (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,844,462</u>
Change in net assets from operations	<u>1,754,804</u>	<u>133,189</u>	<u>-</u>	<u>81,501</u>	<u>1,969,494</u>	<u>-</u>	<u>1,969,494</u>	<u>(2,193,809)</u>
Change in net assets attributable to noncontrolling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,788,650)</u>
Change in net assets attributable to controlling interest	<u>\$ 1,754,804</u>	<u>\$ 133,189</u>	<u>\$ -</u>	<u>\$ 81,501</u>	<u>\$ 1,969,494</u>	<u>\$ -</u>	<u>\$ 1,969,494</u>	<u>\$ 5,594,841</u>

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National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Activities Year Ended December 31, 2021

Without donor restrictions

	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Total	Real Estate Entities	Eliminations	Subtotal
Support and revenue								
Grant income	\$ 596,694	\$ 4,650,076	\$ -	\$ 457,431	\$ 5,704,201	\$ 55,940	\$ (35,000)	\$ 5,725,141
Contributions	640,184	-	207,434	82,268	929,886	-	(435,767)	494,119
Donated services	155,953	-	-	-	155,953	-	-	155,953
Rental income	-	-	-	-	-	15,157,889	-	15,157,889
Tenant fees income	-	-	-	-	-	128,231	-	128,231
Entity fee income	-	-	-	821,074	821,074	43,275	(484,361)	379,988
Energy billing income	-	-	-	-	-	944,770	-	944,770
Developer fee income	-	-	-	3,672,241	3,672,241	177,257	(2,600,761)	1,248,737
Other income	800,266	37,389	-	193,024	1,030,679	177,126	-	1,207,805
Other loan fees	-	49,077	8,577	-	57,654	-	-	57,654
Unrealized loss on reserves	-	-	-	-	-	29,004	-	29,004
Interest income								
Loans receivable	-	1,476,565	245,975	511,388	2,233,928	224,427	(593,605)	1,864,750
Investment income (including a net realized and unrealized gain of \$116,910)	447,992	50,589	23,818	109,787	632,186	79,760	-	711,946
Net assets released from restrictions on grants								
Satisfaction of program restrictions on grants	1,224,809	283,510	-	305,109	1,813,428	-	-	1,813,428
Expiration of time restrictions on grants	462,833	-	-	51,166	513,999	-	-	513,999
Total revenue and support	4,328,731	6,547,206	485,804	6,203,488	17,565,229	17,017,679	(4,149,494)	30,433,414
Expenses								
Program services	2,401,673	1,472,641	192,648	2,381,329	6,448,291	23,569,890	(1,542,732)	28,475,449
Supporting services								
Management and general	222,356	134,484	33,875	574,930	965,645	-	-	965,645
Fundraising	76,206	45,513	22,325	125,046	269,090	-	-	269,090
Total expenses	2,700,235	1,652,638	248,848	3,081,305	7,683,026	23,569,890	(1,542,732)	29,710,184
Other income (expenses)								
Loss on sale of investment in limited liability company	-	-	-	2,297,662	2,297,662	2,302,360	(2,302,357)	2,297,665
Income from investment in limited liabilities companies and limited partnerships	-	-	-	(1,570,700)	(1,570,700)	7,481	1,872,726	309,507
Total other income (expenses)	-	-	-	726,962	726,962	2,309,841	(429,631)	2,607,172
Change in net assets from operations	1,628,496	4,894,568	236,956	3,849,145	10,609,165	(4,242,370)	(3,036,393)	3,330,402
Change in net assets attributable to noncontrolling interests	-	-	-	-	-	(4,678,564)	-	(4,678,564)
Change in net assets attributable to controlling interest	\$ 1,628,496	\$ 4,894,568	\$ 236,956	\$ 3,849,145	\$ 10,609,165	\$ 436,194	\$ (3,036,393)	\$ 8,008,966

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Activities Year Ended December 31, 2021

With donor restrictions								
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics ("ICE")	NHT Communities	Total	Eliminations	Subtotal	Consolidated total
Support and revenue								
Grant income	\$ 327,806	\$ 200,000	\$ -	\$ 254,608	\$ 782,414	\$ -	\$ 782,414	\$ 6,507,555
Contributions	-	-	-	-	-	-	-	494,119
Donated services	-	-	-	-	-	-	-	155,953
Rental income	-	-	-	-	-	-	-	15,157,889
Tenant fees income	-	-	-	-	-	-	-	128,231
Entity fee income	-	-	-	-	-	-	-	379,988
Energy billing income	-	-	-	-	-	-	-	944,770
Developer fee income	-	-	-	-	-	-	-	1,248,737
Other income	-	-	-	-	-	-	-	1,207,805
Other loan fees	-	-	-	-	-	-	-	57,654
Unrealized loss on reserves	-	-	-	-	-	-	-	29,004
Interest income								
Loans receivable	-	-	-	-	-	-	-	1,864,750
Investment income (including a net realized and unrealized gain of \$116,910)	-	-	-	-	-	-	-	711,946
Net assets released from restrictions on grants								
Satisfaction of program restrictions on grants	(1,224,809)	(283,510)	-	(305,109)	(1,813,428)	-	(1,813,428)	-
Expiration of time restrictions on grants	(462,833)	-	-	(51,166)	(513,999)	-	(513,999)	-
Total revenue and support	(1,359,836)	(83,510)	-	(101,667)	(1,545,013)	-	(1,545,013)	28,888,401
Expenses								
Program services	-	-	-	-	-	-	-	28,475,449
Supporting services	-	-	-	-	-	-	-	965,645
Management and general Fundraising	-	-	-	-	-	-	-	269,090
Total expenses	-	-	-	-	-	-	-	29,710,184
Other income (expenses)								
Loss on sale of investment in limited liability company	-	-	-	-	-	-	-	2,297,665
Income from investment in limited liabilities companies and limited partnerships	-	-	-	-	-	-	-	309,507
Total other income (expenses)	-	-	-	-	-	-	-	2,607,172
Change in net assets from operations	(1,359,836)	(83,510)	-	(101,667)	(1,545,013)	-	(1,545,013)	1,785,389
Change in net assets attributable to noncontrolling interests	-	-	-	-	-	-	-	(4,678,564)
Change in net assets attributable to controlling interest	\$ (1,359,836)	\$ (83,510)	\$ -	\$ (101,667)	\$ (1,545,013)	\$ -	\$ (1,545,013)	\$ 6,463,953

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National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Changes in Net Assets Year Ended December 31, 2022

	Without donor restrictions									
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Subtotal	Real Estate Entities - controlling	Real Estate Entities - noncontrolling interest	Real Estate Entities - acquisition costs	Eliminations	Subtotal
Beginning net assets	\$ 6,663,569	\$ 19,629,820	\$ 1,307,836	\$ 28,148,951	\$ 55,750,176	\$ 2,559,785	\$ 19,935,827	\$ (173,038)	\$ (13,263,237)	\$ 64,809,513
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	3,998,802	-	-	3,998,802
Distribution - controlling interest	-	-	-	-	-	(1,125,701)	-	-	1,125,701	-
Distribution - noncontrolling interest	-	-	-	-	-	-	(108,039)	-	-	(108,039)
Transfer of interest - controlling interest	-	-	-	-	-	1,421,481	-	-	-	1,421,481
Transfer of interest - noncontrolling interest	-	-	-	-	-	-	(1,421,481)	-	-	(1,421,481)
Syndication costs - noncontrolling	-	-	-	-	-	-	(60,000)	-	-	(60,000)
Acquisition costs	-	-	-	-	-	-	-	(63,009)	-	(63,009)
Net assets attributable to controlling interest	(1,658,858)	2,087,587	100,265	4,352,075	4,881,069	1,085,763	-	-	(2,316,485)	3,650,347
Net assets attributable to noncontrolling interest	-	-	-	-	-	-	(7,788,650)	-	-	(7,788,650)
Ending net assets	<u>\$ 5,004,711</u>	<u>\$ 21,717,407</u>	<u>\$ 1,408,101</u>	<u>\$ 32,501,026</u>	<u>\$ 60,631,245</u>	<u>\$ 3,941,328</u>	<u>\$ 14,556,459</u>	<u>\$ (236,047)</u>	<u>\$ (14,454,021)</u>	<u>\$ 64,438,964</u>

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Changes in Net Assets Year Ended December 31, 2022

	With donor restrictions							Consolidated Total
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics ("ICE")	NHT Communities	Total	Eliminations	Subtotal	
Beginning net assets	\$ (19,139)	\$ 141,811	\$ -	\$ 350,550	\$ 473,222	\$ (124,583)	\$ 348,639	\$ 65,158,152
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	-	3,998,802
Distribution - controlling interest	-	-	-	-	-	-	-	-
Distribution - noncontrolling interest	-	-	-	-	-	-	-	(108,039)
	-	-	-	-	-	-	-	1,421,481
	-	-	-	-	-	-	-	(1,421,481)
Syndication costs - noncontrolling	-	-	-	-	-	-	-	(60,000)
Acquisition costs	-	-	-	-	-	-	-	(63,009)
Net assets attributable to controlling interest	1,729,804	133,189	-	81,501	1,944,494	-	1,944,494	5,594,841
Net assets attributable to noncontrolling interest	-	-	-	-	-	-	-	(7,788,650)
Ending net assets	<u>\$ 1,710,665</u>	<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ 432,051</u>	<u>\$ 2,417,716</u>	<u>\$ (124,583)</u>	<u>\$ 2,293,133</u>	<u>\$ 66,732,097</u>

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Consolidating Statement of Changes in Net Assets Year Ended December 31, 2021

	Without donor restrictions									
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics	NHT Communities	Subtotal	Real Estate Entities - controlling	Real Estate Entities - noncontrolling interest	Real Estate Entities - acquisition costs	Eliminations	Subtotal
Beginning net assets	\$ 5,035,073	\$ 14,735,252	\$ 1,070,880	\$ 24,299,806	\$ 45,141,011	\$ 5,420,589	\$ 19,963,967	\$ (173,038)	\$ (13,523,842)	\$ 56,828,687
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	4,786,451	-	-	4,786,451
Distribution - controlling interest	-	-	-	-	-	(3,296,998)	-	-	3,296,998	-
Distribution - noncontrolling interest	-	-	-	-	-	-	(125,604)	-	-	(125,604)
Syndication costs - noncontrolling	-	-	-	-	-	-	(10,423)	-	-	(10,423)
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Net assets attributable to controlling interest	1,628,496	4,894,568	236,956	3,849,145	10,609,165	436,194	-	-	(3,036,393)	8,008,966
Net assets attributable to noncontrolling interest	-	-	-	-	-	-	(4,678,564)	-	-	(4,678,564)
Ending net assets	<u>\$ 6,663,569</u>	<u>\$ 19,629,820</u>	<u>\$ 1,307,836</u>	<u>\$ 28,148,951</u>	<u>\$ 55,750,176</u>	<u>\$ 2,559,785</u>	<u>\$ 19,935,827</u>	<u>\$ (173,038)</u>	<u>\$ (13,263,237)</u>	<u>\$ 64,809,513</u>

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Changes in Net Assets Year Ended December 31, 2021

	With donor restrictions							Consolidated Total
	National Housing Trust	National Housing Trust CDF	Institute for Community Economics ("ICE")	NHT Communities	Total	Eliminations	Subtotal	
Beginning net assets	\$ 1,340,697	\$ 225,321	\$ -	\$ 452,217	\$ 2,018,235	\$ (124,583)	\$ 1,893,652	\$ 58,722,339
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	-	4,786,451
Distribution - controlling interest	-	-	-	-	-	-	-	-
Distribution - noncontrolling interest	-	-	-	-	-	-	-	(125,604)
Syndication costs - noncontrolling	-	-	-	-	-	-	-	(10,423)
Acquisition costs	-	-	-	-	-	-	-	-
Net assets attributable to controlling interest	(1,359,836)	(83,510)	-	(101,667)	(1,545,013)	-	(1,545,013)	6,463,953
Net assets attributable to noncontrolling interest	-	-	-	-	-	-	-	(4,678,564)
Ending net assets	<u>\$ (19,139)</u>	<u>\$ 141,811</u>	<u>\$ -</u>	<u>\$ 350,550</u>	<u>\$ 473,222</u>	<u>\$ (124,583)</u>	<u>\$ 348,639</u>	<u>\$ 65,158,152</u>

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Functional Expenses Year Ended December 31, 2022

	NHT program services	NHTCDF program services	ICE program services	NHTC program services	Real estate entities program services	Eliminations	Total program services
Salaries and wages	\$ 1,094,289	\$ -	\$ -	\$ -	\$ 2,468,132	\$ -	\$ 3,562,421
Professional fees	77,931	16,976	9,980	72,921	211,642	-	389,450
Supplies	4,538	667	150	3,159	-	-	8,514
Telephone	10,639	2,513	718	8,957	110,744	-	133,571
Postage	1,790	1,839	26	2,032	-	-	5,687
Rent	105,352	67,046	20,141	258,665	-	-	451,204
Ground lease	-	-	-	-	22,222	-	22,222
Travel and meetings	42,918	17,213	1,542	56,173	-	-	117,846
Depreciation	-	-	-	-	4,756,686	-	4,756,686
Amortization	-	-	-	-	30,839	-	30,839
Consultants	221,762	695,014	123,963	2,469,737	-	-	3,510,476
Office expense	75,893	34,736	8,738	361,113	1,465,716	(253,450)	1,692,746
Contributions	100	10,641	-	-	360,000	-	370,741
Utilities	-	-	-	-	2,471,375	-	2,471,375
Management fees	-	-	-	-	825,838	(38,504)	787,334
Provision for loan loss (gain) reserve	-	981,950	(59,405)	-	-	-	922,545
Bad debts	-	-	-	89,195	991,095	-	1,080,290
Insurance	-	-	-	-	1,715,181	-	1,715,181
Taxes	-	-	-	-	601,477	-	601,477
Interest	-	609,328	78,676	257,615	7,131,216	(426,616)	7,650,219
Repairs and maintenance	-	-	-	-	3,821,404	-	3,821,404
Grant expense	-	-	-	148,622	-	-	148,622
Miscellaneous financial expenses	-	-	-	-	2,225,058	(1,332,697)	892,361
Total	\$ 1,635,212	\$ 2,437,923	\$ 184,529	\$ 3,728,189	\$ 29,208,625	\$ (2,051,267)	\$ 35,143,211

National Housing Trust and Affiliates

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Consolidating Statement of Functional Expenses Year Ended December 31, 2022

	NHT management and general	NHTCDF management and general	ICE management and general	NHTC management and general	Eliminations	Total management and general
Salaries and wages	\$ 72,152	\$ -	\$ -	\$ -	\$ -	\$ 72,152
Professional fees	184,468	27,174	2,187	46,600	-	260,429
Supplies	299	107	33	842	-	1,281
Telephone	701	403	157	2,389	-	3,650
Postage	118	295	6	541	-	960
Rent	6,946	10,760	4,415	68,977	-	91,098
Ground lease	-	-	-	-	-	-
Travel and meetings	2,830	2,763	338	14,979	-	20,910
Depreciation	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Consultants	14,622	111,545	27,170	658,597	-	811,934
Office expense	5,004	5,575	1,914	96,297	-	108,790
Contributions	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Management fees	-	-	-	-	-	-
Provision for loan loss (gain) reserve	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Insurance	32,601	11,388	3,966	55,373	-	103,328
Taxes	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Grant expense	-	-	-	-	-	-
Miscellaneous financial expenses	-	-	-	-	-	-
Total	\$ 319,741	\$ 170,010	\$ 40,186	\$ 944,595	\$ -	\$ 1,474,532

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Functional Expenses Year Ended December 31, 2022

	NHT fundraising	NHTCDF fundraising	ICE fundraising	NHTC fundraising	Eliminations	Total fundraising	Consolidated total
Salaries and wages	\$ 36,075	\$ -	\$ -	\$ -	\$ -	\$ 36,075	\$ 3,670,648
Professional fees	2,569	-	1,504	4,861	-	8,934	658,813
Supplies	150	49	23	211	-	433	10,228
Telephone	351	186	108	597	-	1,242	138,463
Postage	59	136	4	135	-	334	6,981
Rent	3,473	4,966	3,035	17,244	-	28,718	571,020
Ground lease	-	-	-	-	-	-	22,222
Travel and meetings	1,415	1,275	232	3,745	-	6,667	145,423
Depreciation	-	-	-	-	-	-	4,756,686
Amortization	-	-	-	-	-	-	30,839
Consultants	7,311	51,483	18,679	164,649	-	242,122	4,564,532
Office expense	2,502	2,573	1,316	24,074	-	30,465	1,832,001
Contributions	-	-	-	-	-	-	370,741
Utilities	-	-	-	-	-	-	2,471,375
Management fees	-	-	-	-	-	-	787,334
Provision for loan loss (gain) reserve	-	-	-	-	-	-	922,545
Bad debts	-	-	-	-	-	-	1,080,290
Insurance	-	-	-	-	-	-	1,818,509
Taxes	-	-	-	-	-	-	601,477
Interest	-	-	-	-	-	-	7,650,219
Repairs and maintenance	-	-	-	-	-	-	3,821,404
Grant expense	-	-	-	-	-	-	148,622
Miscellaneous financial expenses	-	-	-	-	-	-	892,361
Total	\$ 53,905	\$ 60,668	\$ 24,901	\$ 215,516	\$ -	\$ 354,990	\$ 36,972,733

See Independent Auditor's Report.

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Supplementary Information

Consolidating Statement of Functional Expenses Year Ended December 31, 2021

	NHT program services	NHTCDF program services	ICE program services	NHTC program services	Real estate entities program services	Eliminations	Total program services
Salaries and wages	\$ 1,708,080	\$ -	\$ -	\$ -	\$ 2,530,442	\$ -	\$ 4,238,522
Professional fees	76,489	29,574	3,446	18,882	150,521	-	278,912
Supplies	2,849	228	37	529	-	-	3,643
Telephone	6,830	2,145	615	7,878	138,331	-	155,799
Postage	1,184	143	143	974	-	-	2,444
Rent	190,530	52,516	15,777	202,610	-	-	461,433
Ground lease	-	-	-	-	22,222	-	22,222
Travel and meetings	31,444	3,974	1,650	8,164	-	-	45,232
Depreciation	372	-	-	-	4,016,822	-	4,017,194
Amortization	-	-	-	-	17,623	-	17,623
Consultants	208,341	535,932	107,252	1,558,855	-	-	2,410,380
Office expense	85,479	19,482	19,230	77,803	397,791	-	599,785
Contributions	75	35,000	-	1,000	435,767	(435,767)	36,075
Utilities	-	-	-	-	1,918,507	-	1,918,507
Management fees	-	-	-	-	811,846	(41,295)	770,551
Provision for loan loss (gain) reserve	-	391,110	(34,653)	-	-	-	356,457
Loan loss recovery	-	-	-	-	-	-	-
Bad debts	-	-	62	62,554	615,926	-	678,542
Insurance	-	-	-	-	1,578,042	-	1,578,042
Taxes	-	-	-	-	417,987	-	417,987
Interest	-	402,537	79,089	334,444	5,141,262	(587,604)	5,369,728
Repairs and maintenance	-	-	-	-	4,312,368	-	4,312,368
Grant expense	90,000	-	-	107,636	-	(35,000)	162,636
Miscellaneous financial expenses	-	-	-	-	1,064,433	(443,066)	621,367
Total	\$ 2,401,673	\$ 1,472,641	\$ 192,648	\$ 2,381,329	\$ 23,569,890	\$ (1,542,732)	\$ 28,475,449

National Housing Trust and Affiliates

Supplementary Information

Consolidating Statement of Functional Expenses Year Ended December 31, 2021

	NHT management and general	NHTCDF management and general	ICE management and general	NHTC management and general	Eliminations	Total management and general
Salaries and wages	\$ 112,620	\$ -	\$ -	\$ -	\$ -	\$ 112,620
Professional fees	48,863	31,660	755	72,636	-	153,914
Supplies	188	37	8	141	-	374
Telephone	450	344	135	2,101	-	3,030
Postage	78	23	31	260	-	392
Rent	12,562	8,429	3,458	54,029	-	78,478
Ground lease	-	-	-	-	-	-
Travel and meetings	2,073	638	362	2,177	-	5,250
Depreciation	25	-	-	-	-	25
Amortization	-	-	-	-	-	-
Consultants	13,737	86,014	23,507	415,695	-	538,953
Office expense	5,636	3,127	4,215	20,747	-	33,725
Contributions	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Management fees	-	-	-	-	-	-
Provision for loan loss (gain) reserve	-	-	-	-	-	-
Loan loss recovery	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Insurance	26,124	4,212	1,404	7,144	-	38,884
Taxes	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Grant expense	-	-	-	-	-	-
Miscellaneous financial expenses	-	-	-	-	-	-
Total	\$ 222,356	\$ 134,484	\$ 33,875	\$ 574,930	\$ -	\$ 965,645

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Consolidating Statement of Functional Expenses Year Ended December 31, 2021

	NHT fundraising	NHTCDF fundraising	ICE fundraising	NHTC fundraising	Eliminations	Total fundraising	Consolidated total
Salaries and wages	\$ 56,310	\$ -	\$ -	\$ -	\$ -	\$ 56,310	\$ 4,407,452
Professional fees	2,522	-	519	1,259	-	4,300	437,126
Supplies	94	17	6	35	-	152	4,169
Telephone	225	159	93	525	-	1,002	159,831
Postage	39	11	22	65	-	137	2,973
Rent	6,281	3,890	2,377	13,507	-	26,055	565,966
Ground lease	-	-	-	-	-	-	22,222
Travel and meetings	1,037	294	249	544	-	2,124	52,606
Depreciation	12	-	-	-	-	12	4,017,231
Amortization	-	-	-	-	-	-	17,623
Consultants	6,868	39,699	16,161	103,924	-	166,652	3,115,985
Office expense	2,818	1,443	2,898	5,187	-	12,346	645,856
Contributions	-	-	-	-	-	-	36,075
Utilities	-	-	-	-	-	-	1,918,507
Management fees	-	-	-	-	-	-	770,551
Provision for loan loss (gain) reserve	-	-	-	-	-	-	356,457
Loan loss recovery	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	678,542
Insurance	-	-	-	-	-	-	1,616,926
Taxes	-	-	-	-	-	-	417,987
Interest	-	-	-	-	-	-	5,369,728
Repairs and maintenance	-	-	-	-	-	-	4,312,368
Grant expense	-	-	-	-	-	-	162,636
Miscellaneous financial expenses	-	-	-	-	-	-	621,367
Total	\$ 76,206	\$ 45,513	\$ 22,325	\$ 125,046	\$ -	\$ 269,090	\$ 29,710,184

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2022

<u>Assets</u>	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC	East River Preservation Partners, LLC	Mass Place Managing Member LLC
Current assets										
Cash	\$ 150,532	\$ 72,037	\$ 129,919	\$ 493,153	\$ 42,855	\$ -	\$ 185,985	\$ 577,928	\$ 136,633	\$ 509,550
Accounts receivable - tenants	25,322	32,541	55,367	-	8,047	-	18,028	28,638	82,052	107,699
Accounts receivable - other	15,929	7,289	29,289	15,665	1,277	-	3,276	551	-	161,131
Prepaid expenses	102,553	9,181	71,687	-	37,493	-	16,880	77,523	72,676	52,268
Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
Loans receivable - current maturities	-	-	-	-	-	-	-	-	-	-
Due from affiliates	-	-	-	-	-	-	-	-	50,050	-
Total current assets	294,336	121,048	286,262	508,818	89,672	-	224,169	684,640	341,411	830,648
Restricted deposits and funded reserves										
Tenant security deposits	46,222	-	35,315	124,750	42,083	-	-	-	69,219	-
Reserves and escrows	882,481	711,176	1,478,781	-	280,340	-	720,675	242,088	829,504	1,552,105
Total restricted deposits and funded reserves	928,703	711,176	1,514,096	124,750	322,423	-	720,675	242,088	898,723	1,552,105
Property and equipment										
Land and land improvements	1,757,938	978,387	2,026,924	-	482,610	-	4,131,681	1,991,050	4,510,000	6,334,777
Buildings and building improvements	12,634,428	8,267,293	19,345,159	-	4,032,353	-	14,039,032	3,808,715	8,978,303	28,134,703
Furniture and fixtures	232,083	79,798	349,502	-	595,898	-	165,379	162,705	20,859	50,779
Solar equipment	-	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-	-
	14,624,449	9,325,478	21,721,585	-	5,110,861	-	18,336,092	5,962,470	13,509,162	34,520,259
Less accumulated depreciation	(6,658,050)	(2,617,163)	(6,975,160)	-	(1,869,286)	-	(3,250,281)	(1,152,749)	(1,096,463)	(3,210,059)
Total property and equipment	7,966,399	6,708,315	14,746,425	-	3,241,575	-	15,085,811	4,809,721	12,412,699	31,310,200
Other assets										
Long-term investments in securities	-	-	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	2,479,413	-	-	-	-
Note receivable	-	-	-	-	-	6,636,099	-	-	-	-
Investment in limited liability companies	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Tax credit fees, net of accumulated amortization	-	14,541	-	-	-	-	44,516	-	-	56,712
Total other assets	-	14,541	-	-	-	9,115,512	44,516	-	-	56,712
Total assets	\$ 9,189,438	\$ 7,555,080	\$ 16,546,783	\$ 633,568	\$ 3,653,670	\$ 9,115,512	\$ 16,075,171	\$ 5,736,449	\$ 13,652,833	\$ 33,749,665

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2022

<u>Assets</u>	NHTE Opportunity Housing, LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	NHT Renewable of Delaware, LLC	Refinery Managing Member LLC	New Savannah Preservation Manager LLC	New Congress Heights Manager LLC	Northeast Heights Residential Partners LLC	MHV GP Preservation Partners LLC	Eliminations	Total Real Estate Entities
Current assets												
Cash	\$ 20,695	\$ 417,119	\$ 344,074	\$ -	\$ 1,550,464	\$ 83,676	\$ 399,347	\$ 127,796	\$ -	\$ 105,651	\$ -	\$ 5,347,414
Accounts receivable - tenants	-	70,939	69,013	-	506,024	7,150	68,213	-	-	656	-	1,079,689
Accounts receivable - other	-	27,279	2,470	40,309	-	(250)	43,509	-	-	24,527	-	372,251
Prepaid expenses	-	27,433	65,671	-	22,818	18,651	29,509	-	-	45,361	-	649,704
Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
Loans receivable - current maturities	-	-	-	-	425,000	-	-	-	-	-	-	425,000
Due from affiliates	-	-	-	-	5,597	-	-	-	-	-	-	55,647
Total current assets	20,695	542,770	481,228	40,309	2,509,903	109,227	540,578	127,796	-	176,195	-	7,929,705
Restricted deposits and funded reserves												
Tenant security deposits	-	80,991	30,036	-	-	35,500	45,984	-	-	21,680	-	531,780
Reserves and escrows	-	-	1,044,366	-	-	-	11,466,515	1,311,248	-	8,428,224	-	28,947,503
Total restricted deposits and funded reserves	-	80,991	1,074,402	-	-	35,500	11,512,499	1,311,248	-	8,449,904	-	29,479,283
Property and equipment												
Land and land improvements	-	3,979,362	460,467	-	-	1,172,648	345,856	12,900,000	7,651,830	371,576	-	49,095,106
Buildings and building improvements	-	32,184,996	6,849,971	-	-	9,644,059	18,776,748	-	-	1,765,898	-	168,461,658
Furniture and fixtures	-	112,781	1,145,118	-	-	238,395	128,837	-	-	39,647	-	3,321,781
Solar equipment	-	-	-	-	7,811,590	-	-	-	-	-	-	7,811,590
Construction in progress	-	-	-	-	37,270	-	-	1,745,821	88,396	1,430,314	(12,142)	3,289,659
Less accumulated depreciation	-	36,277,139	8,455,556	-	7,848,860	11,055,102	19,251,441	14,645,821	7,740,226	3,607,435	(12,142)	231,979,794
	-	(361,849)	(4,819,304)	-	(3,318,657)	(271,857)	(799,958)	-	-	(156,242)	-	(36,557,078)
Total property and equipment	-	35,915,290	3,636,252	-	4,530,203	10,783,245	18,451,483	14,645,821	7,740,226	3,451,193	(12,142)	195,422,716
Other assets												
Long-term investments in securities	-	-	-	-	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	-	8,775	-	-	-	-	-	-	8,775
Accrued interest receivable	180,000	-	-	37,942	43,090	-	-	-	-	-	(2,517,355)	223,090
Note receivable	4,000,000	-	-	2,440,000	546,288	-	-	-	-	-	(9,076,099)	4,546,288
Investment in limited liability companies	1,386,452	-	-	-	1,207,442	-	-	-	-	-	-	2,593,894
Other assets	-	-	-	-	-	-	2,473,955	-	-	-	-	2,473,955
Tax credit fees, net of accumulated amortization	-	124,306	-	-	-	133,679	51,357	-	-	48,000	-	473,111
Total other assets	5,566,452	124,306	-	2,477,942	1,805,595	133,679	2,525,312	-	-	48,000	(11,593,454)	10,319,113
Total assets	\$ 5,587,147	\$ 36,663,357	\$ 5,191,882	\$ 2,518,251	\$ 8,845,701	\$ 11,061,651	\$ 33,029,872	\$ 16,084,865	\$ 7,740,226	\$ 12,125,292	\$ (11,605,596)	\$ 243,150,817

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2022

Liabilities and Net Assets	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC	East River Preservation Partners, LLC	Mass Place Managing Member LLC
Current liabilities										
Accounts payable and accrued expenses	\$ 75,000	\$ 64,065	\$ 88,157	\$ 5,496	\$ 85,958	\$ -	\$ 127,700	\$ 74,570	\$ 282,051	\$ 123,940
Accrued interest payable	31,147	10,986	-	-	3,861	-	11,338	-	139,599	64,133
Deferred revenue - grants	2,573	45,940	-	-	-	-	-	-	-	-
Due to affiliates, current portion	-	-	-	-	-	-	-	-	-	-
Development fee payable	-	-	-	-	-	-	-	-	-	-
Prepaid rents	19,659	17,828	63,432	-	8,910	-	10,539	4,737	54,705	112,027
Loans and notes payable, current portion, less unamortized debt issuance costs	262,598	35,719	134,006	-	1,054,103	-	59,258	-	11,029,834	170,083
Construction costs payable	-	-	-	-	-	-	-	-	-	-
Miscellaneous current liabilities	1,711	-	-	-	-	-	-	-	2,691	-
Total current liabilities	392,688	174,538	285,595	5,496	1,152,832	-	208,835	79,307	11,508,880	470,183
Deposit liabilities										
Tenant security deposits held in trust	46,490	10,788	38,843	-	42,083	-	11,010	67,118	69,612	74,932
	46,490	10,788	38,843	-	42,083	-	11,010	67,118	69,612	74,932
Long-term liabilities										
Accrued interest, net of current	-	744,156	2,588,721	-	-	2,479,413	97,047	-	1,032,431	1,720,593
Deferred revenue - grants, less current portion	16,935	1,286,331	-	-	-	-	-	-	-	-
Due to affiliates, less current portion	625,660	100,974	7,024	-	129,165	-	11,124	6,300	921,676	2,539,159
Development fee payable, net of current	-	-	1,116,276	-	-	-	-	-	-	1,949,001
Loans and notes payable, less current portion and unamortized debt issuance costs	5,076,112	4,624,642	16,505,049	-	-	6,636,099	6,884,158	5,418,138	6,017,153	26,092,126
Miscellaneous long-term liabilities	-	-	-	274	-	-	-	2,708	-	-
Total long-term liabilities	5,718,707	6,756,103	20,217,070	274	129,165	9,115,512	6,992,329	5,427,146	7,971,260	32,300,879
Net assets										
Net assets without donor restrictions	3,031,553	(17,198)	(159)	627,798	2,329,590	-	(113,200)	159,670	(5,896,919)	(1,436,321)
Net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-
Total NHT Communities net assets	3,031,553	(17,198)	(159)	627,798	2,329,590	-	(113,200)	159,670	(5,896,919)	(1,436,321)
Noncontrolling interest	-	630,849	(3,994,566)	-	-	-	8,976,197	3,208	-	2,339,992
Total net assets	3,031,553	613,651	(3,994,725)	627,798	2,329,590	-	8,862,997	162,878	(5,896,919)	903,671
Total liabilities and net assets	\$ 9,189,438	\$ 7,555,080	\$ 16,546,783	\$ 633,568	\$ 3,653,670	\$ 9,115,512	\$ 16,075,171	\$ 5,736,449	\$ 13,652,833	\$ 33,749,665

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2022

Liabilities and Net Assets	NHTE Opportunity Housing, LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	NHT Renewable of Delaware, LLC	Refinery Managing Member LLC	New Savannah Preservation Manager LLC	New Congress Heights Manager LLC	Northeast Heights Residential Partners LLC	MHV GP Preservation Partners LLC	Eliminations	Total Real Estate Entities
Current liabilities												
Accounts payable and accrued expenses	\$ -	\$ 8,452	\$ 149,284	\$ 17,780	\$ 203,429	\$ 10,144	\$ 50,546	\$ 368,803	\$ -	\$ 149,599	\$ -	\$ 1,884,974
Accrued interest payable	-	-	28,311	-	-	41,079	52,581	-	-	-	-	383,035
Deferred revenue - grants	-	-	2,263	-	-	-	-	-	-	-	-	50,776
Due to affiliates, current portion	-	-	-	-	-	-	-	-	-	-	-	-
Development fee payable	-	1,451,662	-	-	-	401,434	-	-	-	-	-	1,853,096
Prepaid rents	-	18,426	27,663	-	-	11,346	11,994	-	-	1,096	-	362,362
Loans and notes payable, current portion, less unamortized debt issuance costs	-	16,277,130	55,289	-	265,385	-	18,816,721	-	-	-	-	48,160,126
Construction costs payable	-	2,756,990	-	-	-	-	836,208	-	-	86,620	-	3,679,818
Miscellaneous current liabilities	-	-	-	-	-	-	-	-	-	-	-	4,402
Total current liabilities	-	20,512,660	262,810	17,780	468,814	464,003	19,768,050	368,803	-	237,315	-	56,378,589
Deposit liabilities												
Tenant security deposits held in trust	-	82,154	30,529	-	-	36,000	45,984	-	-	17,852	-	573,395
	-	82,154	30,529	-	-	36,000	45,984	-	-	17,852	-	573,395
Long-term liabilities												
Accrued interest, net of current	286	765,229	-	-	30,905	-	594,022	-	-	158,405	(2,479,413)	7,731,795
Deferred revenue - grants, less current portion	-	-	13,203	-	-	-	-	-	-	-	-	1,316,469
Due to affiliates, less current portion	150,000	207,483	167,637	-	591,702	381,344	858,907	447,929	118,685	441,255	-	7,706,024
Development fee payable, net of current	-	-	-	-	-	573,905	1,712,000	-	-	330,478	-	5,681,660
Loans and notes payable, less current portion and unamortized debt issuance costs	5,226,612	10,277,634	5,002,713	-	2,981,612	6,751,776	9,988,112	15,268,133	7,621,541	11,209,439	(6,636,099)	144,944,950
Miscellaneous long-term liabilities	-	-	-	-	553,213	-	-	-	-	-	-	556,195
Total long-term liabilities	5,376,898	11,250,346	5,183,553	-	4,157,432	7,707,025	13,153,041	15,716,062	7,740,226	12,139,577	(9,115,512)	167,937,093
Net assets												
Net assets without donor restrictions	210,249	2,835,646	(285,010)	2,554,826	2,913,698	(68)	555,046	-	-	(1,037,789)	(2,490,084)	3,941,328
Net assets - acquisition costs	-	-	-	-	-	-	(173,038)	-	-	(63,009)	-	(236,047)
Total NHT Communities net assets	210,249	2,835,646	(285,010)	2,554,826	2,913,698	(68)	382,008	-	-	(1,100,798)	(2,490,084)	3,705,281
Noncontrolling interest	-	1,982,551	-	(54,355)	1,305,757	2,854,691	(319,211)	-	-	831,346	-	14,556,459
Total net assets	210,249	4,818,197	(285,010)	2,500,471	4,219,455	2,854,623	62,797	-	-	(269,452)	(2,490,084)	18,261,740
Total liabilities and net assets	\$ 5,587,147	\$ 36,663,357	\$ 5,191,882	\$ 2,518,251	\$ 8,845,701	\$ 11,061,651	\$ 33,029,872	\$ 16,084,865	\$ 7,740,226	\$ 12,125,292	\$ (11,605,596)	\$ 243,150,817

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2021

<u>Assets</u>	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC	NHT Renewable of Delaware, LLC	East River Preservation Partners, LLC
Current assets										
Cash	\$ 333,572	\$ 5,320	\$ 36,808	\$ 532,486	\$ 400	\$ -	\$ 199,832	\$ 458,726	\$ 1,800,269	\$ 218,180
Accounts receivable - tenants	6,404	2,358	28,069	43,943	67,734	-	17,015	5,595	89,860	61,182
Accounts receivable - other	12,814	-	9,777	4,349	14,012	-	-	2,134	30,803	-
Prepaid expenses	80,762	11,892	69,823	74,611	20,892	-	18,230	66,575	24,431	61,254
Accrued interest receivable	-	-	-	-	-	-	-	-	12,000	-
Loans receivable - current maturities	-	-	-	-	-	-	-	-	300,000	-
Due from affiliates	-	-	-	-	-	-	-	-	67,921	-
Total current assets	433,552	19,570	144,477	655,389	103,038	-	235,077	533,030	2,325,284	340,616
Restricted deposits and funded reserves										
Tenant security deposits	51,415	10,787	41,098	145,231	46,703	-	11,009	-	-	89,672
Reserves and escrows	1,036,462	399,987	1,567,219	299,679	330,940	-	685,205	239,937	-	278,851
Total restricted deposits and funded reserves	1,087,877	410,774	1,608,317	444,910	377,643	-	696,214	239,937	-	368,523
Property and equipment										
Land and land improvements	1,403,208	978,387	2,026,924	3,778,098	482,610	-	4,131,681	1,991,050	-	4,510,000
Buildings and building improvements	12,634,428	8,238,543	19,345,159	9,920,068	4,032,353	-	14,039,032	3,808,715	-	7,884,583
Furniture and fixtures	232,083	79,798	349,502	584,908	553,027	-	165,379	125,206	-	20,859
Solar equipment	-	-	-	-	-	-	-	-	7,811,590	-
Construction in progress	-	-	-	-	-	-	-	-	-	-
	14,269,719	9,296,728	21,721,585	14,283,074	5,067,990	-	18,336,092	5,924,971	7,811,590	12,415,442
Less accumulated depreciation	(6,326,981)	(2,392,217)	(6,398,841)	(3,041,939)	(1,717,888)	-	(2,870,778)	(1,047,245)	(2,678,057)	(895,088)
Total property and equipment	7,942,738	6,904,511	15,322,744	11,241,135	3,350,102	-	15,465,314	4,877,726	5,133,533	11,520,354
Other assets										
Long-term investments in securities	-	-	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	-	-	-	-	-	12,000	-
Accrued interest receivable	-	-	-	-	-	2,277,012	-	-	8,188	-
Note receivable	-	-	-	-	-	6,636,099	-	-	695,144	-
Investment in limited liability companies	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Tax credit fees, net of accumulated amortization	-	18,178	-	-	-	-	51,936	-	-	-
Total other assets	-	18,178	-	-	-	8,913,111	51,936	-	715,332	-
Total assets	\$ 9,464,167	\$ 7,353,033	\$ 17,075,538	\$ 12,341,434	\$ 3,830,783	\$ 8,913,111	\$ 16,448,541	\$ 5,650,693	\$ 8,174,149	\$ 12,229,493

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2021

<u>Assets</u>	Mass Place Managing Member LLC	NHTE Opportunity Housing, LLC	New Savannah Preservation Manager LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	Refinery Managing Member LLC	New Congress Heights Manager LLC	Eliminations	Total Real Estate Entities
Current assets										
Cash	\$ 731,893	\$ 84,941	\$ 231,410	\$ 141,626	\$ 162,076	\$ 114,878	\$ 776,004	\$ -	\$ -	\$ 5,828,421
Accounts receivable - tenants	127,542	-	88,268	-	50,902	42,793	-	-	-	631,665
Accounts receivable - other	1,515	-	26,634	7,810	41,304	154	-	-	-	151,306
Prepaid expenses	46,458	-	28,644	1,748	68,034	27,723	-	-	-	601,077
Accrued interest receivable	-	-	-	-	-	-	-	-	-	12,000
Loans receivable - current maturities	-	-	-	-	-	-	-	-	-	300,000
Due from affiliates	-	-	-	42,808	-	-	-	-	-	110,729
Total current assets	907,408	84,941	374,956	193,992	322,316	185,548	776,004	-	-	7,635,198
Restricted deposits and funded reserves										
Tenant security deposits	-	-	44,692	-	30,683	28,296	-	-	-	499,586
Reserves and escrows	17,741,859	-	11,625,951	19,430,889	582,116	933,975	-	1,311,248	-	56,464,318
Total restricted deposits and funded reserves	17,741,859	-	11,670,643	19,430,889	612,799	962,271	-	1,311,248	-	56,963,904
Property and equipment										
Land and land improvements	6,334,777	-	144,712	2,900,000	450,077	371,576	250,384	12,900,000	-	42,653,484
Buildings and building improvements	28,108,844	-	15,535,637	-	6,668,526	1,765,898	-	-	-	131,981,786
Furniture and fixtures	48,638	-	119,422	-	1,107,229	39,647	-	-	-	3,425,698
Solar equipment	-	-	-	-	-	-	-	-	-	7,811,590
Construction in progress	-	-	494,467	31,211,947	-	266,080	9,863,819	744,963	-	42,581,276
	34,492,259	-	16,294,238	34,111,947	8,225,832	2,443,201	10,114,203	13,644,963	-	228,453,834
Less accumulated depreciation	(2,486,889)	-	(345,206)	-	(4,639,324)	(104,853)	-	-	-	(34,945,306)
Total property and equipment	32,005,370	-	15,949,032	34,111,947	3,586,508	2,338,348	10,114,203	13,644,963	-	193,508,528
Other assets										
Long-term investments in securities	-	-	-	-	-	-	-	-	-	-
Entity fee receivable	-	-	-	-	-	-	-	-	-	12,000
Accrued interest receivable	-	40,000	-	-	69,789	-	-	-	(2,277,012)	117,977
Note receivable	-	4,000,000	-	-	861,579	-	-	-	(6,636,099)	5,556,723
Investment in limited liability companies	-	1,403,322	-	-	-	-	-	-	-	1,403,322
Other assets	-	-	2,172,222	-	-	-	-	-	-	2,172,222
Tax credit fees, net of accumulated amortization	60,091	-	53,749	-	-	-	111,657	-	-	295,611
Total other assets	60,091	5,443,322	2,225,971	-	931,368	-	111,657	-	(8,913,111)	9,557,855
Total assets	\$ 50,714,728	\$ 5,528,263	\$ 30,220,602	\$ 53,736,828	\$ 5,452,991	\$ 3,486,167	\$ 11,001,864	\$ 14,956,211	\$ (8,913,111)	\$ 267,665,485

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2021

Liabilities and Net Assets	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC	NHT Renewable of Delaware, LLC	East River Preservation Partners, LLC
Current liabilities										
Accounts payable and accrued expenses	\$ 76,985	\$ 9,395	\$ 112,885	\$ 124,810	\$ 30,946	\$ -	\$ 16,369	\$ 43,817	\$ 157,907	\$ 554,369
Accrued interest payable	29,929	10,974	1,542	-	4,038	-	16,253	-	-	8,995
Deferred revenue - grants	2,573	45,940	-	-	-	-	-	-	-	-
Due to affiliates, current portion	28,222	-	-	-	-	-	-	-	-	-
Development fee payable	-	-	-	-	-	-	-	-	-	-
Prepaid rents	17,512	2,251	37,199	7,889	50,067	-	9,575	1,756	-	4,310
Loans and notes payable, current portion, less unamortized debt issuance costs	247,127	43,548	117,370	-	48,275	-	56,206	-	257,470	7,861,966
Construction costs payable	-	-	-	-	-	-	-	-	-	-
Miscellaneous current liabilities	1,703	-	1,000	-	12,648	-	11	-	-	1,584
Total current liabilities	404,051	112,108	269,996	132,699	145,974	-	98,414	45,573	415,377	8,431,224
Deposit liabilities										
Tenant security deposits held in trust	50,515	7,688	36,999	143,208	50,427	-	9,681	64,093	-	80,456
	50,515	7,688	36,999	143,208	50,427	-	9,681	64,093	-	80,456
Long-term liabilities										
Accrued interest, net of current	-	660,295	2,342,843	2,675,335	-	2,277,012	7,885	-	201	836,559
Deferred revenue - grants, less current portion	19,508	1,332,271	-	-	-	-	-	-	-	-
Due to affiliates, less current portion	547,697	21,994	-	-	100,111	-	6,149	-	136,333	918,461
Development fee payable, net of current	-	-	1,116,276	-	-	-	-	-	-	-
Loans and notes payable, less current portion and unamortized debt issuance costs	5,308,632	4,094,109	16,617,721	11,354,793	1,050,258	6,636,099	6,935,793	5,418,138	3,990,840	6,005,098
Miscellaneous long-term liabilities	-	-	-	274	-	-	-	4,514	526,870	-
Total long-term liabilities	5,875,837	6,108,669	20,076,840	14,030,402	1,150,369	8,913,111	6,949,827	5,422,652	4,654,244	7,760,118
Net assets										
Net assets without donor restrictions	1,586,520	(17,147)	(147)	(1,964,875)	2,484,013	-	(113,153)	136,973	1,698,672	(4,042,305)
Net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-
Total NHT Communities net assets	1,586,520	(17,147)	(147)	(1,964,875)	2,484,013	-	(113,153)	136,973	1,698,672	(4,042,305)
Noncontrolling interest	1,547,244	1,141,715	(3,308,150)	-	-	-	9,503,772	(18,598)	1,405,856	-
Total net assets	3,133,764	1,124,568	(3,308,297)	(1,964,875)	2,484,013	-	9,390,619	118,375	3,104,528	(4,042,305)
Total liabilities and net assets	\$ 9,464,167	\$ 7,353,033	\$ 17,075,538	\$ 12,341,434	\$ 3,830,783	\$ 8,913,111	\$ 16,448,541	\$ 5,650,693	\$ 8,174,149	\$ 12,229,493

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Financial Position December 31, 2021

<u>Liabilities and Net Assets</u>	Mass Place Managing Member LLC	NHTE Opportunity Housing, LLC	New Savannah Preservation Manager LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	Refinery Managing Member LLC	New Congress Heights Manager LLC	Eliminations	Total Real Estate Entities
Current liabilities										
Accounts payable and accrued expenses	\$ 78,246	\$ -	\$ 137,336	\$ 16,896	\$ 169,105	\$ 19,054	\$ 1,051,210	\$ 510	\$ -	\$ 2,599,840
Accrued interest payable	-	-	22,041	-	18,185	-	-	-	-	111,957
Deferred revenue - grants	-	-	-	-	2,263	-	-	-	-	50,776
Due to affiliates, current portion	-	-	-	-	-	-	-	-	-	28,222
Development fee payable	-	-	-	-	-	-	-	-	-	-
Prepaid rents	83,783	-	55,735	-	26,848	6,376	-	-	-	303,301
Loans and notes payable, current portion, less unamortized debt issuance costs	15,975,667	-	15,189,434	32,447,929	4,396,078	3,300,000	-	2,500,000	-	82,441,070
Construction costs payable	-	-	4,168,601	4,811,941	-	-	11,428	-	-	8,991,970
Miscellaneous current liabilities	-	-	-	-	2,133	-	-	-	-	19,079
Total current liabilities	16,137,696	-	19,573,147	37,276,766	4,614,612	3,325,430	1,062,638	2,500,510	-	94,546,215
Deposit liabilities										
Tenant security deposits held in trust	75,106	-	39,141	-	30,106	20,996	-	-	-	608,416
	75,106	-	39,141	-	30,106	20,996	-	-	-	608,416
Long-term liabilities										
Accrued interest, net of current	1,398,368	-	318,619	462,888	-	-	-	2,743	(2,277,012)	8,705,736
Deferred revenue - grants, less current portion	-	-	-	-	15,466	-	-	-	-	1,367,245
Due to affiliates, less current portion	2,205,639	50,000	401,425	143,531	126,005	175,347	24,594	1,410,171	-	6,267,457
Development fee payable, net of current	2,340,000	-	-	-	-	-	930,651	-	-	4,386,927
Loans and notes payable, less current portion and unamortized debt issuance costs	25,887,851	5,226,612	9,664,157	10,842,606	-	-	5,489,862	11,042,787	(6,636,099)	128,929,257
Miscellaneous long-term liabilities	-	-	-	-	-	-	-	-	-	531,658
Total long-term liabilities	31,831,858	5,276,612	10,384,201	11,449,025	141,471	175,347	6,445,107	12,455,701	(8,913,111)	150,188,280
Net assets										
Net assets without donor restrictions	(1,436,143)	251,651	555,139	2,835,737	666,802	(81,948)	(4)	-	-	2,559,785
Net assets - acquisition costs	-	-	(173,038)	-	-	-	-	-	-	(173,038)
Total NHT Communities net assets	(1,436,143)	251,651	382,101	2,835,737	666,802	(81,948)	(4)	-	-	2,386,747
Noncontrolling interest	4,106,211	-	(157,988)	2,175,300	-	46,342	3,494,123	-	-	19,935,827
Total net assets	2,670,068	251,651	224,113	5,011,037	666,802	(35,606)	3,494,119	-	-	22,322,574
Total liabilities and net assets	\$ 50,714,728	\$ 5,528,263	\$ 30,220,602	\$ 53,736,828	\$ 5,452,991	\$ 3,486,167	\$ 11,001,864	\$ 14,956,211	\$ (8,913,111)	\$ 267,665,485

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2022

	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC
Rental income								
Rental income	\$ 2,268,833	\$ 507,237	\$ 1,373,360	\$ 642,125	\$ 781,416	\$ -	\$ 791,357	\$ 973,965
Less vacancies and concessions	(41,735)	(2,200)	(54,083)	(32,713)	(55,798)	-	(15,566)	(17,942)
Total rental income	2,227,098	505,037	1,319,277	609,412	725,618	-	775,791	956,023
Other income								
Grant income	-	-	-	-	-	-	-	-
Laundry and vending revenue	17,358	968	10,200	2,482	1,291	-	2,125	9,146
Tenant charges	39,344	(13,299)	4,158	4,599	6,785	-	1,575	4,055
Interest income	2,557	1,691	3,649	125	320	-	2,659	2,151
Interest on loans	-	-	-	-	-	202,401	-	-
Energy billing income	-	-	-	-	-	-	-	-
Entity fee income	-	-	-	-	-	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-
Miscellaneous income	3,872	45,916	10,010	8,088	20,790	-	-	1,711
Total other income	63,131	35,276	28,017	15,294	29,186	202,401	6,359	17,063
Total income	2,290,229	540,313	1,347,294	624,706	754,804	202,401	782,150	973,086
General expenses								
Administrative	523,594	94,930	323,202	182,525	271,712	-	241,732	154,056
Utilities	223,073	74,640	133,367	68,116	125,648	-	165,264	137,726
Operating and maintenance	269,756	49,025	220,217	217,841	139,597	-	145,536	268,621
Taxes and insurance	301,829	65,317	186,472	138,397	111,006	-	60,634	205,737
Depreciation	331,069	224,946	576,319	102,976	151,398	-	379,503	105,504
Amortization	-	3,637	-	-	-	-	7,420	-
Charitable contributions	-	-	-	-	-	-	-	-
Grant expense	-	-	-	-	-	-	-	-
Interest	369,701	219,597	421,677	18,386	50,242	202,401	231,493	-
Management fee expense	97,442	21,848	66,336	29,149	36,365	-	39,703	56,939
Ground lease expense	-	-	-	-	-	-	-	-
Miscellaneous financial expenses	171,342	297,290	106,132	-	23,259	-	38,487	-
Total general expenses	2,287,806	1,051,230	2,033,722	757,390	909,227	202,401	1,309,772	928,583
Other income (expenses)								
Gain on sale of investment in limited liability companies	-	-	-	2,925,396	-	-	-	-
Income from investment in limited liability companies and limited partnerships	-	-	-	-	-	-	-	-
Total other income (expenses)	-	-	-	2,925,396	-	-	-	-
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	2,423	(510,917)	(686,428)	2,792,712	(154,423)	-	(527,622)	44,503
Noncontrolling interest in (income) loss of real estate entities	125,763	510,866	686,416	-	-	-	527,575	(21,806)
Increase (decrease) in NHT Communities	\$ 128,186	\$ (51)	\$ (12)	\$ 2,792,712	\$ (154,423)	\$ -	\$ (47)	\$ 22,697

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2022

	East River Preservation Partners, LLC	Mass Place Managing Member LLC	NHTe Opportunity Housing, LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing	Mt. Hermon Village LLC	NHT Renewable of Delaware, LLC	Refinery Managing Member LLC
Rental income								
Rental income	\$ 2,236,574	\$ 2,505,990	\$ -	\$ 1,127,794	\$ 2,238,256	\$ 559,340	\$ -	\$ 355,058
Less vacancies and concessions	(386,290)	(108,562)	-	(387,430)	(140,704)	(146,381)	-	(72,281)
Total rental income	<u>1,850,284</u>	<u>2,397,428</u>	<u>-</u>	<u>740,364</u>	<u>2,097,552</u>	<u>412,959</u>	<u>-</u>	<u>282,777</u>
Other income								
Grant income	-	-	-	-	-	-	221,992	-
Laundry and vending revenue	-	23,060	-	-	-	655	-	-
Tenant charges	1,331	7,827	-	9,672	68,596	-	-	7,082
Interest income	39	97	-	589	56	-	-	10
Interest on loans	-	-	180,000	-	19,700	37,942	47,593	-
Energy billing income	-	-	-	-	-	-	979,963	-
Entity fee income	-	-	-	-	-	-	67,550	-
Unrealized gain (loss) on investments	-	-	-	8,753	-	-	-	-
Miscellaneous income	5,348	1,837	-	4,285	8,881	41,005	-	3,480
Total other income	<u>6,718</u>	<u>32,821</u>	<u>180,000</u>	<u>23,299</u>	<u>97,233</u>	<u>79,602</u>	<u>1,317,098</u>	<u>10,572</u>
Total income	<u>1,857,002</u>	<u>2,430,249</u>	<u>180,000</u>	<u>763,663</u>	<u>2,194,785</u>	<u>492,561</u>	<u>1,317,098</u>	<u>293,349</u>
General expenses								
Administrative	965,250	269,840	-	562,113	583,768	98,341	209,322	148,678
Utilities	560,427	375,692	-	90,457	236,979	37,761	-	26,659
Operating and maintenance	908,502	531,685	-	17,736	409,042	150,828	57,708	75,121
Taxes and insurance	171,559	173,862	-	45,690	316,534	105,158	258,530	43,322
Depreciation	201,375	723,170	-	361,849	179,980	25,694	640,600	271,857
Amortization	-	4,292	-	3,550	-	-	-	9,548
Charitable contributions	-	-	-	-	-	-	360,000	-
Grant expense	-	-	-	-	-	-	-	-
Interest	787,215	1,870,024	104,532	913,744	305,121	102,552	146,214	289,881
Management fee expense	62,799	98,967	-	47,148	113,065	31,259	37,299	33,879
Ground lease expense	-	-	-	-	-	-	-	-
Miscellaneous financial expenses	54,489	149,114	100,000	120,009	1,002,108	-	22,000	33,900
Total general expenses	<u>3,711,616</u>	<u>4,196,646</u>	<u>204,532</u>	<u>2,162,296</u>	<u>3,146,597</u>	<u>551,593</u>	<u>1,731,673</u>	<u>932,845</u>
Other income (expenses)								
Gain on sale of investment in limited liability companies	-	-	-	-	-	-	-	-
Income from investment in limited liability companies and limited partnerships	-	-	(16,870)	-	-	-	1,567,541	-
Total other income (expenses)	<u>-</u>	<u>-</u>	<u>(16,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,567,541</u>	<u>-</u>
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	(1,854,614)	(1,766,397)	(41,402)	(1,398,633)	(951,812)	(59,032)	1,152,966	(639,496)
Noncontrolling interest in (income) loss of real estate entities	-	1,766,219	-	1,398,542	-	30,697	62,060	639,432
Increase (decrease) in NHT Communities	<u>\$ (1,854,614)</u>	<u>\$ (178)</u>	<u>\$ (41,402)</u>	<u>\$ (91)</u>	<u>\$ (951,812)</u>	<u>\$ (28,335)</u>	<u>\$ 1,215,026</u>	<u>\$ (64)</u>

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2022

	New Savannah Preservation Manager LLC	New Congress Heights Manager LLC	Northeast Heights Residential Partners LLC	MHV GP Preservation Partners LLC	Eliminations	Total Real Estate Entities
Rental income						
Rental income	\$ 970,079	\$ -	\$ -	\$ 571,476	\$ -	\$ 17,902,860
Less vacancies and concessions	(175,633)	-	-	(196,977)	-	(1,834,295)
Total rental income	794,446	-	-	374,499	-	16,068,565
Other income						
Grant income	-	-	-	-	-	221,992
Laundry and vending revenue	3,466	-	-	739	-	71,490
Tenant charges	9,047	-	-	-	-	150,772
Interest income	38,660	-	-	125	-	52,728
Interest on loans	-	-	-	-	(240,343)	247,293
Energy billing income	-	-	-	-	-	979,963
Entity fee income	-	-	-	-	-	67,550
Unrealized gain (loss) on investments	-	-	-	-	-	8,753
Miscellaneous income	411	-	-	4,931	-	160,565
Total other income	51,584	-	-	5,795	(240,343)	1,961,106
Total income	846,030	-	-	380,294	(240,343)	18,029,671
General expenses						
Administrative	458,932	-	-	167,484	-	5,255,479
Utilities	173,871	-	-	41,695	-	2,471,375
Operating and maintenance	158,225	-	-	186,840	-	3,806,280
Taxes and insurance	96,161	-	-	36,450	-	2,316,658
Depreciation	454,752	-	-	25,694	-	4,756,686
Amortization	2,392	-	-	-	-	30,839
Charitable contributions	-	-	-	-	-	360,000
Grant expense	-	-	-	-	-	-
Interest	1,079,617	-	-	221,220	(202,401)	7,131,216
Management fee expense	31,362	-	-	22,278	-	825,838
Ground lease expense	22,222	-	-	-	-	22,222
Miscellaneous financial expenses	55,865	-	-	58,037	-	2,232,032
Total general expenses	2,533,399	-	-	759,698	(202,401)	29,208,625
Other income (expenses)						
Gain on sale of investment in limited liability companies	-	-	-	-	-	2,925,396
Income from investment in limited liability companies and limited partnerships	-	-	-	-	-	1,550,671
Total other income (expenses)	-	-	-	-	-	4,476,067
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	(1,687,369)	-	-	(379,404)	(37,942)	(6,702,887)
Noncontrolling interest in (income) loss of real estate entities	1,687,276	-	-	375,610	-	7,788,650
Increase (decrease) in NHT Communities	\$ (93)	\$ -	\$ -	\$ (3,794)	\$ (37,942)	\$ 1,085,763

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2021

	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	NHTE Landfair, LLC
Rental income								
Rental income	\$ 2,228,090	\$ 490,522	\$ 1,352,400	\$ 1,370,731	\$ 783,555	\$ -	\$ 783,872	\$ 327,197
Less vacancies and concessions	(26,912)	(2,934)	(60,185)	(71,007)	(35,880)	-	(9,817)	(3,563)
Total rental income	2,201,178	487,588	1,292,215	1,299,724	747,675	-	774,055	323,634
Other income								
Grant income	-	45,940	-	-	-	-	-	-
Loan origination fees	-	-	-	-	-	-	-	-
Laundry and vending revenue	15,314	2,714	9,350	7,755	1,924	-	6,075	-
Tenant charges	27,842	135	3,233	2,899	260	-	372	8,160
Interest income	642	309	541	239	314	-	473	51
Interest on loans	-	-	-	-	-	202,401	-	-
Energy billing income	-	-	-	-	-	-	-	-
Entity fee income	-	-	-	-	-	-	-	-
Developer fee income	-	-	-	-	-	-	-	-
Cancellation of debt income	-	-	-	-	-	-	-	-
Income from investment in limited liability companies	-	-	-	-	-	-	-	-
Master lease income	-	-	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-	-	-
Miscellaneous income	5,869	58	19,933	3	15,195	-	(474)	10,867
Total other income	49,667	49,156	33,057	10,896	17,693	202,401	6,446	19,078
Total income	2,250,845	536,744	1,325,272	1,310,620	765,368	202,401	780,501	342,712
General expenses								
Administrative	507,686	102,102	355,449	356,340	149,772	-	173,291	79,302
Utilities	194,672	50,825	131,586	144,200	95,432	-	125,961	2,691
Operating and maintenance	285,175	64,577	265,419	244,527	290,722	-	125,427	83,881
Taxes and insurance	299,528	68,261	151,604	206,685	90,099	-	52,061	97,316
Depreciation	357,718	228,921	592,347	254,796	145,409	-	379,503	16,765
Amortization	-	3,637	2,274	-	-	-	7,420	-
Charitable contributions	75,767	-	-	-	-	-	-	-
Grant expense	-	-	-	-	-	-	-	-
Interest	381,592	216,273	484,529	40,370	52,267	202,401	198,262	49,831
Management fee expense	96,642	22,960	70,876	61,917	40,825	-	43,319	17,171
Ground lease expense	-	-	-	-	-	-	-	-
Miscellaneous financial expenses	167,452	10,438	51,485	8,910	22,307	-	8,984	-
Total general expenses	2,366,232	767,994	2,105,569	1,317,745	886,833	202,401	1,114,228	346,957
Other income (expenses)								
Gain on sale of investment in limited liability companies	-	-	-	-	-	-	-	2,300,889
Income from investment in limited liability companies and limited partnerships	-	-	-	-	-	-	-	-
Total other income (expenses)	-	-	-	-	-	-	-	2,300,889
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	(115,387)	(231,250)	(780,297)	(7,125)	(121,465)	-	(333,727)	2,296,644
Noncontrolling interest in (income) loss of real estate entities	71,840	231,227	780,282	-	-	-	333,697	-
Increase (decrease) in NHT Communities	\$ (43,547)	\$ (23)	\$ (15)	\$ (7,125)	\$ (121,465)	\$ -	\$ (30)	\$ 2,296,644

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2021

	Tequesta Knoll, LLC	NHTE-William Booth Tower GP, LLC	NHT Renewable of Delaware, LLC	East River Preservation Partners, LLC	Mass Place Managing Member LLC	NHTE Opportunity Housing, LLC	New Savannah Preservation Manager LLC	Liberty Place Managing Member LLC
Rental income								
Rental income	\$ 933,412	\$ -	\$ -	\$ 2,353,120	\$ 2,453,728	\$ -	\$ 793,797	\$ -
Less vacancies and concessions	(16,672)	-	-	(752,190)	(221,105)	-	(269,393)	-
Total rental income	916,740	-	-	1,600,930	2,232,623	-	524,404	-
Other income								
Grant income	-	-	10,000	-	-	-	-	-
Loan origination fees	-	-	-	-	-	-	-	-
Laundry and vending revenue	11,593	-	-	-	18,841	-	-	-
Tenant charges	2,125	-	-	451	1,827	-	50	-
Interest income	120	-	-	338	45,791	-	24,819	6,095
Interest on loans	-	-	41,164	-	-	160,000	-	-
Energy billing income	-	-	944,770	-	-	-	-	-
Entity fee income	-	-	43,275	-	-	-	-	-
Developer fee income	-	-	177,257	-	-	-	-	-
Cancellation of debt income	-	-	-	-	-	-	-	-
Income from investment in limited liability companies	-	-	-	-	-	-	-	-
Master lease income	-	-	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-	29,004	-
Miscellaneous income	4,312	-	-	605	34,807	-	37,146	-
Total other income	18,150	-	1,216,466	1,394	101,266	160,000	91,019	6,095
Total income	934,890	-	1,216,466	1,602,324	2,333,889	160,000	615,423	6,095
General expenses								
Administrative	120,709	3	224,284	745,867	420,513	-	172,189	-
Utilities	127,168	-	-	276,427	309,990	-	221,232	-
Operating and maintenance	317,227	-	74,997	867,742	585,481	-	363,616	36,472
Taxes and insurance	171,227	-	70,598	151,907	184,471	-	64,990	-
Depreciation	113,027	-	654,906	202,608	715,894	-	121,680	-
Amortization	-	-	-	-	4,292	-	-	-
Charitable contributions	-	-	360,000	-	-	-	-	-
Grant expense	-	-	-	-	-	-	-	-
Interest	-	-	165,596	422,828	1,645,329	104,532	783,911	86,135
Management fee expense	55,727	-	44,053	68,210	89,617	-	24,629	-
Ground lease expense	-	-	-	-	-	-	22,222	-
Miscellaneous financial expenses	-	-	22,333	281,063	248,751	100,000	44,421	580
Total general expenses	905,085	3	1,616,767	3,016,652	4,204,338	204,532	1,818,890	123,187
Other income (expenses)								
Gain on sale of investment in limited liability companies	-	1,471	-	-	-	-	-	-
Income from investment in limited liability companies and limited partnerships	-	-	8,955	-	-	(1,474)	-	-
Total other income (expenses)	-	1,471	8,955	-	-	(1,474)	-	-
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	29,805	1,468	(391,346)	(1,414,328)	(1,870,449)	(46,006)	(1,203,467)	(117,092)
Noncontrolling interest in (income) loss of real estate entities	(14,604)	-	76,449	-	1,870,263	-	1,203,401	117,084
Increase (decrease) in NHT Communities	\$ 15,201	\$ 1,468	\$ (314,897)	\$ (1,414,328)	\$ (186)	\$ (46,006)	\$ (66)	\$ (8)

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Activities Year Ended December 31, 2021

	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	Refinery Managing Member LLC	New Congress Heights Manager LLC	Eliminations	Total Real Estate Entities
Rental income						
Rental income	\$ 1,953,716	\$ 1,103,623	\$ -	\$ -	\$ -	\$ 16,927,763
Less vacancies and concessions	(102,206)	(198,010)	-	-	-	(1,769,874)
Total rental income	<u>1,851,510</u>	<u>905,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,157,889</u>
Other income						
Grant income	-	-	-	-	-	55,940
Loan origination fees	-	-	-	-	-	-
Laundry and vending revenue	-	1,340	-	-	-	74,906
Tenant charges	5,971	-	-	-	-	53,325
Interest income	28	-	-	-	-	79,760
Interest on loans	23,263	-	-	-	(202,401)	224,427
Energy billing income	-	-	-	-	-	944,770
Entity fee income	-	-	-	-	-	43,275
Developer fee income	-	-	-	-	-	177,257
Cancellation of debt income	-	-	-	-	-	-
Income from investment in limited liability companies	-	-	-	-	-	-
Master lease income	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	29,004
Miscellaneous income	10,791	38,014	-	-	-	177,126
Total other income	<u>40,053</u>	<u>39,354</u>	<u>-</u>	<u>-</u>	<u>(202,401)</u>	<u>1,859,790</u>
Total income	<u>1,891,563</u>	<u>944,967</u>	<u>-</u>	<u>-</u>	<u>(202,401)</u>	<u>17,017,679</u>
General expenses						
Administrative	203,089	203,166	-	-	-	3,813,762
Utilities	171,214	67,109	-	-	-	1,918,507
Operating and maintenance	479,429	246,925	-	-	-	4,331,617
Taxes and insurance	308,957	78,325	-	-	-	1,996,029
Depreciation	183,647	49,601	-	-	-	4,016,822
Amortization	-	-	-	-	-	17,623
Charitable contributions	-	-	-	-	-	435,767
Grant expense	-	-	-	-	-	-
Interest	277,718	232,089	-	-	(202,401)	5,141,262
Management fee expense	127,203	48,697	-	-	-	811,846
Ground lease expense	-	-	-	-	-	22,222
Miscellaneous financial expenses	78,873	-	18,836	-	-	1,064,433
Total general expenses	<u>1,830,130</u>	<u>925,912</u>	<u>18,836</u>	<u>-</u>	<u>(202,401)</u>	<u>23,569,890</u>
Other income (expenses)						
Gain on sale of investment in limited liability companies	-	-	-	-	-	2,302,360
Income from investment in limited liability companies and limited partnerships	-	-	-	-	-	7,481
Total other income (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309,841</u>
Increase (decrease) in net assets before noncontrolling interest in income (loss) of real estate entities	61,433	19,055	(18,836)	-	-	(4,242,370)
Noncontrolling interest in (income) loss of real estate entities	-	(9,909)	18,834	-	-	4,678,564
Increase (decrease) in NHT Communities	<u>\$ 61,433</u>	<u>\$ 9,146</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,194</u>

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Changes in Net Assets Year Ended December 31, 2022

	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	Tequesta Knoll, LLC	East River Preservation Partners, LLC	Mass Place Managing Member LLC
Net assets	\$ 3,133,764	\$ 1,124,568	\$ (3,308,298)	\$ (1,964,875)	\$ 2,484,013	\$ -	\$ 9,390,619	\$ 118,375	\$ (4,042,305)	\$ 2,670,068
Beginning net assets - controlling interest	1,586,520	(17,147)	(148)	(1,964,875)	2,484,013	-	(113,153)	136,973	(4,042,305)	(1,436,143)
Beginning net assets - noncontrolling interest	1,547,244	1,141,715	(3,308,150)	-	-	-	9,503,772	(18,598)	-	4,106,211
Beginning net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Distribution - controlling interest	(104,634)	-	-	(200,039)	-	-	-	-	-	-
Distribution - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Transfer of net assets - controlling interest	1,421,481	-	-	-	-	-	-	-	-	-
Transfer of net assets - noncontrolling interest	(1,421,481)	-	-	-	-	-	-	-	-	-
Net assets attributable to controlling interest	128,186	(51)	(12)	2,792,712	(154,423)	-	(47)	22,697	(1,854,614)	(178)
Net assets attributable to noncontrolling interest	(125,763)	(510,866)	(686,416)	-	-	-	(527,575)	21,806	-	(1,766,219)
Syndication costs - noncontrolling interest	-	-	-	-	-	-	-	-	-	-
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Ending net assets - controlling interest	3,031,553	(17,198)	(160)	627,798	2,329,590	-	(113,200)	159,670	(5,896,919)	(1,436,321)
Ending net assets - noncontrolling interest	-	630,849	(3,994,566)	-	-	-	8,976,197	3,208	-	2,339,992
Ending net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-
Total net assets	\$ 3,031,553	\$ 613,651	\$ (3,994,726)	\$ 627,798	\$ 2,329,590	\$ -	\$ 8,862,997	\$ 162,878	\$ (5,896,919)	\$ 903,671

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Changes in Net Assets Year Ended December 31, 2022

	NHTE Opportunity Housing, LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	NHT Renewable of Delaware, LLC	Refinery Managing Member LLC	New Savannah Preservation Manager LLC	New Congress Heights Manager LLC	Northeast Heights Residential	MHV Preservation Partners	Eliminations	Total Real Estate Entities
Net assets	\$ 251,651	\$ 5,011,038	\$ 666,802	\$ (35,606)	\$ 3,104,528	\$ 3,494,119	\$ 224,113	\$ -	\$ -	\$ -	\$ -	\$ 22,322,574
Beginning net assets - controlling interest	251,651	2,835,738	666,802	(81,948)	1,698,672	(4)	555,139	-	-	-	-	2,559,785
Beginning net assets - noncontrolling interest	-	2,175,300	-	46,342	1,405,856	3,494,123	(157,988)	-	-	-	-	19,935,827
Beginning net assets - acquisition costs	-	-	-	-	-	-	(173,038)	-	-	-	-	(173,038)
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	2,452,142	(2,452,142)	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	1,205,793	-	-	-	-	1,526,053	-	-	1,266,956	-	3,998,802
Distribution - controlling interest	-	-	-	(821,028)	-	-	-	-	-	-	-	(1,125,701)
Distribution - noncontrolling interest	-	-	-	(70,000)	(38,039)	-	-	-	-	-	-	(108,039)
Transfer of net assets - controlling interest	-	-	-	3,486,137	-	-	-	-	-	(3,486,137)	-	1,421,481
Transfer of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	(1,421,481)
Net assets attributable to controlling interest	(41,402)	(91)	(951,812)	(28,335)	1,215,026	(64)	(93)	-	-	(3,794)	(37,942)	1,085,763
Net assets attributable to noncontrolling interest	-	(1,398,542)	-	(30,697)	(62,060)	(639,432)	(1,687,276)	-	-	(375,610)	-	(7,788,650)
Syndication costs - noncontrolling interest	-	-	-	-	-	-	-	-	-	(60,000)	-	(60,000)
Acquisition costs - controlling interest	-	-	-	-	-	-	-	-	-	(63,009)	-	(63,009)
Ending net assets - controlling interest	210,249	2,835,647	(285,010)	2,554,826	2,913,698	(68)	555,046	-	-	(1,037,789)	(2,490,084)	3,941,328
Ending net assets - noncontrolling interest	-	1,982,551	-	(54,355)	1,305,757	2,854,691	(319,211)	-	-	831,346	-	14,556,459
Ending net assets - acquisition costs	-	-	-	-	-	-	(173,038)	-	-	(63,009)	-	(236,047)
Total net assets	<u>\$ 210,249</u>	<u>\$ 4,818,198</u>	<u>\$ (285,010)</u>	<u>\$ 2,500,471</u>	<u>\$ 4,219,455</u>	<u>\$ 2,854,623</u>	<u>\$ 62,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (269,452)</u>	<u>\$ (2,490,084)</u>	<u>\$ 18,261,740</u>

See Independent Auditor's Report.

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Changes in Net Assets Year Ended December 31, 2021

	NHTE Fredericksburg Affordable Housing, LLC	NHTE Kenyon Street Preservation, LLC	NHTE Poppleton, LLC	NHTE Southpoint, LLC	NHTE Copeland Manor, LLC	NHTE Baltimore Affordable Housing, LLC	Ward 1 Housing, LLC	NHTE Landfair, LLC	Tequesta Knoll, LLC	NHTE-William Booth Tower GP, LLC	NHT Renewable of Delaware, LLC
Net assets	\$ 3,249,151	\$ 1,355,818	\$ (2,528,001)	\$ (1,856,751)	\$ 2,605,478	\$ -	\$ 9,758,389	\$ 603,176	\$ 286,286	\$ -	\$ 3,522,620
Beginning net assets - controlling interest	1,630,067	(17,124)	(133)	(1,856,751)	2,605,478	-	(79,080)	603,176	220,630	-	2,013,569
Beginning net assets - noncontrolling interest	1,619,084	1,372,942	(2,527,868)	-	-	-	9,837,469	-	65,656	-	1,509,051
Beginning net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-
Distribution - controlling interest	-	-	-	(100,999)	-	-	(34,043)	(2,899,820)	(98,858)	(1,468)	-
Distribution - noncontrolling interest	-	-	-	-	-	-	-	-	(98,858)	-	(26,746)
Net assets attributable to controlling interest	(43,547)	(23)	(15)	(7,125)	(121,465)	-	(30)	2,296,644	15,201	1,468	(314,897)
Net assets attributable to noncontrolling interest	(71,840)	(231,227)	(780,282)	-	-	-	(333,697)	-	14,604	-	(76,449)
Syndication costs - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Ending net assets - controlling interest	1,586,520	(17,147)	(148)	(1,964,875)	2,484,013	-	(113,153)	-	136,973	-	1,698,672
Ending net assets - noncontrolling interest	1,547,244	1,141,715	(3,308,150)	-	-	-	9,503,772	-	(18,598)	-	1,405,856
Ending net assets - acquisition costs	-	-	-	-	-	-	-	-	-	-	-
Total net assets	\$ 3,133,764	\$ 1,124,568	\$ (3,308,298)	\$ (1,964,875)	\$ 2,484,013	\$ -	\$ 9,390,619	\$ -	\$ 118,375	\$ -	\$ 3,104,528

National Housing Trust and Affiliates

Supplementary Information

Combining Schedule of Real Estate Entities - Statement of Changes in Net Assets Year Ended December 31, 2021

	East River Preservation Partners, LLC	Mass Place Managing Member LLC	NHTE Opportunity Housing, LLC	New Savannah Preservation Manager LLC	Liberty Place Managing Member LLC	Belton Woods Housing Company/Belton Woods Housing II LLC	Mt. Hermon Village LLC	Refinery Managing Member LLC	New Congress Heights Manager LLC	Eliminations	Total Real Estate Entities
Net assets	\$ (2,627,977)	\$ 1,958,484	\$ 297,657	\$ 1,427,580	\$ 4,898,072	\$ 642,454	\$ 70,064	\$ 1,549,018	\$ -	\$ -	\$ 25,211,518
Beginning net assets - controlling interest	(2,627,977)	(1,435,957)	297,657	555,205	2,835,746	642,454	33,631	(2)	-	-	5,420,589
Beginning net assets - noncontrolling interest	-	3,394,441	-	1,045,413	2,062,326	-	36,433	1,549,020	-	-	19,963,967
Beginning net assets - acquisition costs	-	-	-	(173,038)	-	-	-	-	-	-	(173,038)
Assumption of net assets - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Assumption of net assets - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-
Contribution - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Contribution - noncontrolling interest	-	2,582,033	-	-	230,058	-	-	1,974,360	-	-	4,786,451
Distribution - controlling interest	-	-	-	-	-	(37,085)	(124,725)	-	-	-	(3,296,998)
Distribution - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	(125,604)
Net assets attributable to controlling interest	(1,414,328)	(186)	(46,006)	(66)	(8)	61,433	9,146	(2)	-	-	436,194
Net assets attributable to noncontrolling interest	-	(1,870,263)	-	(1,203,401)	(117,084)	-	9,909	(18,834)	-	-	(4,678,564)
Syndication costs - noncontrolling interest	-	-	-	-	-	-	-	(10,423)	-	-	(10,423)
Acquisition costs - controlling interest	-	-	-	-	-	-	-	-	-	-	-
Ending net assets - controlling interest	(4,042,305)	(1,436,143)	251,651	555,139	2,835,738	666,802	(81,948)	(4)	-	-	2,559,785
Ending net assets - noncontrolling interest	-	4,106,211	-	(157,988)	2,175,300	-	46,342	3,494,123	-	-	19,935,827
Ending net assets - acquisition costs	-	-	-	(173,038)	-	-	-	-	-	-	(173,038)
Total net assets	\$ (4,042,305)	\$ 2,670,068	\$ 251,651	\$ 224,113	\$ 5,011,038	\$ 666,802	\$ (35,606)	\$ 3,494,119	\$ -	\$ -	\$ 22,322,574

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